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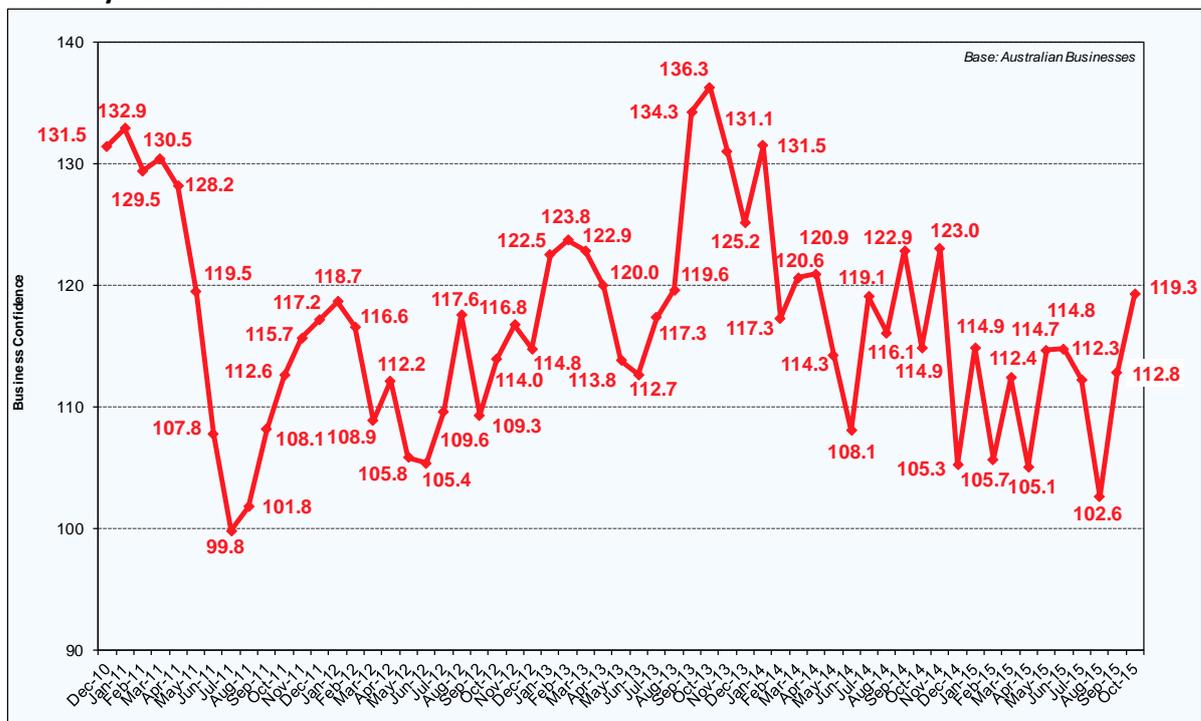
## Australian Roy Morgan Business Confidence strengthens further in October to highest level for 2015

Roy Morgan Research's Business Confidence increased by 6.5 points in October (up 5.8%) to 119.3, the highest level since November 2014. This improvement in confidence was generally expected initially as a result of Malcolm Turnbull becoming Prime Minister, but it has strengthened further in October to be 16.3% higher than in August prior to the leadership change.

In October, Roy Morgan Business Confidence was above the five-year average (116.9) and higher than what it was 12 months ago (114.9 in October 2014). These October 2015 figures are the result of 1,048 interviews with a cross-section of businesses across Australia.

The increase in Business Confidence in October is very positive for the economy, particularly as it builds on the boost immediately following the appointment of the new PM in September. The ANZ-Roy Morgan Consumer Confidence rose 8.7% (to 114.5) immediately in the week after the change of PM, but in the six weeks since that survey, it has only increased by a further 0.6% (to 115.2). This indicates that it is often difficult to maintain the initial improvement after a major leadership change.

### Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source (Australia), December 2010 - October 2015. Average monthly sample last 12 months, approx. 1000.

FOR IMMEDIATE RELEASE

The increase in Business Confidence in October was a result of improvements across all components of the index. The strongest gains were in how businesses feel about the economy over the next 12 months and five years, and the encouragement this would give them to invest in their business, which is now at the highest level for the year.

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

*“It is a potentially good sign for the economy that Roy Morgan Business Confidence has continued to improve in October, given the positive impact the change of PM already had in September. Contributing to this improvement was the fact that there was a lack of major bad economic news during the month — in fact the ASX increased by 4.3%.*

*“There were, however, some headwinds emerging during the month, with issues relating to housing prices possibly peaking, higher mortgage rates, continued volatility in global financial markets, high household debt and widespread publicity and uncertainty regarding tax reforms.*

*“There are some tentative signs that increased confidence in some sectors will help make up for the decline in mining. In October there was an increase in confidence in retail, finance and insurance, rental/hiring/ real estate, education/training, wholesale trade and information/media/telecommunications. The all-important construction sector showed some decline as did manufacturing.*

*“Roy Morgan Business Confidence varies by state, with Victoria ahead followed by New South Wales, Queensland, South Australia, Western Australia and Tasmania.*

*“Over the last month, confidence among businesses of all sizes has improved, as has the feeling that the next 12 months will be a good time to invest in business growth. A positive outlook by business towards investing is the key stimulus to the economic growth the Government is looking for.*

*“In the three weeks before Malcolm Turnbull was elected by the party-room as PM, Roy Morgan Business Confidence was 104.2. Over the following three weeks it averaged 115.5, and it has now risen to 119.3. The challenge for the Federal Government is to continue to boost business confidence by delivering a clear and credible plan for the economy and showing that it is acting to implement the plan.”*

**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