

Monday, 28 August 2017

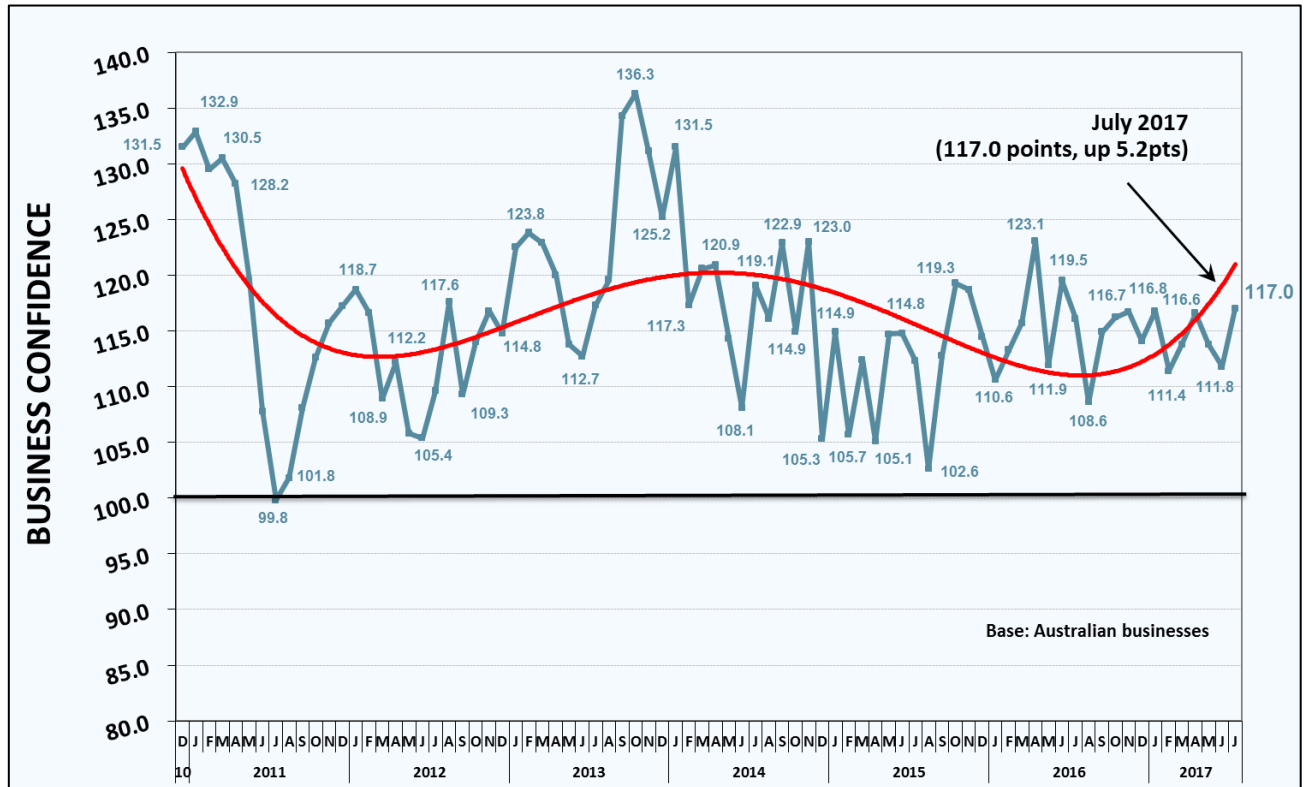
Business Confidence up in July to 117.0 driven by Agriculture, Construction, Information, Media & Telcos

In Australia Business Confidence rose 5.2pts (+4.7%) to 117.0 in July, according to the Roy Morgan Business Single Source survey and most businesses (56.2%) say now is a good time to invest in growing the business.

The rise in Business Confidence was driven by strong increases in several industries including Agriculture, forestry & fishing, Construction, and Information, media and telecommunications which reached a record high.

The rise in Business Confidence mirrors a strengthening weekly ANZ-Roy Morgan Consumer Confidence Rating which increased by 5.9pts (+5.2%) in the last two weeks of July to 118.4.

Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010–Jul 2017. Average monthly sample over the last 12 months=1,000.

Business Confidence up across the board with all five indices rising in July

- Business Confidence increased in July on the back of rising expectations of the Australian economy with a majority of businesses now expecting 'good times' for the economy in both the short-term – 52.7% (up 5.8ppts) and long-term – 51.2% (up 1.6ppts);
- Expectations for their own businesses have also increased with 44.5% (up 5.8ppts) saying the business is 'better off' financially than this time last year and 47.4% (up 3ppts) expecting the business to be 'better off' financially this time next year;

- In further good news now 56.2% (up 2.9ppts) of businesses say the next 12 months will be a 'good time to invest' in growing the business compared to only 35.9% (down 0.2ppts) that say it will be a 'bad time to invest'.

Michele Levine, CEO Roy Morgan Research, says Business Confidence has moved passed any concerns about the Federal Budget and is rising strongly in tandem with a strengthening AUD:

"Business Confidence rose 5.2pts (+4.7%) in July to 117.0 to reach its highest level since last year's Federal Election. The increase in Business Confidence follows a softening in recent months which we often see around the time of the Federal Budget in mid-May.

"Business Confidence isn't the only indicator now pointing firmly in a positive direction with the [ANZ-Roy Morgan Consumer Confidence Rating](#) increasing strongly in the past two weeks of July to hit a five-month high of 118.4 and the Australian Dollar reaching two-year highs above 80 US cents in the past week.

"Unsurprisingly, most Australian States were up strongly in July led by Queensland and South Australia – which now has Australia's highest Business Confidence. The strong increase in South Australia came after Silicon Valley businessman, and CEO of Tesla electric cars Elon Musk, promised in a joint press conference with South Australian Premier Jay Weatherill in early July to deliver a cutting edge battery development to solve the State's well-publicised energy woes.

"Driving Business Confidence higher are strong increases in several industries including Agriculture, forestry and fishing, Construction, Public administration, safety and security, Electricity, gas, water and waste (following Musk's announcement) and Information media and telecommunications which has hit a record high in July.

"Most industries moved in a positive direction in July, however there were two notable lagging industries – both Finance & Insurance and Administration & support services dipped below 100 against the overall trend and will be worth keeping an eye on to see whether they quickly bounce back."

Roy Morgan July Business Confidence results are based on 991 interviews with a cross-section of Australian businesses. Business Confidence is still clearly below the 7yr average (116.4).

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.

About Roy Morgan Research 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 Research

Roy Morgan Research 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 Research 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