

Australian  
Institute of  
**Company  
Directors**



ROY  
MORGAN

# Director Sentiment Index Survey

1ST HALF 2025

**DATA PACK**



**April 2025**

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# Methodology

# WHAT IS THE DSI?

## QUANTIFYING EXPERIENCE & OPINION

- The Director Sentiment Index (DSI) represents the breadth of Australian Institute of Company Directors (AICD) member opinions on a range of issues covering the Australian and global economies, government policy and governance regulations.
- The DSI has tracked business and economic attitudes for the past 14 years\*, indicating shifts in business sentiment, and delivering robust and context-driven insights and trends.

## DSI SURVEY REPORTS

The Insights Report includes a summary of analysis of key questions from the survey, while the Data Pack includes further analysis of all survey questions.

## DSI SCORE CALCULATION

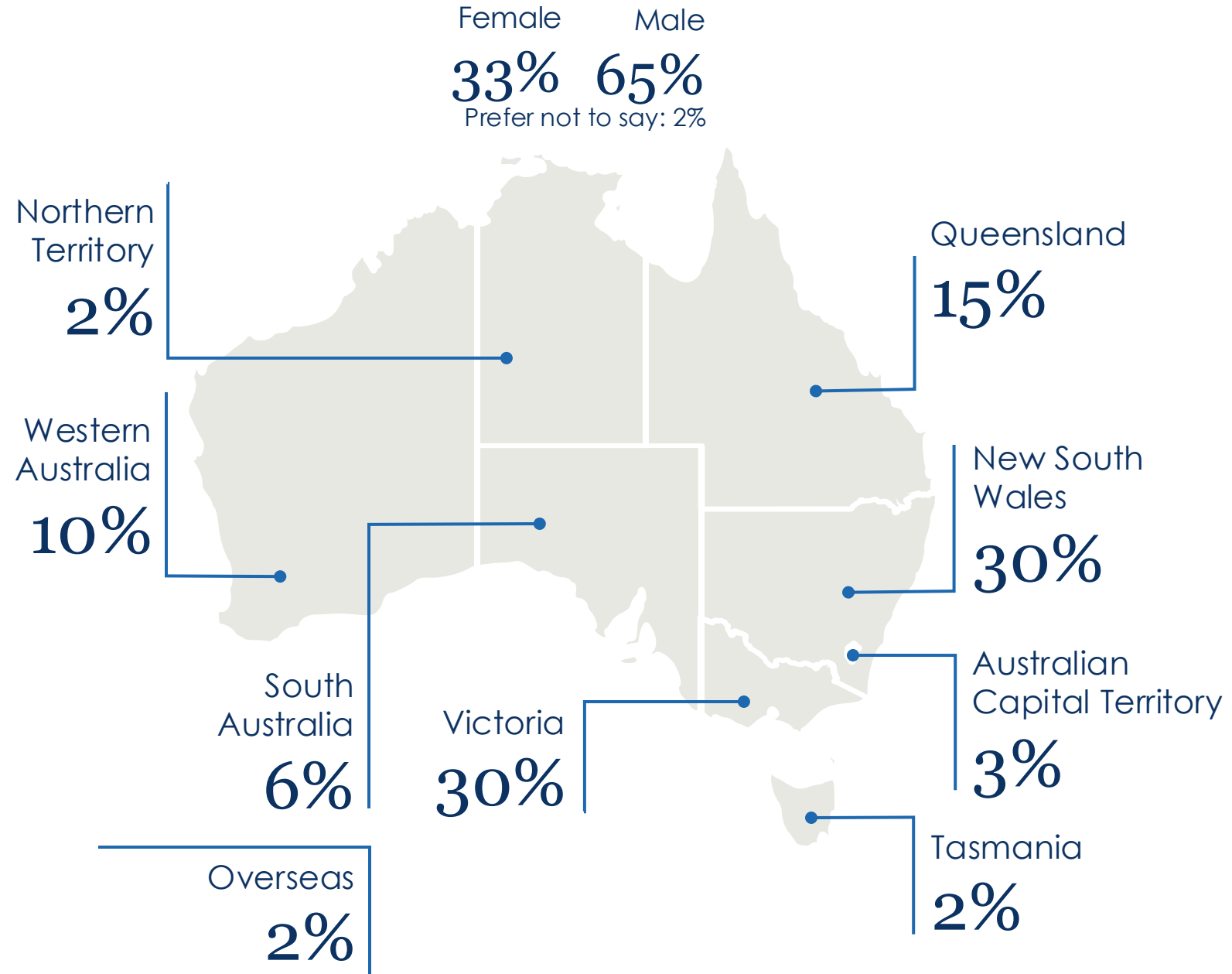
The DSI Scores are calculated using a formula combining response data with question weighting to produce a score indicating whether sentiment is in positive or negative territory, and by how much. This formula is applied to determine the overall DSI score as well as scores for separate categories: Economic Outlook, Business Conditions, Micro/Structural Policy Settings, Macro Policy Settings and Directorship Conditions.

\* DSI updates in early 2021 limit direct comparability with previous results.



## WHO TOOK PART?

- The wave 1 2025 DSI survey was conducted online with a sample of 1,127 directors across Australia between 19 February and 3 March 2025.
- Respondents were AICD members with current directorships.
- Survey responses were weighted by gender to reflect the AICD member profile when analysing results.



# SURVEY TOPICS

## DSI TOPICS

### Economic Outlook

- The current condition of the Federal and State economies and the 12-month forecast
- Current international economic assessment as well as 12-month outlook

### Business Conditions

- What is it like doing business in the different states and territories and across industries?
- Which are the top economic challenges Australian businesses are running up against?

### Micro / Structural Policy Settings

- Do state and Federal governments understand business needs when designing policy and legislation and do businesses trust them?

### Macro Policy Conditions

- Level of satisfaction with tax, government spending and support
- How do fiscal settings and monetary policy, as well as access to credit, impact business?

### Directorship Conditions

- How well are governance regulations balancing directors' needs with their obligations?

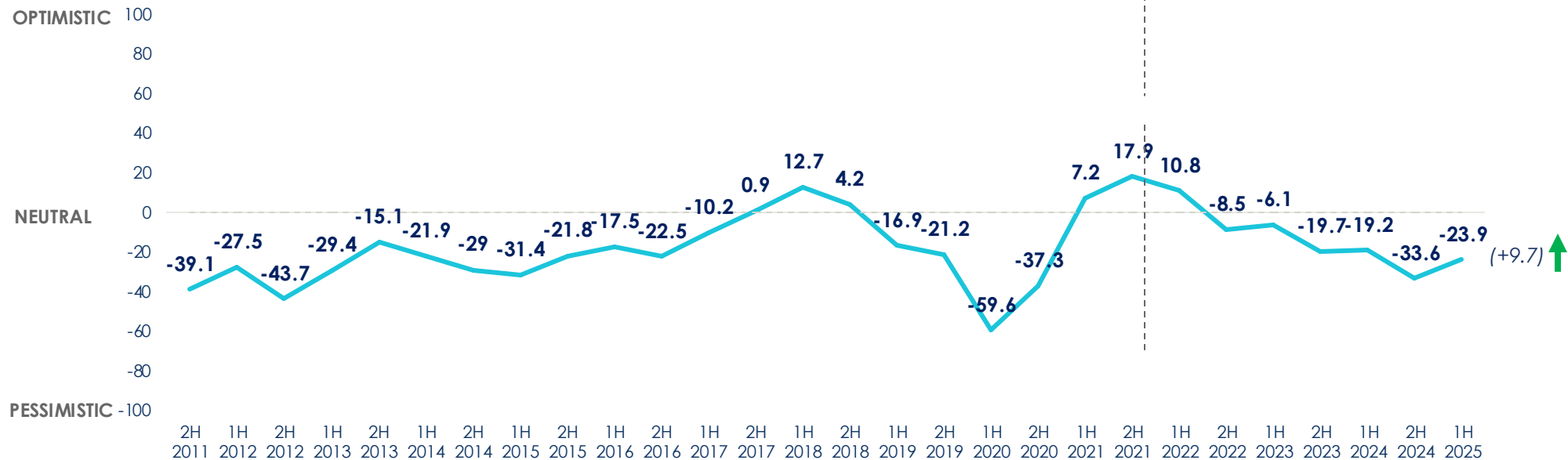
## TOPICAL QUESTIONS

- How likely or unlikely do you think it is that Australia will be in a recession within the next 12 months?
- How is your business/organisation being impacted by the current state of the housing market in Australia?
- How confident are you that your organisation has appropriate governance in place to manage Artificial Intelligence (AI) opportunities and risks?
- Has your organisation experienced a significant cyber security incident where a threat actor successfully obtained organisational data or system access?
- What actions are most important in addressing the housing issue in Australia?
- Should Australia's level of migration be higher/lower than current levels?
- What has got the largest impact on boosting productivity in business?
- The one most important issue that your vote will be based on in the upcoming Federal election in Australia?
- What factors would be the most effective in reducing the overall cost of living in Australia?
- What is your organisation's commitment to diversity related policies over the next 12 months?
- What would be the impact of a major deregulation agenda? What areas of deregulation should be the focus on any deregulation agenda?
- What is the expected impact of evolving policies under the Trump US presidency?

# Overall Director Sentiment Index

# Strongest improvement in Director Sentiment Index since 2021, however the index is still deeply negative

## DIRECTOR SENTIMENT INDEX



## DSI CATEGORY SCORES

Change from 2H 2024

**Economic Outlook (+17) ↑**

• Increased from -28 to -11

**Business Conditions (+16) ↑**

• Increased from -37 to -21.

**Micro/Structural Policy Settings (+4) ↑**

• Increased from -43 to -39.

**Macro Policy Conditions (+8) ↑**

• Increased from -57 to -49.

**Directorship Conditions (-3) ↓**

• Declined from 0 to -3.

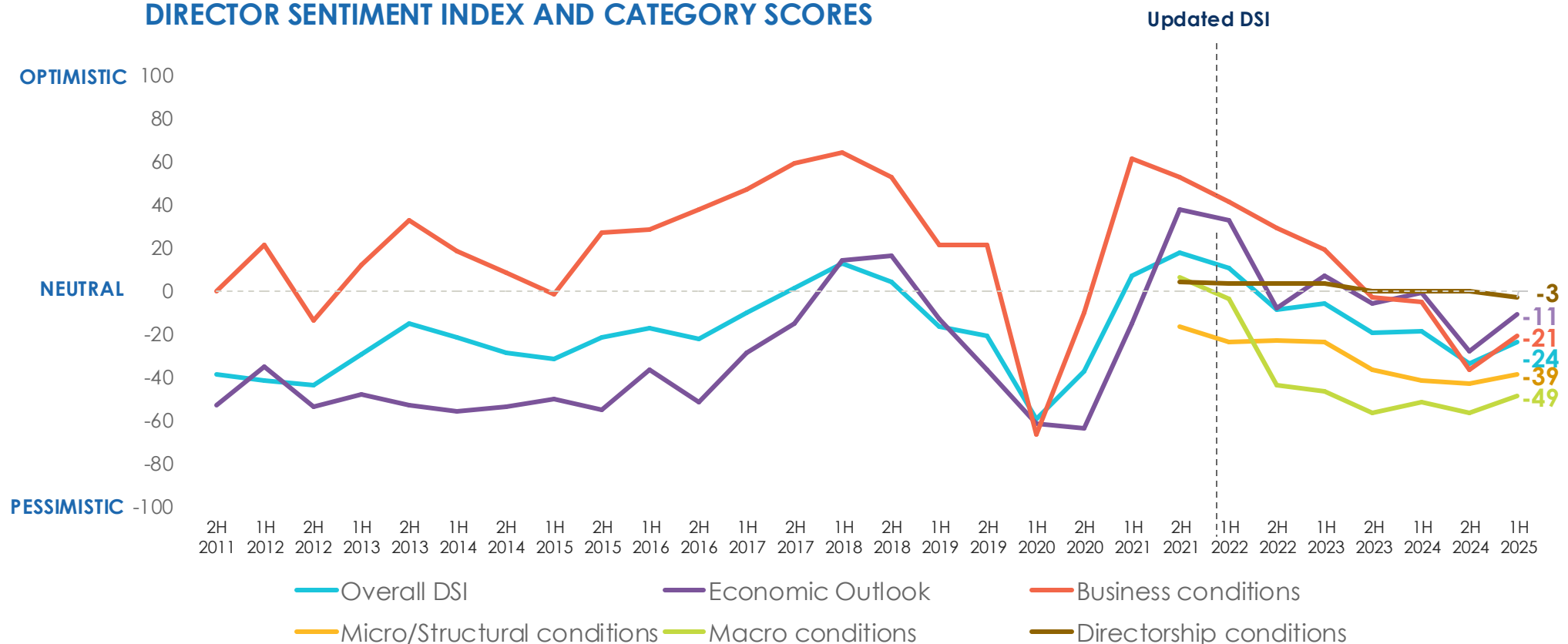
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
 Note: Revised index from 2<sup>nd</sup> Half 2021 onwards is not directly comparable with previous index scores.



# Economic outlook and business conditions show signs of recovery but all components remain in negative territory

The rebound in the Director Sentiment Index in 1H 2025 is mainly due to a recovery of 17 points in economic outlook and 16 points in business conditions

## DIRECTOR SENTIMENT INDEX AND CATEGORY SCORES



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
 Note: Revised index from 2<sup>nd</sup> Half 2021 onwards is not directly comparable with previous index scores.

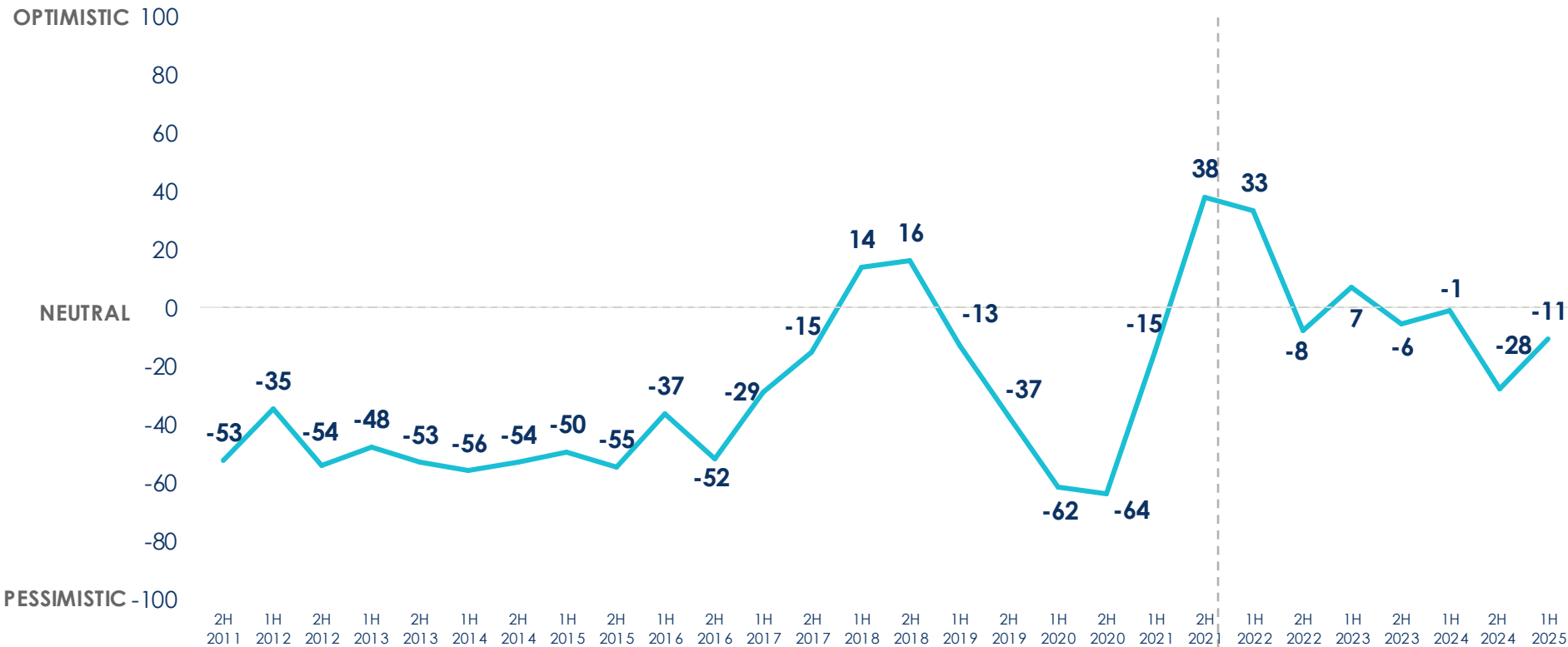


# Economic Outlook

# Economic Outlook rebounds 17 points in the first half of 2025 but sentiment remains negative at -11

## ECONOMIC OUTLOOK DSI CATEGORY SCORE

Updated DSI



## ECONOMIC OUTLOOK DSI CATEGORY OVERVIEW

The Economic Outlook DSI category measures current and future (next 12 months) health assessments of each of the following major economies:

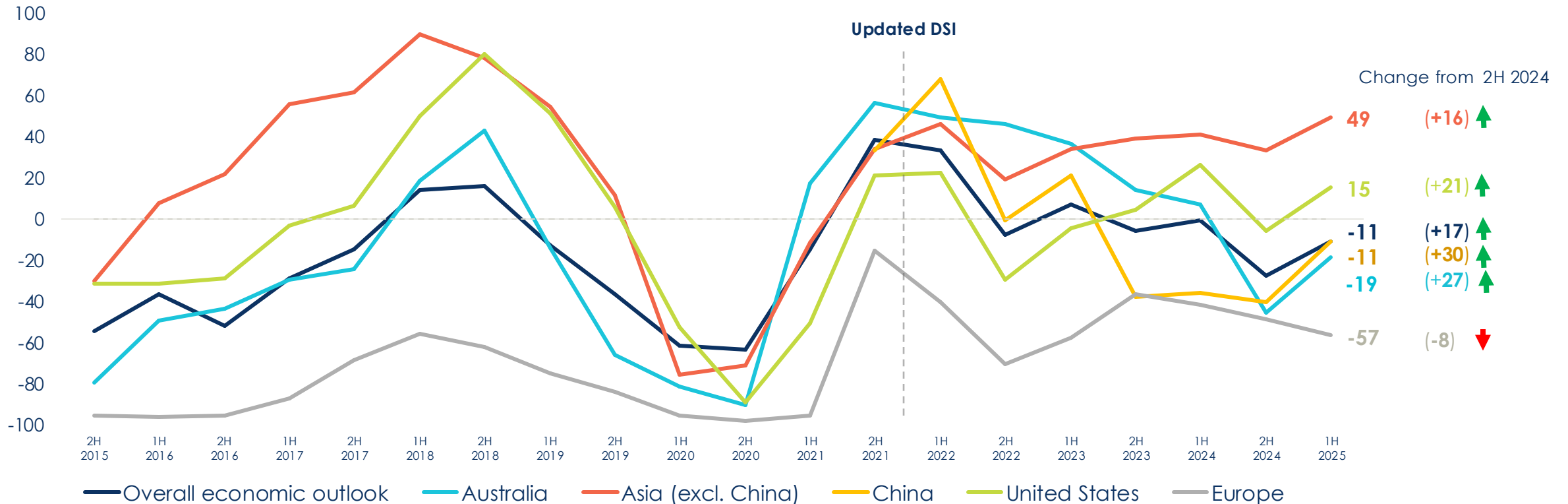
- Australia
- Director states and territories
- Asia (excl. China)
- China
- Europe
- United States

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127.  
 E8. What is your assessment of the current health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong)  
 E9. Over the next 12 months, what would be your assessment of the health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd half 2021 Asia excludes China.

# Assessment of most global economies improves, with the exception of Europe. Only Asia (excluding China) and the US are in positive territory.

For the first time since 2H 2021, perceptions of the Australian economy improved. While this signals a shift in confidence, the Australian economy remains in negative territory.

## CURRENT HEALTH ASSESSMENT OF GLOBAL ECONOMIES

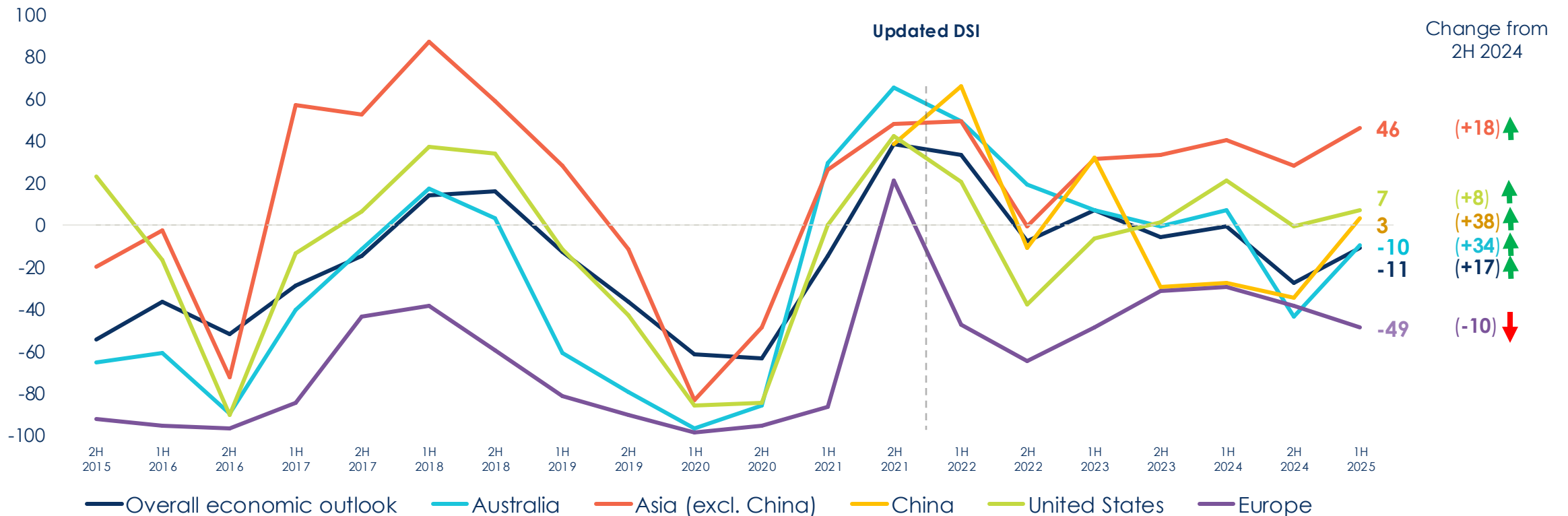


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
 E8. What is your assessment of the current health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat strong, Very strong). From 2<sup>nd</sup> Half 2021 Asia excludes China.  
 Note: Changes to question or response options in 2<sup>nd</sup> Half 2021 may impact comparability with previous results. China independently measured from Asia from 2H2021 onwards.

# Expectations for global economies over the next 12 months are largely in line with current assessment

Perceptions of Australia's future economic outlook improved, climbing 34 points since 2H 2024. The US, China and the rest of Asia are in positive territory.

## NEXT 12 MONTH HEALTH ASSESSMENT OF GLOBAL ECONOMIES

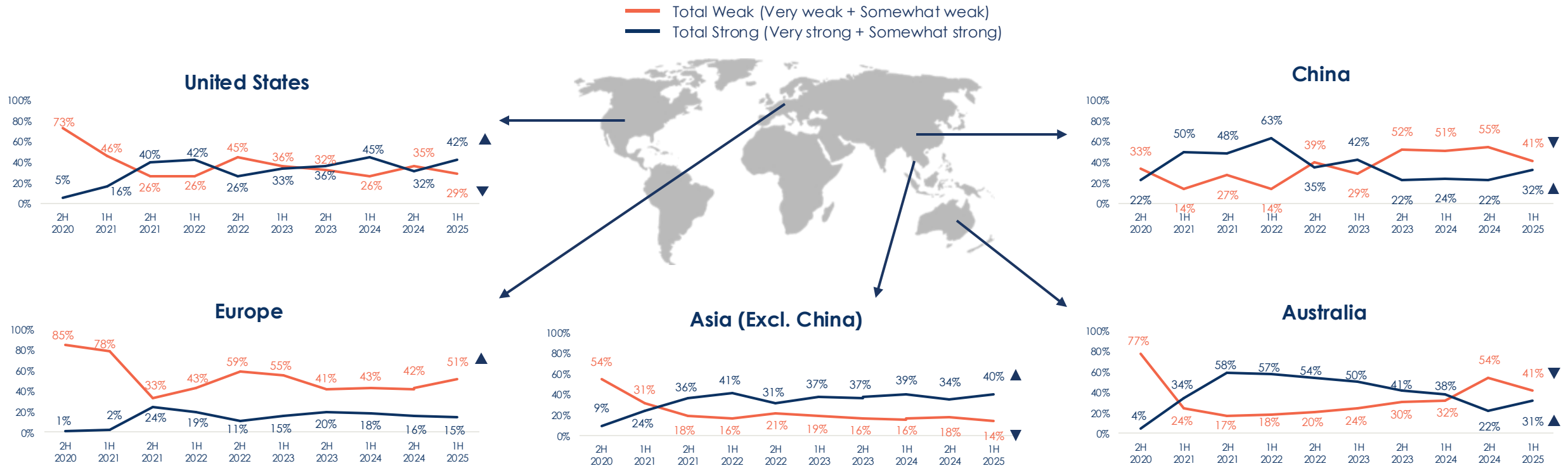


Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127.  
 E9. Over the next 12 months, what would be your assessment of the health of the following economies...?(Very weak, Somewhat weak, Neither weak nor strong, Somewhat strong, Very strong) From 2nd Half 2021 Asia excludes China.  
 Note: Changes to question or response options in 2nd Half 2021 may impact comparability with previous results. China independently measured from Asia from 2H2021 onwards.

# Current assessment of health of global economies improves across the board, with the exception of Europe, which remains the weakest

Perceptions of the Australian economy's strength improved, lifting to 31% from 22% recorded in 2H 2024. In 1H 2025, the US and Asia (excluding China) are perceived as stronger.

## CURRENT ASSESSMENT OF HEALTH OF GLOBAL ECONOMIES



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127. E8. What is your assessment of the current health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2nd Half 2021. Asia excludes China.

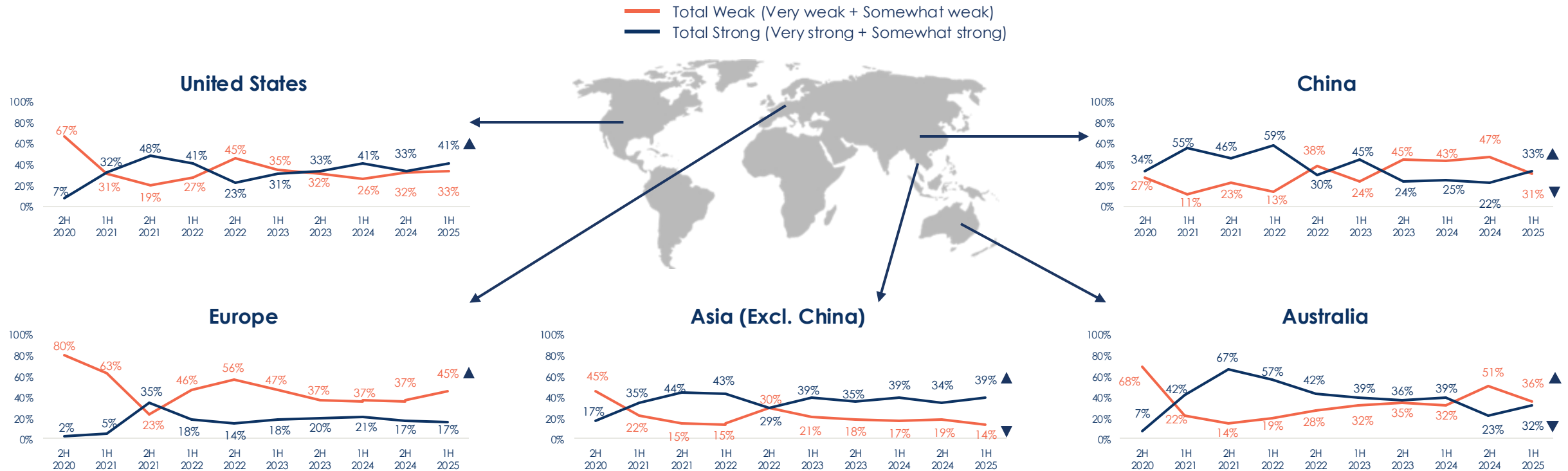
▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2024 survey.

