QUARTERLY BUSINESS SNAPSHOT*

Cylical upswing underway

14th November 2025

*The quarterly business snapshot uses Westpac Group's proprietary data of 570,000 businesses to provide you with a timely picture on Australian businesses. Our report analyses the millions of daily transactions made by our business banking clients, unlocking a rich source of data on businesses nationwide.

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Key points

- The Westpac Business Cashflow Gauge rose 0.9% in the September quarter and has increased 1% over the past year. The 75bp decline in the RBA cash rate since February has helped, with debt servicing costs falling 1.1% in the quarter.[1]
- The Westpac business debt coverage gauge, the stock of savings to liabilities, improved 0.3% in the September quarter and is around 18% above pre-pandemic levels signalling that overall business balance sheets are still in a solid position. Still, commercial businesses are investing, with plant & equipment financing more than 1.2x higher than finance for working capital.
- Our Industry Cashflow Gauge, which includes debt servicing, improved across 9 of 13 industries in Q3, with more businesses reporting improving cashflow.
- Cash flow conditions in the non-market sector have outperformed since the pandemic, aided by fiscal support. But consumer-facing industries recorded steady gains in the latest quarter, consistent with the upswing in the overall household spending
- Still there remain pockets of weakness, including the manufacturing sector, where sluggish investment in machinery and equipment is weighing on activity and offsetting robust food processing growth.
- The cash flow index for Commercials rose in Q3 to its highest level since Q4 2023, and is back above its pre-pandemic level. In comparison, the SME cash flow index was broadly stable in the quarter but is still up 1.2% in the first three quarters of 2025. There was also a broadening in the recovery of SMEs across industries, with the share of companies with improving cashflow conditions compared to six months ago up for the fourth consecutive quarter.
- Still, SMEs continue to face significant challenges despite cost management and labour rationalisation. In particular, labour costs as a share of total SME expenses remains high at 8.2%, about 1ppt higher compared to Commercials.
- Amplifying these cost pressures is lower relative productivity. We estimate that SMEs are, on average, 33% less productive than larger businesses.
- Australia's economy is in a cyclical upswing, with the recovery gaining momentum in consumer demand and housing. Business confidence is showing some improvement, and businesses should respond by boosting investment.
- GDP is forecast to grow 1.8%yr by end-2025 and 2.4%yr by end-2026, with the RBA expected to lower rates by 25bp cuts in May and August 2026.[2]
- While we are now more confident in the rebalancing from public to private led demand, there is still some uncertainties over the outlook, including the risk that the RBA keeps rates on hold for longer. Private led demand will also be less job rich than the previous public led demand, providing less impetus for household incomes. Meanwhile, the surge in renewable and data centre investments poses challenges for a construction sector already facing supply constraints.

Key outcomes for Q3:

- ↑ Westpac Business Cashflow Gauge picks up.
- ↑ Share of SMEs with improving "cashflow" conditions improve
- ↑ 9 out of 13 industries saw an improvement.
- ↓ **–1.1% Q/Q** Debt servicing costs

"A cyclical upswing in consumer spending is driving improved cashflows - a trend we expect to persist into 2026"

[1] The Wespac Business Cashflow Gauge is the ratio of otal revenues to expenses (excluding debt servicing payments) seasonally adjusted. The ratio has been reindexed to Q1 2020.

[2] All forecasts referred to in this publication are from Westpac Economics' November Market Outlook published 7th November 2025 and can be found in Appendix 2.

Cash flow insights

Cashflow conditions improve as cyclical upswing in private demand takes hold

The Westpac Business Cashflow Gauge rose 0.9% in the September quarter, more than reversing last quarter's small fall. Overall, the cashflow gauge has increased 1% over the past year, indicating conditions are improving as the economy rebalances from public to private led demand (Chart 1). The inclusion of debt servicing payments paints a similar picture of a steady improvement in conditions (Chart 2). Indeed, helped by the RBA's rate cuts since February, debt servicing costs fell 1.1% in the quarter.

As in previous quarters, the cashflow gauge increased even as revenues declined, thanks to a bigger drop in expenses. Both revenues and expenses have now fallen for over two years.

In the September quarter, total revenues declined by a modest 0.3% in Q3, an improvement from the fall of 0.9% recorded in the previous quarter. Compared to a year ago, revenues were 2.9% lower, but the pace of decline has decelerated. This reflects a combination of two factors. First, demand for goods and services has improved, with a cyclical upswing in consumer spending underway.

Second, the disinflation pulse has slowed, as evident by the stronger Q3 CPI print.

On the other side of the ledger, total expenses fell 1.2%, marking a larger fall than experienced in more recent quarters. Overall, expenses were down 3.9% over the past year, with SMEs recording a larger contraction. Notably, import goods prices in the manufacturing and construction sector fell in the quarter, helped by an earlier A$ appreciation. Still, total material goods, particularly in the manufacturing and construction sectors, remain elevated.

