



NAB Monthly Business Survey Apr-25

Capacity utilisation and capex decline

NAB Economics

Summary

Business conditions eased slightly in April, driven by weaker profitability. Confidence on the other hand, improved, but remains in negative territory and below its long run average. Despite the modest moves in headline confidence and conditions, there were some notable movements in other survey metrics this month, including a sharp decline in capex (falling to its lowest reading since June 2024), a decline in profitability and softer forward orders. The sharp rise in capacity utilisation recorded in March was also reversed; this measure fell to 81.4% and is now back at long-run average levels for the first time since mid-2021. While labour cost growth was steady this month, there was an uptick in purchase cost growth as well as higher final product price growth and retail price growth. Timing wise, the survey was fielded about three weeks after the initial 'Liberation Day' tariff announcements, which may explain the modest moves in headline business conditions and confidence, however, it would be historically unusual for the decline in Profitability to sustain without a decline in the Employment index, suggesting this dynamic bears close observation in coming months.

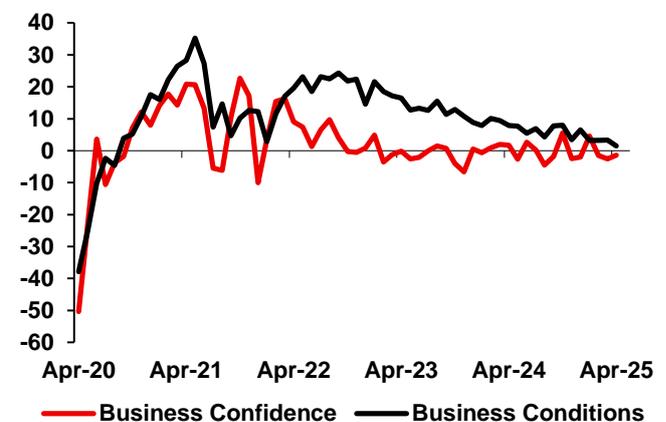
Survey Details

- **Business confidence** rose 1pt to -1 index point in April. Confidence by industry was mixed, with a significant increase in confidence in manufacturing and smaller increases in wholesale, construction, and finance, property & business services. In trend terms, confidence remains weakest in retail and wholesale.
- **Business conditions** eased by 2pt to +2 index points, driven by a 4pt fall in profitability. Trading conditions eased slightly by 1pt, while employment intentions were steady.
- **By industry**, conditions fell significantly in mining and transport & utilities (reversing the large increases seen in March). However, in trend terms, conditions are currently strongest in mining and recreation & personal, and weakest in manufacturing and retail.
- **By State**, conditions were mixed. There was a notable lift in Tas and Qld, and declines in SA, Vic and NSW. In trend terms, conditions remain weakest in Vic and SA. Confidence improved in all states except Qld and WA (which was flat in April).
- **Capacity utilisation** fell to 81.4% after a sharp increase in March. This brings capacity utilisation back to its long-run average for the first time since mid-2021. **Forward orders** fell by 1pt to -3 index points, while **capex** fell sharply to +1 index points.
- **Purchase cost growth** was up from 1.4% in quarterly equivalent terms to 1.7% while **labour cost growth** was steady at 1.6%. **Product price growth and retail price growth** both increased, with retail price growth rising from 0.9% to 1.4%.

Table 1: Key Monthly Business Survey Statistics

	Feb-25	Mar-25	Apr-25
	Net balance		
Business confidence	-2	-3	-1
Business conditions	3	3	2
Trading	7	6	5
Profitability	-2	0	-4
Employment	4	4	4
Forward Orders	-3	-2	-3
Capex	6	7	1
Stocks	4	5	4
Exports	0	0	-1
	% change at quarterly rate		
Labour costs	1.6	1.6	1.6
Purchase costs	1.4	1.4	1.7
Final products prices	0.5	0.6	0.8
Retail prices	1.1	0.9	1.4
	Percent		
Capacity utilisation rate	82.0	82.8	81.4

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



All data seasonally adjusted and subject to revision. Survey conducted from 22 to 30 April, covering around 350 businesses across the non-farm business sector. **Next release date: 10 June 2025.**

