



# Regional Pulse

Chamber of Commerce and Industry WA

March 2025



Chamber of Commerce  
and Industry WA

Western Australia's regions are the engine room of the WA economy, supporting a range of key export industries, including resources, agriculture and tourism. In this report, we provide regional breakdowns of key results from the March 2025 *CCIWA Business Confidence Survey*. We also take a deeper dive into WA's skills challenges, providing unique insights into the impacts of labour shortages on regional businesses.

*While every measure has been taken to ensure data reliability, care should be exercised when using regional estimates as they are subject to smaller sample sizes than state-wide results. In this edition, some regions have been combined due to insufficient sample sizes.*

## Pulse Check

### The Outlook

Confidence by Region (WA)	Short-Term Conditions (3-Months)			Longer-Term Conditions (12-Months)		
	Stronger	About the same	Weaker	Stronger	About the same	Weaker
Peel	47%	33%	20%	28%	48%	24%
South West	28%	55%	17%	20%	60%	20%
Great Southern	56%	35%	9%	27%	59%	14%
Wheatbelt	33%	43%	24%	40%	40%	20%
Goldfields-Esperance	50%	32%	18%	41%	42%	17%
Mid-West/Gascoyne	35%	54%	11%	27%	49%	24%
Pilbara	40%	32%	28%	24%	56%	20%
Kimberley	44%	39%	17%	33%	50%	17%
<b>WA Regions</b>	<b>40%</b>	<b>43%</b>	<b>17%</b>	<b>28%</b>	<b>52%</b>	<b>20%</b>
<b>Perth</b>	<b>42%</b>	<b>39%</b>	<b>19%</b>	<b>26%</b>	<b>47%</b>	<b>27%</b>

Over the March quarter, business confidence in regional WA remained steady in the short term and strengthened over the longer term.



For the coming quarter, two in five (40%) regional businesses expect economic conditions to improve, a marginal increase of one percentage point from last quarter. 43% anticipate conditions will remain unchanged, reflecting a five percentage point rise, while the remaining 17% expect weaker conditions.

Over the next year, almost three in 10 (28%) regional businesses anticipate stronger conditions, up three percentage points from last quarter. In contrast, one in five (20%) expect softer conditions, marking a significant 11 percentage point decline from the December 2024 quarter. The remaining one half (52%) expect economic conditions to remain steady.

Compared with metro businesses, a slightly smaller proportion of regional businesses reported they expect stronger conditions over the next three months, with a difference of two percentage points. This is the opposite for longer term confidence, with a marginally greater proportion of regional businesses expecting stronger conditions, again with a difference of two percentage points. The difference in the percentage of businesses expecting weaker conditions in the longer term, however, is more striking – 27% of metro business expect conditions to worsen over the coming year, compared with only 20% of regional businesses.

Diving deeper into the short-term outlook:

- Businesses in the Great Southern (56%), Goldfields-Esperance (50%) and Peel (47%) regions are the most optimistic.
  - Optimism in the Great Southern likely reflects strong production results from the recent harvest, supporting the outlook for this agriculture-heavy region.
  - Businesses in the Goldfields-Esperance continue to see relatively strong confidence, despite a five percentage point decline from last quarter. This outlook is likely supported by elevated gold prices, which remained near record levels and are set to serve as a valuable safeguard against geopolitical uncertainty.
  - For businesses in the Peel region, confidence has surged, rising seven percentage points from the previous quarter. This increase is likely driven by strong demand for housing and public infrastructure projects, which are fuelling activity in the manufacturing and construction industries. Additionally, a recovery in household consumption is providing support for the retail trade sector.
- Businesses in the South West (28%) are less optimistic about economic conditions in the upcoming quarter compared with other regions. The relatively low

confidence likely stems from the seasonal slowdown in tourism following summer and concerns over a potential beef tariff under Trump's administration.

- Of note, the Pilbara has seen a significant fall in optimism from last quarter. The proportion of businesses reporting a positive outlook has declined 16 percentage points, down to two in five (40%) businesses. This decline is likely a reflection of the threat of steel tariffs and additional US tariffs on China, which has created some uncertainty on the outlook for iron ore demand from the region. At the same time, increased union activity in the Pilbara is weighing on mining companies in particular.