Businesses' total wages bill also fell consistent with the recent softening in the labour market. Indeed, ABS data show that employment growth has slowed to 1.5%yr in Q3, down from 2.2%yr six months ago amid an underlying slowdown in 'care economy' jobs growth. Utility costs for SME's remained lower than a year ago, with eligible SMEs still receiving electricity subsidies, although this is set to end at the end of 2025.

Chart 1: Westpac Cashflow Gauge (Income to Expenses)

Excluding Debt Servicing Payments, Contribution to Quarterly % Change

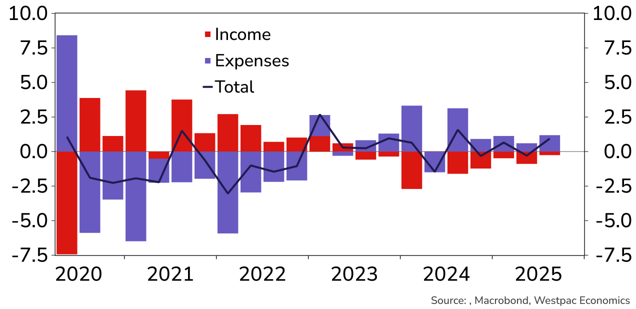
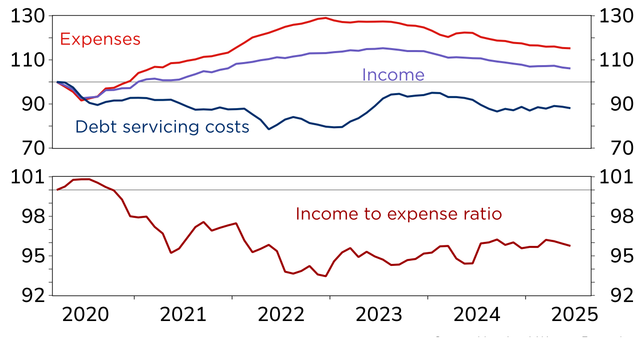


Chart 2: Business cash flow

Including debt servicing, Rolling 3-month sum, Index March 2020 = 100



SMEs still face challenges

SMEs and Commercials have both felt the strain from weak economic growth in recent years. However, SMEs have had less scope to pass on higher costs, squeezing margins and driving a razor focus on cost management. Indeed, SMEs expenses have fallen more steeply than Commercials. This partly reflects some likely labour rationalisation. In Q3, the SME wages bill was down 5.3%yr vs a 0.5%yr rise for Commercials, and have shown a sharper correction for several quarters. This likely reflects reduced headcount and/or hours worked. Indeed, the number of firms that shifted from employing to non-employing businesses rose by 4.3% over 2024–25.

Despite the fall in the overall wages bill, labour costs still accounted for 8.2% of SME expenses in Q3. This is above the 2020 average of 7.7% and around 1ppt higher than for Commercials, underscoring the ongoing challenges still facing SMEs. Amplifying these cost pressures is lower relative productivity. We estimate that SMEs are, on average, 33% less productive than larger businesses. Encouragingly, private demand is recovering, which should ease margin compression, albeit only gradually.

Industry insights

Steady gains in consumer facing industries

Westpac's Industry Cashflow Gauge, which includes debt servicing, improved across 9 of 13 industries in Q3 (see Appendix 1). Most sectors continued to see a sharper fall in expenses than revenues.

Healthcare and wholesale trade posted the largest quarterly gains (Chart 3) in Q3, with an increase in prices (up 4.2%yr) supporting health revenues.

Consumer-facing industries recorded steady gains, consistent with the upswing in the overall consumer spending.

In particular, household spending on recreation has risen in nine of the past twelve months, leading to the strongest annual improvement in cash flow conditions.

Accommodation and cafés benefited from higher demand, with higher prices helping to ease margin compression. Agriculture improved on strong external demand and record lamb and beef prices.

Conversely, education and business services declined after several strong quarters. While the Q3 CPI print points to a solid increase in education prices (up 5.3%yr), wages also rose, increasing cost pressures. Property & related services fell again, despite higher revenues. Manufacturing cashflows also weakened further as sluggish machinery and equipment investment offset robust food processing growth.

The Industry Cashflow Condition Index once again highlights non-market sector outperformance since the pandemic, aided by fiscal support. However, encouragingly, more businesses reported improving cashflow, signalling a broadening recovery in Q3.

Notably, construction saw a sharp rise in firms with better cashflow conditions versus six months ago. This in part reflects some easing in margin compression among project home builders, as a recent improvement in demand saw a reduction in incentives and promotional offers, with some increase in base prices in Q3.

