

MYOB Bi-Annual Business Monitor Insights

November 2025



Foreword

For 16 years, MYOB's Bi-Annual Business Monitor has tracked the confidence, concerns and priorities of more than 1,000 Australian small and mid-sized enterprises (SMEs).

The November 2025 findings reveal a sector that has endured sustained economic volatility yet is entering the new year with measured optimism and a renewed focus on stability.

Economic expectations are mixed. While 42% of SMEs anticipate a weaker economy over the next 12 months, nearly a quarter (24%) expect improvement, with younger owners (18-44) significantly more optimistic. Start-ups show stronger confidence than long-established firms, more than half of which predict declining conditions. Meanwhile, nearly a third of all SMEs expect no major change, reflecting a consistent outlook.

Industry sentiment shows similar variation. Manufacturing and Business, Professional and Property Services remain among the most positive, benefiting from improving supply chains and steady demand for advisory and technology services. Retail and Hospitality, after earlier declines in confidence, are beginning to stabilise. Agribusiness is the most pessimistic segment, grappling with rising operational pressures, despite its standout performance as the top performing sector in September's [MYOB SME Performance Indicator](#).

Regionally, metropolitan businesses hold steady confidence, while rural and regional SMEs continue to face harsher conditions.

Financial performance has strengthened modestly. Almost half of SMEs report stable revenue, while the proportion achieving revenue growth has increased since June, supported by firmer consumer demand. Profitability is sound overall. Start-ups continue to outperform, while scaling businesses confront higher operating and staffing costs. Key pressures including utility and fuel expenses, cashflow strain and late payments, remain widespread.

In response, SMEs are focusing investment on price and margin management, workforce consolidation and targeted innovation. Interest in AI-enabled software is rising, signalling a shift from broad product expansion to practical digital capability-building. Customer retention is also becoming a higher priority as competition steadies.

Digital adoption continues to progress slowly. Many SMEs are adding tools for accounting, finance and operations, yet barriers such as cost, time and confidence persist. Notably, more than 41% of SMEs still lack an online presence, highlighting a persistent digital divide.

Those with websites or social media report clear benefits, including greater brand credibility and increased customer enquiries, raising questions about how to better support older or regional SMEs to get online.

Adoption of AI tools such as ChatGPT has grown from 23% to 29% since June. While most SMEs are still early in their AI journey, many are already realising productivity gains. The challenge ahead is closing the digital divide – particularly amongst older and regional businesses – and understanding how early adopters' gains can be scaled across the sector.

Overall, the November edition of the MYOB Bi-Annual Business Monitor shows a SME sector not just reacting to uncertainty but reshaping itself through operational discipline, selective digital adoption and a focus on long-term resilience.

Yet the persistent digital divide remains a critical barrier to equitable growth. The opportunity now is to support SMEs to convert cautious optimism into sustained performance by accelerating digital confidence, removing adoption barriers and scaling the early productivity gains already emerging. In short, the sector is balancing out and ready to move upward. Decisions made now will determine how far and how fast it can grow.



Dean Chadwick
Chief Customer Officer, MYOB

The Economy

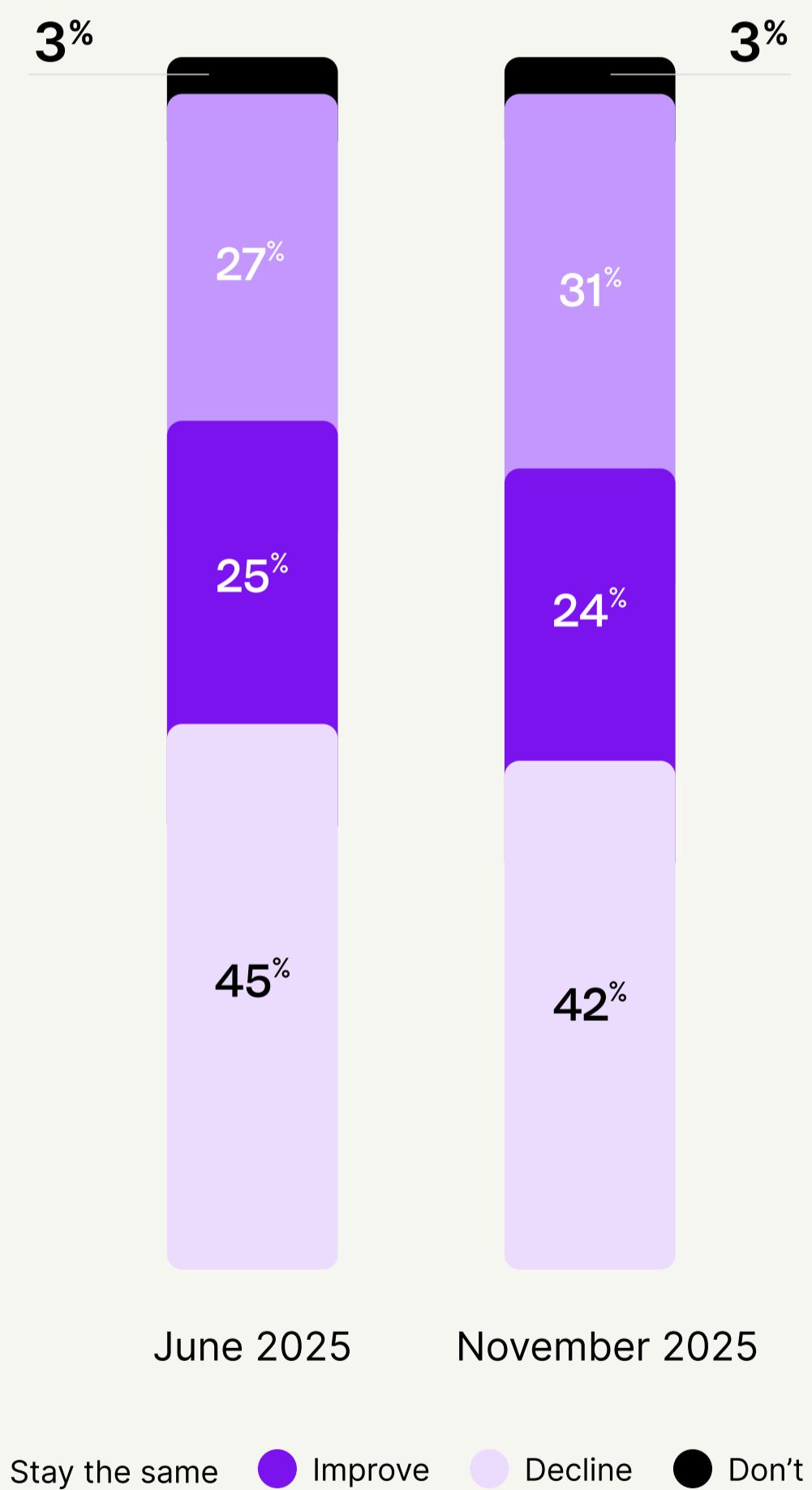
Australian small and mid-sized enterprises (SMEs) continue to navigate an unpredictable economic climate, drawing on the resilience that has long characterised this sector. The November 2025 MYOB Bi-Annual Business Monitor highlights a business community that is alert to emerging pressures and cautious about what the year ahead may bring.

In the most recent Business Monitor survey, 42% anticipate the economy will weaken over the next 12 months, with 29% expecting a moderate decline and 13% forecasting a more pronounced downturn. Meanwhile, almost a quarter (24%) of respondents hold a more positive view, signalling confidence that conditions will improve, while 31% believe there will be no noticeable change. Those aged 18-44 appear to be the most optimistic with 37% of Gen Z and 28% of Gen Y respondents saying they believe we will see an uplift.

These findings remain relatively aligned with sentiment captured in June 2025, where 25% of businesses expected the economy to improve in the year ahead. However, the results of both the June and November 2025 Business Monitors reflect a pullback in optimism from late 2024, when 29% foresaw better conditions. Views on potential economic contraction have been comparatively stable, with 45% of SMEs in June also predicting a downturn.

Many SMEs are still facing elevated operating costs, softening consumer demand, and tight financing conditions despite broader signs of improvement. Persistent pressures including high wages, energy prices, and increased compliance costs continue to squeeze margins, while subdued household spending limits revenue growth, especially for retail and service-based SMEs.

Expectations for the economy in the next 12 months Improve vs decline



By industry

Although construction remains one of the more optimistic industries overall, the softening in sentiment since mid-2025 likely reflects ongoing pressures across the sector. Rising operating and labour costs, tighter financing conditions, and delays or uncertainty in forward project pipelines may have tempered the stronger optimism seen in June. As businesses gain clearer visibility over upcoming workloads and broader economic conditions, many appear to have adopted a more cautious outlook, resulting in a shift from 33% to 25% expecting improvement in the construction sector.

In the latest results, Manufacturing and Business, Professional & Property Services now stand out as the most optimistic industries. Twenty-seven percent of manufacturing SMEs expect to see economic improvement as supply chains continue to firm-up and ongoing investment presents efficiency gains¹.

