



Chamber of Commerce
and Industry WA



September 2025 • CCIWA Survey

Business Confidence

Business confidence surges amid global uncertainty

Business confidence across Western Australia has surged over the September quarter to a three-year high, as businesses adopt a more optimistic view of the economy. Since June 2022, business confidence has remained stagnant due to inflationary pressures, global trade uncertainties and global conflicts with the impacts felt deeply across WA's export driven economy.

The latest improvement in business confidence follows a further easing in interest rates offering relief to businesses as inflation becomes subdued. With interest rates expected to be cut further in 2025, both businesses and consumers have further relief in sight.

Business confidence has also been boosted by declining uncertainty over tariff policy. According to survey results, 15% of businesses were concerned about international trade tensions as a barrier to growth, down four percentage points from the previous quarter's survey. Following a slate of trade deals secured by the US with trading partners, US tariffs have come in lower than originally threatened.

Despite renewed optimism across WA, there are still concerns over the rising cost of doing business and the availability of skilled labour. Both factors have seen a slight decline from last quarter's results but remain relatively high. Two thirds of businesses (66%) reported rising costs as a barrier to growth over the coming year, and six in 10 businesses (64%) reported skills shortages.

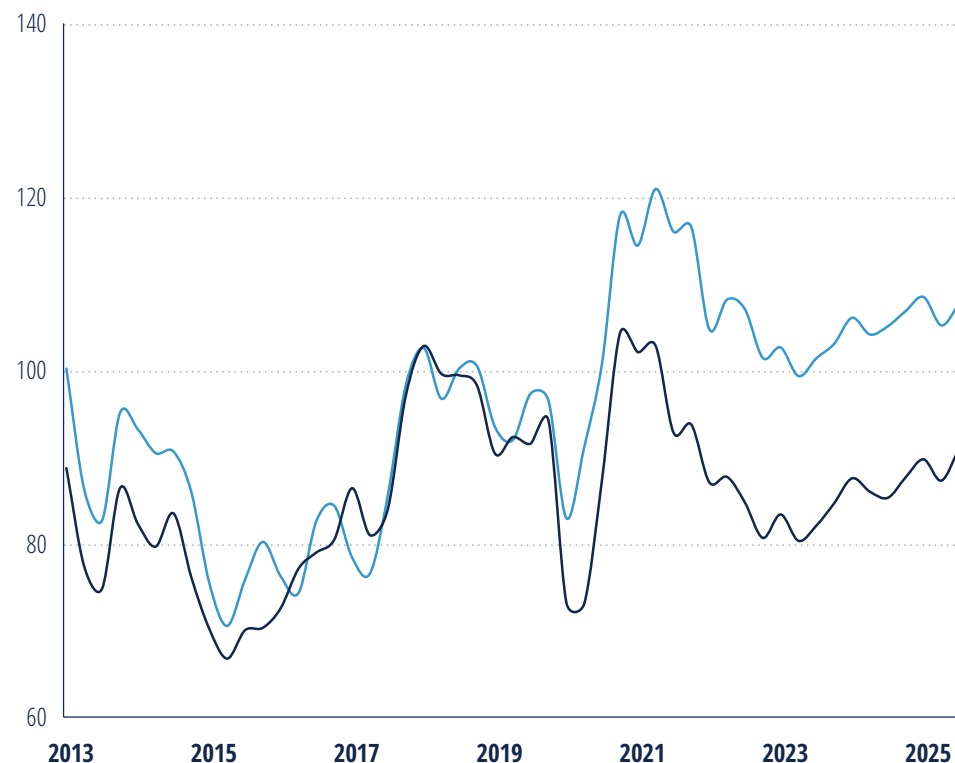
The concerns over rising costs and shortages of skill labour have been an ongoing issue for WA businesses. Government regulation continues to be the next most prominent issue identified by one third (31%) of respondents. Addressing these issues will therefore be key to lifting business confidence over the coming years – with measures such as increasing the payroll tax threshold and reducing regulatory burdens pivotal to reducing the costs of doing business.

In this edition of CCIWA's Business Confidence Survey, we look to uncover the impact of these barriers on WA businesses more closely. We asked WA businesses if they are considering adopting Artificial Intelligence (AI), where the greatest cost pressures in their businesses are and whether they are struggling to hire workers.

CCIWA Business Confidence Index

Index, 100 = 2018 Calendar Year

— Next Quarter — Next Year





Short-Term Index increases 2.5 Index Points to 107.7 Points

Looking at the coming quarter, just over two in five (41%) of Western Australian businesses expect stronger economic conditions, up six percentage points from last quarter. This is supported by two in five (43%) anticipating no change, while one in five (19%) anticipate weaker economic conditions.

