



March 2025 • CCIWA Survey

Consumer Confidence

Confidence treading water, as rate cuts support longer-term outlook

Consumer confidence treads water in the first quarter of 2025, as weaker employment prospects and rate cut relief pull sentiment in opposite directions. As a result, both the short and long-term indexes are broadly treading water.

The primary factors weighing on households remain persistent cost-of-living pressures, economic volatility overseas and elevated interest.

While the impact of living costs has remained relatively unchanged from last quarter, increased volatility in the world economy, headlined by US President Trump's tariffs, has intensified the drag from global economic news.

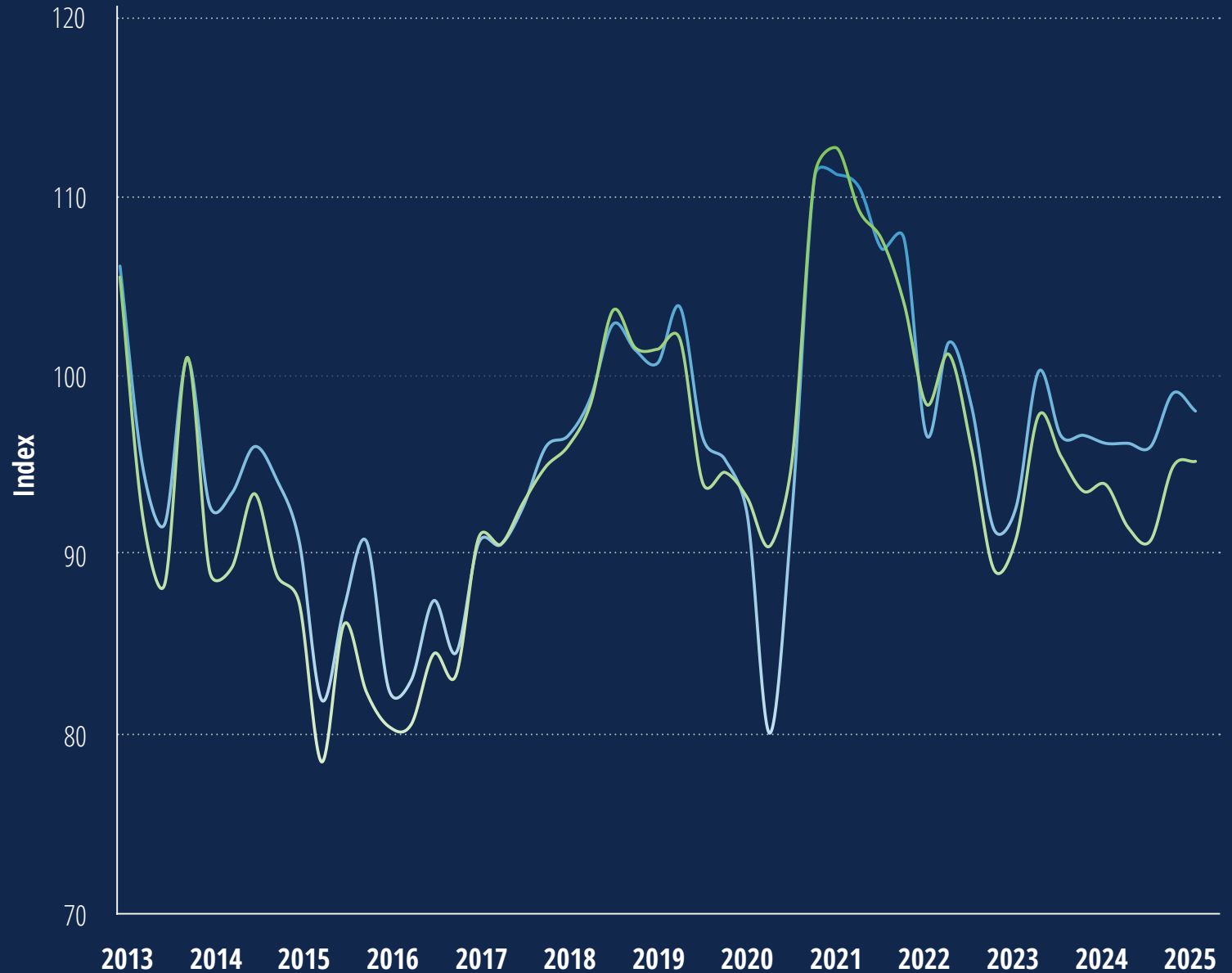
On the upside, concerns around interest rates have eased slightly with the RBA's cutting cycle underway, which is set to provide some much-needed relief to mortgage holders. Meanwhile, job prospects, while softening, continue to help cushion the impact of economic headwinds on households.

