



# NAB Monthly Business Survey Apr-24

## Conditions, employment fall back to long-run average

### NAB Economics

#### Summary

Business conditions eased in April and all three sub-components are now back around their long-run average, while confidence remained steady albeit below average in the month. The decline in the employment index back to average levels is perhaps the most notable shift after a period of persistent out-performance in the labour market – though at +2 index points, this measure is not signalling outright declines in employment. Forward orders also fell in the month, driven by large movements in mining, manufacturing and construction, while the level of forward orders also remains negative in retail and wholesale. That said, capacity utilisation was unchanged and still above average, and capex remains elevated. In terms of costs, there was some moderation across both labour and input purchases, and retail price growth slowed to 0.9% in quarterly equivalent terms, stepping down from the strong price growth seen in Q1 in both the survey and official inflation data. Overall, these signs of slowing activity and easing costs support the outlook for gradual improvement in inflation from here, but how quickly this occurs remains to be seen.

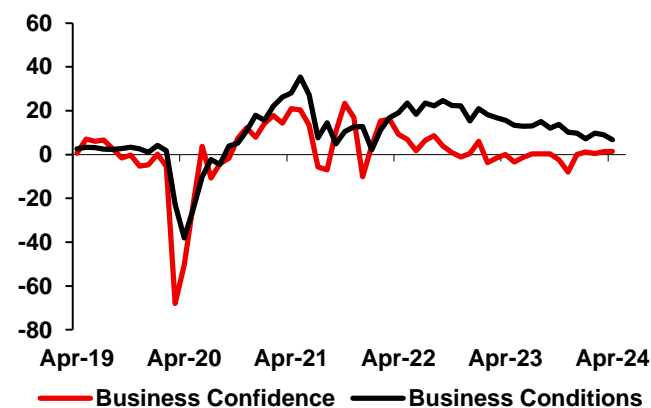
#### Survey Details

- **Business confidence** was unchanged at +1 index point. Confidence deteriorated in retail, wholesale, mining, and finance, business & property, but there were offsetting improvements in recreation & personal services, construction, and manufacturing.
- **Business conditions** fell 2pts to +7 index points, to be around the long-run average. Employment declined 5pts (unrounded) to +2 index points, while trading conditions fell 2pts and profitability was steady.
- **By industry**, the fall in conditions was led by finance, business & property (down 12pts, reversing the rise in March) and mining (down 6pts) as well as wholesale (down 3pts) and manufacturing (down 2pts). Retail and recreation & personal services conditions were steady, with a pickup in transport & utilities (up 6pts) and construction (up 3pts). In trend terms, the level of conditions remained strongest in the services sectors and slightly negative in retail.
- **By state**, conditions rose in Tas and SA (both up 17pts) as well as NSW, but fell elsewhere. In trend terms, WA and Tas remain more elevated but most states remain at reasonable levels with Vic softest at +3 index points.
- **Forward orders** fell 6pts to -7 index points. **Capex** was steady at +8 index points, while **capacity utilisation** remained at 83.2%.
- **Labour cost growth** eased to 1.5% in quarterly equivalent terms (from 1.7%) and **purchase cost growth** also slowed to 1.2% (from 1.5%).
- **Product price growth** lifted to 0.9% (from 0.7%). **Retail price growth** eased to 0.9% (from 1.4%), while **recreation & personal services** were steady at 0.9%.

Table 1: Key Monthly Business Survey Statistics

	Feb-24	Mar-24	Apr-24
	Net balance		
Business confidence	0	1	1
Business conditions	10	9	7
Trading	14	15	12
Profitability	9	6	6
Employment	6	6	2
Forward Orders	-4	-1	-7
Capex	7	8	8
Stocks	1	3	2
Exports	0	0	0
	% change at quarterly rate		
Labour costs	2.0	1.7	1.5
Purchase costs	1.8	1.5	1.2
Final products prices	1.2	0.7	0.9
Retail prices	1.4	1.4	0.9
	Percent		
Capacity utilisation rate	83.4	83.2	83.2

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



All data seasonally adjusted and subject to revision. Survey conducted from 17 to 30 April 2024, covering around 400 firms across the non-farm business sector. Next release date: 11 June 2024.

## Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

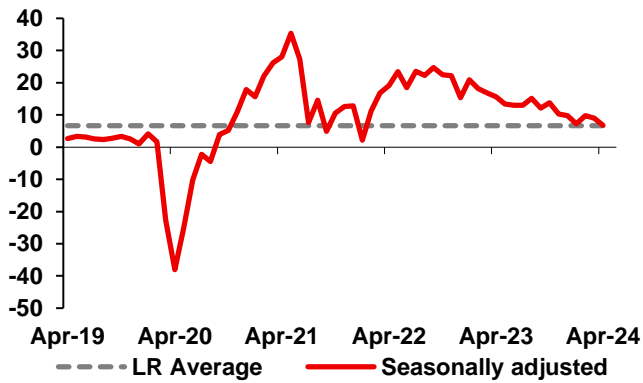


Chart 3: Components of Conditions, SA (Net Balance)

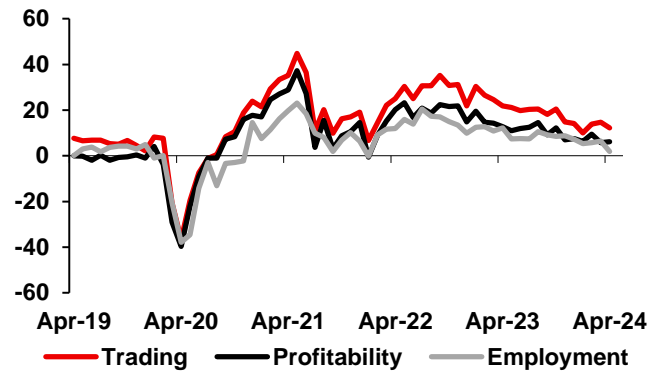


Chart 4: Business Confidence, SA (Net Balance)

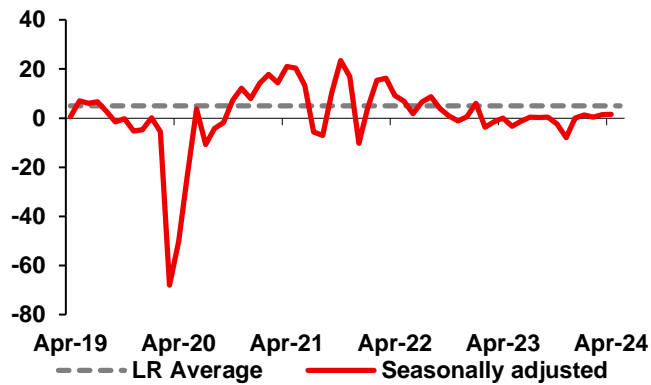


Chart 5: Conditions & Confidence, Trend (Net Balance)

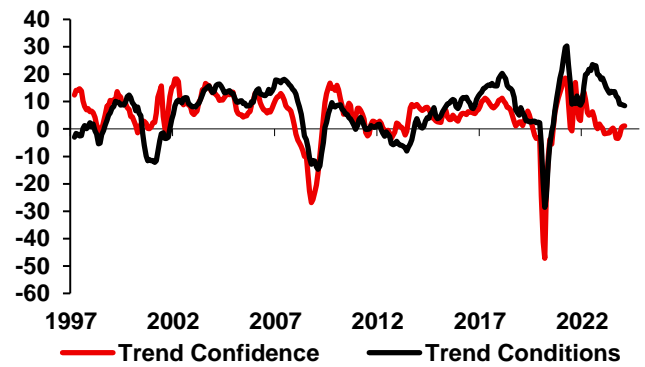


Chart 6: Conditions by Industry, Trend (Net Balance)

