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ROY MORGAN

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Roy Morgan Business Confidence up 3.1pts to 79.1; driven by a jump of 16.7pts in Victoria after Premier Allan resigns

In August 2026 Roy Morgan Business Confidence increased 3.1 points to 79.1, a record fifth straight month below the mark of 80, and just above the all-time record low reached in July.

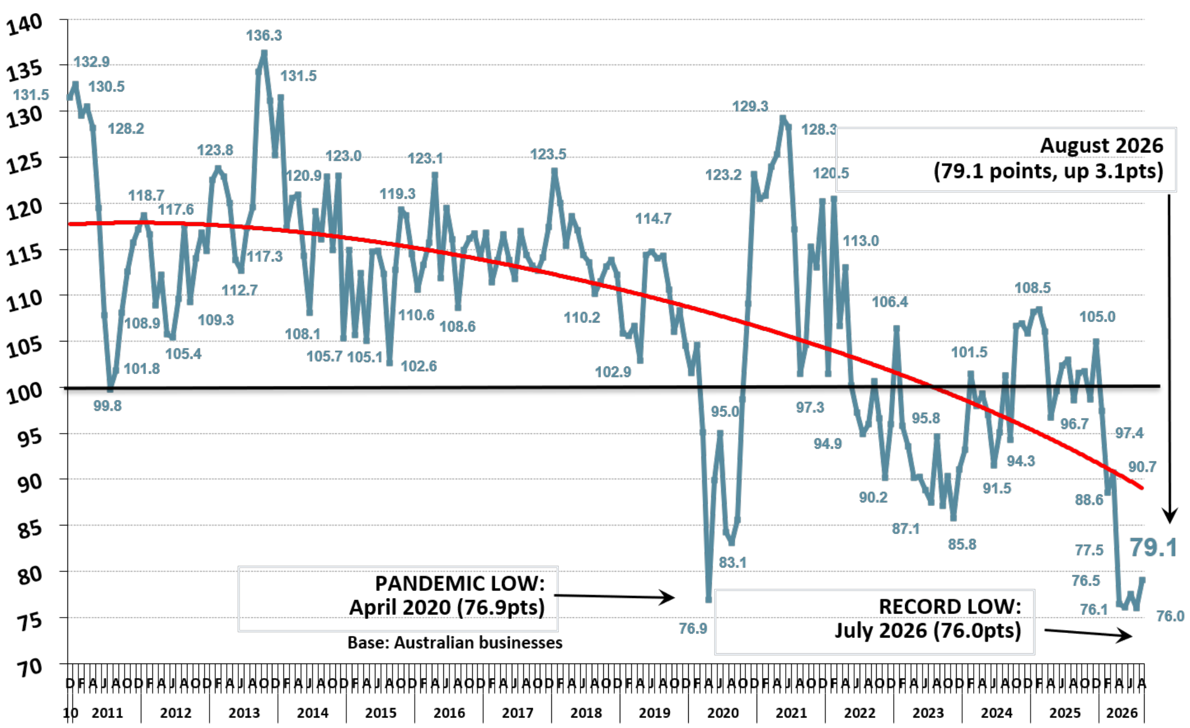
The small improvement in Business Confidence in August came as the Reserve Bank left interest rates unchanged for a second straight meeting in mid-August at 4.35% and official [ABS Inflation for July dropped to 3.5%](), down from 3.8% in June, and down 1.1% points from a high of 4.6% in March 2026.

At a national level, driving the small increase in August were improvements in confidence about the financial situation of the business compared to a year ago and looking ahead over the next 12 months.

Now over a quarter, 27.2% of businesses (up 8.5% points in August) say their business is ‘better off’ financially than this time a year ago and over a third, 33.2% (up 4.1% points) expect business to be ‘better off’ financially this time next year.

In addition, now 31.8% (up 6.3% points) say now is a ‘good time to invest’ in growing the business while 48.2% (up 0.2% points) that say it’s a ‘bad time to invest’ – an improvement of 6.1% points.

Roy Morgan Monthly Business Confidence -- Australia



***Source:** Roy Morgan Business Single Source, Dec 2010-Aug 2026. Average monthly sample over the last 12 months = 1,159.*

In August 2026 Business Confidence is below 80 in four States, and highest in Victoria

Year-on-year Business Confidence was down significantly (down 19.5 points from a year ago to only 79.1). Business Confidence was down in five out of six States, and below 80 in four out of the six States.

