

Thursday, 26 November 2020

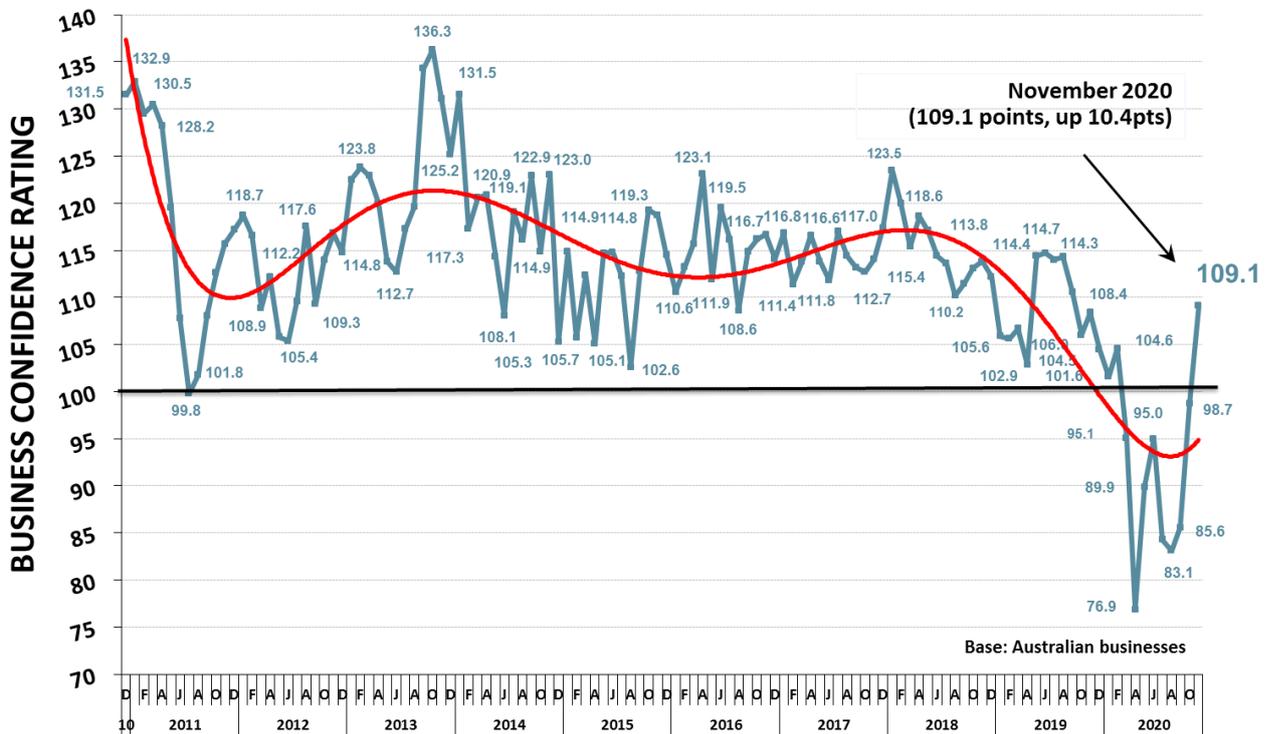
Roy Morgan Business Confidence up 10.4pts to 109.1 in November – Confidence is now above 100 in four States – NSW, QLD, WA & SA

In November 2020 Roy Morgan Business Confidence jumped 10.4pts (+10.5%) to 109.1 – the highest monthly reading for over a year since September 2019 (110.6). Business Confidence has now increased a record 23.5pts (+27.5%) over the last two months.

In good news an increasing majority of businesses, 57.9% (up 5.5ppts), said the next 12 months is a ‘good time to invest in growing the business’ – the highest figure for this indicator for nearly seven years since January 2014.

Business Confidence is now 0.7pts higher than it was a year ago at 108.4 in November 2019 but is still 4.2pts below the long-term average, of 113.3. Business Confidence for November is now just above the latest [ANZ-Roy Morgan Consumer Confidence of 104.5 for November 21/22, 2020](#).

Roy Morgan Monthly Business Confidence – Australia



Source: Roy Morgan Business Single Source, Dec2010-Nov2020. Average monthly sample over the last 12 months = 1,227.

Business Confidence is now above 100 in four States – NSW, Queensland, WA and SA

On a State based level Business Confidence is now in positive territory above 100 in four States in November. Confidence was highest in South Australia at 120.2 although it should be noted most interviewing was completed before last week’s brief State-wide shutdown.