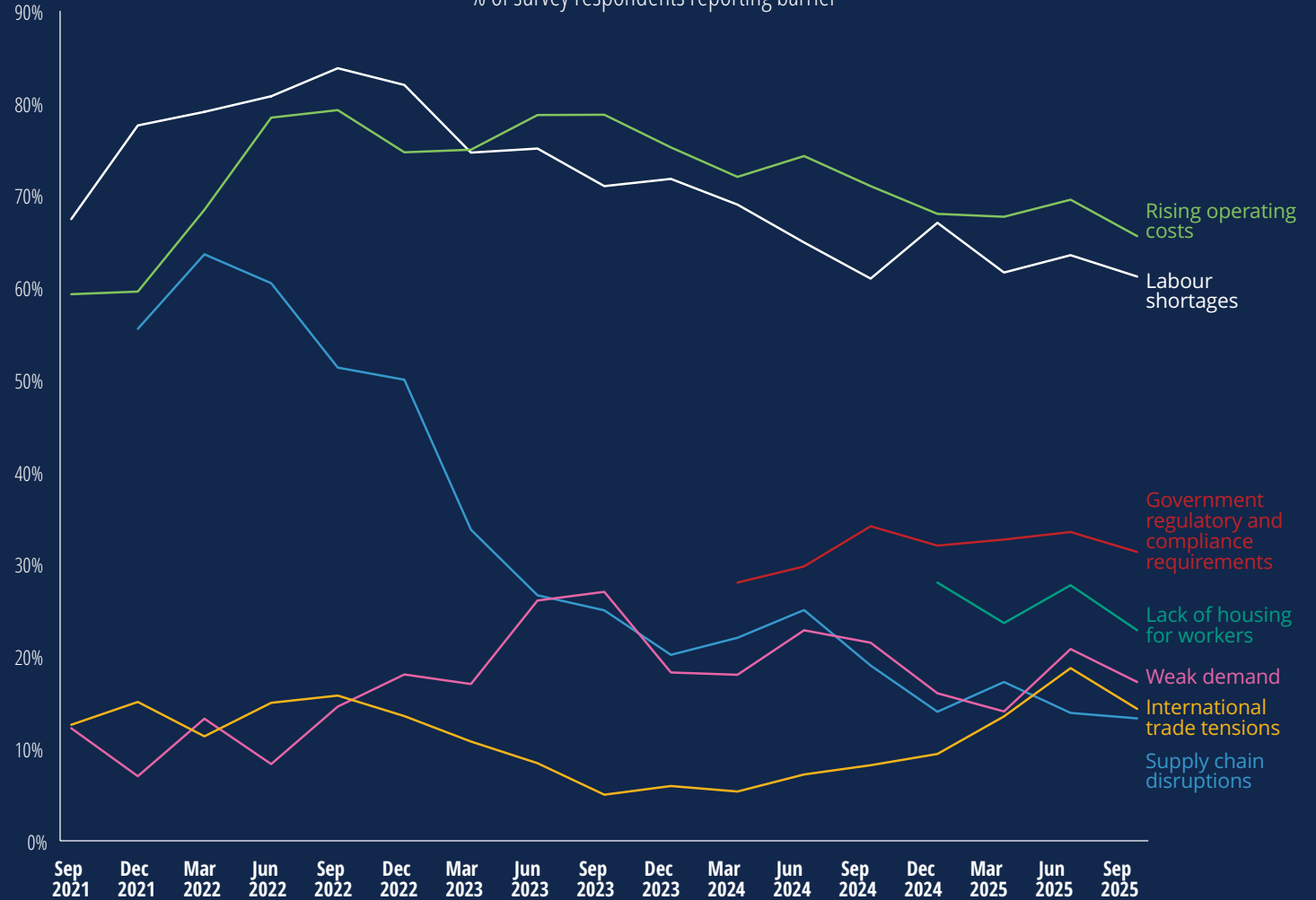


Long-Term Index rises 3.7 Index Points over the quarter to 91 points

Approximately one third (32%) of WA businesses expect economic conditions to improve over the next 12 months, and just over two in five (43%) anticipate no change. The remaining one in four (25%) expect conditions to soften – down six percentage points since last quarter.