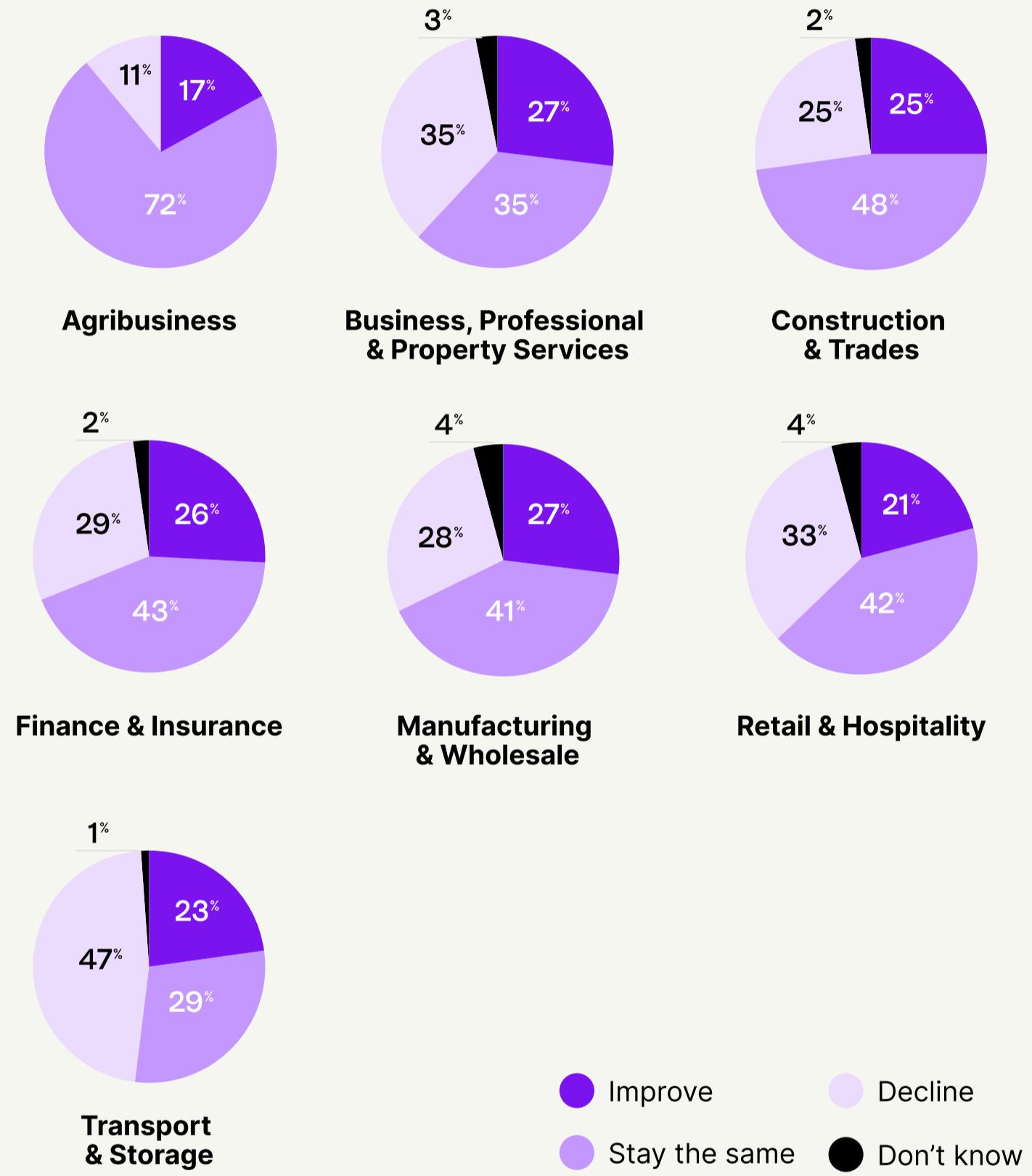
Business, Professional & Property Services are also upbeat with 27% showing optimism towards the next 12 months.

Following a sharp drop in confidence between late 2024 and June 2025, sentiment in the retail and hospitality sector has shown signs of recovery. The proportion expecting the economy to improve has risen from 14% in June to 21% in the latest MYOB Bi-Annual Business Monitor, while those anticipating a decline have fallen from 53% to 42% over the same period. Although still below the highs recorded in late 2024, this suggests confidence in the sector is stabilising.

Expectations around economic improvement among SME agribusinesses are notably subdued. In June 2025, 57% of agribusiness respondents believed the economy would decline over the next 12 months; in the current survey this has risen to 72%, the highest level of pessimism of any sector, although there was a slight increase in those expecting improvement (from 13% to 17%).

This sentiment comes despite the Agribusiness sector leading the field in MYOB's latest SME Performance Indicator (June 2025) where it recorded a 13% rise in activity over the past year and a 5% increase to its Gross Value Added (GVA) over the quarter. This suggests that while strong demand and favourable market conditions are boosting performance in agribusiness, optimism may be limited due to high costs, risk pressures and external market conditions.

Expectations for the economy in the next 12 months



[1] Australian Industry Group (2025), Performance and Outlook Report 2025. Available [here](#).

By age of business

Start-ups continue to show strong optimism about the economic outlook. A solid 25% expect conditions to improve in November – only slightly below June's 27% – while 42% anticipate stability.

Notably, the share of start-ups expecting a decline has dropped significantly, from 45% in June to just 31% in November, signalling a clear lift in confidence across the second half of the year.

Sentiment among establishing and maturing businesses is also trending upward. More than a quarter in both groups (28% and 29% respectively) now expect improvement over the next 12 months, rising from 25% in June. Expectations of decline have eased to 31%, several points lower than mid-year levels (38%-40%), indicating a more balanced and increasingly positive outlook.

While businesses operating for more than a decade remain the most cautious, their perspective highlights the resilience of younger SMEs. Just over half (52%) foresee challenges ahead, and 21% expect improvement. This sustained difference underscores the confidence and momentum evident among newer and growing businesses.

Expectations for the economy in the next 12 months by age of business

Startup (<2yrs)



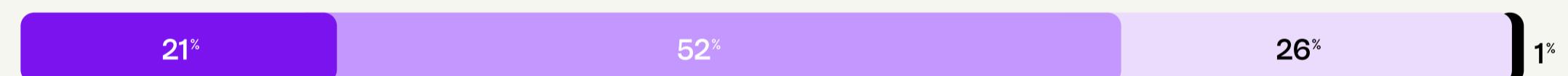
Establishing (2-5yrs)



Maturing (5-10yrs)



Established (10+ yrs)



● Improve ● Decline ● Stay the same ● Don't know

The Economy

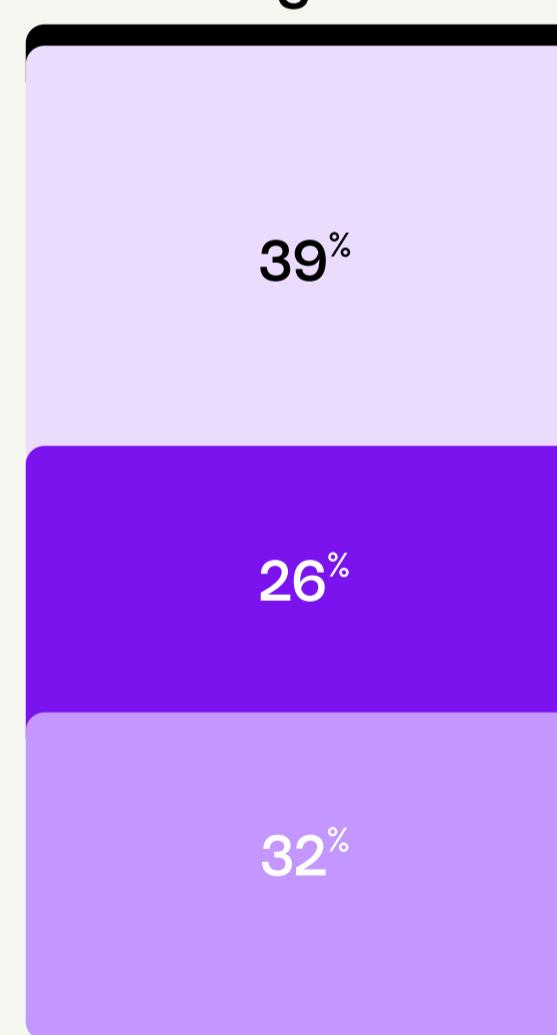
By region

In the latest Bi-Annual Business Monitor survey, more than a quarter (26%) of city-based businesses expected economic conditions to improve – the same number as June – indicating growing steadiness in metropolitan areas.

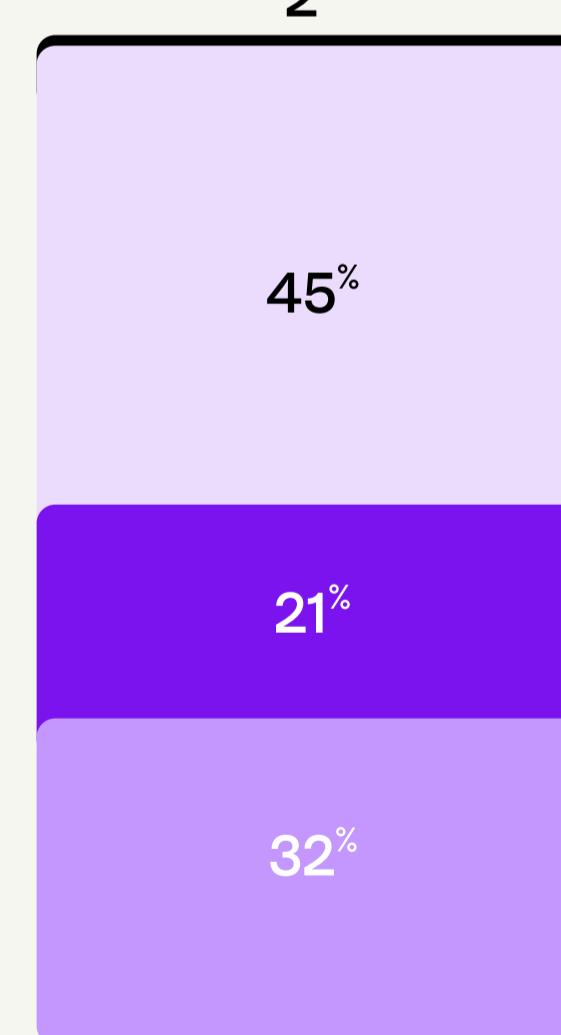
While optimism is still building across many areas, regional and rural communities are showing the greatest opportunity for growth. Rural SMEs in particular are navigating challenging conditions, with around two-thirds (66%) anticipating further economic headwinds over the next 12 months. This highlights where greater support is needed to effect positive change for the SME community.

Western Australia, Queensland and the ACT show the clearest signs of improving confidence, while Victoria has shifted notably towards expectations of decline. Overall, sentiment remains cautious, but November data points to gradual stabilisation in cities contrasted with deepening rural concern.

