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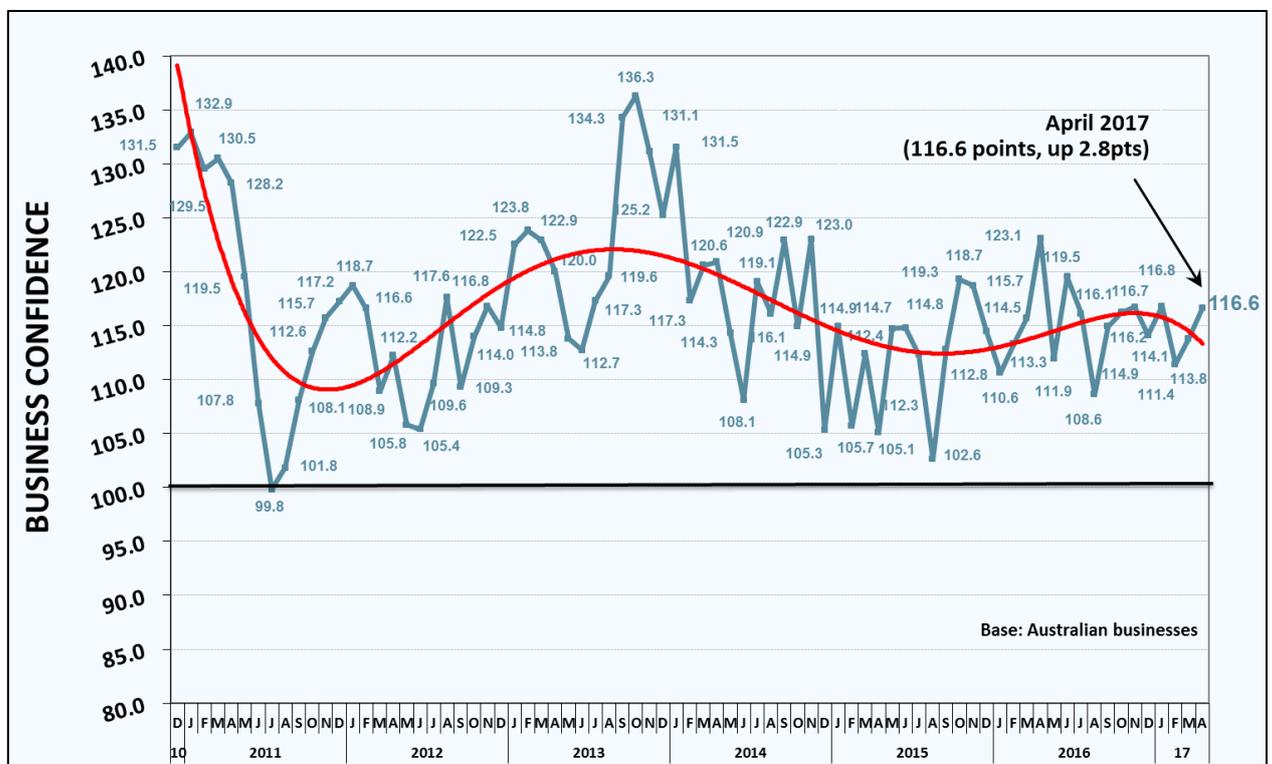
Wednesday, 17 May 2017

## Business Confidence was up in April before the Federal Budget

Business Confidence in Australia rose 2.8pts (+2.5%) to 116.6 in April, according to the Roy Morgan Business Single Source survey. The rise in Business Confidence coincided with the Australian All Ordinaries gaining 43.8pts (+0.7%) to 5,947.60 during the month and strong near record monthly trade surpluses of over \$3 billion in the months leading into April.

The increase in Business Confidence came before last week's Federal Budget which appeared to have a negative impact on Consumer Confidence – the [ANZ-Roy Morgan Consumer Confidence Rating](#) fell 2.6% to 109.4 following the Budget.

### Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source (Australia), December 2010-April 2017. Average monthly sample over the last 12 months = 1,012.

### Improving views of the year ahead boost Business Confidence

Business Confidence was boosted in April by improving sentiment about the year ahead – both for companies and the wider Australian economy.

- In April 48.7% (up 2.7ppts) of Australian businesses expected to be 'better off' financially this time next year compared to 19.7% (down 0.4ppts) that expected to be 'worse off'.
- In addition a majority of Australian businesses, 52.8% (up 2.7ppts), expected 'good times' for the Australian economy over the next 12 months while 40.0% (down 6.1ppts), expected 'bad times' – a net positive gain of a significant 8.8ppts.
- Over half of Australian businesses, 54.2% (up 0.3ppts) said the next 12 months would be a 'good time to invest' in growing the business compared to 36.9% (down 0.7ppts) that said it would be a 'bad time to invest'.

**Michele Levine, CEO Roy Morgan Research, says the Turnbull Government will be looking for a 'Budget Boost' to Business Confidence in May which didn't happen with Consumer Confidence:**

*"Business Confidence was up 2.8pts (+2.5%) in April to 116.6 following a similar sized increase in March driven by increasing confidence about the next 12 months for both businesses and the Australian economy at large.*

*"However, the first post-Budget [ANZ-Roy Morgan Consumer Confidence released this week](#) [dropped 2.6% to 109.4](#) which suggests the Budget may not provide the boost to Business Confidence the Turnbull Government is after. This was the first time Consumer Confidence has dropped post-Budget since 2014.*

*"Business Confidence improved in five States in April with South Australia and New South Wales now having the highest Business Confidence on the mainland whereas the drop in Business Confidence in Victoria will be a concern to the Andrews Government.*

*"Industries with high Business Confidence are led by Transport, postal & warehousing, Accommodation & food services, Agriculture, forestry & fishing and Mining which has improved to its highest Business Confidence since mid-2016.*

*"A familiar list of industries continue to have lower Business Confidence including Electricity, gas, water & waste, Arts & recreational services and Manufacturing. In addition to the impending closure of the Australian automotive manufacturing later in 2017 – a topic that was comprehensively covered in the recent [State of the Nation 27: Australian Automotive Industry](#) presented in March, manufacturers are dealing with considerable concerns about the escalating price of Australian gas – a key input for many in the industry."*

Roy Morgan April Business Confidence results are based on 1,211 interviews with a cross-section of Australian businesses. Despite this month's increase Business Confidence is still clearly below the 6yr 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