



The shape of tomorrow

Expert NAB insights into how regional and rural
businesses are building smarter pathways forward.

NAB Regional & Agribusiness
Horizons Report 2026

To find out more, talk to:



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Cover image: Australian Vinegar

Introduction

Businesses are shaping new pathways to Australia's future

A strong and healthy Australian economy is giving regional businesses confidence to look ahead despite global uncertainties, according to insights and data from the 2026 NAB Regional & Agribusiness Horizons Report. For many, the priority now is to work smarter – to build efficiencies and resilience for future growth.



Khan Horne
Executive – Regional and Agribusiness,
NAB Business and Private Banking

On the whole, 2025 was a great year for the country and for our regional and agricultural business customers. The outlook for the year ahead remains similarly positive. But while the numbers are strong, I think this period will likely be remembered as much for the significant shifts underway as for the economic growth they've delivered.

Years of disruption have reshaped our regional communities and the businesses within them. Much of what we now take for granted would have sounded like science fiction only a decade or two ago. If you'd predicted we'd use AI tools as part of everyday business, rely on machines to flag issues before they fail, or charge electric vehicles from home batteries – well, you'd probably have been laughed out of the room.

And while these changes to the way we live and work are highly visible and tangible, there are deeper, more subtle and slower shifts happening, as individuals and businesses continue to explore new approaches and innovations to drive smarter, more successful futures.

What you'll find in this report is an emerging picture of where we're headed: a view of what is to come over the next horizon. It's drawn from the data that our agricultural, regional and specialist banking teams have collected from every corner of the country. It's informed by the analysis of our economists and researchers. And it's been shaped by the conversations we have with our customers every day, hearing about their challenges and successes.

The global trading landscape has been reshaped time and again in recent years, with supply chains and partnerships disrupted, rebuilt and, in many cases, strengthened.

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Businesses continue to invest in systems and processes that improve efficiency at every step.

At the same time, an impressive pipeline of new and improved infrastructure is coming online. Regional communities are now more connected than ever – to our capital cities, international markets and future growth opportunities. Australian businesses continue to invest in systems and processes that improve efficiency at every step, making it easier for them to ship grains to China, minerals to India or livestock products to Europe.

The demographic shift underway in Australia is leaving its mark on our country towns too. For the first time in generations, more Australians are moving to regional areas than leaving them, with moves from the city to the regions outnumbering moves in the opposite direction by 36%.¹ And for good reason. It's no longer the case that first class education, healthcare and lifestyle amenities are only available in big cities.

Yet uncertainty is still part of the landscape. Even with increasingly accurate modelling and better financial tools available to manage difficult years, rainfall remains unpredictable and ultimately beyond anyone's control. At the same time, businesses continue to face familiar

¹ Regional Movers Index September 2025 cited at: regionalaustralia.org.au



pressures of rising costs and inflation, labour availability, and productivity and housing constraints. Efforts to tackle these issues are well in motion, but lasting solutions won't happen overnight.

Nevertheless, we are beginning to make sense of the new world we find ourselves in. Our customers are learning from this transition period and they're ready to embrace the solutions and opportunities that are now becoming available. While many of the full benefits are still to be realised, businesses are already applying new technologies to ease skills shortages, manage energy costs, and lift efficiency and margins – great examples that lay the groundwork for even more resilient operations ahead.

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For the first time in generations, more Australians are moving to regional areas than leaving them.

Our key industries in Australia are already benefitting from advancements in robotics and AI – from housing construction to remote monitoring of paddocks and livestock to manufacturing, logistics and shipping. The task now is to get to grips with the tools as they become available and understand where they add the most value, how best to deploy them, the cost implications in the current economic environment, and how to manage the risks that come with them.

It all adds up to a more connected, smarter and increasingly prosperous regional Australia. My team and I are proud to be working alongside Australian businesses at such an exciting time – one where new pathways are opening up and genuine opportunities for growth are emerging. We hope this report offers useful insights and a clearer view of a dynamic, thriving future.

HOW WE'RE SHAPING TOMORROW

Easyshed

Easyshed's unique ability to blend manufacturing expertise with e-commerce capability has set it apart in the market, reshaping what a shed company can be in the digital age.


“It's a very scalable business model. The sales, marketing, production scheduling, delivery – everything can be managed centrally. We can replicate the model in new geographies, plug-and-play, and continue to grow rapidly.”

Johan Andersson
CFO

By the numbers

Powering on

Regional and agribusinesses continue to invest in smarter growth.

↑ **8.7%** Automation investment lifts machinery manufacturing 

Machinery and equipment manufacturing rose 8.7%, reflecting strong investment into domestic automation capabilities.

\$275bn Boost for connectivity 

A major infrastructure push is underway, with around \$275 billion earmarked over the next four years for roads, rail, bridges and logistics.

↑ **11%+** Investment surges in WA and QLD 

Borrowing activity rose 11.4% in Western Australia and 11.2% in Queensland in 2025, reflecting the continued strength of both economies.

↑ **16%** Big demand for heavy trailers 

Purchases of trailers over 3.5 tonnes rose 16% nationally in 2025, reflecting expanding activity in the logistics sector.

↑ **32%** Solar powers ahead 

Investment in solar assets jumped 32% in 2025, with further momentum expected in technologies that support optimisation, efficiency and automation.

↑ **12%** Trade defies uncertainty 

Despite tariff uncertainty, international trade grew by 12% in 2025, driven largely by farming, mining and regional industries.

+\$100bn Agriculture ahead of 2030 target 


Agricultural production is forecast to top \$100 billion in 2025-26, four years ahead of the industry's 2030 target.¹

68m tonnes One of the biggest crops on record 

ABARES forecasts winter crop production of 68.4 million tonnes for 2025-26 – up 10% on the year prior and the second highest on record.²

↑ **7.3%** Deposits continue to climb 

Favourable conditions are strengthening business balance sheets. Machinery and equipment manufacturing led the gains, with deposits rising 27.9% compared with 7.3% across all sectors.

3 in 4 feel the pinch but are happy 

The latest NAB Consumer Survey shows 3 in 4 regional households are facing higher living costs – higher than any other group. But they're still happier than their city counterparts.

¹ ABARES March forecast cited at: <https://minister.agriculture.gov.au/collins/media-release/joint-media-release-national-farmers-federation-aus-agriculture-production-2026>

² ABARES Australian Crop Report cited at: <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/australian-crop-report/march-2026>

The big picture

Connecting regions, driving growth

Over the next four years, regional and agribusinesses stand to benefit from unprecedented investment in connectivity, capability and growth.

Khan Horne

Executive - Regional and Agribusiness,
NAB Business and Private Banking

If 2025 was a year of surprises, then perhaps we shouldn't be surprised if 2026 has a few of its own. The fact is, we're living through interesting times. However, a strong dose of the country Australian can-do attitude is helping regional businesses to navigate them. They've learnt to expect the unexpected and get on with it. There's no reason they won't do the same in 2026.

We've handled some jolts to the global trading system, our fair share of weather events and a transition to a new interest rate cycle. Despite these conditions, commodity prices and the dollar have worked in favour of some businesses, and the resilience and agility of regional and agricultural businesses have shone through.

