Regional Pulse

Chamber of Commerce and Industry WA

September 2025

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Regional Western Australia remains central to the State's economic performance, contributing significantly to export industries in resources, agriculture, and tourism. Drawing on data from the September 2025 CCIWA Business Confidence Survey, this report analyses regional business sentiment and examines the impact of persistent 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

	Short-Term Conditions (3-Months)			Longer-Term Conditions (12-Months)		
	Stronger	No Change	Weaker	Stronger	No Change	Weaker
Peel	57%	24%	14%	24%	62%	14%
South West	45%	36%	17%	39%	41%	20%
Great Southern	27%	32%	41%	23%	41%	36%
Goldfields-Esperance	25%	50%	19%	25%	44%	25%
Wheatbelt	23%	50%	27%	27%	41%	32%
Mid-West & Gascoyne	29%	46%	17%	17%	54%	25%
Pilbara	61%	35%	3%	55%	39%	6%
Kimberley	36%	64%	0%	9%	64%	27%
WA Regions	41%	39%	19%	32%	43%	24%
Perth	41%	38%	20%	32%	41%	26%

Business confidence has surged across the September quarter as businesses develop a more optimistic outlook over the short and long term. Over the next three months, just over two in five (41%) regional businesses expect economic conditions to improve — an increase of five percentage points from last quarter.

Similar to business confidence over the short term, businesses are increasingly optimistic about the next twelve months. One in three (32%) regional businesses are anticipating stronger conditions- an increase of four percentage points since the June quarter. In contrast, less than one in four (24%) are expecting softer conditions – a decline of six percentage points from June. The remaining two in five (43%) expect economic conditions to remain steady.

Historically, regional businesses have been more pessimistic about future economic prospects compared to businesses located in the Perth metro area. According to the September quarter's survey results, regional businesses appear to be equally optimistic compared to their Perth metro counterparts, breaking from historical trends. Only 20% of businesses in the Perth metro area are expecting weaker conditions over the coming quarter, one percentage point less than regional WA. On the flipside, 32% of businesses in the metro region are expecting stronger conditions over the year ahead, equal to the average for regional businesses. A deeper dive into each region can be found from page 7.

Barriers to Business

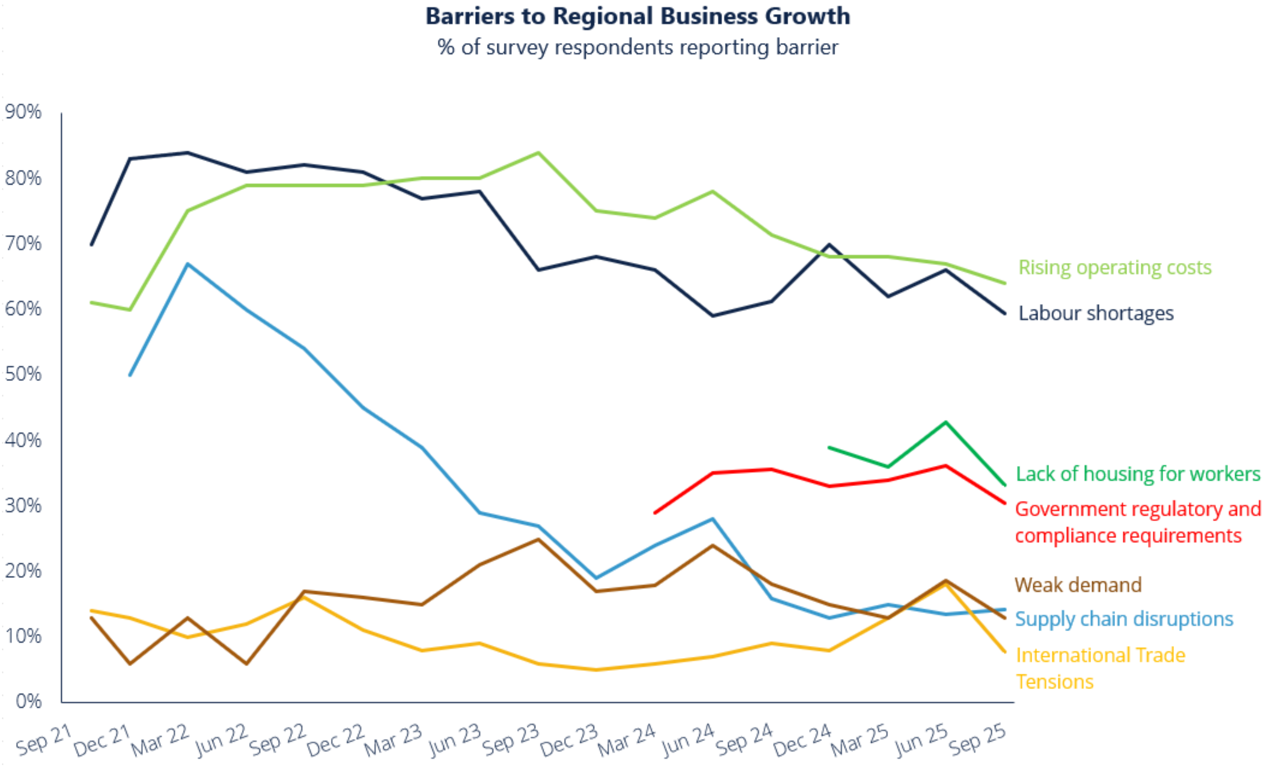
What are the barriers to growing your business in the year ahead?						
	Availability of skilled labour	Weak demand	Supply chain disruptions	Rising operating costs	Lack of housing for workers	Government regulatory and compliance
Peel	81%	5%	5%	57%	10%	24%
South West	46%	16%	19%	64%	19%	28%
Great Southern	64%	9%	18%	64%	41%	32%
Goldfields-Esperance	63%	6%	6%	63%	50%	25%
Wheatbelt	59%	14%	18%	77%	41%	50%
Mid-West & Gascoyne	75%	13%	13%	71%	42%	29%
Pilbara	58%	10%	10%	55%	52%	26%
Kimberley	64%	36%	18%	64%	45%	45%
WA Regions	60%	13%	14%	64%	33%	31%
Perth	62%	20%	12%	68%	15%	32%

