



Chamber of Commerce  
and Industry WA



December 2025 · CCIWA Survey

# Consumer Confidence

*Confidence moderately increases as employment prospects support outlook*

Consumer confidence in Western Australia saw a modest rise in the December quarter. While households continued to report concerns around living costs, global economic conditions, interest rates, and personal finances, strong employment prospects remained a key stabilising influence on sentiment.

Rising living costs continued to weigh heavily on household budgets, with inflation remaining stubbornly above the Reserve Bank of Australia's (RBA) target range. This, combined with a more cautious outlook on interest rates, contributed to more households citing interest rates as a negative influence on confidence.

Global economic news also weighed on confidence. Ongoing geopolitical tensions, trade uncertainties, and a slowing global economy saw a slight increase in the proportion of households citing international developments as a negative influence.

Consumer sentiment around interest rates weakened in the December quarter, reflecting a more cautious Reserve Bank outlook and lower expectations for near-term rate cuts. With inflation proving persistent, the Reserve Bank has tempered earlier easing expectations, prompting more households to view interest rates as a drag on confidence.

Personal finances continued to weigh on household confidence. Persistent cost pressures, stagnant interest rates, and a more cautious outlook on monetary policy have dampened sentiment, with fewer households reporting a positive impact from their financial situation compared with last quarter.

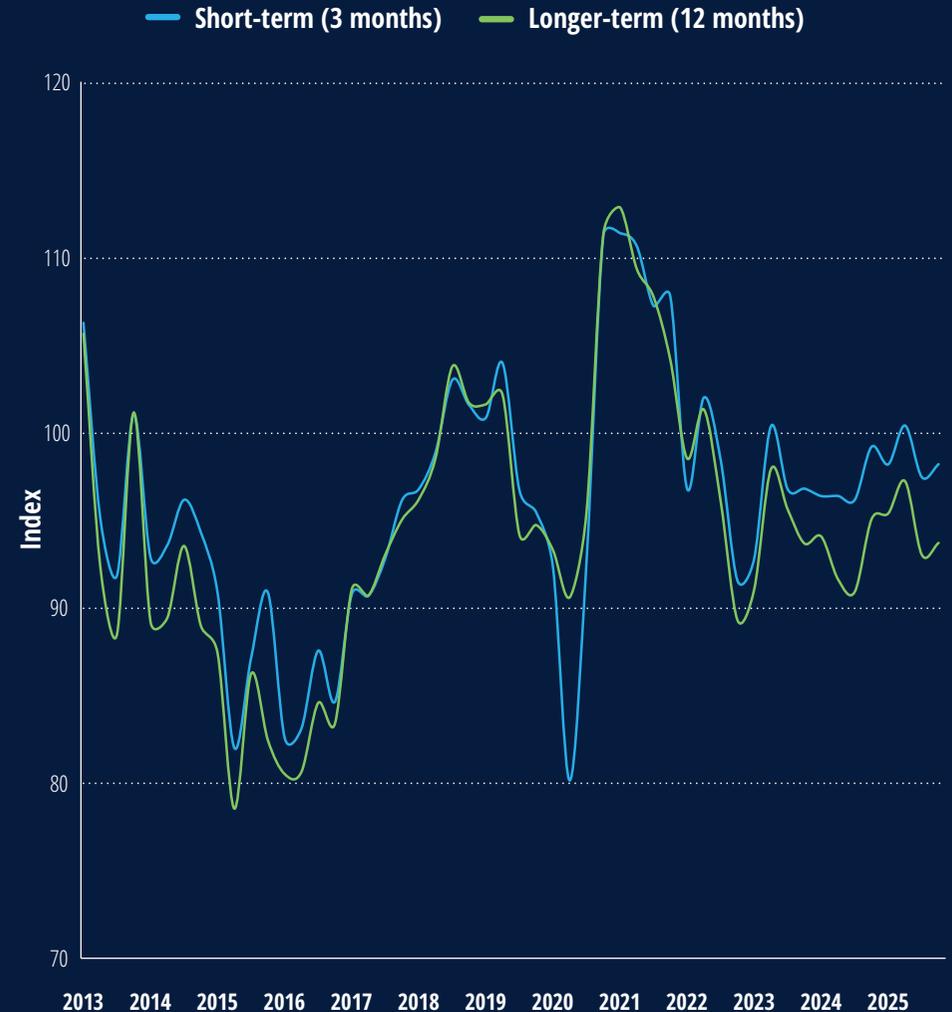
Despite these pressures, employment prospects remained robust. WA's labour market has continued to show resilience, with solid wage growth and low unemployment helping to support overall household sentiment, despite a slight decline in positive sentiment compared with last quarter.

