

NAB Monthly Business Survey Oct-25



Business conditions rise in October

NAB Economics and Markets Research

Summary

Business confidence fell 2pts (unrounded) in October, but remains just above its long run average after improving through mid-2025. Business conditions rose 2pts (unrounded) in October to +9 index points, driven by a rise in trading conditions and profitability (up 5pts and 3pts respectively). By industry, the rise in conditions was driven by notable increases in retail and wholesale, both of which have been weak for an extended period despite the improvement in consumer spending over the past year. That said, in trend terms, conditions remain most favourable in the mining and services sectors. Overall, the positive trend in business conditions suggests the economy has held onto the momentum gained since late 2024. Capacity utilisation, which in trend terms is at or above average in 5 out of 8 industries, suggests that the level of activity remains high. This, alongside the improvement in trading conditions and profitability, should further facilitate the ongoing recovery in private sector employment growth. Encouragingly, despite the strength on the activity side, the cost and price measures continue to look relatively benign and have now largely returned to their average pace of increase since the survey's inception. Key to the policy outlook will be whether the mix of strength in activity indicators and well-behaved cost and price indicators evident in this month's survey can be sustained.

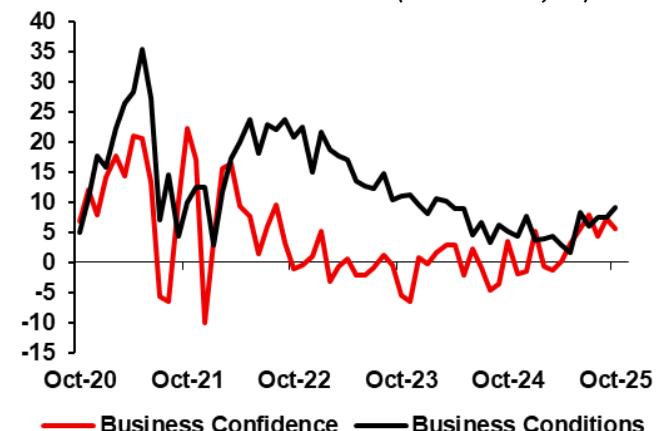
Survey Details

- **Business confidence** fell 2pts (unrounded) to +6 index points driven by declines in the services industries. By industry, trend confidence was strongest in construction and retail, while wholesale is the only industry in negative territory.
- **Business conditions** rose 2pts (unrounded) to +9 index points led by gains in profitability and trading conditions, while employment remained stable. As of October, both profitability and trading are 12pts above recent lows and all three subcomponents of the conditions index are sitting above their respective long-run averages.
- **By industry**, conditions rose in retail and wholesale in the month but fell the most in mining and transport & utilities. Trend conditions remained strongest in the services and construction sectors and weakest in manufacturing and wholesale.
- **By State**, conditions rose strongly in WA and fell in Vic and Qld. In trend terms, Qld remained the strongest state, while Tas was again. Both trend confidence and conditions are both now in positive territory across all states for the first time since September 2022.
- **Capacity utilisation** edged up further to 83.4% and is ~2pts above its long run average. **Forward orders** increased to be at their highest level since April 2023.
- **Purchase cost growth** fell to 1.0% in quarterly equivalent terms. **Labour cost growth** eased by 0.1pts while **product price growth** edged down to 0.5% and retail prices growth was 0.7%.

Table 1: Key Monthly Business Survey Statistics

	Aug-25	Sep-25	Oct-25
Business confidence	4	7	6
Business conditions	8	8	9
Trading	13	14	19
Profitability	5	6	9
Employment	5	3	3
Forward Orders	1	-2	3
Capex	10	7	11
Stocks	6	9	7
Exports	0	2	1
% change at quarterly rate			
Labour costs	1.7	1.6	1.5
Purchase costs	1.3	1.4	1.0
Final products prices	0.7	0.7	0.5
Retail prices	0.6	0.8	0.7
Percent			
Capacity utilisation rate	83.1	83.3	83.4

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



All data seasonally adjusted and subject to revision. Survey conducted from 23 to 30 October, covering around 370 businesses across the non-farm business sector.
Next release date: 9 December 2025.

