



Chamber of Commerce
and Industry WA



December 2025 • CCIWA Survey

Business Confidence

WA business confidence ends the year on an optimistic note



Business confidence in Western Australia has strengthened in the December quarter, with businesses showing a more positive outlook for both the immediate and longer-term economic environment.

The latest improvement in business confidence was underpinned by strong commodity prices, and strategic government-backed infrastructure and workforce development projects. Various economic and market developments continued to influence sentiment across WA, shaping the broader context of business confidence.

Despite elevated optimism across WA, there were still concerns over the rising cost of doing business and the availability of skilled labour. Both factors saw a decline from the previous quarter's results but remain key concerns. Slightly over half of businesses (52%) reported rising costs as a barrier to growth over the coming year, and just under half of businesses (49%) reported skills shortages.

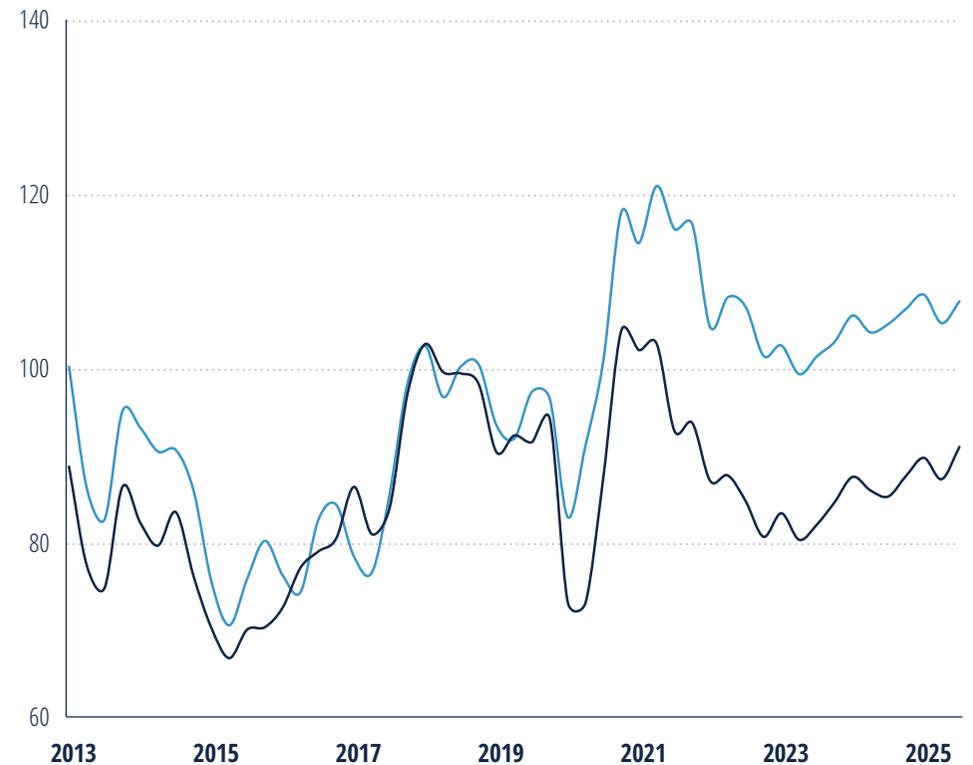
The concerns over rising costs and shortages of skilled labour have been an ongoing issue for WA businesses. Government regulation has continued to be the next most prominent issue, identified by one third (34%) of respondents. Addressing these issues will therefore be key to lifting business confidence 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 examined WA businesses' cost pressures, analysed WA businesses' access to adequate insurance, and explored engagement and plans with apprentices and trainees.

CCIWA Business Confidence Index

Index, 100 = 2018 Calendar Year

— Next quarter — Next year





Short-Term Index rises 3.9 points to 11.6

Looking at the coming quarter, almost half (49%) of WA businesses expected stronger economic conditions, up eight percentage points from last quarter. This was supported by just under one in four (23%) anticipating no change, while slightly over one in four (28%) anticipated weaker economic conditions.

