Small Business Momentum Survey

Small Business Commissioner

April 2025

Overview

The NSW Small Business Commission (the Commission) regularly engages with small businesses across the State through the monthly Momentum Survey. This report summarises key insights, trends and data from the survey conducted in April 2025.

Small business confidence improved marginally between March and April, increasing by one percentage point to 25 per cent. Confidence levels have remained broadly stable in 2025. Despite the improvement this month, business confidence remains subdued.

Businesses reported rising operating costs, cash flow pressures, staffing shortages, uneven customer demand, compliance burdens, policy uncertainty and climate and weather-related risks as key factors weighing in on confidence.

Expectations about revenue and profitability improved slightly between March and April. Ten per cent of businesses expect their profitability to increase over the next three months, an increase of one percentage point from March.

The Momentum Index, a measure of underlying business trends, increased by 2.9 points to 96. Despite this improvement, the index remains in contractionary territory for a second consecutive month. The improvement was largely driven by strong performance in the business investment and staffing decisions component of the index.

The online survey was completed between 1-30 April with more than 800 small businesses across NSW responding.

	Previous month
Confidence 25 per cent of businesses indicated they were confident about their individual business prospects.	↑
Concerns 86 per cent of businesses indicated they were concerned about the cost of business inputs.	↑
Momentum* The Momentum Index increased by 2.9 points to 96.0 points.	↑
Staff 45 per cent of businesses that have plans to expand are looking to hire additional staff.	↑
Expansion 29 per cent of businesses indicated they have plans to grow, alter or expand operations.	↓
Profitability 10 per cent expect profitability to increase, compared to 44 per cent expecting a decline.	↑
Revenue 15 per cent expect revenue to increase, compared to 37 per cent expecting a decline.	↑
Local economy 15 per cent of businesses indicated they were confident about their local economy.	=

"Despite our efforts to grow, it's hard to feel optimistic when every cost is rising. Confidence is low and the path forward is unclear."

***See pages 5 & 10 for more information on the Momentum Index.**

Business conditions

Business conditions improved in April, with increases to business performance indicators reported for both recent and near-term performance, while concerns about input costs increased.

The number of businesses exploring new ways to grow, alter or expand their operations decreased by three percentage points in April to 29 per cent, 5 percentage points below the series average and marking the second consecutive decline. Among businesses with plans to expand, there was a rebound from the declines observed in March. In April, the proportion of businesses intending to hire staff and/or improve the range and/or quality of products and services rose by 8 and 13 percentage points respectively. There has been volatility in the business expansion series in recent months, which may be attributed to seasonal factors and an uncertain economic outlook.

The percentage of businesses reporting an increase in revenue increased in April. Fifteen per cent of businesses anticipate their revenue to increase over the next three months, up one percentage point from March.

Confidence

Small business confidence improved in April, increasing by one percentage point to 25 per cent. Businesses in Greater Sydney were more confident about their individual business prospects than their regional counterparts (27 per cent compared to 23 per cent).

Business performance

Business performance indicators improved slightly in April, with both revenue and profitability increasing by one percentage point. A significantly higher percentage of businesses anticipate a decline in revenue and profitability compared to those expecting an improvement.

