



SEPTEMBER 2025

OUTLOOK

Empire State of Mind



Chamber of Commerce
and Industry WA

Economic Outlook

OUTLOOK is the Chamber of Commerce and Industry of Western Australia's biannual analysis of the WA economy.

The editor of **OUTLOOK** is Luke Jakovcevic, Economist.



ECONOMIC FORECASTS FOR WESTERN AUSTRALIA

FORECASTS ^{1,2}	2023-24	2024-25	2025-26	2026-27	2027-28
	ACTUAL	ACTUAL	FORECAST	FORECAST	FORECAST
ECONOMIC ACTIVITY					
HOUSEHOLD CONSUMPTION	3.0%	2.3%	2.0%	2.75%	2.5%
DWELLING INVESTMENT	4.2%	6.2%	7.0%	4.25%	2.5%
BUSINESS INVESTMENT	12.7%	-0.8%	2.75%	2.25%	2.25%
STATE FINAL DEMAND	5.7%	2.9%	2.25%	2.5%	2.5%
EXPORTS	-2.9%	-4.6%	2.5%	3.25%	2.0%
IMPORTS	13.0%	0.8%	2.25%	2.0%	1.5%
GROSS STATE PRODUCT	0.5%	0.2%	1.75%	3.25%	2.5%
LABOUR MARKET AND PRICES					
UNEMPLOYMENT ³	3.7%	3.7%	4.0%	4.25%	4.5%
INFLATION ^{4,5}	4.7%	2.6%	2.75%	2.55%	2.5%
WAGES ⁴	4.2%	3.7%	3.25%	3.0%	3.0%

Footnotes:

- 1 Actual outcomes are as reported in the 2023-24 State Accounts, updated with the latest State Final Demand and Balance of Payments data
- 2 Forecasts for economic activity are produced in terms of annual average growth, comparing four quarters of data to the previous four quarters of data unless otherwise stated
- 3 Annual average through the financial year
- 4 Year ended terms
- 5 Excludes the electricity sub-index as a result of the Household Electricity Credits provided across the State

Our Key Calls



INFLATION AND INTEREST RATES

After years of elevated interest rates, inflation in Australia has finally returned to the RBA's target band. Despite this, the RBA is set to remain cautious about any future rate cuts, as global uncertainty continues to cloud the outlook. With three rate cuts already delivered in 2025, CCIWA expects one additional rate cut to finish the calendar year, bringing the cash rate to 3.35%.



GLOBAL ECONOMY

The global economic outlook remains uncertain, as geopolitical tensions continue and the full impact of US tariffs remains unknown. While we still expect the global economy to remain resilient in the face of these headwinds, expect growth to be a little weaker than previous years.



JOBS MARKET

WA's job market has loosened over 2025. We expect this trend to continue, with the unemployment rate to rise gradually over the coming years. Expect wage growth to ease a little further in line with this.



DOMESTIC ECONOMY

Domestic activity in WA's economy is set to remain solid over the coming years, but at more moderate levels than recently experienced. Growth in net exports, which has been a weak spot in recent years, is set to support overall economic activity.



HOUSING MARKET

While still running hot, WA's housing market has shown some signs of easing. However, with lower interest rates once again stimulating demand and labour shortages still lingering in the construction sector, we expect conditions to remain tight over the coming year.