NAB transaction and economic data shows that 2025 was a strong year and points to another solid outcome in 2026. Lending growth was up 6.8%, while deposits rose by 7.3%. Many businesses have cash to spend and are choosing to invest it strategically.

Our conversations with customers reflect that same sense of optimism and confidence for the year ahead (even while retaining some caution about global conditions). Certainly, familiar challenges from recent years persist – productivity foremost among them – but we're increasingly seeing automation and AI begin to make a real difference. At the same time, cybercrime remains a risk every business must take seriously, with AI set to play a growing role in both the threat and security sides of the equation.

But the productivity gains on offer from smart technology, applied with good business sense, are going to help businesses in all industries come to grips with costs and margins. It's an emerging field with many unknowns, but experience in the fundamentals of what makes your business work will help you decide when and how to invest.



VIEW FROM THE GROUND

Public and private investment in the regions is bearing fruit. In Bendigo, for example, where one in five jobs is health-related, the largest regional hospital project in Victoria's history is underway. From an agriculture perspective, a lot of investment has gone back into poultry, where there's been a real turnaround in the back half of 2025.

Nigel Rumble

State Business Banking Executive,
Victoria & Tasmania

The big picture



Building better connections

Managing a regional business can, in many instances, be tougher than in the cities, but it can also be far more rewarding.

One of the persistent challenges is distance. It's a fair way from the farm gate to the Brisbane bakery, from the mine to the Melbourne factory. Even further if you're shipping out of the Darwin Port or Perth Airport and hoping to reach customers in Europe or Asia or the Americas. And it's hard not to feel isolated when a medical appointment, a business meeting – or even just the groceries run – can mean a six-hour round trip.

In 2026, however, we're potentially looking at one of the biggest infrastructure pipelines this country has ever seen. Over the next four years, depending on how you slice the cake, we'll see about \$275 billion in spending on roads, rail, bridges and logistics facilities. That's before factoring in the hospitals, schools and other social infrastructure that underpin functioning, healthy communities.

More broadly across the construction industry, meanwhile, we're starting to see real efforts made in tackling the housing crisis. Modern methods of construction, new emphasis on quicker approvals, and big efforts from the government and private sector are visible.

These will take time to trickle through the system and into our regional areas. In the meantime, housing prices in the regions are being supported by the ongoing internal migration trend. Inland Queensland and the boom towns of Western Australia are the big winners. However, we're starting to see a bit of action in undervalued Victorian markets too.

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We're looking at about \$275 billion in spending on roads, rail, bridges and logistics facilities.

As major projects like the air freight hub at Western Sydney International Airport – connecting regional economies to global economies – and the Inland Rail reach completion and come online, their impact will be immediate and massive. But there's also plenty of tinkering around the edges that doesn't get as much attention. The Coffs Harbour Bypass, for example, is planned to open this year. That's not going to change the distance from Brisbane to Sydney, but it will make it possible to drive between the two capitals without hitting a single traffic light. When you factor in the wider effort to improve connectivity across our towns, cities and regions, it's clear this work can influence everyday costs, including something as simple as the price of eggs.

HOW WE'RE SHAPING TOMORROW



Australian Meat Group

AMG is a fast-growing Australian meat processing group producing premium beef for domestic and global markets, backed by large-scale, highly automated facilities and a strong export focus.

“We invested heavily in advanced technical automation – innovations the industry hasn't seen before – because staying ahead is essential. Coming out of COVID, our biggest challenge was attracting people to Cootamundra. But we've been pleasantly surprised by our success and now have over 600 employees. We're also strongly committed to gender equality, actively encouraging female participation and creating a workplace that's welcoming, inclusive and supportive for everyone.”

Gilbert Cabral
Managing Director

The big picture

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We're starting to see real efforts made in tackling the housing crisis.

Connectivity means getting more goods to more markets, faster and more efficiently. It means access to all the services available in the cities, without needing to hit the same population density to sustain them. It means tourists, workers and business partners can get where they want to be in less time, with less hassle and at a cheaper cost.

In regional areas, that'll go some way to easing the labour shortages, the tightness in the housing market and the supply chain costs that have been limiting growth. It'll also mean greater opportunities for finding new trading partners, building new relationships, and developing new products and industries.

Lending to road transport grew by 10.1% year-on-year in 2025. That's no surprise and an indicator of what's to come, with a new wave of logistics enterprises speeding towards us. Our deposits data reinforces this trend. Basic material wholesaling businesses put aside 19.5% more cash in 2025 than the year before. This is reflective of the money flowing into the sector, driven by demand for value-added and processed goods manufactured close to where they're sourced and produced, but shipped across the country and around the world.

The idea of connectivity is showing up in our equipment finance books too, where trucks over 3.5 tonnes remain our most popular item and trailers over 3.5 tonnes grew by 16%. We've also seen a few strong years for farming, mining and general business equipment.

Land diversification continues its rise

Diversifying land holdings across the country has been an investment theme for regional and agricultural property for a while now. It makes sense – running livestock or cropping in two or more different regions provides some resilience against the risk of a bad season in any single region.

At the same time, rural land sales activity and prices have eased a bit from the amplified markets of recent years. This is creating opportunities for younger generations too as entry-level holdings become more accessible.

True, it's still tough for a young farmer to get a start. However, NAB continues to back this cohort with a range of tailored lending products.

Investing in the next generation

I'm of the view that, while there's no going past the value of decades of experience on the land, we also need more young people in regional and agricultural businesses. I know my team will back me up on this, because plenty of them are young starters themselves.

Last year we put 90 graduate bankers in the field to support our regional business and agribusiness customers. This year we're planning to add even more.

That means if you need advice or help on anything from purchasing property, a new tractor, financing a contract with a new international trade partner, or sorting out your cash flow, you will have access to local bankers to support you with your growth. There are good times over the horizon, and while it may take some smart navigation to get there, our NAB Regional & Agribusiness team are on the ground and by your side.

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We need more young people in regional and agricultural businesses.



HOW WE'RE SHAPING TOMORROW

Expressway Spares

Expressway Spares has been supplying crucial aftermarket components and reconditioned parts to Australia's mining, construction and logging industries since 1964.

“In the next 12 to 24 months we're looking to engage with some of these larger customers on a more high-level basis and cement our place in the market – we're excited by the opportunities to gain market share.”

“It's been said the average saving of embedded carbon in a rebuilt engine, as opposed to a new engine, is 75 to 80%.”

James Dunn
Managing Director

Resilience in a changing economy

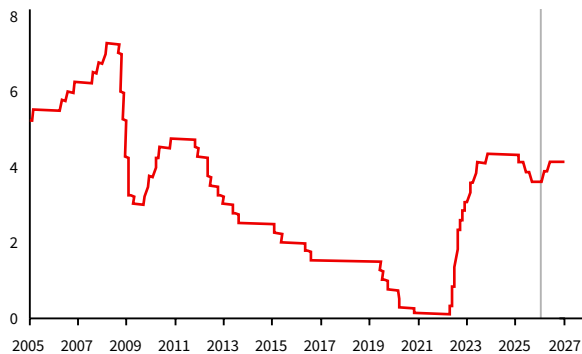
The latest NAB data shows Australian businesses continuing to navigate shifting economic conditions. It's cause for optimism in 2026 – despite new headwinds. Find out why.

