

Regional Pulse

Chamber of Commerce and Industry WA

June 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 June 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 omitted or combined due to insufficient sample sizes. Numbers may not add to 100% due to rounding

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	17%	39%	44%	5%	63%	32%
South West	39%	33%	28%	30%	35%	35%
Great Southern	29%	43%	29%	23%	32%	45%
Wheatbelt	44%	38%	19%	38%	38%	25%
Goldfields-Esperance	36%	29%	36%	14%	57%	29%
Mid-West/Gascoyne	32%	43%	25%	30%	37%	33%
Pilbara	50%	46%	4%	50%	38%	13%
WA Regions	36%	39%	25%	28%	42%	30%
Perth	35%	45%	20%	23%	46%	31%

Over the June quarter, business confidence in regional WA has slipped in both the short and longer term.

Over the coming quarter, just over one third (36%) of regional businesses expect economic conditions to improve, a slight decrease of four percentage points from last quarter. Two in five (39%) anticipate conditions will remain unchanged, while the remaining one quarter (25%) expect weaker conditions – an eight percentage point rise from March.

Over the next year, almost three in 10 (28%) regional businesses anticipate stronger conditions, the same proportion as last quarter. In contrast, three in 10 (30%) expect softer conditions – a significant 10 percentage point increase from March. The remaining two in five (42%) expect economic conditions to remain steady.

Compared with businesses in the Perth metro area, businesses in the regions are slightly more pessimistic in the short term but optimistic in the longer term. Only 20% of businesses in the Perth metro area are expecting weaker conditions over the coming quarter, five percentage points less than for regional WA. On the flipside, 23% of businesses in the metro region are expecting stronger conditions over the year ahead, five percentage points lower than for regional businesses.

A deeper dive into each region can be found from page 7.

Barriers to Business

What do you see as a barrier to growing your business in the year ahead?	Barriers to Business								
	Rising operating costs	Labour shortages	Lack of housing for workers	Government regulatory and compliance requirements	Weak demand	International trade tensions	Supply chain disruptions	Difficulty accessing new finance from banks	Cyber security risks
Peel	74%	37%	16%	26%	26%	26%	11%	0%	5%
South West	72%	63%	46%	30%	17%	20%	9%	11%	7%
Great Southern	77%	68%	36%	59%	23%	18%	27%	14%	18%
Wheatbelt	50%	63%	38%	56%	19%	19%	13%	19%	0%
Goldfields-Esperance	55%	62%	21%	28%	24%	14%	10%	3%	0%
Mid-West/Gascoyne	75%	79%	61%	39%	7%	7%	14%	11%	18%
Pilbara	54%	79%	58%	25%	21%	33%	13%	4%	13%
WA Regions	67%	66%	43%	36%	18%	18%	13%	9%	8%
Perth	72%	61%	15%	31%	23%	20%	14%	5%	11%

The rising cost of doing business remains the primary barrier to business growth in the regions over the June quarter, identified by two thirds (67%) of regional businesses. This proportion is down one percentage point from last quarter and is now at its lowest level in just over three years. Businesses most likely to report this as a concern operate in the Great Southern (77%), Mid-West/Gascoyne (75%) and Peel (74%) regions.

This was closely followed by labour shortages, with just under two thirds (66%) of regional businesses indicating this, up four percentage points since the previous quarter. Concerns around the availability of skilled labour are most acute in the Mid-West/Gascoyne (79%), Pilbara (79%) and Great Southern (68%) regions.

