shift

The Australian SME economy in September 2026

SME activity eases in line with the overall Australian economy

Shift SME Economy Index. First edition. Data to 30 September 2026.

Why we publish the Shift SME Economy Index

There is no consistent, timely measure of how Australia's SMEs are faring. Government agencies define an SME in different ways, and much of the current commentary draws on sentiment surveys.

The Shift SME Economy Index ('the Index') measures how many SMEs are growing their revenue. It uses aggregated information from more than 6,000 Shift customers. This report sets out the Index by business size, state and industry, alongside average sales and liquidity per business. This first edition covers June 2021 to September 2026 and includes an early read on SME spending on AI tools.

We publish it so that decisions affecting SMEs can draw on current, consistent data. As Shift CEO Jamie Osborn notes, **'SMEs are too important, and too poorly measured, to sit at the margins of the national conversation.'**

For the definitions and segments used in this report, **see the SME definition page.** For how SMEs are financed in Australia, **see the SME credit landscape page.**

How is the SME economy performing?

The Index was 49.4 in September 2026, down from 50.3 in August and its lowest reading since May (49.0).

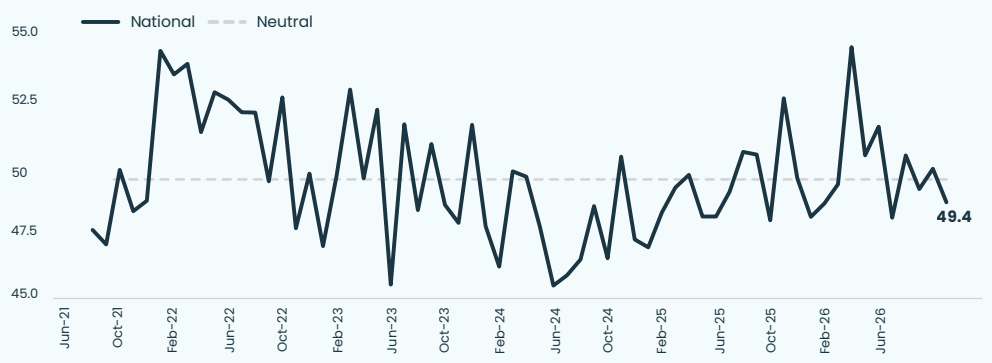

Figure 1: Shift SME Economy Index, National, monthly, June 2021 to September 2026

Source: Shift Financial Pty Ltd

Key points

- **The data.** The Shift SME Economy Index uses aggregated information from more than 6,000 Shift customers to provide a timely view of conditions by business size, state and industry. This first edition also includes data on SME sales, liquidity and AI spending.
- **The Index was 49.4 in September 2026**, below its neutral reading of 50 and the second-lowest reading of 2026, after May (49.0). Readings between 49 and 51 reflect 'average' business activity conditions.
- **The slowdown.** The sharpest slowdown came in the first half of 2026. The Index has not fallen below its May low since.
- **Business size.** Corporate businesses (50.2) were the only segment above 50. Small (49.7) and Established (49.0) businesses have lost the momentum.
- **States.** All five states have followed the national slowdown but diverged in the September quarter. NSW recorded the highest reading (50.6). Western Australia recorded the largest fall and the lowest reading (47.9), after several years of above-average growth. Victoria (48.1) recorded the largest fall on a year earlier.
- **Industry.** Manufacturing (50.8) and Rental, Hiring and Real Estate Services (50.5) were the only industries above 50. Accommodation and Food Services recorded the lowest reading and has been the most volatile industry in 2026.
- **Sales and liquidity.** Average monthly sales were $323k per business, 2.2% lower than a year earlier. Average monthly liquidity was $104k, 7.3% lower. Liquidity peaked in early 2022 and has declined since, levelling out at around $100k in 2026.
- **AI spending.** Among Shift customers paying for software subscriptions, the share paying OpenAI approached 20% in September 2026, almost double the share paying Anthropic. However, the typical Anthropic customer now spends almost five times as much as the typical OpenAI customer ($153 vs $32).

