Chamber of Commerce and Industry WA

June 2025 • CCIWA Survey

Consumer Confidence

Confidence lifts as rate cuts, election outcomes support outlook

Consumer confidence in Western Australia has lifted to its highest level in three years, as the positive outlook for interest rates and the greater political certainty following the outcomes of both state and federal elections has boosted sentiment.

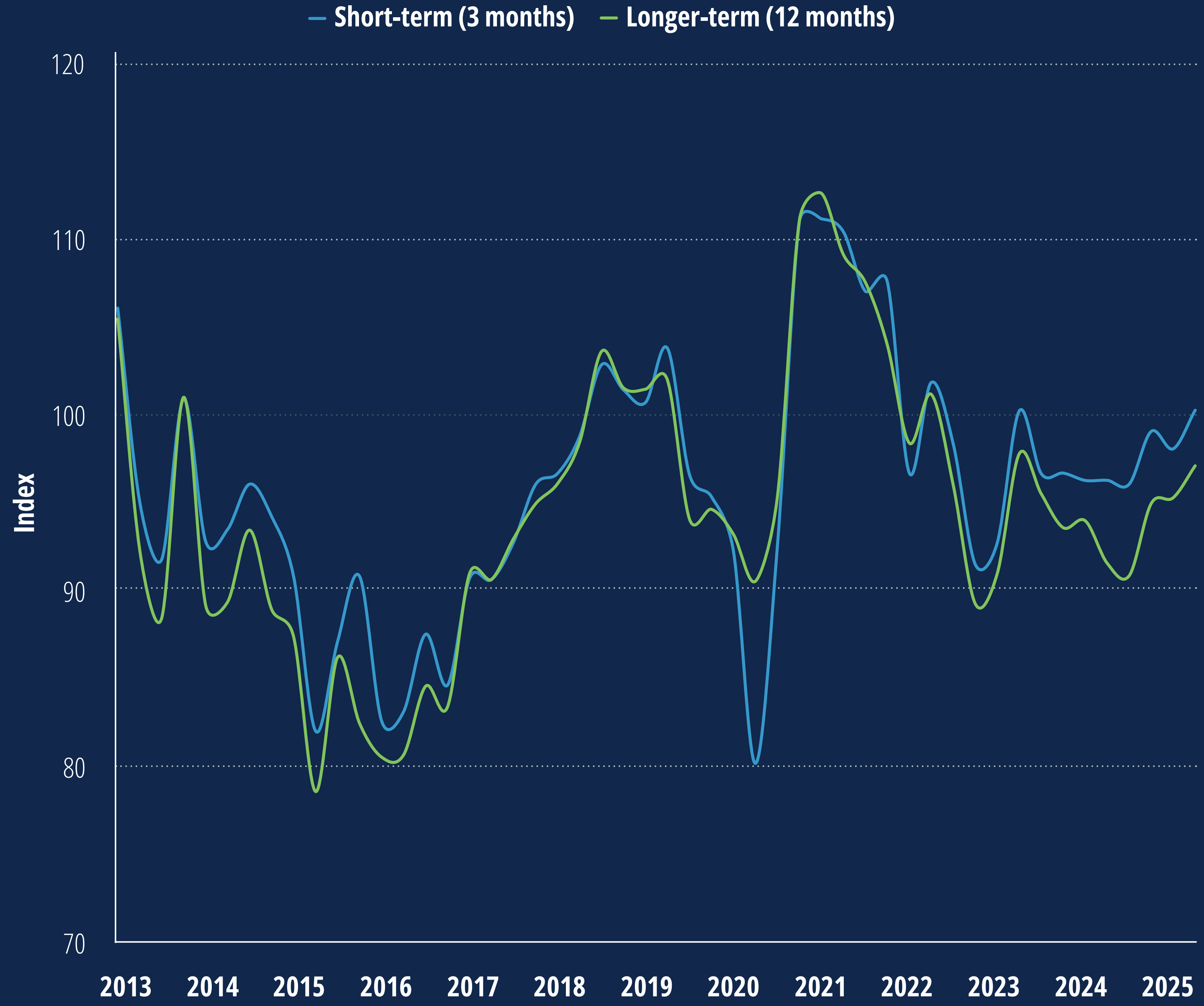
Indeed, the impact of interest rates has flipped to now be a positive contributor to confidence, as commentators (including CCIWA) continue to expect further rate cuts over the year. At the same time, the re-election of the State and Federal Labor Governments, both with a majority, has provided greater stability for households regarding the domestic political outlook over the next few years.

