



Small Business Momentum Survey



Small
Business
Commissioner

January 2026

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 January 2026 survey.









Small business confidence stabilised between December and January 2026, remaining unchanged at 28 per cent. Despite this stabilisation, confidence levels remain subdued amid challenging trading conditions, and a sustained turnaround is yet to be observed.

Businesses continue to cite the rising cost of business inputs (including insurance, utilities, rents, wages, freight, materials, and government fees and charges), levels of customer demand, compliance burdens, workforce shortages, weather and climate-related impacts and broader economic, geopolitical and policy uncertainty as factors weighing on confidence.

Expectations about profitability rose in January, after falling for three consecutive months, increasing by three percentage points to 15 per cent.

The Momentum Index, a measure of underlying trends, rose by 2.9 points to 109.9, remaining in expansionary territory for a sixth consecutive month. This result was driven by positive performance in the business investment and staffing component of the Index.

The online survey was completed between 5 and 31 January, with more than 700 small businesses across NSW responding.

		Previous month
	Confidence 28 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 109.9 points.	↑
	Staff 50 per cent of businesses with plans to expand are looking to hire additional staff.	↑
	Expansion 33 per cent of businesses indicated they have plans to grow, alter or expand operations.	↑
	Profitability 15 per cent expect profitability to increase, compared to 36 per cent expecting a decline.	↑
	Revenue 19 per cent expect revenue to increase, compared to 28 per cent expecting a decline.	↑
	Local economy 18 per cent of businesses indicated they were confident about their local economy.	↑



Confidence stable in January

“Our business prospects are being impacted by rising costs such as payroll, insurance and land tax, combined with less work and reduced ability to charge what we once could. In short, our costs are rising fast while our income is falling.”

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

Business conditions



Business conditions were mixed in January, with concerns about the cost of inputs increasing and recent business performance indicators moderating, while near-term business performance indicators improved.

The proportion of businesses exploring new ways to grow, adapt or expand their operations rose in January after falling for two consecutive months, increasing by two percentage points to 33 per cent, in line with the series average. Among businesses with expansion plans, the proportion intending to purchase or rent additional property, plant and/or equipment rose significantly, increasing by eight percentage points to 38 per cent. The business activity expansion series continues to show volatility, continuing on from 2025, potentially reflecting broader economic uncertainty.

The percentage of businesses expecting a near-term revenue increase rose in January, with 19 per cent anticipating revenue growth over the next three months, up four percentage points from December.

Confidence

Small business confidence stabilised in January, remaining unchanged at 28 per cent. Non-employing businesses were more confident about their individual business prospects than their employing counterparts (30 per cent compared with 27 per cent).

Business performance

Near-term business performance indicators improved in January, while recent business performance indicators declined. A higher proportion of businesses continue to anticipate a decline in revenue and profitability across both recent and near-term indicators than 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, two percentage points above the series average. The next most cited concerns were predicted retail electricity and gas price changes (74 per cent), followed by red tape (73 per cent).