Business Confidence was also above average in Western Australia, up 6pts to 114.4, New South Wales, up 8.4pts to 113.8 and jumped strongly in Queensland to 109.3 (up 18.8pts).

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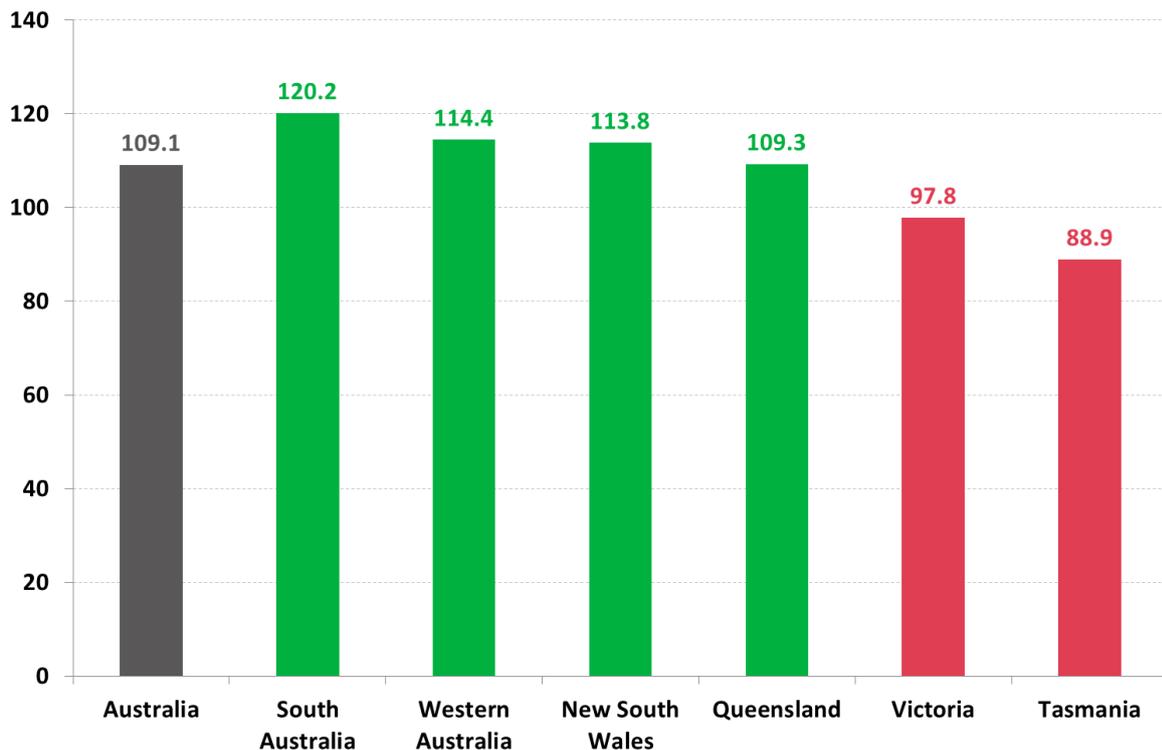
The big increase in Queensland came after the ALP Government of Annastacia Palaszczuk secured a strong victory at last month's State Election and increased its majority in Parliament by four seats by winning 52 out of 93 seats.

Over the last two months Business Confidence in Queensland has increased by a large 37.6pts (+52.5%) as political uncertainty has been resolved and borders have begun opening up. From December 1 the Queensland border will re-open to residents of Sydney and Victoria – almost half of Australia's population.

There are now two States lagging the national average with Business Confidence in Victoria (97.8) and Tasmania (88.9) now well below the national average.

Victoria emerged from a near four-month lockdown in the final week of October but there remain many restrictions to doing business with Premier Dan Andrews recommending office workers continue working from home for the remainder of the year and mask wearing remaining mandatory when indoors. Tasmania has this week re-opened its border to its northern neighbour Victoria for the first time in more than eight months since closing the border to the rest of Australia in mid-March.

Business Confidence by State in November 2020



Source: Roy Morgan Business Single Source, November 2020, n=1,296. **Base:** Australian businesses. *The figure for Tasmania covers August – November due to the small sample size interviewed in Tasmania in November. **Note:** In the chart above green bars represent Business Confidence in positive territory above the national average of 109.1 and red bars represent Business Confidence well below the national average and below the neutral level of 100.