Barriers to Business Growth

% of survey respondents reporting barrier



The industries driving short-term confidence

Businesses in the **resources** sector lead short term confidence this quarter, with just under seven in 10 (68%) of respondents in the sector expecting economic conditions to improve over the next three months. This proportion is up 30 percentage points from last quarter, a substantial increase potentially driven by strong commodity price expectations and tariffs coming in lower than expected.

This was followed by businesses in the **food & accommodation** industries, with 54% of respondents in this sector expecting conditions to improve over the coming quarter. This is a six percentage point decline from the last quarter. With interest rates being slashed and general financial conditions improving for consumers, businesses are expecting healthy demand across the accommodation and food service industries over the next three months.

The **construction** industry recorded the third-highest of business confidence, with a relatively high proportion of businesses in this sector expecting conditions to strengthen (50%), an increase of six percentage points over last quarter's results. The sustained demand for work in the residential sector and on public infrastructure projects continues to sustain confidence, as does the declining growth in input costs.

On the flipside, businesses in the **retail trade** sector are the most pessimistic, with just over one third (37%) of businesses expecting conditions to worsen over the next three months. This is largely due to rising supply costs and labour shortages putting pressure on wages. The **manufacturing** (29%), **agriculture** (25%), and **education and training services** (25%) industries also reported an increase in the number of businesses expecting weaker conditions.



Costs, labour shortages remain key barriers to business

The leading barrier to business growth remains the rising cost of doing business, with just under seven in 10 (66%) WA businesses identifying this as their main barrier. That said, concern about rising costs declined by four percentage points since last quarter. Across industries, cost concerns are most prevalent in the **health care and social assistance services** (79%), **food & accommodation services** (75%), and **retail** (73%) sectors.

Closely following rising costs, labour shortages continue to persist as the second most reported barrier to growth. Just under two-thirds (61%) of WA businesses have identified this, down three percentage points since the June quarter. This barrier is most widespread in the **resources sector** (68%), **manufacturing** (68%) and **construction** (67%) industries.

Government regulatory and compliance requirements also remain a significant barrier, cited by one-third (31%) of respondents. This constitutes a decline of two percentage points since last quarter. Regulatory and compliance concerns were most prevalent across businesses in the **education and training** (65%), **health care and social assistance** (42%) and **retail** (50%) sectors.

Shortages of housing for workers has slightly eased since last quarter but remains a prominent barrier. Nearly one in five (22%) businesses identified shortages of housing for workers as a barrier – a decline of six percentage points since last quarter. This challenge remains more acute in regional areas, where more than two in five (43%) businesses report it as a barrier – almost triple the 15% recorded in metro areas. By industry, those most likely to indicate this concern are in the **retail** (39%), **education and training** (25%) and **construction** (25%) sectors.



Rising operating costs

Identified by **66%** of businesses

Sectors most likely to report as a barrier:

- 79%** Health Care and Social Assistance
- 75%** Food & Accommodation
- 73%** Retail



Government regulatory and compliance requirements

Identified by **31%** of businesses

Sectors most likely to report as a barrier:

- 65%** Education & Training
- 42%** Health Care & Social Assistance
- 50%** Retail



Skill shortages

Identified by **61%** of businesses

Sectors most likely to report as a barrier:

- 68%** Resources
- 68%** Manufacturing
- 67%** Construction



Lack of housing for workers

Identified by **22%** of businesses

Sectors most likely to report as a barrier:

- 39%** Retail
- 25%** Education & Training
- 25%** Construction

AI on the rise, but WA businesses are reluctant to adopt

Artificial Intelligence (AI) has seen transformative technological advances, promising many benefits to businesses including reducing costs and improving business performance.

In this edition of CCIWA's *Business Confidence Survey*, we have set out to determine how WA businesses are approaching AI compared to other businesses on a national level.

