

# NAB Monthly Business Survey Mar-25



## Capacity utilisation rises in March

### NAB Economics

#### Summary

Business conditions were largely unchanged in March and remain a little below average. An uptick in profitability in the month was mostly offset by slightly lower trading conditions and employment. Confidence eased slightly and remains in negative territory. Elsewhere, most survey measures were fairly steady, with +1pt improvements in forward orders and capex. Capacity utilisation was the exception, rising from 82.0% to 82.9% in the month. This was driven by increases in utilisation in the goods production industries (mining, transport & utilities, construction and manufacturing) while capacity utilisation was steady in consumer facing and services industries. Price pressures were stable in March, with slight easing in labour costs and retail prices. Overall, the survey suggests that businesses remain cautious about the outlook with confidence remaining negative but overall conditions holding largely steady. The survey was taken prior to the significant shift in US trade policy announced in early April, and as such, does not reflect firms' perceptions of the outlook post tariff announcements.

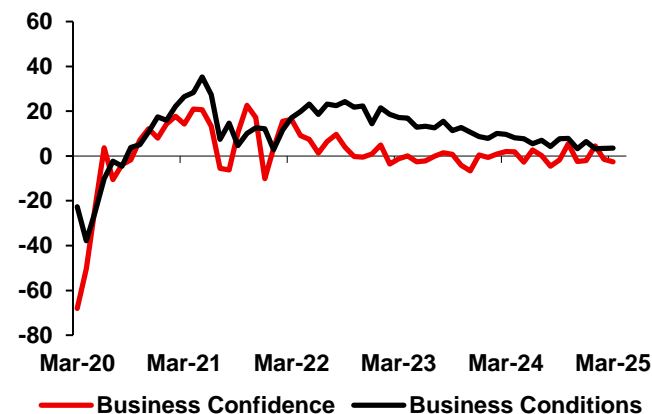
#### Survey Details

- **Business confidence** fell 1pt to -3 index points in March. Confidence by industry was mixed, with declines in finance, property & business services, manufacturing, wholesale and construction, while mining, retail, rec & personal and transport increased.
- **Business conditions** were broadly flat at +4 index points. An improvement in the profitability sub-component (up 3pts to +1 index points) was mostly offset by an easing in trading conditions and employment (down 1pt each).
- **By industry**, conditions improved in all industries except construction, retail and recreation & personal services. There was a significant uptick in mining and transport & utilities, and smaller increases in manufacturing, wholesale and finance, property & business services. In trend terms, conditions remain strongest in the services sector and are weakest in manufacturing and retail.
- **By State**, conditions improved notably in SA (reversing some of the decline seen in February), with smaller improvements in NSW, Vic and WA. Conditions weakened substantially in Tas (reversing the sharp rise in February) and fell for the third consecutive month in Qld.
- **Capacity utilisation** rose sharply to 82.9%, the highest level since September 2024. **Forward orders** rose by 1pt to -2 index points, while **capex** rose 1pt to +7 index points.
- **Purchase cost growth** was steady at 1.4% in quarterly equivalent terms while **labour cost growth** edged down to 1.5%. **Product price growth was unchanged** but retail price growth softened.

Table 1: Key Monthly Business Survey Statistics

|                           | Jan-25                     | Feb-25 | Mar-25 |
|---------------------------|----------------------------|--------|--------|
|                           | Net balance                |        |        |
| Business confidence       | 5                          | -2     | -3     |
| Business conditions       | 3                          | 3      | 4      |
| Trading                   | 7                          | 7      | 6      |
| Profitability             | -2                         | -1     | 1      |
| Employment                | 5                          | 4      | 4      |
| Forward Orders            | -3                         | -3     | -2     |
| Capex                     | 3                          | 6      | 7      |
| Stocks                    | 3                          | 3      | 5      |
| Exports                   | -1                         | 0      | 0      |
|                           | % change at quarterly rate |        |        |
| Labour costs              | 1.7                        | 1.6    | 1.5    |
| Purchase costs            | 1.1                        | 1.4    | 1.4    |
| Final products prices     | 0.8                        | 0.5    | 0.5    |
| Retail prices             | 1.0                        | 1.0    | 0.8    |
|                           | Percent                    |        |        |
| Capacity utilisation rate | 82.1                       | 82.0   | 82.9   |

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



All data seasonally adjusted and subject to revision. Survey conducted from 23 to 30 March, covering around 330 businesses across the non-farm business sector. Next release date: 13 May 2025.

## Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

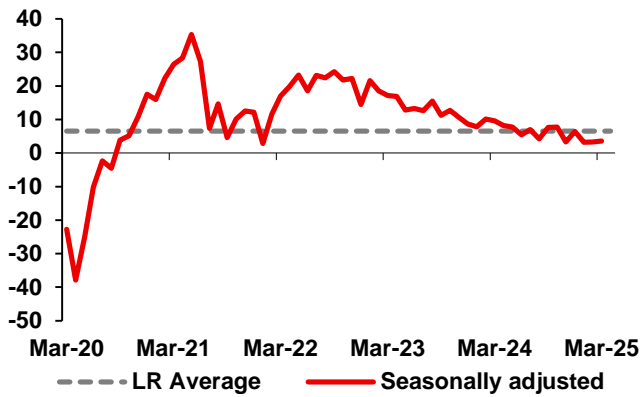


Chart 3: Components of Conditions, SA (Net Balance)

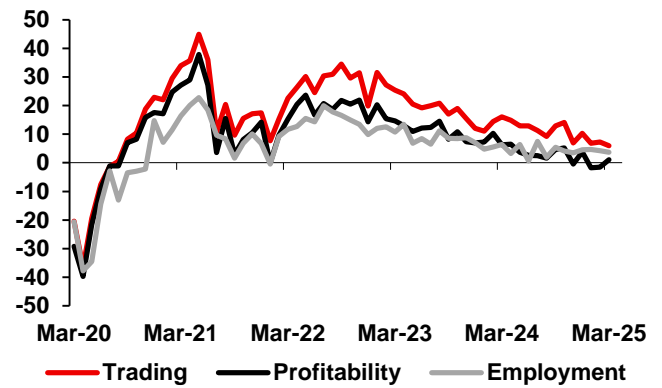


Chart 4: Business Confidence, SA (Net Balance)

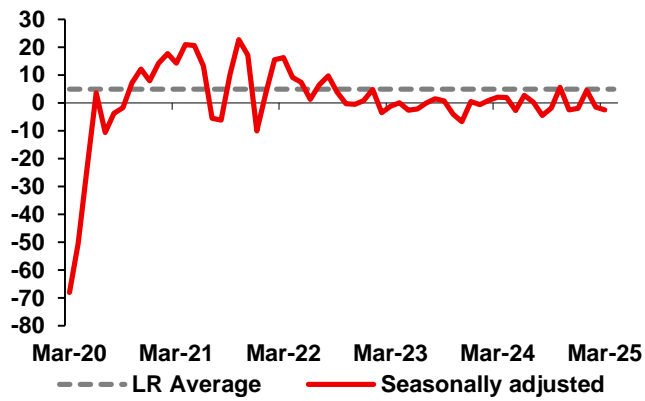


Chart 5: Conditions & Confidence, Trend (Net Balance)

