Business Beat – 30 June 2025

A QUARTERLY SURVEY OF BUSINESS SENTIMENT

Canberra BUSINESS CHAMBER

Business conditions remain challenging through the middle of 2025.

Economic conditions continue to be tough for many in Canberra according to the latest Business Beat survey of business owners and managers. 39 per cent reported negative business confidence, and 58 per cent did not meet business targets over the last three months.

FEWER BUSINESSES ARE POSITIVE ABOUT BUSINESS CONDITIONS AT THE PRESENT TIME

Businesses continue to report a lack of confidence at the present time, with just 28 per cent reporting that they are “positive” or “very positive”. At the same time, 39 per cent report that they are feeling “negative” or “very negative”.

This indicates a stagnant business environment, struggling to bounce back from the high inflation, low growth, post COVID years.

Inflation and the high cost of doing business are persistent issues. Alongside this, customer demand has reduced as consumers look to reduce spending. Anecdotally, many ACT businesses were hard-hit by uncertainty around the Federal election in May.

On the positive side, inflation has slowed, and interest rates continue to come down. However, our survey shows that businesses in Canberra are yet to fully recover.

BUSINESSES CONTINUE TO STRUGGLE TO MEET TARGETS

This quarter there was a small jump in the number of businesses in Canberra meeting their own performance targets. 42 per cent report meeting targets over the past three months, up from 37 per cent last quarter. This may suggest a slight improvement in business conditions compared to the first quarter of the year.

GREEN SHOOTS OVER THE NEXT TWELVE MONTHS

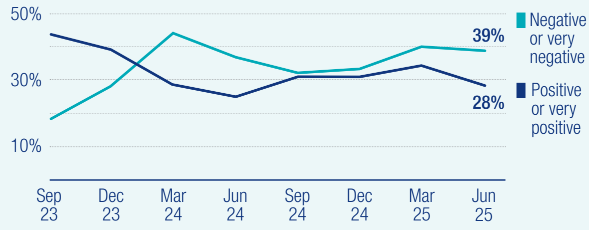
Looking ahead, 30 per cent are expecting their businesses to grow over the next 12 months (up very slightly on the previous quarter). Promisingly, an increasing 48 per cent expect business to remain stable and fewer (22 per cent) are expecting their businesses to shrink.

BUSINESS PROFITABILITY AND EMPLOYMENT INTENTIONS CAUSE FOR CONCERN

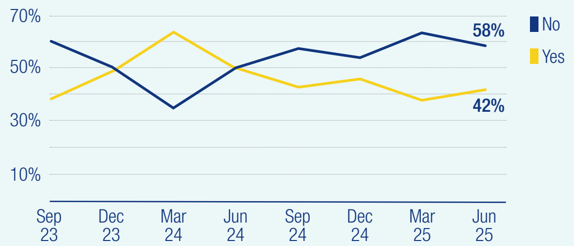
Two key indicators of a healthy economy are whether businesses are profitable, and whether they expect to grow and bring on more employees. This quarter 50 per cent of businesses report that they expect to make a profit this year. This is down from 60% last quarter. 32 per cent of businesses do not expect to make a profit, while 18 per cent are unsure, reflecting uncertainty in the economy.

On the employment front, most (55 per cent) are expecting to employ the same number of people over the next 12 months. This suggests an increasingly stable employment environment - with fewer businesses expecting to hire more, or reduce headcount, compared to last quarter.

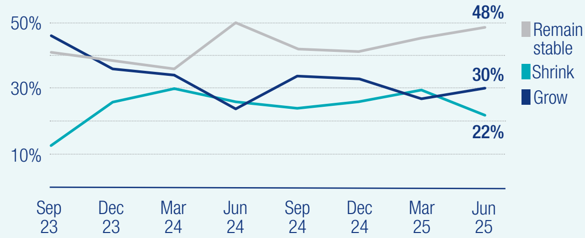
Overall level of business confidence at the present time.

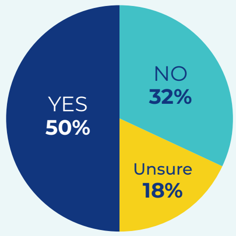


Overall, has your business met its targets over the last quarter?



Are you expecting your business to grow, remain stable, or shrink over the next 12 months?





Overall, is your business making a profit this year?

Do you expect to employ more or fewer people in your business over the next 12 months?