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

# Expectations of health of global economies in next 12 months also improves, except for Europe

Looking ahead for the next 12 months, the US, China and the rest of Asia are seen as more likely to be strong

## NEXT 12 MONTH ASSESSMENT OF HEALTH OF GLOBAL ECONOMIES



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. E9. Over the next 12 months, what would be your assessment of the health of the following economies...? (Very weak, Somewhat weak, Neither weak nor strong, Somewhat Strong, Very strong) From 2<sup>nd</sup> Half 2021. Asia excludes China.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

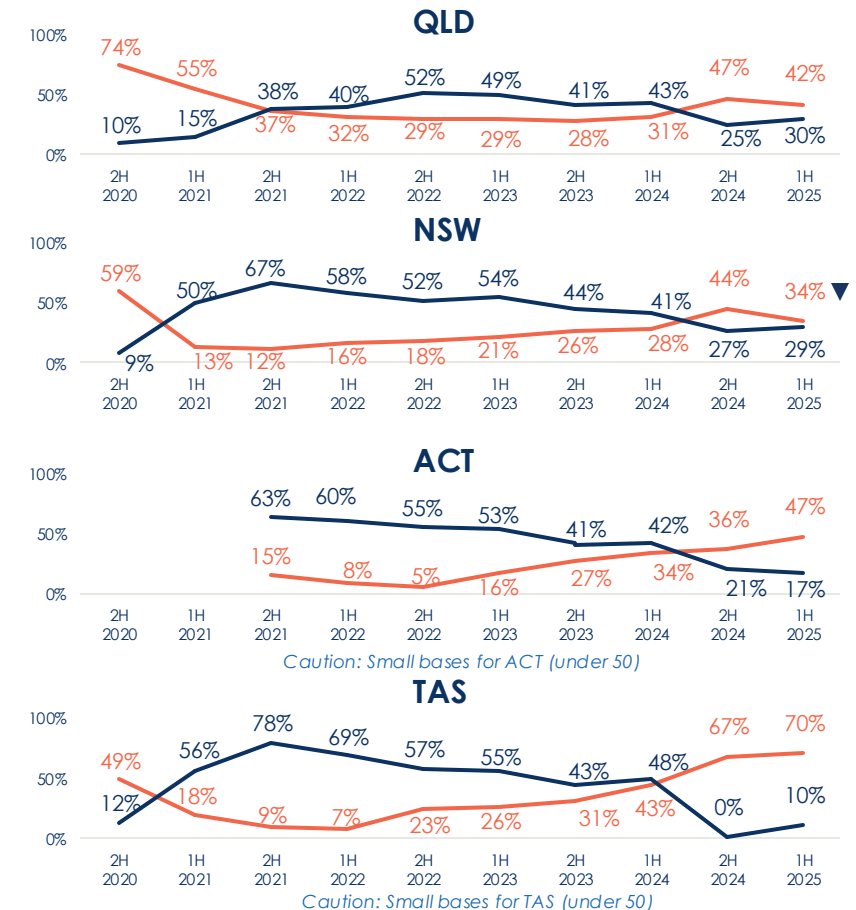
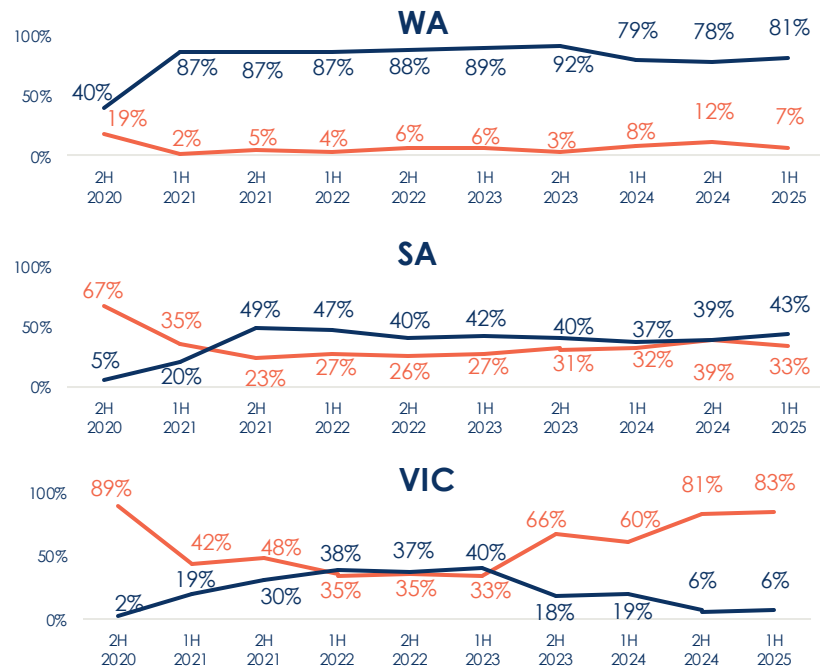
# Perceptions of current health of state economies remain largely unchanged, with Western Australia seen as the strongest and Victoria as the weakest

An overwhelming majority of directors (81%) rate WA as strong while 83% view VIC as weak. While results for most states remained similar, fewer directors view the NSW economy as weak this wave.

## CURRENT ASSESSMENT OF HEALTH OF YOUR STATE ECONOMY

— Total Weak (Very weak + Somewhat weak)  
 — Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. E8.2 What is your assessment of the current health of the economy in the state where your primary directorship is? NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. \*Indicates small base <50. NT not shown due to low base. \*ACT Data before 2H 2021 is unavailable.



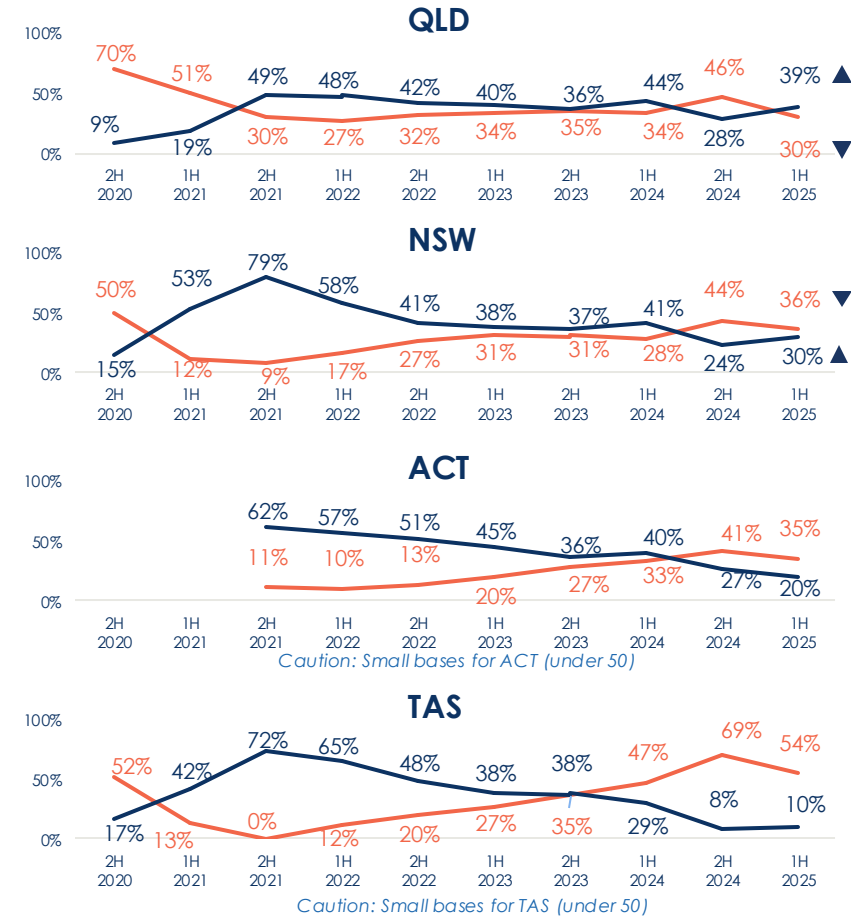
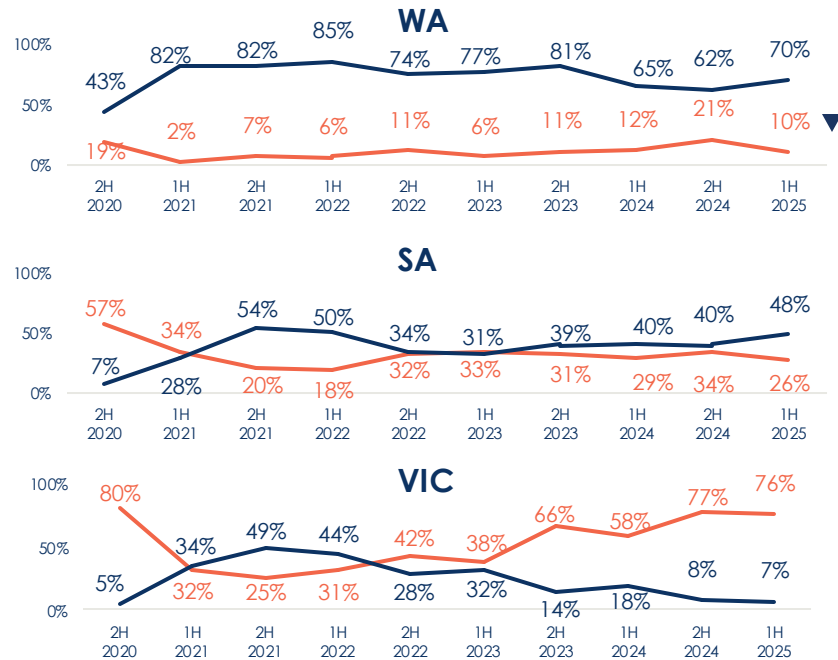
# Expectations for Queensland's economy over next 12 months have turned around, with more directors now expecting it to be strong

Negative sentiment towards the economies of QLD, WA and NSW has declined significantly for the year ahead. WA remains the state economy most likely to be strong while VIC is expected to remain the weakest.

## NEXT 12 MONTH ASSESSMENT OF HEALTH OF YOUR STATE ECONOMY

- Total Weak (Very weak + Somewhat weak)
- Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127. E9.2. Over the next 12 months, what would be your assessment of the health of the economy in the state where your primary directorship is based? NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=32\*, NT n=19\*. \* Indicates small base <50. NT not shown due to low base. \* ACT Data before 2H 2021 is unavailable.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2024 survey.

# Business Conditions

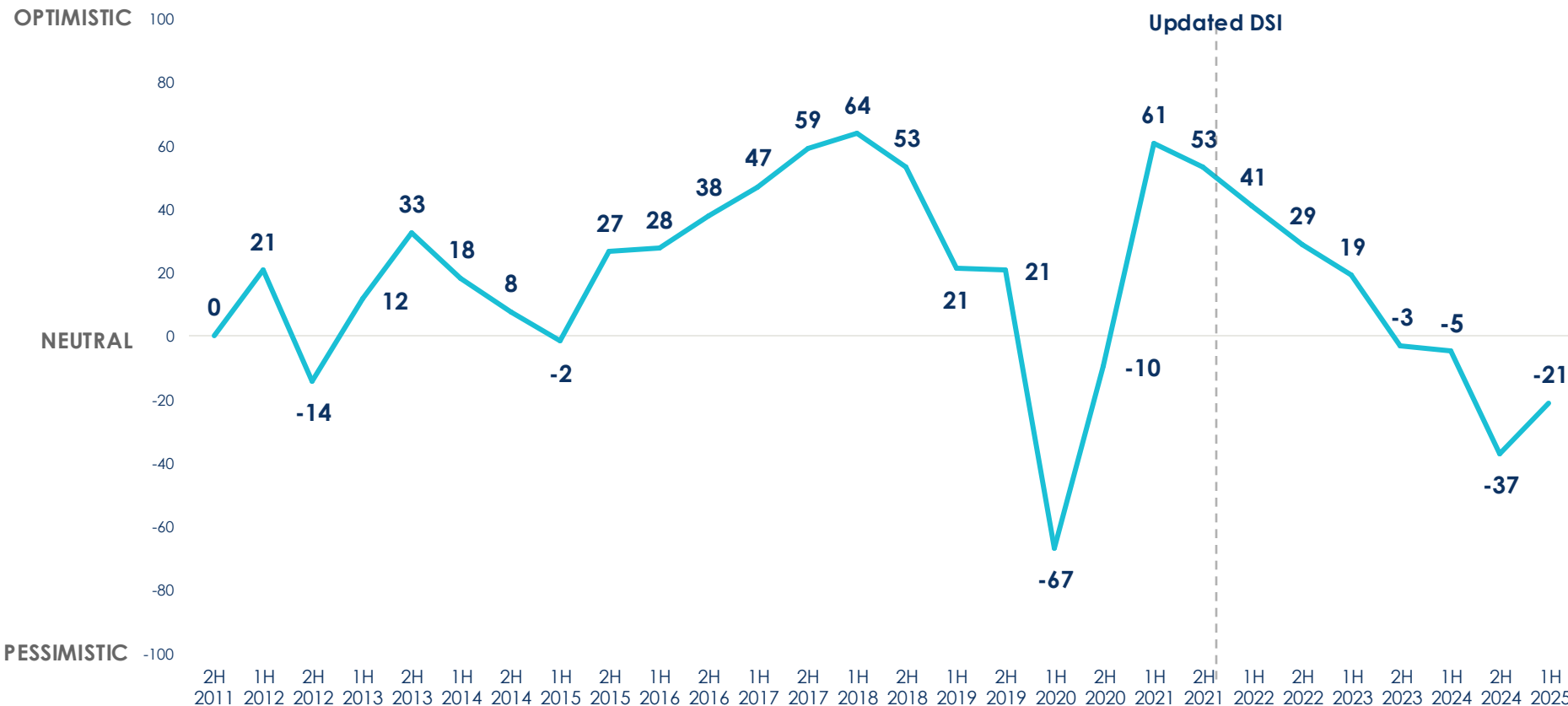
# Perceptions of Australian business conditions improve, but remain negative

The Business Conditions DSI category score reversed its downward trend for the first time since 2021. But despite the strong rebound, sentiment remains negative.

## BUSINESS CONDITIONS DSI CATEGORY OVERVIEW

- The Business Conditions DSI category includes current and future (next 12 months) assessments of business conditions in Australia, director's state/territory and sector of primary directorship.

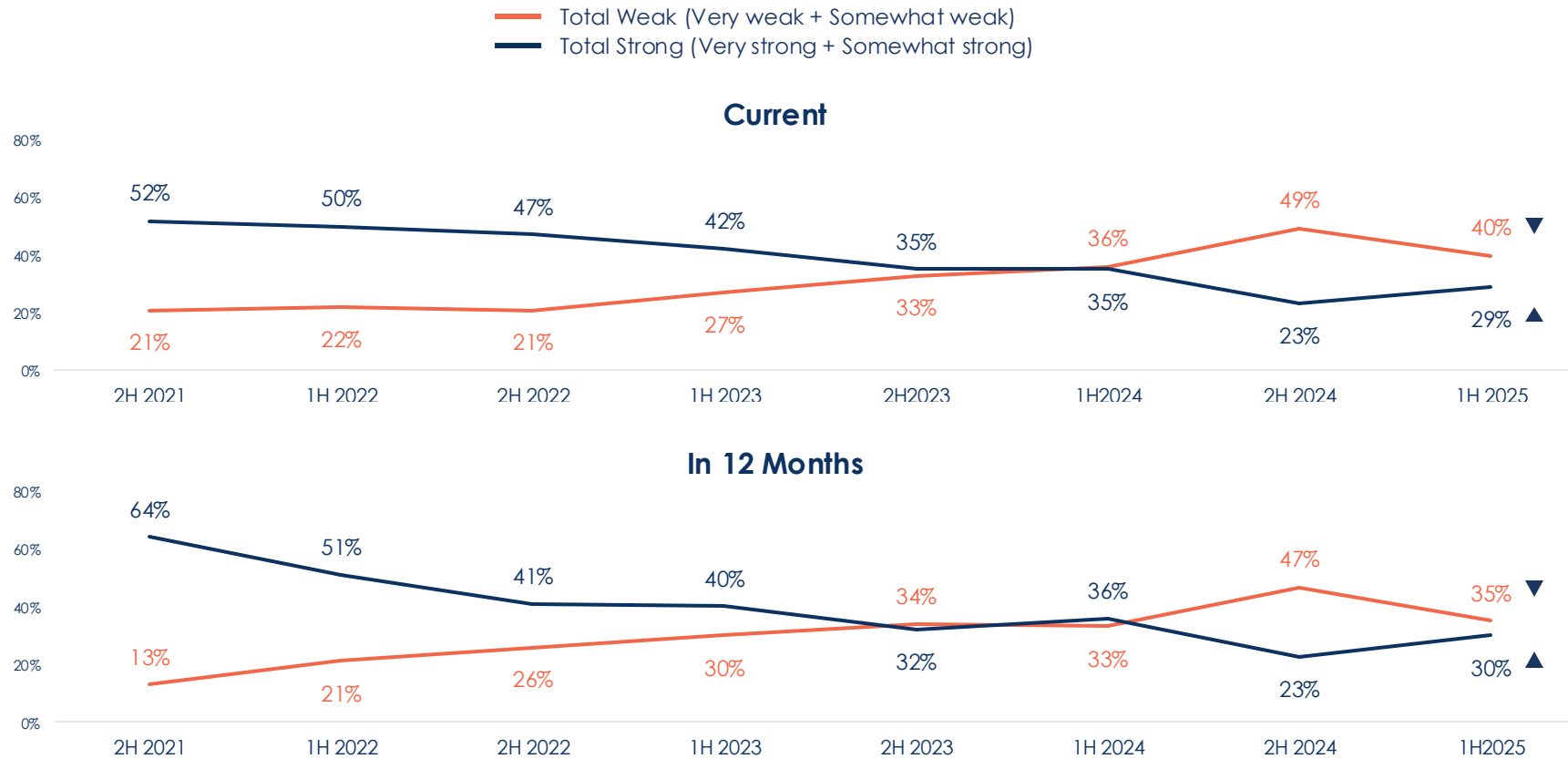
### BUSINESS CONDITIONS DSI CATEGORY SCORE



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 B10.1. What is your assessment of current business conditions in Australia? B10.2. What is your assessment of current business conditions in the state where your primary directorship is based? B10.3. What is your assessment of current business conditions in the sector your primary directorship is in? B11.1 What is your assessment of business conditions over the next 12 months in Australia? B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based? B11.3 What is your assessment of business conditions over the next 12 months in the sector your primary directorship is in?

# Confidence in Australian business conditions improves in the first half of 2025 but less than a third of directors consider conditions to be strong

## ASSESSMENT OF AUSTRALIAN BUSINESS CONDITIONS



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 B10.1. What is your assessment of current business conditions in Australia?  
 B11.1. What is your assessment of business conditions over the next 12 months in Australia?

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

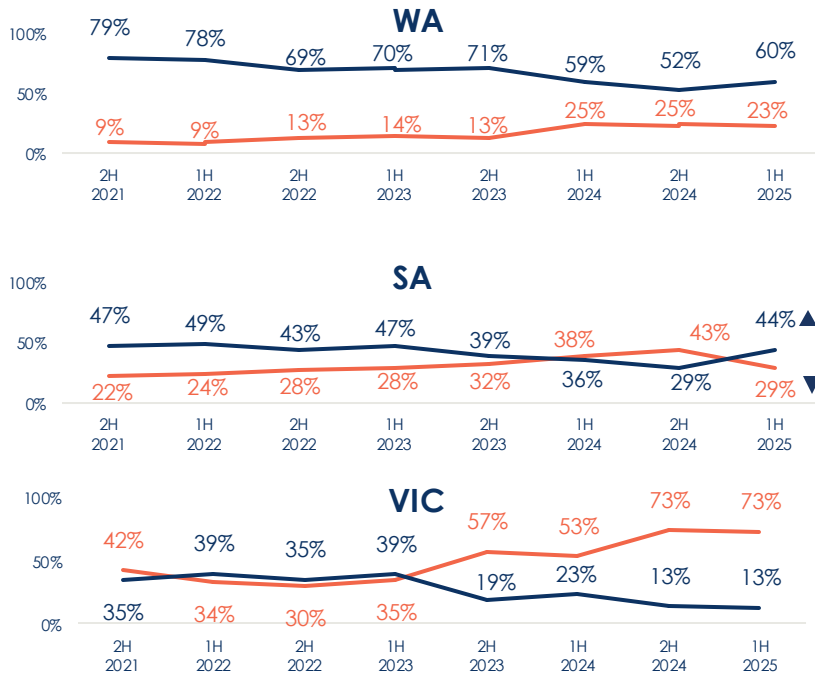
# More directors consider Queensland to have strong business conditions than six months ago

Pessimism regarding current business conditions in NSW and SA declined this wave. WA has the most positive assessment while VIC remains the weakest.

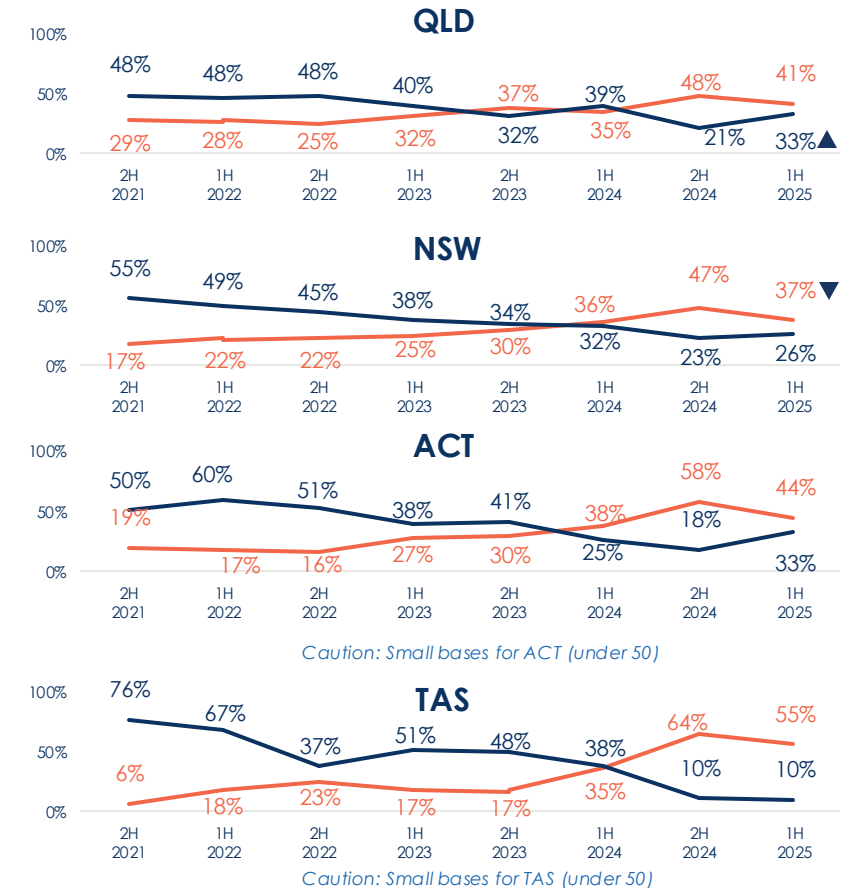
## CURRENT ASSESSMENT OF BUSINESS CONDITIONS IN THE STATE OF DIRECTORSHIP

— Total Weak (Very weak + Somewhat weak)  
 — Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.



Caution: Small bases for ACT (under 50)

Caution: Small bases for TAS (under 50)

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. B10.2. What is your assessment of current business conditions in the state where your primary directorship is based? NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. \* Indicates small base <50. NT not shown due to low base.

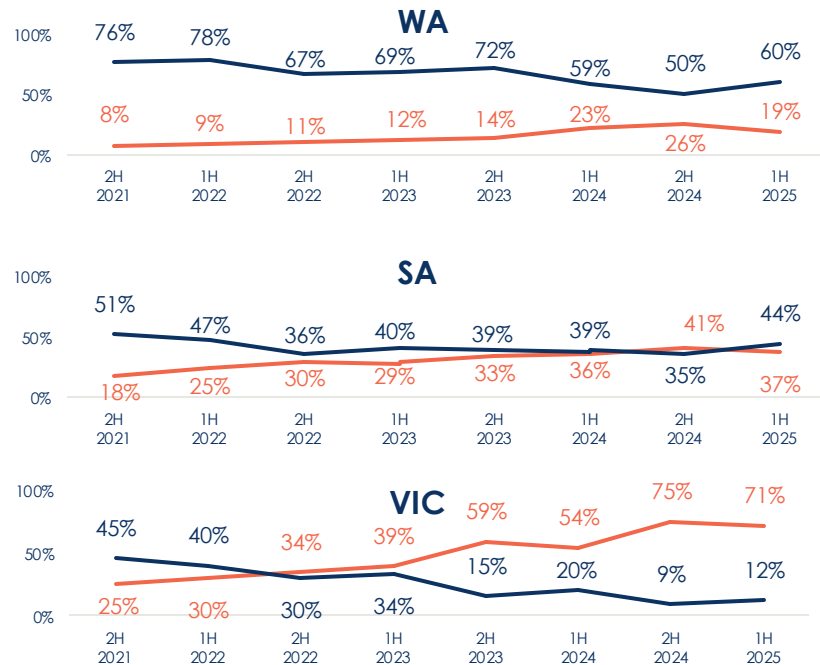
# Expectations for business conditions over the next 12 months in Queensland improve. More QLD directors (38%) expect future business conditions to be strong

WA is the state with the strongest expectations for the coming 12 months (60% strong), while expectations for business conditions in VIC are the weakest (71% weak)

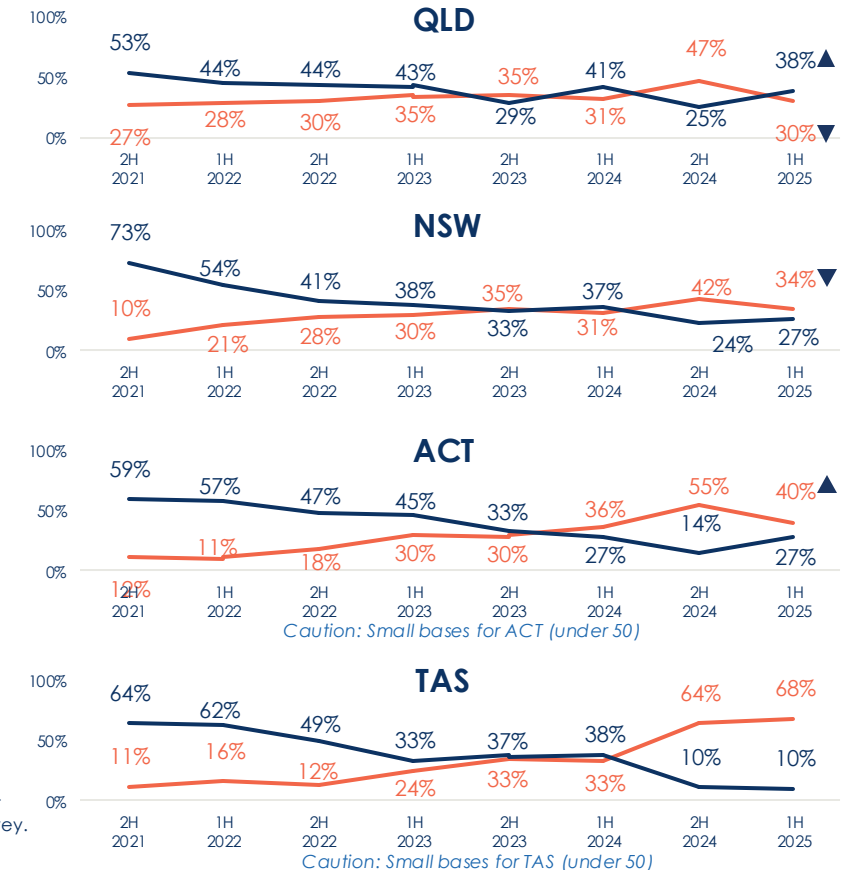
## NEXT 12 MONTH ASSESSMENT OF BUSINESS CONDITIONS IN THE STATE OF DIRECTORSHIP

— Total Weak (Very weak + Somewhat weak)  
 — Total Strong (Very strong + Somewhat strong)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



▲ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.



