

# NAB Monthly Business Survey July-25



## Confidence continues to lift

## NAB Economics

### Summary

Business confidence improved further in July and is now just above its long run average. Confidence remains highest in both consumer and business service sectors as well as construction, with retail and wholesale remaining the most pessimistic. Though business conditions edged down in the month, they held onto most of the large gains in June. That said, there is a notable divergence across industries, with goods distribution and production industries, including retail, wholesale and manufacturing, generally weak. The services sectors – both consumer and business related – continue to show the most resilience. While the activity side of the survey has improved over the past two months, price pressures remain, with both input costs and output prices growth accelerating in the month with capacity utilisation also tracking above its long run average despite easing in the month. Overall, the survey, like the consumer spending indicators, points to an improvement in economic momentum through Q2, but also highlights that cost and price challenges remain for the business sector.

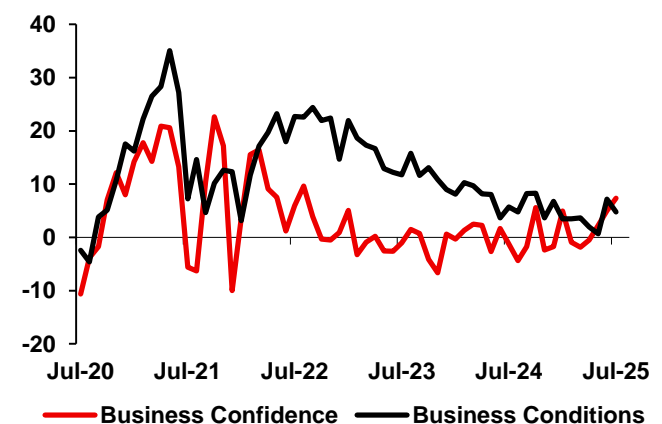
### Survey Details

- **Business confidence** rose 2pts to +7 index points in July. In trend terms, confidence was strongest in construction, as well as the service sectors while outside of mining it remains weakest in wholesale and retail industries.
- **Business conditions** eased 2pts to 5 index points, driven by a softening in trading, profitability and employment. The trading subcomponent is just below its long run average, though profitability and employment are a little further below their averages.
- **By industry**, a rise in conditions in retail, construction and wholesale was offset by declines across the other industries, led by a fall in transport & utilities. In trend terms, conditions were strongest in mining and the services sectors, but remained weak in retail, wholesale and manufacturing.
- **By State**, SA and WA saw large increases in business conditions which were partially offset by declines in the eastern states. Qld remains strongest by some margin in trend terms. Confidence is strongest in trend terms in Tas and Qld and weakest in SA and WA. Interestingly, both trend business conditions and confidence have ticked higher in Victoria in recent months.
- **Capacity utilisation** eased back to 82.4% but remains above the long-run average of 81.3%. **Forward orders** were unchanged at 0 index points.
- **Purchase cost growth** edged up to 1.4% in quarterly equivalent terms. **Labour cost growth** rose to 2.1%. **Product price growth** rose to 0.9%, while retail prices accelerated to 1.1%.

Table 1: Key Monthly Business Survey Statistics

	May-25	Jun-25	Jul-25
	Net balance		
Business confidence	2	5	7
Business conditions	1	7	5
Trading	6	14	11
Profitability	-4	4	2
Employment	1	4	1
Forward Orders	-2	0	0
Capex	7	10	7
Stocks	3	11	3
Exports	1	-1	-1
	% change at quarterly rate		
Labour costs	1.5	1.3	2.1
Purchase costs	1.2	1.3	1.4
Final products prices	0.5	0.5	0.9
Retail prices	1.0	0.5	1.1
	Percent		
Capacity utilisation rate	82.4	83.3	82.4

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



All data seasonally adjusted and subject to revision. Survey conducted from 23 to 31 July, covering around 370 businesses across the non-farm business sector. **Next release date: 9 September 2025.**

## Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

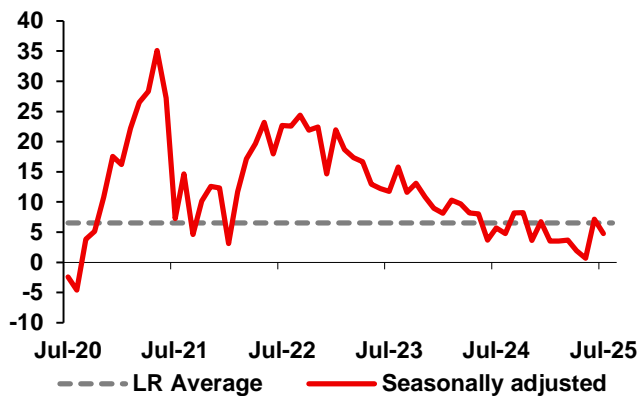


Chart 3: Components of Conditions, SA (Net Balance)

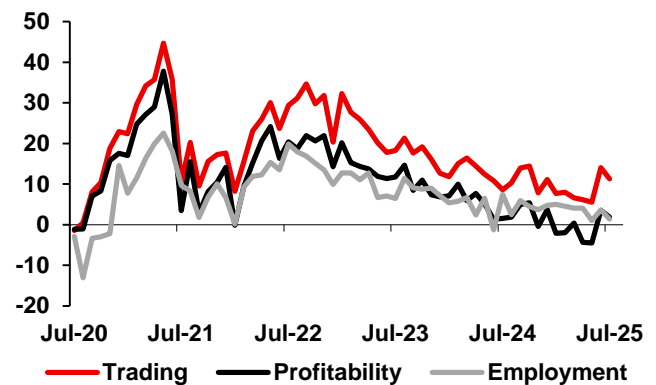


Chart 4: Business Confidence, SA (Net Balance)

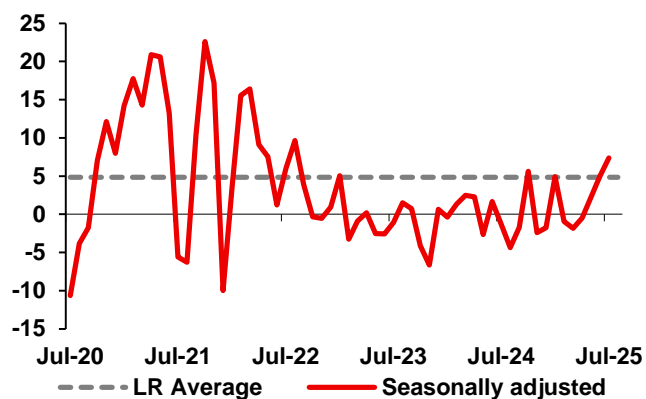


Chart 5: Conditions & Confidence, Trend (Net Balance)