The Australian economic outlook

The Australian economy entered 2026 having retained much of the momentum built through mid 2025, though the economy is running up against capacity constraints and there is a risk inflation pressures persist. Growth is expected to slow a little through 2026, but remains resilient.

Household spending has continued to grow into early 2026, supported by still solid labour market conditions and the lagged effects of earlier income support. NAB consumer spending data shows nominal spending rising by 0.5% in January, following a strong December quarter, with strength across personal and household goods. That said, some moderation is expected as real disposable income growth slows and households respond to higher interest rates. Over the year to end 2026, real household consumption growth is expected to ease to around 1.75%.

RBA cash rate forecast



Source: National Australia Bank, Reserve Bank of Australia



Business conditions and confidence began in 2026 around long-run average levels. The NAB Business Survey suggests that overall conditions remain consistent with trend growth, despite some easing late in 2025. Capacity utilisation has edged lower from recent peaks but remains well above historical averages and broad based across industries. Capital expenditure indicators point to continued investment momentum. Strength has been evident in data centres, information and telecommunications, and transport related sectors.

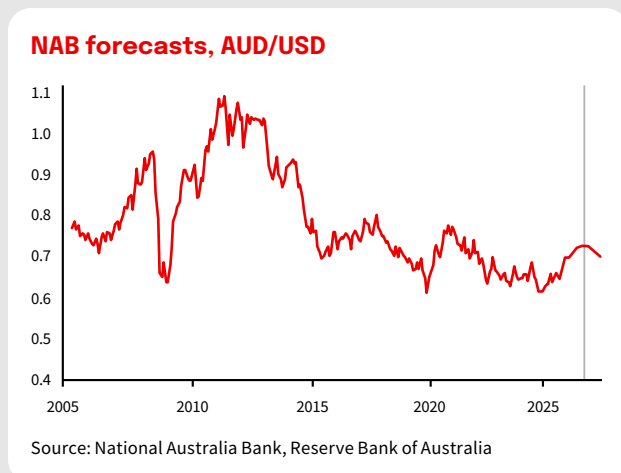
The labour market remains tight but is expected to gradually loosen. Employment growth has slowed to a pace broadly consistent with population growth, and the unemployment rate has stabilised around the low 4% range. While labour availability remains a constraint for many firms, broader indicators of labour demand have seen some stabilisation. We expect the unemployment rate to gradually rise through 2026, reaching around 4.5% by year end as tighter financial conditions weigh on activity.

The Australian and global economic outlook

Inflation remains above target and is broad based, though not accelerating. Underlying inflation tracked above 3% over 2025, reflecting strong private demand in a capacity constrained economy. While some recent price pressures are expected to unwind, inflation is forecast to remain above the midpoint of the RBA's target band for much of 2026. NAB survey measures of costs and prices point to easing momentum, but progress back to target is expected to remain above the midpoint of the RBA's target band for much of 2026, with near-term risks now skewed to the upside amid higher energy costs.

Monetary policy has shifted back into more restrictive territory. Following recent rate increases the RBA is expected to raise the cash rate to around 4.35% in May. While downside risks to growth remain, particularly from global developments, domestic conditions entering 2026 are relatively strong, but more exposed to adverse shocks should cost pressures persist.

The Australian dollar has appreciated to around US\$0.71 and is expected to trade in a US\$0.70–0.73 range over 2026. The currency has been supported by higher commodity prices, a widening interest rate differential, and broader US dollar weakness.



Global economic outlook

The global economy entered 2026 on a solid footing, having proven more resilient to policy shocks than expected over the past year. However, the situation in the Middle East is fluid and market moves are large and have been rapid. Against this backdrop, it is difficult to make forecasts impacted by global economies with confidence at present.

After a weak start to 2025, the US economy gained momentum in the second half of the year, supported by fiscal policy, rate cuts from the Federal Reserve, and strong AI related investment. US growth is expected to remain above trend in 2026, though consumption is likely to

moderate as households rebuild savings and labour market conditions soften.

China's economy grew in line with its official target in 2025, with net exports making a substantial contribution as domestic demand remained subdued. While structural challenges persist – including property market weakness and excess manufacturing capacity – additional policy support is expected to underpin growth in 2026. China's GDP growth is forecast to moderate in 2026 but remain relatively stable, supported by targeted fiscal and monetary measures.

In Europe, growth remains modest but stable. The euro zone economy expanded at around trend pace through 2025, despite significant geopolitical and trade uncertainty. Fiscal stimulus, easing inflation, and more neutral monetary policy settings are expected to support a gradual improvement in activity through 2026. Labour markets remain tight across much of the region, while inflation has eased closer to central bank targets.

The United Kingdom continues to face headwinds from weak private demand, elevated fiscal uncertainty, and a softening labour market. While growth is expected to improve modestly in 2026 as inflation falls and monetary policy eases, the outlook remains subdued relative to other advanced economies.

Japan's economy has shown mixed momentum, with weak GDP outcomes masking firmer private demand. Fiscal support measures and easing cost of living pressures are expected to support household consumption, while the Bank of Japan is anticipated to continue its gradual policy normalisation.

Across emerging markets, growth remains uneven. India continues to outperform, supported by strong domestic demand, favourable agricultural conditions as well as policy settings. Recent trade agreements are positive for the outlook. Elsewhere, growth in parts of East Asia such as Taiwan, has been supported by demand for machinery and equipment needed for the large global investment in AI.

Overall, while global growth risks remain skewed to the downside – particularly from trade policy uncertainty and geopolitical developments – the baseline outlook for 2026 is one of continued, though moderating, expansion. For Australia, a resilient global backdrop provides some support, but domestic growth will partly depend on the pace at which inflation pressures ease and policy settings can eventually normalise.

Can agriculture maintain its recent momentum?

With ABARES forecasting one of the largest winter crops on record and elevated livestock values, the current fiscal year looks in good shape. Can it be sustained into FY26-27?

Sally Auld
NAB Group Chief Economist



Overview

Australian agriculture enters the remainder of 2026 and into 2027 coming off a historically strong production year. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasts the gross value of agricultural production will be a little over \$100 billion in 2025-26. Combined with fisheries and forestry, total production value is forecast near \$107 billion for the current fiscal year. However, ABARES expects a moderation in 2026-27, with total farm production value declining roughly 6% to around \$95 billion as output and prices soften.

In terms of the broader Australian economy, growth is expected to be around 2% this year and next. This represents slightly below-trend GDP growth, a necessary outcome as the RBA attempts to get Australian inflation

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Total production value is forecast near \$107 billion for the current fiscal year.

back on to a more sustainable footing. But generally speaking, the Australian economy is well placed for the year ahead; while inflation is elevated and the RBA will need to make a modest upwards adjustment in rates in coming months, the labour market is close to full employment and growth has broadened in recent quarters as growth in both private consumption and investment has improved.

