



NAB Monthly Business Survey Feb-26

Conditions hold while confidence falls

NAB Economics and Markets Research

Summary

Business confidence unwound gains over the past two months, falling 4pts (unrounded) in February. Business confidence is now in negative territory for the first time in almost a year, likely reflecting some caution in the wake of the February rate hike. Business conditions were flat in the month as a 1pt rise in trading conditions was offset by a 2pt fall in employment. The profitability sub-component was unchanged in February. Since the recent peak in business conditions in September, the services industries have softened slightly, while others such as manufacturing, wholesale and retail, have improved. With business conditions stable, capacity utilisation has remained elevated (with 6 out of 8 industries above average) despite showing some signs of easing over recent months. The rebound in cost and price growth in the month highlights that despite the volatility in activity and price measures in the survey, some underlying inflation pressure remains. Looking forward, the improvement in forward orders over recent months suggests that activity will likely remain robust in the near term. In some potentially good news for the supply side of the economy, the Capex measure jumped 3pts in February, rising to a three year high.

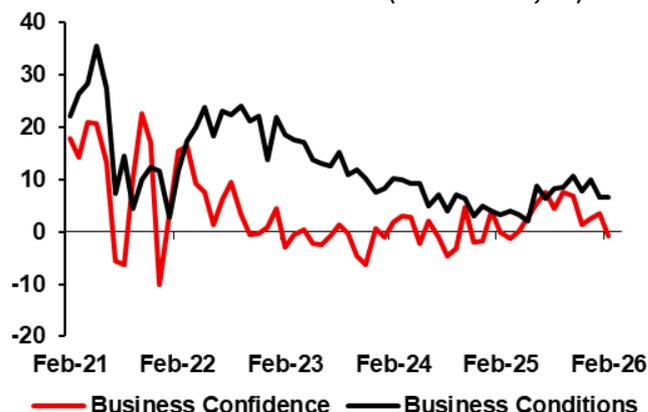
Survey Details

- **Business confidence** fell 4pts (unrounded) to -1 index points. Confidence has fallen into negative territory for the first time in 11 months after having reached a multi-year high in September 2025.
- **Business conditions** remained at +7 index points (around the long-run average). Trading conditions rose 1pt, offset by a 2pt fall in employment. The profitability sub-component was unchanged.
- **By industry**, conditions were mixed with 4 industries rising while 4 industries fell. In trend terms, conditions remain in positive territory for all industries except manufacturing. Trend confidence remains positive in all industries except retail and transport and utilities.
- **By State**, conditions fell across all regions except NSW and Tasmania. Trend conditions are broadly in line across regions except in NSW and Vic which lag marginally and in Tas which is notably outperforming.
- **Capacity utilisation** was flat at 82.8%, remaining 1.5ppts above its long-run average. **Forward orders** rose 4pts in February and reached their highest level since late 2022, consistent with strong activity in recent economic data from the end of 2025. **Capex** rose 3pts, reaching its highest level in three years.
- **Purchase cost growth** rose to 1.5% in quarterly equivalent terms, retracing recent slowing. **Labour costs** rose to 1.5%. **Product price growth** remained flat at 0.5% while retail prices growth spiked to 1.0%, unwinding some slowing over the past four months.

Table 1: Key Monthly Business Survey Statistics

	Dec-25	Jan-26	Feb-26
Net balance			
Business confidence	3	4	-1
Business conditions	10	7	7
Trading	17	11	12
Profitability	8	4	4
Employment	5	5	3
Forward Orders	0	2	6
Capex	10	10	13
Stocks	11	-2	5
Exports	0	1	0
% change at quarterly rate			
Labour costs	1.7	1.2	1.5
Purchase costs	1.3	1.1	1.5
Final products prices	0.7	0.5	0.5
Retail prices	0.5	0.3	1.0
Percent			
Capacity utilisation rate	83.1	82.8	82.8

Chart 1: Confidence & Conditions (Net Balance, SA)



All data seasonally adjusted and subject to revision. Survey conducted from 23 February to 2 March, covering around 516 businesses across the non-farm business sector. **Next release date: 14 April 2026.**

Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

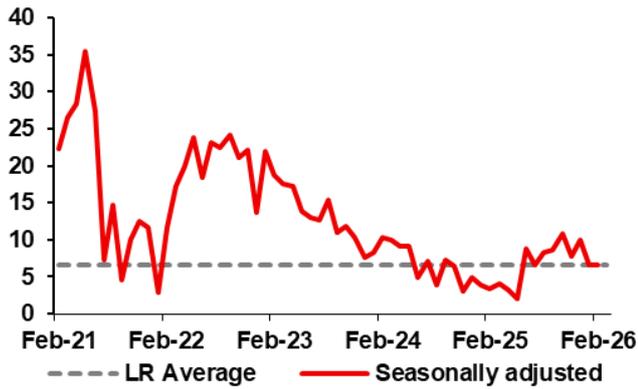


Chart 3: Components of Conditions, SA (Net Balance)

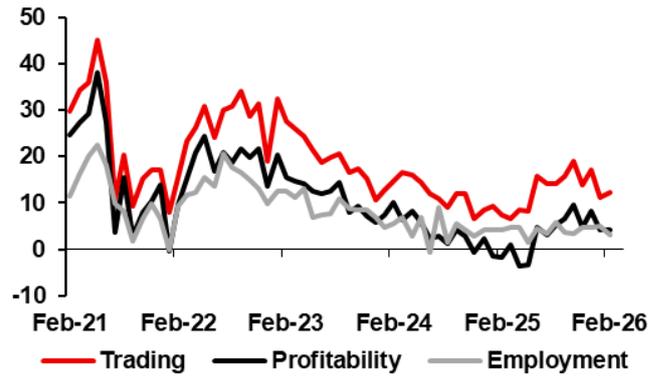


Chart 4: Business Confidence, SA (Net Balance)

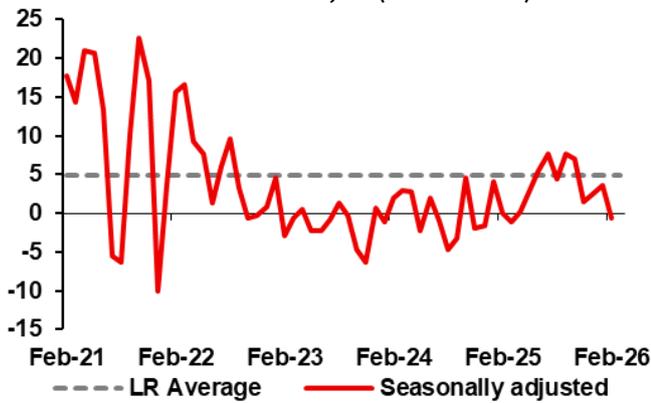


Chart 5: Conditions & Confidence, Trend (Net Balance)

