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MEDIA RELEASE

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SMALL BUSINESS CONFIDENCE PLUMMETS TO LOWEST IN THE NATION

Today's *Sensis* business index survey results (attached) reveal that Victorian small and medium business confidence has plunged more than 30 points following a process of decline over the past 12 months.

Victorian business confidence fell during the August 2005 quarter from 46 points in May 2005, 56 points in February 2005, 62 points in November 2004 and 72 points in August 2004 and is now the lowest of all Australian states and territories.

This is a disgrace and Labor's Minister for Small Business Andre Haermeyer should hang his head in shame.

On every indicator - sales value, size of workforce, wages bill, prices, profitability and capital expenditure – Victorian business confidence levels are below the national average.

Every other Victorian state and territory government improved in at least one of those measures.

There is one clear reason for these dismal confidence levels for Victorian SMEs and that is purely and simply Victorian Government policy which is strangling business.

The Bracks Government has slapped businesses with exorbitant and unrealistic land tax bills, given union officials unconditional right of entry to workplaces, changed long service leave provisions and tangled businesses up in ever growing reels of red tape.

It is no wonder Victorian SMEs have no confidence in their future given the business climate being cultivated by the Bracks Government.

Andre Haermeyer and the Bracks Government must treat these figures as a very serious wake up call.

The survey also revealed Victorian SMEs' profitability declined to be lowest in the country, capital expenditure continued to dwindle and sales performance continued to fall to the lowest in Australia.

Small and medium businesses are the backbone of our economy. It is imperative for Victoria's social and economic wellbeing that they have confidence in their future in Victoria.

The Bracks Government must see beyond the John Brumby's next Budget bottom line and change its ruthless tax and compliance regime to restore confidence in Victoria SMEs.

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