



Chamber of Commerce
and Industry WA



March 2025 • CCIWA Survey

Business Confidence

Business confidence surges to its highest in over three years

Business confidence across Western Australia has surged, fuelled by a moderation in the primary barriers to business growth – rising operating costs and labour shortages – which have eased to their lowest levels in three years. As a result, both short and long-term business confidence indexes have climbed to their highest in over three years.

The rising cost of doing business has remained the most widespread barrier to business growth, as it has for the past two years, reported by two thirds (68%) of WA businesses in the March quarter. Encouragingly, the downward trend observed over the past year and a half has continued.

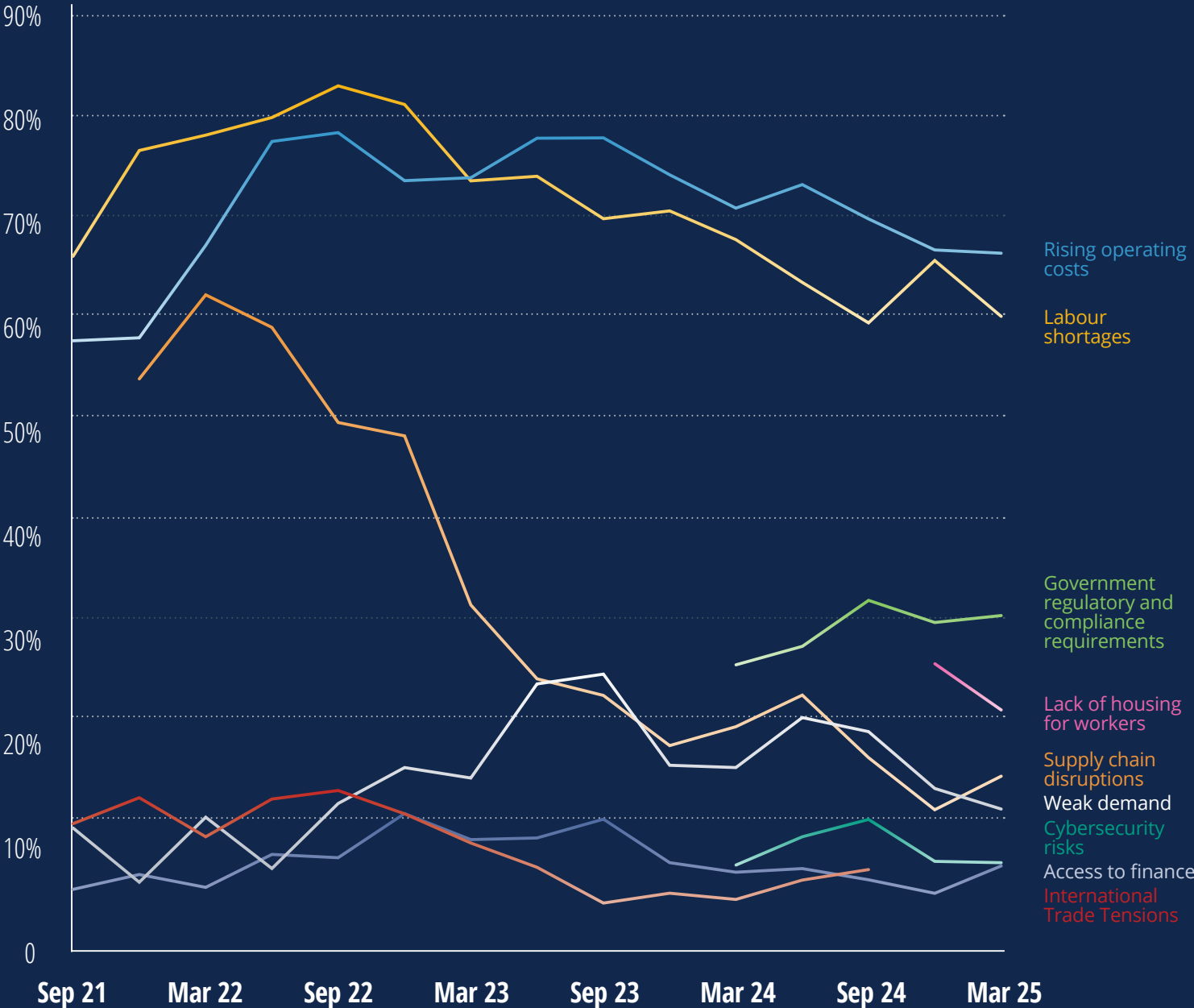
While tightness in WA's labour market persists, businesses have reported an easing in hiring conditions over the quarter, further supporting confidence levels. The March quarter marked the lowest proportion of businesses reporting difficulties in filling positions since we began asking this in June 2021. Similarly, labour shortages as a barrier to growth have once again eased to be on par with its lowest level in the last four years.

