

The Deloitte logo is displayed in a bold, blue, sans-serif font. The word "Deloitte" is followed by a small blue dot. The background of the entire page is a close-up photograph of a honeycomb structure, with the hexagonal cells filled with a bright, glowing orange and yellow light, creating a textured, crystalline appearance.

CFO Survey

Optimism plateaus
amid global uncertainty

Stay ahead.

Q3
2015

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The Deloitte CFO Survey targets the CFOs of major Australian listed companies. It has been conducted on a quarterly basis since the third quarter of 2009. This survey covers the third quarter of 2015 and took place between 1 October 2015 and 19 October 2015. 22 CFOs participated, representing businesses with a combined market value of approximately \$174 billion or 10.10% of the Australian quoted equity market.



Following consecutive quarters of robust increases in optimism, confidence has plateaued among CFOs despite the positive influences of record low interest rates and a more favourable exchange rate. Last quarter, we were pleased to see that survey respondents had not been caught up in the sensationalism of coverage around a potential ‘Grexit’:

So while CFOs have indicated that news from Europe was not a positive influence on optimism in Q2 2015, it is not surprising that overall optimism has not collapsed following a Greek default. A more pressing concern, in both scale and relevance to Australia, is the slowing Chinese economy.

Greece hit the headlines but it never really hit the Eurozone economy, and it would appear that CFOs appreciate the greater significance of slower growth in China, and the dangers of any potential for a ‘hard landing’ for our largest trading partner. In this quarter’s survey, net 68% of CFOs reported that news from China was a negative influence on optimism in Q3 2015, the most downcast response recorded by the CFO Survey since early 2013.

At that time, China had released a 2012 growth figure that was the worst since 1999, and then failed to meet growth expectations again in Q1 2013. Now, growth figures have fallen further still, and with global growth depending heavily on a smooth economic transition in China it is perhaps unsurprising that uncertainty abounds: more than half of CFOs believe current levels of uncertainty are above normal or high, and that has fed into a reduced willingness to take risk onto the balance sheet.

Still, it’s not all bad news. Low interest rates and a weak Australian dollar are boosting confidence, and the new-look government leadership team has also helped to raise the spirits. As we’ve indicated in our macroeconomic outlook below, these forces are not to be underestimated, and it will take time for their true positive potential to be realised.

Dennis Krallis

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Optimism plateaus

Net 5% of respondents felt more confident than last quarter, down from 21% and 24% in the first two quarters of 2015.



China fears grow

68% of respondents felt that the Chinese economy hurt confidence, up from 47% last quarter.



Uncertainty abounds

More than half of CFOs reported current uncertainty levels were above normal or high.



Risk aversion

The proportion of CFOs who believe now is a good time to take on risk has almost halved since Q1 2015, to now stand at 27%.

Executive summary

- Following consecutive quarters of impressive optimism, the number of CFOs feeling more optimistic this quarter has fallen sharply. Net 5% of CFOs report that confidence levels have increased in Q3 2015.
- Record low interest rates and a more favourable exchange rate continue to support CFO optimism, while Federal Government policy is a net positive influence for the first time since Q1 2014.
- There were some major shifts in the influence of foreign economies. China's economy is now a clear source of concern, with 68% of CFOs stating that it had hurt confidence; while the net impact of the European economy is now contributing positively to confidence.
- Credit conditions remain strong, though attitudes toward risk have shifted. Fewer CFOs are now willing to take on risk, and the number of respondents looking to raise gearing levels has also fallen away.

Momentum lost amid global uncertainty

The momentum of growing confidence observed in recent quarters appears to have eased in Q3 2015. Net 5% of CFOs feel more confident now than last quarter, with a growing number of survey respondents feeling somewhat less optimistic. Factors supporting CFO confidence include interest rates, the value of the Australian dollar, and Federal Government policy. Conversely, commodity prices, the local share market, and the Chinese economy all weighed on confidence; with 68% of respondents reporting that news from China is hurting optimism.

Economic drivers

Record low interest rates and a weak Australian dollar – which recently dipped below U.S. \$0.70 for the first time since 2009 – are currently proving important supports to economic growth, and CFOs expect that they will remain at or around current levels over the coming year. Some 73% of respondents believe the dollar will sit between U.S. \$0.70 and U.S. \$0.80 in 12 months' time, though the proportion expecting it to fall below U.S. \$0.70 has now risen to 23%. Expectations for interest rates are more evenly distributed, though more than 40% expect rates to rise to 2.25% within the year, while around a third of CFOs expect them to remain constant.

Uncertainty abounds

Perceptions of uncertainty have risen among CFOs, with more than half rating current levels of uncertainty as above normal or high. Moreover, CFOs now expect this uncertainty to last longer, with 18% of respondents indicating that they expect current levels to persist indefinitely. Consistent with these views, the number of CFOs who feel that now is a good time to take on risk has almost halved since Q1 2015, to 27%.

Shift in attitudes toward leverage

The affordability and availability of credit continued to be rated highly in Q3 2015, yet the proportion of CFOs looking to raise gearing levels has fallen. Equally, CFOs now believe that corporates are closer to being optimally leveraged, after several quarters of reporting that corporates are generally under geared. Bank borrowing remains the preferred source of funding, while equity and corporate debt issuance are now markedly less attractive among CFOs.

Macroeconomic update

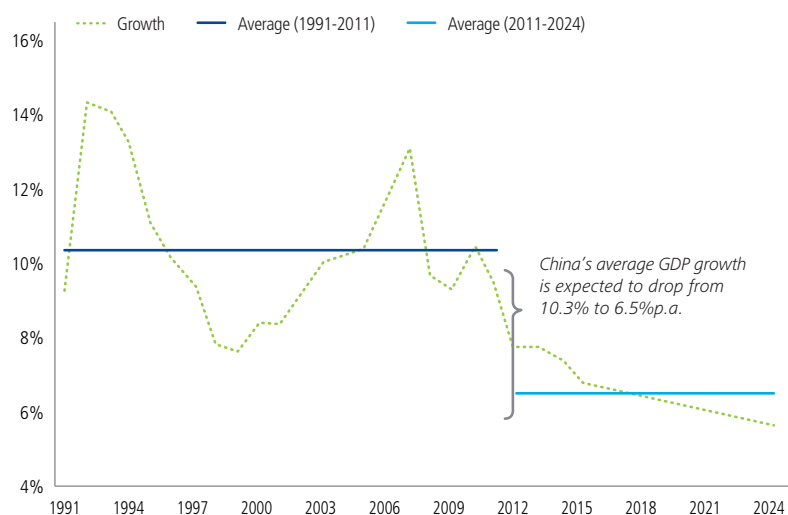
Seven years have passed since the collapse of Lehman Brothers, and while persistent complications continue for parts of Europe and Japan, an economic recovery in the United States is increasingly assured. Indeed, despite leaving rates on hold in September, Federal Reserve Chair Janet Yellen maintains that an initial increase is expected later this year.