Chart 3: Westpac Industry Cashflow Gauge (inc. debt servicing)

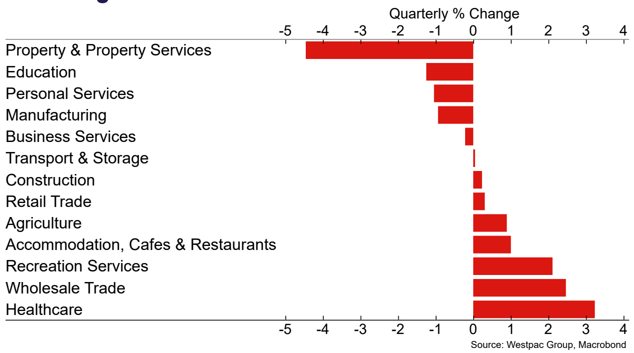
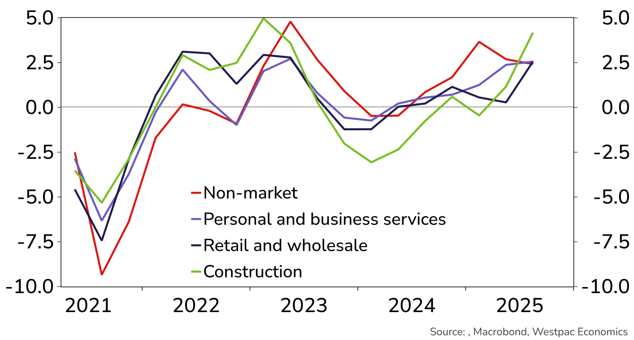


Chart 4: Share of businesses with improving 'cash flow'

Percentage point deviation from 2 quarter rolling average



Household resilience may be tested

A cyclical upswing in household spending is underway, driven by interest rate cuts, stage 3 tax cuts, disinflation and strong house price growth. This has lifted business conditions and confidence.

Westpac Card Tracker indicates solid gains in household spending from Q2 carried into the second half of 2025. The upturn has been broad-based but our Westpac Consumer Panel suggests it has been more pronounced among mortgage holders, where lower repayments boosted spending 6.4% over the past year. With inflation around 3%, this is strong real growth.

However, other measures have been softer. The ABS Household Spending Indicator surprised on the downside, with real quarterly growth of 0.2% in Q3 versus 0.9% in Q2, though it does not capture all items. Still, the consumer outlook remains firm.

That said, household demand is vulnerable to sentiment and cost-of-living pressures. While the latest consumer sentiment survey showed a sharp rebound in confidence, an extended pause by the RBA could see households turn more cautious.

Cashflow conditions: SME vs Commercial

Commercial cash flow conditions improve to their highest level in nearly two years

Disaggregated analysis by industry and firm size provides valuable insights into business cycle dynamics and relative durability of different segments. Looking at this level of detail, the recovery in Commercial cash flow conditions is more advanced than in SMEs, which have lagged and are still yet to return to pre-pandemic levels.

In Q3, SME revenues and expenses fell again, marking more than two years of the downward trend. Total revenues now stand 5.4% lower than a year ago. However, as expenses also fell at a fast pace, down 6.3%yr, SME's cashflow index was broadly stable, holding on to gains this year. Overall, it was still up 1.2% in the first three quarters of 2025.

Moreover, there has been a broadening in the recovery of SMEs across industries. Consumer facing sectors - including accommodation, recreation, and retail trade - have seen more sustained gains in recent quarters, supported by firmer household spending. The share of SMEs with improving cashflow conditions compared to six months ago has also increased, marking the fourth consecutive quarter that more businesses are recording an improvement in cashflows. Encouragingly, after spiking at the end of 2024, the share of SMEs that are cash constrained has also declined relative to a year ago.

In comparison, the cash flow index for Commercials rose in Q3 to its highest level since Q4 2023 and is back above its pre-pandemic level.

The share of Commercial businesses with improving cashflow conditions compared to six months ago, also rose. At 2.5%, this marks the highest level since Q2 2023. Meanwhile, the share that showed some constraints continued to fall.

Across the commercial industries, 8 of the 13 industries, showed an improvement in cashflow conditions over the past year.

In contrast to SMEs, the strongest gains were more geared towards business services and good producing industries than the more consumer service industries. This was largely due to a drag from expenses in these sectors. Stronger consumer demand over recent quarters has led to an increase in inputs, including demand for labour, with a recovery in employment in hospitality and accommodation sector now underway.

That said, the Q3 inflation suggests that more businesses such as the hospitality sector are at least partly passing these costs to consumers.

Indeed, while revenues across all Commercial businesses were down 1.5% on the year, this was the smallest annual decline in seven quarters.

Business size definition:

SME businesses are those with annual aggregated turnover of less than $5m.

Commercial businesses are those with annual aggregated turnover between $5m and $50m.