These positive shifts are also reflected in CCIWA's *Employment Index*, *Production Index* and *Profitability Index*, all of which have seen notable increases.

In this edition of CCIWA's *Business Confidence Survey*, we asked WA businesses about the importance of gas to their operations and the extent to which labour shortages continue to weigh on businesses.

Barriers to Business Growth

% of survey respondents reporting barrier





Short-Term Index
increases 1.6 Index
Points to 108.5 Points

Looking at the coming quarter, two in five (41%) Western Australian businesses expect stronger economic conditions.

A similar proportion (40%) anticipate no change, while one in five (18%) anticipate weaker economic conditions. This is the highest reading since December 2021.



Long-Term Index
rises 2.1 Index Points
over the quarter to
89.7 Points

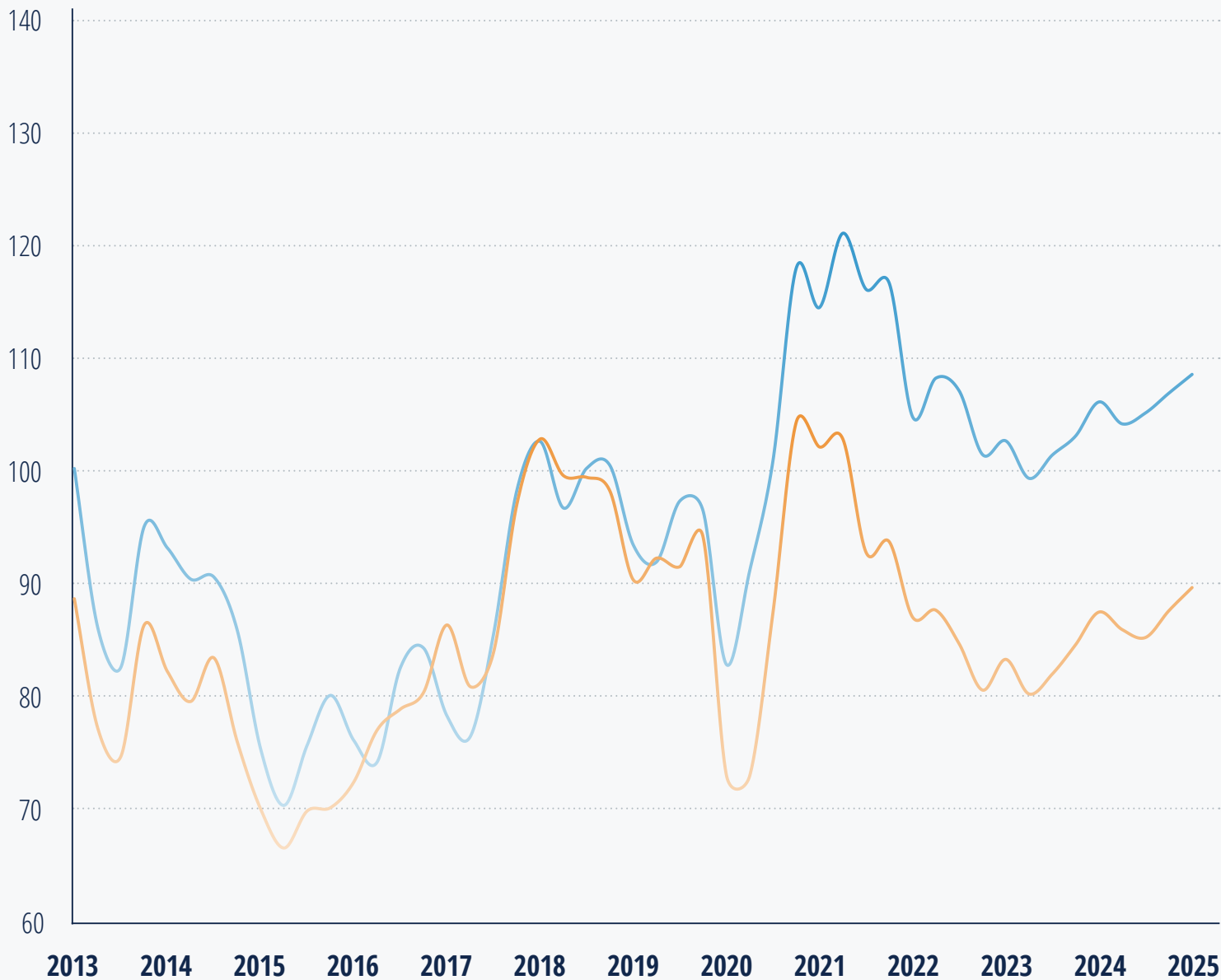
Over a quarter (27%) of WA businesses expect economic conditions to improve over the next 12 months, while half (49%) anticipate no change.

