

Discover your *edge*

Wednesday, 12 April 2017

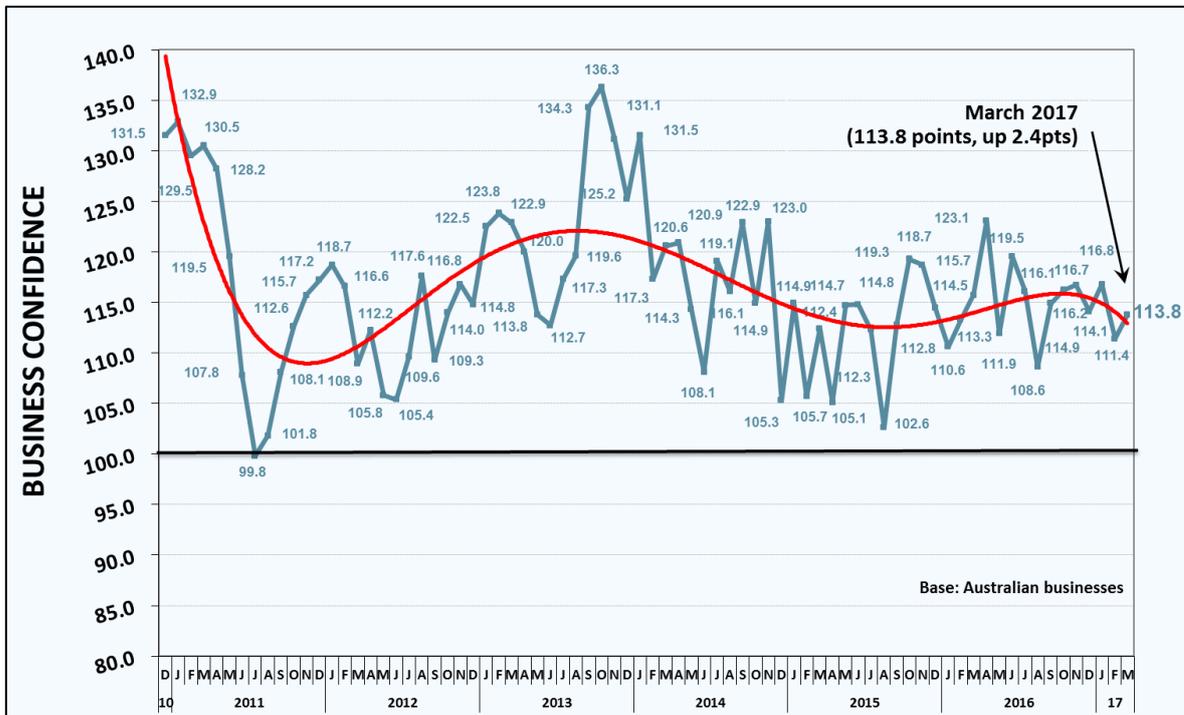
Business Confidence up in March; but low confidence sees Barnett Government thrown out

Business Confidence in Australia rose 2.4pts (2.2%) to 113.8 in March, according to the Roy Morgan Business Single Source survey. The rise in Business Confidence coincided with the Australian All Ordinaries gaining 142.8pts (+2.5%) to 5,903.8.

However, the continuing low Western Australian Business Confidence contributed to the election loss for former WA Premier Colin Barnett – WA has consistently had the lowest Business Confidence of any State since the end of the Mining Boom in mid-2015.

More Australians say their business is better off financially than a year ago and they are more confident about the performance of the Australian economy over the next 12 months.

Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source (Australia), December 2010-March 2017. Average monthly sample last 12 months = 995.

A record high 43.3% (up 3.4ppts) of businesses say they are 'better off financially' than a year ago while just 28.6% (down 2.2ppts) say they are 'worse off', a net positive gain of 5.6ppts. In addition more businesses, 50.1% (up 4.4ppts), expect 'good times' for the Australian economy over the next 12 months while 46.1% (down 0.8ppts), expect 'bad times' – a net positive gain of 5.2ppts. Also 50% (up 0.8ppts) expect 'good times' for the economy over the next five years compared to 41.8% (unchanged) that expect bad times.

Michele Levine, CEO Roy Morgan Research, says the poor State of Western Australia's economy was clearly a factor in the Barnett's Government election loss in mid-March:

"Business Confidence was up 2.4pts (2.2%) in March. However, the continuing low WA Business Confidence – the lowest of any State since the end of the Mining Boom in mid-2015 is clearly a huge factor in the record swing (15.9%) against the incumbent WA Liberal Government of Colin Barnett.

"The Barnett Government won only 13 seats at the recent WA Election – losing a majority of its 31 seats and reduced to a rump in the WA Legislative Assembly. This is the worst ever performance of the WA Liberal Party at a WA State Election since it was formed in the 1940s.

"It pays to know how confident businesses in your State are about the economic climate they work in. We approach several important State elections over the next two years – Queensland (by March 2018), South Australia (March 2018), Tasmania (March 2018), Victoria (November 2018) and New South Wales (March 2019).

"Assessing the movement of Business Confidence across the other States in March shows increases in five States led by Victoria and South Australia – now with the highest Business Confidence on the mainland following the extensive discussions around new energy options for the State after significant disruptions during the high energy usage of the Summer.

"Only Queensland saw a reduction in Business Confidence in March which was hit by the devastating Cyclone Debbie in the last week of March and caused extensive damage to infrastructure in many parts of Queensland, and also Northern New South Wales.

"Business Confidence by industry is led by Public administration, safety and security, Health care and social assistance, Arts and recreational services, Accommodation and food services and Construction – which is clearly powered by the continuing real estate boom, while it continues to lag in Electricity, gas, water and waste, Mining and Personal, repair and other services."

Roy Morgan March Business Confidence results are based on 995 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 |