EMBARGOED UNTIL: 11.30AM THURSDAY 19 OCTOBER 2017

NAB QUARTERLY BUSINESS SURVEY

SEPTEMBER QUARTER 2017

National Australia Bank

Key points:

- The quarterly NAB Business Survey gives a more in-depth probe into the conditions facing Australian business than the monthly survey, and also provides extra information about how firms perceive the outlook for their respective industries.
- **Business conditions (an average of trading conditions/sales, profitability and employment) improved again in Q3**, driven by a lift in trading conditions and profitability. Employment conditions fell slightly, but are still at solid levels. Most industries reported positive business conditions, although wholesale and retail both deteriorated sharply, with retail sales dropping back to negative levels. **Business conditions rose to +15 in Q3, which is well above the long run average of +1 and is its highest level since early 2008.**
- That indicates a growing divergence away from **business confidence (at +7, which is only slightly above the long-run average)**, which might help to explain why firms are not investing as much as expected under these conditions. We have recently started asking firms about what factors have had the biggest impact on their confidence, and for those indicating a deterioration in confidence, margin pressure, the demand outlook, government policy and costs (energy and wages) are all having a major impact (detail on p4).
- **Meanwhile, most leading indicators saw only minor changes in Q3, but are generally holding at levels that suggest continued expansion in the next 12 months.** Forward orders eased a little, as did expectations for business conditions in the next 3 months. However, the longer-term outlook (next 12 months) for conditions lifted from already very elevated levels. The **capacity utilisation rate was down slightly** (at 82.1% compared with long-run average of 80.6%), but still bodes well for labour demand and future capital expenditure. Consistent with that, both **employment expectations and capex plans (next 12 months) strengthened**. Aside from better employment conditions, **a lift in labour costs (a wage bill measure) also points to a tighter labour market.** In addition, **significantly more firms indicated that it is more difficult to find suitable labour than it was a year ago** – an indicator which tends to be highly correlated with the unemployment rate (p7 & 8).
- Looking at the construction industry in more detail, residential construction conditions rose further, despite concerns about oversupply, while non-residential conditions remained relatively strong despite easing back in the quarter (see p12 for details).
- More **firms indicated that they were comfortable with the current level of the AUD, compared to the previous quarter,** despite the fact that the Survey was conducted when the AUD averaged $US 0.79 (near 5 cents higher that the previous Survey).
- **The Survey is suggesting subdued inflationary pressures, but labour costs (a wage bill measure) are slowly strengthening – potentially putting added pressure on margins** (the Survey's margins index remained negative). Product price inflation was relatively subdued, at an annualised rate of 0.9%, while retail inflation remains soft despite utility price rises.

Table 1: Key quarterly business statistics*

	2017q1	2017q2	**2017q3**		2017q1	2017q2	**2017q3**
		Net balance				*Net balance*	
Business confidence	8	8	**7**	Trading	13	17	**19**
Business conditions				Profitability	10	11	**15**
Current	10	13	**15**	Employment	7	10	**9**
Next 3 months	21	21	**20**	Forward orders	5	6	**5**
Next 12 months	28	27	**28**	Stocks	4	4	**3**
Capex plans (next 12)	28	26	**27**	Exports	2	1	**1**
	% change						
Labour costs	0.5	0.5	**0.6**	Retail prices	0.2	-0.1	**0.1**
Purchase costs	0.3	0.3	**0.3**				
Final products prices	0.2	0.2	**0.2**	Capacity utilisation rate	81.9	82.2	**82.1**

* All data seasonally adjusted, except purchase costs and exports. Fieldwork for this Survey was conducted from 21 Aug to 7 Sep 2017, covering more than 900 firms across the non-farm business sector.

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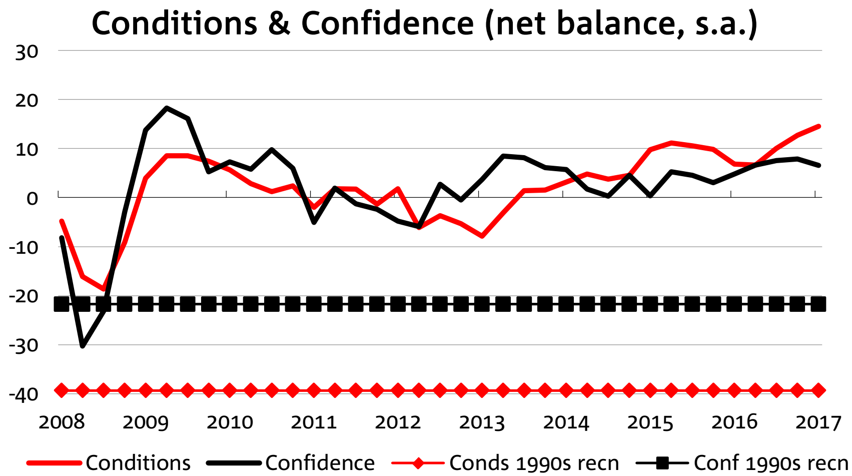
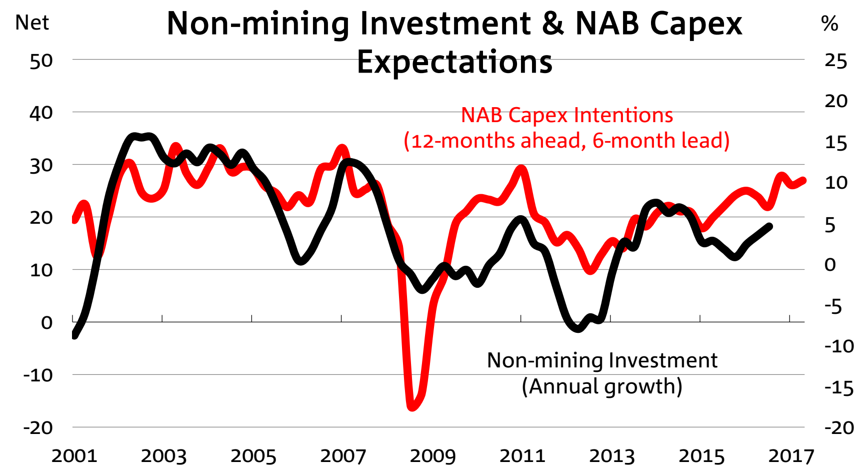
Leading indicators suggest expansion. Inflation steady at subdued levels.

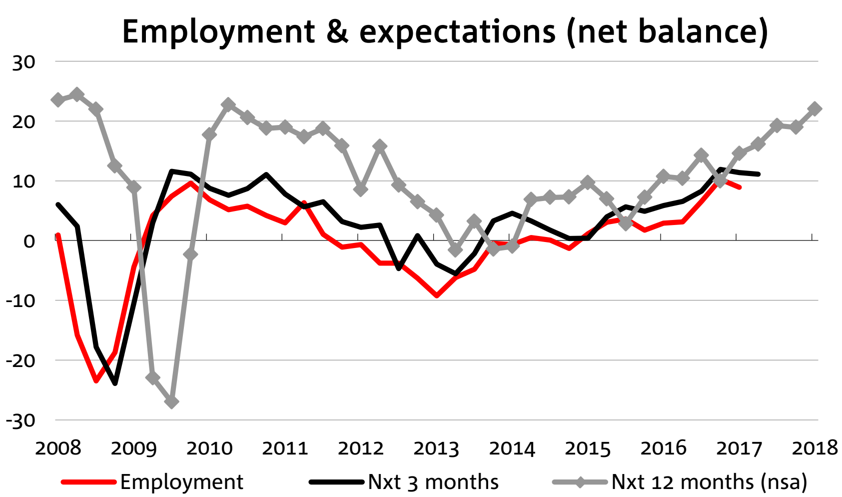
BUSINESS CONDITIONS JUMP TO THEIR HIGHEST SINCE 2008, BUT ARE DIVERGING FROM BUSINESS CONFIDENCE.



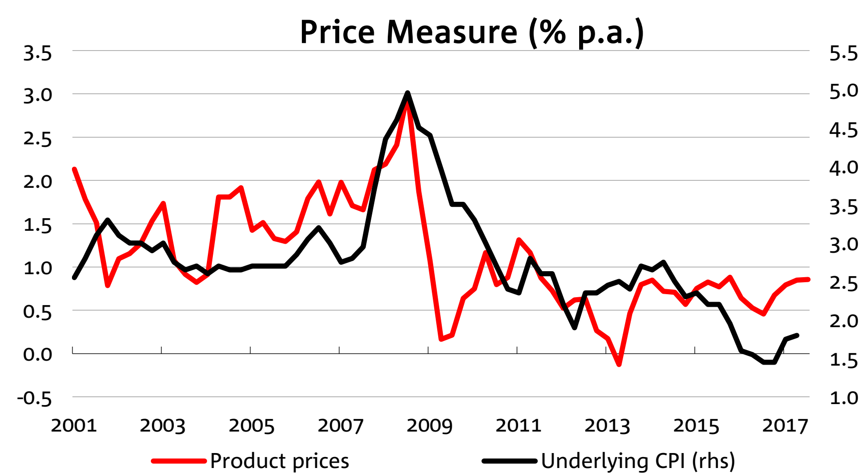
INVESTMENT INTENTIONS ARE STILL SOLID, SUGGESTING A FURTHER UP-TICK IN NON-MINING INVESTMENT