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

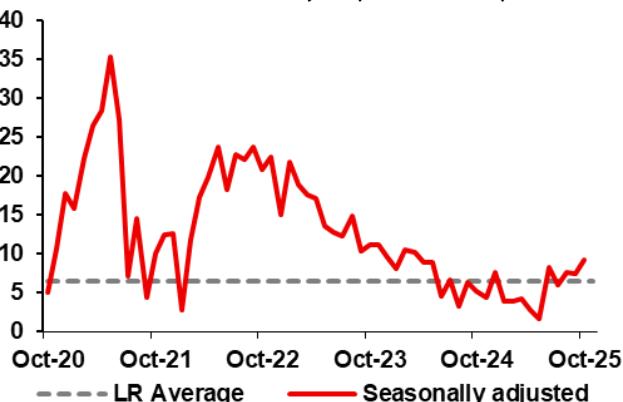


Chart 3: Components of Conditions, SA (Net Balance)

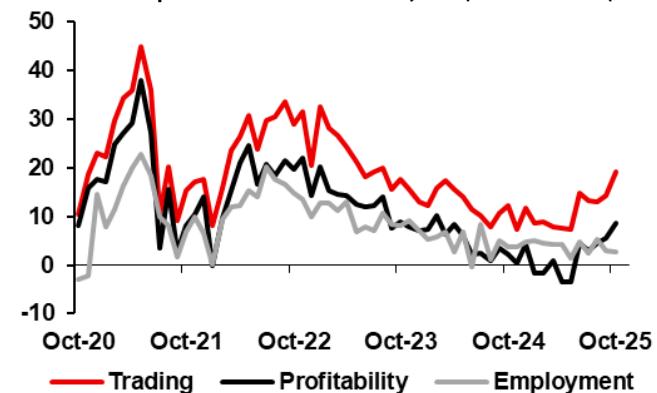


Chart 4: Business Confidence, SA (Net Balance)

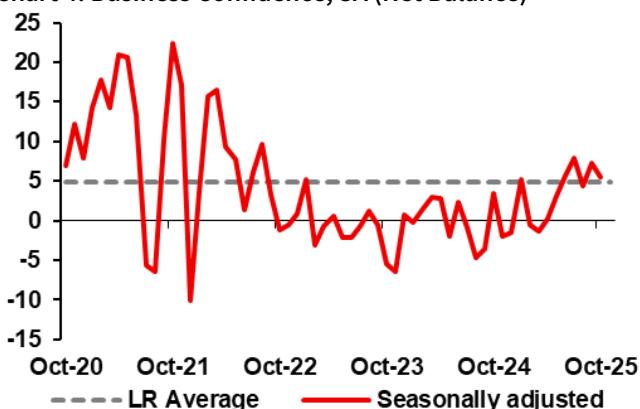


Chart 5: Conditions & Confidence, Trend (Net Balance)