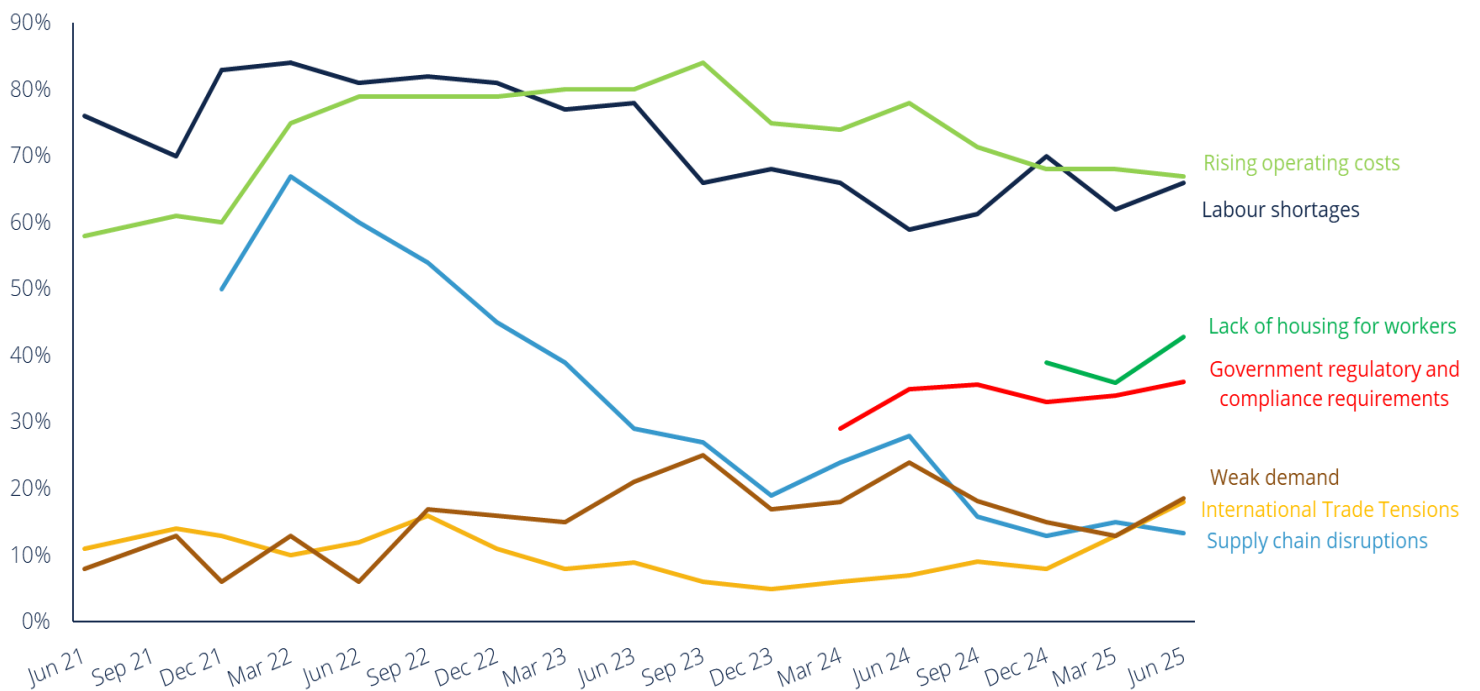
The lack of housing for workers was also cited as a prominent barrier by businesses in the regions, with over two in five (43%) reporting this. This is up seven percentage points from the March quarter and is almost triple the proportion of businesses in the Perth metro region reporting this as a barrier, highlighting the significant issue this poses to the

regions. This concern is most prevalent in the Mid-West/Gascoyne (61%), Pilbara (58%) and South West (46%).

More than one third (36%) of regional businesses also identified government regulatory and compliance requirements as a barrier, up two percentage points from last quarter. This barrier is most widespread in the Great Southern (59%), Wheatbelt (56%) and Mid-West/Gascoyne (39%) regions.