EMPLOYMENT INTENTIONS SUGGEST MORE IMPROVEMENT IN THE LABOUR MARKET OVER THE NEXT YEAR



PRICE MEASURES IN THE NAB SURVEY ARE YET TO SHOW A SUSTAINED PICK-UP



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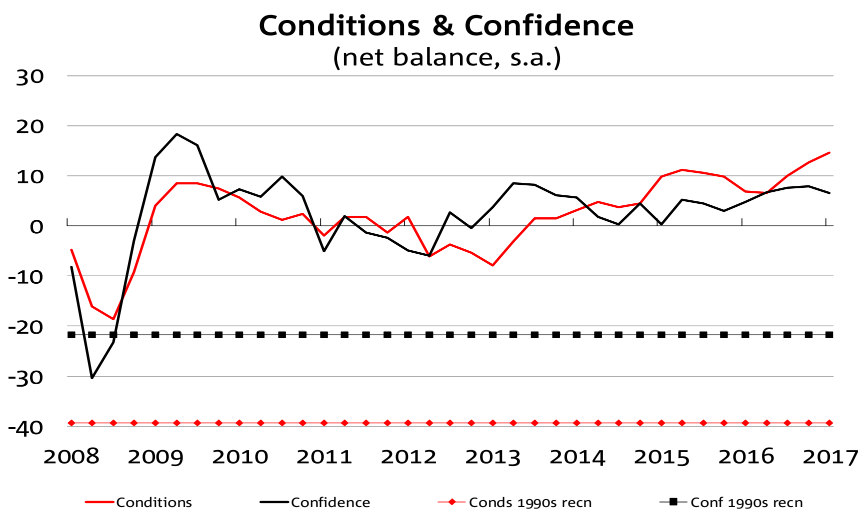
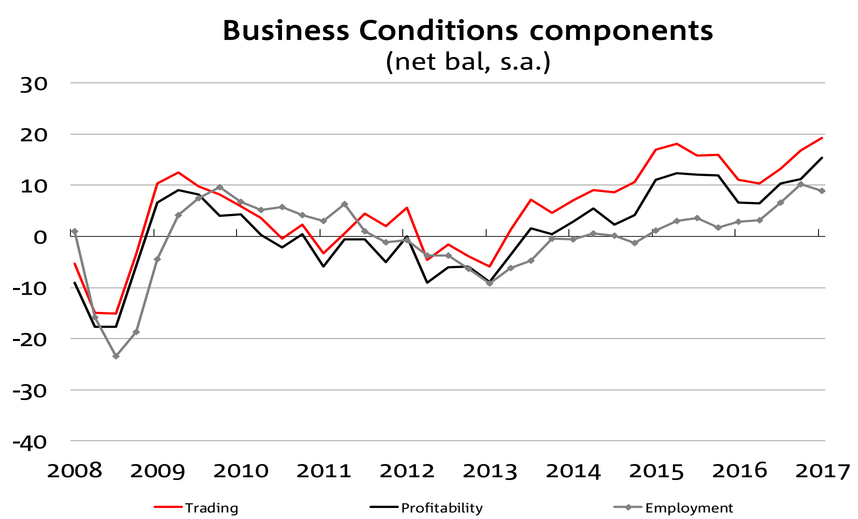
BUSINESS CONDITIONS AND CONFIDENCE

Business conditions strengthen further, but confidence is holding back





- **Business conditions** rose a little further in the September quarter (up 2 points, to +15), which is the highest level since early 2008 and well above the long-run average for the series (+1). A majority of industries recorded an improvement in business conditions during the quarter, and are holding at positive levels, but distribution services were the main exception, with retail conditions dropping back into negative territory and wholesale conditions down sharply. In terms of the components, the improvement during the quarter was driven by trading conditions and profitability, with both measures also at very high levels. Employment conditions eased a little and again appear to be lagging the other components, although the index is still holding up at relatively solid levels that indicate robust demand for labour.
- By industry, only retail, wholesale and finance/ property/ business services (down 7, 6 and 2 points respectively) failed to see improvement in business conditions in Q3. In contrast, the biggest gains came from mining (up 19) and manufacturing (up 8). Higher commodity prices and less of a drag from mining investment may help to explain mining conditions, but manufacturing conditions are a little more surprising given further closures of auto manufacturing plants – suggesting a strong offset coming from other segments. Poor retail conditions reflect the numerous challenges facing the sector at present, including tougher competition, subdued demand and other structural changes. However, this also poses a significant challenge to the outlook for the broader economy. In levels terms, mining became the best performer in the quarter (+26 points), while most other industries are bunched around the 14-19 index point range – retail and wholesale the main exceptions at -2 and +8 index points respectively (chart p13).
- **Business confidence** is again trailing behind business conditions, easing back modestly in the quarter by 1 point to +7 index points – which is a little above the long-run average. When asking firms about what is having the biggest impact on confidence, the majority are pointing to considerations around margins and the demand outlook, although costs (mainly energy and wages) and government policy also feature highly – especially for firms reporting a deterioration in confidence (see p4). By industry, business confidence is positive across the board, even for retail, although a number of industries eased back in Q3 – construction (down 9), transport (down 6), manufacturing (down 4) and wholesale (down 1). Meanwhile, the biggest improvement was in mining (up 3), followed by personal services (up 2). Retail and fin/ prop/ business services were unchanged. Mining is now reporting the highest level of confidence (+20), followed by construction (+10) – seemingly propped up by non-residential firms. Personal services and manufacturing are lowest (both +5).
- **Forward orders** were off slightly in the quarter (down 1), but the index is still well above the long-run average for the series – pointing to reasonable momentum for business in the near term. Orders are highest in construction (+23), while they are lowest in retail (-8) – which along with mining, are the only industry to see a negative orders index for the quarter.

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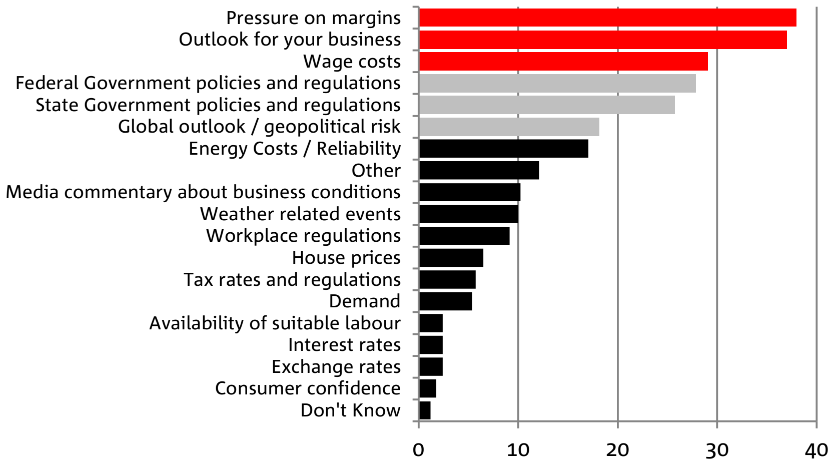
DRIVERS OF BUSINESS CONFIDENCE

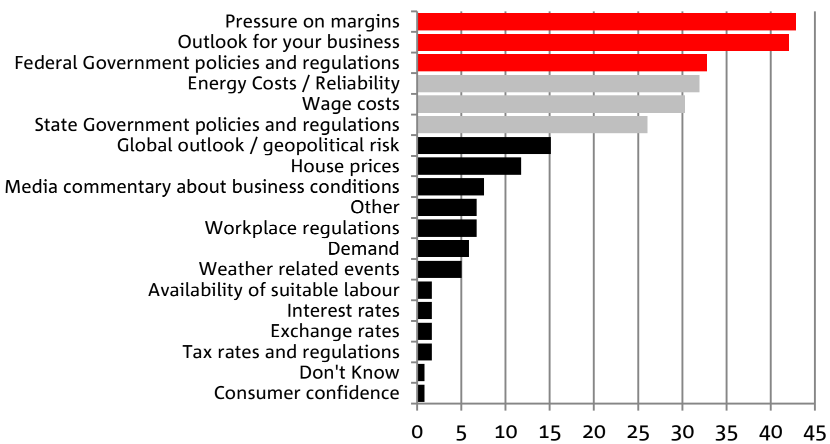
Margins, demand outlook and govt. policy are driving weaker confidence.

Most influential issues affecting business confidence

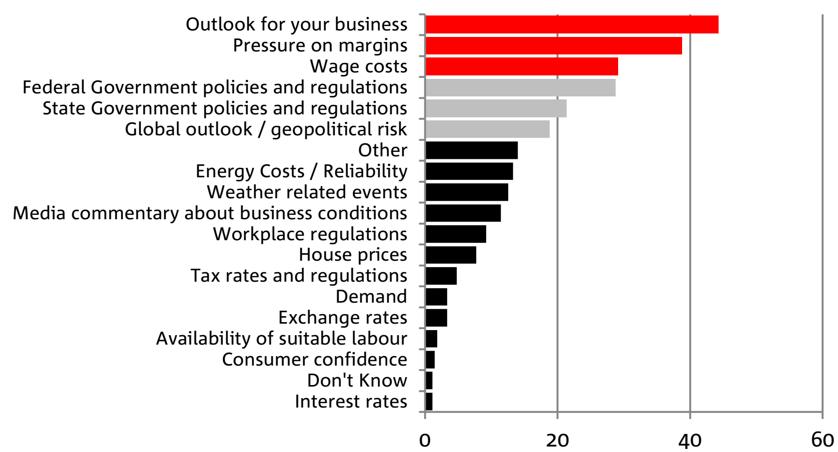


- We have recently included a new question in the NAB Business Survey which asks firms about what are the most influential factors impacting their confidence. This question will remain in the Survey going forward, which will help to give us better insight into what factors are driving shifts in confidence over time – and what might be behind any deviations away from business conditions.
- While we do not know how the significance of each factor has evolved at this juncture, the results provide an interesting insight into what is at the forefront of business concerns in Australia. Despite whether firms have indicated an improvement or a deterioration in confidence recently, there appears to be some common themes. In particular, firms are mostly concerned with the outlook for customer demand and pressure on margins.
- Government policy and costs also tend to feature prominently (both wages and energy costs), although firms indicating a deterioration in confidence place a much greater weight on concern over energy costs/energy reliability at present than other firms in the survey – we expect issues around energy markets to be an ongoing theme.
- Interestingly, geopolitical risks did not feature in the top 5 concerns for firms, despite escalating tensions with North Korea. However, as mentioned above, we do not know how the significance of this issue has evolved over time (it is still possible that it has become more significant than previously).

