



# Small Business Momentum Survey



Small  
Business  
Commissioner

December 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 December 2025 survey.

Small business confidence improved between November and December 2025, increasing by three percentage points to 28 per cent. Despite the increase, confidence levels have remained subdued throughout 2025 amid challenging trading conditions.

Businesses continue to cite the rising cost of business inputs, uneven customer demand, compliance burdens, staffing pressures, climate and weather-related impacts and economic uncertainty as factors weighing on confidence.

Expectations about profitability declined for a third consecutive month, with 12 per cent of businesses expecting an increase over three next three months, one percentage point lower than in November.

The Momentum Index, a measure of underlying business trends, declined by 13.7 points to 107.0, falling from a record high but remaining in expansionary territory for a fifth consecutive month. This result was driven by negative performance across the business investment & staffing and near-term business performance components of the Index.

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

		Previous month
	<b>Confidence</b> 28 per cent of businesses indicated they were confident about their individual business prospects.	↑
	<b>Concerns</b> 84 per cent of businesses indicated they were concerned about the cost of business inputs.	↓
	<b>Momentum*</b> The Momentum Index decreased by 13.7 to 107.0 points.	↓
	<b>Staff</b> 49 per cent of businesses with plans to expand are looking to hire additional staff.	↓
	<b>Expansion</b> 31 per cent of businesses indicated they have plans to grow, alter or expand operations.	↓
	<b>Profitability</b> 12 per cent expect profitability to increase, compared to 43 per cent expecting a decline.	↓
	<b>Revenue</b> 15 per cent expect revenue to increase, compared to 35 per cent expecting a decline.	↓
	<b>Local economy</b> 17 per cent of businesses indicated they were confident about their local economy.	=



“Prices have skyrocketed, and our business, which relies heavily on commuter trade, has still not returned to pre-COVID visitor numbers. At the same time, wage costs have risen significantly. We’re being squeezed from every angle.”

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

# Business conditions



Business conditions deteriorated in December, despite the Christmas and New Year period. Although concerns about input costs eased marginally, all business performance indicators, except recent profitability, declined from the previous month.

The proportion of businesses exploring new ways to grow, adapt or expand their operations declined in December for a second consecutive month, falling by two percentage points to 31 per cent, two percentage points below the series average. Among businesses with expansion plans, the proportion intending to hire additional staff declined significantly, reversing the improvement observed last month and falling by 15 percentage points to 49 per cent, one percentage point above the series average. The business expansion activity series continues to show volatility in 2025, potentially reflecting broader economic conditions and seasonal factors.

The percentage of businesses expecting a near-term revenue increase declined in December, with 15 per cent anticipating growth over the next three months, down two percentage points from November.

## Confidence

Small business confidence improved by three percentage points to 28 per cent between November and December. Non-employed businesses were less confident about their individual business prospects than their employing counterparts (25 per cent compared with 29 per cent).

## Business performance

All business performance indicators declined in December, with the exception of recent profitability, which improved marginally. A higher proportion of businesses continue to anticipate a decline in revenue and profitability than those expecting an improvement.

## The business environment

The cost of business inputs remains the top concern for small businesses, with 84 per cent expressing concern, in-line with the series average. The next most cited concerns were red tape (77 per cent, a new record high), followed by cash flow and the availability of working capital (75 per cent).