Caution: Small bases for ACT (under 50)

Caution: Small bases for TAS (under 50)

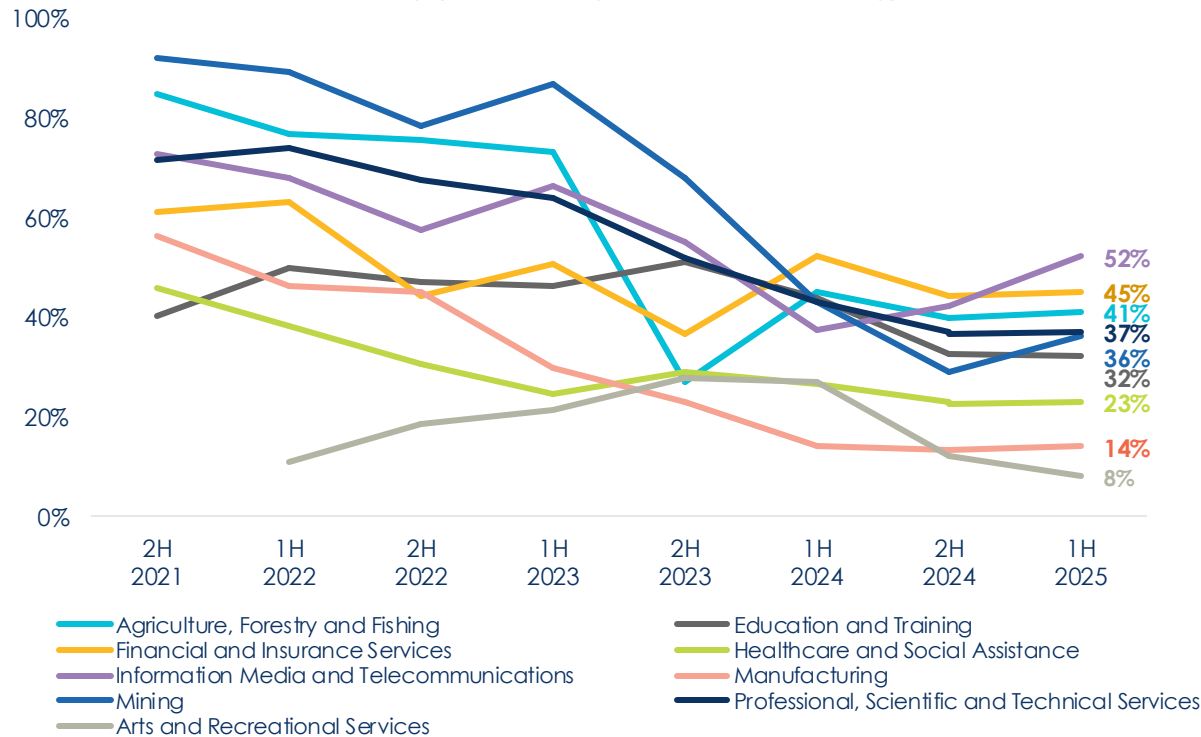
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
 B11.2 What is your assessment of business conditions over the next 12 months in the state where your primary directorship is based?  
 NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. \* Indicates small base <50.  
 NT not shown due to low base.

# Recovery in business conditions was mostly driven by stronger perceptions of Information Media and Telecommunications, as well as Mining

Strength for businesses in the Arts and Recreation sector declined even further to only 8%. The sector had a similar decline in expectations for the next 12 months, as did Education and Training.

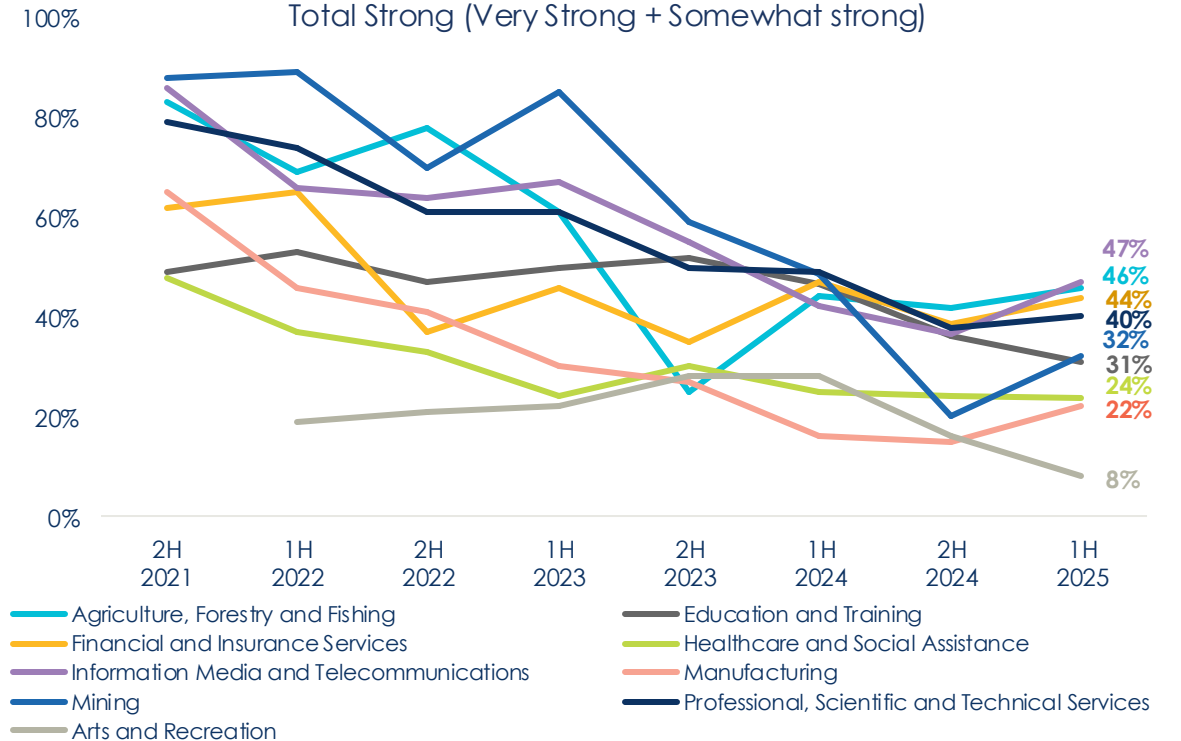
## CURRENT BUSINESS CONDITIONS BY BUSINESS SECTOR

Total Strong (Very Strong + Somewhat strong)



## BUSINESS CONDITIONS OVER NEXT 12 MONTHS BY BUSINESS SECTOR

Total Strong (Very Strong + Somewhat strong)



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127.

B10.3 What is your assessment of current business conditions in (the sector your primary directorship is in)?

B11.3 What is your assessment of business conditions over the next 12 months in (the sector your primary directorship is in)? Only displaying sectors with n=35 or more sample size in 1st Half 2025.

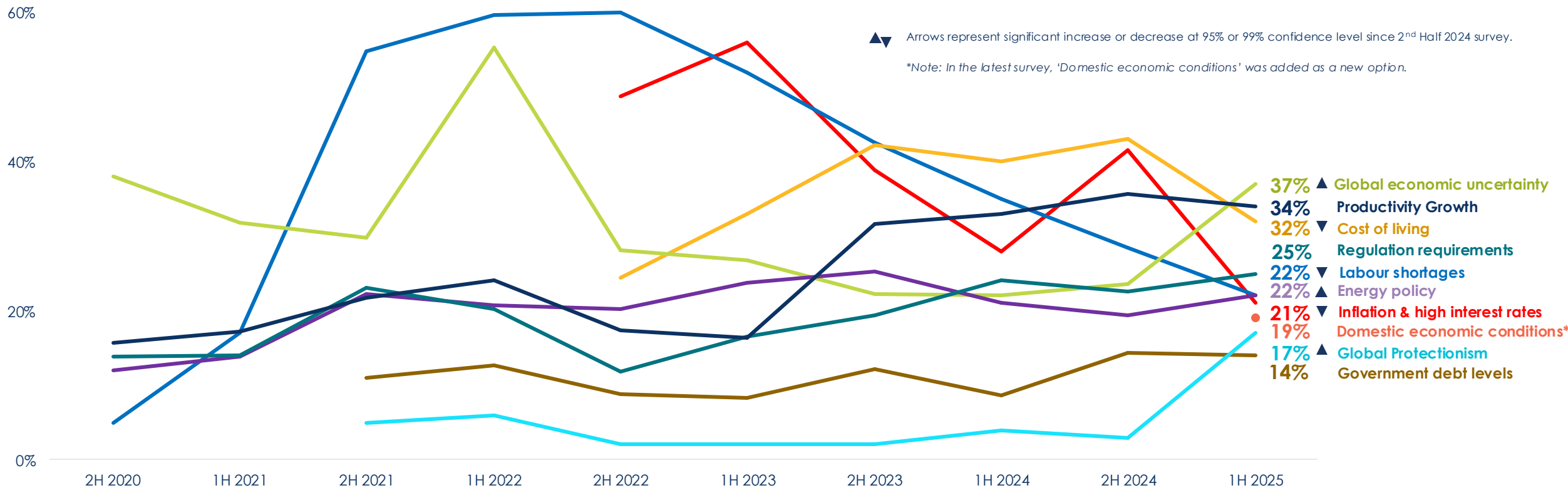
Agriculture n=44, Education n=102, Financial n=134, Healthcare n=235, Information Media n=48, Manufacturing n=62, Mining n=38, Prof services n=136, Arts and Recreational services n=36.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2024 survey.

# Global economic uncertainty and productivity growth are the top economic challenges facing Australian businesses

Concerns about cost of living, inflation and high interest rates ease in the first half of 2025. Global protectionism significantly increased from very few mentions in previous waves.

## TOP 10 ECONOMIC CHALLENGES FACING AUSTRALIAN BUSINESSES (TOTAL MENTIONS)



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 E6. What are the top 3 economic challenges currently facing Australian businesses? Percentage of respondents that nominated issue in the top three economic challenges.  
 Note: Only displaying prominent challenges in 1H 2025. Amendments to the list may impact comparability with previous results.

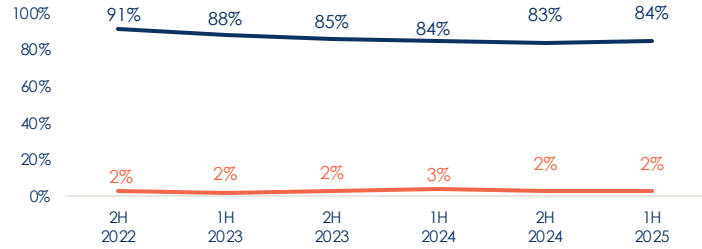


# Expectations for increased turnover and sales, investment levels and profitability in 1H 2025

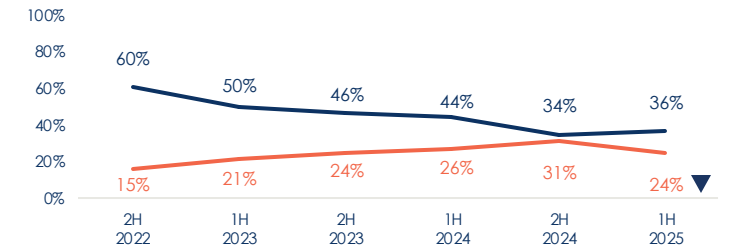
Most directors expect costs and wage levels to increase over the next 12-months

## ARE THESE CONDITIONS EXPECTED TO INCREASE OR DECREASE OVER NEXT 12 MONTHS WITHIN YOUR BUSINESS?

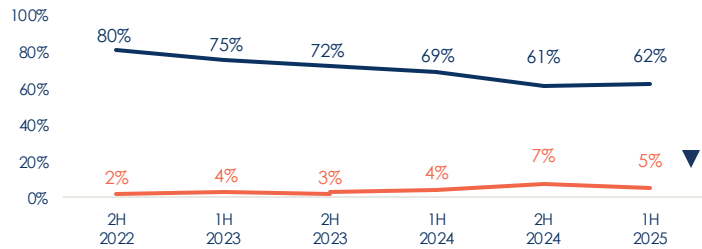
Costs (e.g. raw materials, energy, etc.)



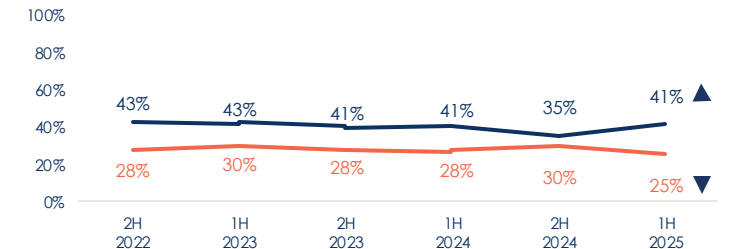
Labour demands



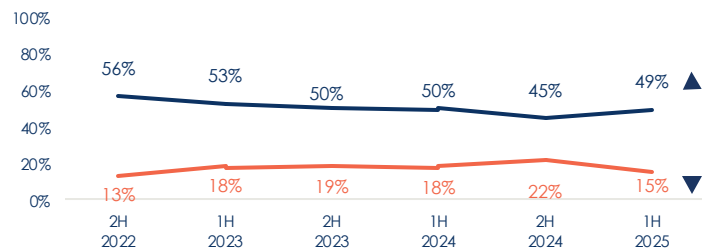
Wage Levels



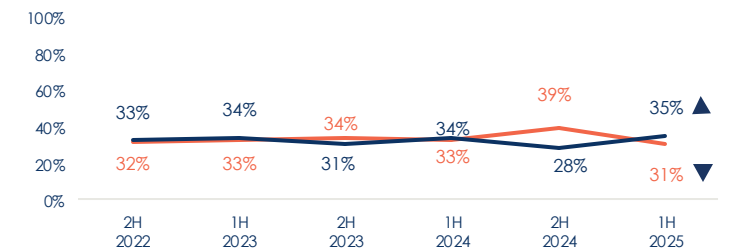
Investment Levels



Turnover and sales



Profitability



— Total Decrease (Strongly Decrease + Slightly Decrease)  
 — Total Increase (Strongly Increase + Slightly Increase)

▲▲ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. B4. To what extent, if any, do you expect the following conditions to change over the next 12 months within your business? New items added 1H 2025 presented next slide.

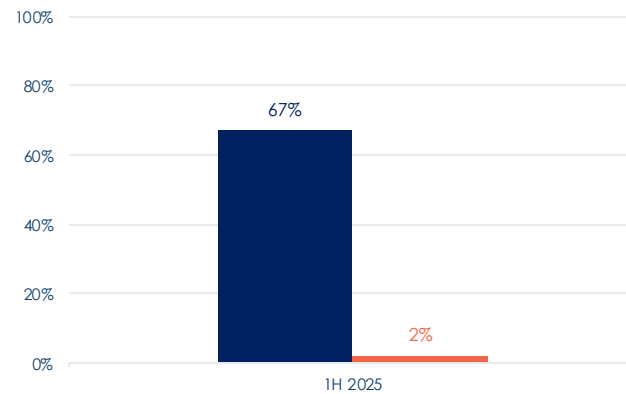
# Directors overwhelmingly expected regulatory compliance requirements and digital and artificial intelligence focus to increase over next 12 months

More directors expect debt levels to rise than decline

## ARE THESE CONDITIONS EXPECTED TO INCREASE OR DECREASE OVER NEXT 12 MONTHS WITHIN YOUR BUSINESS?

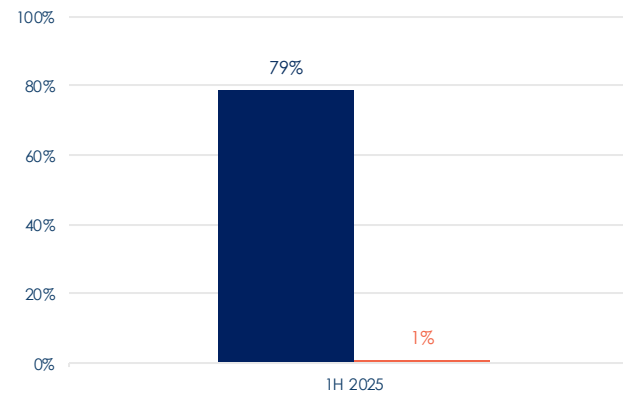
— Total Decrease (Strongly Decrease + Slightly Decrease)  
 — Total Increase (Strongly Increase + Slightly Increase)

**Regulatory Compliance Requirements\***



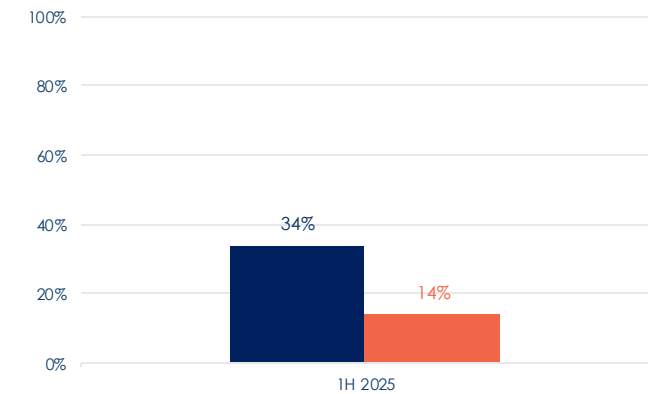
Directors in Professional, Scientific and Technical Services sector significantly less likely to expect increased regulatory compliance requirements (55%), while Financial and Insurance Services, and Healthcare and Social Assistance expect more (80%, 72%).

**Digital and Artificial Intelligence Focus\***



Directors in Education and Training, as well as Financial and Insurance Services significantly more likely to expect an increase in digital and artificial intelligence focus (88%, 85%).

**Debt Levels\***



\*New question for 1H 2025 (No historical data available)

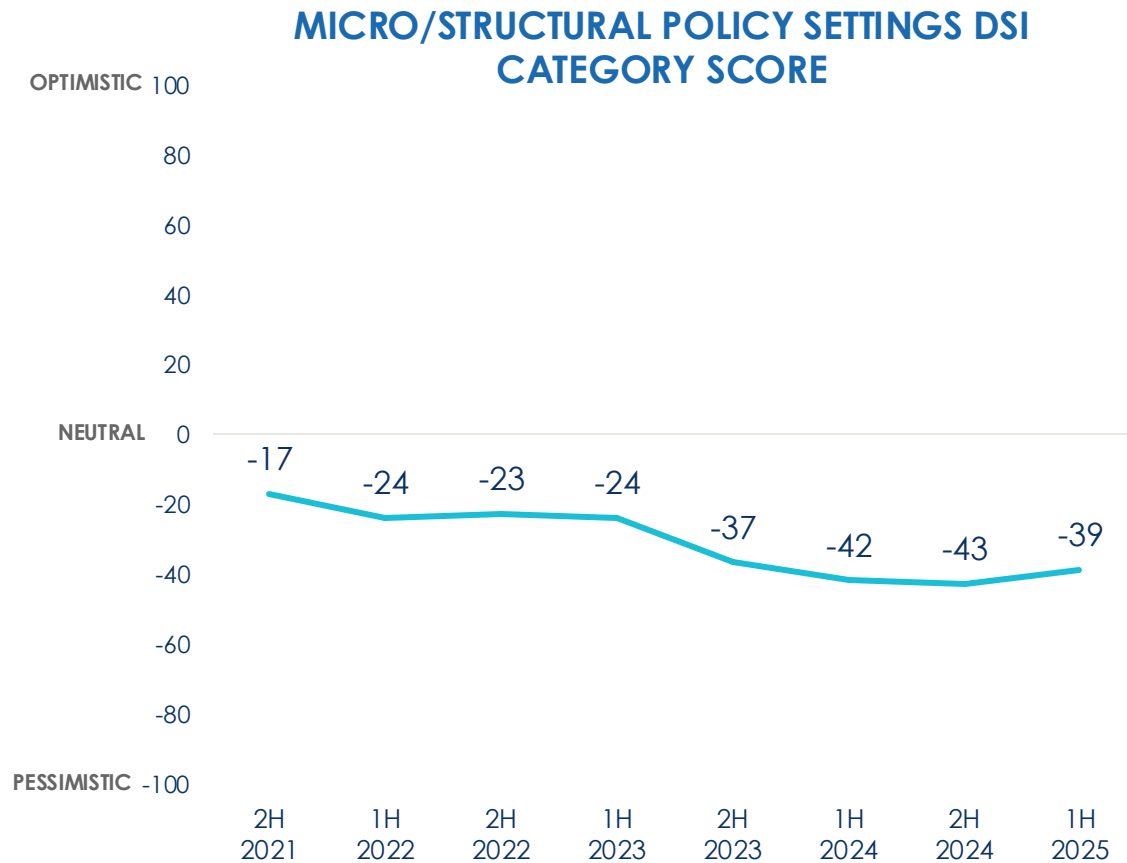
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127.  
 B4. To what extent, if any, do you expect the following conditions to change over the next 12 months within your business?

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



# Micro/ Structural Policy Settings

# Directors' assessment of Micro/Structural Policy Settings remain strongly pessimistic in 1H 2025



## MICRO/STRUCTURAL POLICY SETTINGS DSI CATEGORY OVERVIEW

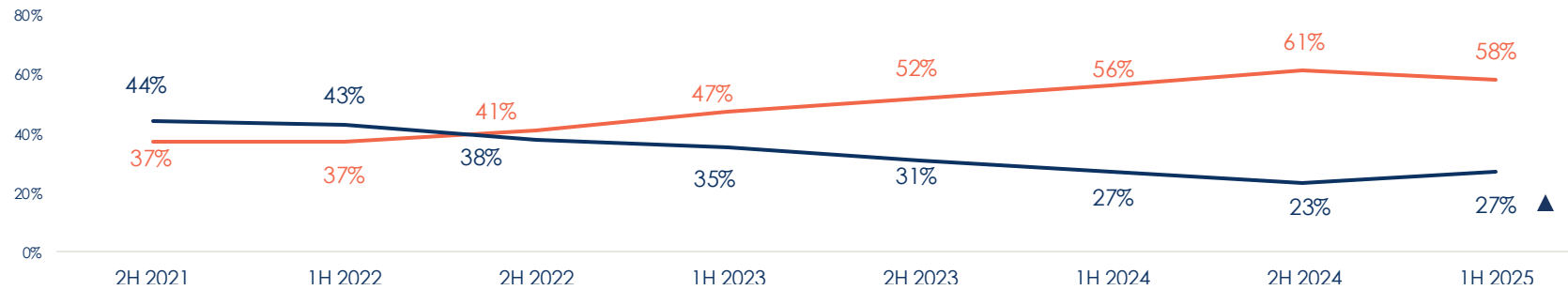
- The Micro/Structural Policy Settings DSI category includes:
  - Perception of levels of corporate/personal taxation and the GST, government spending on infrastructure and education, openness to foreign investment, support for international trade and innovation, and assessments of government understanding of business.
- The Micro/Structural Policy Settings DSI category score (-39) improved by 4 points in the first half of 2025. Although the change was minimal, many of the composite items experienced larger changes, for example notable increases in perceptions of the level of trade protection and belief that State Government understands business.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
T1. What is your level of satisfaction with the current state of the following Australian policy settings...?

# Majority of directors don't trust the Federal government and disagree that the Federal government understands business

More directors agree (27%) that the Federal government understands business in 1H 2025 compared to six months ago

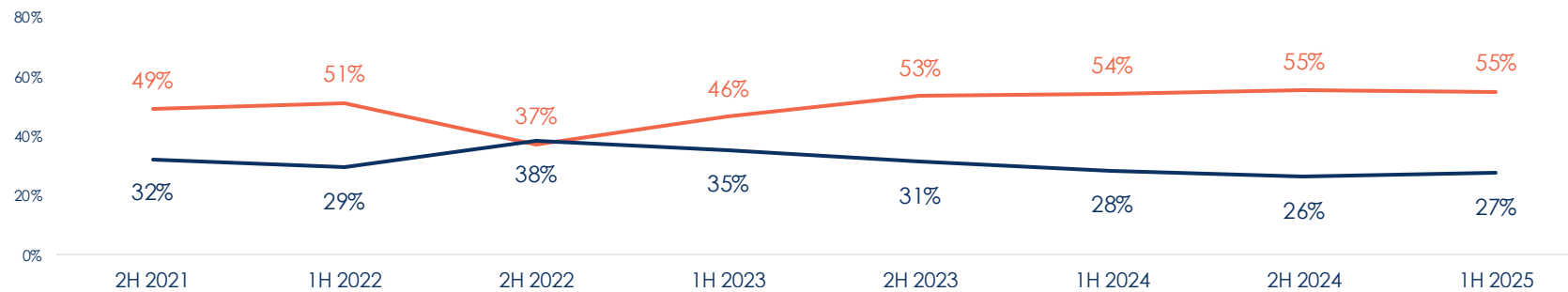
## THE FEDERAL GOVERNMENT UNDERSTANDS BUSINESS...



— Total Disagree (Strongly disagree + Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

## I TRUST THE FEDERAL GOVERNMENT...



▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 RE3.1. To what extent do you agree or disagree that the Federal Government understands business?  
 RE3.2. To what extent do you agree or disagree that you trust the Federal government?

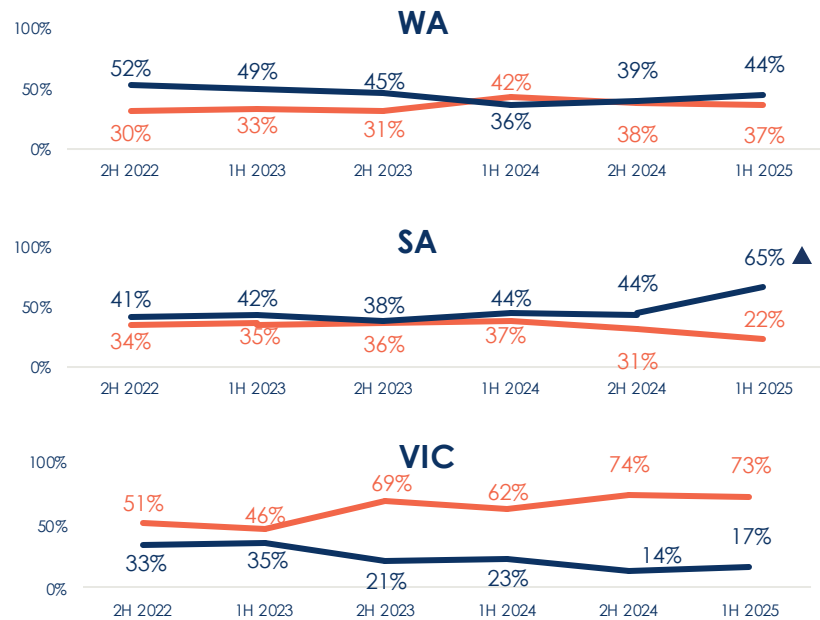
# More directors perceive the Queensland government understands business compared to six months ago

Over half of directors (52%) in QLD agree their government understand business, a significant increase from 15% in 2H 2024, only second to SA (65%) which increased 21% this wave.

