

NAB Monthly Business Survey Aug-25



Business Conditions lift

NAB Economics

Summary

Business conditions rose 2 points in August and now sit around their long run average level. The improvement in August reflected gains in employment and profitability, while trading conditions remained flat relative to the prior month. While business confidence fell 3 points in August, this follows four consecutive months of improving sentiment and leaves confidence also close to long run average levels. Forward orders again rose, continuing the upward trend evident over the past year. The series is now in positive territory for the first time in two years. Cyclically sensitive sectors such as manufacturing and retail both registered improvement in confidence and conditions (in trend terms). And while conditions and confidence are strongest in Queensland, they are also now both positive in Victoria. Capacity utilisation, already at an above average level, lifted in the month and reflects continued tightness in the supply/demand balance. However, measures of costs and prices in August moderated slightly. Purchase costs in August grew at their slowest pace since 2021, while labour costs and product price growth has broadly tracked sideways in recent months. Overall, the survey supports the view that the business outlook has become more positive in recent months, consistent with a better tone to official economic data of late.

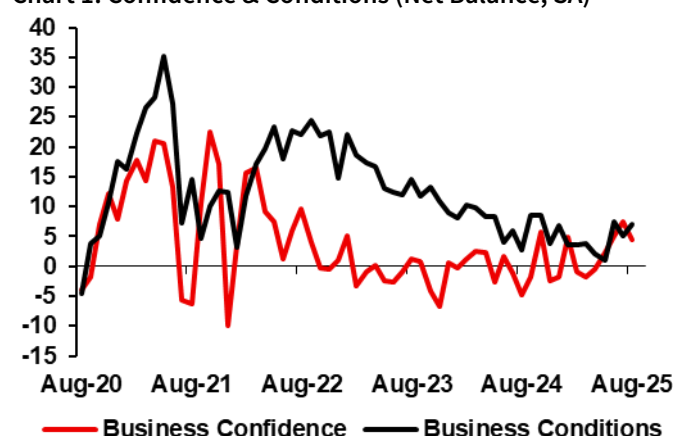
Survey Details

- **Business confidence** fell 3pts (unrounded) to +4 index points in August from an upwardly revised +8. In trend terms, confidence was strongest in construction and transport & utilities, while mining and wholesale remained the weakest industries.
- **Business conditions** edged up 2pts, back to +7 index points, driven by moderate gains in profitability and employment. The employment subcomponent is sitting above its long run average while trading and profitability are close to their long run averages.
- **By industry**, conditions rose across business services industries and manufacturing. Trend conditions remained strongest in mining and the services industries (excluding transport & utilities) while the gap to the weakest industry, manufacturing, narrowed.
- **By State**, conditions in Qld remained the strongest in trend terms by some margin, while they are weakest in Tas, WA and Vic. That said, trend conditions across all states either improved or remained flat, with the largest gains in SA and WA.
- **Capacity utilisation** ticked back up to 83.1%, sitting around 2ppts above the long-run average. **Forward orders** rose +2 points (unrounded) and are now just above their long-run average for the first time in almost two years.
- **Purchase cost growth** eased marginally to 1.1% in quarterly equivalent terms. **Labour cost growth** slowed to 1.5% while **product price growth** edged down to 0.6% and retail prices growth was 0.5%.

Table 1: Key Monthly Business Survey Statistics

	Jun-25	Jul-25	Aug-25
	Net balance		
Business confidence	5	8	4
Business conditions	7	5	7
Trading	14	12	12
Profitability	4	2	4
Employment	4	2	5
Forward Orders	0	0	1
Capex	9	8	10
Stocks	11	3	6
Exports	-1	-1	0
	% change at quarterly rate		
Labour costs	1.3	1.9	1.5
Purchase costs	1.4	1.3	1.1
Final products prices	0.5	0.8	0.6
Retail prices	0.6	1.0	0.5
	Percent		
Capacity utilisation rate	83.3	82.5	83.1

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



All data seasonally adjusted and subject to revision. Survey conducted from 25 to 29 August, covering around 370 businesses across the non-farm business sector.
Next release date: 14 October 2025.