This increase in confidence is despite high living costs and global news continuing to weigh on households. While inflation has finally returned to the Reserve Bank of Australia's (RBA) target band, the impact of higher prices continues to weigh on household budgets. Volatility in the global economy also remains high, headlined by the uncertainty surrounding the finalisation of the US Administration's tariff rollout.

In this edition of CCIWA's Consumer Confidence Survey, we ask Western Australians how they plan to adjust their spending patterns in the second half of 2025 and factors that influence their brand preferences.

Consumer Confidence: WA Economic Conditions

Index: 2018 Average = 100



Confidence rises in the short term

Short-Term Index increases 2.2 Points to **100.3**

Over the next three months, almost one quarter of Western Australians expect economic conditions to improve, while one in five (20%) anticipate conditions to weaken. Just over half (56%) expect conditions to remain unchanged.

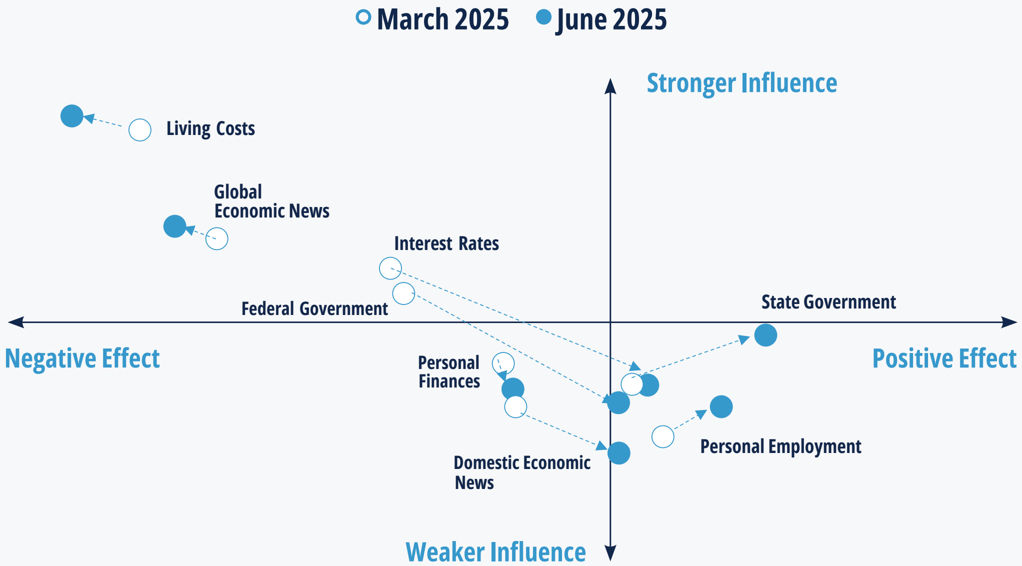
Longer-term consumer

Longer-Term Index rises 1.8 Points over the quarter to **97.2**

Over the coming year, almost two in five (39%) Western Australians expect improved economic conditions, while just over one third (34%) anticipate conditions to remain the same. Around one quarter (27%) expect weaker conditions.

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

What Influences Consumers?



What's influencing consumer confidence

Living costs (-)

Despite inflation having now fallen back within the RBA's target band, the high-cost environment continues to weigh on household budgets. As a result, more than seven in 10 (72%) WA households continue to report living costs have dragged on their confidence levels – up four percentage points since last quarter.

International headlines (-)

Global economic news continues to be a concern for Western Australian consumers, with almost three in five (58%) households indicating this – three percentage points higher than last quarter. This comes on the back of the significant uncertainty surrounding international trade policy following the roll out of the US Administration's tariff regime. At the same time, ongoing geopolitical tensions around the world, including in Ukraine, the Middle East and the South China Sea, among other areas, continues to fuel global uncertainty.

Interest rates (+)

Following the RBA's decision to cut the official cash rate in February, there was significant commentary in the lead up to the survey around additional cuts over the remainder of the year. This was confirmed when the RBA cut the cash rate again at its May meeting (after this survey was conducted), supporting the view that further cuts over the year are likely.

This has seen just over one third (37%) of respondents identify interest rates as detracting from their confidence, down a significant 11 percentage points from last quarter and the lowest reading since March 2022. In fact, there is now a greater proportion of households suggesting the outlook for interest rates is supporting their confidence than hurting it.