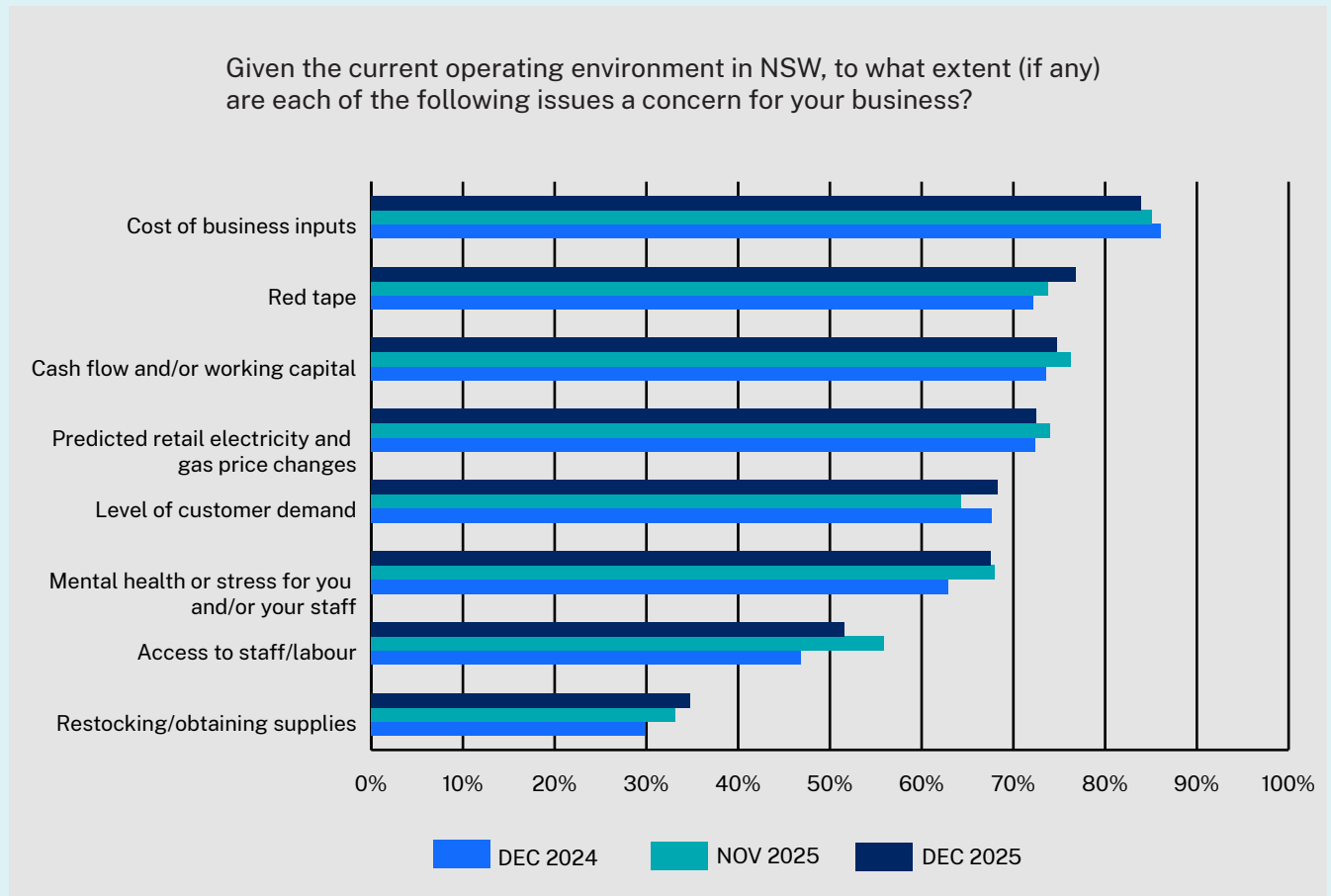


# Business conditions



"After two decades of running my own business, I feel completely overwhelmed and burnt out. The idea of returning to traditional employment is daunting, particularly as I worry that my age and gender may put me at a disadvantage."

## Business concerns



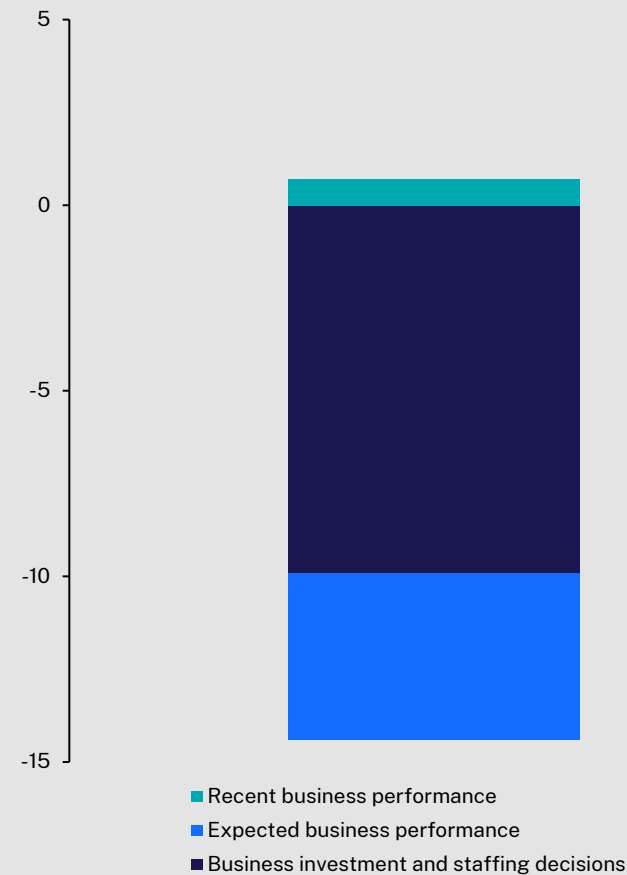
# Momentum in Focus

The Momentum Index is a composite measure that tracks key business performance metrics to identify critical turning points in underlying trends. In December, the Index declined by 13.7 points to 107.0, after reaching a record high in the previous month. Despite this, the Index remained in expansionary territory for a fifth consecutive month.

This decline was driven by particularly weak performance in the business investment and staffing component of the Index, as well as the expected business performance component. The recent business performance component of the Index made a marginal positive contribution.

- **Business investment and staffing decisions (-9.9%)** - were the leading detractor from the Index. The proportion of businesses planning to hire additional staff, as well as purchase or rent additional property, plant and/or equipment, decreased significantly.
- **Expected business performance (-4.5%)** - also had a negative impact on the Index, with decreases in predicted revenue (-2.5%) and profitability (-2.0%).
- **Recent business performance (+0.7%)** - had a marginal positive impact on the Index, with recent revenue unchanged (0.0%) and a slight increase in recent profitability (+0.7%).

