

Monday, 9 December 2019

## Business Confidence improves, up 2.4pts to 108.4 in November

Roy Morgan Business Confidence increased 2.4pts (+2.3%) to 108.4 in November — it's the first increase since August. A slim majority of business-leaders (50.8%) now say they expect their business to be 'better off financially' this time next year, an increase of 9ppts on the October low point.

The November 2019 Business Confidence level is 5.4pts lower than it was year ago and 7pts below the long-term average of 115.4, although it is just above the latest [ANZ-Roy Morgan Consumer Confidence, which was at 108.1 on November 30/ December 1, 2019](#).

### Business Confidence above average in NSW, WA and Tasmania in November

Business Confidence increased in four States in November, including WA and Tasmania which now have the highest rating for any States. Business Confidence is also above average in NSW despite a slight drop.

Victorian Business Confidence also increased after hitting a nine-year low in October however the measure is now below the neutral level of 100 in both Queensland and South Australia. Queenslanders are set to head to the polls later in 2020 for next year's only State election.

### Public administration & defence and Property & business services lead Confidence rebound

Compared to a year ago, Business Confidence increased for only five of the 18 industries tracked by Roy Morgan. This included the three most confident industries over the past three months.

Public administration & defence is at 138.8 for the three months to November 2019, up 30.9pts compared to a year ago, Property & business services is at 129 (up 26.1pts) and Education & training is at 122.2 (up 4.4pts). All three of these industries are now well above the national average.

Also increasing is Electricity, gas & water up 5.4pts to 109.3. However, overall Business Confidence is at 108.3 for the three months to November 2019, down 4.5pts on a year ago.

### Michele Levine, CEO Roy Morgan, says the rebound in Business Confidence in November comes on the back of strong and rising Business Confidence for certain key industries:

*"Roy Morgan Business Confidence increased 2.4pts to 108.4 in November from a month ago however, despite the improvement it remains 7pts below the long-run average of 115.4.*

*"Bright spots include Property & business services, Education & training and Public administration & defence, which have all increased since late 2018. Property & business services is at its highest since mid-2016 while Public administration & defence is at its highest since mid-2015.*

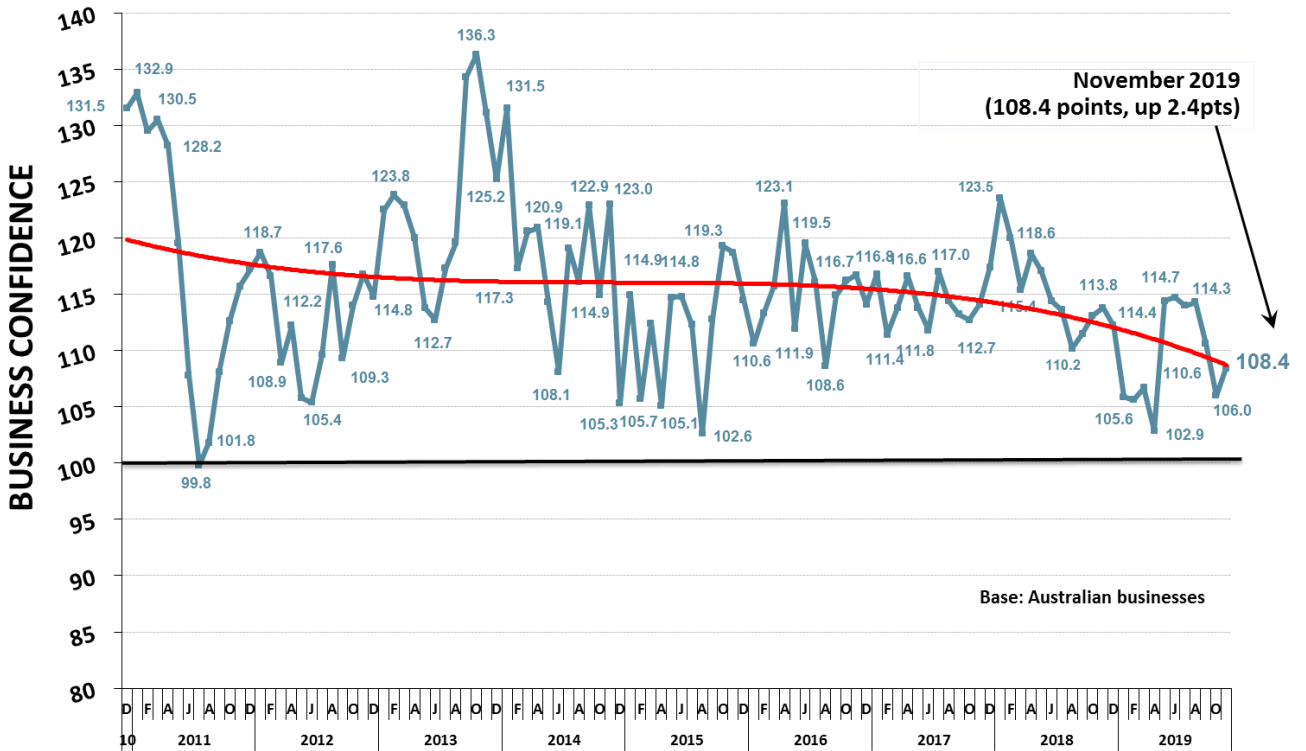
*"The enduring high level of Business Confidence in Education & training is unsurprising when one considers that [Australia has overtaken the United Kingdom](#) as the second largest destination for international students, behind the United States. There are now over 720,000 international students studying in Australia according to the [Department of Education](#).*

*"Although these industries are performing well, there are several others with Business Confidence ratings in negative territory (below 100) including Agriculture, Mining, Retail and Manufacturing. For a broad-based recovery in Business Confidence back towards the long-run average, additional reforms and new stimulus will be required from policymakers in 2020."*

The latest Roy Morgan Business Confidence results for November are based on 1,086 detailed interviews with a cross-section of Australian businesses from each State and Territory. Detailed findings are available to purchase on a monthly or annual subscription as part of the [Roy Morgan Business Confidence Report](#).

