

DECEMBER 2025

2026-27 PRE-BUDGET SUBMISSION



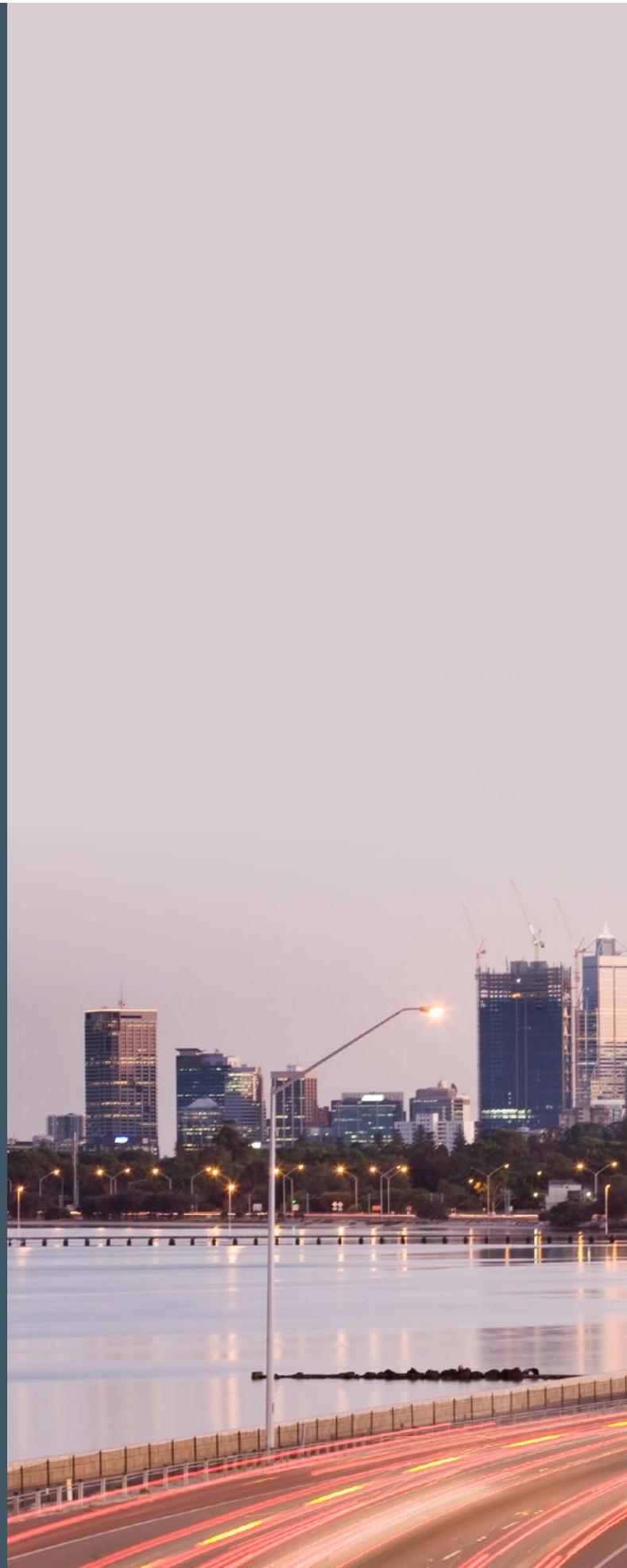
Let's
Energise WA



Chamber of Commerce
and Industry WA

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Western Australia is the powerhouse of the nation, host to many major projects and significant economic opportunity.

With its critical minerals and energy deposits coupled with deep talent and expertise, WA is well positioned to take advantage of new and emerging opportunities critical to a new low-carbon reality.

WA's future success will not only rest on its world-class resource deposits, but also in activating opportunities across sectors, including space, defence, life sciences, manufacturing as well as fisheries, agriculture and tourism.

In doing so, we create a more diversified WA economy.

However, to advance these opportunities, what our economy needs above all is significant amounts of capital expenditure, common-use infrastructure and a balanced regulatory regime that enables this investment to take place.

The 2026-27 State Budget provides an opportunity to get the settings right – policy, regulation and funding – for the benefit of both WA and the nation, as well as our regional trading partners.

The need for a competitive business environment has never been more important.

WA businesses are facing increasing cost pressures, tight and competitive supply chains, trade barriers and policy asymmetry like never before. They are also up against the lucrative subsidies provided in countries competing with Australia.

To maintain our competitive advantage, our regulatory frameworks must position WA as an attractive and open destination for investment.

Our 2026-27 pre-budget submission includes a suite of recommendations across five key pillars to position WA to capitalise on the enormous opportunities on offer.

Together, let's energise WA!



OVERVIEW



KEEP THE COSTS OF DOING BUSINESS LOW

Energy

State Taxes

Fiscal restraint



GROWING WA INDUSTRY

Marketing WA to the World

Investing in industry

Procurement



REGULATION THAT HELPS NOT HINDERS

Environmental Approvals

Retail Settings



ENSURE A SKILLED WORKFORCE

Education and Training

Building local workforces

Housing



PROTECTING WA AS THE POWERHOUSE STATE

Defending the GST Deal

Industrial Relations

Commonsense to Canberra

Let's
Energise WA



KEEP THE COSTS OF DOING BUSINESS LOW

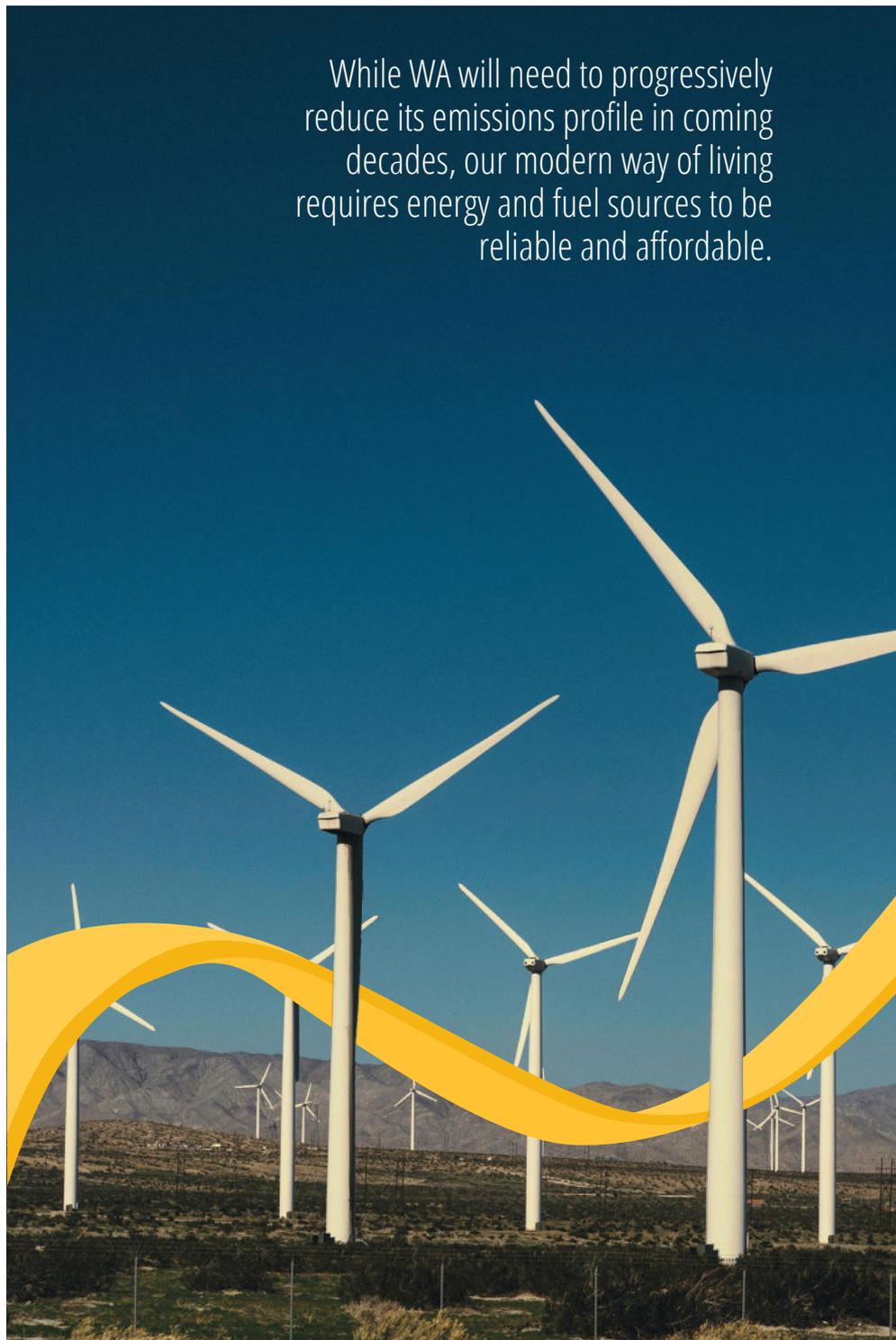
Right now, businesses in WA continue to navigate through tough and unpredictable economic conditions as soaring operating costs continue to hamper profit margins.

To assist businesses through these challenges, and ensure they remain viable, we are advocating for **actions that reduce the heavy cost burdens being placed on business.**

Apart from wage costs, there are several key costs that stand out, specifically, those related to energy and state taxes.

At the same time, we need to ensure the State Government remains fiscally responsible to ensure WA businesses do not shoulder additional cost burdens.

While WA will need to progressively reduce its emissions profile in coming decades, our modern way of living requires energy and fuel sources to be reliable and affordable.



Energy

The energy transition is the most significant global policy challenge of our time, **requiring unprecedented change to the systems powering and fuelling our industrialised economy.**

While WA will need to progressively reduce its emissions profile in coming decades, our modern way of living requires energy and fuel sources to be reliable and affordable.