The remaining one in four (24%) expect conditions to soften. As for the short-term index, this is the highest reading since December 2021.

CCIWA Business Confidence Index

Index, 100 = 2018 Calendar Year

— Next Quarter (3 months) — Next Year (12 months)



The industries driving short-term confidence

Businesses in the **construction** industry are leading short term confidence this quarter, with over half (55%) of businesses in the sector expecting improved economic conditions over the next three months. This proportion has increased four percentage points from last quarter. The strength of this sector is likely driven by sustained high demand for work on housing and public projects, which ensures a steady pipeline of work, coupled with more moderate increases in construction input costs compared with the past few years.

Closely following, businesses in the **education and training** sector rank second in optimism for the coming quarter. Over two in five (47%) businesses reported they anticipate improved conditions, resulting in a 14 percentage point increase in optimism from last quarter.

The **health care and social assistance** sector saw a significant increase in the proportion of businesses optimistic about the short-term outlook compared with last quarter. Over two in five (42%) businesses indicated this, up 28 percentage points from the December quarter. Demand for services in the industry remains robust, with only 4% of businesses reporting weak demand as a barrier over the coming year, likely supporting confidence.

A similar proportion (40%) of businesses in the **manufacturing** sector reported a strong outlook. This proportion has declined marginally by one percentage point since last quarter but remains relatively high compared with historical levels. The optimism is likely reflective of robust activity in the public, resources and construction sectors feeding work into the short-term pipeline.

On the flipside, only 14% of businesses in the **transport** industry expect stronger conditions. Alarming, this proportion has dropped 50 percentage points from the December quarter. This comes at a time when rising geopolitical uncertainty is creating unpredictability around international trade and fuel prices, weighing on the outlook for the transport sector. More locally, transport routes in the North of the State have been severely disrupted by the recent Tropical Cyclone Zelia, which may have also dented confidence.



— Positive Outlook — Neutral Outlook — Negative Outlook



Barriers to business

The leading barrier to business growth remains the increasing cost of doing business, with two thirds (68%) of WA businesses identifying this. Providing some encouragement, this proportion has held steady since last quarter, remaining at its lowest level in three years. Across industries, cost concerns are more prevalent in the **arts and recreation** (91%), **accommodation** and **food services** (90%) and **manufacturing** (80%) sectors.