	Sept-25 Prior Yr	Aug-26 Prior Mth	Sept-26 Latest Mth	YoY Δ	MoM Δ
Shift SME Economic Index	52.1	50.3	49.4	-2.7pts	-0.9pts
By Segment					
Small	52.0	50.7	49.7	-2.4pts	-1.0pt
Established	52.2	49.8	49.0	-3.2pts	-0.8pt
Corporate	51.9	50.2	50.2	-1.7pts	0.0pts
By State					
NSW	52.3	50.5	50.6	-1.8pts	+0.1pts
VIC	52.7	49.6	48.1	-4.7pts	-1.5pts
QLD	51.5	50.7	50.0	-1.4pts	-0.7pts
WA	50.6	50.4	47.9	-2.7pts	-2.4pts
SA	53.0	50.1	50.1	-2.9pts	0.0pts
By Industry					
Construction	52.4	49.9	49.6	-2.8pts	-0.3pts
Retail Trade	51.1	51.0	49.1	-2.0pts	-1.9pts
Transport, Postal and Warehousing	51.8	46.7	49.1	-2.7pts	+2.3pts
Accommodation and Food Services	52.2	55.6	45.6	-6.5pts	-10.0pts
Manufacturing	52.4	51.8	50.8	-1.7pts	-1.0pts
Professional, Scientific and Technical Services	52.2	49.3	49.5	-2.7pts	+0.2pts
Rental, Hiring and Real Estate Services	51.2	49.8	50.5	-0.7pts	+0.7pts

Table 1: Shift SME Economy Index
Source: Shift Financial Pty Ltd

Linked to web for interactivity and larger scale on table

Economist's view

The September result confirms that conditions for SMEs remained soft through the quarter. The pace of decline has moderated after a sharp slowdown in the first half of 2026, and the Index has not fallen below its May low since. Readings between 49 and 51 are within the normal ebb and flow of business conditions. The slowdown came amid a series of shocks: the reversal of the 2025 interest rate cuts, higher energy costs after war broke out in the Middle East, and weaker established housing markets.

The slowdown is not landing evenly. Smaller businesses are bearing the brunt, while Corporate businesses have held up. NSW has held up despite house price falls in Sydney and has shown tentative signs of rising momentum. Western Australia's fall follows three years of strong performance, so it is a large fall from a high base. Among industries, manufacturing has been surprisingly resilient, while retail and construction have slowed without a major deterioration.

Official data shows consumer spending has been resilient. With underlying inflation rising, the RBA raised the cash rate in late September for the fourth time this year, and its effects are not yet in the Index. The Index suggests a softer picture, with spending possibly weaker than the Household Spending Indicator shows (**see methodology**). Business investment outside the technology sector has also softened, and the Index is likely to be capturing this.

Shift's liquidity data gives a timely measure of SME cash holdings across its customer base. Its history is short, but it shows a common pattern across business sizes and industries. Cash holdings rose strongly in the final stages of the pandemic, most likely reflecting the government support programs introduced during lockdowns and have declined since.

The AI spending figures show how quickly SMEs are taking up AI tools, and how much Anthropic's share of that spending has grown in 2026. The rise in spending with OpenAI in September may reflect the release of GPT-6 Astra on 3 September.

Warren Hogan

Managing Director, EQ Economics

What is the Shift SME Economy Index measuring?

The Shift SME Economy Index and its sub-components are cyclical measures of business revenue across Australia's SME community. While based on aggregated customer data, the Index is presented in a diffusion index format, reflecting momentum in sales revenue. The Shift SME Economy Index is anchored to a reading of 50. A reading above or below means more or fewer SMEs than usual are growing. Because the Index measures momentum rather than the level of activity, a reading below 50 does not mean total revenue is necessarily falling. (Readings between 49 and 51 reflect 'average' business activity conditions whilst readings above 51 could be considered strong, readings below 49 considered soft.)

Business size

Corporate businesses (50.2) were the only segments above 50 in September 2026. Small (49.7) and Established (49.0) businesses were below 50.