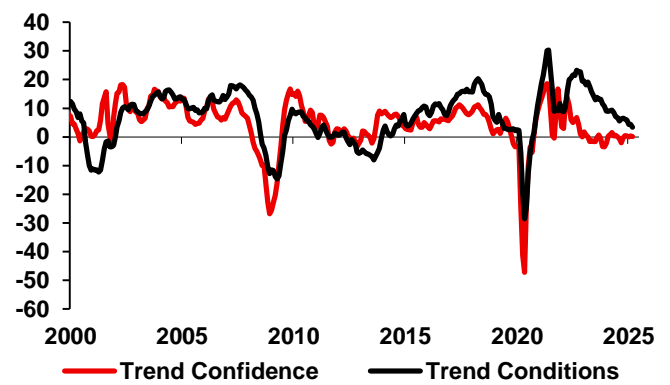


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

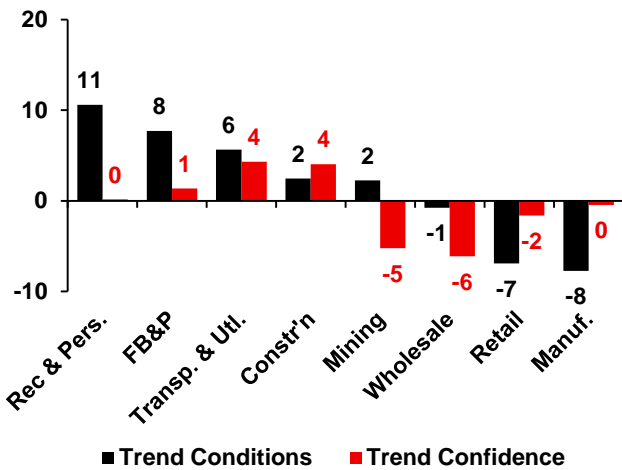
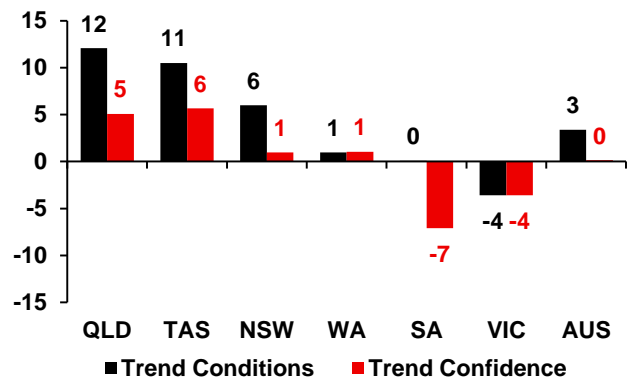


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



## Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

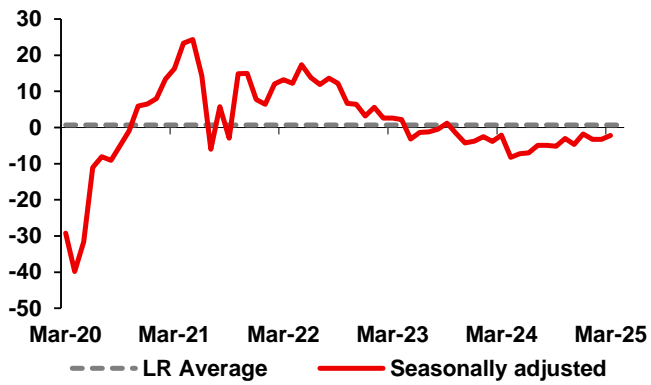


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

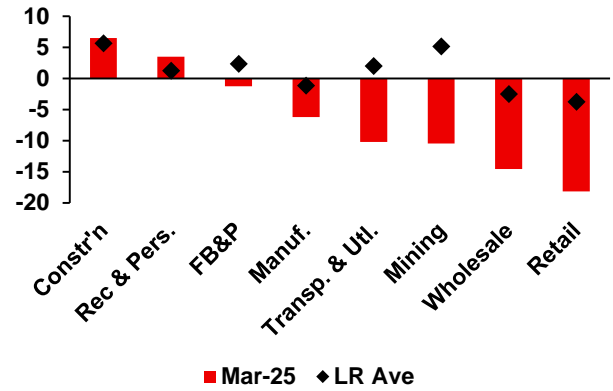


Chart 10: Capacity Utilisation, SA (%)

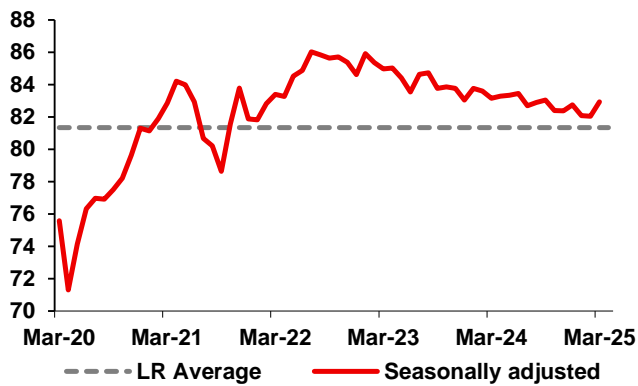


Chart 11: Capacity Util. by Industry, Trend

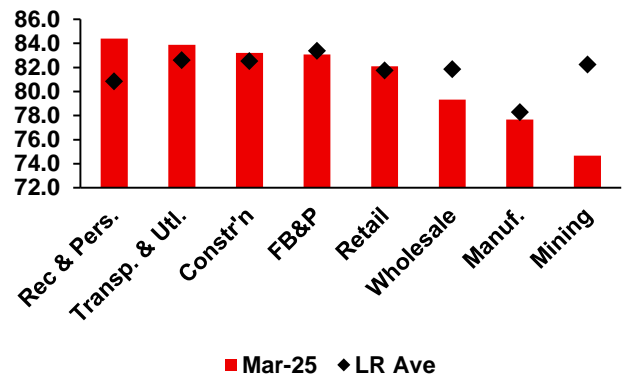


Chart 12: Capital Expenditure, SA (Net Balance)