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

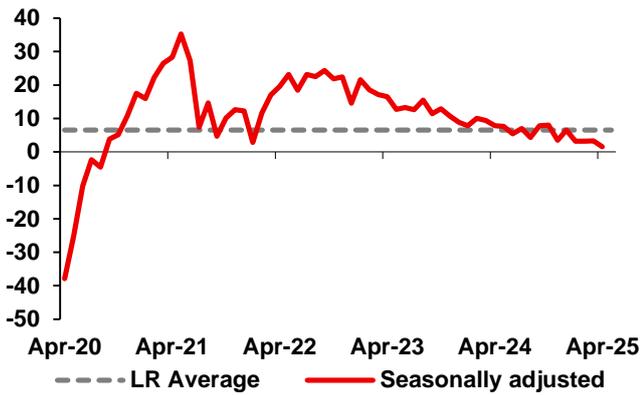


Chart 3: Components of Conditions, SA (Net Balance)

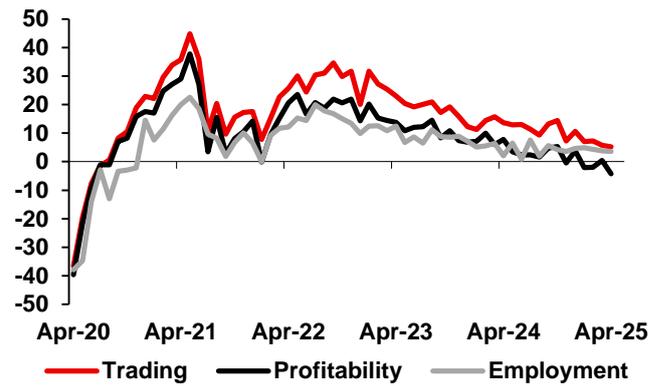


Chart 4: Business Confidence, SA (Net Balance)

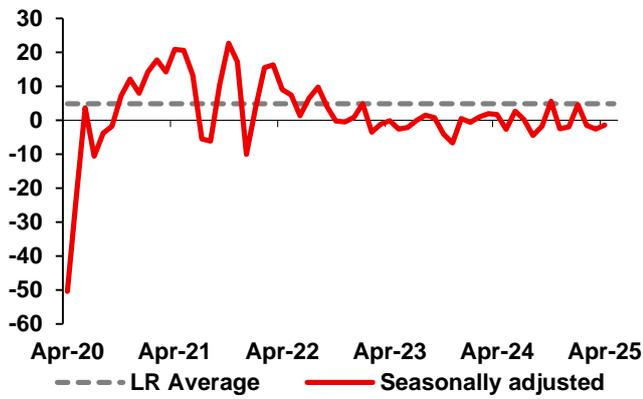


Chart 5: Conditions & Confidence, Trend (Net Balance)

