

Survey of Business Expectations

September 2025 Quarter **Report**



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The Economy

Business Confidence

South Australian Confidence
Index September Quarter 2025

90.9 points

Up 6.6 points from last quarter

National Confidence Index
September Quarter 2025

80.7 points

Up 4.0 points from last quarter

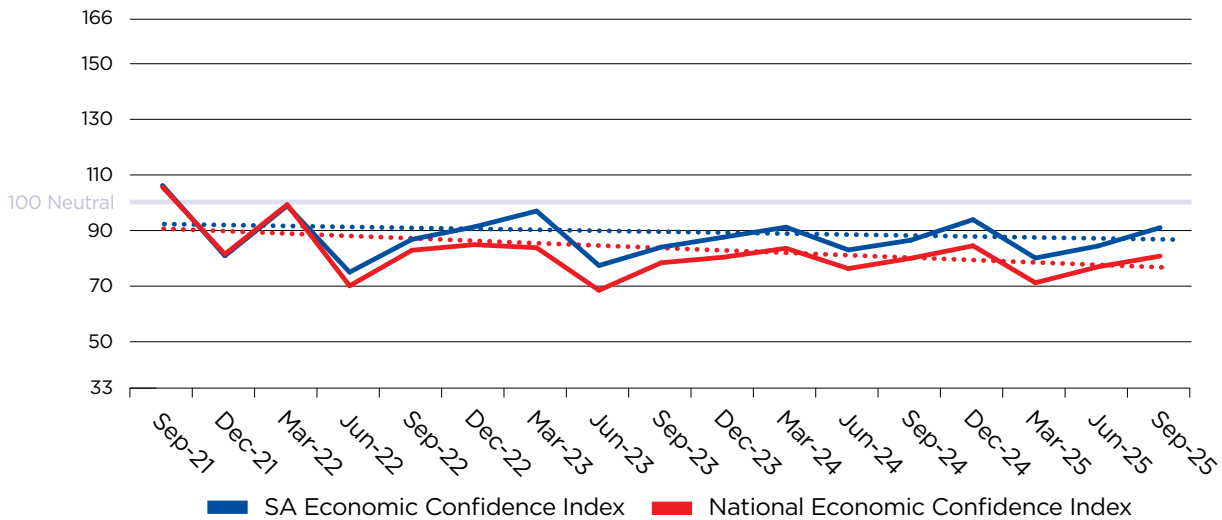
South Australian Business Confidence lifted again in the September quarter. The *SA Confidence Index* rose 6.6 points to 90.9 and the *National Confidence Index* climbed 4 points to 80.7. While both are still below the neutral 100 mark they are moving in the right direction. The gap between state and national confidence continues to widen.

Two consecutive quarterly gains in SA confidence indicate businesses are shaking off mid-year pessimism. However, sub-100 (neutral) readings mean most businesses still report tougher conditions than normal and confidence remains cautious.

Our confidence indices measure how South Australian businesses expect the state and national economies to perform over the next 12 months. Now in its 45th year, this survey is the longest running in the state.

For all indices, a score of 100 is neutral, with 33 the lowest and 166 the highest.

Chart 1
SA & National Economic Confidence Indices



General Business Conditions

General Business Conditions Index September Quarter 2025

87.8 points

Up 5.8 points from last quarter

The September 2025 *General Business Conditions Index* improved but stayed below neutral, rising 5.8 points to 87.8. This aligns with better sales readings and anecdotal reports of steadier demand, but the index level confirms trading conditions remain challenging for many operators. Looking ahead, respondents expect a further lift to 93.1 in the December quarter, which is still below neutral, pointing to stabilisation rather than full recovery.

Total Sales/Revenue Index September Quarter 2025

92.4 points

Up 10.1 points from last quarter

The *Total Sales/Revenue Index* jumped 10.1 points to 92.4, the strongest quarterly lift among the headline activity measures. While still short of neutral, this is a meaningful improvement from earlier in the year and consistent with fewer businesses reporting declines for orders and average selling prices. For December, businesses anticipate another step-up to 98.3, closing in on neutral as order books steady, though margin rebuild remains constrained by elevated costs not being passed on.

Chart 2
General Business Conditions Index

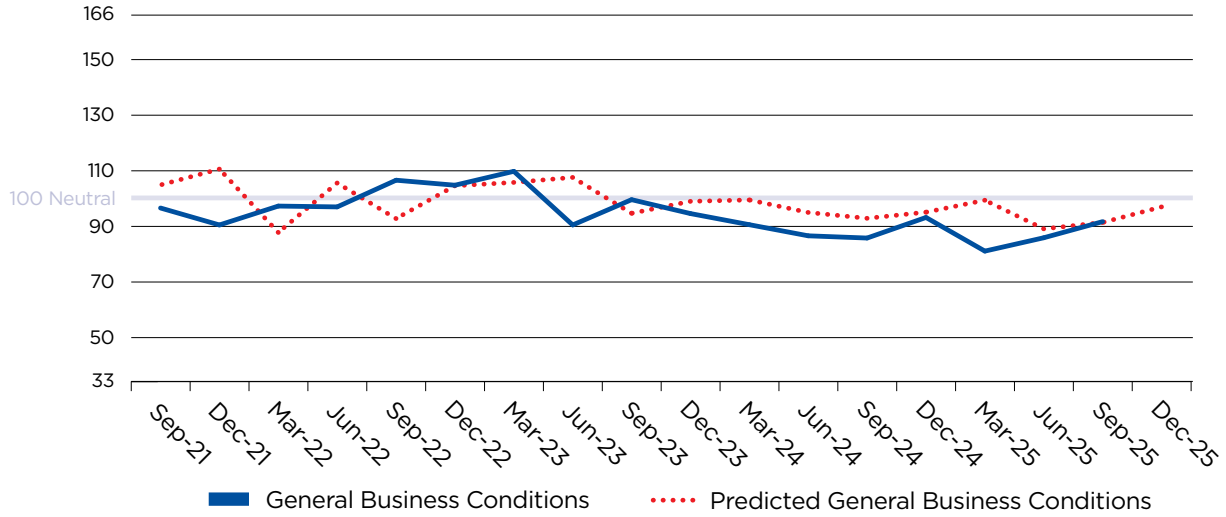
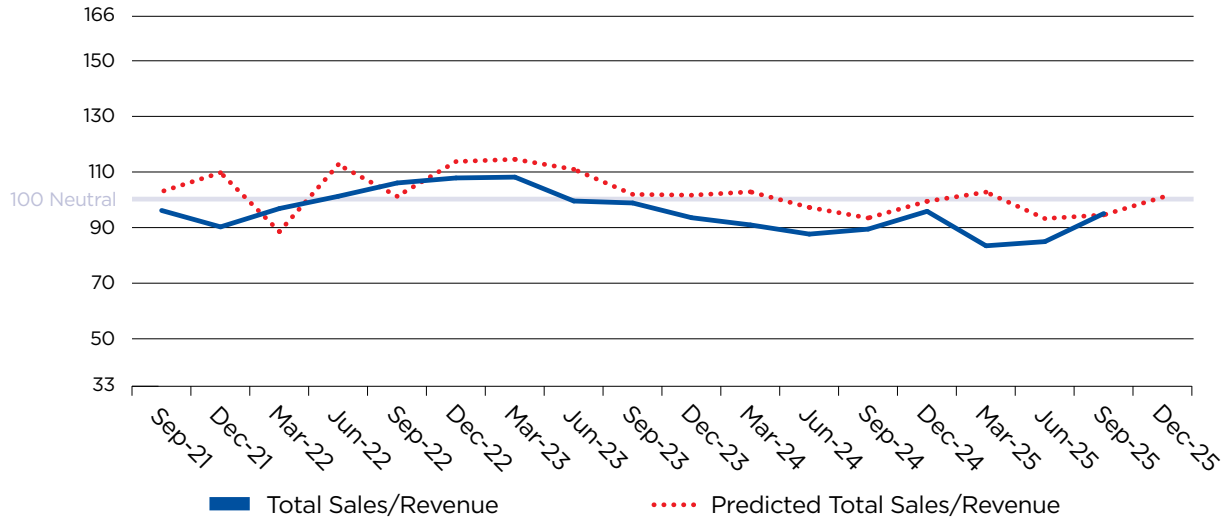


Chart 3
Total Sales/Revenue Index



**Predicted General Business
 Conditions Index for December
 Quarter 2025**

93.1 points

**Predicted Total Sales/Revenue
 Index for December Quarter
 2025**

98.3 points

Economic Indicators

How do you expect the following indicators to change in the next three months?

	Decrease	Stay the Same	Increase
Interest Rates	26.5%	59.2%	14.3%
Inflation Rate (CPI)	5.5%	40.3%	54.3%
Unemployment Rate	7.1%	33.9%	59.0%
Value of AUD (against USD)	39.5%	45.9%	14.6%

Most respondents expect interest rates to hold over the next three months (59.2%), with a modest easing bias (26.5% anticipate a cut; 14.3% an increase). After August's reduction¹, responses show a "wait-and-see" setting, which is supportive for cash flow and maintenance-only capital expenditure (CapEx), but not enough to unlock more significant investment.

Expectations are tilted to higher inflation: 54.3% of respondents see an increase, 40.3% no change, and 5.5% a decrease. Comments link this to energy and insurance, sticky wage costs and ongoing compliance expenses. With selling prices barely moving, many businesses say any relief in cost of inputs is slow to show up in margins.

The September 2025 Australian Bureau of Statistics data shows South Australia's seasonally adjusted unemployment rate at 4.6%, with a participation rate of 64.8%.² A clear majority of respondents (59%) expect unemployment to rise in the next three months, versus 7.1% anticipating a fall.

Expectations lean to a weaker dollar (39.5%) or no change (45.9%); only 14.6% foresee an increase. Respondents note the mixed effects: a softer AUD can aid exporters but lifts the cost of imported inputs and equipment, and with many SMEs not consistently hedging, currency moves flow quickly to margins.