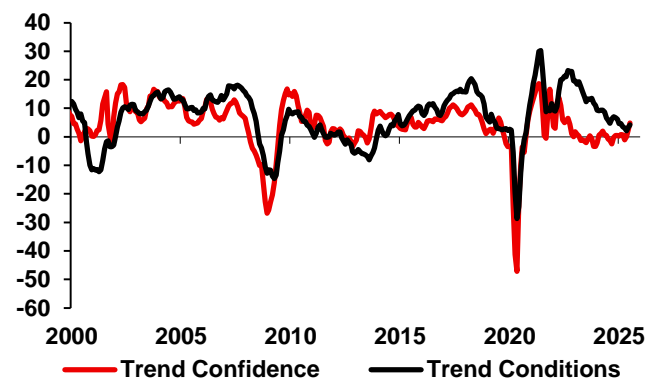


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

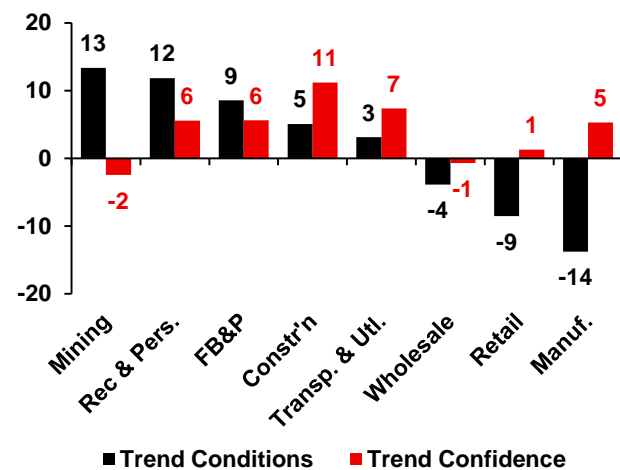
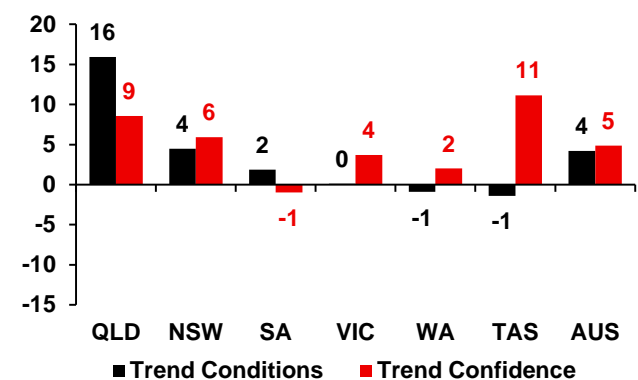


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



## Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

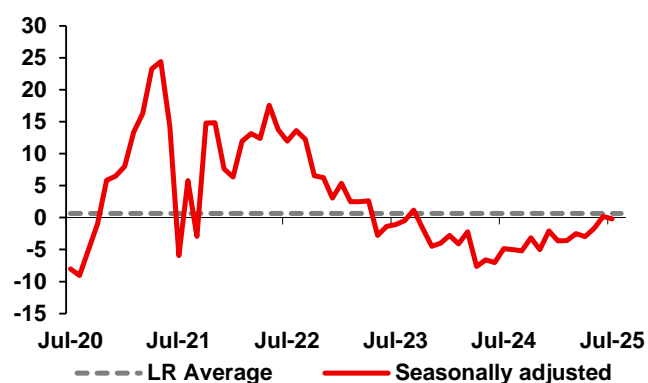


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

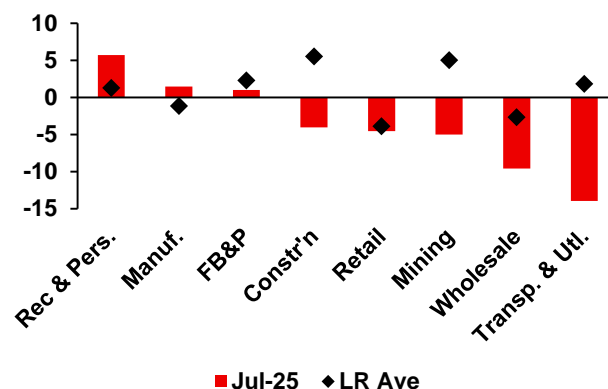


Chart 10: Capacity Utilisation, SA (%)

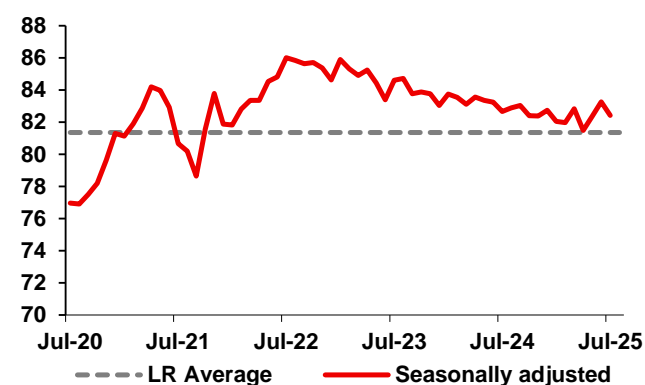


Chart 11: Capacity Util. by Industry, Trend

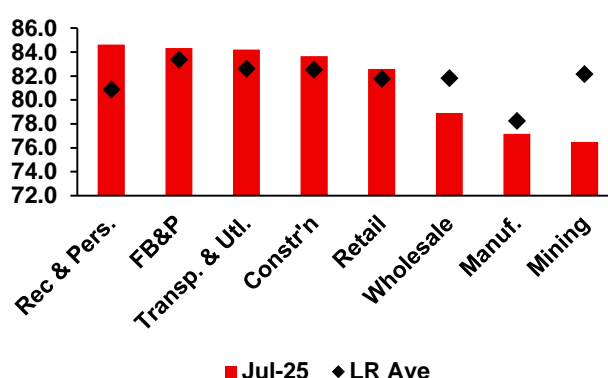


Chart 12: Capital Expenditure, SA (Net Balance)