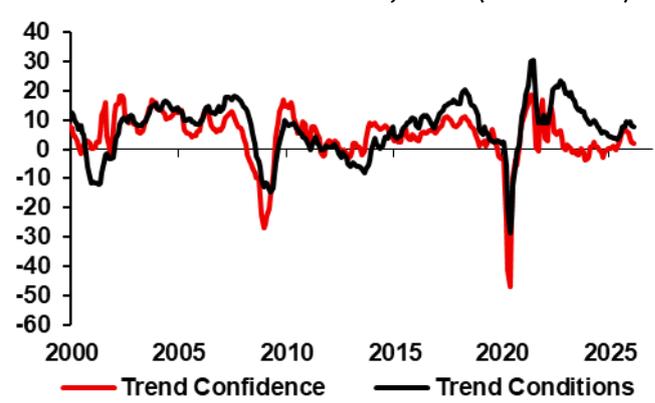


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

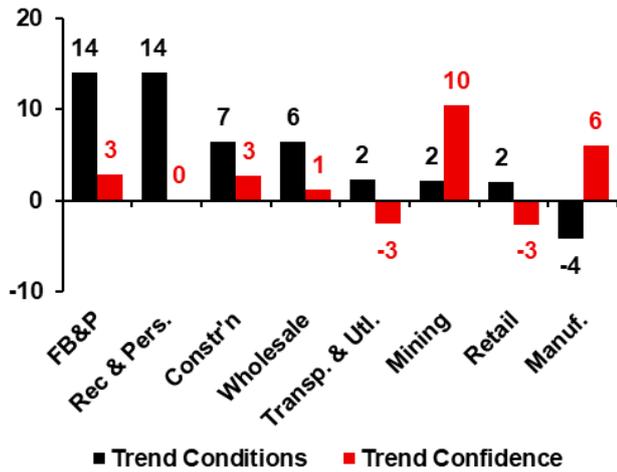
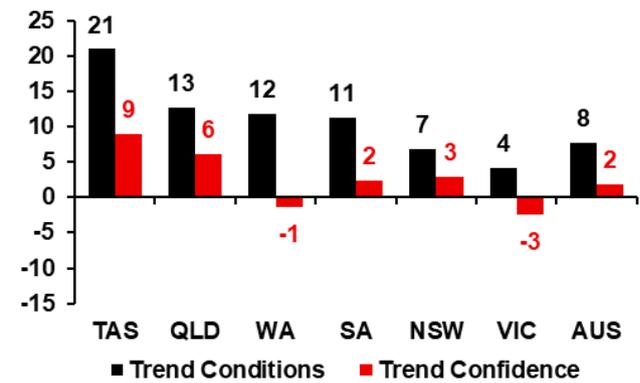


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

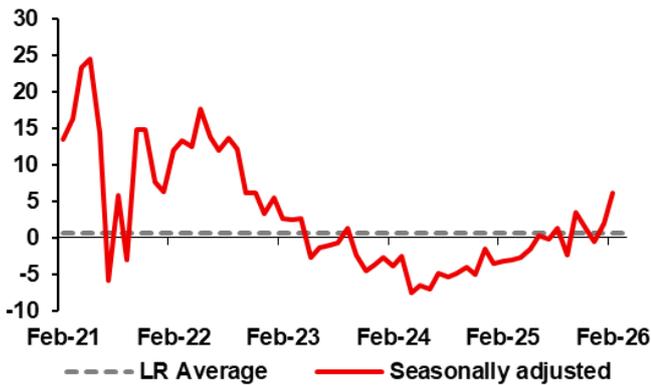


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

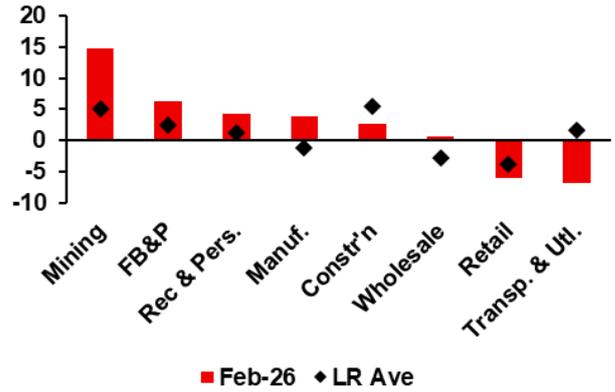


Chart 10: Capacity Utilisation, SA (%)

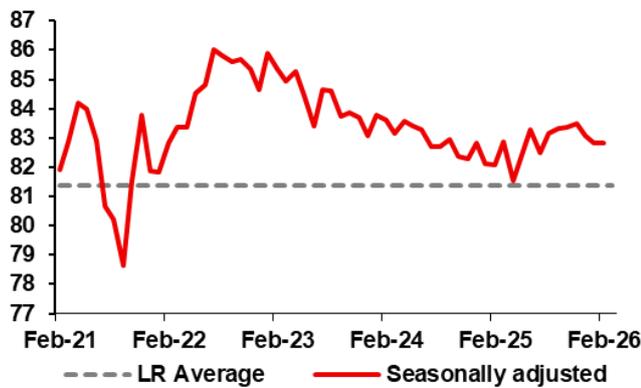


Chart 11: Capacity Util. by Industry, Trend

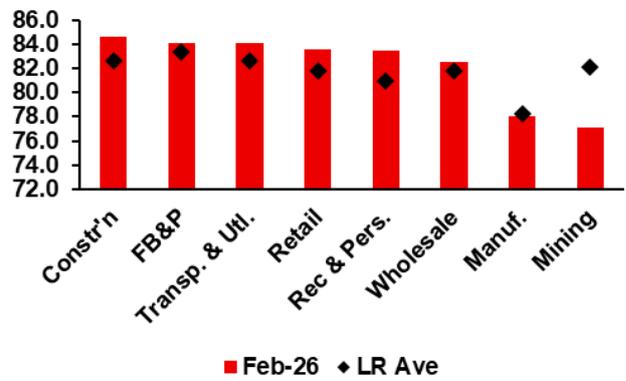


Chart 12: Capital Expenditure, SA (Net Balance)