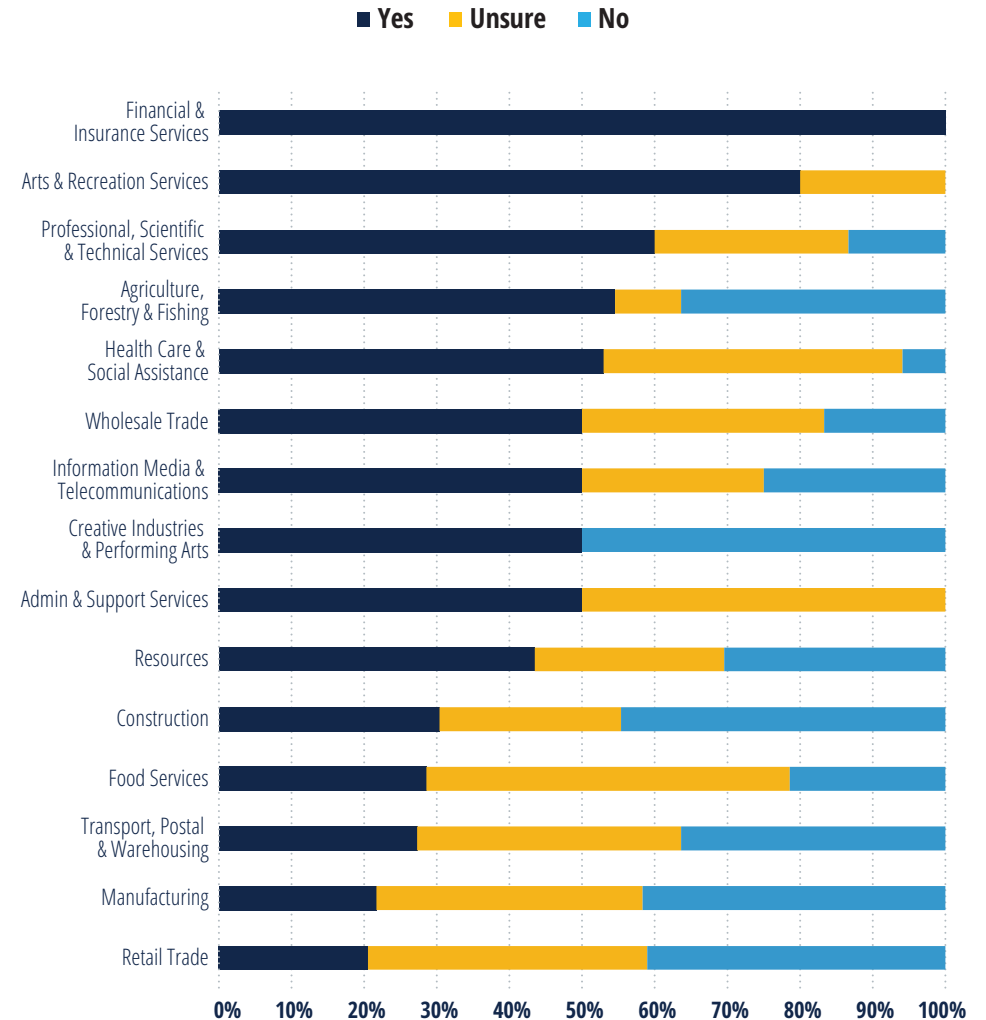
According to the most recently published data by the Department of Industry, Science and Resources, just under one third (37%) of Australian businesses were intending to implement AI. When asked if WA businesses are considering adopting AI over the next twelve months, just under two in five (39%) businesses indicated they were considering adopting the technology, more or less in line with the national average. Conversely, one third (34%) of WA businesses were not considering adopting AI and (27%) were unsure.

AI adoption over the next 12 months was most prevalent across businesses in **real estate services (92%)**, **education and training (79%)**, and **health care and social assistance (53%)**.

We asked survey participants to outline the main reasons why they were interested in adopting AI. Close to half of respondents (49%) were considering adopting AI to improve productivity.

There was a large gap between the next listed benefits which include improving customer experience (18%) and reducing costs (13%). Only 7% of businesses saw AI as an opportunity to fill skill shortages and 6% to help grow the business.