In this edition of CCIWA's *Consumer Confidence Survey*, we explored how Western Australians planned to adjust their spending patterns in the first half of 2026. We also examined WA's labour market, concerns over potential changes to GST distribution, shoppers' plans for Black Friday and the festive season, and how consumers were responding to rising utility costs.



## CCIWA Consumer Confidence Index

2018 Average = 100



In the following sections we unpack the key factors influencing Western Australians' confidence in the WA economy.

# What's influencing consumer confidence?

## ↑ Confidence increases slightly in the short term

Short-Term Index increased 0.7 points to 98.1

98.1

Over the next three months, one quarter (22%) of Western Australians expected economic conditions to decline, while one in five (18%) anticipated conditions to strengthen. Just over half (58%) expected conditions to remain unchanged.

## ↑ Longer-term consumer confidence marginally increases

Longer-Term Index increased 0.7 points over the quarter to 93.7

93.7

Over the coming year, almost one third (30%) of Western Australians expected weaker economic conditions, while around two in five (37%) predicted conditions to remain unchanged. Slightly less than one in three (30%) anticipated conditions to improve.

### 🍏 Living costs (-)

Persistently high inflation has continued to weigh on household budgets. More than three in five (78%) WA households continued to report living costs as dragging on their confidence levels. This represented an increase of 12 percentage points since last quarter.

### 🌐 International headlines (-)

Global economic news remained a concern for WA consumers but showed signs of improvement. Over half (53%) of households said global economic news had dampened their confidence, as concerns around global conflict, international trade policy, and the slowdown of the global economy continued to dominate the news. This constituted an increase of two percentage points since last quarter. Ongoing geopolitical tensions including in Ukraine, the Middle East, sub-Saharan Africa, and the South China Sea will continue to play on consumer confidence into the future.

### 📊 Interest rates (-)

Consumer sentiment around interest rates deteriorated in the December quarter, driven by a shift towards a more cautious Reserve Bank outlook and diminishing expectations of near-term rate cuts. With inflation still above the RBA's target band, the Bank has stepped back from earlier easing expectations, signalling that rate cuts are unlikely in the near term. About half (49%) of

respondents identified interest rates as negatively influencing their confidence this quarter, representing an eight-percentage point increase since last quarter.

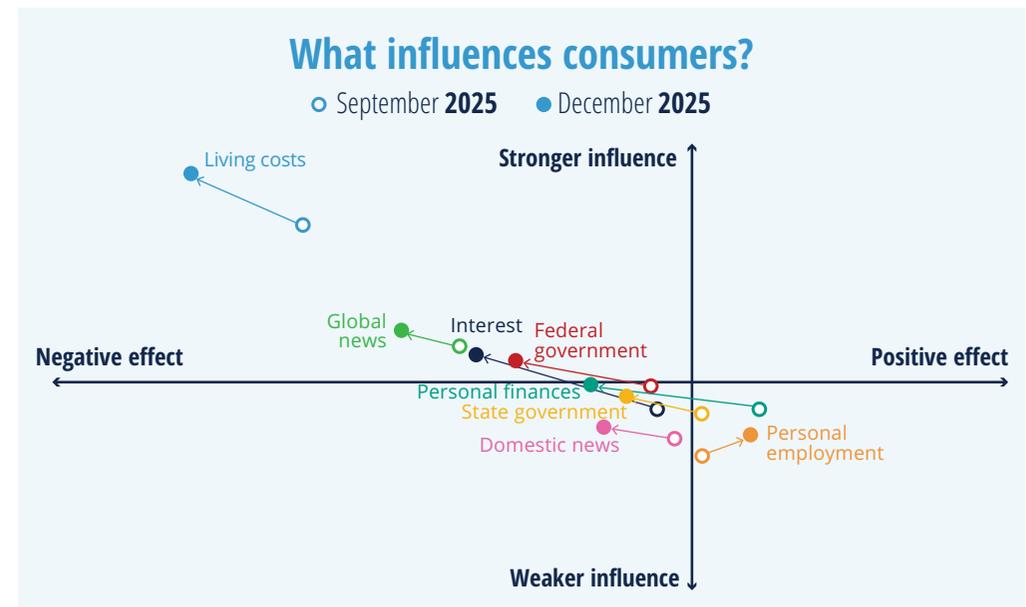
### 📄 Personal finances (-)

Personal finances continued to drag on consumer confidence. Two in five (40%) Western Australians reported that personal finances had dampened their confidence over the quarter. At the same time, just over one in four (27%) consumers reported that their personal finances had weighed positively on sentiment this quarter. This represented a decrease of six percentage points over last quarter. The changing quarterly deterioration is a sign that stagnant

interest rates, persistent cost pressures and a more cautious interest rate outlook have weighed on household confidence.