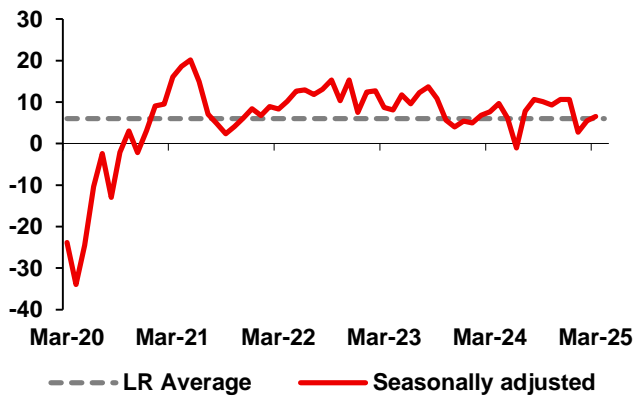


Chart 13: Exports & Stocks, SA (Net Balance)

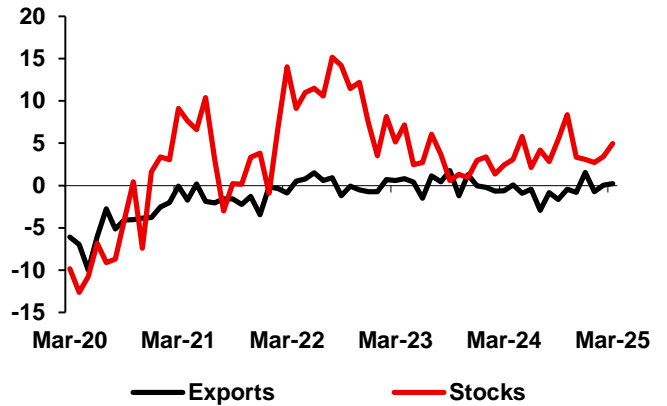


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

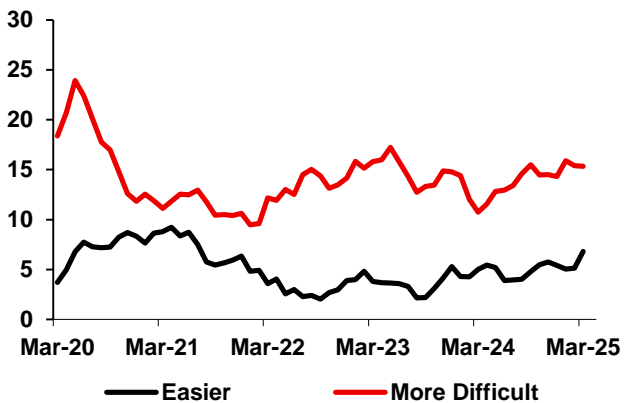
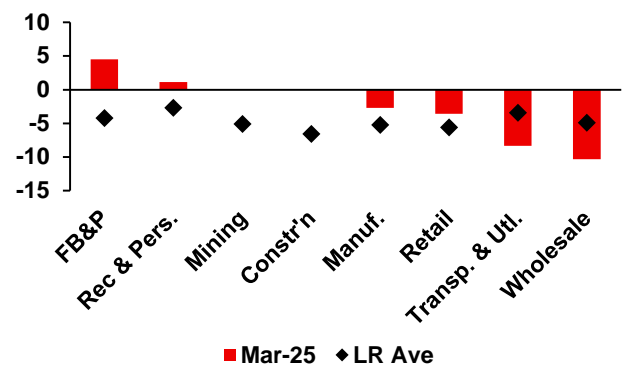


Chart 15: Borrowing Conditions by Industry (Net Balance)



## Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

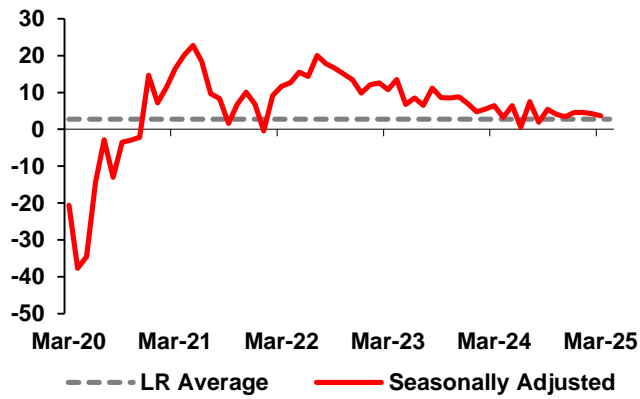


Chart 17: Employment, Selected Industries, Trend

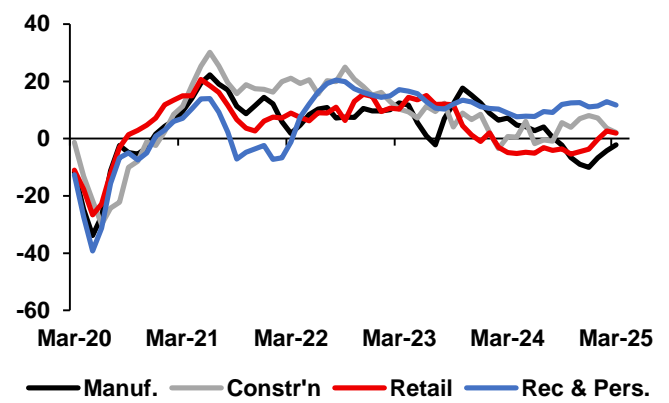


Chart 18: Cost Growth, SA (% Qtly Eq.)

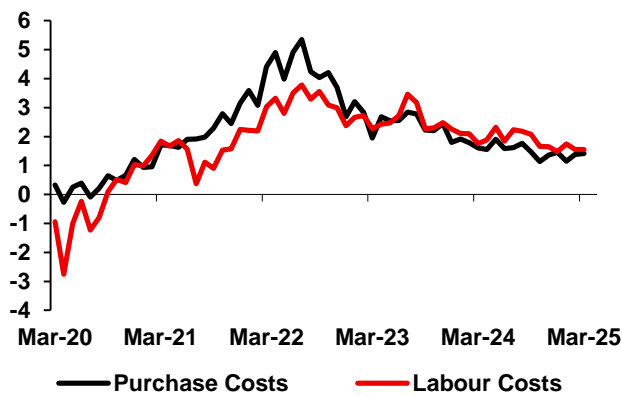


Chart 19: Labour Costs, Selected Industries, Trend (%)

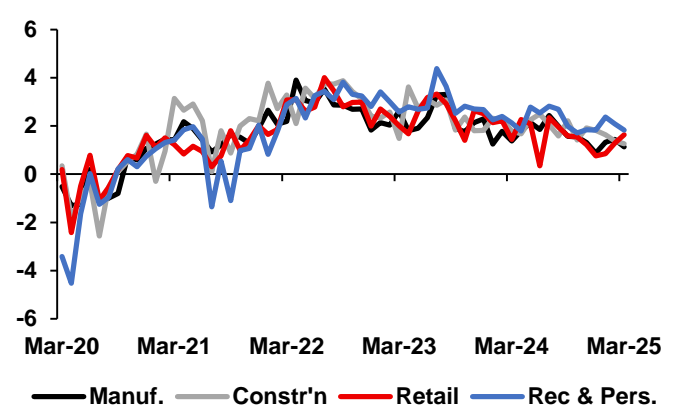


Chart 20: Output Price Growth, SA (% Qtly Eq.)