All three segments were lower than a year earlier. Established fell the most, by 3.2 points, followed by Small by 2.4 points and Corporate by 1.7 points. Compared with August, Small fell 1.0 point and Established 0.8 points, while Corporate was little changed.

Segments are defined by annual revenue. See the SME definition page.

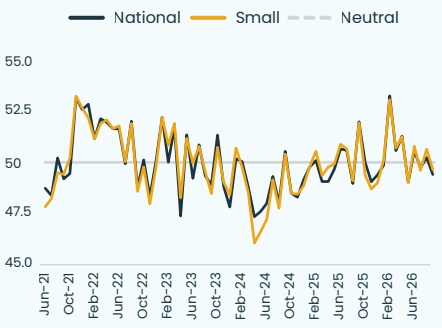

Figure 2: Small businesses and National, June 2021 to September 2026

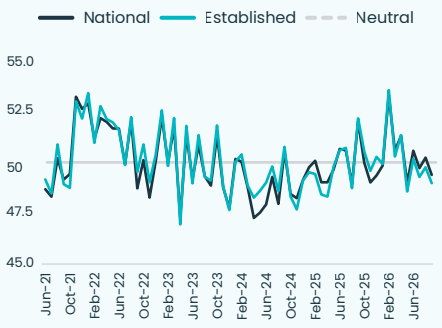

Figure 3: Established businesses and National, June 2021 to September 2026

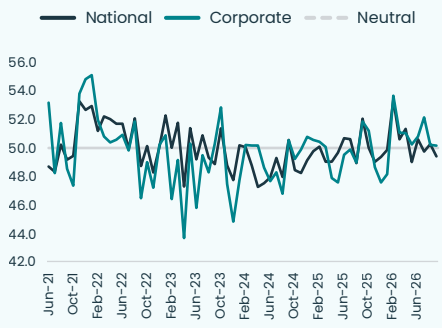

Figure 4: Corporate businesses and National, June 2021 to September 2026

States

NSW (50.6) recorded the highest reading of the five states September 2026. South Australia (50.1) and Queensland (50.0) were close to 50. Victoria (48.1) and Western Australia (47.9) were the only states below 50.

Compared with August, Western Australia fell 2.4 points, Victoria 1.5 points and Queensland 0.7 points. NSW and South Australia were little changed.

All five states were lower than a year earlier. Victoria fell the most, by 4.7 points. South Australia was 2.9 points lower, NSW 1.8 points, Western Australia 2.7 points and Queensland 1.4 points.

