

NAB Monthly Business Survey June-25



Confidence and Conditions Lift

NAB Economics

Summary

The June NAB Business Survey suggests that business conditions are stabilising, if not starting to turn around after a disappointing start to the year. The recent rise in capacity utilisation suggests that demand/supply imbalances remain an issue, and cost growth still remains elevated, but price growth has eased suggesting ongoing profitability pressures.

Business conditions spiked higher in June to 9 index points. Data can be volatile month-to-month, but historically monthly gains of this magnitude have typically only partially reversed the next month. The June gain was enough to pull the trend higher - the first increase this year - but it remains below average. Business confidence rose for the third consecutive month in June to, in trend terms, its highest level in over a year. The improvement in forward orders evident since mid-last year continued into June and it is now only a little below its long-run average. Capacity utilisation rose for the second consecutive month and is again clearly above its long-run average. Cost indicators signalled little underlying change: labour cost growth nudged down and, while purchase cost growth increased, it remained within its recent range. Final product price growth (0.6%) was a bit higher, but this only partially reversed recent improvement and retail price growth eased.

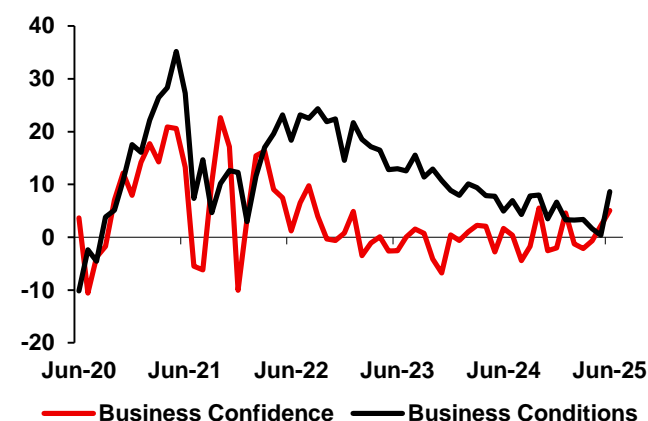
Survey Details

- **Business confidence** rose 3pts to +5 index points in June. In trend terms, confidence was weakest in retail and wholesale and strongest in construction.
- **Business conditions** increased by 8pts (unrounded) to 9 index points, driven by large gains in trading conditions and profitability. In trend terms conditions rose 2pts to 4 index points (still below the long-run average).
- **By industry**, conditions rose in most industries. Manufacturing and retail saw the largest increases (after large falls in May). The exceptions were wholesale and transport which were essentially unchanged. In trend terms, conditions are strongest in recreation & personal, and finance, property & business, and weakest in manufacturing and retail.
- **By State**, there were large increases in conditions in Qld and Tasmania. Conditions also rose in NSW and Victoria, but they fell in SA and WA. In trend terms, conditions and confidence are strongest in Qld and Tasmania, but weakest in SA, Vic and WA.
- **Capacity utilisation** increased to 83.3%. This follows a similar rise in May and utilisation is back to where it was in January 2025 in trend terms. **Forward orders** rose by 2pts to 0 index points, the best result since September 2023, while **capex** rose to 10 index points.
- **Purchase cost growth** rose to 1.5% in quarterly equivalent terms from 1.2%, but remained within the range it has been since mid-2024. **Labour cost growth** eased slightly to 1.5%. **Product price growth** ticked up to 0.6%, but retail price growth slowed to 0.6% (its lowest reading since early 2023).

Table 1: Key Monthly Business Survey Statistics

| | Apr-25 | May-25 | Jun-25 |
|---------------------------|----------------------------|--------|--------|
| | Net balance | | |
| Business confidence | -1 | 2 | 5 |
| Business conditions | 2 | 0 | 9 |
| Trading | 6 | 5 | 15 |
| Profitability | -4 | -5 | 4 |
| Employment | 4 | 1 | 3 |
| Forward Orders | -3 | -2 | 0 |
| Capex | 1 | 6 | 10 |
| Stocks | 4 | 3 | 11 |
| Exports | -1 | 1 | -1 |
| | % change at quarterly rate | | |
| Labour costs | 1.5 | 1.6 | 1.5 |
| Purchase costs | 1.6 | 1.2 | 1.5 |
| Final products prices | 0.7 | 0.5 | 0.6 |
| Retail prices | 1.2 | 1.0 | 0.6 |
| | Percent | | |
| Capacity utilisation rate | 81.5 | 82.4 | 83.3 |