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

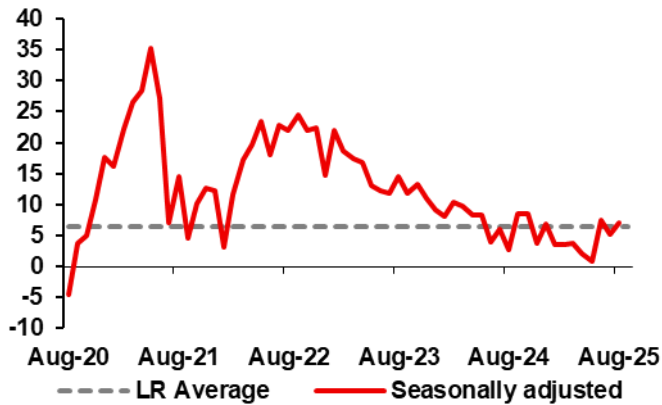


Chart 3: Components of Conditions, SA (Net Balance)

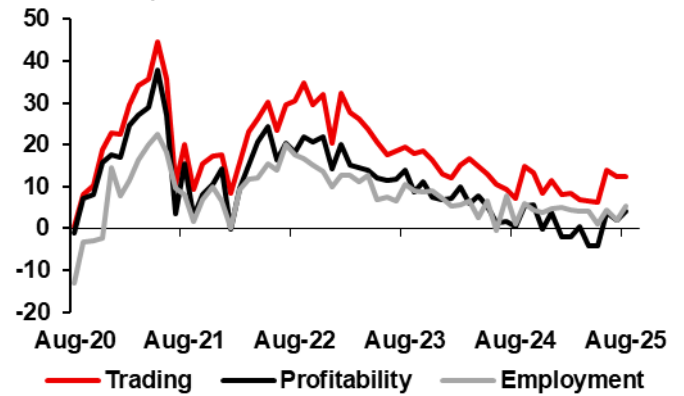


Chart 4: Business Confidence, SA (Net Balance)

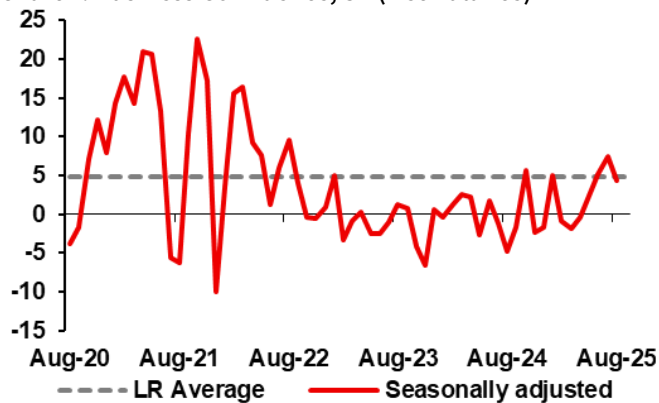


Chart 5: Conditions & Confidence, Trend (Net Balance)