¹ Reserve Bank of Australia, Media Release, 12 August 2025, <https://www.rba.gov.au/media-releases/2025/mr-25-22.html>

² Australian Bureau of Statistics, Labour Force, Australia, September 2025, released 16 October 2025, <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/sep-2025>

Business Demographics

Chart 4
How Many People Does Your Business Employ? (%)

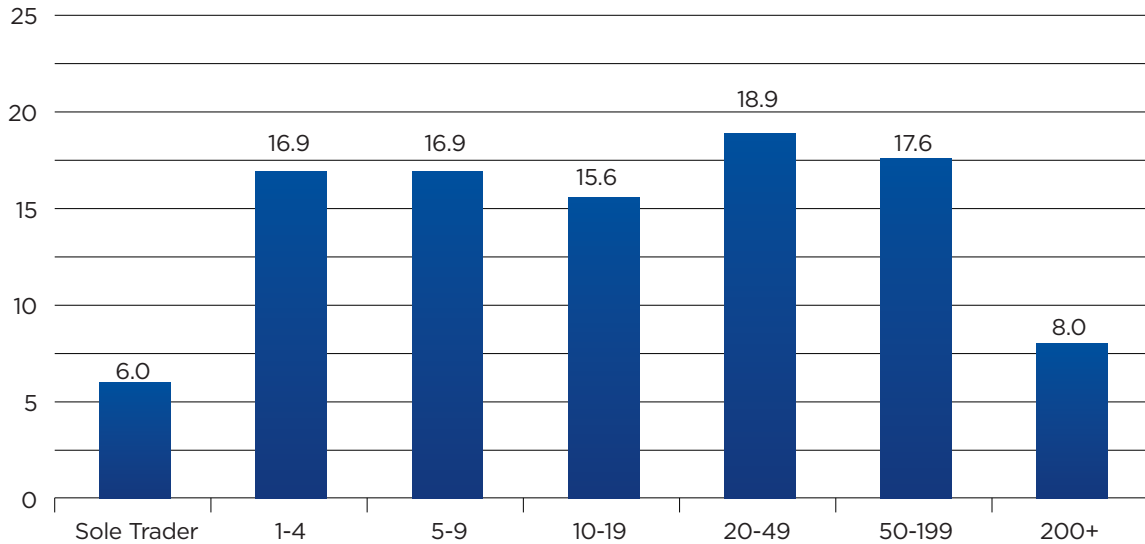
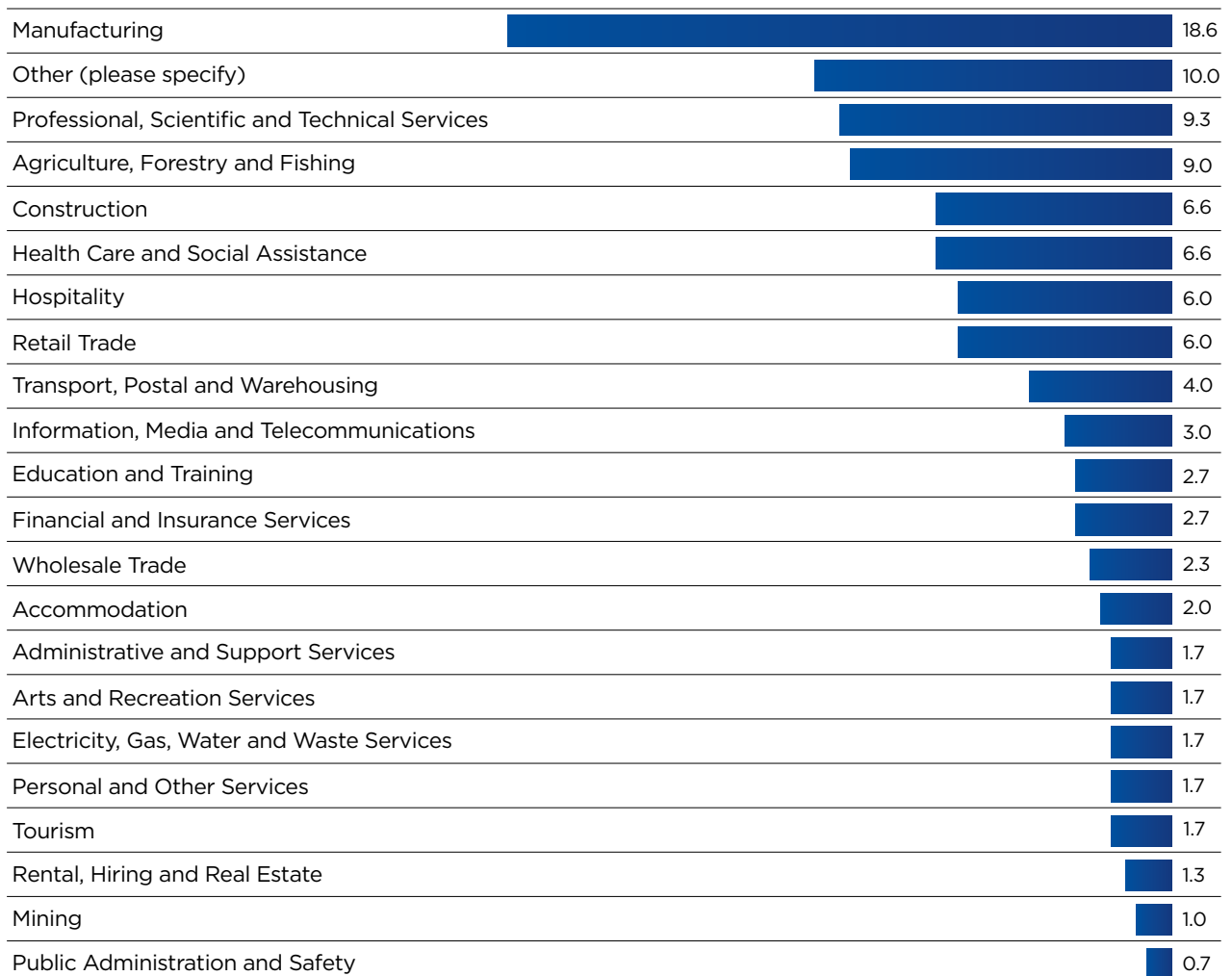
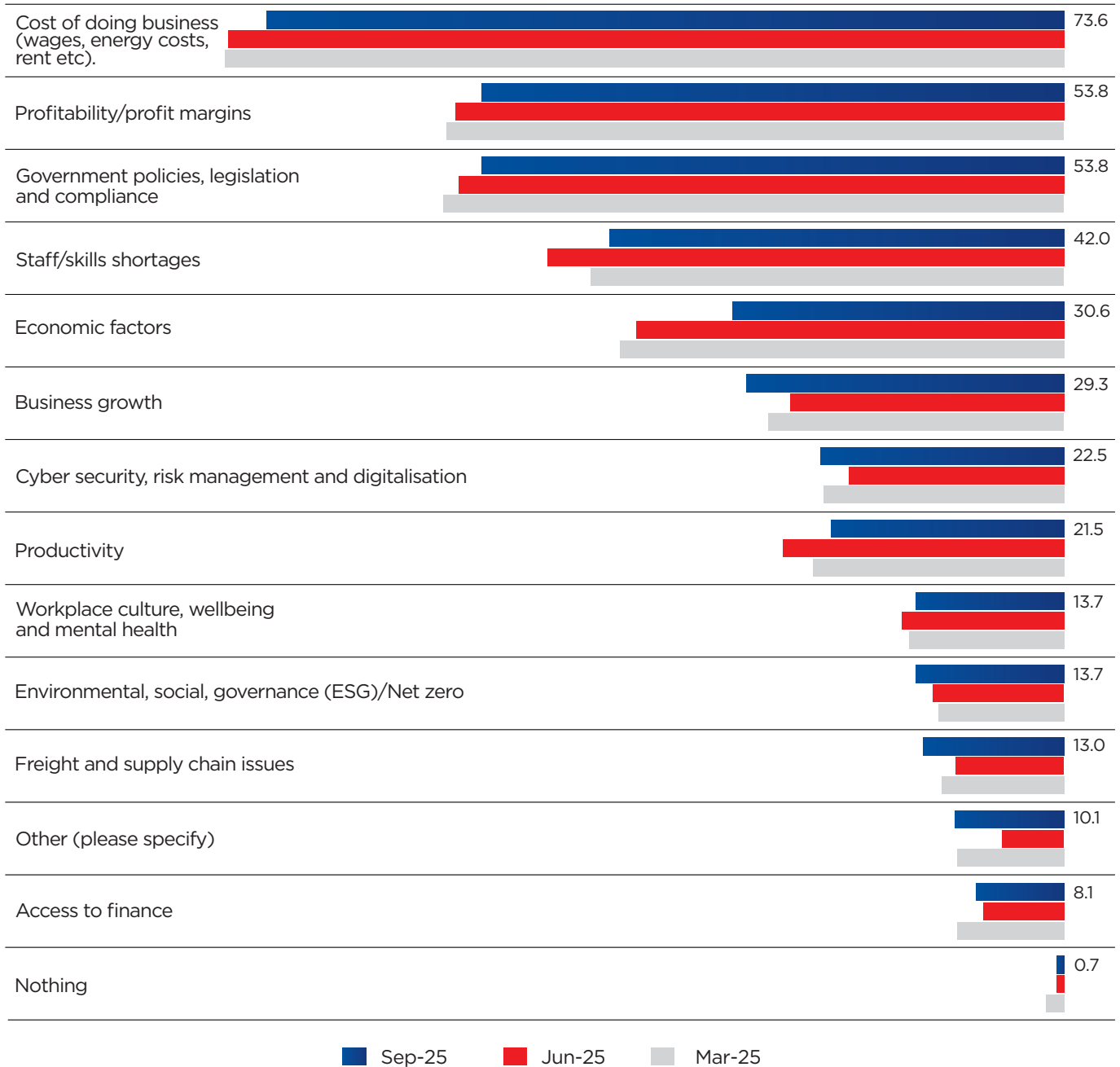


Chart 5
Industry Composition (%)



Issues for Business

Chart 6
Main Issues Affecting My Business (%)



**respondents were asked to choose their top five*

The *cost of doing business* continues to be the top issue concerning South Australian business despite slightly fewer businesses reporting this in the September 2025 quarter. Energy, insurance and compliance are the main culprits, with many saying they cannot pass these unavoidable costs on to customers. This is supported by the *Cost of Overheads* at 151 points and *Cost of Materials* at 148.8 remaining far above neutral, despite some easing expected into December.

Margin pressure persists despite better sales with *profitability/margins* an issue reported by 53.8% of respondents. This reflects the *Profitability Index* sitting at well below neutral (77.7 in September 2025 lifting to 88.8 predicted for the December quarter), while the *Average Selling Price Index* at 102.1 is barely moving.

Government policies, legislation & compliance has moved into equal second position this quarter, also at 53.8%. It is the equal top concern for the Health Care and Social Assistance Sector, with compliance loads and regulatory uncertainty continuing to weigh on time and money. Payroll tax and workers compensation appear frequently in comments, alongside planning/approvals and sector-specific rules.

With *staff/skills shortages* remaining an issue for 42% of respondents, skills pressures have eased yet remain material for many larger employers. Hiring intentions are cautious, with businesses filling critical roles rather than expanding headcount.

Across industries, the *cost of doing business* dominates Manufacturing (86%), Construction (80%), Agriculture, Forestry and Fishing (74%), with *government policy/compliance* and *profitability* consistently in the top three. *Skills shortages* rank higher in Health Care and Social Assistance (55%) and Construction (50%), while *cyber security/risk management* is elevated in Professional, Scientific and Technical Services (46%).

Comments on the issues affecting business...

The general cost of doing business is higher due to compliance, tax insurance, freight, labour, energy.

» **Manufacturing, 50-199 employees**

Our overheads have increased with compliance and OH&S. We require more admin support staff for on-site works. Labour and material costs have also grown, which affects profit dramatically.

» **Construction, 5-9 employees**

Portable long service leave levy, without an increase in fee for service. The NDIS industry for support at home hourly rate is hurting registered providers.