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



All data seasonally adjusted and subject to revision. Survey conducted from 23 June to 30 June 2025, covering around 340 businesses across the non-farm business sector. **Next release date: 12 August 2025.**

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

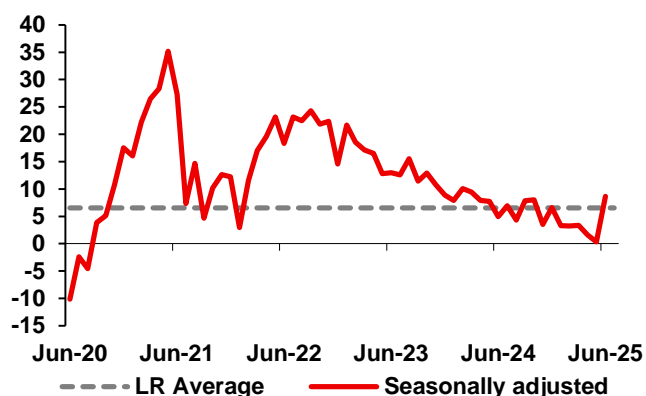


Chart 3: Components of Conditions, SA (Net Balance)

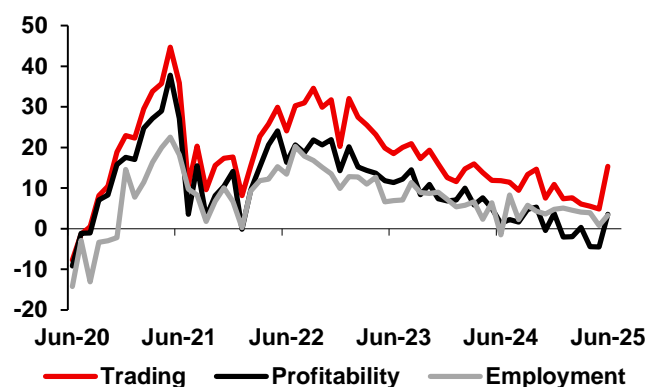


Chart 4: Business Confidence, SA (Net Balance)

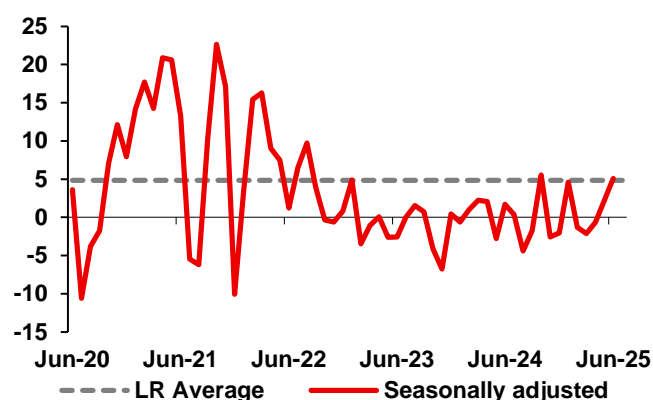


Chart 5: Conditions & Confidence, Trend (Net Balance)

