

Friday, 16 October 2026

Roy Morgan Business Confidence drops 2.6pts to 76.5; a new record high 76% of businesses expect 'bad times' for the Australian economy over the next five years

In September 2026 Roy Morgan Business Confidence dropped 2.6 points to 76.5, a record sixth straight month below the mark of 80, and just above the all-time record low reached in July (76).

A look at the States shows a big decline in Victoria drove the overall fall – down 20pts from a month ago to only 72.4. This big decline followed a jump in the previous month following the resignation of unpopular Premier Jacinta Allan. The bounce for new Premier Ben Carroll has proved short-lived.

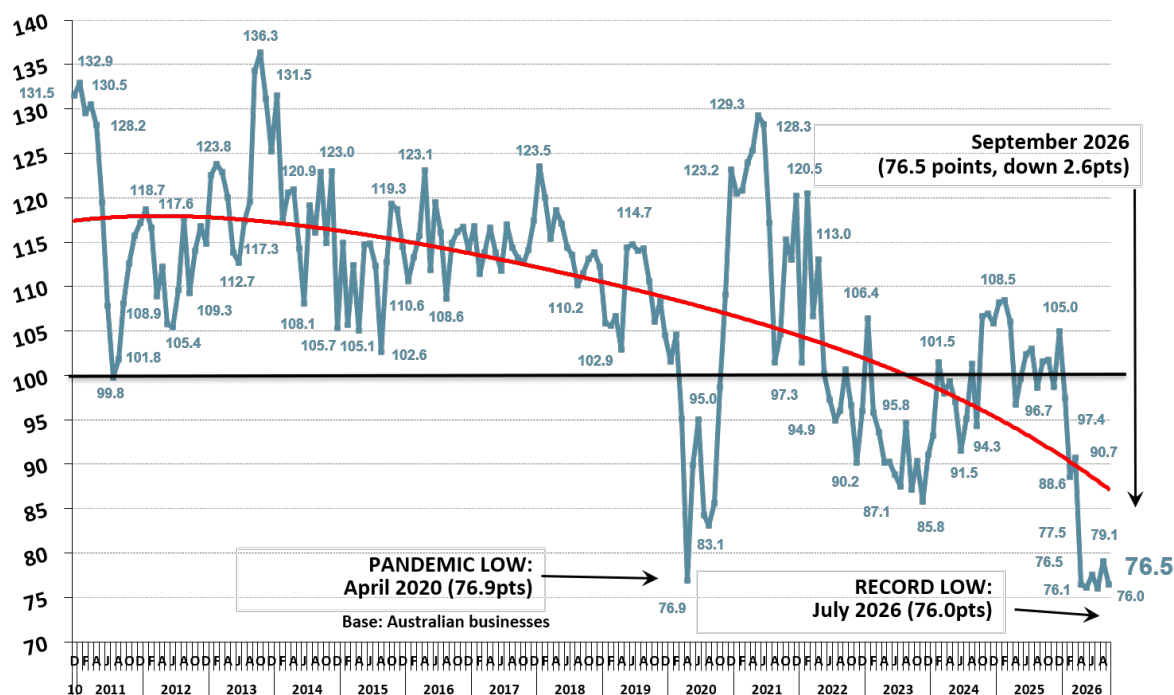
The renewed fall in Business Confidence in September came as the Reserve Bank raised interest rates by +0.25% to a 15-year high of 4.6%, while official [ABS Inflation estimates released in late September showed the annual CPI increasing to 4% for the 12 months to August 2026](#).

At a national level, driving the small decrease in September were declines in confidence about the Australian economy's performance – a record high 76.3% of businesses expect 'bad times' over the next five years, and fewer businesses say the next year is a 'good time to invest in growing the business'.

Now under a third, 30.3% of businesses (down 2.9% points in September), say they expect their business will be 'better off' financially this time next year and just over a third, 36.1% (up 4.3% points) expect the business will be 'worse off' financially this time next year.

In addition, now only 26.9% (down 4.9% points) say now is a 'good time to invest' in growing the business while 49.0% (up 0.8% points) that say it's a 'bad time to invest' – a decline 5.7% points.

Roy Morgan Monthly Business Confidence -- Australia



Source: Roy Morgan Business Single Source, Dec 2010-Sep 2026. Average monthly sample over the last 12 months = 1,145.

