

Friday, 9 January 2026

Roy Morgan Business Confidence ended 2025 in positive territory

In December 2025 Roy Morgan Business Confidence jumped 6.3pts to 105.0, its highest confidence rating for nine months since March 2025 (106.0). The result followed the Reserve Bank's decision to leave interest rates unchanged at 3.6% for a fourth straight month in December.

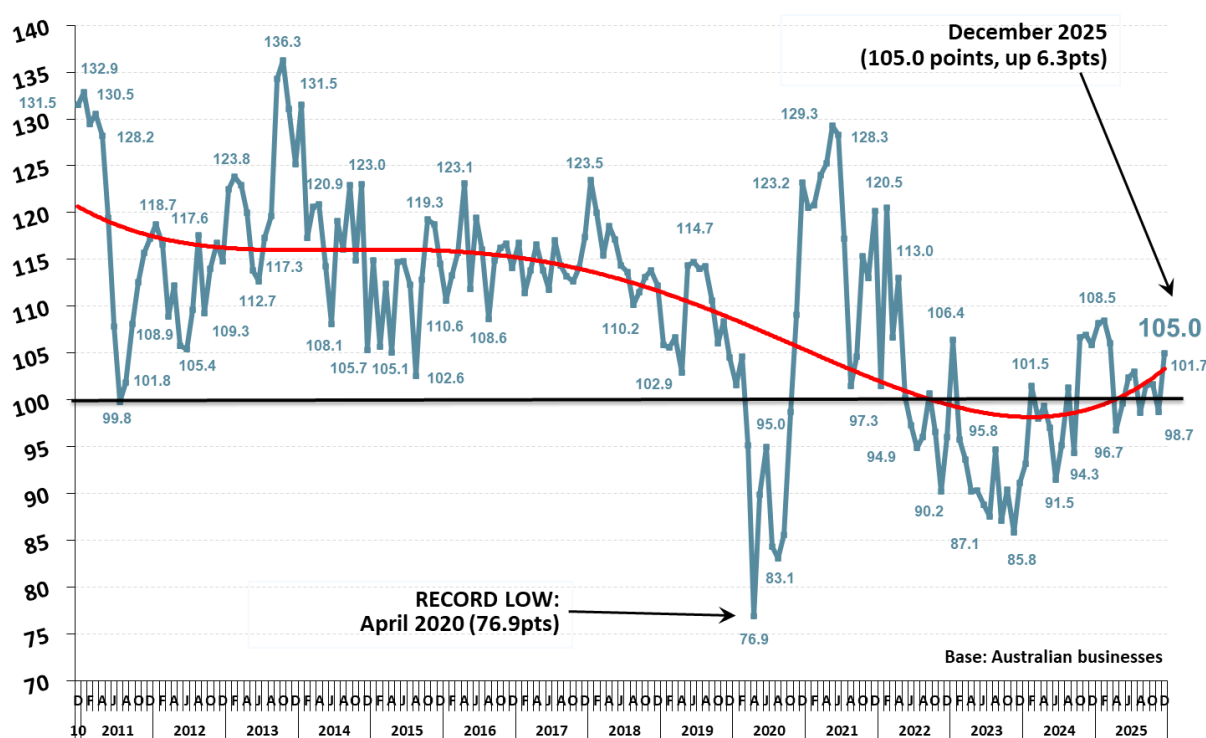
A look at the component questions of the index showed an increase in confidence about businesses' own prospects was the primary driver of the overall increase in Business Confidence.

In December, over a third of businesses, 35.1% (up 7.1% points), say the business is 'better off financially' than this time last year and 46.4% (up 6.4% points) say they expect the business to be 'better off financially' this time next year.

In addition, a growing majority of businesses, 57% (up 2.8% points), say they expect 'good times' for the Australian economy over the next year while 40.8% (down 2.9% points) say they expect 'bad times'.

