



# Small Business Insights Quarterly

Activity update  
March Quarter 2025



Small  
Business  
Commissioner

# By the numbers

## By the numbers



**109**

engagement sessions  
with industry, local  
government, State and  
Federal Government  
departments and agencies



**2,778**

individual small  
businesses  
received direct  
support



**23**

news articles  
to keep small  
businesses informed



**87%**

of customer calls  
answered within  
60 seconds



**546**

mediation  
applications  
managed





**74**

mediations  
conducted

## Top industries reached

1		Retail trade
2		Construction
3		Accommodation and food services
4		Professional, scientific and technical services
5		Rental hiring and real estate

## Top reasons for customer calls

1		Business to business
2		Retail Leases Act
3		Commercial leases
4		Business to customer
5		General business enquiry

The NSW Small Business Commission (the Commission) works to support a fair and thriving business environment by helping small businesses resolve disputes and navigate common challenges. Each quarter, the Commission produces this report to highlight key developments, share insights and provide an overview of its activities.

The first quarter of 2025 brought continued uncertainty for many small businesses. In northern NSW, the aftermath of Ex-Tropical Cyclone Alfred saw disruption to trade and further stress for small business communities. The Commission updated guidance and developed targeted resources to help affected businesses. The Commission also tabled its 2024 annual report, contributed to multiple consultations and worked with partners such as the Fair Work Ombudsman to share practical information.

Demand for the Commission's services has risen, with the total number of enquiries increasing by 8 per cent between Q4 2024 and Q1 2025. Leasing and business-to-business enquiries continue to make up the bulk of enquiries.

This report also summarises key insights, trends and data from our business liaison program, surveys, business support and mediation functions. Business confidence declined over Q1 2025. Business costs, weak household demand, policy uncertainty and an uncertain economic outlook continue to weigh heavily on sentiment. Concerns about input costs continue to be the top concern for small businesses.

More insights and business conditions data can be found in the Commission's Momentum Survey, released monthly and available on the Commission's website.

## Top 5 movements: Q1 2025 compared to Q4 2024

1



### Establishing and expanding online business on the decline

Among businesses with plans to expand, the proportion looking to establish or expand their online business declined significantly, decreasing by 11 percentage points.

2



### Concerns about staffing and supply chains on the rise

Concerns about access to staff and supplies increased in Q1 2025. Small businesses continue to report challenges such as attracting and retaining staff, as well as issues related to the availability and cost of stock.

3



### Business confidence declines, economic outlook remains uncertain

Business confidence declined in Q1 2025 following an improvement in Q4 2024, with confidence levels falling after the Christmas and New Year period amid uncertainty in the global economy.

4



### Business performance indicators moderate

Business performance indicators fell between Q4 2024 and Q1 2025. Small businesses continue to report challenges such as rising input costs and uneven customer demand.

5



### Momentum slowed down

The Momentum Index\*, a composite measure of underlying business trends, decelerated in the first quarter of 2025.

\*See the back page for more information on the Momentum Index.

# Small business environment

## RBA delivers first rate cut in over four years

The Reserve Bank of Australia (RBA) lowered the cash rate by 25 basis points in February to 4.1 per cent, marking the first rate cut in over four years. In April, the RBA left the cash rate unchanged, while uncertainties about the outlook for domestic economic activity and inflation remain.

Monetary policy decisions continue to have an impact on confidence levels. The Commission's Momentum Survey recorded a seven percentage point increase in confidence levels in the week following the February rate cut, compared to the previous week. By contrast, confidence levels declined in the week following the April decision to leave the cash rate unchanged.

## Growth expected to remain subdued near term

The 2025-26 Federal Budget provided updated economic forecasts, with growth expected to remain subdued in the near-term before accelerating later in the forecast period. The Australian economy is forecast to grow by 1½ per cent in 2024–25, 2¼ per cent in 2025–26 and 2½ per cent in 2026–27.

Despite severe weather events such as ex-Tropical Cyclone Alfred, and global uncertainty, official forecasts expect the Australian economy to remain on track for a soft landing.

## Compliance costs

Participants in our business liaison program, the Business Insights Initiative (BII), continue to express concerns about their compliance obligations, highlighting dissatisfaction with the current regulatory environment. They describe it as limiting growth opportunities, resource-draining, cumbersome, and unclear, leaving them uncertain whether they are operating in accordance with their obligations.