### 🔍 Employment prospects (+)

Employment prospects continued to be a bright spot for WA workers as the State unemployment rate has sat at its lowest level since March 2024. WA's unemployment rate is currently 4.2%, compared to the national average of 4.4%. A resilient labour market and strong wage growth have seen employment prospects remain a strong supporter of household sentiment, with just under one third (30%) of Western Australians reporting this – a slight decline of four percentage point since last quarter.



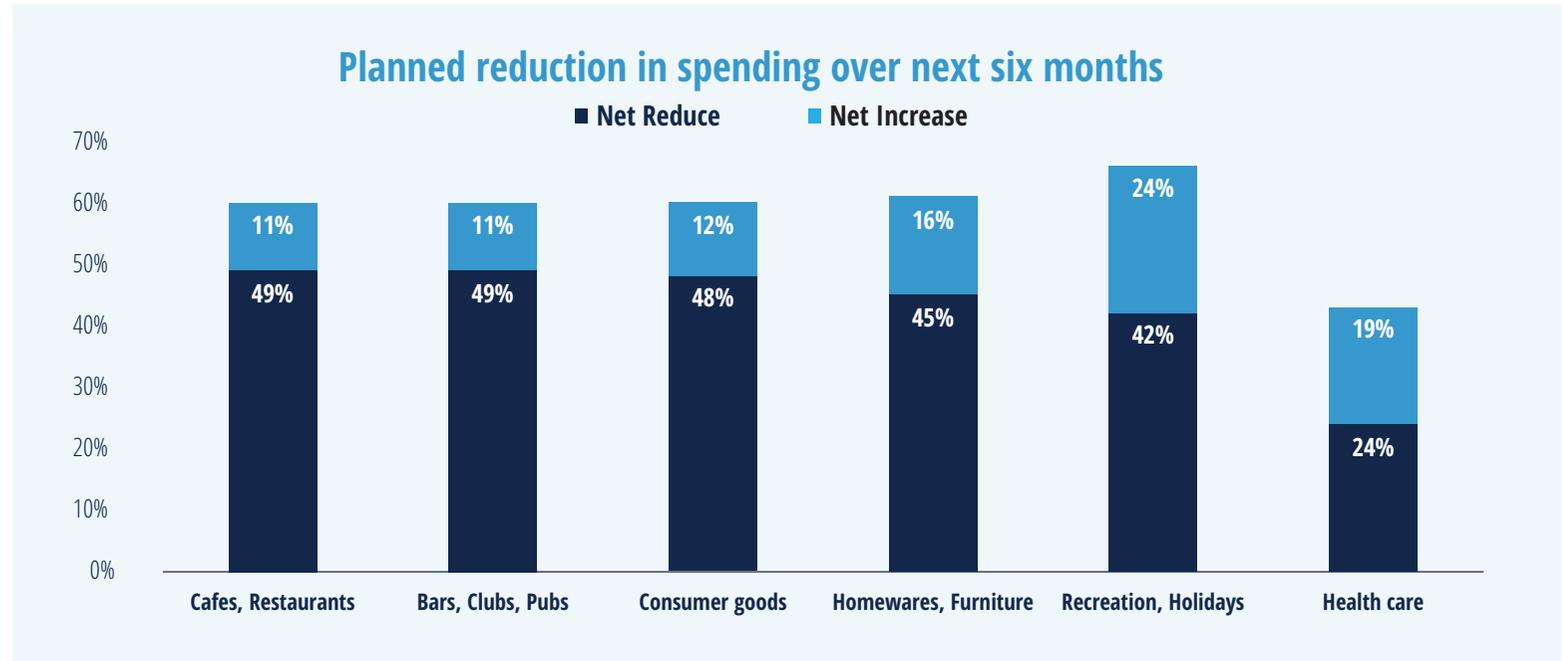
## INSIGHTS INTO CCIWA'S CONSUMER DATABASE

# Households planning to revise spending as confidence wavers

The RBA has paused further rate cuts, as inflation persisted above the 2-3% target band. With inflation still running above the RBA's target, households have continued to bear the brunt of significant cost pressures. In this edition of CCIWA's *Consumer Confidence Survey*, we asked how Western Australians plan to change their spending patterns over the next six months.

According to this quarter's results, households indicated they were planning to spend less over the next six months. Just over two in five (43%) were expecting to reduce their spending – an increase of seven percentage points since last quarter. The decline reflected ongoing cost-of-living pressures and reduced expectations of near-term rate cuts.