Barriers to Regional Business Growth

% of survey respondents reporting barrier



Worker Shortages in Regional WA

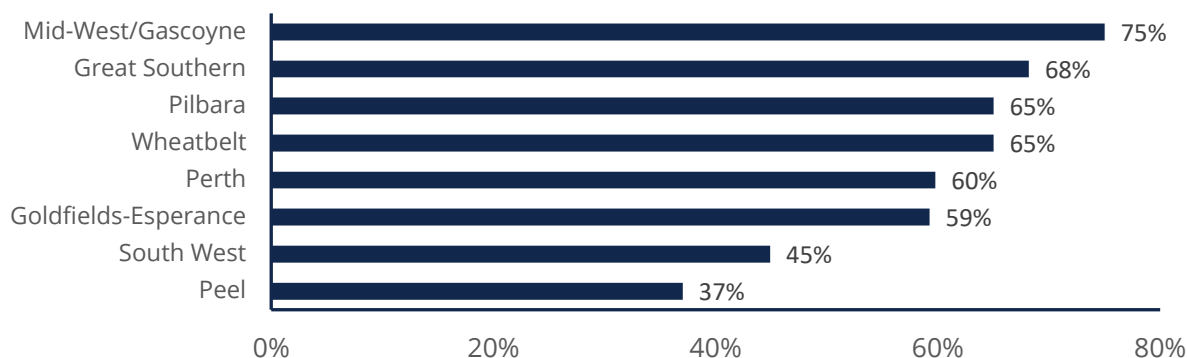
Western Australia’s labour market remains tight, with the unemployment rate sitting at 4.1% in April 2025 – still well below the decade average of 5.2%. In this edition of *Regional Pulse*, we explore developments in labour shortages across WA and the occupations most in demand by region.

When asked whether they had struggled to hire for a particular skillset, just over three in five (63%) regional WA businesses indicated they had. This proportion has increased three percentage points from the March quarter, in line with labour shortages as a barrier to growth also rising slightly over that time.

- Labour shortages are most acute in the Pilbara (75%), Great Southern (75%) and Mid-West/Gascoyne (74%).
- More than half of respondents from all regions (except Peel) reported they had struggled to fill a position over the quarter.

Is your business struggling to hire for a particular skillset?

Proportion that responded 'yes'



Top three occupations in demand by WA region	1	2	3
Peel	Tradespeople	Property managers	Pharmacists
South West	Tradespeople	Chefs	Hospitality staff
Great Southern	Tradespeople	Machinists	Support Workers
Wheatbelt	Agricultural mechanics	Tradespeople	Accountants
Mid-West/ Gascoyne	Tradespeople	Mechanics/Technicians	Educators
Goldfields-Esperance	Machinists	Tradespeople	Chefs
Pilbara	Operators	Tradespeople	Administrative Workers

Pilbara

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	40%	30%	30%	56%	33%	11%
Labour Costs	81%	19%	0%	68%	32%	0%
Profit Margins	25%	40%	35%	28%	61%	11%
Credit or Debt	5%	84%	11%	29%	59%	12%
Capital expenditure	37%	53%	11%	47%	53%	0%
Employment	48%	29%	24%	63%	37%	0%

Business Confidence in the Pilbara remains the strongest across the state, being the only region to see improved confidence in both the short and long term over the quarter. One half (50%) of respondents from the region are expecting economic conditions to improve in the short term – up 10 percentage points from March – while the same proportion (50%) expect long term conditions to improve – up 26 percentage points.

Much of this improvement likely stems from the end of the wet season, supporting an increase in the level of economic activity. Indeed, 56% of businesses are expecting to increase their levels of production over the coming quarter, while 63% are expecting to increase their staffing levels or hours worked – both higher than the current quarter.

At the same time, 47% reported they plan to increase their capital expenditure levels over the coming quarter, up from the 37% reported this quarter. Encouragingly, the proportion expecting an increase in labour costs over the coming three months is also down on the current quarter by 13 percentage points.

However, there are still numerous headwinds facing the region, with labour shortages (79%) and housing shortages (58%) the two most reported barriers. The elevated level of trade uncertainty is also proving to be a drag on confidence in the Pilbara, with international trade tensions (33%) and weak demand (21%) more prominent barriers relative to other regions.

The price of iron ore will also be a key watch for the region over the rest of the year, having declined around 7% since the March 2025 Regional Pulse Report. Further declines in the iron ore price could negatively impact confidence in the region, given the importance of the commodity to its economic fortunes.

Mid-West/Gascoyne

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	31%	50%	19%	35%	62%	4%
Labour Costs	70%	30%	0%	78%	22%	0%
Profit Margins	16%	32%	52%	24%	48%	28%
Credit or Debt	24%	68%	8%	28%	68%	4%
Capital expenditure	31%	62%	8%	35%	58%	8%
Employment	33%	30%	37%	50%	38%	12%

Business confidence has weakened in both the short and long term in the Mid-West/Gascoyne region. While the proportion of businesses expecting stronger economic conditions in the short term has held relatively steady, those expecting weaker conditions has risen from 11% in March to 25% in June. This is a similar story for long term confidence, with the proportion anticipating conditions to worsen rising from 24% to 33%.