Transport, Postal & Warehousing, Public Administration & Defence, Property & Business Services and Wholesale are the most confident industries in November

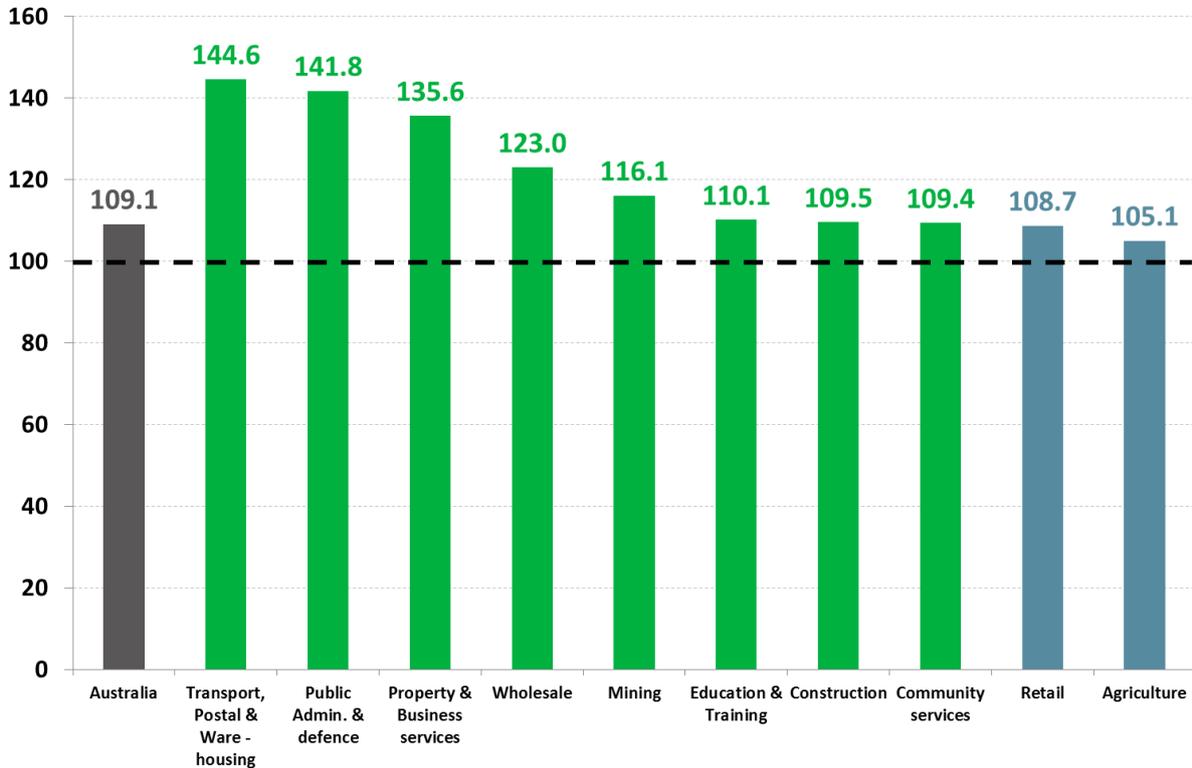
A majority of 13 industries now have positive Business Confidence above the neutral level of 100 in November with strong increases for many industries in November. This is the highest proportion of industries with a positive outlook since before the COVID-19 pandemic in February 2020.

A familiar line-up of industries have high Business Confidence in November led by Transport, Postal & Warehousing (144.6), Public Administration & Defence (141.8), Property & Business Services (135.6), Wholesale (123.0) and Mining (116.1) – these are the same top five industries for Business Confidence in September and October.

The good news is that several other industries have seen a boost to Business Confidence in November including Education & Training (110.1), Construction (109.5) and Community Services (109.4) which are all now above the national average.

However, the biggest increase for Business Confidence in November is for the Retail industry with an increase of 38.7pts (+55.3%) to 108.7 after the Victorian lockdown ended and as the industry gears up for the most important part of the year – the Christmas retailing season.

Business Confidence for Top 10 Industries in November 2020



Source: Roy Morgan Business Single Source, November 2020, n=1,296. **Base:** Australian businesses.

Note: In the chart above green bars represent Business Confidence in positive territory above 100 and blue bars represent Business Confidence in positive territory above 100 but below the national average.