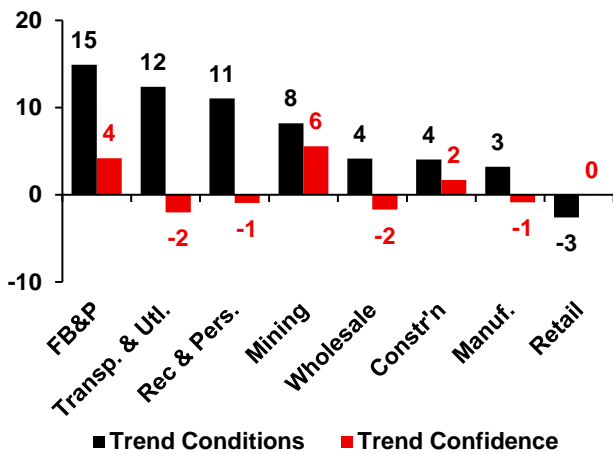
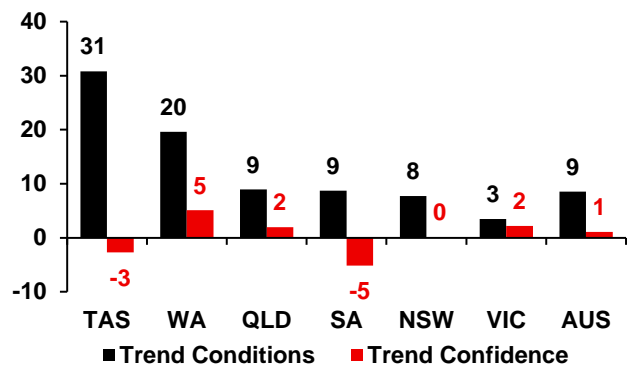


Chart 7: Conditions by State, Trend (Net Balance)



## Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

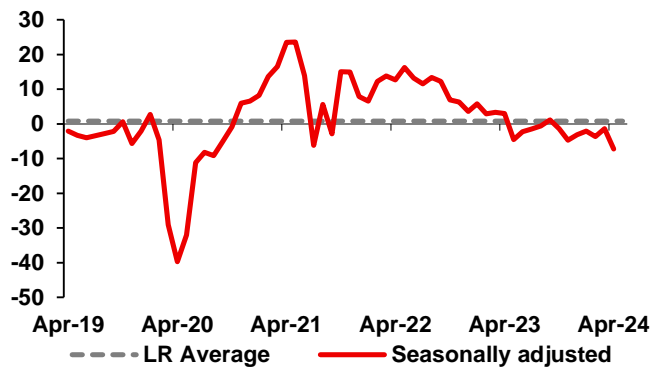


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

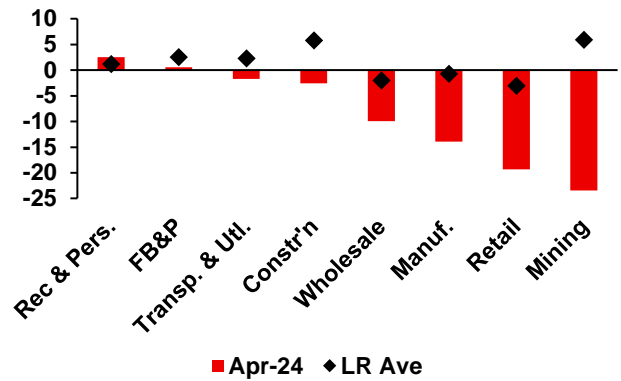


Chart 10: Capacity Utilisation, SA (%)