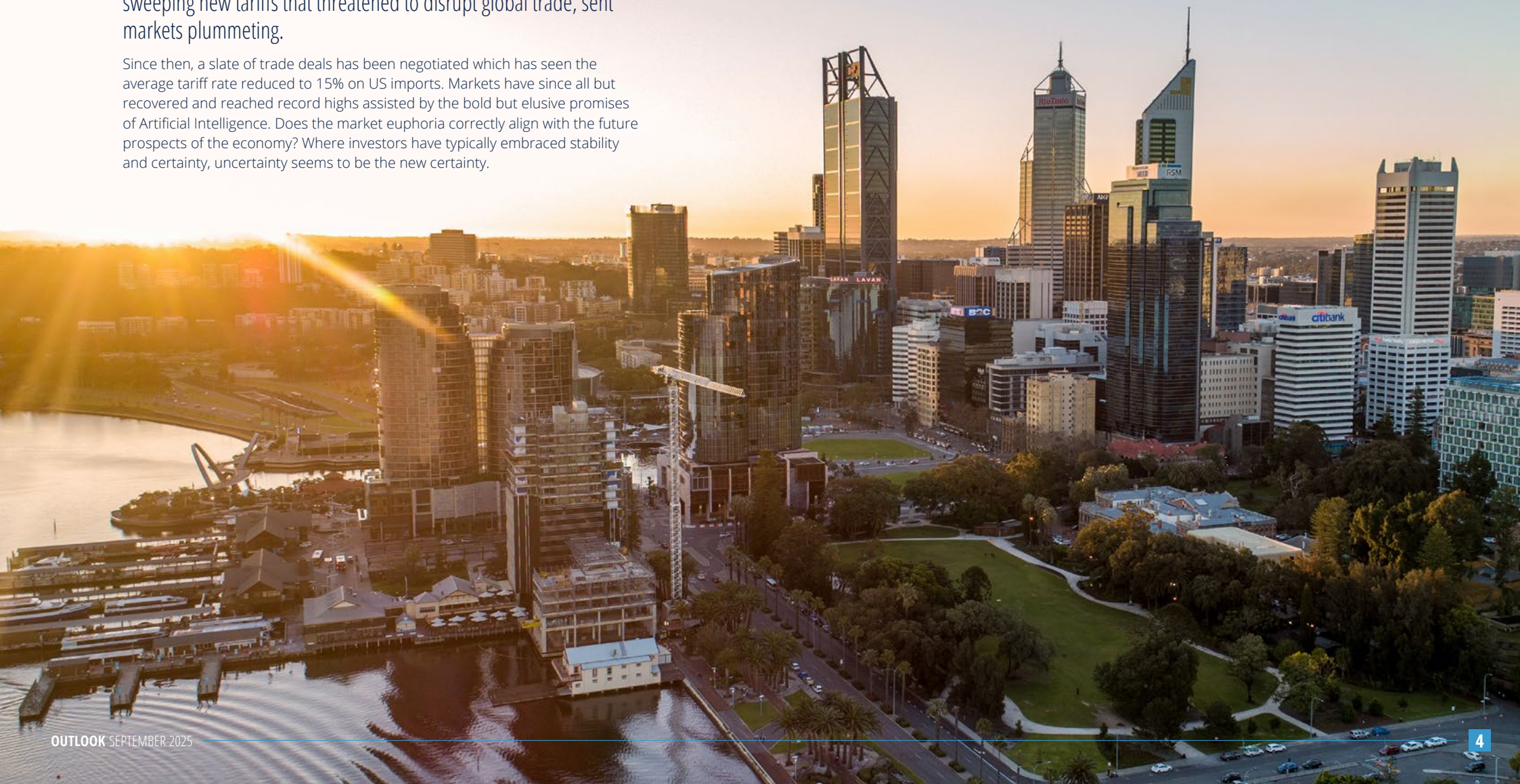
PRODUCTIVITY

Australia's productivity has started to make incremental improvements but still remains a concern, with the level of labour productivity still remaining at pre-pandemic levels. We expect productivity to remain subdued for the foreseeable future. In the longer term, investment into WA's defence sector is expected to alleviate dragging productivity growth by fostering new technologies and industry.

Outlook at a Glance

Over nine months have passed since Trump's second term began in January. The infamous Liberation Day, in which Trump unveiled sweeping new tariffs that threatened to disrupt global trade, sent markets plummeting.

Since then, a slate of trade deals has been negotiated which has seen the average tariff rate reduced to 15% on US imports. Markets have since all but recovered and reached record highs assisted by the bold but elusive promises of Artificial Intelligence. Does the market euphoria correctly align with the future prospects of the economy? Where investors have typically embraced stability and certainty, uncertainty seems to be the new certainty.



Outlook at a Glance

President Trump's tariff initiatives have contributed to sustained inflationary pressures, kept US interest rates elevated, and weakened the US dollar. On a geopolitical level, the policies are straining diplomatic relations with major economies, including Western Australia's largest trading partner, China.

China is currently at the centre of these trade disputes, facing significant new tariffs on US-bound exports as the United States pursues a strategy to further decouple from its biggest competitor. While the full extent of the damage these measures are inflicting on China's economy is still unfolding, they have already hit the country's export sector. This trade escalation comes at a precarious time for China, where a struggling property sector continues to dampen broader economic momentum. Given Western Australia's deep economic ties to China, the slowdown in the world's second-largest economy is now a significant headwind for our trade-exposed state.

President Trump's foreign policy is now shaping a new global order, injecting uncertainty into international relations. Most notable is the 50% tariff slapped onto Indian imports as the Trump admin retaliates against India's reliance on cheap Russian oil. Where tariffs have previously been utilised as a shake-down method to exert Trump's will, India has instead turned to bolstering relations with China and Russia. All of these events signal that US influence is fragmenting, casting further doubt on the role the US will play on the international stage in the future.

With these conflicts continuing to evolve, a fresh wave of instability has emerged, casting a long shadow over the global economy. These factors are also driving a push for increased defence spending worldwide, as the US pressures its allies to take on a greater share of the financial burden. Consequently, many nations are now bolstering their military capabilities to safeguard their own interests amid this period of geopolitical flux.

In the background, central banks around the world remain engaged in the delicate balancing act of fighting inflation while dealing with revised global growth forecasts. However, inflation has started to show signs of being tamed as countries continue to weather the storm that was initially threatened by tariffs. In Australia, the Reserve Bank's cautious management of rates has reined in inflation to 2.1% over the year to June 2025, its lowest in just under four years. In contrast, many other advanced economies have already undergone multiple rate cuts, as their growth trajectories splutter.

Australia has shown resilience to these global challenges, recording 0.6% growth in the last quarter, and 1.8% growth annually. We expect future rate cuts to sustain this trend.

Although these figures have exceeded expectations, Australia and Western Australia are not immune to the slowdown that has hit other regions. Declining labour productivity will continue to make growth dependent on population growth and government investment. Fortunately, business investment



Despite these challenges, WA remains primed for long-term prosperity – if the right conditions are set.

is forecasted to rebound after a disappointing 2025 which is expected to provide some relief for the local economy.

Despite these challenges, WA remains primed for long-term prosperity – if the right conditions are set.

Western Australia is exceptionally well-positioned to lead the global energy transition, which demands unprecedented investment. The State's world-class resources, strategic advantages in emerging sectors like defence, space, and life sciences, and abundant natural endowments provide a strong competitive edge.

To ensure future economic prosperity and diversify its economy, Western Australia must carefully plan its shift to a net-zero energy system. This is a complex undertaking, requiring

physical changes on an unprecedented scale amidst global supply chain constraints and cost pressures. While cheap and reliable energy has always been the foundation of WA's economy, the current fundamental transition of the global energy system requires a strategic and well-executed plan to maintain the state's competitive edge and secure its economic future.

To fully capitalise on these opportunities, WA must clear roadblocks to investment. A more competitive payroll tax system, and streamlining environmental and cultural heritage approvals will be critical steps in ensuring the state remains an attractive destination for capital.

The following sections detail some of the key factors we think are set to impact Western Australia's economic outlook over the coming years.

Outlook at a Glance

RBA Balances on the Inflation Tightrope

In August 2025 the RBA unanimously decided to lower the cash rate to 3.6%, its third cut to interest rates for the year. The RBA Governor Michele Bullock has stated that underlying inflation is expected to moderate around the midpoint of the 2–3% range, well within the RBA target range.

Following the cuts to rates, data released by the ABS confirmed that the monthly Consumer Price Index (CPI) indicator rose 2.8% in the 12 months to July 2025, the highest annual inflation rate since July 2024. The largest contributors to this rise were Housing (+3.6%), Food and non-alcoholic beverages (+3.0%), and Alcohol and tobacco (+6.5%).