Attention has shifted to China and emerging economies, where the largest obstacles to global growth now reside. Chinese economic growth is falling (probably faster than official statistics suggest), and while stimulus policies have helped to ease the pace

of the slowdown to date, the nation's economic transition – away from construction and export fuelled growth, and toward growth driven by domestic consumption – cannot be postponed indefinitely.

Slower growth in China has also coincided with a surge in global mining and energy supplies, leading to a world awash with coal, gas and iron ore. For the world, while excess supply leads to lower prices of raw material inputs, it also hinders the business investment necessary to restart economic activity; and for resource export nations like Australia, excess supply is particularly problematic.

Chart i:
Economic growth in China



Source: Deloitte Access Economics

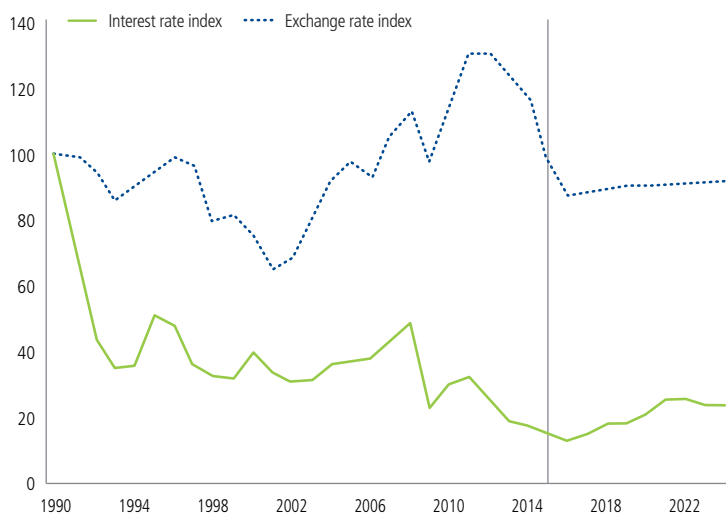
However, there are important positive factors supporting the Australian economy at present, and though they tend to lose headline space to more pessimistic commentary, they are not to be underestimated. Record low interest rates and a lower exchange rate are assisting trade and credit related sectors such as tourism, international education, construction and finance. Moreover, these forces take time to work, and while current indicators are encouraging, it takes two years for a lower dollar to have its maximum positive impact.

As highlighted by Chart ii, interest and exchange rates are well below their respective peaks of the past two decades, and looking ahead, they are expected to continue supporting the economy. A further interest rate cut is not necessary just yet, with a weaker dollar supporting growth and the financial stability risks posed by rising house prices.

Equally, Australia is already recording robust job growth, an impressive outcome in the context of below trend growth. In addition to the positive influence of low interest rates and favourable exchange rates, employment has grown as productivity gains and remarkably low wage growth have made Australian workers more competitive. Overall, the outlook for Australia is one of below-trend, yet steady growth through to 2017.

Source: Deloitte Access Economics' Business Outlook – Q3 2015

Chart ii:
Interest and exchange rates



Source: Deloitte Access Economics

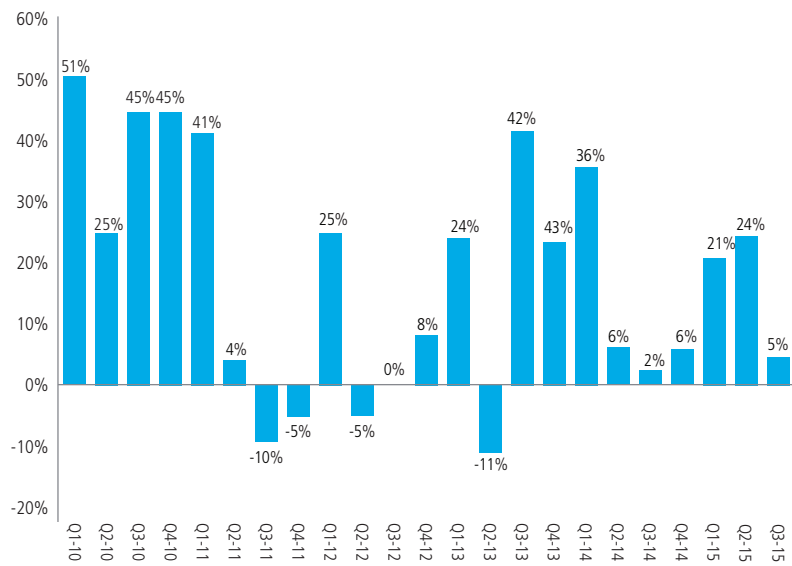


Momentum lost amid global uncertainty

Following several quarters of rising confidence, optimism appears to have plateaued among CFOs. With a mere net 5% of respondents feeling more confident in Q3 compared to Q2, the CFO Survey has observed a distinct swing away from rising optimism. No respondents felt significantly more optimistic this quarter, and a larger share indicated that they are feeling somewhat less optimistic this quarter than last. As evidenced by Charts 3 and 4, the primary factors weighing on confidence appear to be weak commodity prices, share market volatility and uncertainty surrounding the Chinese economy.

Chart 1
Business confidence – local

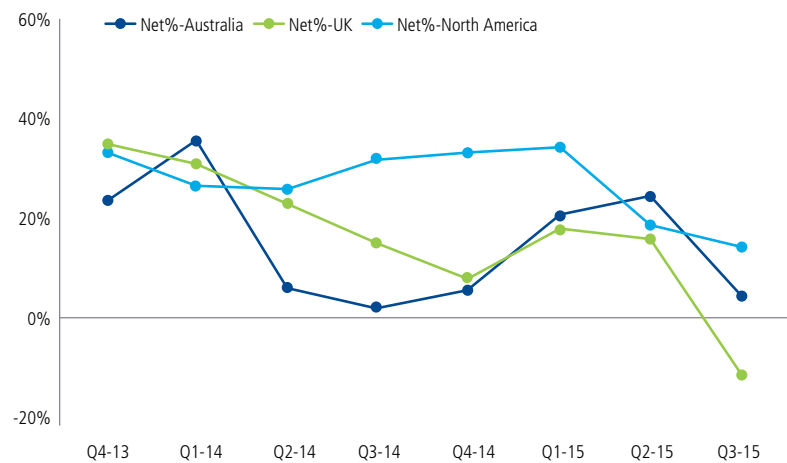
Compared to three months ago, how do you feel about the financial prospects for your company?