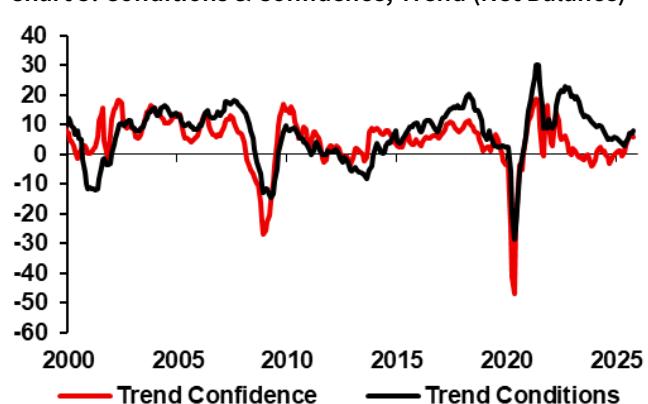


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

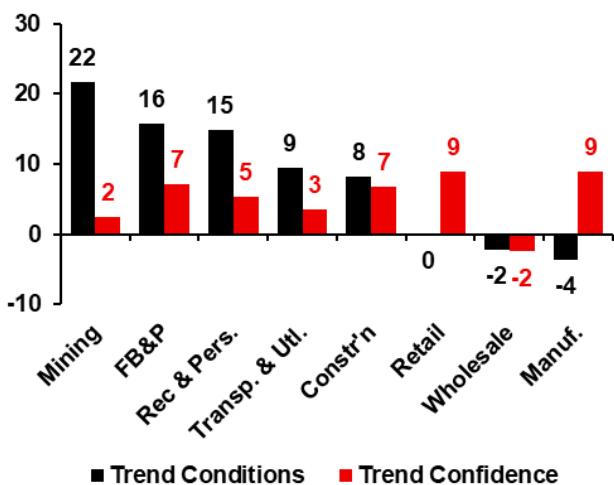
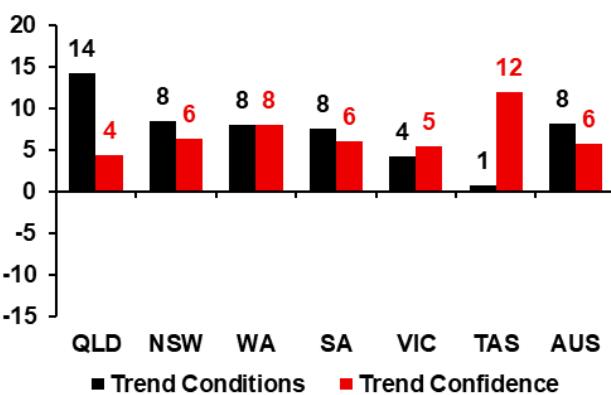


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

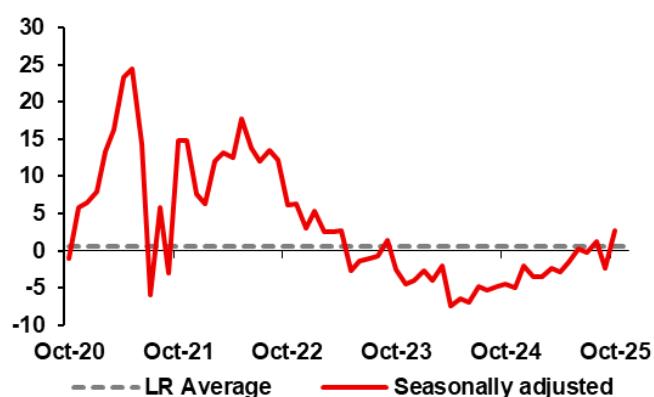


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

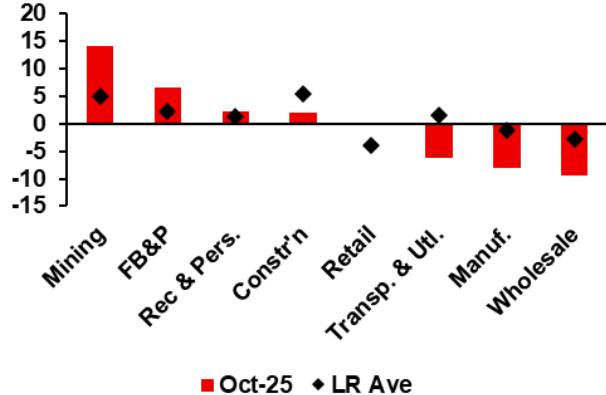


Chart 10: Capacity Utilisation, SA (%)