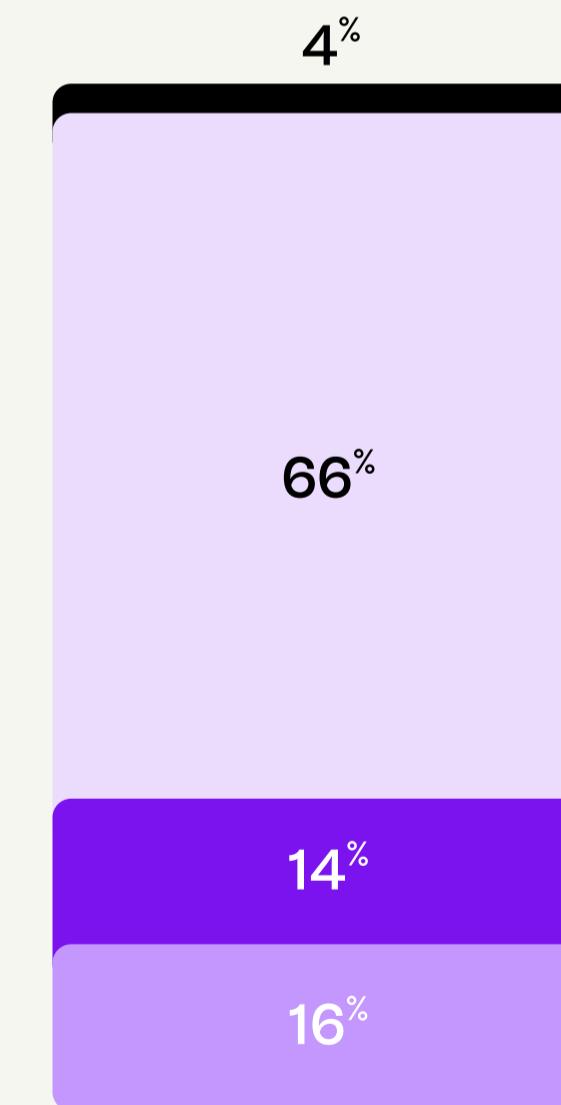
City/Metro



Regional



Rural



Revenue

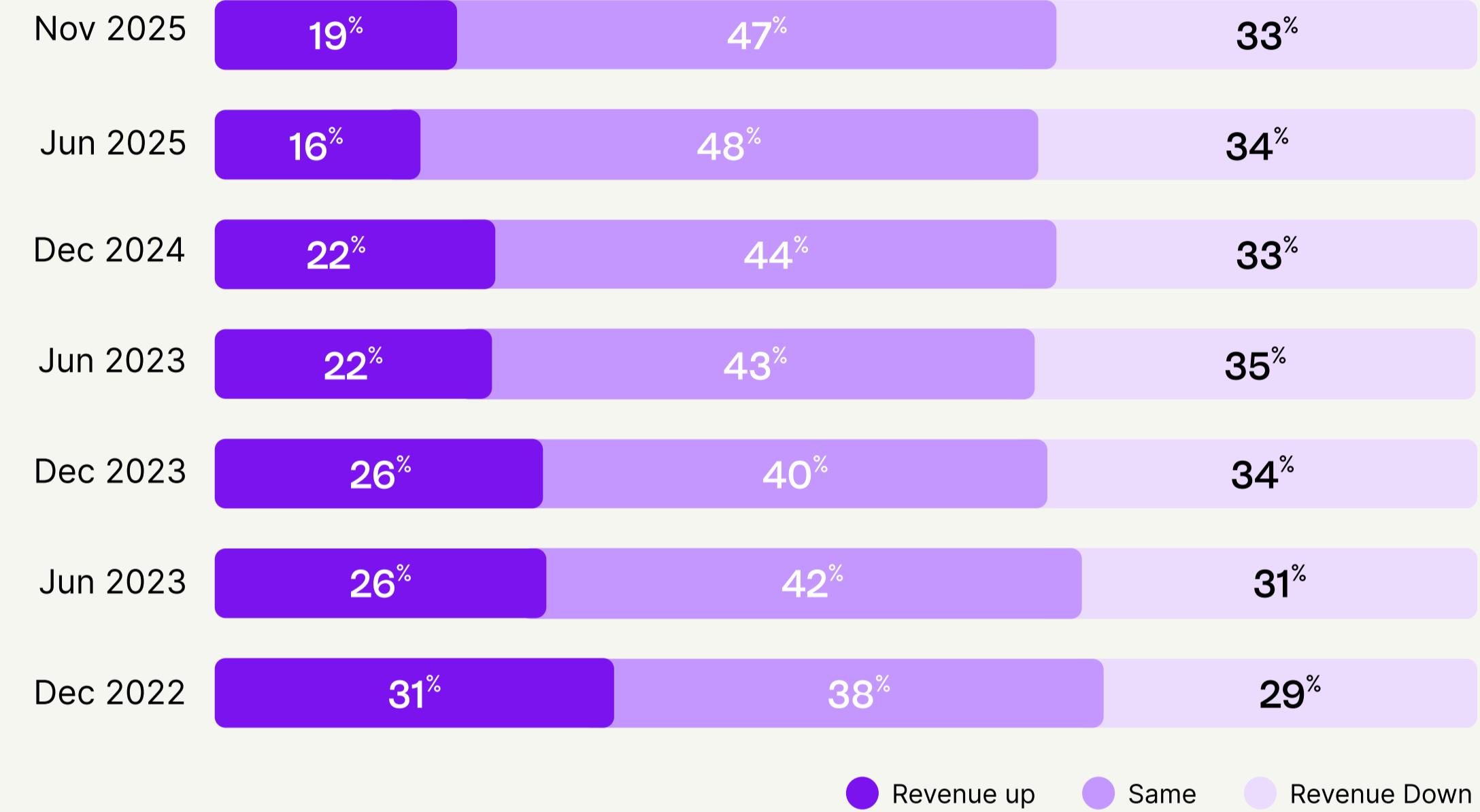
SME earnings show continued signs of recovery in the latest period, with almost half of businesses in November (47%) reporting that their revenue has remained steady over the past 12 months compared to 45% in June.

The proportion of SMEs seeing increased revenue has lifted slightly from 16% in June (when earning levels reached a five-year low) to 19% in November, suggesting a modest improvement in trading conditions heading into the end of the year. This rise has been accompanied by a small decline in the share of businesses experiencing revenue falls, down from 34% in June to 33% in November.

This increase is largely driven by increasing consumer demand, with 33% of SMEs naming this as the key contributor to enhanced earnings. Businesses aged between two and five years seem to be reaping the rewards of the boost in consumer confidence with 60% saying this has led to revenue growth compared to just 23% of start-ups. A quarter (25%) of maturing businesses have increased their prices in order to generate more income.

While the data points to gradual improvement, the overall picture suggests that SMEs are still navigating cautious conditions, with only a small share seeing meaningful revenue uplift. The most significant factor driving to decreased bottom lines is the current economic climate.

Revenue compared to 12 months ago



● Revenue up ● Same ● Revenue Down

Revenue

Looking ahead

Local SMEs have retained a stable outlook towards growth in the coming 12 months. Sentiment improved slightly between mid-2025 and late-2025 with 26% forecasting growth in November compared to 25% in June.

Finance and insurance, and manufacturing are leading the charge in terms of industry growth expectations, with 47% and 37% respectively forecasting increased revenue. At the other end of the spectrum, just 15% of agricultural businesses and 21% of hospitality businesses expect to see a lift in earnings.

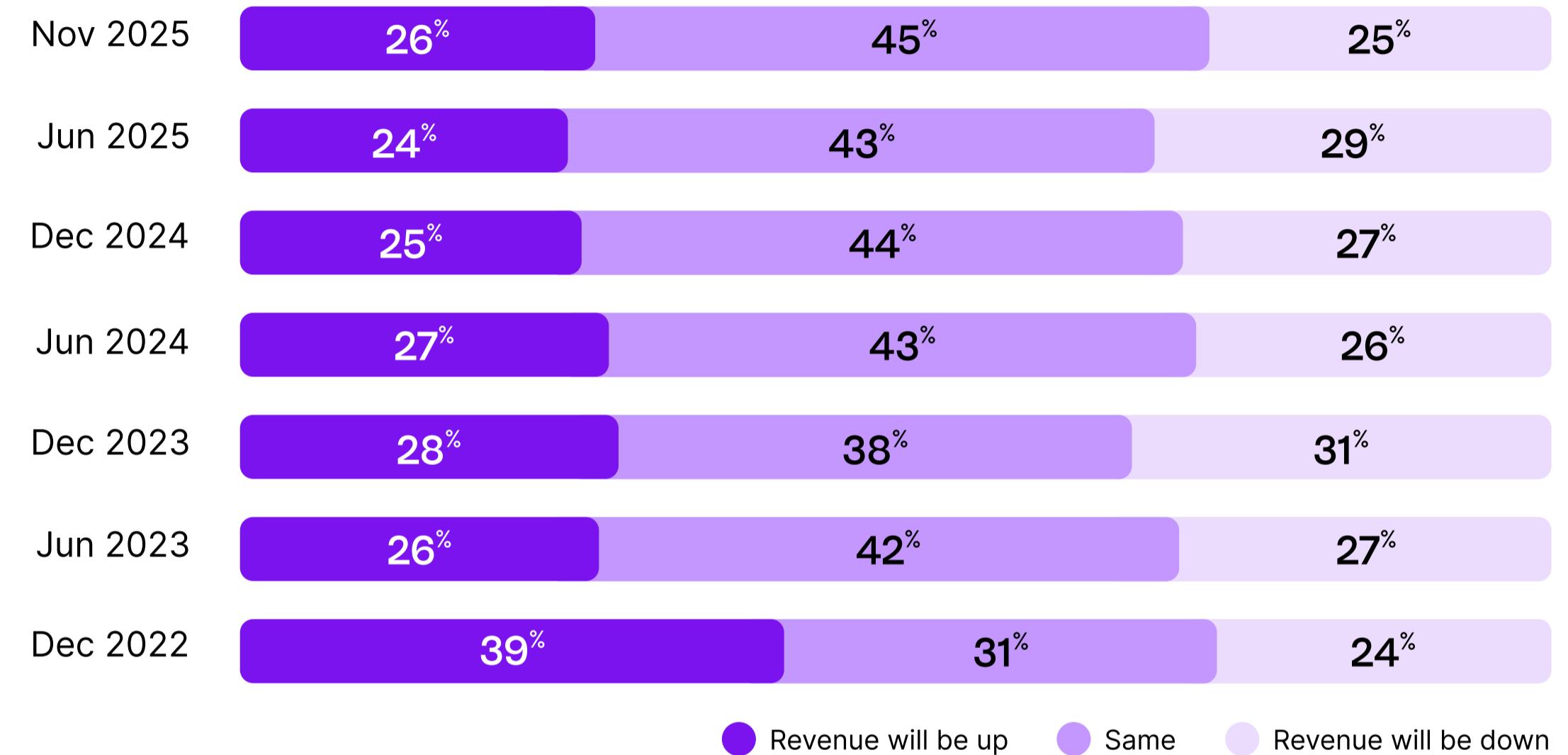
Start-ups are the most confident sector heading into 2026 with half (50%) predicting growth compared to just 17% of established businesses.

Sentiment towards stability remains strong with the number of businesses overall anticipating no change in revenue sitting at 45% (compared to 43% in June) and the proportion expecting a fall easing from 29% to 25%.

Healthy three-month pipelines could be a factor in this increased confidence with almost a quarter (23%) saying they have more work than usual booked in the next three months.

