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## Business confidence steadies in June — but for how long?

Following the May budget, Roy Morgan Research's Business Confidence increased by 9.6 points (up 9.1% to 114.7) and has stayed around this level in June (114.8). While this is the highest level since January 2015 (114.9), it remains below the five year average of 117.2 and well below the peak of 136.3 in October 2013.

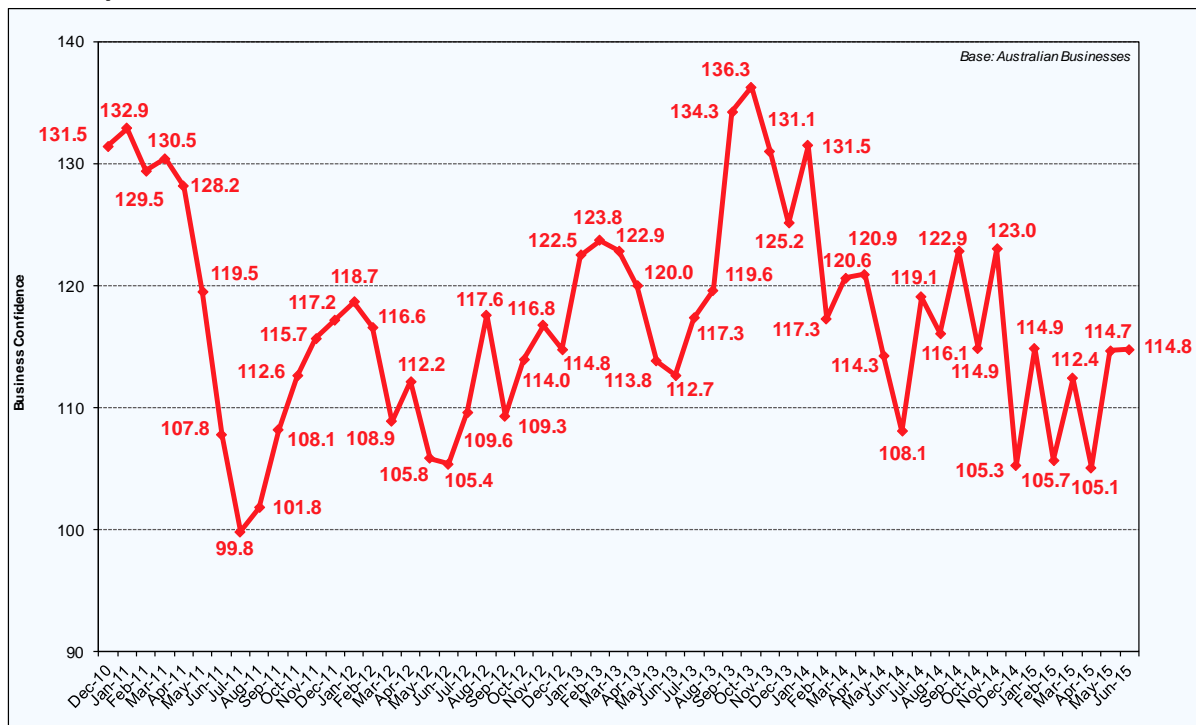
Fluctuations in business confidence over the last six months, combined with the big drop in the ANZ-Roy Morgan Australian Consumer Confidence in the first week in July, shows that confidence is fragile and easily impacted by events.

These June figures are the result of 926 interviews with all types of businesses across Australia.

Although business confidence remained steady in June, there was some deterioration in the outlook for how businesses feel regarding their own financial position over the next 12 months, as well as increasing concern that Australia will be facing economic difficulties over the next five years.

On the positive side, more businesses (59%) now think the next 12 months would be a good time to invest in growing their business. This is the highest level since November 2014 and above the five-year average of 56%.

### Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source (Australia), December 2010-June 2015. Average monthly sample last 12 months, approx. 1,000.

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**Norman Morris, Industry Communications Director, Roy Morgan Research says:**

*“Business confidence in June remained reasonably positive due to the combination of low interest rates and the immediate tax write-offs for expenditure up to \$20,000. However, these June results were taken prior to the deteriorating position and impasse in Greece, the dramatic downturn in the Chinese share market, and the resultant further drop in the iron ore price. Other major economic headwinds also continue to blow, with a worsening budget deficit and the fact that over two million Australians are either unemployed or underemployed.*

*“The ANZ-Roy Morgan Australian Consumer Confidence for the first week in July gives a strong indication that the Greek situation and the Chinese share-market decline are likely to keep business confidence volatile for some time yet.*

*“Despite hopes that other industries will make up for a declining mining sector, a number of key industries remain below average in confidence. These include agriculture, manufacturing, accommodation and food services, health care and personal services. The industries showing above-average confidence include finance and insurance, rental and real estate, and the wholesale trade. The all-important construction industry remains around average and is not showing any real sign of improvement.*

*“Business confidence across states remains fairly even but is led narrowly by Tasmania, followed by NSW, Vic, Qld, SA and WA.”*

**For comments or more information about Roy Morgan Research’s finance and business data, 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 **Business Banking Satisfaction Monthly Report** in Australia.

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

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**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.

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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