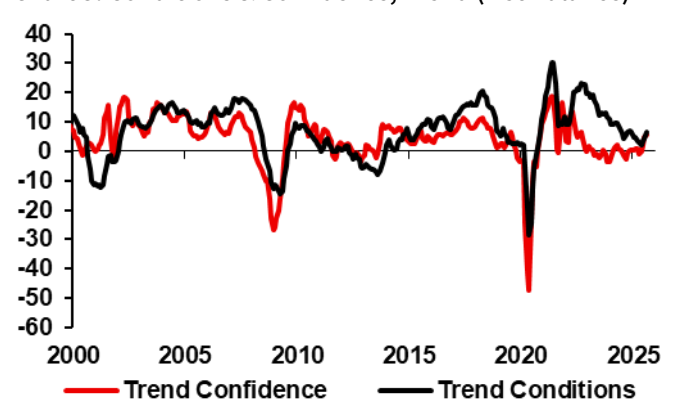


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

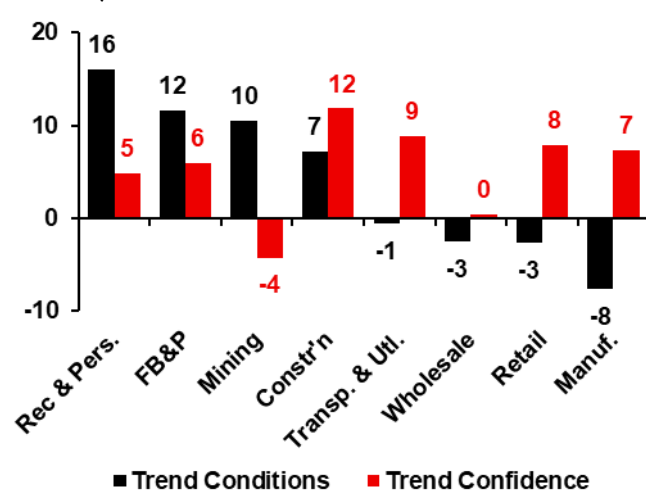
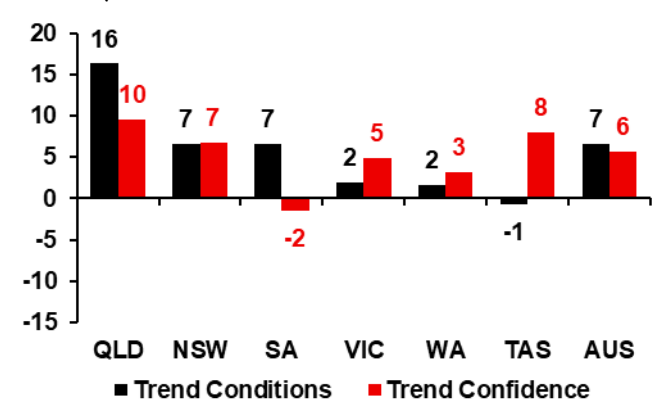


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

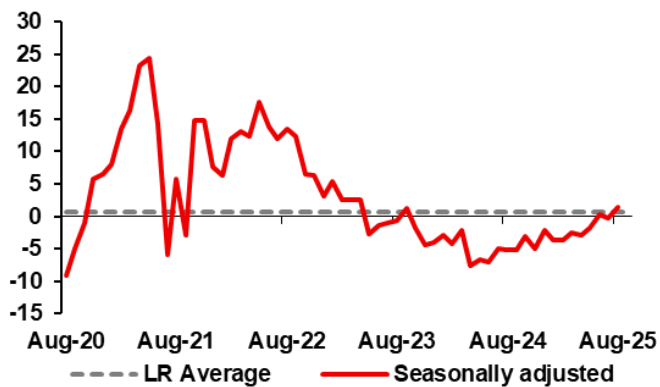


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

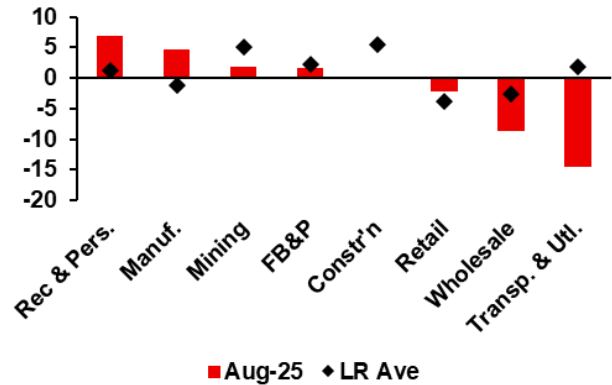


Chart 10: Capacity Utilisation, SA (%)

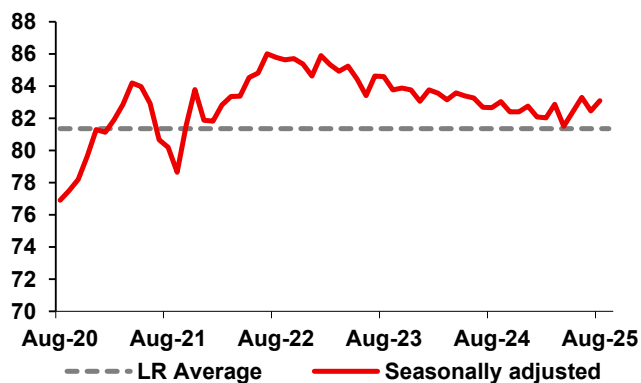


Chart 11: Capacity Util. by Industry, Trend

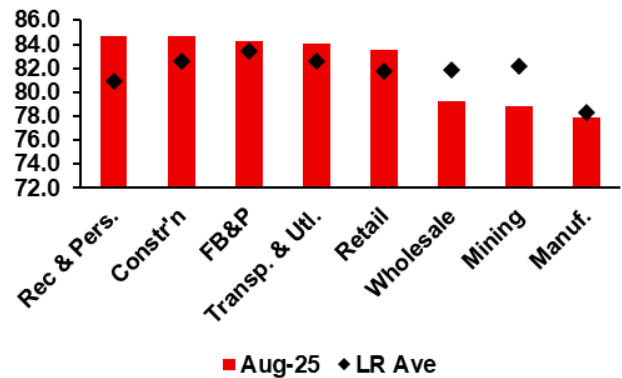


Chart 12: Capital Expenditure, SA (Net Balance)

