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Tuesday, 8 December 2015

Australian Roy Morgan Business Confidence still positive in November but showing signs of “cooling off”

Roy Morgan Research’s Business Confidence declined marginally by 0.6 points in November (down 0.5%) to 118.7 but remained above the five-year average (116.9). This decline in confidence was probably to be expected, given the big increase in the two months following Malcolm Turnbull becoming Prime Minister, which saw business confidence increase by 16.3%.

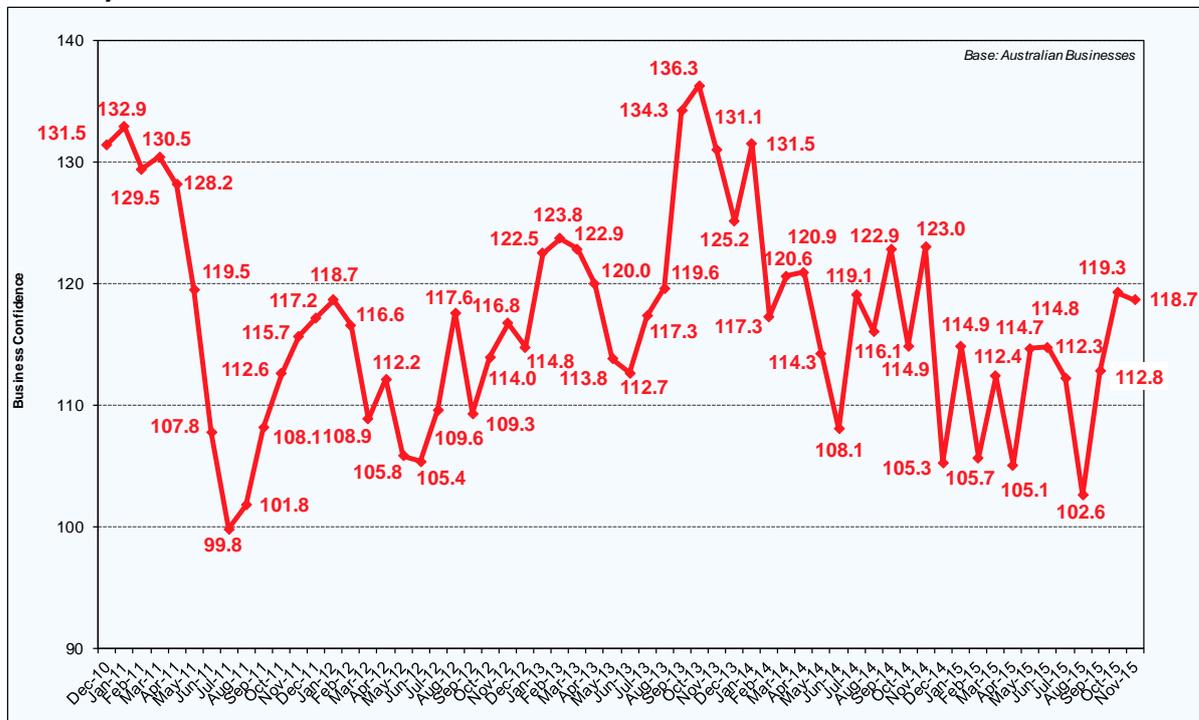
These November 2015 figures are the result of 924 interviews with a cross-section of businesses across Australia.

The level of Business Confidence in November is very positive for the economy, particularly as at this stage it has largely retained the elevated level of the initial honeymoon period for the Turnbull Government.

The ANZ-Roy Morgan Consumer Confidence averaged 115.0 during November; this was up from the October average of 113.1, but by the end of November it had fallen back to 112.8. This shows that it is often difficult to maintain the initial improvement after a major leadership change, particularly if there are adverse world events and local issues impacting on confidence.

FOR IMMEDIATE RELEASE

Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source (Australia), December 2010-November 2015. Average monthly sample last 12 months, approx. 943.

The small drop in Business Confidence in November was a result of only marginal declines in both the five-year economic outlook and the view that the next 12 months would be a good

time to invest in growing the business. However, both of these measures remain at positive levels and are above the five-year average.

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

“It is a positive sign that Roy Morgan Business Confidence has continued at a strong level, given the fact that the ASX not only declined during November but was also subject to considerable volatility. Other potential negative impacts on confidence were major international events such as terrorist attacks and the global climate meeting in Paris; on the local scene, issues included a renewed focus on the budget deficit, the iron ore price and speculation on tax reforms.”

“There are some good indications that increased confidence in some sectors will help make up for the decline in mining. In November, confidence increased in manufacturing, construction and accommodation/food services. The highest levels of confidence are currently in education/training and retail. The sectors that are not so confident include personal/repair/other services, information/media/telecommunications and health care/social assistance.”

“Roy Morgan Business Confidence varies by state, and during November, Tasmania was ahead, followed by Victoria, New South Wales, South Australia, Western Australia and Queensland.”

“Over the last month confidence among small and medium/large businesses has improved but micro-businesses have shown a small decline.”

“To maintain strong business confidence it will now be necessary for the federal government to take action that will convince businesses that they have a clear, detailed and fair plan for budget recovery and economic growth. The direction international events take will also have a major impact on business and consumer confidence but the government has only limited influence over these external factors.”

For comments or more information please contact:

Norman Morris

Industry Communications Director

Office: +61 (3) 9224 5172

Norman.Morris@roymorgan.com

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