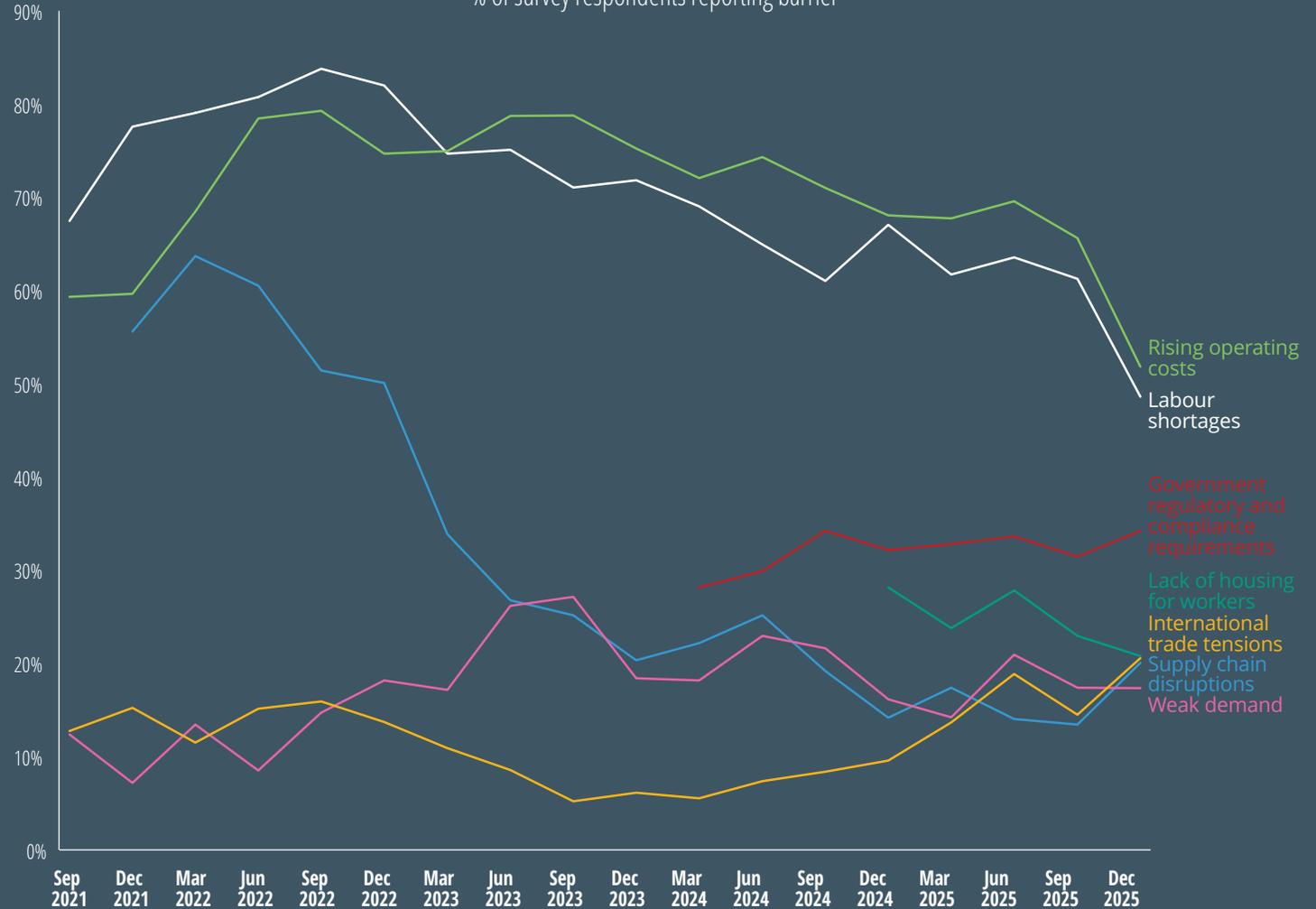


Long-Term Index rises 18.9 points over the quarter to 109.9

The majority (67%) of WA businesses expected economic conditions to improve over the next 12 months, and just over one in five (21%) anticipated no change. The remaining one in eight (13%) expected conditions to soften, down 12 percentage points since last quarter.

Barriers to business growth

% of survey respondents reporting barrier



Costs, labour shortages remain key barriers to business

Rising operating costs remained the leading barrier to business growth, as identified by just over half (52%) of WA businesses. Despite this, concern about rising costs declined by 14 percentage points since last quarter in a sign that conditions have improved for businesses. Across industries, cost concerns were most prevalent in the **real estate services** (86%), **manufacturing services** (81%) and **agriculture, forestry & fishing** (75%) sectors.