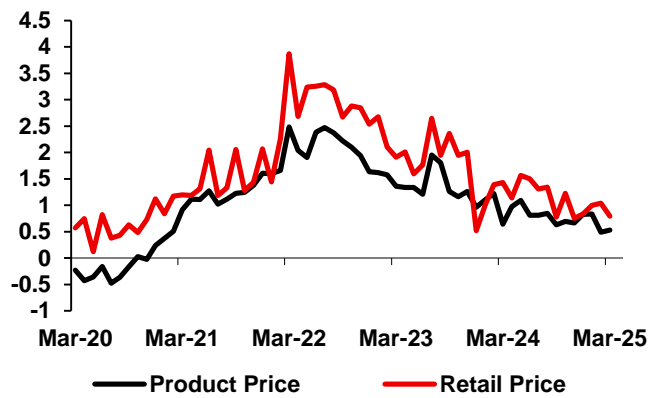
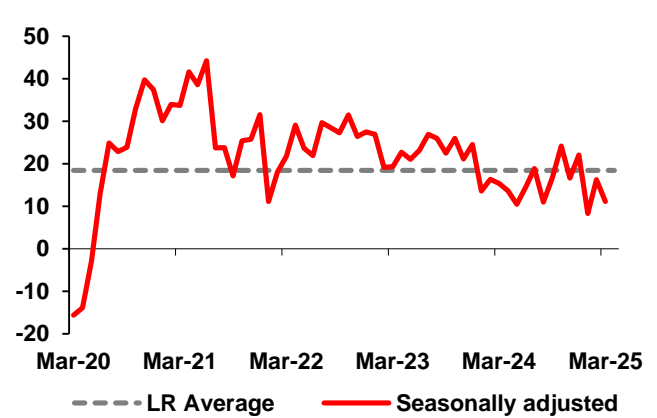


Chart 21: Cash Flow, SA (Net Balance)



## Conditions and Confidence by State and Industry

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

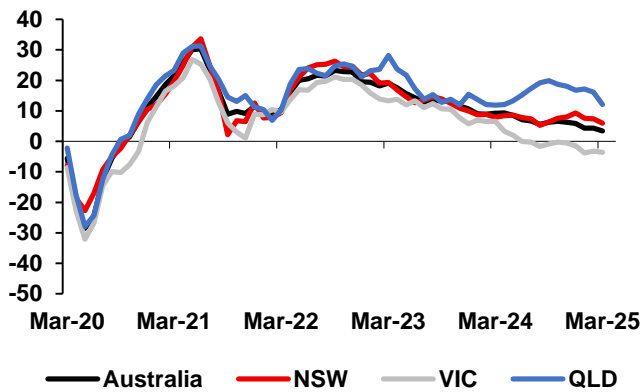


Chart 23: Conditions by State (Net Balance, Trend)

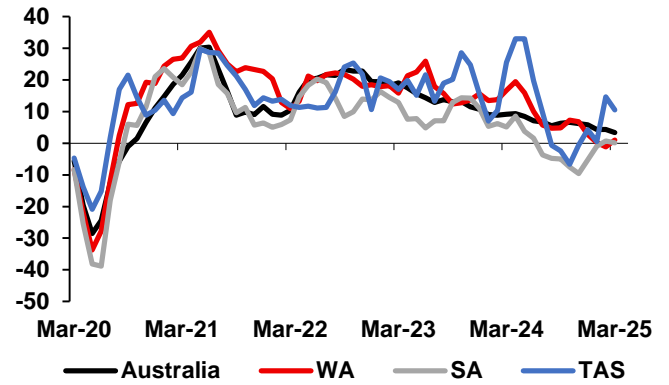


Chart 24: Confidence by State (Net Balance, Trend)

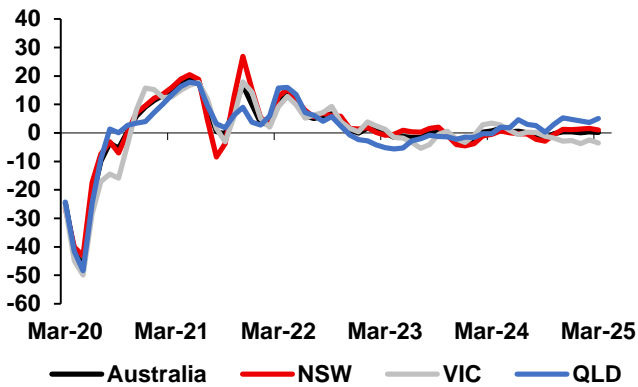


Chart 25: Confidence by State (Net Balance, Trend)