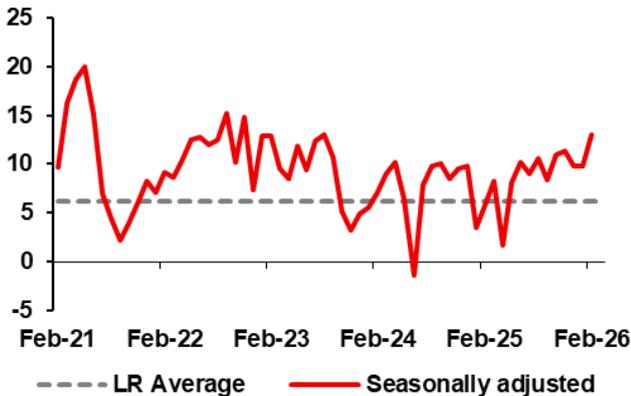


Chart 13: Exports & Stocks, SA (Net Balance)

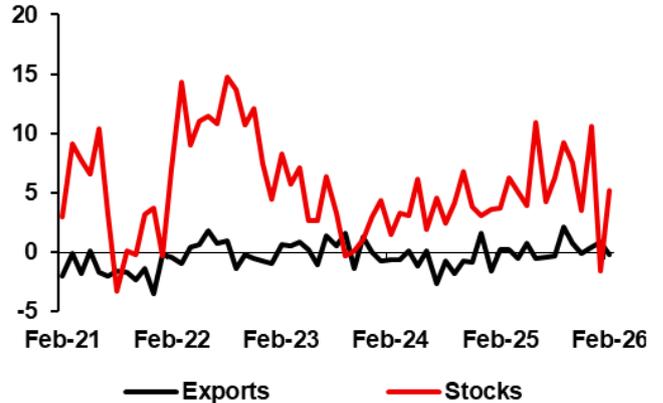


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

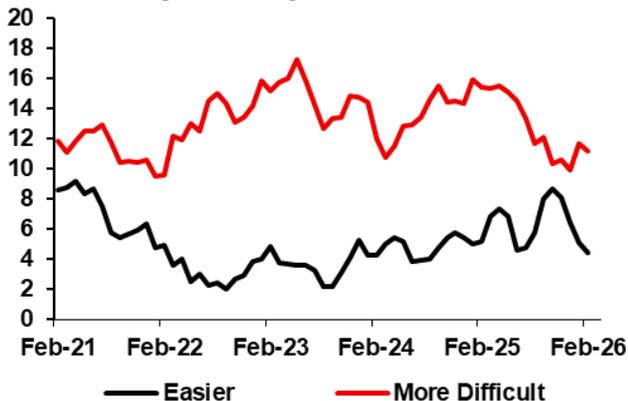
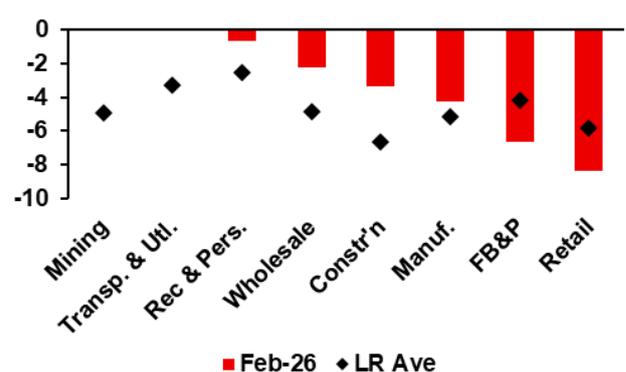


Chart 15: Borrowing Conditions by Industry (Net Balance)



Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

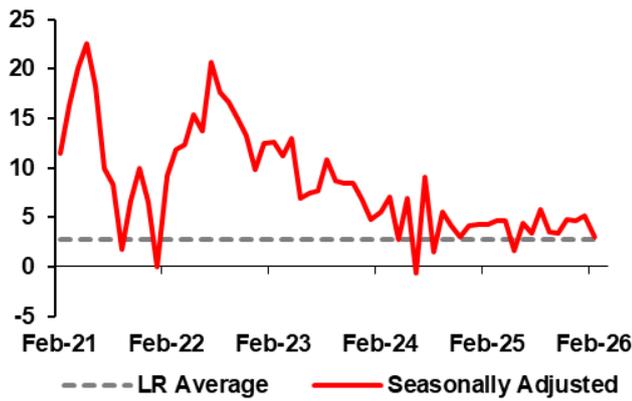


Chart 17: Employment, Selected Industries, Trend

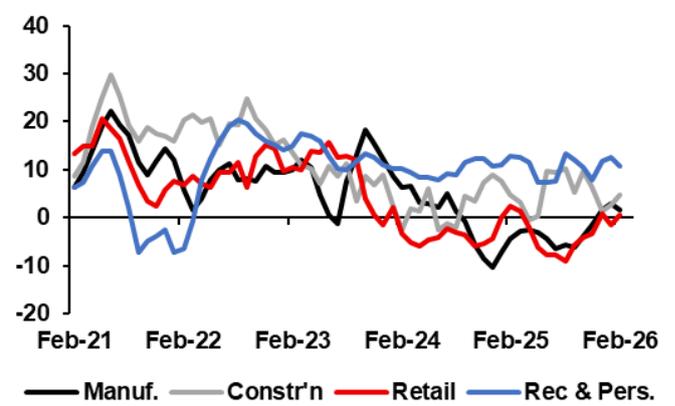


Chart 18: Cost Growth, SA (% Qtly Eq.)

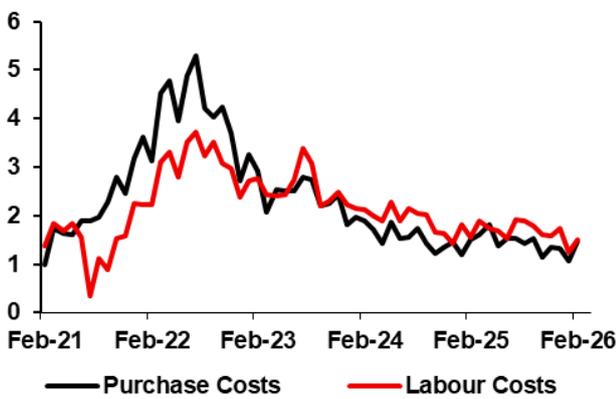


Chart 19: Labour Costs, Selected Industries, Trend (%)

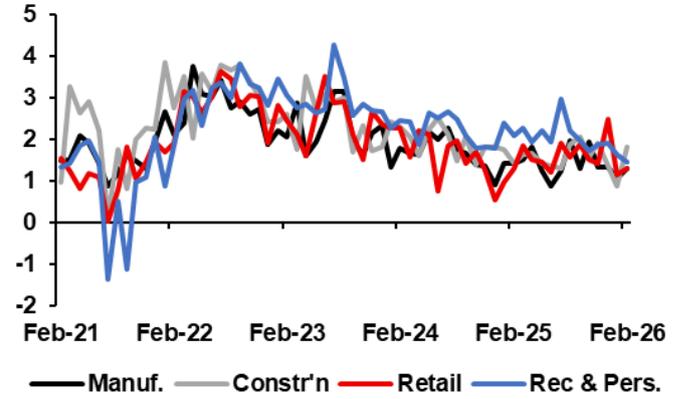


Chart 20: Output Price Growth, SA (% Qtly Eq.)