Closely following rising costs, labour shortages continued to persist as the second most reported barrier to growth. Just under half (49%) of WA businesses identified this, down 12 percentage points since the previous quarter. This barrier was most noted amongst the **retail trade** (91%), **construction** (74%) and **health care & social assistance** (72%) industries.

Government regulatory and compliance requirements also remained a significant barrier, cited by slightly over one third (31%) of respondents. This constituted an increase of three percentage points since the previous quarter. Regulatory and compliance concerns were most prevalent across businesses in **food services** (75%), **arts & recreation services** (67%) and **health care & social assistance** (50%).

Shortages of housing for workers slightly eased since last quarter but remained a prominent barrier. Slightly over one in five (21%) businesses identified shortages of housing for workers as a barrier, a decline of one percentage point since last quarter. This challenge remained more acute in regional areas, where slightly over one third (34%) of businesses reported it as a barrier; this is a reduction of nine percentage points since the previous quarter but still over double the 15% noted by metro-based businesses. By industry, those most likely to indicate this concern were in **real estate services** (43%), **accommodation services** (40%) and **agriculture, forestry & fishing** (38%) sectors.



Rising operating costs

Identified by **52%** of businesses

Sectors most likely to report as a barrier:

- 86%** Real estate services
- 81%** Manufacturing services
- 75%** Agriculture, forestry & fishing



Government regulatory and compliance requirements

Identified by **31%** of businesses

Sectors most likely to report as a barrier:

- 75%** Food services
- 67%** Arts & recreation services
- 50%** Health care & social assistance



Skill shortages

Identified by **49%** of businesses

Sectors most likely to report as a barrier:

- 91%** Retail trade
- 74%** Construction
- 72%** Health care & social assistance



Lack of housing for workers

Identified by **21%** of businesses

Sectors most likely to report as a barrier:

- 43%** Real estate services
- 40%** Accommodation services
- 38%** Agriculture, forestry & fishing

Insurance costs pressure WA businesses

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

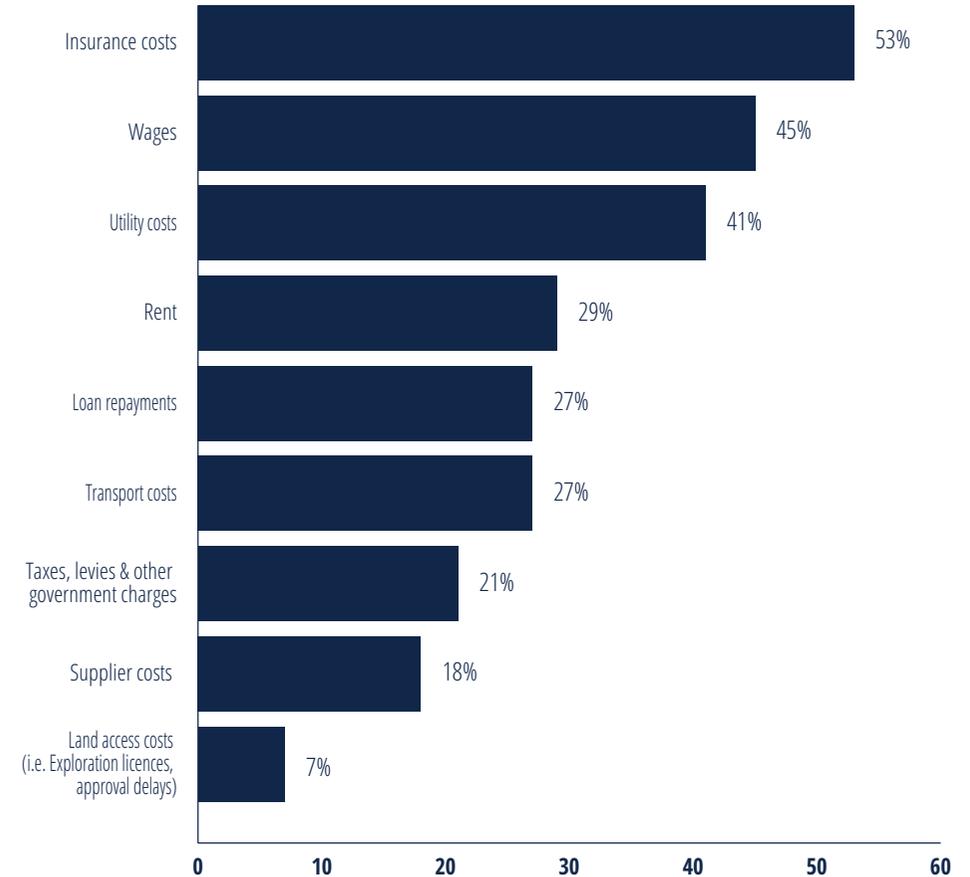
The number one driver of cost pressures according to business respondents was insurance costs, replacing wages from the previous quarter. Slightly more than half (53%) of respondents highlighted this as one of their top three cost pressures, a drop of seven percentage points from the previous quarter. Businesses in the **public administration** (98%), **retail trade** (89%) and **transport, postal & warehousing** (78%) industries were most likely to report insurance as a cost pressure for their business.