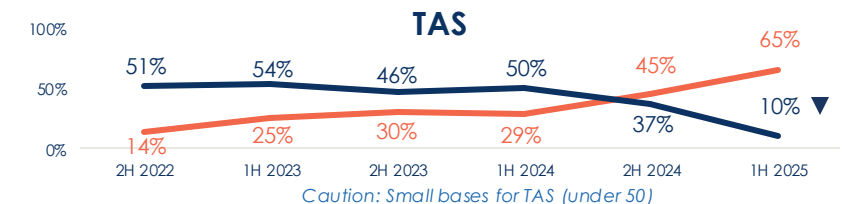
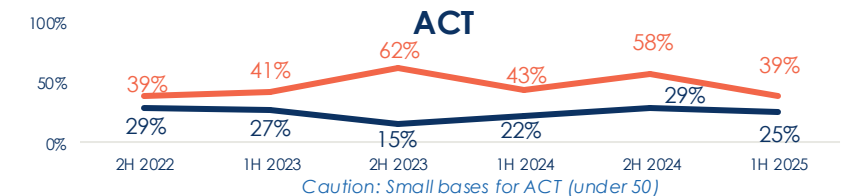
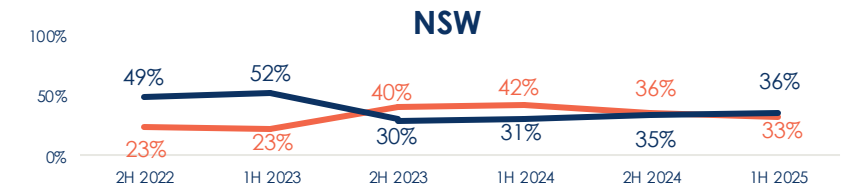
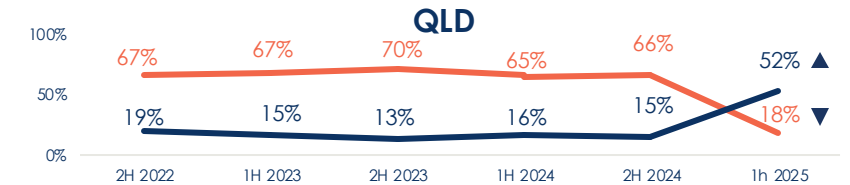
## MY STATE GOVERNMENT UNDERSTANDS BUSINESS

— Total Disagree (Strongly disagree + Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



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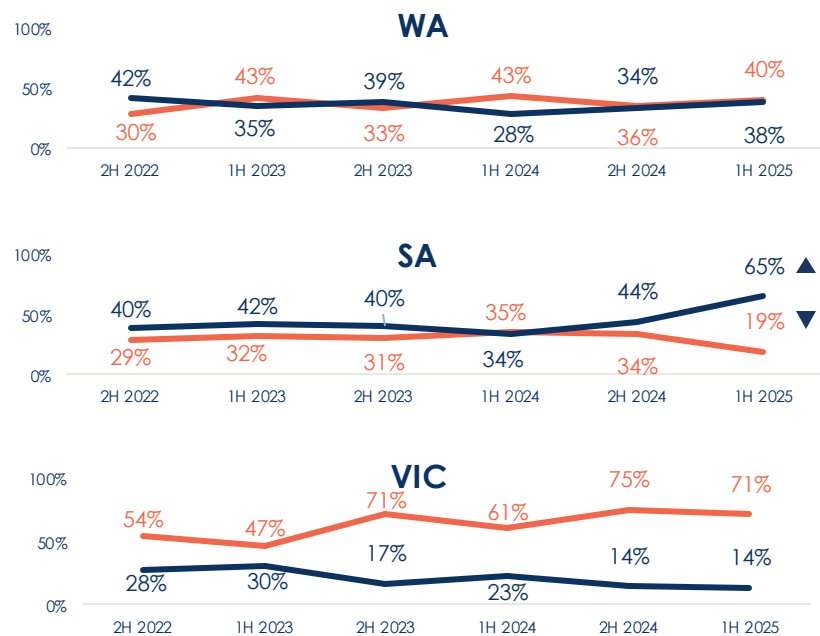
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. RE3. To what extent do you agree or disagree with the following statements? RE3.3 The [State government of primary directorship] understands business. NSW n=338, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=22\*, ACT n=34\*, NT n=19\*. \* Indicates small base <50.

# Trust in the Queensland Government turns around with a significant lift in the number of directors agreeing in the first half of 2025

The South Australian government also experienced a notable increase in trust, with almost 2 in 3 directors agreeing

## I TRUST MY STATE GOVERNMENT

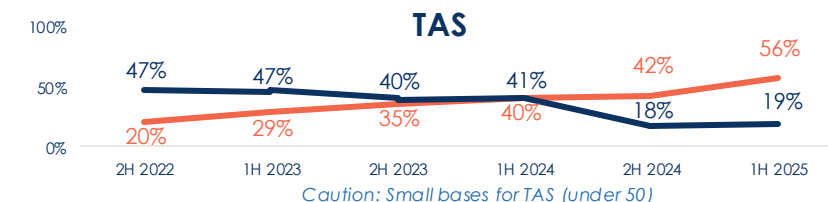
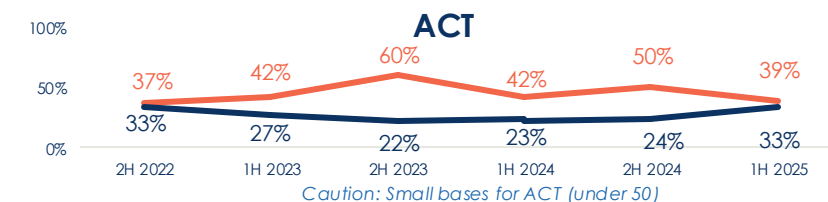
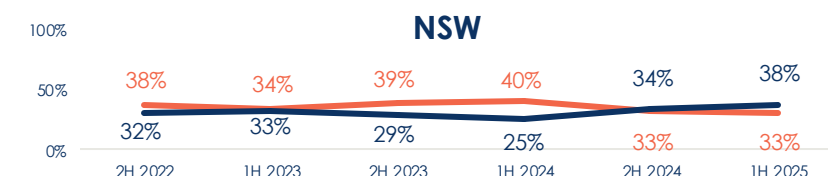
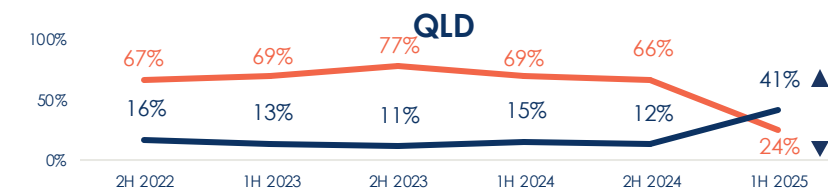
— Total Disagree (Strongly disagree + Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)



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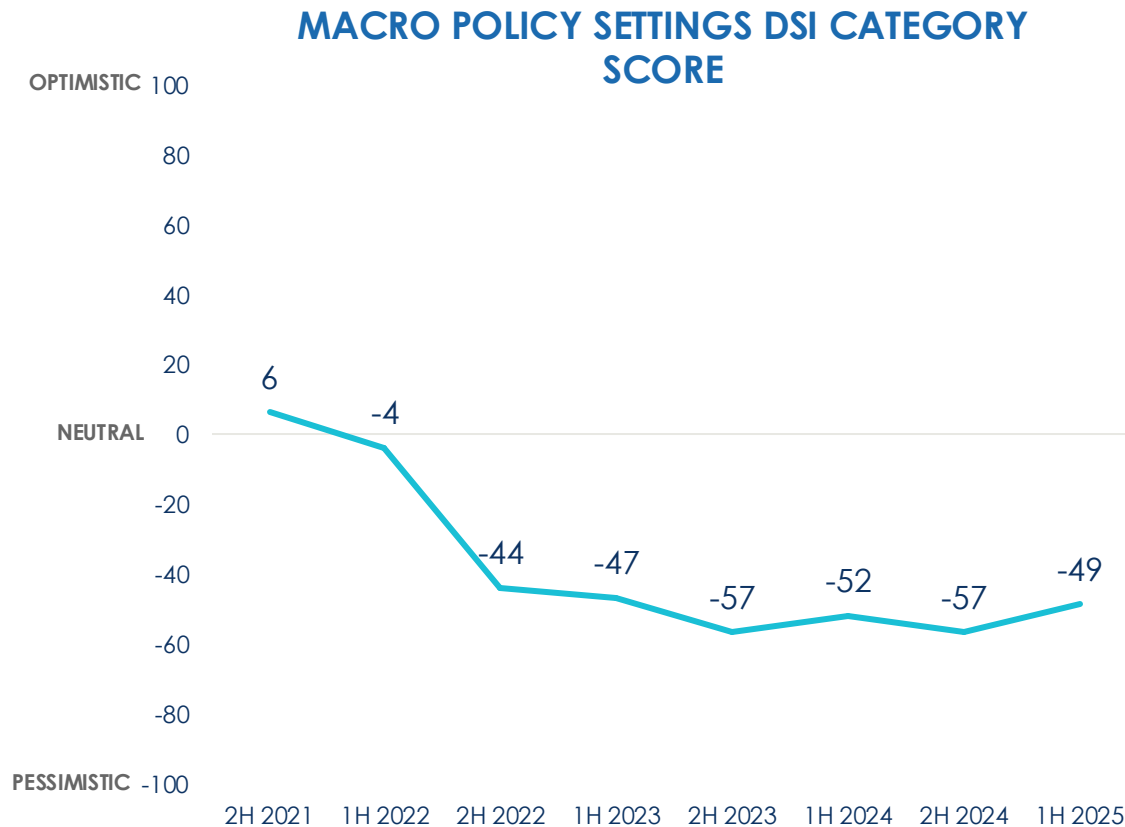
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. RE3.4. To what extent do you agree or disagree that you trust the state government where your primary directorship is based? NSW n=338, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. \* Indicates small base <50.



# Macro Policy Settings



# Assessment of Macro Policy Settings improves marginally in 1H 2025, but remains deeply negative



## MACRO POLICY SETTINGS DSI CATEGORY OVERVIEW

- The Macro Policy Settings DSI category includes:
  - Assessment of the adequacy of federal and state government fiscal support and RBA monetary policy, the impact of the Australian dollar and the availability of business credit.
- The Macro Policy Settings DSI category score improved by 8 points in the first half of 2025, primarily driven by a 23-point increase in perceptions that the current RBA monetary policy settings are adequate. Perceptions of the level of the AUD and its impact on business continued to decline.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. MA1. How positively or negatively do the following affect your business?

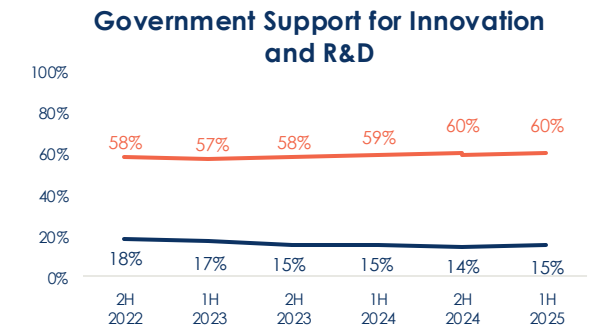
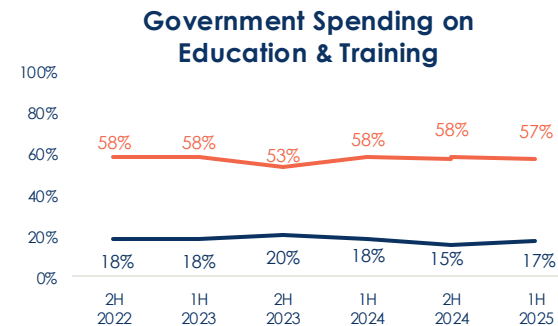
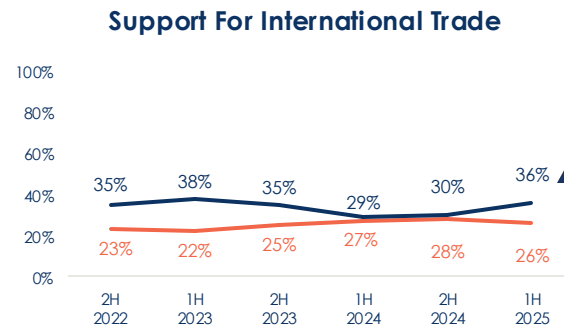
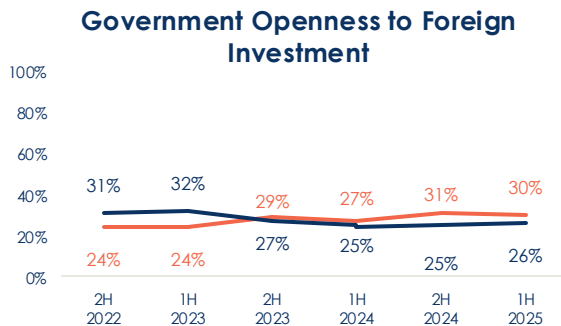
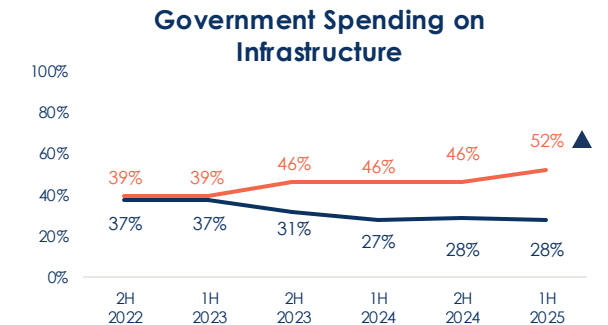
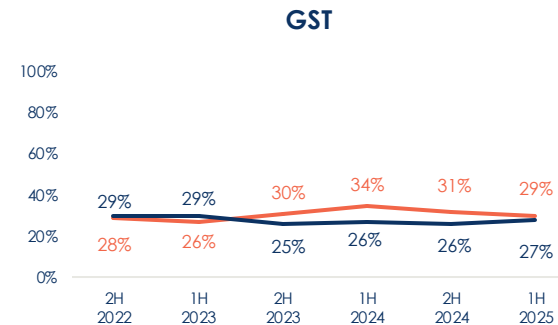
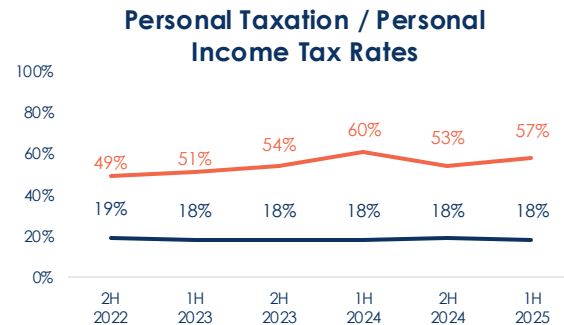
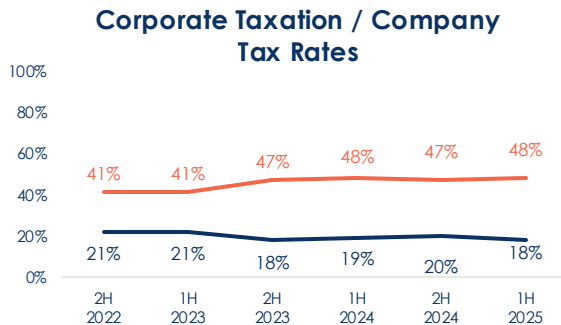
# More directors are dissatisfied than satisfied across all policy settings except support for international trade

Majority of directors dissatisfied with personal taxation, government spending on infrastructure, spending on education and training and support for innovation and R&D

## SATISFACTION WITH AUSTRALIAN POLICY SETTINGS

— Total Dissatisfied (Very dissatisfied + Somewhat dissatisfied)  
 — Total Satisfied (Very satisfied + Somewhat satisfied)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. T1. What is your level of satisfaction with the current state of the following Australian policy settings...?

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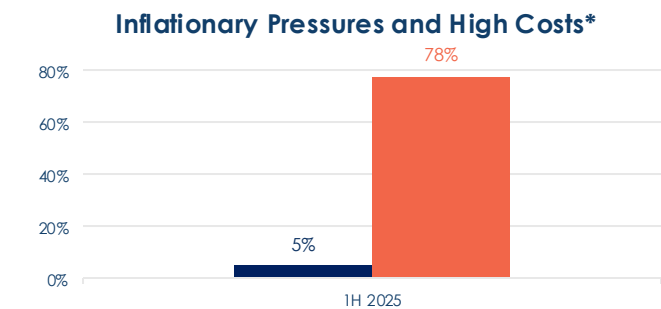
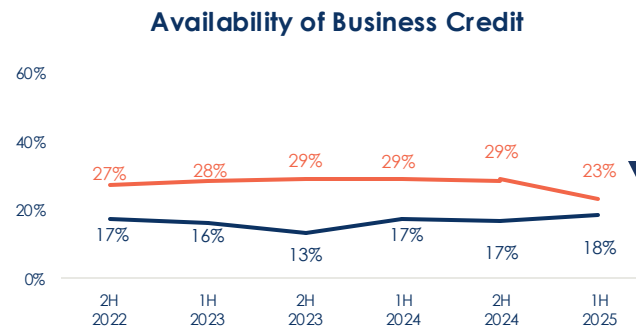
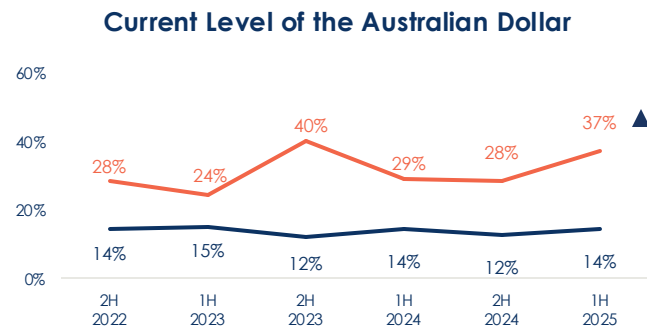
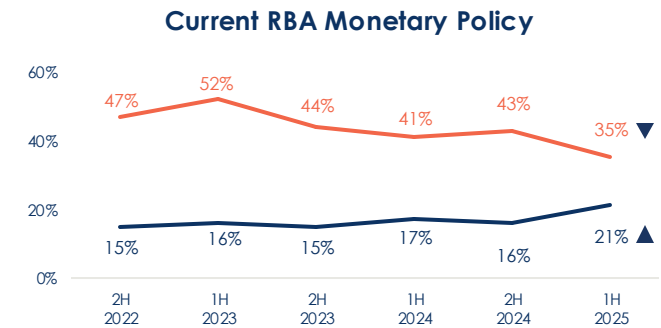
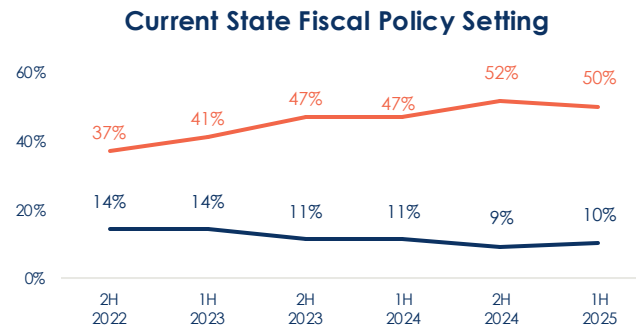
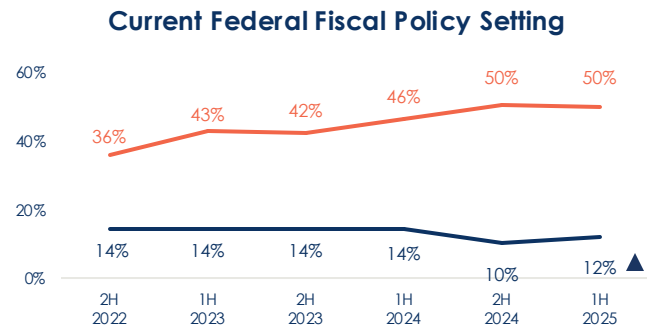
# An overwhelming majority of directors (78%) believe inflationary pressures and high costs impact their business negatively

Half of directors believe current federal and state fiscal policy settings impact their business negatively. More directors this wave report that the current level of the Australian dollar impacts them negatively.

## IMPACT ON BUSINESS

— Total Negatively (Very negatively + Somewhat negatively)  
 — Total Positively (Very positively + Somewhat positively)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.



\*New question for 1H 2025 (No historical data available)

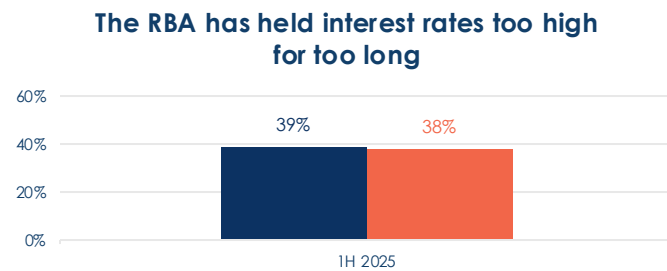
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127. MA1. How positively or negatively do the following affect your business?

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2nd Half 2024 survey.

# February interest rate cut leads to notable decrease in concerns that RBA monetary policies would cause business insolvencies

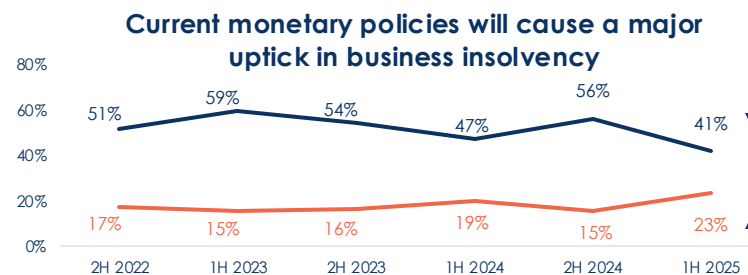
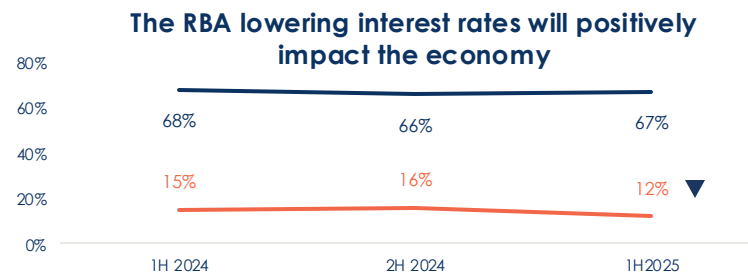
Directors evenly split on whether the RBA held interest rates too high for too long. More than half of directors expect to see another interest rate cut within the next six months and fears of a recession over the next 12 months recede.

**THINKING ABOUT INFLATION, INTEREST RATES AND THE RBA, PLEASE INDICATE THE EXTENT TO WHICH YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS:**



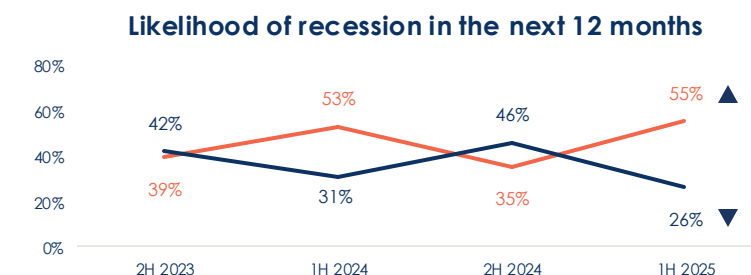
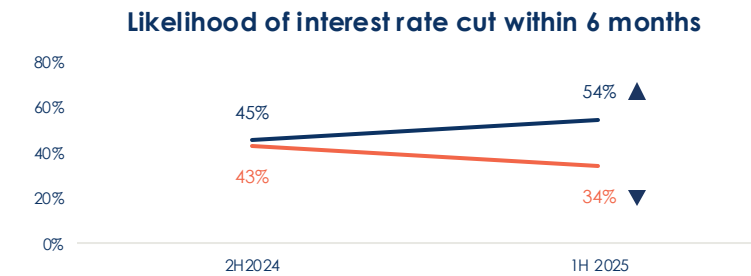
\*New question for 1H 2025 (No historical data available)

— Total Disagree (Strongly disagree + Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)



Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree, Neither likely nor unlikely etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

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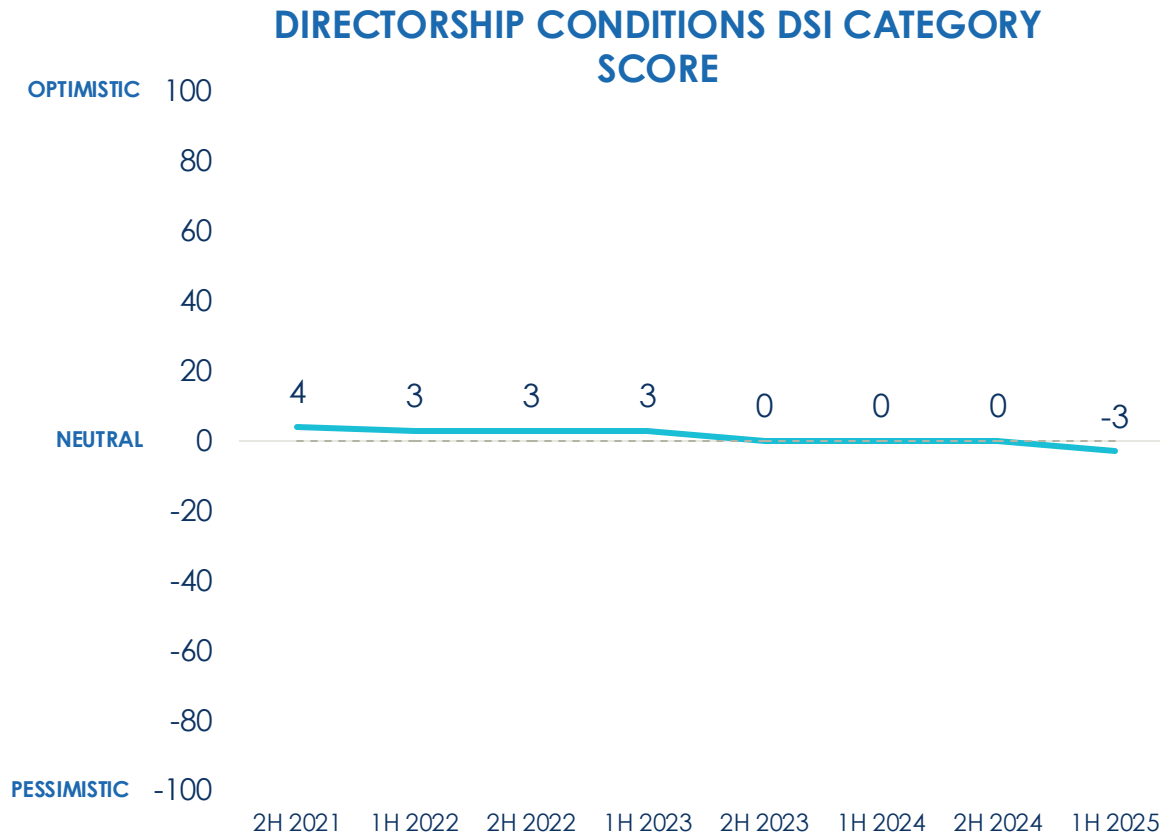
— Total Unlikely (Very unlikely + Somewhat unlikely)  
 — Total Likely (Very likely + Somewhat likely)

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 RBA1. Thinking about inflation, interest rates and the RBA, please indicate the extent to which you agree or disagree with the following statements.  
 RBA2. What do you think is the likelihood of an interest rate cut by the RBA in the next 6 months?  
 DD10. How likely or unlikely do you think that it is that Australia will be in a recession within the next 12 months?