But WA faces an enormous challenge in that regard, compounded by:

- Our economic reliance on energy-intensive industries.
- Our geography and isolation.
- Our current energy generation profile.
- Our electricity systems, which are designed around baseload and dispatchable power sources. They are also inverter-based energy, which provides no inertia to ride out short-term imbalances in supply and demand.
- Our position at the end of global supply chains.
- The asymmetries of climate-related policies of regional competitors.
- Significant demand for grid upgrades and customer connections across the State.

Given these challenges, the supporting investments and reconfiguration of fuel and electricity systems necessary to lower emissions is unprecedented. These also come at a significant cost, borne by both the taxpayer and industry.

There are many trade-offs to consider related to costs, reliability and the speed at which WA can progressively lower emissions.

While balancing the commercial competitiveness of existing and new industries, WA must progressively decarbonise, but this cannot come at the expense of affordable and reliable energy.

Some of these key drivers of costs relate to access and regulations, specifically:

- Costly transmission infrastructure to electrify the grid.
- Lagging approvals processes, which impact energy supply.
- Inefficient regulations that penalise business at the expense of households.
- Extensive delays in customer connections and grid accessibility issues.

In addition, an unstable energy grid is another key driver of cost for businesses. The losses associated with power outages are significant for all size of business, across all sectors.

The State Government must work to address areas of instability in the grid as a matter of priority. To this end, energy policy must consider all interplaying factors to keep costs as affordable as possible, while ensuring reliable supply in this low-carbon reality.

This must include further investment in back-up energy supplies, such as gas turbines, exploring additional actions that reduce the cost of energy, including renewable generation, to ensure ongoing competitiveness, and include a focus on future needs. This may also involve exploring the viability of industry-led solutions to improve power reliability and availability.

Not only this, equipping small and medium-sized enterprises (SMEs) with the knowledge and resources to lower their emissions profile is not just vital from a cost-saving perspective, but a necessity in our collective effort to transition to net-zero.

SMEs are often disadvantaged by a lack of financial and technical capacity, which is often a significant barrier in adopting greener practices. Supporting SMEs to navigate the complexities of decarbonisation, while making the process more accessible and cost effective, is essential.

RECOMMENDATION ENERGY

Planning and Infrastructure

The State Government should:

- support behind-the-meter options that reduce transmission requirements and support the overall affordability of the energy transition.
- immediately undertake a short and sharp review to identify suitable sites for gas turbines and enter the queue to purchase new gas turbines to meet future energy needs.
- identify and fund priority areas for immediate grid upgrade.
- explore industry-led solutions, supported by adequate funding to ensure timely customer connections.

Competitive Supply

The State Government should:

- review its recent environmental approvals reforms to ensure they are delivering on their policy intent, including ensuring timely decision-making processes to ensure competitive energy supply; and
- release and implement the WA Gas Onshore Code of Practice regulations to ensure competitive energy supply.

Policy Settings

The State Government should:

- explore the feasibility and benefit of providing funding to support WA SMEs to lower emissions.
- support industry to decarbonise by reviewing solar panel and battery policy settings to make it easier for business to invest in these technologies if they choose to; and
- provide more flexibility to businesses by lowering the contestability threshold to 20 megawatt hours of electricity per annum or defining all non-residential customers as contestable.

State taxes

WA continues to rely heavily on an inefficient tax mix through such measures as payroll tax and stamp duty.

The reliance on such inefficient taxes is detrimental, adding to the already high cost of doing business in WA and impacting our State's attractiveness.

Unfortunately, WA continues to hold the mantle as the highest taxing state in the country when it comes to payroll tax [Figure 1].

Given this, it comes as no surprise that payroll tax remains a major frustration for small and medium businesses alike, with 27% of employing businesses now paying the tax.

Facing steep increases in wage costs, more WA businesses are being captured than ever before.

Since the last payroll tax reform in WA, back in 2020, private sector wages in the State have grown by more than 15%. This means that a business with a payroll of \$870,000 in 2020 would now be paying payroll tax, despite not employing any new employees.¹

WA's high rate of payroll tax continues to weigh heavily on small and family businesses. We know that payroll tax reform would support WA businesses to grow and diversify, including enabling them to invest in their people, processes and practices.

After all, our State's ability to capitalise on opportunities associated with decarbonisation, digitalisation and diversification relies to a significant extent on lifting the cost burden placed on small businesses.

CCIWA maintains its call for the State Government to raise the threshold to ensure small and medium businesses in WA are not unfairly disadvantaged compared to other jurisdictions.

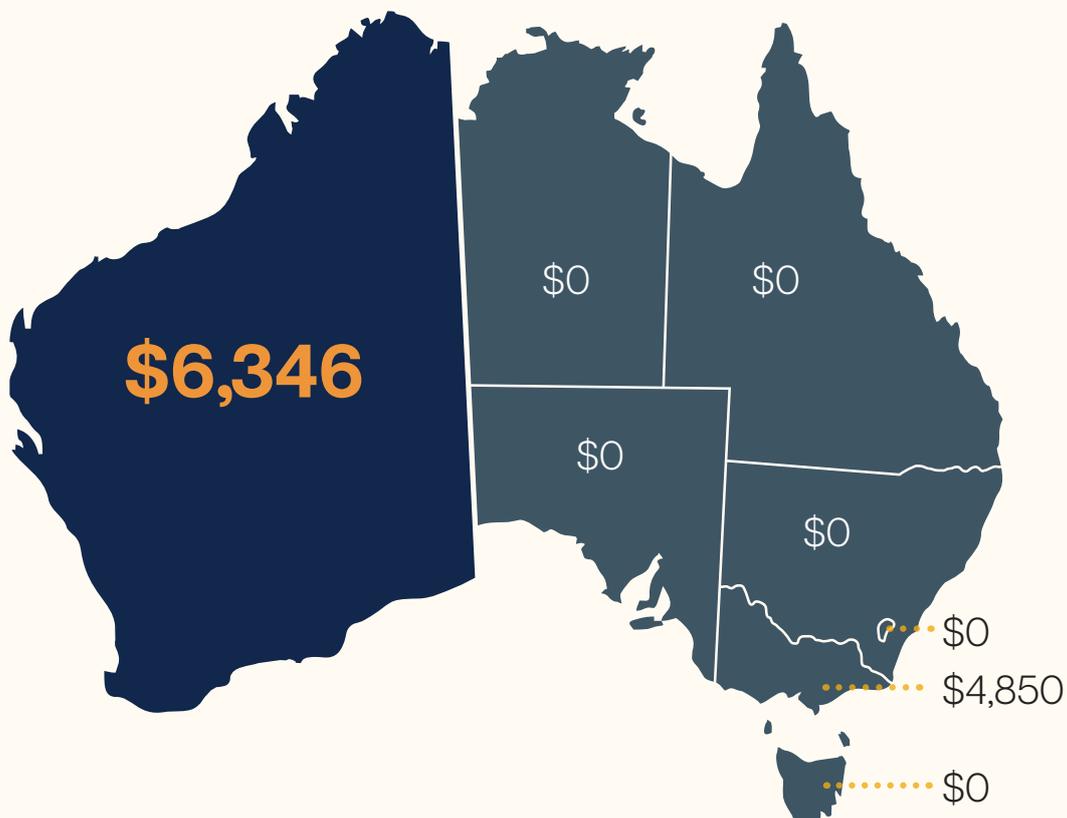
By lifting the threshold and reducing the payroll tax burden, WA businesses naturally become more competitive, for the betterment of the State and nation, overall.

RECOMMENDATION STATE TAXES

The State Government should:

- increase the payroll tax threshold to \$1.3 million.
- ensure the payroll tax rate is indexed fairly in line with wage growth.

Figure 1: Comparison of payroll tax costs across Australia, based on total annual wages of \$1.1 million.



1 CCIWA Analysis of WA Private Sector Wage Price Index data from the ABS to June 2025

“We are reluctant to put on more staff and have reduced our opening hours to limit the Payroll Tax burden on our profitability.”

**SUBURBAN BAKERY
EMPLOYING 20 STAFF**



“Payroll tax causes
more financial distress
and prevents us
from investing.”

**RESOURCES COMPANY
EMPLOYING 30 STAFF**





Fiscal restraint

While WA has continued to see budget surpluses, ongoing efforts to improve the State's budget and reduce our net debt position must be continually achieved through responsible fiscal management, not the imposition of higher taxes on businesses and Western Australians.

Productivity gains and continued economic growth is key to addressing high levels of debt. Higher taxes on WA's business community would significantly hinder domestic economic growth and hamper WA businesses' efforts to compete in the global economy and attract investment.

Government spending must also be carefully considered.

In particular we remain deeply concerned about the cost impacts associated with the WA Best Practice Industrial Conditions (WABPIC) policy, particularly if the policy is rolled out across major infrastructure projects. This could have a significant impact on State Government's finances.

The Queensland equivalent was found to increase costs by 25%, equating to a net economic cost of up to \$17.1 billion.

Productivity gains and continued economic growth is key to addressing high levels of debt.

Our own analysis found that WA taxpayers would pay an additional \$1.2 to \$1.6 billion for the same infrastructure if WABPIC was to be rolled out across all transport projects for the outyears according to the 2024-25 WA State Budget.

To demonstrate transparency and to be held to account, the State Government should release the cost of the WABPIC.

RECOMMENDATION FISCAL RESTRAINT

The State Government should:

- commit to ending the WABPIC pilot and to not rolling it out more broadly.
 - maintain financial restraint particularly on expenses, including within Government Trading Entities, to ensure the State Government can continue progress on paying down State Debt.
 - commit to not increasing the taxation burden on WA businesses. Specifically, no new taxes and levies, and to keep fees and charges growing no higher than the Consumer Price Index (CPI).
-



REGULATION THAT HELPS, NOT HINDERS

Our State's economic diversification relies on organisations in WA being free to focus on investing.

Given that governments are unable to compete with the multi-billion-dollar subsidies that are being provided by competitor jurisdictions globally, we need to give WA businesses an advantage through continually improving the way they are regulated and by removing redundant and archaic rules.

Red tape reduction can be as attractive as fiscal support.