Many of the concerns affecting Australian CFOs are also affecting their overseas counterparts, with Deloitte’s US and UK surveys also recording a downturn in CFO sentiment in Q3. Both surveys noted higher levels of uncertainty, with the primary causes of concern being the potential for interest rate hikes, and ongoing uncertainty surrounding emerging economy growth prospects.

Chart 2
Business confidence – international

Compared to three months ago how do you feel about the financial prospects for your company?



The Chinese economy has become a significant source of negative sentiment among CFOs, with net 68% of respondents indicating that news from Australia's largest trading partner hurt their confidence in Q3. Slower growth in China is by no means a new story, and share market volatility was a prominent influence on last quarter's survey responses. However, whereas China's share market has limited links with the real Chinese economy, recent headlines have focused on more structural concerns, and while the latest growth figures from China beat market expectations, these figures were released late in the survey period, and in any event, are taken with a grain of salt by the market.

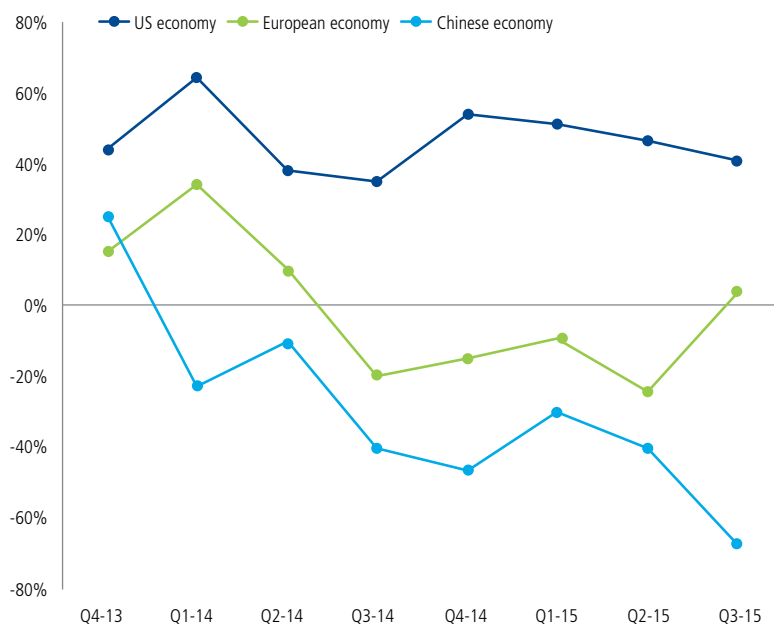
The US economy continued to be a source of optimism for CFOs, though that impact is waning. The long-anticipated rate hike by the Federal Reserve has, to date, been delayed by somewhat equivocal economic data. Interestingly, survey responses indicated a marked increase in the positive sentiment surrounding the European economy. It would appear that the positive influence of the European community stepping back from the 'Grexit' cliff edge outweighed fears of socio-economic unrest due to unprecedented migrant flows.

Indeed, Deloitte's UK CFO Survey observed that while overall sentiment was down, that was primarily due to overseas concerns relating to a potential US rate hike and instability in emerging markets, while perceptions of conditions closer to home were more positive.

Chart 3

Impacts on levels of optimism – global factors

How has your level of optimism been affected by the following factors?



Deloitte Access Economics partner Chris Richardson noted that: "The changing patterns of CFO views on the world make sense, with China more clearly overtaking Europe as a source of potential risk, but with the US remaining a beacon of hope."

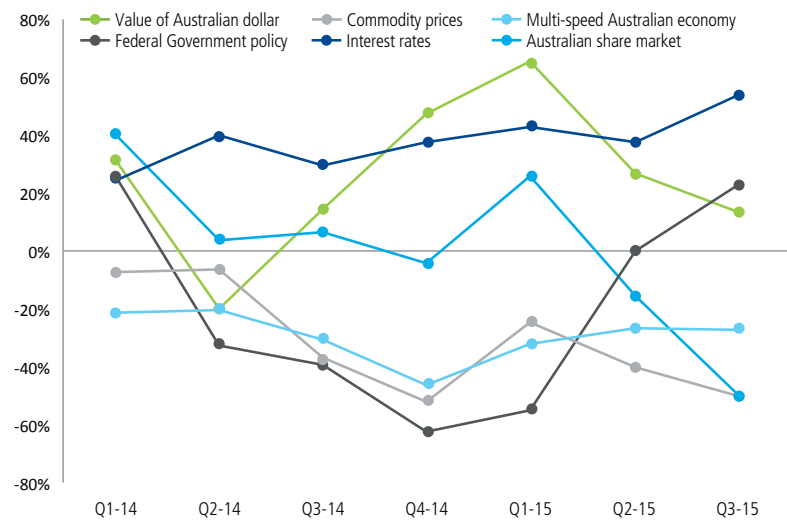
Interest rates remain a strong source of CFO optimism. Retail spending growth continues to be supported by a record low cash rate of 2.00%, which has been in place since May. Signs that macroprudential measures are beginning to remove heat from the domestic property market may also provide some comfort that rates will remain lower for longer. Other sources of confidence include Federal Government policy and the value of the Australian dollar. The former may well have been supported by the change of Prime Minister, and the widely held perception that the new-look government is more open to tax reform and innovative policy.

On the other side of the ledger, commodity prices continue to weigh heavily on CFO optimism amid rising supply and falling demand from the world's largest commodity consumer: China. Similarly, the Australian share market has continued its sharp fall from a net positive influence, to starkly negative, broadly reflecting recent movements on the local stock market.

Chart 4

Impacts on levels of optimism – local factors

How has your level of optimism been affected by the following factors?