Most influential issues affecting business confidence - Deteriorating Confidence

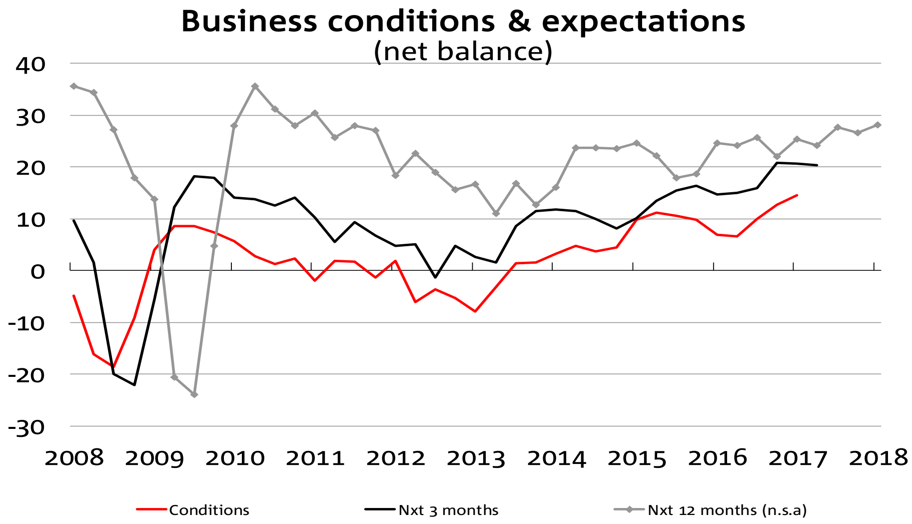


Most influential issues affecting business confidence - Improving Confidence

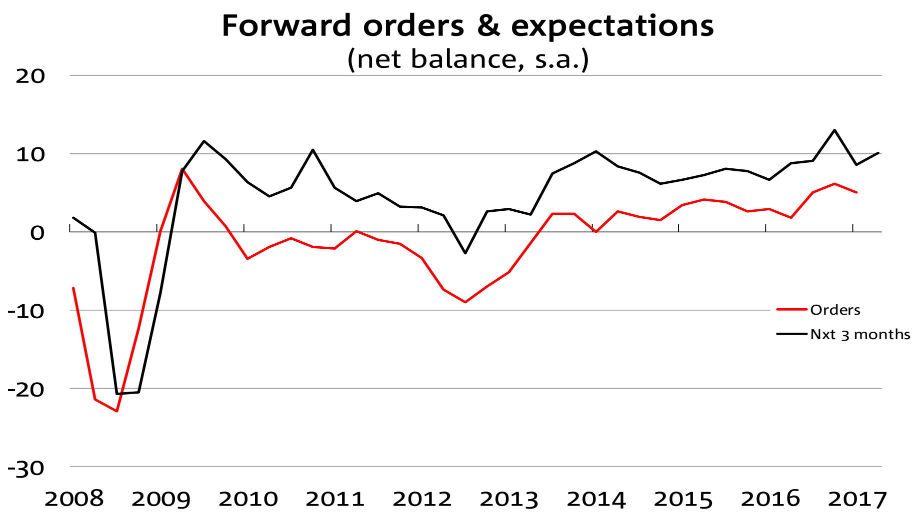


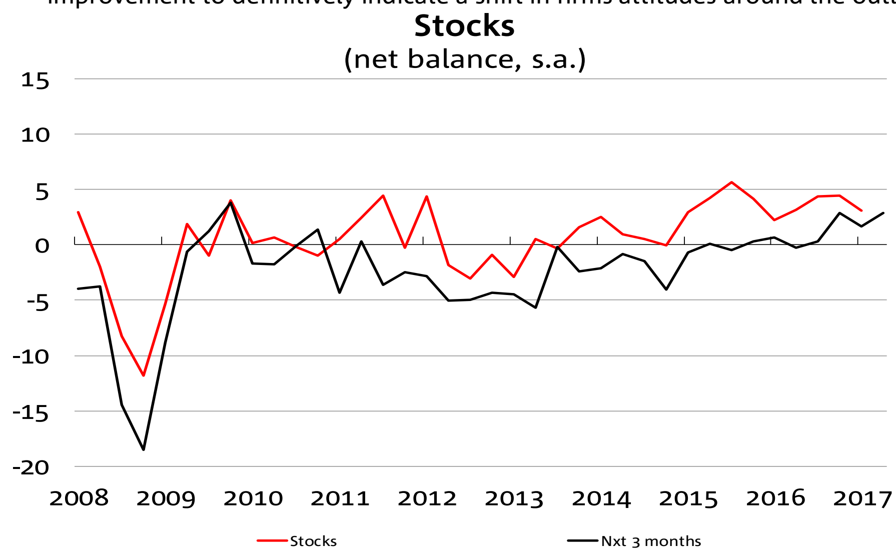
OTHER LEADING INDICATORS AND INVESTMENT

Outlook for the year ahead still solid, near-term indicators generally holding up



- In the quarterly survey, firms provide responses regarding their expectations for business activity going forward. Firms generally expect the recent strength in business conditions to continue, with near term (3 month) expectations for conditions remaining elevated, while longer term (12 month) expectations lifted from already very high levels. Overall, leading indicators from the Survey clearly point to an improving economy, at least in the near-to-medium term. That said, we do anticipate a number of headwinds to the economy, particularly as the dwelling construction cycle provides less support and consumers show further restraint – a trend that has been evident in recent months in both official ABS retail sales statistics and NAB's Cashless Retail Index. In that context, forward looking indicators from the Survey for retail are particularly pertinent to the outlook. The 12-month ahead expectations for conditions in retail are currently well below their long-run average level and are showing somewhat of a downward trend.
- Despite not fully rebounding from last quarter, expectations for forward orders (3 months ahead) were a little stronger in Q3. Near-term expectations for profitability also lifted, although longer-term expectations (12-months ahead) are below average.
- Stocks can be another indicator of near-term activity. The stocks index was slightly lower in the quarter, and while the long-term trend had shown a gradual improvement in response to better trading conditions and positive orders, it appears to have steadied. Firms had previously been reluctant to restock given uncertainty around the outlook, as well as cost and other competitive pressures. However, we would want to see more of an improvement to definitively indicate a shift in firms attitudes around the outlook.





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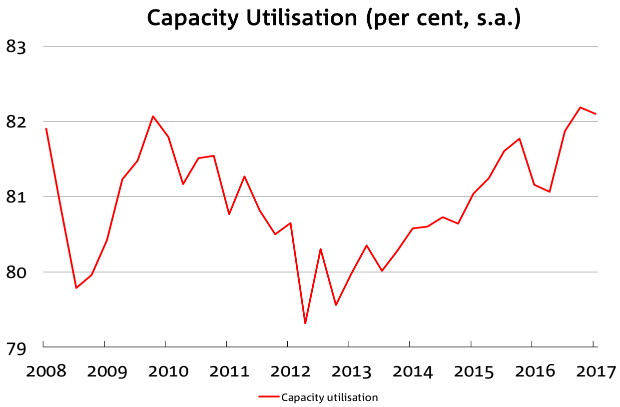
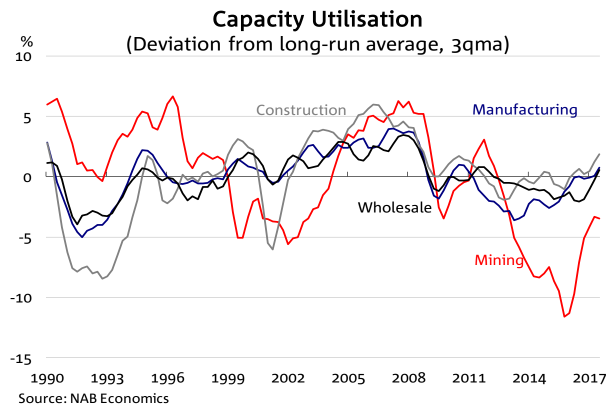
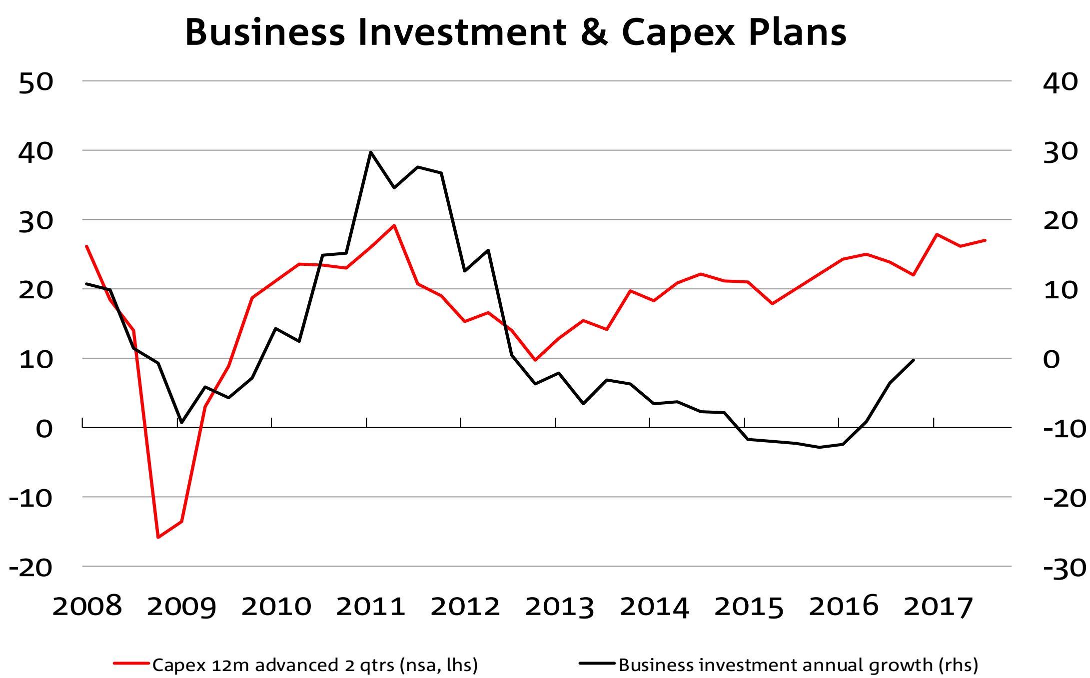
OTHER LEADING INDICATORS & INVESTMENT