There were no real standout categories where consumers expected to cut spending. For the consumers that were planning to save over the next six months, about half (49%) reported that they would cut spending on dining out and consumer goods. This is an eight-percentage point increase over last quarter in consumers planning to reduce their expenses across the same two categories. Discretionary spending may continue to see slower growth as ongoing price pressures weigh on consumers.



The next three discretionary spending categories have also seen a backslide over the last quarter. Consumers were expecting to cut their spending on homewares (45%), recreation and holidays (42%), and healthcare (24%). The results are a six-percentage point deterioration over last quarter across all three categories.

Those most likely to cut back spending on these discretionary categories were those who don't own a home and live with parents or relatives. More than half (55%) of respondents from this category planned to limit their spending on cafes and restaurants, while a similar proportion (53%) planned to cut back on consumer goods.

Despite this, some categories of consumers were planning to increase their spending over the next six months. Consumers aged between 18-39 years were most likely to increase their spending. This was most prevalent across healthcare, consumer goods, and recreation with almost one in four (24%) Western Australians reporting this.

## INSIGHTS INTO CCIWA'S CONSUMER DATABASE

# Festive season expenditure

With Christmas and the holiday season only a couple of weeks away, consumers are gearing up for the traditions and celebrations it brings. In this edition of *Consumer Confidence*, we asked respondents about their plans for spending over the festive period.

Most Western Australians expected their Christmas and holiday spending to remain steady. Nearly half (48%) anticipated spending "about the same" as last year, while 16% expected to spend more and 35% anticipated to spend less. Among respondents planning to reduce spending, nearly half (48%) earned up to \$40,000 annually.

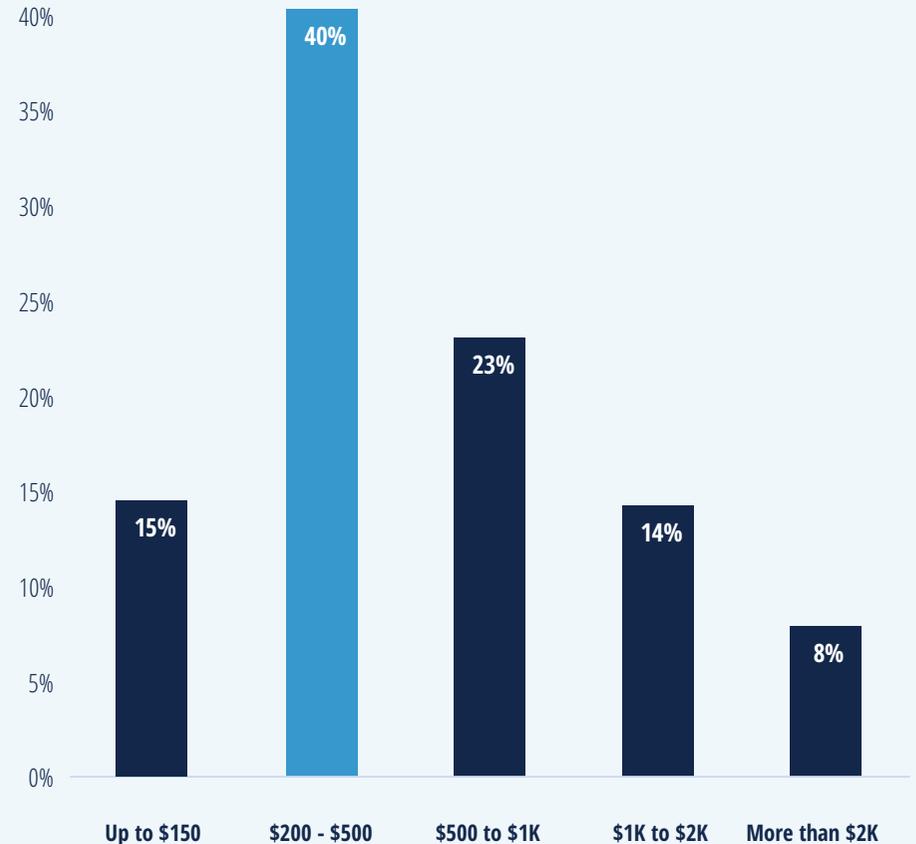
We also asked respondents about the dollar figure they expected to spend on Christmas-related purchases. Two out five respondents (40%) expected to spend between \$200 to \$500, slightly under one in four (23%) expect to spend between \$500 and \$1,000. Only one in seven (15%) were expecting to spend a maximum of \$150.