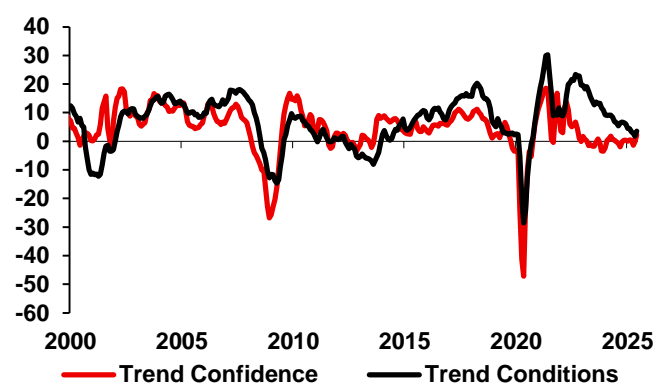


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

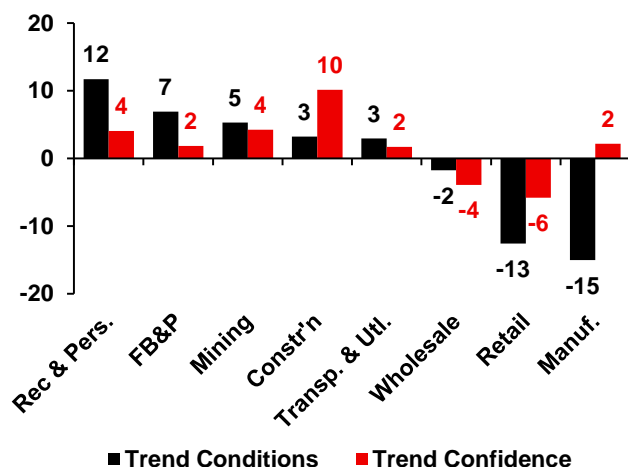
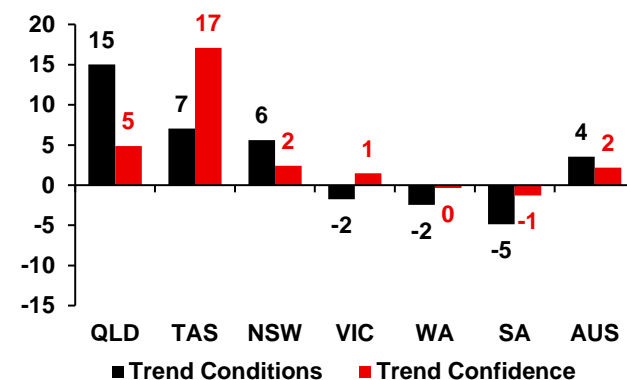


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

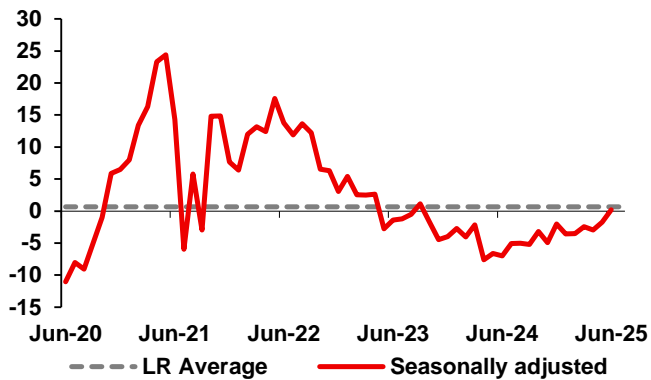


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

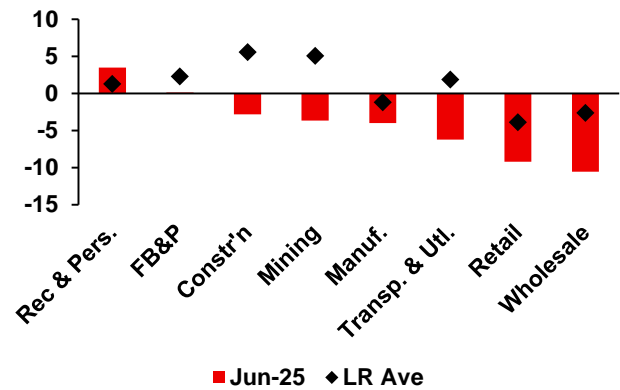


Chart 10: Capacity Utilisation, SA (%)