Limited spare capacity should prompt additional capex and labour demand



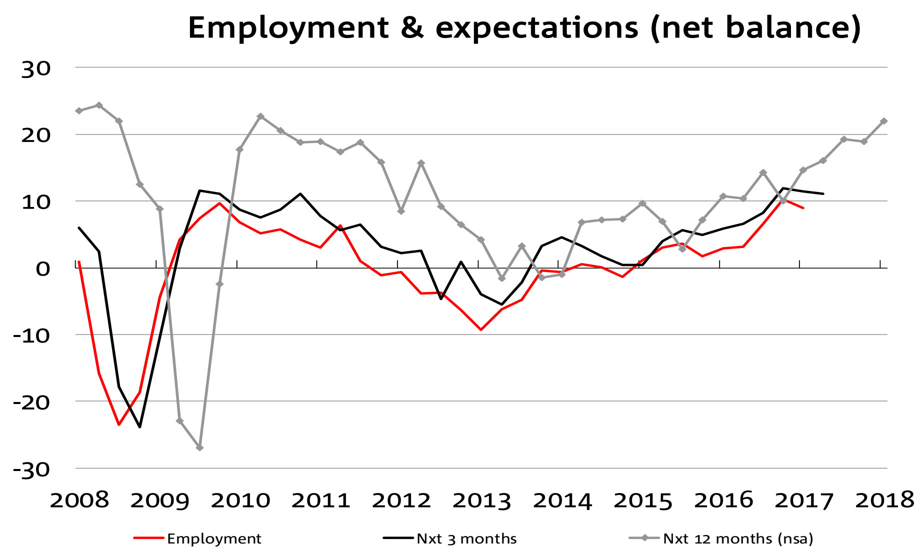




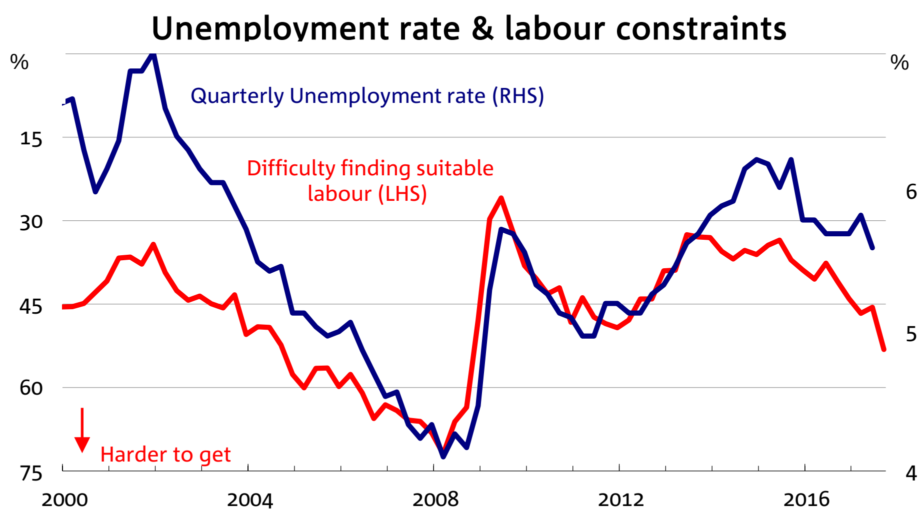
- **Capacity utilisation** eased a little in Q3, to 82.1%, but it is still around its highest level since 2008. Less spare capacity is consistent with the solid (or improving) result in the Survey with regard to labour demand and business investment.
- Mining is the only sector still showing capacity utilisation rates that are well below the long run average (in trend terms), although (like most other industries) it has improved quite significantly, in line with additional commodity production in the final stages of the mining investment cycle. Meanwhile, construction and retail are highest above. With capacity utilisation now up from their 2012-13 lows, there is some evidence of pass-through to investment decisions, although the capex index from the survey was lower in the quarter. Capex intentions, however, are still looking quite robust (see below). The pass-through to labour demand has been even more apparent in both official ABS statistics and the NAB Survey (see p7).
- According to the **capital expenditure** measure included in the NAB Survey, investment activity eased slightly in Q3, although it is sitting above the long-run average. Mining (down 9) and personal services (down 8) saw the biggest deterioration in capex during the quarter, while construction improved the most (up 5). Nevertheless, the capex index was positive for all industries but retail, and was especially strong in mining (+27) and construction (+19).
- When asked about their **future capex plans**, firms in the NAB Survey remain reasonably upbeat – the most recent read on expectations from the ABS capex survey finally looks to be heading in a similar direction, having been significantly weaker for some time. The NAB capex index for the next 12 months suggests investment growth should already be stronger and gaining some momentum. That said, other ABS data have been suggesting higher growth in non-mining investment. Interestingly, however, firms reported a slight rise in their **required rates of return** for new investment, which have remained stubbornly elevated, suggesting that there are factors offsetting tighter capacity, solid business conditions and highly accommodative monetary policy.

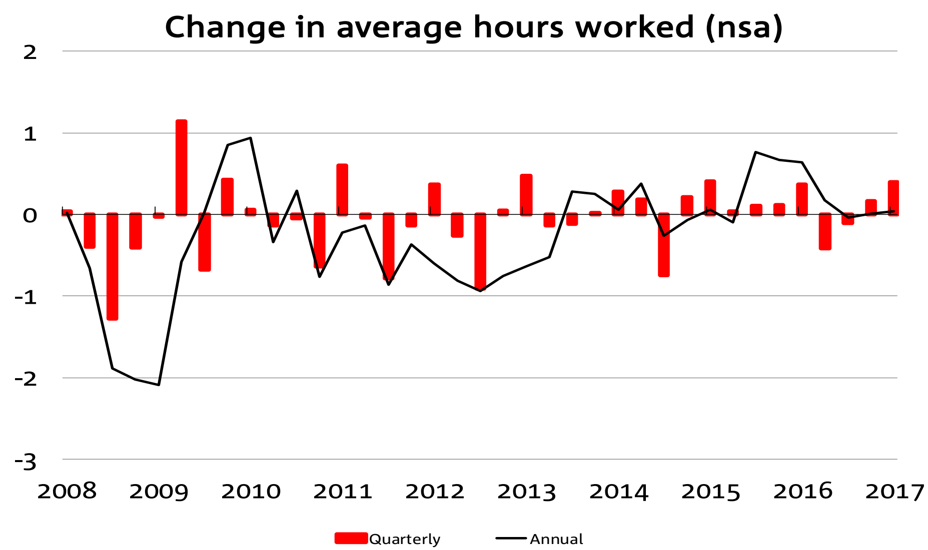
LABOUR MARKET

Hiring intentions strong and firms are having difficulty finding suitable labour



- The employment index from the Survey eased back slightly this quarter, but is still at quite elevated levels. The index fell 1 point in Q3, to +9 index points, suggesting rates of employment growth that, if sustained, should lead to additional improvement in the unemployment rate in the near-term. Meanwhile, average hours worked saw a seasonal pick-up in the quarter, but is still low relative to pre-GFC levels.
- Near-term employment expectations were steady at +11 index points, which is above its long-run average. At the same time, longer-term expectations picked-up to multi-year highs. Again, these outcomes suggest that the unemployment rate could see a gradual improvement in the longer-term, and NAB's forecast is for the unemployment rate to gradually improve to 5.4% by end-17 and 5.3% by end19 as jobs growth outstrips solid expectations for population growth.
- Importantly, firms indicated in Q3 that it became significantly more difficult for them to find suitable labour – there has been a clear trend within the NAB Survey measure since around mid-2015. Given the elevated rate of underemployment in Australia, that result suggests that even though there continues to be a fair degree of slack in the labour market, there may be a lack of workers with the right skills to match employers' needs.
- There are also signs of a modest pick up in labour costs (p9).