Despite overall inflation cooling, policymakers remain concerned about sticky services inflation. The annual rate for services was 4.3% in December 2024, showing little change from the previous year and staying well above the 0.8% rate for goods, which could hinder the goal of price stability.

Despite cuts to interest rates, the labour market has persistently remained tight throughout 2025, although conditions have started to ease in recent months. The national unemployment rate currently

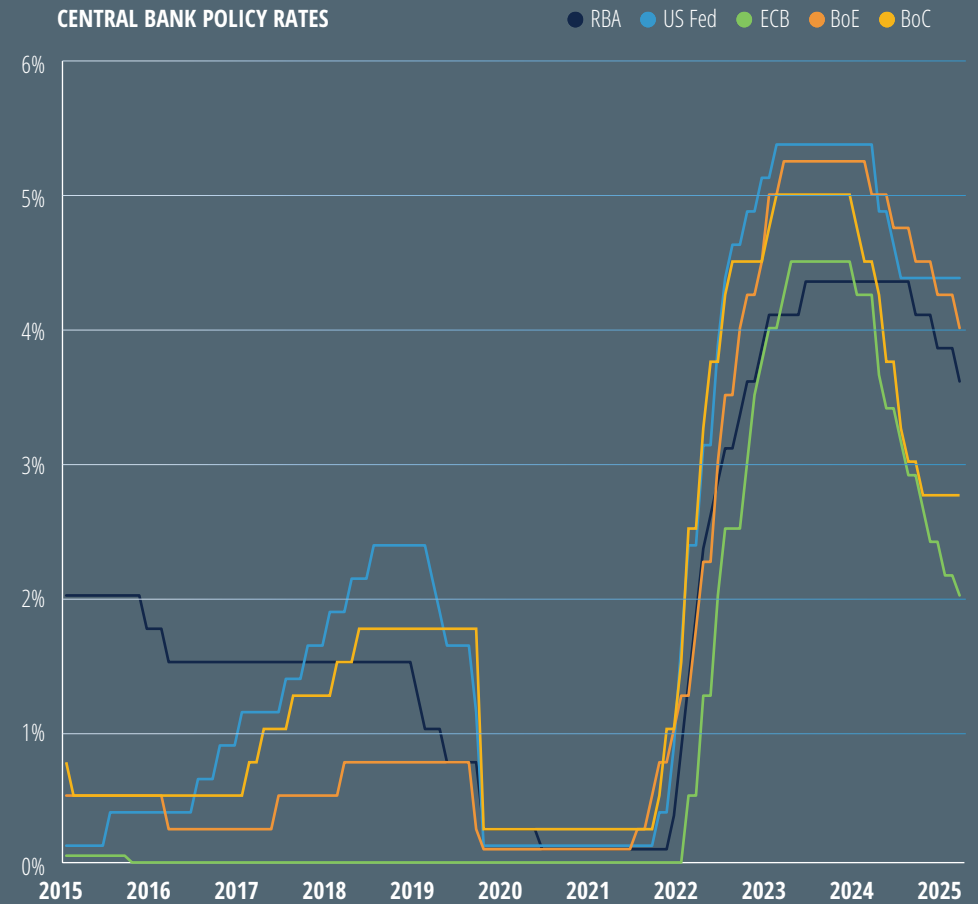
sits at 4.2% for the year, with WA reporting a slightly lower figure of 4.1%. While wage growth has continued to ease, ongoing labour tightness will continue to put pressure on wages and inflation.

The RBA meeting minutes for August have hinted that further interest rate cuts are likely over the coming year, but the pace of easing would be influenced by evolving economic data and global economic activity.

Given these factors, CCIWA expects the RBA to keep the cash rate on hold when they meet at the end of September. Depending on any unforeseen circumstances, we expect a final rate cut before the year concludes bringing the cash rate down to 3.35 points.

Around the world the Bank of England has made several cuts to interest rates since but continues to battle sticky inflation, while the U.S. Federal Reserve has kept rates steady but signalled potential cuts ahead. The European Central Bank and the Bank of Canada have also continued aggressive easing, reflecting softer growth across developed markets. In contrast, Japan faced persistent above-target inflation, keeping the Bank of Japan on track for potential rate hikes later this year.

CENTRAL BANK POLICY RATES



Outlook at a Glance

The Great Wall of Deflation

China's economy slowed less than expected in the second quarter in a show of resilience against U.S. tariffs, recording an expansion of 5.2% which is slightly above the 5.1% forecast for the year. The world's No. 2 economy has so far avoided a sharp slowdown in part due to policy support. This was further bolstered by factories that took advantage of the U.S.-China trade truce to front-load shipments. Growth is, however, expected to be subdued in the second half of the year as exports lose momentum, consumer confidence remains low, and China continues to battle deflation.

China has failed to break a deflationary cycle and is now on course for the longest sequence of economy-wide price drops since the 1960s. In July 2025 China's National Bureau of Statistics reported troubling inflation figures, with inflation recorded at 0% for the month, which brings China's average inflation rate to 0.1% since the beginning of the year. The culprit? China's property slump and the newly coined term by Chinese economists "involution".

Often dominating the headlines, China's real estate market has yet to overcome its demand woes. Real estate investment contracted a further 12% over the year to July 2025, while floor space under construction – a metric that tracks construction activity – has fallen 9.2% over the same period. With housing prices continuing to decline, consumer confidence has also taken a hit, pulling down retail spending. Given that China's property sector drives approximately 30% of the country's steel demand, this sustained downturn has weighed heavily on Chinese steel producers – critical for WA's iron ore industry.

The decline in domestic steel consumption due to the slowdown in construction activities has prompted steel manufacturers to seek overseas markets to offload excess production. Chinese steel mills exported 58 million metric tons in the first half of 2025, representing a substantial 9.2% year-over-year increase. This has helped to sustain demand for iron ore, with prices stabilising above \$100 USD/tonne.