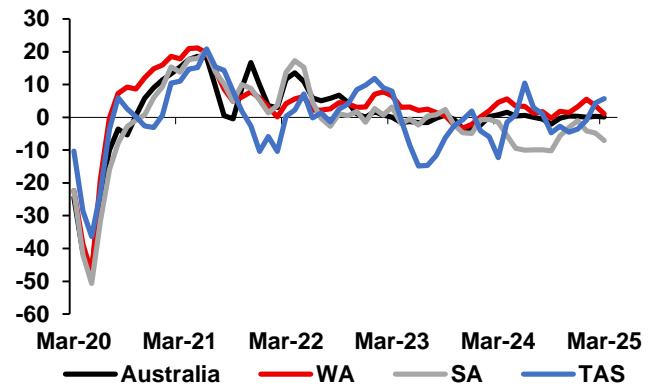


Chart 26: Conditions by Industry (Net Balance, Trend)

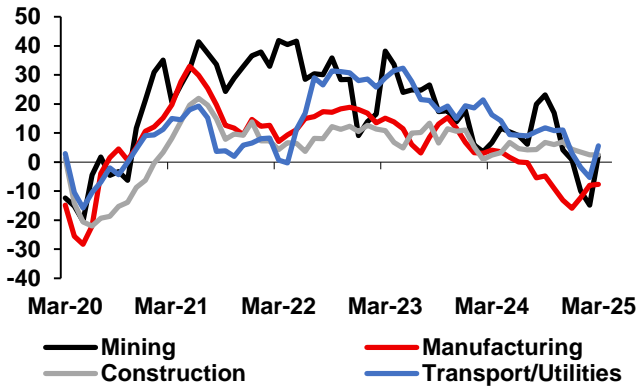


Chart 27: Conditions by Industry (Net Balance, Trend)

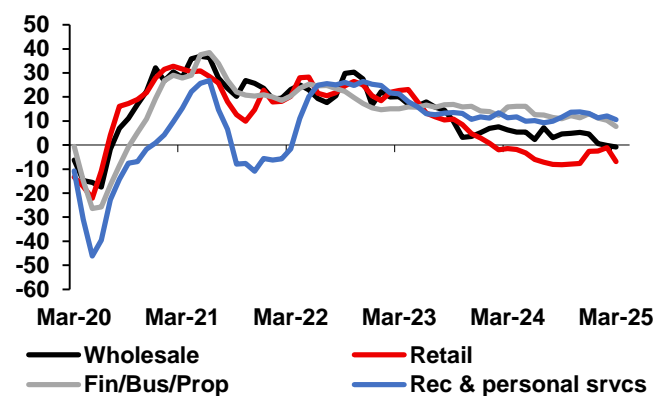


Chart 28: Confidence by Industry (Net Balance, Trend)

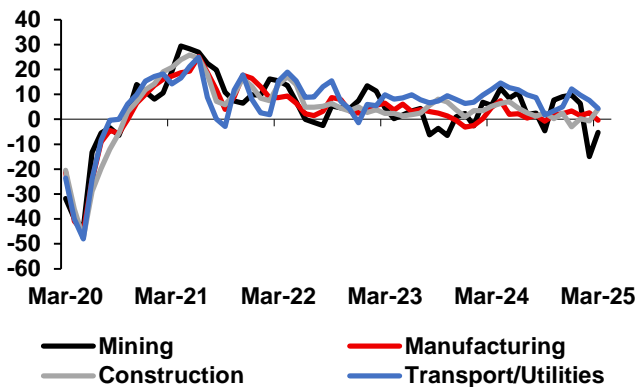
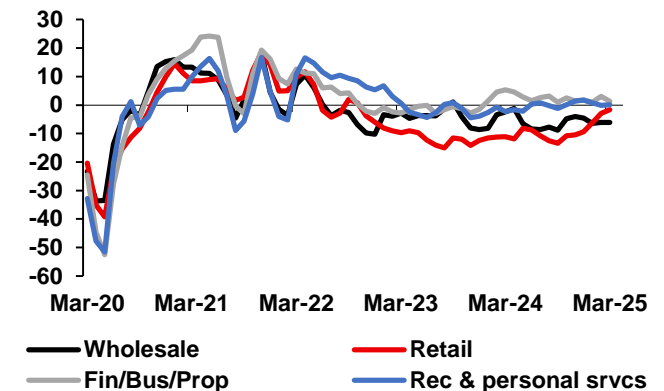


Chart 29: Confidence by Industry (Net Balance, Trend)



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## Appendix: list of series available to subscribers<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          | 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.

<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.