Businesses considering adopting AI over the next 12 months



Wages the overwhelming cost pressure on WA businesses

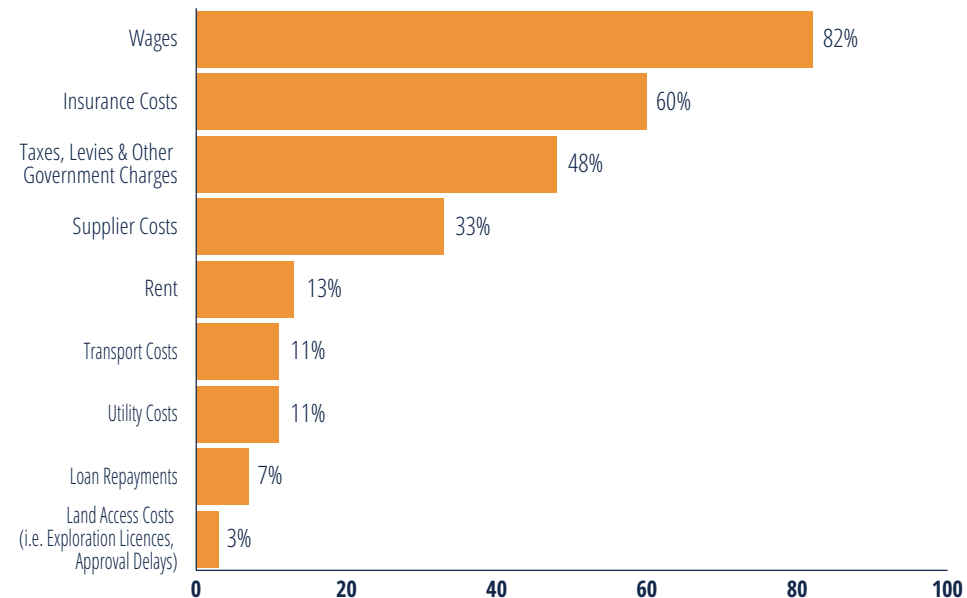
Cost pressures have continually been ranked as the number one barrier for both businesses and households across consecutive surveys. In this edition of CCIWA's *Business Confidence Survey* we looked at the main drivers of cost pressures facing WA businesses.

The number one driver of cost pressures, according to business respondents, remains rising wages. Slightly more than four in five (82%) respondents highlighted this as one of their top three cost pressures, a rise of two percentage points from last quarter. According to quarterly wage growth data released by the ABS earlier this month, WA has recorded the highest annual wage growth rate of 3.7% across the nation. As WA's labour market continues to loosen, businesses can expect the burden of wage growth to ease. Businesses in the agriculture (91%), hospitality (90%) and professional, scientific & technical services (87%) industries were most likely to report wages as a cost pressure for their business.

The second most reported cost pressure for businesses is insurance costs, with three in five (60%) businesses indicating this. This figure has risen by six percentage points since last quarter, a sign that businesses continue to feel the strain of significant premium hikes. This is particularly the case for businesses in the retail (85%), construction (84%) and manufacturing (82%) sectors.

This is followed by taxes, levies and other government charges, with almost half (48%) of WA businesses reporting this as one of their top three cost pressures. This figure is up 14 percentage points, a significant increase over last quarter. The increase is partially attributed to strong wage growth in WA which has continued to raise the burden of payroll tax for businesses. Businesses operating in the construction (54%), manufacturing (50%) and retail trade (49%) sectors were most likely to indicate this as a key cost pressure.

Business Cost Pressures



Businesses in hospitality were likely to report wages as a cost pressure for their business.

WA businesses continuing to struggle with hiring workers

Western Australia’s labour market has begun to loosen, with the unemployment rate averaging 4.2% over the year to July; in line with the national average. In this edition of CCIWA’s *Business Confidence Survey*, we explore developments in WA’s labour market and the impacts on business.

Respondents were asked if they have struggled to hire for a particular skillset over the September quarter. Just over three in five (63%) WA businesses reported they had a slight decline of one percentage point from last quarter.