» **Health Care and Social Assistance, 50-199 employees**

The drought is not over and expenditure in rural and regional Australia is at an all-time low. Added to this, yields will be moderate across the state and yet returns are predicted to be similar to last year or less... Gone are the times when prices rose in drought to somewhat compensate for reduced yields.

» **Agriculture, Forestry and Fishing, 1-4 employees**

Very concerned about: Legislation banning surcharges on credit cards, the cost to our business would be over \$30,000 p/a - The algae bloom, and the drop in tourism this summer - Changes in portable long service leave and above inflation wage increases - Ongoing award complexity - Rising costs and the need to increase our prices again, and what that will mean to our consumers and demand.

» **Hospitality, 10-19 employees**

Base input costs such as Electricity, Gas, Insurance, Council Rates etc make doing business uncompetitive from the onset.

» **Manufacturing, 5-9 employees**

Skills shortages in hospitality persisting. Reduced pool of visa holders reducing chef candidates. Most now requiring sponsorship, which is time consuming, expensive and detailed.

» **Hospitality, 50-199 employees**

The cost of doing business has recently led to consideration of offshore manufacturing.

» **Mining, 5-9 employees**

Cost of business ever increasing; employee attraction and retention ever more challenging.

» **Information Media and Telecommunications; 50-199 employees**

Timeframes for planning, environmental and other approvals is too long.

» **Professional, Scientific and Technical Services, 1-4 employees**

Rapid changes in government policy. The paperwork and red tape involved in all levels of government when improving, building and developing a property. Each level wants a different question answered.

» **Agricultural, Forestry and Fishing, 50-199 employees**

Fixed costs including energy, fuel, insurance and government levies are killing business.

» **Agricultural, Forestry and Fishing, Sole Trader**

My business is ineligible for Algal Bloom assistance yet is continuing to lose money every month.

» **Retail Trade, 10-19 employees**

Payroll tax relief in regional SA would be very beneficial. Cashflow implication of moving to weekly superannuation payments will hurt. Finding and retaining decent staff is next to impossible.

Wages are really hurting us.

» **Transport, Postal and Warehousing, 200+ employees**

The ongoing impact on businesses by algal bloom cannot be underestimated. A 30% reduction in turnover may not be reached to receive assistance, but a 25% reduction in turnover is significant.

» **Hospitality, 20-49 employees**

Government policy and new regulation is reducing our productivity and adaptability. We are being told to adapt (climate change, less water, water markets impact, water recovery impact at community scale, global commodity impacts) but with one arm tied behind our back from increasing government regulation.

» **Electricity, Gas, Water and Waste Services, 20-49 employees**

Payroll Tax is a disincentive to businesses looking at employing more staff.

» **Retail Trade; 10-19 employees**

Since 'Covid Inflation' costs have not come down leaving our margins squeezed heavily. Trying to move to a more sustainable model has also become more difficult with anything 'Green' costing twice as much... Basically, all of our best intentions for our business these days costs more.

» **Agricultural, Forestry and Fishing, 1-4 employees**

Too many layers of compliance and reporting from government.

» **Food Manufacturing / Trade, 200+ employees**

Top 5 Issues Affecting My Business by Industry

Manufacturing	Professional, Scientific and Technical Services	Agriculture, Forestry and Fishing	Construction	Health Care and Social Assistance
Cost of doing business 86%	Cost of doing business 68%	Cost of doing business 74%	Cost of doing business 80%	Government policies & compliance 70%
Profitability/profit margins 64%	Profitability/profit margins 46%	Profitability/profit margins 70%	Government policies & compliance 55%	Cost of doing business 70%
Government policies & compliance 54%	Cyber security/risk management 46%	Government policies & compliance 67%	Staff/skills shortages 55%	Profitability/profit margins 55%
Staff/skills shortages 45%	Government policies & compliance 39%	Economic Factors 30%	Profitability/profit margins 40%	Staff/skills shortages 50%
Productivity 32%	Business growth 36%	Staff/skills shortages 30%	Productivity 35%	Business growth 35%

Top 5 Issues Affecting My Business by Business Size

Sole Trader	1-4 Employees	5-9 employees	10-19 employees
Cost of doing business 56%	Cost of doing business 67%	Cost of doing business 75%	Cost of doing business 77%
Economic factors 56%	Government policies & compliance 59%	Profitability/profit margins 59%	Staff/skills shortages 55%
Government policies & compliance 50%	Profitability/profit margins 56%	Government policies & compliance 53%	Government policies & compliance 51%
Profitability/profit margins 50%	Economic factors 29%	Economic factors 33%	Profitability/profit margins 43%
Business growth 44%	Business growth 27%	Staff/skills shortages 29%	Business Growth 26%

Across businesses of all sizes, concern about the *cost of doing business* remains the top issue. This issue climbs with headcount starting with 56% of sole traders and peaking at 83% of businesses with 50-199 employees, then eases slightly to 75% for organisations with 200+ employees. Skills pressures also intensify with scale, with *staff/skills shortages* climbing into the top three for businesses with 10-19 employees (55%), remaining elevated for 20-199 employees (51%), and prominent for large organisations with 200+ employees (52%).

Comments on the issues affecting business...

We are struggling with finding margin in products that are still at a cost that appeals to customers' budgets. We can't absorb the rising costs and actually make a living.

» **Retail Trade, 1-4 employees**

We have been in business for 20 years now, and I have rarely felt it this tough. The costs of doing business, especially in the road transport industry have just gone through the roof.

» **Transport, Postal and Warehousing, 5-9 employees**

Small business is getting more and more weighted by government decisions in multiple areas. The gap is widening to large and corporate business advantages.

» **Construction, 10-19 employees**

Get rid of payroll tax so we can hire another 1-2 people.

» **Marketing services, 20-49 employees**

Small and medium businesses are being hurt by government taxes and legislation. This is my business, I employ 60 people and will look at letting people go as new levies, superannuation, long service leave additions and insurances for my staff leave me with no profit. I made more for myself when I was a team of 6. This is not right.

» **Health Care and Social Assistance, 50-199 employees**

Consumer demand is subdued and cost rising, consumers' aspiration to buy local is tempered by the reality that the cost of living is increasing faster than their incomes.

» **Manufacturing, 200+ employees**

Top 5 Issues Affecting My Business by Business Size

20-49 employees	50-199 employees	200+ employees
Cost of doing business 75%	Cost of doing business 83%	Cost of doing business 75%
Profitability/profit margins 56%	Government policies & compliance 62%	Government policies & compliance 67%
Staff/skills shortages 51%	Profitability/profit margins 55%	Staff/skills shortages 52%
Government policies & compliance 42%	Staff/skills shortages 51%	Profitability/profit margins 58%
Business Growth 39%	Economic Factors 30%	Cyber security/risk management 33%

Cost Indicators

Input costs remain elevated in the September quarter with the *Cost of Materials Index* sitting at 148.8 and the *Cost of Overheads Index* at 151, both far above neutral. Encouragingly, respondents expect some easing by December with the predictions for materials at 143.4 and overheads at 145.9, but these are still high, implying pressure on cash flow into Christmas.

Compared with June predictions, September's costs were higher than expected (materials 148.8 vs a June prediction of 145.5 and overheads 151 vs 149.9), suggesting input relief is occurring but more slowly than expected. Comments point to energy, insurance and compliance as the most persistent cost drivers, with only modest success from contract renegotiation and supplier changes.

The long-term charts show the share of businesses reporting ever-rising material and overhead costs, with indices remaining historically high, reinforcing why margins are tight even as sales stabilise. While the proportion has eased from the peaks of 2022-23, it remains well above pre-pandemic norms and is most acute for manufacturers, the construction industry and larger employers.

Looking ahead, the predicted easing into December should help working capital, but not enough to restore margins on its own.

Chart 7
Cost of Materials Index

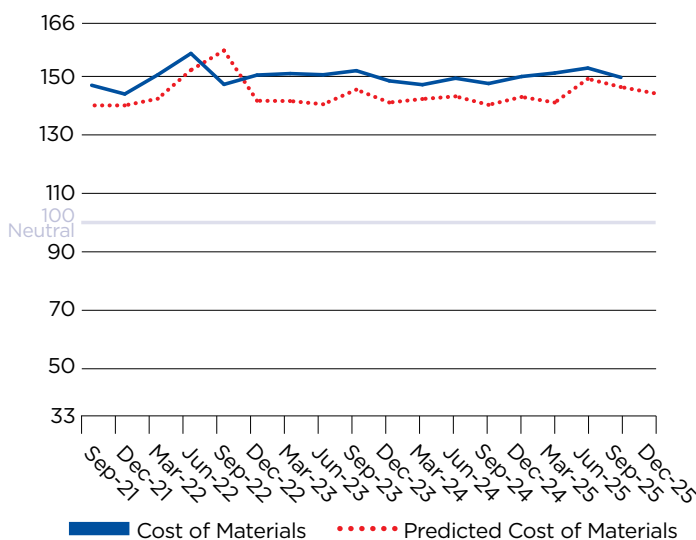
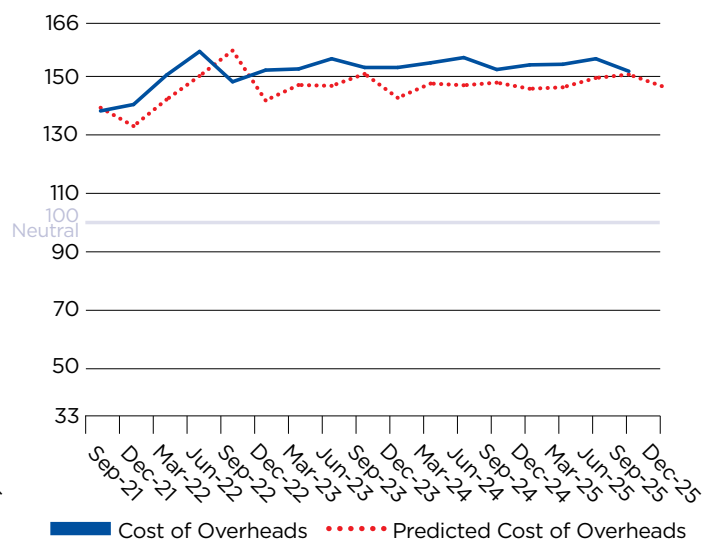