Rising operating costs continues to remain the primary barrier to business growth in the regions over the September quarter. Just under two thirds (64%) of regional businesses reported this as their greatest barrier — a decline of three percentage points from June. This currently sits at its lowest level in three years in a sign that inflationary pressures are starting to ease for regional businesses. Businesses most likely to report costs as a barrier to growth were located in the Wheatbelt (77%) and Mid-West/Gascoyne (71%). The South West, Great Southern and Kimberley were all ranked equal third with two in three (64%) businesses identifying rising operating costs as a barrier to business.

Labour shortages were ranked as the second largest barrier to growth, with six in ten (60%) regional businesses reporting this, down six percentages points from the June quarter. Concerns around the availability of skilled labour are most acute in the Peel (81%) and Mid-West/Gascoyne (75%) regions. The Kimberley and Great Southern were ranked equal third with two in three (64%) businesses identifying the availability of skilled labour as a barrier.

The lack of housing for workers has again been ranked as the third most prominent barrier by businesses in the regions, with over one in three (33%) reporting this. This represents a decline of ten percentage points from the previous quarter. While this is a welcome improvement for regional businesses, only one in five (15%) of businesses located in the Perth Metro region (15%) reported a lack of housing for workers as a barrier to growth.

This highlights that housing shortages continues to impact regional businesses more than the Perth Metro. This concern is most prevalent in the Pilbara (52%) and Kimberley (45%) with the Great Southern and Wheatbelt ranked equal third (41%).



