

NAB Monthly Business Survey Sep-25

Confidence gains while conditions hold steady

NAB Economics



Summary

Business confidence rose 3pts in September, retracing the fall in August to be back above its long-run average. Business conditions were unchanged in September as improvements in trading conditions and profitability were offset by a fall in the employment index. The profitability index has now lifted 11pts since May, a positive sign for labour demand over the medium term. By industry, gains in mining, manufacturing, construction and transport were offset by falls in the services industries, retail and wholesale. One disappointing aspect of the survey was a 3pt drop in forward orders. Orders have now dropped below average and are back into negative territory. Nonetheless, the level of activity remains high, with capacity utilisation edging up further in September to its highest level since May 2024. Retail price growth, overall output price growth and purchase cost growth all rose marginally in the month but remain lower than seen at the start of the year. Labour costs growth edged lower in the month. Overall, both business confidence and conditions appear to be consolidating the improvements seen through mid-2025, suggesting that the private sector has maintained most of the momentum gained through H1 2025. The survey also continues to mirror the broader trends of a more gradual easing in price pressures in the economy.

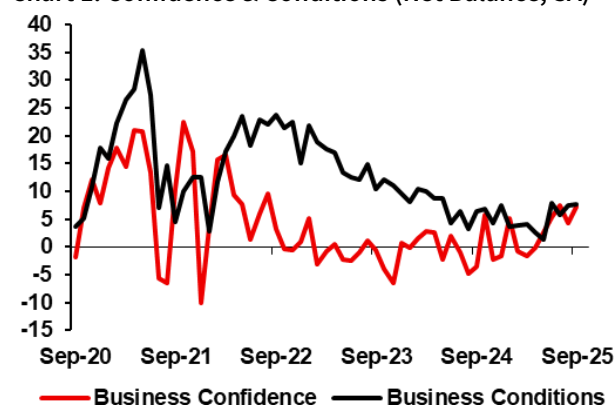
Survey Details

- **Business confidence** rose 3pts to +7 index points in September retracing the 3pt (unrounded) fall in August. In trend terms, confidence was strongest in construction and transport & utilities, while mining and wholesale remained the weakest industries.
- **Business conditions** remained flat at +7 index points as moderate gains in profitability and trading conditions were offset by an easing in employment. In September profitability moved above its long-run average and now all three subcomponents are sitting above their respective long-run averages.
- **By industry**, conditions rose in mining, manufacturing, construction and transport & utilities but were offset by falls in the services industries, retail and wholesale. Trend conditions in the services industries maintained recent strength while mining rose to be the strongest industry at +24 index.
- **By State**, conditions in Qld remained the strongest in trend terms by some margin, while they are weakest in Tas, sitting 6pts behind the next weakest state. Trend confidence was in positive territory and above long-run averages in all states in September.
- **Capacity utilisation** edged up further to 83.4%, the highest level since May 2024. **Forward orders** fell sharply back to negative territory after trending up over the past year.
- **Purchase cost growth** edged up to 1.4% in quarterly equivalent terms. **Labour cost growth** eased slightly to 1.5% from 1.6% while **product price growth** edged up to 0.8% and retail prices growth was 0.7%.

Table 1: Key Monthly Business Survey Statistics

	Jul-25	Aug-25	Sep-25
	Net balance		
Business confidence	8	4	7
Business conditions	6	8	8
Trading	13	13	16
Profitability	3	5	6
Employment	2	5	3
Forward Orders	0	1	-2
Capex	8	9	7
Stocks	3	6	10
Exports	0	0	2
	% change at quarterly rate		
Labour costs	1.8	1.6	1.5
Purchase costs	1.4	1.2	1.4
Final products prices	0.7	0.7	0.8
Retail prices	1.0	0.5	0.7
	Percent		
Capacity utilisation rate	82.5	83.2	83.4

Chart 1: Confidence & Conditions (Net Balance, SA)



All data seasonally adjusted and subject to revision. Survey conducted from 23 to 30 September, covering around 370 businesses across the non-farm business sector. **Next release date: 11 November 2025.**