CHINA FLOORSPACE UNDER CONSTRUCTION PER CENT CHANGE, YEAR-ON-YEAR



To offset the slowdown in the property sector over the past four years, Chinese policymakers have spurred investment into manufacturing and production of high-tech goods. Subsidised production has inevitably led to excess capacity in goods such as solar panels, batteries and electric vehicles. Businesses are therefore faced with two choices, to export excess inventories abroad or try to absorb this excess capacity domestically. With the European Union cracking down on China dumping its goods,

Chinese businesses have been forced to slash prices to clear inventory, creating a deflationary loop.

Beijing has started to crackdown on overcapacity and provide stimulus to kick start the property market. Newly announced infrastructure projects like the Medog hydropower station, other major domestic projects, as well as strong global demand for steel will sustain Chinese demand for iron ore for the foreseeable future.

Outlook at a Glance

Housing sector cooling but still facing hurdles

Perth's median house price has surged to new record highs in a sign that Western Australia's housing market is still running hot. The median value for property in the city is now north of \$830,000; 3.1% growth for the quarter and 6.6% for the year. Although annual growth has fallen compared to previous years' double-digit growth, lower interest rates, rising real wages and buyer optimism are expected to maintain demand well into next year.

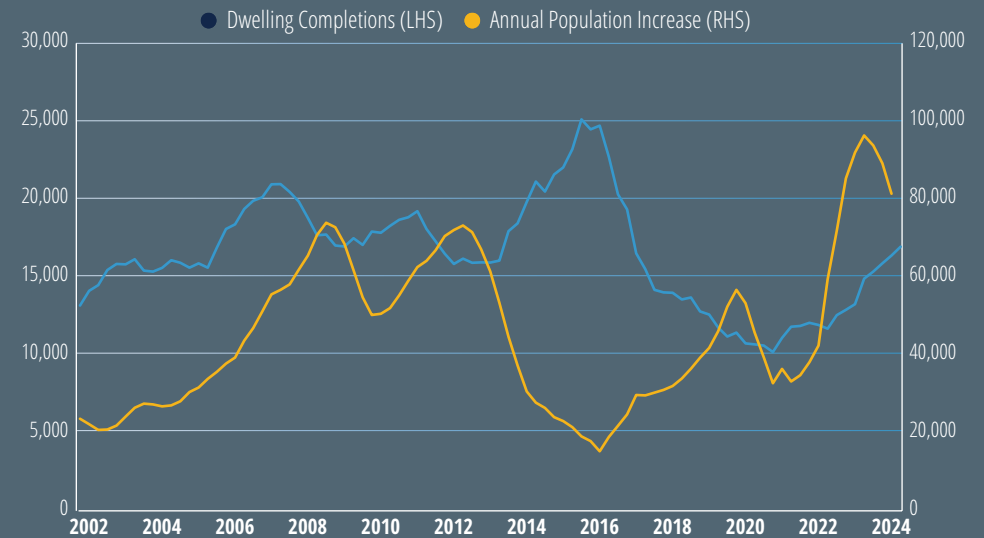
Notably, price growth in Perth is now tracking only below Darwin (10.2%) and Brisbane (7.9%), suggesting that Perth's property market is still one of the hottest in the country. In fact, prices rose just 1.1% over January, a pace that, if annualised, would translate to a much more modest 13.2% growth over the next year.

Improvements to housing supply have continued to reduce pressures on property prices. Private dwelling approvals across WA has grown by 20% for the year, and total dwellings which includes apartments and public housing has grown by 28%. While the number of housing completions fell marginally over the March quarter (-2.9% to 5,688), it remains close to the highest levels recorded since late 2016.

At the same time, weaker demand is also taking some pressure off the market. At the end of 2024 WA's population grew to a record 3 million people. According to the latest numbers WA currently has the fastest population growth of 2.4%. This is currently well below the post-pandemic surge which saw 3.4% growth (or 96,400 people) recorded in September 2023. As population growth slows, the easing of demand from fewer buyers entering the housing market will put downward pressure on property prices.

According to the latest numbers WA currently has the fastest population growth of 2.4%.

HOME CONSTRUCTION AND POPULATION GROWTH WESTERN AUSTRALIA



Although several indicators suggest the housing market is cooling, anticipated interest rate cuts later this year are likely to give demand a lift. Lower borrowing costs should enhance purchasing power and attract more buyers back into the market. On the supply side, persistent labour shortages in key trades remain a bottleneck, constraining the industry's ability to respond quickly.

Even so, construction activity is projected to strengthen over the coming year, though growth will be tempered by these capacity limits. Overall, CCIWA expects dwelling investment to rise to 7.2% over 2025-26, and pullback to 4.25% in 2026-27 as housing supply catches up with demand.

Economic Growth

Growth in Western Australia's domestic economy has continued to ease from the strong pace experienced in 2023-24, with State Final Demand (SFD) growing 2.9% in annual average terms over the year to June 2025.