In September 2026 Business Confidence is below 80 in every State except New South Wales

Year-on-year Business Confidence was down significantly (down 25.1 points from a year ago to only 76.5). Business Confidence was down in all six States, and below 80 in five out of the six States.

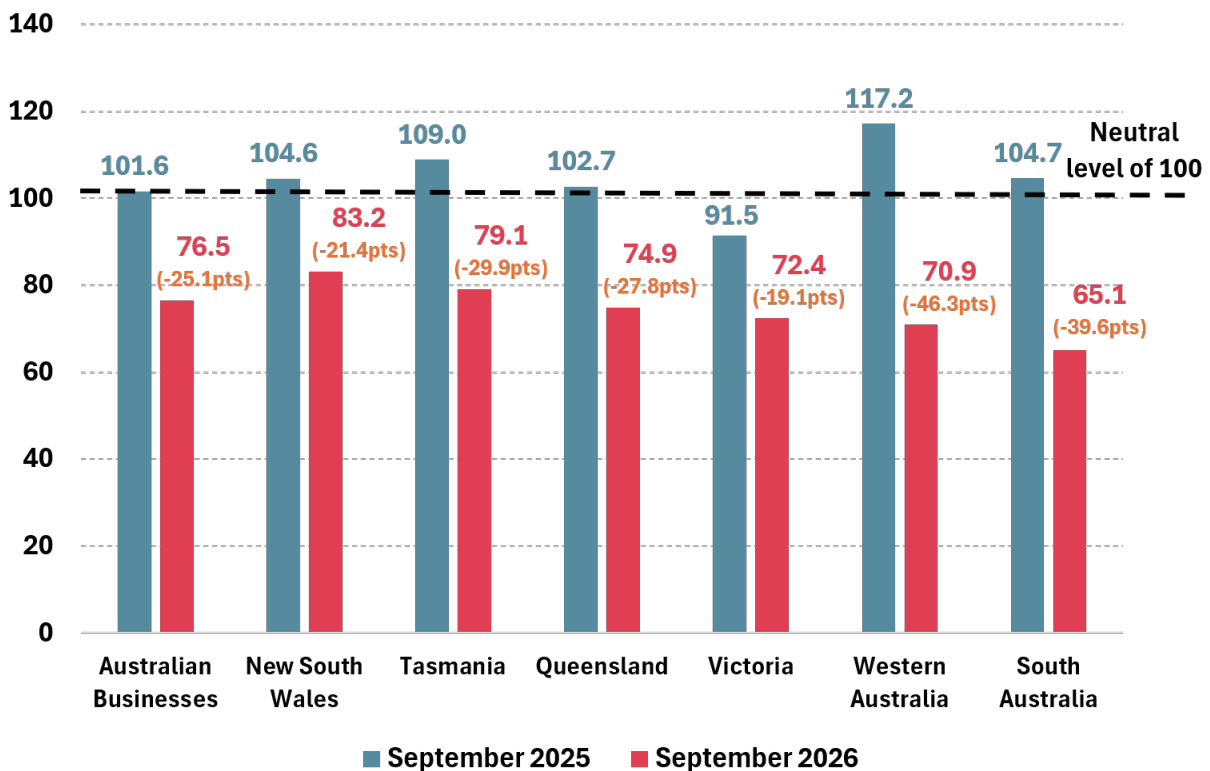
The exception is New South Wales with Business Confidence of 83.2 in September, but still down 21.4pts from a year ago. New South Wales faces a key State Election in five months-time in March 2027.

Business Confidence in all other States is below 80. The largest monthly fall was in the State of Victoria, down 20pts from August 2026, and down 19.1pts from a year ago to only 72.4. The fall in Victoria in September came after a brief 'jump' for the indicator in August after the resignation of unpopular former Premier Jacinta Allan. New Premier Ben Carroll's 'Business Confidence bounce' has proved short-lived with the State set to face an election later next month.

All four other States have experienced large falls in Business Confidence from a year ago and are at low levels below 80. This includes Tasmania with Business Confidence of 79.1, down 29.9pts on a year ago, and Queensland on 74.9, and down 27.8pts on a year ago.

The largest falls in Business Confidence from a year ago have been in Western Australia, down a massive 46.3pts from a year ago to just 70.9, and in South Australia, down a large 39.6pts from a year ago to only 65.1 – clearly the lowest Business Confidence of any State.