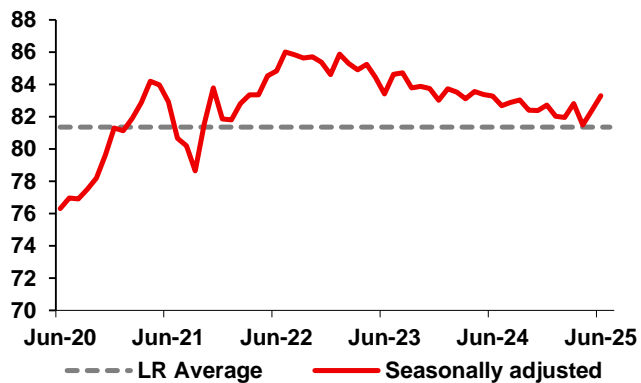


Chart 11: Capacity Util. by Industry, Trend

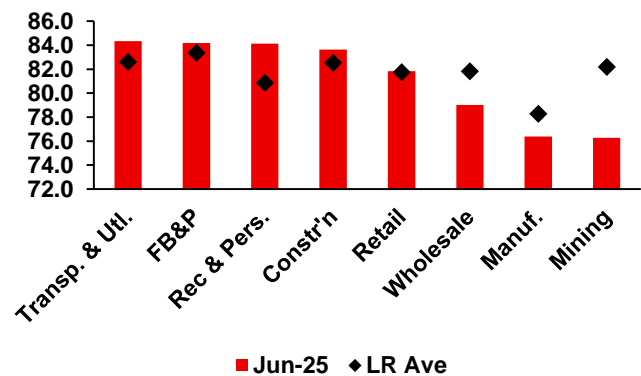


Chart 12: Capital Expenditure, SA (Net Balance)

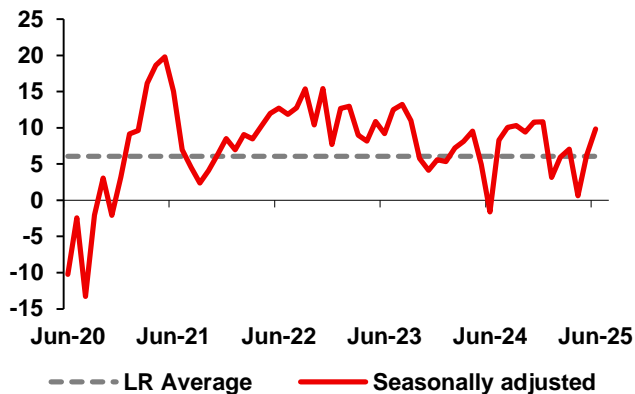


Chart 13: Exports & Stocks, SA (Net Balance)

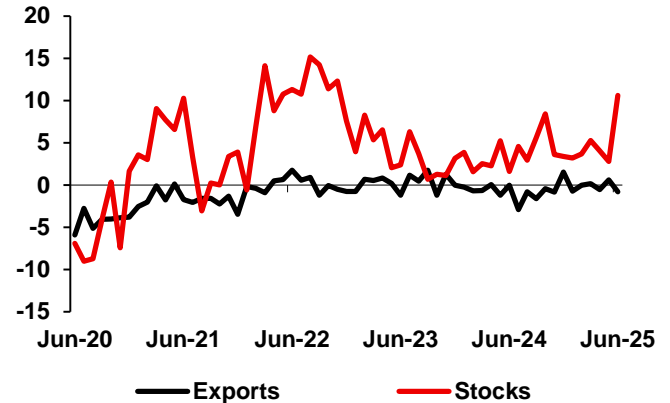


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

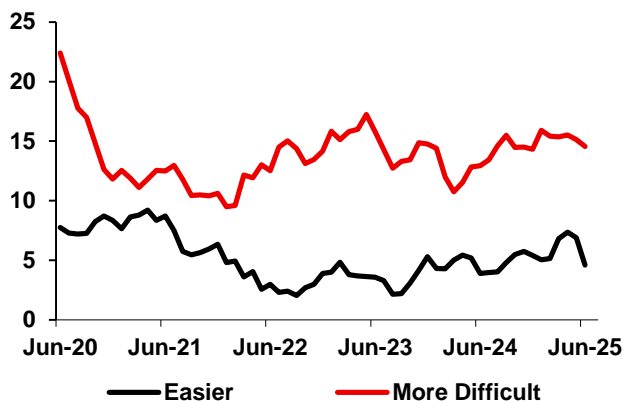


Chart 15: Borrowing Conditions by Industry (Net Balance)



Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

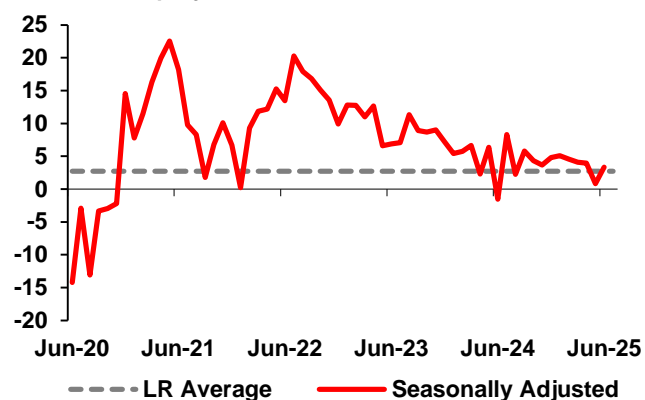


Chart 17: Employment, Selected Industries, Trend

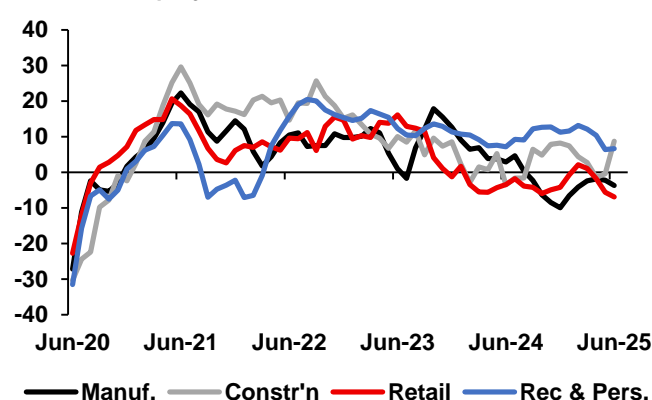


Chart 18: Cost Growth, SA (% Qtly Eq.)

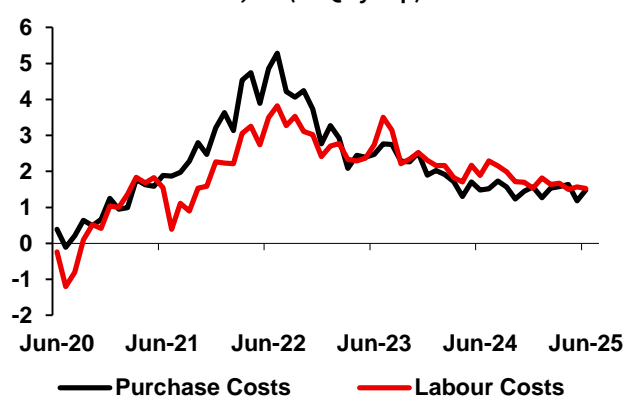


Chart 19: Labour Costs, Selected Industries, Trend (%)

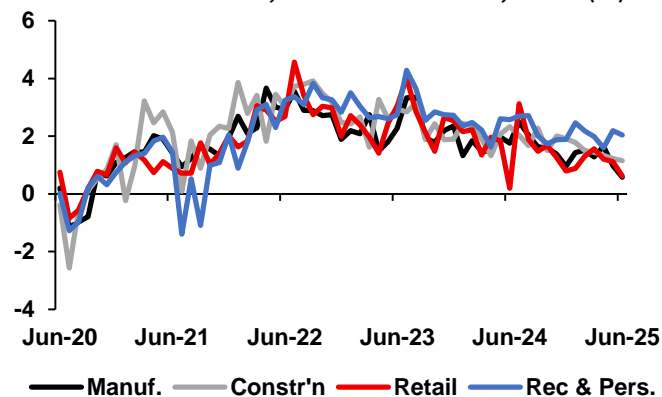


Chart 20: Output Price Growth, SA (% Qtly Eq.)