Chart 5: Income to expense ratio by business size

Including debt servicing, Index: March 2020 = 100

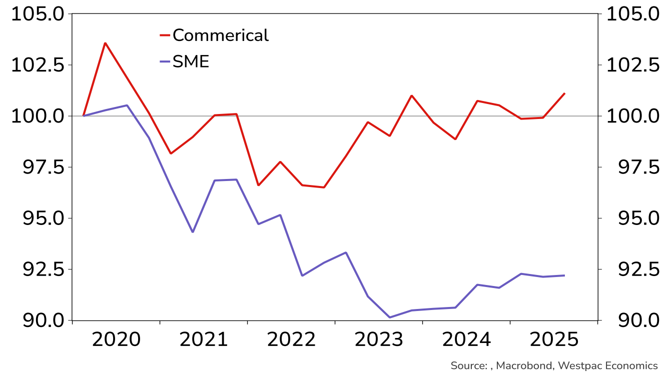
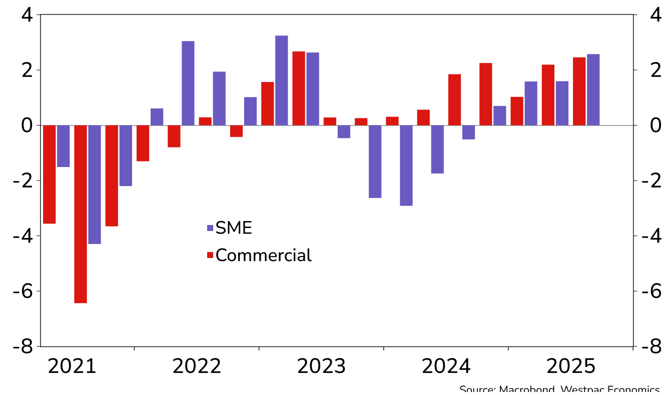


Chart 6: Share of businesses with improving cash flow

Percentage point deviation from average, Rolling 6-month average



Balance sheet insights

Businesses' balance sheets in solid shape

The Westpac business debt coverage gauge, the stock of savings to liabilities, improved 0.3% in the September quarter (Chart 7) as business deposits grew at a stronger pace than lending.[3]

This was in sharp contrast to the previous quarter. While overall, businesses' debt coverage stood 6.5% below its level a year ago, it remains around 18% above pre-pandemic levels signalling that business balance sheets are still in a solid position (Chart 8).

Deposits rose 2.7% over the September quarter and have climbed 8% from a year ago, up from 6.2%yr in the previous quarter. The quarterly improvement was broadbased across SME and Commercials. Meanwhile, total business debt grew 2.4% in the quarter, a deceleration from the previous quarter. Still, lending has increased 15.7% over the past year.

Balance sheets across SME and Commercials remain in solid sharp. Even though the debt coverage gauge has moderated from peaks in 2023, both above levels recorded before the pandemic. Over this period SMEs have experienced a sharper increase in their liquidity positions. Notably, SMEs have focused on building cash reserves while investment in plant and equipment has grown at a subdued pace (Chart 9).

In comparison, Commercial deposits have grown more slowly despite stronger cashflow conditions. Moreover, Commercial businesses have shown a greater appetite for investing in capacity and improving productivity with plant & equipment finance loans growing at a much stronger pace. Indeed, even with the more recent uptick in working capital, plant and equipment financing across Commercials is still 1.2x higher than finance for working capital (Chart 10).

Our debt coverage gauge assess the stock of cash relative to businesses' financial liabilities.

[3] Data corrected for the temporary inclusion of accounts in the SME segment in Q2.