Personal finances (-)

Just over one third (36%) of Western Australians reported their personal finances have weighed on their sentiment this quarter. This proportion has now eased eight percentage points from a year ago, as lower interest rates and a return to real wage growth supports greater confidence in household finances.

Employment Prospects (+)

While rising slightly over the quarter, Western Australia's unemployment rate continues to sit at low levels, reading 4.2% in April. As a result, employment prospects remain a strong supporter of household sentiment, with over one third (35%) of Western Australians reporting this – up four percentage points since last quarter.

State Government (+)

Following the state election that confirmed another term for the Labor Government, the WA State Government has boosted confidence again this quarter. More than two in five (44%) households identified this, up seven percentage points over the quarter. of the recent State Election.

Federal Government (+)

After being billed as a close race in the leadup to the federal election, the swing towards Labor delivered them another term with a newfound majority. This result, and the greater level of certainty that comes with a majority government, saw the Federal Government lift consumer confidence over the quarter – almost two in five (38%) reported this as supporting their confidence, up 11 percentage points from last quarter and the highest proportion recorded in over four years.

Insights into CCIWA's Consumer Database

Households planning to pull back further on discretionary spending.

Despite inflation returning to the RBA's target band, the cumulative effect of years of above target inflation means higher prices continue to weigh on household budgets. In this edition of CCIWA's Consumer Confidence Survey, we asked Western Australians whether they plan to change their spending patterns in the second half of the year compared with the first half of the year.

At least half of respondents indicated they were likely to cut back their spending on cafes and restaurants (53%), consumer goods (51%) and bars, pubs and clubs (50%). Other categories consumers plan to reduce their spending are recreation and holidays (45%), homewares and furniture (45%) and groceries (36%).

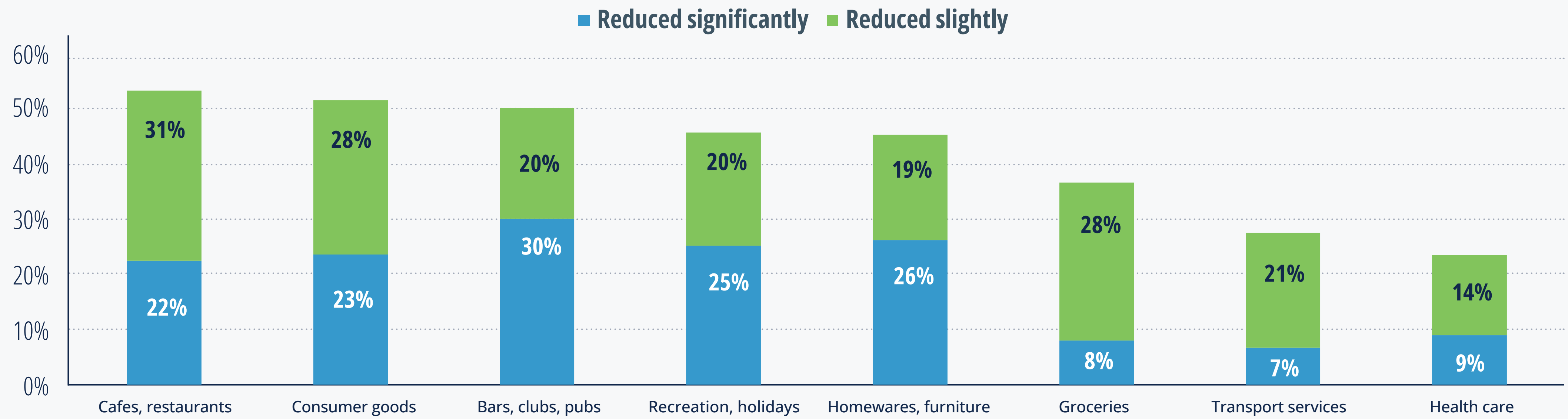
Consumers are more likely to cut back significantly on discretionary items, such as bars, clubs and pubs (30%), homewares and furniture (26%) and recreation and holidays (25%). On the flipside, households are looking to sustain their spending on essentials as much as possible, with categories such as transport (7%), groceries (8%) and health care (9%) seeing significantly fewer people planning to significantly cut back spending.

Those most likely to cut back spending on these discretionary categories are renters. More than three in five (62%) households that rent plan to limit their spending on cafes and restaurants, while a similar proportion (59%) plan to cut back on consumer goods.

Despite this, some consumers are also planning to increase their spending in the second half of the year. This is most prevalent in recreation and holidays, with almost one quarter (24%) of Western Australians reporting this. Groceries (23%) and health care (18%) were also reported as areas where relatively more consumers plan to increase their spending.