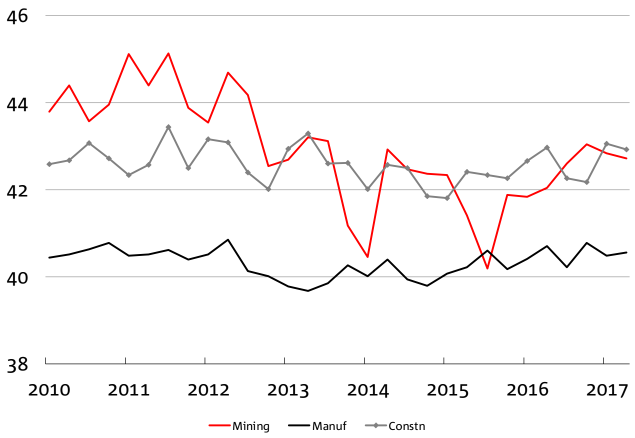


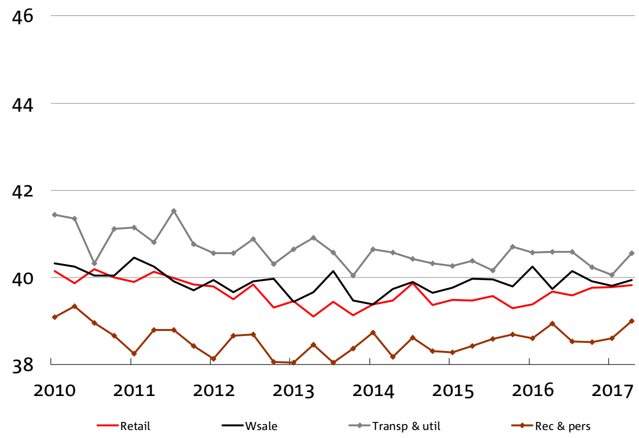
Sources: ABS; NAB

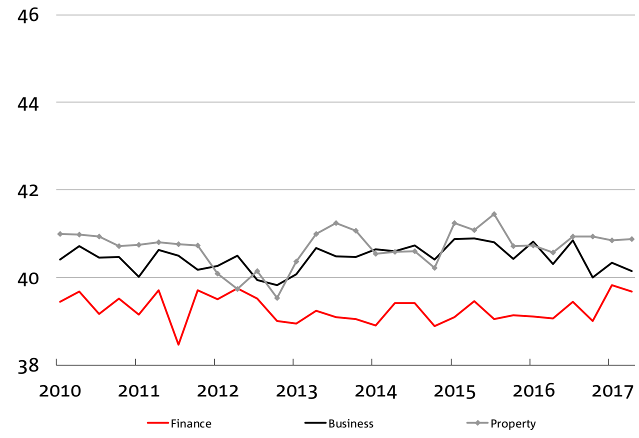
LABOUR MARKET (CONT.)

The lack of suitable labour now as big a constraint on firms as demand conditions

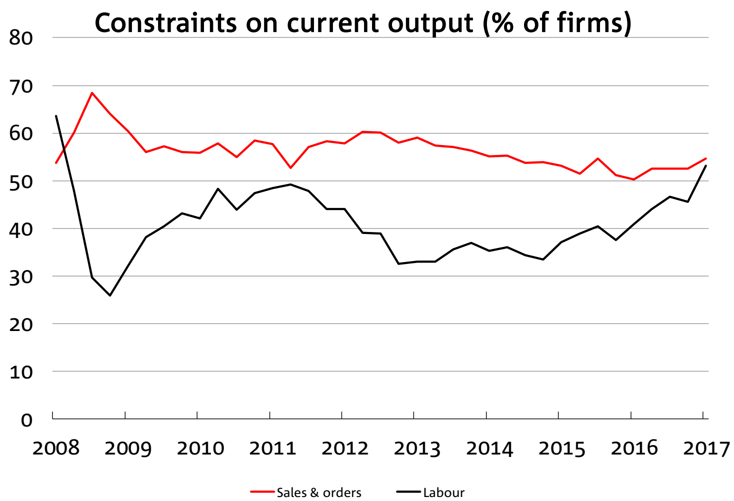
Average weekly hours worked by industry (nsa)

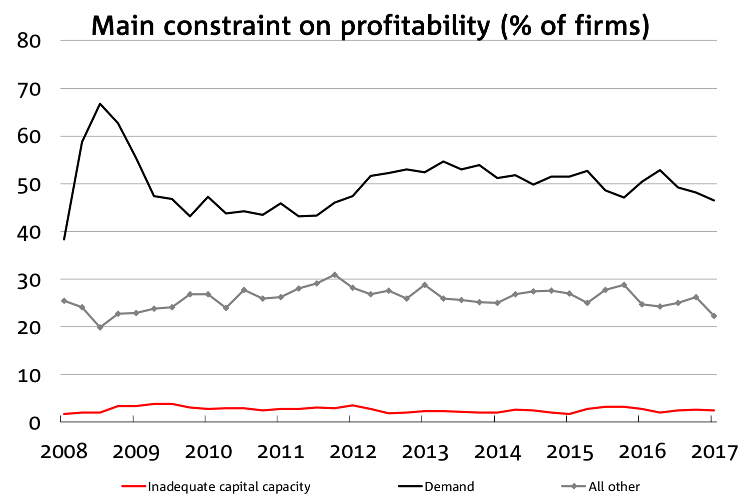






Major constraints on firm output & profits





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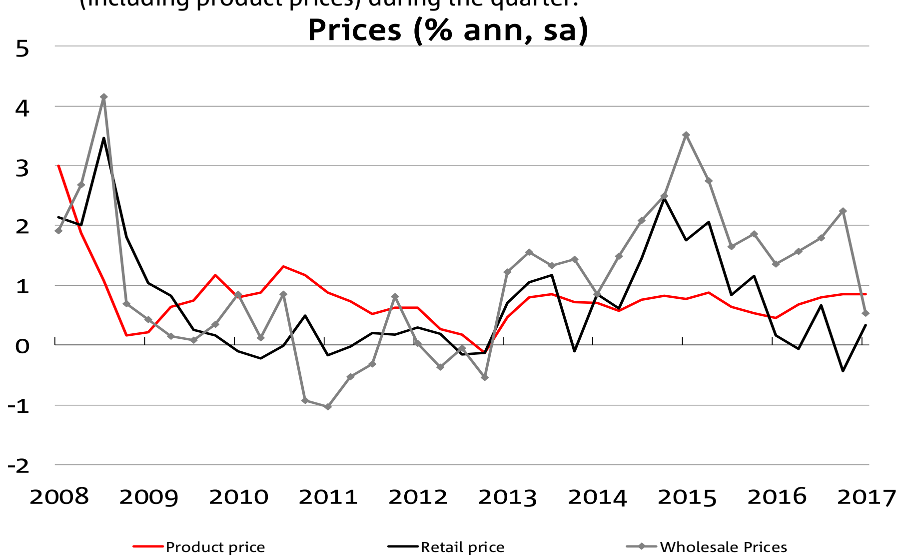
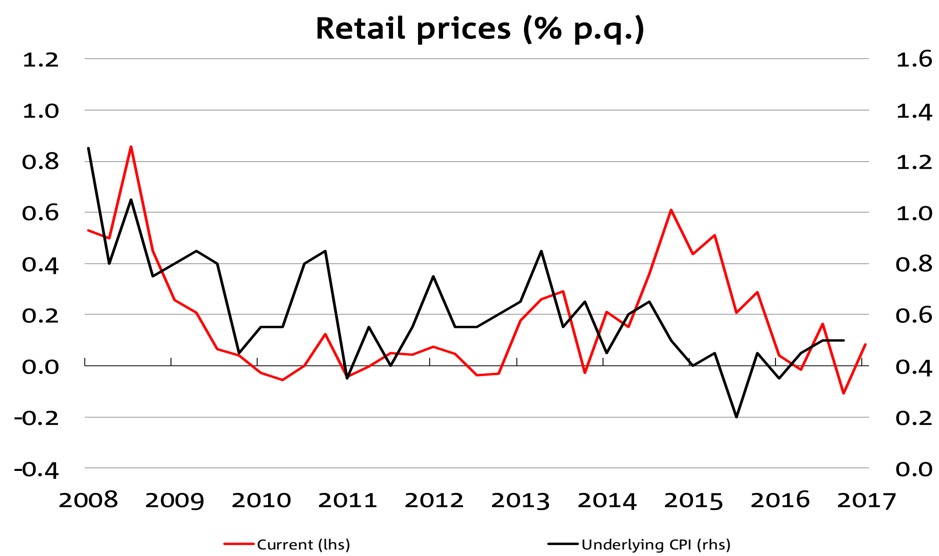
INFLATION PRESSURES

Inflation picture is mixed, with only tentative signs of a lift

- We are continuing to see very subdued inflation pressures in Australia, with underlying inflation staying below the RBA's 2-3% target since early 2016, and is expected to remain fairly subdued for the time being – although we are likely to see some tailwinds from recent hikes in things like utility prices. The overall read on inflation provided by the NAB Survey is quite mixed, but generally only points to a tentative lift in price pressures – although outcomes vary considerably across sectors. Inflation pressures emanating from the wholesale and retail sectors remain well down on their 2015 peaks, with the former dropping sharply in the quarter, after appearing to strengthen over the past year. Meanwhile, the retail price index has remained very soft – although it appears to have stabilised – suggesting that either competitive pressures or subdued demand (or both) are stifling their ability to pass on higher costs to consumers – retail labour and purchase costs are also running ahead of final product prices.
- Growth in final product prices lifted slightly to 0.9% annualised (was 0.8%) and a 0.2% quarterly rate. Both purchase cost and labour cost inflation were running faster than final product price inflation in Q3 (at a quarterly rate of 0.3% and 0.6% respectively). Transport, mining and retail each saw an acceleration in price inflation for final products, but wholesale price inflation slowed the most (down 0.4 ppts). In levels terms, mining price inflation was strongest in the quarter (0.6%, quarterly rate), followed by personal services (at 0.3%). In contrast, construction price inflation was weakest at 0%. Looking forward, inflation expectations for the next 3 months eased, and still suggest that very subdued price pressures will persist, with final price inflation expected to be at around an annualised rate of 0.9% (1% for retail inflation).
- With input costs still growing faster than final prices, firms are reporting poor profit margins. The margins index from the survey is in negative territory, although it has improved considerably over the past few years – expectations for the next quarter also improved in the Survey. Mining and personal services were the only industries to report a positive margins index in Q3 2017. Retail is still seeing the worst profit margins, consistent with the weakness seen across most measures (including product prices) during the quarter.

