

Tuesday, 5 August 2025

Roy Morgan Business Confidence up slightly in July as business grow more confident about their prospects

In July 2025, Roy Morgan Business Confidence increased 0.6pts to 103.0, despite the Reserve Bank electing to leave interest rates unchanged at 3.85% amid widespread expectations of a cut to interest rates.

The positive news for the Australian economy in July was highlighted by the ASX 200 stock-market closing at an all-time record high of 8,757 in mid-July and the Australian Dollar reaching its highest point so far this year at 66.3 US cents in late July.

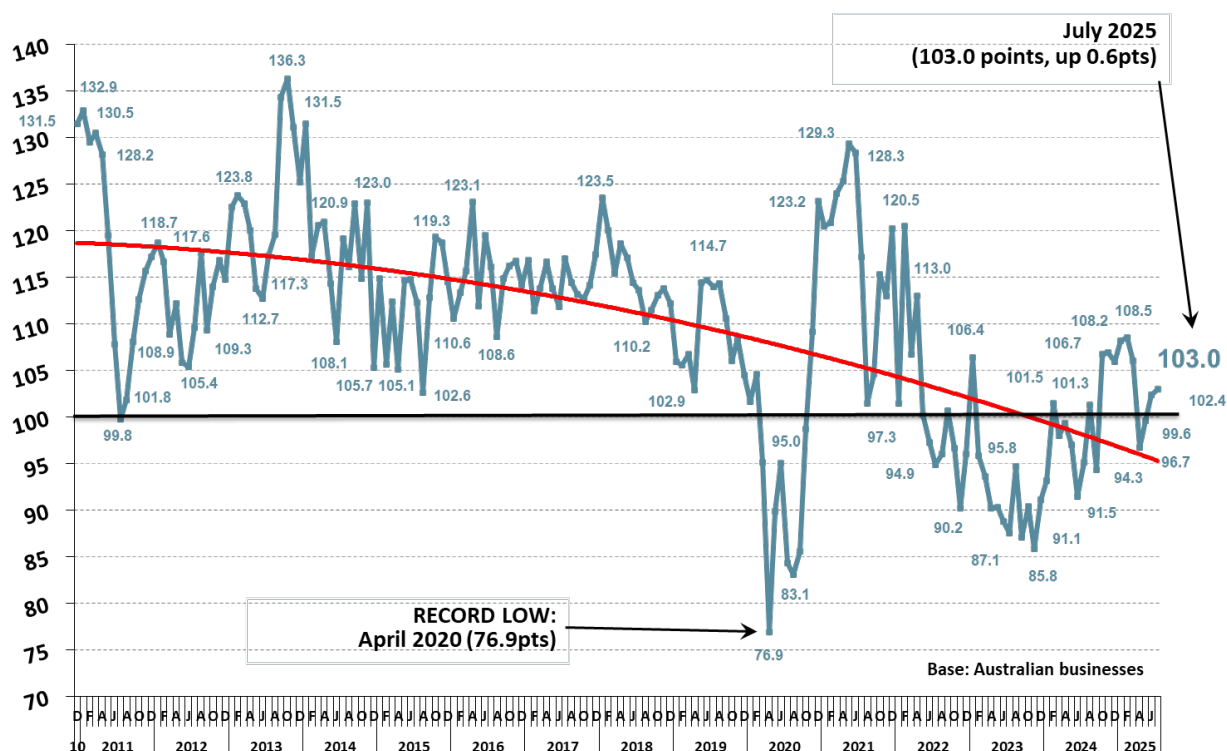
The small increase to Business Confidence was driven by more confidence about businesses' financial prospects and Australia's economic performance over the next year.

For a second straight month businesses grew more confident about their own prospects over the next year with 40.9% (up 1.3% points) expecting to be 'better off' financially this time next year compared to only 20.3% (down 1.4% points) that expect to be 'worse off' financially.

There was also greater confidence about the prospects for the Australian economy over the next year with a rising majority of 62% (up 2.8% points) expecting 'good times' for the economy over the next 12 months (**the highest figure for this indicator for over three years since February 2022**) compared to just 35.9% (down 0.8% points) expecting 'bad times'.

Business Confidence is now 7pts below the long-term average of 110, but 12.4pts higher than the latest [ANZ-Roy Morgan Consumer Confidence of 90.6 for July 28 – August 3, 2025](#).

Roy Morgan Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010-July 2025. Average monthly sample over the last 12 months = 1,469.