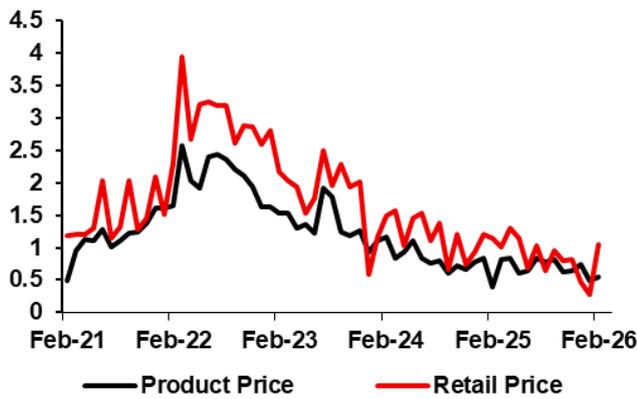
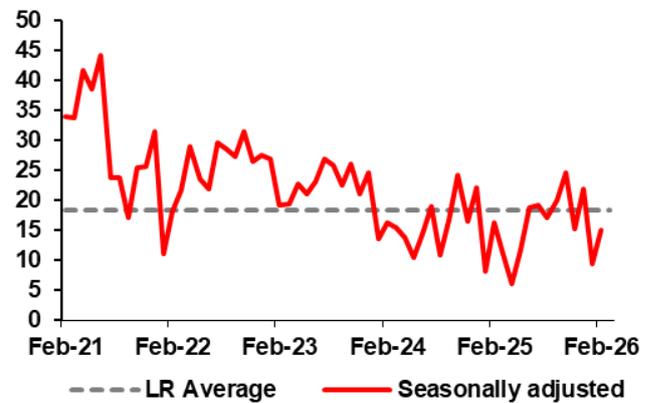


Chart 21: Cash Flow, SA (Net Balance)



Conditions and Confidence by State and Industry

Chart 22: Conditions by State (Net Balance, Trend)

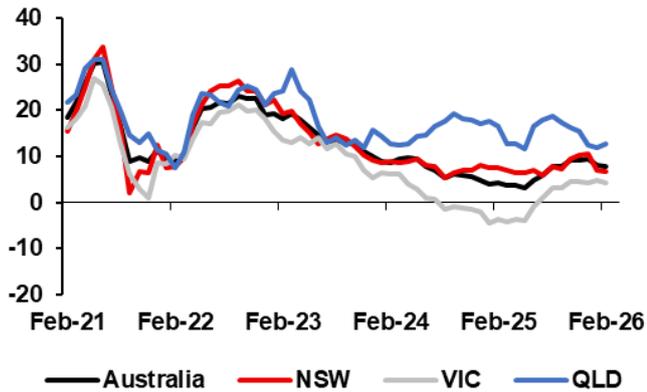


Chart 23: Conditions by State (Net Balance, Trend)

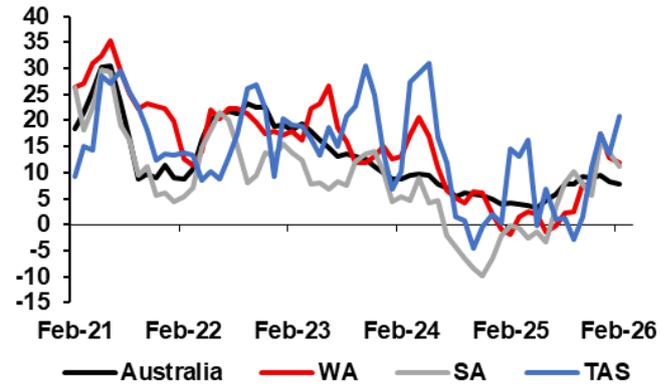


Chart 24: Confidence by State (Net Balance, Trend)

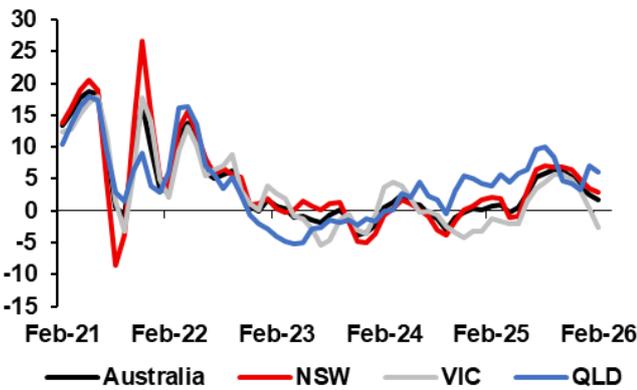


Chart 25: Confidence by State (Net Balance, Trend)

