



Small Business Momentum Survey



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Commissioner

June 2025

Overview



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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 June 2025.

Small business confidence declined by three percentage points between May and June 2025, falling to 20 per cent, a record low, coinciding with recent severe weather events in NSW. This figure is lower than confidence levels reported during the COVID-19 pandemic. Prior to this decline, confidence levels had remained broadly stable throughout 2025, albeit subdued amid challenging trading conditions.

Businesses reported rising operating costs, compliance burdens, weaker customer demand, staff shortages, cash flow pressures and climate and weather-related impacts as factors weighing on confidence.

Expectations about profitability moderated slightly between May and June. Ten per cent of businesses expect their profitability to increase over the next three months, down one percentage point from May.

The Momentum Index, a measure of underlying business trends, increased by 6.9 points to 97.9. However, the Index remains in contractionary territory for a fourth consecutive month. The increase was driven by stronger performance across all components of the Index.

The online survey was completed between 1-30 June, with more than 600 small businesses across NSW responding.

	Confidence 20 per cent of businesses indicated they were confident about their individual business prospects.	Previous month ↓
	Concerns 89 per cent of businesses indicated they were concerned about the cost of business inputs.	↑
	Momentum* The Momentum Index increased by 6.9 to 97.9 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 42 per cent expecting a decline.	↓
	Revenue 16 per cent expect revenue to increase, compared to 34 per cent expecting a decline.	=
	Local economy 16 per cent of businesses indicated they were confident about their local economy.	↓



"Legislative and government approaches are becoming increasingly complex and burdensome for small businesses".

*See pages 5 & 9 for more information on the Momentum Index.

Business conditions



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Business conditions declined in June, with both recent and near-term profitability falling and concerns about input costs rising to an all-time high. Recent revenue performance improved, albeit marginally, while near-term revenue remained stable.

The proportion of businesses exploring new ways to grow, alter, or expand their operations fell by two percentage points to 29 per cent, four percentage points below the series average, reversing the improvement observed in the previous month. Among businesses with expansion plans, the share intending to purchase or rent additional property, plant and/or equipment, and those planning to establish or grow their online presence, both rose significantly, each increasing by 10 percentage points to 35 per cent and 37 per cent respectively. Business expansion activity has been volatile throughout 2025, reflecting broader economic uncertainty.

The percentage of businesses expecting a near-term increase in revenue remained stable in June, with 16 per cent anticipating growth over the next three months, unchanged from May.

Confidence

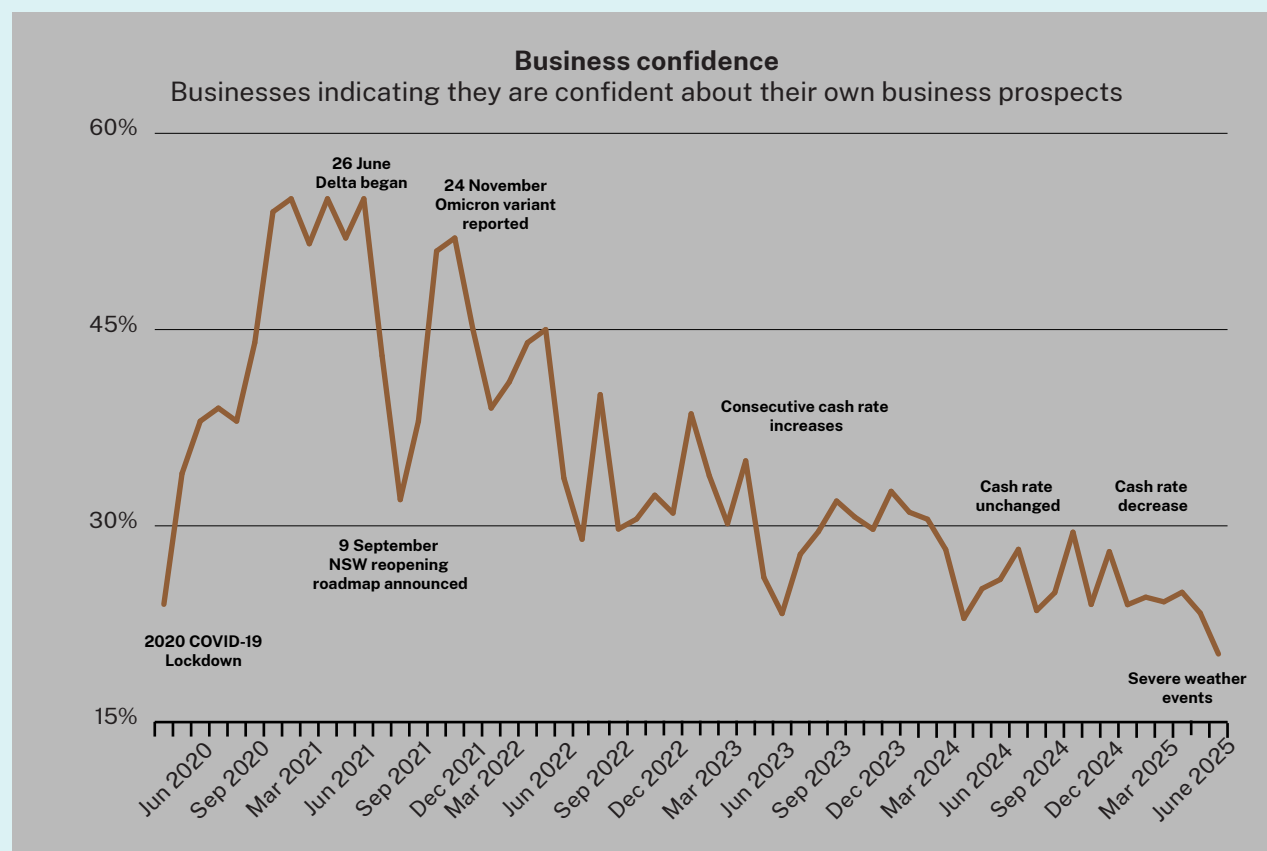
Small business confidence declined in June, decreasing by three percentage points to 20 per cent, a record low. Non-employing businesses were significantly more confident than their employing counterparts (27 per cent compared to 16 per cent).