Business Confidence is up significantly from a year ago driven by large increases in New South Wales, Western Australia and Queensland

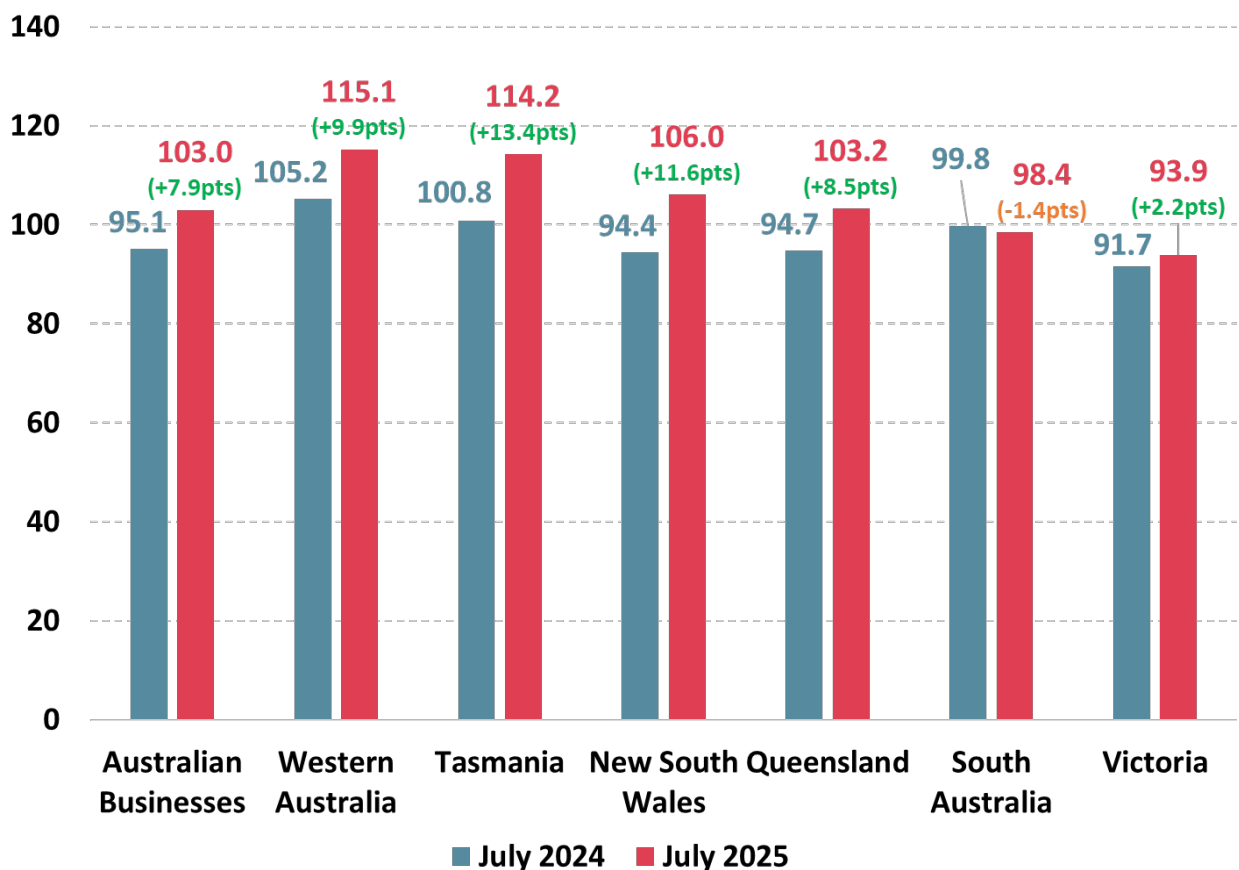
Business Confidence for the month of July increased 0.6pts from a month ago and is up an impressive 7.9pts from July 2024. The sharp increase in Business Confidence has been driven by improving sentiment in New South Wales, Queensland, and Western Australia all up by over 5pts from a year ago.

Business Confidence in Western Australia is at 115.1 and up a large 9.9pts from a year ago and clearly the highest Business Confidence of any State and is just ahead of Tasmania, up a large 13.4pts to 114.2 despite an inconclusive State Election in July.

There were also large rises in Business Confidence in New South Wales, up by 11.6pts from a year ago to 106.0 and in Queensland, up 8.5pts to 103.2.