# Directorship Conditions

# Directorship conditions decline marginally in 1H 2025 dropping below zero



## DIRECTORSHIP CONDITIONS DSI CATEGORY OVERVIEW

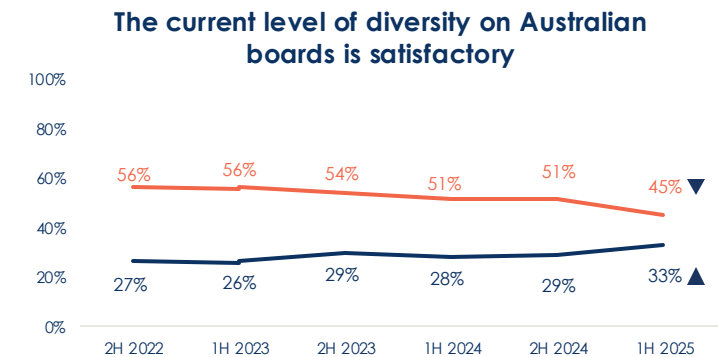
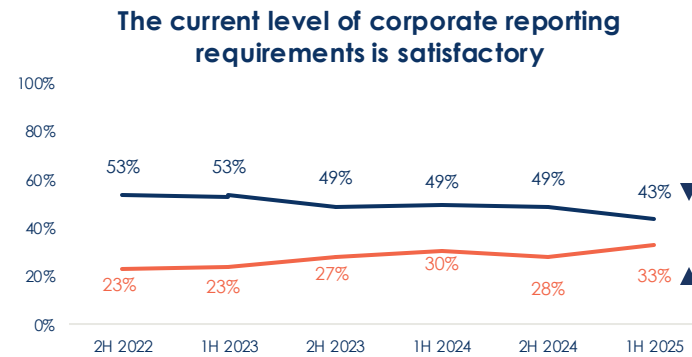
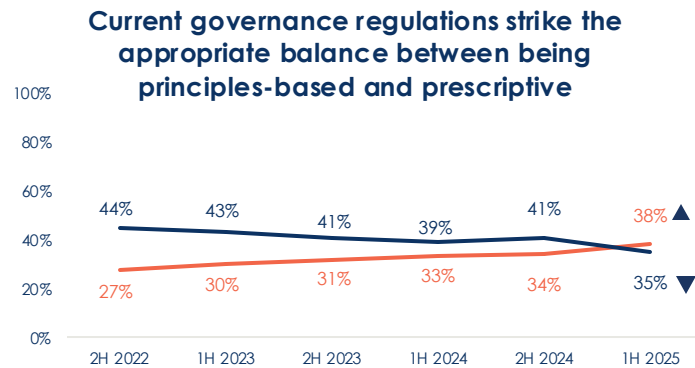
- The Directorship Conditions DSI category includes:
  - Balance of current governance regulations (principles-based vs prescriptive), satisfaction of corporate reporting requirements and diversity on Australian boards, and whether director liability provisions negatively impact decision-making.
- This wave's results saw recovery in the level of sentiment towards the diversity on Australian Boards, moving from -29 in 2H 2024 to -15 in 1H 2025. Sentiment towards corporate reporting and corporate governance regulations both declined by 15 index points to -10 and 11 respectively.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.

# More directors agree the current level of diversity on Australian boards is satisfactory in the first half of 2025, though overall dissatisfaction remains high

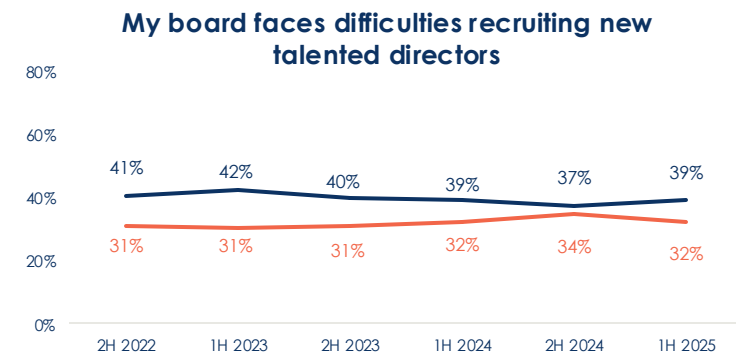
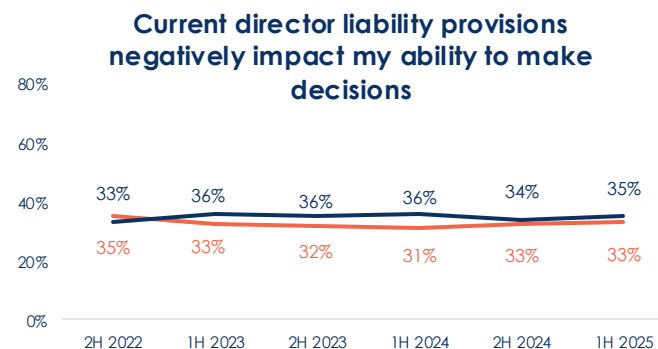
Decline in the proportion of directors who believe current regulations strike an appropriate balance between being principles-based and prescriptive, and that corporate reporting levels are satisfactory

**BASED ON YOUR PERSONAL BOARD EXPERIENCE, PLEASE INDICATE THE EXTENT TO WHICH YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS:**



— Total Disagree (Strongly disagree+ Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

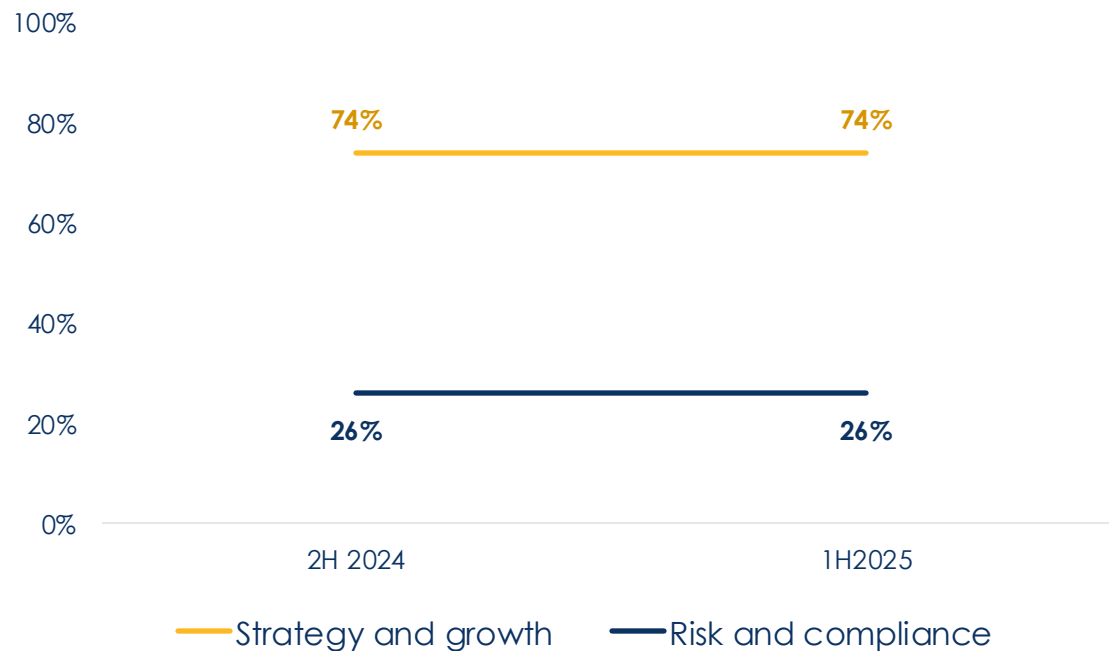


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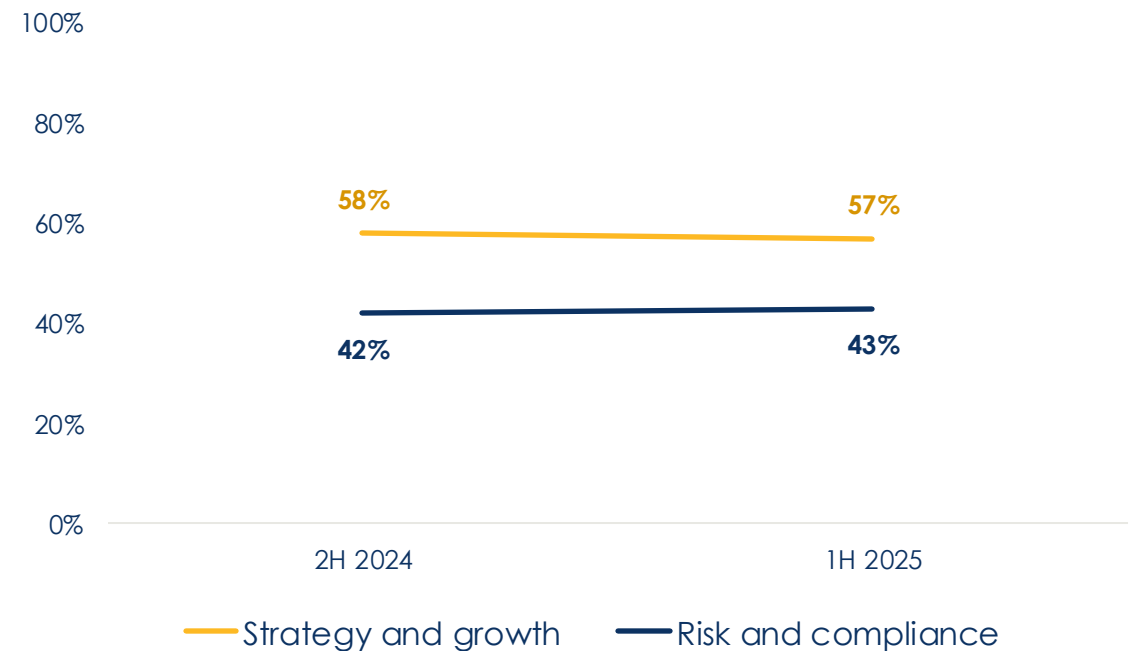
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 G1. Based on your personal board experience, please indicate the extent to which you agree or disagree with the following statements.  
 Board experience statements 1-2% = Not applicable; My board faces difficulties recruiting new talented directors 4% = Not applicable.

# Strategy and growth (compared to Risk and compliance) is the main focus for three-quarters of Australian boards, occupying 57% of board discussions

CURRENT BOARD'S MAIN FOCUS



PERCENTAGE OF BOARD'S DISCUSSION AND CONSIDERATION ON EACH TOPIC



Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127.

G3. Below are two opposing views about the main focus of Boards. Please select the statement that comes closest to the situation within your primary directorship:

G3A. Now, thinking about your board's focus on the 2 topics of "Strategy and growth" and "Risk and compliance". Please estimate the percentage of your board's discussion and consideration on each of these topics.

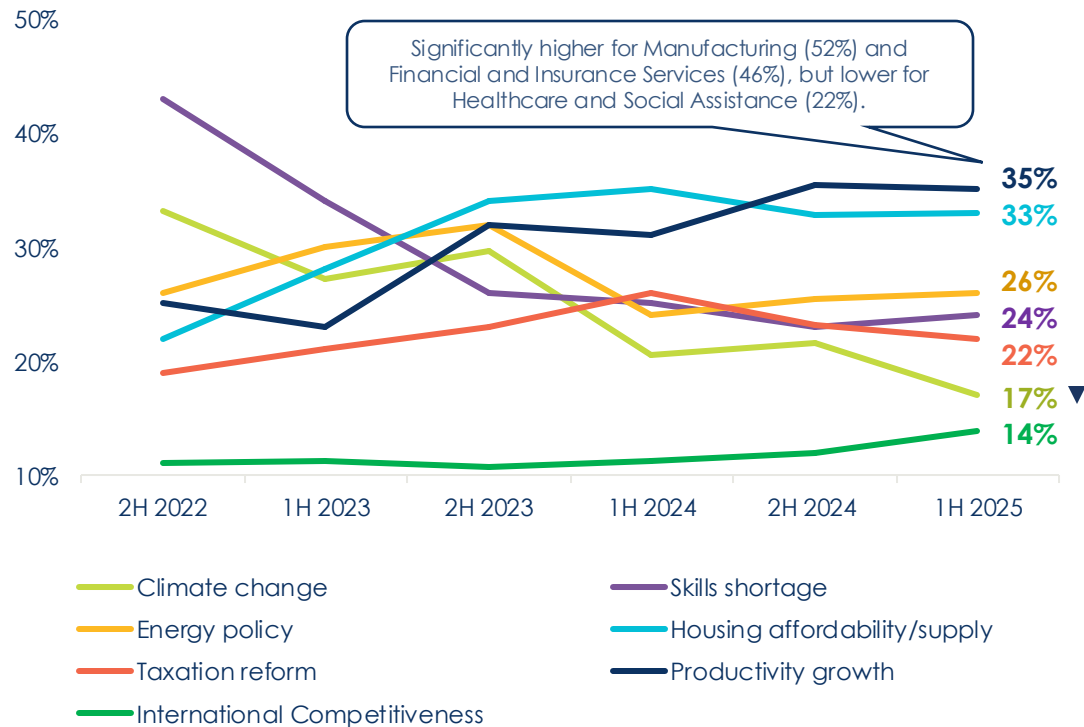


# Topical issues/ Deep dives

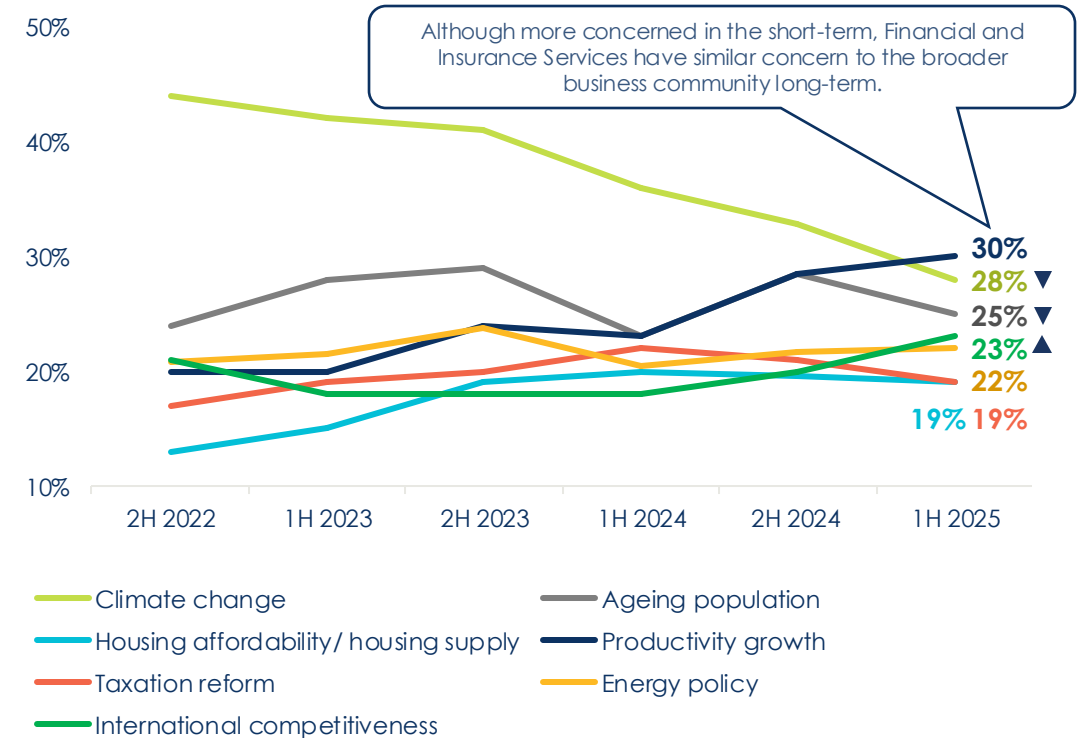
# Productivity growth is the most important issue for the Federal government to address short-term, also climbing to the top long-term issue

International competitiveness has climbed to the fourth most important long-term issue. Climate change continues to decline as a top issue for the Federal government to address.

**TOP ISSUES FEDERAL GOVERNMENT SHOULD ADDRESS IN NEXT 3 YEARS**



**TOP ISSUES FEDERAL GOVERNMENT SHOULD ADDRESS IN NEXT 10-20 YEARS**

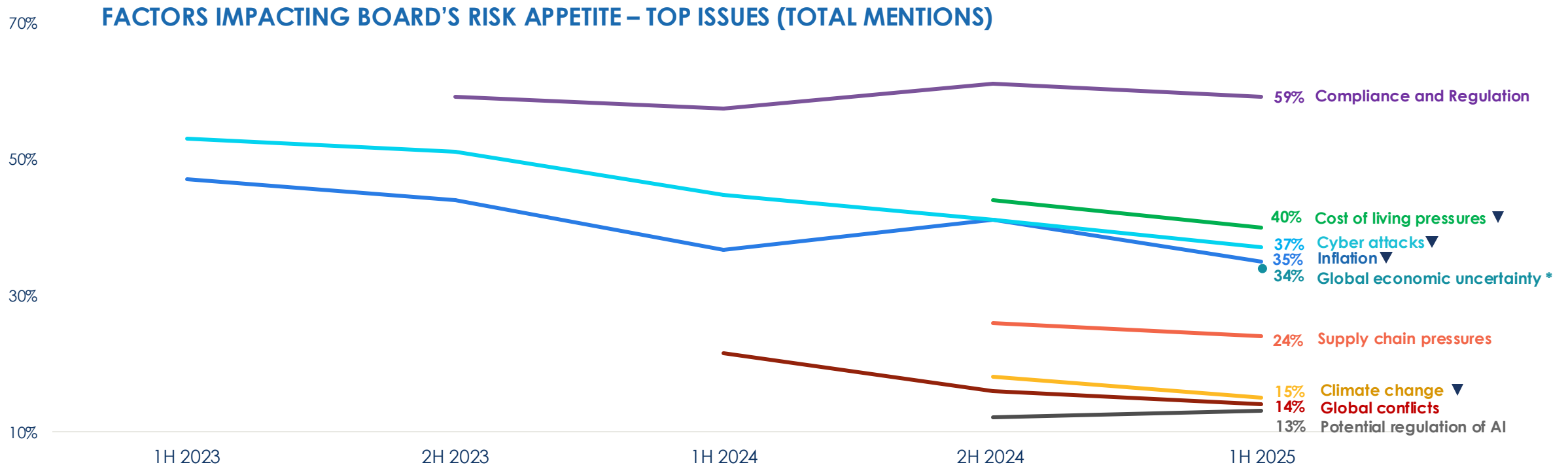


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. RE4. In your opinion, what are the top 3 issues the federal government should address in the short term (next 3 years)? RE4a. Now thinking about the longer term (next 10-20 years), what are the top 3 issues the federal government should address? Percentage refers to respondents who nominated this as a top 3 issue. Note: Only displaying prominent issues in 1H 2025. Amendments to the list may impact comparability with previous results.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

# Compliance and regulation remains the top factor impacting boards' risk appetite

Cost of living pressures (40%), cyber attacks (37%), inflation (35%) and climate change (15%) declined among factors this wave

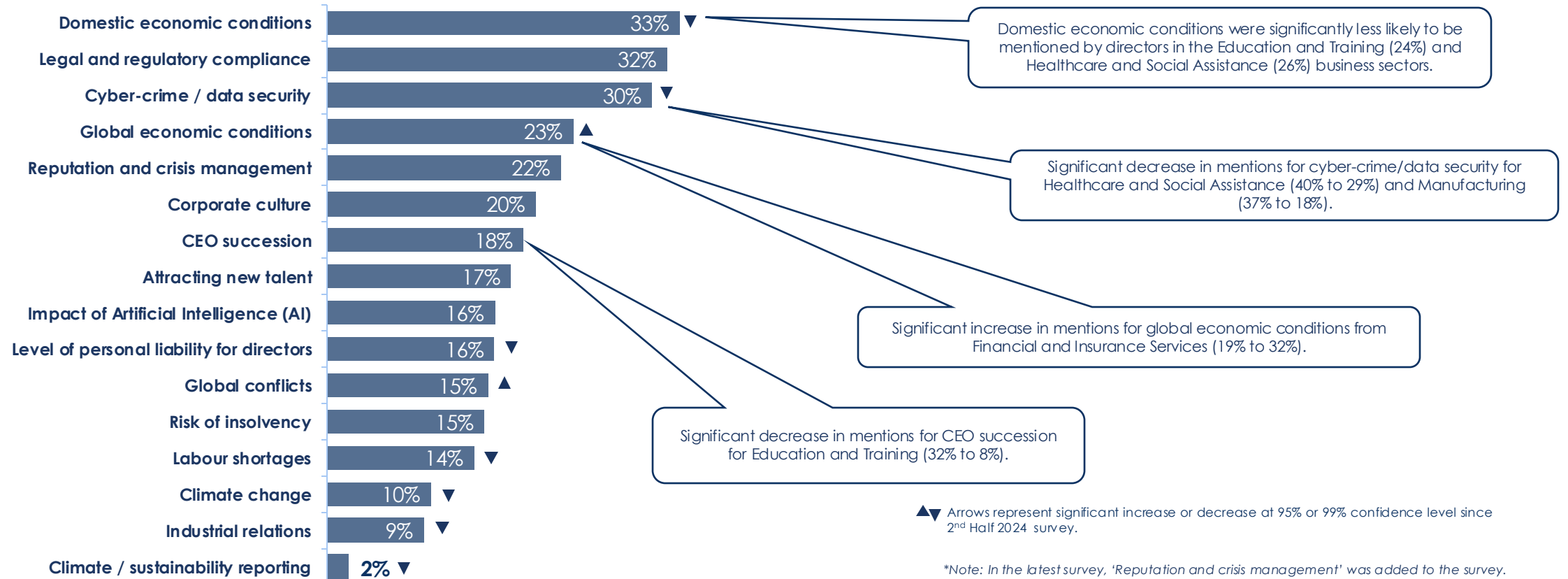


▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.  
 \*Note: In the latest survey, 'Global economic uncertainty' was added as a new option.

Q3a1. Have any of the following impact your board's risk appetite?  
 B4. To what extent, if any, do you expect the following conditions to change over the next 12 months within your business?  
 Note: Only displaying prominent issues in 1H 2025.

# Domestic economic conditions, legal and regulatory compliance, and cyber-crime are the top issues keeping directors awake at night

## TOP ISSUES THAT KEEP DIRECTORS AWAKE AT NIGHT? (TOTAL MENTIONS) – 1H 2025

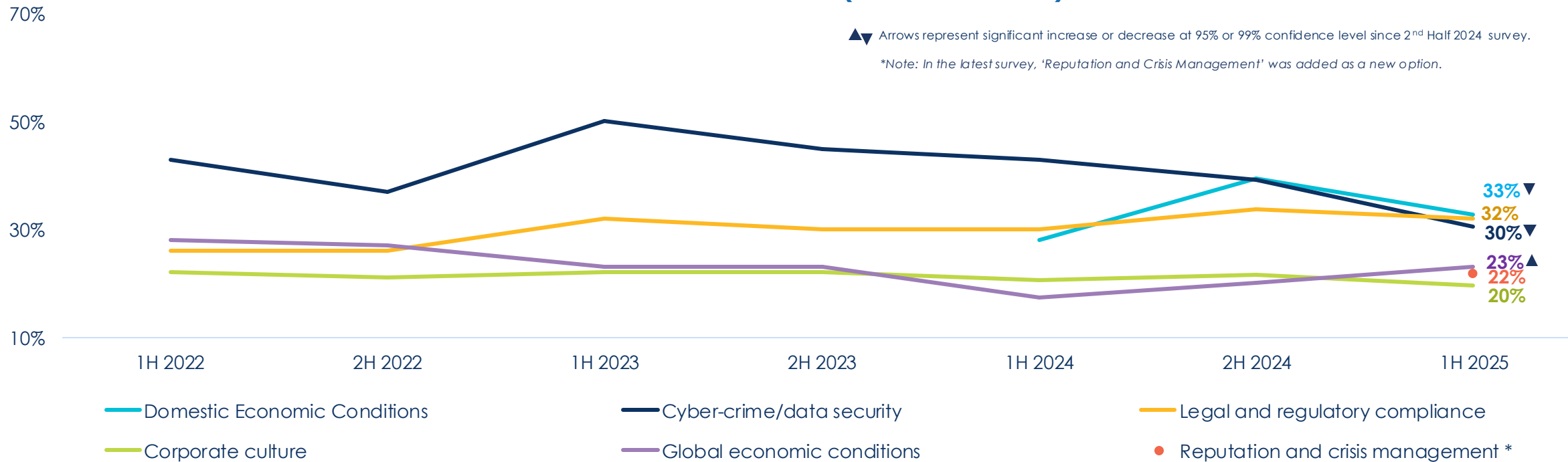


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 TQ1. What are the top 3 issues most likely to "keep you awake at night" as a director on your board? Percentage refers to respondents who nominated this as a top 3 issue.  
 Note: Amendments to list may impact comparability with previous results.

# Domestic economic conditions still number one concern despite a slight decline in the proportion of directors nominating this

Concerns about global economic conditions have risen significantly. Cyber-crime/data security has been declining as a concern since 1H 2023.

## TOP ISSUES MOST LIKELY TO KEEP DIRECTORS AWAKE AT NIGHT (TOTAL MENTIONS)



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
 TQ1. What are the top 3 issues most likely to "keep you awake at night" as a director on your board? The percentage refers to respondents who nominated this as a top 3 issue. Note: Amendments to list may impact comparability with previous results.  
 Note: Only displaying prominent issues in 1H 2025. Amendments to the list may impact comparability with previous results.

# Why do “Domestic economic conditions”, “Cyber-crime/data security” and “Legal and regulatory compliance” keep directors awake at night?