Agriculture trends

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Looking ahead, cattle saleyard prices are forecast to ease modestly in 2026-27.

By sector

- **For grains**, production prospects remain solid. ABARES forecasts the national winter crop production to increase by more than 10% in 2025-26 to roughly 68-69 million tonnes, one of the largest winter crops on record, driven by strong yields in key regions such as Western Australia and Victoria. Nonetheless, summer crop forecasts are more mixed, with some key crops such as rice and cotton seeing expected production declines amid variable conditions. Grain prices in global markets are expected to moderate in 2026-27 as global production remains high, which may soften export earnings and farm gate returns relative to the previous year.
- **For beef**, the sector has experienced strong pricing and demand momentum, supported by firm global demand and tight international supplies early in 2026. This has driven investment interest in grazing assets and lifted the value of cattle production. Looking ahead, cattle saleyard prices are forecast to ease modestly in 2026-27. Trade dynamics – including tariffs and competitive supply from other exporting nations – are likely to be important influences on global demand and Australian export prices.
- **For lamb**, both production and pricing have been buoyed by tighter supply following drought and flood impacts in recent seasons, with lamb prices achieving elevated levels relative to historical averages. Over the next year, sheep meat supply is expected to tighten as flock rebuilding continues and processing rates ease. This is likely to support lamb and mutton prices, potentially maintaining levels above five-year averages, even as broader market volatility persists.



Climate outlook

As is usual, weather patterns will be a key determinant of near-term agricultural performance across cropping and grazing sectors. After a relatively strong spring and summer in some regions in late 2025 and early 2026, ABARES and the Bureau of Meteorology suggest a shift towards drier conditions in autumn 2026, particularly across southern and south-eastern cropping zones. Seasonal forecasts indicate below-average rainfall for much of southern Australia in the early part of the 2026-27 crop year, underscoring the importance of timely rainfall for planting and pasture growth.

Summary

In the short term (next six months), it is likely that strong grain production and elevated livestock values should support sector performance in FY25-26. Weather conditions should remain variable, with regional extremes; timely rainfall will be critical. Over the medium term (6-12 months), it is likely that production value and average prices moderate in FY26-27. Grains may face softer global prices despite solid yields; beef prices are expected to ease but remain above long-run averages; lamb supply tightening should support prices. A drier seasonal outlook in some core cropping regions presents risk to early plantings and pasture regeneration, necessitating close seasonal monitoring.

Consumer trends

Community strength helps regional households adapt

Three in four regional households reported higher living costs over the past 12 months, according to the latest NAB Consumer Survey. However, confidence remains strong, underpinned by job security and strong family and community bonds.

Dean Pearson and Rob De Iure
Behavioural & Industry Economics, NAB

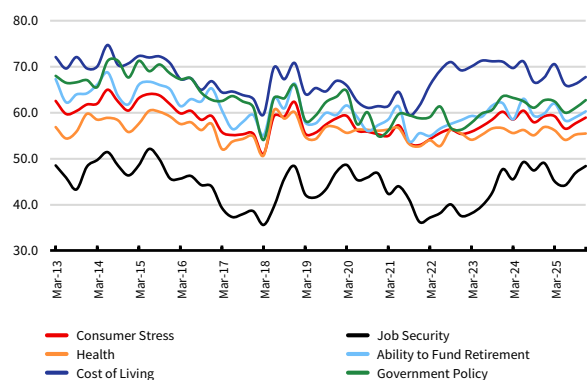
In recent months, Australia once again found itself deep in conversation about the rising cost of living. Headlines filled with talk of inflation, rate speculation and the ongoing financial pressure squeezing many households. Across kitchen tables and workplace corridors, people compared grocery bills, weighed travel plans and recalibrated budgets. Amid this national dialogue, understanding how these pressures played out at the local level became increasingly important.

In addition to forecasting the macroeconomy, NAB regularly surveys thousands of Australians representative of age, gender, income, job type and location. We ask them about their lives – everything from their perceptions of their emotional and financial wellbeing, their spending patterns and expectations, satisfaction with their lives (particularly their finances), and even their happiness. In the case of regional Australia, it tells a story of resilience.

These communities were not immune to cost pressures. In fact, regional households reported the highest share of consumers experiencing increased living costs, with three in four feeling the pinch. Groceries, travel and holiday plans were all affected. But the response wasn't withdrawal or sharp behavioural shifts. Instead, regional families adjusted.



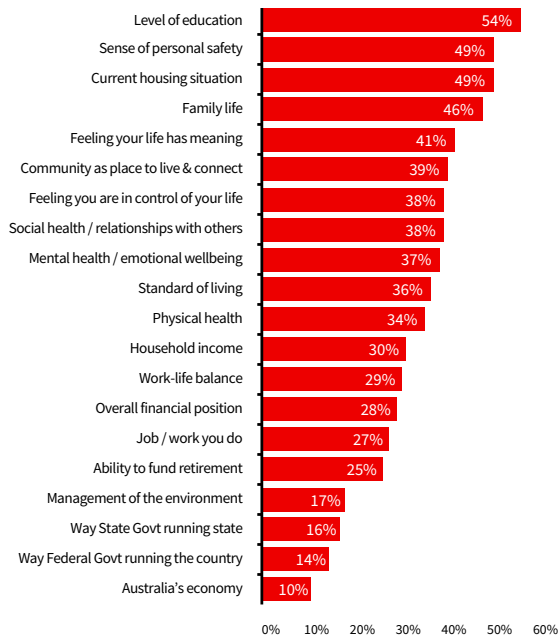
NAB Consumer Stress Index: Regional Australia (100 = extreme stress)



Source: NAB

Consumer trends

Living in regional Australia: Very high satisfaction



Source: NAB

They watched prices more closely. They planned more carefully. They made changes but avoided over-correction. They continued supporting local businesses, kept attending community events, and held on to the routines and habits that anchored their day-to-day lives. This wasn't misplaced optimism; it was pragmatism. A grounded understanding of what mattered and what could be controlled.

Job security played its part as well.

With a positive net outlook on employment prospects over the following year, regional Australians demonstrated a steadiness that helped reinforce confidence in their decision-making. In an economy where people's feelings about the future can shift quickly, a 10% positive margin in employment outlook shows that most regional Australians feel confident about keeping their jobs and believe in the strength of their communities.

Spending told a similar story.

An increase in essential spending – especially on groceries – no doubt reflected the reality that households were facing higher prices due to the rising cost of living. Regional Australians are not retreating from consumption altogether, but rather than splurge they have adapted to price hikes, have recalibrated priorities and are seeking value.

Importantly, regional consumers are also less likely than their metropolitan counterparts to report rising mortgage costs and, in some cases, indicate more cautious optimism about their future financial security.

Taken together, these individual pieces formed a compelling narrative.

Regional consumers were facing the same challenges as everyone else, but meeting them with a balance of adaptation, connection and quiet strength.