Business performance

Business performance indicators were mixed in June, with a marginal improvement in revenue performance, while profitability declined slightly. A significantly higher proportion of businesses anticipate a decline in revenue and profitability compared to those expecting an improvement.

The business environment

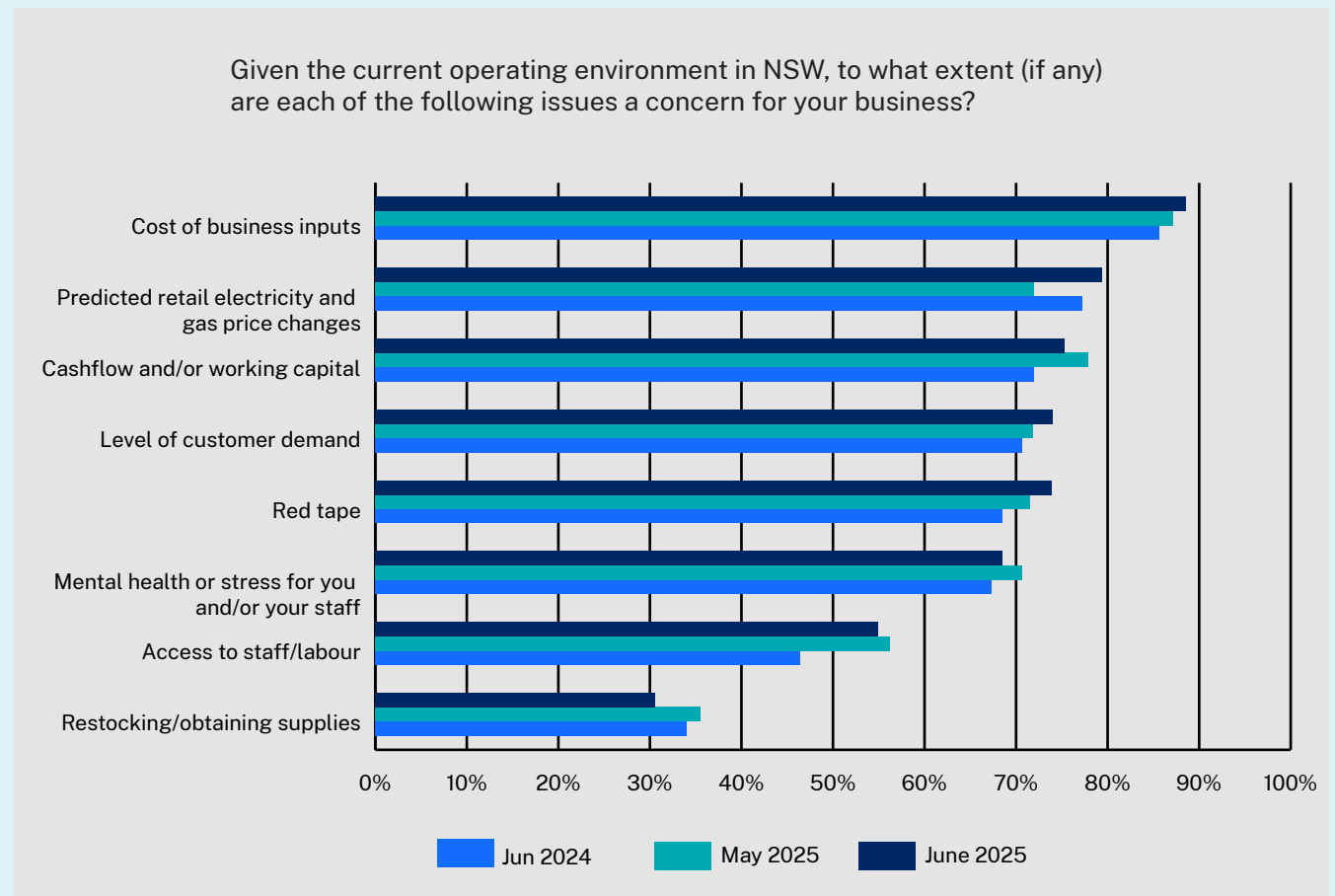
The cost of business inputs remains the top concern for small businesses, with 89 per cent expressing concern, a record figure and six percentage points above the series average. The next most cited concerns were predicted retail electricity and gas prices (79 per cent), followed by cash flow and the availability of working capital (75 per cent).