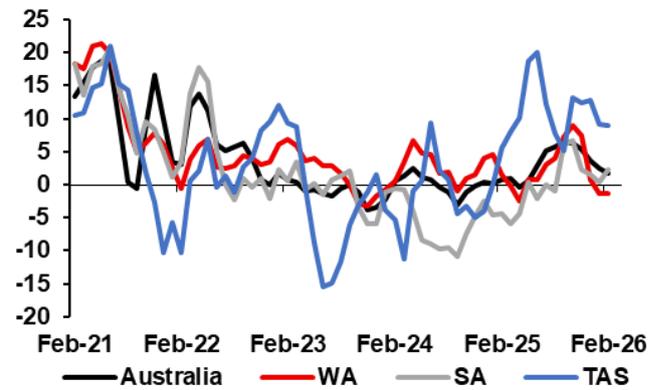


Chart 26: Conditions by Industry (Net Balance, Trend)

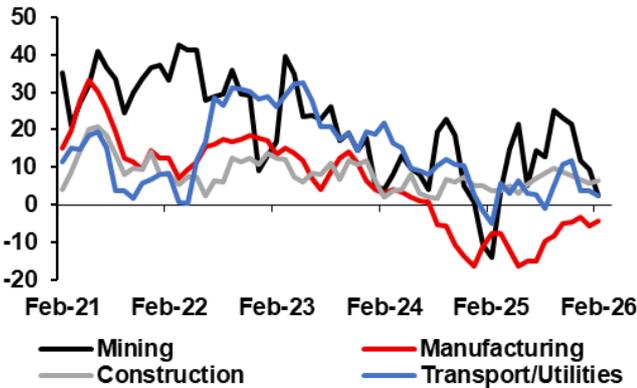


Chart 27: Conditions by Industry (Net Balance, Trend)

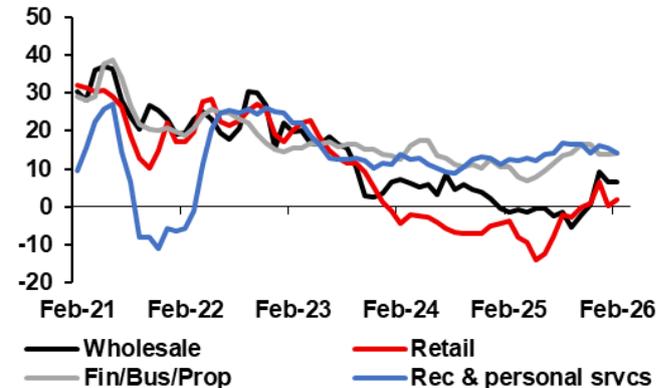


Chart 28: Confidence by Industry (Net Balance, Trend)

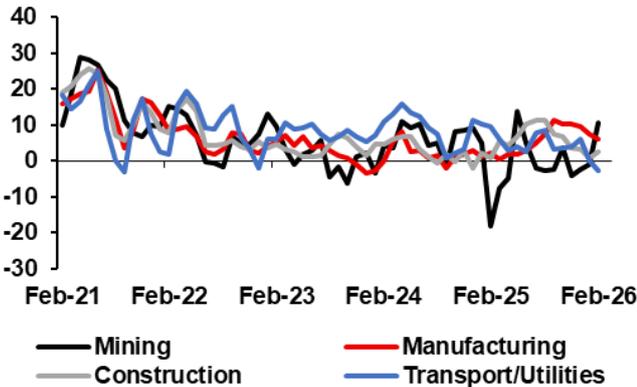
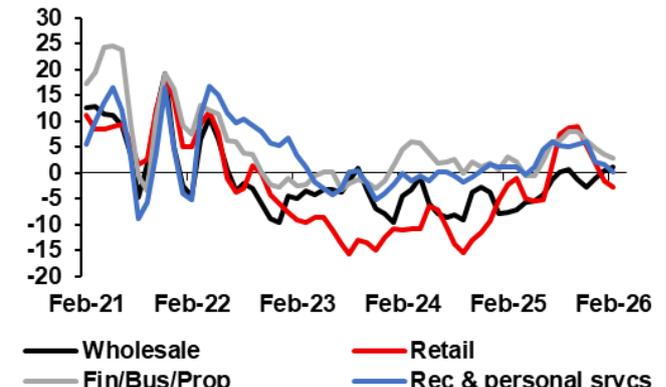