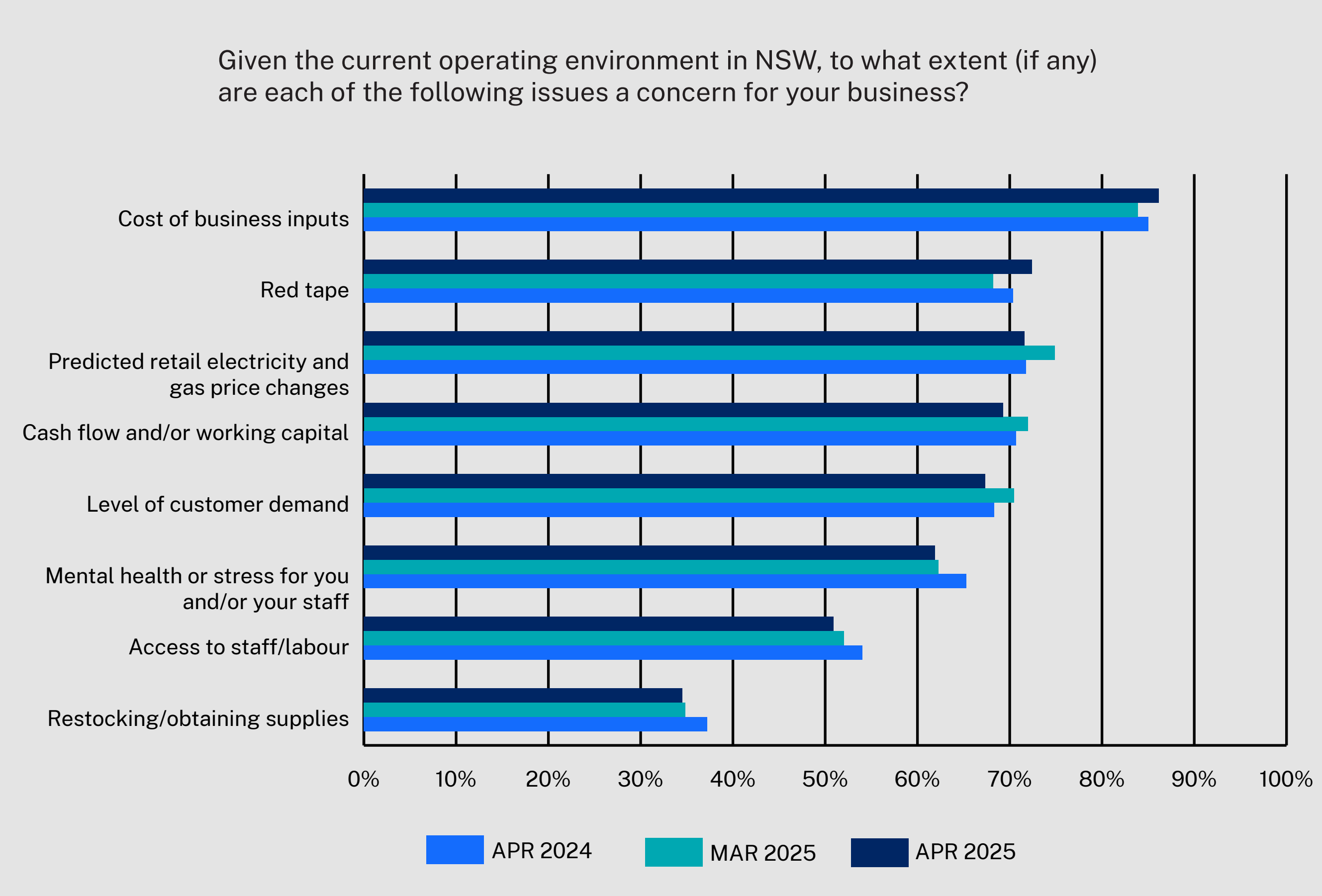
The business environment

The cost of business inputs remains the top concern for small businesses with 86 per cent expressing concern, three percentage points above the series average. The next highest concerns were red tape, followed by predicted retail electricity and gas price changes, with 72 per cent of businesses expressing concern about each.

Business conditions

"Running costs now outweigh returns. We're constantly battling taxes, compliance and overheads just to stay afloat!"