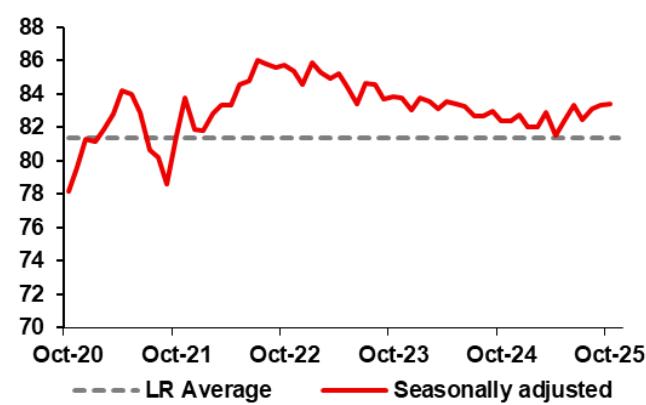


Chart 11: Capacity Util. by Industry, Trend

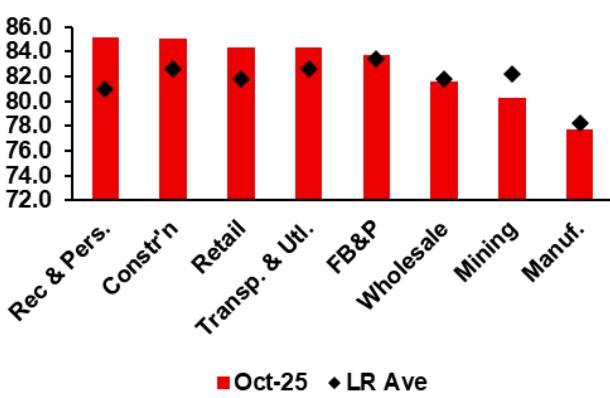


Chart 12: Capital Expenditure, SA (Net Balance)

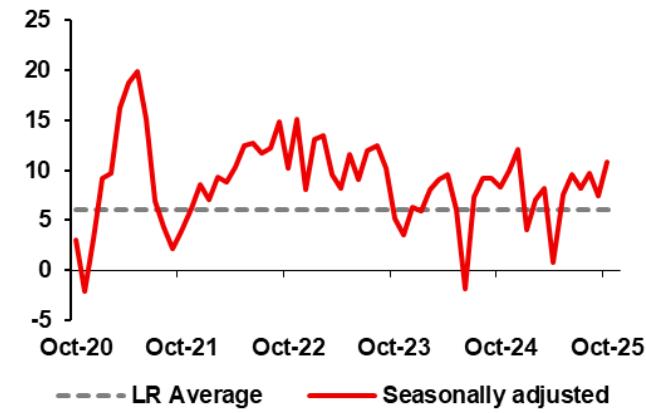


Chart 13: Exports & Stocks, SA (Net Balance)

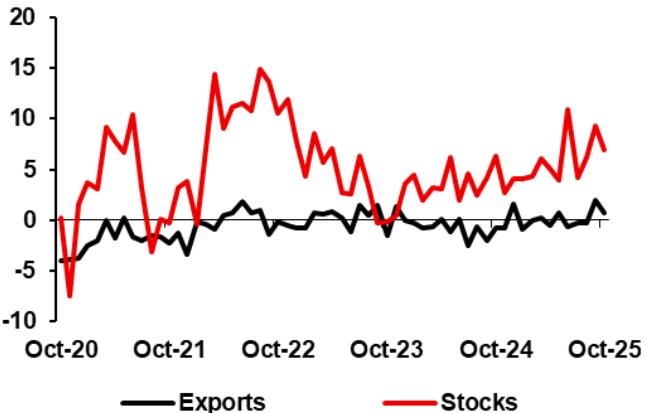


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

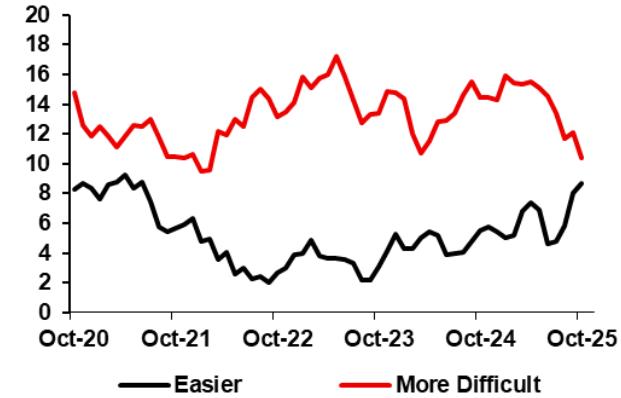
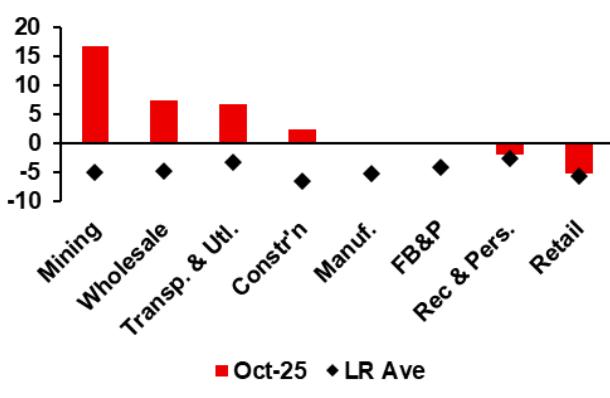