Chart 7: Business debt coverage gauge

Contribution to quarterly change

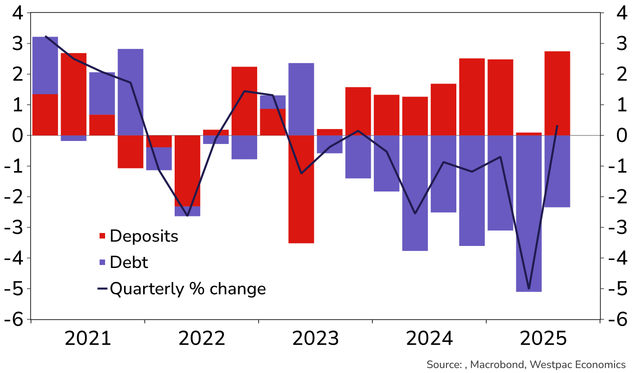


Chart 8: Business liquidity ratio by size

Stock of savings relative to debt, Index Dec 2019 = 100

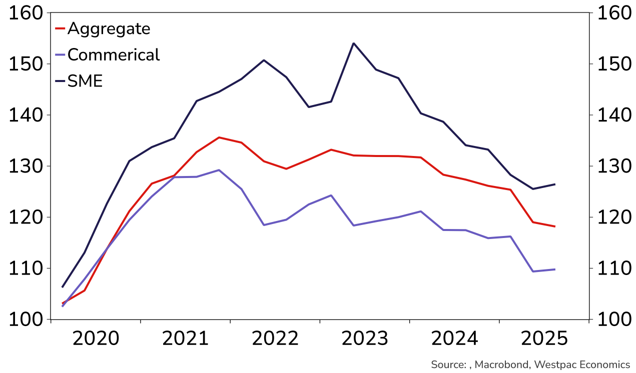


Chart 9: SME business debt by type

Index March 2020 = 100

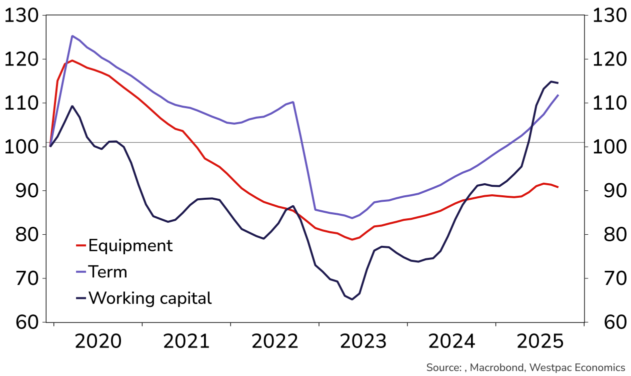
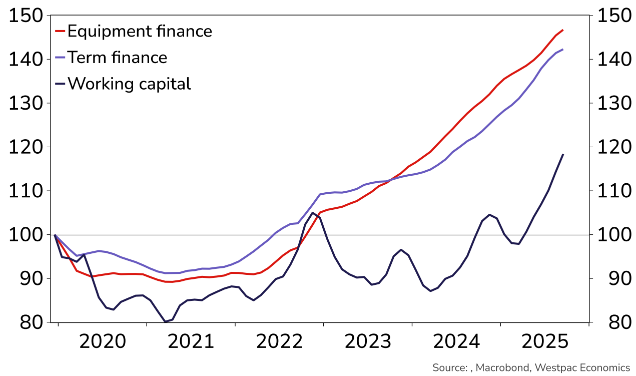


Chart 10: Commercial business debt by type

Index March 2020 = 100



A look from coast to coast

Improvement in cash flow conditions broadening across states

After several years of outperformance across commodity states, largely due to sizeable fiscal support, the picture is no longer as clear-cut. Cashflow conditions (including debt servicing costs) recorded a healthy increase in the September quarter across most states. In particular, QLD saw a sizeable jump in the quarter, with its gauge 4.4% higher than a year ago, outperforming most states (Chart 11 and 12). The acceleration was led by a solid pickup in business income both in the quarter and over the past year. QLD was the only state to record positive business income growth.

NSW and VIC also posted solid improvements over the past year, consistent with the recovery in consumer spending. Meanwhile, expenses continued to fall, with lower interest rates reducing servicing costs nationally.

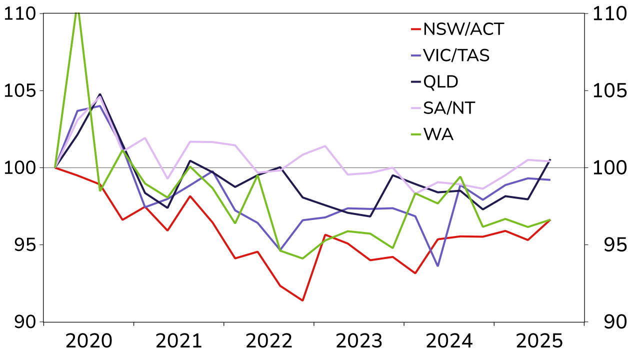
In contrast, WA was the only state to record a fall (-1.9%) in cashflow conditions in the quarter, having tread water for much of the year. While private demand is rising, the completion of infrastructure projects is weighing on construction. WA has also seen mining and agricultural export receipts ease, partly due to temporary factors such as weather disruptions and maintenance shutdowns impacting mining activity. Meanwhile, lower export receipts in the agriculture reflects some normalisation after bumper harvests.

Overall, cashflow conditions in QLD and SA are ahead of other states and are both above pre-pandemic levels. But NSW and VIC are catching up.

The share of businesses reporting improved cashflow versus six months ago rose across all states, with WA the exception (Chart 13). However, we note that even there the share of constrained businesses continues to fall compared to a year ago (Chart 14).