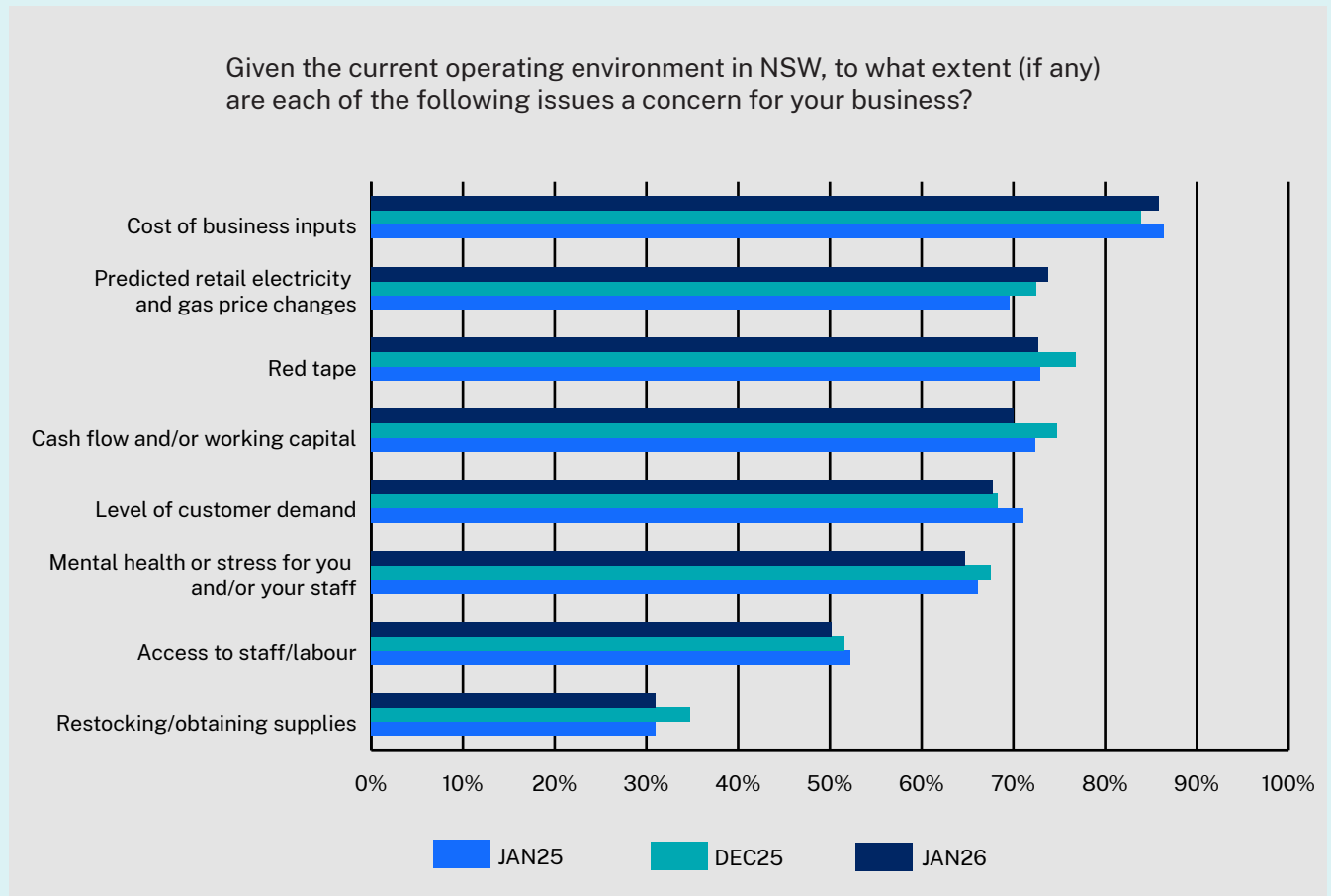


Business conditions



" With cost of living pressures reducing discretionary spending, and insurance and electricity costs continuing to rise, it's becoming far more difficult to turn a profit."

Business concerns



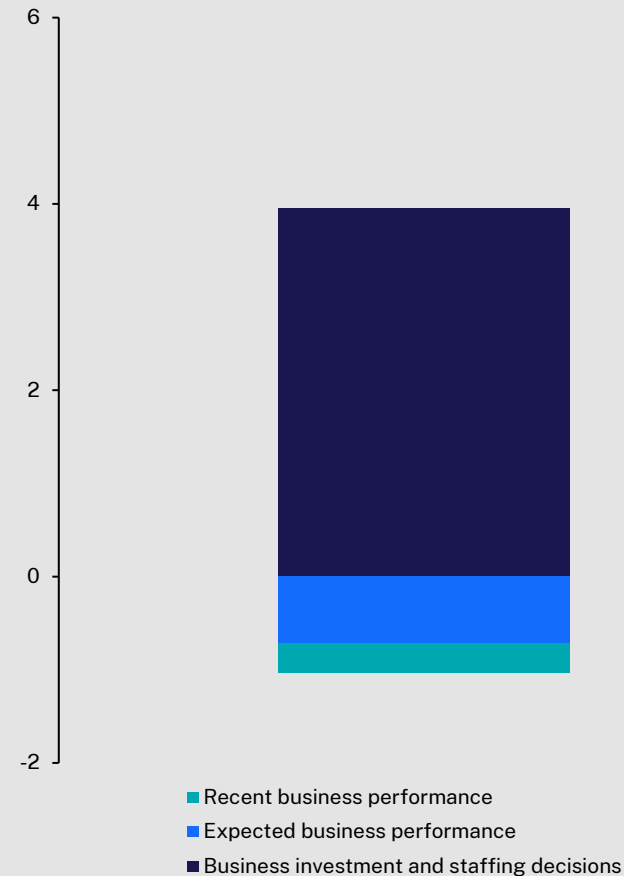
Momentum in Focus

The Momentum Index is a composite measure that tracks key business performance metrics to identify critical turning points in underlying trends. In January, the Index rose by 2.9 points to 109.9, remaining in expansionary territory for a sixth consecutive month. This is the longest active streak on record, surpassing the previous peak of three consecutive months.

The increase was driven by positive performance in the business investment and staffing components of the Index, while the expected and recent business performance components had a moderately negative impact.