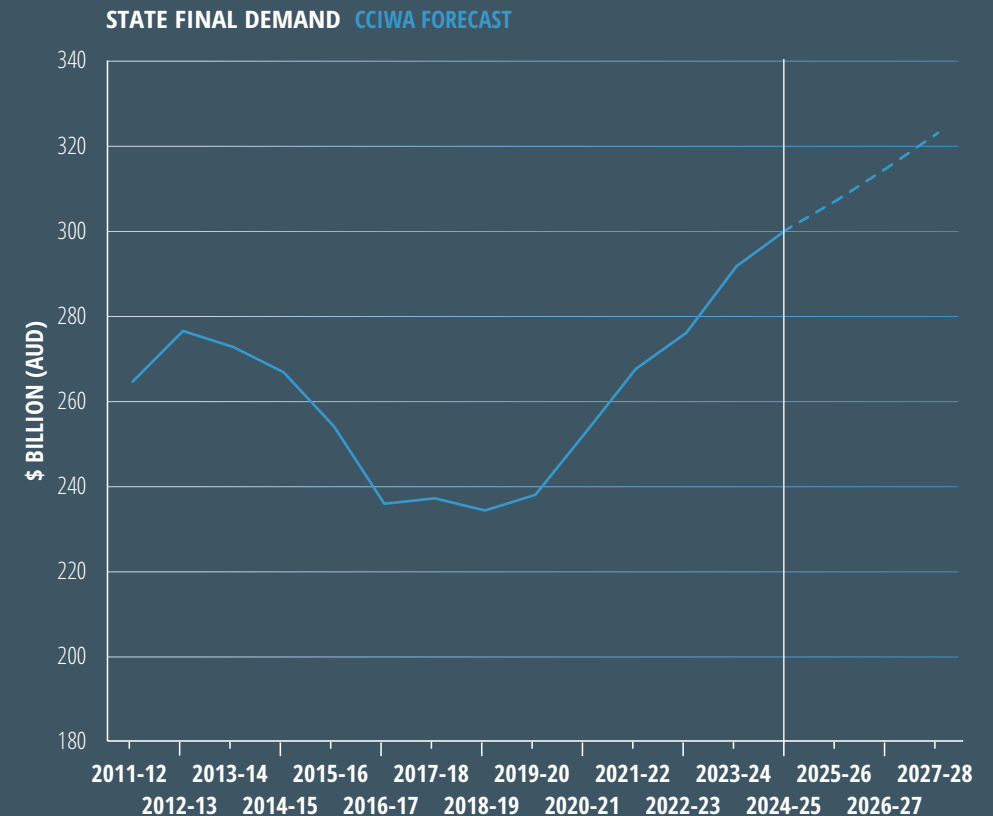
This has primarily been driven by a slowdown in household consumption growth, as the recent period of high inflation and interest rates have squeezed household budgets and seen consumers prioritise rebuilding their savings buffers. At the same time, business investment fell slightly over the year as the increased level of uncertainty saw investment activity flatline.

Despite the slowdown, growth has remained solid on the back of machinery and equipment investment (8.9%) and record dwelling investment (7.7%). Government investment was recorded at 9.5%, a decline from 2024's record of 12.9%. Government spending also rose a solid 5.9% due to faster than anticipated population growth.

Looking ahead, WA's domestic economy is set to remain on a solid footing, although a further slowdown in growth is anticipated. Weaker population growth than in recent years is set to drag on household consumption, while government investment and spending is also set to pullback from its current high level. Growth in SFD is set to remain relatively steady over the next six months as household consumption and tourism are expected to be sustained over the December break.

Growth in the overall economy (Gross State Product) is expected to rebound in 2025-26 as exports grow for the first time in three years. A ramp up of production from some iron ore mines is set to be the primary driver behind this growth, while additional LNG exports should support further growth in the outyears.

FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
STATE FINAL DEMAND (%)	5.7	2.9	2.25	2.5	2.5
GROSS STATE PRODUCT (%)	0.5	0.24	1.75	3.25	2.5



Source: CCIWA, ABS

Household Consumption

Household consumption has slowed to its weakest pace of growth in five years, falling to 2.3% over the year to June.

A combination of slower population growth, restrictive interest rates and households looking to rebuild their savings buffers has led this slowdown. While the national savings rate decreased to 4.2%, household savings remain at their highest in three years, indicating many households are choosing to stash away any additional cash they may be receiving at the bank.

At the same time, while interest rates have declined over the first half of 2025, evidence suggests most mortgage holders have not yet reduced their mortgage repayments. Commonwealth Bank of Australia data shows that just 10% of eligible borrowers chose to reduce their direct debit repayments following the rate cut in May. As a result, lower interest rates are not necessarily seeing the rebound in consumer spending that was expected by some commentators. On the flipside, the additional funds in mortgage offset accounts is providing a buffer and future source of stability for housing markets.

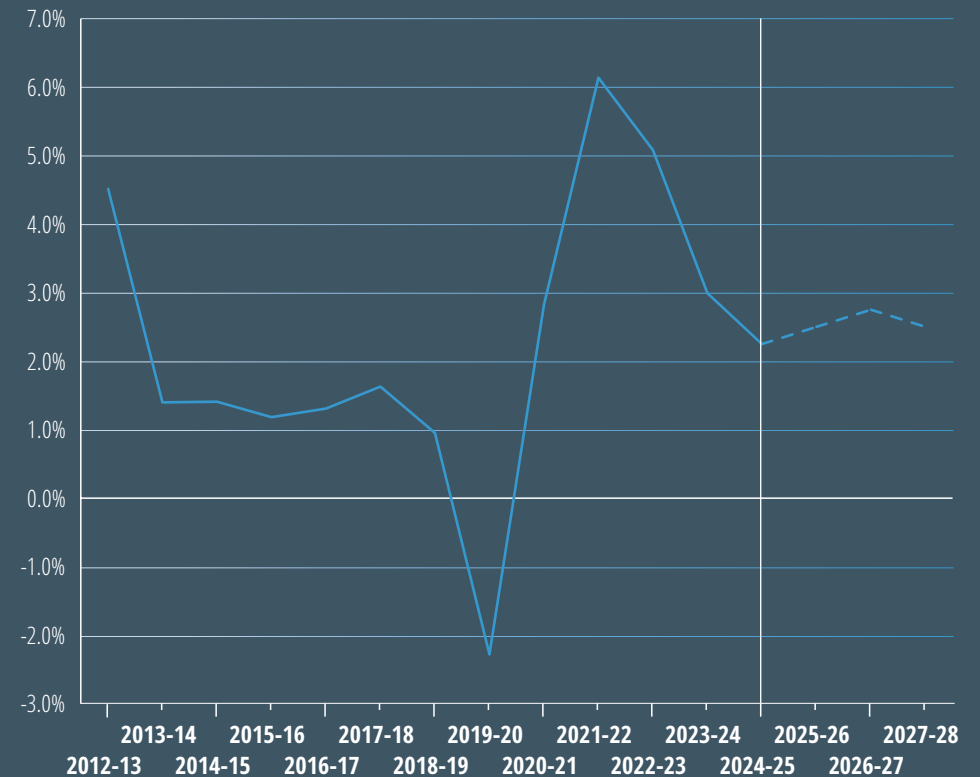
Looking ahead, consumption growth is expected to pick up moderately and remain steady as conditions ease further. While population growth is likely to ease a little further, the return of real wage growth following the reduction in inflation should help support consumer spending. Once savings buffers are rebuilt, lower interest rates should also provide support to spending.