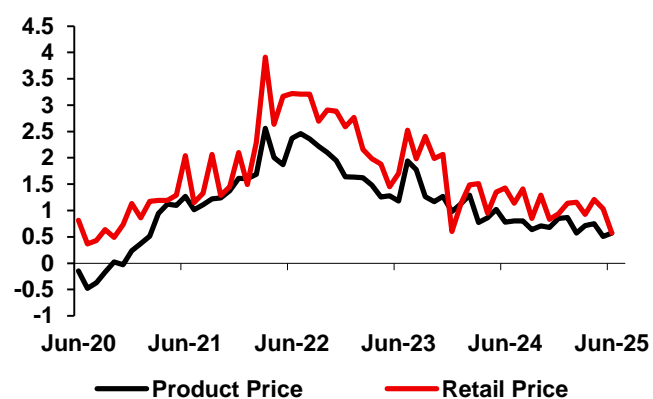
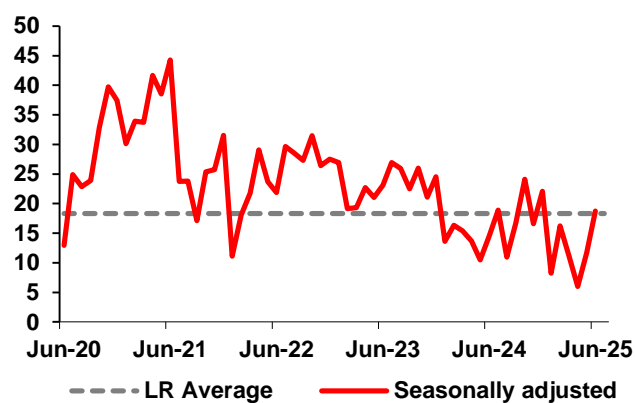


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

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

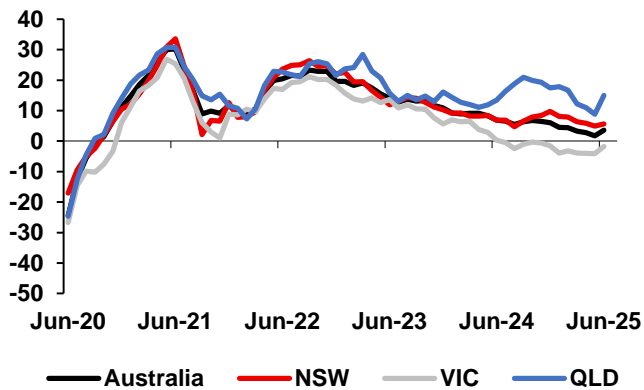


Chart 23: Conditions by State (Net Balance, Trend)

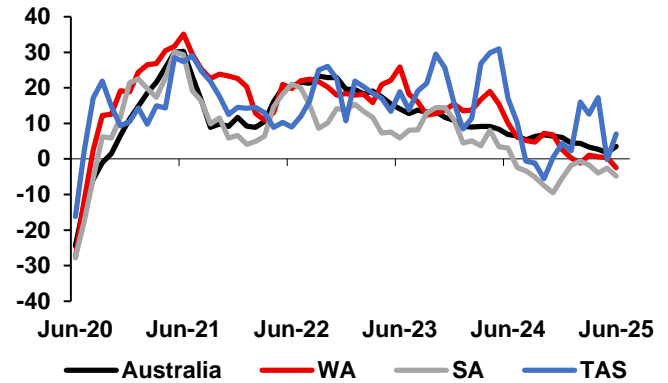


Chart 24: Confidence by State (Net Balance, Trend)

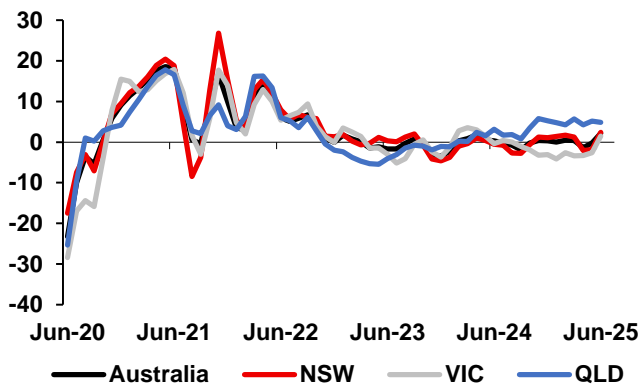


Chart 25: Confidence by State (Net Balance, Trend)