BII participants report these obligations are becoming increasingly challenging, with growing amounts of 'red tape' and little support to navigate them.

## Consistent enforcement

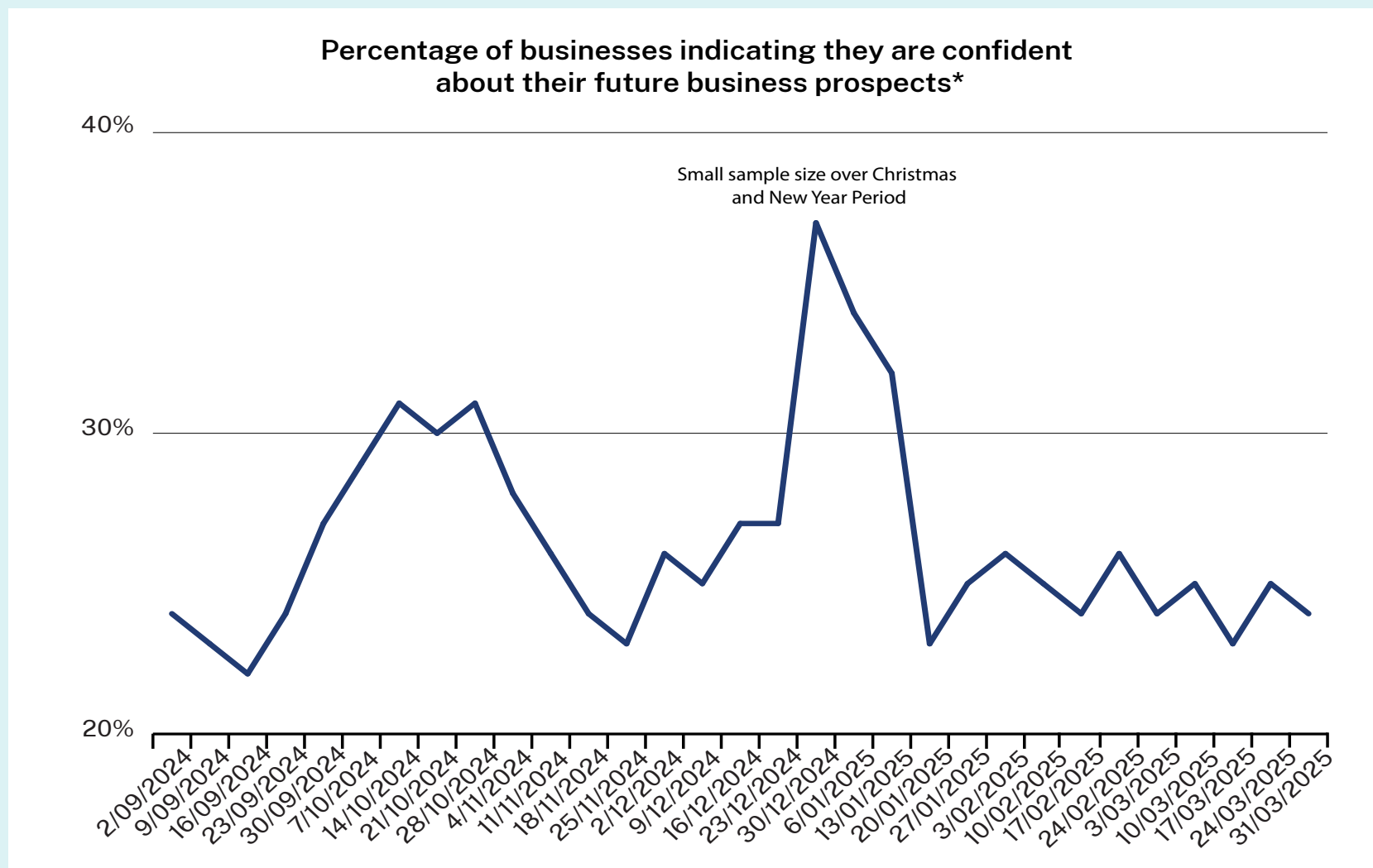
BII participants also report growing frustration with perceived inconsistencies in regulatory enforcement.

They feel that despite investing significant time and resources into compliance, non-compliant businesses are often able to operate at an advantage. Others expressed concern about inconsistencies in regulation across similar industries, where one sector is perceived to face more 'red tape' than another, creating an uneven playing field.