Those most likely to be increasing their spending on these categories are younger people (aged 18-39). Three in 10 (29%) younger households plan to increase their spending on recreation and travel, while just over one quarter (27%) said they plan to increase their spending on groceries.

Planned reduction in spending in second half of 2025



Insights into CCIWA's Consumer Database

Flexibility remains top priority for job hunters.

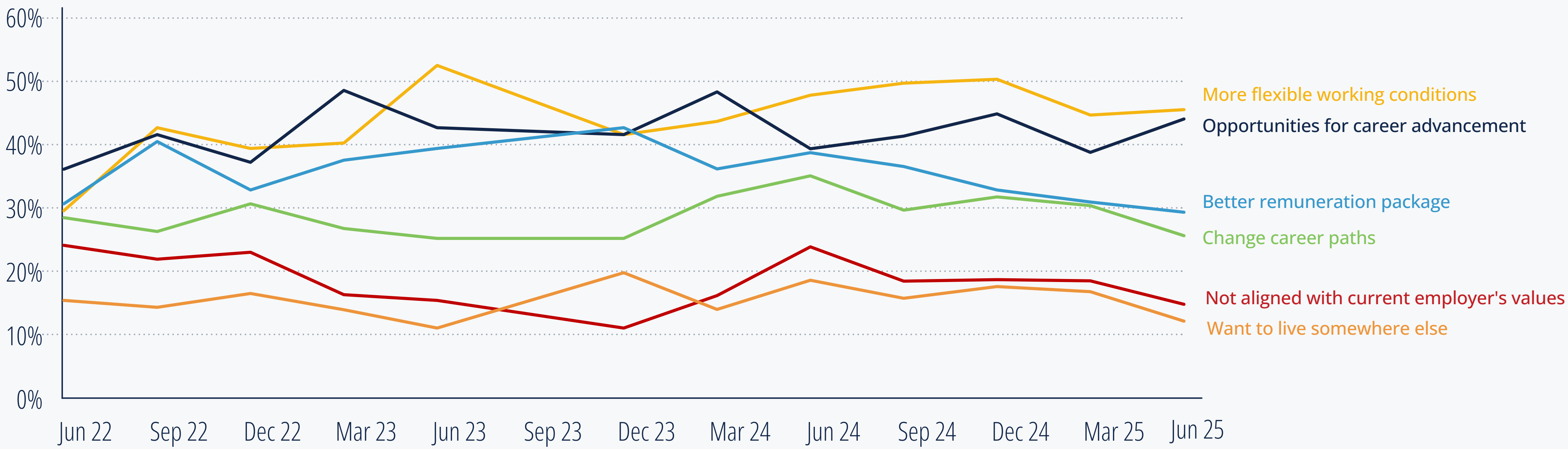
With Western Australia's jobs market remaining tight, we asked Western Australian job hunters why they are seeking new employment – information that can help businesses attract and retain talent.

Looking to the responses, just over one third (35%) of Western Australians are seeking new employment, down one percentage point from last quarter. Those most likely to be seeking employment are younger (aged 18-39) (51%) and reside in metro areas (40%), 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 was reported by more than two in five (43%) Western Australian job seekers, a one percentage point increase from last quarter. Closely following, two in five (41%) job seekers indicated opportunities for career development. The proportion seeking better renumeration packages (28%) has fallen once again over the quarter, dropping to its lowest level since we began asking this question in June 2022. Other factors driving job mobility include wanting to change career path (24%); not being aligned with employers' values (14%); and wanting to live somewhere else (12%).

Younger job seekers are more likely to be seeking opportunities for career advancement (48%), flexible working arrangements (42%), and better remuneration (28%). For the older cohort, flexible working arrangements (46%) is the most important factor, followed by opportunities for career advancement (35%) and better renumeration packages (29%).

Factors incentivising job mobility



Insights into CCIWA's Consumer Database

Transparency the key factor shaping consumer brand preferences.

With consumers increasingly taking environmental, social and governance issues into consideration when making purchasing decisions, we explore consumers' priorities when choosing their preferred brand.