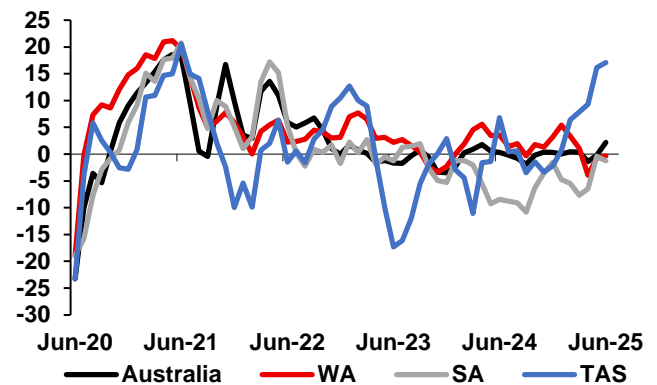


Chart 26: Conditions by Industry (Net Balance, Trend)

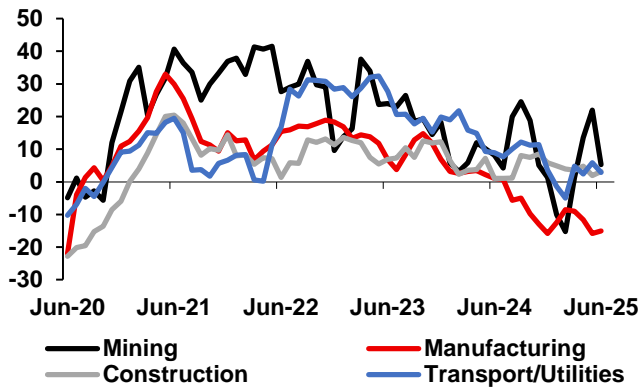


Chart 27: Conditions by Industry (Net Balance, Trend)

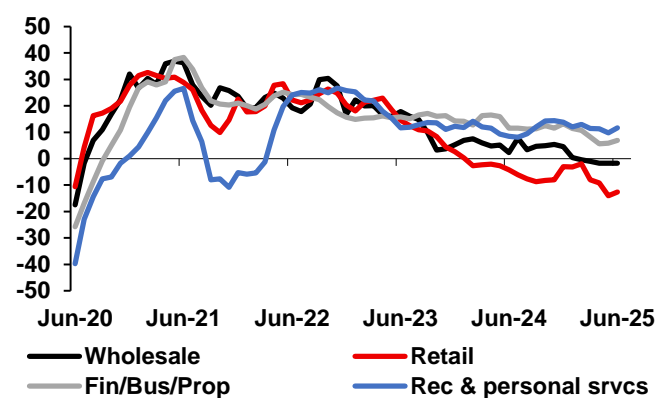


Chart 28: Confidence by Industry (Net Balance, Trend)

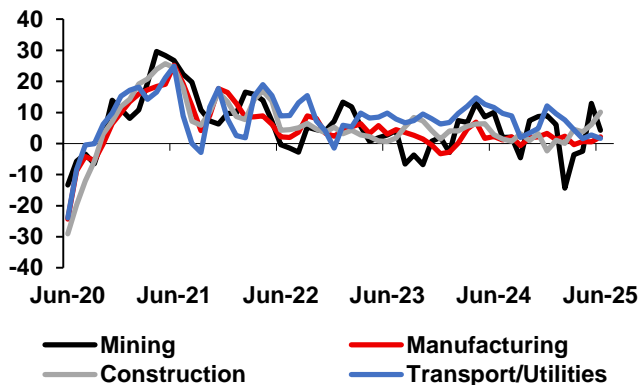
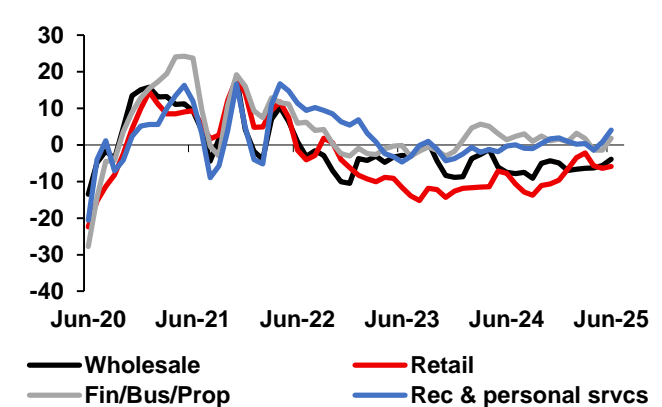


Chart 29: Confidence by Industry (Net Balance, Trend)



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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.