Economic drivers

Last quarter, CFO expectations for the value of the Australian dollar steadied as the exchange rate's seemingly relentless decline was briefly halted. However, the dollar resumed its fall in Q3, and CFO expectations of the exchange rate in 12 months reflect this. The proportion of respondents expecting the value of the dollar to settle below U.S.\$0.70 more than doubled in Q3 as the actual exchange rate fell below that level for the first time since April 2009. However, the vast majority of respondents continue to expect an exchange rate between U.S.\$0.70 and U.S.\$0.80.

Despite the falling exchange rate – a positive for many of Australia's largest sectors, including agriculture, domestic tourism, international education and services exports – Chart 4 suggests that the value of the Australian dollar is no longer the source of optimism that it was earlier in the year. A possible explanation for this change of sentiment can be found in the shifting composition of the survey respondent pool. In Q3 2015, a significant share of respondents were goods importers (such as automotive wholesalers and building product importers) or other organisations negatively affected by a falling exchange rate (such as international travel service providers).

More than 40% of CFOs believe that the official cash rate target will have risen to 2.25% in 12 months, while almost a third expect interest rates to remain at their current level. Compared with last quarter, the proportion of respondents expecting rates to remain at 2.00% has fallen, with a majority expecting rates to move within the year. However, there is less clarity on the direction of that move. In general, CFO expectations of the official cash rate are fairly evenly spread in Q3 2015, perhaps reflecting the complexity of the task facing the Reserve Bank, which must balance ballooning household debt with a need to support business investment in the wake of the mining slowdown.

Chart 5

Value of the Australian dollar

Where do you see the value of the Australian dollar in 12 months' time?

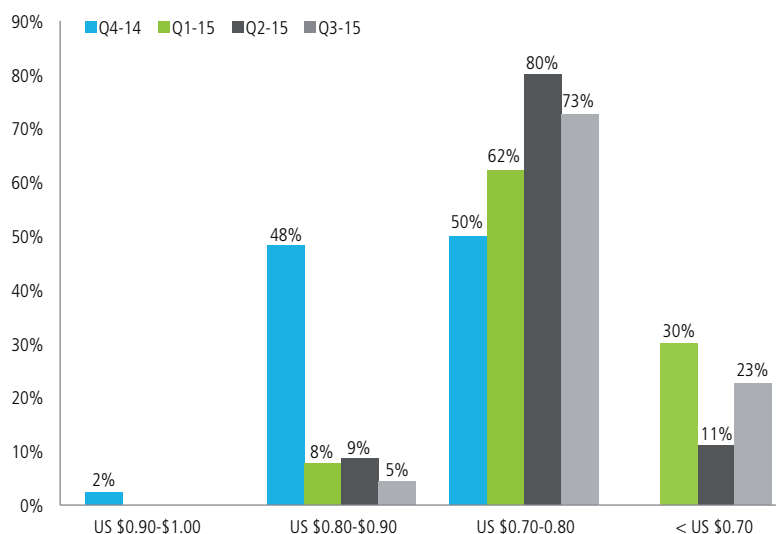
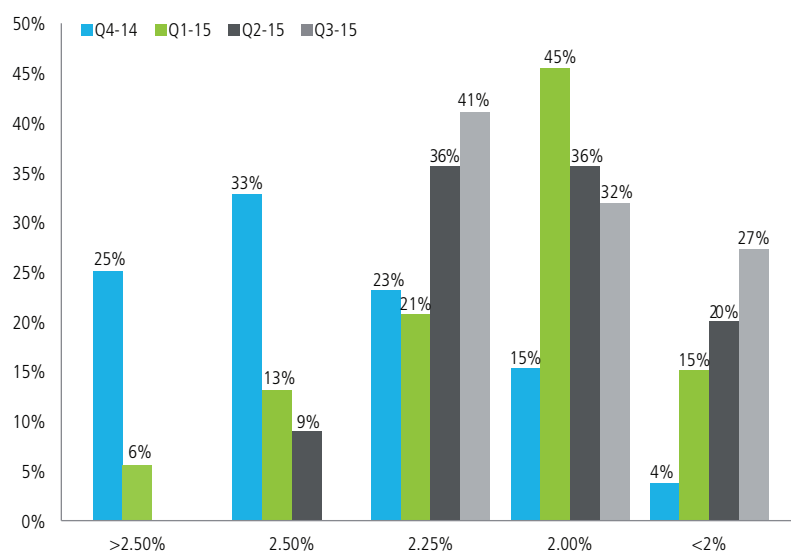


Chart 6

RBA's official cash interest rate

Where do you see the RBA's official cash interest rate in 12 months' time?



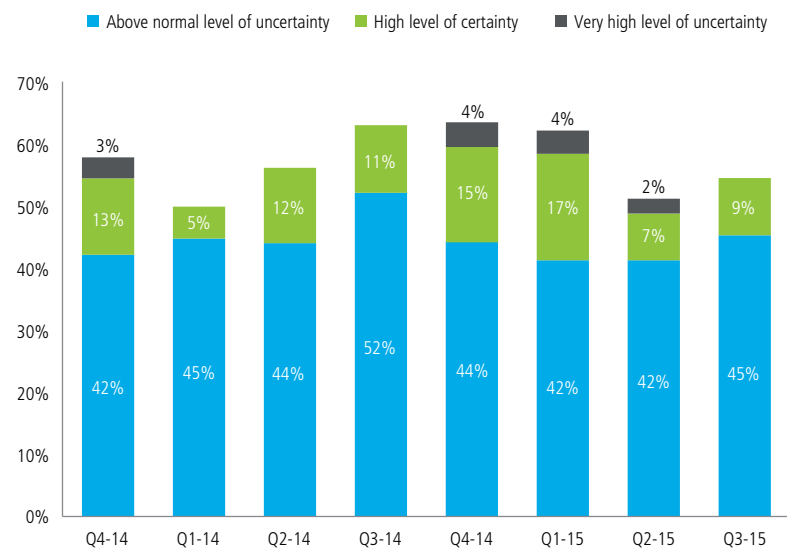
Uncertainty abounds

Uncertainty among CFOs increased in Q3 2015, with more than half of respondents rating the current level of financial and economic uncertainty as above normal or high. This movement is consistent with responses elsewhere in the survey, suggesting the positive influence of the US economic recovery is gradually waning, while China's economic transition and the local share market are increasingly causes for concern.

Chart 7

Financial and economic uncertainty

How would you rate the general level of external financial and economic uncertainty facing your company?