Chart 15: Borrowing Conditions by Industry (Net Balance)



Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

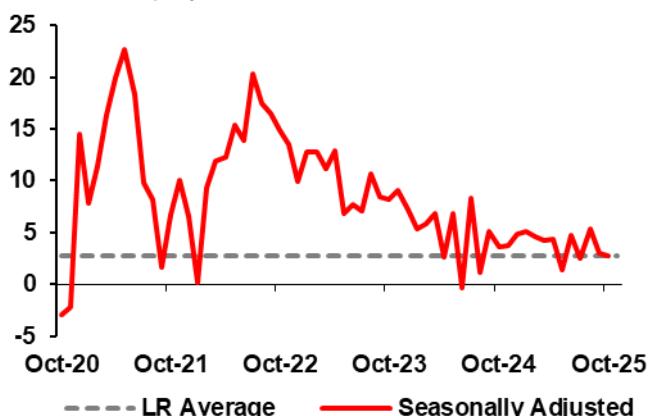


Chart 18: Cost Growth, SA (% Qtly Eq.)

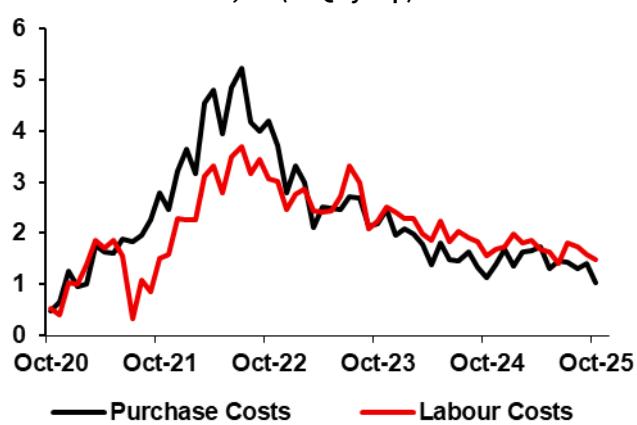


Chart 20: Output Price Growth, SA (% Qtly Eq.)

