Chamber of Commerce and Industry WA

March 2026 · CCIWA Survey

Consumer Confidence

Consumer confidence declines as households are squeezed by cost of living

CCIWA data collected prior to the Middle East crisis* showed consumer confidence in Western Australia had declined to levels not seen since March 2023. The gains made in the December quarter, which took consumer confidence to a three-year high, have been reversed as consumers have renewed concerns about future economic prospects.

Household short-term confidence (next three months) remained flat, with more than half (56%) of consumers expecting no change to economic conditions. Just over one quarter (28%) were expecting conditions to worsen – an increase of six percentage points from the previous quarter.

Long-term expectations were less optimistic, with under half (43%) of respondents expecting economic conditions to remain the same, while one in three (31%) expected conditions to deteriorate.

Living costs was the most prominent indicator reported to be weighing on consumer minds, dragging down confidence for the quarter. More than seven in 10 (72%) reported living costs as weighing on their confidence, a clear indication that households were continuing to feel the brunt of cost pressures; a cumulative effect of years of price rises.

Interest rates were reported as the second most influential factor shaping consumer sentiment. Nearly three in five respondents (59%) identified uncertainty around future rates as weighing on their economic expectations – up five percentage points from the previous quarter.

In February, the Reserve Bank of Australia's Monetary Policy Board decided unanimously to raise the cash rate from 3.6% to 3.85% in response to persistent inflation, marking the first increase since November 2023. However, caution is warranted as much of the current inflationary pressure is being driven by supply-side factors – including higher energy costs, global conflict and supply chain disruptions – which monetary policy is less able to address directly. In that environment, further rate rises risk placing additional pressure on households and businesses already contending with elevated living and operating costs, with limited effect on the global drivers of inflation.

Consumer views on job prospects and personal finances saw improvements on the previous quarter but continued to drag on confidence. A tight labour market has contributed to strong wage growth and job security, influencing expectations around employment prospects. Looking forward, WA's labour market is expected to remain tight which will continue to put pressure on wages.

In this edition of CCIWA's *Consumer Confidence Survey*, we asked Western Australians how they planned to adjust their spending patterns over the next six months of 2026. We also explored support for extended trading hours and the most important policy issues impacting households. The findings point to continued caution, with around half of households planning to cut discretionary spending, especially on cafés, restaurants, consumer goods, recreation and hospitality. At the same time, support for extended trading hours remained strong, with many consumers saying they improve convenience and help keep spending local.

> *Living costs was the most prominent indicator reported to be weighing on consumer minds, dragging down confidence for the quarter.*

** The Middle East crisis will weigh further on consumer confidence with fuel prices and other inflationary effects heightening consumer concerns. While the impact of the crisis is not covered in this release, we will track the impact of this in future releases and economic commentary.*