However, Business Confidence remains low and below the neutral level of 100 in South Australia, down 1.4pts to 98.4, and in Victoria, despite increasing 2.2pts to 93.9 – clearly the lowest Business Confidence of any State.

Business Confidence by State in July 2024 vs July 2025



Source: Roy Morgan Business Single Source, July 2024, n=1,501, June 2025, n=1,246. **Base:** Australian businesses.

*Tasmanian Business Confidence is measured over two months: June & July 2024 cf. June & July 2025.

Accommodation & Food Services, Electricity, gas, water & waste services, Rental hiring and real estate services and Wholesale trade are the four most confident industries during June & July 2025

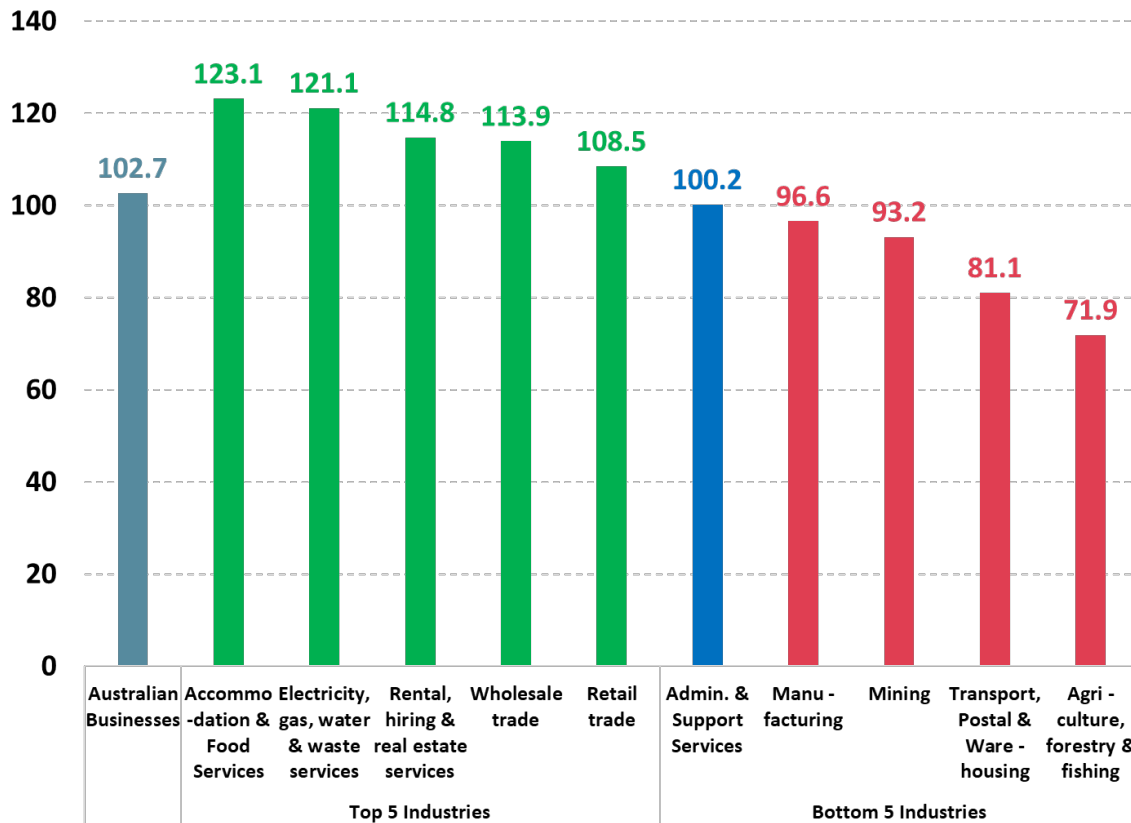
Over the last two months there were 14 industries with Business Confidence in positive territory above the neutral level of 100 led by Accommodation & Food Services, Electricity, gas, water & waste Services, Rental, hiring & real estate services, Wholesale trade and Retail trade filling out the top five industries.

There were two industries with confidence over 15pts above the average in June & July 2025 including Accommodation & Food Services on 123.1, up 20.9pts on a year ago, and Electricity, gas, water & waste services on 121.1, and up 7.4pts on a year ago.

There were only two industries with Business Confidence deeply in negative territory below 90 during the last two months and the least confident industry is again Agriculture, Forestry & Fishing on only 71.9. Business Confidence in this industry has been at low levels for a significant period of time and has averaged only 82.5 over the last three years – clearly the lowest of any industry.