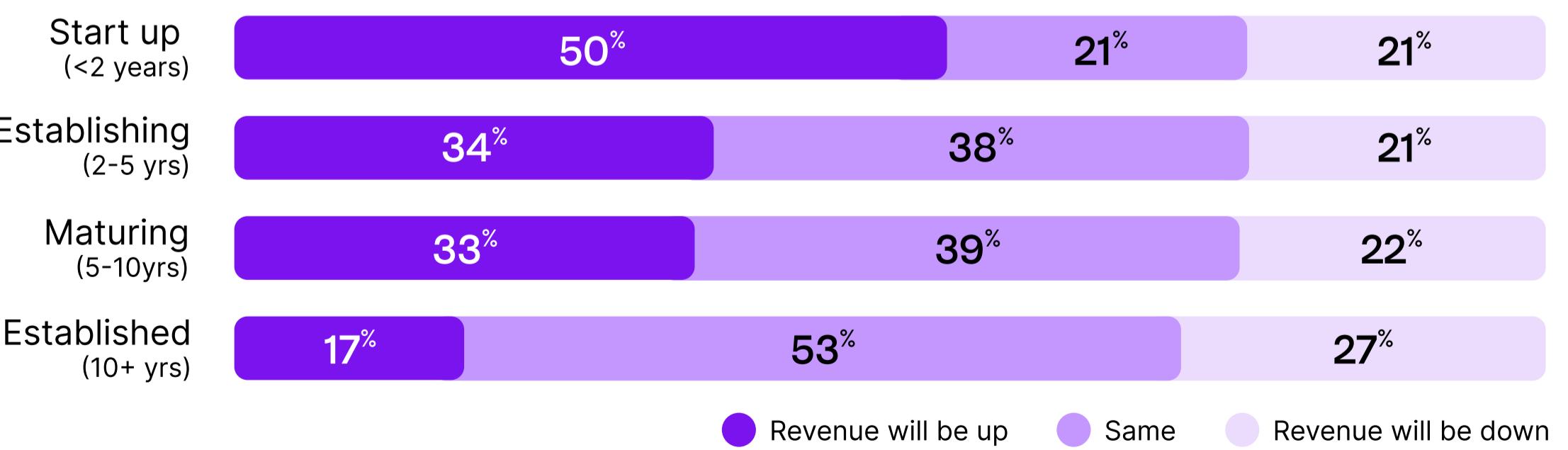
While almost three-quarters (72%) reported no impact from the introduction of US tariffs earlier this year, many SMEs are expecting to see some effects in the coming 12 months. A third (33%) predict that they will increase the cost of products and services to customers in the next 12 months. Thirty per cent anticipate the tariffs will reduce customer volume while 26% expect supply chain disruptions.

Revenue expectations for next 12 months



● Revenue will be up ● Same ● Revenue will be down

How do you expect revenue to perform in 12 months' time compared to now?



● Revenue will be up ● Same ● Revenue will be down

Profitability

Profitability remained stable across the SME sector between June and November 2025, with 41% of businesses in both surveys reporting their profit levels have stayed about the same over the past 12 months.

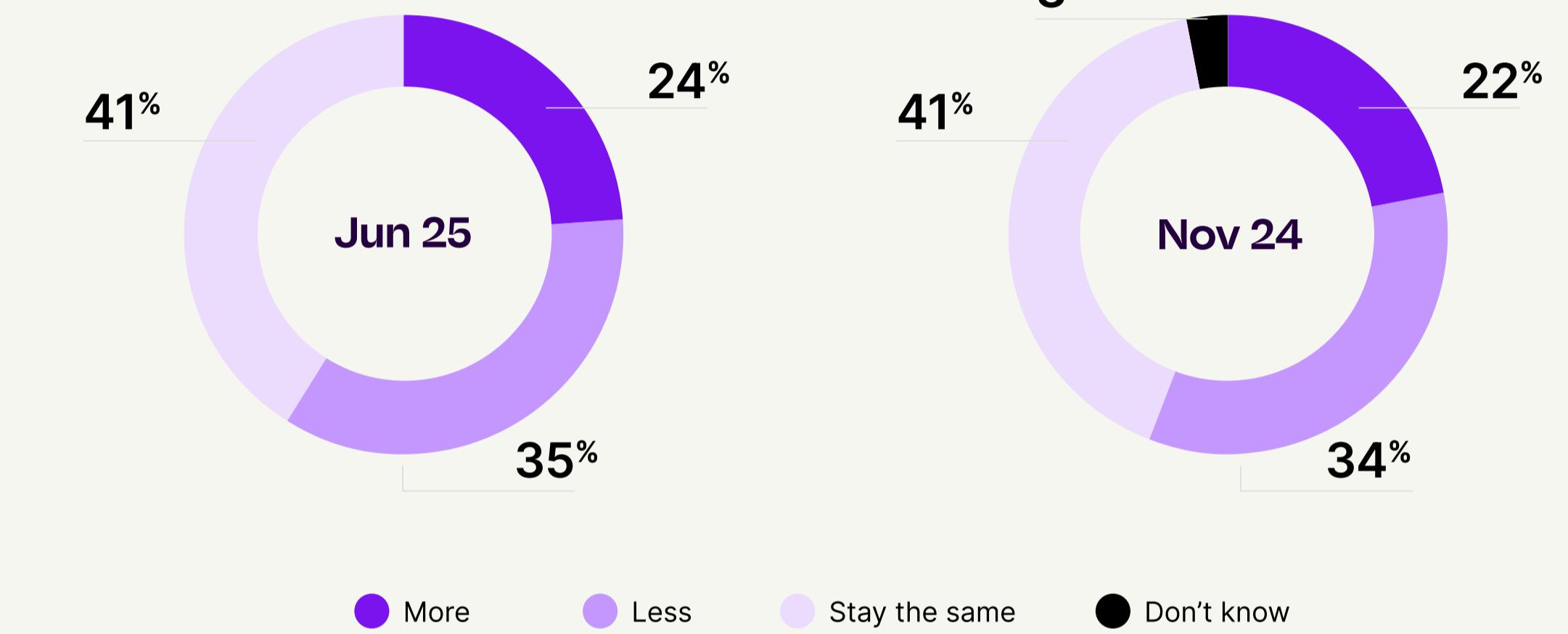
The proportion of businesses observing an improvement is reasonably stable. In June, 24% said they were more profitable versus 23% recording the same outcome for November. The share of businesses noting they were less profitable remained consistent at 35%.

Startups delivered the standout performance in terms of profitability in the latest survey with more than half (53%) observing an uptick, possibly due to operating with leaner cost structures and realising early efficiency gains.

Profitability levels for businesses aged between two and five years fell, with just over a third (34%) saying their business was more profitable over the last year compared to 44% in June. This could be explained by the length of time in business suggesting many in this category could be entering a scaling phase, where higher operating, staffing and compliance costs begin to rise faster than revenue, putting pressure on the bottom line.

Agribusinesses continued to see less profitability with 67% observing losses, making it the industry noting the biggest losses in the latest survey. Those in retail and hospitality (40%) and manufacturing (40%) also saw less profitability over the last year, but transport and storage businesses saw the biggest drop, with 46% reporting a loss versus 25% in June.

Profitability changes over the last 12 months



Profitability

Looking ahead

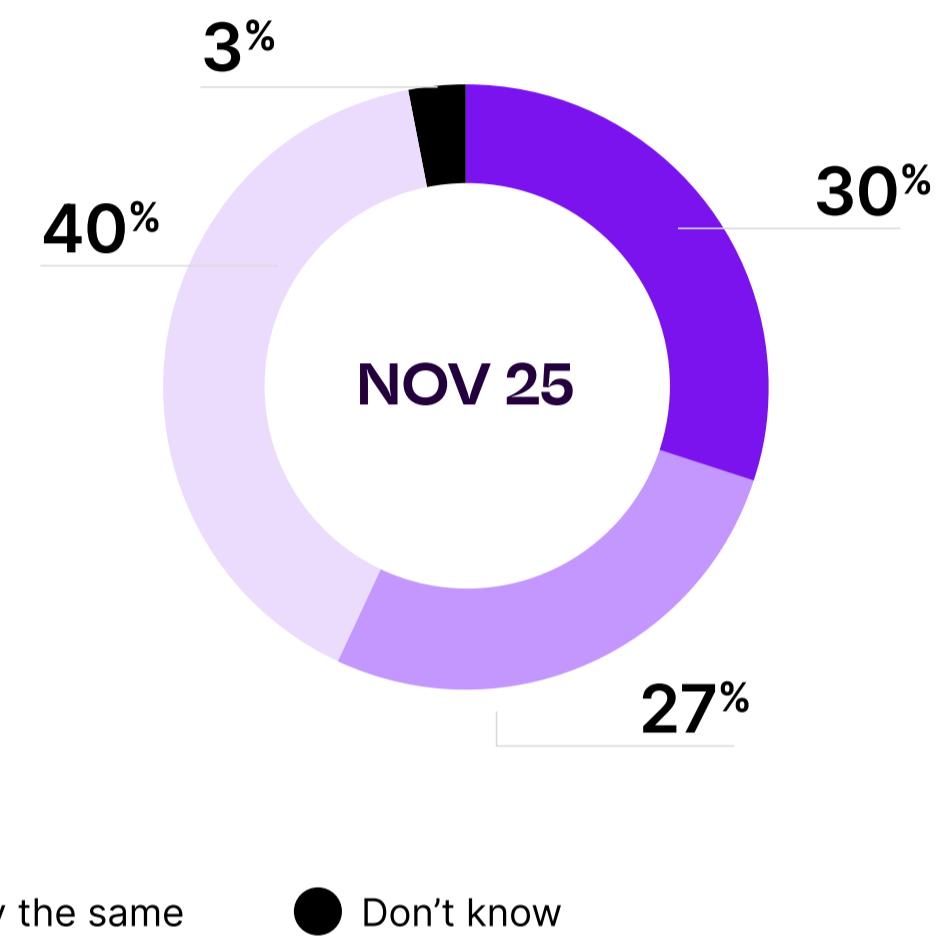
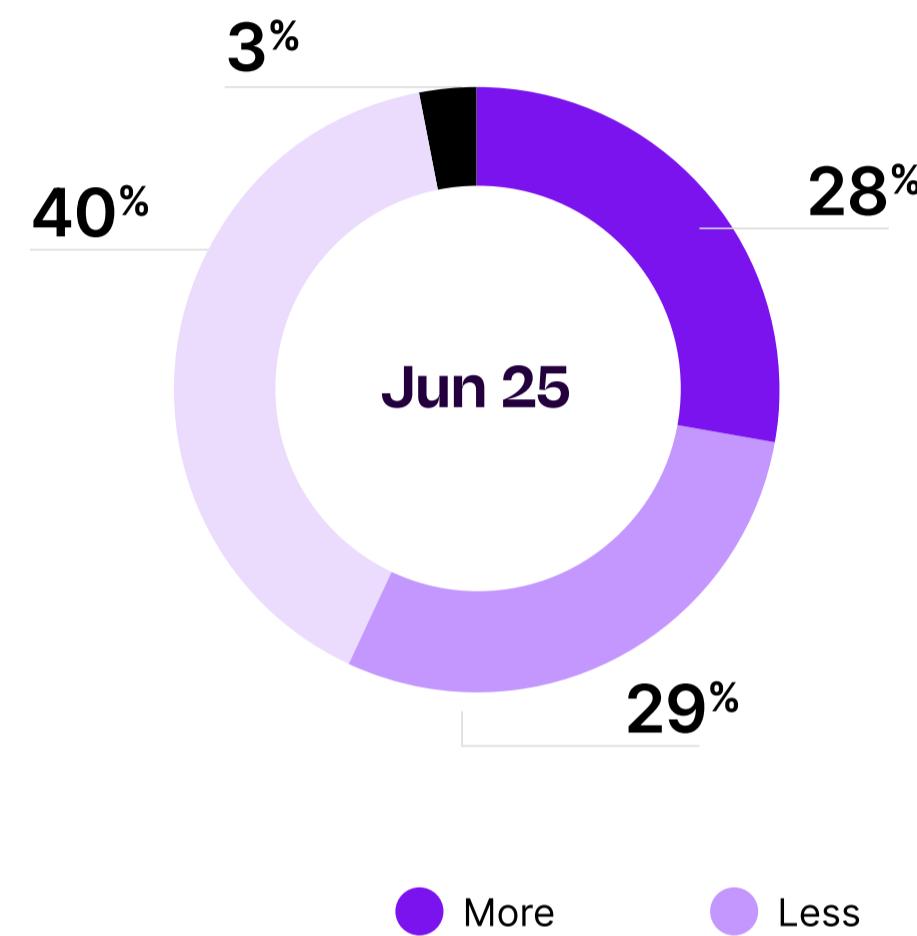
Profitability expectations for the year ahead remain broadly stable across both the June and November 2025 forecasts, with an even distribution of responses across improvement, decline, and no change.