Chart 11: Income to Expense Ratio by State

Including Debt Servicing Payments, quarterly, Index March 2020 = 100



Source: , Macrobond, Westpac Economics

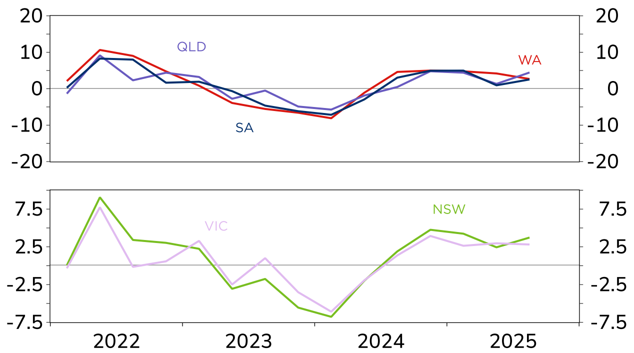
Chart 12: Income to Expense Ratio by State

Including Debt Servicing Payments, Annual % Change

Source: , Macrobond, Westpac Economics

Chart 13: Share of businesses growing cash flow

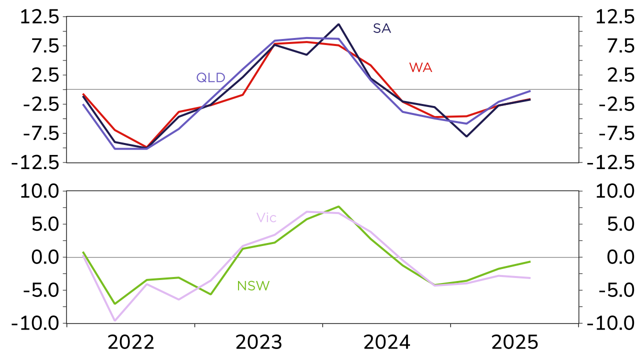
Rolling 12-month percentage point change



Source: , Macrobond, Westpac Economics

Chart 14 Share of cash flow constrained businesses

Rolling 12-month percentage point change



Source: , Macrobond, Westpac Economics

Outlook and risks

Cyclical upswing underway

The Australian economy is enjoying a cyclical upswing after several years of weak economic growth. Indeed, since our last report we have raised our GDP growth forecast modestly to 1.8%yr end-2025 from 1.7% previously with GDP growth set to accelerate to 2.4%yr by end-2026.

The projected acceleration in growth reflects clear signs that the recovery is gaining momentum, especially around consumer demand and housing markets. This is spilling over to improved business conditions and confidence and we expect private investment to respond both to the net zero and AI structural shifts underway and stronger private demand. This will have positive spillovers to construction, manufacturing, transportation and wholesale trade industries.

Against a backdrop of improving private sector demand, future RBA decisions will be data dependent. While the cash rate at 3.6% is still slightly restrictive, the strong Q3 CPI print suggests the RBA is likely to stay on hold for an extended period, awaiting multiple lower quarterly inflation readings before considering further easing.

With interest rates a bit higher for longer and the gradual softening in the labour market already underway, we see downward pressure on inflation though 2026 with the trimmed mean forecast to reach 2.3% by end 2026, below the 2.5% mid-point of the inflation target band. As such, we expect the next 25bp rate cuts coming in May and August. This will bring the cash rate to 3.10%.

Still, there is uncertainty over the timing and the number of rate cuts ahead. An outcome more aligned with the RBA's near term forecasts, that is inflation a little stronger and slightly more labour market tightness leading to some more wage pressure, the RBA would keep the cash rate on hold for even longer. This would raise the risk that the current upswing in demand falters. In this scenario, inflation further out could remain below the target midpoint for even longer and the labour market would be weaker, and at least one more rate cut could be expected.

Key 2026 (yr end) economic

- ↑ **1.8%** GDP, y%
- ↑ **4.6%** Unemployment rate
- ↓ **3.10%** Cash rate (end-year)
- ↓ **2.3%** Trimmed mean CPI
- ↓ **3.0%** Wage growth

...but rebalancing still poses challenges

Our confidence in the rebalancing of growth from the public sector to the private sector has risen. Still, it is not without challenges. Private led demand will be less job rich and more investment heavy than the public led growth over recent years, generating less impetus for household incomes and consumer demand over the medium term. Indeed, while economic growth has picked up, jobs growth has already slowed.

Meanwhile, the sharp slowdown in large, public road and rail infrastructure projects is being replaced by growth in renewables and non-residential buildings, such as data centres, health, manufacturing, and airports. These are increasingly funded by the private sector and regional focused. This will support the transition to private sector led growth.

However, this pivot will also necessitate different skills, materials and supply chains, hitting a construction sector which is already facing supply challenges, given skilled labour shortages, low productivity and elevated material costs. Competing demand for new housing supply and the Olympics will also add to these supply constraints, cost pressures and delivery risks.