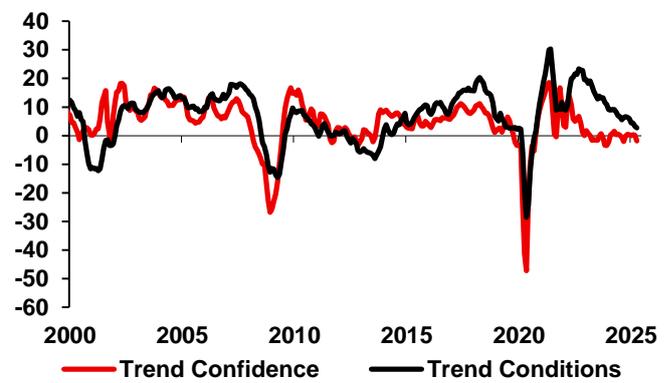


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

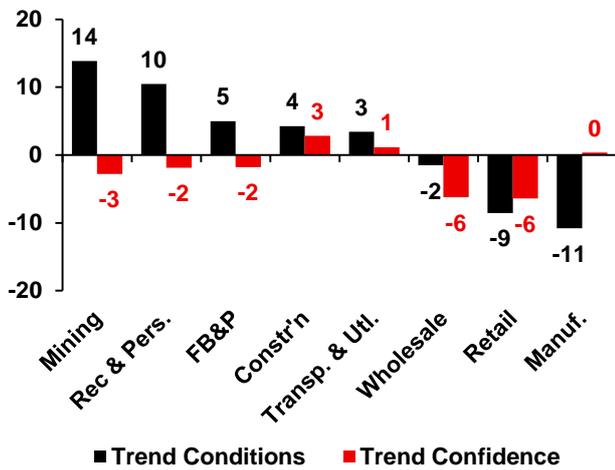
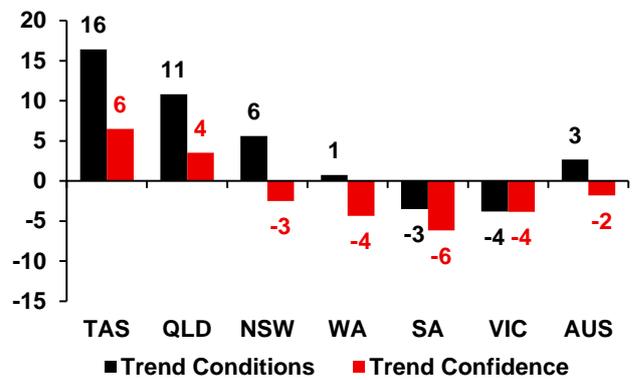


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

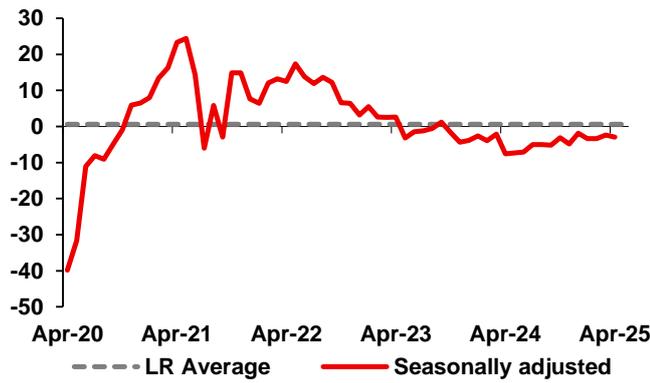


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

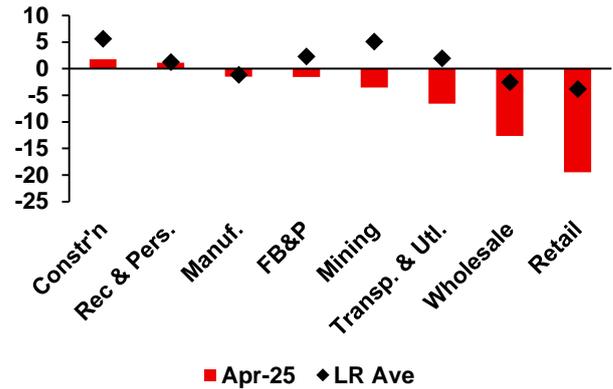


Chart 10: Capacity Utilisation, SA (%)

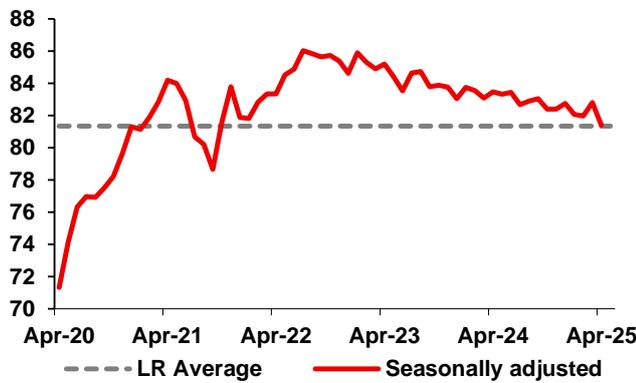


Chart 11: Capacity Util. by Industry, Trend

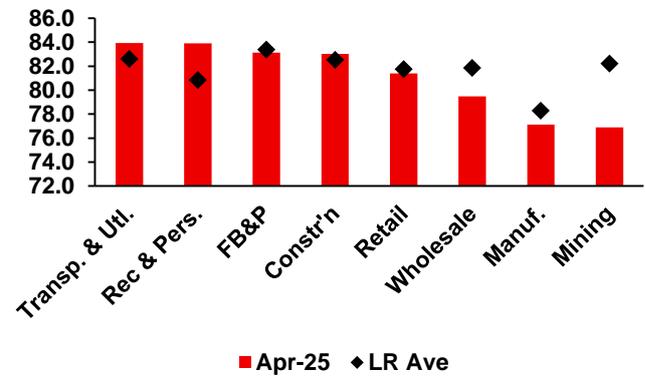


Chart 12: Capital Expenditure, SA (Net Balance)