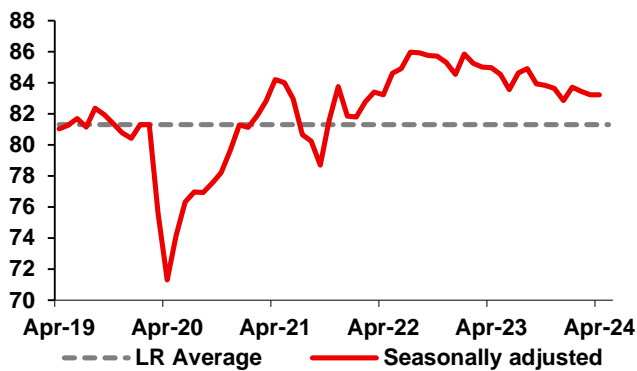


Chart 11: Capacity Util. by Industry, Trend

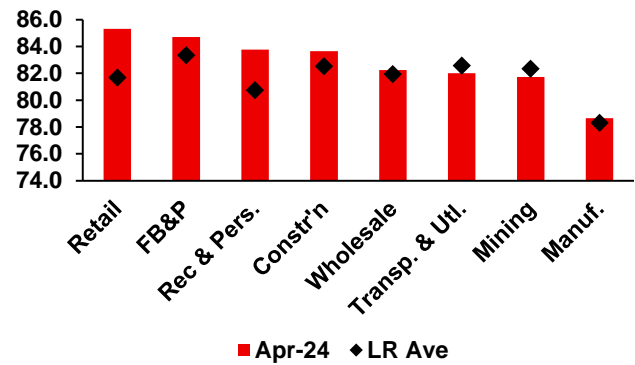


Chart 12: Capital Expenditure, SA (Net Balance)

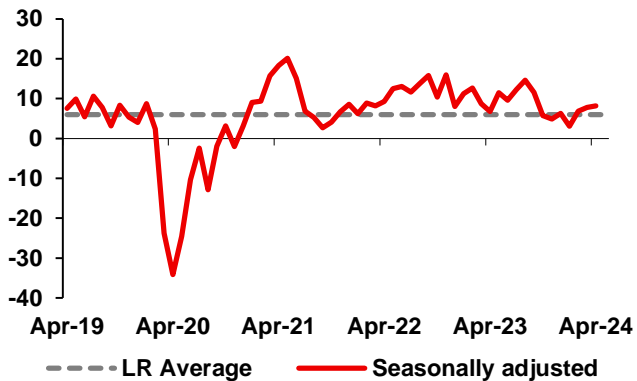


Chart 13: Exports & Stocks, SA (Net Balance)

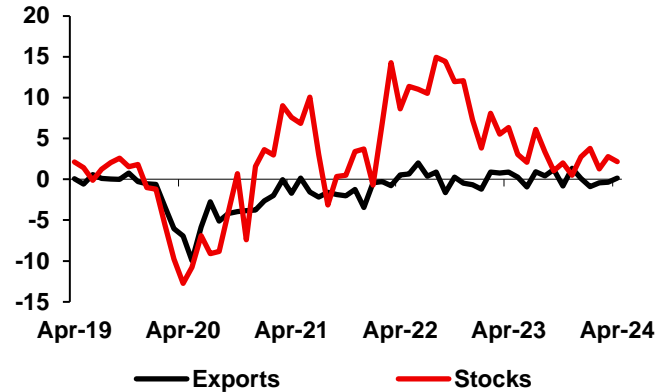


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

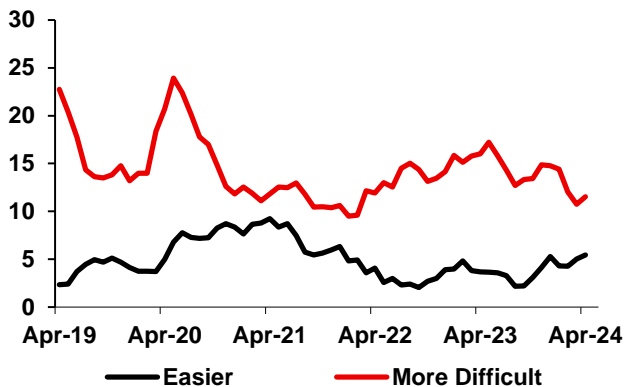
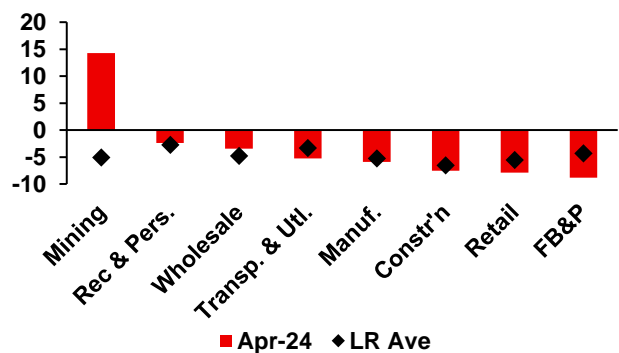


Chart 15: Borrowing Conditions by Industry (Net Balance)



## Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

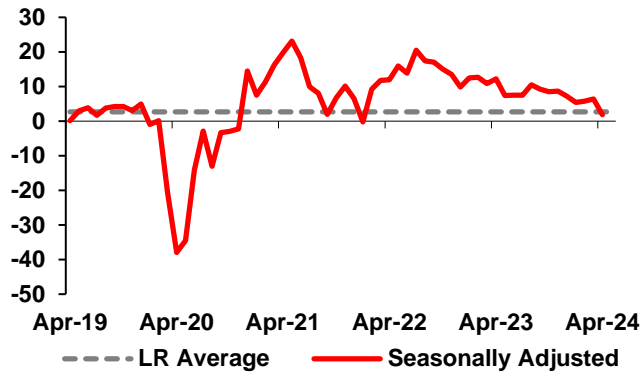


Chart 17: Employment, Selected Industries, Trend

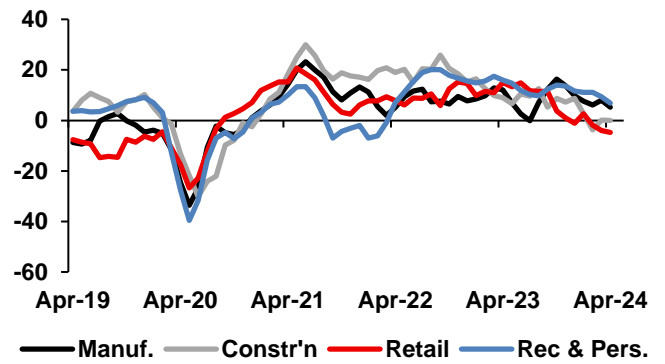


Chart 18: Cost Growth, SA (% Qtly Eq.)

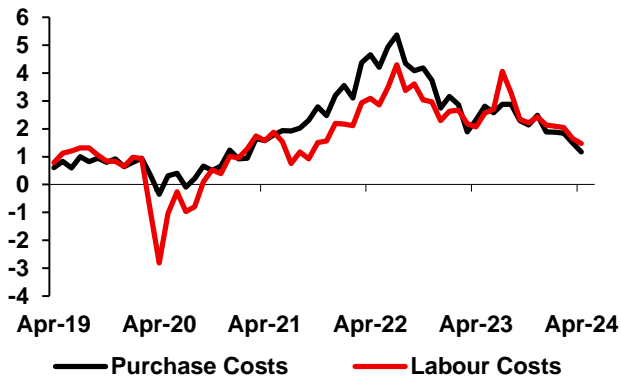


Chart 19: Labour Costs, Selected Industries, Trend (%)

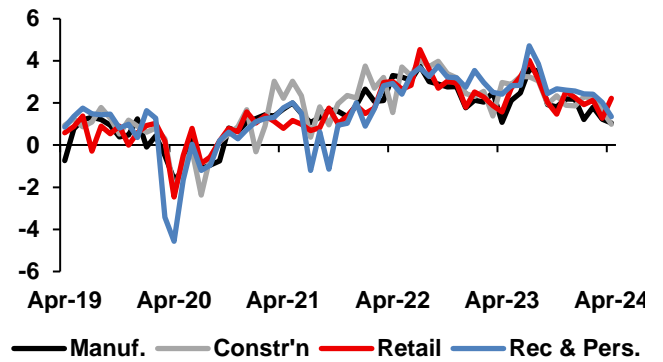


Chart 20: Price Growth, SA (% Qtly Eq.)