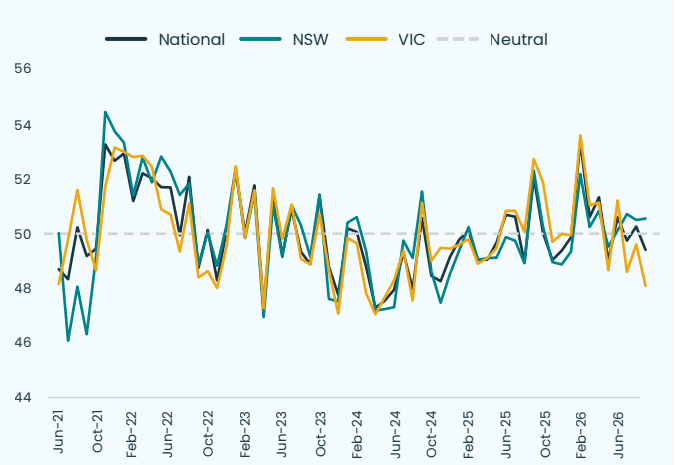

Figure 5: NSW, Victoria and National, June 2021 to September 2026

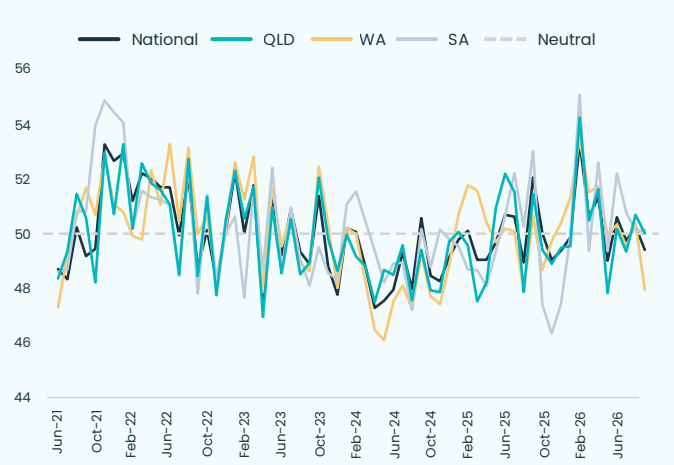

Figure 6: Queensland, Western Australia, South Australia and National, June 2021 to September 2026

Source: Shift Financial Pty Ltd

Click through to interactive charts

Industries

Two of the seven industries tracked were above 50 in September 2026. Manufacturing (50.8) and Rental, Hiring and Real Estate Services (50.5) were the only industries above 50, and both were lower than a year earlier. Construction (49.6), Professional, Scientific and Technical Services (49.5), Retail Trade (49.1) and Transport, Postal and Warehousing (49.1) were just below 50. Accommodation and Food Services (45.6) recorded the lowest reading.

Compared with August, Accommodation and Food Services fell 10.0 points, the largest fall of any industry. Transport, Postal and Warehousing rose 2.3 points, the largest rise.

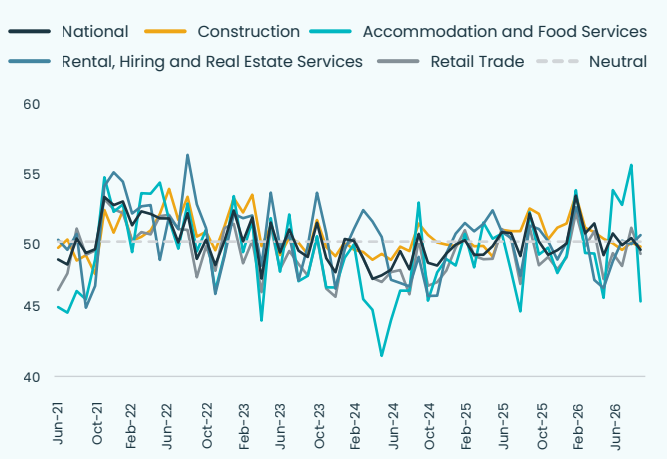

Figure 7: Industries: consumer and property, June 2021 to September 2026

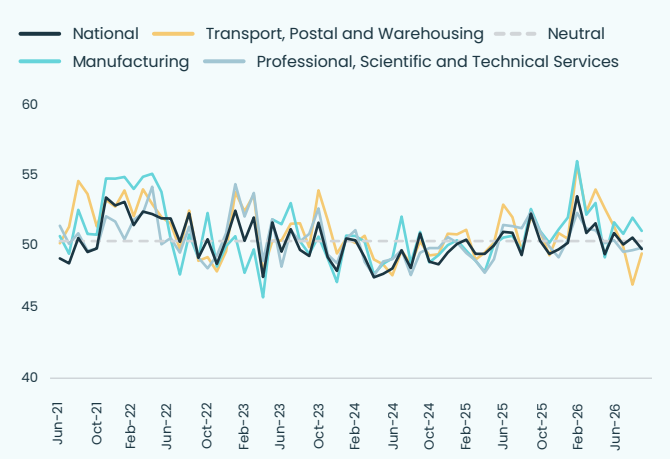

Figure 8: Industries: business and industrial, June 2021 to September 2026

Source: Shift Financial Pty Ltd

Click through to interactive charts

Sales and liquidity

Alongside the Index, this Report tracks two measures from the same aggregated customer data: average monthly sales per business, and average monthly liquidity, the cash SMEs hold. The Index shows how many SMEs are growing their revenue. Sales and liquidity show how much businesses are selling and how much cash they have on hand.

Average monthly sales were $323k per business in September 2026, 2.2% lower than a year earlier and 0.2% higher than in August. Average monthly liquidity was $104k, 7.3% lower than a year earlier and 1.4% lower than in August.