Business Confidence is also low for Transport, Postal & Warehousing on just 81.1 and an average of 86.4 over the last three years – the second lowest of any industry over this sustained period of time.

Business Confidence for Top 5 and Bottom 5 Industries in June & July 2025



Source: Roy Morgan Business Single Source, June & July 2025, n=2,461. **Base:** Australian businesses.

Note: In the chart above, green bars represent Business Confidence in positive territory above the national average, red bars represent Business Confidence well below the national average and below the neutral level of 100 while the dark blue bar represents Business Confidence above the neutral level of 100 but still below the national average.

Business Confidence increased slightly by 0.6pts to 103.0 in July driven by business' growing confidence about their own financial situation and the Australian economy over the next year:

- In July, nearly a third of businesses, 32.2% (up 5.8ppts), said their **business is 'better off' financially than this time a year ago**, (the highest figure for this indicator so far this year) while over a third, 33.5% (down a significant 7.1ppts), said the business is 'worse off';
- Businesses' views on their prospects for the next year improved slightly in July with 40.9% (up 1.3ppts) expecting the **business will be 'better off' financially** this time next year, while just over a fifth, 20.3% (down 1.4ppts), expect the business will be 'worse off';
- Confidence regarding the performance of the **Australian economy over the next year** improved with a rising majority of 62% (up 2.8ppts) expecting 'good times' (the highest figure for this indicator for over three years since February 2022) while 35.9% (down 0.8ppts) expect 'bad times';
- However, businesses' views on the long-term future of the **Australian economy over the next five years** deteriorated significantly in July with only 27.6% (down 5.2ppts) expecting 'good times' over the next five years compared to a **new record high** of 64% (up 6.9ppts) expecting 'bad times';
- Net sentiment on whether now is a **'good or bad time to invest in growing the business'** dropped in July with 40.8% (down 3.9ppts) saying the next 12 months will be a **'good time to invest'** in growing the business while an unchanged 35% say the next 12 months will be a **'bad time to invest'**.



Michele Levine, CEO of Roy Morgan, says Business Confidence improved for a third straight month in July, up 0.6pts to 103.0 despite the Reserve Bank electing to leave interest rates unchanged:

"Roy Morgan Business Confidence increased 0.6pts to 103 in July despite the Reserve Bank's decision to leave interest rates unchanged at 3.85% in early July amid widespread expectations of a cut to interest rates.

"The Reserve Bank justified its decision to hold interest rates by wanting to see the latest June quarter inflation data which was released last week. The latest [ABS inflation data showed June quarterly annual inflation at 2.1%](#) - the lowest annual inflation for over four years since March 2021.

"The general view of market economists and media commentators is that this low level of inflation has all but guaranteed the Reserve Bank will now deliver an interest rate cut next week – likely by 0.25% to 0.36%.

"There are other signs that the Australian economy is strengthening with the ASX200 stock index hitting an all-time record high of 8,757 in mid-July and the value of the Australian Dollar hit its highest level so far this year at 66.3 US cents in late July.

"Two indicators improved in both June and July. Now 40.9% (up 8.6% points over the last two months since May) of businesses expect they will be 'better off' financially this time next year. In addition, now 62% (up 3.9% points) of businesses expect 'good times' for the Australian economy over the next 12 months.

"On a State-by-State basis Business Confidence was highest in Western Australia (115.1) and Tasmania (114.2) despite an inconclusive election in the island State. The final results from the Tasmanian election held in mid-July show the Liberal Party (14 seats) and Labor Party (10 seats) winning the same number of seats as they held before the election.

"However, Business Confidence is below the neutral level of 100 in both South Australia (98.4) and Victoria (93.9) – the next two States to face elections. The next South Australian election is due in March 2026, and the next Victorian election is due in November 2026.

"At an industry level, it is Accommodation & Food Services on 123.1 and Electricity, gas, water & waste services on 121.1 which are the most confident industries over 15 points higher than the national average. Other confident industries include Rental, hiring & Real Estate Services on 114.8, Wholesale Trade on 113.9, Retail Trade on 108.5 and Education & Training on 106.6.

"At the other end of the scale is Agriculture, Forestry & Fishing on only 71.9 and the lowest average Business Confidence over a sustained period of the last three years of only 82.5 – the lowest average of any of the 18 industries. Business Confidence for Transport, Postal & Warehousing is at just 81.1 – the only other industry with a low Business Confidence below 90."

The latest Roy Morgan Business Confidence results for July are based on 1,246 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 80 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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