Chart 8
Cost of Overheads Index



Cost of Materials Index for the September Quarter 2025

148.8 points

Predicted Cost of Materials Index for the December Quarter 2025

143.4 points

Cost of Overheads Index for the September Quarter 2025

151.0 points

Predicted Cost of Overheads Index for the December Quarter 2025

145.9 points

Chart 9
% of Businesses Reporting Cost of Materials Increasing

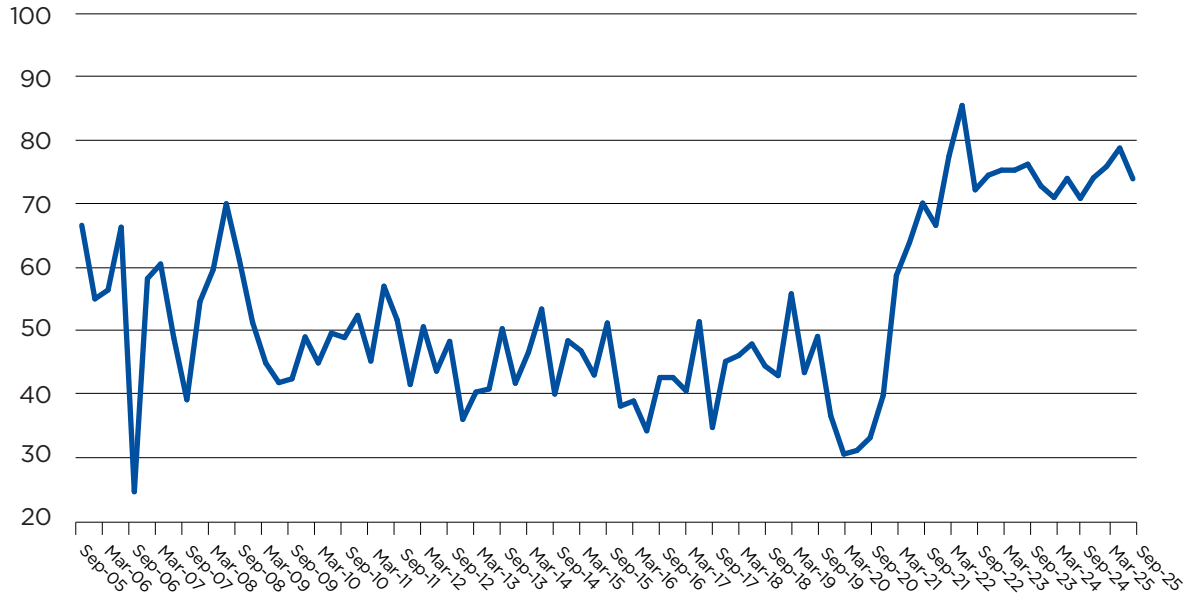
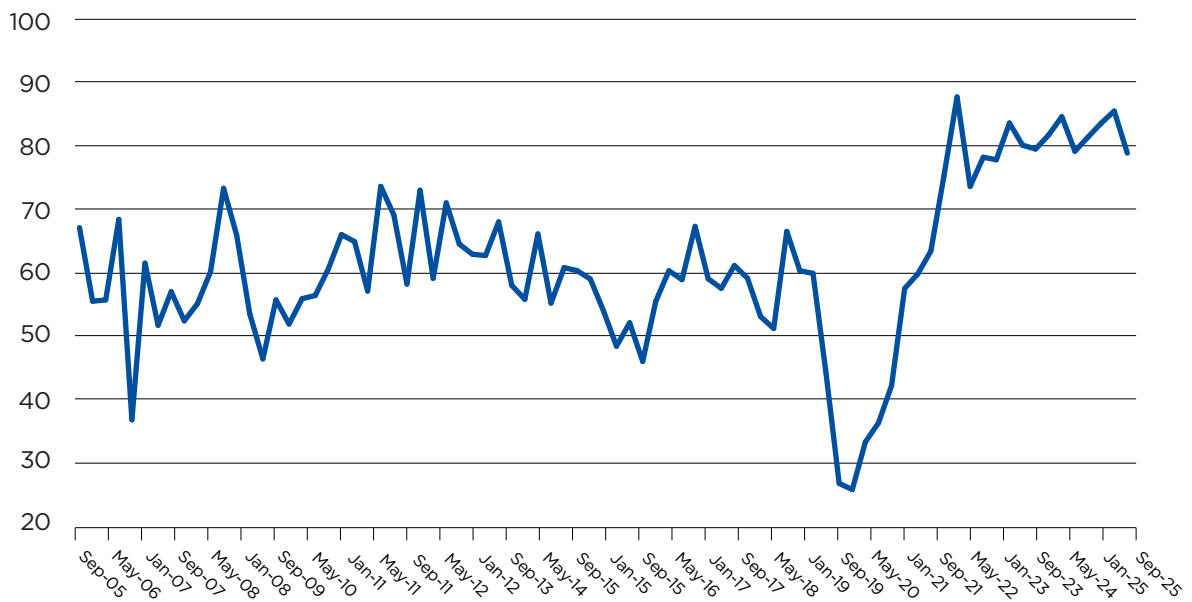


Chart 10
% of Businesses Reporting Cost of Overheads Increasing



Other Performance Indicators

The September 2025 quarter demand indicators undershot last quarter's hopes. *Orders Received* came in at 89.2 against June's prediction of 96.5, while *Export Sales* were 90.1 versus a predicted 94.9. Businesses report an expected gentle improvement into summer with the predicted *Orders Received Index* anticipated to reach 101.3 and *Export Sales* to 95.8, suggesting a stabilising pipeline rather than a surge.

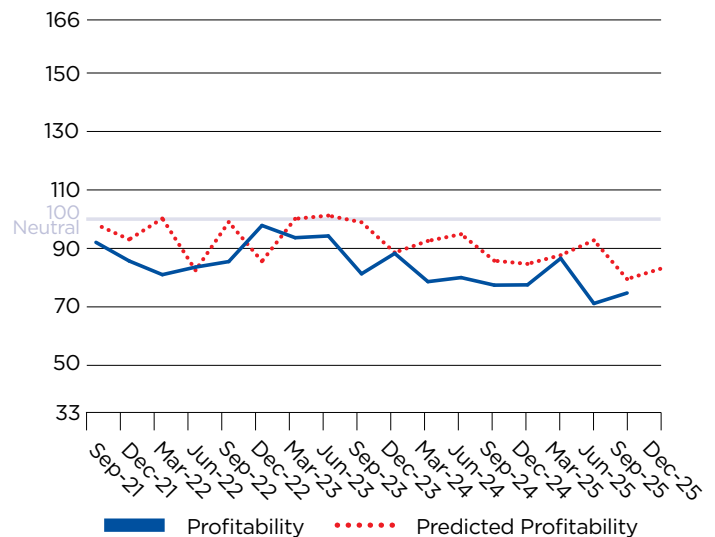
Margins remain the weak link. The *Profitability Index* in September was 77.7, short of June's prediction of 82 points, as the *Average Selling Price Index* eased to 102.1 (vs 104.8 predicted). For December, respondents tip *Profitability* to lift to 88.8 while *Average Selling Price* moves to 100.3, implying a slow margin rebuild as demand steadies.

Labour settings were tighter than anticipated but still cautious. *Employment Levels* recorded 90.9 points (below the 97.8 predicted in June) and are expected to edge to 99.5 by December, which is near neutral but not expansionary. *Average Wages* eased a touch to 130.7 (vs 134.0 predicted), pointing to stickiness rather than acceleration, while two levers moved more than expected: *Training Expenditure* was 120.5 (above the 114.6 prediction) and *Overtime Worked* reached 106 (above a predicted 98.6). Together, this reflects the "hold headcount, lift capability, flex capacity" comments as businesses focus on productivity. December expectations pull *Training* back to 113.6 and *Overtime* to 105.

Investment intent surprised on the upside. The *Capital Expenditure Index* rose to 108.1, which is well above the June prediction of 93, and is forecast to remain modestly expansionary at 106.6 into December.

Stepping back, most demand and margin measures fell short of June expectations, while the "control levers" (training, overtime and measured CapEx) came in above expectations. The December outlook points to stabilisation: orders nudging above neutral, employment close to neutral, wages easing slightly, and CapEx holding up - conditions that can support a gradual improvement if cost pressures ease.

Chart 11
Profitability Index



Profitability Index for the September Quarter 2025

77.7 points

Predicted Profitability Index for the December Quarter 2025

88.8 points

Chart 12
Average Selling Price Index

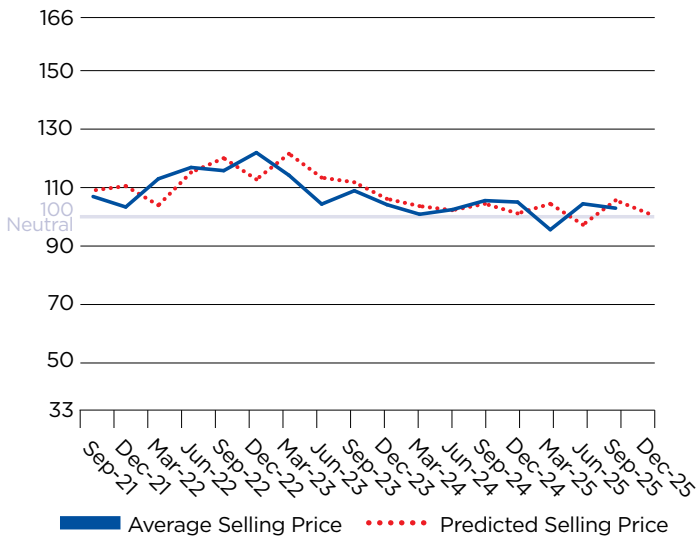
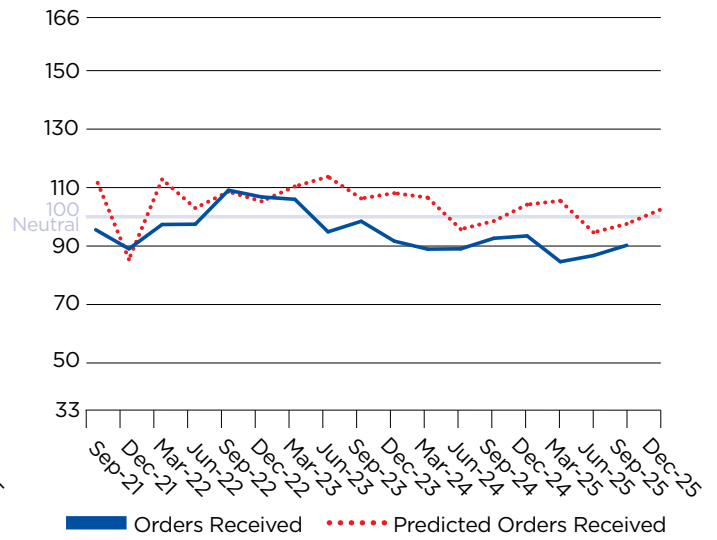


