



Small Business Momentum Survey



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Commissioner

July 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 July 2025.









Small business confidence improved significantly between June and July 2025, rebounding from a record low with a seven-percentage point increase to 27 per cent. Despite the improvement, confidence levels remain subdued amid challenging trading conditions and have not risen above 30 per cent since February 2024.

Businesses reported rising input costs, uneven customer demand, compliance burdens, cash flow challenges, staff shortages, weather and climate-related impacts, and global instability as factors weighing on confidence.

Expectations about profitability improved between June and July with 13 per cent of businesses expecting an increase in profitability over the next three months, a rise of three percentage points compared to June.

The Momentum Index, a measure of underlying business trends, improved marginally, increasing by 0.9 points to 98.8. However, the Index remains in contractionary territory for a fifth consecutive month. This increase was driven by stronger performance in the recent and near-term business performance components of the Index.

The online survey was completed between 1 and 31 July, with more than 700 small businesses across NSW responding.

		Previous month
	Confidence 27 per cent of businesses indicated they were confident about their individual business prospects.	↑
	Concerns 82 per cent of businesses indicated they were concerned about the cost of business inputs.	↓
	Momentum* The Momentum Index increased by 0.9 to 98.8 points.	↑
	Staff 49 per cent of businesses with plans to expand are looking to hire additional staff.	↑
	Expansion 30 per cent of businesses indicated they have plans to grow, alter or expand operations.	↑
	Profitability 13 per cent expect profitability to increase, compared to 41 per cent expecting a decline.	↑
	Revenue 16 per cent expect revenue to increase, compared to 33 per cent expecting a decline.	=
	Local economy 15 per cent of businesses indicated they were confident about their local economy.	↓



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

Business conditions



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Business conditions improved in July, with recent and near-term revenue and profitability either stabilising or improving. Concerns about input costs declined significantly, albeit from an all-time high.

The proportion of businesses exploring new ways to grow, adapt or expand their operations improved marginally, rising by one percentage point to 30 per cent, three percentage points below the series average. Among businesses with expansion plans, the proportion intending to hire additional staff rose by four percentage points to 49 per cent, the highest level recorded since January 2025 (53 per cent). Business expansion activity has remained volatile throughout 2025, reflecting broader economic uncertainty.

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

Confidence

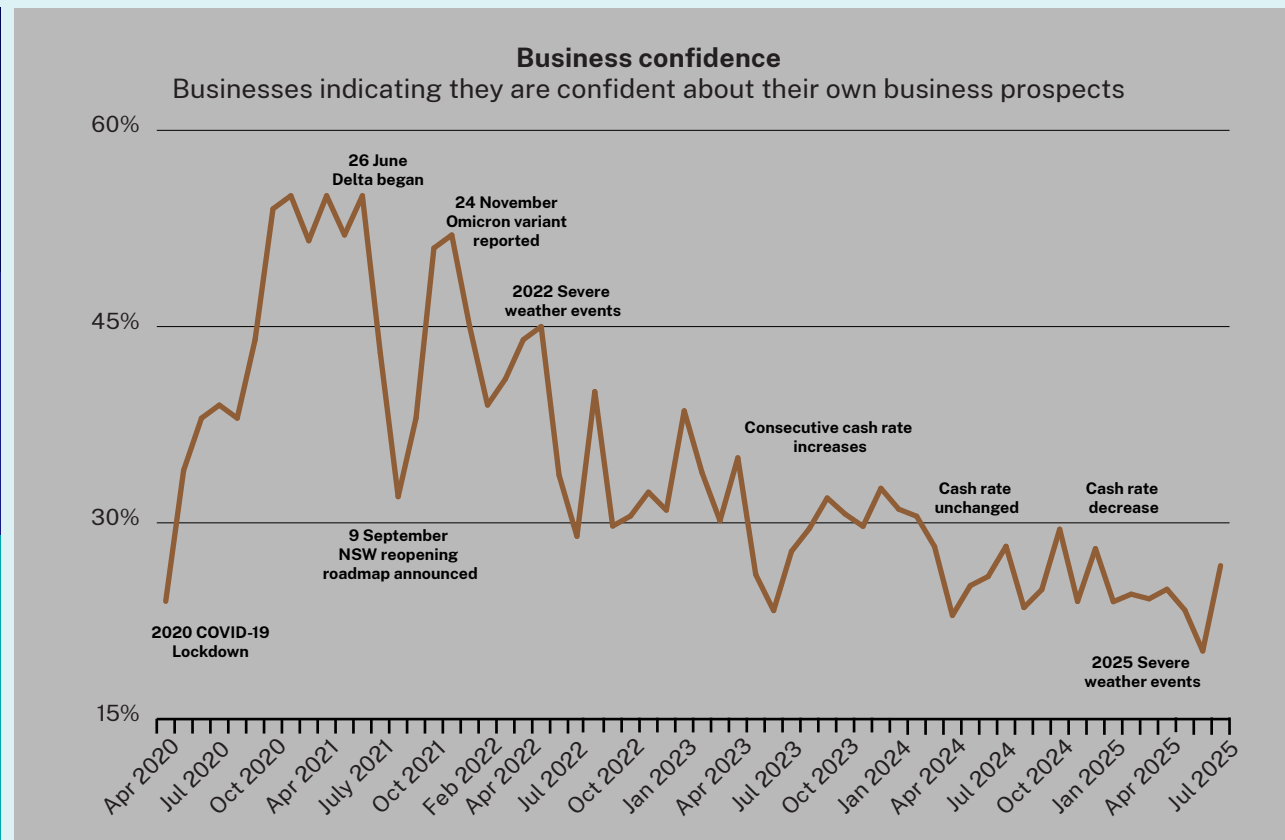
Small business confidence improved in July, rising by seven percentage points to 27 per cent and rebounding from a record low. Businesses located in Greater Sydney were significantly more confident than their regional counterparts (29 per cent compared to 24 per cent).

