

Net Balance

Business confidence for next 12 months (net balance)

Northern Territory + 48% ↑ 5 ppt

Australia + 30% ↑ 18 ppt

NB: The net balance is defined as the difference between the percentage of positive and negative responses.

Next 12 Months

Business confidence increased in the Territory in the May quarter 2009. A net balance of 48% of Territory Small and Medium Enterprises (SMEs) remain confident about the next 12 months compared to a net balance of 30% nationally. Business confidence in the Territory has exceeded or equalled that reported nationally since the November quarter 2004 (see Chart 1). In the May quarter 2009, the Territory reported an increase of five percentage points from the previous quarter, compared with an increase of 18 percentage points nationally. The Territory recorded the highest net balance in business confidence (48%) of all the jurisdictions (see Chart 2). The remaining jurisdictions reported the following net balances; Western Australia (35%), Victoria (35%), South Australia (33%), Queensland (32%), Tasmania (32%), Australian Capital Territory (27%), and New South Wales (20%).

Last 3 Months

In the Territory in the February quarter 2009 actual experience was better than expected for 'sales value', 'size of workforce', 'wages bill', 'profitability' and 'capital expenditure' (see Chart 3).

Next 3 Months

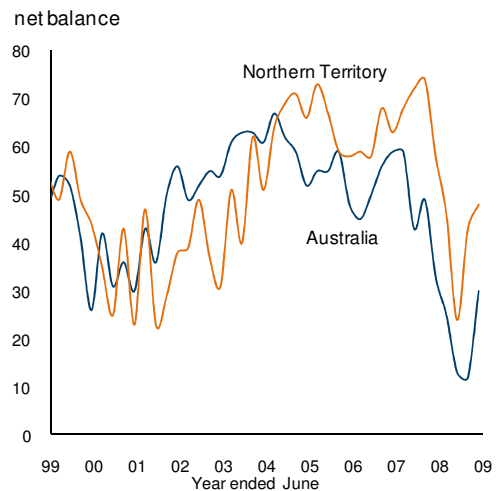
In the May quarter 2009, a majority of Territory SMEs expect conditions to improve across all indicators in the upcoming three months except for 'prices' and 'capital expenditure'.

Perceptions of the National Economy

A net balance of negative 41% of Territory SMEs believe the national economy is growing now (see Chart 4), compared to negative 56% nationally (see Chart 5). A negative net balance implies the number of businesses with a negative perception outweighs the number with positive perceptions.

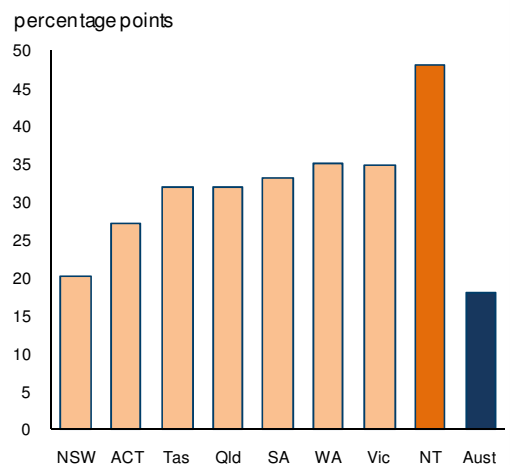
Territory SME's expectations regarding the strength of the national economy twelve months from now, were above that reported nationally, with a net balance of negative 1%, (see Chart 4) compared to a net balance of negative 6% nationally (see Chart 5).

Chart 1: Business Confidence



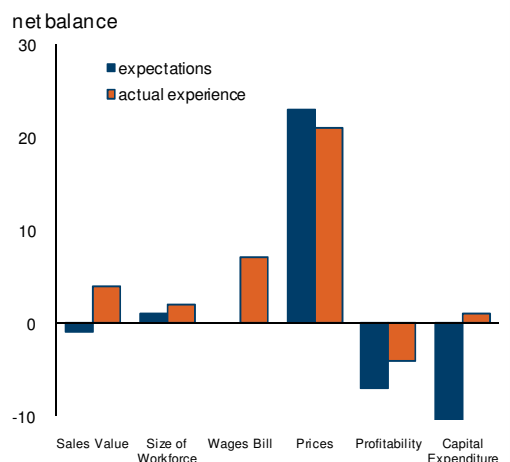
Source: Sensis Business Index

Chart 2: Business Confidence (net balance)



Source: Sensis Business Index

Chart 3: Territory Business Indicators (expectations vs. actual experience, Nov quarter)



Source: Sensis Business Index

Attitude Towards Government Policy

In the May quarter 2009, the Northern Territory Government recorded the second highest approval ratings from SMEs of all the jurisdictions behind Western Australia. 'Attitudes to Territory government policies' decreased from a net balance of 15% in the previous quarter to a net balance of 5% (see Chart 6).

