

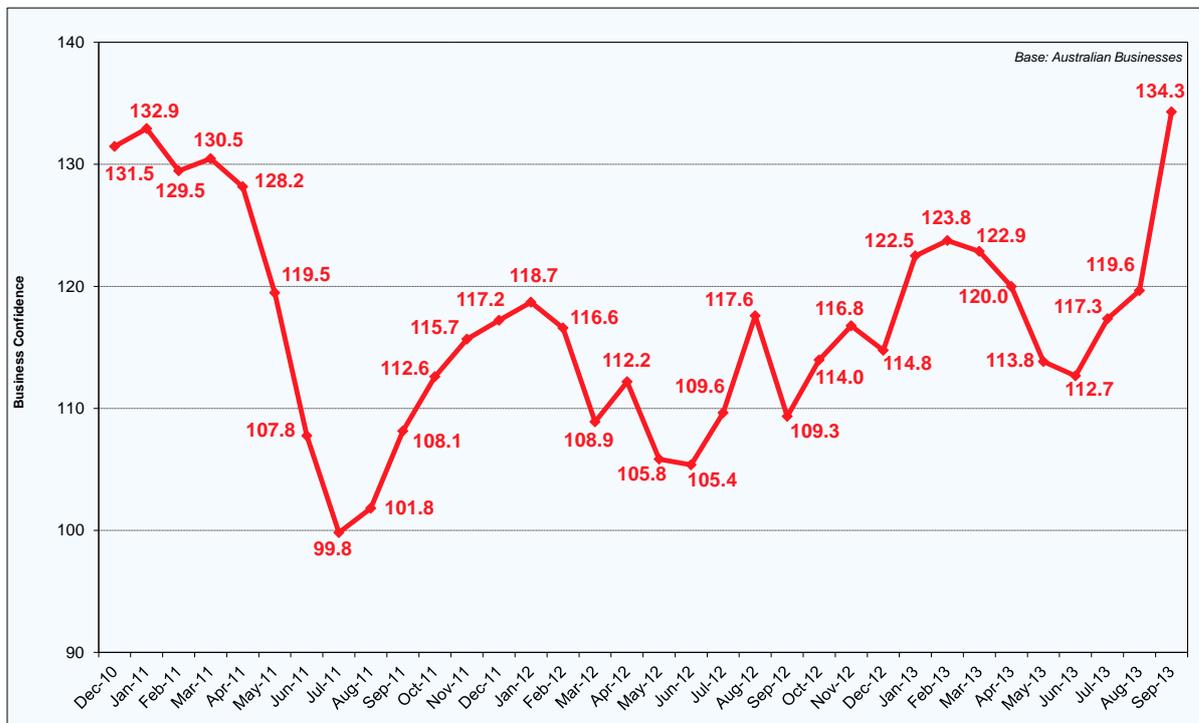
Monday, 7 October 2013

Election result gives unprecedented boost to Business Confidence in September

Roy Morgan Research's Business Confidence survey in September showed that Australian business confidence rose to the highest level since January 2011 following the federal election. The rise of 14.7 points to a score of 134.3 is the biggest monthly increase in Business Confidence recorded since the survey began in December 2010. These figures are the result of 2,787 interviews with business decision makers representing all types, sizes and locations of businesses around Australia.

The two biggest factors contributing to the increase in confidence were businesses reporting they expect good economic conditions in Australia over the next 12 months, which increase by 10% points to 75% of all businesses; the proportion of businesses believing that now is a good time to invest in growing their business also increased by 10% points to 66%. In both cases these scores were the highest ever recorded for these two measures. The proportion of businesses reporting that they were better off than 12 months ago also increased by 4% points to 28%, as did the proportion expecting their business to be better off in 12 months (up 8% points to 47%). The proportion of businesses expecting continuous good times over the next 5 years increased by 7% points to 77%, also the highest ever recorded for this measure.

Monthly Business Confidence - Australia



Source: Business Confidence, Roy Morgan Business Single Source, average monthly sample, n = 2250.

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The increase was reflected across all business sectors: Micro businesses (less than \$1m annual turnover) saw an increase in confidence of 7.5 points to 122.9, Small businesses (\$1m to less than \$5m annual turnover) saw an increase of 4.1 points to 128.8, and larger businesses (\$5m+ annual turnover) had the biggest increase in confidence, rising 8 points to 137.7.

Most states also saw a dramatic rise in Business Confidence as a result of the election, with the greatest increase in Queensland, where it rose 9.2 points to 124.4. Among the industries showing the largest increases in Business Confidence as a result of the election were Mining (up 11.5 points to 137.3), Accommodation & Food Services (up 11.3 points to 123.5), and Manufacturing (up 10.7 points to 121.9). The Education & Training industry remained relatively unchanged despite the election result (down 0.3 points to 133.9), while the Health Care & Social Assistance industry saw only a marginal increase in confidence (up 1.8 points to 126.8)

Nigel Smith, Director of Business Research, Roy Morgan Research, says:

“Australian businesses clearly expect the change in government to improve the fortunes of the economy over the coming year, and consequently believe conditions are now more favourable to invest in growing their business. Combined with the record low interest rates applied by the RBA, and the resulting fall in the exchange rate, there is good reason to be confident that Australia’s economic future is bright – particularly in industries reliant on exports or tourism.”

“The challenge for the new government is to meet these very high expectations held by the business community. If businesses continue to have confidence in the future of the economy, and therefore invest, that confidence in itself should contribute to improved economic growth. So far the global economic uncertainty caused by developments in the US and Europe have not impacted on Australian businesses, but as Roy Morgan’s Business Confidence figures during the US Debt-Ceiling Crisis in July 2011 show, we are not necessarily immune to such effects.”

Australia’s leading B2B market research

These findings are from the Roy Morgan Business Single Source survey, the most comprehensive B2B research in Australia.

The research covers business confidence, telecommunications, banking & finance and business media use which can be analysed by number of employees, annual turnover, head office and operating locations, sources of revenue and financial performance and expectations.

Ready Made Research reports include [Business Confidence](#), [Business Banking Satisfaction](#) and [Consumer Confidence](#).

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Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, 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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

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