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

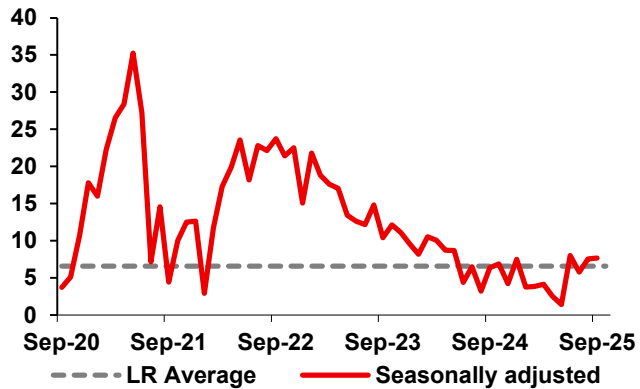


Chart 3: Components of Conditions, SA (Net Balance)

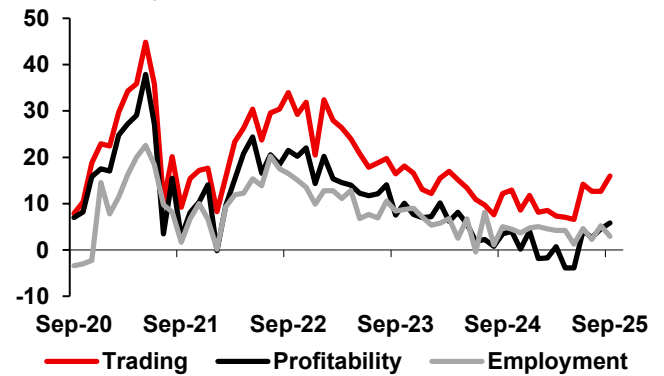


Chart 4: Business Confidence, SA (Net Balance)

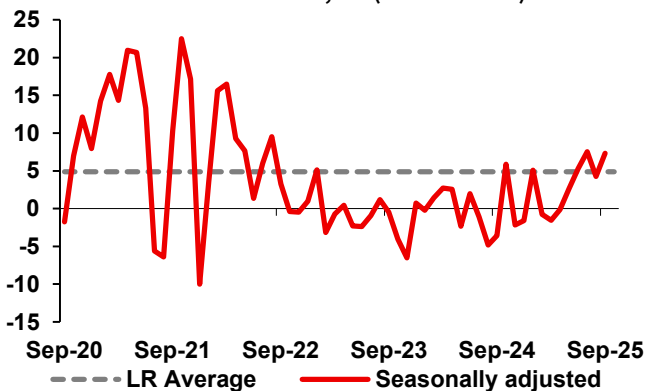


Chart 5: Conditions & Confidence, Trend (Net Balance)