The surprising exception was Victoria, with Business Confidence of 92.4pts in August – just three months before the crucial State Election, and virtually unchanged on a year ago (up 0.2pts). The reasons for this buoyant Business Confidence in Victoria are likely political – Premier Jacinta Allan stepped down as Premier in the last week of July to be replaced by the Labor Right candidate Ben Carroll who promised a break from the previous Andrews/Allan Labor Governments. Business Confidence in Victoria jumped 16.7 points in August from July – the largest driver of the overall increase in the measure.

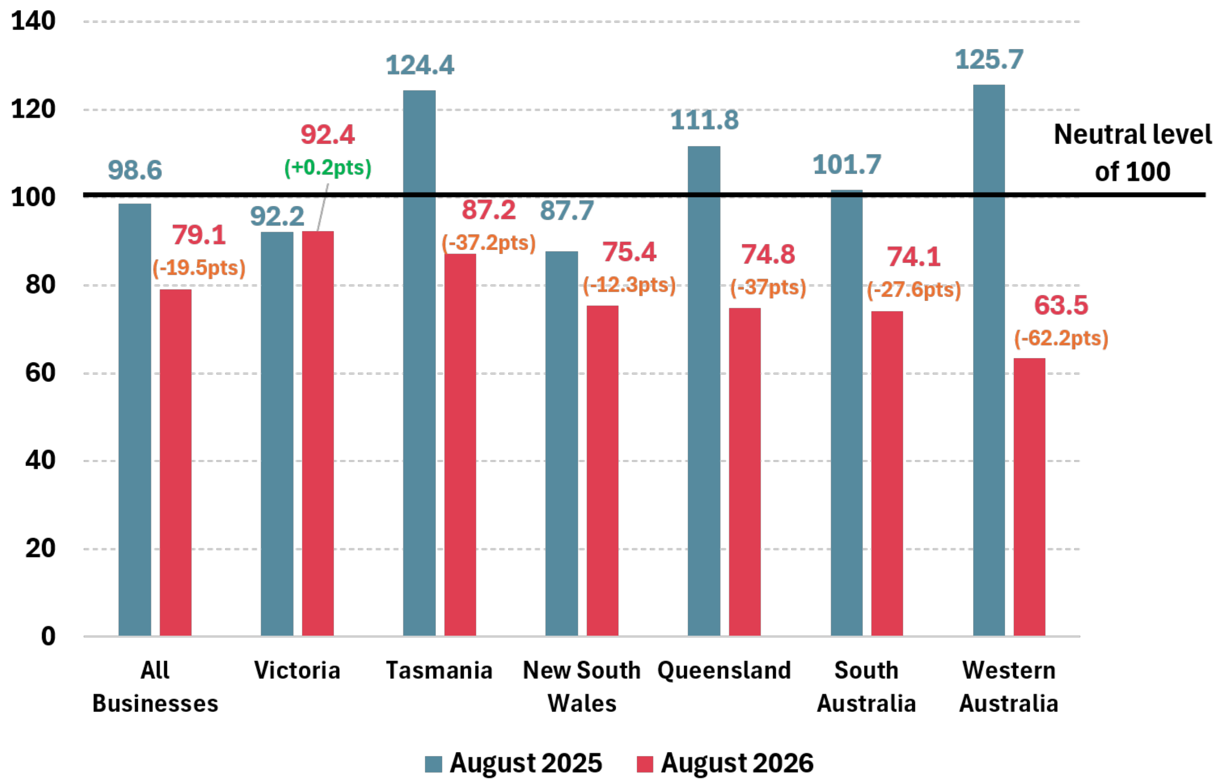
The Victorian electorate will cast their judgment on the 12 year old Labor Government, albeit with a new Premier, in late November.

Business Confidence in Tasmania is also relatively high at 87.2 in August, but this is down a large 37.2 points on a year ago.

All four other States have experienced large falls in Business Confidence from a year ago and are at low levels below 80. This includes New South Wales, which faces a State Election in six months' time in March 2027 and now with Business Confidence of just 75.4, down 12.3 points on a year ago.

Business Confidence in Queensland is at only 74.8, down 37 points on a year ago, and is at just 74.1 in South Australia, down 27.6 points on a year ago. However, the largest fall from a year ago is in Western Australia at only 63.5, and down a massive 62.2 points on a year ago.