Externally, the extreme tail risks associated with the US trade policy have waned. Countries, including Australia, have more certainty around country specific tariffs while the recent deal between China and the US has eased risks of a re-escalation. Australia not only holds a tariffs advantage vs many countries but demand in the US and across other Asia trading partners has also held firm for commodities more exposed to higher tariffs such as meat exports. Opportunities have also arisen including the announced rare earths investment agreement with the US.

Still, the full impact of US tariffs is yet to be fully felt as global trade patterns continue to adjust. Moreover, supply chains remain vulnerable to new trade barriers and geopolitical events.

Appendix 1: Major indicators by industry, annual % change

	Income				Expenses				Income to Expense Ratio			
	Current quarter	2025*	2024	2023	Current quarter	2025*	2024	2023	Current quarter	2025*	2024	2023
By Industry												
Accommodation, Cafes & Restaurants	–2.3	–0.1	–8.0	4.4	–4.6	–2.4	–6.8	7.6	2.4	2.4	–1.2	–2.9
Agriculture	0.6	–1.3	–1.4	2.4	–4.7	–3.0	–1.1	–0.1	5.5	1.8	–0.3	2.5
Business Services	–3.7	–3.8	–4.7	5.0	–3.8	–3.7	–4.8	1.0	0.1	–0.1	0.1	3.9
Recreation Services	–3.9	–1.8	–4.3	3.8	–9.3	–3.8	–5.3	–5.4	6.0	2.1	1.0	9.8
Education	3.4	2.3	3.0	13.0	3.9	0.9	2.7	14.2	–0.5	1.3	0.3	–1.1
Healthcare	0.3	0.1	–2.6	7.2	–3.9	–2.9	–3.2	5.7	4.3	3.1	0.6	1.4
Manufacturing	–4.1	–4.1	–3.5	3.1	–3.7	–5.1	–3.9	1.6	–0.5	1.0	0.4	1.5
Personal Services	–4.7	–1.3	1.3	5.5	–4.5	–2.1	–2.1	6.8	–0.2	0.8	3.5	–1.2
Retail Trade	–4.5	–5.1	–5.4	–0.7	–5.7	–5.3	–7.1	–1.7	1.3	0.2	1.8	1.1
Transport & Storage	–5.4	–3.7	–3.3	4.7	–3.0	–2.8	–3.5	3.1	–2.5	–1.0	0.1	1.5
Wholesale Trade	–2.0	–5.1	–8.2	–4.9	–4.4	–5.5	–9.6	–6.7	2.5	0.5	1.6	1.9
Construction	–1.9	–3.6	–3.4	7.6	–4.1	–4.2	–5.8	5.6	2.2	0.6	2.5	1.9
Property & Property Services	0.4	–4.4	–6.4	0.8	–1.0	–5.0	–6.9	1.2	1.4	0.6	0.6	–0.4
By State												
NSW/ACT	–3.4	–3.3	–5.0	3.0	–5.1	–4.8	–5.5	0.4	1.8	1.6	0.6	2.6
VIC/TAS	–4.7	–4.3	–5.7	2.7	–6.8	–6.5	–5.9	0.5	0.4	2.4	0.2	2.3
QLD	1.0	–2.0	–3.9	3.5	–3.2	–2.8	–5.1	4.4	1.9	0.9	1.3	–0.9
SA/NT	–2.9	–2.1	–4.2	4.4	–3.8	–3.2	–4.4	3.8	2.3	1.2	0.3	0.6

*year to date percentage change

Appendix 2: Australian economic forecasts

Activity forecasts*

	2025				2026				Calendar years			
%qtr / %yr end	**Q1**	**Q2f**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025f**	**2026f**	**2027f**
Household consumption	0.4	0.9	0.7	0.5	0.7	0.7	0.7	0.7	0.9	2.5	2.6	2.8
Dwelling investment	2.1	0.4	1.4	1.2	1.3	1.6	1.7	1.7	3.5	5.1	6.5	5.5
Business investment *	0.3	–0.4	0.9	0.9	0.8	0.9	1.2	1.2	0.4	1.6	4.1	4.7
Private demand *	0.5	0.6	0.8	0.6	0.8	0.8	0.9	0.9	1.0	2.6	3.4	3.4
Public demand *	–0.3	0.2	0.7	0.7	0.8	0.7	0.5	0.6	5.4	1.3	2.6	2.5
Domestic demand	0.3	0.5	0.8	0.7	0.8	0.8	0.8	0.8	2.3	2.2	3.2	3.2
Stock contribution	0.3	–0.1	–0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.0
GNE	0.5	0.4	0.7	0.6	0.8	0.8	0.8	0.8	2.4	2.3	3.3	3.2
Exports	–0.7	1.7	0.1	0.3	0.4	0.4	0.4	0.5	1.4	1.5	1.7	2.5
Imports	0.1	1.4	0.5	0.5	1.3	1.3	1.3	1.3	6.2	2.5	5.3	4.9
Net exports contribution	–0.2	0.1	–0.1	0.0	–0.2	–0.2	–0.2	–0.2	–1.0	–0.2	–0.8	–0.5
Real GDP %qtr / %yr avg	**0.3**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**0.6**	**1.0**	**1.8**	**2.4**	**2.5**
%yr end	**1.4**	**1.8**	**2.1**	**2.1**	**2.4**	**2.4**	**2.4**	**2.4**	**1.3**	**2.1**	**2.4**	**2.6**
Nominal GDP %qtr / %yr avg	1.4	0.7	2.0	1.6	1.0	0.9	1.0	0.9	3.8	4.8	4.9	4.0
%yr end	3.7	4.1	5.8	5.8	5.4	5.7	4.6	3.9	3.6	5.8	3.9	4.4
Real household disp. income	1.5	0.0	0.5	0.5	0.9	0.6	1.8	–0.5	2.2	2.5	2.8	2.5