Confidence falls in the short term

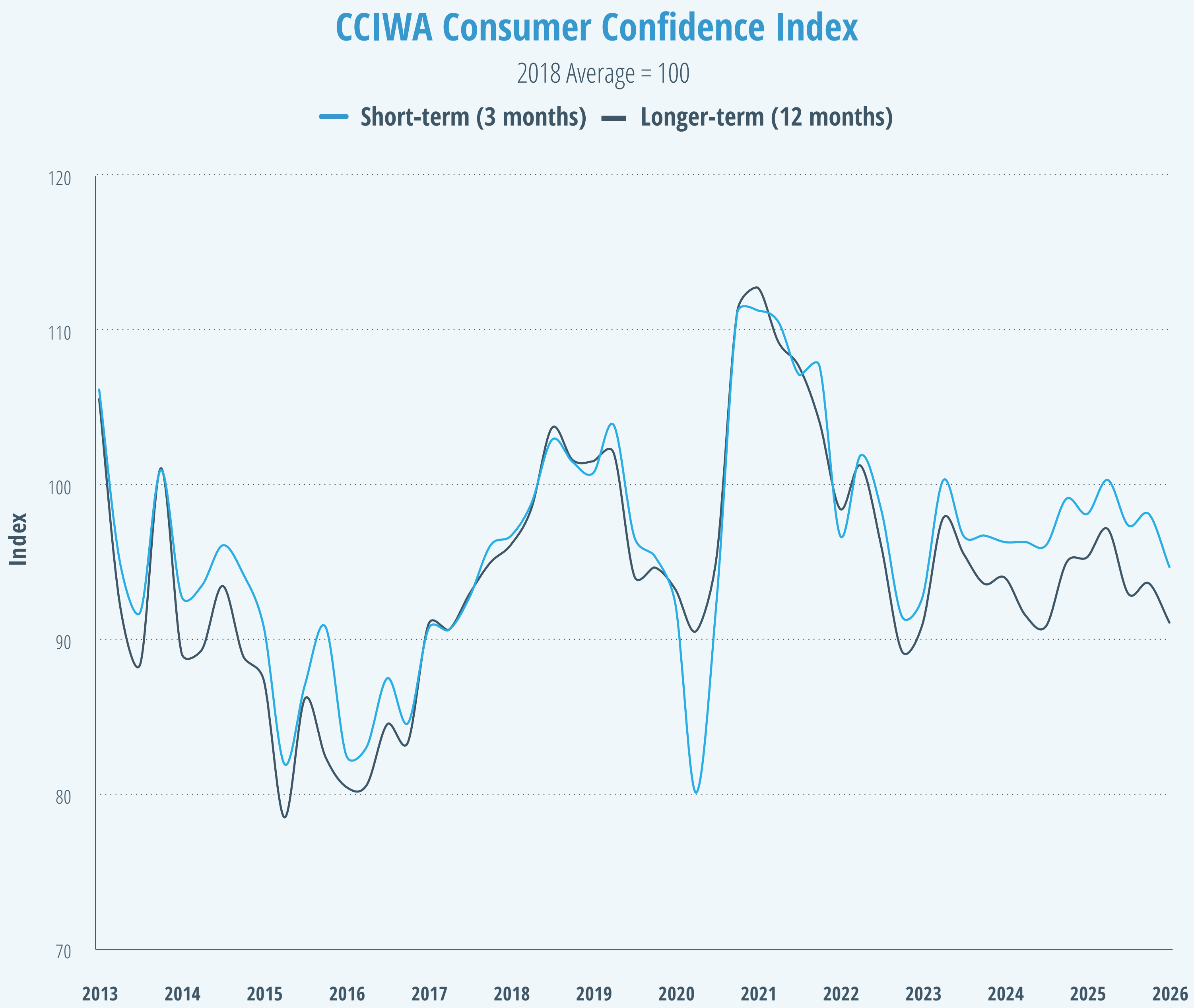
Short-Term Index declines 4% over the quarter 94.7

Over the next three months, more than one quarter (28%) of Western Australians expected economic conditions to decline, while just over half (56%) expected conditions to remain unchanged. Just under one in five (16%) anticipated conditions to strengthen.

Longer-term consumer confidence declines

Longer-Term Index declines 3% over the quarter 91.1

Over the coming year, one in three (31%) Western Australians expected economic conditions to weaken, while slightly more than two in five (43%) expected conditions to remain unchanged. One quarter (25%) anticipated conditions to improve.



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

What's influencing consumer confidence?

Living costs (-)

With inflation exceeding RBA's target band of 2-3% since November 2025, rising costs continued to weigh on household budgets. Nearly three quarters (72%) of WA households continued to report **living costs** as dragging on their confidence levels. However, this represented a slight improvement (seven percentage points) since the December quarter, though it remained higher than pre-COVID-19 levels.

Interest rates (-)

Sentiment around **interest rates** was the second largest contributor to weaker consumer confidence in the March quarter, as consumers adopted a more pessimistic view on future rate hikes. Inflation over the past consecutive quarters exceeded the RBA's target band, motivating the RBA to raise rates for the first time since November 2023. Just under three in five (59%) respondents identified outlook interest rates as negatively influencing their confidence this quarter – an increase of eight percentage points.