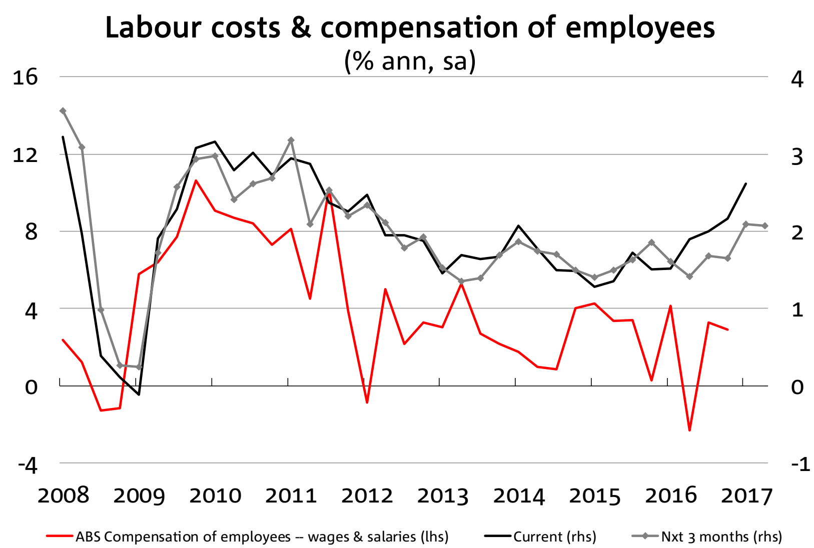


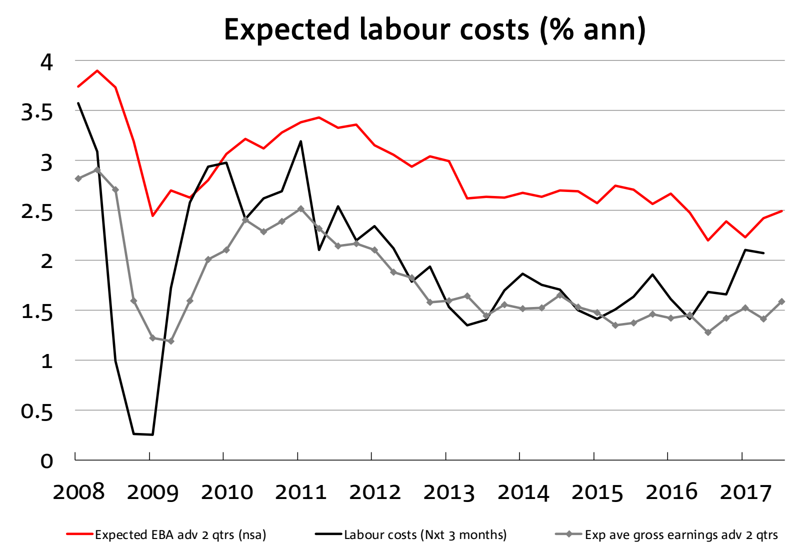


LABOUR COSTS (DETAILS) AND EXPECTATIONS FOR AUD, RATES AND INFLATION

Wage pressures are starting to show signs of life

- Annualised growth in labour costs accelerated to 2.6% in the quarter (from 2.2%), which is only modestly below the series average of around 2.8% since 1989, and indicates a notable uplift in wage pressures – something that has been absent from most ABS wage measures. That said, the NAB measure is a wage bill measure, meaning solid jobs growth may be contributing to the result as opposed to unit labour costs. Wage cost pressures have not kept pace with business conditions through this recovery cycle, despite a steady lift in the level of employment conditions and reports of greater difficulty finding suitable labour – although are consistent with the elevated official underemployment rate. The Survey's measures of expectations for labour costs (next 3 months) is not indicating much more momentum in the near term, holding steady at levels well down on previous years. Wage increases under EBAs are expected to average 2.5% over the next year, or 1.5% after allowing for productivity offsets.
- On average, businesses are now pricing in around a 55% probability of a 25bp rate hike in the next 12-months. In contrast, NAB Economics' view is that the RBA will see sufficient improvement in the labour market to warrant hiking rates from August next year. That said, NAB Economics remain cautious about the medium-term outlook given the challenges facing the household sector from low wages and high debt, the likely impact from flattening resource exports and slowing residential construction on growth and the labour market. Exchange rate expectations in the Survey (6-months-ahead) jumped to US$0.78, which is a little lower than at the time the Survey was taken.
- When asked about the inflation outlook, 70% of respondents expected inflation to remain below 3% (less than 12-months ago), while 22% are expecting inflation of 3-4%. However, only 4% of firms believe inflation is a serious problem (down from 12 months earlier), while 34% believe it is a minor problem (also down from last year).





	Mining	Manuf	Const	Retail	Wsale	Trans	Rec. & pers.	Fin. prop. & bus.	Aust.
Expected EBA growth	1.6	2.4	2.5	2.2	3.0	2.5	2.6	2.5	2.5
Productivity offset	0.6	1.2	0.3	1.6	2.1	0.8	0.9	1.2	1.0
Net EBA growth	1.0	1.2	2.3	0.6	0.9	1.6	1.7	1.3	1.5

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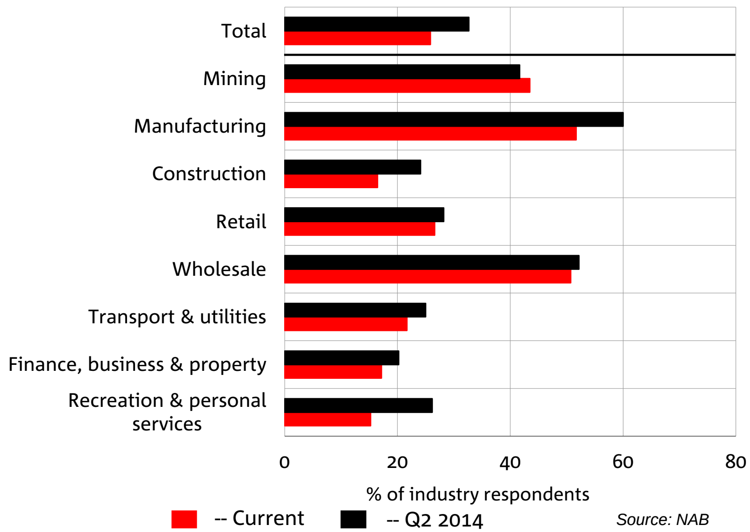
BUSINESS & AUD

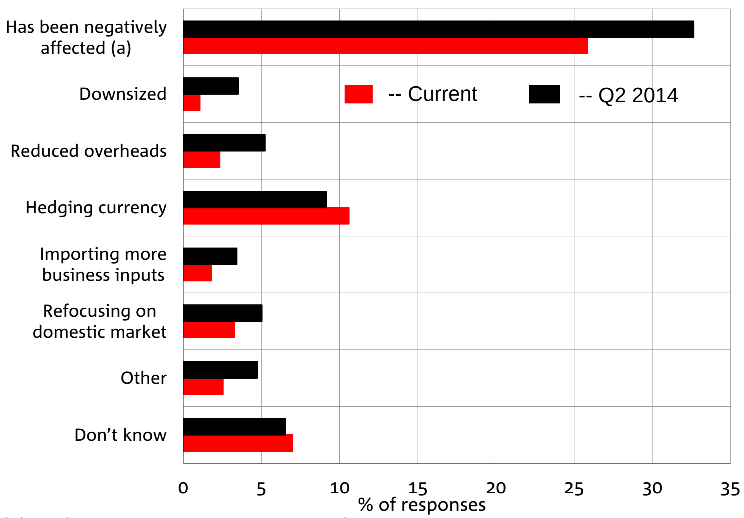
The impact that AUD movements are having on firms is not clear cut