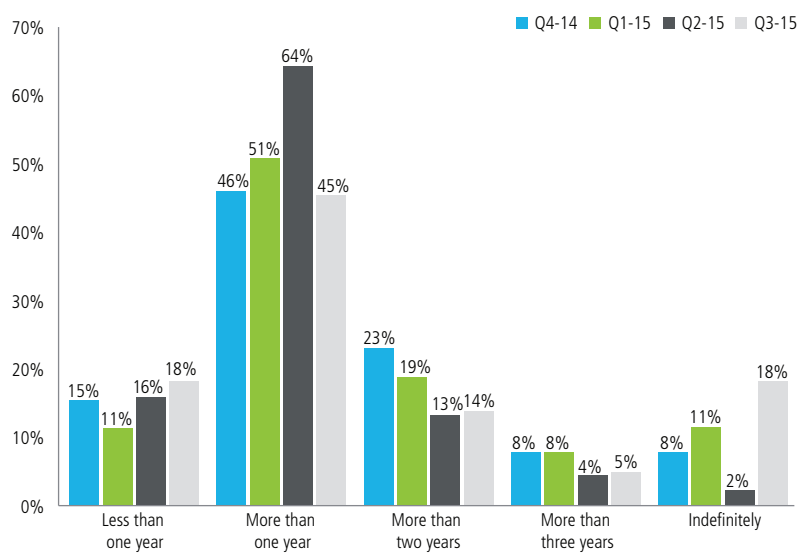


In addition to CFOs suggesting that levels of uncertainty have increased of late, the proportion of respondents expecting those levels of uncertainty to persist indefinitely has risen sharply – at 18%, that proportion is the highest in the survey’s history. Those expecting current uncertainty to persist indefinitely are still, however, a minority, and a significant majority of CFOs anticipate that current concerns will ease within two years.

Chart 8

Timeframe for uncertainty

How long do you expect the current levels of uncertainty to last?



I have become convinced that the risk of a major decrease in growth in the short term in China is very, very small

– Dr Olivier Blanchard, former Chief Economist, IMF

The global economy is in serious trouble as emerging markets have basically taken a major turn down... We are flying at close to stall speed

– Dr Larry Summers, former Director of the White House US National Economic Council

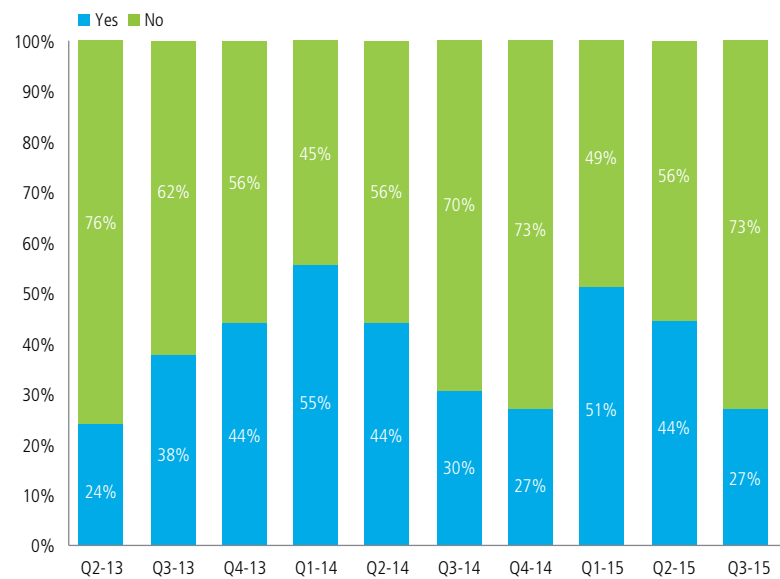
Source: Australian Financial Review, 22 Oct 2015

Consistent with heightened uncertainty, the proportion of CFOs who believe now is a good time to take on risk has almost halved from the first quarter of 2015. Similar responses were recorded in 2014 and 2015, and so are perhaps not quite as bearish as they might appear. However, this nevertheless suggests that strong credit conditions are now not sufficient to offset CFO concerns regarding the future of the Australian economy.

Chart 9

Attitudes towards risk

Is this a good time to be taking greater risk onto your balance sheet?



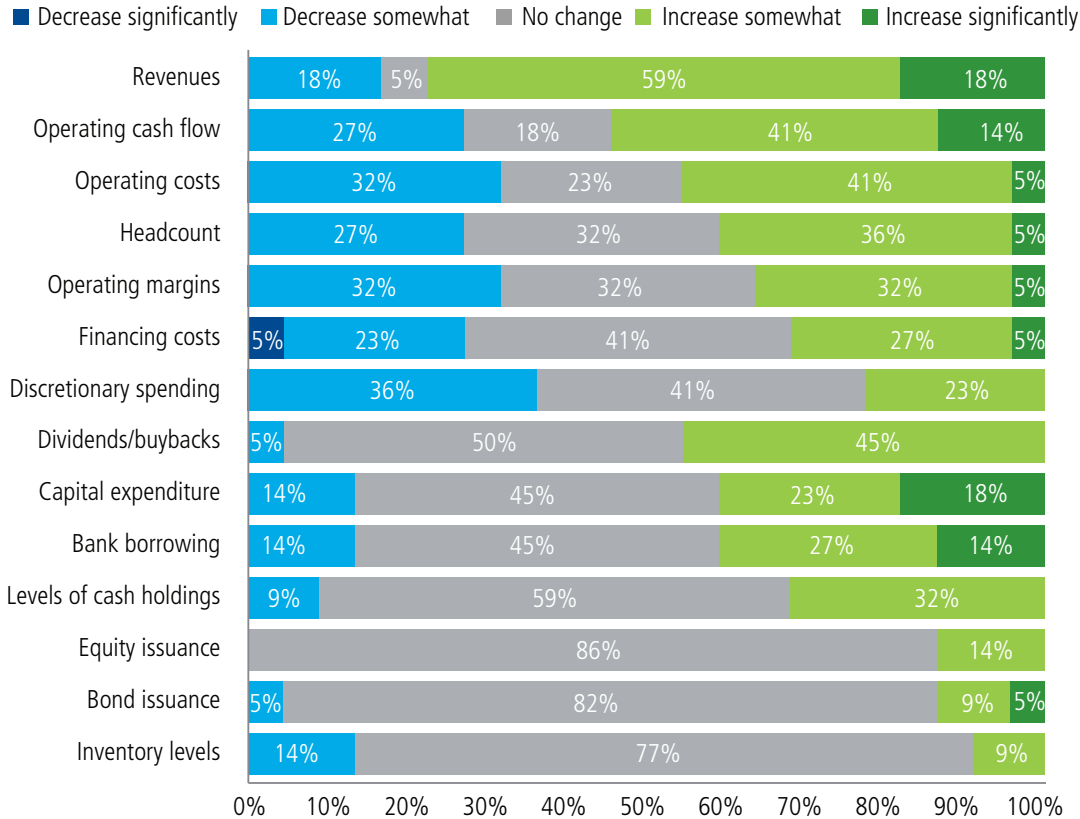
Business metrics

While the net percentage of CFOs expecting revenue to increase is broadly in line with last quarter’s findings, the proportion of respondents anticipating significant increases has risen. The share of respondents expecting dividend payments or share buybacks to increase has also risen in Q3 2015.