Beyond dollars and cents, wellbeing indicators continued to paint an encouraging picture across regional cities. In the lifestyle areas that matter most – feeling safe, accessing good education, enjoying stable housing, and maintaining strong family and community bonds – regional Australians consistently reported high satisfaction.

These weren't superficial markers of wellbeing; they were the pillars that supported everyday life.

Schools and training facilities met expectations. Neighbourhoods felt safe and familiar. Housing, compared to the stretched markets of the capitals, provided comfort, space and stability.

Financial stress did exist, of course.

Regional households sat in the middle: more stressed than capital cities in some respects, but far less strained than rural areas bearing the heaviest burdens. Yet even within this, a pattern emerged. Many regional households remain resourceful and are making deliberate, cautious financial decisions in response to these pressures.

While cost of living increases are being felt acutely, a sizeable proportion of households are prioritising saving wherever possible. And while lower-income households in regional areas face greater difficulty putting money aside, the intent to save remains strong, especially among



Consumer trends



younger Australians striving for long-term security. There's also a noticeable trend towards more cautious credit use and a shift to spending less than they earn, which bodes well for improved resilience over time.

This wasn't accidental. It reflected a deep-seated culture of measured financial management. A kind of quiet discipline that, paired with strong community bonds, created an environment capable of withstanding economic turbulence with composure.

Community life amplified that resilience.

Regional cities fostered tighter social networks and greater accessibility to local services. You were more likely to know your neighbours, more likely to run into someone you knew at the local supermarket, more likely to rely on one another during difficult moments. These small but powerful forms of connection helped residents stay anchored in periods of uncertainty.

And while long-term financial concerns – like saving for retirement – remained on people's minds, regional communities showed a willingness to confront these pressures with the same practical spirit guiding their day-to-day spending decisions.

The picture wasn't one of perfection; it was one of balance.

What made the story of regional Australia so compelling was its dual reality: households were undeniably under pressure, yet they continued to demonstrate stability where it mattered most.

They showed resilience not because conditions were ideal, but because their priorities remained grounded. They adjusted without pulling back from community life. They managed their money with discipline without letting stress dictate every choice. And they maintained optimism about their futures, not because of booming economic indicators, but because of everyday experience – their safety, their relationships, their sense of belonging – supported their confidence. Recent migrants in regional areas also tend to report higher optimism, contributing fresh perspectives and a sense of hope for the future.

Where other parts of the country saw sharper swings in sentiment, regional cities held steady. Their behaviour was a reminder that stability often comes not from the absence of challenge, but from the strength of the fundamentals – homes that feel secure, communities that feel connected and people who feel supported.

As Australia moved into 2026, regional communities offered a valuable lesson. Economic volatility may ebb and flow, and household pressures may rise and fall, but the ingredients that sustain wellbeing are often quieter, steadier and more enduring.



NAB's findings also highlight a need for ongoing, targeted support in regional and rural areas to address structural challenges. Efforts to strengthen financial buffers, improve access to essential services and support community initiatives will help regional Australians continue to adapt and thrive despite ongoing pressures.

Resilience isn't always loud.

Sometimes it looks like families making intentional choices, neighbours checking in on one another, workers trusting their prospects and communities continuing to invest – emotionally and financially – in the places they call home. In essence, it looks like regional Australia.

The regional advantage gains ground

As affordability and lifestyle converge, inland regions with strong services and housing choice could see the next wave of growth.

Mark Browning

National Head of Valuations & Property Advisory, NAB

The great demographic shift catalysed by COVID continues to dominate the regional property story, with strong growth in values supported by the ongoing tree-changing trend.

In recent years, more Australians have been moving from the capitals to the country than the other way around. In fact, moves to the regions outpaced those in the opposite direction by 36% in September 2025, according to the most recent Regional Movers Index,¹ as net relocations to the regions grew by 11.8%.

That, in turn, supported an 11.1% rise in regional home values in the 12 months to February 2026, compared with 9.6% in the capital cities. Price growth accelerated through the year, which saw three interest rate cuts, lifting regional home values beyond the 6% increase recorded in the 12 months to February 2025.

Even so, regional property remains more competitively priced than in metro markets. Combined with lifestyle appeal, that continues to draw new residents. Tight supply and low rental vacancies are also expected to underpin further price growth across regional areas.

Regional NSW (up 8.4% in the 12 months to February 2026 compared with 2.5% in February 2025) and regional Victoria (up 7.8% compared with -2.2%) recorded the strongest turnaround in price. However, regional Western Australia continued to lead the country with growth of 18.6% to February 2026, ahead of its 16.1% result the year before.

¹ Regional Movers Index September 2025 cited at: regionalaustralia.org.au



Commercial and retail property markets, on the other hand, performed solidly with few surprises. Industrial assets and vacant industrial-zoned land put in a stronger performance and tightly held pockets in regional hubs had thinner transaction volumes but good prices.

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Regional Victoria recorded the strongest turnaround in price.

VIEW FROM THE GROUND

Momentum continues in Queensland. People want to move here and housing demand continues to outstrip supply. Domestic tourism is strong, and our regional towns have great communities, good infrastructure and an undeniable lifestyle draw. Businesses are becoming more efficient, investing in IT and supporting growth in local economies.

Alison Blanshard

State Business Banking Executive,
Queensland

Regional and rural property



Lifestyle leads the way, but economic opportunity a factor

Growth was widespread across the country, both in terms of property values and population, with several distinct investment and migration themes emerging.

While the Sunshine Coast (7.1%) and Gold Coast (5.2%) continued to attract some of the largest shares of movers in Queensland, inland regions are increasingly benefitting from their lifestyle appeal and relative value. Home values in the Granite Belt rose by 20.6% in the 12 months to February 2026, followed closely by Toowoomba (20.4%) and Biloela (19%).

Regions linked to Western Australia's resources sector also showed strong valuations growth. Manjimup recorded a 21.3% uptick in the 12 months to February 2026, followed by Albany at 20.7% and West Pilbara at 20.4%. Goldfields (20.2%) and Gascoyne (19.9%) also notched up strong growth.

Regional residential valuations growth

	12 months to Feb	
	2026	2025
Regional NSW	+8.4%	+2.5%
Regional VIC	+7.8%	-2.2%
Regional QLD	+13.9%	+9.7%
Regional SA	+12.6%	+12.2%
Regional WA	+18.6%	+16.1%
Regional TAS	+8.7%	+2.9%

Source: Cotality

Top 10 performing regional housing markets, annual value movement

12 months to Feb 2026

Manjimup, WA	+21.3%
Albany, WA	+20.7%
Granite Belt, QLD	+20.6%
Toowoomba, QLD	+20.4%
West Pilbara, WA	+20.4%
Goldfields, WA	+20.2%
Gascoyne, WA	+19.9%
Augusta - Margaret River - Busselton, WA	+19.2%
Biloela, QLD	+19.0%
Bunbury, WA	+18.4%

Source: Cotality

Top 5 Local Government Areas by share of regional migration

Percentage share of total regional migration from capital city residents, as at Q3 2025

Sunshine Coast, QLD	7.1%
Greater Geelong, VIC	6.6%
Gold Coast, QLD	5.2%
Moorabool, VIC	3.6%
Lake Macquarie, NSW	3.5%

Source: Regional Movers Index Q3 2025 (Regional Australia Institute)



Regional and rural property

In regional Victoria, meanwhile, there was a decisive swing upwards – from -2.2% in the 12 months to February 2025 to 7.8% in the 12 months to February 2026. Prices are indicating that buyers are attracted to the value proposition of the regional Victorian market, which has struggled in recent years and may be undervalued.