“With ongoing concerns about the economy, customers are taking a cautious approach, holding back on both everyday spending and larger capital purchases.”

# Business confidence



\*Weekly data; smoothed using moving averages taken over three-week periods.

# Quarterly activity and achievements



## Highlights

- Published the [2024 Small Business Commission annual report](#)
- Appeared before the NSW [Parliamentary Inquiry](#) into the Application of the contractor and employment agent provisions in the *Payroll Tax Act 2007*
- Held an [online event](#) in collaboration with the Fair Work Ombudsman

“The staff member was very clear in his communication, knowledgeable and able to provide me with the information I needed to follow up on my situation.”

- Steve Sladek, small business operator



## Small business advocacy

- Updated *Get back to business: A guide to recovering from disasters* and developed two fact sheets to support businesses impacted by Ex-Tropical Cyclone Alfred:
  - » [Disaster recovery – preparing to get back to business](#)
  - » [Retail and commercial leasing: your rights and obligations after a natural disaster](#)

- Published Information/news/guidance articles to support small businesses:
  - » [Small businesses urged to conduct checks before signing contracts](#)
  - » [ANZAC Day and Easter weekend trading rules](#)
  - » [New protections for gig workers](#)
  - » [Lease registration obligations under the Retail Leases Act](#)
  - » [Interest rate cut gives boost to confidence](#)
  - » [Scams and cybersecurity risks](#)



## Mediation

- 92 per cent of applicants engaging with Mediation Services report positive satisfaction, continuing to exceed benchmark performance levels

- 30 per cent of matters filed are for claims in the range of \$2,000 to \$20,000, and 13 per cent are between \$20,000 and \$100,000



## Reports and publications

- [Submission to the NSW Environment Protection Authority](#) - Feedback on Sustainable Construction Protection of the Environment Policy
- [Submission to NSW Parliament](#) - Inquiry into application of the contractor and employment agent provisions of the *Payroll Tax Act 2007*

- [Submission to Treasury](#) - A new digital competition regime
- [Submission to Treasury](#) - Mandating cash acceptance
- Submission to NSWFT - Feedback on the modification to prescribed safety standards for e-bikes li-ion batteries

# About the Commission



Small  
Business  
Commissioner

## Our purpose

The NSW Small Business Commissioner is an independent statutory appointment that operates under the Small Business Commissioner Act 2013.

The Commissioner:

- **Is independent**
- **Is a source of information and guidance for NSW small businesses**
- **Advocates to reduce administrative burden for small businesses**
- **Facilitates and encourages the fair treatment of small businesses**
- **Promotes greater partnership between government and small business**
- **Conducts mediation to resolve disputes.**

## What we do

We help resolve issues affecting small businesses across the State and influence changes in Government policies.



We ensure that small business needs are front of mind in NSW Government decision-making.



We advocate for small businesses, providing information resources, strategic advice and practical guidance to tens of thousands of businesses each year.



We provide a cost-effective dispute resolution service to help keep leasing disputes and other small business disagreements out of court.

## Contact us



**Call us**

1300 795 534



**Get more information**

[www.smallbusiness.nsw.gov.au](http://www.smallbusiness.nsw.gov.au)



**Subscribe to our newsletter**

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## Methodology

### About the Momentum Index

The Momentum Index (the Index) is forward-looking and combines a variety of indicators to provide a better overall measure of small business conditions in NSW.

The Index is comprised of three core indicators, including business decisions to hire staff or purchase capital equipment, their recent performance and expectations of their near-term performance.

### Momentum Survey

Fieldwork conducted between 7 January 2025 to 31 March 2025 with more than 2,000 respondents across three surveys. The surveys are conducted through an online survey platform.

Selected businesses are invited to participate, with the sample randomly drawn. Where indicated, figures are weighted according to each industry's share of the small business population. Full survey results can be found on our website at: <https://www.smallbusiness.nsw.gov.au/about-nsw-small-businesses/small-business-survey>

### Business Insights Initiative

The Commission has regular one-on-one discussions with small businesses, industry representatives and subject matter experts as part of the Business Insights Initiative.

Stakeholder interviews in Q1 were conducted between 15 January 2025 to 16 March 2025.

The issues and views raised by participants do not represent the Commission's own views.

Please contact the Commission for more information about survey and stakeholder interview methodology.