Business Confidence (Year-over-Year) by State in September 2025 vs. September 2026



Source: Roy Morgan Business Single Source, September 2025, n=1,198, September 2026, n=1,030. **Base:** Australian businesses. *Tasmanian Business Confidence is measured over two months: Aug & Sep 2025 cf. Aug & Sep 2026.

Public Administration & Safety, Education & Training and Arts & Recreational Services are the only three industries with Business Confidence in positive territory above 100

Over the three months to September 2026 there were only three industries with Business Confidence in positive territory above 100 – Public Administration & Safety on 103.6, and up a significant 21.6pts on a year ago, Education & Training on 102.7, down 2.5pts on a year ago, and Arts & Recreational Services on 102.5, and up marginally, by 2.2pts, on a year ago.

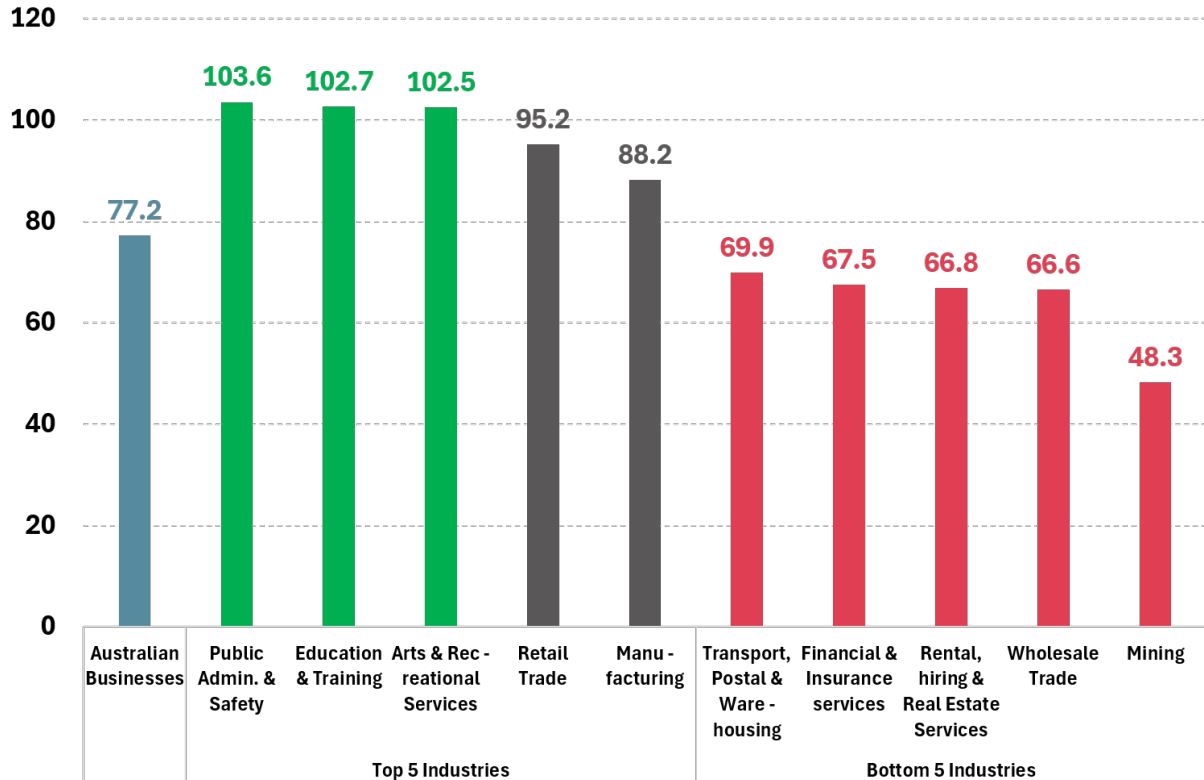
Other industries with higher-than-average Business Confidence (just below the neutral level of 100), are Retail Trade on 95.2, down 1pt on a year ago, and Manufacturing on 88.2, down 1.7pts on a year ago.

There were five industries with Business Confidence below 70 led by Transport, Postal & Warehousing on 69.9, down 24.7pts on a year ago, Financial & Insurance Services on 67.5, down 41pts on a year ago.

ago, Rental, Hiring & Real Estate Services on 66.8, down a large 42.6pts on a year ago, and Wholesale Trade on just 66.6, and down 16.5pts on a year ago.