Business Confidence is 4.8pts below the long-term average of 109.8, but is a significant 23.5pts higher than the latest [ANZ-Roy Morgan Consumer Confidence of 81.5 on December 8-14, 2025](#).

Roy Morgan Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010-Dec 2025. Average monthly sample over the last 12 months = 1,333.

Business Confidence is up from a year ago in Tasmania, Victoria and Western Australia

In December, Business Confidence was down slightly by 0.9pts from December 2024. There were decreases in New South Wales, Queensland, and South Australia, largely offset by increases in Victoria, Western Australia, and Tasmania.

Business Confidence was virtually unchanged in New South Wales at 103.4, down 0.7pts from a year ago, and down 7.3pts to 98.6 in Queensland. However, the largest fall over the last year was in South Australia, with Business Confidence down 20.1pts to 87.9 – and now clearly the lowest of any State. Importantly, South Australia faces a State Election in March at which the Labor Government of Peter Malinauskas is expected to be easily re-elected with an increased majority.

In contrast, Business Confidence increased in three States compared to a year ago – Victoria, Tasmania, and Western Australia. In Victoria, Business Confidence was up 5.4pts from a year ago to 113.6 and increased by 6.4pts to 105.9 in Western Australia.

The largest increase was in Tasmania, up 31.4pts to 134.6, following the confirmation of the re-election of Liberal Premier Jeremy Rockliff's Government in mid-August. The boost to Business Confidence came as Rockliff's Government secured support in both houses of Parliament in early December for Hobart's new stadium to be built – a huge 'fillip' to Tasmania's economy.

Business Confidence by State in December 2024 vs December 2025



Source: Roy Morgan Business Single Source, December 2024, n=1,533, December 2025, n=1,174. **Base:** Australian businesses. *Tasmanian Business Confidence is measured over two months: Nov. & Dec. 2024 cf. Nov & Dec. 2025.

Electricity, Gas, Water & Waste Services; Mining; and Professional, Scientific & Technical Services are the three most confident industries during November & December 2025

Over the last two months 12 industries recorded Business Confidence in positive territory above 100 led by Electricity, Gas, Water & Waste Services; Mining; Professional, Scientific & Technical Services; Rental, Hiring & Real Estate Services; Financial & Insurance Services; and Health care & Social assistance.