Business performance

Business performance indicators improved or stabilised in July, with profitability increasing and revenue remaining stable. 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 82 per cent expressing concern, one percentage point below the series average. The next most cited concerns were cash flow and the availability of working capital (73 per cent), followed by predicted retail electricity and gas price changes (72 per cent).



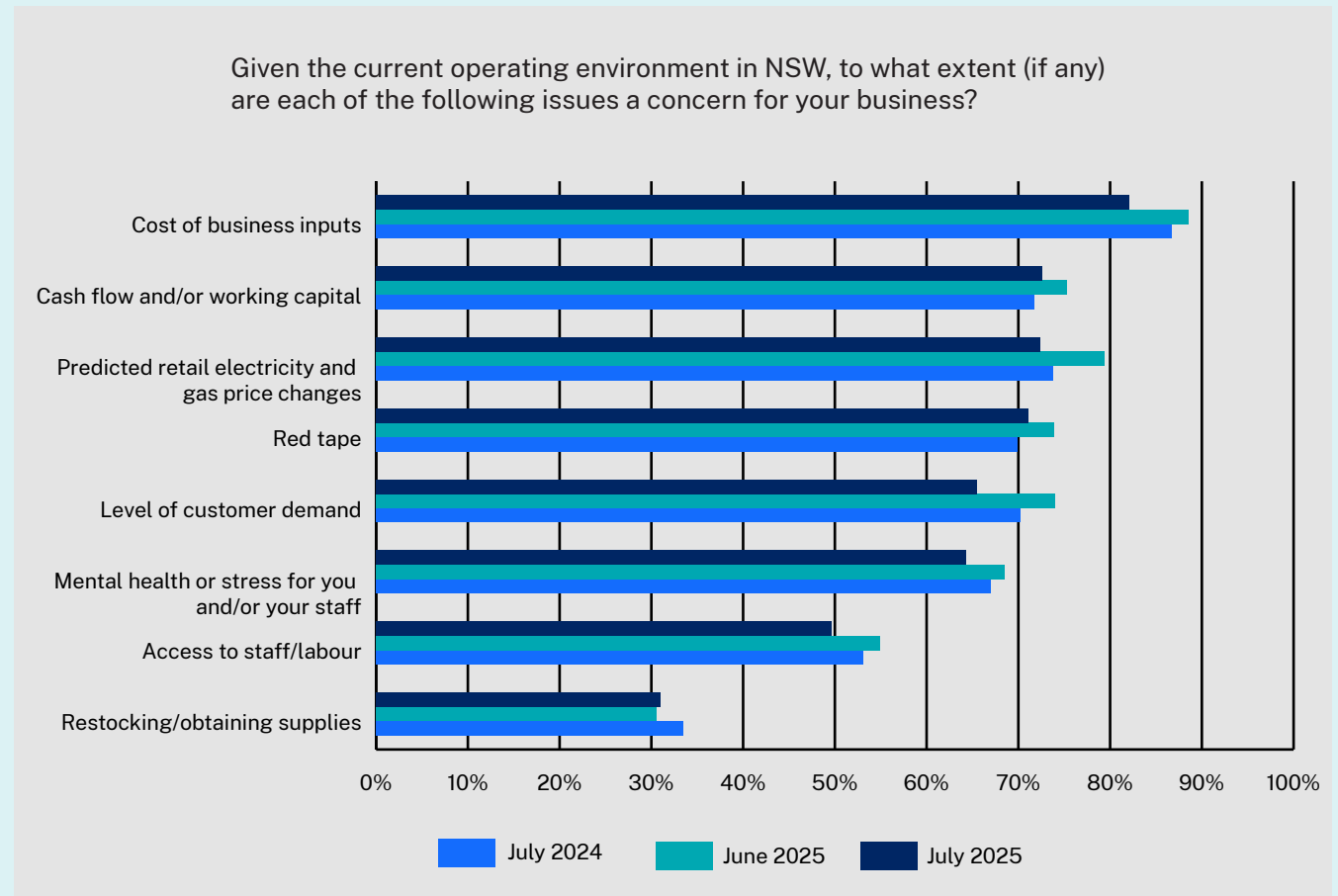
Business conditions



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"It's nearly impossible to get ahead. Rent, electricity, wages, insurance, freight and the cost of goods are all increasing faster than the prices we can charge. So, while our business is growing and revenue is increasing, our profit is struggling to keep up".

Business concerns



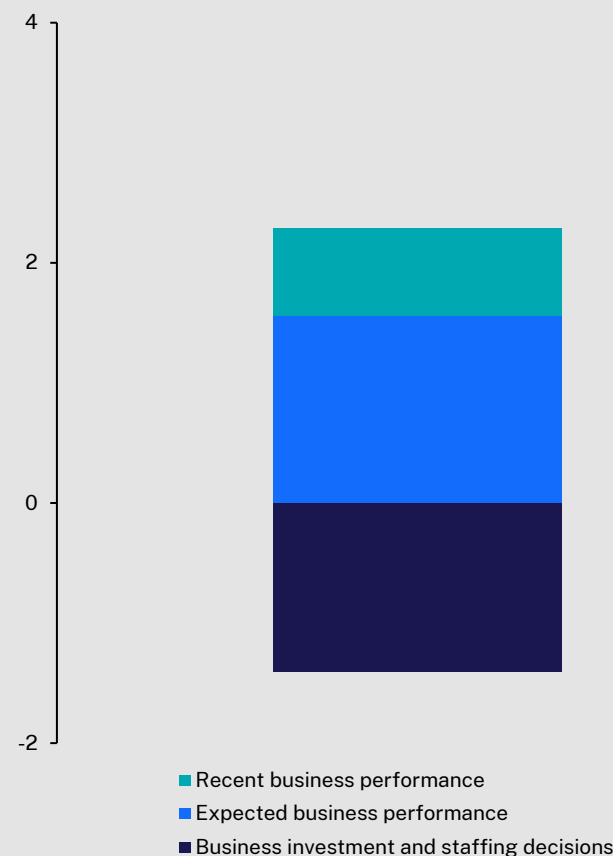
Momentum in Focus

The Momentum Index is a composite measure that tracks key business performance metrics to identify critical turning points in underlying trends. In July, the Index rose by 0.9 points but remained in contractionary territory for the fifth consecutive month.

The improvement in the July Index was driven by stronger performance in the recent and near-term business performance components compared to June.

- **Business investment and staffing decisions (-1.4%)** were the leading detractor. The proportion of businesses planning to purchase or rent additional plant and/or equipment decreased significantly, but this was partially offset by a moderate increase in the proportion of businesses intending to hire additional staff.
- **Expected business performance (+1.6%)** had a positive impact, with modest increases in predicted profitability (+1.1%) and revenue (+0.4%).
- **Recent business performance (+0.7%)** also contributed positively, with an increase in recent profitability (+0.7%) while revenue remained stable (0.0%).