Business conditions

"Rising wages and electricity costs, combined with the inability to increase prices in line with these cost pressures, are eroding profitability".

Business concerns



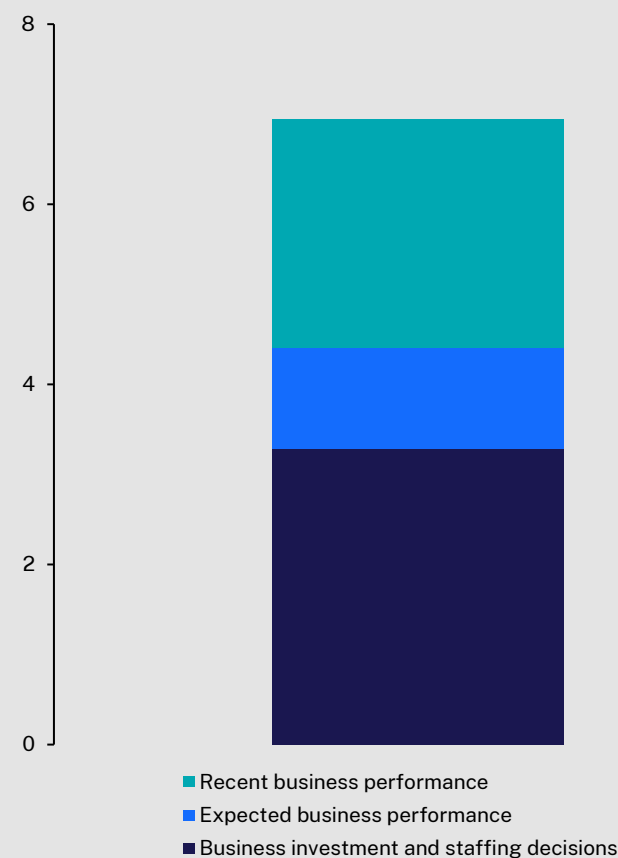
Momentum in focus

The Momentum Index is a composite measure that tracks key business performance metrics to identify critical turning points in underlying trends. In June, the Index rose by 6.9 points, but remains in contractionary territory for the fourth consecutive month.

The improvement in the June Index was driven by stronger performance across all components compared to May:

- **Business investment and staffing decisions (+3.3%)** were the leading contributor. The proportion of businesses planning to purchase or rent additional plant and/or equipment increased significantly, offsetting the modest decrease in the proportion of businesses intending to hire additional staff.
- **Expected business performance (+1.1%)** had a positive impact, with marginal increases in predicted profitability (+0.5%) and revenue (+0.6%).
- **Recent business performance (+2.5%)** also contributed positively, with increases in both recent profitability (+1.3%) and revenue (+1.2%).