Closely following, labour shortages persist as the second most reported barrier to growth, with three in five (62%) WA businesses reporting this. Of note, this proportion has declined by five percentage points since the previous quarter, bringing it closer to its lowest point since we started asking this in March 2023 (61%). This barrier is most widespread in the **resources** (89%), **professional services** (75%) and **construction** (70%) industries.

The third most prevalent barrier to business remains government regulatory and compliance requirements, cited by nearly a third (33%) of respondents – ticking up one percentage point since December.

This concern saw the greatest proportion of responses from businesses in the **health care and social assistance** (59%), **education and training** (56%) and **agriculture** (48%) industries.

Shortages of housing for workers persists the fourth most reported barrier to growth, identified by nearly one quarter (24%) of businesses. This challenge is more acute in regional areas, where over a third (36%) of businesses report it as a barrier – more than double the 14% recorded in metro areas. By industry, those most likely to indicate this concern are in the **accommodation and food services** (40%), **education and training** (38%) and **health care and social assistance** (33%) sectors.

Notably, the proportion reporting weak demand as a barrier to business growth declined this quarter, down to its lowest point since June 2022. Only 14% of businesses reported weak demand as a barrier, compared with almost double that (27%) one and a half years ago. This relief has been reflected by CCIWA's *Production Expectations Index* increasing by 8.9 points from last quarter, up to its highest since December 2020.



Rising operating costs

Identified by **68%** of businesses

Sectors most likely to report: as a barrier:

- 91%** Arts & Recreation
- 90%** Accommodation & Food Services
- 80%** Manufacturing



Government regulatory and compliance requirements

Identified by **33%** of businesses

Sectors most likely to report: as a barrier:

- 59%** Health Care & Social Assistance
- 56%** Education & Training
- 48%** Agriculture



Skill shortages

Identified by **62%** of businesses

Sectors most likely to report: as a barrier:

- 79%** Resources
- 75%** Professional Services
- 70%** Construction



Lack of housing for workers

Identified by **24%** of businesses

Sectors most likely to report: as a barrier:

- 40%** Accommodation & Food Services
- 38%** Education & Training
- 33%** Health Care & Social Assistance

Natural gas essential in powering Western Australian business

Gas plays a vital role in sustaining Australia's economy, from powering hospitals, to manufacturing essential goods, minerals processing, and supporting our transition to a cleaner energy future. However, gas is facing increasing pressure from public opposition and regulatory hurdles. In this edition of CCIWA's *Business Confidence Survey*, we asked businesses whether their production processes rely on gas and the share of their total costs of production that are attributed to gas.

Looking to the responses, the majority (51%) of Western Australian businesses identified they rely on gas beyond the use of grid electricity. For the industrial sector (mining, manufacturing, construction and transport), the most prevalent uses were heating and cooling (26%), steam generation (24%) and generating electricity onsite (19%). For the services sector (health services, retail, accommodation, education and other service industries), heating and cooling (36%) and steam generation (31%) were most common.

Turning to gas' share of businesses' cost base, WA businesses reported that gas costs make up approximately 13% of their total production costs, on average.