By industry, sales were higher than a year earlier in Transport, Postal and Warehousing (8.5%), Construction (7.9%) and Manufacturing (3.3%), and lower in the other four. By state, average monthly sales were highest in Western Australia ($416k) and lowest in Queensland ($287k).

Liquidity was lower than a year earlier in all three segments, four of five states and six of seven reported industries. Among industries, the largest falls were in Rental, Hiring and Real Estate Services (38.4%) and Accommodation and Food Services (29.4%). Among states, the largest falls were in Queensland (18.8%) and Western Australia (13.3%). NSW (6.1% higher) and Construction (3.3% higher) were the exceptions.

Average monthly sales per business	Sept-25 Prior Year	Aug-26 Prior Month	Sept-26 Latest Month	YoY Δ	MoM Δ
National	**$330k**	**$323k**	**$323k**	**-2.2%**	**0.2%**
By Segment					
Small	$58k	$56k	$56k	-3.1%	0.3%
Established	$329k	$315k	$312k	-5.0%	-0.9%
Corporate	$1,793k	$1,636k	$1,669k	-6.9%	2.0%
By State					
NSW	$298k	$314k	$319k	6.9%	1.7%
VIC	$312k	$308k	$306k	-1.9%	-0.6%
QLD	$314k	$286k	$287k	-8.6%	0.4%
WA	$447k	$423k	$416k	-7.0%	-1.7%
SA	$318k	$302k	$296k	-6.9%	-1.8%
By Industry					
Construction	$346k	$374k	$373k	7.9%	-0.3%
Retail Trade	$380k	$355k	$352k	-7.2%	-0.6%
Transport, Postal and Warehousing	$295k	$320k	$320k	8.5%	0.2%
Accommodation and Food Services	$211k	$185k	$180k	-14.8%	-3.1%
Manufacturing	$385k	$407k	$397k	3.3%	-2.5%
Professional, Scientific and Technical Services	$336k	$285k	$302k	-10.4%	5.9%
Rental, Hiring and Real Estate Services	$573k	$447k	$447k	-22.1%	-0.2%

Table 2: Average monthly sales per business
Source: Shift Financial Pty Ltd

Linked to web for interactivity and larger scale on table

Average monthly liquidity per business	Sept-25 Prior Year	Aug-26 Prior Month	Sept-26 Latest Month	YoY Δ	MoM Δ
National	**$112k**	**$105k**	**$104k**	**-7.3%**	**-1.4%**
By Segment					
Small	$33k	$29k	$29k	-13.1%	-1.1%
Established	$121k	$113k	$110k	-8.9%	-2.2%
Corporate	$478k	$441k	$441k	-7.8%	0.0%
By State					
NSW	$98k	$105k	$104k	6.1%	-0.6%
VIC	$103k	$93k	$93k	-9.9%	0.1%
QLD	$120k	$100k	$97k	-18.8%	-2.5%
WA	$150k	$133k	$130k	-13.3%	-2.2%
SA	$106k	$109k	$105k	-0.6%	-3.9%
By Industry					
Construction	$132k	$137k	$136k	3.3%	-0.8%
Retail Trade	$90k	$87k	$85k	-5.6%	-2.1%
Transport, Postal and Warehousing	$95k	$88k	$86k	-10.0%	-2.3%
Accommodation and Food Services	$71k	$50k	$50k	-29.4%	0.4%
Manufacturing	$124k	$122k	$123k	-0.8%	1.0%
Professional, Scientific and Technical Services	$135k	$126k	$125k	-7.5%	-1.1%
Rental, Hiring and Real Estate Services	$230k	$157k	$141k	-38.4%	-9.7%

Table 3: Average monthly liquidity per business
Source: Shift Financial Pty Ltd

Linked to web for interactivity and larger scale on table

Averaged across each financial year, monthly sales rose every year from FY2022 to reach $331k in FY2026, and were $323k for FY2027 to date (July to September 2026). Monthly liquidity peaked at $131k in early 2022 and has declined in each year since, reaching $104k for FY2027 to date.