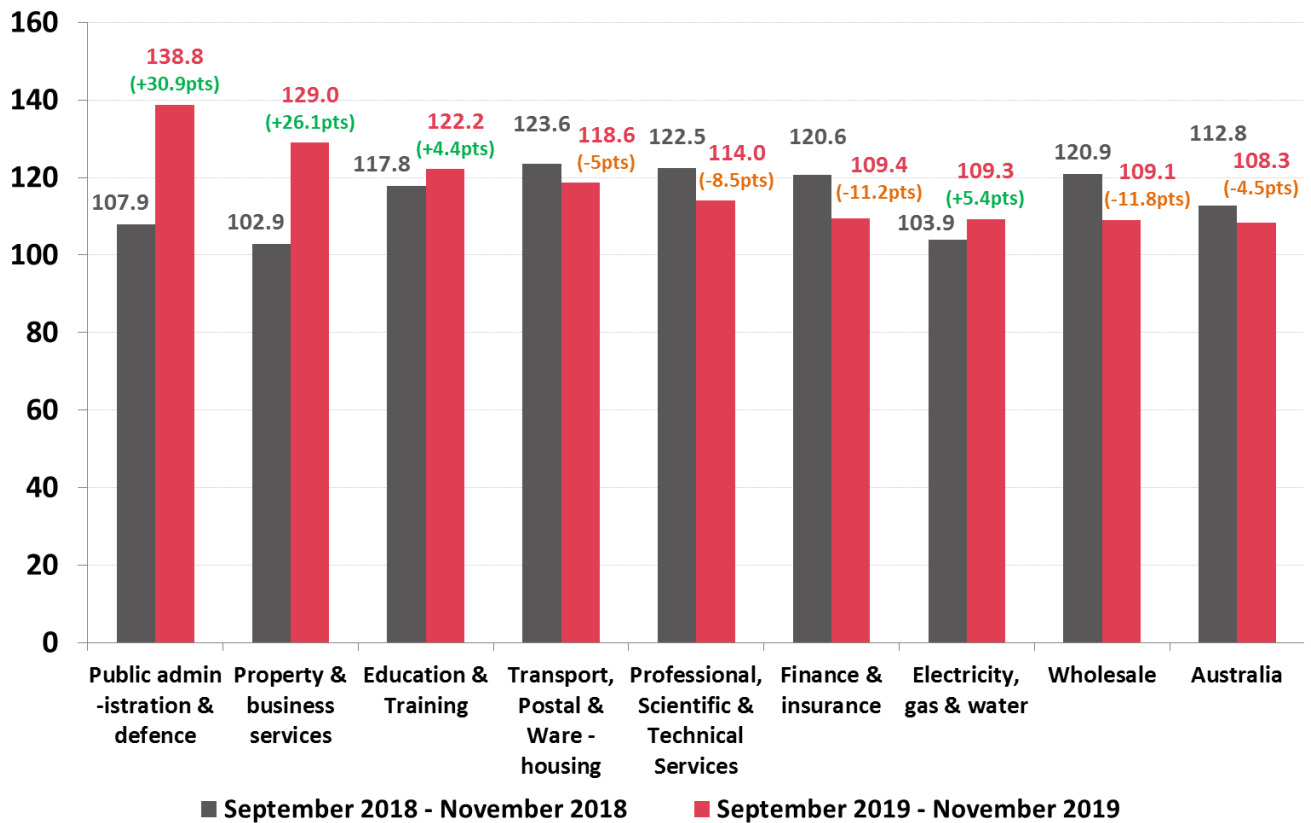
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## Roy Morgan Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010-Nov 2019. Average monthly sample over the last 12 months=936.

## Top 8 Industries Business Confidence: 3 months to Nov. 2019 cf. 3 months to Nov. 2018



Source: Roy Morgan Business Single Source, Sep. - Nov. 2018, n=2,387; Sep.-Nov. 2019, n=3,141.

## Movements in underlying Business Confidence indicators in November

- A slim majority of businesses, 50.8% (up 9ppts), expect their business to be 'better off' financially this time next year while only 20.4% (virtually unchanged) expect the business to be 'worse off';
- Nearly half of businesses, 49.0% (down 1.4ppts), say the next year will be a 'good time to invest in growing the business', while 37.9% (up 2.1ppts) say it will be a 'bad time to invest';
- An increasing number of businesses 44.8% (up 4.1ppts) expect the Australian economy to have 'good times' economically over the next year while 50.8% (down 1.6ppts) expect 'bad times';
- In addition, now 46.5% (up 2.4ppts) of businesses expect 'good times' for the Australian economy over the next five years and 44.3% (down 1.6ppts) expect 'bad times';
- However, now just 38.6% (down 1.9ppts), say the business is 'better off' financially than this time last year while over a third, 34.3% (up 0.9ppts) say the business is 'worse off'.

For comments or more information please contact:

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To learn more about Roy Morgan's [Business Confidence](#), [Consumer Confidence](#) and [Inflation Expectations](#) data call (+61) (3) 9224 53909 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).

### About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years' experience 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%
1,000	±3.0	±2.7	±1.9	±1.3
5,000	±1.4	±1.2	±0.8	±0.6
50,000	±0.4	±0.4	±0.3	±0.2