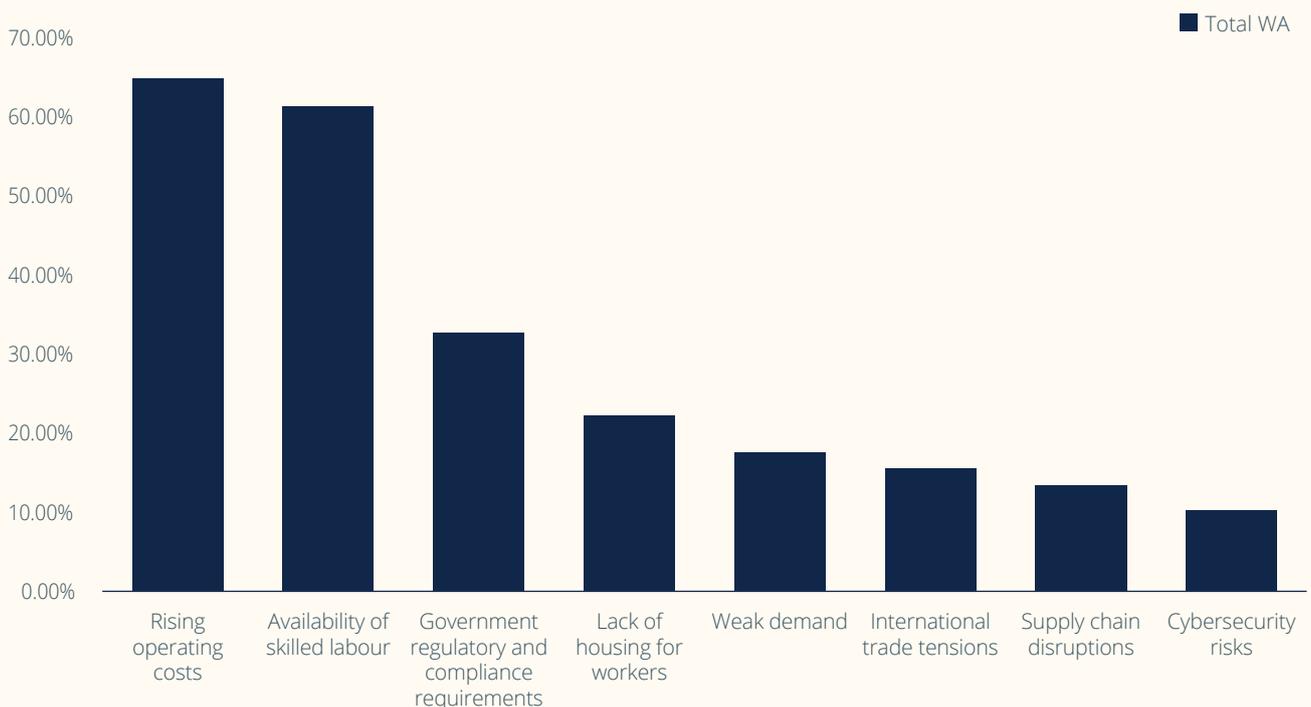
CCIWA's most recent Business Confidence survey shows that WA businesses identify regulatory burden as one of the top three barriers to their growth [Figure 2].

This needs to change.

Streamlined and efficient approvals frameworks, at both the State and Federal levels, are needed to ensure WA businesses maintain their competitiveness globally, by providing certainty of assessment processes and timeframes.

At the same time, we also know that our archaic retail trading restrictions hold our businesses back and impact our vitality as a tourism destination.

Figure 2: Barrier to business growth over the next 12 months



Environmental approvals

WA is a state of major projects and significant economic opportunity. However, to advance these opportunities, WA needs significant business investment. We need to get the basics right, with timely approvals, transparent assessment processes and certainty in accessing land being critical to the advancement of these projects.

Since CCIWA's *Green Web* report, we have welcomed commitments by the State Government to address these critical issues within WA's approval system. First, with the Vogel-McFarren review and its subsequent recommendations; then, with the introduction of the Coordinator General position; and more recently, with the *State Development Bill 2025*.

By ensuring priority projects are not caught up in needless bureaucracy, WA has a real opportunity to capitalise on global trends that will allow our State to grow and diversify its economy.

If government gets the basics right, investment will come.

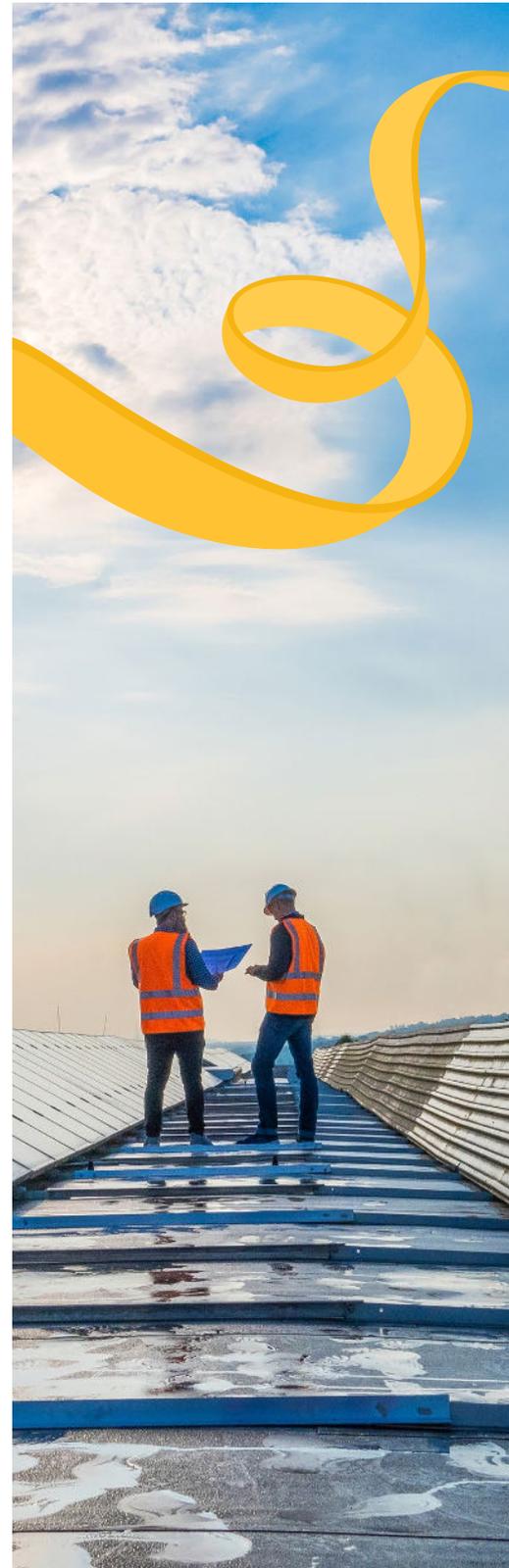
We also welcome the State Government's review into Aboriginal and Cultural Heritage processes in WA to ensure efficient and effective cultural heritage processes.

RECOMMENDATION ENVIRONMENTAL APPROVALS

The State Government should:

- review its recent environmental approval reforms to ensure they are delivering on their policy intent.
- demonstrate the impact of approvals reform by implementing clear time-based metrics and Key Performance Indicators (KPIs), which are tied to improving internal processes of the regulators that approve major projects.
- introduce real-time tracking for approvals requests, including 'stop the clock' provisions, to keep government agencies accountable for holding up the economy; and
- ensure adequate resourcing of all approvals agencies to ensure efficient and timely service provision.

Streamlined and efficient approvals frameworks, at both the State and Federal levels, are needed to ensure WA businesses maintain their competitiveness globally, by providing certainty of assessment processes and timeframes.



Retail settings

The last time trading hours changed in WA we also saw:

- the retirement of the original Purple, Red and Yellow Wiggles.
- the Apple iPhone 5 was released.
- the Elizabeth Quay construction just commenced.
- the Burswood Dome hosted the Beach Boys for its last show; and
- the Korean singer PSY released his song, Gangnam Style.

The world has changed, but our retail trading hours have not.

In every other State, businesses have considerably more freedom and flexibility to open. However, in WA, businesses are caught up in a complex web of antiquated and confusing rules.

Right now, WA retail businesses can be penalised if they do not follow the rules – rules which stipulate what a business can sell and when.

Special retail businesses can sell light bulbs, but not light fittings. They can sell sinks, but not dishwashers.

News agencies can sell education toys, but not “computer games that are mains operated”. There is no apparent justification for this level of regulatory complexity.

In a recent change to hospitality restrictions, there are now expanded trading hours for hospitality businesses on public holidays. **Consumers can now buy a drink on a public holiday but are unable to purchase groceries at their local major supermarket.**

Furthermore, while WA pushes for more international tourism, Perth continues to be held back by restrictive shopping hours that have tourists leaving with the money still in their pockets.

We are proposing commonsense changes.

First, the Government should abolish the regulatory stipulations restricting what a business can sell when. This would be achieved by removing column 2 in section 7 of the regulations. This would maintain the categories of retail shops but remove the outdated rules about the precise products those shops can sell and when.

Secondly, we want to see retail trading hours increased for general retail trade by just seven hours a week, and by four hours on sanctioned public holidays in WA.

We propose that the State Government trial our commonsense approach to trading hours for four years, before giving the WA public a chance to have its say with a referendum on the proposal.

RECOMMENDATION RETAIL SETTINGS

The State Government should:

- introduce reforms to deregulate shopping hours to bring Saturday trading in closer alignment with Monday-Friday, and to extend trading on Sundays and public holidays. This should start as an extended trial (four years).
- Remove column 2 in section 7 of the Retail Trading Hour regulations, which stipulates what a business can sell and when.

Figure 3: CCIWA's Proposed Trading Hours reform

	Monday-Friday	Saturday	Sunday	Public Holidays	Regulations
CURRENT	8am -9pm	8am - 5pm	11am - 5pm	11am - 5pm	The Government dictates each product that certain types of stores can and cannot sell to consumers.
PROPOSED	8am - 9pm	8am - 9pm	8am - 5pm	8am - 6pm	Allowing businesses to decide what they sell and when.