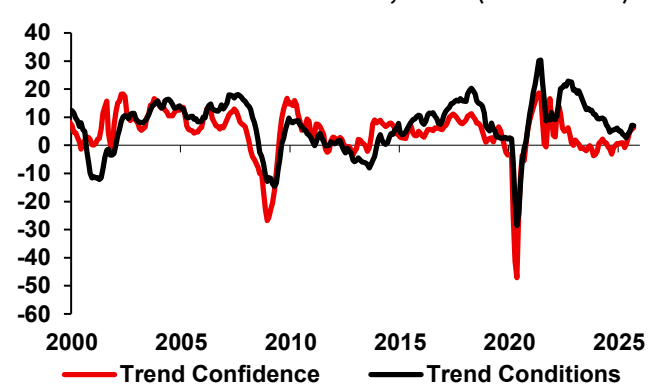


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

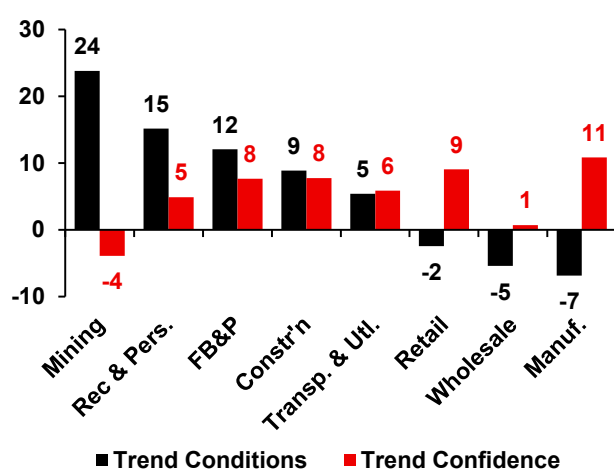
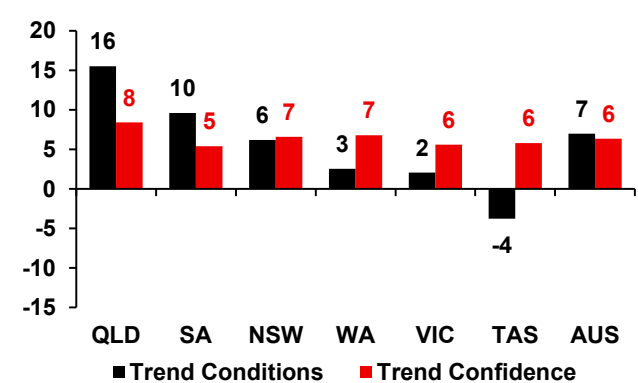


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

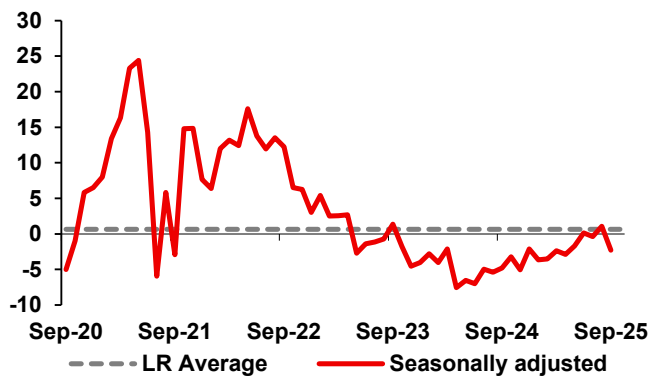


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

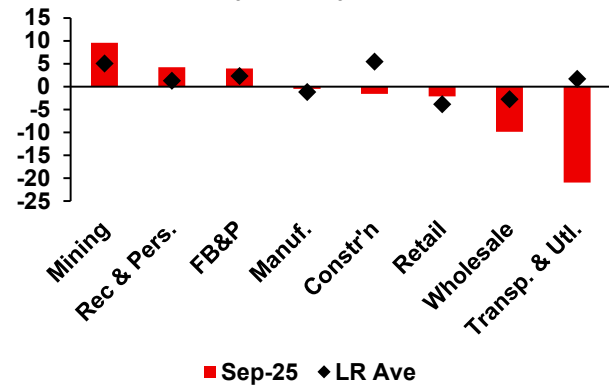


Chart 10: Capacity Utilisation, SA (%)

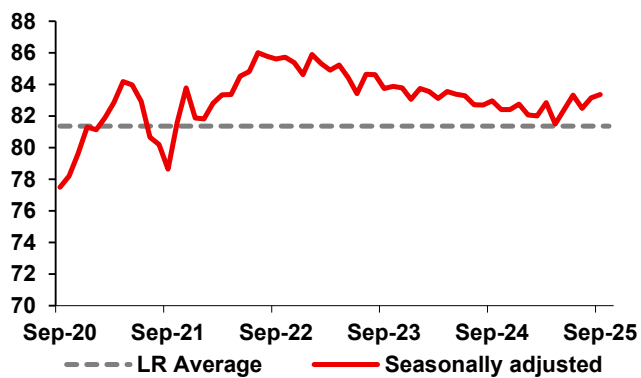


Chart 11: Capacity Util. by Industry, Trend

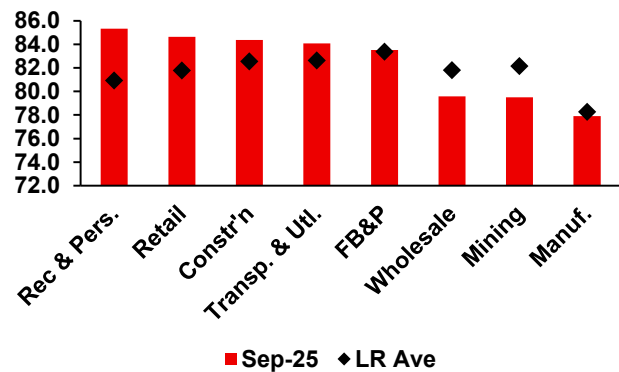


Chart 12: Capital Expenditure, SA (Net Balance)