In this edition of CCIWA's *Consumer Confidence Survey*, we ask Western Australians how they plan to adjust their finances in response to interest rate changes, their views on Australian businesses and the factors incentivising their search for new employment.

Consumer Confidence: WA Economic Conditions

Index: 2018 Average = 100

— Short-term (3 months) — Longer-term (12 months)



↓ Confidence slips in the short term

Short-Term Index decreases 1.0 Points to **98.1**

Looking to the next three months, over half (55%) of Western Australians believe economic conditions will remain unchanged. One quarter (25%) anticipate weaker conditions, while the remaining one in five (20%) expect conditions to strengthen.

↑ Longer-term consumer confidence improves

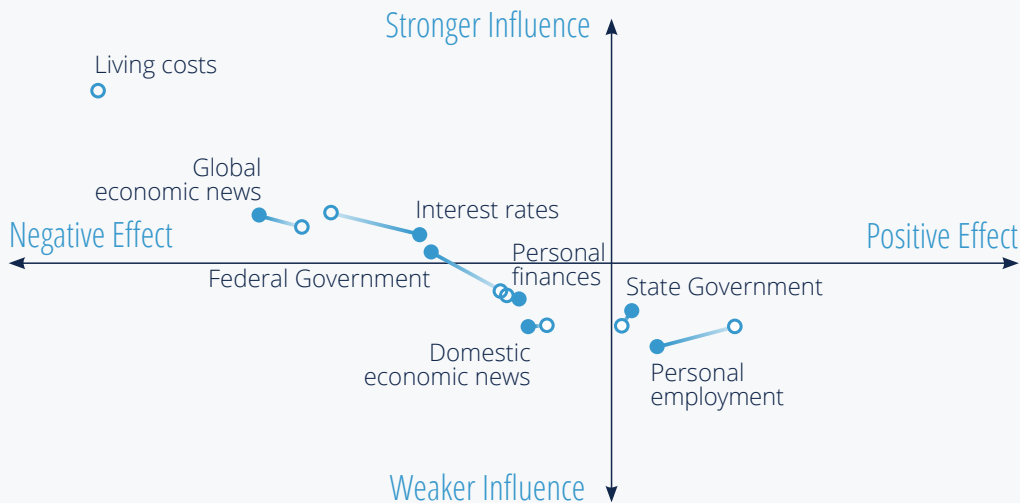
Longer-Term Index rises 0.3 Points over the quarter to **95.3**

Over the coming year, one third (33%) of Western Australians expect improved economic conditions, while a similar proportion (37%) anticipate conditions to remain the same. Three in 10 (30%) expect weaker conditions.

In the following sections we unpack the key factors influencing Western Australians' confidence in the WA economy.

What Influences Consumers?

○ December 2024 ● March 2025



What's influencing consumer confidence

🍏 Living costs (-)

Over the coming year, one third (33%) of Western Australians expect improved economic conditions, while a similar proportion (37%) anticipate conditions to remain the same. Three in 10 (30%) expect weaker conditions.

🌐 International headlines (-)

Global economic news remains a concern for Western Australian consumers, with over half (55%) of households indicating this. This comes as the Trump Administration rolls out its tariff regime, with China, Canada and Mexico in particular feeling the brunt of this. However, uncertainty around the size and scale of any additional tariffs, as well as their timing, has rocked confidence and sent markets tumbling over the beginning of March. At the same time, ongoing tensions in the South China Sea, the Middle East and Ukraine are also fuelling global volatility.

🏠 Interest rates (-)

The RBA's long-awaited decision to cut the official cash rate to 4.1% in February is set to provide some much-needed relief for Western Australian households. Almost half (48%) of respondents identified interest rates as a detractor to their confidence, marking a four percentage point drop from last quarter. This proportion is likely to continue to trend downwards as further interest rate cuts are expected over the year, supporting confidence levels.

👛 Personal finances (-)

Two in five (38%) Western Australians reported their personal finances have weighed on their sentiment this quarter. This proportion has now eased six percentage points from June 2024, as the anticipated impact of looser monetary policy combined with a return of real wage growth continue to support greater confidence in household finances.