A photograph of a woman in a light pink sleeveless dress standing at a wooden counter in what appears to be a cafe or deli. She is looking towards a staff member behind the counter. The staff member is a woman with dark hair in a ponytail, wearing a black t-shirt, and is smiling while holding a clear plastic bag containing a sandwich. On the counter, there is a small sign that reads "PLEASE RING FOR DELI SERVICE" and a silver service bell. In the foreground, a wicker basket filled with oranges is visible. The background shows a kitchen area with a green cutting board, a calculator, and a small Christmas tree on the counter. A purple UV light fixture is mounted on the wall above the counter. The text "Right now, WA retail businesses can be penalised if they do not follow the rules – rules which stipulate what a business can sell and when." is overlaid on the right side of the image.

Right now, WA retail businesses can be penalised if they do not follow the rules – rules which stipulate what a business can sell and when.



GROWING WA INDUSTRY

Made in WA and Diversify WA outlines the direction of the State Government with respect to key industries. However, while these programs highlight emerging industries, and may deliver opportunities, there is a need to support existing industry as well.

The State Government needs to be focused on productive infrastructure, be it transport, common-user infrastructure or energy infrastructure, ensuring we boost the productive capacity of WA's businesses and grow key industries.

We have identified three key opportunities with respect to growing WA industry: Marketing WA to the World, Investing in Industry, and Procurement.



Marketing WA to the World

Western Australia must continue its efforts to attract investment into the State – doing so is vital for growing and diversifying our economy. **We need to continue to make decisions that improve our appeal and competitiveness to draw national and global businesses to invest and headquarter here.**

The re-investment into State Government-operated Invest and Trade offices helps to achieve this goal, as does retaining a united branding under the 'Like no Other' campaign. However, from an industry perspective, there are still gaps in investment.

For example, WA is a great beneficiary of the AUKUS pact. Yet our lack of presence in Washington, compared to Defence SA, has been noted by trade coordinators. We call for AUKUS officers to be positioned in Washington and London, as a clear point of contact in relation to AUKUS matters.

WA now has a host of high-quality collateral to tell our story to key markets and highlight it as a desirable place to invest, live, host events, study and holiday. These campaigns should evolve to promote future investment opportunities, such as carbon capture and storage projects, data centres, advanced manufacturing, and renewable energy.

From a regional tourism perspective, there is also a need for a comprehensive plan associated with the Kununurra Eclipse in 2028 as well as the Perth Bicentenary in 2029. These events often result in the creation of legacy infrastructure, to the benefit of all Western Australians.

When promoted and coordinated well, business has a great opportunity to activate and add value to the experience.

RECOMMENDATION MARKETING WA TO THE WORLD

The State Government should:

- grow our international trade presence with AUKUS officers based in Washington (satellite office to Austin Invest and Trade) and London. These officers should focus on AUKUS policy and engagement.
- continue to develop a seamless narrative for WA as a key destination for work, investment and leisure. This must highlight new and emerging opportunities in data centres, life sciences, space and the energy transition.
- start forward planning for major upcoming regional tourism events to ensure key stakeholders can plan for and develop legacy infrastructure.

Investing in Industry

Strategic Industrial Areas

WA is host to several Strategic Industrial Areas (SIAs), which are designated zones that are strategically designed and located to support heavy and strategic industrial activities, thereby attracting investment and enhancing economic growth.

The aim of these precincts is to minimise the risks associated with project investment decisions, specifically by reducing time to market through regulatory facilitation services and reducing investment and operating costs through use of common-use infrastructure.

Opportunities to grow WA industry through further development of SIAs is evident.

In 2024, the State Government established the Strategic Industries Fund to deliver \$500 million of common-user and other enabling infrastructure for WA's SIAs. This was followed by an additional \$500 million in 2025, and the release of a Strategic Industrial Lands (SIL) Activation Plan recently.

Key to the success of SIAs is ensuring the provision of project-ready SIAs with all essential common-use infrastructure and relevant approvals in place. This includes established utility connections (e.g. electricity, telecommunications, water and gas); transport and other physical infrastructure (e.g. road and rail connections; and port access), and agreements with Traditional Owners. This will support first movers to SIAs, who will, in turn, spur other businesses to operate out of SIAs.



Currently, WA's SIAs struggle to compete with other industrial areas in the Asia Pacific due to inadequate incentivisation and a lack of common-user infrastructure, uncertainty in approvals processes, limited industrial environments, and inflexible land use.

Appropriately established SIAs are necessary to attract and develop key strategic industries, which would reinforce WA's position as an industrial powerhouse.

Ultimately, the Strategic Industrial Lands (SIL) Activation Plan now needs to be reinforced through action, with committed milestones, to ensure industry has the best chance to co-locate and be competitive.

RECOMMENDATION INVESTING IN INDUSTRY STRATEGIC INDUSTRIAL AREAS: POLICY

The State Government should further develop the Strategic Industrial Lands (SIL) Activation Plan by consulting with industry on what common-user infrastructure is needed across the different SIAs.

The strategy should outline the following:

- ongoing processes to fund further near- and longer-term government investment in SIAs, including industry-led planning of focused support for priority SIAs through the Strategic Industries Fund.
- policy-based incentives to drive businesses to SIAs, which may include tax incentives and grants to subsidise movement of businesses into established SIAs.
- plans to expand these areas over the longer-term, if needed, to ensure that there is sufficient industrial zoned land in WA to allow industries to be established where and when needed most.

This strategy should be monitored on a regular basis, to ensure deliverables are being met.

RECOMMENDATION INVESTING IN INDUSTRY STRATEGIC INDUSTRIAL AREAS: PLANNING AND INFRASTRUCTURE

The State Government should:

- ensure all enabling works on SIA land have been completed, such as land clearing, power, water, gas and telecommunications connections, as well as transport corridors.
 - work with industry to ensure the land is of sufficient size for industrial use and subject to tenure arrangements that facilitate industrial land uses.
 - obtain all State and Federal environmental approvals and, where relevant, negotiate appropriate Indigenous Land Use Agreements.
 - provide timelines on development of relevant common-user infrastructure.
-

Developing WA's CCUS sector

The Asia Pacific, in line with much of the world, has set decarbonisation targets for their economies. WA's key regional partners, including Japan and South Korea, have committed to carbon neutrality by 2050, while China and India have 2060 and 2070 targets, respectively.

Despite this, energy consumption is also forecast to grow more than 13% in the Asia Pacific between 2023 and 2030, compounding decarbonisation challenges. Significant progress will be essential to meet energy transition objectives, for which WA is ideally positioned to play a key role.

CCIWA has identified WA's advantage in supporting the regional energy transition as twofold.

First, some of WA's current Asia Pacific trade partners, including Japan and South Korea, are likely to increasingly decarbonise through renewable energy and low-carbon fuels. WA's abundant resources include the critical minerals, land access and knowledge base required to support the development of lower carbon options.

Secondly, other trade partners across the region, including China, India and Indonesia, are likely to increase LNG imports to meet growing demand and reduce reliance on coal. WA's significant gas reserves can support this transition.

Due to WA's unique geography and expertise in the energy and resources industry, there is also significant opportunity for WA to lead decarbonisation of regional economies through carbon capture utilisation and storage (CCUS).

As identified in CCIWA's *Capturing our Future* report, carbon capture represents baseline economic benefits of \$79.5 billion to WA from 2030-50, which would underpin the future growth of the industry. However, to make CCUS hubs commercially viable in WA, aggregation from both domestic and international customers is vitally important to create the scale needed to underpin the development of a domestic CCUS industry.

RECOMMENDATION INVESTING IN INDUSTRY DEVELOPING WA'S CCUS SECTOR

The State Government must work with the Federal Government to address the key policy barriers impacting CCUS, including:

- implementing policies that encourage and support CCUS investment, including funding, to support increased investment in CCUS technologies.
 - sending stronger signals to our regional neighbours that Australia is open to cross-border CCUS, including finalising government-to-government (G2G) bilateral agreements with key markets to enable the trade of carbon dioxide.
 - executing planning for strategic common-user infrastructure, both onshore and offshore.
-

Procurement

The State Government utilises the services of thousands of WA businesses to deliver services and infrastructure that benefit the whole community. These are based on government contracts that may be one-off, rolling or time limited with opportunities for extensions.

When used effectively, government procurement can stimulate growth in WA businesses and across industries,

particularly emerging sectors. Leveraging local manufacturing opportunities by supporting WA businesses with multi-year purchase agreements (ie. 3-7 years) can stimulate local manufacturing opportunities, and support their longevity, in what is a highly competitive global environment.

For those with government contracts, the procurement process itself also creates considerable uncertainty, impacting workforce planning and operations.

Members have reported instances where contracts are extended monthly, for months on end, before a final decision on a new contract is made. In one example, the previous contract extension had expired two weeks prior to the next monthly extension.