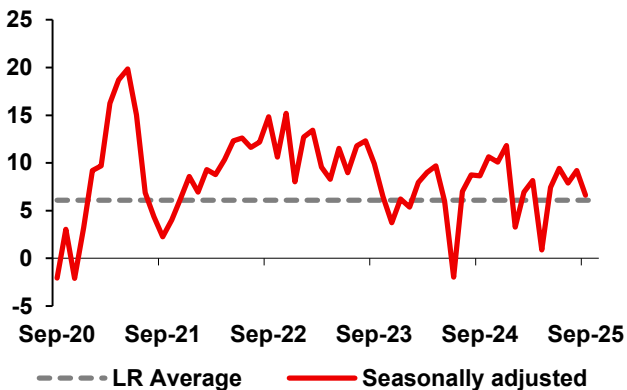


Chart 13: Exports & Stocks, SA (Net Balance)

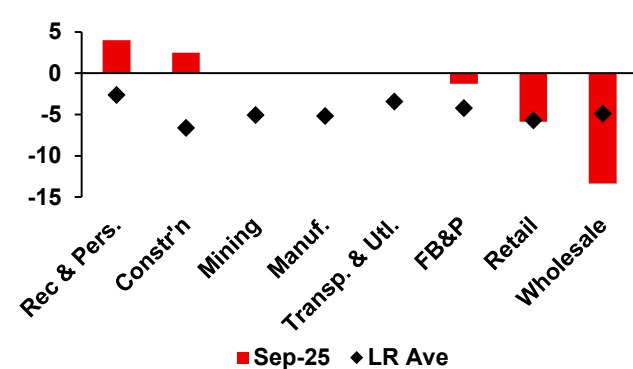
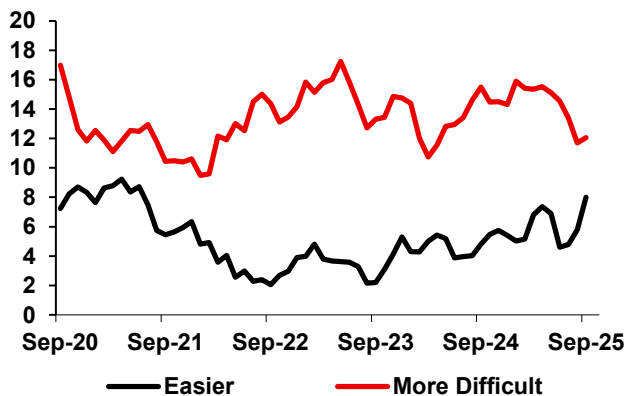
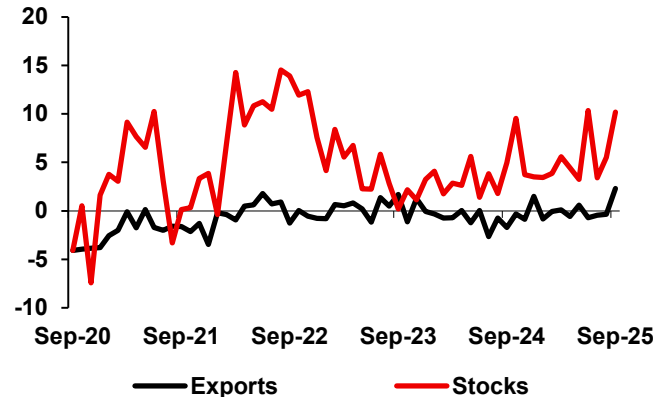


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

Chart 15: Borrowing Conditions by Industry (Net Balance)

Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

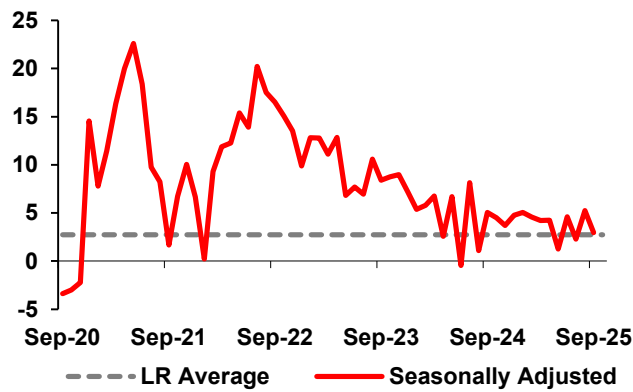


Chart 17: Employment, Selected Industries, Trend

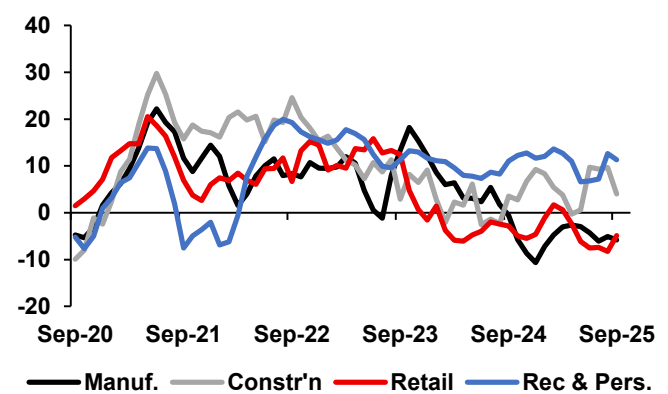


Chart 18: Cost Growth, SA (% Qtly Eq.)

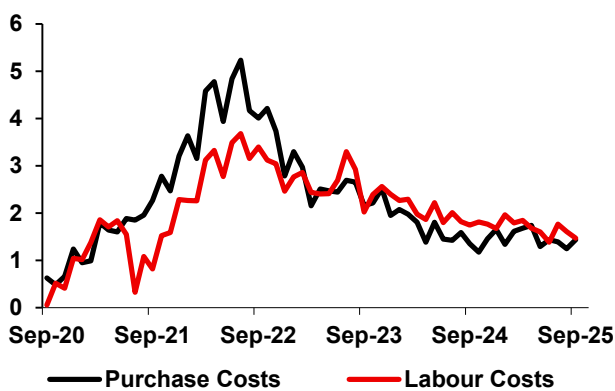


Chart 19: Labour Costs, Selected Industries, Trend (%)

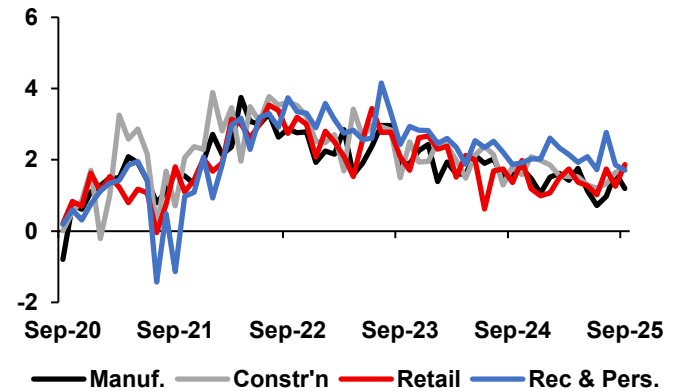


Chart 20: Output Price Growth, SA (% Qtly Eq.)