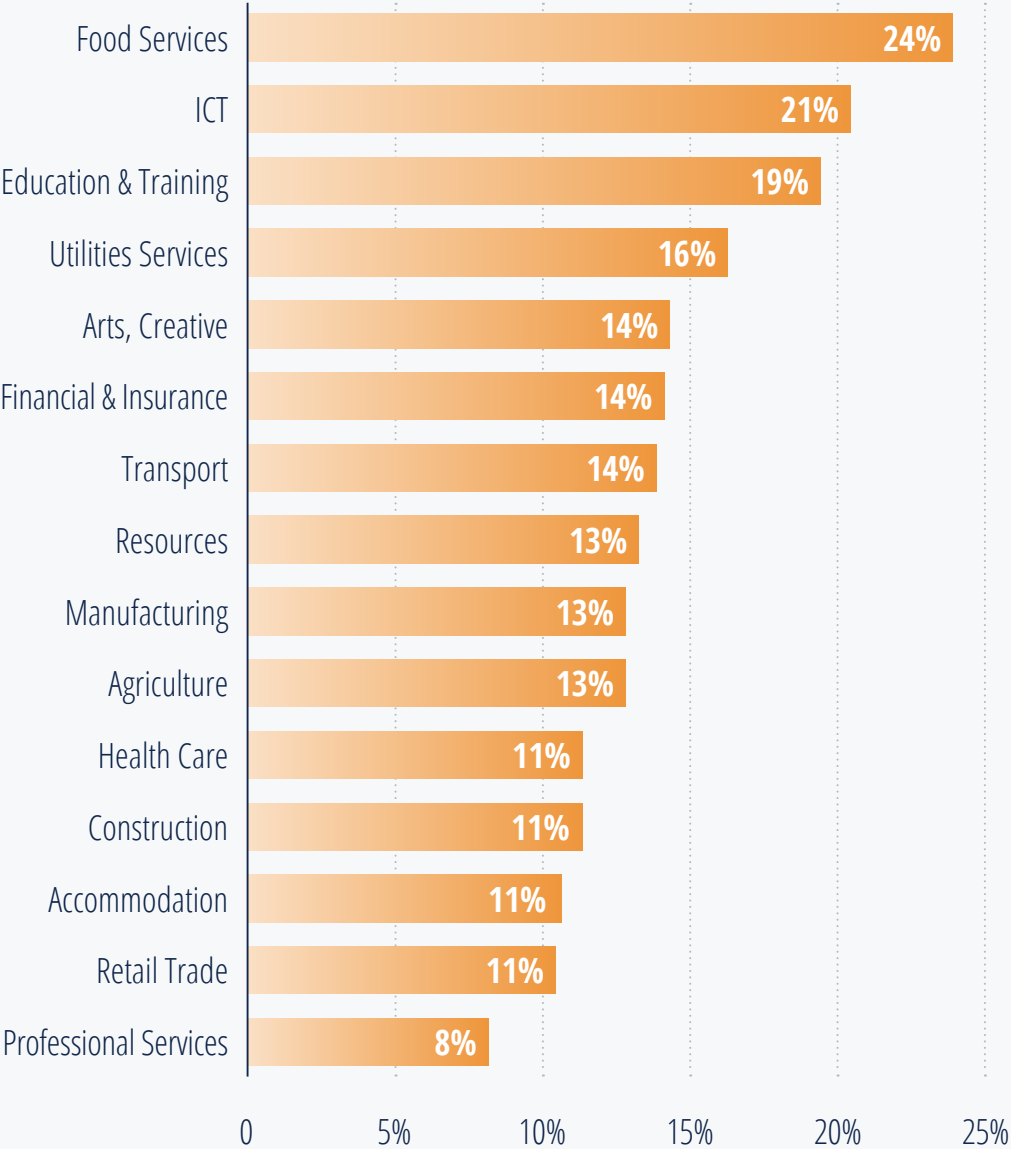
The industries with the highest proportion of costs related to gas were the **food services** (24%), **information media and telecommunications** (21%), **education and training** (19%) and **utilities** (16%) industries.

These results are further explored in CCIWA's recent report, *the Critical Role of Gas in Western Australia's Energy Transition and Economic Diversification*. This report takes a deeper dive into the WA business sector's reliance on natural gas, the severe consequences of a gas shortfall and the damage higher gas prices could have on WA businesses.

[Access the full report here.](#)



Approximately, what percentage of your total cost of production relates to gas?



Skill shortages

Western Australia’s unemployment rate continues to sit at low levels, coming in below expectations at 3.6% in January. In this edition of CCIWA’s *Business Confidence Survey*, we explore developments in labour shortages across WA.