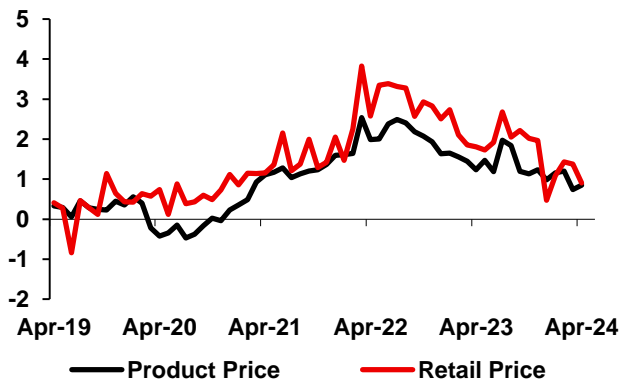
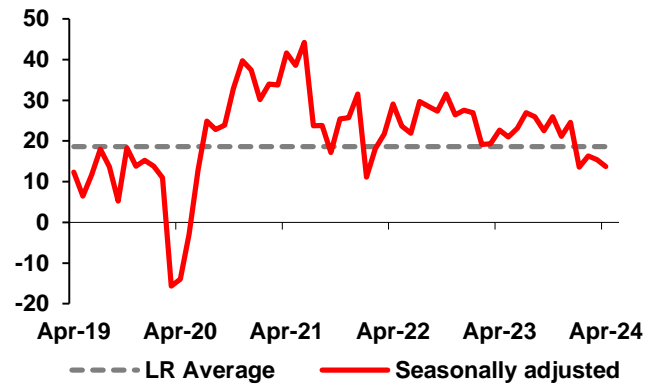


Chart 21: Cash Flow, SA (Net Balance)



## Conditions and Confidence by State and Industry

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

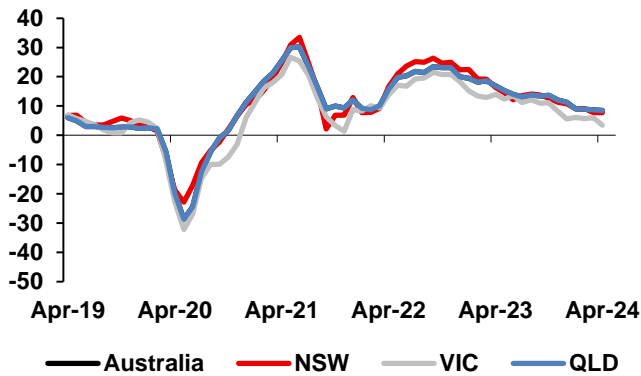


Chart 23: Conditions by State (Net Balance, Trend)

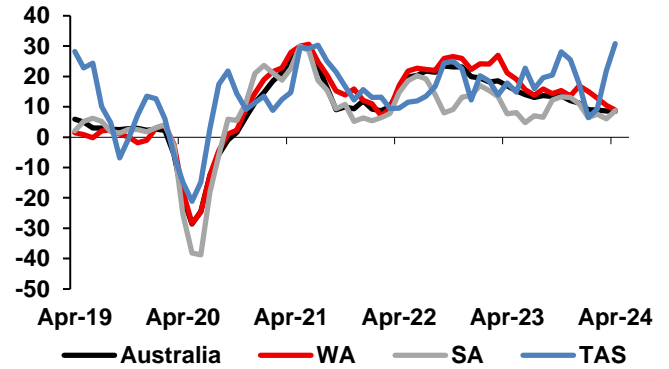


Chart 24: Confidence by State (Net Balance, Trend)

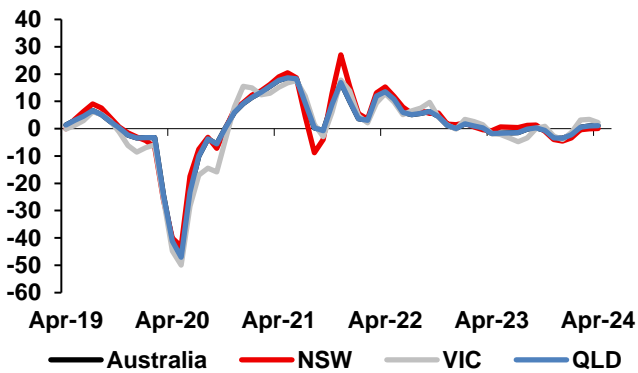


Chart 25: Confidence by State (Net Balance, Trend)