🔍 Employment Prospects (+)

Western Australia's unemployment rate continues to sit at low levels, reading 3.6% in January. Simultaneously, employment growth remains strong, growing by 3.7% over the year. As a result, employment prospects remain the number one supporter of household sentiment, with almost a third (32%) of Western Australians reporting this. However, this proportion has weakened over the quarter, down four percentage points.

🗺️ State Government (+)

The WA State Government has also bolstered consumer confidence this quarter, with a over a third (37%) of respondents identifying this. This likely follows the various funding announcements that occurred ahead of the recent State Election.

Insights into CCIWA's Consumer Database

Interest rates cuts will see Western Australians rebuild their savings buffers.



The RBA's recent move to lower the official cash rate to 4.1% in February has provided relief for households and raised expectations for additional cuts in 2025. Given these developments, we asked Western Australians whether rate cuts will impact their finances and what they plan to do as a result of lower interest rates.

Looking to the results, almost four in five (78%) Western Australians said their finances are impacted by interest rate changes. Those most likely to be impacted are homeowners with a mortgage (95%), those between 18 and 39 years (89%) and those who earn between \$116,00 and \$185,000 per annum (85%).

Of those who indicated they are impacted by the cut in interest rates, the most common response to this change is to put additional funds into a savings or investment account, with 33 per cent of those impacted reporting this. Closely following, three in 10 (30%) said they would pay down more of their mortgage.

Other responses include:

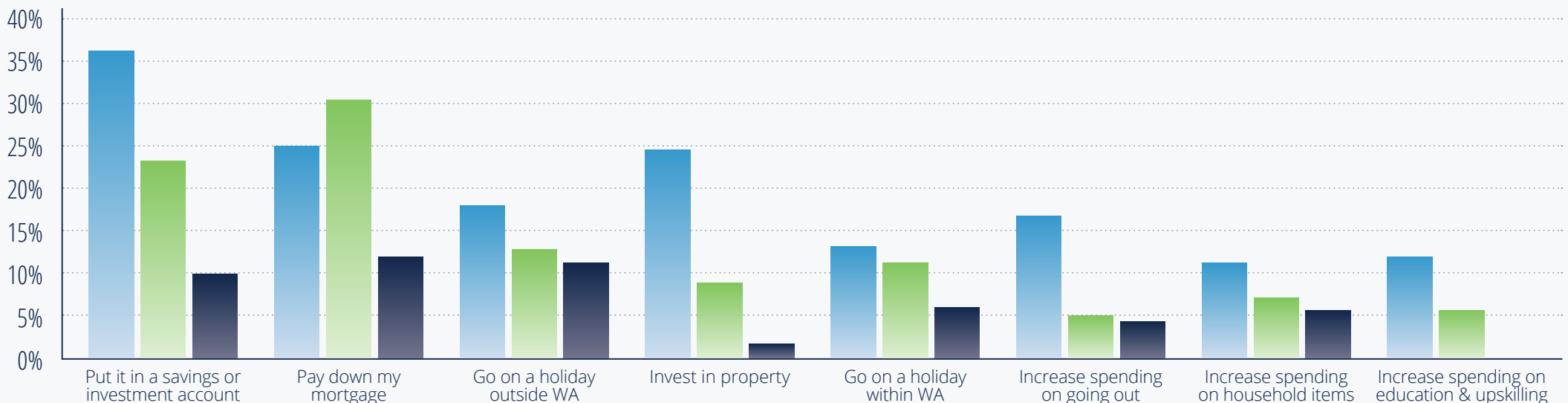
- 19% Go on a holiday outside of WA
- 18% Invest in property
- 14% Go on a holiday within WA
- 12% Increase spending on going out
- 11% Increase spending on household items
- 9% Increase spending on education and upskilling

There is a notable disparity as to how households will react between age groups, with the younger cohort (between 18-39 years) – who have seen their savings most run down over the past three years – most likely to inject more funds into their savings or investment accounts (36%).

In contrast, those aged 40-64 years are most likely to further pay down their mortgage (30%).

Are you likely do any of the following as a result of interest rates coming down?

■ 18-39 years ■ 40-64 years ■ 65+ years



Insights into CCIWA's Consumer Database

Flexible work arrangements continue to shape job preferences.



With Western Australia's jobs market remaining tight, in this edition of CCIWA's *Consumer Confidence Survey*, we ask Western Australians which factors are incentivising them to seek new employment – information that can help businesses attract and retain talent.