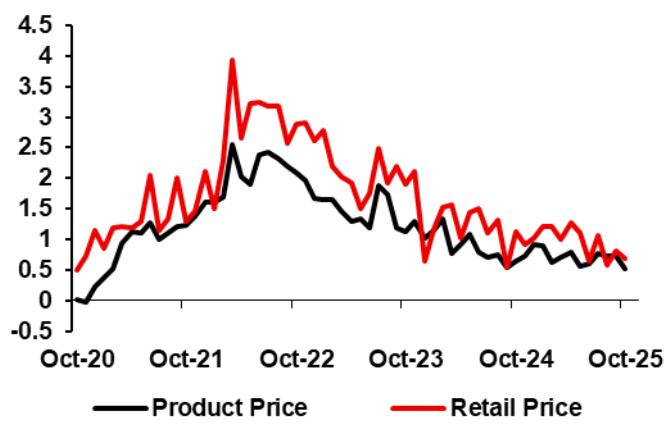


Chart 17: Employment, Selected Industries, Trend

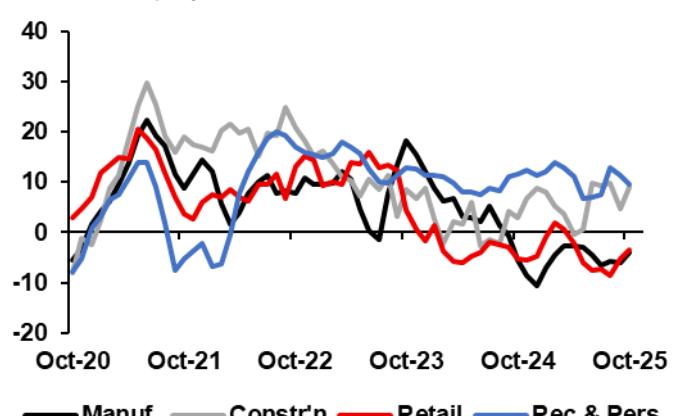


Chart 19: Labour Costs, Selected Industries, Trend (%)

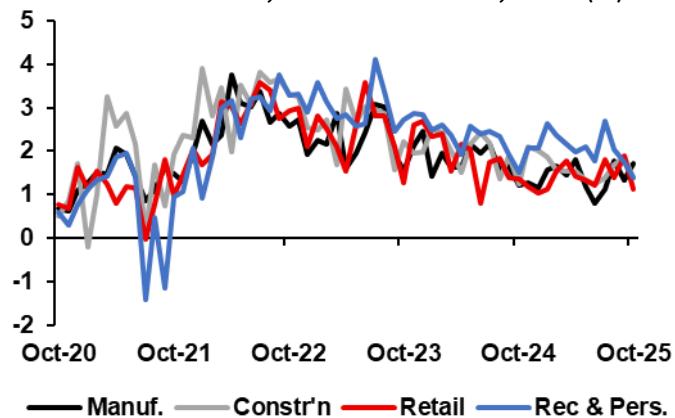
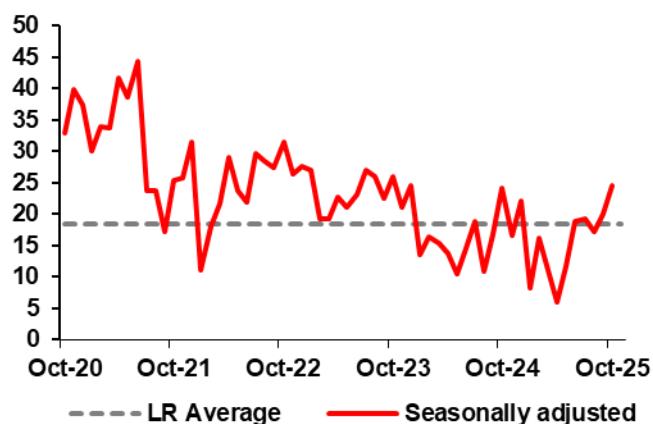


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

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

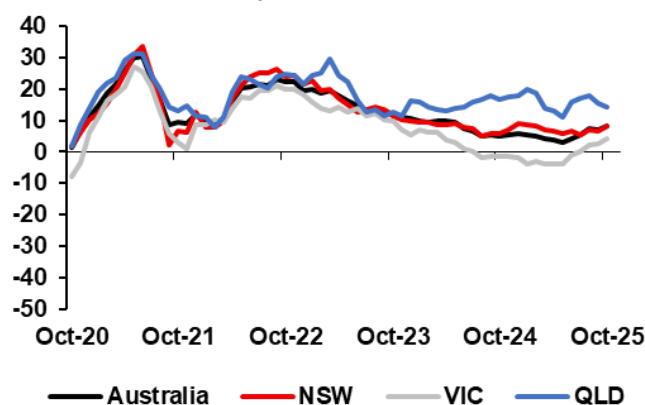


Chart 24: Confidence by State (Net Balance, Trend)