This weakness is partly driven by the difficulties in the housing market, with a sharp rise in the proportion of businesses reporting a lack of housing for workers as a key barrier to growth. 61% of businesses reported this as an issue, the highest of any region and huge 23 percentage points higher than in March. Labour shortages are also hurting the region more acutely than elsewhere, with 79% reporting this as a barrier. While this is down two percentage points since March, it is still the equal highest of any region.

Despite this, activity in the region appears likely to pick up over the coming quarter, with expectations around production, employment and capital expenditure all improving relative to current quarter levels.

Short term confidence in the region is now weaker than that for regional WA more generally and the Perth metropolitan area, however longer term confidence is on par with both.

Wheatbelt

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	27%	60%	13%	53%	40%	7%
Labour Costs	53%	40%	7%	87%	13%	0%
Profit Margins	20%	53%	27%	47%	27%	27%
Credit or Debt	47%	40%	13%	40%	53%	7%
Capital expenditure	40%	47%	13%	53%	33%	13%
Employment	40%	33%	27%	67%	27%	7%

Business confidence in the Wheatbelt has picked up in the short term, with 44% of respondents expecting economic conditions to improve over the coming quarter, up 11 percentage points from March. Over the longer term, businesses are expecting conditions to remain about the same, with 38% anticipating conditions to improve – down two percentage points.

The boost to confidence likely comes from the significant fall in the proportion reporting rising operating costs as a barrier – only 50% indicated this as an issue for their business in the June quarter, a significant drop from 82% in March. Some timely rain across the region is also likely to have supported confidence. However, the current international trade uncertainty may be a moderating factor on confidence, having risen 14 percentage points to 19% this quarter.

Activity also appears to be picking up over the coming quarter, with most of the minor indicators seeing a greater proportion of businesses reporting an increase. In particular, the production, employment and capital expenditure indexes all see a significant shift towards businesses in the Wheatbelt suggesting they will increase their activity in each of these. A greater proportion are also expecting profit margins to increase, however almost all businesses are anticipating labour costs to rise.

With the surge in confidence, the Wheatbelt has risen to be one of the strongest regions in the state, bettered only by the Pilbara.

Goldfields-Esperance

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	25%	29%	46%	37%	44%	19%
Labour Costs	48%	52%	0%	52%	37%	11%
Profit Margins	19%	30%	52%	35%	52%	13%
Credit or Debt	27%	69%	4%	29%	63%	8%
Capital expenditure	41%	52%	7%	33%	54%	13%
Employment	30%	44%	26%	31%	46%	23%

Business confidence has slumped over the quarter in the Goldfields-Esperance region in both the short and long term. 36% of businesses expect economic conditions over the next three months to improve – down 14 percentage points since March – while only 14% expect conditions to pick up over the next year – a significant drop of 27 percentage points.

Businesses in the resources sector are driving confidence in the region, most likely stemming from the further gains in the price of gold over the quarter. Other industries had more mixed views on the future state of the economy, suggesting a divergence in confidence between the resources sector and other businesses in the region.

This is likely the result of a sharp increase in concern around weaker demand, with 21% of businesses now reporting this as a barrier to growth. This is up from 3% in March, or a huge 19 percentage points. Encouragingly though, the proportion reporting rising operating costs and a lack of housing for workers as barriers has fallen significantly over the quarter.

Reflecting the weaker confidence in the region, the proportion planning to increase their capital expenditure over the coming quarter is set to fall. Employment levels are also expected to remain relatively unchanged, while production is set to rise.

Given the significant fall, confidence in the region is now below that of regional WA more generally and the Perth metropolitan area.

Peel

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	32%	32%	37%	22%	56%	22%
Labour Costs	74%	21%	5%	78%	17%	6%
Profit Margins	6%	44%	50%	22%	39%	39%
Credit or Debt	26%	63%	11%	18%	65%	18%
Capital expenditure	37%	53%	11%	33%	50%	17%
Employment	16%	63%	21%	28%	61%	11%

Business confidence in the Peel region has tumbled to the lowest in the state over the June quarter. The proportion expecting conditions to improve in the short term has dropped from 47% in March to only 17% in June, while over the longer term this has fallen from 28% to just 5%. Peel also has the greatest proportion expecting weaker conditions in the short term of all regions, with 44% indicating this.