Figure 9: Average monthly sales growth

Figure 10: Average monthly liquidity growth

Source: Shift Financial Pty Ltd

What are SMEs spending on AI?

Card payments, cloud accounting and online marketplaces each changed how small businesses operate. AI tools may be the next, and their uptake can be measured as it happens. Surveys ask businesses whether they plan to use AI. Shift's data shows what they are already paying for.

Among Shift customers paying for software subscriptions, 19.2% paid OpenAI in September 2026, up from 2.2% in June 2023. Anthropic was below 1% until January 2026 and has since risen to 9.9% (Figure 11).

Spending shows a different picture. Measured per 1,000 businesses that pay for software subscriptions, spending with Anthropic overtook spending with OpenAI in April 2026. In September it was $33k per month, against $27k for OpenAI, after OpenAI's spending rose by about two-thirds in the month (Figure 12).

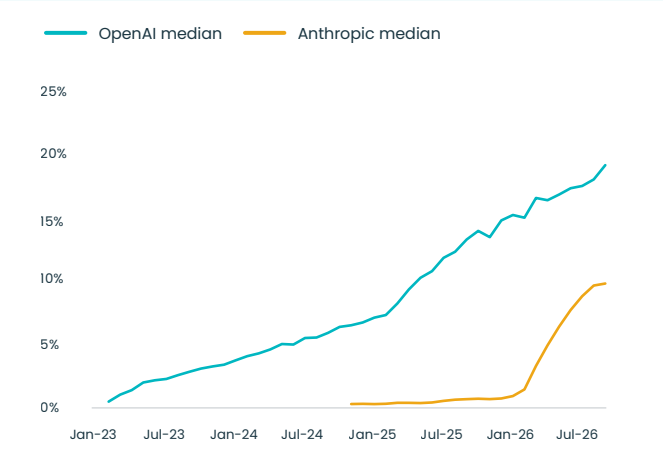

Figure 11: Share of businesses paying OpenAI and Anthropic, monthly, January 2023 to September 2026

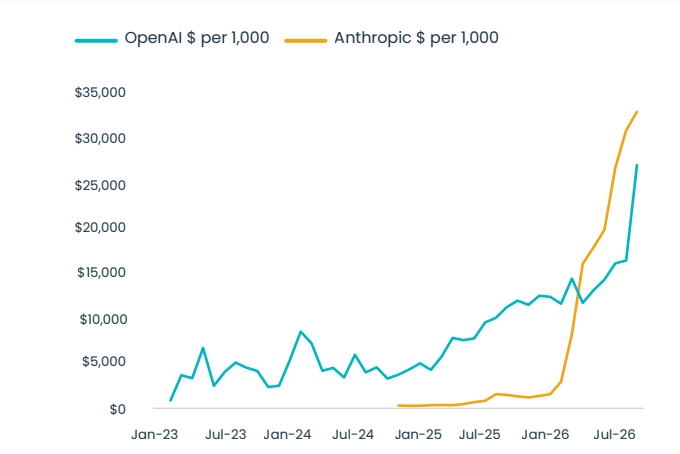

Figure 12: Spending with OpenAI and Anthropic per 1,000 businesses that pay for software subscriptions, monthly, January 2023 to September 2026

Shift customers paying for software subscriptions. Payments made directly to OpenAI and Anthropic.
Source: Shift Financial Pty Ltd

The typical Anthropic customer also spends more. The median business paying for Anthropic spent $153 in September, up from $34 in January. The OpenAI median has stayed at about $32 a month since 2023, close to the price of a single ChatGPT subscription (Figure 13).