International headlines (-)

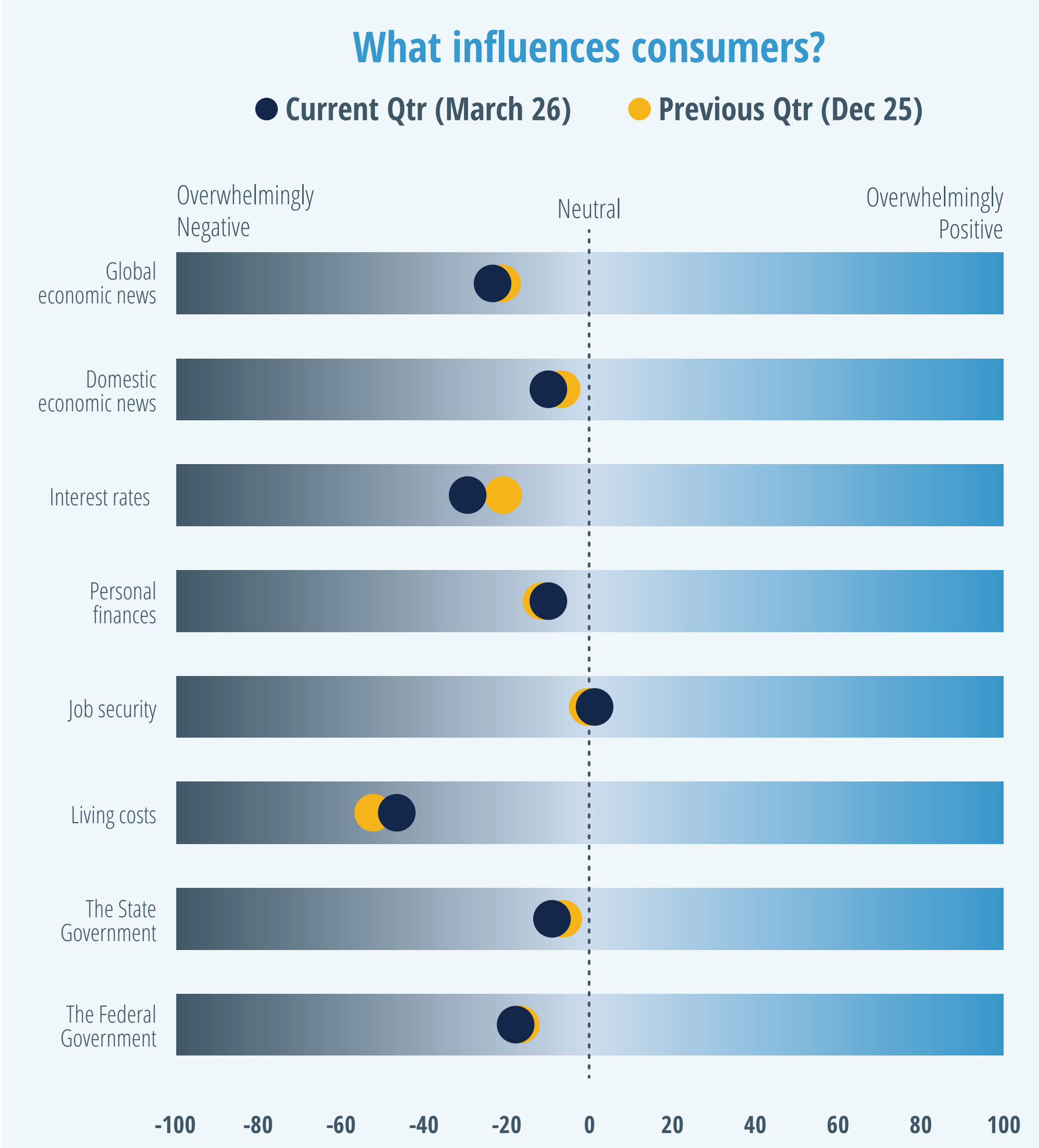
Global economic news continued to be a concern for Western Australian consumers but showed signs of improvement. More than half (53%) of households said global economic news had dampened their confidence, as concerns around global conflict, tariffs and the slowdown of the global economy continued to dominate the news. This was an improvement of two percentage points from the previous quarter. (*As this survey was conducted prior to the Iranian conflict, we expect this figure to be a lot higher as a surge in energy costs and supply chain disruptions will continue to worsen inflation.)*

Personal finances (-/+)

The impact of **personal finances** on consumer confidence was mixed for the quarter. Respondents were equally divided between those who said their finances had no impact on sentiment and those who said they had a weaker impact, with both groups accounting for just under two in five respondents (38%). The share of respondents who said personal finances were weighing on sentiment fell by two percentage points from the previous quarter. The improvement suggests household finances are remaining robust in the wake of soaring costs.