Business Confidence by State in August 2025 vs August 2026



***Source:** Roy Morgan Business Single Source, August 2025, n=1,189, August 2026, n=1,094. **Base**: Australian businesses. *Tasmanian Business Confidence is measured over two months: July & Aug 2025 cf. July & Aug 2026.*

Education & Training and Arts & Recreational Services are the only two industries with Business Confidence in positive territory above 100 during the three months to August 2026

Over the last three months there were only two industries with Business Confidence in positive territory above 100 – Education & Training on 104.2, virtually unchanged on a year ago and up 0.4pts, and Arts & Recreational Services on 103.3, but down 5.6pts on a year ago.

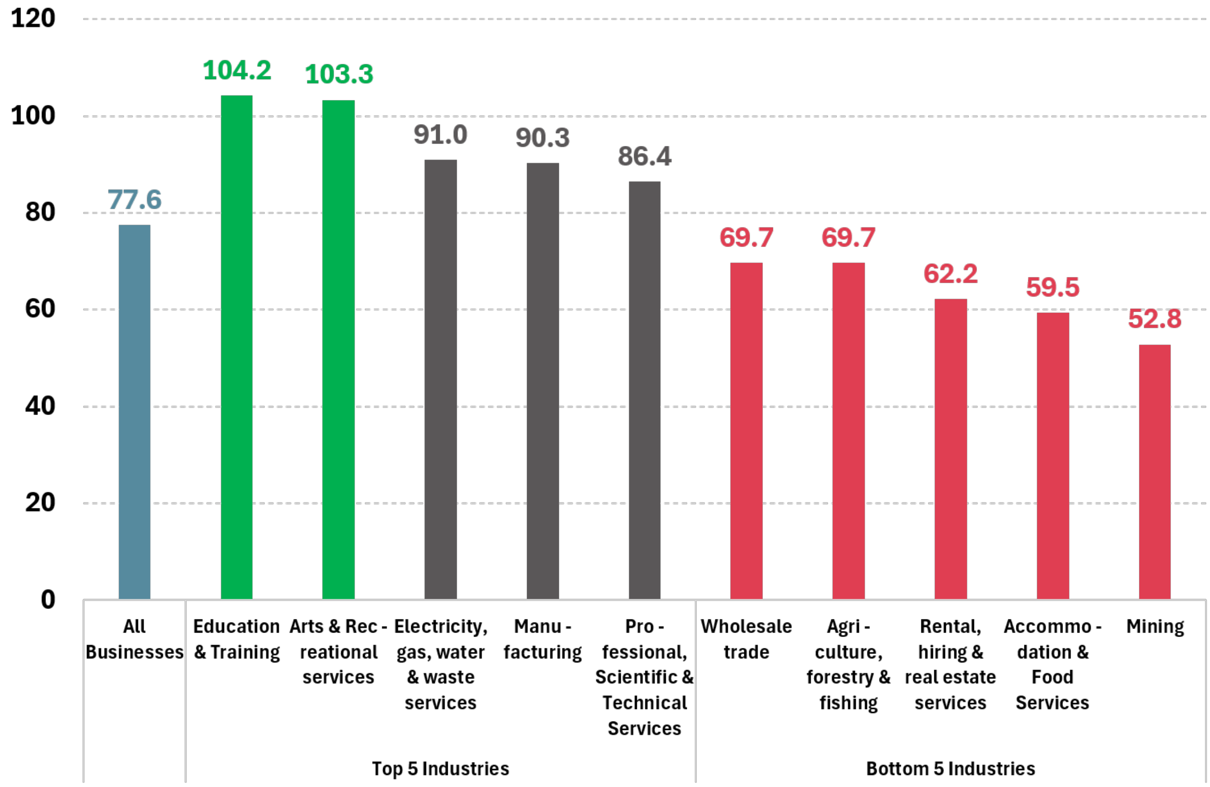
Other industries with higher-than-average Business Confidence (just below the neutral level of 100), are Electricity, Gas, Water & Waste on 91, down 24.6pts, and Manufacturing on 90.3, down 2.2pts.

There were five industries with Business Confidence with a Business Confidence between 60-70 led by Wholesale Trade on 69.7, down 33pts on a year ago, Agriculture, Forestry & Fishing on 69.7, down 3.9pts, Rental, Hiring & Real Estate Services on only 62.2, down a large 48.9pts.

There were two industries with Business Confidence below 60 including Accommodation & Food Services on just 59.5, and down a large 65.4pts on a year ago – the largest decline of any industry from a year ago, but lowest of all is Mining on only 52.8 following a drop of 58.3pts on a year ago.

Agriculture, Forestry & Fishing has had low Business Confidence for an extended period now with an average of only 79.2 since the beginning of 2023 – clearly the lowest of any industry.