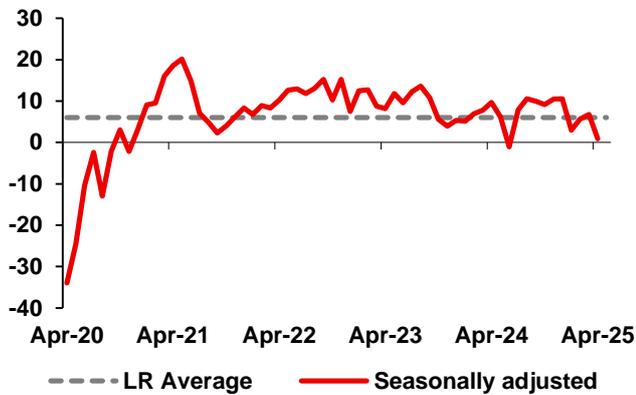


Chart 13: Exports & Stocks, SA (Net Balance)

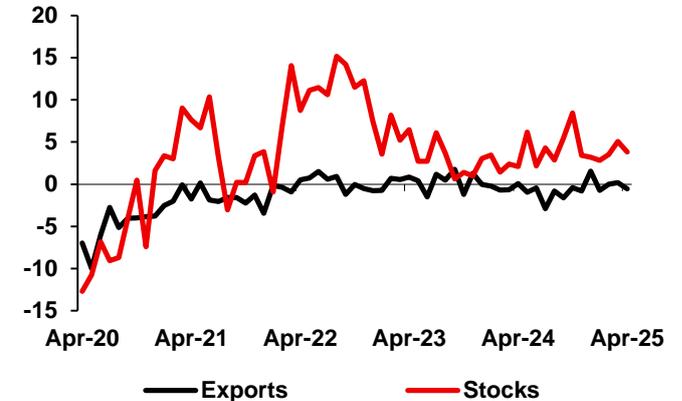


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

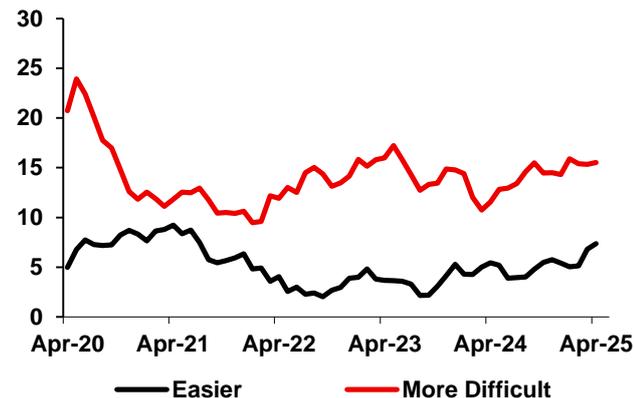
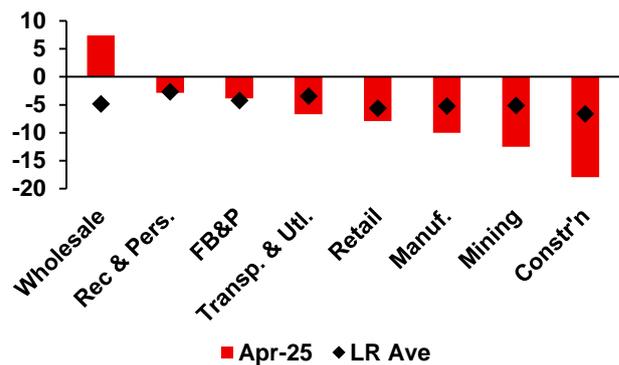


Chart 15: Borrowing Conditions by Industry (Net Balance)



Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

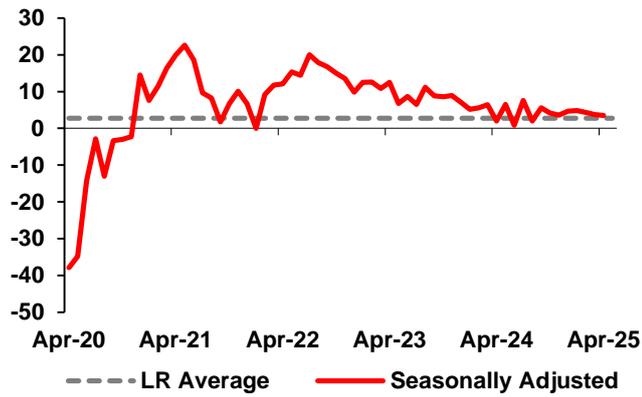


Chart 17: Employment, Selected Industries, Trend

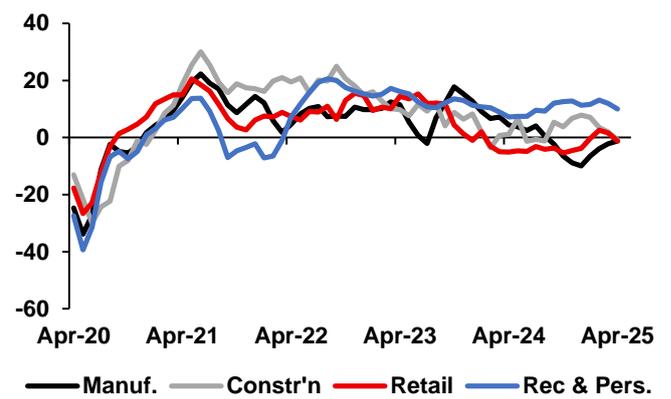


Chart 18: Cost Growth, SA (% Qtly Eq.)

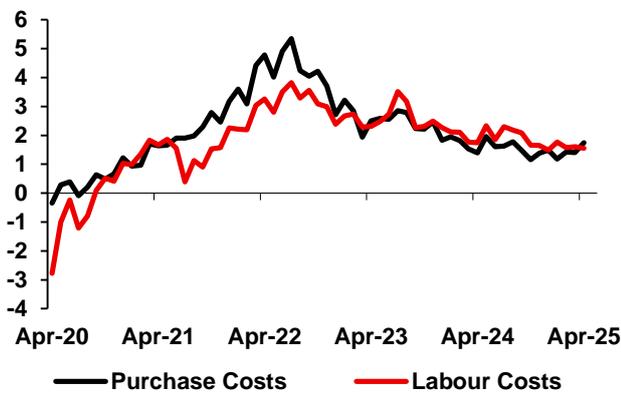


Chart 19: Labour Costs, Selected Industries, Trend (%)

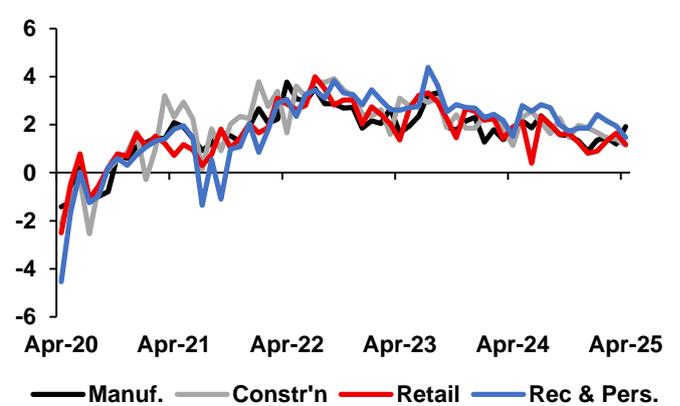


Chart 20: Output Price Growth, SA (% Qtly Eq.)