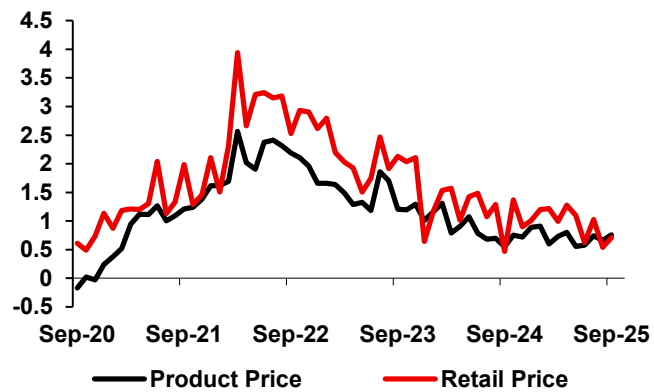
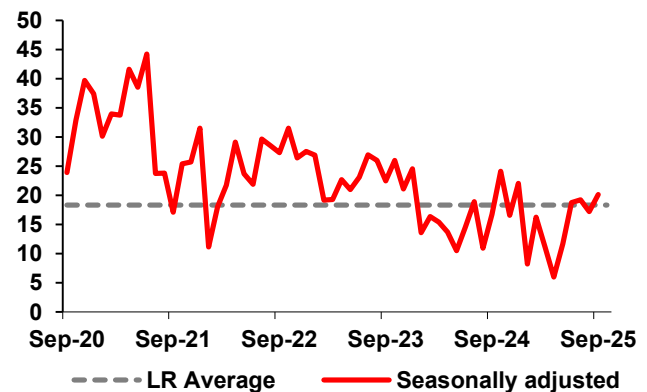


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

Chart 22: Conditions by State (Net Balance, Trend)

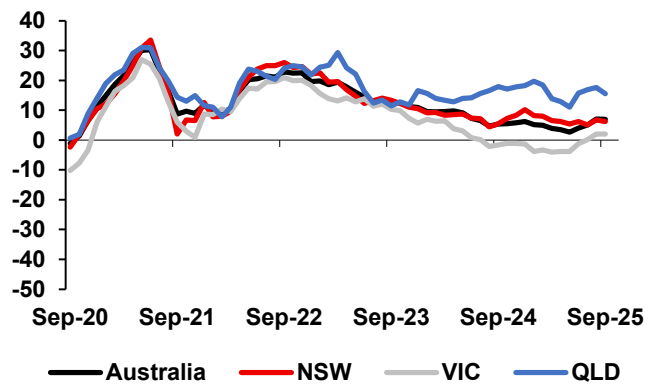


Chart 23: Conditions by State (Net Balance, Trend)

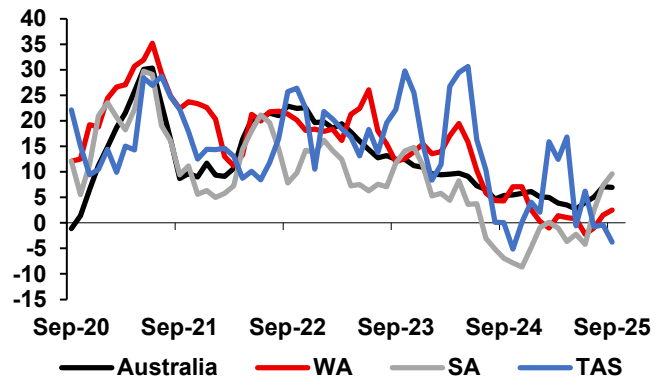


Chart 24: Confidence by State (Net Balance, Trend)

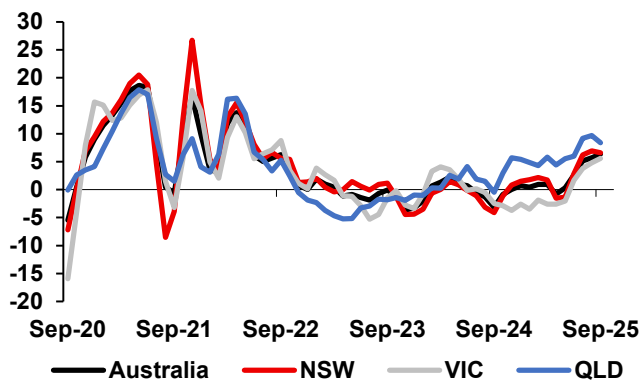


Chart 25: Confidence by State (Net Balance, Trend)