As a result, we expect household consumption to grow 2.5% this financial year, before edging up to 2.75% in 2026-27 and settling at 2.5% in 2027-28.



FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
HOUSEHOLD CONSUMPTION (%)	3.0	2.3	2.5	2.75	2.5

HOUSEHOLD CONSUMPTION GROWTH CCIWA FORECAST



Source: CCIWA, ABS

Business Investment

Business investment edged down slightly in 2024-25 with a year of consolidation as major oil and gas projects, including Woodside’s Scarborough and Pluto 2 extension, moved past their peak construction period.

Higher interest rates, weaker prices for some commodities and greater uncertainty in the global outlook have also weighed on business confidence and investment activity over the last 12 months.

As financial conditions continue to ease and a number of major projects ramp up production, growth in business investment is expected to pick up over the current financial year. In particular, projects like Perdaman’s Urea plant, the expansion of Perth Airport and Rio Tinto’s Brockman Syncline 1 are set to support growth in business investment over the coming years.

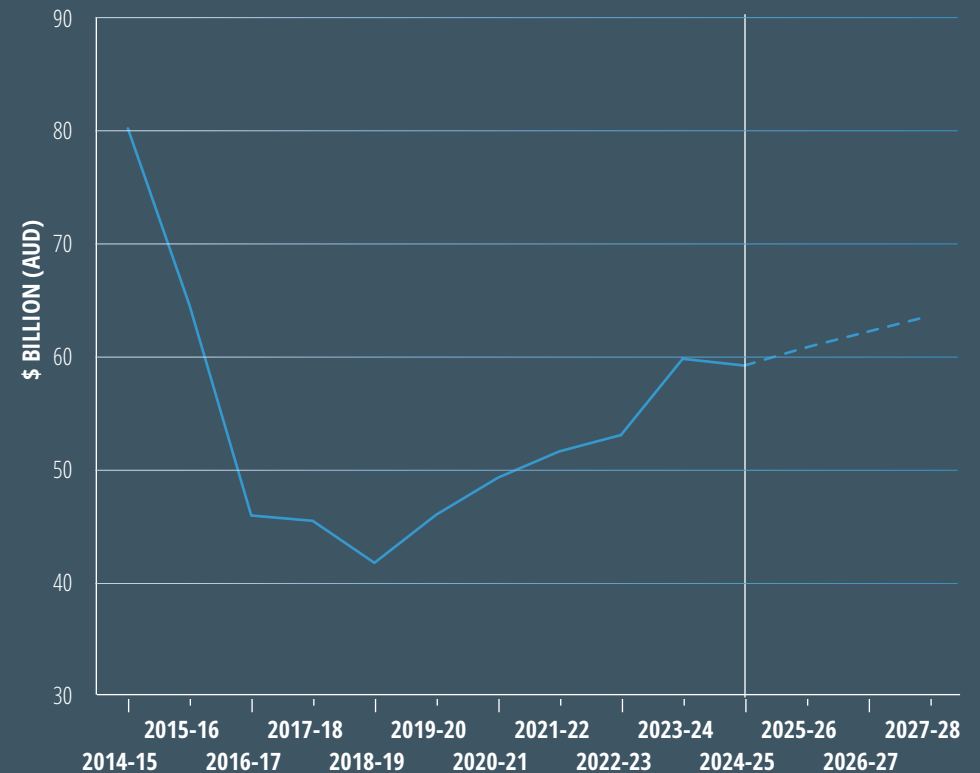
Over the longer term, the global push towards decarbonisation is expected to support growth in WA’s critical minerals and iron ore sectors, while a number of potential projects in the LNG sector – a key transition fuel in the energy transition – would further support longer term growth.

We expect business investment to rise 2.75% over 2025-26, as activity picks up again following a year of consolidation. Growth is expected to continue at moderate levels over 2026-27 and 2027-28 as current projects ramp up further while the iron ore majors continue sustaining activities. However, regulatory reforms that continue to delay approvals and reduce international competitiveness remain a key risk to this outlook.



FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
BUSINESS INVESTMENT (%)	12.7	-0.8	2.75	2.25	2.25

BUSINESS INVESTMENT CCIWA FORECAST



Source: CCIWA, ABS

Dwelling Investment

Dwelling investment grew 6.2% in 2024-25, the highest since 2015 as the construction sector slowly improved its ability to work through the massive housing pipeline.



The number of dwelling commencements has surged 37% over the year to March 2025, while the number of completions has also lifted 29% over the same period. However, the strength of this growth continues to be limited by a constrained supply side.

Despite the pickup in completions, the housing pipeline remains full, with dwelling approvals climbing 32% in annual average terms over the year to June 2025. Much of this recent increase has been driven by greater approvals for multi-residential developments, which have surged 86% over the same period after a period of weak approvals as a result of skyrocketing costs.