That may already be reflected in a shift across national markets, with internal migrants increasingly weighing affordability alongside lifestyle. Coastal areas remain hot, but inland regions offer a broader range of housing and reliable access to services. They may record stronger growth in the year ahead as a result.

Farmland entering a new cycle

In recent years, active capital markets globally and domestically have seen investors of all kinds taking an interest in Australian rural property. Given the fundamental resilience in our farms as an asset class – everyone wants our beef, our wool and our grains – it’s easy to understand why. The surging returns in many commodities have helped sweeten the pot.

Transaction volumes have come off those highs, but top-grade farmland continues to maintain near-peak values across cropping and livestock. Secondary assets have exhibited more variability. Those transactions are occurring on- and off-market, with local conditions influencing sales and investment decisions. Farmland consolidation is continuing across deal sizes and buyer types, from neighbour-to-neighbour to larger corporate farmers.

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Western Australian dryland cultivation remains a standout performer.

With efforts underway to tackle the housing crisis, and an ongoing logistics and infrastructure boom, we may see more peri-urban parcels transition to residential or industrial use. However, much of that transaction activity has already taken place, with sites in the largest development regions now settled.

Western Australian dryland cultivation remains a standout performer and appears to be continuing its upward trajectory into early 2026. That reflects the state’s economic boom more broadly, the uptick in production and demand globally in 2025, plus the positive near-term outlook for grains in the state.



Although it seems renewables have been part of the conversation for a long time, their complex role in rural property continues to evolve as new technologies, land uses and deal structures emerge. From co-locating generation assets to hosting transmission lines across a property, landowners now have access to a wide range of commercial arrangements. Ownership, leases, easements or options are all available, but transparency and reliable sales evidence are limited. The investment volumes and demand in the renewables sector will undoubtedly see more activity, and clarity, emerging in the coming years.

THE HEADLINES

- The generational shift in internal migration is solidly embedded as a long-term trend.
- Regional housing markets are diverging, with lifestyle remaining a priority but no longer the only draw.
- Commercial and industrial markets maintain strength, while activity in rural property is evolving.

Debt and cash flow

Investment momentum set to continue

With a wave of projects in the pipeline, 2026 is shaping up as another strong year for lending and investment.

For both regional and agricultural businesses, 2025 was another year of solid investment activity, with many choosing to borrow to support growth across a wide range of industries. Overall lending to regional and agricultural businesses rose by 6.8%, up from 4% in 2024.

Agribusinesses* led the way, recording growth of 8.3%, while regional businesses also put on a good show at 8.2%. Activity was particularly strong in personal and household good wholesaling, which rose 11.8%, while road transport also delivered a solid performance, up 10.1%. Several factors contributed to this surge in activity, including population growth, the continued growth of online shopping and ongoing investment in logistics infrastructure across the supply chain.

Services to mining grew by 10.2%, and the ongoing strength in our resources sectors is having a flow-on effect, as regional businesses and local economies benefit from global and onshore demand for Australian minerals and ores. Machinery and equipment manufacturing ticked upwards by 8.7%, reflecting strong investment into domestic automation capabilities.

Property services also recorded solid growth in 2025, up 8.4%, with business services performing well too at 7.3%. While parts of the construction sector continue to face challenges, overall activity has held up well, giving many businesses the confidence to continue investing. Civil construction and housing, in particular, are seeing strong interest, supported by both public and private spending, and are creating a strong pipeline of work into the period ahead.

*This includes agribusiness, forestry & fishing.



2025 growth in lending by industry

Industry	% Growth	Rank
Personal and Household Good Wholesaling	11.8%	1
Other Services	10.9%	2
Services to Mining	10.2%	3
Road Transport	10.1%	4
Machinery and Equipment Manufacturing	8.7%	5
Property Services	8.4%	6
Agriculture	8.0%	7
Business Services	7.3%	8
General Construction	4.8%	9
Food, Beverage and Tobacco Manufacturing	1.8%	10

Source: NAB data, December 2025

Debt and cash flow

State-by-state breakdown Dec 25 (growth)

	% Growth
ACT	4.3%
NSW	7.8%
NT	3.6%
QLD	11.2%
SA	2.8%
TAS	9.1%
VIC	4.4%
WA	11.4%

Source: NAB data, December 2025

NAB continues to play its part in supporting housing supply with a \$60 billion commitment, including \$30 billion allocated to new residential developments through to 2030.

Business services should also continue to grow in 2026. As technology and trading conditions become more complex and regional businesses more sophisticated, the reliance on external experts to provide services that were once handled in-house will multiply.

The booming Western Australian economy shows no signs of slowing, with borrowing activity up 11.4% year-on-year. A strong pipeline of public spending, including defence projects, is expected to help alleviate any slowdown in demand for iron ore that may eventuate. There is also some overlap between mining and construction businesses in the state, providing resilience against any shocks. However, both the broader economy and industries – including grains, tourism and other mining subsectors – are also showing no signs of weakness.

Borrowing in Queensland, up 11.2%, reflected a boom period in that state as well. Tasmania at 9.1% and NSW at 7.8% also had healthy years. Victorian activity at 4.4% growth, the ACT at 4.3% and South Australia at 2.8% were more muted while still positive.

Looking to 2026, our early data and conversations point to another solid year of borrowing and investment activity. Strong export volumes and solid nationwide production in 2025 set a positive foundation for the year ahead. Shifts in global trade networks have worked in favour of Australian producers and that dynamic is likely to continue. For regional and agricultural businesses, this is opening the door to further expansion, with many expected to invest and borrow to take advantage of new opportunities.



VIEW FROM THE GROUND

Our customers are showing resilience, and some businesses are finding opportunity in uncertainty. The defence projects underway are driving foreign and domestic investment into the state, and that will provide a solid foundation for years to come.

Joe Paparella
State Business Banking Executive,
South Australia & NT

HOW WE'RE SHAPING TOMORROW

Australian Grain Export

Australian Grain Export trades around 3.5 million tonnes of grains annually, working with more than 8,000 growers and supplying over 20 international markets, including Asia, the Middle East and the Indian subcontinent.

“Investing in our dry fractionation facility, capable of processing 20,000 tonnes of faba beans, has lifted earnings and helped build resilience in an increasingly volatile global market.”

Tyson Hewett
Senior Trader

A solid year for trade, with an eye on what comes next

Trading conditions held up well last year and that's good news for 2026. But it's never too early to manage your risk.

Jasmine Ashton
Executive, Specialist Banking

James Sheehan
Head of Markets

While 2025 was patchy for producers across the country, with some regions experiencing less favourable seasons, the overall picture was strong for domestic and international trade.