Looking to the responses, over one third (36%) of Western Australians are seeking new employment, remaining unchanged from last quarter and relatively flat over the past year and a half. Those most likely to be seeking employment are younger (aged 18-39) (56%), males (39%) and reside in metro areas (38%), compared with their counterparts.

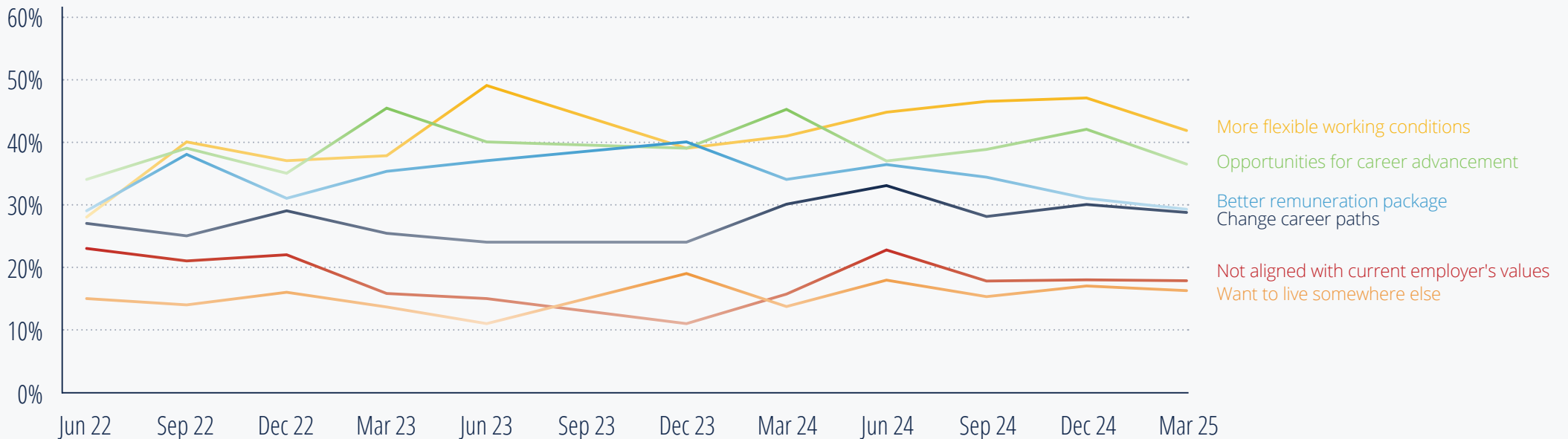
The main driver of job mobility remains more flexible working arrangements, including the option to work remotely or with flexible hours and days. This reason was reported by over two in five (42%) Western Australian job seekers, a two percentage point decline from last quarter.

Closely following, over a third (36%) of job seekers indicated opportunities for career development. The proportion seeking better remuneration packages (29%), while remaining the third most popular response, has dropped to its lowest level since June 2022.

- Other responses include:
- 29%** Change career path
- 18%** Not being aligned with employer's values
- 16%** Wanting to live somewhere else

Younger job seekers are more likely to be seeking flexible working arrangements (43%), opportunities for career advancement (38%) and a change in career path (29%). For the older cohort, better remuneration packages (42%) has risen to become the primary factor for job seeking, followed by more flexible working arrangements (39%) and opportunities for career development (37%).

Factors incentivising job mobility



Consumer Confidence March 2025



Consumer confidence falls in the short term, edges up in the longer-term



Of the 78% of households impacted by interest rate cuts, one third (33%) will put any additional funds into a savings or investment account



Over a third (37%) of Western Australians have a positive view on Australian businesses



Flexible working arrangements remains the primary reason behind employees looking for new work, with two in five (42%) job seekers reporting this

Consumer Confidence

Current Quarter (March 2025)

Previous Quarter (December 2024)

Highest Since

Short-Term

98.1

99.1

June 2023

Longer-Term

95.3

95.0

September 2023

Personal Finances

100.0

100.5

September 2022

Job Prospects

103.7

105.4

March 2024

Note: Index figures may have changed from previous editions of Consumer Confidence due to changes in index calculation methodology. Percentage figures may not always add to 100% due to rounding.

The index is rebased to the average score of respondents to the 2018 calendar year. The value of the index can be interpreted as the percentage change in average consumer confidence in a period compared with the average consumer confidence in 2018. For instance, the Consumer Confidence Index in March 2025 is 98.1, which suggests that the average score of survey respondents for consumer confidence in December 2024 is 1.9 per cent lower than the average rating in 2018.



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