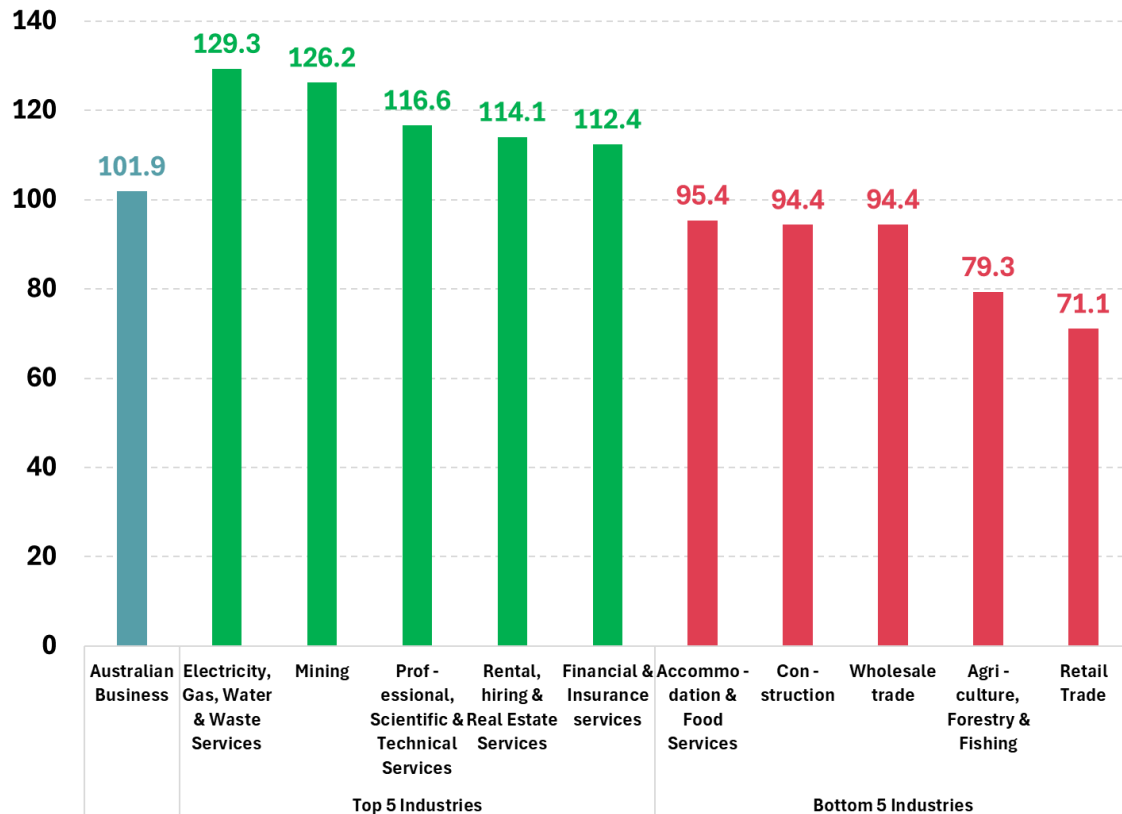
Five industries recorded Business Confidence over 10pts above the average in November & December 2025 led by the Electricity, Gas, Water & Waste Services on 129.3, more than doubling and up a massive 69.3pts on a year ago. In second place is the Mining industry on 126.2, up marginally by 1.3pts on a year ago. The high confidence in the industry comes after Prime Minister Albanese signed a multi-billion-dollar deal with US President Donald Trump regarding Australia's critical mineral and rare earth supplies in October.

In third place is Professional, Scientific & Technical Services on 116.6, up 15.2pts on a year ago, just ahead of Rental, Hiring & Real Estate Services on 114.1, up 4pts on a year ago.

There were only two industries with Business Confidence deeply in negative territory below 80 during the last two months and the least confident industry was Retail Trade on only 71.1. The lowest confidence in the industry for over two years since the second half of 2023 – a period when interest rates had increased by 4.25% in the previous 18 months from May 2022 until November 2023.

Slightly higher is Agriculture, Forestry & Fishing on 79.3. Business Confidence in this industry has been at low levels for a significant period of time and averaged only 80.4 from 2022-2025 - the lowest of any industry.

Business Confidence for Top 5 and Bottom 5 Industries in November & December 2025



Source: Roy Morgan Business Single Source, October & November 2025, n=2,407. **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 6.3 points to 105.0 in December as businesses grew significantly more confident about their own prospects:

- In December, over a third of businesses, 35.1% (up 7.1ppts), said their **business is 'better off financially than a year ago (the highest figure for this indicator for over two years since August 2023)**, while under a third, 31.9% (down 7.7ppts), said the business is 'worse off';
- Businesses' net views on their prospects for the next year improved significantly in December with 46.4% (up 6.4ppts) expecting the **business will be 'better off financially this time next year (the highest figure for this indicator for over a year since November 2024)**, while under a fifth, 19% (down 4.9ppts), expect the business will be 'worse off';
- Confidence regarding the performance of the **Australian economy over the next year** improved in December with 57% (up 2.8ppts) expecting 'good times' while 40.8% (down 2.9ppts) expect 'bad times';
- Businesses' views on the long-term future of the **Australian economy over the next five years** were little changed on a net level in December with 33.4% (up 1.2ppts) expecting 'good times' over the next five years compared to 61.5% (down 0.6ppts) expecting 'bad times';
- In contrast to other indicators, net sentiment on whether now is a **'good or bad time to invest in growing the business'** declined with 40.3% (up 0.6ppts) saying the next 12 months will be a **'good time to invest'** in growing the business while over a third, 34.1% (up 3ppts), say the next 12 months will be a **'bad time to invest'**.