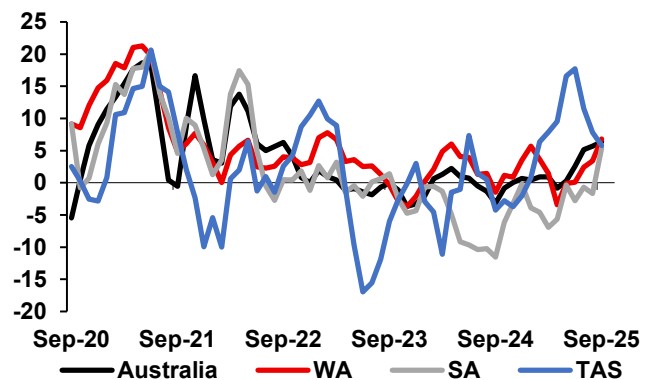


Chart 26: Conditions by Industry (Net Balance, Trend)

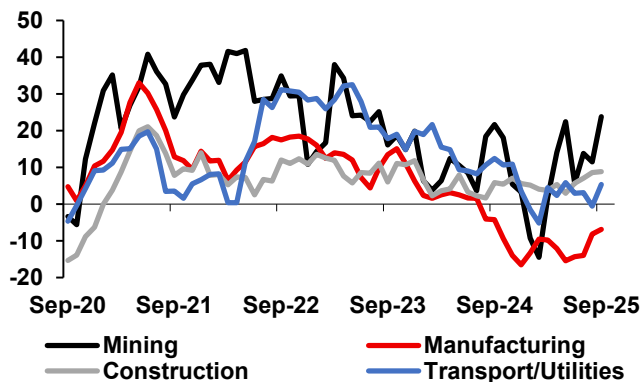


Chart 27: Conditions by Industry (Net Balance, Trend)

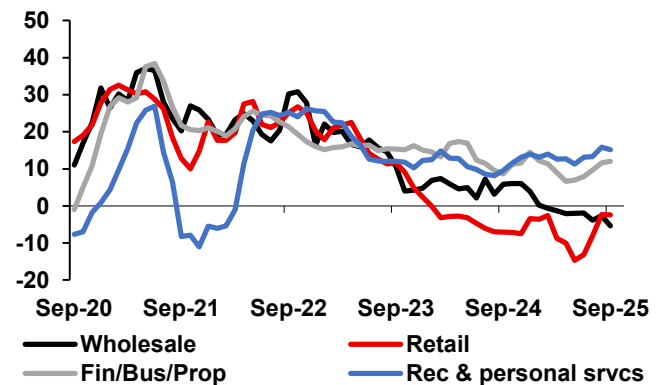


Chart 28: Confidence by Industry (Net Balance, Trend)

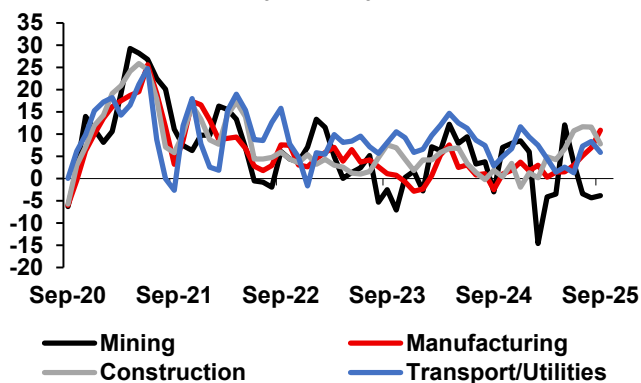
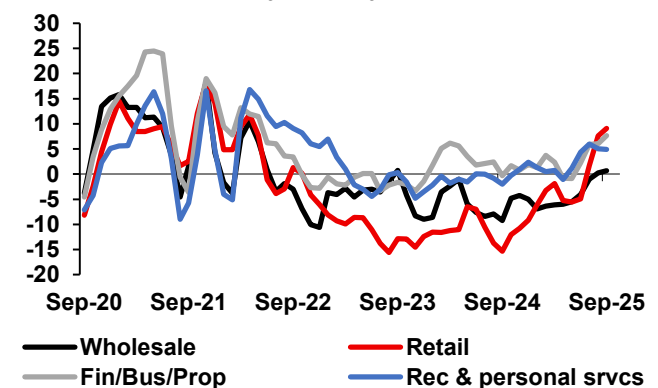


Chart 29: Confidence by Industry (Net Balance, Trend)



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Appendix: list of series available to subscribers[^]