Business Confidence for Top 5 and Bottom 5 Industries in June – August 2026



Source: *Roy Morgan Business Single Source, June – August 2026, n=3,300.* ***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 grey bar represents Business Confidence below the neutral level of 100 but still above the national average.*

Business Confidence increased in August as businesses became more confident about their own situation and are more confident now is a good time to invest in growing the business:

- In August, over a quarter of businesses, 27.2% (up 8.5ppts), said their **business is 'better off' financially than a year ago**, while a large plurality, 45.3% (down 3ppts), said the business is 'worse off';
- Views on businesses' prospects for the next year improved in August with 33.2% (up 4.1ppts) expecting the **business will be 'better off' financially this time next year**, while 31.8% (down 1ppt), expect the business will be 'worse off';
- Confidence regarding the performance of the **Australian economy over the next year** was up slightly in August with 42.1% (up 0.6ppts) expecting 'good times', while 55.6% (down 2.1ppts) expect 'bad times';
- However, going against the trend, businesses' views on the long-term future of the **Australian economy over the next five years** deteriorated in August with a **record low** 17.9% (down 4.1ppts) expecting 'good times' over the next five years compared to a **record high** 75.6% (up 6ppts) expecting 'bad times';
- Views on whether now is a '**good or bad time to invest in growing the business**' improved in August with 31.8% (up 6.3ppts) of businesses saying the next 12 months will be a '**good time to invest**' in growing the business while 48.2% (up 0.2ppts) say the next 12 months will be a '**bad time to invest**'.

Michele Levine, CEO of Roy Morgan, says Business Confidence has spent a record fifth straight month below 80 in August (79.1, up 3.1pts) – the only bright spot was Victoria, which saw a large jump to Business Confidence after the resignation of Premier Jacinta Allan late in July:

> *"Roy Morgan Business Confidence increased marginally by 3.1 points to 79.1 in August driven by greater confidence about the businesses' own financial prospects and that the next 12 months are a 'good times to invest' in growing the business.*
>
> *"Now 27.2% (up 8.5% points) of businesses say they're better off' financially than this time last year, and 33.2% (up 4.1% points) say they expect to be 'better off' financially this time next year. In addition, 31.8% (up 6.3% points) say the next 12 months is a 'good time to invest' in growing the business.*
>
> *"A look at Business Confidence by State shows the movement was concentrated in Victoria, which was up a large 16.7pts to 92.4 in August – the highest Business Confidence for any State, and the only State with (marginally) higher Business Confidence than a year ago (92.2 in August 2025).*
>
> *"Former Victorian Premier Jacinta Allan's decision to resign in late July clearly provided a boost to Victoria's business community, although it's yet to be seen if new Premier Ben Carroll will make a significant difference to Labor's prospects at the Victorian State Election due to be held in late November. Carroll became Victoria's 50th Premier on July 28, 2026.*
>
> *"Business Confidence in other States was below 90 in Tasmania (87.2) and stuck below 80 for a second straight month in New South Wales at 75.4, and for a fourth straight month in Queensland (74.8), South Australia (74.1), and Western Australia at only 63.5.*
>
> *"The ongoing Iran War – now into its seventh month – is continuing to pressure oil prices, and thereby inflation. The latest official ABS Inflation figure of 3.5% for the 12 months to July 2026 is still well above the Reserve Bank's preferred target range of 2-3% over the course of the economic cycle.*
>
> *"The high inflation estimates continue to put pressure on the Reserve Bank (RBA) to raise interest rates again above the current 15-year high of 4.35%. The next meeting of the RBA to decide on the level of interest rates is due to be held at the end of September.*
>
> *"At an industry level, there are only two industries (out of 18) with Business Confidence in positive territory just marginally above the neutral level of 100 – and they are Education & Training on 104.2, and Arts & Recreational Services on 103.3. Education & Training is the only industry of the 18 with higher confidence than the same period a year ago.*
>
> *"At the other end of the scale are several industries with low Business Confidence below 70 including Wholesale Trade (69.7), Agriculture, Forestry & Fishing (69.7), Rental, Hiring & Real Estate Services (62.2), Accommodation & Food Services (59.5), and lowest of all is the Mining industry on only 52.8.*
>
> *"Confidence in the Rental, Hiring & Real Estate Services, Accommodation & Food Services, and Mining industries has plunged by over 40 points from a year ago – the three biggest declines of any industries measured."*

The latest Roy Morgan Business Confidence results for August are based on 1,094 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 IMMEDIATE RELEASE

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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