Moderate optimism continues with 29% of businesses expecting profitability to improve over the next 12 months, compared to 28% in the June forecast. At the same time, the proportion expecting profitability to decrease eased from 30% in June to 27% in November, signalling a modest strengthening in business confidence as the year progressed. Around 40% of SMEs in both surveys said their profitability outlook remains the same.

Reflecting this cautious optimism is the start-up sector with 57% expecting to see an increase in profitability in the next 12 months. While establishing businesses (aged 2–5 years) were the most bullish on increased profitability expectations in June, this has changed significantly with only 38% predicting a rise compared to 47% earlier in the year.

Despite ongoing pressure on margins, SMEs continue to demonstrate financial resilience. The stability in expectations in Australia combined with a softening in anticipated profitability declines, highlights the sector's capacity to navigate challenging conditions while maintaining a constructive outlook for the coming 12 months.

Profitability expectations for the next 12 months



Business Pressure Points

Overall, the level of pressure felt by businesses remained relatively consistent between June and November 2025. While pressure remain present across the SME sector, the proportion of businesses reporting significant concern has not escalated significantly in the last six months.

However, concerns around the main pressure points have still been ascended slightly. Utility costs remain the biggest area of concern with 30% of businesses (compared to 28% in June) saying they are the cause of the most pressure on their bottom lines. With the Energy Bill Relief Fund expected to cease in December 2025, it's perhaps not surprising more SMEs have the cost of utilities on their radar. The cost of fuel, also a major concern mid-year, rose from 22% to 25%.

However, several other cost-driven pressures also eased over the period. Interest rates, which were a significant issue for more than one in five (22%) of SMEs in June, fell to 19% in November, consistent with more favourable financial conditions as rates have reduced.

Businesses also reported a marginally less challenging operating environment. Competitive activity fell from 22% in June to 21% in November, while retaining customers declined from 16% to 14%, suggesting a more balanced market.

Cashflow pressures remained stable at 21%, likely reflecting levelling revenues and fewer notable cost pressures. Late customer payments remained at 18% indicating that customer payment behaviours are still a challenge.

Employment-related pressures eased, with retaining employees falling by one point to 11% from 12% in June.

Showing pressure points and % by Jun '25 and Nov '25

	June 25	Nov 25
Cost of utilities	28%	30%
Fuel prices	22%	25%
Price margins & profitability	23%	25%
Interest rates	22%	19%
Cashflow	21%	21%
Competitive activity	22%	21%
Attracting new customers	20%	21%
Cost of online technologies (e.g. cost of broadband, mobile phones, tablets, etc.)	17%	17%
Late payments from from customers	18%	18%
Time spent meeting your tax compliance obligations	17%	18%
Retaining existing customers	16%	14%
Access to finance/funding/overdraft	11%	11%
Upgrading/updating hardware or other equipment	13%	11%
Exchange rates	14%	11%
Upgrading/updating IT software, systems or processes	12%	10%
Retaining existing employees	10%	11%
Attracting new employees	10%	11%

Business Investment

While business conditions continue to evolve, the latest data suggests price and margin management remain a prominent focus for SMEs. In June, pricing held a strong influence for 28% of survey respondents; in November, this fell only slightly to 26%, reflecting a heightened emphasis on recovering costs through goods and services sold. This aligns with broader signs that, although cost pressures have eased, SMEs remain cautious and are looking to protect profitability as markets stabilise.

Workforce-related costs have held steady. With small and medium businesses playing such a critical role in national employment, the importance placed on boosting employee wage expenditure remains almost unchanged from June to November (20% vs 19% respectively). Meanwhile, 64% intend to keep employee salaries the same. This suggests SMEs are aiming to maintain labour costs through the remainder of the year.

Innovation and diversification remain a focus (16%) but less so than price margins and wage management. Interestingly, 16% of SMEs are planning to spend more on AI-enabled software in the next 12 months – three percentage points more than those intending to spend on general IT systems and processes (13%). This points to a pivot toward digital enablement rather than simply expanding product lines.

Investment in customer acquisition efforts and retention strategies have remained the same with SMEs applying a similar level of focus to both retention and acquisition. Retention grew lightly from 15% to 16% between June and November while acquisition fell minimally from 15% to 14%.

Which of the following do you expect to increase, decrease or to stay the same over the next 12 months?

	Will decrease	Will stay the same	Will increase
Your prices and margins on products/services sold 	15%	54%	26%
The amount you pay the employees in your business 	8%	64%	19%
The number or variety of products or services offered by your business 	8%	72%	16%
Customer retention strategies	6%	71%	16%
The number of AI enabled software	12%	52%	16%
The \$ value of spending on marketing and advertising your business on the Internet/online including on social media platforms	14%	64%	15%
The sale of products/services offline	10%	67%	15%
The sale of products/services online	9%	67%	14%
Customer acquisition strategies	9%	67%	14%
Investment in IT systems & processes	13%	66%	13%
The \$ value of spending on marketing and advertising your business offline (e.g. radio, newspapers, leaflets, catalogues, mail, posters)	17%	66%	11%
Working with business advisers (e.g. accountant) to enhance your business	12%	70%	10%
The number of part time or casual employees in your business	11%	73%	9%
Business financing	12%	73%	8%
The number of full-time employees in your business	9%	78%	7%

Current state of digital adoption

Digital adoption rates among businesses have remained relatively stable throughout 2025. Between June and November 2025 adoption figures rose slightly from 19% to 22%, with businesses aged between two and five years leading the charge (38%). The manufacturing and finance SME sectors have been the most prolific adopters at 28% each.

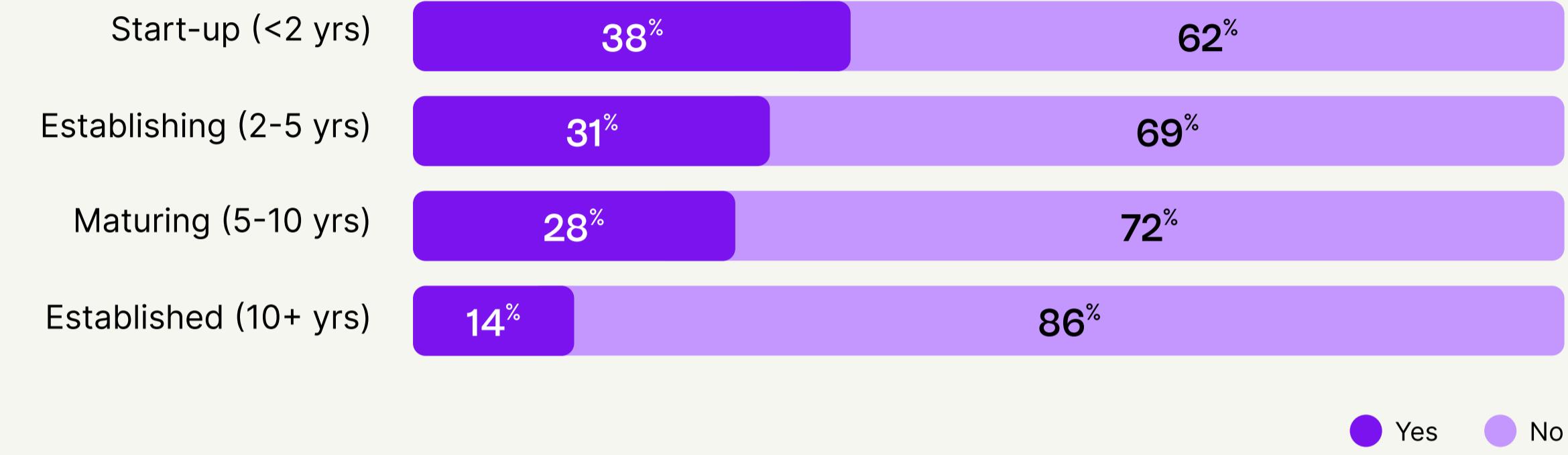
When asked how they are integrating digital tools into their operations, half (50%) said they are using cloud-based software to assist with accounting while 39% are digitising efforts in their financial management. Twenty-seven percent are also turning to digital tools to help with project management in a bid to enhance productivity.

This increase suggests more businesses are gradually integrating new technologies into their operations as the year progresses. A large majority – four in five (84%) businesses in June and just over three in four (78%) in November – reported no change to the number of digital tools they use, highlighting an ongoing opportunity to encourage more widespread adoption across the sector.

Performance and operational efficiency continues to lead the charge in terms of being a central benefit of digitisation, with 41% reporting increased productivity compared to 35% in June. However, the number of SMEs saying that increased digitisation helped the business work remotely and collaborate fell from 32% to 27%, possibly reflecting greater emphasis on physical team connection.

A clear generational gap remains when it comes to how local SMEs adopt digital technology. Gen Z owners (18–29) are embracing digitisation at far higher rates with more than double the number (51%) increasing digitisation in their businesses, compared to 21% of Gen X owners (45–60).

Have you increased in the number of online tools used in the business in the last 12 months?



● Yes ● No

Current state of digital adoption

Digital adoption across core business functions has strengthened slightly between June and November 2025. Accounting continues to anchor SME digitisation, with usage rising from 48% in June to 50% in November. Finance and money-management tools also saw a modest uplift, increasing from 37% to 39% over the same period. Adoption of cloud-based project management software grew from 24% to 27%, while the use of employee-management tools rose from 23% to 25%. Although growth across categories is incremental, the upward trend indicates that more SMEs are gradually expanding their use of digital tools to support operational efficiency and team management.

Do you use digital cloud-based software in this business for any of the following?