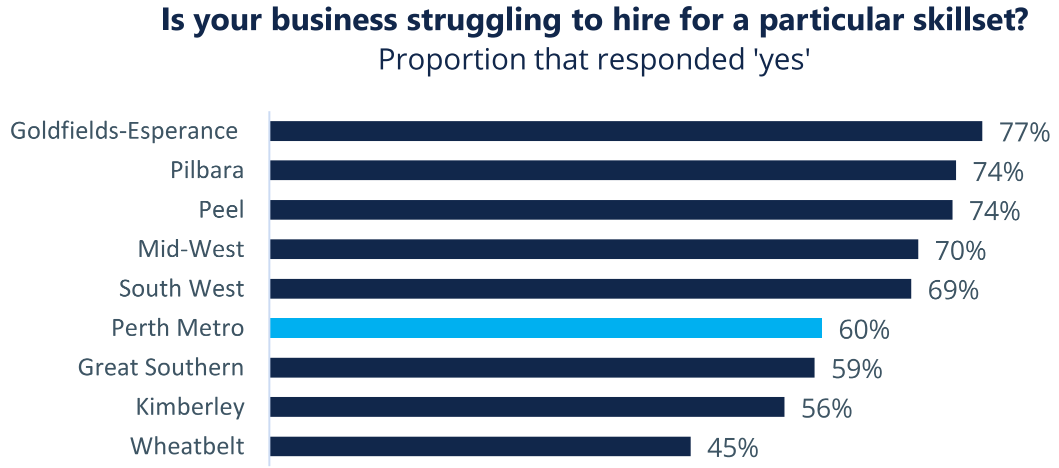
Worker Shortages in Regional WA

Western Australia's labour market continues to experience prolonged tightness as labour demand continues to outpace supply. The unemployment rate for the State has fallen to 3.8% (as at August 2025), the lowest since March 2025. This currently sits below the national average of 4.2%.

In this edition of *Regional Pulse*, we explore developments in labour shortages across WA and the occupations most in demand by region.

When asked if businesses had struggled to hire for a particular skillset, nearly seven in ten (67%) regional WA businesses reported difficulties — a four-percentage-point increase from the previous quarter. By comparison, six in ten (60%) Perth metro businesses experienced similar challenges during the September quarter, suggesting regional businesses continue to bear a heavier burden from ongoing labour shortages.

Hiring challenges were most pronounced in the Goldfields-Esperance region (77%), followed by the Pilbara (74%) and Peel (74%). In contrast, fewer than half (45%) of Wheatbelt businesses reported difficulties finding workers with the required skills.



Top three occupations in demand by WA region

	1	2	3
Peel	Tradespeople	Mechanics/Technicians	Hospitality staff
South West	Tradespeople	Hospitality staff	Support workers
Great Southern	Mechanics/Technicians	Machinists	Tradespeople
Wheatbelt	Tradespeople	Admin	Educators
Mid-West/ Gascoyne	Machinists	Mechanics/Technicians	Hospitality staff
Goldfields-Esperance	Tradespeople	Mechanics/Technicians	Machinists
Pilbara	Machinists	Admin	Healthcare workers

Pilbara

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	48%	9%	43%	74%	0%	26%
Labour Costs	78%	0%	22%	65%	0%	35%
Profit Margins	9%	43%	48%	26%	13%	61%
Credit or Debt	30%	9%	61%	35%	4%	61%
Capex	39%	4%	57%	48%	0%	52%
Employment	70%	4%	26%	74%	0%	26%

The Pilbara continues to lead the regions with the highest business confidence, as sentiment improves in both the short and long term over the September quarter. More than three in five (61%) of respondents from the region are expecting economic conditions to improve in the short term – up 11 percentage points from June. Over the next twelve months more than half (55%) expect stronger economic conditions – an increase of five percentage points.

Much of this improvement likely stems from global demand for commodities, which is expected to maintain its momentum into 2026. Indeed, 74% of businesses are expecting to not only increase their levels of production but are also expected to increase their staffing levels or hours worked over the coming quarter.

At the same time, 48% reported they plan to increase their capital expenditure levels over the coming quarter, up from the 39% 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 (58%) and rising operating costs (58%) the two most reported barriers. The shortage of housing in the Pilbara still remains an issue, with just over half (52%) of businesses identifying this as a barrier to growth. Government regulatory and compliance requirements (26%) is ranked as the third most prominent barrier.

The Pilbara's key exports iron ore and energy have continued to support economic growth in the region. While iron ore has stabilised above $100 UDS/T, future prices will be dependent on new global supply being unlocked and China's crack down on overcapacity.

Mid-West/Gascoyne

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	30%	39%	31%	36%	0%	64%
Labour Costs	65%	4%	31%	64%	5%	31%
Profit Margins	13%	48%	39%	14%	32%	54%
Credit or Debt	17%	9%	74%	18%	9%	73%
Capex	22%	9%	69%	18%	9%	73%
Employment	13%	30%	57%	18%	9%	73%

Confidence among Mid-West/Gascoyne businesses has eased this quarter, with declines recorded in both short and long-term outlooks. The share of businesses expecting no change in economic conditions has remained largely stable, but optimism over short-term conditions fell from 32% to 29%. Longer-term expectations have weakened more sharply, with only 17% of businesses now anticipating improved conditions, down from 30% last quarter.