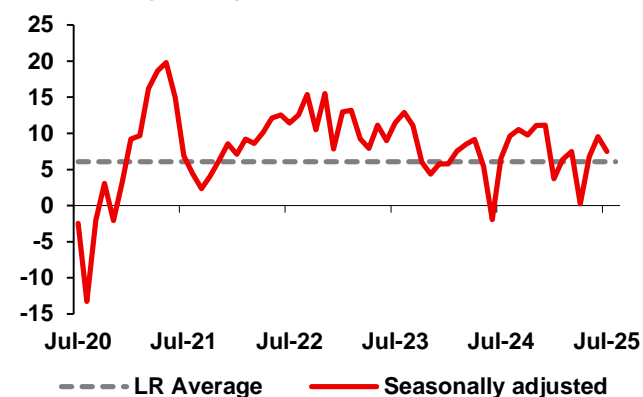


Chart 13: Exports & Stocks, SA (Net Balance)

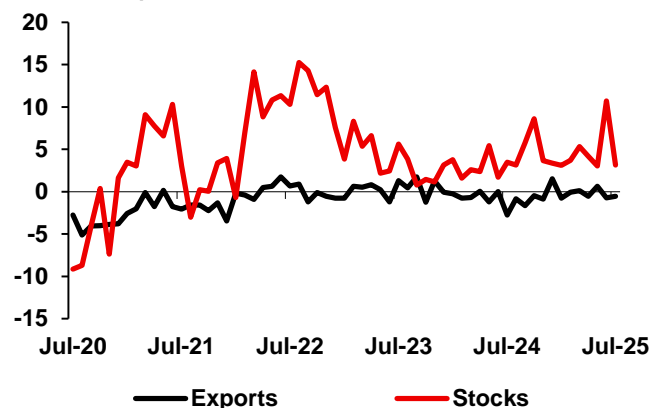


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

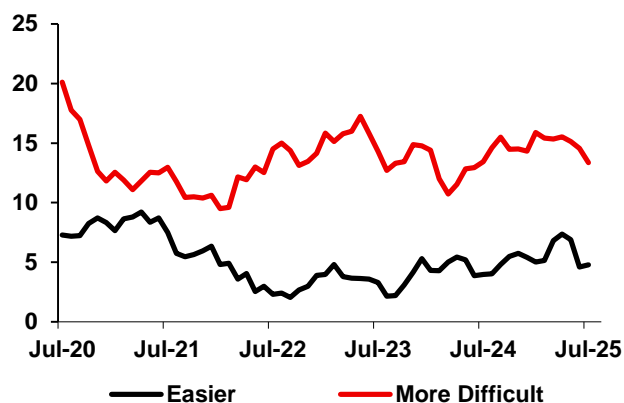
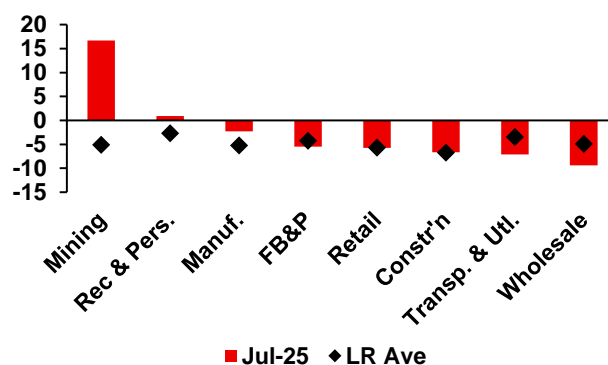


Chart 15: Borrowing Conditions by Industry (Net Balance)



## Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

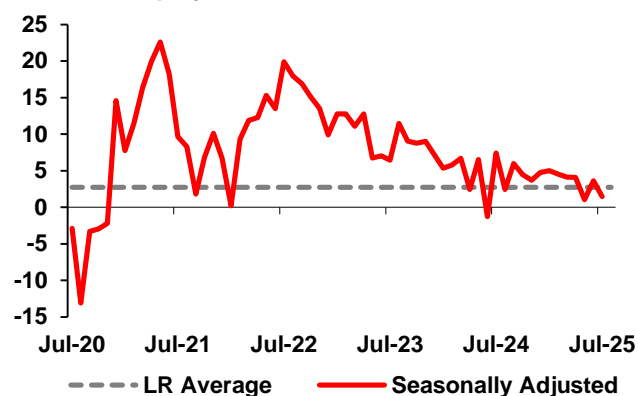


Chart 17: Employment, Selected Industries, Trend

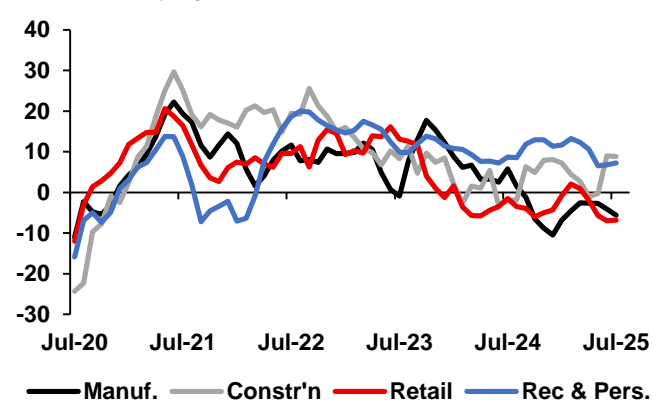


Chart 18: Cost Growth, SA (% Qtly Eq.)

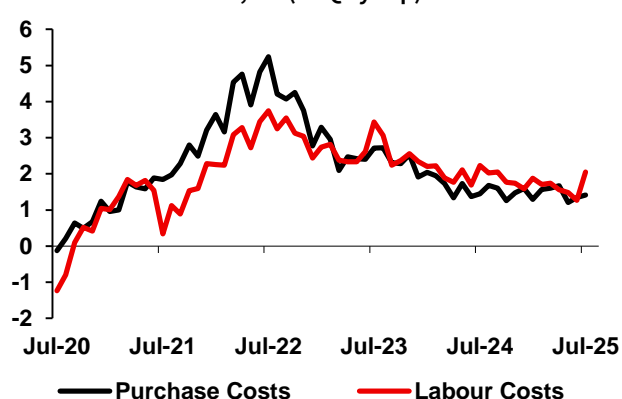


Chart 19: Labour Costs, Selected Industries, Trend (%)

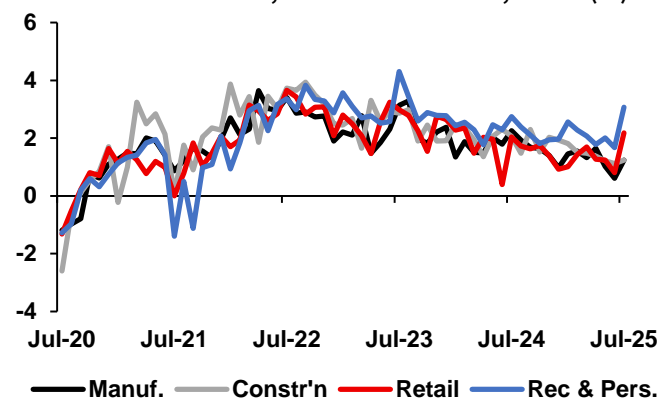


Chart 20: Output Price Growth, SA (% Qtly Eq.)