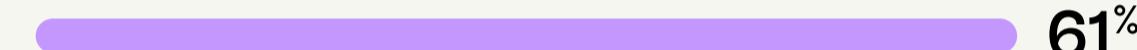
Accounting e.g. calculating and paying tax, bank reconciliation, expense tracking, single touch payroll

 50%

 50%

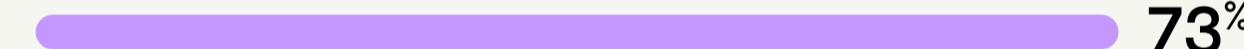
Finances e.g. Receiving and making payments, budgeting, business loans, online payments platforms

 39%

 61%

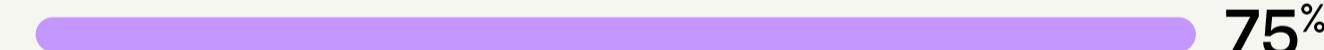
Project Management e.g. quotes and invoices, timesheets, project planning, productivity tools

 27%

 73%

Employee management e.g. onboarding, payroll, workforce management, recruitment

 25%

 75%

Sales and marketing e.g. CRM, online marketing, SEO

 25%

 75%

Supply management e.g. inventory management, logistics, distribution

 18%

 81%

 Yes  No

Digital Adoption

Barriers to digital adoption

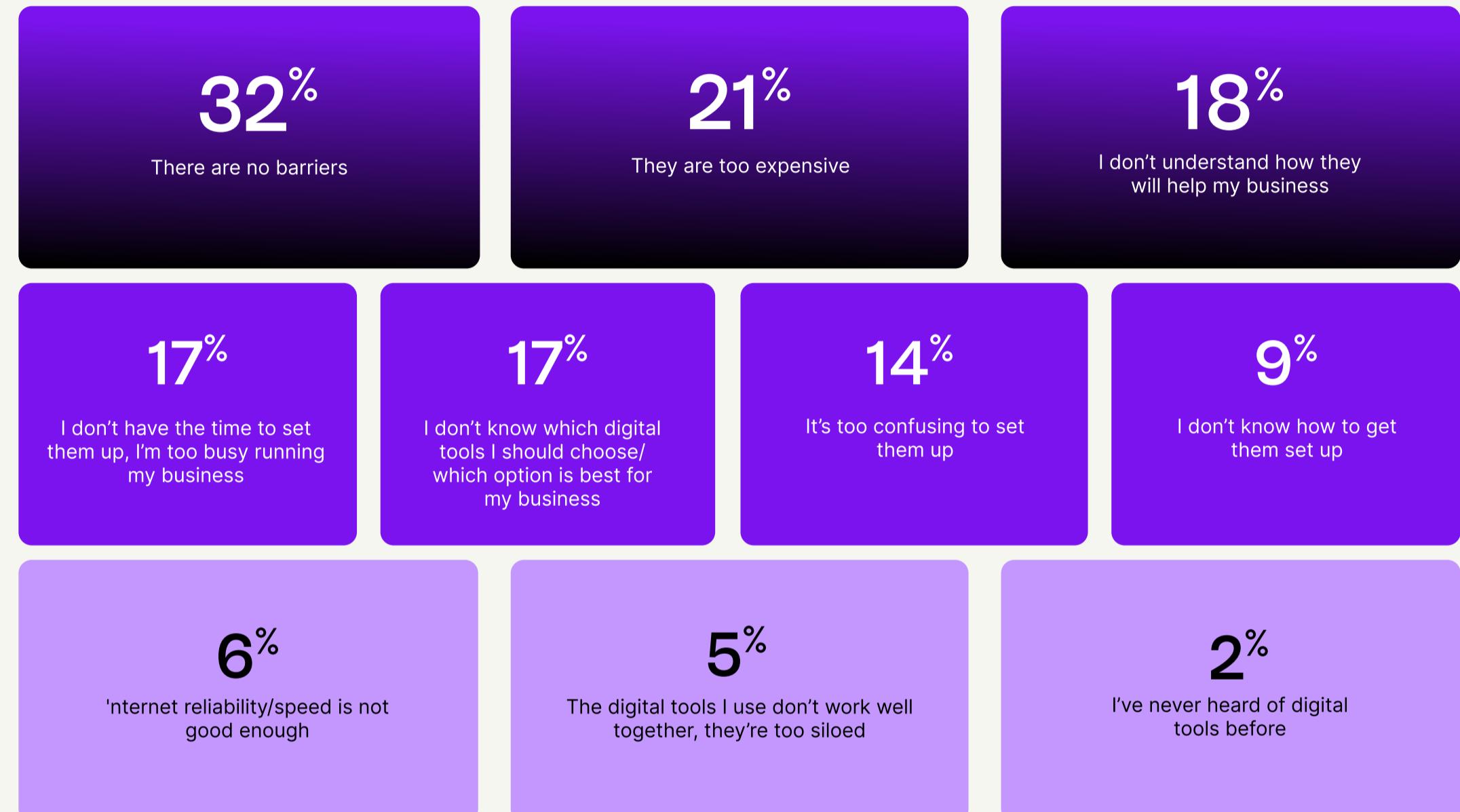
Time, cost and confidence remain the key barriers to adopting digital tools for SMEs. Twenty-one per cent said digital tools were too expensive, down slightly from 23% in June. Time pressure also continued to be a challenge, with 19% of SMEs in June and 17% in November saying they were simply too busy to set up new digital tools.

Understanding and awareness barriers remained consistent. In June, 18% of businesses said they didn't understand how digital tools would help their business, and 15% didn't know which options to choose. These capability-related barriers were echoed in November, when 18% of SMEs said they needed help understanding the benefits of digitisation. Confusion around setup also persisted, with 14% in both June and November saying the tools were too confusing to set up.

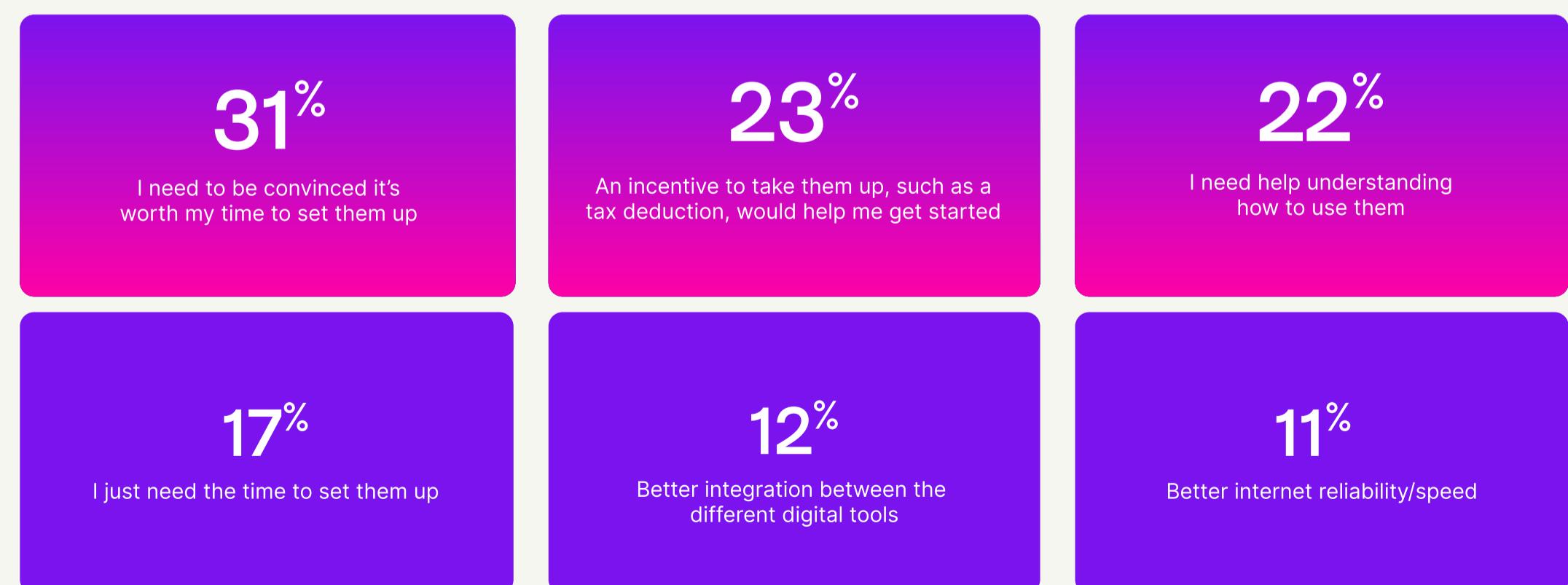
Cost incentives continue to have the potential to shift adoption, with 23% of SMEs claiming they would be more likely to adopt digital tools if tax deductions or subsidies were available. A further 22% said they would employ more digital tools if they had a better understanding of how to use them.

As confidence, clarity and convenience remain central adoption drivers, strengthening support, improving guidance and emphasising the practical value of digital tools could have a meaningful impact on SME digitisation rates over time.

Main barriers to digital tool adoption



What would help you to use more digital tools in the business?



Online presence

Despite the heavy reliance on digital platforms and increasing online interaction in today's economy, a significant portion of Australian SMEs are not actively online. Forty-one per cent lack any form of online presence, a proportion that did not shift between June and November 2025 – underscoring an ongoing divide in digital adoption across the sector.

By November 2025, online-active SMEs showed only marginal shifts in how they engage customers digitally, indicating refinement rather than growth in online adoption. Dual-channel use (website plus social media) eased from 20% in June to 18%, website-only presence dipped from 25% to 24%, and social-media-only usage rose modestly from 11% to 13%. Overall, SMEs appear to be subtly rebalancing their digital mix rather than expanding their online footprint.