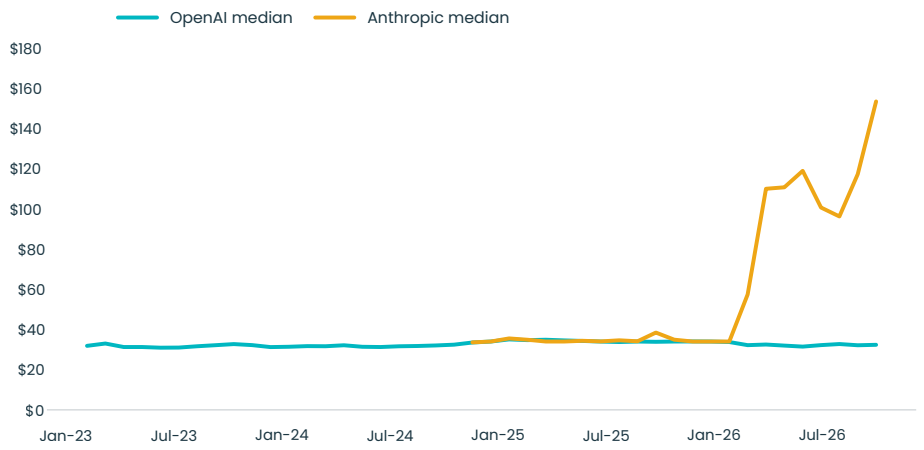

Figure 13: Median monthly spending per paying business, OpenAI and Anthropic, January 2023 to September 2026

Spending is concentrated among businesses that pay for both. In September, 18% of AI-paying businesses that use both OpenAI and Anthropic accounted for 52% of AI spending (Figure 15).

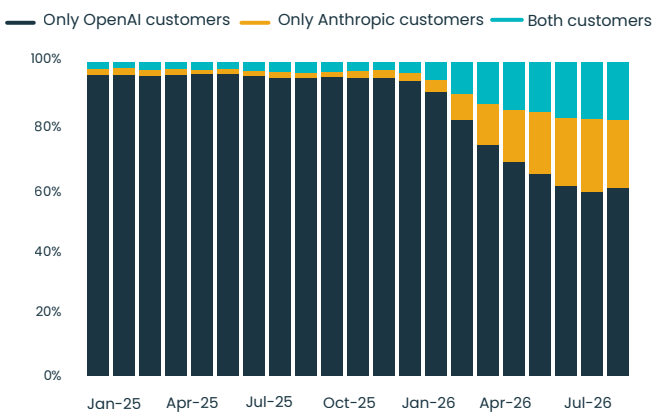

Figure 14: Businesses paying for AI, by provider, January 2025 to September 2026

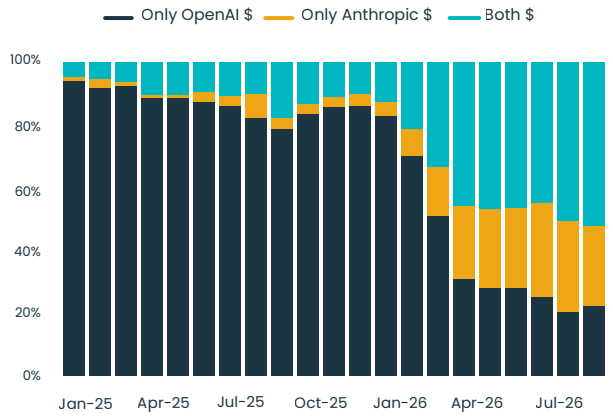

Figure 15: AI spending, by provider used, January 2025 to September 2026

Businesses whose software subscriptions are paid from accounts connected to Shift. Payments made directly to OpenAI and Anthropic.
Source: Shift Financial Pty Ltd

These figures cover payments made directly to OpenAI and Anthropic, so they understate total spending on AI tools. The data starts in January 2023, shortly after OpenAI's public release of ChatGPT.

The full methodology is on the Methodology page

Authors

Daniel Straton, CFA
Strategy and Data, Shift
daniel.straton@shift.com.au

Phillip Kristyono
Data Analyst, Shift
phillip.kristyono@shift.com.au

shift

Level 21, 177 Pacific Hwy
North Sydney NSW 2060

1300 649 249
contact@shift.com.au

Privacy Policy | Terms & conditions.

Please consider all information provided to you carefully and seek independent legal/financial advice. Standard credit assessment, fees, terms and conditions apply. Our products are issued by Shift Financial Pty Ltd (ABN 24 149 390 625) or its subsidiary Shift Finance Australia Pty Ltd
(ABN 54 601 158 507) (together "Shift").