## WHY DOMESTIC ECONOMIC CONDITIONS?

*“The continuing lack of visionary courage to shape the economy to better serve broader society. We are mired in the orthodox approach of economics, and this hampers our ability to stretch both government, business and citizenry.”*

*“State and Commonwealth debt levels and do they truly understand we have to pay our debt back and to do that we need more profitable business with less red tape to encourage investment.”*

*“Affordability, cost of living pressures adding to insolvencies. Debt levels that are unsustainable. General decline in living standards. The poor planning of the tier of govt, along with the bloated bureaucracy that is overpaid and out of touch.”*

*“Restraint on business through over regulation and policy not keeping up with technology advances.”*

*“Lack of spending on housing, health, vital infrastructure and industry support because of budgetary failure and waste on renewables investment with unmanaged/flawed outcomes.”*

## WHY CYBER-CRIME AND DATA SECURITY?

*“Small businesses are under constant threat and they don't even realise. It's a massive issue and one that needs more support to defend / control SMB networks.”*

*“The risk to the company's significant IT platforms and systems. Significant investment in Cyber security, which is ongoing.”*

*“Our business is global and the incentives for bad actors are high, whether that is from ransomware or breaking into our secure databases and selling the information to the highest bidder. We have also seen organised crime involved in cyber issues.”*

*“Reputational damage, increasing prevalence of cyber-fraud, GDPR and other geographies with material penalties, level of NIST readiness across the business and strength of IT general controls in core areas (access, penetration testing readiness).”*

*“Because the type of threat changes so rapidly and the ability of any organisation to be immune is zero. Government focus on holding Director's responsible for Cyber threats when it is a National Security issue misses the point of where the focus should be directed.”*

## WHY LEGAL AND REGULATORY COMPLIANCE?

*“Growth in complexity, increase of obligations and reporting requirements and resourcing required to comply/meet requirements.”*

*“The amount of reporting on issues not directly associated with good governance and fiscal responsibility and the knock-on effects has an impact on productivity.”*

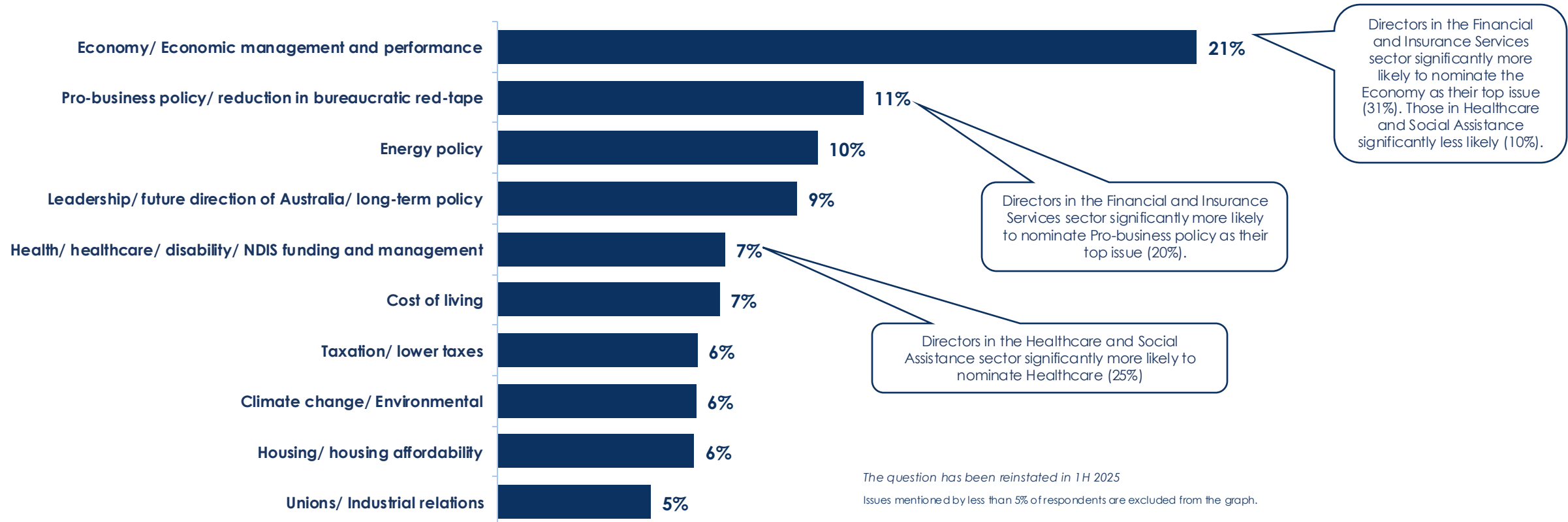
*“Far too onerous and forces companies to engage in non-value-added costly activities. Distracts the focus from growing the business and continues to get worse. Something has to be done rather than employ bureaucrats.”*

*“The increasing regulatory and reporting burden but even more so the lack of certainty and changing policy settings including the politicisation of matters (e.g., climate reporting - we are all geared up for it, to change now would mean extra work and less focus for longer on reducing carbon).”*

*“We operate across a number of jurisdictions and the regulatory compliance in each state/territory is inconsistent and at times contradictory.”*

# The economy is clearly the most important issue influencing directors' voting intentions in the Federal election, followed by cutting red tape, business and energy policy

MOST IMPORTANT ISSUE AFFECTING ORGANISATION THAT WILL DECIDE VOTE AT FEDERAL ELECTION (TOTAL MENTIONS)

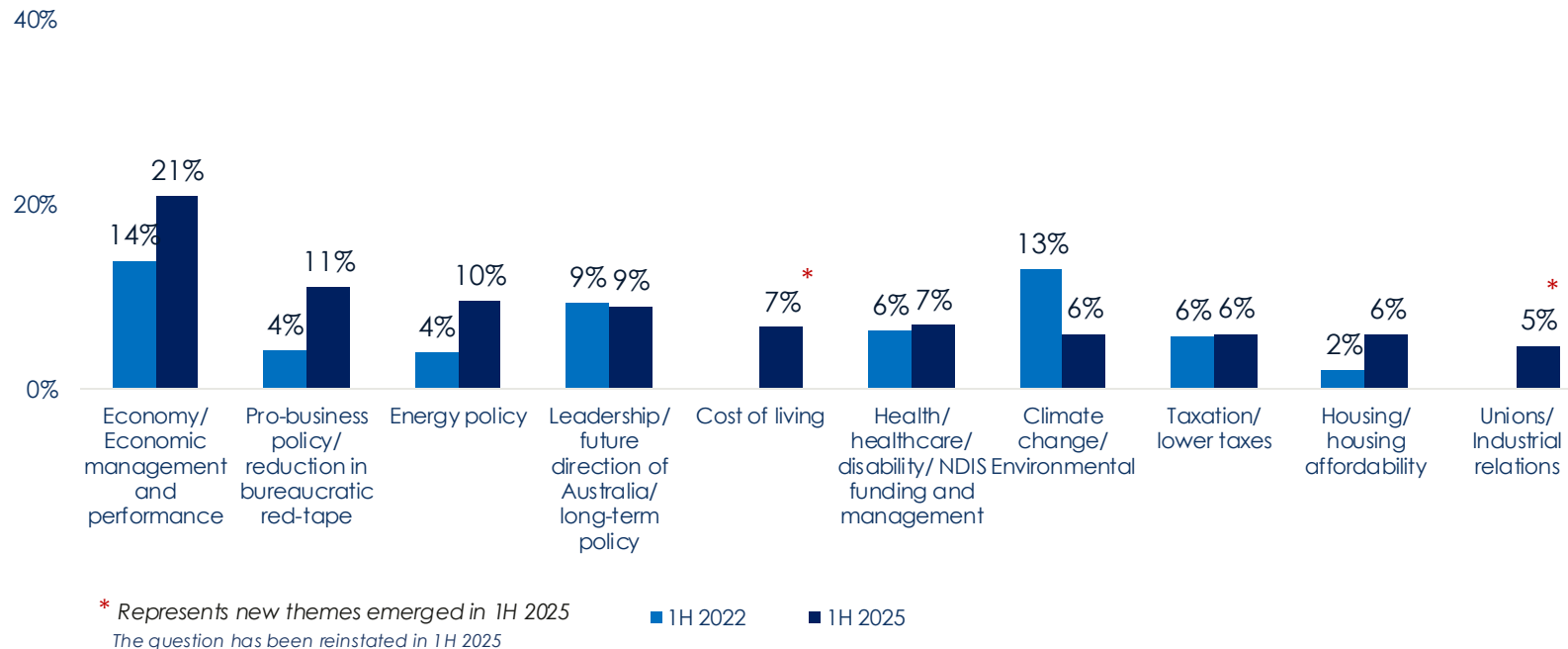


Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127.  
DD1A. Thinking about the issues that affect your organisation (not your personal circumstances), what is the one most important issue that your vote will be based on in the upcoming Federal Election in Australia?

# Cost of living, unions/industrial relations, social services support and funding, and US relations are new themes emerging this wave compared to 1H 2022 (prior to the last Federal election)

Climate change/environmental issues mentioned by fewer directors this election cycle

## MOST IMPORTANT ISSUE IN UPCOMING FEDERAL ELECTION (BASED ON OPEN-ENDED RESPONSES)



## Other themes emerging in 1H 2025 with <5% mentions

- Employment/ skills development/ increase migration
- Education
- Socio-economic inequality
- Government integrity/ trustworthiness
- Infrastructure
- Innovation/ innovation funding and management
- Aged care/ Aged care funding and management
- Foreign affairs/ international relations
- Social services support and funding\*
- US/ Australia-US relations\*
- Defence/ national security/ security
- China/ Australia-China relations
- COVID-19/ COVID-19 management and post-pandemic recovery

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127.

DD1 A. Thinking about the issues that affect your organisation (not your personal circumstances) what is the one most important issue that your vote will be based on in the upcoming Federal election in Australia? (open-ended verbatim)

Note: Only displaying prominent themes in 1H 2025.

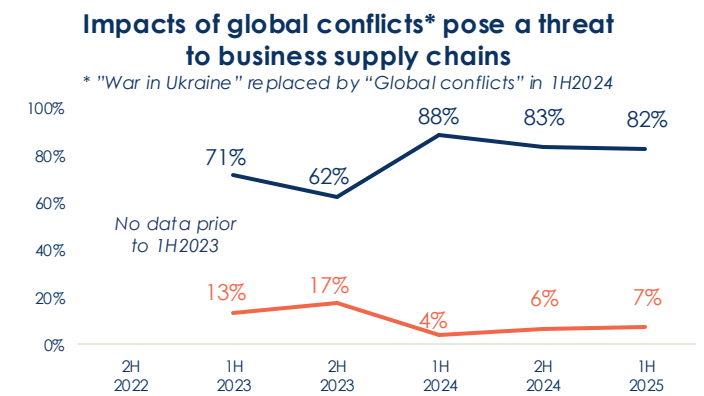
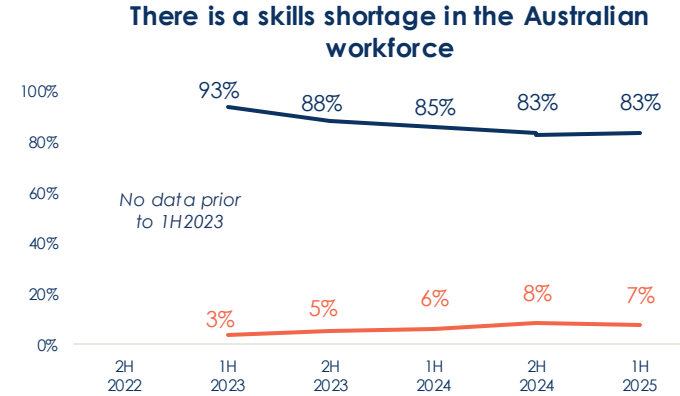
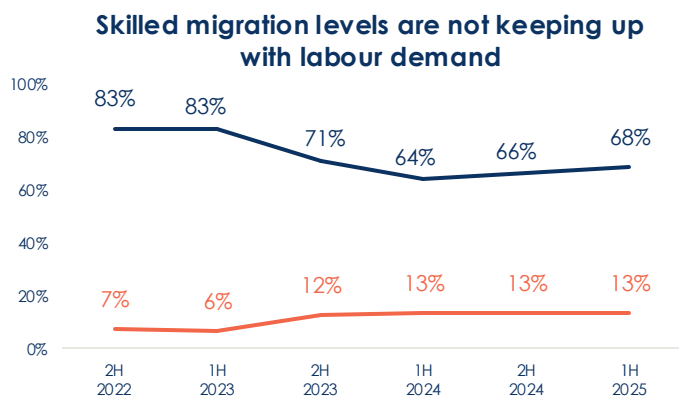
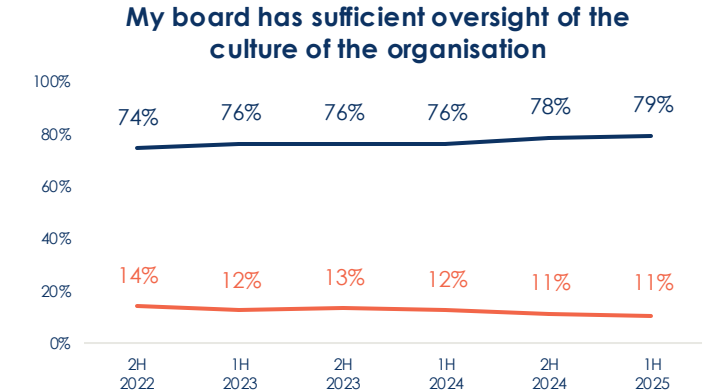
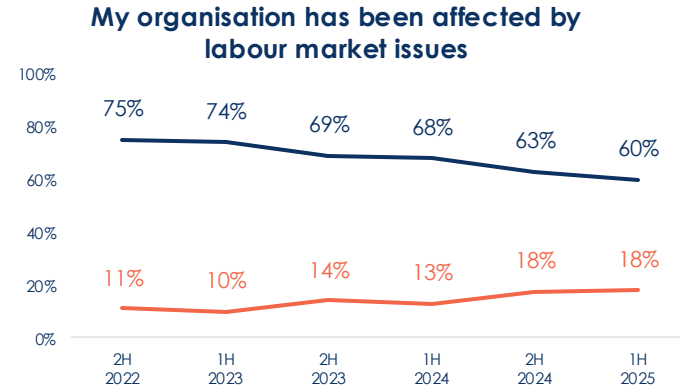
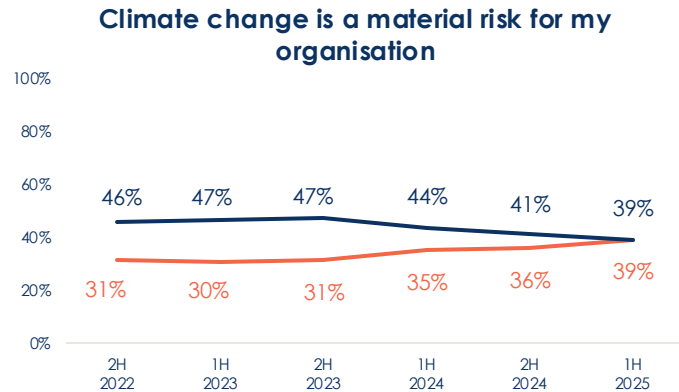


# A large proportion of directors acknowledge Australia's skills shortage, impacts of global conflicts, and agree their boards have sufficient oversight of culture of the organisation

## DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS...?

— Total Disagree (Strongly disagree + Somewhat disagree)  
— Total Agree (Strongly agree + Somewhat agree)

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

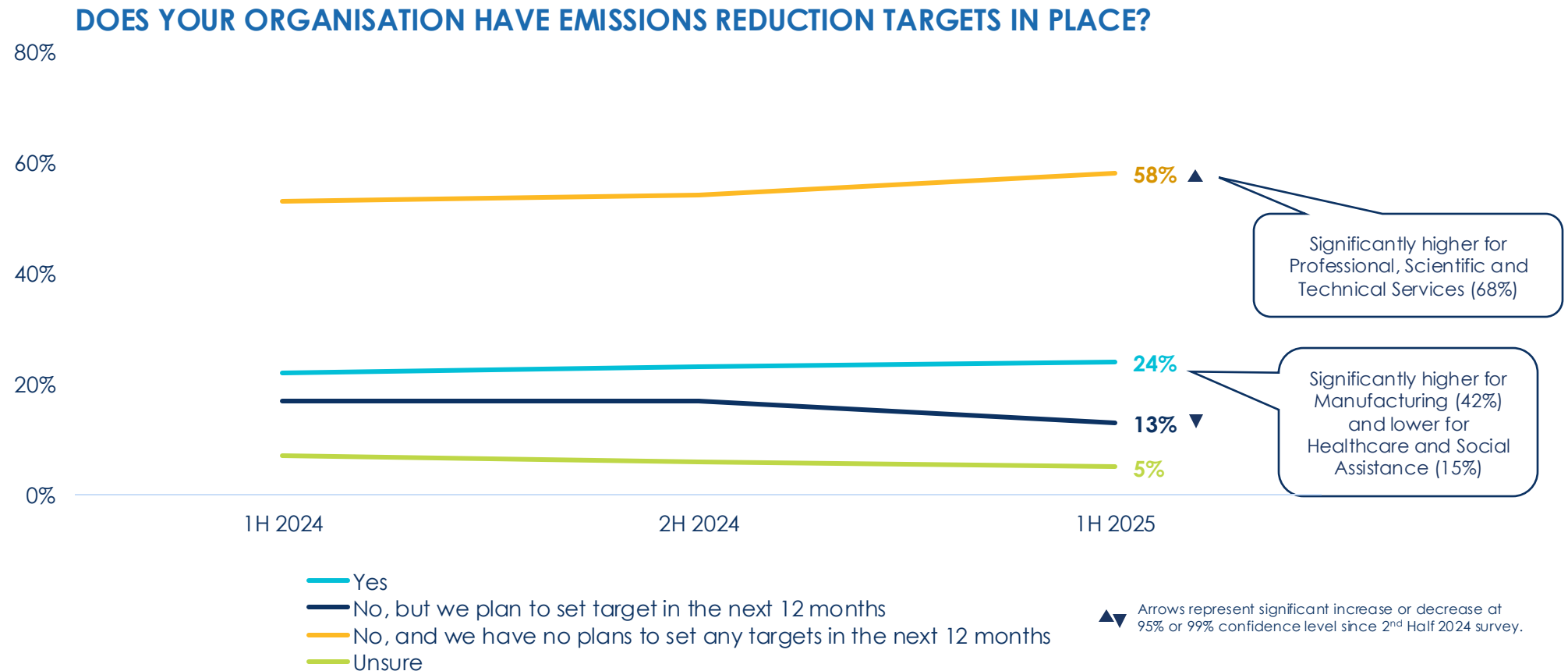


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. TQ3. To what extent do you agree or disagree with the following statements...?  
 Note: Amendments to list may impact comparability with previous results. All figures included in the report are rounded to whole numbers.

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

# Only a quarter of businesses have emission reduction targets in place, with 13% of businesses planning to set targets within the next year

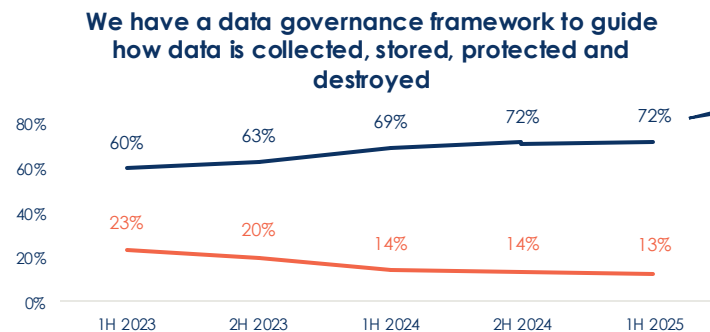
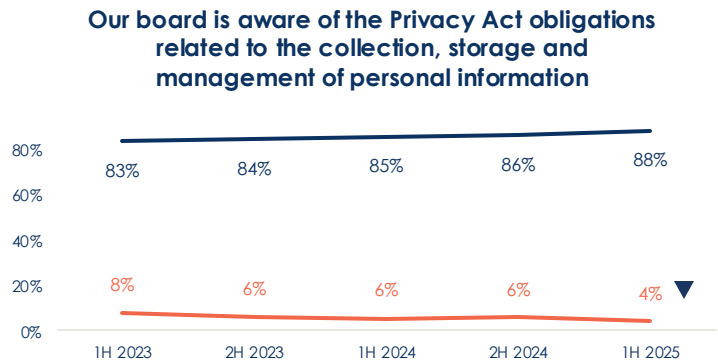
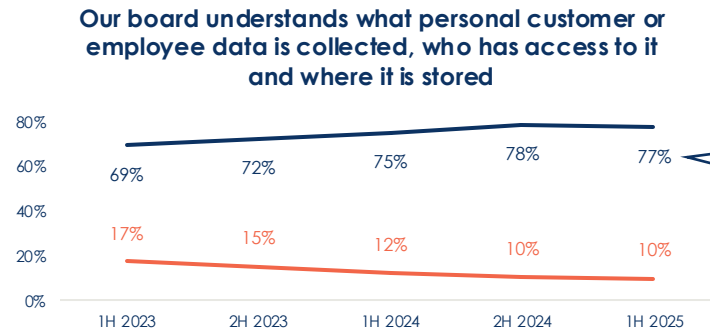
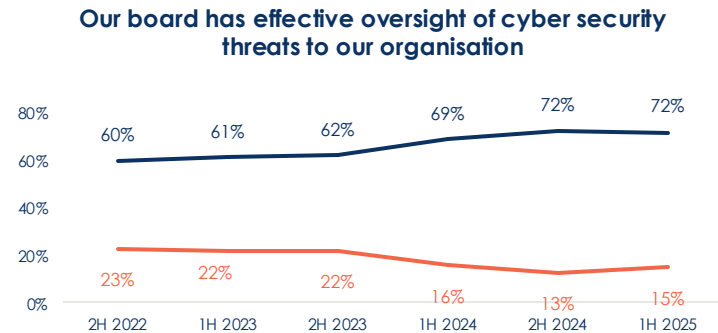
Over half of businesses do not plan to set targets in the next 12 months



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. DD5e. Does your organisation have emissions reduction targets in place?

# A majority of directors agree their board has effective oversight of cyber security, and a data governance framework in place. Majority also agree their board is aware of the Privacy Act and understands data usage and management.

## DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS...?



— Total Disagree (Strongly disagree + Somewhat disagree)  
 — Total Agree (Strongly agree + Somewhat agree)

▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

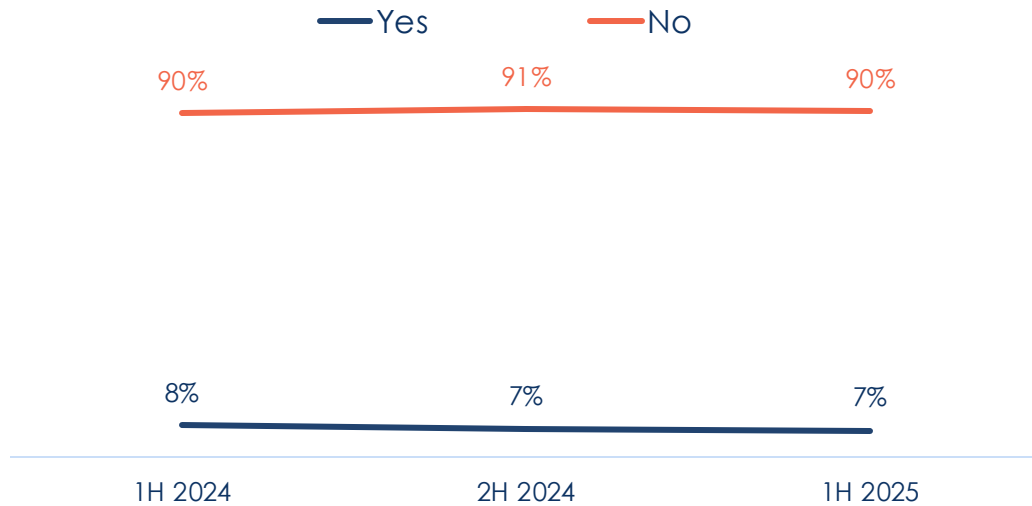
Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. CYB1. To what extent do you agree or disagree with the following statements...?

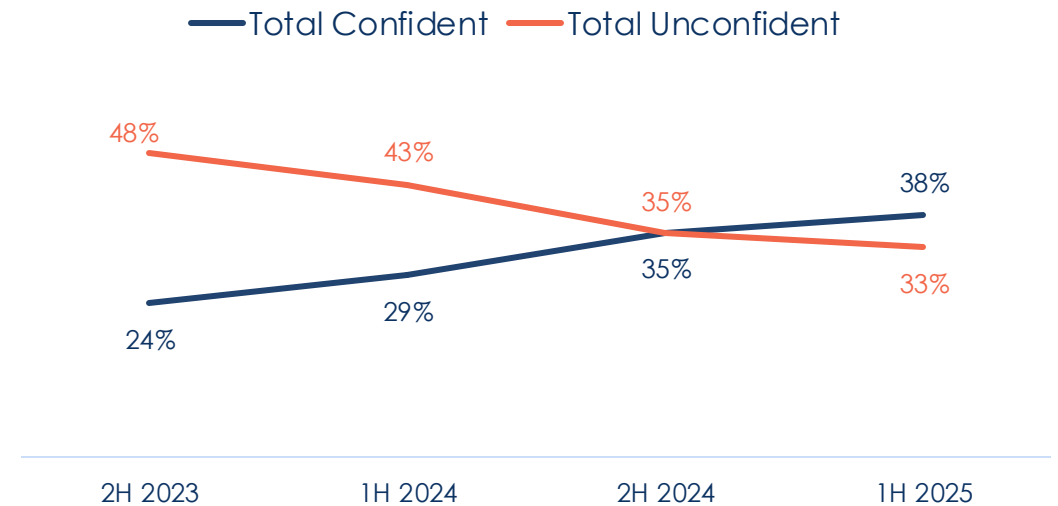
# Only 7% say their organisations have experienced a cyber security incident in the last 12 months

Confidence in organisations having appropriate governance to manage AI-related risks and opportunities improved, with 38% of directors expressing confidence in 1H 2025

**Has your organisation experienced a significant cyber security incident where a threat actor (e.g. a hacker) successfully obtained organisational data or system access in the last 12 months?**



**How confident are you that your organisation has appropriate governance in place to manage artificial intelligence (AI) opportunities and risks?**



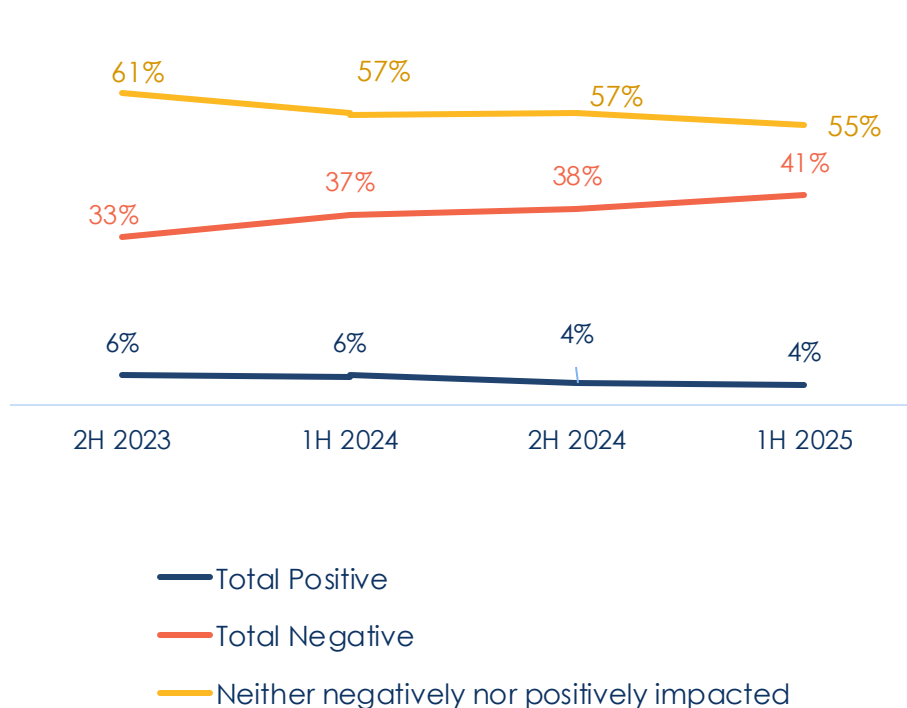
▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 CYB1a. In the last 12 months, has your organisation experienced a significant cyber security incident where a threat actor (e.g. a hacker) successfully obtained organisational data or system access?  
 CYB2. How confident are you that your organisation has appropriate governance in place to manage Artificial Intelligence (AI) opportunities and risks?