When analysing by household income, most respondents from both the lowest household income category (up to \$40,000 annually) and the highest household income category (\$186,000 or more annually) planned to spend between \$200-\$500, only one in 20 (5%) of respondents from the highest household income category planned to spend \$150 or less, as opposed to one in four (23%) from the lowest household income category. At the higher end of expenditure, just under one in six (15%) respondents from the highest household income category planned to spend more than \$2,000.

*Most Western Australians expected their Christmas and holiday spending to remain steady.*

### Planned expenditure on Christmas-related purchases



## INSIGHTS INTO CCIWA'S CONSUMER DATABASE

# Understanding Black Friday spending and consumer choices

With many households reassessing their budgets ahead of the festive season, retailers have been watching closely to understand how Western Australians planned to approach Black Friday and the December quarter.

To gain clearer insights, we asked consumers about their spending plans and whether certain retail conditions might influence their behaviour.

Across the December quarter, nearly half of Western Australians (48%) said Black Friday sales wouldn't prompt them to spend more. The sentiment was strongest among older shoppers, with four in five people aged 65+ (80%) reporting no change in their spending plans, compared with just 30% of those aged 18-39.

Around one in five consumers (20%) planned to make the most of Black Friday, expecting to spend an extra \$50-\$100. Only one in 10 intended to spend more than \$300, and these higher spending plans were largely driven by higher-income households; around a quarter (26%) of those expecting to spend this much earned \$186,000 or more a year.

We also asked whether longer trading hours would encourage shoppers to choose local stores over online alternatives during Black Friday. Consumers were relatively split over the issue with just over half (55%) saying that it was not likely to influence where they shopped, whilst just under half (45%) said it would make them more likely to shop locally.



## INSIGHTS INTO CCIWA'S CONSUMER DATABASE

# Unified concern over GST distribution changes



In 2018 the Federal Government changed the GST distribution formula to ensure WA received its fair share. However, other state governments have been seeking to reverse this decision and alter the GST formula once again. In this issue of *Consumer Confidence*, we explored Western Australians' views on the matter.

The findings revealed strong concerns among Western Australians, with the majority (69%) saying they were worried about the potential reversal or alteration of the GST distribution. This concern was consistent across income levels, with between 67% and 71% of respondents reporting unease regardless of household earnings. By contrast, fewer than one in 10 (8%) said they were not concerned, a sentiment that is similarly consistent across income groups.

# Western Australians respond to rising utility costs



Climbing utility costs have prompted many Western Australians to reconsider how they use energy at home. In this issue of *Consumer Confidence*, we explored the steps consumers were taking to manage their utility expenses.

Over half (52%) of Western Australians were actively trying to reduce their energy consumption through measures such as limiting heating and cooling. Only three in 10 (30%) Western Australians reported that they were not changing their energy consumption habits despite rising utility costs,

while just under a quarter (24%) were installing energy-saving devices. Around one in seven (14%) were managing their utility costs by switching providers or moving to cheaper plans.

Taken together, the results suggest that rising utility prices were prompting a gradual but meaningful behavioural shift. Many households were combining quick, low-effort changes with more substantive upgrades such as energy-efficient appliances. As cost pressures persist, these trends are likely to shape how Western Australians think about energy value, choice, and efficiency.

# Consumer Confidence December 2025



Consumer confidence has increased after declining in the September quarter



Just under half (48%) of Western Australians expect Christmas expenditure to remain at similar levels to last year



Just under half (48%) of Western Australians don't expect Black Friday sales to prompt them to spend more



Western Australians are largely united in their concern over potential changes to the GST distribution formula, with nearly seven in 10 (69%) consumers expressing worry about the possible changes



Over half (52%) of Western Australians are trying to reduce their energy usage in response to rising utility costs

## Consumer confidence

Current quarter (December 2025)

Previous quarter (September 2025)

Highest since

	Current quarter (December 2025)	Previous quarter (September 2025)	Highest since
Short-term	98.1	97.4	June 2025
Longer-term	93.7	93.0	June 2025
Personal finances	98.5	103.0	March 2025
Job prospects	103.7	102.5	September 2022

Note: Index figures may have changed from previous editions of *Consumer Confidence* due to changes in index calculation methodology. Percentage figures may not always add to 100% due to rounding. The index is rebased to the average score of respondents to the 2018 calendar year. The value of the index can be interpreted as the percentage change in average consumer confidence in a period compared with the average consumer confidence in 2018. For instance, the Consumer Confidence Index in June 2025 is 100.3, which suggests that the average score of survey respondents for consumer confidence in June 2025 is 0.3 per cent higher than the average rating in 2018.



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