This weakness is largely driven by labour shortages and rising operating costs. Three in four respondents (75%) reported a shortage of skilled labour as being the primary barrier to growth, the second highest rate across the regions. While this is a slight improvement of four percentage points over the June quarter, the labour market is expected to remain tight well into 2026 which will continue to put pressure on businesses.

Rising operating costs were also identified by seven in ten (71%) respondents as the second largest barrier to growth. This represents an improvement of four percentage points over last quarter. While inflation continues to remain subdued, businesses in the regions have continued to experience higher operating costs.

Despite this, activity in the region appears likely to pick up over the coming quarter, with expectations around production and employment all improving relative to current quarter levels. Capital expenditure was the only metric expected to decline over the next quarter.

Both short term and long-term confidence in the region continues to remain weaker than that for regional WA more generally and the Perth metropolitan area.

WHEATBELT

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	24%	38%	38%	52%	14%	34%
Labour Costs	86%	0%	14%	52%	5%	43%
Profit Margins	10%	57%	33%	24%	29%	47%
Credit or Debt	42%	10%	48%	29%	10%	61%
Capex	48%	19%	33%	33%	10%	57%
Employment	33%	29%	38%	29%	10%	61%

Business confidence in the Wheatbelt has softened in the short term, with half (50%) of respondents expecting economic conditions to remain unchanged over the next quarter. The share of businesses anticipating an improvement has declined sharply, with only 23% expecting stronger conditions — down twenty percentage points from June. Over the longer term, sentiment is slightly more positive, with more than one in four (27%) businesses expecting conditions to strengthen over the next twelve months.

The decline in confidence likely reflects the continued rise in operating costs across the region. The share of businesses identifying operating costs as a barrier to growth has increased to 77%, the highest of any region in WA. Other key challenges include the availability of skilled labour (59%) and government regulatory and compliance requirements (50%), both of which have weighed on business sentiment.

Despite the less optimism over the short term, businesses are expecting greater economic activity over the next quarter. In particular, businesses are anticipating production levels to more than double compared to current quarter levels thanks to abundant rainfall across the region and an expected large grain harvest. Businesses are also expecting labour costs to stabilise over the next three months which will alleviate pressures for businesses. Although businesses across the Wheatbelt are expecting greater activity over the next three months, the majority of businesses are expected to maintain their current employment and spending levels.

Goldfields-Esperance

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	15%	46%	39%	38%	8%	54%
Labour Costs	69%	0%	31%	62%	0%	38%
Profit Margins	8%	46%	46%	23%	15%	62%
Credit or Debt	15%	8%	77%	23%	15%	62%
Capex	31%	7%	62%	38%	0%	62%
Employment	38%	31%	31%	46%	15%	39%

Business confidence in the Goldfields-Esperance region has slumped to the second lowest in the State over the coming quarter. One in four (25%) businesses are expecting economic conditions over the next three months to improve – down 11 percentage points since June. While business confidence over the next quarter has declined, businesses are feeling more optimistic about the long term with one in four (25%) expecting stronger economic conditions - an improvement of 11 percentage points over last quarter.

Businesses in the resources sector are driving long term confidence in the region, most likely stemming from the price of gold reaching all-time highs 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.

Businesses across the Goldfields-Esperance region has reported improvements to multiple barriers to growth over last quarter's results. This includes improvements to international weak demand (from 24% to 6%) and supply chain disruptions (from 10% to 6%). While shortages around skilled labour has seen no improvement from the June quarter (63%), some categories of barriers to growth have increased. Most notably were lack of housing for workers (from 21% to 50%) and rising operating costs (from 55% to 63%).

Encouragingly though, the Goldfields-Esperance region is one of the only regions to have recorded an improvement across all expected economic activity metrics. Businesses are expecting production to more than double than the current capacity of the current quarter. Businesses across the region are also expecting to increase their spending and capex, employment levels and profit margins. Labour costs which have been a consistent barrier to growth for businesses are also expected to decline.

Despite expectations for greater demand and economic activity, business confidence in the region still remains below that of regional WA more generally and the Perth metropolitan area.

Peel

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	25%	20%	55%	35%	10%	55%
Labour Costs	85%	0%	15%	60%	0%	40%
Profit Margins	35%	45%	20%	25%	20%	55%
Credit or Debt	25%	15%	60%	18%	10%	72%
Capex	55%	0%	45%	20%	10%	70%
Employment	40%	10%	50%	25%	10%	65%

Business confidence in the Peel region has risen to the second highest in the State over the September quarter. The proportion expecting conditions to improve in the short term has risen from 17% in June to 57% in September- a substantial increase of 40 percentage points. Optimism over the next twelve months has also improved rising from 5% to 24%.