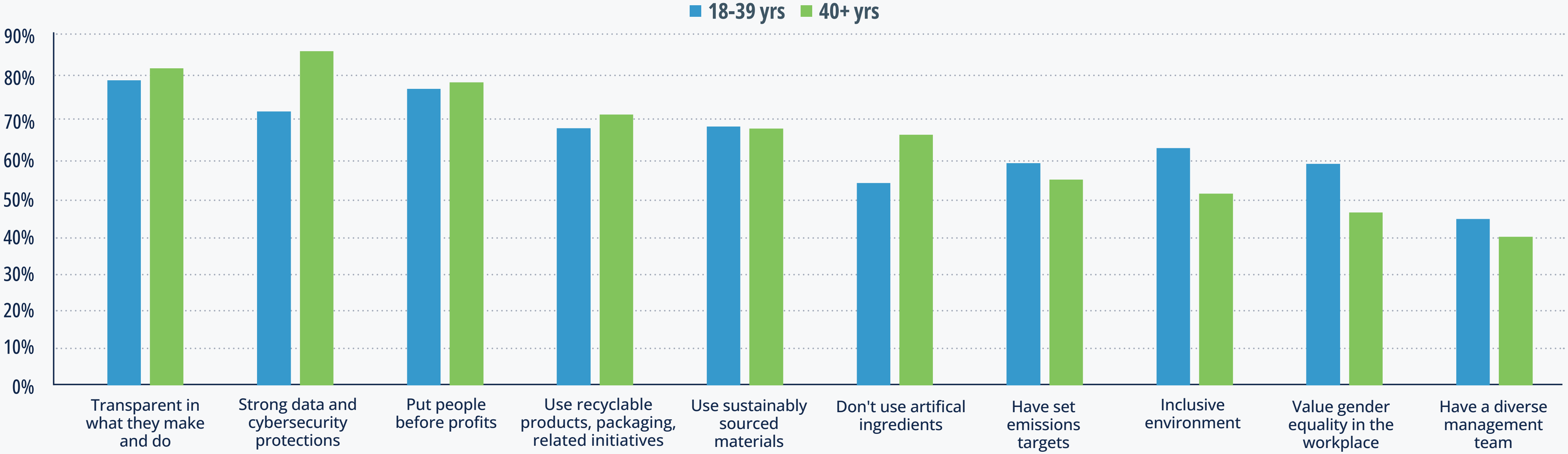
The most important factor identified was companies that are transparent in what they make or do, with almost four in five (79%) Western Australians indicating this as being 'very impor-tant' or 'important' when choosing their brand of choice – up two percentage points from when we asked this in September 2024. This was closely followed by companies that have strong data and cybersecurity protections, with 78% reporting this as an important consideration. Other factors shaping consumer brand preferences include companies that:

76% Put people before profits
67% Use recyclable products, packaging or related initiatives
65% Use sustainably sourced materials
54% Have set targets to help reduce their emissions
53% Have an inclusive environment
49% Value gender equality in the workplace

Compared with when we last asked this in September 2024, outside of the top 3 factors there has been a notable shift away from the importance of these factors when considering brand preferences. This is most significant for companies having a diverse management team (10% lower), setting emissions reduction targets (9% lower) and valuing gender equality in the workplace (8% lower). This likely reflects the current high-cost environment seeing consumers becoming more price sensitive, placing greater importance on product prices over other factors.

Breaking down the results by age group, both the younger (18-39) and older (40+) cohort place a greater level of importance on companies that are transparent (77% vs 80%), place people before profits (74% vs 76%) and have strong cybersecurity protections (69% vs 84%). The younger cohort are much more likely to buy from companies that value gender equality in the workplace (12% difference) and have an inclusive environment (11% difference) than their older counterparts. On the flipside, older people are more likely to value strong cybersecurity protections (15% difference) and companies that don't use artificial ingredients (12% difference).

Factors shaping consumer brand preferences



Consumer Confidence June 2025

Consumer confidence lifts to three-year high in the short term.

Just over half of Western Australians plan to decrease their spending on consumer goods and going out to cafes, restaurants and bars.

Flexible working arrangements remains the primary reason behind employees looking for new work, with two in five (43%) job seekers reporting this.

Transparency is the key factor consumers consider when choosing a brand, with four in five (79%) reporting this as being important.

Consumer Confidence	Current Quarter (June 2025)	Previous Quarter (March 2025)	Highest Since
Short-Term	100.3	98.1	June 2022
Longer-Term	97.2	95.3	June 2023
Personal Finances	99.6	100.0	March 2025
Job Prospects	102.2	103.7	March 2025

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 June 2025 is 100.3, which suggests that the average score of survey respondents for consumer confidence in June 2025 is 0.3 per cent higher than the average rating in 2018.

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