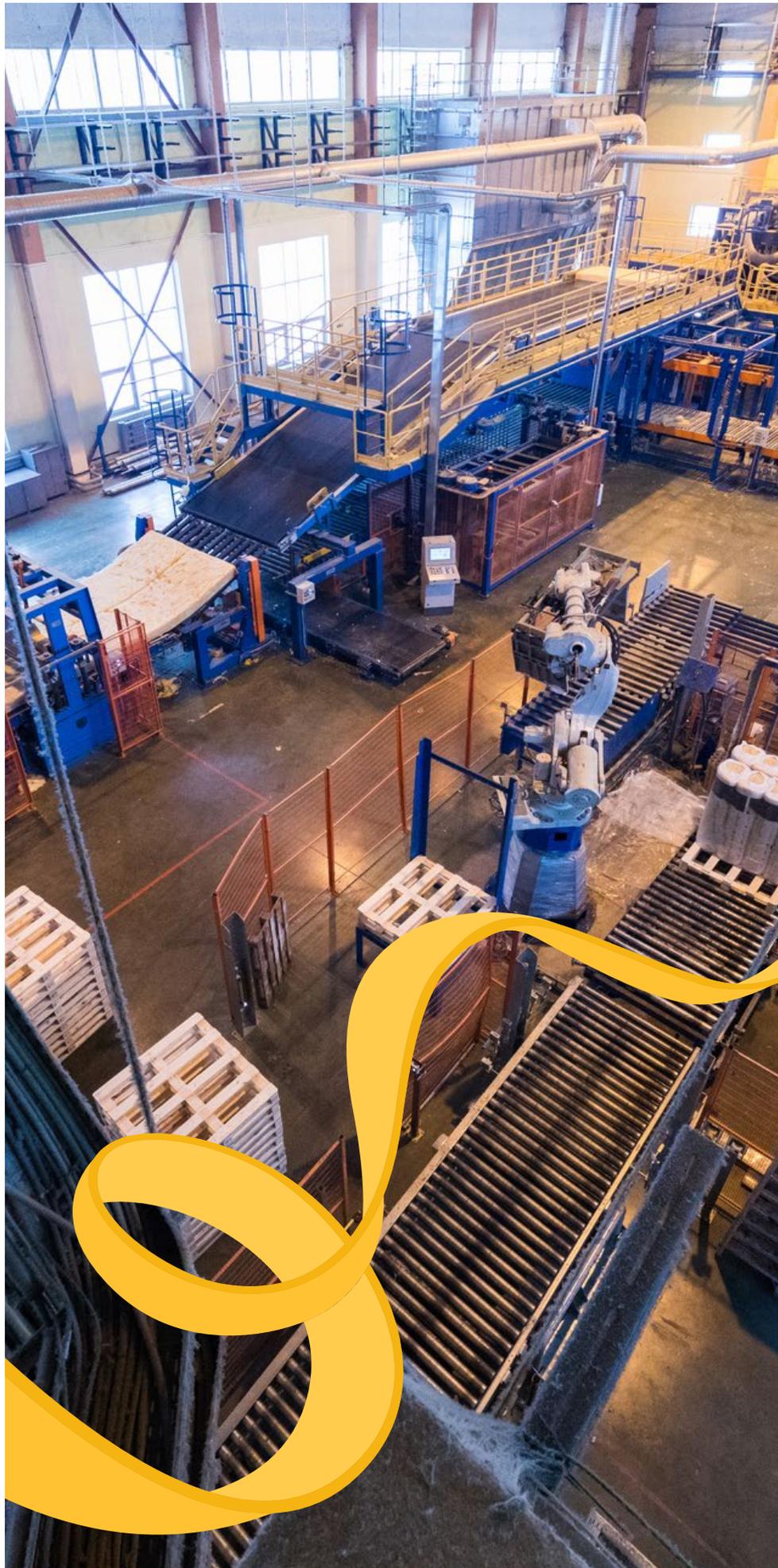
This uncertainty is particularly prevalent within the community services sector, where government funding is the primary source of funding. This has a significant and direct impact on the employees, business, clients and government. For example, it affects a business' ability to retain staff, plan its workforce and operations over the long term, creates uncertainty for service users, and adds unnecessary bureaucratic burdens.

The State Government could help improve certainty and stability with targeted reforms that help to improve procurement processes, while retaining robust governance processes.

RECOMMENDATION PROCUREMENT

The State Government should:

- task WA's new Productivity Commission with streamlining Government procurement to foster innovation and industry development. This should examine the use of longer-term contracts, and how other jurisdictions use procurement to leverage new and existing industries.
 - ensure best practice is followed when contracts are due to expire. This should include regulated standards for contract decision-making across all agencies, greater lead-in time for notice of no extension of contracts, and consideration for the value gained by implementing longer-term minimum contractual arrangements.
-





ENSURING A SKILLED WORKFORCE

As of October 2024, WA is home to three million people and more than 246,000 businesses. Despite this, workforce attraction and retention remain perennial issues for WA, and ones that we expect to sustain over coming years.²

To continue to build our economy, we must do everything we can to ensure the education and training systems are fit for purpose – from delivering high-quality students to ensuring our training system is efficient and effective.

We also need to ensure we are maximising our local workforce. Increasing the workforce participation and employment of under-represented cohorts is not only the right thing to do, but it also unlocks real workforce potential.

Sitting closely with skilled workforce development and migration system reform is the adequate supply of housing. Sufficient land supply, infrastructure planning and innovative housing solutions are necessary to address WA's acute shortage of housing.

Education and training

Education

High-quality education systems represent broad societal benefits, by underpinning economic growth, productivity and higher living standards. If education is not viewed through an economic lens, then there is a risk that our future prosperity and the competitiveness of our industries are impacted.

Businesses, large and small, across a variety of industries have expressed concern at the ill-prepared nature of graduates for life outside of school.

This can be seen in WA's attainment rates and the NAPLAN results from August 2025 [Figure 5].

In most schooling years assessed through NAPLAN, WA is below the national average. There are bright spots, however: schools with more autonomy and schools with a focus on explicit instruction seem to perform better.

Our *Thinking Ahead: Preparing WA's education system for future workforces* report identified several opportunities to reform WA's education system, including by providing more schools with autonomy by finalising the roll out of the Independent Public School (IPS) system, better coordination between the education sector and industry, and a renewed focus on explicit instruction.

One of our key recommendations is the implementation of a new governance framework to ensure there is greater collaboration between the government stakeholders who interact with a child's education journey into early adult life.

To underpin this, we suggested the establishment of an Education and Training Coordination Committee of Cabinet (ETCCC) to support the delivery and implementation of the Government's priorities, policies and reforms related to WA's education and training systems.

At a minimum, the ETCCC should include the Ministers for the following: Education and Early Childhood; Disability Services, Volunteering and Youth; Tertiary and International Education; and Skills and TAFE.

RECOMMENDATION EDUCATION INDEPENDENT PUBLIC SCHOOLS

The State Government should provide a timeline to transition all schools to the IPS framework by the end of 2026, with improved support from the Department for existing IPS.

RECOMMENDATION EDUCATION EDUCATION AND TRAINING COORDINATION COMMITTEE OF CABINET

The State Government should establish an Education and Training Coordination Committee of Cabinet, similar to the Health Coordination Committee and Major Infrastructure Expenditure Review sub-committee. This will help ensure all aspects of the education system are aligned and coordinated.

RECOMMENDATION EDUCATION EXPLICIT INSTRUCTION

The State Government should:

- ensure the supporting material for explicit instruction is fit for purpose, and teachers understand the importance of pedagogies and how to apply them in different contexts.
- support and encourage teachers to engage in professional development that assists them to apply explicit instruction.

2 CCIWA Data, as shown in Figure 4 opposite.

Figure 4: Percentage of respondents struggling to fill a position

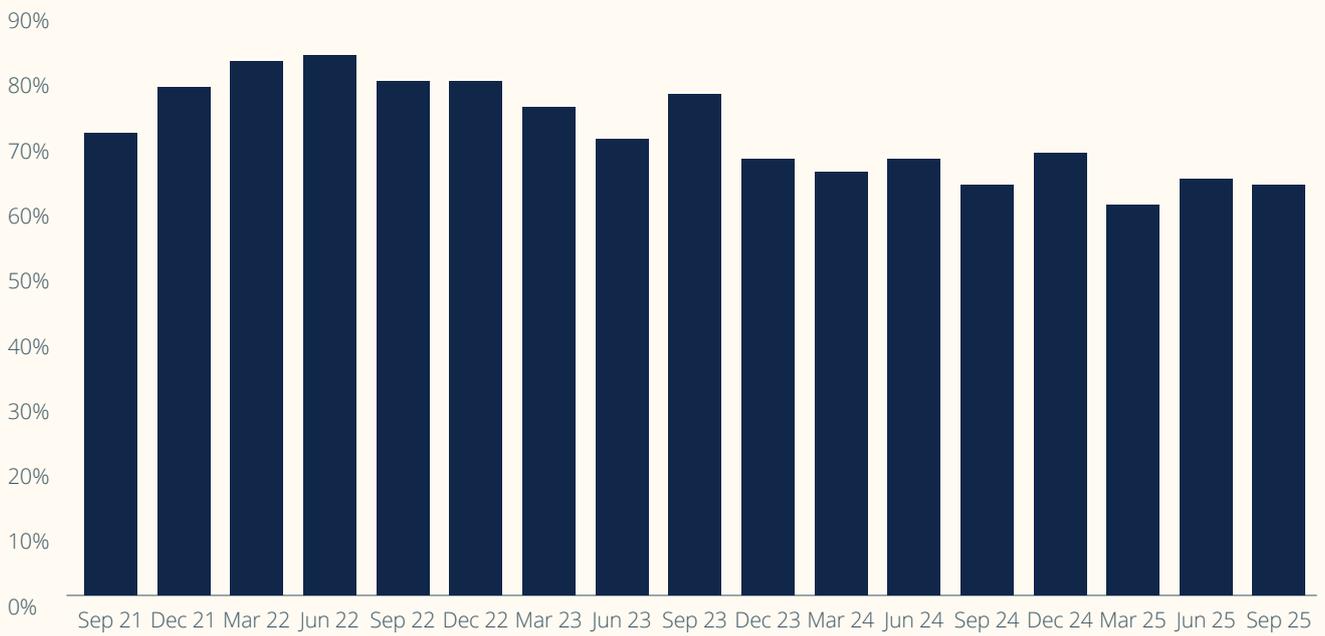
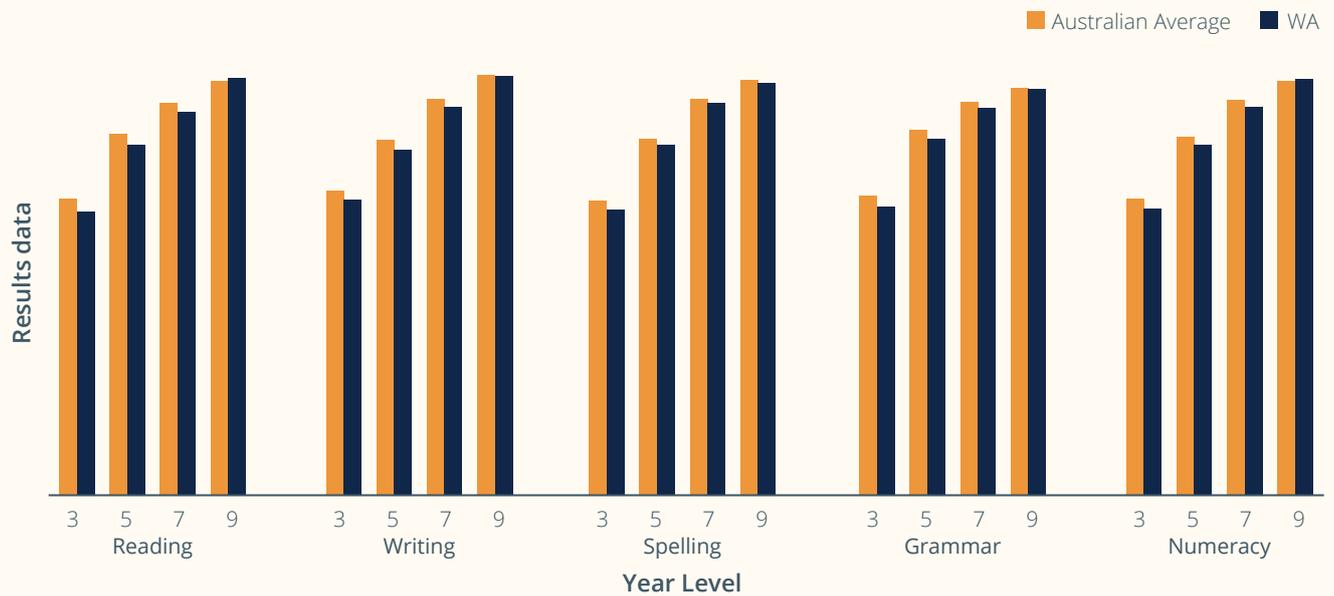


