Monday, 7 April 2014

**Business Confidence recovers slightly during March**

Roy Morgan Research’s latest Business Confidence survey in March 2013 shows that Australian Business Confidence rose during the month, partially offsetting a steep decline in confidence during February. An increase of 3.3 points from February to a score of 120.6 puts Business Confidence back above the level that immediately preceded the last federal election in August 2013, when Business Confidence rated only 119.6. These figures are the result of 1,511 interviews with business across all industries, sizes and locations around Australia.

The modest recovery in Business Confidence was driven by an increasing proportion of businesses reporting that their financial position compared to 12 months ago has improved (up 4.5 points to 32.6%), and a return of confidence in the economic outlook for Australia in the next 5 years (up 2.4 points to 64.5%). There was also a sharp increase in the belief that the next 12 months will be a good time to invest in growing a business (up 3.8 points to 59.7%). However these improving expectations are offset with concern for individual businesses, with the proportion of businesses expecting to be better off financially 12 months from now declining 2.2 points to 37.7% of Australian businesses.

**Monthly Business Confidence - Australia**

![Graph showing monthly business confidence](source)

*Source: Business Confidence, Roy Morgan Business Single Source, average monthly sample, n = 2183.*
With the exception of Victoria, all States reported a decrease in Business Confidence from February, with Queensland showing the largest decrease, down 4 points to 123.9. Western Australia also experienced a decline in Business Confidence, down 2.9 points to 126.8, although it retains equal highest Business Confidence along with South Australia (down only 1 point to 126.8). Victoria, in contrast with every other state, saw an increase in Business Confidence of 1.7 points to 124.7.

The industries supporting the rise in Business Confidence appear to be Real Estate (up 1.8 points to 140.8), Professional Services (up 2.1 points to 126.1) and Wholesale Trade (up 2 points to 130.1). Business Confidence in the Mining industry fell 16.9 points, although at 148.5 it remains the most confident industry in Australia. The Accommodation and Food Services industry saw a decline in confidence (down 4 points to 115.1), as did Retail (down 1.1 points to 117.2), Transport (down 7.3 to 106.5), Education and Training (down 5.2 points to 124.4) Personal Repair and other services (down 7 points to 112.3). The Finance industry remained at a very high level of Business Confidence at 142.6, slightly down from February (-0.6 points).

Nigel Smith, Director of Business Research, Roy Morgan Research, says:

“The resilience of Business Confidence in March 2014 appears to largely reflect the strength of the Finance and Real Estate industries, particularly in Victoria. Recent figures showing a surge in new dwelling approvals for the Melbourne CBD is most likely driving this, although the Construction industry in the state appears to have only moderately benefited from this strength.

“With the exception of the Mining industry, it is notable that between 2011 and 2014 the industry that has consistently shown the highest Business Confidence is the Finance & Insurance industry – corresponding a period of historically low interest rates in Australia. If Australian interest rates do rise in 2014, Business Confidence in this industry is likely to suffer a setback.”

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.

Click here to purchase the Consumer Banking Satisfaction Monthly 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 New Zealand, 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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

**Australia’s leading B2B market research**

These findings are from the Roy Morgan Business Single Source survey, the most comprehensive B2B research in Australia, which started in May 2010 and currently conducts more than 2,500 interviews per month.

The research covers business confidence, telecommunications, banking & finance and business media use which can be analysed by number of employees, annual turnover, head office and operating locations, sources of revenue and financial performance and expectations.

**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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<th>Sample Size</th>
<th>Percentage Estimate</th>
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