In addition, confidence in the Mining Industry remains far into negative territory at only 48.3, and down a large 63.4pts on a year ago – clearly the largest decline of any industry.

Business Confidence for Top 5 and Bottom 5 Industries in July – September 2026



Source: Roy Morgan Business Single Source, July – September 2026, n=3,221. **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 dropped in September as businesses lost confidence about the next 12 months both for the performance of the business and for investing in growing the business:

- In September, just over a quarter of businesses, 26% (down 1.2ppts in a month), said their **business is 'better off' financially than a year ago**, while a large plurality, 42.7% (down 2.6ppts), said the business is 'worse off';
- Views on businesses' prospects for the next year deteriorated significantly in September with 30.3% (down 2.9ppts) expecting the **business will be 'better off' financially this time next year**, while well over a third, 36.1% (up 4.3ppts), expect the business will be 'worse off';
- Confidence regarding the performance of the **Australian economy over the next year** is virtually unchanged in September with 41.5% (down 0.6ppts) expecting 'good times', while 56.5% (up 0.9ppts) expect 'bad times';
- Businesses' views on the long-term future of the **Australian economy over the next five years** are virtually unchanged in September with only 18.3% (up 0.4ppts) expecting 'good times' over the next five years compared to a **record high** 76.3% (up 0.8ppts) expecting 'bad times';
- Views on whether now is a **'good or bad time to invest in growing the business'** deteriorated with only 26.9% (down 4.9ppts) of businesses saying the next 12 months will be a **'good time to invest'** in growing the business while 49% (up 0.8ppts) 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 sixth straight month below 80 in September (76.5, down 2.6pts) – after a brief ‘spike’ in August, Business Confidence in Victoria plunged in September by 20pts to just 72.4 under new Premier Ben Carroll:

“Roy Morgan Business Confidence decreased 2.6 points to 76.5 in September, a new record sixth straight month below the mark of 80 and averaging only 77.0 from April – September 2026.

“Driving the monthly fall was less confidence about businesses’ prospects over the next year, and about whether now is a ‘good or bad time to invest’ in growing the business. In addition, a record high 76.3% (up 0.7% points) of businesses expect ‘bad times’ for the economy over the next five years.

“Now only 30.3% (down 2.9% points) of businesses say they expect to be ‘better off’ financially this time next year while a rising plurality of 36.1% (up 4.3% points) expect to be ‘worse off’.

“Concerningly, nearly half of businesses, 49% (up 0.8% points) say the next 12 months is a ‘bad time to invest’ in growing the business compared to only 26.9% (down 4.9% points) that say the next 12 months is a ‘good time to invest’ in growing the business.

“A look at Business Confidence by State shows the big move downward was in Victoria, with Business Confidence declining by 20pts to just 72.4 – more than reversing the initial spike of 16.7pts in August following the resignation of unpopular former Premier of Victoria Jacinta Allan. As far as businesses are concerned, the honeymoon for new Premier Ben Carroll has been brief with the State facing an election in late November. Carroll became Victoria’s 50th Premier on July 28, 2026.

“Business Confidence in other States was below 90 in New South Wales (83.2), now below 80 in Tasmania (79.1), and stuck below 80 for a fifth straight month in Queensland (74.9), Western Australia (70.9), and South Australia at only 65.1.

“The ongoing Iran War – now into its eighth month – is continuing to pressure oil prices, and thereby inflation. The latest official [ABS Inflation figure of 4% for the 12 months to August 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 4.6%. The next meeting of the RBA to decide on the level of interest rates is due to be held in just over two weeks in early November.

“At an industry level, there are only three industries (out of 18) with Business Confidence in positive territory just marginally above the neutral level of 100 – and they are Public Administration & Safety on 103.6, Education & Training on 102.7, and Arts & Recreational Services on 102.5. The only two industries with higher Business Confidence than a year ago are Public Administration & Safety (up 21.6pts) and Arts & Recreational Services (up 2.2pts).

“At the other end of the scale are five industries with low Business Confidence below 70 including Transport, Postal & Warehousing (69.9), Financial & Insurance Services (67.5), Rental, Hiring & Real Estate Services (66.8), Wholesale Trade (66.6), and lowest of all is the Mining Industry on only 48.3.

“Confidence in the Financial & Insurance Services, Rental, Hiring & Real Estate Services, and the Mining industry have 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 September are based on 1,030 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.

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