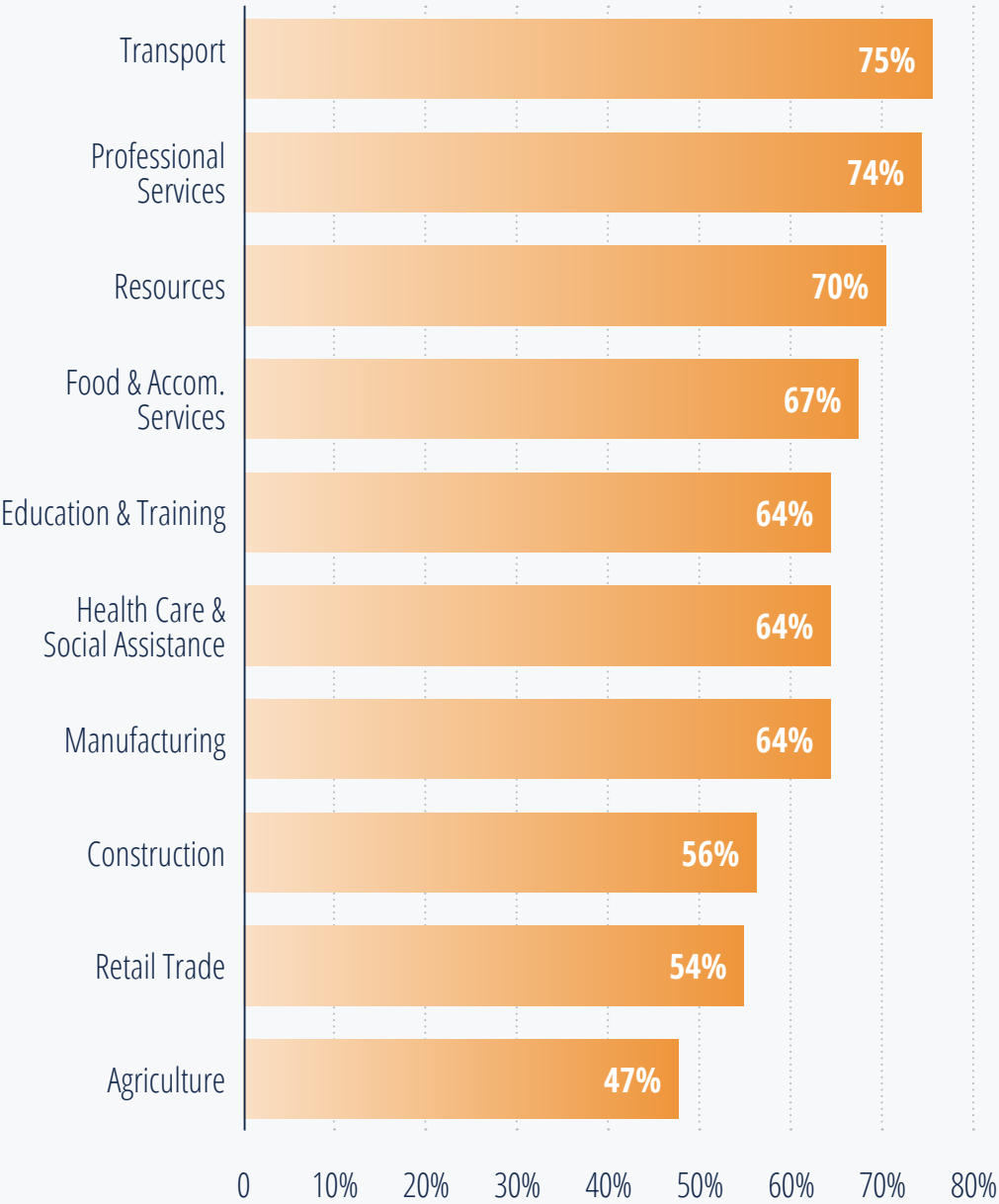
When asked if they have struggled to hire for a particular skillset over the quarter, three in five (60%) WA businesses reported they had. This proportion has declined eight percentage points from last quarter and is now at its lowest point in four years.

Breaking this down by industry, businesses in the **transport** (75%), **professional services** (74%) and **resources** (70%) sectors are most likely to struggle to fill a position. In all other sectors (except for agriculture), at least half of businesses have indicated they are struggling to fill a position.