Contribution to change in Momentum Index: November to December



# Detailed results



## Confidence

	Confidence – in own business prospects <sup>#</sup>		Confidence – in local economy <sup>#</sup>	
	December 2025	November 2025	December 2025	November 2025
Extremely confident	↓ 5.6%	5.8%	↓ 1.8%	2.1%
Fairly confident	↑ 22.0%	19.6%	↓ 15.1%	15.3%
About the same	↓ 27.8%	28.1%	↓ 34.3%	36.2%
Fairly worried	↓ 29.6%	30.0%	↑ 36.0%	29.0%
Extremely worried	↓ 15.1%	16.6%	↓ 12.9%	17.4%
<b>Extremely or fairly confident</b>	<b>↑ 27.5%</b>	<b>25.4%</b>	<b>↓ 16.8%</b>	<b>17.5%</b>

Business size	n	% sample	Confidence*	Previous month
Non employing	252	35.8%	25.2%	↑
1 – 4 employees	228	32.4%	32.9%	↑
5 – 19 employees	164	23.3%	22.7%	↓
20 – 199 employees	59	8.4%	28.8%	↓
<b>Total</b>	<b>703</b>	<b>100.0%</b>	<b>27.5%</b>	<b>↑</b>

Location	n	% sample	Confidence*	Previous month
Greater Sydney	361	52.2%	27.0%	↑
Regional and Rural NSW	330	47.8%	27.0%	↑
<b>Total</b>	<b>691</b>	<b>100.0%</b>	<b>27.5%</b>	<b>↑</b>

<sup>#</sup>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	36	5.1%	11.4%	↓
Mining	0	0.0%	N/A	N/A
Manufacturing	49	7.0%	25.0%	↑
Electricity, Gas, Water and Waste Services	8	1.1%	57.1%	↑
Construction	94	13.4%	21.1%	↑
Wholesale Trade	28	4.0%	18.5%	↑
Retail Trade	70	10.0%	19.7%	↑
Accommodation and Food Services	46	6.5%	14.3%	↓
Transport, Postal and Warehousing	22	3.1%	18.2%	↓
Information Media and Telecommunications	14	2.0%	30.8%	↑
Financial and Insurance Services	26	3.7%	34.6%	↓
Rental, Hiring and Real Estate Services	14	2.0%	35.7%	↑
Professional, Scientific and Technical Services	91	12.9%	33.0%	↑
Administrative and Support Services	16	2.3%	37.5%	↑
Public Administration and Safety	1	0.1%	N/A	N/A
Education and Training	27	3.8%	34.6%	↓
Health Care and Social Assistances	51	7.3%	38.8%	↑
Arts and Recreation Services	24	3.4%	39.1%	↑
Other Services	86	12.2%	29.9%	↑
<b>Total</b>	<b>703</b>	<b>100.0%</b>	<b>27.5%</b>	<b>↑</b>

\*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 <sup>#</sup>		Revenue change – Expected over next 3 months <sup>#</sup>		Profitability change – Past 3 months <sup>#</sup>		Profitability change – Expected over next 3 months <sup>#</sup>	
	December 2025	November 2025	December 2025	November 2025	December 2025	November 2025	December 2025	November 2025
Increase	↓ 16.9%	19.4%	↓ 15.0%	17.1%	↑ 12.0%	11.5%	↓ 12.0%	13.3%
No change	↑ 40.0%	38.8%	↑ 43.4%	40.5%	↓ 31.9%	34.8%	↓ 37.5%	37.5%
Decrease	↑ 40.7%	40.7%	↓ 34.6%	36.4%	↑ 54.7%	52.3%	↑ 43.2%	42.7%
Unsure	↑ 2.4%	1.2%	↑ 6.9%	6.0%	↓ 1.3%	1.4%	↑ 7.4%	6.5%

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

## Business expansion

	Plans to grow, alter, or expand business operations? <sup>#</sup>	
	December 2025	November 2025
Yes	↓ 30.9%	32.7%
No	↑ 54.8%	52.4%
Unsure	↓ 14.3%	14.9%

<sup>#</sup>Weighted according to industry share of the small business population.

	Nature of plans (of those who indicated 'yes') <sup>~</sup>	
	December 2025	November 2025
We have plans to hire additional staff	↓ 49.1%	63.7%
We have plans to purchase/rent additional property, plant and/or equipment	↓ 29.1%	36.1%
We have plans to establish or expand our online business	↓ 25.0%	31.4%
We have plans to improve the range and/or quality of our products and services	↓ 51.6%	53.0%
Other	↑ 19.8%	17.4%

<sup>~</sup>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
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	↑
August 2025	104.0	↑
September 2025	102.9	↓
October 2025	114.1	↑
November 2025	120.7	↑
December 2025	107.0	↓

## 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



## 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 December to 31 December with 703 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.