Chart 13
Orders Received Index



Average Selling Price Index for the September Quarter 2025

102.1 points

Predicted Average Selling Price Index for the December Quarter 2025

100.3 points

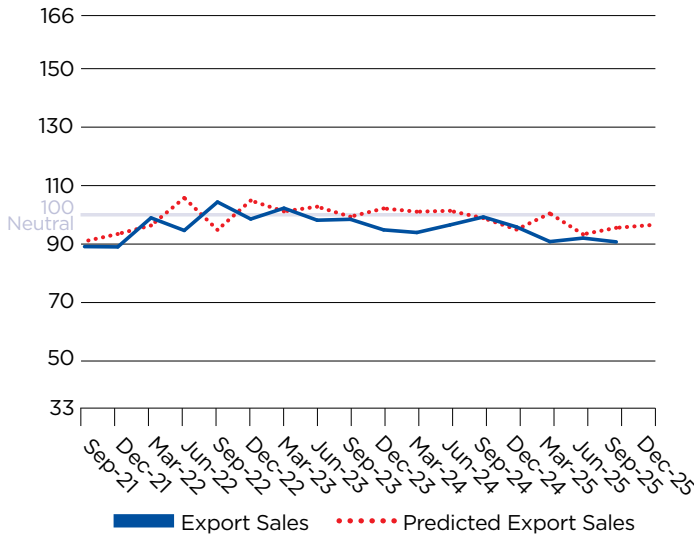
Orders Received Index for the September Quarter 2025

89.2 points

Predicted Orders Received Index for the December Quarter 2025

101.3 points

Chart 14
Export Sales Index



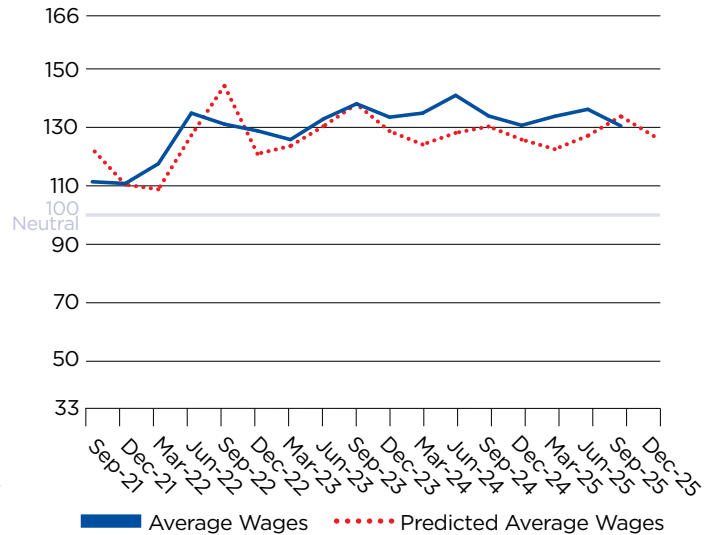
Export Sales Index for the September Quarter 2025

90.1 points

Predicted Export Sales Index for the December Quarter 2025

95.8 points

Chart 15
Average Wages Index



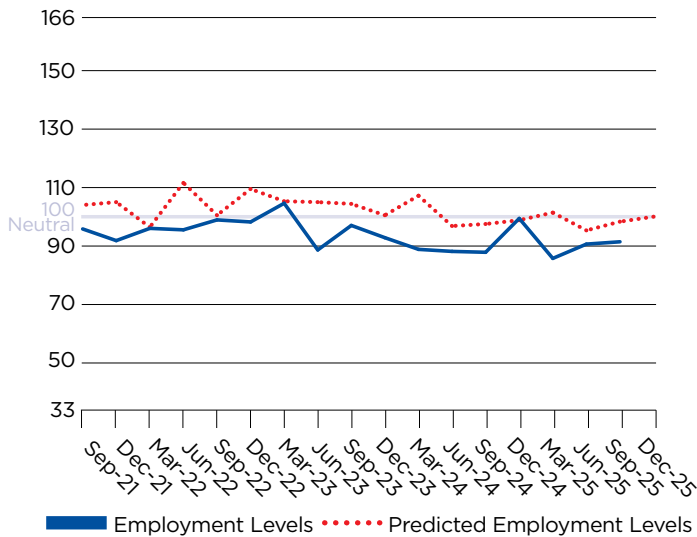
Average Wages Index for the September Quarter 2025

130.7 points

Predicted Average Wages Index for the December Quarter 2025

127.2 points

Chart 16
Employment Levels Index



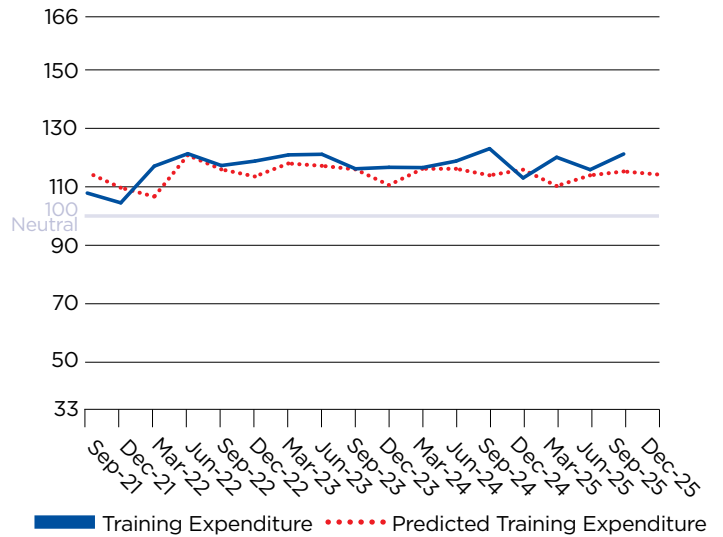
Employment Levels Index for the September Quarter 2025

90.9 points

Predicted Employment Levels Index for the December Quarter 2025

99.5 points

Chart 17
Training Expenditure Index



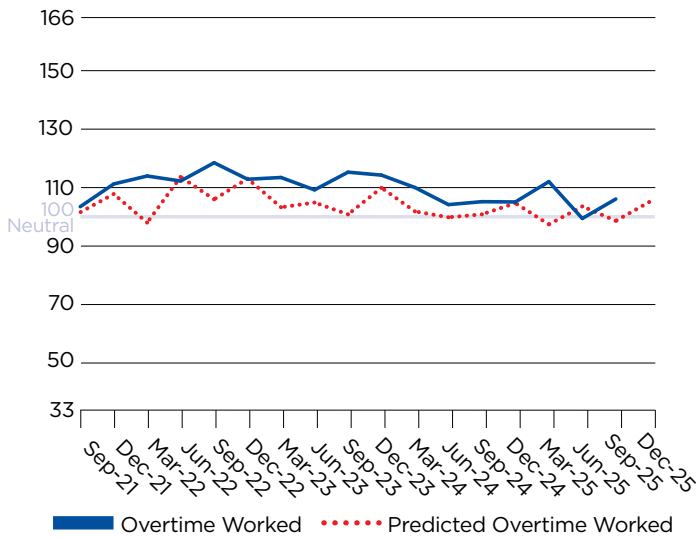
Training Expenditure Index for the September Quarter 2025

120.5 points

Predicted Training Expenditure Index for the December Quarter 2025

113.6 points

Chart 18
Overtime Worked Index



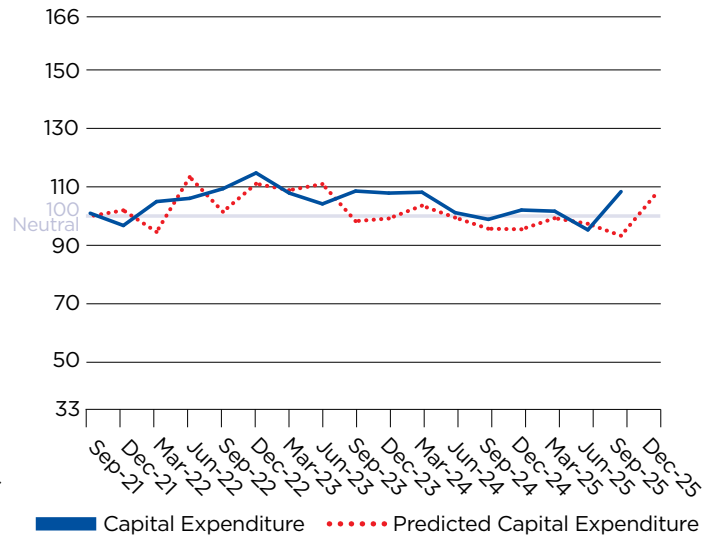
Overtime Worked Index for the September Quarter 2025

106.0 points

Predicted Overtime Worked Index for the December Quarter 2025

105.0 points

Chart 19
Capital Expenditure Index



Capital Expenditure Index for the September Quarter 2025

108.1 points

Predicted Capital Expenditure Index for the December Quarter 2025

106.6 points

Insurance

Insurance premiums increased for a large majority of respondents over the past year, with 52.8% reporting moderate increases and 32% significant increases; only 11.9% saw no change.

Most businesses consider their coverage adequate but 5.2% acknowledge underinsurance, including some by necessity to contain costs. About 9% experienced problems obtaining insurance, with comments most commonly pointing to higher-risk activities/locations, heritage or EPS-panel buildings, or tight market capacity (e.g., cyber and professional indemnity).

Common responses to this increasing cost pressure include reducing limits, increasing excesses, switching carriers or self-insuring specific risks. The trade-off is higher exposure to severe events and potential contract issues. Businesses are also seeking clearer minimum cover guidance for public procurement; pooled/sector schemes; targeted risk-mitigation grants (sprinklers, electrical upgrades, cyber uplift) tied to premium reductions; and faster claims resolution.

Comments on insurance...

Insurance costs are at the point that I am considering changing/downsizing parts of my business instead of growing it.

» **Tourism, 1-4 employees**

Not a specific type, but the amount and variety of coverage we're supposed to need. And for what? Insurance is killing our business.

» **Information Media and Telecommunications, 1-4 employees**

Complexity of the organisation, grant funders wanting specific policy terms that insurers couldn't understand or facilitate.

» **Health Care and Social Assistance, 50-199 employees**

Insurance can be difficult given the age of our building and some of the material in our cold rooms.

» **Retail Trade, 200+ employees**

The cost doubled a few years ago and now continues to increase 10-15% each year.

» **Hospitality, 10-19 employees**

No problems and made a saving from having Standalone Electronic Devices cover, as against General Business Insurance cover.