Looking at shortages by business size, large and medium sized businesses are more likely to struggle to hire for a particular position, with three in four (75%) large businesses and seven in 10 (71%) small businesses reporting this. In contrast, around one half (51%) of small businesses indicated they are struggling.



Percent of businesses struggling to fill a position



Top three occupations in demand by industry

	One	Two	Three
Accommodation Services	Hospitality Workers	Hospitality Managers	-
Agriculture, Forestry & Fishing	Agricultural Technicians	Automotive Technicians	Factory Process Workers
Construction	Electricians	Carpenters	Structural Steel & Welding Trades Workers
Education & Training	Early Childhood Educators & Child Carers	Early Childhood Teachers	Secondary School Teachers
Food Services	Chefs	Hospitality Managers	Cooks
Health Care & Social Assistance	Dental Assistants	Registered Nurses	Pharmacists
Information Media & Telecommunications	ICT & Telecommunications Technicians	Cablers	-
Manufacturing	Metal Fitters & Machinists	Structural Steel & Welding Trades Workers	Engineers
Professional, Scientific & Technical Services	Design, Engineering & Science Professionals	Health Professionals	Accountants
Real Estate Services	Property Managers	Property Sales Agents & Related Workers	Administrative Workers
Resources (incl. mineral resources, oil & gas)	Metal Fitters & Machinists	Automotive Technicians	Engineers
Retail Trade	Automotive Technicians	Chefs and Food Trades Workers	Sales Workers
Transport, Postal & Warehousing	Automotive Technicians	Machine Operators	Work Health & Safety Adviser
Utilities Services	Telecommunications Linesworker	Plumbers	Electricians

Business Confidence March 2025



Both **short and longer-term confidence rose** over the March quarter.



Two thirds (68%) of WA businesses reported **rising operating costs** as a **barrier to growing their business** over the next 12 months.



The majority (51%) of WA businesses identified they **rely on gas beyond the use of grid electricity**.



Three in five (60%) WA businesses reported they **are struggling to hire for a particular skillset**.

Key Results from the Survey

Indicator (Index)	Actual			Expected	
Economy	Sep 24	Dec 24	Mar 25	1 Quarter	1 Year
WA Economic Conditions	111.5	114.7	112.6	108.5	89.7
Operating Conditions					
Employment	103.4	106.1	106.7	104.7	-
Labour Costs	116.6	114.5	115.4	109.8	-
Anticipated CAPEX	101.3	101.9	103.5	103.5	-
Profitability	97.4	102.4	101.0	104.6	-
Credit	97.9	98.7	97.2	97.0	
Production	99.1	100.3	98.2	104.4	

Note: Index figures may have changed from previous editions of *Business Confidence* due to changes in index calculation methodology. The index has been rebased to the average score of respondents over the 2018 calendar year. The value of the index in any period can be interpreted as the percentage change in average business expectations in that period compared with average business expectations in 2018. For example, the index for current economic conditions in March 2025 is 112.6, which suggests that the average score of survey respondents for economic conditions in March 2025 is 12.6 per cent higher than the average response in 2018.

Sample

Industry	
Construction	27%
Manufacturing	18%
Other Services	9%
Retail Trade	7%
Health Care & Social Assistance	6%
Resources	5%
Professional Services	4%
Agriculture, Forestry & Fishing	4%
Other	20%

Business Size

Small (1-10 employees)	54%
Medium (11-100 employees)	36%
Large (100+ employees)	10%
Total number of responses	624



Chamber of Commerce and Industry WA

We stand for business

Stay Informed: [in](#) [f](#) [@](#) [▶](#)

cciwa.com

Whilst every effort has been made to ensure that the information contained in this Report is free from error and/or omissions, no responsibility can be accepted by CCIWA, its employees or any other person involved in the preparation of this information for any claim (including without limitation, any liability arising from fault, negligence or negligent misstatement) for any direct or indirect loss or damage arising from any use or reliance on this information, or otherwise in connection with it.