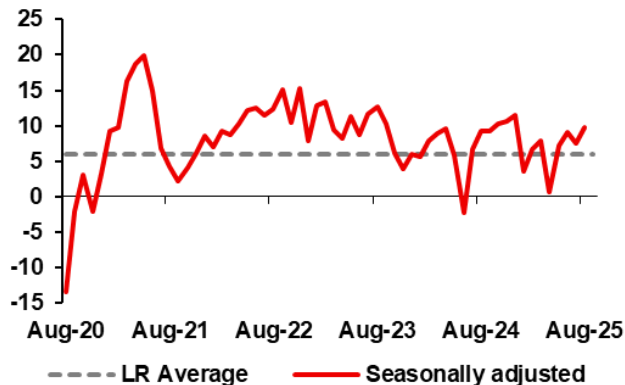


Chart 13: Exports & Stocks, SA (Net Balance)

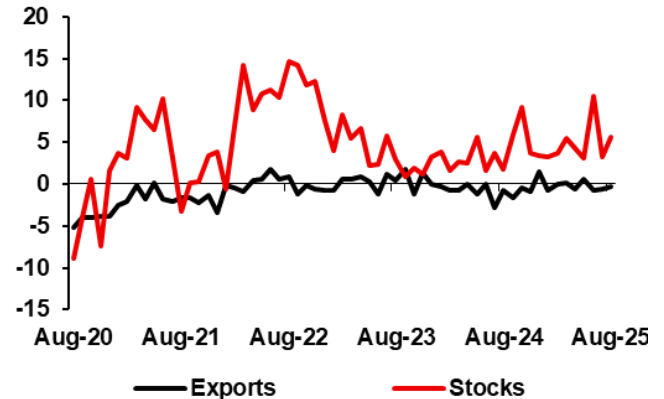


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

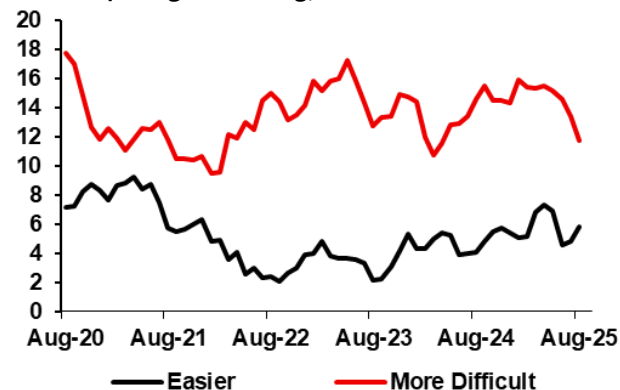
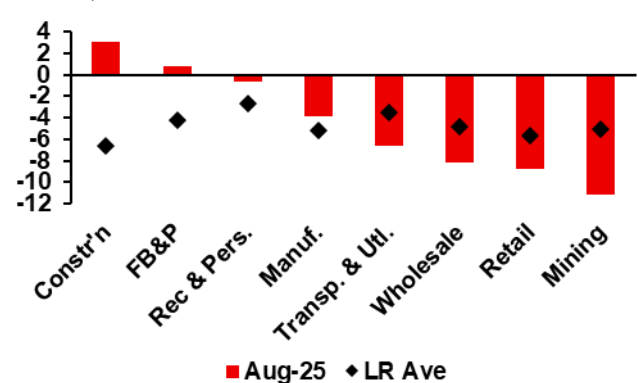


Chart 15: Borrowing Conditions by Industry (Net Balance)



Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

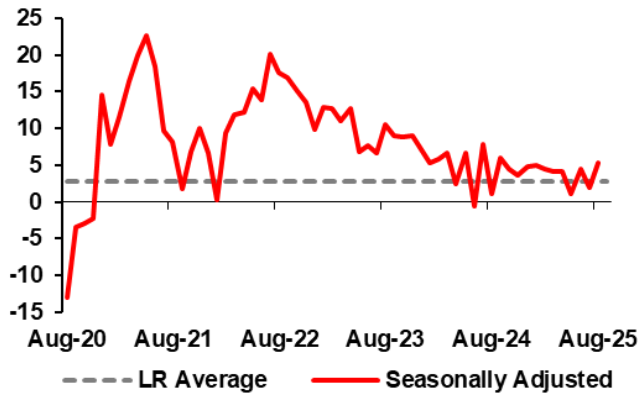


Chart 17: Employment, Selected Industries, Trend

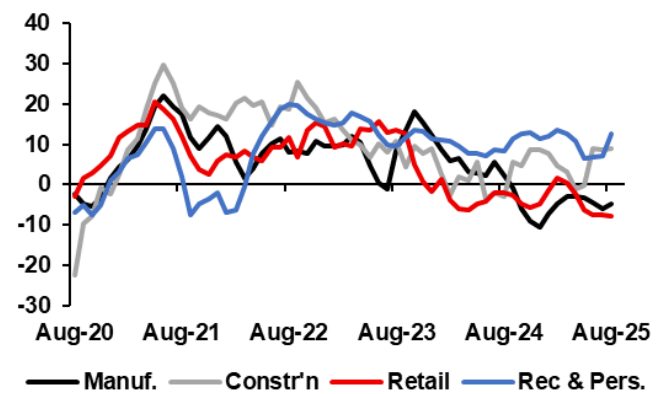


Chart 18: Cost Growth, SA (% Qtly Eq.)

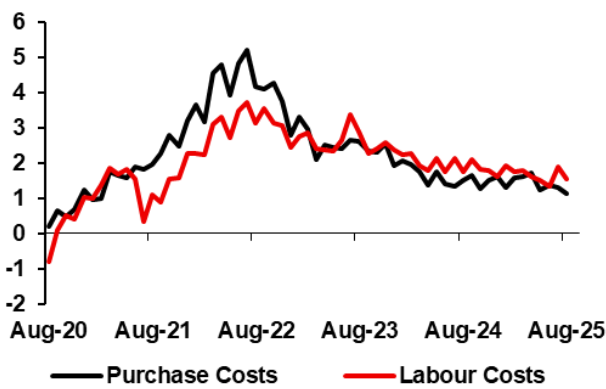


Chart 19: Labour Costs, Selected Industries, Trend (%)

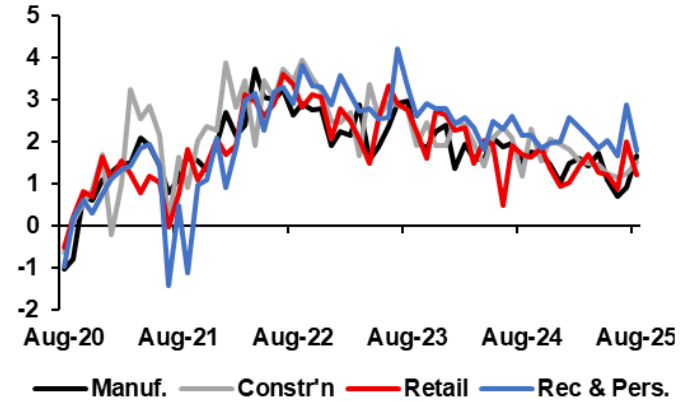


Chart 20: Output Price Growth, SA (% Qtly Eq.)

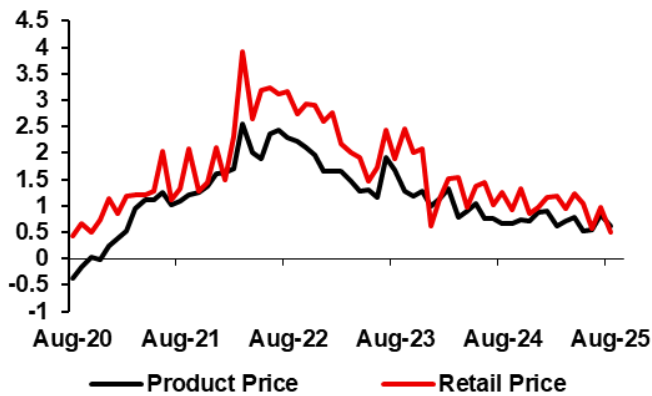
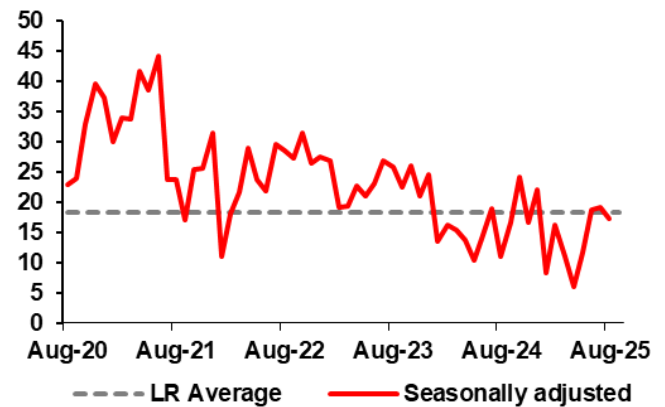