Conversely, capital expenditure projections have eased, with just over 40% of CFOs expecting CAPEX to increase in the coming year, compared to almost 50% last quarter. Consistent with CFO financing preferences (Chart 14), fewer CFOs expect equity and bond issuance to increase over the next 12 months, while those expecting bank borrowing to increase have risen as a share of respondents.

Chart 10
Australian business metrics

How are the following key metrics likely to change for your company over the next 12 months?



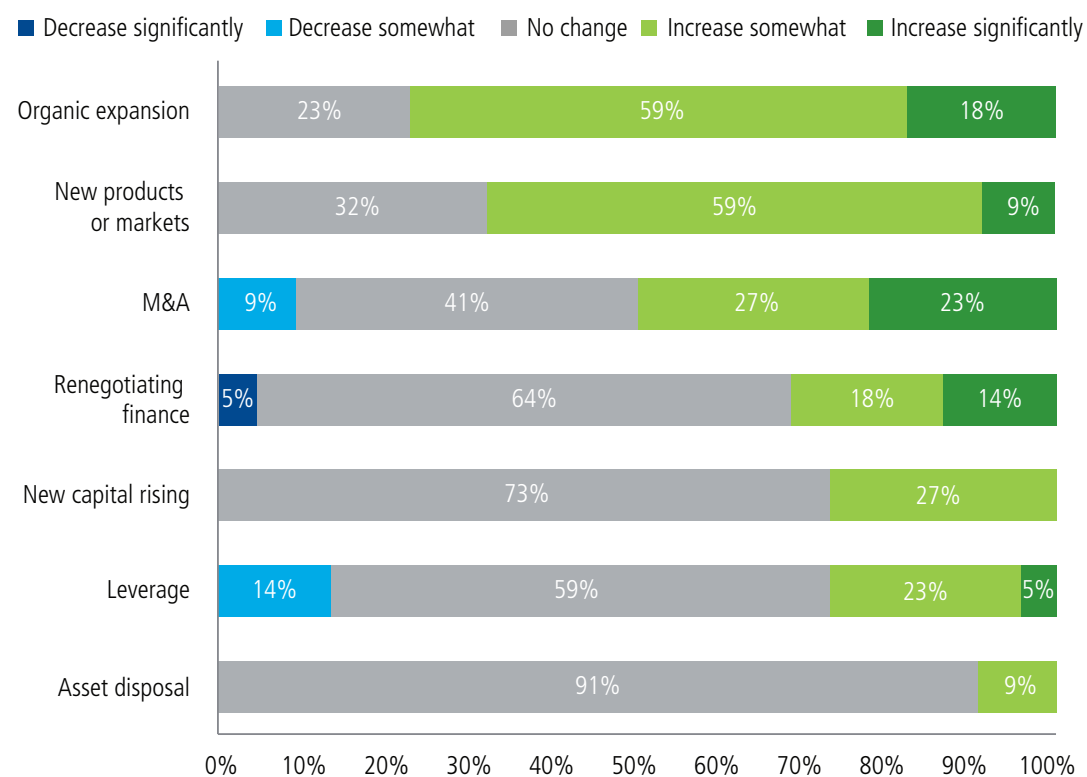
Organic expansion and the pursuit of new products and markets remained atop the list of business strategies identified by CFOs in Q3 2015, although the proportion of respondents expecting to pursue these strategies has fallen since Q2 2015.

In fact, almost all strategies were met with less enthusiasm in this quarter's survey, though the share of CFOs looking to significantly increase their M&A activity has risen.

Chart 11

Business strategies

Which of the following business strategies is your company likely to pursue over the next 12 months?



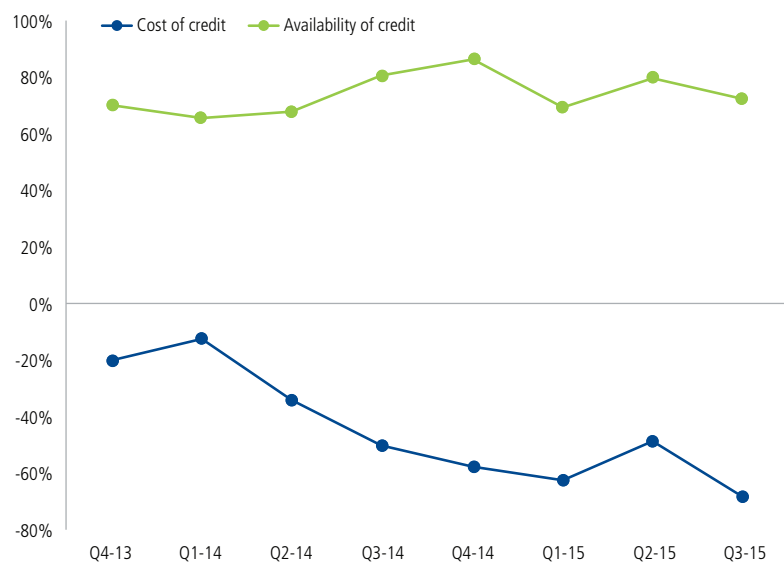
Shift in attitudes toward leverage

CFO perceptions of credit availability and affordability remain positive, as indicated by the large gap between the two curves in Chart 12. In particular, the net share of CFOs who believe credit is cheap is the highest on record. The slight fall in perceptions of credit availability can be attributed to a rise in the number of CFOs with neutral feelings. In fact, the number of respondents who felt that credit was hard to get has declined from Q2 2015.

Chart 12

Cost and availability of credit

How would you rate the overall cost and availability of new credit for Australian corporates?