Has been negatively affected by level of Australian dollar



Source: NAB

Responses to negative effects of level of Australian dollar



(a) % of respondents. All others are % of responses

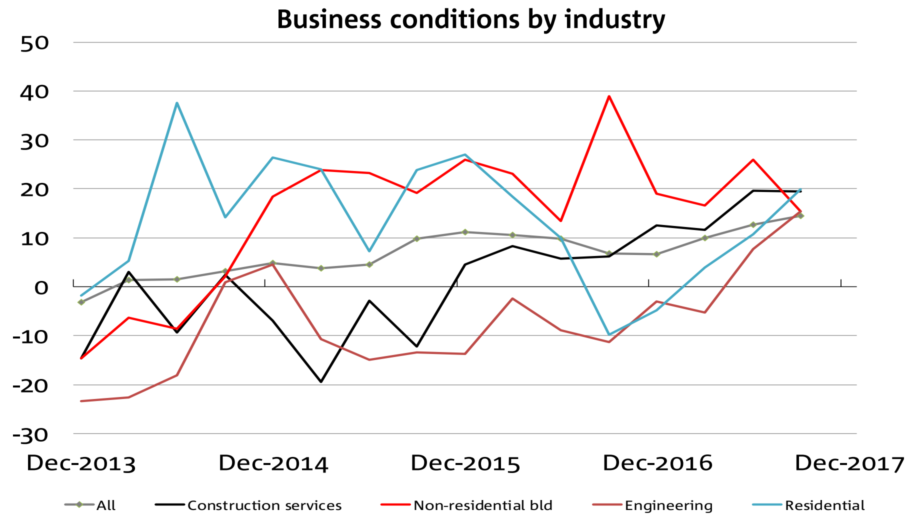
Source: NAB

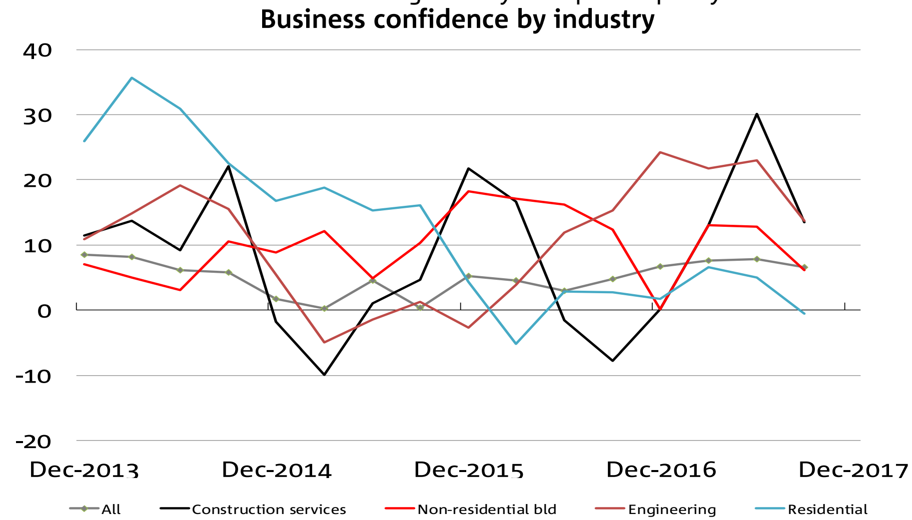
- In NAB's Quarterly Business Survey, we have asked businesses how they have been affected by the level of the Australian dollar, and what strategies they have been using to mitigate any negative impacts. The interviews for this question were conducted between 21 August and 7 September, when the exchange rate averaged $US 0.79 and 66.6 on a TWI basis. The AUD/USD was almost 5 cents higher, while the TWI was 4.3% higher than the average seen during the Q2 survey period.
- According to the survey, a little more than a quarter of non-farm businesses reported an adverse impact from the AUD at current levels. Interestingly, that is slightly lower than Q2 2017, when the AUD was lower, although it is also down on levels seen in mid-2014 – prior to the big depreciation of the AUD (Chart). But while there has been an improvement since 2014, it seems quite a small improvement relative to what has been a fairly large devaluation of the AUD in that time – suggesting that the currency has a very diverse impact across the economy, although it is possible that the result is underestimating the true benefits of the depreciation for the economy. The notable disparity in currency effects across industries may help to explain this result, although not many of our industry groupings indicate a significant benefit from currency depreciation since 2014 – manufacturing, construction and personal services appear to be the biggest beneficiaries. In contrast, mining has been negatively affected by AUD depreciation – a surprise result given most commodities are priced in USD. Retail and wholesale have seen only modest improvements, which could reflect a high import component.
- In terms of the changes since last quarter, almost all industries indicated that the AUD had become more favourable, even though the currency appreciated considerably. Manufacturing and professional services were the only exceptions.
- In terms of how businesses are responding to currency risks, hedging remains the most common strategy, although the proportion did fall slightly from last quarter. Other strategies to counter currency risk have generally waned in popularity since mid-2014, including downsizing and cost cutting – the latter also fell in popularity from last quarter and is now at its lowest level since the question entered the Survey in late 2013. By industry, recreation & personal services, transport and manufacturing seem to have the highest share of firms that are uncertain about what strategies to employ to manage currency risk.

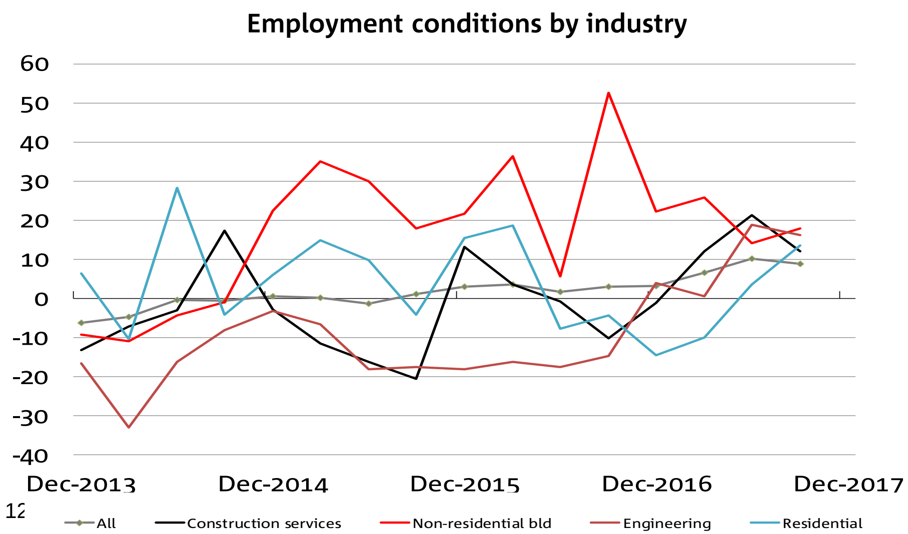
SOME INDUSTRY DETAILS: CONSTRUCTION

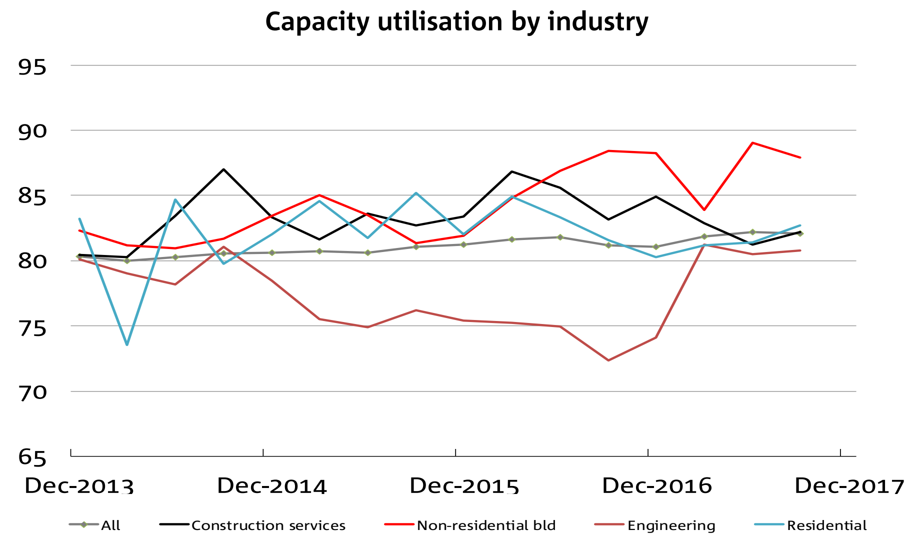
Conditions in all construction subsectors are looking solid

- Business conditions for the construction industry improved from already solid levels in the Q3, driven by a lift in residential and engineering construction firms. These trends suggest that concerns around tighter credit conditions and an oversupply of new housing are yet to manifest (although confidence has softened), while fewer headwinds from the mining sector and large infrastructure spending in some states may be supporting engineering firms. Confidence is positive outside of residential construction, although all moderated in the quarter. Construction services and engineering are most confident.
- All subsectors are showing positive demand for labour (although trends vary), while non-residential firms are indicating notably less spare capacity.









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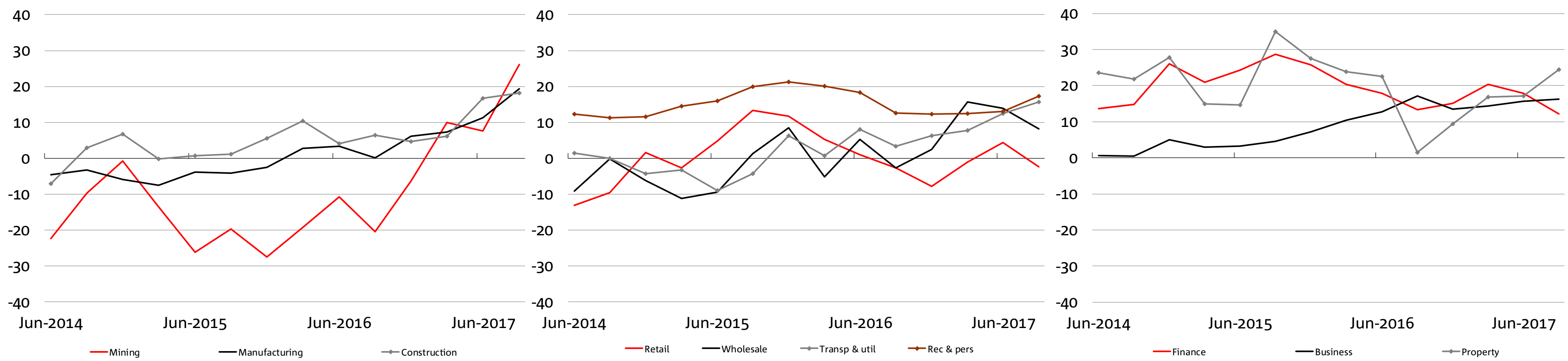
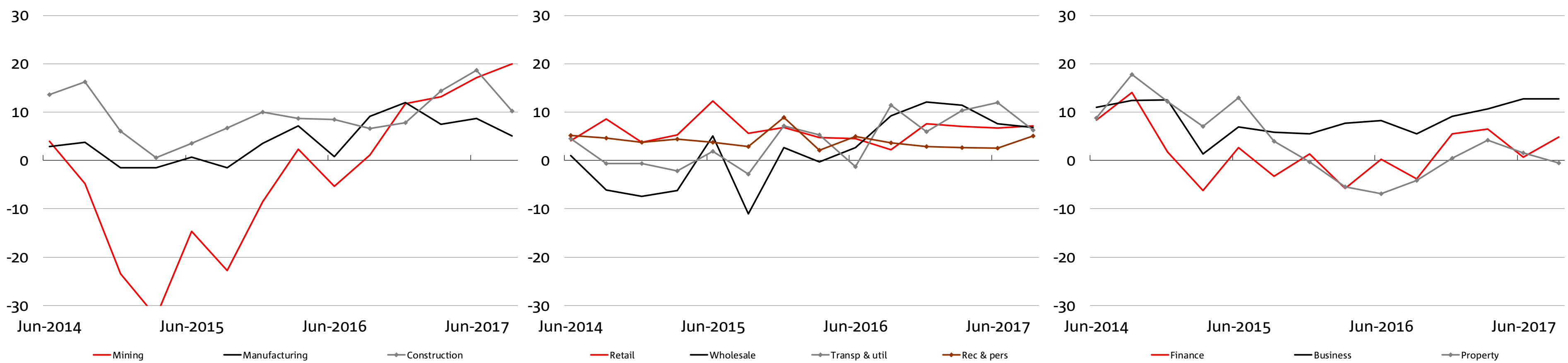
MORE DETAILS ON INDUSTRY