Contribution to change in Momentum Index: June to July



Detailed results



Confidence

	Confidence – in own business prospects [#]		Confidence – in local economy [#]	
	July 2025	June 2025	July 2025	June 2025
Extremely confident	↑ 5.1%	2.7%	↑ 2.0%	0.4%
Fairly confident	↑ 21.6%	17.5%	↓ 13.0%	15.7%
About the same	↓ 27.0%	28.4%	↑ 35.2%	30.5%
Fairly worried	↓ 29.6%	35.1%	↓ 35.3%	38.1%
Extremely worried	↑ 16.6%	16.3%	↓ 14.5%	15.3%
Extremely or fairly confident	↑ 26.7%	20.2%	↓ 15.1%	16.1%

Business size	n	% sample	Confidence*	Previous month
Non employing	262	35.7%	25.2%	↓
1 – 4 employees	252	34.3%	26.6%	↑
5 – 19 employees	163	22.2%	21.6%	↑
20 – 199 employees	57	7.8%	47.6%	↑
Total	734	100.0%	26.7%	↑

Location	n	% sample	Confidence*	Previous month
Greater Sydney	388	53.8%	28.6%	↑
Regional and Rural NSW	333	46.2%	24.3%	↑
Total	721	100.0%	26.7%	↑

[#]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	34	4.6%	15.2%	↑
Mining	4	0.5%	25.0%	↓
Manufacturing	37	5.0%	27.8%	↑
Electricity, Gas, Water and Waste Services	13	1.8%	27.3%	↑
Construction	111	15.1%	24.8%	↑
Wholesale Trade	18	2.5%	17.6%	↓
Retail Trade	105	14.3%	16.0%	↑
Accommodation and Food Services	46	6.3%	20.9%	↑
Transport, Postal and Warehousing	24	3.3%	21.7%	↑
Information Media and Telecommunications	19	2.6%	31.6%	↑
Financial and Insurance Services	24	3.3%	23.8%	↓
Rental, Hiring and Real Estate Services	18	2.5%	38.9%	↑
Professional, Scientific and Technical Services	78	10.6%	31.1%	↑
Administrative and Support Services	12	1.6%	33.3%	↓
Public Administration and Safety	1	0.1%	N/A	N/A
Education and Training	21	2.9%	19.0%	↓
Health Care and Social Assistances	47	6.4%	37.2%	↑
Arts and Recreation Services	26	3.5%	20.8%	↑
Other Services	96	13.1%	22.5%	↑
Total	734	100.0%	26.7%	↑

*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 [#]	
	July 2025	June 2025	July 2025	June 2025	July 2025	June 2025	July 2025	June 2025
Increase	↓ 14.6%	14.8%	↑ 16.2%	16.1%	↑ 8.2%	8.1%	↑ 12.7%	10.3%
No change	↑ 41.0%	35.8%	↑ 44.7%	44.4%	↑ 35.1%	30.0%	↓ 41.0%	42.4%
Decrease	↓ 42.0%	48.6%	↓ 33.2%	33.9%	↓ 54.4%	61.2%	↓ 40.5%	41.7%
Unsure	↑ 2.4%	0.8%	↑ 5.9%	5.6%	↑ 2.3%	0.7%	↑ 5.8%	5.6%

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

Business expansion

Plans to grow, alter, or expand business operations? [#]		
	July 2025	June 2025
Yes	↑ 30.3%	29.1%
No	↑ 55.9%	54.9%
Unsure	↓ 13.8%	16.1%

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

Nature of plans (of those who indicated 'yes') [~]		
	July 2025	June 2025
We have plans to hire additional staff	↑ 48.5%	44.9%
We have plans to purchase/rent additional property, plant and/or equipment	↓ 29.0%	35.5%
We have plans to establish or expand our online business	↓ 30.3%	37.4%
We have plans to improve the range and/or quality of our products and services	↑ 54.9%	53.0%
Other	↑ 20.8%	19.9%

[~]Respondents able to select multiple options; weighted according to industry share of the small business population; n=207.

Detailed results



Momentum Index

	Momentum Index	Previous month
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	↑
July 2025	98.8	↑

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



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1300 795 534



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Methodology

Fieldwork conducted between 1 July to 31 July with 734 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.