As the impact of global trade disruptions became clearer, markets and consumers continued to welcome Australian products, supported by favourable currency and commodity prices. Manufacturers, meanwhile, have responded by investing in equipment, efficient processes and more resilient supply chains to remain competitive.

This resilience was reflected in 12% year-on-year growth in the volume of international trade transactions at the end of 2025, driven largely by farming, mining and regional industries. In any environment that would be considered a good result, but given the uncertainty that accompanied the start of the year, it's very positive.

The final quarter of the year was particularly strong, although that's typical of any year. The October-December period saw a 21.2% increase in trade volumes, compared to the same quarter in 2024. When considered as a country-wide figure, that indicates a solid season for growers and producers.

In agricultural production, parts of Victoria faced notable challenges, while Western Australia stood out for its strength. Grain production, in particular, benefitted from favourable conditions, and ABARES is predicting winter crop production of 68.4 million tonnes for 2025-26 (up 10% on the year prior, and the second highest on record). While tariffs did affect some sectors, in several cases they worked to the advantage of Australian businesses, with Australian beef into the US achieving remarkable success.

Certain industries continue to face their own challenges. Ongoing pressures in some Australian wine regions proved sticky. But the broader outlook for agriculture remains very positive, with the reputation of our food and produce generating ever-increasing demand in ever-multiplying markets.



“

Manufacturers have continued to invest in equipment, efficient processes and resilient supply chains.

Shifting market forces

While the outlook can change, it's fair to say that we've entered a new phase in macroeconomic policy and global trading conditions. That shift is likely to bring greater volatility in currencies and commodity prices, with the speed of recent changes in the dollar over summer taking many by surprise.

Our research team expects the Australian dollar to strengthen this year, while commodity prices are forecast to remain resilient to external shocks. Much will depend, however, on how international political dynamics evolve over the year, and how international investors and central banks respond. (For the most up-to-date view, check out the NAB macroeconomic forecasts on pages 10 and 11, including the Australian dollar, cash rate and GDP.*)

Layered on top of that are the headlines. Climate change is no longer something to be considered as an add-on or

*NAB forecasts alone should not be used as a risk management strategy.

Domestic and international trade

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Grain production, in particular, benefited from favourable conditions.

afterthought, but a material influence on how businesses invest, operate and make trading decisions. The rise of AI, meanwhile, has been much-discussed but is only going to become more important to businesses – we’re just at the beginning of that story. The use of analytics to support production or trading decisions, for example, is starting to make an impact, but the risks of AI are also starting to be felt before they’re fully understood.

The response, as always, needs to be measured and thoughtful, rather than reactive. Interest rates, for example, will develop in phases. For businesses exposed to international trade, the priority isn’t responding to every rate movement as it happens, but understanding the direction and pace of change and the risk management policies and procedures that organisations have in place to manage volatility.

Embracing change

Developing new markets has become second nature for regional businesses. Chinese trade restrictions, COVID and now a new tariff environment have all reinforced the reality that relying on a single supplier or buyer is no longer tenable. While new relationships have been nurtured, trading businesses would do well to build on the lessons learned, continuing to apply them as they pursue new opportunities and strengthen resilience across their supply chains and offtake.

Often times, agri and regional businesses focus on commodity and FX risk when moving into new trading corridors. The bigger blind spots, however, are buyer default risk, jurisdiction and performance risk, unfamiliar buyers, and different enforcement regimes and dispute dynamics that can evolve with businesses that have to explore new markets to find growth. Ultimately, it’s cash conversion volatility and new market counterparty risk that hurts businesses more than price movements.

Domestic trade, too, is an evolving area. As infrastructure projects across the country come online – the Inland Rail, Western Sydney International Airport and the many highway upgrades underway – our logistics networks are only going to improve. The opportunity for regional businesses to access markets on the other side of the country has never been greater.

Add an expert to your corner

As always, it’s important to have the right tools and the right support to make your decisions, and to back them up. Trading, by necessity, involves exposure to money markets and currency fluctuations – and Australian firms are significant users of foreign exchange services. In fact, nearly 15% of businesses overall use FX to manage this risk and the figure is even higher in individual sectors. In wholesale trade, for example, more than half of businesses (51.6%) rely on FX.

When opening up new markets and engaging with new counterparties, there is often an additional layer of risk. Understanding the regulations, trading regimes and business norms of foreign jurisdictions can be difficult to navigate without the right expertise and experience on your side.

For businesses navigating changing trading conditions and operations – whether that’s contract durations, hedging arrangements for new markets, or something else again – a conversation with your specialist NAB banker is a good place to start. Risk management advice for businesses operating in global markets is a core service offering at NAB and an important part of any successful international trade strategy.

VIEW FROM THE GROUND

Overall business confidence is improving, with a strong 2025 for winter crop yields and livestock prices in northern NSW and strong commercial development in Newcastle. Looking ahead, businesses are focused on tackling productivity, input costs and skilled labour using AI and automation. All sectors are innovating their customer service offerings by adopting digital tools.

Peter Steele
State Business Banking Executive,
Northern NSW

THE HEADLINES

- Expect yields and commodity prices to remain in balance, with high global and Australian grains production and continued strength in beef.
- Access to new markets, particularly ASEAN, and new technology will reshape how trading businesses operate.
- A robust risk management strategy is key.

Deposits

Building value beyond the farm gate in 2026

Strong production and healthy balance sheets are setting the scene for a new phase of regional investment.

Agriculture underpinned a strong year for cash balances in 2025, with deposits growing by 9.6% overall.

Looking ahead, ABARES forecasts agricultural production will reach a record \$101.4 billion in 2025-26, with exports expected to hit an all-time high of \$80.5 billion.¹ All other things being equal, that result would feed into the cash reserves of primary producers, giving businesses greater flexibility to reinvest for growth, manage risk and absorb rising input costs.

Regional businesses weren't far behind, with deposits up 6.9% – a strong result in any year.

Across all sectors, deposits grew by 7.3%. Machinery and equipment manufacturing was a star performer, recording 27.9% growth and demonstrating a turn in business thinking and activity towards investment into automation.

Services to mining (20.1%) and basic material wholesaling (19.5%) also amassed strong cash reserves over the year, as did food and beverage manufacturing, which saw an 8.6% increase in deposits.

That strength is illustrative of the need for raw and processed food – as well as resources and materials

¹ ABARES Agricultural Outlook cited at: <https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/march-2026#overview>



– from domestic and international markets to fuel economic development. The continued shift towards local manufacturing may be an ongoing investment theme into the near future, as global consumer preferences increasingly favour not only Australian food and materials, but the value-added products made from them.

Adding value along the supply chain is a natural progression for regional economies, particularly if commodity prices soften while production remains strong. We're already witnessing a trend towards increased feedlotting and more intensive livestock production, and post-farm gate regional processing may be a logical next step. Cash balances in sectors servicing agriculture and mining will be worth watching, with many businesses well positioned to move quickly on investment opportunities.