The second most reported cost pressure to businesses was wages, with slightly under half (45%) of businesses indicating this, a decrease of 15 percentage points since last quarter. According to quarterly wage growth data released by the ABS earlier this month, WA recorded the highest annual wage growth rate of 4%

across the nation. As WA's labour market has continued to loosen, businesses can expect the burden of wage growth to ease. This was particularly the case for businesses in **real estate services** where all respondents (100%) noted this as a major cost pressure. Other industries that had a high proportion of respondents noting wages a key cost pressure included **retail trade** (89%), and **health care & social assistance** (76%).

Utility costs were ranked as the third-largest cost pressure for businesses, replacing taxes, levies and other government charges from the previous quarter, with two out of five businesses (42%) identifying this as a significant cost pressure. This figure is up 30 percentage points, a significant increase over last quarter. Utility expenses were identified as a key challenge by most respondents in both the **events services** (100%) and **public administration & safety** (98%). This cost pressure was also noted by just over three out of five respondents from both the **creative industries & performing Arts** (67%) and the **information media & telecommunication** (67%) sectors.

Business cost pressures



Insurance access leaving WA businesses at risk

Insurance is a key lever for businesses to manage risk and protect operations. There has been growing concern from business groups and insurers about rising premiums. In this edition of CCIWA's *Business Confidence Survey*, we investigated how insurance costs have impacted WA businesses.

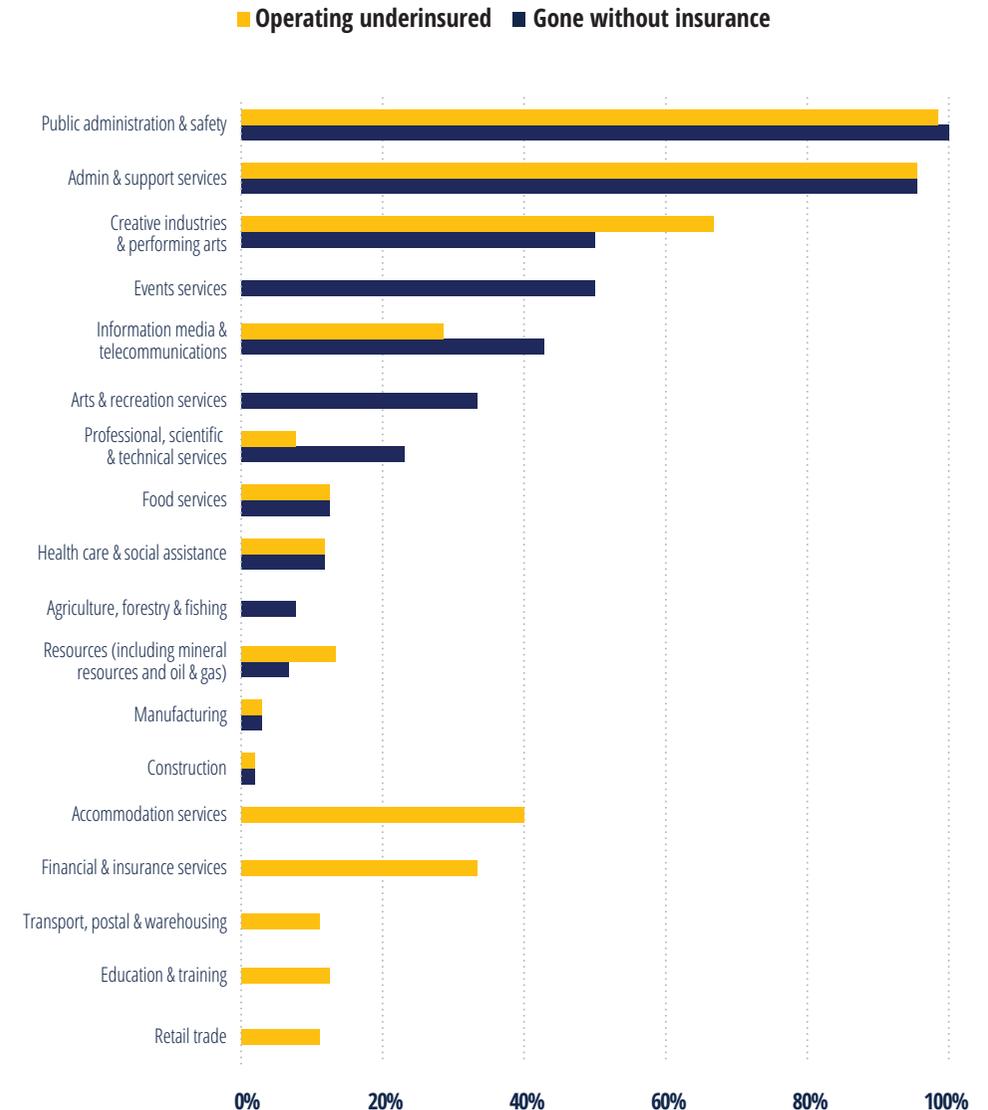
Recently Australia's Parliamentary Joint Committee on Corporations and Financial Services launched an inquiry into the insurance sector, focussing on small businesses, not-for-profits and community organisations. This review has come amid concerns about rising premiums, limited coverage and the potential for uninsured businesses.