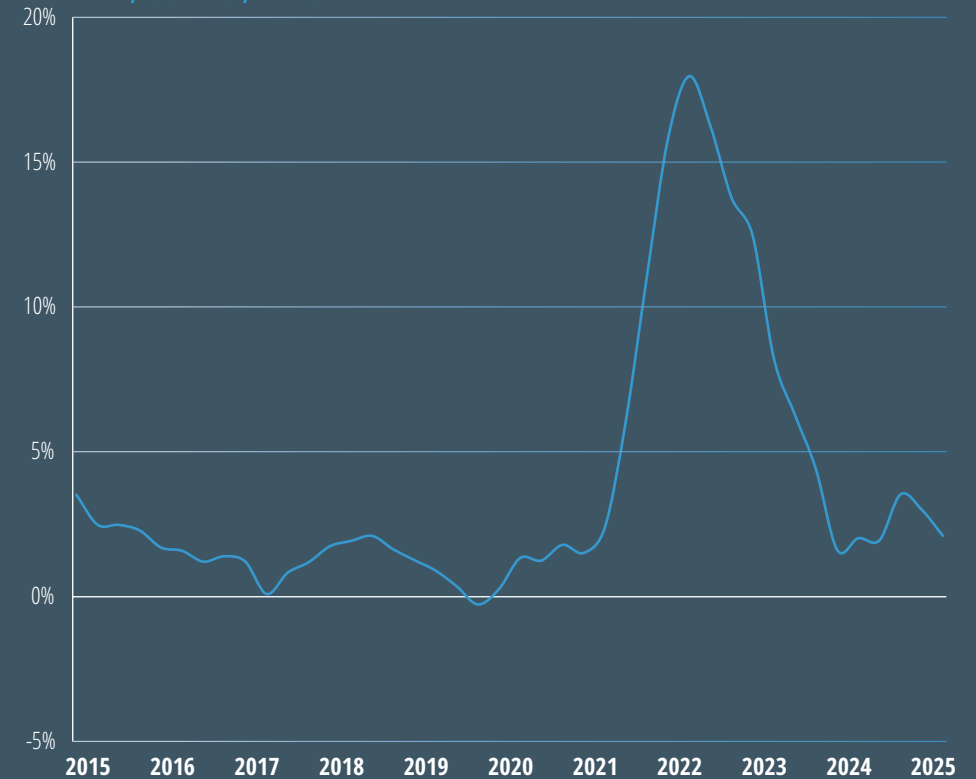
While starting to slow, this growth has been underpinned by WA's strong population growth, which rose 2.4% over the year to December 2024 and continues to place pressure on housing demand.

However, the availability of key trades remains a hurdle for the sector and will continue to limit the extent of growth over the coming years. Indeed, CCIWA's upcoming September Business Confidence Survey found two thirds (67%) of construction businesses see the availability of skilled labour as a major barrier to growth over the next year. While still high, this is down from the 72% recorded six months ago, highlighting how conditions have eased slightly over that time but remain tight.

As a result, we expect dwelling investment to grow 7.0% in 2025-26 and 4.25% as capacity in the sector improves further and the existing pipeline is worked through. As population growth steadies at lower levels, dwelling investment is also expected to moderate, with growth expected at 2.5% in 2027-28. However, prolonged labour shortages remain a key risk to the outlook.

FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
DWELLING INVESTMENT (%)	4.2	6.2	7.0	4.25	2.5

INPUT COSTS TO THE HOUSE CONSTRUCTION INDUSTRY
PERTH, % CHANGE, YEAR-ON-YEAR



Source: CCIWA, ABS

International Trade

After a difficult couple of years, WA's export volumes are set to rebound off a low base over the coming years.

The ramp up in some new iron ore mines – specifically Mineral Resources' Onslow mine and Fortescue's Iron Bridge – will help support export growth this year, as will the solid harvest expected in the agricultural sector. As a result, we forecast export growth of 2.5% over 2025-26. The drag from weaker nickel exports will also have faded, as many mines have been in care and maintenance for more than a year.

Beyond this, new LNG production from Woodside's Scarborough and Pluto 2 extension – which is still targeting first cargo in the second half of 2026 – should also support export growth.

In line with business investment, goods imports are set to rebound slightly over the coming year as demand for capital goods picks up.

China's economy remains a key risk to this outlook, as ongoing weakness in the property sector combined with the threat of US tariffs drags on its export sector. Given WA's close connection with China's economy any slowdown there is also felt here.

However, significant growth in its new manufacturing industry sector, along with rising commodity demand from other South East Asian economies, will help offset this.

In line with business investment, goods imports are set to rebound slightly over the coming year as demand for capital goods picks up. At the same time, international travel has started to stabilise, easing growth in services imports.

Together, this is set to see import growth rise modestly over the coming financial year, with growth of 2.25% expected in 2025-26, falling to 2.0% in the following year.

FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
EXPORTS (%)	-2.9	-4.6	2.5	3.25	2.0
IMPORTS (%)	13.0	0.8	2.25	2.0	1.75



Unemployment

Western Australia's labour market has softened over the first half of the year, with the unemployment rate rising to 4.1% in July.

This is the highest rate since the start of 2024, as the demand and supply of labour continue to be better balanced than seen in the last few years.

Despite this, the labour market remains close to its largest size on record while the participation rate remains near record highs, indicating there is still some tightness in the market. Indeed, CCIWA's upcoming September Business Confidence Survey found 63% of WA businesses struggled to fill a position over the last quarter, the same proportion recorded in September 2024.

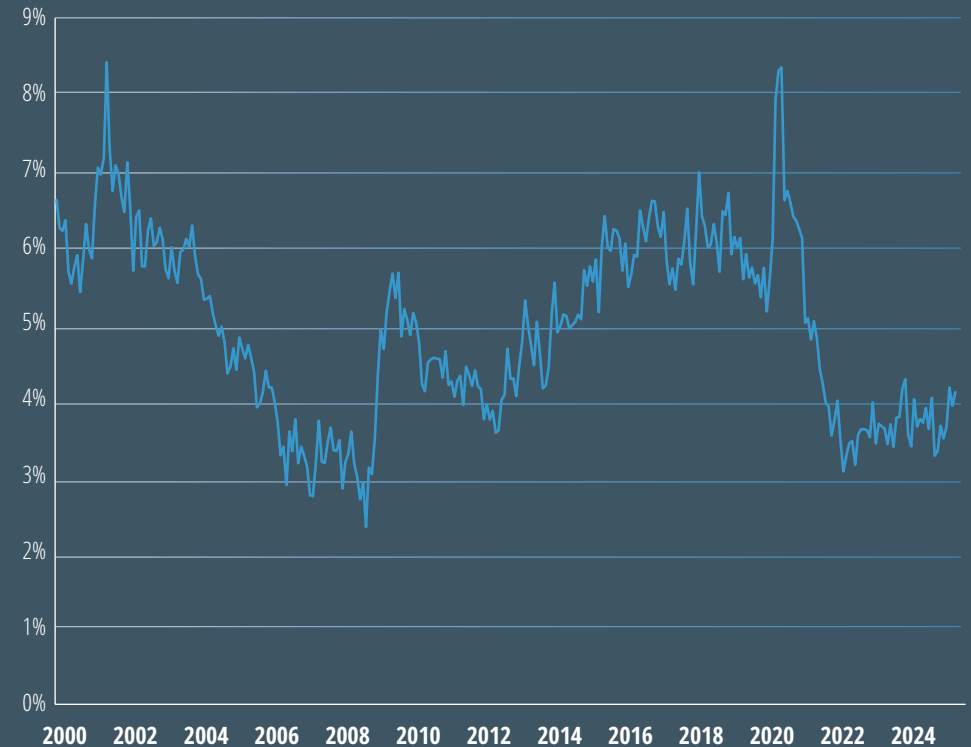
While demand for WA based workers is expected to remain strong over the coming years, we expect the unemployment rate to continue to drift higher as the pace of employment growth eases.