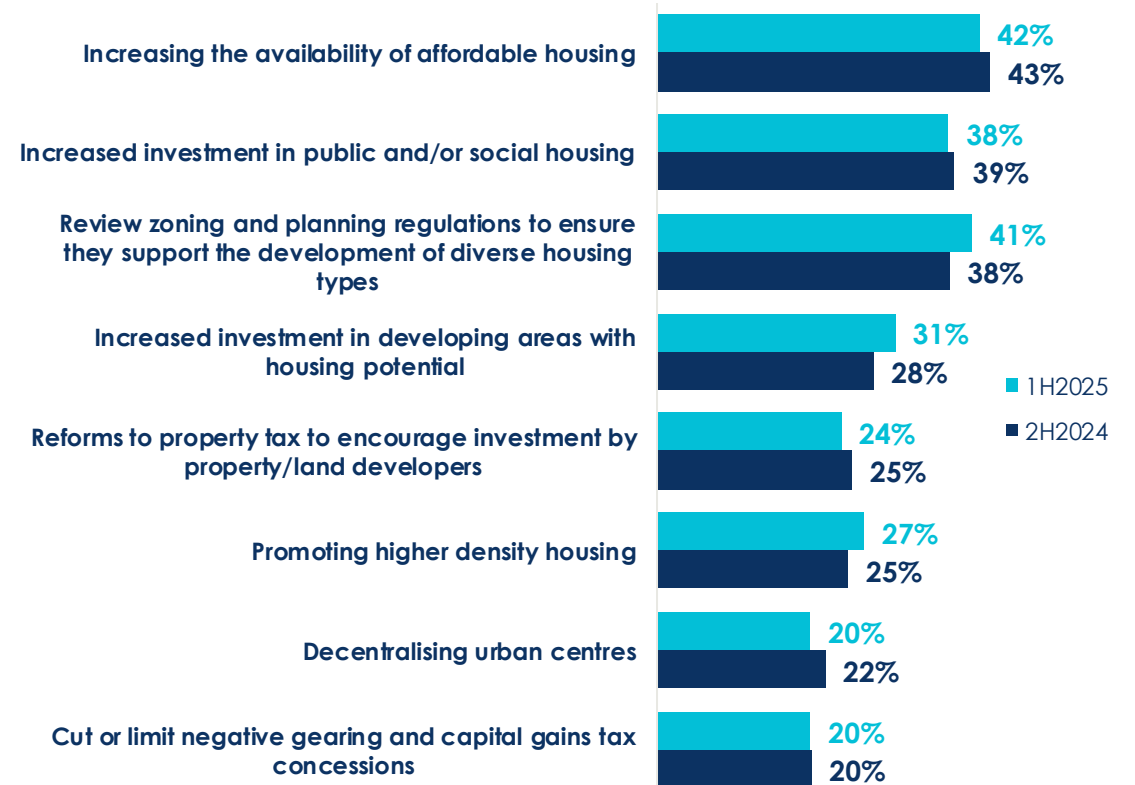
# Directors are far more likely to report a negative impact on business from the housing market (41%) than a positive one (4%)

Increasing availability of affordable housing is the most important strategy for addressing the housing issue in Australia

## HOUSING MARKET IMPACT ON BUSINESS



## IMPORTANT STRATEGIES IN ADDRESSING THE HOUSING ISSUE IN AUSTRALIA – TOP ISSUES (TOTAL MENTIONS)



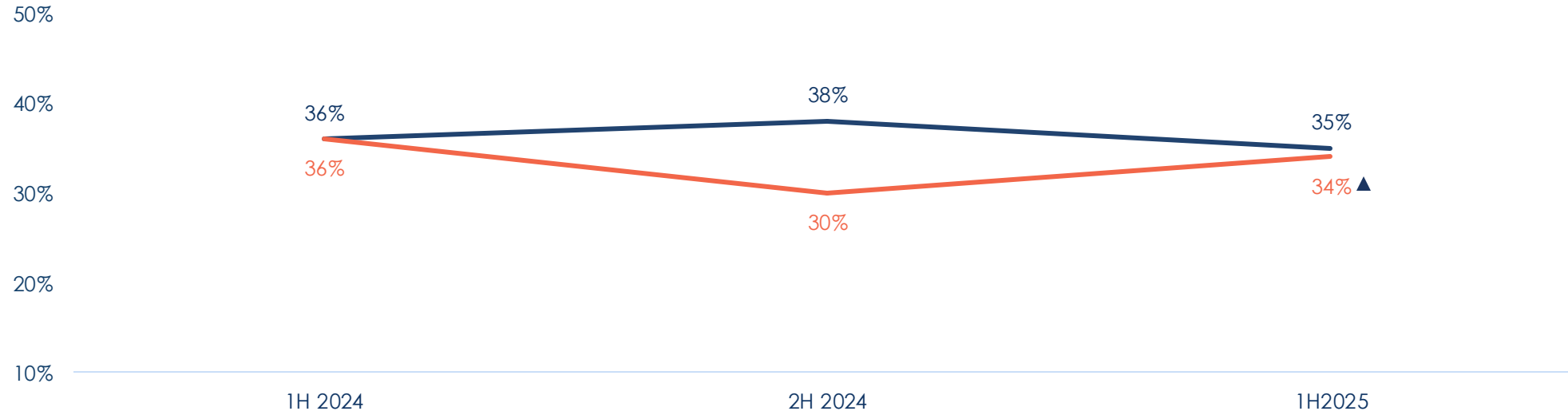
Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n=1,127.  
 DD13. How is your business/organisation being impacted by the current state of the housing market in Australia?  
 DD9. In your opinion, which of the following are most important in addressing the housing issue in Australia?

▲▼ Arrows represent a significant increase or decrease at 95% or 99% confidence level since the 2<sup>nd</sup> Half 2024 survey.

# Directors evenly split on whether migration levels should be higher or lower in 1H 2025

More directors believe that the level of migration should be lower compared to 2H 2024

## OPINION ON WHAT MIGRATION LEVELS SHOULD BE



▲▼ Arrows represent a significant increase or decrease at 95% or 99% confidence level since the 2<sup>nd</sup> Half 2024 survey.

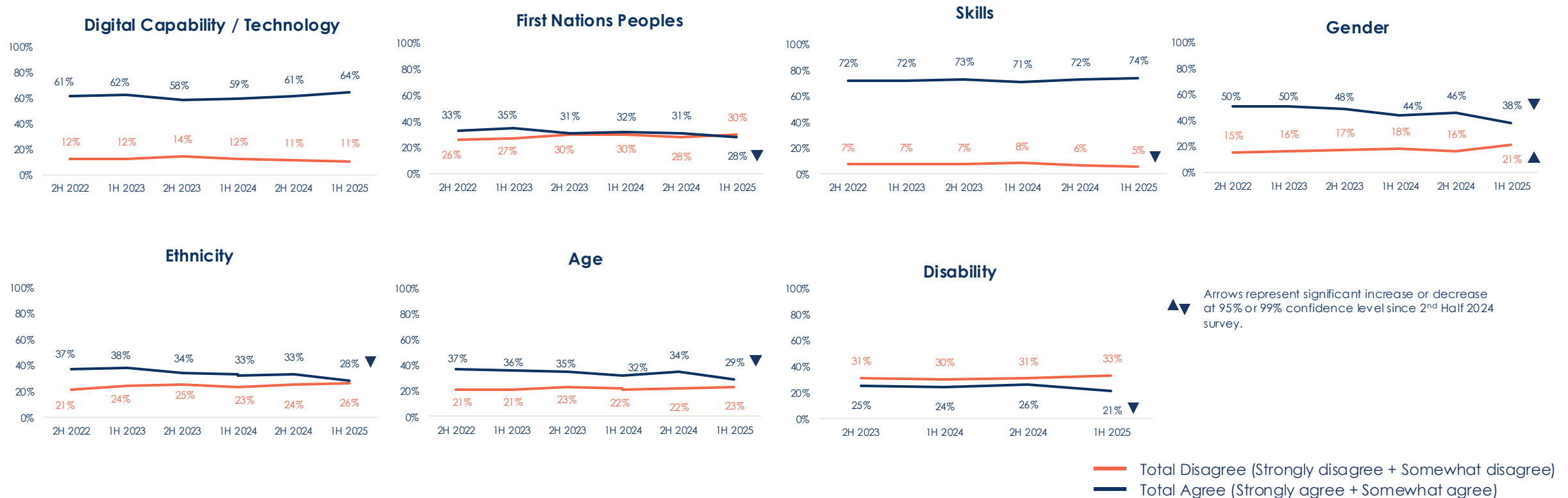
— Total Lower (Much lower + Slightly lower)  
— Total Higher (Much higher + Slightly higher)

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
DD15. Thinking about the level of migration and its overall impact on the economy, which of the following best describes your opinion of Australia's level of migration?

# Fewer directors agree their board is looking to increase diversity in gender, ethnicity, First Nations Peoples, age or disability in the first half of 2025

Boards are most likely to be seeking greater diversity in digital capability and skills

## IS YOUR BOARD SEEKING TO INCREASE DIVERSITY IN...

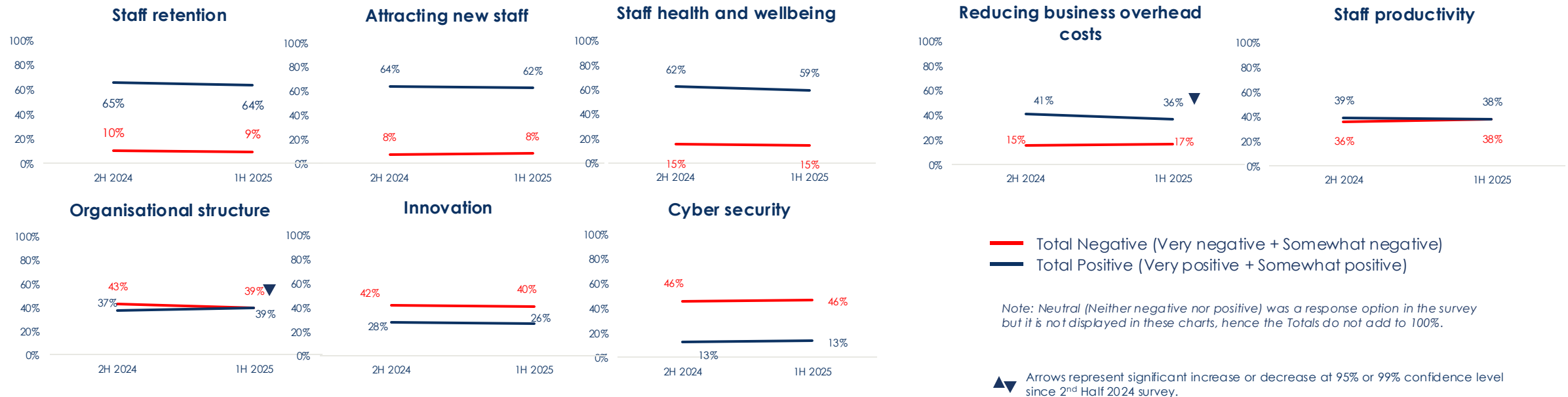


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.. BD2a. How much do you agree or disagree that your board is currently seeking to increase diversity in the following areas?

Note: Neutral (Neither strong nor weak, Neither Satisfied nor Dissatisfied, Neither Agree nor Disagree etc.) was a response option in the survey but it is not displayed in these charts, hence the Totals do not add to 100%.

# Flexible working arrangements seen to have positive impact on staff retention, attracting new staff, and positive for staff health and wellbeing. Cyber-security and innovation considered to be more negatively impacted.

## IMPACT OF FLEXIBLE WORKING ARRANGEMENTS



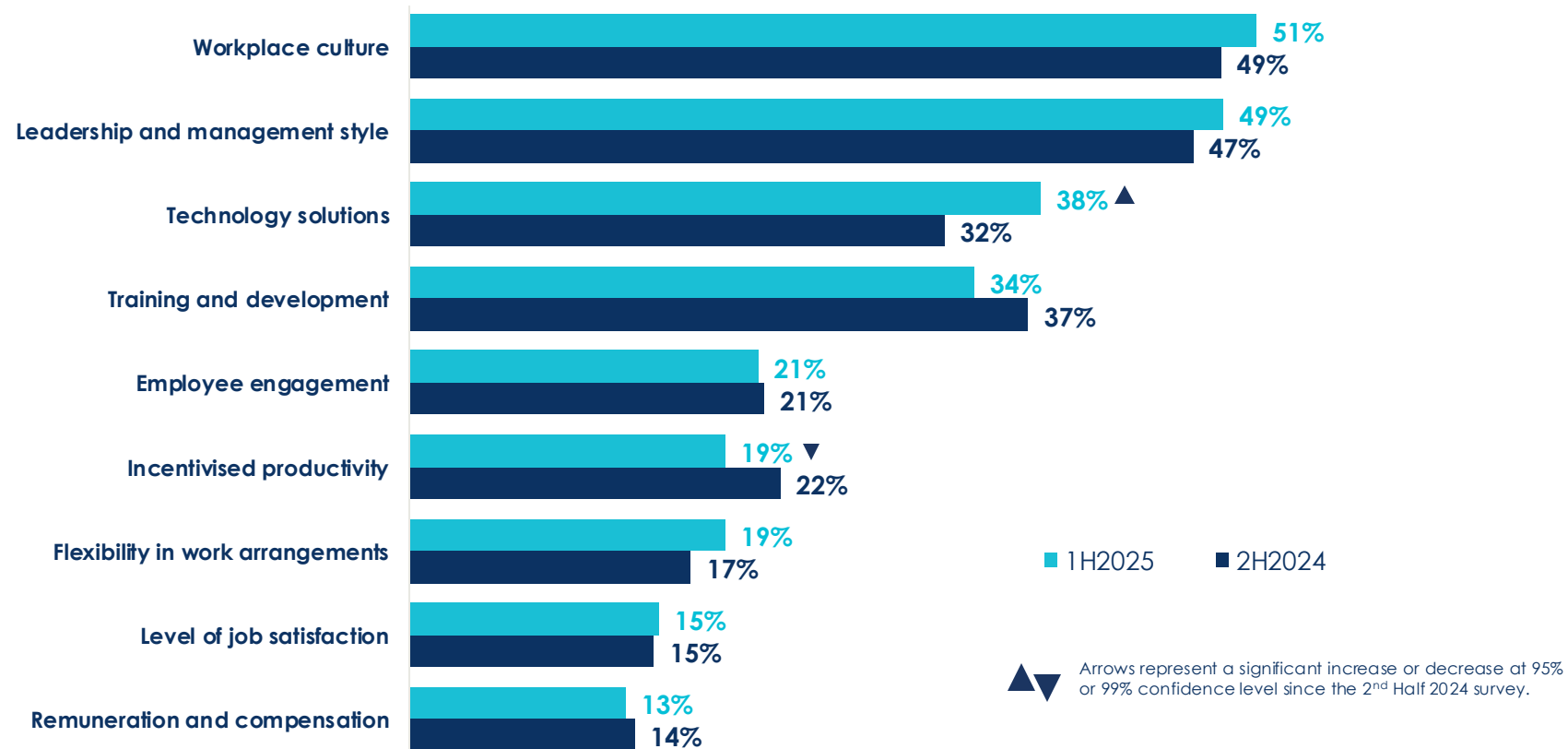
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n = 1,127.  
 DD1. How would you rate the impact of flexible working arrangements such as working remotely / from home in your organisation, in terms of?



# Workplace culture as well as leadership and management style seen as the top factors that help boost productivity

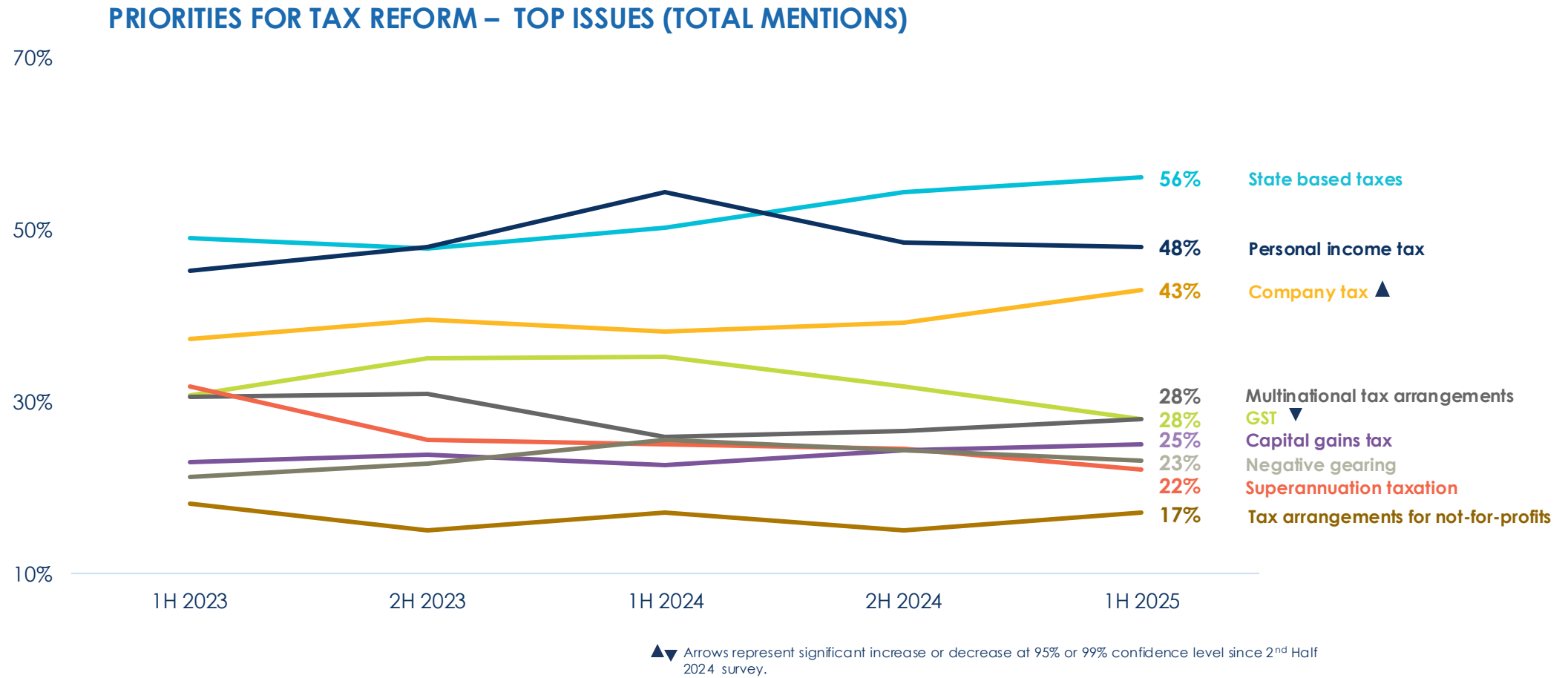
Technology solutions climbed to third place following a significant increase in 1H 2025

## IMPACT ON BOOSTING PRODUCTIVITY IN BUSINESSES – TOP ISSUES (TOTAL MENTIONS)



Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
DD1.1. In your opinion, which of the following have the largest impact on boosting productivity in businesses? Please select up to 3 only, with 1 having the largest impact.

# State based taxes the most nominated priority for tax reform, followed by personal income tax then company tax

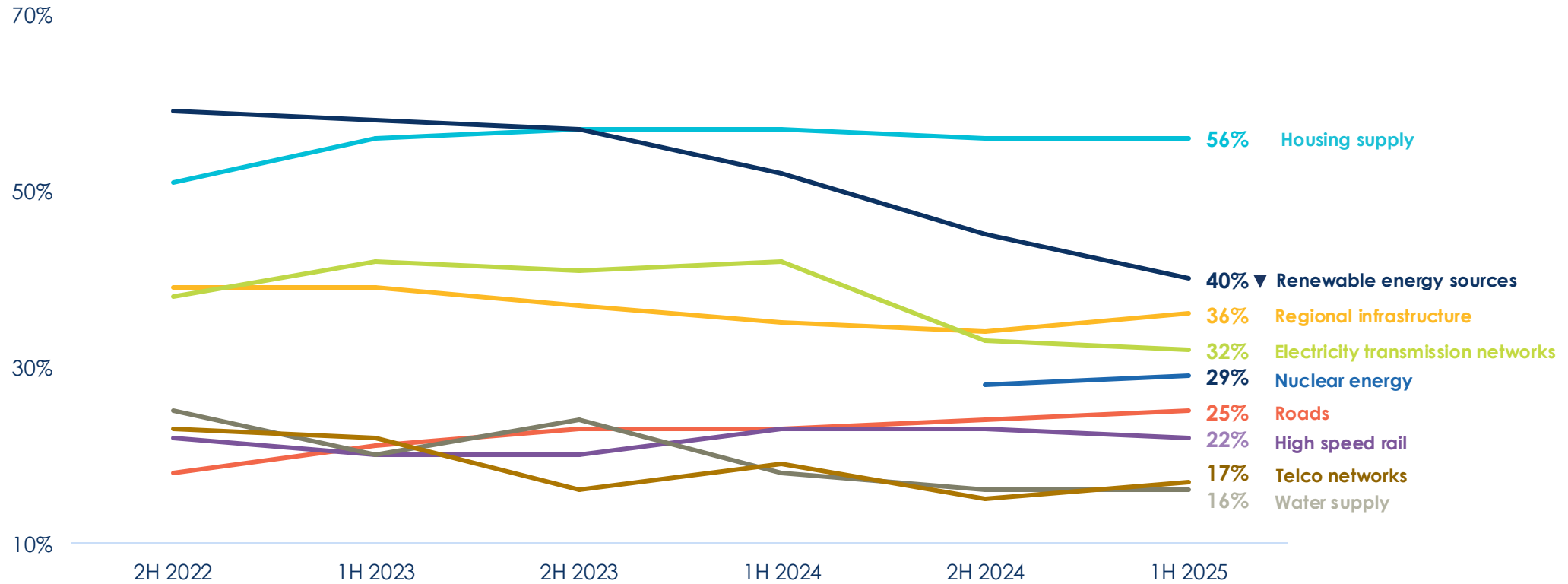


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127. RE6d. Now thinking about a possible review of the current taxation system, please nominate your top 3 priorities for tax reform:

# Housing supply seen as the top priority for infrastructure investment

Prioritisation of renewable energy sources declined to 40% in 1H 2025

**PRIORITIES FOR INFRASTRUCTURE INVESTMENT – TOP ISSUES (TOTAL MENTIONS)**

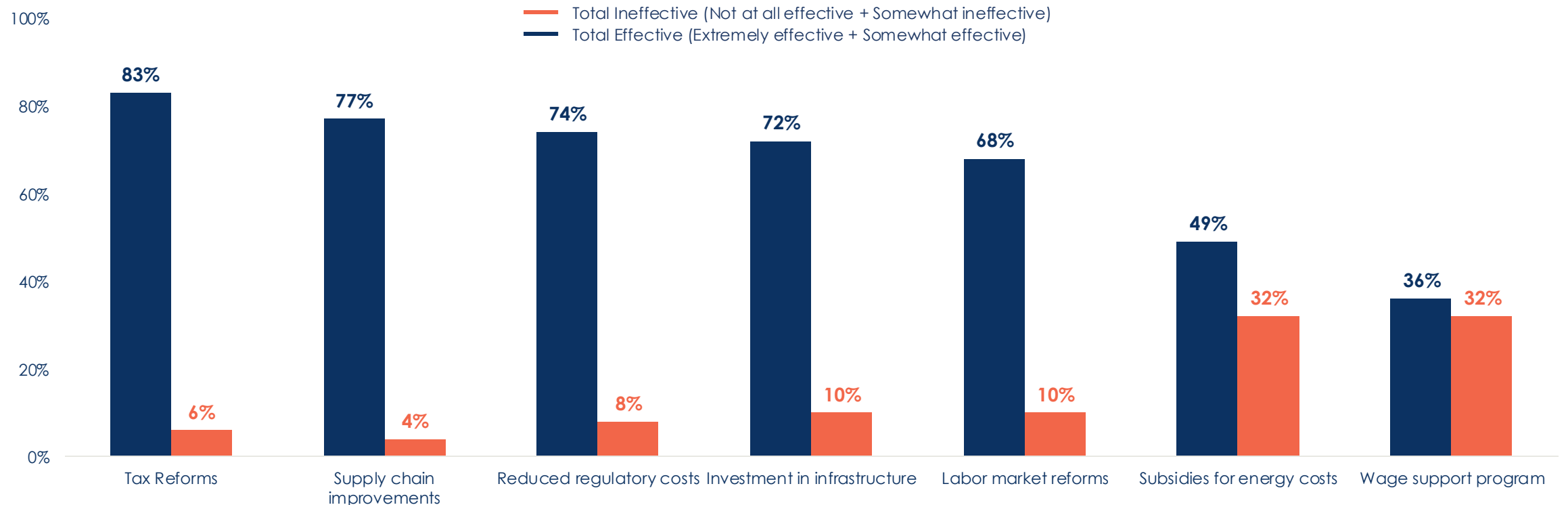


▲▼ Arrows represent significant increase or decrease at 95% or 99% confidence level since 2<sup>nd</sup> Half 2024 survey.

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
 12. Now thinking about infrastructure, what are the top 3 priorities for investment in your opinion?

# Tax reforms seen to be the most effective factor in reducing the overall cost of living in Australia (83%), followed by supply chain improvements and reduced regulatory costs

## EFFECTIVENESS OF FACTORS IN REDUCING OVERALL COST OF LIVING IN AUSTRALIA



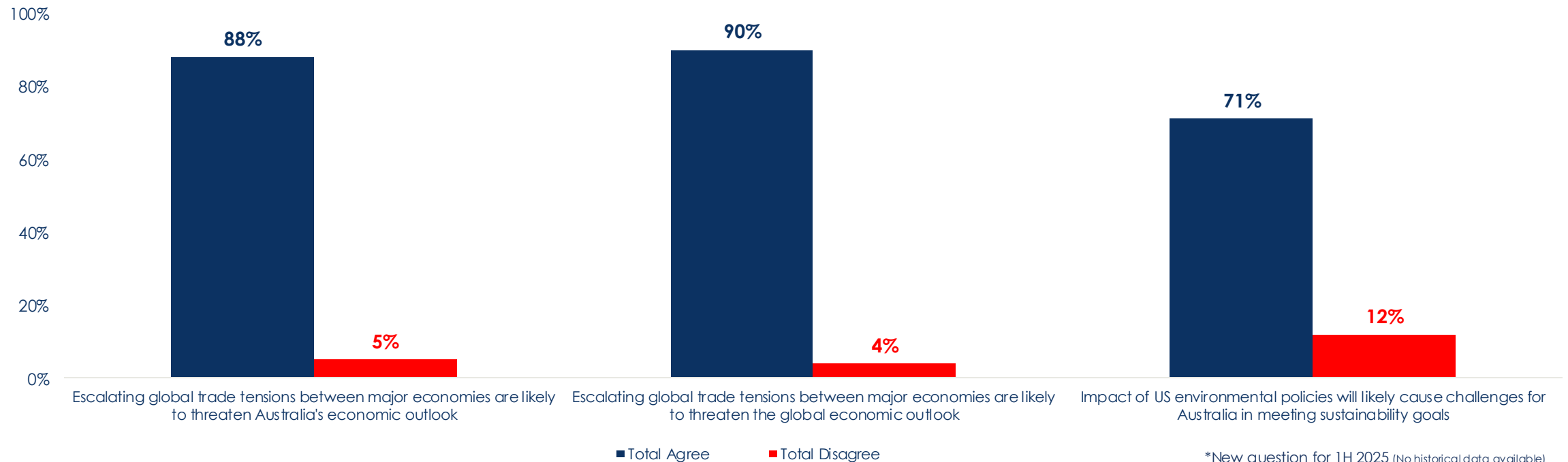
\*New question for 1H 2025 (No historical data available)

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n=1,127.  
FE1. How effective would each of the following factors be in reducing the overall cost of living in Australia?

# Most directors believe escalating global trade tensions under the Trump US presidency will threaten the economic outlook for Australia and globally

The majority of directors (71%) believe the impact of US environmental policies will likely cause challenges for Australia in meeting sustainability goals

## EVOLVING POLICIES UNDER THE TRUMP US PRESIDENCY

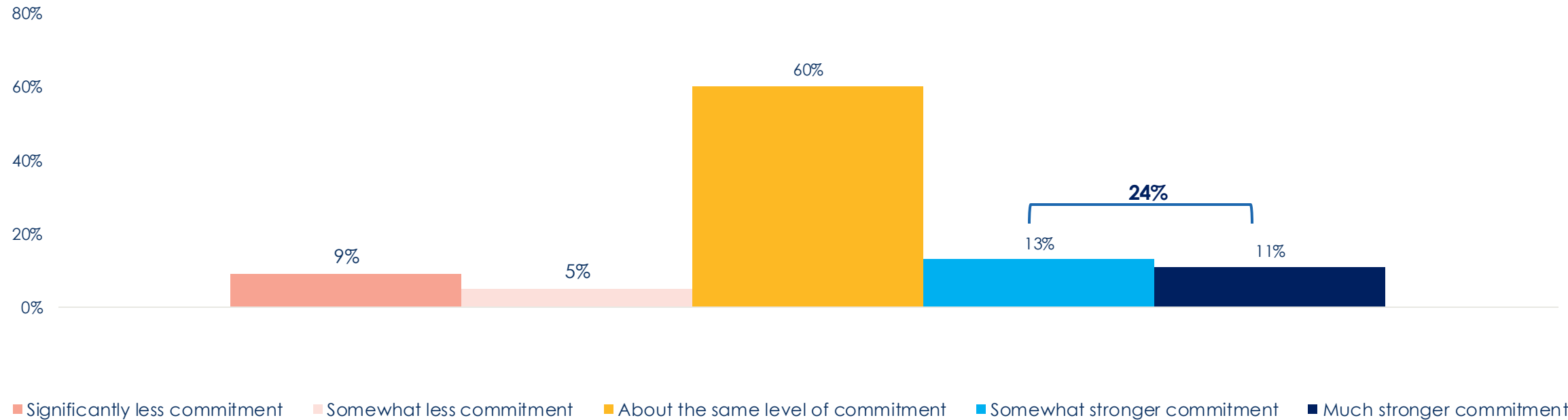


Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.  
USA\_AUS1: Given the evolving policies under the Trump US presidency, to what extent do you agree with each of the following statements?