As part of CCIWA's *Business Confidence Survey*, organisations were asked about their insurance status. Almost two in five respondents (39%) said their business had to go without insurance or operate underinsured due to increasing costs. This was a theme amongst most respondents from the **public administration & safety** (100%) and **admin & support services** (95%) sectors. Just over two in five respondents from the **information media & telecommunications** (43%) industries also noted this issue.

Respondents were also asked if they had been declined insurance over the past 12 months. All respondents from the **public administration & safety** sector stated they experienced a form of insurance declination on at least one occasion. This issue also impacted half of respondents from the **event services** (50%) sector and one in three respondents from both the **creative industries & performing arts** (33%) and **arts & recreation services** (33%) industries.

When asked about reasons for not being able to access adequate insurance, respondents' themes included difficulties with unique types of businesses and associated roles, limited coverage for specific activities or expensive equipment, concerns about high risks related to content and liability, challenges from home-based businesses, a lack of previous insurance history, rising costs, past claims and industry-specific risks leading insurers to decline coverage.

Businesses operating without insurance or underinsured over the last 12 months



Business requirements for apprentices and trainees

Understanding workforce development needs is essential for supporting business growth and addressing skills shortages across WA. In this edition of CCIWA's *Business Confidence Survey*, we analysed businesses' engagement with apprenticeships and traineeships, the associated costs and their future hiring intentions.

As part of CCIWA's *Business Confidence Survey*, organisations were asked about their needs and requirements for apprentices and trainees. Just over one in five respondents (21%) said their business did not have any apprentices or trainees. This response was most consistent amongst respondents from the **information media & telecommunications** (57%), **health care & social assistance** (53%) and **education & training** (50%) sectors.