Figure 5: NAPLAN Results data comparing WA results to Australian average³



³ Australian Curriculum Assessment and Reporting Authority. *NAPLAN National Results*. March 2025.



Training

CCIWA remains concerned with the continuing decline in apprenticeship and traineeship commencements across the State, with commencements decreasing by 21% in FY25 from FY24 figures.

Through engagement with CCIWA, employers noted several key issues, including:

- the current system is complex and confusing for employers and apprentices to navigate.
- employers face significant productivity loss due to the required supervisory time and administrative burden of taking on apprentices and trainees.
- the current allocation of fee-free and low-fee training pathways are not calibrated to occupations where the skills are needed.
- there is insufficient financial incentive for employers to employ diverse groups.
- many employers require further encouragement to upskill workers to meet emerging industry standards, because the funding framework does not sufficiently support training for existing employees; and
- lack of access to suitable trade-qualified trainers.

While the training system has seen some investment, including in the development of new facilities, the lack of access to suitably trade-qualified trainers remains a key challenge. There is a need for a targeted program that seeks to attract trade-qualified people to alleviate pressure at public and private training providers.

Alongside this, ongoing support for employer-facing incentives remains critical. The State Government must continue to ensure ongoing funding for employers is available in this State Budget, as recent cuts by the Federal Government has impacted the willingness of employers to take on apprenticeships.

In CCIWA's September 2025 Business Confidence survey, we wanted to understand the approximate cost of an apprentice to a business, both directly (eg. training costs) and indirectly (ie. productivity loss). More than 58% of businesses reported the average costs was somewhere between \$2,000 and \$10,000 per year, with another 25% of respondents saying it costs more than \$15,000.

Employer incentives, set at a sufficient level, can assist in ensuring the pipeline of trained workforces can continue.

RECOMMENDATION APPRENTICESHIPS AND TRAINEESHIPS

The State Government should:

- leverage the capability, reach and accountability of Apprentice Connect Providers to undertake eligibility assessments for all State- and industry-based incentive programs and streamline incentive access.
- enhance employer incentives, including by considering providing \$10,000 to employers per year for the first two years of a training contract.
- apply additional incentive loadings for employers who employ Indigenous people, people with disability or women in male-dominated trades.
- expand the State's existing worker-funded list to encourage employers to invest in training staff, lifting industry capability and aligning with modern skill requirements.
- ensure ongoing funding for State-funded employer-support schemes for apprenticeships and traineeships, at the same time as advocating to the Federal Government for employer-incentives.
- recalibrate fee-free training allocations to priority occupations such as electrical, mechanical, fabrication, aged care and childcare roles.

RECOMMENDATION TRAINING THE TRAINERS

The State Government should launch a targeted program to upskill trade-qualified employees, so they can provide practical placements for TAFE and Registered Training Organisations and alleviate pressure on WA's training system.

Building local workforces

Migration

In the face of sustained skilled labour shortages, WA continues to lean in on skilled migration to fill positions and grow our economy more than other States and Territories.

WA would benefit from robust immigration mechanisms to sustainably target and address shortages, including prioritising collaboration with the Federal Government to achieve a more accessible migration system.

This would provide local businesses with an expanded pool of suitably qualified workers to address shortages. WA needs to be seen as an attractive option compared to similar economies around the world. Broadening the existing Migration WA portal and Skilled Migration Job Connect program to provide more visa-ready job opportunities in key skill areas of the economy may be a way to achieve this and give WA an edge against the competition for talent.

RECOMMENDATION BUILDING LOCAL WORKFORCES MIGRATION

The State Government should ensure that state-based migration schemes are reflective of business needs and actual workforce challenges.

Tapping the talent pool

Making the most of the workforce we have available is more important than ever. Increasing the workforce participation and employment of under-represented cohorts is not only the right thing to do, but it also unlocks real workforce potential.

Women, Indigenous Australians, refugees and people with disabilities are often overlooked cohorts when businesses are recruiting. As a result, businesses often miss out on the significant dividends that come from employing these underrepresented cohorts.

To address the barriers preventing more women from participating in the workforce, our 2021 *Making Paid Work Pay* report found that the way kindergarten is funded and operated in WA was a key factor preventing mothers from fully participating in the workforce. We continue to advocate for the State Government to ensure funding remains flexible to support working parents.

For people living with disabilities, it is imperative the WA business community and the public sector take a leadership role in providing employment opportunities for this underrepresented cohort. This should also include consistent reporting on the WA public sector's commitment.

Our Tapping into the talent pool of people with disabilities report outlined a range of recommendations to support WA businesses and the public sector to make progress in recruiting people with disability. This work was based on a survey completed in 2022, which found that 61% of respondents made limited-to-no progress when it came to attracting and retaining people with a disability.

Consequently, more than 114,000 people with disability are currently unemployed, at no fault of their own.

In August 2024, CCIWA launched Ability Link, with funding support from the WA Department of Communities. This initially began as a 12-month pilot to test and develop practical, business-facing strategies that improve disability employment outcomes across WA's SMEs.

Reaching more than 10,000 employers, Ability Link received additional funding support to connect and collaborate with businesses, community services, government agencies and disability support services to support the creation of more jobs and business growth opportunities for people with disability in WA.

While Ability Link has been a success, there are enduring challenges that must be addressed to fully realise the benefits of this talent pool:

- the current disability employment support system is duplicative, uncoordinated and confusing for employers;

- employers lack confidence, clarity and visible examples as they remain disconnected or unaware of what is available; and
- school-to-work pathways are weak and under-supported.

Not only does increasing the participation of people living with disabilities increase the pool of workers businesses have access to, it frees up time for carers, who are then also able to participate in the workforce, creating a double dividend.

RECOMMENDATION BUILDING LOCAL WORKFORCES MAKING PAID WORK PAY

The State Government should direct the *Universal Access National Partnership Funds* for kindergartens to follow the child, rather than the current arrangement.

RECOMMENDATION BUILDING LOCAL WORKFORCES TAPPING THE TALENT POOL

To tap the talent pool, address enduring challenges and facilitate the aims of Ability Link, the State Government should:

- support the establishment of a structured traineeship pathway program for people with disabilities, including growing job opportunities in local and state governments.
- establish an Industry Advisory Body that has representation of employers, community services, disability advocates, disability support providers and those with lived experience to help inform government policy and programs in a collaborative and coordinated manner.
- develop an extensive employer promotional campaign and navigational digital platform that encourages employers to become inclusive employers of people with disabilities and lead them to appropriate support mechanisms available in their region.

Licensing system

WA's rigid occupational licensing system is also a barrier to the efficient use of existing workforces. This is becoming an increasing issue as more WA businesses electrify.

Here we provide two examples where the current frameworks are not fit for purpose: **Road Traffic Administration Act** and the current Electrical Licencing Regulations.

Under the **Road Traffic Administration Act**, auto-electricians are not permitted to undertake electrical work on electric mining vehicles. This persists even if the auto-electrician holds the required unit of competency. As a result, an ordinary electrician is always required to turn the vehicle off, adding cost and time to the servicing of electric mining vehicles.

Similarly, under WA's current Electrical Licencing Regulations, an electrician is required to sign off on the development of wind turbines, despite wind turbine operators having suitable qualifications to undertake the electrical work. There are examples in other jurisdictions where electricians are not required.

Given that the Federal Government estimates some 26,000 to 42,000 more electricians are needed to support Australia's transition from 2023 to 2050, it is critical that licencing systems are fit for purpose and responsive to market changes.

RECOMMENDATION BUILDING LOCAL WORKFORCES AMEND LICENSING REGULATIONS TO MEET MODERN INDUSTRY

The State Government should review and update the **Road Traffic Act** and Electrical Licencing Regulations to ensure they are fit for purpose. This needs to ensure that mechanics and auto-electricians can undertake work on offroad electric vehicles, and that wind turbine technicians are suitably qualified to provide sign off to ensure compliance under the relevant Act.