Mining is shooting ahead. Most industries doing well, but retail still weak

BUSINESS CONDITIONS BY INDUSTRY (NET BALANCE): 3-MONTH MOVING AVERAGE



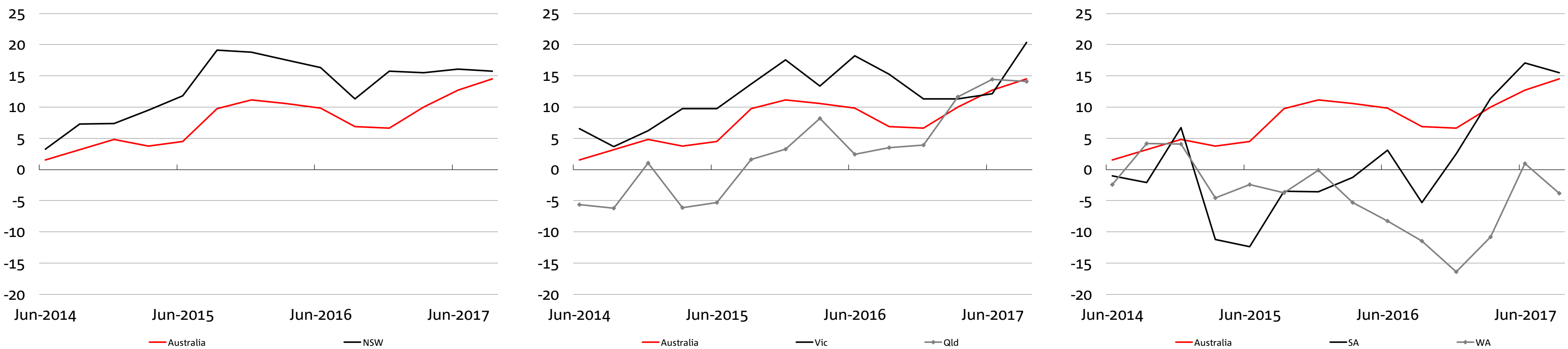
BUSINESS CONFIDENCE BY INDUSTRY (NET BALANCE): 3-MONTH MOVING AVERAGE



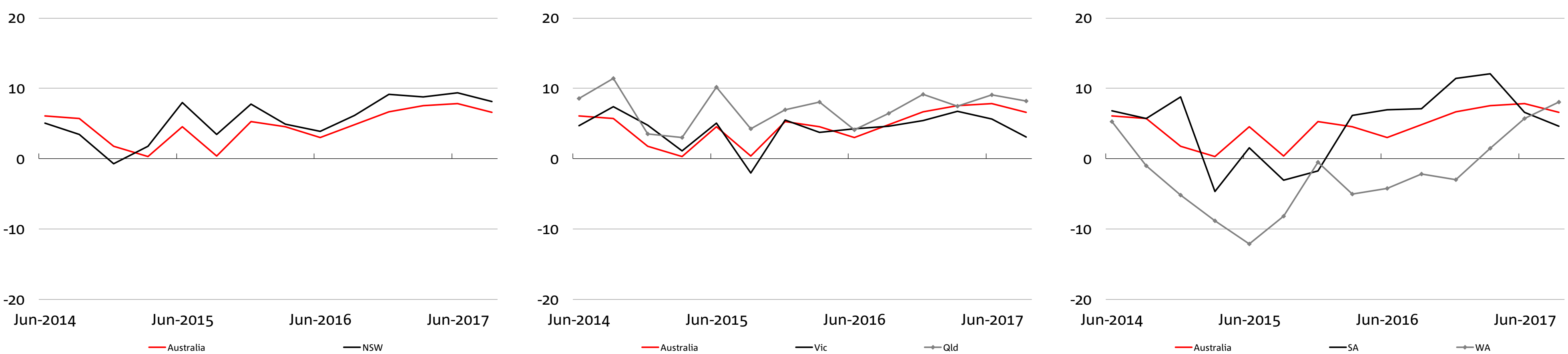
MORE DETAILS ON STATE

Most states are enjoying solid business conditions, but WA is turning down again

BUSINESS CONDITIONS BY STATE (NET BALANCE): 3-MONTH MOVING AVERAGE



BUSINESS CONFIDENCE BY STATE (NET BALANCE): 3-MONTH MOVING AVERAGE



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DATA APPENDIX

	Quarterly					Monthly				
	2016q3	2016q4	2017q1	2017q2	**2017q3**	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Confidence	5	7	8	8	**7**	9	9	11	5	7
Conditions	7	7	10	13	**15**	13	15	15	14	14

	Quarterly					Monthly				
	2016q3	2016q4	2017q1	2017q2	**2017q3**	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Trading	11	10	13	17	**19**	17	21	20	18	19
Profitability	7	6	10	11	**15**	12	16	17	15	17
Employment	3	3	7	10	**9**	8	8	7	10	7

	Quarterly [a]					*Monthly*				
	2017q2	2017q3	2017q4	2018q2	2018q3	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Conditions	13	**15**				13	15	15	14	14
Conds. next 3m	21	21	**20**							
Conds. nxt 12m	22	25	24	27	**28**					
Orders	6	**5**				4	5	3	4	3
Orders next 3m	13	9	**10**							

(a) Quarter to which expectation applies. Business conditions next 12 months not seasonally adjusted.

	Quarterly [a]					*Monthly*				
	2016q4	2017q1	2017q2	2017q3	**2017q4**	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Capacity utilis.	81.1	81.9	82.2	**82.1**	NA	82.6	81.8	81.9	81.6	81.9
Stocks current	3	4	4	**3**	NA	3	4	0	0	5
Stocks next 3m	0	0	3	2	**3**					

(a) Quarter to which expectation applies. All data are seasonally adjusted.

Constraints on output (% of firms)*	2016q3	2017q2	2017q3
Sales & orders	52.6	52.4	**54.7**
Labour	46.7	45.5	**53.1**
Premises & plant	24.0	22.9	**26.2**
Materials	8.9	11.5	**12.0**

Main constraints on profitability (% of firms)*	2016q3	2017q2	2017q3
Interest rates	1.5	1.3	**2.9**
Wage costs	11.0	11.1	**12.3**
Labour	10.6	10.6	**11.8**
Capital	2.5	2.7	**2.5**
Demand	49.3	48.1	**46.4**
All other	25.0	26.2	**22.3**

** not s.a.*

DATA APPENDIX

	Quarterly[(a)]					Monthly				
	2017q2	2017q3	2017q4	2018q2	2018q3	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Empl current	10	**9**				8	8	7	10	7
Empl next 3m	12	11	**11**							
Empl nxt 12m	10	15	16	19	**22**					

(a) Quarter to which expectation applies. Employment conditions next 12 months not seasonally adjusted.

	Mining	Manuf	Const	Retail	Wsale	Trans	Rec. & pers.	Fin. prop. & bus.	Aust.
Expected EBA growth	1.6	2.4	2.5	2.2	3.0	2.5	2.6	2.5	2.5
Productivity offset	0.6	1.2	0.3	1.6	2.1	0.8	0.9	1.2	1.0
Net EBA growth	1.0	1.2	2.3	0.6	0.9	1.6	1.7	1.3	1.5

State Tables

	Quarterly					Monthly				
	2016q3	2016q4	2017q1	2017q2	**2017q3**	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Business conditions										
NSW	11	16	16	16	**16**	13	17	20	13	18
VIC	15	11	11	12	**20**	15	17	14	24	14
QLD	4	4	12	14	**14**	12	18	15	11	11
SA	-5	2	11	17	**15**	21	16	13	24	18
WA	-11	-16	-11	1	**-4**	2	1	-2	-4	-1

	Quarterly					Monthly				
	2016q3	2016q4	2017q1	2017q2	**2017q3**	2017m5	2017m6	**2017m7**	**2017m8**	**2017m09**
Business confidence										
NSW	6	9	9	9	**8**	11	9	15	9	5
VIC	5	5	7	6	**3**	4	6	11	4	6
QLD	6	9	7	9	**8**	14	13	12	7	16
SA	7	11	12	7	**5**	3	8	10	2	5
WA	-2	-3	1	6	**8**	8	12	-1	7	8

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