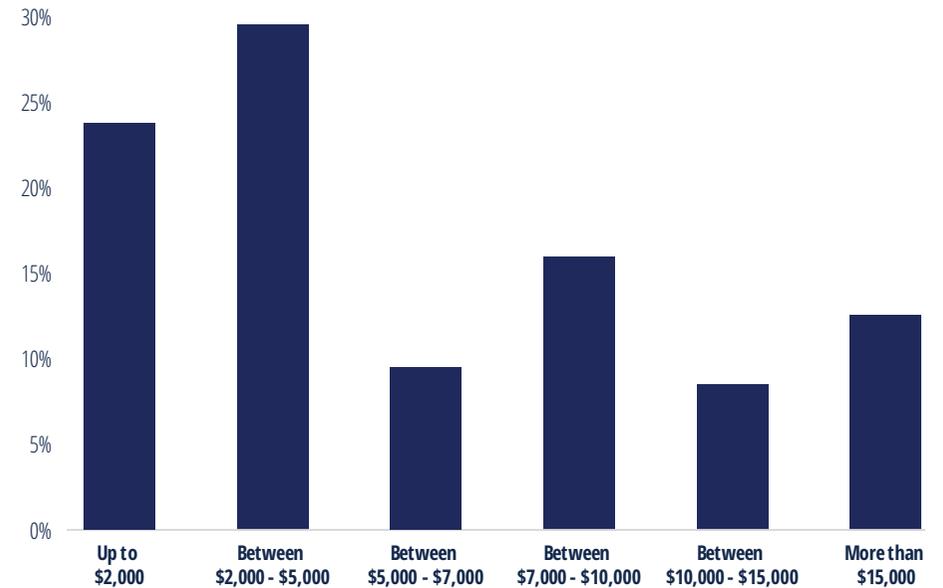
We also asked survey respondents if they had plans to hire an apprentice or trainee in the upcoming quarter. Close to two in five (39%) of respondents said yes, slightly under one quarter (24%) of respondents said no, whilst just under two in five (37%) said possibly or unsure. The majority of respondents

who indicated the strongest likelihood of hiring an apprentice or trainee was from the **admin & support services** (94%) sectors, two out of three (66%) respondents from the **resources** sector, and two out of three respondents (66%) from the **creative industries & performing arts** sector.

When asked about the level of financial support needed to encourage businesses to take on a new apprentice or trainee, close to one third (32%) of respondents said more than \$15,000 a year, nearly one third (31%) of respondents said between \$2,000 and \$5,000 a year, whilst only 2% of respondents said they would not take on an apprentice or trainee, even with financial support.

As part of the *Business Confidence Survey*, we also investigated the costs associated with hiring apprentices. When asked how much each apprentice cost in terms of direct costs (eg. training) and indirect costs (eg. productivity loss), about one in three (30%) respondents said between \$2,000 and \$5,000, just under one in four (24%) said up to \$2,000 a year, whilst less than one in six (13%) indicated more than \$15,000 a year.

What is the average annual cost to your business (direct and indirect) of hiring an apprentice



Just over one in five respondents (21%) said their business did not have any apprentices or trainees.

Top three occupations in demand by industry

	ONE	TWO	THREE
Agriculture, forestry & fishing	Production and Production Supervision	Data Analysts/ Data Scientists	Technicians
Construction	Electricians	Plumbers	Carpenters
Education & training	Educators	Business administrators	Events managers
Food & accommodation services	Venue managers	Front of House staff	Cleaners
Health care & social assistance	Nurses	Support workers	Health workers
Manufacturing	Truck drivers	Electricians	Welders
Professional, scientific & technical services	Engineers	Management staff	Mechanics
Real estate services	Property managers	Sales representatives	Data Analysts/ Data Scientists
Resources (including mineral resources and oil & gas)	Mechanics	Fitters	Electricians
Retail trade	Mechanics	Technicians	Labourers
Transport, postal & warehousing	Automotive Technicians	Truck drivers	Administration staff
Utilities services	Electricians	Technicians	-

Business Confidence December 2025



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



The **rising cost of doing business** remained the **leading barrier to business growth**, with just over half (52%) of businesses reporting this.



Just under two in five respondents (39%) said their business has had to go **without insurance or operate under-insured** due to increasing costs.



Just under two in five (39%) of respondents said they were **planning to hire an apprentice or trainee** in the upcoming quarter.

Key results from the survey

Indicator (Index)	Actual			Expected	
	Jun 25	Sep 25	Dec 25	1 quarter	1 year
Economy					
WA economic conditions	111.7	114.2	87.3	111.6	109.9
Operating conditions					
Employment	103.5	104.9	96.1	106.8	-
Labour costs	113.1	117.1	105.0	107.2	-
Anticipated CAPEX	104.0	104.7	99.2	100.8	-
Profitability	98.3	97.2	97.6	84.3	-
Credit	97.6	96.6	17.9	97.4	-
Production	96.1	96.5	113.1	94.8	-

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 December 2025 is 87.3, which suggests that the average score of survey respondents for economic conditions in December 2025 is 12.7 per cent lower 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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