Housing

With the State's diversification agenda, WA's ongoing housing shortage remains a handbrake for WA's economy **[Figure 6]**. The Master Builders Association (MBA) WA noted that while the new home building market in WA performed strongly in 2024-25, it still fell short by 3,600 homes. To cover the housing shortfall, the MBA estimates that WA needs to attract at least 55,000 workers between February 2023 and November 2026 to sufficiently meet demand.

With AUKUS on the horizon, the estimated 1,500 corresponding personnel and their families will only serve to exacerbate the shortage of housing, particularly in the south metropolitan region. While this will create pressure on housing, it is not the only impact. These families will also need to be supported by a range of social infrastructure, including education, health, transport and community infrastructure. With the first wave of nuclear submarines arriving from 2027, it is critical that strategic planning for the south to accommodate these pressures is sufficiently advanced.

Figure 6: Quarterly Home Construction and Population Growth in WA over time series March 2002 - 2024⁴



4 ABS Data

In our regions, demand for housing remains high, with WA's regional centres facing acute housing shortages. This is reflected in the house price growth seen over the past five years in WA's regions sitting at a high of 91%, which has been attributed to, in part, by growing demand and tight housing supply.⁵

To meet this challenge across the State, all options must be considered to ensure efficient housing supply.

WA should look to other States for inspiration as well. For example, the New South Wales (NSW) Government made wholesale changes to their planning framework, including the creation of a Pattern Book, which provides pre-approved home plans.

The Pattern Book is designed to accelerate the construction of homes through a streamlined pathway in the NSW planning system, as the patterns in the book are created to meet all requirements under NSW planning laws.

Similarly, other States and even some local governments have sought to redevelop or rezone underutilised land. Redevelopment allows for proper master-planned communities and can incentivise urban infill.

While we acknowledge the steps the State Government has taken so far to improve housing construction rates, we urge the State Government to accelerate the supply of housing by undertaking the following:

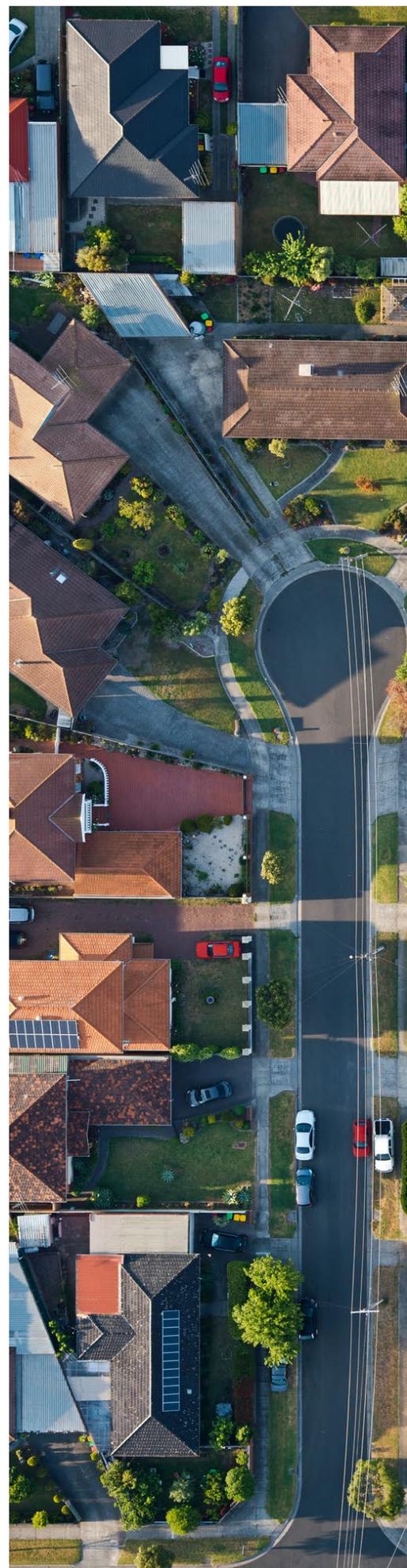
- **Review and reform of the Government Regional Officer Housing (GROH) program.** Unfortunately, the inefficiencies of this program, coupled with a lack of supply, have reduced the availability of housing for workforces in the regions.
- **Ensure our approvals framework is as efficient and streamlined as possible,** particularly in getting more lot supply to the market. In WA, rates of dwelling approvals dropped four out of the six months up to September 2025. More fit-for-purpose approvals processes will encourage building and increase supply, thereby releasing the pressure on the current housing market.

- **reform stamp duty settings.** As noted in our *Stamping out Stamp Duty* report, stamp duty on property transfers should be a fairer, broad-based tax on the property's Gross Rental Value to deliver more efficient housing and better social outcomes. These dividends would be achieved by making it easier for people to move closer to employment, family and schools, or for downsizing, and lowering a key barrier to entering the regional housing market, helping to address concerns that currently exist with fly-in, fly-out workforces and housing affordability.

**RECOMMENDATION
HOUSING**

The State Government should:

- undertake a comprehensive review of the GROH program to identify critical policy inefficiencies.
- undertake a comprehensive review of State Government land and building holdings to identify unused sites for housing development.
- investigate opportunities for stamp duty reform to unlock housing potential.
- develop a framework for determining when government should intervene into housing to address market failure in regional areas.
- continue to work with the private sector to identify innovative solutions to ease the housing shortage and deliver fast-tracked accommodation solutions.
- identify total infrastructure requirements for the AUKUS workforce in the south metropolitan region, particularly around Rockingham, Cockburn and Kwinana.
- identify and address the various policy and regulatory barriers (eg. environmental) that are causing bottlenecks in the release of greenfield sites and housing, including planning reform.



5 Bankwest Curtin Economics Centre. *Housing affordability in Western Australia*, 2025



PROTECT WA AS THE POWERHOUSE STATE

WA is the state of major projects and significant economic opportunity, but we need the right State and Federal regulatory frameworks in place to drive economic growth and diversification.

Right now, we are losing competitiveness daily.

The WA Government must be a strong voice for balanced Federal laws, particularly environmental approvals, with appropriate resourcing to ensure WA's voice is heard in Canberra.

Defending the GST Deal

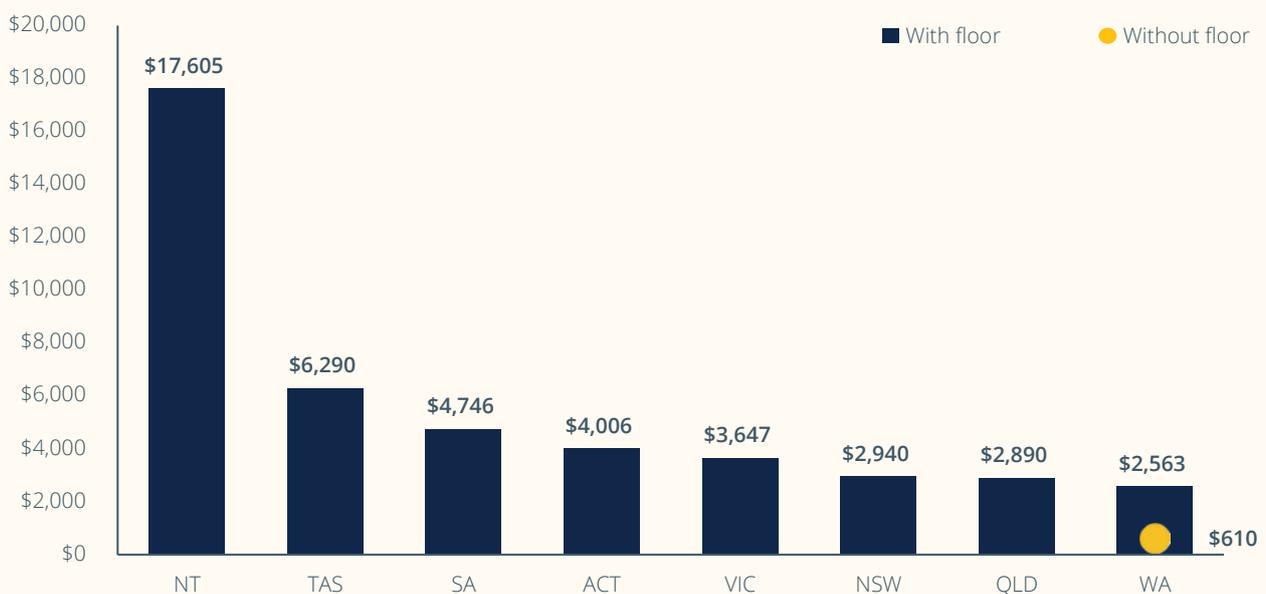
CCIWA, alongside a group of prominent WA business leaders, played a key role in securing the 2018 GST deal. Data from the Commonwealth Grants Commission suggests that, without the change, WA would have been the first State to fall below a relativity of zero for the 2020-21 financial year, resulting in an average relativity over the three-year analysis period of just 0.1. This would have left WA with a GST share of just \$610 per person, the least amount of any State or Territory [Figure 7].⁶

This was never the intention of the GST legislation, and would have been uncharted waters, having a significant impact on WA's financial position.

The 2018 GST deal, secured by CCIWA and key WA business leaders, had four legislated elements:

- **A new equalisation standard:** This would ensure that the fiscal capacity of all States was benchmarked to the strongest of NSW or Victoria. The view here is that by benchmarking to the two biggest States, this would remove the volatility that the system can produce.
- **A GST relativity floor:** A 70% relativity floor, ratcheting up to 75% by 2025, provided a safety net for every State (namely WA).
- **Top-up payments:** The Federal Government would provide an additional and permanent boost to the GST pool to ensure that no State would be worse off under the new system.

Figure 7: CCIWA analysis of GST per person for each State and Territory, 2025



6 CCIWA analysis of the CGC Calculation of GST Relativities 2022, 2023 and 2024.

– **No worse off guarantee:**

The Federal Government made a commitment to States and Territories that they would be “no worse off” under the new arrangement.