**Commented [PC1]:** Also increased union activity?

Also wouldn't traffics be reflected in concerns about weak demand?

If anything, they seem to have labour issues on their minds - though more broadly they seem relaxed about barriers to doing business.

That said they don't seem to think that labour costs are going to increase - curious.

## Barriers to Business

What do you see as a barrier to growing your business in the year ahead?	Barriers to Business								
	Rising operating costs	Availability of skilled labour	Lack of housing for workers	Government regulatory and compliance requirements	Supply chain disruptions	Weak demand	International trade tensions	Cybersecurity risks	Difficulty accessing new finance from banks
Peel	70%	57%	17%	40%	23%	7%	17%	3%	10%
South West	65%	47%	23%	30%	12%	17%	12%	8%	5%
Great Southern	65%	70%	43%	48%	13%	22%	9%	9%	13%
Wheatbelt	82%	64%	45%	45%	14%	14%	5%	14%	9%
Goldfields-Esperance	71%	65%	55%	23%	13%	3%	10%	13%	6%
Mid-West/Gascoyne	73%	81%	38%	46%	16%	16%	5%	8%	16%
Pilbara	46%	58%	35%	19%	15%	15%	23%	15%	4%
Kimberley	72%	67%	61%	28%	22%	0%	28%	6%	11%
<b>WA Regions</b>	<b>68%</b>	<b>62%</b>	<b>36%</b>	<b>34%</b>	<b>15%</b>	<b>13%</b>	<b>13%</b>	<b>9%</b>	<b>9%</b>
<b>Perth</b>	68%	62%	14%	31%	19%	15%	14%	9%	8%

The rising cost of doing business has re-emerged as the primary barrier to business growth over the March quarter, identified by two thirds (68%) of regional businesses. This proportion remains unchanged from last quarter and at its lowest level in three years. Businesses most likely to report this concern operate in the Wheatbelt (82%), Mid-West/Gascoyne (73%) and Kimberley (72%) regions.

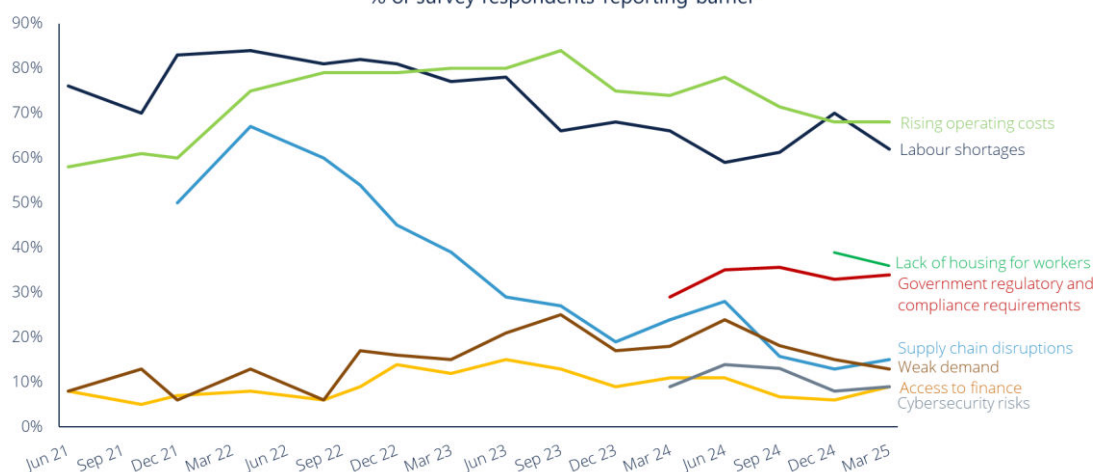
The second most reported barrier to business in the regions is labour shortages, with over three in five (62%) businesses indicating this. Providing some encouragement, this proportion has declined by eight percentage points since the previous quarter, bringing it closer to its lowest point which was recorded in the September 2024 quarter (61%). Concerns around the availability of skilled labour are most acute in the Mid-West/Gascoyne (81%), Great Southern (70%) and Kimberley (67%) regions.