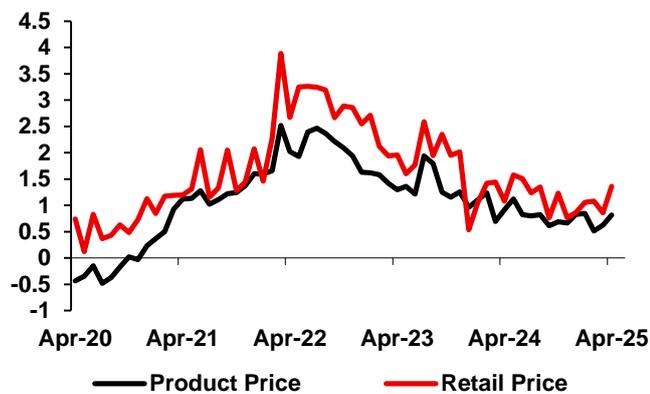
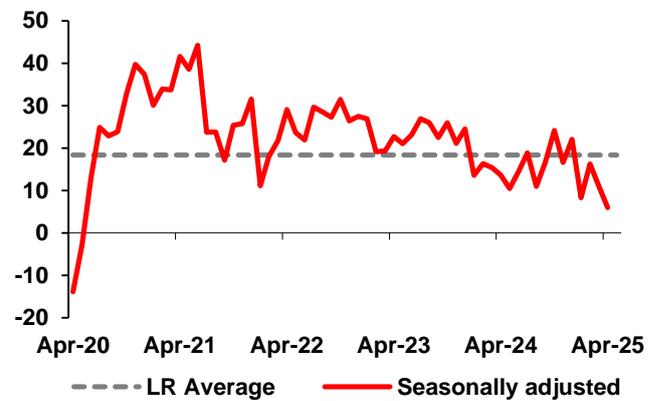


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

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

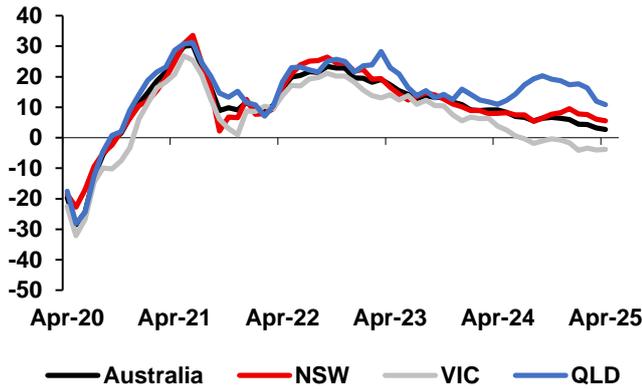


Chart 23: Conditions by State (Net Balance, Trend)

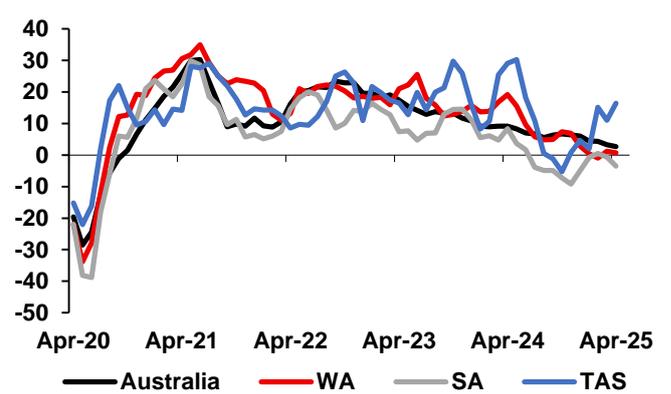


Chart 24: Confidence by State (Net Balance, Trend)

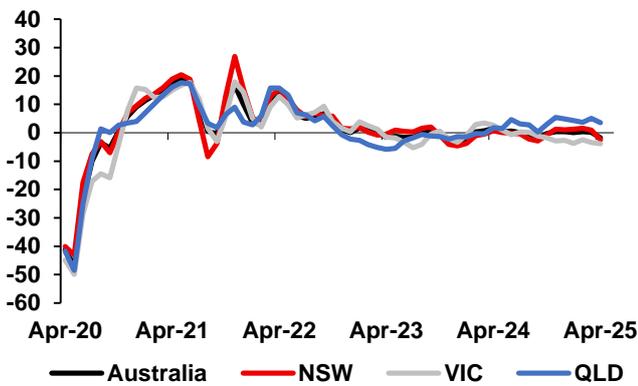


Chart 25: Confidence by State (Net Balance, Trend)