The surge in business confidence is likely motivated by the improvement across all barriers to business growth except for the availability for skilled labour. According to the June quarter's results, rising operating costs (74%), availability of skilled labour (37%) and weak demand (26%) were ranked as the top three barriers to growth. The September quarter's results have revealed that rising costs has decline to 57% and weak demand has declined to 5%. Lack of housing for workers and supply chain disruptions have also both declined to 10% and 5% respectively. The only category of barriers to growth that has increased in the September quarter is the availability of skilled labour which now sits at 81%-

Businesses in the Peel region are also expecting a slight uptick in economic activity over the next quarter. Just over one in three (35%) businesses are expecting an increase in production levels. Labour costs are expected to fall over the next quarter with 60% of businesses anticipating this, compared to the 85% from the current quarter.

South West

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	38%	23%	39%	51%	11%	38%
Labour Costs	75%	5%	20%	70%	5%	25%
Profit Margins	27%	45%	28%	32%	33%	35%
Credit or Debt	34%	6%	60%	21%	8%	71%
Capex	47%	3%	50%	40%	3%	57%
Employment	36%	16%	48%	49%	13%	38%

The South West has recorded the third highest confidence level over the next quarter across regional WA. Almost half (45%) of businesses expecting stronger economic conditions compared to the current quarter - an improvement of six percentage points. While this number falls slightly to two in five (39%) over expectations for the next twelve months, businesses in the South West still remain more optimistic compared to the regional average of 32%.

Increased optimism in the South West is being driven by an improvement in the barriers to growth. According to the previous quarter's survey results, the top three barriers to growth were rising operating costs (72%), labour shortages (63%), and a lack of housing for workers (46%). The data from this quarter's survey reveals that while businesses are still being impacted by the same top three barriers to growth, conditions have improved over the quarter. Rising operating costs (64%, down six percentage points), labour shortages (46%, down 17 percentage points), a lack of housing for workers (19%, down 27 percentage points) have all contributed to optimism in the region.

Businesses in the South West are also expecting greater economic activity contributing to greater optimism. More than half (51%) of businesses are expecting greater production, while just under half (49%) are expecting to hire more staff. Labour costs are also expected to improve, with seven in ten (70%) expecting costs to increase. While this represents an improvement of 5 percentage points over the June quarter, this number still remains high. The labour market is expected to remain tight well into 2026 which will continue to put pressure on labour costs to rise.

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).

Great Southern

	Current Quarter			Next Quarter		
	Increase	Decrease	No Change	Increase	Decrease	No Change
Production	21%	37%	42%	28%	11%	61%
Labour Costs	68%	0%	32%	44%	0%	56%
Profit Margins	16%	42%	42%	17%	28%	55%
Credit or Debt	16%	5%	79%	6%	17%	77%
Capex	26%	5%	69%	44%	0%	56%
Employment	32%	21%	47%	33%	6%	61%

Business confidence in the Great Southern has fallen slightly in the September quarter. In the short term, 27% of businesses said they expect economic conditions to improve, down from the 29% recorded in June. While there has been no improvement in the proportion of businesses expecting stronger conditions (23%), the percentage expecting weaker conditions has fallen to 36%, an improvement of nine percentage points from the June quarter.

The Great Southern region was one of the only regions to see an improvement across all barriers to growth except for lack of housing for workers. This includes improvements to rising operating costs (from 77% to 64%), availability of skilled labour (from 68% to 64%) and weak demand (from 23% to 9%). Lack of housing for workers increased from 36% to 41%.

Businesses in the Great Southern are also expecting greater economic activity, more than one in four (28%) of businesses expecting an increase in production over the current quarter. The majority of businesses are also expecting no change to labour costs, spending or employment levels as businesses will try to meet increased demand without allocating additional labour resources.

In a favourable sign, capex levels are also expected to increase with almost half (44%) of businesses indicating this. Over the June quarter, it was reported that a greater proportion of businesses were expecting to fund their spending through increased credit or debt while capital expenditure levels were set to remain steady. This was flagged as a risk as additional repayments without productive return would place further stress on businesses in the region. According to this quarter's survey results, businesses appear to be increasing their capex while reducing their credit and debt levels, in a sign that businesses have positive cash flows.