The third most common barrier for regional businesses remains the lack of housing for workers, cited by over one third (36%) of regional businesses – a slight decline of three percentage points from last quarter, but more than double the response rate recorded by businesses in the metro region. This concern saw the greatest proportion of responses from businesses in the Kimberley (61%), Goldfields-Esperance (55%) and Wheatbelt (45%). This result is a reminder that the shortage of housing is much more acute in the regions.

Closely following, one third (34%) of regional businesses identified government regulatory approvals and compliance requirements as a barrier, up one percentage point from the previous quarter. This barrier is most widespread in the Great Southern (48%), Mid-West/Gascoyne (46%) and Wheatbelt (45%) regions.

### Barriers to Regional Business Growth

% of survey respondents reporting barrier



## Worker Shortages in Regional WA

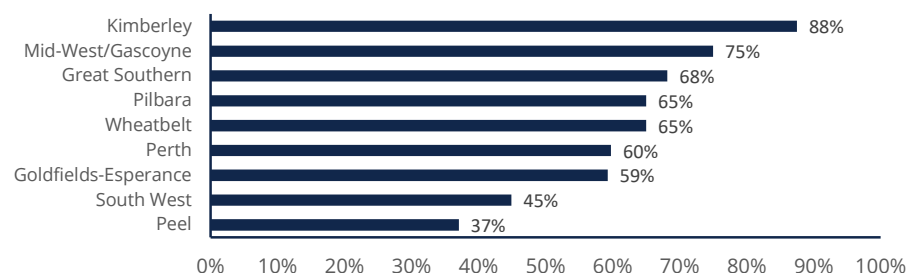
Western Australia's unemployment rate continues to sit at low levels, falling to 3.4% in February, be good to contextualise relative to WA or national level. In this edition of *Regional Pulse*, we explore developments in labour shortages across WA and the occupations most in demand by region.

When asked whether they had struggled to hire for a particular skillset, three in five (60%) regional WA businesses indicated they had. This proportion has declined 14 percentage points from the December quarter, in line with labour shortages as a barrier to growth also falling.

- Labour shortages are most acute in the Kimberley (88%), Mid-West/Gascoyne (75%) and Great Southern (68%) regions.
- The Pilbara (65%), Wheatbelt (65%) and Goldfields-Esperance (59%) regions also saw a majority of businesses report labour shortages.
- All regions reported shortages for automotive electricians among their top two occupations in demand.

### Is your business struggling to hire for a particular skillset?

Proportion that responded 'yes'



	1	2	3
Perth	Electricians	Automotive Technicians	Metal Fitters and Mach
Peel	Automotive Technicians	Machine Operators	Chefs and Food Trac
South West	Automotive Technicians	Plumbers	Steel and Welding Tr
Great Southern	Automotive Technicians	Plumbers	Sales Workers
Wheatbelt	Automotive Technicians	Property Managers	Machine Operator
Mid-West/ Gascoyne	Automotive Technicians	Carpenters	Building Completion Trades
Goldfields-Esperance	Automotive Technicians	Chefs and Food Trades Workers	Carpenters
Pilbara	Machine Operators and Drivers	Automotive Technicians	Electricians
Kimberley	Electricians	Automotive Technicians	Administrative Workers

Commented [PC2]: Doesn't the need for automotive technicians need a call out? It just seems like such an obvious feature of the table.

Do you need to be a mechanic first to become an automotive technician? What are ASA seeing in respect of mechanics? Or auto technicians if they supervise directly?

## Labour costs

Expectations by Region (WA)	Labour Costs					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	90%	7%	3%	68%	25%	7%
South West	79%	19%	2%	59%	39%	2%
Great Southern	78%	18%	4%	55%	45%	0%
Wheatbelt	76%	24%	0%	58%	37%	5%
Goldfields-Esperance	79%	18%	3%	50%	50%	0%
Mid-West/Gascoyne	73%	27%	0%	69%	31%	0%
Pilbara	80%	20%	0%	29%	71%	0%
Kimberley	67%	33%	0%	83%	17%	0%
<b>WA Regions</b>	<b>78%</b>	<b>20%</b>	<b>2%</b>	<b>62%</b>	<b>36%</b>	<b>2%</b>
Perth	77%	21%	2%	65%	33%	2%

The elevated cost of labour remains a widespread concern in regional WA. Almost four in five (78%) regional businesses reported an increase in the cost of employing and maintaining staff over the March quarter, up three percentage points from last quarter. One in five (20%) identified no change, while only 2% reported a decrease. Increases in labour costs were most prevalent in the Peel (90%), Pilbara (80%), South West (79%) and Goldfields-Esperance (79%).