Business concerns

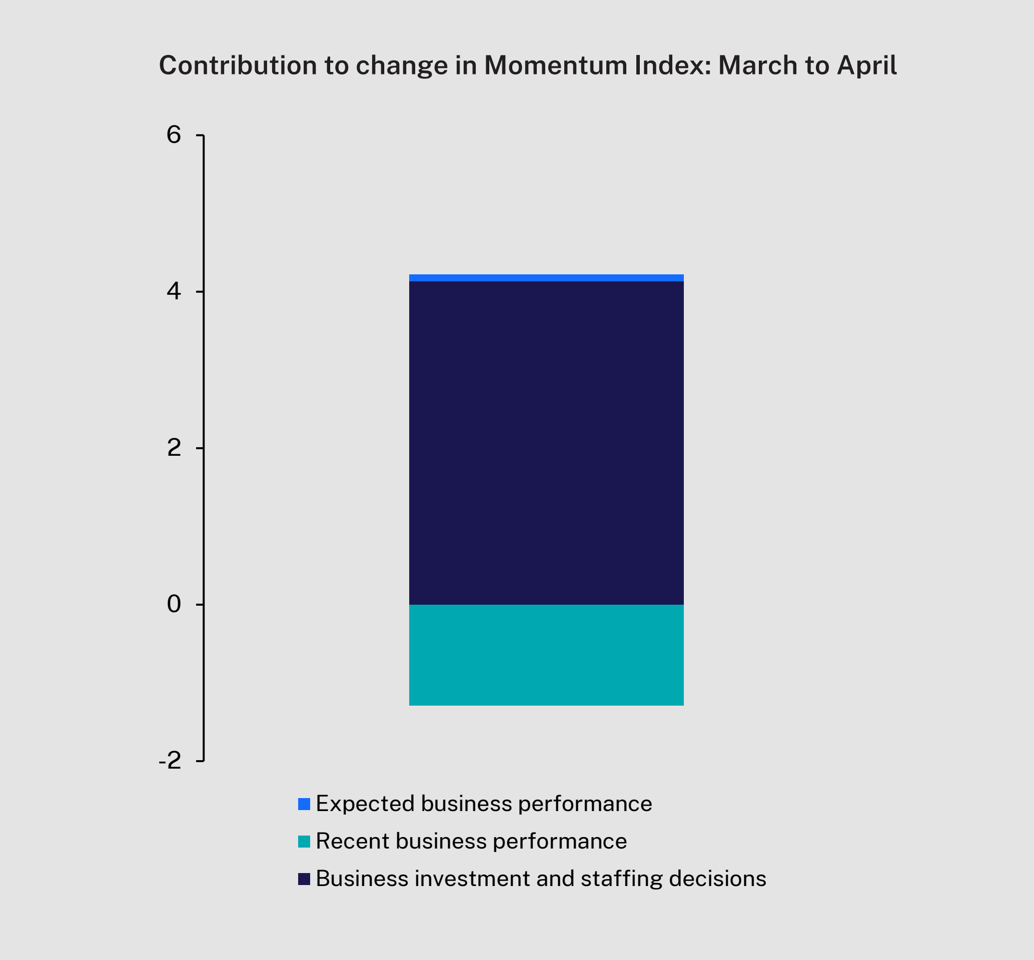


Momentum in focus

The Momentum Index is a composite measure that tracks key business performance metrics to identify critical turning points in underlying trends. This month, the Momentum Index improved, increasing by 2.9 points. Despite the improvement, the April index remains in contractionary territory for a second consecutive month.

The improvement in the April index was largely driven by strength in business investment and staffing decisions, with a minor positive contribution from expected business performance. The recent business performance component of the Index contributed negatively.

- **Business investment and staffing decisions** (+4.1%) was the leading contributor to the index. The proportion of businesses planning to hire additional staff and intending to purchase or rent additional property, plant and/or equipment both rose significantly.
- **Expected business performance** (+0.1%) also positively impacted the index, with an increase in predicted profitability (0.3%) outweighing a decrease in revenue (-0.2%).
- **Recent business performance** (-1.3%) negatively impacted the index, with decreases in both recent revenue (-0.1%) and profitability (-1.2%).



Small business stories

"We've had a cyclone on top of all this rain, making it impossible to recover what's left of the crop. Each setback chips away at the viability of our business."

Ex-Tropical Cyclone Alfred

The Commission asked respondents about the impact of Ex-Tropical Cyclone Alfred.

The regions with the highest proportion of businesses indicating they were directly or indirectly impacted were in the Richmond-Tweed and Coffs Harbour-Grafton areas, with 53 per cent and 21 per cent indicating impacts.

Of the businesses that indicated they were directly or indirectly impacted by Ex-Tropical Cyclone Alfred, the most commonly reported types of damage were:

- Business operation interruptions (66 per cent).
- Loss of trade due to reduced customer demand (49 per cent).
- Loss of trade due to evacuation (33 per cent).
- Customer cancellations e.g. future accommodation reservations or similar (30 per cent).
- Water damage from flooding or leaks and losses due to electricity/power outages (28 per cent).

Businesses also reported concerns related to:

- Widespread operational disruptions including forced closures, infrastructure damage, power loss and staff shortages due to road closures and evacuations.
- A slow recovery process, with businesses experiencing continued wet weather, logistical disruptions, and emotional strain contributing to prolonged business stress.
- Delays in service delivery, reduced customer access, and postponed jobs.

Detailed results

Confidence

	Confidence – in own business prospects#		Confidence – in local economy#	
	April 2025	March 2025	April 2025	March 2025
Extremely confident	↓ 4.1%	4.2%	↑ 3.0%	2.4%
Fairly confident	↑ 20.8%	20.0%	↓ 11.6%	12.4%
About the same	↑ 27.5%	26.2%	↑ 31.4%	31.2%
Fairly worried	↓ 31.5%	33.5%	↓ 38.0%	39.7%
Extremely worried	↓ 16.0%	16.0%	↑ 16.1%	14.4%
Extremely or fairly confident	↑ **24.9%**	**24.2%**	↓ **14.6%**	**14.8%**

Business size	n	% sample	Confidence*	Previous month
Non employing	316	37.2%	21.6%	↑
1 – 4 employees	292	34.4%	33.2%	↑
5 – 19 employees	187	22.0%	17.1%	↓
20 – 199 employees	54	6.4%	28.6%	↓
Total	**849**	**100.0%**	**24.9%**	↑

Location	n	% sample	Confidence*	Previous month
Greater Sydney	283	33.6%	27.5%	↑
Regional and Rural NSW	560	66.4%	23.1%	↓
Total	**843**	**100.0%**	**24.9%**	↑

#Confidence figures weighted according to industry share of the small business population.

