

Henry Sole Trader Pulse

Australia

June 2025



How the Hnry Sole Trader Pulse was conducted

Hnry commissioned Resolve Strategic to conduct polling to measure and regularly track the sentiment, views and experiences of sole traders in Australia and New Zealand. This report contains the results of the latest track in Australia, with methodology and topics as follows:

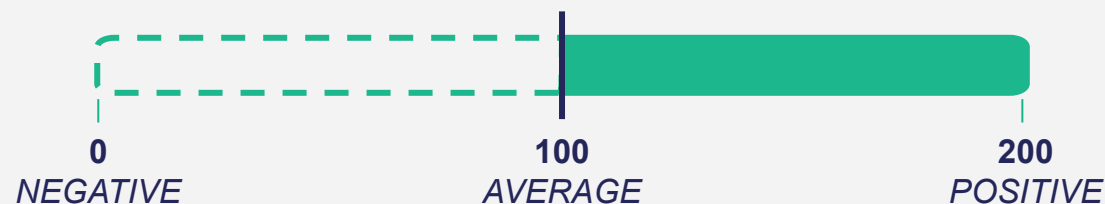
This Pulse was conducted between 3rd – 10th June 2025.

- The survey polled 500 sole traders across Australia, with a maximum error margin of +/-4.4%.
- The poll was conducted online via reputable business and general population panels, with respondents screened to ensure they are sole traders (including consultants, freelancers, gig economy workers, tradies, etc.).
- A representative sample by age, sex, area and tenure when compared to known population parameters using minimum quotas and/or weighting where required.
- In this track the poll also asked a series of ad hoc questions about business position, business expenses, financial and tax affairs, EOFY and tax refunds, the economy, government focus and performance.

How the Hnry Sole Trader Pulse works

The questionnaire employs several core questions asked in every track, notably:

- A pulse figure of sole trader sentiment, with 100 being 'average', 0 'negative' and 200 'positive', that can be tracked over time and broken down by sole trader groups. It is calculated using 12 variables, each grouped into current / future business performance, personal factors, business / economic conditions, and past business performance (using an average weighted in descending order).
- A series of attributes, such as sex, age, area, tenure, turnover, industry and whether have another job.



The headline measures include:

- Past financial performance: A combination of sole traders' financial performance in the last 12 months and the last quarter
- Current/future financial performance: A combination of sole traders' financial performance right now and expectations for financial performance in the next quarter and the next year
- Economic conditions: A combination of sole traders' perspective on business conditions right now, economic conditions right now and expected economic conditions in 6 months
- Personal conditions: A combination of sole traders' personal satisfaction, mental well-being, work life balance and degree of freedom

June 2025 Sole Trader Pulse Overview - AU

	LAST PULSE (Mar 2025)	TOTAL (Jun 2025)	INDUSTRY					BUSINESS TENURE			GENDER	
	Index Result	Index Result	Tradie	Freelancer / Creative	Consultant	Health / Wellness	Others	< 2 years	3-10 years	11+ years	Males	Females
Past Financial Performance												
Financial Performance - Last Quarter	121	115	141	98	123	115	118	108	122	108	117	112
Current / Future Financial Performance												
Financial Performance Right Now	122	115	135	99	124	116	119	110	124	106	117	110
Financial Performance Next Quarter	136	127	136	116	137	138	126	119	143	126	126	128
Business & Economic Conditions												
Health of the Economy Right Now	85	80	86	73	87	79	81	81	81	75	87	67
Health of the Economy in 6 Months	100	92	93	82	86	91	86	87	91	87	96	85
Personal Factors												
Personal Satisfaction and Enjoyment	153	148	146	144	154	137	171	140	149	152	147	150
Wellbeing	130	132	122	122	147	129	153	129	142	139	133	129
Work-life balance	149	153	144	153	133	135	160	135	153	153	154	149
Financial Security	120	119	126	101	127	120	131	118	125	120	123	112
Job Security	139	123	138	102	123	113	151	122	128	113	127	116
Total Index	125	120	127	110	127	116	129	121	123	118	123	116

Executive Summary (1/3)

- **In this pulse we have seen a decline in the total index, as sentiment hits a three-year low, with economic outlook at an all time low. Despite this, the average sentiment does remains positive among sole traders.**
 - In the last Sole Trader Pulse (March 2025) we witnessed the largest decline in the total index. In this pulse we have seen a further decline, as the total Sole Trader Index has dropped to 120 – the lowest level since 2022 – largely due to falling confidence in the economy (current: 80, future: 92).
 - Creative Freelancers are feeling the most pressure, recording the lowest overall score, driven by poor recent financial performance and a bleak economic outlook, whereas health/wellness and consultants remain more optimistic.
 - Despite the downturn in sentiment, index scores personal satisfaction of being self employed (148), wellbeing (132) and work-life balance (153) remain strong, underscoring the continued appeal of flexibility and autonomy among sole traders.
 - Younger sole traders had a slight increase in their total index (up to 129 from 126 in March 2025), driven by very high ratings of financial performance (current: 137, future: 146) and corresponding increases in their financial security (up to 123 from 113 in March 2025) and well-being (up to 129 from 118 in March 2025).
- **Quarterly turnover has improved, in spite of challenging economic conditions, highlighting sole traders' resilience.**
 - Half (49%) of sole traders reported an increase in income this quarter, up from 38% last quarter. This trend was strongest among health/wellness professionals (59% reporting higher quarter on quarter turnover) and those in business for 2 years or less (59% reporting higher quarter on quarter turnover).
 - Whilst the past quarter's financial position was positive, forward-looking sentiment is slightly down (down 127 from 136 in March 2025), reflecting the challenging economic climate sole traders believe they're operating in.