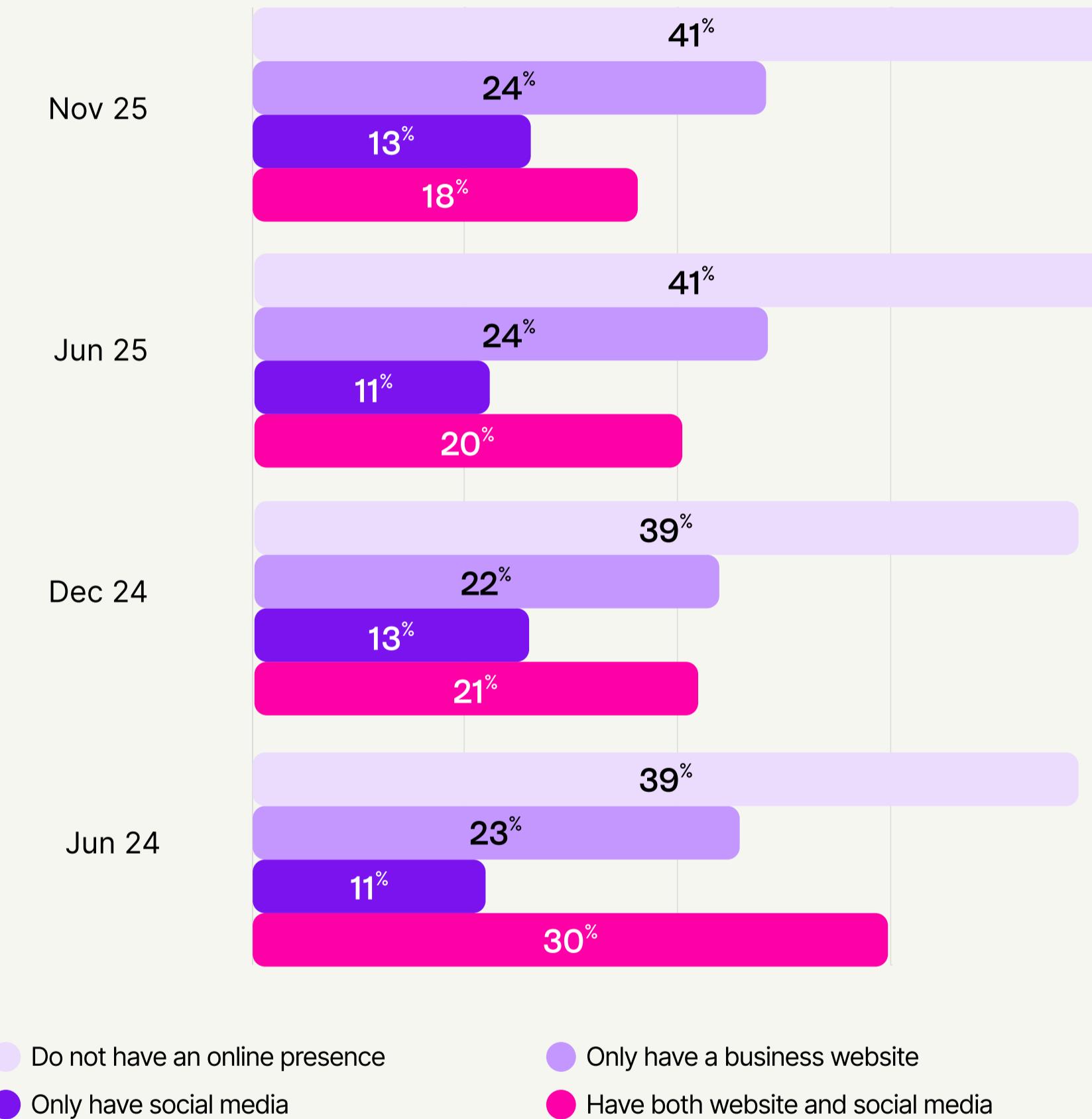
Having a website delivers clear benefits for SMEs, with many owners reporting stronger business outcomes. They say their website has helped present a more professional brand image (37%), generated more customer enquiries (35%), and increased their overall appeal to customers (34%).

The number of Gen Z (18-30) using only a social media site for their business jumped from 21% in June to 31% in November with key benefits cited as allowing greater interaction with customers (37%) and making it easier for customers to do business with them (27%). This may be explained in part by a growing proportion of social-only businesses and the ever-increasing number of younger people turning to online influencing as a career choice.

This is in contrast to the 20% of Gen Y (31-44) and 12% of Gen X (45-60) who are using social-only platforms for commercial purposes.

Facebook remains a dominant platform for SMEs using social media, although younger business owners tend to diversify across Instagram, YouTube and TikTok to connect with their evolving customer base.

How would you describe your business's online presence?



Spotlight

AI Adoption

AI adoption among Australian SMEs is steadily accelerating, with more businesses taking confident steps toward digital innovation. Between June and November 2025, usage of AI tools including chatbots and assistants (ChatGPT, Claude, Gemini etc.), and writing tools increased from 23% to 29%, signalling growing interest in automation and generative AI tools. Over the same period, the proportion of businesses not using AI dropped from 74% to 67%, demonstrating early but meaningful progress as more operators begin exploring what AI can deliver.

While AI adoption is not yet widespread, the upward trajectory reflects rising confidence in AI's potential to streamline operations, enhance customer experience and support business growth.

Adoption of AI within products and services is still emerging. The share of businesses integrating AI into their offerings fell slightly from 9% to 7% between June and November, with most reporting no current integration. Interestingly, the number of Gen Z (18-30) business operators integrating AI into their products dropped by more than 30%, from 42% in June to 10% in November. We saw a similar trend in the Gen Y age bracket (31-44), with numbers dropping from 23% to 19%. Despite these declines, these numbers still point to a foundation that could support more substantial product-level innovation over time.

Perceptions of the impact of AI have remained largely positive, with 82% of those who have integrated AI into their operations agreeing they have seen benefits, up four percentage points from June (78%). Gen Y (31-44) operators appear to be increasingly recognising the advantages of AI with 82% saying they have seen positive impacts versus 77% in June.

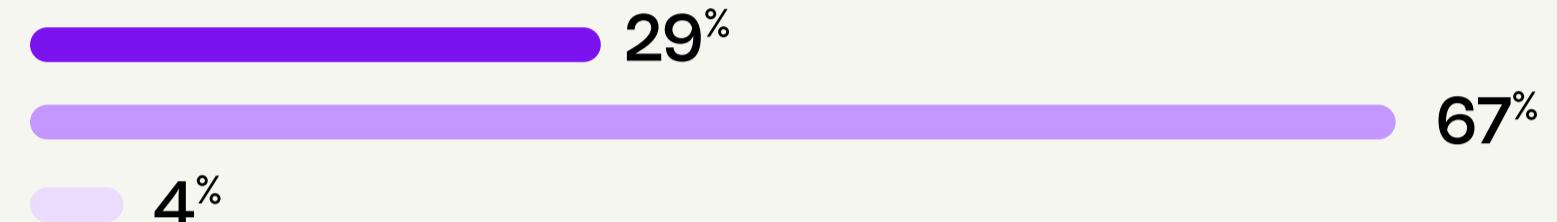
Businesses continue to associate AI with productivity improvements, greater efficiency and reduced administrative load. Thirty-seven per cent foresee no impact at all, reflecting both early-stage adoption and uncertainty about how AI applies to their operations. It also highlights a clear opportunity for education, guidance and practical use cases.

Despite growing awareness, most employers are not yet prioritising AI-specific skills, with 71% not seeking AI experience in new hires. However, a growing minority value foundational AI literacy – such as ethical understanding or the ability to use tools like ChatGPT – signalling an emerging shift that is likely to strengthen as adoption matures.

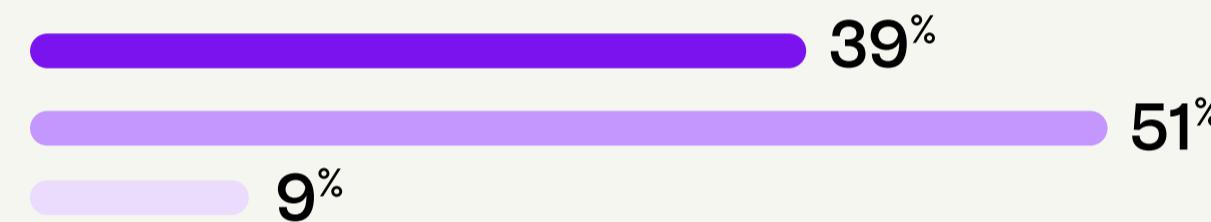
Overall, the picture is one of steady, deliberate progress: rising adoption, stable sentiment and increasing curiosity. While SMEs are still early in their AI journey, the foundations for broader and more impactful uptake are clearly taking shape.

Do you and/or the team use AI in your business?

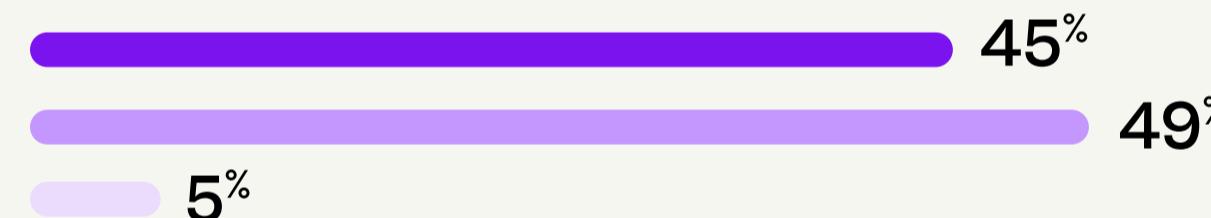
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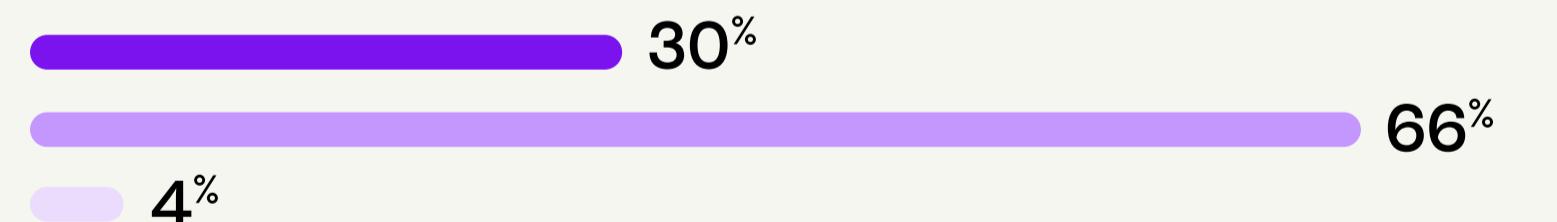
Gen Z (18-29)



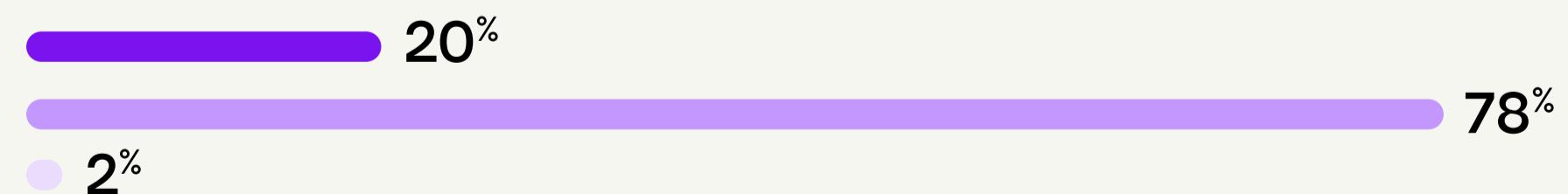
Gen Y (30-44)



Gen X (45-60)



Baby Boomers (61-79)



● Yes ● No ● Don't know

Productivity

Businesses show a strong sense of self-awareness in how they perceive their productivity, assessed on how efficiently a company uses its resources. Most rate themselves in the middle of the scale, with a score of 5 alone representing around one-third of all responses. When combined with adjacent mid-range scores (6–7), the majority position themselves at a stable, moderate level; confident in their performance, while recognising opportunities for improvement.

Productivity perceptions vary by industry and business age. Finance and manufacturing emerged as the strongest-performing industries, with most placing themselves firmly at around 6–7 out of 10. Established businesses (10+ years) identify as the most productive group, with 23% placing themselves in the region of 7.5, followed closely by businesses aged five to ten years (21%).