Employment prospects (+)

Employment prospects was one of the few indicators to have a net positive impact on consumer sentiment. Just under one third (31%) of Western Australians reported job security as positively impacting consumer sentiment – similar to the December quarter. The unemployment rate currently sits at 3.9% in WA, the lowest level since December 2024. WA's low unemployment rate has contributed to job security, which is the only positive contributor to household sentiment displayed here.



INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Interest rate uncertainty pushes households to revise spending

According to the most recent CPI results released by the Australian Bureau of Statistics (ABS), WA has recorded the highest inflation rate in the country.

The data shows that CPI inflation has risen by 4.9% over the past 12 months, well above the national average of 3.8%. This divergence highlights WA's stronger population growth and domestic demand which have collided with tight housing supply, while services and administered costs such as rents, electricity and insurance have remained elevated.

To better understand the financial circumstances of WA households, respondents were asked how their personal financial positions had changed over the past year amidst rising cost pressures. Just over two in five (42%) Western Australians reported no change to their financial circumstances. However, a concerning 38% indicated their household finances were either worse or much worse than a year ago – an increase of eight percentage points. This deterioration was more pronounced among renters and households located in regional areas, suggesting that cost pressures may be unevenly distributed across the State. By contrast, 21% of respondents reported being in a better or much better financial position compared to a year ago.

INSIGHTS INTO CCIWA'S CONSUMER DATABASE

How WA households plan to change their spending habits over the next six months

In February 2026, the RBA Monetary Policy Board decided unanimously to raise the cash rate from 3.6% to 3.85% to address persistent inflation. This marked the first rate increase since November 2023. With inflation not expected to peak until mid-2026, concerns about further interest rate rises remain central to consumer decision-making. We asked how WA households intended to adjust their spending over the next six months across the following categories: recreation, hospitality, consumer goods and homewares.

With cost-of-living pressures still high, the latest results suggested households would be closely watching their spending. Across the key discretionary categories, around half of WA households intended to cut spending. Planned reductions were highest for cafés and restaurants and consumer goods, with just over half (54%) of households planning to cut spending across these categories. This was followed closely by recreation and holidays (52%) and bars, clubs and pubs (51%). Homewares and furniture did not escape consumer spending cuts, with just under half (49%) planning to cut spending across this category.

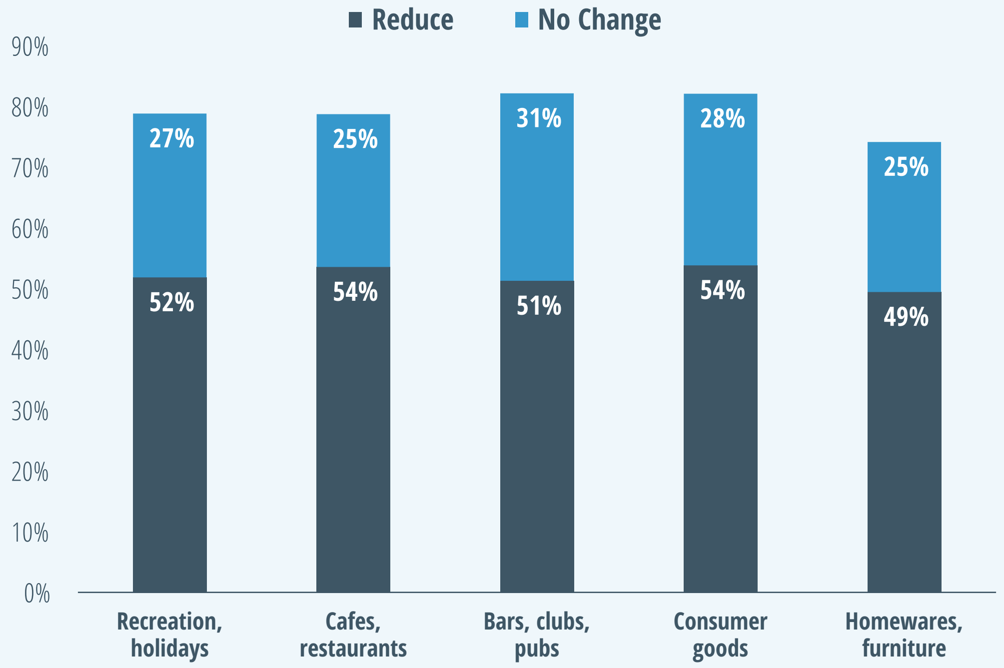
By comparison, the proportion of respondents planning to increase their spending remained materially lower across all categories: 19% for recreation and holidays, 16% for homewares, 12% for cafés and restaurants, 11% for consumer goods and just 6% for bars, clubs and pubs. This suggested that while some households were preparing to lift discretionary outlays, the balance of expectations remained skewed toward consolidation rather than expansion.