Executive Summary (2/3)

- **Inflation and cost pressures remain high and half of all sole traders are expecting inflation to continue, while only a minority say that interest rates have helped them.**
 - Half of sole traders expect prices will rise further this year, and a further 29% think they will stay the same rather than coming down. Interest rate cuts have helped half, with much of this a psychological boost rather than a real financial help - only 18% say rate cuts have helped them financially.
 - Price rises are therefore still very much a problem for many sole traders, and this is reflected in them employing very similar coping mechanisms to past pulses. 79% are paying themselves more to meet rising living costs, and 77% report paying more for supplies – both figures are the highest recorded in the Pulse's history of asking this question. Two-thirds (69%) say business is "getting tighter," a similar level to the past few pulses.
 - Businesses operating for 2 years or less are more likely to take actions to deal with inflation and cost pressures, with a significantly higher proportion of these businesses having undertaken training (58% compared with the average of 45%), increasing marketing efforts (58% compared with the average of 44%) and undertaking more work as an employee to supplement their income (47% compared with the average of 34%)
- **Sole traders continue to feel overlooked in policy-making, and a only a minority are confident that the re-elected Federal Labor Government will perform well this term.**
 - Less than half of sole traders (42%) are confident that the re-elected Federal Labor Government will perform well this term, with variations on this mainly due to political leanings – younger / urban people and businesses are more confident and older / regional people and businesses are less confident.
 - Only 22% feel sole traders are well represented in government policy, while 55% feel poorly represented. These views are particularly strong among those in business for 11+ years (34% positive) and regional/rural operators (18%).
 - On the other hand, younger people and newer businesses are more confident in Government performance, with 57% of those in business for less than 2 years confident that the government will perform, along with 63% of sole traders aged 17-34.
- **A minority of sole traders expect to get tax refund this year - typically in the low thousands of dollars - and for the majority of these sole traders, the refund remains an important 'supplement' to their income**
 - Just over a quarter of sole traders (28%) expect they will get a tax refund this financial year. Of those expecting a refund, most are in the range of the low thousands of dollars (45% expect a refund of \$3,000 or less).
 - This generally remains an important 'supplement' to their annual income, with 73% stating that the tax refund is important to them.

Executive Summary (3/3)

- **Less sole traders are using accountants - the lowest in the history of the Pulse. Only 28% of sole traders in business <2 years have used an accountant.**
 - 45% of sole traders reported using an accountant, this is the lowest proportion in the history of the pulse. Around a fifth (19%) use programs or apps to manage their tax and financial affairs.
 - Of the sole traders who do not currently employ an accountant, just under half (48%) say they have previously. This translates to around a quarter of sole traders never using an accountant.
 - Younger people and newer businesses are least likely to have used accountants, potentially pointing to the fact that younger people opting for digital solutions over paid professional assistance.
 - Regardless of the method used, most sole traders (71%) report being comfortable with their financial and tax affairs, with a slightly higher proportion of those that use programs or apps reporting this (76%).
- **Sole traders are spending more money but less time on financial admin in this pulse (compared to March 2025) due to increased accountant pricing and / or outsourcing tasks ahead of EOFY.**
 - Time spent on financial and tax affairs drops this quarter, but cost has increased. Sole traders are now spending an average of \$439 per month (up from \$319 in March 2025) and 5 hours per week (down from 6 hours in March 2025) on financial admin. This could be due to the fact that a significant proportion (42%) of sole traders are reporting that they have been impacted by their accountants having increased their prices.
 - However it could also be due to EOFY approaching, with some sole traders handing over more responsibilities to those assisting them. This will save them time, but inevitably costs more. – with higher costs driven by outsourcing as EOFY approaches.
 - Notwithstanding this, 35% of sole traders are stressed about EOFY - the highest we've recorded at any of the four June sole trader pulses we've seen.
 - The time and money invested by sole traders in the EOFY is significant, at 10 hours and \$779. There is evidence, however, that use of programs and apps does significantly reduce the amount of money expended at this time of year (\$768 - compared to \$979 spent by sole traders that use accountants and \$1244 spent by sole traders that use tax agents)