

S&P Global Australia Services PMI[®]

Services activity expands at solid pace in November

November 2025

New business growth accelerated amid a solid rise in exports

Staffing levels increase at softest pace in ten months

Faster rates of input and output price inflation

Australia's service sector expanded at a faster pace in November, according to the latest PMI[®] data. A stronger rise in new business, bolstered by the fastest expansion in new export business in over three years, led to growth in services activity. Higher workloads coupled with optimism regarding future activity supported further job creation.

Meanwhile input price pressures intensified, though output price inflation remained relatively modest

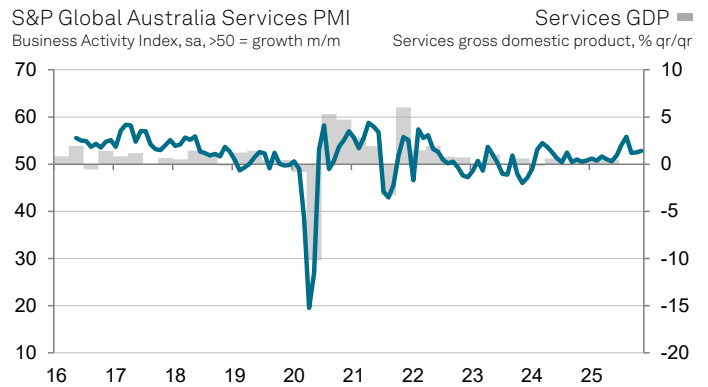
The seasonally adjusted S&P Global Australia Services PMI Business Activity Index rose to 52.8 in November, up from 52.5 in October. Posting above the 50.0 no-change mark for the twenty-second straight month the latest reading signalled another expansion in services activity. The rate of growth was solid and the highest since August.

Central to the latest upturn in services activity was rising new business inflows. According to survey respondents, successful business promotions and stronger underlying demand led to an acceleration of new business growth. The expansion in overall new orders was also supported by rising demand from abroad, as evidenced by the fastest rise in new export business in three-and-a-half years.

As a result of greater new business inflows, services firms raised their staffing levels in November. That said, the rate of job creation was the softest in ten months and only marginal amid reports of challenges sourcing skilled labour. Moreover, with new business growth outpacing the rate of workforce capacity expansion, a fresh accumulation of backlogged work was observed in November.

Turning to prices, average input costs rose at a quicker rate in November. Survey respondents often linked higher cost inflation to increased expenses related to energy, input materials and wages. Reflecting greater cost burdens, service providers raised their output charges to a slightly stronger degree, though inflation remained modest overall and below the survey average.

Finally, services companies in Australia were optimistic regarding business activity growth in the next 12 months. The level of confidence was unchanged from October and below-



Data were collected 12-25 November 2025.
Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence.
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Comment

Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence

“November’s S&P Global Australia Services PMI indicated that growth of services activity accelerated from the prior month, providing positive news for overall economic output given the renewed rise in manufacturing output. The latest expansion in services activity was notably supported not only by higher domestic demand but also by a marked improvement in international demand, with reports of rising tourism activity.

“Employment growth softened noticeably over the latest survey period, but this was attributed largely to hiring challenges with service providers still signalling the intent to raise staffing levels to cope with rising demand.

“On the price front, service providers continue to face pressure on their margins, as the muted rise in charges contrasted sharply with a steep increase in input prices.”

average. While survey respondents were generally positive that business expansion plans and supportive government policies would help to spur activity growth in the year ahead, concerns lingered over intense competition in the sector.

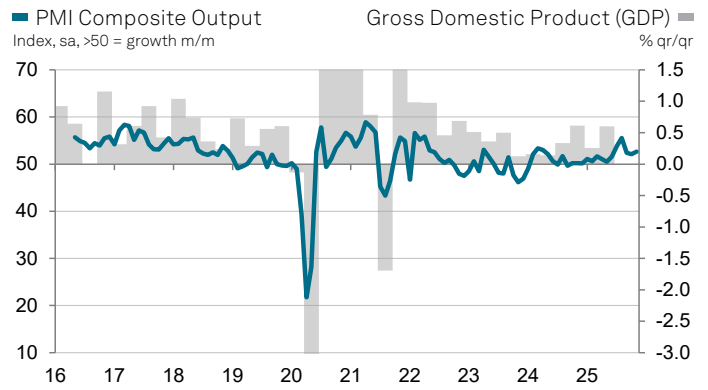
S&P Global Australia Composite PMI®

Fastest rise in business activity in three months

The Composite Output Index posted above the 50.0 no-change mark in November to signal monthly growth for a fourteenth successive month. At 52.6, up from 52.1 in October, the rate of expansion was the fastest since August, attributed to both a renewed rise in manufacturing production and a faster rise in services activity.

Growth in new business similarly quickened in November, supported by the first rise in manufacturing new orders for three months. In turn, staffing levels rose, which contributed to a reduction in outstanding workloads. The level of confidence was little changed from October.

Rates of input cost and output price inflation were slightly higher than in the previous month.



Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence. ©2025 S&P Global.

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Methodology

The S&P Global Australia Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 2016.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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