- **Business investment and staffing decisions (+3.9%)** - were the leading contributor to the Index. The proportion of businesses planning to purchase or rent additional property, plant and/or equipment rose significantly.
- **Expected business performance (-0.7%)** - had a negative impact on the Index, driven by decreases in predicted profitability (-0.2%) and revenue (-0.5%).
- **Recent business performance (-0.3%)** - also had a negative impact on the Index, with an increase in recent profitability (+0.3%) offset by a decline in recent revenue (-0.6%).

Contribution to change in Momentum Index: December to January



Detailed results



Confidence

	Confidence – in own business prospects [#]		Confidence – in local economy [#]	
	January 2026	December 2025	January 2026	December 2025
Extremely confident	↓ 4.9%	5.6%	↓ 0.4%	1.8%
Fairly confident	↑ 23.3%	22.0%	↑ 17.9%	15.1%
About the same	↑ 33.1%	27.8%	↑ 36.4%	34.3%
Fairly worried	↓ 26.9%	29.6%	↓ 35.1%	36.0%
Extremely worried	↓ 11.8%	15.1%	↓ 10.3%	12.9%
Extremely or fairly confident	↑ 28.2%	27.5%	↑ 18.3%	16.8%

Business size	n	% sample	Confidence*	Previous month
Non employing	284	37.8%	30.4%	↑
1 – 4 employees	233	31.0%	25.5%	↓
5 – 19 employees	174	23.2%	22.8%	↑
20 – 199 employees	60	8.0%	44.1%	↑
Total	751	100.0%	28.2%	↑

Location	n	% sample	Confidence*	Previous month
Greater Sydney	407	54.7%	27.8%	↑
Regional and Rural NSW	337	45.3%	28.8%	↑
Total	744	100.0%	28.2%	↑

[#]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	33	4.4%	24.2%	↑
Mining	10	1.3%	44.4%	↑
Manufacturing	48	6.4%	31.9%	↑
Electricity, Gas, Water and Waste Services	5	0.7%	20.0%	↓
Construction	96	12.8%	26.7%	↑
Wholesale Trade	21	2.8%	19.0%	↑
Retail Trade	74	9.9%	15.9%	↓
Accommodation and Food Services	54	7.2%	30.8%	↑
Transport, Postal and Warehousing	33	4.4%	31.0%	↑
Information Media and Telecommunications	28	3.7%	28.0%	↓
Financial and Insurance Services	35	4.7%	34.3%	↓
Rental, Hiring and Real Estate Services	24	3.2%	30.4%	↓
Professional, Scientific and Technical Services	83	11.1%	34.6%	↑
Administrative and Support Services	9	1.2%	22.2%	↓
Public Administration and Safety	1	0.1%	0.0%	N/A
Education and Training	25	3.3%	41.7%	↑
Health Care and Social Assistances	63	8.4%	29.0%	↓
Arts and Recreation Services	18	2.4%	22.2%	↓
Other Services	91	12.1%	20.5%	↓
Total	751	100.0%	28.2%	↑

*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 [#]	
	January 2026	December 2025	January 2026	December 2025	January 2026	December 2025	January 2026	December 2025
Increase	↓ 16.3%	16.9%	↑ 18.7%	15.0%	↓ 10.4%	12.0%	↑ 14.7%	12.0%
No change	↓ 38.6%	40.0%	↑ 46.1%	43.4%	↑ 35.3%	31.9%	↑ 42.4%	37.5%
Decrease	↑ 43.1%	40.7%	↓ 27.7%	34.6%	↓ 52.2%	54.7%	↓ 36.1%	43.2%
Unsure	↓ 2.1%	2.4%	↑ 7.5%	6.9%	↑ 2.1%	1.3%	↓ 6.9%	7.4%

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

Business expansion

	Plans to grow, alter, or expand business operations? [#]	
	January 2026	December 2025
Yes	↑ 32.6%	30.9%
No	↓ 51.5%	54.8%
Unsure	↑ 15.9%	14.3%

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

	Nature of plans (of those who indicated 'yes') [~]	
	January 2026	December 2025
We have plans to hire additional staff	↑ 49.8%	49.1%
We have plans to purchase/rent additional property, plant and/or equipment	↑ 37.6%	29.1%
We have plans to establish or expand our online business	↓ 23.0%	25.0%
We have plans to improve the range and/or quality of our products and services	↓ 49.5%	51.6%
Other	↑ 21.5%	19.8%

[~]Respondents able to select multiple options; weighted according to industry share of the small business population; n=229.

Detailed results



Momentum Index

	Momentum Index	Previous month
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	↓
January 2026	109.9	↑

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



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



Methodology

Fieldwork conducted between 5 January to 31 January with 751 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.