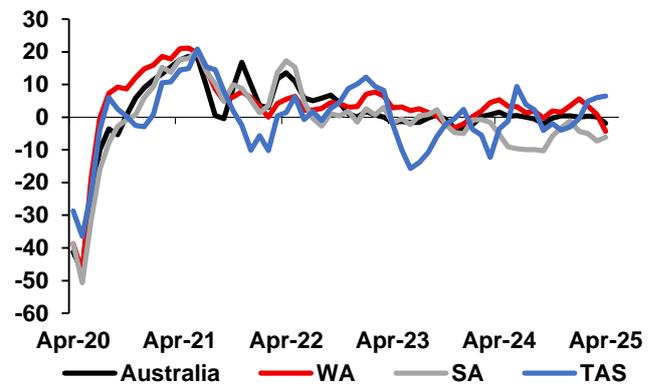


Chart 26: Conditions by Industry (Net Balance, Trend)

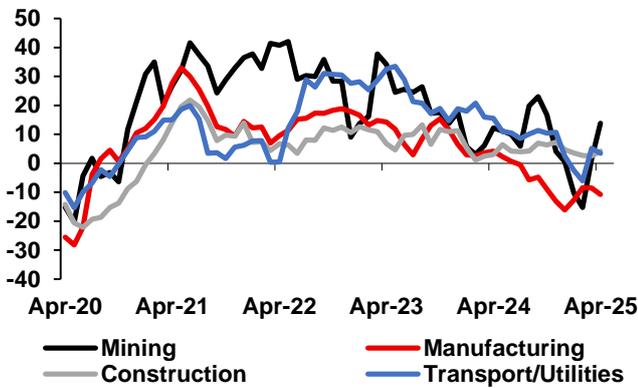


Chart 27: Conditions by Industry (Net Balance, Trend)

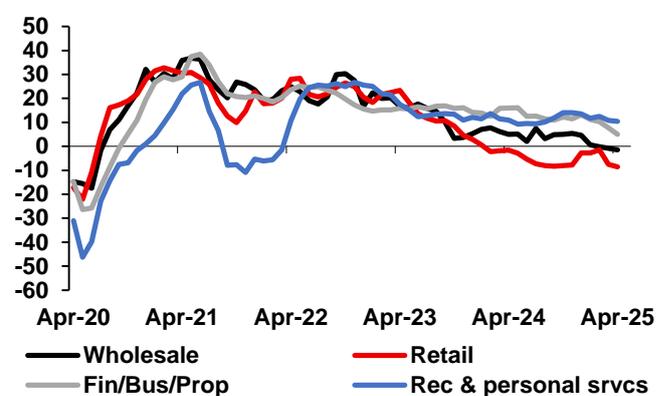


Chart 28: Confidence by Industry (Net Balance, Trend)

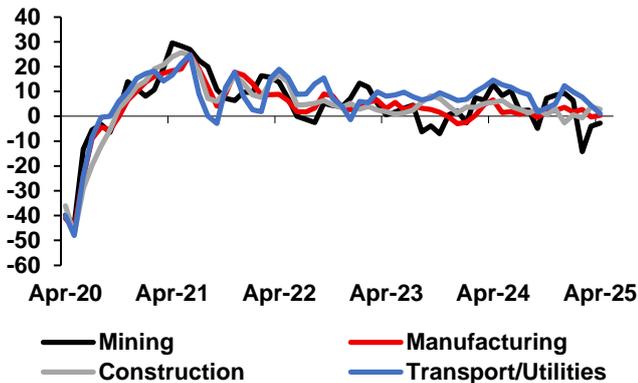
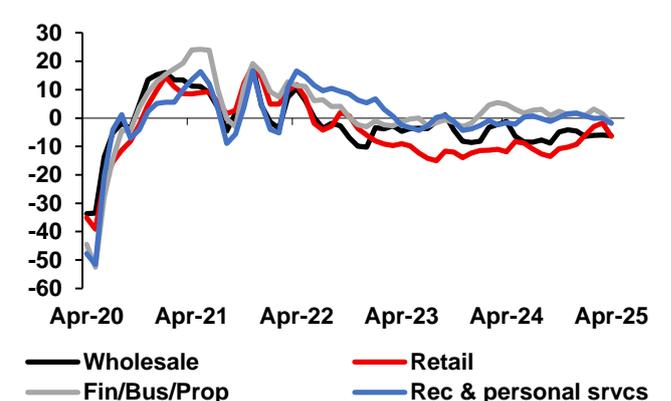


Chart 29: Confidence by Industry (Net Balance, Trend)



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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.