Planned changes to spending were pronounced across age differences. Western Australians aged 18 to 39 were consistently the most likely to increase spending over the next six months. Almost one in four consumers from this age group planned to increase spending on recreation and holidays (23%) and homewares (23%), while one in five (20%) expected to spend more at cafés and restaurants. This was compared to the majority of those aged between 40 to 64 who were most likely to reduce their spending across all three categories.

Geographic differences were comparatively modest. Metropolitan households were slightly less likely than regional households to reduce spending on recreation and holidays (51% versus 55%), cafés and restaurants (53% versus 56%), consumer goods (53% versus 56%), and homewares (48% versus 53%). However, both groups showed similar levels of intended spending restraint.

Overall, the data suggested that the majority of households continued to exercise caution around spending habits. While younger consumers were showing a greater willingness to increase discretionary spending, planned reductions remained widespread across all cohorts, suggesting household budgets were still under pressure as interest rate uncertainty persists.

Planned reduction in spending over next six months



INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Most important policy issues shaping Australia at the moment

In this edition of *Consumer Confidence*, respondents were asked: What are the most important policy issues shaping Australia at the moment?

Cost of living was by far the most frequently nominated issue, identified by just under four in five (78%) respondents. This was closely followed by housing affordability and availability (76%), reinforcing that household budgets and access to housing remained at the centre of public concern. Together, these results suggested consumers remained highly focused on day-to-day financial pressures rather than longer-term structural issues.

A second tier of concerns related to the broader economic environment. Energy affordability and reliability was nominated by just under half (46%) of respondents, while interest rates (43%) and immigration (42%) were also prominent. These responses indicated that consumers were not only worried about current expenses, but also about the broader policy settings affecting inflation, demand and infrastructure pressure.

Further down the list, lack of funding for major government programs was cited by 36%, followed by climate change and environmental protection (32%) and economic growth and diversification (27%). Lower-ranked issues included scams and privacy (26%) and lack of job opportunities (20%), suggesting labour market concerns were less immediate than cost-of-living pressures.

INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Majority of consumers support extended retail trading

The debate around extending retail trading hours in WA continues to receive strong community attention. Trading hours for retail operators across the State are regulated under the *Retail Trading Hours Act 1987 (WA)*, which sets permitted trading hours depending on a store's classification and location.

In this edition of Consumer Confidence, we asked respondents how they felt about extending retail trading hours.

Western Australians have limited opportunities to shop outside of regular trading hours. According to survey respondents, the appetite for extending retail trading hours remains strong among WA shoppers. This sentiment appears to have been influenced in part by the experience of extended trading hours during the holiday season. Most respondents (57%) reported to have enjoyed extended trading hours on Sundays during the Christmas and New Year period. This compared with 15% who did not make use of the additional hours during the holiday period.