Chart 29: Confidence by Industry (Net Balance, Trend)



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Appendix: list of series available to subscribers[^]

Monthly Business Survey*

Business Confidence	Net balance
Business Conditions	Net balance
Trading Conditions	Net balance
Profitability	Net balance
Employment	Net balance
Forward Orders	Net balance
Stocks	Net balance
Exports	Net balance
Capital Expenditure (Capex)	Net balance
Cash Flow	Net balance
Labour Costs	% change at quarterly rate
Purchase Costs	% change at quarterly rate
Final Prices	% change at quarterly rate
Capacity Utilisation	Per cent
Borrowing Demand & Conditions	%; net balance

All series available on an industry basis for:

Mining
 Manufacturing
 Construction
 Retail trade
 Wholesale trade
 Transport / Utilities
 Finance / Property / Business Services
 Recreation / Personal Services

All available on a state basis for:

New South Wales
 Victoria
 Queensland
 WA
 SA/NT
 Tasmania

*All data available in original, seasonally adjusted and trend terms.

Quarterly Business Survey*

The Quarterly NAB Business Survey provides a more in-depth probe into the conditions facing Australian business than the monthly survey, and also examines additional information about how firms perceive the outlook for their industries.

Business Confidence

Business Conditions (current, next 3 mth, next 12 mth)

Trading conditions (current, next 3 mth, next 12 mth)

Profitability (current, next 3 mth, next 12 mth)

Employment (current, next 3 mth, next 12 mth)

Forward orders (current, next 3 mth)

Stocks (current, next 3 mth)

Export orders (current, next 3 mth)

Capital expenditure (current, next 3 mth, next 12 mth, fiscal year)

Required rate of return on investment

Cash flow

Labour costs (current, next 3 mth)

Purchase costs (current, next 3 mth)

Final prices (current, next 3 mth)

Capacity Utilisation

Borrowing index (current, next 3 mth)

Borrowing demand (current, next 3 mth)

Constraints on output (demand, labour, materials, premises & plant, finance/working capital)

Constraints on profit (capital, demand, high AUD, low AUD, interest rates, labour, tax, wages, energy costs, other)

Constraint on employment (demand, confidence, cashflow, suitable labour, high wages, government policy, labour not at full capacity, other, don't know)

All series available on an industry basis for:

Mining (sub-groups: Mining Extraction, Mining Services)

Manufacturing (sub-groups: food beverage & tobacco, textile clothing footwear & leather, wood & paper product, printing publishing & recorded media, petroleum coal chemical & associated products, non-metallic mineral product, metal product, machinery & equipment, other)

Construction (sub-groups: Residential Building, Non-residential Building, Other Construction, Construction Services)

Retail trade (sub-groups: Food, Personal & Household Goods, Motor Vehicle Retailing & Services, Other Retail)

Wholesale trade

Transport / Utilities

Finance / Property / Business Services (sub-groups: Finance, Insurance, Services to Finance & Insurance, Property Services, Business Services)

Recreation / Personal Services (Sub-groups: Motion picture, Radio & Television Services, Libraries Museums & the Arts), Sports & Recreation, Personal Services, Accommodation Cafes & Restaurants, Health Services, Education, Other Services)

All series available on a state basis for:

New South Wales

Victoria

Queensland,

WA

SA/NT

Tasmania

Margins (current, next 3 mth)

Overheads (current, next 3 mth)

Productivity growth

Number of employees

Hours worked

Gross Sales

Output/sales growth (current fiscal year)

Average earnings (current fiscal year)

Short term interest rate

Exporters hedged FX exposure (%)

Importers hedged FX exposure (%)

Months hedged (exporters)

Months hedged (importers)

Favourable hedge position (% of exporters)

Favourable hedge position (% of importers)

Affected vs not affected by AUD

Response to AUD (downsized, reduced, overheads, hedging, import substitution, focus on domestic market, other, don't know)

Driver of trading conditions (demand, wages/jobs, house prices, rates, exchange rate, tax/govt policy, seasonal, finance/working capital, company specific, other)

What will improve confidence (lower rates, more suitable labour, easier funding, government policy, higher demand, higher AUD, lower AUD, easier compliance, other)

*Data available in original, seasonally adjusted and trend terms.