Looking to the coming quarter, over three in five (62%) regional businesses anticipate labour costs to increase, while just over a third (36%) anticipate no change. Only 2% expect a decrease. Businesses most likely to expect rising labour costs operate in the Kimberley (83%), Mid-West/Gascoyne (69%) and Peel (68%) regions.



## Production/Sales

Expectations by Region (WA)	Production/Sales					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	30%	27%	43%	36%	50%	14%
South West	38%	39%	23%	35%	51%	14%
Great Southern	45%	32%	23%	41%	59%	0%
Wheatbelt	43%	28%	29%	63%	21%	16%
Goldfields-Esperance	61%	18%	21%	48%	44%	8%
Mid-West/Gascoyne	25%	44%	31%	53%	43%	4%
Pilbara	26%	42%	32%	57%	29%	14%
Kimberley	18%	59%	23%	44%	45%	11%
<b>WA Regions</b>	<b>36%</b>	<b>36%</b>	<b>28%</b>	<b>45%</b>	<b>46%</b>	<b>9%</b>
Perth	32%	42%	26%	54%	38%	8%

Businesses in regional Western Australia continue to see sustained strength in their production and sales. Over the March quarter, more than one third (36%) of respondents indicated their levels of production had increased, while the same proportion (36%) indicated their production levels remained steady – around the same as last quarter. Three in 10 (28%) identified a decline in production.

Looking to the next quarter, over two in five (45%) businesses in regional WA plan to ramp up production, while an additional two in five (46%) expect production and sales to remain steady – an increase of 10 percentage points from last quarter. Only 9% anticipate a decline in production and sales.

Businesses most likely to be increasing their production and sales over the next quarter operate in the Wheatbelt (63%), Pilbara (57%) and Mid-West/Gascoyne (53%) regions.

## Profit margins

Expectations by Region (WA)	Profit Margins					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	17%	35%	48%	32%	36%	32%
South West	16%	39%	45%	20%	38%	42%
Great Southern	22%	30%	48%	22%	65%	13%
Wheatbelt	14%	48%	38%	37%	47%	16%
Goldfields-Esperance	11%	43%	46%	38%	37%	25%
Mid-West/Gascoyne	11%	40%	49%	40%	37%	23%
Pilbara	16%	53%	31%	39%	33%	28%
Kimberley	5%	67%	28%	20%	53%	27%
<b>WA Regions</b>	<b>14%</b>	<b>43%</b>	<b>43%</b>	<b>30%</b>	<b>42%</b>	<b>28%</b>
Perth	18%	41%	41%	33%	41%	26%

Profit margins in regional WA remained subdued over the March quarter, with over two in five (43%) regional businesses reporting slimmer profit margins, with the same proportion (43%) indicating no change – up five percentage points from last quarter. Only 14% of respondents reported an increase, down four percentage points. Regional businesses were also more likely to report slimmer profit margins than metro businesses.

Looking ahead, expectations around profits for the next quarter have somewhat improved. Over two in five (42%) regional businesses expect their turnover to remain steady, while three in 10 (30%) anticipate an increase – up seven percentage points from the December quarter. A similar proportion (28%) expect profit margins to decline, down seven percentage points.

Businesses most likely to expect an increase in profit margins operate in the Mid-West/Gascoyne (40%), Pilbara (39%) and Goldfields-Esperance (38%) regions. In contrast, businesses in the South West (42%), Peel (32%) and Pilbara (28%) regions are more likely to expect their profit margins to decline.