» **Health Care and Social Assistance, 20-49 employees**

Chart 20

How have your business-related insurance premiums changed in the last 12 months? (%)

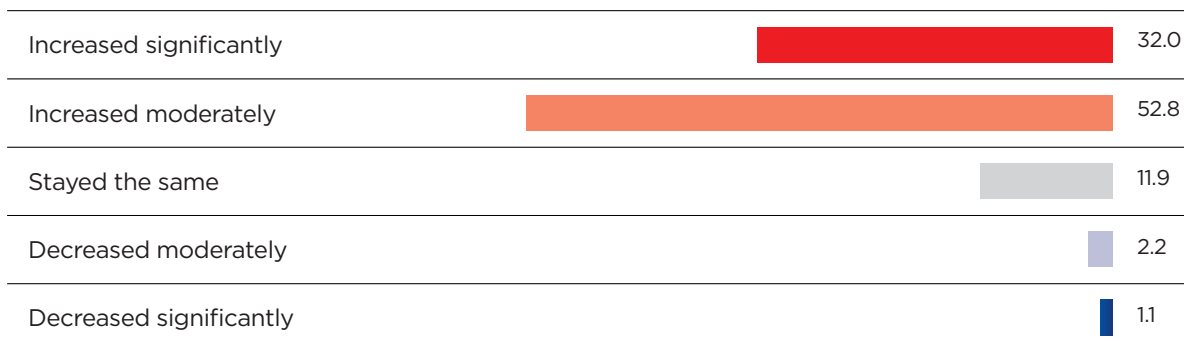


Chart 21
To what extent is your business covered by insurance? (%)

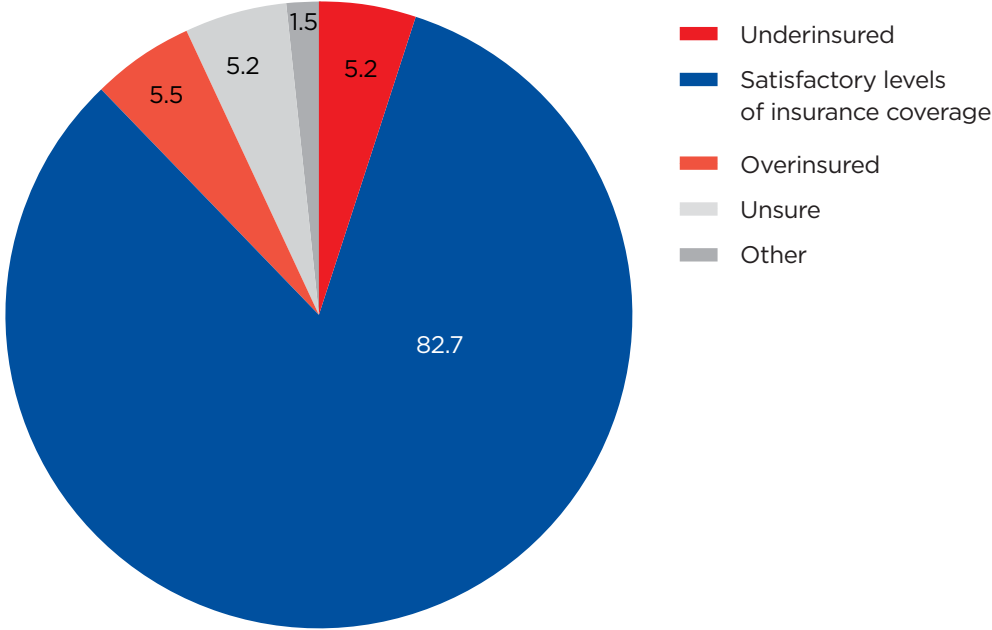


Chart 22
In the last 12 months, have you had problems obtaining insurance coverage? (%)

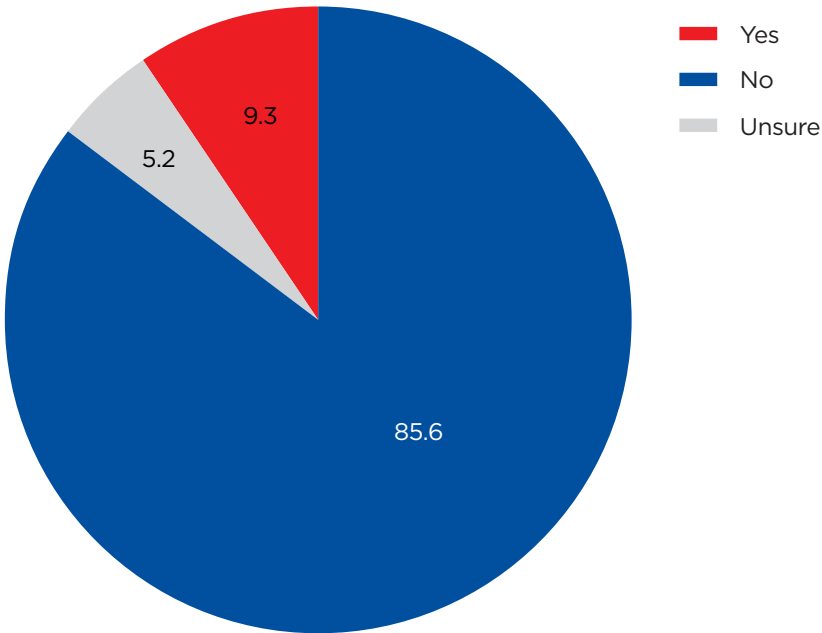


Chart 27

What types of insurance are problematic for your business?



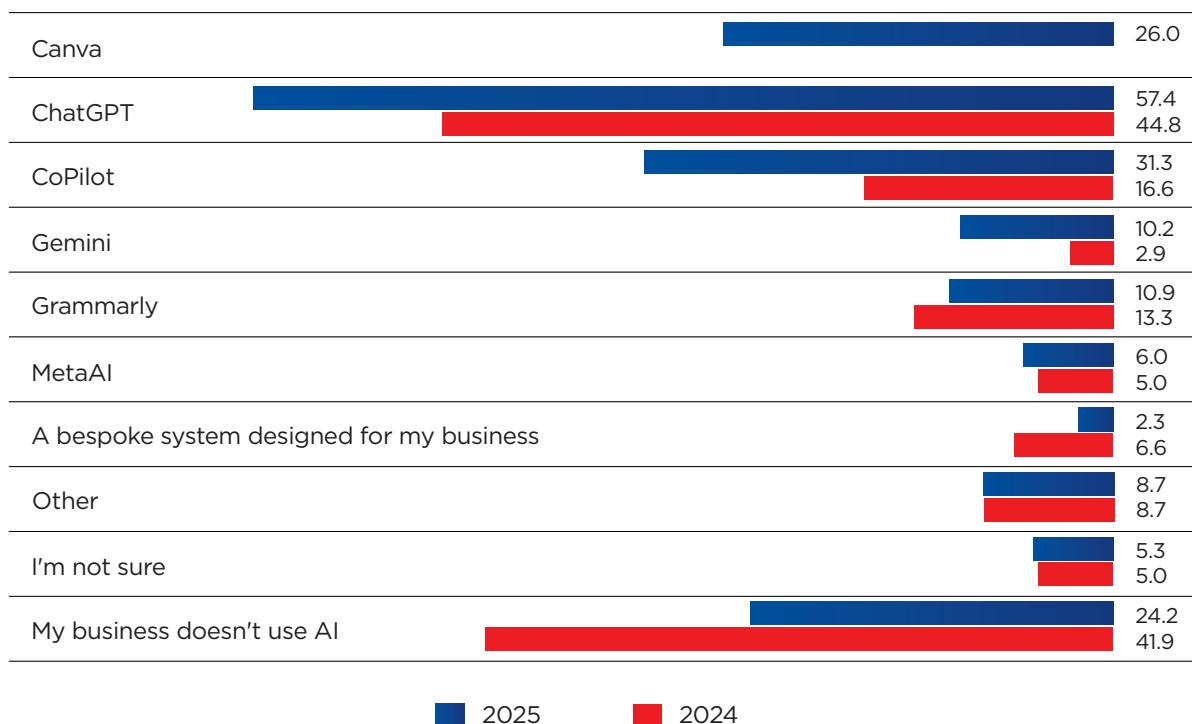
Digital Technology

Artificial Intelligence use has broadened and deepened across the business sector. ChatGPT usage rose from 44.8% last year to 57.4% in 2025, while Microsoft Copilot almost doubled from 16.6% to 31.3%. Fewer businesses say they use no AI at all, down from 41.9% to 24.2%; a clear sign of mainstreaming. Canva (26%) appears a common entry point; Gemini (10.2%) and MetaAI (6%) are emerging niche tools, and “bespoke systems” fell to 2.3% as off-the-shelf options improve.

Perceived importance is rising as uncertainty falls. Those rating AI “very important” lifted to 25.3% (from 19.1%), and “potentially important” to 46.1% (from 40.3%), while “unsure” dropped sharply to 3.7% (from 17.8%). Taken together, 71.4% now see AI as important to growth, up from 59.4% last year.

AI Governance is still lagging uptake (16.7%, up from 11.7% in 2024), while 78.8% remain without a formal policy. Operating without clear rules increases exposure to privacy breaches, intellectual property leakage and regulatory non-compliance.

Chart 24
What AI does your business use? (%)



*respondents could make multiple selections

Chart 25
Does your business have an AI policy? (%)

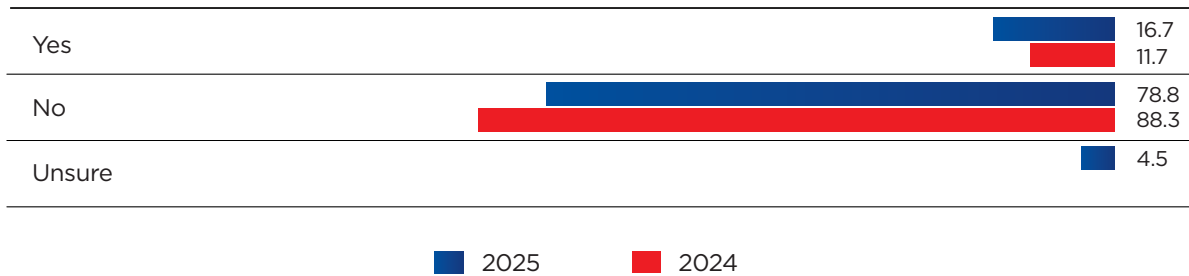


Chart 26
How important do you consider AI to be for the future growth of your business? (%)