However, with the upcoming Productivity Commission inquiry into the 2018 deal, WA’s share of the GST could be at risk. In our June 2025 Consumer Confidence Survey, we wanted to understand the level of concern for WA’s GST within the community and found that more than three in five (65%) were worried about a potential reduction in the State’s GST share, with 31% saying they were “extremely concerned”.

We welcome all engagement with the WA business community to ensure that we retain the 2018 GST deal, which delivers the most balanced option for the national economy.

RECOMMENDATION
DEFENDING THE GST DEAL

The State Government must:

- ensure adequate funding is available to defend the 2018 deal.
- bolster our ability to defend the deal with robust economic modelling that reinforces WA’s place as the nation’s powerhouse.

No other state surrenders as much of its GST to the other states as Western Australia.

Hon Roger Cook MLA

Industrial relations

The industrial relations landscape has undergone wholesale change, with a concerning and retrograde step back to a heavily regulated and rigid industrial relations system.

Workplace laws, by virtue of providing a framework of minimum standards, inevitably have a near-universal impact on the economy and the labour market. These laws must strike the right balance and be focused on the productivity growth critical for delivering jobs, growing real wages and strengthening the economy.

Poorly designed workplace laws can cause widespread disruption and pose serious compliance challenges for employers.

Unfortunately, in the past 18 months, the Federal Government has increased the volume of the *Fair Work Act* by 50%, creating enormous compliance challenges with no discernible benefit for productivity. Without productivity growth, businesses cannot create more value, and consequently, growth in Australia’s living standards.

For this reason, effort must be focused on simplifying Australia’s overly complex and damaging employment and workplace relations laws.

Small businesses – who employ more than 5.3 million Australians and importantly generate one third of our nation’s gross domestic product – are particularly impacted.

Despite the oversized role they play, the regulatory burden on small businesses is enormous, taking away investment from other areas, such as digitalisation, diversification and decarbonisation.



In the industrial relations system, for example, small businesses, defined in the *Fair Work Act* as businesses with fewer than 15 employees, are required to navigate costly and complex regulatory frameworks in the same way that larger and more resourced businesses do. The ever-growing industrial relations regulatory and compliance burden is hurting businesses, taking much-needed resources away from their operations.

RECOMMENDATION
INDUSTRIAL RELATIONS

The State Government should:

- push back against further industrial relations changes that make it harder for WA businesses to compete effectively; and
- advocate to the Federal Government to change the definition of small businesses as employers with less than 25 employees, not including casuals below 12 months.

Commonsense to Canberra

Breaking through the Canberra bubble and East Coast mindset is needed. We welcome the WA Embassy in Canberra, which allows Government and industry a base of operations. However, this only enables advocacy. It is important that messaging from industry and political groups are aligned when engaging with the Federal Government.

Whether it's energy investment, tax settings, environmental approvals, or workforces, it is important that WA takes commonsense to Canberra.

Below we provide a list of commonsense reforms which the WA Government, and the Opposition, should be taking to Canberra when advocating for WA.

RECOMMENDATION COMMONSENSE TO CANBERRA GAS POLICY

The State Government should advocate to expedite all actions under the Future Gas Strategy. This would address the critical policy barriers currently undermining offshore gas supply, particularly *Regulation 11A of the Offshore Petroleum and Greenhouse Gas Storage (Environment) Regulations 2009*.

RECOMMENDATION COMMONSENSE TO CANBERRA FUNDING THE ENERGY TRANSITION

The State Government should advocate for revisions to the Capacity Investment Scheme, to maximise potential investment in renewables in the Pilbara and allow investment in new gas generation, to ensure energy firming across Western Australia.

RECOMMENDATION COMMONSENSE TO CANBERRA A NATIONAL CONVERSATION AROUND TAX REFORM

The State Government should work constructively with the Federal Government to begin the process of fundamental reform of our tax system. The process should look at ways to reduce payroll tax burden of States and to reduce the overall tax burden on individuals and businesses.

RECOMMENDATION COMMONSENSE TO CANBERRA EPBC ACT REFORMS

The State Government should continue to stand with industry in seeking balanced National Environmental Standards as the reformed *Environmental Protection and Biodiversity Conservation Act (EPBC)* is finalised, and seek a bilateral agreement in coming months, not years.

RECOMMENDATION COMMONSENSE TO CANBERRA MIGRATION SETTINGS

The State Government should advocate for a migration program that encompasses the broadest possible range of occupations and placement opportunities, including those classified at skill level. Such inclusivity is essential to ensure that WA remains competitive with other jurisdictions in being able to attract the skilled workforce it needs to prosper.





APPENDIX 1: ADDITIONAL RECOMMENDATIONS



KEEP THE COSTS OF DOING BUSINESS LOW

The State Government should continue to support energy project developments, including gas supply, to meet current and future energy demands. This includes releasing and implementing the delayed WA Gas Onshore Code of Practice regulations.

The State Government should continue to update the forecasts of future container trade for the Westport project, and potential costs of trade for the business community. The Government should take a cautious approach to future decision making on the project.

The State Government should fund the Uniform Tariff Policy through general revenue, rather than through cross-subsidies.



REGULATION THAT HELPS NOT HINDERS

The State Government should develop a policy framework that allows businesses and regulators to propose and establish regulatory sandboxes.

The State Government should continue to monitor approval processes and license requirements for businesses, with the intent to streamline setting up new businesses across the economy.

The State Government should refer its industrial relations powers for private enterprise to the Federal Government.

The State Government should ensure that changes to Workplace Exposure Limits (WEL) at the national level do not come into effect within WA before consideration on their appropriateness for the State.



GROWING WA INDUSTRY

The State Government should task the Productivity Commission of WA with evolving the Made in WA agenda to ensure that the Government is delivering appropriate value for taxpayers and the intended outcomes of diversification of WA industry.

The State Government should create a Data Centre Strategy to capitalise on growing data centre investment. The Strategy should identify suitable locations for the development of data centres across the State.

The State Government should work with industry to identify a timely solution to critical infrastructure bottlenecks, including the use of Private-Public Partnerships to reduce the cost on taxpayers and incentivise buy-in from private industry where feasible.



ENSURE A SKILLED WORKFORCE

The State Government should fund schools to trial teacher looping in primary school settings. The fund should also allow schools to trial different timetabling methods to see if this improves student retention and reduces teacher burnout. To aid the pilot, the State Government should engage with the private education sector to identify classroom management practices that work for different school systems in WA.

The State Government should support greater awareness of the Sunflower lanyard across public and private sectors.

The State Government should advocate for the Federal Government to review and reform the Disability Support Pension to ensure people with disability are not disincentivised to seek and maintain employment due to concerns about losing their pension benefits.

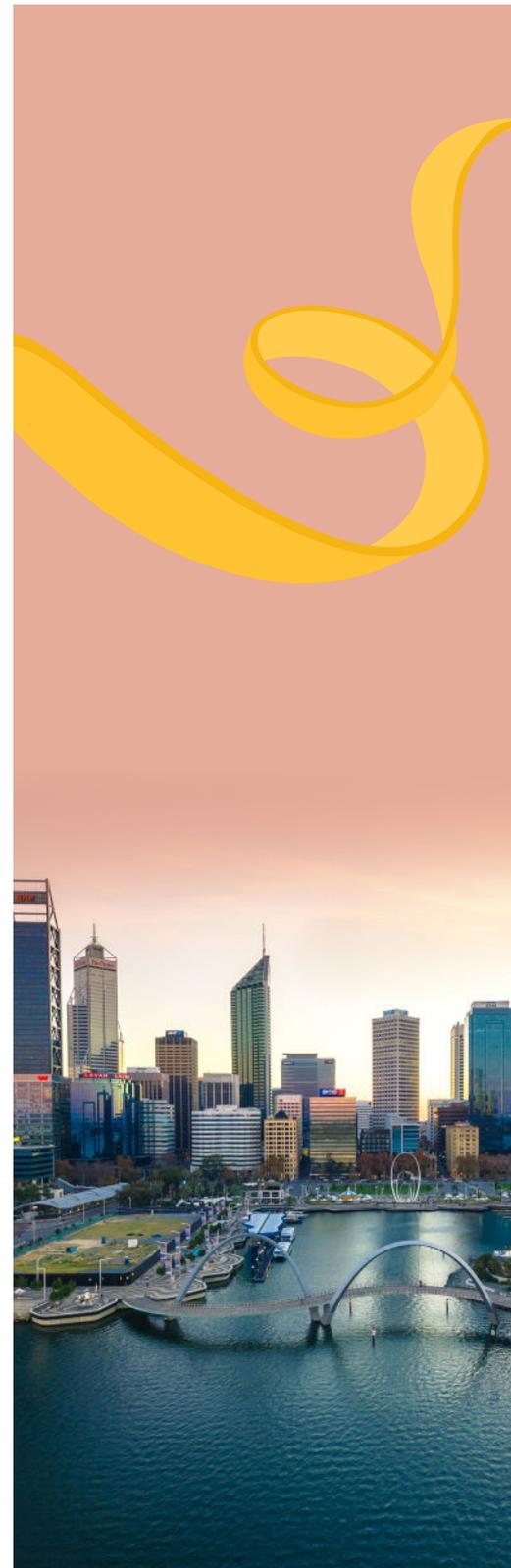
The State Government should establish a WA Carer Card program, based on the WA Seniors Card, to ensure carers can gain access to Government support and certain discounts/rebates.



PROTECTING WA AS THE POWERHOUSE STATE

The State Government should work with all political parties to ensure Federal Members of Parliament understand how WA's investment underpins the national economy.

The State Government should ensure that any Road User Charge does not create an additional burden on WA businesses due to our unique geographical spread.



STAY INFORMED

cciwa.com



CCIWA acknowledges there are a diversity of views on policy issues within its vast membership, and that as such there may be different views on the issues included within this publication.

CCIWA seeks to understand the views of all its members, and ultimately, in keeping with its Constitution, forms policy positions consistent with the long term interests of the overall economy, for the benefit of communities in WA.

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