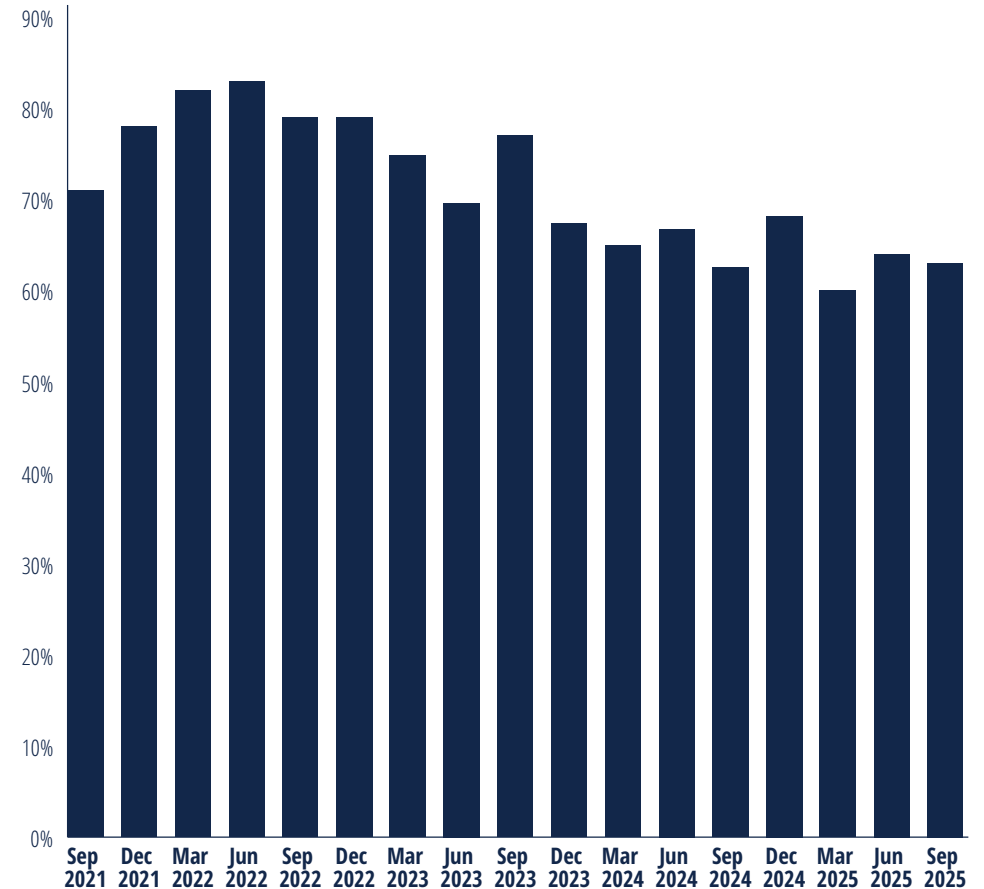
Breaking this down by industry, businesses in the **health care and social assistance** (81%), **resources** (76%) and **professional, scientific & technical services** (73%) sectors have struggled most to fill positions with a particular skillset. In all other sectors (except for agriculture), at least half of businesses have indicated they are struggling to fill a position.

Looking at shortages by business size, large businesses (100+ employees) are more likely to have struggled to hire for a particular position, with four in five (82%) reporting this. By contrast, 67% of medium sized businesses reported this, while 56% of small businesses indicated they have struggled to fill a position.

Businesses in the health care sector have struggled most to fill positions with a particular skillset.



Percentage of Respondents Struggling to Fill a Position



Top three occupations in demand by industry

	ONE	TWO	THREE
Agriculture, Forestry & Fishing	Heavy duty mechanics	Labourers	Technicians
Construction	Electricians	Carpenters	Trade assistants
Education & Training	Educators	Early childhood	Information technology
Food & Accommodation Services	Chefs	Restaurant managers	Bakers
Health Care & Social Assistance	Support workers	Registered nurses	Physicians
Manufacturing	Welders	Fabricators	Machinists
Professional, Scientific & Technical Services	Design, engineering and science professionals	Accountants	Architects
Real Estate Services	Property managers	Sales representatives	-
Resources (including mineral resources and oil & gas)	Engineers	Mechanics	Fitters
Retail Trade	Automotive technicians	Hairdressers	Sales workers
Transport, Postal & Warehousing	Automotive technicians	Truck drivers	Administration staff
Utilities Services	Technicians	Electricians	-

Business Confidence September 2025



Both short and longer-term confidence increased over the June quarter.



The rising cost of doing business remains the leading barrier to business growth with just under seven in 10 (66%) businesses reporting this.



Just under two in five (39%) WA businesses indicated they were considering adopting artificial intelligence with the main motivating factor to increase productivity.



Almost three in five (63%) WA businesses reported they are struggling to hire for a particular skillset.

Key Results from the Survey

Indicator (Index)	Actual			Expected	
	Mar 25	Jun 25	Sep 25	1 Quarter	1 Year
Economy					
WA Economic Conditions	112.6	111.7	114.2	107.7	91.0
Operating Conditions					
Employment	106.8	103.5	104.9	105.3	-
Labour Costs	115.4	113.1	117.1	109.5	-
Anticipated CAPEX	103.5	104.0	104.7	104.7	-
Profitability	101.0	98.3	97.2	100.5	-
Credit	97.2	97.6	96.6	97.8	-
Production	98.2	96.1	96.5	101.6	-

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 June 2025 is 111.7, which suggests that the average score of survey respondents for economic conditions in June 2025 is 11.7 per cent higher than the average response in 2018.

Sample

Industry	
Construction	25%
Manufacturing	14%
Other Services	14%
Retail Trade	8%
Resources	5%
Education & Training	4%
Health Care & Social Assistance	4%
Professional, Scientific & Technical	3%
Other	23%

Business Size	
Small (1-10 employees)	50%
Medium (11-100 employees)	34%
Large (100+ employees)	15%
Total number of responses	523



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