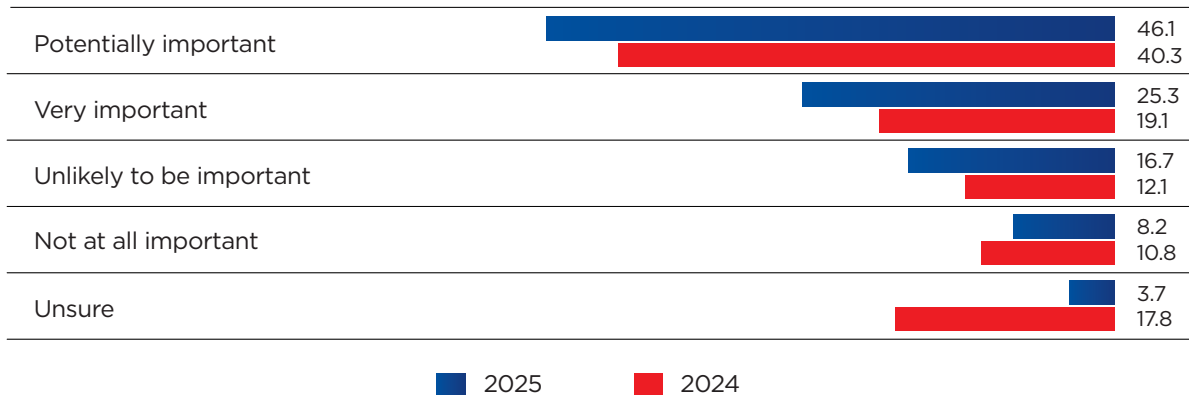
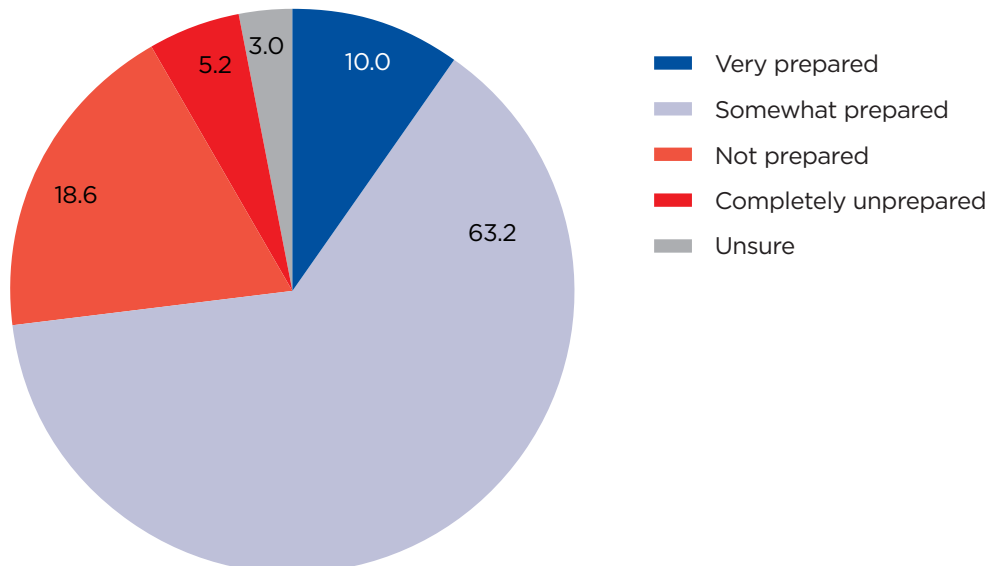


Chart 27
How well prepared is your business to use emerging technologies with your workforce's current digital skills? (%)

(e.g. hardware & software systems, digital marketing, social media, websites and selling online, cybersecurity and AI)



Businesses indicated a moderate level of readiness to adopt emerging technology with their existing digital skills: 63.2% feel somewhat prepared, while 10% feel very prepared. Roughly a quarter (23.8%) told us they are not prepared or completely unprepared.

There were consistent responses in the assistance that business needs to reduce digital risks and unlock the benefits of emerging technology.

These include:

- short, practical training;
- plain-English guidance and sample policies;
- cyber hygiene basics;
- access to trusted advisors; and
- targeted funding for secure infrastructure and small pilots.

Several respondents called out the need for clear regulation, simple checklists for SMEs, and a rapid-response channel for cyber incidents.

Comments on AI and Digital Technology...

We are waiting for AI to be developed further before utilising it in depth.

» **Financial and Insurance Services, 1-4 employees**

As a sole trader, I am totally time poor. So [need] some mentoring and support services combined with 'micro / small business' off the shelf pack with a guide.

» **Agricultural, Forestry and Fishing, Sole Trader**

I need simple tools and advice to keep my business safe online and use new tech like AI. Support with cybersecurity, easy-to-use AI tools, and training would help me work smarter and grow safely.

» **Wholesale Trade, Sole Trader**

There are so many voices out there, finding the right voice and having that cut through. IT is a skill that we outsource and ensuring we have the right partner will be key.

» **Retail Trade, 200+ employees**

We need consultation by someone who understands our business as well as AI. We are still at the 'tinkering' stage.

» **Hospitality, 50-199 employees**

Support to identify what AI Tools will have meaningful long-term impacts compared to what is a trend that will pass.

» **Health Care and Social Assistance, 50-199 employees**

Training by qualified experts who can give real life industry examples.

» **Marketing / Advertising, 20-49 employees**

Trade and Tariffs

Interstate markets remain the primary growth path, with 47.7% of respondents exporting interstate and 38% importing from other states and territories. Overseas trade is meaningful but narrower, with 28.5% exporting and 34.7% importing - while around three in five businesses do not currently trade offshore. When asked about the importance of trading outside of SA, 49% told us it is critical or very important to their business, with 22.2% saying somewhat important and 26.9% not important.

Among businesses that trade overseas, 8.5% always lock in FX rates and 15.4% do so sometimes. With 53.2% of respondents never hedging and 22.9% unsure, this could leave margins exposed to AUD moves.

Most report no direct effect from recent US tariff changes (58.2%), but 14.3% say they have been impacted and 27.5% are unsure. Comments cite higher input costs on US-sourced goods, delays and order uncertainty, as well as price adjustments by partners. A few note that indexation or dual-sourcing clauses are helping contain the risk.

South Australia's trade footprint is solidly interstate with selective offshore exposure. Respondents point to Victoria, New South Wales and Queensland as the dominant interstate destinations and sources for trading nationally. Offshore, the most mentioned markets and suppliers include the USA, China, New Zealand, the UK and Europe, with Southeast and North Asia also appearing frequently.

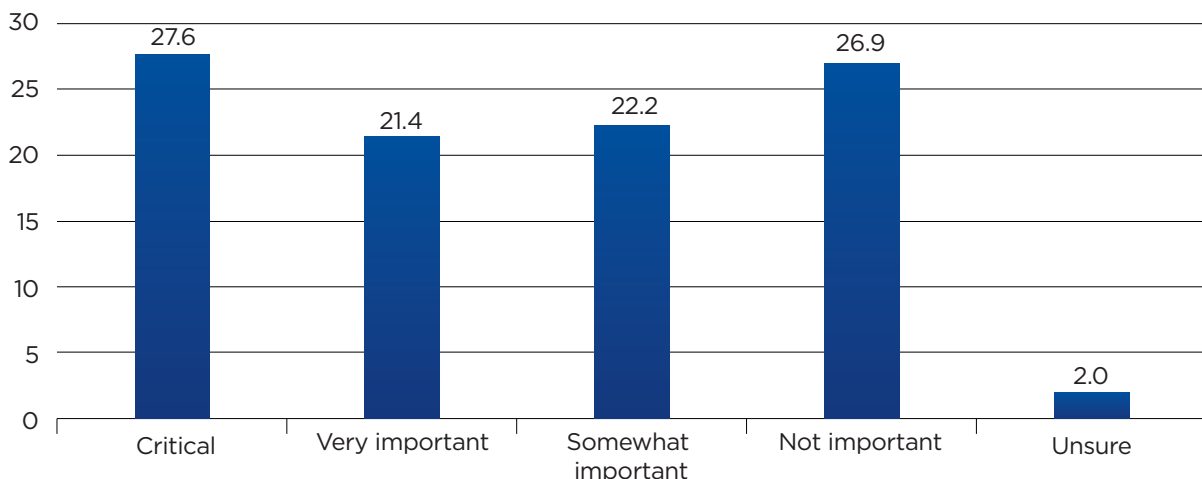
The strongest themes from businesses seeking government support to start exporting overseas or expand their existing global trade are practical and near-term actions including:

- reducing red tape and approval delays;
- improving freight reliability and transparency;
- offering market development support (trade show assistance, buyer introductions and sector-specific missions);
- providing simple FX/contracting guidance for first-time traders; and
- targeted grants or rebates for compliance and product readiness.

Several respondents also call out payroll tax relief, energy cost pressures and insurance availability as pre-conditions for expanding interstate or offshore to set the pace for growth into 2026.

Chart 28

How important is trade outside South Australia to your business? (%)



Does your business export or import interstate or overseas?

Chart 29
Export Overseas (%)

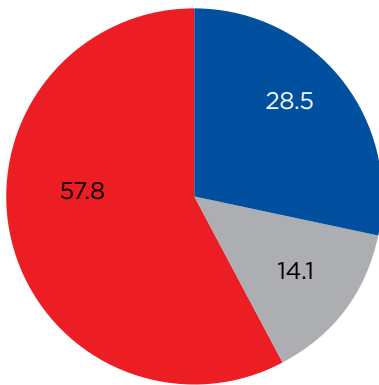


Chart 30
Import from Overseas (%)

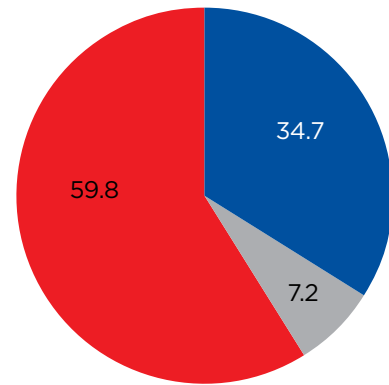


Chart 31
Export Interstate (%)

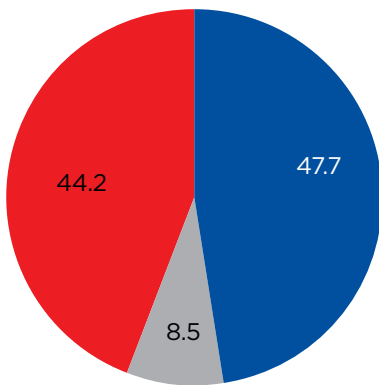
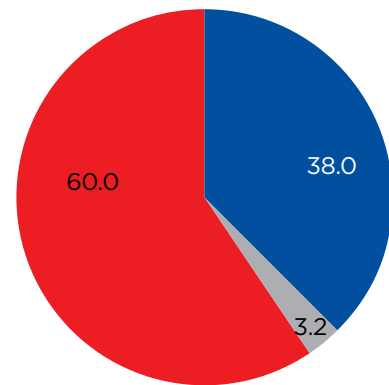


Chart 32
Import from Interstate (%)



■ Yes ■ Not currently - Plan to in the future ■ No

Chart 33

If you import or export overseas, do you lock in foreign currency rates? (%)