Monthly Business Survey^{*}

Business Confidence	Net balance
Business Conditions	Net balance
Trading Conditions	Net balance
Profitability	Net balance
Employment	Net balance
Forward Orders	Net balance
Stocks	Net balance
Exports	Net balance
Capital Expenditure (Capex)	Net balance
Cash Flow	Net balance
Labour Costs	% change at quarterly rate
Purchase Costs	% change at quarterly rate
Final Prices	% change at quarterly rate
Capacity Utilisation	Per cent
Borrowing Demand & Conditions	%; net balance

All series available on an industry basis for:

Mining
 Manufacturing
 Construction
 Retail trade
 Wholesale trade
 Transport / Utilities
 Finance / Property / Business Services
 Recreation / Personal Services

All available on a state basis for:

New South Wales
 Victoria
 Queensland
 WA
 SA/NT
 Tasmania

^{*}All data available in original, seasonally adjusted and trend terms.

[^]Subscribers also receive a copy of the Subscriber details publication which contains a variety of extra charts and tables.

Quarterly Business Survey*

The Quarterly NAB Business Survey provides a more in-depth probe into the conditions facing Australian business than the monthly survey, and also examines additional information about how firms perceive the outlook for their industries.

Business Confidence

Business Conditions (current, next 3 mth, next 12 mth)

Trading conditions (current, next 3 mth, next 12 mth)

Profitability (current, next 3 mth, next 12 mth)

Employment (current, next 3 mth, next 12 mth)

Forward orders (current, next 3 mth)

Stocks (current, next 3 mth)

Export orders (current, next 3 mth)

Capital expenditure (current, next 3 mth, next 12 mth, fiscal year)

Required rate of return on investment

Cash flow

Labour costs (current, next 3 mth)

Purchase costs (current, next 3 mth)

Final prices (current, next 3 mth)

Capacity Utilisation

Borrowing index (current, next 3 mth)

Borrowing demand (current, next 3 mth)

Constraints on output (demand, labour, materials, premises & plant, finance/working capital)

Constraints on profit (capital, demand, high AUD, low AUD, interest rates, labour, tax, wages, energy costs, other)

Constraint on employment (demand, confidence, cashflow, suitable labour, high wages, government policy, labour not at full capacity, other, don't know)

All series available on an industry basis for:

Mining (sub-groups: Mining Extraction, Mining Services)

Manufacturing (sub-groups: food beverage & tobacco, textile clothing footwear & leather, wood & paper product, printing publishing & recorded media, petroleum coal chemical & associated products, non-metallic mineral product, metal product, machinery & equipment, other)

Construction (sub-groups: Residential Building, Non-residential Building, Other Construction, Construction Services)

Retail trade (sub-groups: Food, Personal & Household Goods, Motor Vehicle Retailing & Services, Other Retail)

Wholesale trade

Transport / Utilities

Finance / Property / Business Services (sub-groups: Finance, Insurance, Services to Finance & Insurance, Property Services, Business Services)

Recreation / Personal Services (Sub-groups: Motion picture, Radio & Television Services, Libraries Museums & the Arts), Sports & Recreation, Personal Services, Accommodation Cafes & Restaurants, Health Services, Education, Other Services)

All series available on a state basis for:

New South Wales

Victoria

Queensland,

WA

SA/NT

Tasmania

Margins (current, next 3 mth)

Overheads (current, next 3 mth)

Productivity growth

Number of employees

Hours worked

Gross Sales

Output/sales growth (current fiscal year)

Average earnings (current fiscal year)

Short term interest rate

Exporters hedged FX exposure (%)

Importers hedged FX exposure (%)

Months hedged (exporters)

Months hedged (importers)

Favourable hedge position (% of exporters)

Favourable hedge position (% of importers)

Affected vs not affected by AUD

Response to AUD (downsized, reduced, overheads, hedging, import substitution, focus on domestic market, other, don't know)

Driver of trading conditions (demand, wages/jobs, house prices, rates, exchange rate, tax/govt policy, seasonal, finance/working capital, company specific, other)

What will improve confidence (lower rates, more suitable labour, easier funding, government policy, higher demand, higher AUD, lower AUD, easier compliance, other)

*Data available in original, seasonally adjusted and trend terms.