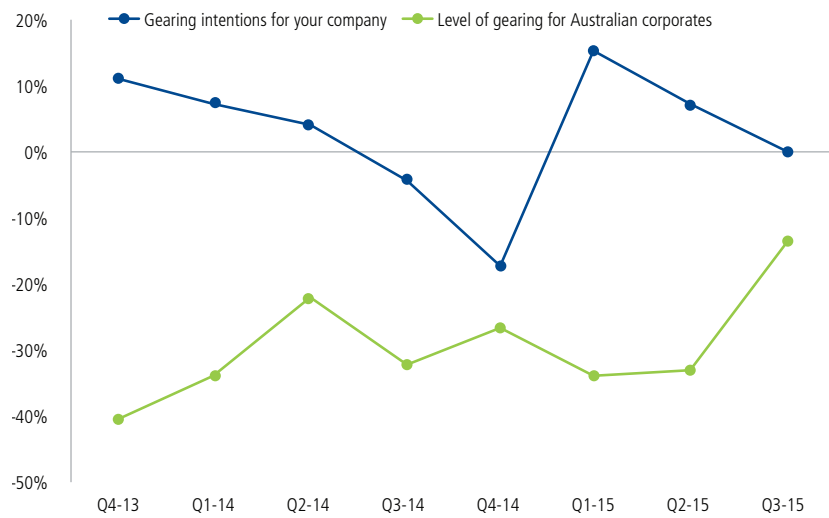


Following a sharp increase in gearing intentions in Q1 2015, the proportion of CFOs looking to increase gearing has fallen in consecutive quarters. This mirrors falling CFO risk appetite, as indicated in Chart 9, and is also consistent with responses presented in Chart 14 that suggest the attractiveness of various financing options – including equity and bond issuance – has fallen away sharply. Meanwhile, perceptions of corporate gearing levels have shifted significantly in Q3 2015, with the proportion of CFOs believing that Australian corporates are over-gearred doubling to 18%, and the proportion of those indicating corporate balance sheets are under-gearred falling from 42% in Q2 to 32% this quarter.

Chart 13

Level of gearing on Australian corporate balance sheets

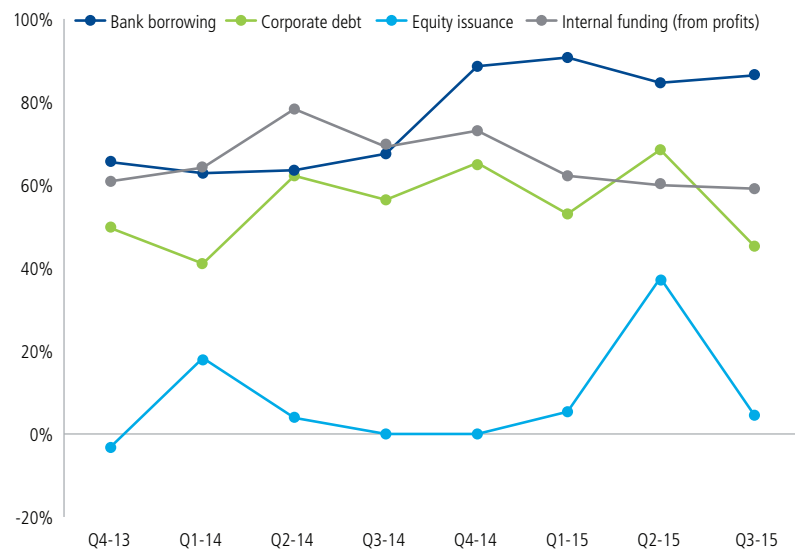
What do you think of the level of gearing on Australian corporate balance sheets, and what is the aim for your company’s level of gearing over the next 12 months?



As foreshadowed, CFOs have reported that equity issuance and corporate debt solutions are distinctly less attractive in Q3 2015 than last quarter. The significant shift in perceptions of equity issuance is due to a large movement of respondents away from finding equity issuance 'somewhat attractive', to having neutral feelings. Bank borrowing continues to stand out as the preferred source of corporate funding, with more than 90% of CFOs indicating that it is an attractive option, a modest increase on Q2 2015.

Chart 14
Favoured sources of corporate funding

How do you currently rate the attractiveness of the following sources of funding for Australian corporates?



Appendix

A note on methodology

Many of the charts in the Deloitte CFO Survey show the results in the form of a net balance. For example, this net balance could represent the percentage of respondents reporting that bank credit is attractive, less the percentage saying bank credit is unattractive.

This is a standard way of presenting survey data. To aid interpretation of the results, this table contains a full breakdown of responses to some of the questions covered in this report which have historical significance. Due to rounding, responses to the questions covered in this report may not sum to 100.

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Chart 1: Compared to three months ago how do you feel about the financial prospects for your company?																	
Significantly more optimistic	0%	7%	4%	4%	4%	4%	2%	0%	2%	0%	3%	7%	6%	0%	5%	4%	6%
Somewhat more optimistic	23%	29%	32%	23%	24%	26%	41%	38%	47%	19%	32%	26%	17%	16%	33%	22%	17%
Broadly unchanged	59%	53%	49%	52%	46%	46%	50%	48%	43%	52%	53%	42%	55%	63%	50%	42%	45%
Somewhat less optimistic	18%	11%	15%	19%	24%	24%	7%	13%	8%	26%	11%	22%	21%	21%	13%	29%	29%
Significantly less optimistic	0%	0%	0%	2%	2%	0%	0%	2%	0%	4%	0%	3%	1%	0%	0%	3%	4%

Chart 7: How would you rate the general level of external financial and economic uncertainty facing your business?																	
Very high level of uncertainty	0%	2%	4%	4%	0%	0%	0%	3%	2%	4%	3%	7%	0%	6%	1%	7%	6%
High level of uncertainty	9%	7%	17%	15%	11%	12%	5%	13%	11%	22%	10%	18%	23%	28%	25%	34%	27%
Above normal level of uncertainty	45%	42%	42%	44%	62%	44%	45%	42%	58%	57%	45%	51%	54%	53%	43%	38%	44%
Normal level of uncertainty	41%	47%	36%	37%	28%	40%	50%	42%	28%	17%	42%	25%	24%	13%	26%	19%	20%
Below normal level of uncertainty	5%	2%	2%	0%	9%	4%	0%	0%	0%	0%	0%	0%	0%	1%	5%	1%	2%