This likely comes on the back of a surge in weak demand being reported, with 26% saying this was a key barrier to their business. This is up 19 percentage points since last quarter and is now the highest proportion recorded in any region. Peel also reported one of the highest proportions of businesses indicating rising operating costs (74%) and international trade tensions (26%) as barriers. On the flipside though, labour shortages appear to be far less of an issue than in other regions, with only 37% reporting this.

Reflecting the lack of confidence in the region, both capital expenditure and debt levels are expected to fall over the coming quarter – businesses are less likely to want to use debt financing to invest in times of greater uncertainty. Production is also set to remain relatively unchanged over the quarter, however staffing levels are set to rise slightly.

South West

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	37%	40%	23%	32%	51%	17%
Labour Costs	65%	33%	2%	60%	37%	2%
Profit Margins	26%	23%	51%	21%	40%	38%
Credit or Debt	24%	69%	7%	26%	69%	5%
Capital expenditure	33%	64%	2%	31%	69%	0%
Employment	30%	53%	16%	29%	64%	7%

Business confidence in the South West has diverged over the June quarter. While a greater proportion of businesses are expecting stronger economic conditions in both the short (39%) and longer term (30%) compared with March, a greater proportion are also expecting weaker conditions. 28% of respondents are expecting conditions to worsen over the coming quarter – up 11 percentage points from March – while 35% expect poorer conditions over the next year – up 15 percentage points.

This is in line with a greater proportion reporting a number of key barriers compared with last quarter, including rising operating costs (72%, up seven percentage points), labour shortages (63%, up 16 percentage points), a lack of housing for workers (46%, up 23 percentage points) and international trade tensions (20%, up eight percentage points).

There are also mixed results among a number of other indicators, such as expected production levels, profit margins and staffing levels, with a smaller proportion expecting an increase in these measures, but fewer also expecting a decline. On aggregate, these indicators are set to remain largely unchanged over the coming quarter.

Despite the mixed results, confidence in the South West remains on par with WA's regions more generally and the Perth metropolitan area.

Great Southern

	Current Quarter			Next Quarter		
	Increase	No Change	Decrease	Increase	No Change	Decrease
Production	30%	35%	35%	40%	35%	25%
Labour Costs	76%	24%	0%	67%	33%	0%
Profit Margins	14%	48%	38%	25%	30%	45%
Credit or Debt	33%	62%	5%	60%	35%	5%
Capital expenditure	60%	40%	0%	60%	35%	5%
Employment	24%	57%	19%	35%	50%	15%

Business confidence in the Great Southern has dropped significantly over the quarter. In the short term, 29% of businesses said they expect economic conditions to improve, down from 56% recorded in March. In the longer term, while the proportion expecting stronger conditions has only fallen marginally – from 27% to 23% – the percentage expecting weaker conditions has surged to 45%, up from 14% in March.

This is reflected in the increased number of businesses reporting several barriers to business, including rising operating costs (77%, up 12 percentage points), government regulation (59%, up 11 percentage points), supply chain disruptions (27%, up 14 percentage points) and international trade tensions (18%, up 9 percentage points). In fact, the Great Southern region now has a greater proportion of businesses reporting rising costs, government regulation, supply chain disruptions and cybersecurity risks as a barrier to business growth than any other region in the state.

Despite this, businesses in the region are expecting to lift their production and employment levels slightly over the September quarter, in a sign that more activity could be on the way.

Concerningly though, a greater proportion are also expecting their levels of credit or debt to increase even though the proportion increasing their capital expenditure levels is set to remain steady. While this could just indicate payments for this capex spending becoming due over this period, it could also be that businesses are having to make additional repayments without a productive return, which would place further stress on businesses in the region.

Given the significant drop, confidence levels in the Great Southern are now weaker than both the Perth metropolitan area and the WA regions more generally.

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