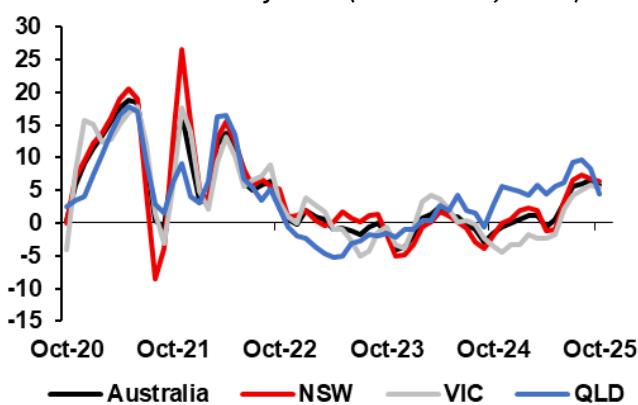


Chart 26: Conditions by Industry (Net Balance, Trend)

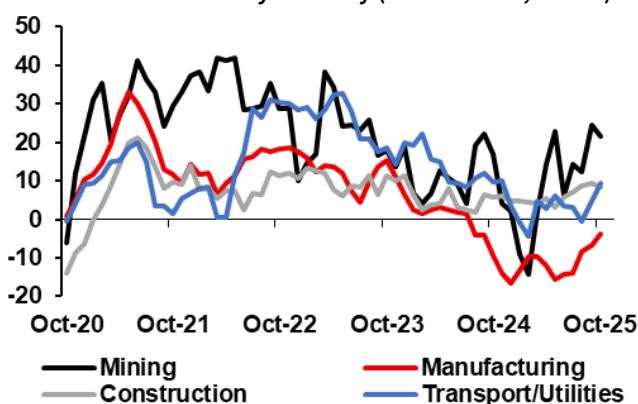


Chart 28: Confidence by Industry (Net Balance, Trend)

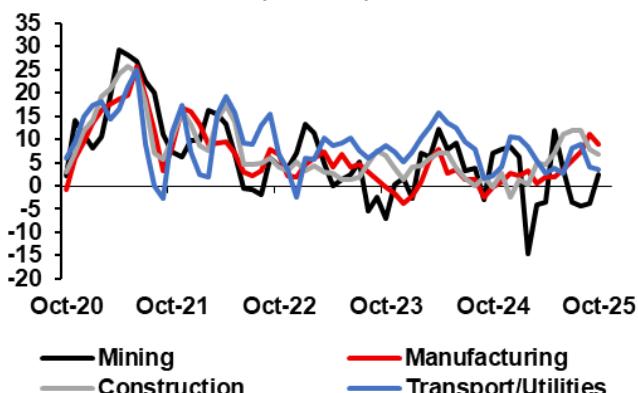


Chart 23: Conditions by State (Net Balance, Trend)

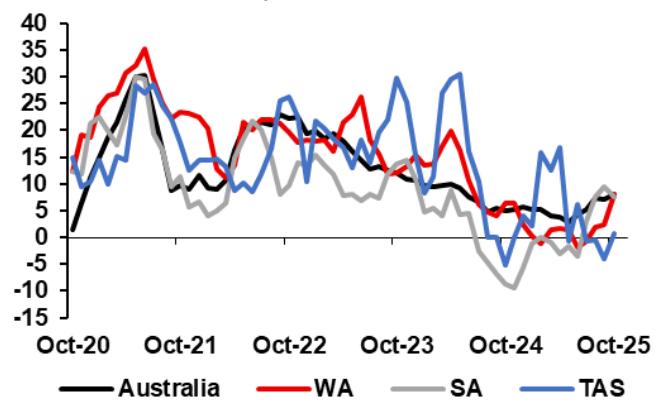


Chart 25: Confidence by State (Net Balance, Trend)

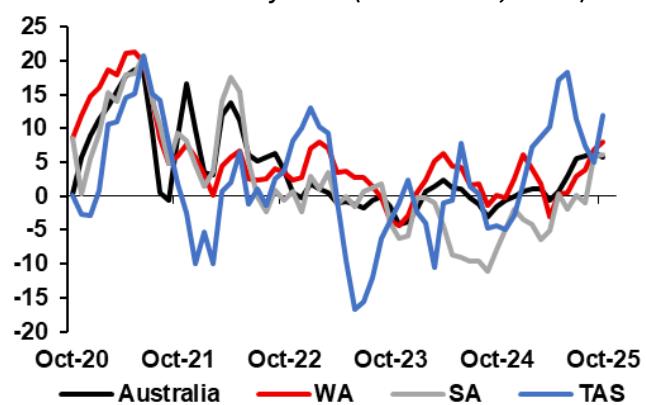


Chart 27: Conditions by Industry (Net Balance, Trend)