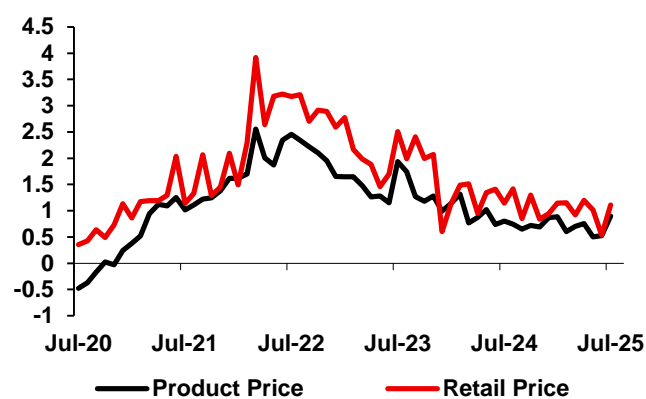
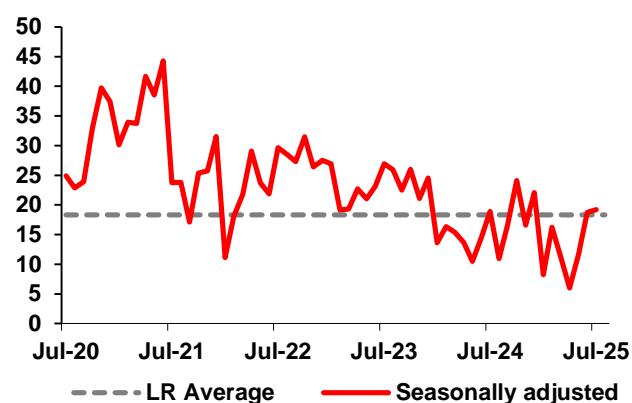


Chart 21: Cash Flow, SA (Net Balance)



## Conditions and Confidence by State and Industry

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

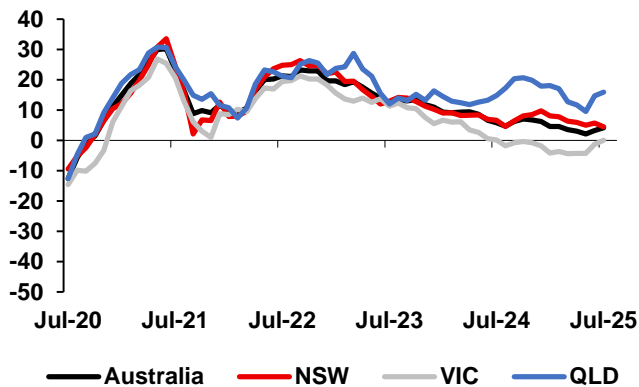


Chart 23: Conditions by State (Net Balance, Trend)

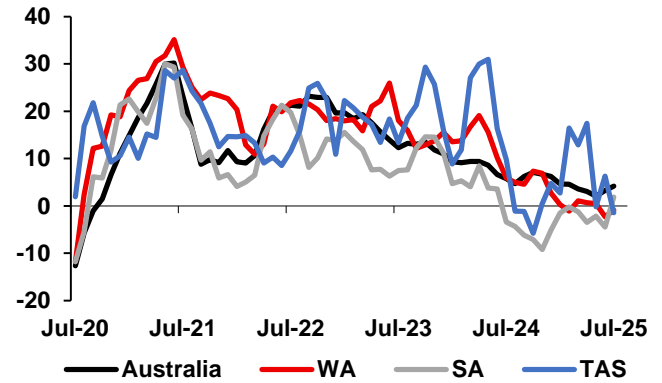


Chart 24: Confidence by State (Net Balance, Trend)

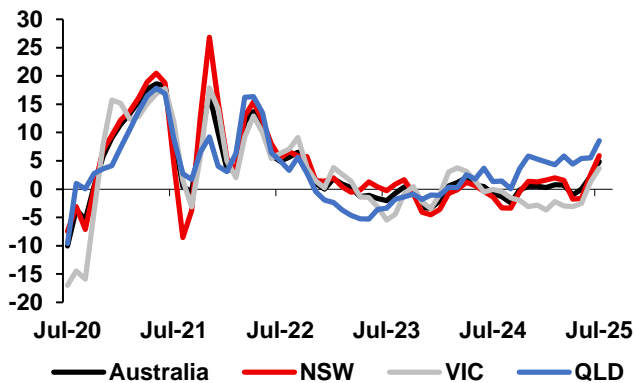


Chart 25: Confidence by State (Net Balance, Trend)