Other macroeconomic variables

	2025				2026				Calendar years			
% change	**Q1**	**Q2f**	**Q3f**	**Q4f**	**Q1f**	**Q2f**	**Q3f**	**Q4f**	**2024**	**2025f**	**2026f**	**2027f**
Employment %qtr **	0.3	0.6	0.2	0.2	0.4	0.2	0.3	0.4	–	–	–	–
%yr end **	2.2	2.2	1.5	1.3	1.4	1.1	1.2	1.3	2.2	1.3	1.3	2.1
Unemployment rate % **	4.1	4.2	4.3	4.5	4.5	4.5	4.6	4.6	4.0	4.5	4.6	4.4
Wages (WPI) (sa) %qtr	0.9	0.8	0.7	0.7	0.8	0.8	0.6	0.8	–	–	–	–
%yr end	3.4	3.4	3.3	3.2	3.0	3.0	2.9	3.0	3.2	3.2	3.0	3.1
Headline CPI %qtr	0.9	0.7	1.3	0.6	0.9	0.8	0.7	0.5	–	–	–	–
%yr end	2.4	2.1	3.2	3.6	3.6	3.6	2.9	2.8	2.4	3.6	2.8	2.6
Trimmed Mean CPI %qtr	0.7	0.7	1.0	0.7	0.6	0.6	0.5	0.6	–	–	–	–
%yr end	2.9	2.7	3.0	3.1	3.0	2.9	2.4	2.3	3.3	3.1	2.3	2.6
Current account $bn, qtr	–14.1	–13.7	–9.6	–5.0	–6.5	–8.1	–9.0	–9.7	–	–	–	–
% of GDP	–2.0	–1.9	–1.3	–0.7	–0.9	–1.1	–1.2	–1.3	–2.3	–0.7	–1.3	–1.7
Terms of trade %yr avg	–4.1	–3.8	–2.3	–0.4	1.3	2.6	2.2	1.0	–4.8	–0.4	1.0	–0.9
Population %yr end	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.7	1.4	1.4	1.3

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Calendar year changes are (1) period average for GDP, current account and terms of trade, unless otherwise stated (2) through the year for inflation, wages and employment. Unemployment is year end.
* GDP & component forecasts are reviewed following the release of quarterly national accounts.
** Business investment and government spending adjusted to exclude the effect of private sector purchases of public sector assets.

About the report

The quarterly business snapshot uses aggregated and de–identified data from our SME and Commercial business bank customers. Westpac Institutional Bank customers are not included in the scope of this report. This data provides a timely read on aggregate business conditions and the economic trends impacting small and medium businesses (including SME and Commercial businesses), providing our clients with insights to help them grow and prosper.

Turnover is derived by summing inflows paid to the accounts of the Group's business customers. Inflows related to transfers within business groups or capital transactions are excluded. Expense data is derived by summing outflows from the accounts of our business customers. Outflows related to transfers within business groups, capital transactions and outflows direct to any lending facility are excluded from the analysis. Debt servicing cost data is derived by summing the outflows from the accounts of our business customers for servicing any financing facilities or loans. It captures both interest and principal payments as applicable. Sample is adjusted where possible for changes in customer numbers. Therefore, the reported aggregates reflect the experience of the typical or average small and medium business in Australia, as opposed to changes in customer numbers. Due to data limitations, there are differences in sample groups between business cash flow data (i.e. income and expenses) and financial stock data (i.e. cash, debt, financial position). We have tried to control for these sample variations where possible.

SME businesses are those with annual turnover of less than $5m. Commercial businesses are those with annual turnover between $5m and $50m.

Individual series are seasonally adjusted. All data is presented using rolling three month moving averages to smooth volatility related to the flows of income, expenses, debt servicing costs and financial stocks. Given the limited length of the time series available and volatile economic landscape over the past few years, seasonal factors are subject to change – however, different robustness methods are used to help ensure that any changes going forward are small.

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