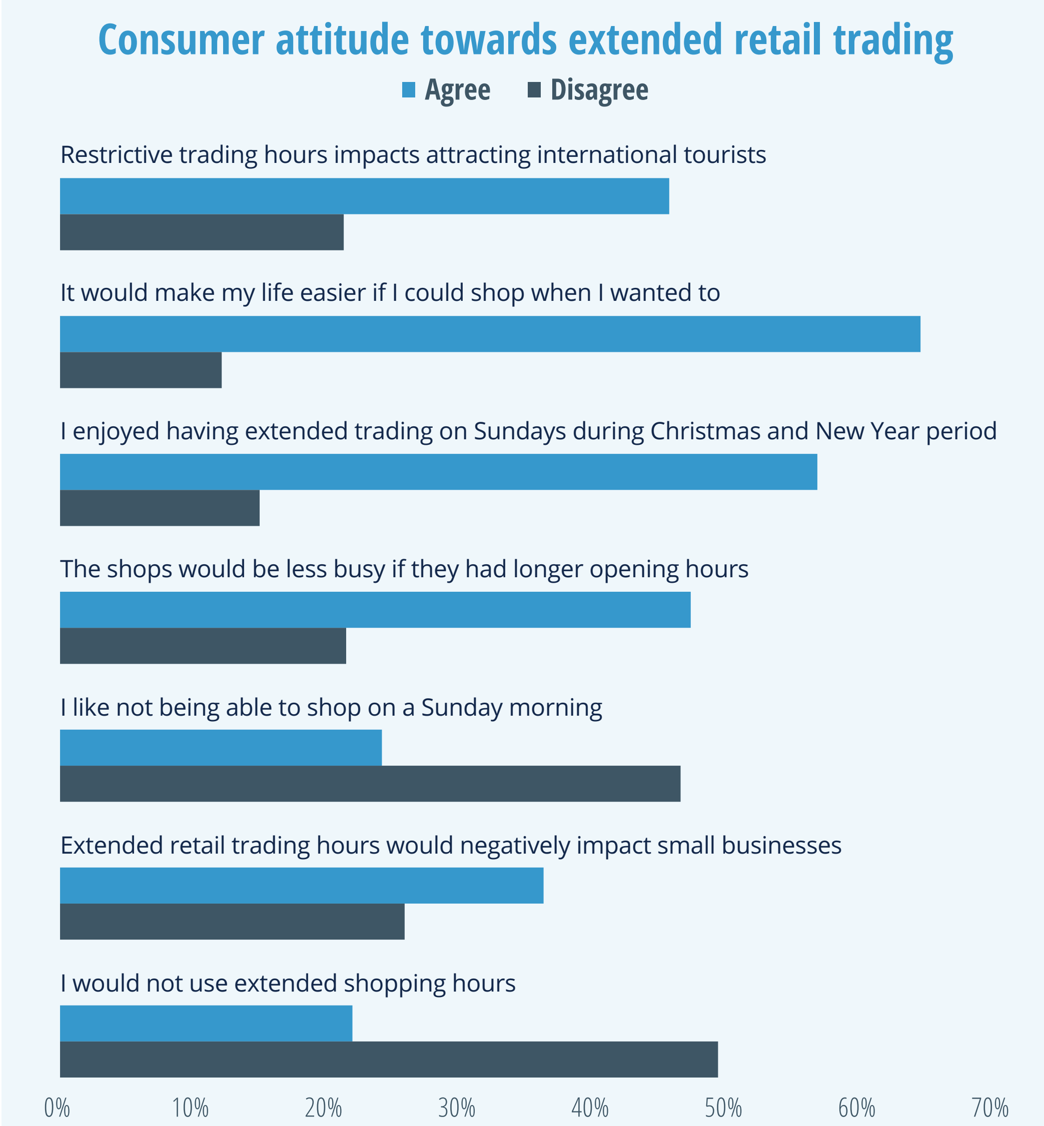
Extended trading hours also appeared to support local retail activity, with three quarters of respondents (75%) indicating they were more likely to shop locally rather than online during the extended December trading period.

Extended trading hours were widely seen as providing greater flexibility for shoppers. Almost two-thirds of respondents (65%) agreed that longer trading hours would make their lives easier by allowing them to shop when it suited them.

Extended trading hours were also perceived to improve the retail experience. Just under half of respondents (47%) believed that extending trading hours would make shops less busy at any point in time, compared with around one in five (21%) who disagreed. Overall opposition to extending trading hours remained relatively limited. Just over one in five respondents (22%) said they would not support extending trading hours, while under one-third (29%) indicated they were neutral on the issue.

Maintaining the current restrictions was also viewed as potentially limiting WA's appeal as a destination for international visitors. Just under half of respondents (46%) said that restricted trading hours made it more difficult for the State to attract international tourists, compared with 21% who disagreed.

Extended trading hours were also perceived to improve the retail experience.



Consumer Confidence March 2026

Consumer confidence has declined after hitting a three-year high in the June quarter

Just over two in five (42%) Western Australians reported no change to their financial circumstances, while under two in five (38%) reported being worse off

More than three in five (65%) support retailers opening earlier on a Sunday

Half (50%) of Western Australians plan to decrease their spending on holidays, cafes and restaurants, and consumer goods over the next six months

Consumer confidence	Current quarter (March 2026)	Previous quarter (December 2025)
Short-term	94.7	98.1
Longer-term	91.1	93.7
Personal finances	98.7	98.5
Job prospects	3.7	3.6

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.

Chamber of Commerce and Industry WA

We stand for business

Stay Informed:

cciwa.com