Contribution to change in Momentum Index: May to June



Detailed results



Confidence

	Confidence – in own business prospects [#]		Confidence – in local economy [#]	
	June 2025	May 2025	June 2025	May 2025
Extremely confident	↓ 2.7%	3.2%	↓ 0.4%	0.5%
Fairly confident	↓ 17.5%	20.1%	↓ 15.7%	16.1%
About the same	↑ 28.4%	24.0%	↑ 30.5%	30.3%
Fairly worried	↓ 35.1%	35.3%	↑ 38.1%	37.0%
Extremely worried	↓ 16.3%	17.3%	↓ 15.3%	16.1%
Extremely or fairly confident	↓ 20.2%	23.3%	↓ 16.1%	16.6%

Business size	n	% sample	Confidence*	Previous month
Non employing	213	35.2%	27.4%	↑
1 – 4 employees	219	36.2%	16.4%	↓
5 – 19 employees	127	21.0%	16.8%	↓
20 – 199 employees	46	7.6%	14.3%	↓
Total	605	100.0%	20.2%	↓

Location	n	% sample	Confidence*	Previous month
Greater Sydney	306	51.4%	20.4%	↓
Regional and Rural NSW	289	48.6%	20.1%	↓
Total	595	100.0%	20.2%	↓

[#]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	35	5.8%	11.8%	↓
Mining	5	0.8%	40.0%	↓
Manufacturing	34	5.6%	18.2%	↓
Electricity, Gas, Water and Waste Services	5	0.8%	20.0%	↓
Construction	89	14.7%	14.9%	↓
Wholesale Trade	20	3.3%	31.6%	↑
Retail Trade	63	10.4%	11.3%	↓
Accommodation and Food Services	36	6.0%	14.7%	↓
Transport, Postal and Warehousing	26	4.3%	3.8%	↓
Information Media and Telecommunications	19	3.1%	27.8%	↓
Financial and Insurance Services	24	4.0%	34.8%	↓
Rental, Hiring and Real Estate Services	12	2.0%	16.7%	↑
Professional, Scientific and Technical Services	68	11.2%	28.8%	↓
Administrative and Support Services	10	1.7%	40.0%	↑
Public Administration and Safety	0	0.0%	N/A	N/A
Education and Training	26	4.3%	34.6%	↑
Health Care and Social Assistances	42	6.9%	30.0%	↑
Arts and Recreation Services	14	2.3%	14.3%	↓
Other Services	77	12.7%	14.1%	↓
Total	605	100.0%	20.2%	↓

*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 [#]	
	June 2025	May 2025	June 2025	May 2025	June 2025	May 2025	June 2025	May 2025
Increase	↑ 14.8%	13.2%	↑ 16.1%	15.6%	↓ 8.1%	8.3%	↓ 10.3%	11.5%
No change	↓ 35.8%	35.9%	↑ 44.4%	41.1%	↑ 30.0%	29.6%	↑ 42.4%	36.1%
Decrease	↓ 48.6%	48.9%	↓ 33.9%	36.2%	↑ 61.2%	59.9%	↓ 41.7%	45.8%
Unsure	↓ 0.8%	2.1%	↓ 5.6%	7.1%	↓ 0.7%	2.2%	↓ 5.6%	6.6%

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

Business expansion

Plans to grow, alter, or expand business operations? [#]		
	June 2025	May 2025
Yes	↓ 29.1%	31.2%
No	↑ 54.9%	50.7%
Unsure	↓ 16.1%	18.1%

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

Nature of plans (of those who indicated 'yes') [~]		
	June 2025	May 2025
We have plans to hire additional staff	↓ 44.9%	47.8%
We have plans to purchase/rent additional property, plant and/or equipment	↑ 35.5%	25.0%
We have plans to establish or expand our online business	↑ 37.4%	27.4%
We have plans to improve the range and/or quality of our products and services	↓ 53.0%	68.3%
Other	↓ 19.9%	24.1%

[~]Respondents able to select multiple options; weighted according to industry share of the small business population; n=168.

Detailed results



Momentum Index

	Momentum Index	Previous month
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	↑
May 2025	91.0	↓
June 2025	97.9	↑

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



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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



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Methodology

Fieldwork conducted between 1 June to 30 June with 605 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.