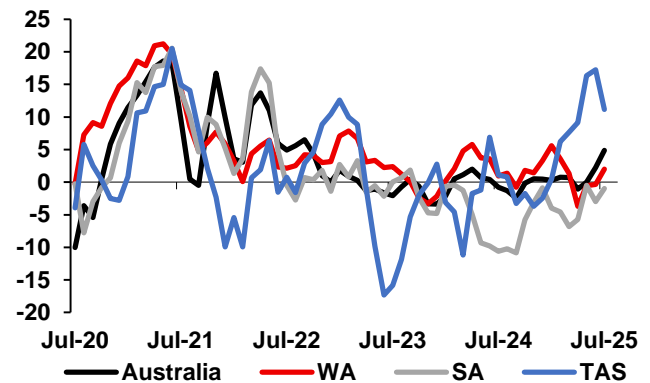


Chart 26: Conditions by Industry (Net Balance, Trend)

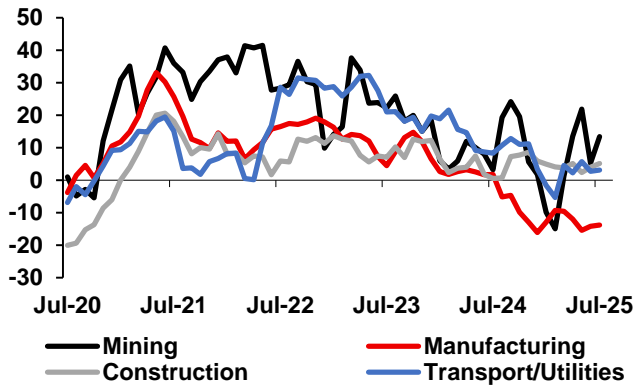


Chart 27: Conditions by Industry (Net Balance, Trend)

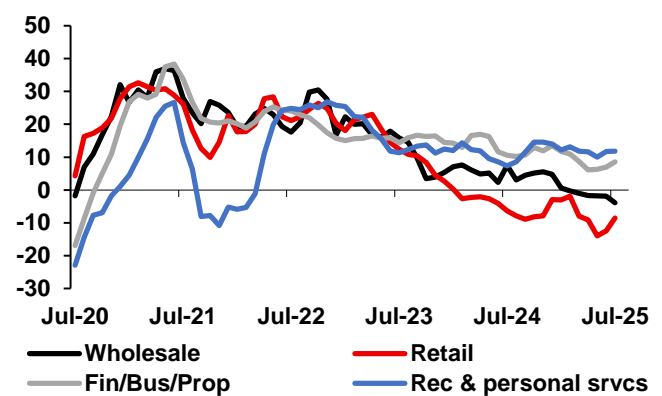


Chart 28: Confidence by Industry (Net Balance, Trend)

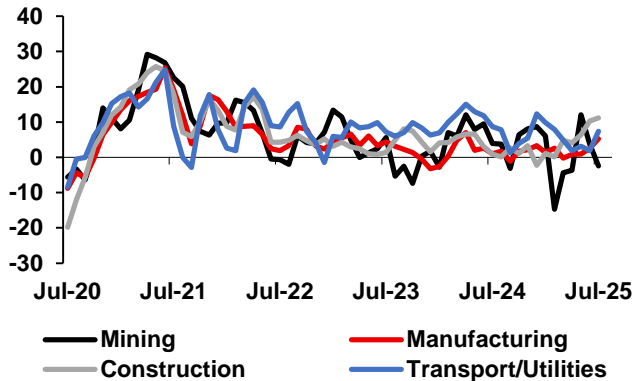
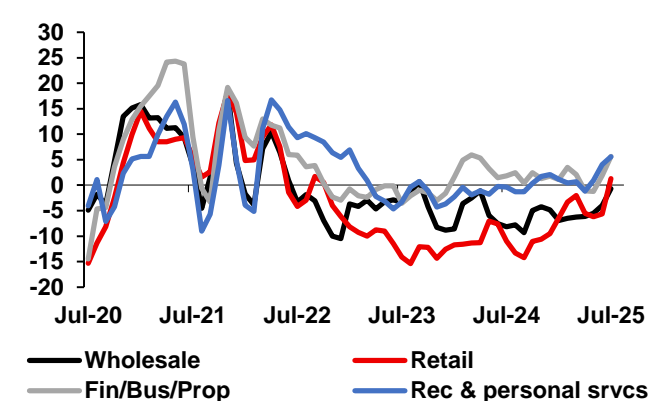


Chart 29: Confidence by Industry (Net Balance, Trend)



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## Important notice

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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.