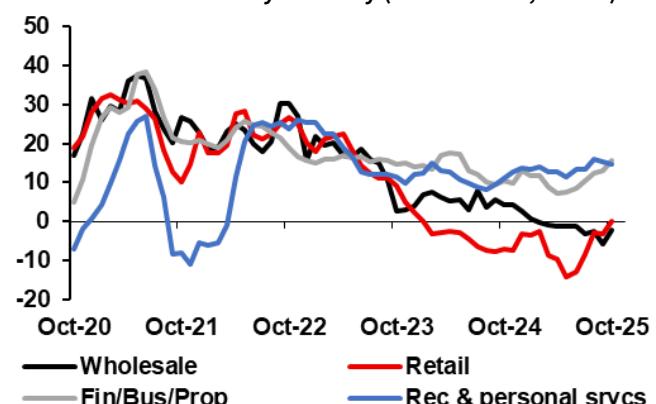
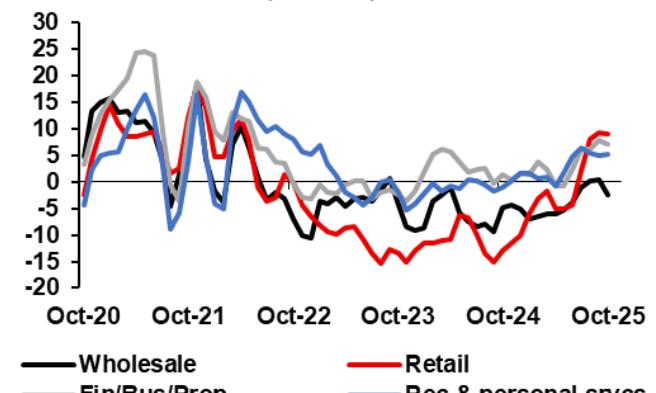


Chart 29: Confidence by Industry (Net Balance, Trend)



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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	Margins (current, next 3 mth)
Business Conditions (current, next 3 mth, next 12 mth)	Overheads (current, next 3 mth)
Trading conditions (current, next 3 mth, next 12 mth)	Productivity growth
Profitability (current, next 3 mth, next 12 mth)	Number of employees
Employment (current, next 3 mth, next 12 mth)	Hours worked
Forward orders (current, next 3 mth)	Gross Sales
Stocks (current, next 3 mth)	Output/sales growth (current fiscal year)
Export orders (current, next 3 mth)	Average earnings (current fiscal year)
Capital expenditure (current, next 3 mth, next 12 mth, fiscal year)	Short term interest rate
Required rate of return on investment	Exporters hedged FX exposure (%)
Cash flow	Importers hedged FX exposure (%)
Labour costs (current, next 3 mth)	Months hedged (exporters)
Purchase costs (current, next 3 mth)	Months hedged (importers)
Final prices (current, next 3 mth)	Favourable hedge position (% of exporters)
Capacity Utilisation	Favourable hedge position (% of importers)
Borrowing index (current, next 3 mth)	Affected vs not affected by AUD
Borrowing demand (current, next 3 mth)	Response to AUD (downsized, reduced, overheads, hedging, import substitution, focus on domestic market, other, don't know)
Constraints on output (demand, labour, materials, premises & plant, finance/working capital)	Driver of trading conditions (demand, wages/jobs, house prices, rates, exchange rate, tax/govt policy, seasonal, finance/working capital, company specific, other)
Constraints on profit (capital, demand, high AUD, low AUD, interest rates, labour, tax, wages, energy costs, other)	What will improve confidence (lower rates, more suitable labour, easier funding, government policy, higher demand, higher AUD, lower AUD, easier compliance, 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

*Data available in original, seasonally adjusted and trend terms.