Among the 46% of businesses not currently measuring productivity, the overwhelming reason is the belief that it is unnecessary (74%). Barriers related to capability are minimal: only 12% cite lack of time, and 8% report uncertainty about how to measure productivity. This suggests many organisations could readily adopt measurement frameworks as their needs evolve, especially if supported by simple, low-effort tools.

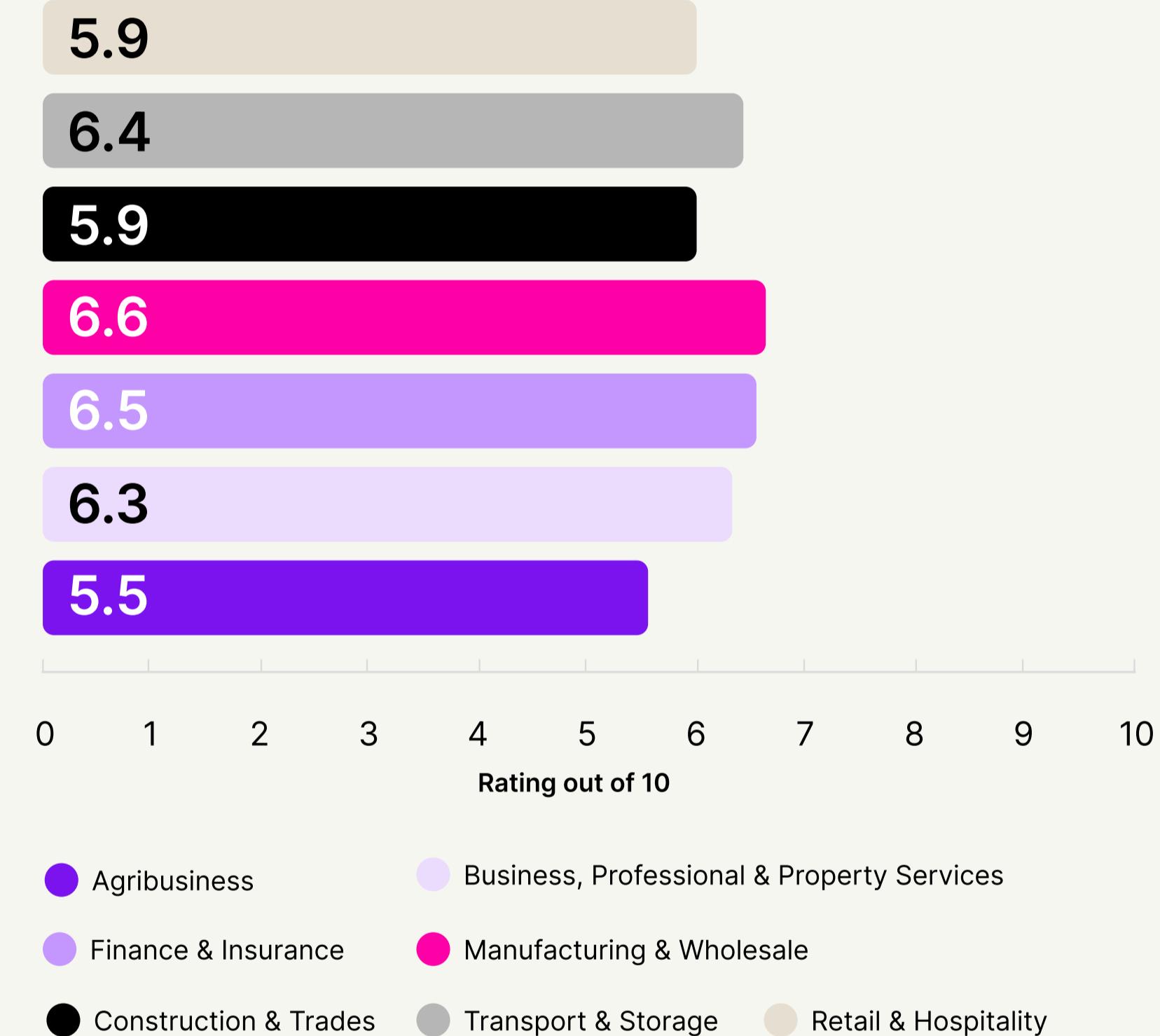
Among businesses that do measure productivity, approaches vary.

The most common method is setting clear objectives for employees or teams (21%), reflecting a focus on alignment and outcomes. Revenue-per-employee metrics (18%) are also widely used, particularly among more commercially mature businesses. A smaller group (13%) uses monitoring tools such as time tracking systems, indicating interest in more granular, data-driven insights. Peer assessment, bespoke approaches and a small proportion of respondents who are unsure how productivity is measured point to opportunities for clearer internal communication.

Across industries, time constraints appear more frequently in sectors with intense daily operational demands, such as retail and hospitality, but remain secondary overall. Relevance is the defining factor behind non-measurement.

AI's perceived impact on productivity also remains limited. Among businesses using AI, around one in five (19%) report no productivity gains, while 17% say AI has improved their performance. A small proportion remains unsure of its effect, reflecting early-stage adoption and limited visibility of outcomes. Non-use dominates across all sectors, though positive impacts are more common among younger businesses and those already engaging with other digital tools.

At what level of productivity do you believe your business currently operates compared to its potential?



Key Takeaways

Economic sentiment is becoming more balanced and resilient

SMEs across industries, regions and business stages are demonstrating greater stability in their economic outlook. While caution remains, sentiment in late 2025 shows clear signs of settling, with growing optimism emerging among younger operators and metropolitan businesses. Confidence is gradually recalibrating as conditions become more predictable.

Revenue and profitability are holding firm, with early signs of momentum

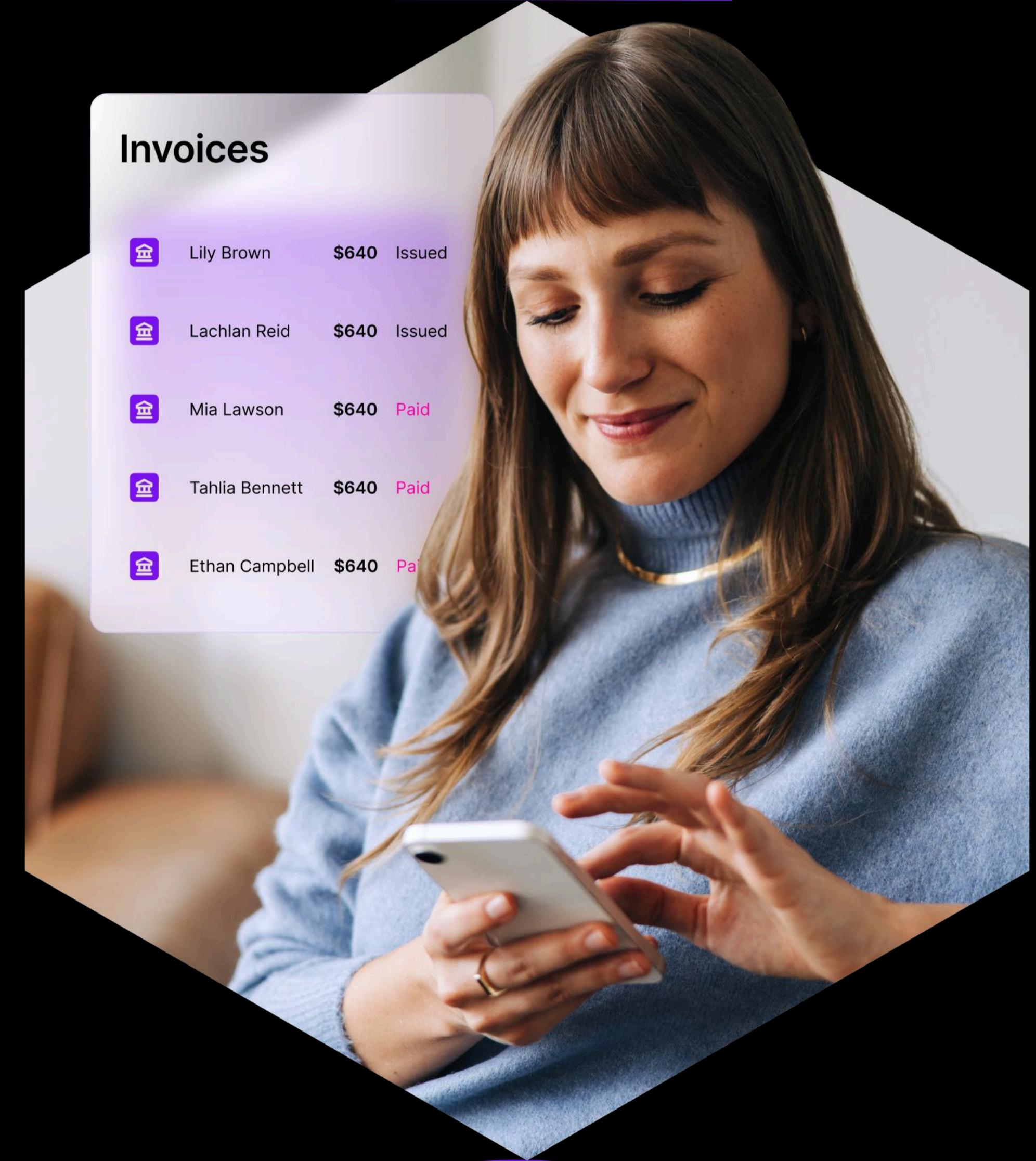
Most SMEs report steady revenue and profit levels, indicating businesses have successfully stabilised after earlier volatility. Although recovery is measured, the upward movement between June and November points to a slow but strengthening foundation for future growth as demand improves and earnings begin to lift across more segments.

Cost and operational pressures are easing, creating a more supportive environment

Key business pressures, such as utilities, fuel, interest rates and competitive intensity, have eased, giving SMEs much-needed relief after a difficult first half of the year. This softening of cost challenges suggests a more manageable operating environment heading into 2026, allowing businesses to refocus on growth, planning and investment.

Digital and AI adoption is building steadily, laying strong groundwork for transformation

SMEs are increasingly embracing digital tools and AI, with upward adoption trends and growing enthusiasm for technologies that boost efficiency and performance. While barriers still exist, early adopters are already realising clear benefits, signalling promising first steps towards broader, sector-wide digital and AI transformation in the years ahead.



Thank you

About the MYOB Business Monitor

The MYOB Business Monitor researches business performance and attitudes regarding areas such as profitability, cash flow, pipeline work, technology usage and the government. This report presents the summary findings for key indicators from the MYOB Business Monitor comprising a national sample of 1,087 business owners, managers and directors (operators), conducted from 24th, 2025 – October 30th, 2025.

The businesses participating in the online survey were both non-employing and employing businesses. All data has been weighted by industry type, location and number of employees, which are in line with the Australian Bureau of Statistics (ABS - Counts of Australian businesses, including entries & exits - 8165.0).