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

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

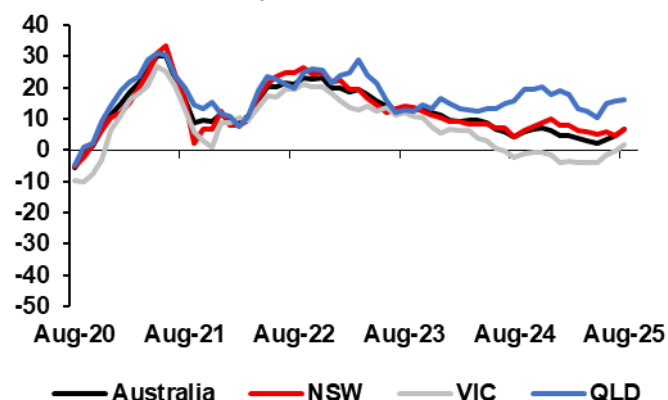


Chart 23: Conditions by State (Net Balance, Trend)

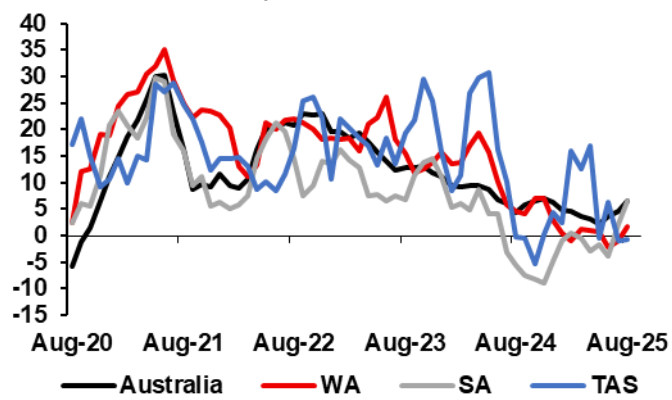


Chart 24: Confidence by State (Net Balance, Trend)

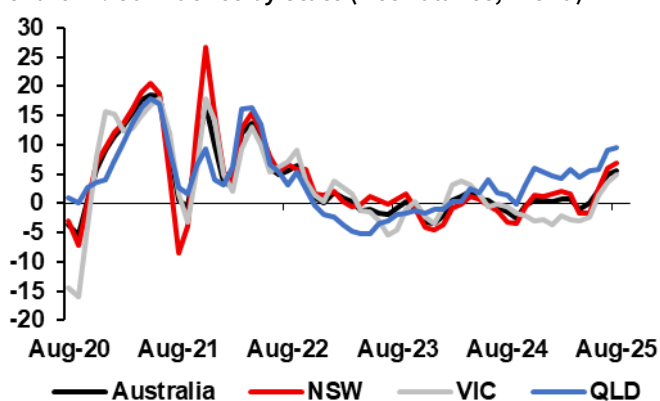


Chart 25: Confidence by State (Net Balance, Trend)

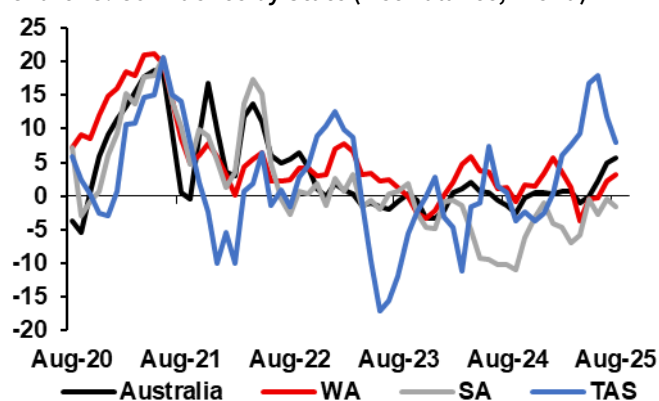


Chart 26: Conditions by Industry (Net Balance, Trend)

