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Friday, 1 December 2017

## Business Confidence up 1.4pts in November to 114.1

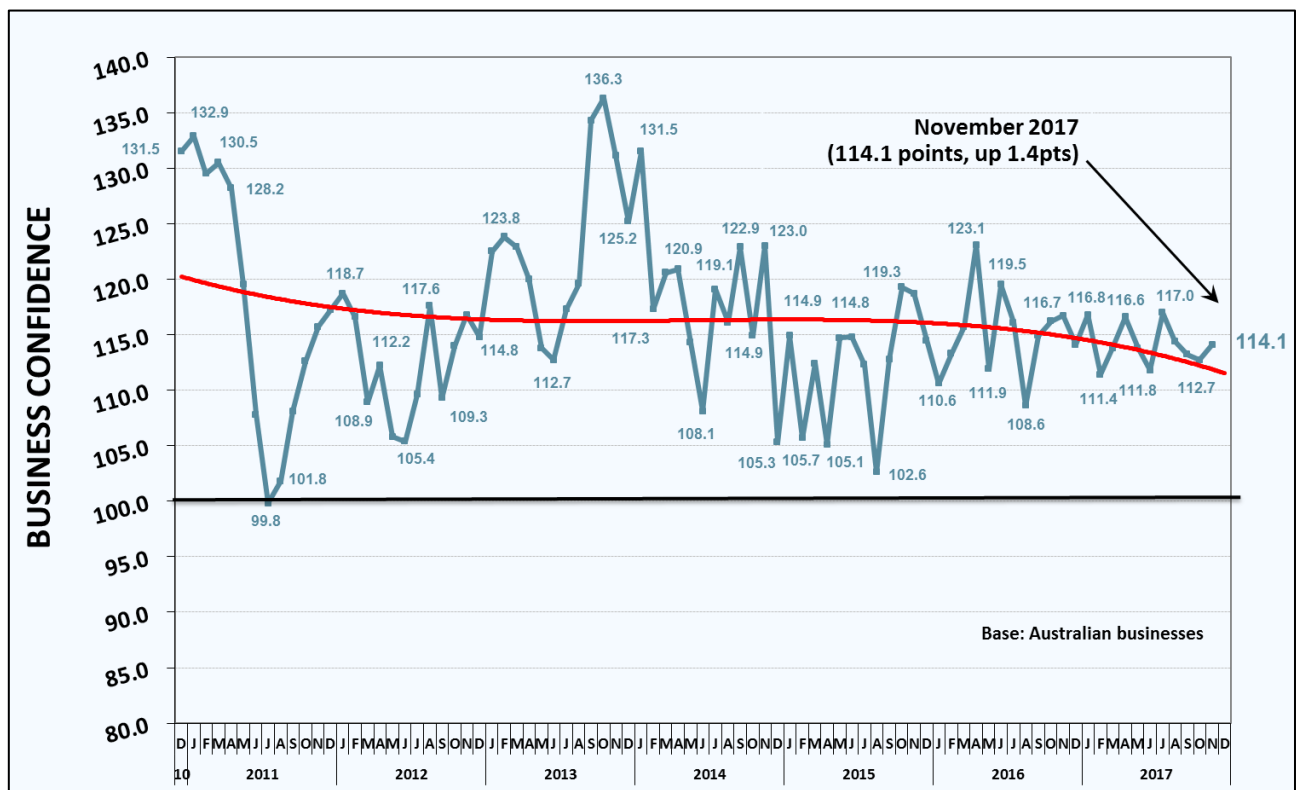
In Australia Business Confidence rose 1.4pts (+1.2%) to 114.1 in November despite political issues for the Government facing two by-elections over the next fortnight.

Businesses remain largely positive with a majority of businesses, 54.3% (up 0.8ppts), saying now is a 'good time to invest in growing the business' and 49.7% (up 1.9ppts) of businesses expecting good times financially over the next 12 months.

This month's small increase in Business Confidence was driven by rises in confidence in industries including Finance & Insurance, Accommodation & Food services, Professional, scientific & technical and Education & training according to the Roy Morgan Business Single Source survey.

November Business Confidence remains just below the weekly ANZ-Roy Morgan Consumer Confidence, which was at 115.0 on the last weekend of November.

### Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010–Nov 2017. Average monthly sample over the last 12 months=953.

### Business Confidence up in November driven by positive sentiment about the economy

- Businesses are less worried about the performance of the Australian economy over the next year with 49.7% (up 1.9ppts) now expecting 'good times' for the Australian economy while 44.2% (down 1.6ppts) expect 'bad times';
- Longer-term views on the Australian economy also increased slightly in November with 50.6% (up 0.3ppts) expecting 'good times' for the Australian economy over the next five years although 41.0% (up 1.1ppts) now expect 'bad times';

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- On balance business are slightly more confident about their own performance with 42.4% (up 0.2ppts) saying the business is 'better off' financially than this time last year compared to 28.2% (down 0.7ppts) that say the business is 'worse off';
- And 44% (down 1.8ppts) saying the business will be 'better off' financially this next year compared to 20.3% (down 2.9ppts) expecting the business to be 'worse off' this time next year – a net positive movement of 1.1ppts;
- A slightly higher majority of businesses, 54.3% (up 0.8ppts) are also positive that the next 12 months will be a 'good time to invest in growing the business', much higher than the 36.9% (down 1.1ppts) that say it will be a 'bad time to invest'.

**Michele Levine, CEO Roy Morgan, says the strength in Business Confidence in recent months shows businesses are looking past short-term political volatility and are positive about 2018:**

*"Business Confidence increased 1.4pts (+1.2%) in November to 114.1, and is now slightly below Consumer Confidence which was at 115.0 on the final weekend of November. Business Confidence has recovered in recent weeks following three consecutive monthly falls and despite the ongoing political uncertainty caused by breaches of Section 44 of the Constitution.*

*"The strength in Business Confidence is driven by Australia's largest State of New South Wales which saw a strong increase in November and now has Australia's highest Business Confidence for the first time since April 2015. Business Confidence is also above the national average in Victoria, Queensland and South Australia while it continues to lag in Western Australia – the only State with Business Confidence below the neutral level of 100.*

*"Analysing the performance of industries in November shows that it is once again Mining which is enduring a strong rebound in 2017 which leads the way ahead of Accommodation and food services, Agriculture, forestry & fishing, Administration and support services and Public administration, safety & security as Australia's most confident industries.*

*"Several industries produced a drag on overall Business Confidence in November including some 'familiar faces' such as Manufacturing, Electricity, gas, water and waste as well as Rental, hiring & real estate services, Personal, repair & other services.*

*"Wholesale trade was another industry with low Business Confidence in November and is one of several industries facing a significant shake-up as US retailer [Amazon](#) opens its first Australian warehouses and launches in the Australian marketplace in the run-up to Christmas. I explored the real science behind the Amazon 'hype' in a recent analysis of the 'juggernaut' and examined which Australian retailers have most to fear and which are best placed to withstand the competitive pressures Amazon is bringing to Australia – [available to view here.](#)"*

Roy Morgan November Business Confidence results are based on 857 interviews with a cross-section of Australian businesses. Business Confidence is now below the 7yr average (116.2).

**For comments or more information please contact:**

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**Related research findings**

[Click here](#) to purchase the **Business Confidence – Monthly Detailed Report** in Australia.

[Click here](#) to purchase the **Consumer Confidence – Monthly Detailed Report** in Australia.

[Click here](#) to purchase the **Consumer Banking Satisfaction Monthly Report** in Australia.

Browse our extensive range of profiles at the Roy Morgan online store including profiles of [Amazon website visitors](#) and other [Australian retail outlets here.](#)

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## About Roy Morgan Consumer Single Source

Roy Morgan Single Source is based on over 50,000 interviews each year and has been designed and engineered to represent the ideal source model. It provides an integrated understanding of consumers; what they are like, what they consume, what they buy, what they think, what they want, what they watch, read and listen to. The overriding benefit of Roy Morgan Single Source is the strategic insights it offers in the ability to link many aspects. Not only can an organization's profitable customers be delineated by what they think, do, watch, but so can non customers. Hence brand positioning, product differentiation, merchandising, efficient media planning, market expansion and line extension opportunities can all be considered in the light of the correct understanding of the marketplace.

## About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years' experience in collecting objective, independent information on consumers.

## Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2