*Confidence figures refer to share of businesses indicating they are confident about their own business prospects. Caution should be taken when interpreting results for categories with a small sample size.

Detailed results

Confidence

Industry	n	% sample	Confidence*	Previous month
Agriculture, Forestry and Fishing	87	10.2%	20.9%	↑
Mining	4	0.5%	25.0%	↑
Manufacturing	63	7.4%	19.0%	=
Electricity, Gas, Water and Waste Services	8	0.9%	12.5%	↓
Construction	112	13.2%	15.5%	↓
Wholesale Trade	15	1.8%	46.2%	↑
Retail Trade	98	11.5%	16.1%	↑
Accommodation and Food Services	30	3.5%	17.9%	↑
Transport, Postal and Warehousing	35	4.1%	16.1%	↓
Information Media and Telecommunications	19	2.2%	10.5%	↓
Financial and Insurance Services	31	3.7%	44.8%	↑
Rental, Hiring and Real Estate Services	23	2.7%	33.3%	↑
Professional, Scientific and Technical Services	86	10.1%	29.3%	↑
Administrative and Support Services	12	1.4%	33.3%	=
Public Administration and Safety	1	0.1%	0.0%	N/A
Education and Training	22	2.6%	20.0%	↑
Health Care and Social Assistances	63	7.4%	33.9%	↓
Arts and Recreation Services	14	1.6%	14.3%	↓
Other Services	126	14.8%	16.7%	↓
Total	**849**	**100.0%**	**24.9%**	↑

*Confidence figures refer to share of businesses indicating they are confident about their own business prospects. Caution should be taken when interpreting results for industries with a small sample size.

Detailed results

Revenue and profitability

	Revenue change – Past 3 months#		Revenue change – Expected over next 3 months#		Profitability change – Past 3 months#		Profitability change – Expected over next 3 months#	
	April 2025	March 2025	April 2025	March 2025	April 2025	March 2025	April 2025	March 2025
Increase	↑ 14.6%	11.3%	↑ 15.1%	13.6%	↑ 7.2%	6.5%	↑ 10.2%	9.0%
No change	↑ 37.7%	36.0%	↓ 41.2%	44.4%	↑ 34.6%	31.4%	↓ 39.2%	42.0%
Decrease	↓ 46.8%	51.6%	↑ 37.0%	34.9%	↓ 56.7%	60.7%	↑ 44.3%	41.5%
Unsure	↓ 0.9%	1.0%	↓ 6.8%	7.0%	↑ 1.5%	1.4%	↓ 6.3%	7.5%

#Revenue and profitability figures weighted according to industry share of the small business population.

Business expansion

Plans to grow, alter, or expand business operations?#		
	April 2025	March 2025
Yes	↓ 28.6%	31.9%
No	↑ 56.6%	53.1%
Unsure	↓ 14.7%	15.0%

#Weighted according to industry share of the small business population.

Nature of plans (of those who indicated 'yes')~		
	April 2025	March 2025
We have plans to hire additional staff	↑ 45.1%	37.0%
We have plans to purchase/rent additional property, plant and/or equipment	↑ 33.9%	32.3%
We have plans to establish or expand our online business	↑ 33.6%	26.5%
We have plans to improve the range and/or quality of our products and services	↑ 60.4%	47.1%
Other	↓ 22.6%	26.8%

~Respondents able to select multiple options; weighted according to industry share of the small business population; n=224.

Detailed results

Momentum Index

	Momentum Index	Previous month
September 2023	99.4	↑
October 2023	103.8	↑
November 2023	95.1	↓
December 2023	91.6	↓
January 2024	103.4	↑
February 2024	106.8	↑
March 2024	106.8	=
April 2024	97.9	↓
May 2024	89.1	↓
June 2024	93.2	↑
July 2024	92.8	↓
August 2024	98.4	↑
September 2024	99.7	↑
October 2024	100.8	↑
November 2024	109.3	↑
December 2024	96.1	↓
January 2025	107.4	↑
February 2025	102.4	↓
March 2025	93.0	↓
April 2025	96.0	↑

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.

The Index measures current sentiment and business performance relative to recent levels. A recording above 100 implies businesses are in an expansionary phase and picking up momentum. A recording below 100 implies businesses are in a contractionary phase and slowing down in momentum.

Please contact the Small Business Commission for more information about methodology.

About the Commission

NSW GOVERNMENT | 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
Subscribe to our newsletter	smallbusiness.nsw.gov.au/#subscribe

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Methodology

Fieldwork conducted between 1 April to 30 April with 849 respondents. The survey is 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. Smaller sample sizes mean that results for individual industries and other categories should be treated with caution.

Figures may not align with the total percentage as respondents were able to select multiple options for certain questions.

Please contact the Small Business Commission for more information about survey methodology.