Road transport (12.6%) and property services (11.2%) have also seen healthy investment in recent years. That aligns with our other data and customer conversations, which point

Deposits



to robust household spending and continued strength in logistics and property markets in the regions.

With interest rates expected to rise slightly over 2026, businesses may find more incentive to put cash aside, potentially for longer durations. Certainly, cash flow management continues to be a priority for agricultural and regional businesses, given the impact of ongoing inflation on input costs and margins.

Deposits activity in the agriculture sector will, as always, be strongly tied to the success of cropping seasons and performance at saleyards. While overall year-on-year business deposit growth remains strong, balances held in the Farm Management Deposit (FMD) scheme have been largely flat, sitting at \$5.95 billion in January 2026 compared with \$6 billion a year earlier. This stability reflects the way many eligible businesses use FMDs over multi-year cycles, effectively amortising income across variable seasons to balance the highs and lows. With strong production volumes forecast for the year ahead, further increases in deposits are possible, providing additional reserves to draw on in the future.

More broadly, with markets, trading conditions and business confidence beginning 2026 on a solid footing despite uncertainties, the conditions appear set for healthy cash balances for businesses and another positive year for deposits growth.

HOW WE'RE SHAPING TOMORROW



Ord River District Co-Operative (ORDCO)

ORDCO is driving a revival of cotton in Kununurra, using new pest-resistant strains and a newly commissioned gin to re-establish the crop at scale, with around 10,000 hectares planted this season – five times more than ever before in the region.

“It’s a really exciting time here. The gin just turns around this part of the world.

“The pastoral sector is almost unrecognisable compared to 10 or 12 years ago and we’re very much involved in that change.”

Dan Raymond
CEO

VIEW FROM THE GROUND

The new cotton gin in Kununurra is a great example of how Western Australia is diversifying through the boom. It’s using new technology and making new products, and it’s facilitated an upgrade of Wyndham Port. Businesses more broadly are continuing to find new opportunities and efficiencies from the ongoing momentum and investment in the state.

Jeff Pontifex
State Business Banking Executive,
Western Australia

Productivity and efficiency drive equipment investment

When it comes to plant, vehicles and equipment, businesses are clearly focused on smarter operations that save time and money.



Once again, 2025 was a busy year for equipment purchases across regional Australia, with finance transaction values and volumes rising across the country. Our data reflects what customers are telling us: well-positioned businesses are choosing to invest in equipment to lift productivity, upgrade their tools and find smarter, more efficient ways to work.

In fact, demand for agricultural plant, vehicles and equipment came in just shy of the record-breaking levels of 2024, with only a marginal difference overall. While the headline figures were strikingly similar, the changing mix of purchases tells a broader story – one of how Australia’s industries are evolving as they position themselves for what comes next.

Bucking expectations

Strong demand and market activity are always healthy indicators. What’s even more positive is that both held firm in a year when many might have expected conditions to soften.

Trading conditions for agricultural and mining commodities, as well as equipment, have been strong in recent years. Supply has often been uneven and unpredictable, and often tight enough to push prices higher and extend delivery times.

Macroeconomic and regulatory settings have also contributed to the run of record years, with instant asset tax write-offs driving a lot of sales, particularly in utility vehicles. At the same time, demand for Australian produce, materials and goods has surprised many with its strength across both domestic and international markets. Periods of

relatively low interest rates have also supported business confidence and investment in new and used equipment.

Against that backdrop, the past year – without many of those same supports in place – highlights the underlying strength of demand for equipment, driven by genuine business needs rather than temporary incentives. Australian farmers, miners and regional businesses are not being pushed into their purchases by external factors. They want those tractors and headers, trucks and trailers, plant and even planes, because these assets support future growth.



Improvements in technology and build quality mean that a good asset can push out to seven years.

Built for the long haul

Again, and unsurprisingly, trucks over 3.5 tonnes proved the hot-ticket item in 2025. A good truck has always delivered reliability as well as performance, but the models on the market now are light years ahead of those available a decade ago.

When you’re putting 250,000 kilometres on a heavy vehicle every year, you might expect to turn them over in four years. But improvements in technology and build quality mean that a good asset can push out to seven years, with reduced cost of repairs in that time. If it’s built well and

Equipment finance trends

VIEW FROM THE GROUND

With productivity and compressed margins a focus for customers, we're seeing a lot of interest in automation and AI. The pace of investment has changed – it's gone beyond curiosity. Agriculture and professional services will be leading adoption over the next few years.

Naomi Stuart
State Business Banking Executive,
ACT and Southern NSW

built to last, it's worth paying for, and our transactions data shows that regional businesses agree.

Trailers over 3.5 tonnes also saw a jump of 16% nationally, demonstrating that the run of growth in our logistics sector is not going away. As our cities and regions become more intertwined, and our businesses increasingly sophisticated, we expect to see plenty more growth in the equipment used to carry material and goods around our ever-improving road, rail, air and shipping networks.

Headers are the other item leading sales nationally, and 2025 saw a massive jump of 28% growth in transactions in Western Australia, as well as 17% in NSW. Headers are a more seasonal piece of equipment than trucks and tend to swing a bit more with the weather. But it's reasonable to infer that producers in those regions are doing all right. Western Australia, in general, had a bumper year, with upwards of 21% growth in business equipment, and 22% in overall growth.

Powering productivity

Productivity and efficiency are emerging as key themes in equipment finance data, just as they are across other banking and economic data, and in the national discourse generally.

For those businesses struggling to attract labour (and these days, that's most businesses), a wise investment in a strategic piece of equipment can help you and your employees do more with less.

It's another reason why regional businesses are increasingly investing not only in solar, but in the battery systems to back them up and the irrigation systems to complement them. Solar assets grew by 32% in 2025, and investment in technologies that support optimisation, efficiency and automation is expected to continue gaining momentum this year. NAB is supporting this transition through green loans backed by the Clean Energy Finance Corporation, helping regional businesses invest in these opportunities.

While batteries have historically lagged that take-up, expect battery-only installations to increase as existing solar users decide to bolt a bit more on to their system. The cost curve and quality of batteries are improving (as are government incentives and support) and they may become standard additions to new solar installations as well.

Enduring global demand

Normalising capital costs and equipment costs, and introducing more stability into the strength of the dollar and interest rates, would support businesses in making those investment decisions.

While there had been indications that 2026 would be a little more settled than recent years, uncertainty persists. However, despite this, the world needs Australian beef, Australian wheat and Australian steel. To meet that demand, we'll need the equipment to produce it.

THE HEADLINES

- 2025 was another groundbreaking year, despite less favourable conditions.
- Productivity and efficiency are emerging as key themes in equipment finance.
- Solar assets grew 32%, and batteries are following.

HOW WE'RE SHAPING TOMORROW

Australian Vinegar

Australian Vinegar is one of Australia's leading producers of everyday value and top-shelf wine vinegars, producing millions of litres of product each year.

"We manufacture in regional Australia and sell nationally and globally, using automation and data at every step – essentially, we're a technology company that makes vinegar."

Ian Henderson
Founder, Master Vinegar Maker



To find out more, visit
nab.com.au/horizons

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