Michele Levine, CEO of Roy Morgan, says Business Confidence jumped 6.3pts to 105.0 in December, its highest level in nine months despite the Reserve Bank deciding to leave interest rates unchanged at 3.6% for a third consecutive meeting in early December:

"Roy Morgan Business Confidence increased 6.3pts to 105.0 in December, hitting its highest level in nine months since March 2025 (106.0). The increase came even though the Reserve Bank left interest rates unchanged in both November and December at 3.6% amid rising inflation.

"The rising official inflation has been foreshadowed in the [ANZ-Roy Morgan Inflation Expectations which increased to 5.6% in mid-December](#) – its highest level for two years since December 2023. The official ABS Inflation figure, now released monthly, has increased from [1.9% in June 2025 and nearly doubled to 3.4% in November 2025](#) – only five months later.

"The sharp rise in inflation in recent months was unexpected and led the Reserve Bank (RBA) to leave interest unchanged at three consecutive meetings. The RBA had cut interest rates by 0.25% in the three months of February, May and August last year by a total of 0.75% to 3.6%.

"In addition, the ASX 200 share-market has recovered significantly in December, increasing from a low of 8,416.5 on November 21, 2025, to 8,795.7 on December 23, 2025. This represents an increase of 379.2 points (+4.5%) in just over a month for what is often called the 'Santa Rally' into Christmas.

"Driving the monthly increase in Business Confidence in December was more confidence about business' own situations with an increased plurality of 46.4% (up 6.4% points) of businesses expecting to be 'better off' financially this time next year and a rising majority of 57% (up 2.8% points) expecting 'good times' for the Australian economy over the next 12 months.

"On a State-by-State basis Business Confidence was highest in Tasmania (134.6) after the re-election of Jeremy Rockliff's Liberal Government and the Government's successful push to secure Parliamentary approval of the construction of Hobart's new stadium in early December.

"Business Confidence is well into positive territory in Victoria (113.6) and marginally above the neutral level of 100 in Western Australia (105.9) and New South Wales (103.4). In contrast, Business Confidence is now below the neutral level of 100 in Queensland (98.6) and South Australia (87.9).

"At an industry level, the most confident industry in the final months of 2025 is Electricity, Gas, Water & Waste on 129.3, just ahead of the Mining industry on 126.2 – both well over 20pts above the national average. The Mining industry was significantly boosted in October when Prime Minister Anthony Albanese signed a multi-billion-dollar deal with US President Donald Trump covering access to and development of Australia's large critical minerals and rare earth resources.

"Other confident industries include Professional, Scientific & Technical Services on 116.6, Rental, Hiring & Real Estate Services on 114.1, Financial & Insurance Services on 112.4, and Health care & Social Assistance on 111.4, all significantly higher than the national average.

"At the other end of the scale is Retail Trade on only 71.1 during the most important retail period of the year – the pre-Christmas period. The annual [ARA-Roy Morgan forecast was for Australians to spend a record \\$72.4 Billion in the six weeks before Christmas 2025 – up 4% on a year ago](#). However, despite record retail spending during the pre-Christmas period, confidence in the industry has plunged 40.6pts (-36.3%) from a year ago and is at its lowest for two years since late 2023.

"The combination of rapidly increasing inflation and the prospect of interest rate cuts in the near future has clearly hit confidence among Australian retailers hard.

"In addition, confidence in the Agriculture, Forestry & Fishing industry is at just 79.3 and the lowest average Business Confidence over a sustained period of the last three years (2023-25) of only 80.4 – clearly the lowest average of any of the 18 industries over this extended period."

The latest Roy Morgan Business Confidence results for December are based on 1,174 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:

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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.



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About Roy Morgan

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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