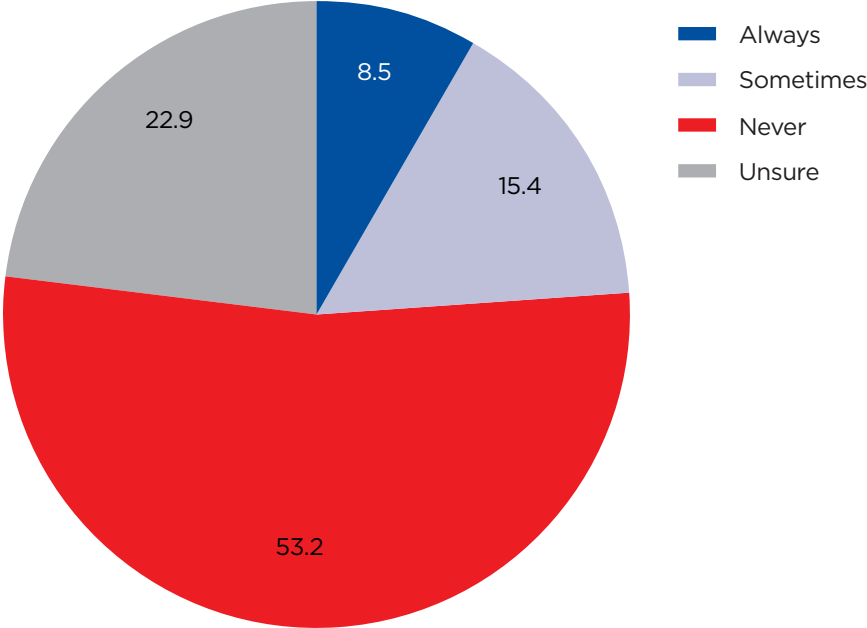
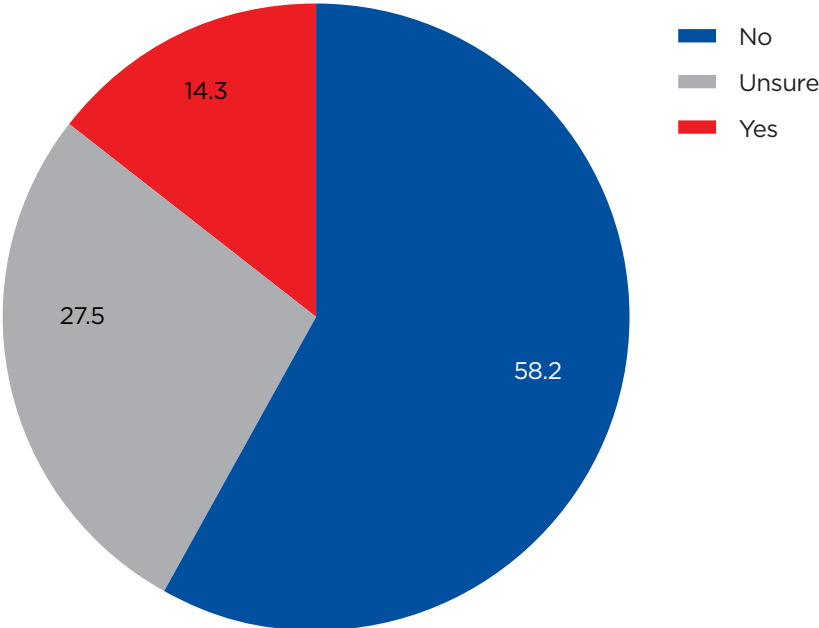


Chart 34

Have the tariffs imposed by the USA impacted your business? (%)



Comments on trade, FX and tariffs...

Just trying to navigate what it might look like if the USD goes to closer to 75 cents, compounded with tariff issues and the US government's current situation of flux.

» **Manufacturing, 20-49 employees**

Growth and export potential difficult when major banks reluctant to support. Grant opportunity with strict guidelines that businesses have to meet to support business growth would be beneficial. Education and support on the process and marketing for overseas. Field trip with experts to proposed country of export would be beneficial.

» **Manufacturing, 10-19 employees**

Education Sector specific trade approach selling SA as the first choice for international students. Australia needs to back its largest services export earner and drive its growth.

» **Accommodation, 20-49 employees**

Export training and contact points internationally to help build the networking available.

» **Manufacturing and Tourism, 5-9 employees**

We have been unsuccessful with the global expansion program application, despite having identified opportunities and software that is mature and export ready, so it would be good if this program had more funds to allow access for more applicants like us.

» **Professional, Scientific and Technical Services, 20-49 employees**

Freight costs are staggering. Current fruit fly restrictions are costing our business due to additional freight and treatment costs. There has been no financial support whatsoever to subsidise those costs.

» **Agricultural, Forestry and Fishing, 10-19 employees**

Freight support - the cost of export freight is the biggest hinderance. Plus, we export 10% of our turnover to the US and we haven't been able to for 4 months. We have just begun, however, one of our partners has yet to manage the tariff in their software, so we are only partially exporting.

» **Manufacturing, 20-49 employees**

A streamlined approach to documentation and certification that covers multiple commodities, rather than single commodity approval which still requires more than several declarations.

» **Agricultural, Forestry and Fishing, 1-4 employees**

Marketing grants and/or assistance with funding to attend trade shows and/or delegations (where the SA Government can also fly the flag), and business development grants to assist SA businesses to grow would be helpful.

» **Construction, 50-199 employees**

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& Member

Small Business
Owner &
Member

Entrepreneur
& Member



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Case Study

From land to hand – Nut Producers Australia is delivering premium quality almonds and pistachios to diverse markets around the world.

Based in Adelaide, Nut Producers Australia (NPA) was formed in 2004 when Riverland Almonds and Australian Pioneer Pistachios merged their management, sales and corporate functions. With more than 150 years of combined experience in growing, processing and marketing, NPA offers customers a broader product range with greater economies of scale. Now a significant player in the domestic tree nut market and exporting to over 16 countries, their almonds and pistachios are grown by a combination of NPA's shareholders and independent growers.

"At the core of both products is Australian production," CEO Nigel Carey says. "We work very hard on customer relationships – understanding their needs, trading ethically, standing behind our product. We don't walk away when things are difficult, and that's built a really strong reputation for quality and consistency."

The pistachio side of the business is increasingly visible on Australian supermarket shelves and, as domestic production ramps up, Carey sees opportunities to get more pistachios into local shopping baskets, backed by the *Nuts for Life* campaign and growing interest in the health benefits.

"The product, incorporating the uniqueness of the Australian variety, has a natural advantage: colour and flavour" says Carey. "Pistachios have become a favourite for chefs and home cooks – first boosted by MasterChef, then the viral Dubai chocolate trend." This theme continues for almonds with the recent release of *CRUNCH Recipes for Every Day* with Poh Ling Yeow & Australian Almonds.

On the almond side, NPA has two core products: inshell almonds – largely exported to China and India – and brown kernel, which is sold into

direct retail, rebaggers and online channels, particularly in China. Around 85% of almond volume goes to export markets, with the remaining 15% sold domestically. Pistachios are virtually the opposite, with 55-70% staying in Australia depending on the season.

For businesses considering export, Carey's advice is simple but demanding. "Understand your product exceptionally well," he says. "Know the opportunities it presents and the point of difference you're going to talk to customers about. Then research the markets – not just the country, but the segments within that country – and decide where the best entry point is." He believes the state government can play a stronger role here, using its networks to help businesses gather market intelligence and connect with potential customers.

Results from the latest Survey of Business Expectations showed that many exporters say global conditions have been tough. Carey says they have endured three difficult years of depressed commodity prices, rising input costs and higher logistics charges, particularly in US-dollar-denominated ocean freight. "We've started to see a recovery. Commodity prices have firmed, and the exchange rate is favourable so we're closer to sustainable, profitable levels at the orchard," he says. "But there's a limit to price increases before they start to impact consumption, and we're very conscious of what consumers can afford."



That balance between viability and affordability is a recurring theme in this quarter's survey results, alongside insurance costs, skills shortages and the burden of regulation. While NPA's growers have seen crop insurance become more expensive and complex, the business itself is only now seeing an easing in its own insurance premiums after sharp increases driven by domestic and global events.

On regulation, Carey is measured but clear. "Each new reporting requirement might look reasonable on its own, but when you're facing three, four, five, six of them, you suddenly have a significant body of work," he says. "You can end up employing someone largely just to deal with that."

Labour is another pressure point. NPA employs staff across regional South Australia and Victoria in processing, laboratory, technical and corporate roles. Seasonal peaks are less pronounced as the business has expanded, but recruitment remains challenging. "The critical thing for us is finding people with the right attitude - willing to learn and willing to be part of a team," Carey says. "If they bring that, we can usually develop the skills." To fill gaps, NPA uses Pacific labour programs and skilled visas in its operational businesses.

Looking ahead, NPA is investing to meet future demand. The business has commissioned a new pistachio hulling facility that will continue to expand through to at least 2030 and is upgrading its almond hulling operation at Lindsay Point and its Riverland Almonds processing facility in Loxton. On the pistachio side, NPA is looking to develop an expanded range of flavoured inshell, kernel products to capture more of the value-add opportunity.

"For us, growth is driven by supply, and we've got such a great grower group across both almonds and pistachios," Carey says. "If we perform well, deliver strong results and stay close to our knitting, the sector is in an exciting phase. Reviewing and streamlining regulation so it's easier and more cost-effective to comply would make that path even clearer for businesses like ours."



Nigel Carey,
CEO of Nut Producers Australia

A Word from William Buck

Written by Adrian Chugg - Managing Partner, William Buck SA

Monday 1 December 2025

From a low base to cautious optimism: SA business confidence lifts but pressures remain

Confidence among South Australian businesses has stepped up again this quarter, with general business conditions and sales also improving. While that's a welcome change of tone, it's very much an improvement off a low base, not a wave of unchecked optimism.

The big issues haven't gone away. Cost of doing business remains the stand-out concern, especially wages, materials and energy. There's also a growing trend of higher lease outgoings, with rising council and statutory costs from increased property values being passed through to tenants.

Many businesses are finding it difficult to fully pass increased costs on to customers, particularly when selling to households already facing cost-of-living challenges. The result is pressure on margins at the same time as confidence is tentatively improving.

The December quarter may be a window for businesses with stronger demand to consolidate by reviewing pricing, checking margins and making the most of any sales uplift, while staying alert to customer sensitivity. It's all about making the most of favourable conditions after weathering a difficult period for many businesses.

One of the most striking findings this quarter is around AI. Over 70% of businesses say they're using AI, yet 79% still report having no policy around AI use inside their business. In our conversations, it's often employees who are leading the adoption, rather than owners or leaders driving it strategically.

It is critical that businesses consider confidentiality and data security when utilising AI.

With huge sums being invested into AI infrastructure and data centres globally, today's subscription prices are unlikely to be the end point. We're encouraging businesses to think about the long-term economics to ensure that, if AI becomes central to their model, the productivity and revenue gains will offset the risk of materially higher platform costs into the future.

On the trade side, almost half of the respondents trade interstate and around 28% export globally, with most saying recent US tariff changes haven't had a major impact. Only a minority of traders hedge their foreign exchange, typically where currency flows are large or prices are fixed. Others deliberately "ride the wave", accepting wins and losses on exchange rates, but doing so with a clear understanding of the exposure rather than by accident.

For many South Australian businesses, the first step in expanding to new markets is to trade nationally. From there, New Zealand is often seen as a logical extension of the domestic market, with similar systems but its own nuances. Beyond that, the options multiply: selling directly to overseas customers, using distributors or third-party logistics providers, setting up branches or subsidiaries, or establishing joint ventures and partnerships.



Adrian Chugg,
Managing Partner
William Buck SA

Across those models, people and trust are the common thread. Local commercial, banking and regulatory advice, clarity about roles in the supply chain and a careful choice of in-market partners or representatives all matter. In an era of virtual meetings, there's still no substitute for getting on a plane and spending time in a new market when the stakes are high. It is all about investing time and energy to maximise the chances of being successful when looking at new markets.

Taken together, the September 2025 Survey of Business Expectations results and what we're hearing on the ground give reasons for cautious optimism. The challenge, and the opportunity, over the coming months will be to use this period of better sentiment to protect margins, invest in productivity and people, and best position businesses to deliver strong outcomes for South Australia.

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