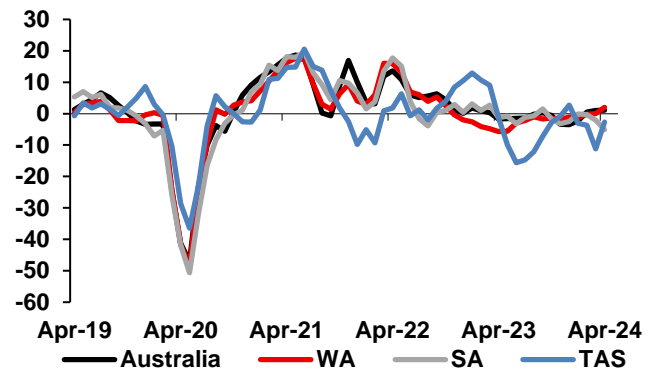


Chart 26: Conditions by Industry (Net Balance, Trend)

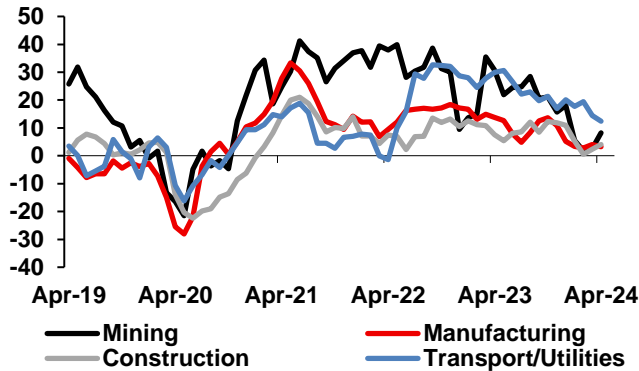


Chart 27: Conditions by Industry (Net Balance, Trend)

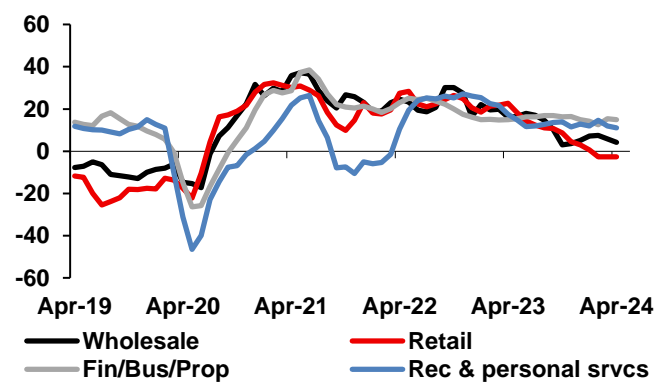


Chart 28: Confidence by Industry (Net Balance, Trend)

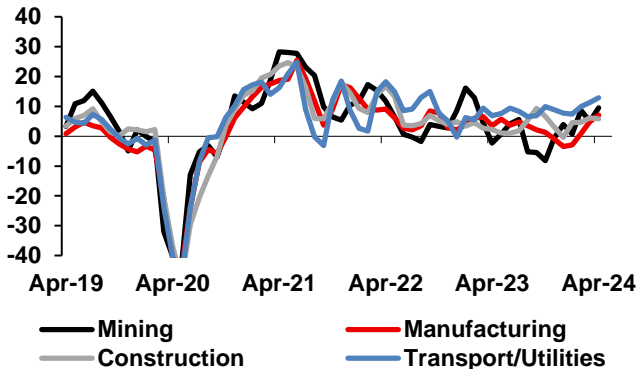
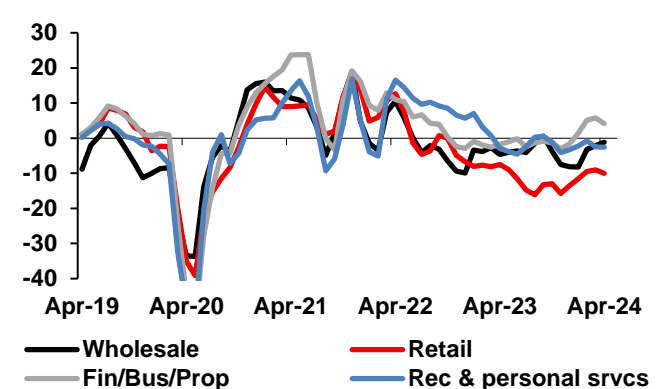


Chart 29: Confidence by Industry (Net Balance, Trend)



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## Appendix: list of series available to subscribers<sup>^</sup>

### 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	Percent
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.

<sup>^</sup>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.