Business Confidence jumped in November boosted by increased confidence about the Australian economy in 2021 and that now is a good time to invest in growing the business

- Businesses have grown increasingly confident about the **Australian economy's performance over the next year** with 50.0% (up 11.1ppts) expecting 'good times' for the Australian economy over the next year (**the highest figure for this indicator for over two years since October 2018**) while a 47.3% (down 10.6ppts), expected 'bad times';
- In further good news an increasing majority of businesses, 57.9% (up 5.5ppts), said the next 12 months is a **'good time to invest in growing the business'** (**the highest figure for this indicator for nearly seven years since January 2014**), while 33.6% (down 6.1ppts) said it will be a 'bad time to invest' (**the lowest figure for this indicator for well over two years since February 2018**);
- In addition, businesses are growing increasingly confident about **the longer-term outlook with 46.8%** (up 1.1ppts) expecting 'good times' for the Australian economy over the next five years compared to 47.8% (up 0.6ppts) which expect 'bad times';
- Nearly a third of businesses, 31.5% (up 3.5ppts), said the business was 'better off financially than this time a year ago while almost half, 46.1% (down 7.8ppts), said the business is 'worse off';
- Confidence about their own performance over the next year has also increased with 50.1% (up 3.8ppts) expecting the business will be 'better off financially this time next year, while just under a sixth, 15.7% (down 3.3ppts) expected the business to be 'worse off'.



Michele Levine, CEO of Roy Morgan, says Business Confidence has had a record two month increase of 23.5pts (+27.5%) to 109.1 and is now at its highest for over a year since September 2019 (110.6):

“Business Confidence is signalling that Australian businesses are becoming increasingly bullish about their current circumstances. The two large consecutive monthly increases have been built on increasing confidence about the performance of the Australian economy over the next year and that the ‘next 12 months is a good time to invest in growing the business’.

*“In November 50% of businesses expect ‘good times’ for the Australian economy over the next year, up a stunning 20.5% points since September and the **highest figure for this indicator for over two years since October 2018**. Even better, now 57.9% of businesses say ‘now is a good time to invest in growing the business’, up 17.2% points since August – and the **highest figure for this indicator for nearly seven years since January 2014**.*

“Business Confidence increased in all six States led by Queensland, up 18.8pts to 109.3 after the decisive election victory in late October for Premier Annastacia Palaszczuk. Business Confidence in Queensland has now increased 37.6pts (+52.5%) over the last two months and has recovered from being the least confident State during September and October.

“Also performing strongly are New South Wales (113.8), Western Australia (114.4) and South Australia at 120.2 prior to last week’s three-day state-wide lockdown. It will be important to assess whether the South Australian lockdown has any longer-lasting impact on Business Confidence when assessing the figures for December.

“Lagging behind in November is Victoria with Business Confidence of only 97.8, up 2.8pts on October. The small increase came after Victoria emerged from a near four-month lockdown in late October but there are still many restrictions on business in Victoria with Premier Dan Andrews recommending office workers continue to work from home and mask wearing is still mandatory in any indoor spaces.

“The most confident industries are unchanged from the last two months led by Transport, Postal & Warehousing, Public Administration & Defence, Property & Business Services, Wholesale and Mining all with Business Confidence well above the national average in excess of 115.

“The most positive news is the large increase in Business Confidence for the Retail industry which increased 38.7pts (+55.3%) to 108.7 in November. This is the highest confidence for the industry since January 2020 and is well-timed leading into the most important retailing period of the year over the Christmas-Boxing Day sales period.

“The increasing Business Confidence for retailers is supported by the annual [Roy Morgan-ARA pre-Christmas retail sales forecast](#) released last week which predicts sales of \$54.3 billion during the run-up to Christmas in Australia, up 2.8% on a year ago, and far better than many had thought possible earlier in the year.”

The latest Roy Morgan Business Confidence results for November are based on 1,296 detailed interviews with a cross-section of Australian businesses from each State and Territory. Detailed findings are available to purchase on a monthly or annual subscription as part of the [Roy Morgan Business Confidence Report](#).

For comments or more information please contact:

Michele Levine
CEO, Roy Morgan
Office: +61 (3) 9224 5215
Mobile: 0411 129 093

To learn more about Roy Morgan’s [Business Confidence](#), [Consumer Confidence](#) and [Inflation Expectations](#) data call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

About Roy Morgan

Roy Morgan is Australia's largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 75 years' experience 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%
1,000	±3.0	±2.7	±1.9	±1.3
5,000	±1.4	±1.2	±0.8	±0.6
50,000	±0.4	±0.4	±0.3	±0.2

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