CCIWA is forecasting the unemployment rate to average 4.0% over 2025-26, edging up to 4.25% in 2026-27 and 4.5% in 2027-28 as the labour market cools slightly.



FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
UNEMPLOYMENT (%)	3.7	4.1	4.0	4.25	4.5

WA UNEMPLOYMENT RATE SEASONALLY ADJUSTED



Source: CCIWA, ABS

Wages and Inflation

INFLATION OUTLOOK

Inflation in Perth has finally returned to the RBA's target band, falling to 2.6% over the year to June (excluding electricity). While this is the lowest annual reading in more than four years, it is still the fastest pace of growth of all capital cities in the country.

Price increases have slowed across most areas over the past year, with fuel prices leading the decline in line with the global oil market. And while housing inflation remains elevated, price growth in rents and new dwellings has slowed considerably over the last 12 months.

At the same time, international developments will continue to have a bearing on domestic inflation. The effect of tariffs on global economic activity and inflation will be important. Given the weaker growth profile forecast for much of the world economy, it is likely that this will be mildly deflationary for Australia. However, the heightened level of geopolitical risk, especially in key energy-producing countries, risks pushing inflation higher.

Looking ahead, we expect inflation in Perth to remain steady over the coming year, remaining at 2.75% to June 2026. From there, inflation is expected to edge down slightly and return to the midpoint of the target range in 2026-27, holding at that level in 2027-28.

WAGE OUTLOOK

Wage growth in Western Australia remained solid in 2024-25, despite slowing from the highs of the previous few years.

WA's Wage Price Index rose 3.7% over the year to June 2025, down from the 4.2% recorded in June 2024 but higher than the 3.3% recorded six months ago. This re-acceleration of wage growth stems from the public sector, where wages rose 5.4% over the year to June, compared with 3.2% in the private sector. This follows the implementation of recent State Government wage agreements and national administrative wage adjustments.

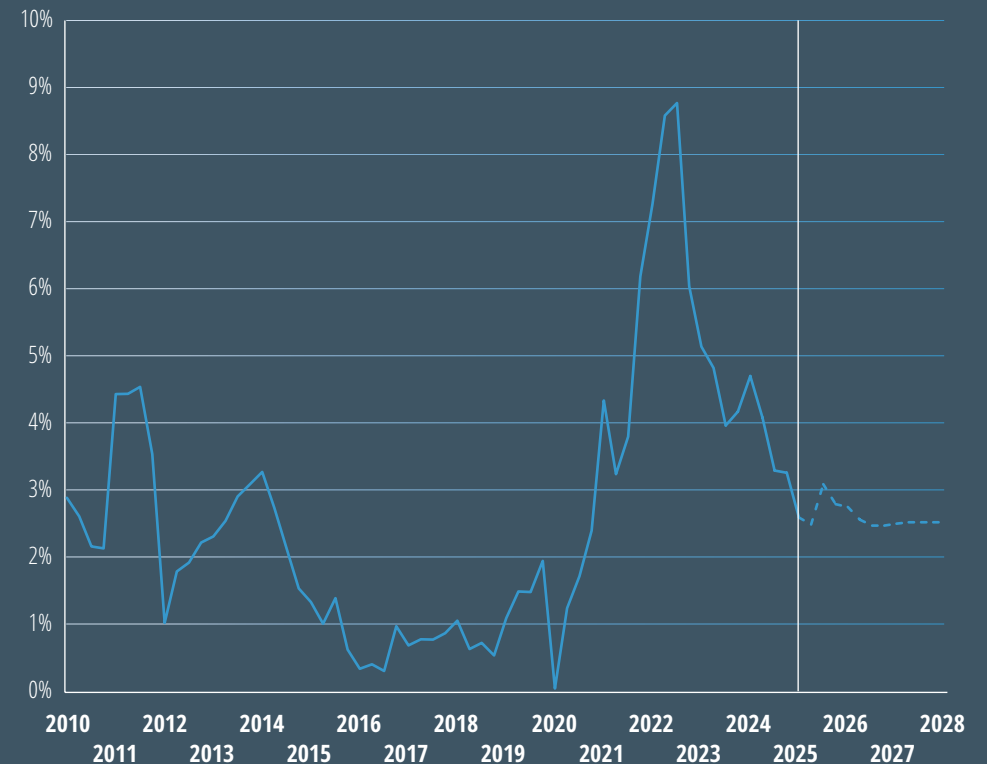
However, wage growth is expected to continue easing as the labour market loosens further, inflation normalises and economic activity stabilises at more moderate rates. Weak productivity growth also remains a handbrake on wage growth, with productivity falling 0.9% over the year to March.

We forecast wage growth to land at 3.25% by June 2026, before easing to 3.0% in 2026-27.

The effect of tariffs on global economic activity and inflation will be important.

FORECASTS	2023-24 ACTUAL	2024-25 ACTUAL	2025-26 FORECAST	2026-27 FORECAST	2027-28 FORECAST
INFLATION (%)	4.7	2.6	2.75	2.5	2.5
WAGES (%)	4.2	3.7	3.25	3.0	3.0

WA INFLATION EX ELECTRICITY CCIWA FORECAST



Source: CCIWA, ABS



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