Chart 9: Is this a good time to be taking greater risk onto your balance sheet?																	
Yes	27%	44%	51%	27%	30%	44%	55%	44%	38%	24%	34%	23%	14%	23%	46%	25%	45%
No	73%	56%	49%	73%	70%	56%	45%	56%	62%	76%	66%	77%	84%	78%	54%	67%	55%
N/A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Chart 12: How would you rate the overall cost of new credit for Australian corporates?																	
Very costly	0%	0%	0%	0%	0%	0%	0%	2%	4%	0%	5%	5%	7%	8%	13%	8%	7%
Somewhat costly	9%	13%	9%	10%	11%	14%	30%	22%	19%	20%	26%	36%	42%	50%	55%	56%	51%
Neutral	14%	24%	19%	23%	28%	38%	27%	33%	36%	39%	39%	36%	38%	30%	24%	25%	37%
Somewhat cheap	64%	44%	43%	46%	57%	36%	38%	41%	34%	39%	26%	15%	11%	11%	8%	10%	4%
Very cheap	14%	18%	28%	21%	4%	12%	5%	3%	8%	2%	5%	8%	1%	1%	1%	1%	1%

Chart 12: How would you rate the overall availability of new credit for Australian corporates?																	
Very available	23%	18%	38%	31%	33%	28%	29%	22%	19%	13%	6%	15%	8%	3%	8%	5%	7%
Somewhat available	50%	67%	42%	56%	52%	50%	45%	56%	57%	72%	61%	45%	46%	61%	59%	45%	60%
Neutral	27%	11%	11%	13%	11%	12%	20%	14%	15%	6%	19%	25%	18%	11%	18%	14%	15%
Somewhat hard to get	0%	4%	9%	0%	4%	10%	7%	8%	6%	9%	10%	12%	25%	20%	14%	30%	17%
Very hard to get	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	3%	3%	1%	5%	3%	5%	1%

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011
Chart 13: What do you think of the level of gearing on Australian Corporate Balance Sheets?																	
Over-gearred	18%	9%	8%	10%	9%	10%	4%	6%	8%	7%	3%	10%	15%	6%	9%	5%	2%
Optimally geared	50%	49%	51%	54%	50%	58%	59%	47%	57%	50%	58%	52%	46%	54%	48%	53%	49%
Under-gearred	32%	42%	42%	37%	41%	32%	38%	47%	36%	43%	39%	38%	38%	40%	44%	41%	49%

Chart 13: What is your aim for your level of gearing over the next 12 months?																	
Raise significantly	9%	2%	0%	0%	0%	2%	5%	3%	2%	2%	2%	1%	7%	4%	8%	10%	12%
Raise somewhat	18%	29%	38%	21%	30%	28%	25%	31%	28%	26%	19%	21%	25%	28%	38%	26%	33%
No change	41%	44%	40%	37%	35%	40%	46%	39%	43%	46%	40%	42%	31%	41%	30%	33%	36%
Reduce somewhat	27%	22%	21%	31%	30%	22%	21%	20%	19%	22%	29%	23%	24%	21%	19%	22%	14%
Reduce significantly	0%	2%	2%	8%	4%	4%	2%	3%	4%	2%	8%	7%	6%	3%	6%	5%	4%
N/A	5%	0%	0%	4%	0%	4%	0%	3%	0%	2%	2%	5%	7%	4%	0%	4%	1%

Chart 14: How do you currently rate bank borrowing as a source of funding for Australian corporates?																	
Very attractive	36%	38%	43%	35%	26%	20%	16%	19%	32%	20%	15%	8%	6%	4%	5%	4%	0%
Somewhat attractive	55%	51%	49%	54%	48%	52%	52%	52%	49%	59%	52%	49%	44%	46%	39%	36%	51%
Neutral	5%	7%	6%	12%	20%	20%	29%	25%	15%	19%	27%	26%	35%	35%	35%	38%	31%
Somewhat unattractive	0%	2%	2%	0%	7%	8%	4%	5%	0%	2%	5%	12%	11%	13%	20%	22%	15%
Very unattractive	5%	2%	0%	0%	0%	0%	0%	0%	4%	0%	2%	4%	4%	3%	1%	0%	2%

Chart 14: How do you currently rate corporate debt as a source of funding for Australian corporates?																	
Very attractive	14%	18%	25%	15%	11%	12%	4%	5%	2%	7%	6%	4%	1%	0%	4%	3%	2%
Somewhat attractive	45%	56%	30%	52%	50%	52%	45%	50%	53%	52%	47%	53%	42%	29%	41%	27%	24%
Neutral	27%	22%	43%	31%	35%	34%	45%	41%	42%	31%	40%	33%	46%	51%	35%	41%	51%
Somewhat unattractive	9%	2%	2%	2%	2%	2%	7%	5%	4%	9%	5%	10%	7%	16%	19%	27%	21%
Very unattractive	5%	2%	0%	0%	2%	0%	0%	0%	0%	0%	2%	0%	3%	4%	1%	1%	1%

Chart 14: How do you currently rate equity issuance as a source of funding for Australian corporates?																	
Very attractive	5%	11%	13%	4%	2%	2%	4%	2%	0%	0%	8%	1%	1%	0%	4%	0%	1%
Somewhat attractive	18%	42%	21%	23%	26%	34%	38%	23%	34%	24%	24%	18%	20%	16%	20%	12%	17%
Neutral	59%	31%	38%	46%	43%	16%	36%	47%	43%	48%	31%	36%	31%	18%	34%	30%	26%
Somewhat unattractive	9%	16%	21%	13%	26%	22%	18%	19%	19%	15%	26%	38%	31%	45%	30%	37%	35%
Very unattractive	9%	0%	8%	13%	2%	10%	5%	9%	4%	13%	11%	7%	17%	21%	13%	21%	21%

Chart 14: How do you currently rate internal funding (from profits) as a source of funding for Australian corporates?																	
Very attractive	23%	20%	32%	31%	30%	34%	14%	13%	26%	17%	29%	26%	15%	29%	23%	27%	33%
Somewhat attractive	41%	40%	34%	42%	41%	46%	50%	48%	38%	43%	34%	36%	61%	44%	43%	47%	39%
Neutral	32%	40%	30%	27%	26%	18%	36%	39%	32%	39%	32%	34%	21%	23%	30%	19%	21%
Somewhat unattractive	5%	0%	4%	0%	2%	0%	0%	0%	4%	2%	3%	4%	1%	0%	3%	5%	4%
Very unattractive	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	2%	0%	1%	5%	3%	1%	2%

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The CFO Program

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