- 23% of SMEs were supportive of Territory Government small business policies (down from 32% in the February quarter 2009).
- 18% of SMEs felt NTG policies worked against small business (up from 17%).
- 59% of SMEs felt that NTG policies had no real impact (up from 51%).

Nationally, the net balance of SMEs 'attitudes to government policies' decreased to negative 5% compared to negative 2% in the February quarter 2009. The Commonwealth Government's economic stimulus package was cited as the main reason for supporting the Commonwealth government.

Of SMEs that approved of the Territory Government and its policies; 17% felt government is trying to help small business, 15% felt that the government provided financial support, 14% felt that the government did communicate to small business, 14% felt that government was approachable/easily accessible, 14% felt that government provided small business management training schemes, 10% felt that government spending helped small business and 8% felt government had made good policies to date.

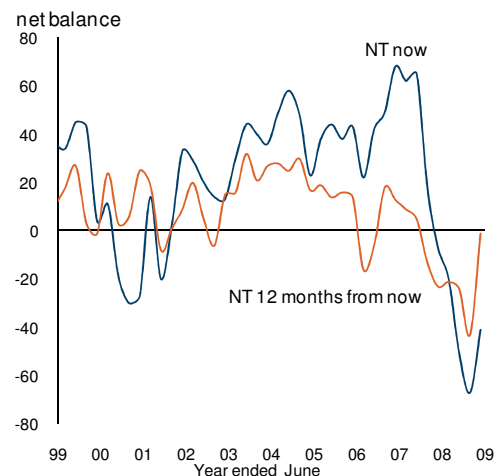
Of Territory SMEs that felt the government's policies worked against small business; 19% felt government was not supporting regional areas, 18% felt government was only concerned with big business, 18% felt there was too much bureaucracy or government interference, 9% felt that government doesn't know what it's doing, 6% felt government has not addressed the lack of house and land availability and 6% felt that government was incompetent.

May quarter 2009 results for Territory business confidence are:

- 14% were extremely confident (up from 8%);
- 51% were fairly confident (down from 52%);
- 18% were neutral (down from 24%);
- 14% were fairly worried (up from 13%); and
- 3% were extremely worried (down from 4%).

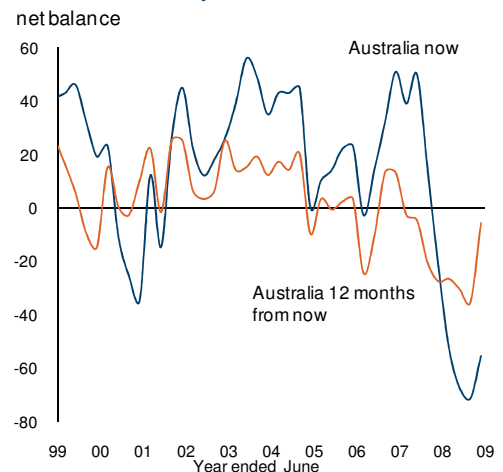
Note: Since November 2000, the data series has included both medium sized enterprises and small enterprises. Prior to November 2000 only small businesses were surveyed.

Chart 4: NTs Perceptions of the National Economy



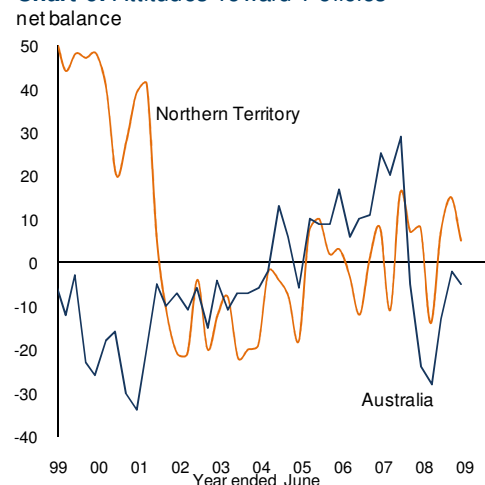
Source: Sensis Business Index

Chart 5: National Perception of the National Economy



Source: Sensis Business Index

Chart 6: Attitudes Toward Policies



Source: Sensis Business Index