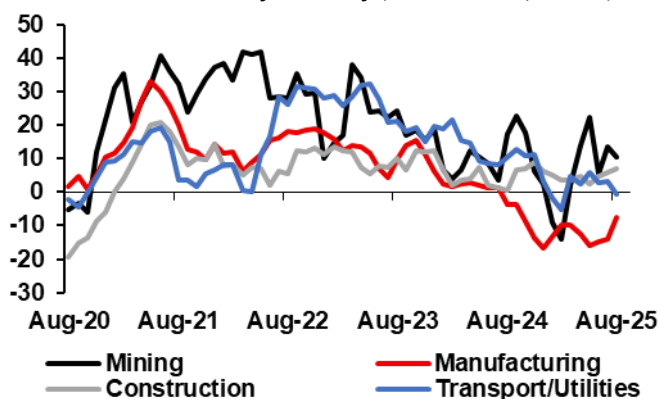


Chart 27: Conditions by Industry (Net Balance, Trend)

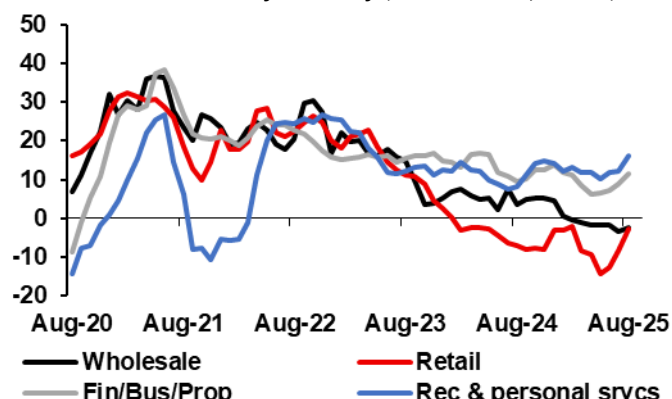


Chart 28: Confidence by Industry (Net Balance, Trend)

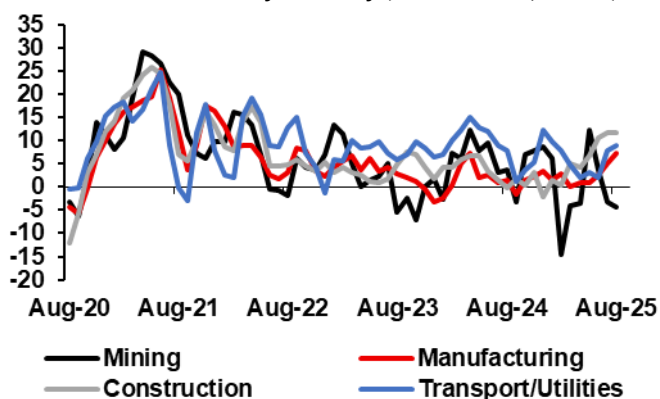
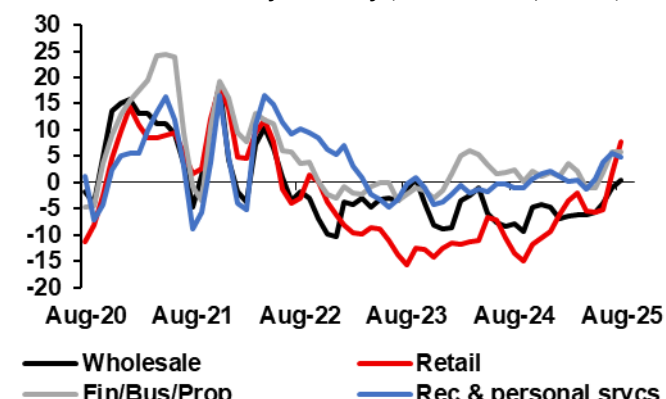


Chart 29: Confidence by Industry (Net Balance, Trend)



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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.