# Over 80 percent of Australian directors expect the same or a stronger commitment to diversity and related policies despite the shift in DEI under the Trump US presidency

24% of directors have stronger commitment to diversity related policies over the next 12 months; 13% are less committed

## COMMITMENT TO DIVERSITY AND RELATED POLICIES OVER THE NEXT 12 MONTHS



\*New question for 1H 2025 (No historical data available)

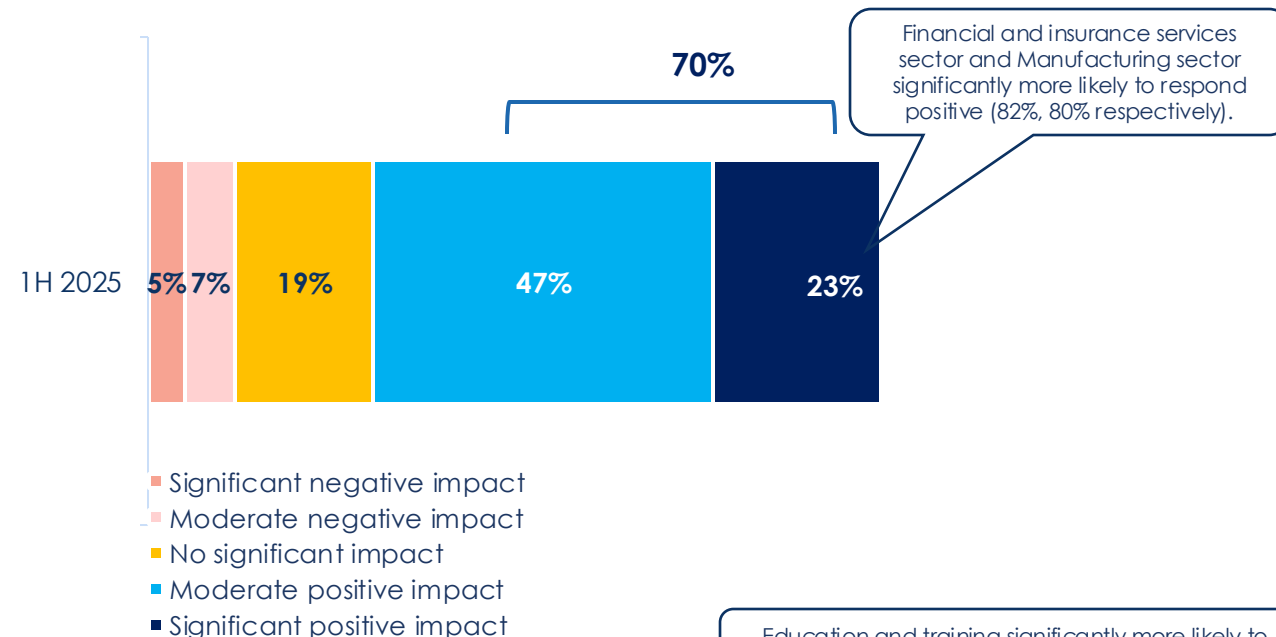
Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025. Base: AICD Directors 18+, n= 1,127.

USA\_DEI1. Diversity, Equity and Inclusion (DEI) policies have been the subject of recent attention following the election of Donald Trump in the US. Which statement best reflects your organisation's commitment to diversity and related policies over the next 12 months.

# Majority of directors (70%) believe that major business deregulation agenda will have a positive impact on Australia's productivity and economic growth

Directors stated that industrial relations followed by planning regulations should be the focus of any deregulation agenda – well ahead of other areas of reform

**IMPACT OF MAJOR BUSINESS DEREGULATION AGENDA ON AUSTRALIA'S PRODUCTIVITY AND ECONOMIC GROWTH**



\*New question for 1H 2025 (No historical data available)

**WHAT AREAS OF REGULATION SHOULD BE THE FOCUS OF ANY DEREGULATION AGENDA**



\*New question for 1H 2025 (No historical data available)

Source: Roy Morgan AICD Director Sentiment Index Survey 1st Half 2025. Base: AICD Directors 18+, n= 1,127.  
 Regulation1. What areas of regulation should be the focus of any deregulation agenda?  
 Regulation2. In your view, what would be the impact of a major business deregulation agenda on Australia's productivity and economic growth?



# Data Appendix



# Economic Outlook

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Health of the Australian economy – current	-11	-32	+6	+10	+27	+34	+38	+42
Health of the state economy – current	-22	-27	+2	+4	+26	+26	+28	+27
Health of the Chinese economy – current	-9	-32	-27	-30	+13	-4	+49	+20
Health of the Asian (ex. China) economy – current	+26	+17	+22	+20	+18	+10	+26	+18
Health of the European economy – current	-36	-26	-25	-22	-40	-48	-24	-9
Health of the US economy – current	+13	-4	+19	+4	-3	-19	+16	+14

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Health of the NSW economy – current	-6	-18	+2	+19	+32	+33	+42	+55
Health of the VIC economy – current	-77	-76	-41	-48	+7	+1	+3	-18
Health of the QLD economy – current	-12	-22	+13	+13	+20	+22	+8	+1
Health of the SA* economy – current	+10	0	+5	+9	+14	+14	+20	+26
Health of the WA economy – current	+74	+66	+71	+89	+83	+82	+84	+82
Health of the TAS* economy – current	-61	-67	+4	+12	+29	+34	+62	+68
Health of the ACT* economy – current	-30	-16	+8	+13	+37	+50	+52	+48
Health of the NT* economy – current	-78	-87	-80	-54	-52	-15	-19	-18

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Health of the Australian economy – future (N12M**)	-3	-28	+7	+2	+7	+15	+38	+53
Health of the state economy – future (N12M)	-16	-27	0	-5	+10	+11	+32	+46
Health of the Chinese economy – future (N12M)	+2	-25	-18	-21	+21	-8	+45	+24
Health of the Asian (ex. China) economy – future (N12M)	+25	+15	+22	+17	+18	0	+28	+29
Health of the European economy – future (N12M)	-28	-19	-16	-17	-29	-42	-28	+12
Health of the US economy – future (N12M)	+7	0	+15	+2	-3	-22	+14	+29

ECONOMIC OUTLOOK INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Health of the NSW economy – future (N12M)	-6	-20	+13	+6	+7	+14	+41	+69
Health of the VIC economy – future (N12M)	-69	-69	-40	-51	-6	-14	+12	+24
Health of the QLD economy – future (N12M)	+9	-18	+10	+1	+7	+10	+21	+19
Health of the SA* economy – future (N12M)	+22	+6	+11	+8	-2	+2	+32	+34
Health of the WA economy – future (N12M)	+60	+42	+53	+70	+70	+63	+79	+75
Health of the TAS* economy – future (N12M)	-44	-61	-17	+2	+10	+28	+53	+72
Health of the ACT* economy – future (N12M)	-16	-14	-7	+8	+25	+39	+47	+51
Health of the NT* economy – future (N12M)	-24	-78	-82	-46	-52	+2	+2	+3

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.

Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. Base AICD Directors 2<sup>nd</sup> Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29\*, ACT n=47\*, NT n=22\*. Base: AICD Directors 1<sup>st</sup> Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21\*, ACT n=41\*, NT n=16\*. Base: AICD Directors 2<sup>nd</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1<sup>st</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38\*, ACT n=42\*, NT n=12\*. Base: AICD Directors 2<sup>nd</sup> Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1<sup>st</sup> Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2<sup>nd</sup> Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. \* Indicates small base <50 \*\*N12M is Next 12 months.

# Business Conditions

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Assessment of AUS business conditions – current	-11	-26	-2	+2	+15	+26	+28	+31
Assessment of NSW business conditions – current	-10	-24	-3	+4	+13	+22	+27	+38
Assessment of VIC business conditions – current	-60	-60	-30	-38	+4	+5	+6	-7
Assessment of QLD business conditions – current	-8	-27	+4	-6	+8	+23	+20	+20
Assessment of SA business conditions – current	+15	-14	-2	+7	+19	+16	+25	+25
Assessment of WA business conditions – current	+37	+27	+34	+58	+57	+56	+69	+70
Assessment of TAS* business conditions – current	-45	-53	+3	+32	+33	+14	+49	+69
Assessment of ACT* business conditions – current	-11	-40	-13	+11	+12	+35	+42	+31
Assessment of NT* business conditions – current	-52	-82	-59	-41	+12	-1	0	0

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%STRONG-%WEAK)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Assessment of AUS business conditions – future (N12M)	-5	-24	+3	-2	+11	+15	+30	+50
Assessment of NSW business conditions – future (N12M)	-8	-19	+7	-2	+8	+13	+33	+63
Assessment of VIC business conditions – future (N12M)	-59	-65	-34	-43	-5	-4	+10	+20
Assessment of QLD business conditions – future (N12M)	+8	-22	+10	-6	+8	+14	+16	+26
Assessment of SA* business conditions – future (N12M)	+8	-7	+4	+6	+11	+7	+23	+33
Assessment of WA business conditions – future (N12M)	+41	+24	+36	+57	+56	+55	+70	+68
Assessment of TAS* business conditions – future (N12M)	-59	-53	+5	+4	+9	+36	+46	+53
Assessment of ACT* business conditions – future (N12M)	-13	-41	-9	+4	+15	+29	+46	+47
Assessment of NT* business conditions – future (N12M)	-37	-60	-61	-38	-27	-10	+25	+16

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.

Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. Base AICD Directors 2<sup>nd</sup> Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29\*, ACT n=47\*, NT n=22\*. Base: AICD Directors 1<sup>st</sup> Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21\*, ACT n=41\*, NT n=16\*. Base: AICD Directors 2<sup>nd</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1<sup>st</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38\*, ACT n=42\*, NT n=12\*. Base: AICD Directors 2<sup>nd</sup> Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1<sup>st</sup> Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2<sup>nd</sup> Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. \* Indicates small base <50 \*\*N12M is Next 12 months.

# Business Conditions & Micro/Structural Policy Settings

BUSINESS CONDITIONS INDICATOR (TOP ECONOMIC CHALLENGES)	% OF TOTAL MENTIONS							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Cost of living	32%	43%	40%	42%	33%	24%	N/A	N/A
Labour shortages	22%	29%	35%	43%	52%	60%	60%	55%
Productivity growth	34%	36%	34%	32%	16%	17%	24%	22%
Inflation and high interest rates	21%	42%	28%	39%	56%	49%	N/A	N/A
Regulation requirements / red tape	25%	23%	24%	19%	17%	12%	20%	23%
Global economic uncertainty	37%	24%	22%	22%	27%	28%	55%	30%
Climate change	13%	16%	21%	26%	18%	22%	34%	38%
Energy policy	22%	19%	21%	25%	24%	20%	21%	22%
Industrial relations	14%	20%	21%	-	-	-	-	-
Taxation system	12%	13%	17%	12%	11%	7%	11%	13%
Supply chain challenges	7%	9%	15%	14%	23%	33%	N/A	N/A
Government debt levels	14%	14%	9%	12%	8%	9%	13%	14%
Trade with China	5%	6%	6%	8%	9%	10%	23%	30%
Global protectionism	17%	3%	4%	2%	2%	2%	6%	7%
Domestic economic conditions***	19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	4%	-	4%	3%	2%	2%	3%	3%

BUSINESS CONDITIONS INDICATOR	NET BALANCE (%INCREASE-%DECREASE)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Investment Levels	+16	+6	+13	+13	+13	+15	+36	+54
Staffing Levels / Labour Demands	+12	+4	+18	+22	+28	+45	+57	+60
Wage Levels	+58	+54	+65	+69	+72	+78	+72	+67
Costs (e.g. raw materials, energy)	+82	+81	+82	+83	+86	+89	+89	+83
Turnover / Sales	+34	+23	+32	+31	+35	+43	+56	+66
Profitability	+5	-11	+1	-3	+1	+1	+15	+32
Regulatory Compliance Requirements***	+65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Digital and Artificial Intelligence Focus***	+78	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Levels***	+20	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Federal government understands business	-31	-38	-29	-21	-11	-2	+6	+7
NSW government understands business	+3	-2	-11	-10	+30	+25	+29	+61
VIC government understands business	-56	-60	-39	-48	-12	-18	-23	-22
QLD government understands business	+35	-51	-49	-57	-52	-48	-40	-40
SA* government understands business	+43	+13	+7	+2	+7	+7	+39	+22
WA government understands business	+7	+1	-6	+14	+16	+22	+11	+13
TAS* government understands business	-56	-8	+21	+15	+29	+37	+45	+54
ACT* government understands business	-14	-29	-21	-47	-14	-10	+4	+11
NT* government understands business	+4	-15	-37	-15	-42	-20	-46	-26

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Trust in Federal Government	-28	-29	-26	-23	-10	+1	-22	-17
Trust in NSW government	+5	+1	-14	-10	-2	-6	-1	+34
Trust in VIC government	-58	-61	-38	-54	-18	-26	-19	-23
Trust in QLD government	+17	-54	-54	-66	-55	-50	-45	-42
Trust in SA* government	+46	+10	-1	+9	+11	+11	+28	+24
Trust in WA government	-3	-2	-15	+6	-7	+12	0	+2
Trust in TAS* government	-37	-25	+1	+5	+18	+27	+26	+68
Trust in ACT* government	-6	-25	-19	-37	-15	-4	+2	+33
Trust in NT* government	-2	-24	-49	-41	-71	+4	-35	-24

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.

Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127. NSW n=338, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. Base: AICD Directors 2<sup>nd</sup> Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29\*, ACT n=47\*, NT n=22\*. Base: AICD Directors 1<sup>st</sup> Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21\*, ACT n=41\*, NT n=16\*. Base: AICD Directors 2<sup>nd</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1<sup>st</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38\*, ACT n=42\*, NT n=12\*. Base: AICD Directors 2<sup>nd</sup> Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1<sup>st</sup> Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2<sup>nd</sup> Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. \* Indicates small base <50. \*\* N12M is Next 12 months. \*\*\* New items added in 1H 2025. Total mentions = Percentage of respondents who nominated this as a top 3 issue

# Micro/Structural & Macro Policy Settings

MICRO/STRUCTURAL INDICATOR	NET BALANCE (%SATISFIED-%DISSATISFIED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Corporate taxation / company tax rates	-30	-27	-29	-29	-20	-20	-19	-18
Personal taxation / personal income tax	-39	-35	-41	-36	-33	-30	-30	-28
GST	-2	-6	-8	-5	+3	+2	0	+3
Government spending on infrastructure	-24	-18	-19	-15	-3	-2	-6	+10
Government openness to foreign investment	-4	-6	-2	-2	+8	+7	+3	+4
Support for international trade	+10	+2	+2	+10	+16	+12	+11	+10
Gov. spending on education and training	-40	-42	-40	-34	-40	-40	-41	-32
Gov. support for innovation and R&D	-45	-46	-43	-44	-40	-40	-40	-37

MACRO POLICY INDICATOR	NET BALANCE (%AGREED-%DISAGREED)					
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022
The RBA has held interest rates high for too long**	+1	N/A	N/A	N/A	N/A	N/A
The RBA lowering interest rates will positively impact the economy***	+54	+50	+53	N/A	N/A	N/A
Current monetary policies will cause a major uptick in business insolvency	+18	+41	+29	+38	+44	+34

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Impact on business of current Federal fiscal policy settings	-37	-40	-33	-28	-29	-22	-14	-11
Impact on business of current state fiscal policy settings	-39	-42	-36	-36	-27	-23	-15	-8
Impact on business of current RBA monetary policy	-14	-27	-24	-29	-36	-32	+14	+19
Impact on business of current level of the Australian dollar	-24	-16	-15	-29	-9	-13	+3	+6
Impact on business of the availability of business credit	-5	-12	-12	-16	-12	-10	+9	+13
Inflationary Pressures and High Costs**	-73	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MACRO POLICY INDICATOR	NET BALANCE (%POSITIVE-%NEGATIVE)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
NSW policy settings affect on business	-29	-33	-31	-29	-14	-11	-7	+14
VIC policy settings affect on business	-74	-67	-54	-60	-36	-31	-24	-28
QLD policy settings affect on business	-22	-49	-46	-42	-45	-49	-33	-34
SA* policy settings affect on business	-9	-18	-20	-21	-25	-17	-3	+5
WA policy settings affect on business	-15	-15	-12	-2	-20	-14	-12	0
TAS* policy settings affect on business	-75	-53	-36	-16	-24	-14	+15	+39
ACT* policy settings affect on business	-35	-26	-29	-42	-20	-26	-5	-12
NT* policy settings affect on business	-45	-63	-46	-58	-64	-35	-32	-18

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.

Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127. NSW n=339, VIC n=337, QLD n=171, SA n=72, WA n=109, TAS n=20\*, ACT n=34\*, NT n=19\*. Base: AICD Directors 2<sup>nd</sup> Half 2024 18+; n=1,309. NSW n=379, VIC n=371, QLD n=225, SA n=71, WA n=128, TAS n=29\*, ACT n=47\*, NT n=22\*. Base: AICD Directors 1<sup>st</sup> Half 2024 18+; n=1,087. NSW n=332, VIC n=279, QLD n=192, SA n=59, WA n=109, TAS n=21\*, ACT n=41\*, NT n=16\*. Base: AICD Directors 2<sup>nd</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38, ACT n=42, NT n=12. Base: AICD Directors 1<sup>st</sup> Half 2023 18+; n=1,324. NSW n=394, VIC n=338, QLD n=222, SA n=88, WA n=146, TAS n=38\*, ACT n=42\*, NT n=12\*. Base: AICD Directors 2<sup>nd</sup> Half 2022 18+; n=1,475. NSW n=443, VIC n=387, QLD n=234, SA n=98, WA n=156, TAS n=38, ACT n=53, NT n=17. Base: AICD Directors 1<sup>st</sup> Half 2022 18+; n=1,737. NSW n=525, VIC n=433, QLD n=240, SA n=133, WA n=190, TAS n=48, ACT n=58, NT n=20. Base: AICD Directors 2<sup>nd</sup> Half 2021 18+; n=1,645. NSW n=521, VIC n=411, QLD n=260, SA n=92, WA n=197, TAS n=33, ACT n=54, NT n=11. \* Indicates small base <50. \*\*New items added in 1H 2025. \*\*\*Item changed in 1H 2025.

# Directorship Conditions & Topical / Deep-Dive Issues

DIRECTORSHIP CONDITIONS INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Current governance regulations are appropriately balanced	-2	+7	+7	+9	+13	+17	N/A	N/A
Current level of corporate reporting requirements is satisfactory	+10	+21	+20	+21	+30	+30	+30	+32
Current level of diversity on Australian boards is satisfactory	-12	-22	-23	-24	-29	-30	-33	-33
Current director liability provisions have a negative impact on decision making	+2	+1	+5	+4	+3	-2	+3	+6
My board faces difficulties recruiting new talented directors	+7	+3	+7	+9	+11	+9	+10	N/A

BOARD DIVERSITY TOPICAL/DEEP-DIVE INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Gender	+17	+30	+26	+31	+33	+35	+36	+38
Age	+6	+12	+10	+12	+15	+17	+18	+18
Skills	+70	+66	+64	+66	+65	+65	+66	+66
Ethnicity	+2	+9	+10	+9	+14	+16	+20	+15
Digital capability / technology	+53	+50	+47	+44	+50	+49	+44	+45
First Nations people	-2	+3	+2	+1	+8	+7	N/A	N/A
Disability	-12	-5	-6	-6	N/A	N/A	N/A	N/A

TOPICAL/DEEP-DIVE INDICATOR (ISSUES KEEP YOU AWAKE)	TOTAL MENTIONS						
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022
Cyber-crime / data security	30%	39%	43%	45%	50%	37%	43%
Legal and regulatory compliance	32%	34%	30%	30%	32%	27%	26%
Domestic economic conditions	32%	39%	28%	N/A	N/A	N/A	N/A
Corporate culture	20%	22%	21%	22%	22%	21%	22%
Reputation and crisis management*	22%	N/A	N/A	N/A	N/A	N/A	N/A
Labour shortages	14%	17%	21%	22%	30%	33%	28%
Level of personal liability for directors	16%	19%	20%	19%	19%	18%	14%
CEO succession	18%	17%	20%	18%	22%	18%	20%
Global economic conditions	23%	20%	17%	23%	23%	27%	28%
Attracting new talent	17%	16%	18%	20%	21%	26%	24%
Global conflicts	15%	11%	17%	23%	23%	27%	28%
Impact of Artificial Intelligence (AI)	16%	15%	14%	14%	N/A	N/A	N/A
Industrial relations	9%	13%	13%	10%	7%	8%	N/A
Risk of insolvency	15%	15%	13%	N/A	N/A	N/A	N/A
Climate change	10%	13%	11%	20%	13%	18%	20%
Climate / sustainability reporting	2%	4%	5%	6%	5%	5%	N/A
No other concerns	N/A	1%	0%	0%	N/A	N/A	0%
Other	6%	5%	3%	5%	4%	4%	3%
None	1%	1%	1%	1%	1%	1%	2%

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.

Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127; Base AICD Directors 2<sup>nd</sup> Half 2024 18+; n=1,309; Base AICD Directors 1<sup>st</sup> Half 2024 18+ Base: n=1,087; Base AICD Directors 2<sup>nd</sup> Half 2023 n=1,324; Base AICD Directors 1<sup>st</sup> Half 2023 n=1,324; Base AICD Directors 2<sup>nd</sup> Half 2022 n=1,475; Base AICD Directors 1<sup>st</sup> Half 2022 n=1,737; Base AICD Directors 2<sup>nd</sup> Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue. \*New item added in 1H 2025.

# Topical / Deep-Dive Issues

TOPICAL INDICATOR (TOP ISSUES GOVERNMENT SHOULD ADDRESS)	TOTAL MENTIONS SHORT-TERM								TOTAL MENTIONS LONG-TERM							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Housing affordability/ housing supply	33%	33%	35%	34%	28%	22%	19%	22%	19%	20%	21%	19%	15%	13%	14%	15%
Productivity growth	35%	35%	31%	32%	23%	25%	20%	23%	30%	28%	23%	24%	20%	20%	18%	22%
Taxation reform	22%	23%	26%	23%	21%	19%	21%	26%	19%	21%	22%	20%	19%	17%	14%	20%
Lack of skills in workforce/ skills shortages	24%	23%	25%	26%	34%	43%	36%	41%	13%	15%	16%	15%	18%	20%	18%	18%
Energy policy	26%	25%	24%	32%	30%	26%	24%	27%	22%	22%	20%	24%	21%	21%	20%	22%
Climate change	17%	22%	21%	32%	27%	33%	39%	48%	28%	33%	36%	41%	42%	44%	50%	59%
Education	10%	12%	14%	12%	15%	12%	16%	17%	13%	13%	17%	14%	17%	17%	18%	20%
Health	12%	14%	13%	12%	19%	16%	16%	17%	14%	15%	13%	14%	18%	16%	15%	16%
Defence	11%	7%	12%	8%	12%	11%	10%	0%	16%	13%	17%	11%	16%	15%	11%	0%
Cyber security threats	13%	15%	17%	N/A	N/A	N/A	N/A	N/A	7%	8%	11%	N/A	N/A	N/A	N/A	N/A
Industrial relations	13%	15%	12%	8%	6%	8%	N/A	N/A	5%	6%	6%	4%	3%	5%	N/A	N/A
Deregulation*	7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ageing population	11%	12%	11%	13%	12%	12%	15%	12%	25%	29%	23%	29%	28%	24%	25%	26%
Innovation policy / Barriers to innovation	11%	12%	11%	12%	13%	11%	17%	0%	13%	13%	12%	13%	15%	14%	17%	0%
International competitiveness	14%	12%	11%	11%	11%	11%	12%	20%	23%	20%	18%	18%	18%	21%	21%	27%
Regulation of Artificial Intelligence (AI)	9%	8%	10%	3%	N/A	N/A	N/A	N/A	9%	9%	11%	9%	N/A	N/A	N/A	N/A
Infrastructure	9%	8%	9%	10%	10%	10%	14%	15%	13%	13%	13%	15%	14%	14%	16%	18%
Federal budget position	12%	12%	7%	10%	12%	11%	10%	14%	12%	11%	8%	12%	16%	16%	15%	18%
Indigenous reconciliation	3%	4%	6%	11%	14%	9%	N/A	N/A	6%	6%	7%	8%	9%	10%	N/A	N/A
Australia-China relationship	6%	5%	6%	8%	12%	11%	18%	0%	6%	6%	7%	7%	9%	11%	14%	0%
Other	2%	2%	2%	1%	2%	1%	2%	0%	1%	1%	1%	1%	1%	1%	1%	0%

TOPICAL INDICATOR	NET BALANCE (%AGREED-%DISAGREED)							
	1 <sup>st</sup> HALF 2025	2 <sup>nd</sup> HALF 2024	1 <sup>st</sup> HALF 2024	2 <sup>nd</sup> HALF 2023	1 <sup>st</sup> HALF 2023	2 <sup>nd</sup> HALF 2022	1 <sup>st</sup> HALF 2022	2 <sup>nd</sup> HALF 2021
Climate change is a material risk to my organisation	0	+5	+9	+17	+16	+15	+20	+22
Organisation affected by labour market issues	+43	+45	+55	+55	+64	+64	+54	+45
Sufficient oversight of organisation culture	+69	+67	+64	+63	+64	+60	+63	+62
There is a skills shortage in the Australian workforce	+76	+75	+80	+83	+90	N/A	N/A	N/A
Skilled migration levels are not keeping up with labour demand in Australia and will impact growth	+54	+54	+51	+59	+77	+76	N/A	N/A
Impacts of global conflicts pose a threat to business supply chains*	+75	+77	+84	+45	+58	N/A	N/A	N/A

Source: Roy Morgan AICD Director Sentiment Index Survey 1<sup>st</sup> Half 2025.  
 Base: AICD Directors 1<sup>st</sup> Half 2025 18+ Base n=1,127; Base: AICD Directors 2<sup>nd</sup> Half 2024 18+ Base n=1,309; Base: AICD Directors 1<sup>st</sup> Half 2024 18+; n=1,087; Base: AICD Directors 2<sup>nd</sup> Half 2023 n=1,352; Base: AICD Directors 1<sup>st</sup> Half 2023 18+; n=1,324; Base: AICD Directors 2<sup>nd</sup> Half 2022 n=1,475; Base: AICD Directors 1<sup>st</sup> Half 2022 n=1,737; Base: AICD Directors 2<sup>nd</sup> Half 2021 n=1,645. Total mentions = Percentage of respondents who nominated this as a top 3 issue. \*New statement added in 1<sup>st</sup> Half 2025. Amendments to list may impact comparability with previous results.

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The Australian Institute of Company Directors acknowledges the Traditional Custodians of the Lands on which we are located and pay our respects to the Elders, past and present. We acknowledge the First Nations people across this Country and recognise their unique cultural and spiritual relationships to the Skies, Land, Waters, and Seas and their rich contribution to society.