## Level of credit or debt

Expectations by Region (WA)	Level of Credit or Debt					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	17%	76%	7%	11%	78%	11%
South West	16%	76%	8%	21%	65%	14%
Great Southern	41%	54%	5%	14%	77%	9%
Wheatbelt	33%	62%	5%	17%	78%	5%
Goldfields-Esperance	36%	61%	3%	24%	76%	0%
Mid-West/Gascoyne	33%	59%	8%	19%	67%	14%
Pilbara	21%	58%	21%	28%	67%	5%
Kimberley	22%	67%	11%	38%	56%	6%
<b>WA Regions</b>	<b>26%</b>	<b>66%</b>	<b>8%</b>	<b>20%</b>	<b>70%</b>	<b>10%</b>
Perth	23%	69%	8%	18%	72%	10%

While an increase in businesses' debt levels may signal future expansion plans, it can also indicate rising financial distress, particularly in a high-interest rate environment. Over the March quarter, one quarter (26%) of regional WA businesses increased their debt levels, while almost two thirds (66%) kept their debt levels unchanged. Almost one in 10 (8%) indicated a decrease in their debt levels. These proportions have remained largely unchanged from last quarter.

Looking to the coming quarter, seven in 10 (70%) regional businesses plan to maintain their current level of credit or debt. One in five (20%) anticipate an increase in their debt levels - down three percentage points from last quarter - while one in 10 (10%) plan to reduce their debt levels, up three percentage points.

Businesses in the Kimberley (38%), Pilbara (28%) and Goldfields-Esperance (24%) regions are more likely to see an increase in their debt levels next quarter.

**Commented [PC3]:** Doesn't this come together with the next table, eg Great Southern is highest increase in debt and also in capital expenditure. Interestingly they have the highest level of confidence - go figure I guess.

## Capital expenditure

Expectations by Region (WA)	Capital Expenditure					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	20%	67%	13%	24%	55%	21%
South West	34%	60%	6%	31%	65%	4%
Great Southern	52%	35%	13%	48%	47%	5%
Wheatbelt	29%	71%	0%	37%	53%	10%
Goldfields-Esperance	37%	56%	7%	25%	67%	8%
Mid-West/Gascoyne	42%	53%	5%	32%	60%	8%
Pilbara	53%	31%	16%	56%	39%	5%
Kimberley	47%	47%	6%	44%	50%	6%
<b>WA Regions</b>	<b>38%</b>	<b>54%</b>	<b>8%</b>	<b>35%</b>	<b>57%</b>	<b>8%</b>
Perth	38%	56%	6%	32%	62%	6%

Over the March quarter, the proportion of regional businesses increasing their capital expenditure remained stable. Over one half (54%) of businesses indicated they maintained their current levels of capital expenditure, while two in five (38%) increased their capital expenditure. Only one in 10 (8%) indicated they reduced investment activity.

Looking to the next three months, almost three in five (57%) regional businesses plan to hold their capital expenditure at current levels, while a third (35%) are committed to increasing their investment levels – up eight percentage points from last quarter. Only 8% plan to decrease their capital expenditure.

Plans to expand investment are most prevalent among businesses in the Pilbara (56%), Great Southern (48%) and Kimberley (44%) regions.

## Employment

Expectations by Region (WA)	Employment					
	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Peel	40%	40%	20%	28%	55%	17%
South West	24%	55%	21%	33%	49%	18%
Great Southern	57%	30%	13%	52%	48%	0%
Wheatbelt	32%	50%	18%	47%	48%	5%
Goldfields-Esperance	43%	46%	11%	31%	65%	4%
Mid-West/Gascoyne	41%	40%	19%	41%	51%	8%
Pilbara	30%	40%	30%	56%	39%	5%
Kimberley	45%	33%	22%	60%	33%	7%
<b>WA Regions</b>	<b>37%</b>	<b>44%</b>	<b>19%</b>	<b>40%</b>	<b>50%</b>	<b>10%</b>
Perth	39%	46%	15%	43%	49%	8%

Over the three months to March, employment levels in regional WA remained strong. Just over one third (37%) indicated they expanded their workforce size, while over two in five (44%) businesses indicated they sustained the size of their workforce. Two in five (19%) indicated they reduced the size of their workforce, down three percentage points from last quarter.

Hiring intentions in regional WA for the next three months are robust, with two in five (40%) regional businesses reporting they plan to grow their workforce. At the same time, half (50%) of respondents intend to maintain their current workforce size. Only 10% anticipate a reduction in staffing.

The regions with the highest proportion of businesses expecting to increase staffing levels are the Kimberley (60%), Pilbara (56%) and Great Southern (52%).

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