REGIONAL PULSE

Business Confidence Across Regional Western Australia

June 2026

Chamber of Commerce and Industry WA

Regions hit hardest by Middle East crisis

CCIWA Regional Pulse: June 2026

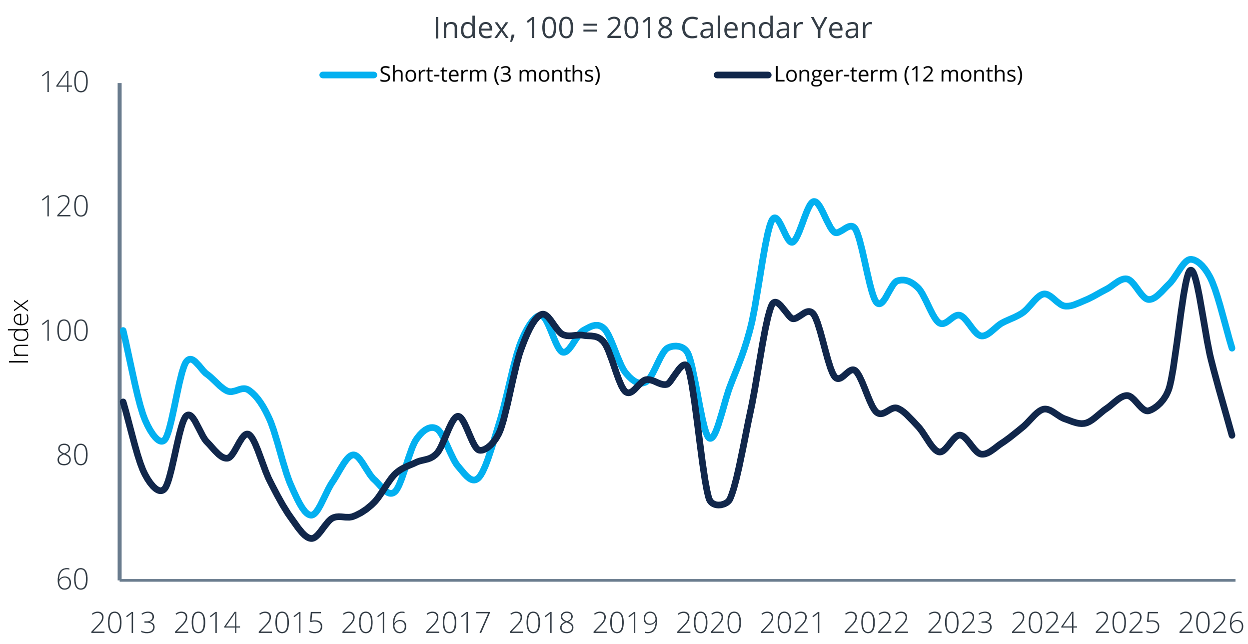
CCIWA's Business Confidence Index declined in the June quarter as businesses became increasingly concerned about the uncertain outlook for interest rates, ongoing labour shortages and heightened geopolitical uncertainty. Short-term confidence declined by 10% with long-term confidence also dropping by 13%. With operating margins under increasing pressure, this edition of CCIWA's *Business Confidence Survey* explores how regional WA businesses are adapting their operations to manage these challenges.

Business Confidence Declines Across the Regions

While the June 2026 CCIWA *Business Confidence Survey* found business sentiment had declined, expectations for the next quarter are mixed. Almost two in five (39%) regional businesses expect economic conditions to weaken, while 37% expect no change. The Pilbara recorded the highest short-term confidence, with 55% expecting stronger conditions, while Peel was the least confident, with 64% expecting weaker conditions.

Looking ahead, businesses are increasingly pessimistic about the economic outlook over the next 12 months. Nearly half (48%) of regional businesses are expecting weaker conditions – eight percentage points (ppts) higher than the Perth metro area. Around one third (30%) of businesses expect no change and just 21% expect stronger conditions. Once more, the Pilbara region had the highest level of long-term confidence, with 55% of businesses expecting improved conditions. The Wheatbelt region recorded the lowest level of long-term confidence, with 70% of businesses expecting weaker conditions.

CCIWA Business Confidence Index



Barriers to Growth Led by Rising Costs and Skills Shortages

Rising operating costs have overtaken skilled labour shortages as the primary barrier to business growth, affecting 77% of regional businesses. Cost pressures were most acute in the Peel region, with 93% of businesses reporting rising costs.

Alongside higher costs, labour shortages also impacted regional growth. The Kimberley and Goldfields-Esperance regions struggled the most to find personnel, with 83% and 80% of businesses, respectively, reported a lack of skilled labour. Housing shortages were also a significant constraint. Just over one in three (36%) regional businesses reported housing for workers as a barrier to growth, compared to 23% of Perth businesses.

Supply chain constraints continued to add pressure to businesses, highlighted by 35% of regional respondents and 43% of Perth metro respondents. Rising freight costs impacted 70% of business respondents, severe weather events (33%), volatile liquid fuel supplies (32%), and poor road conditions (30%) were other pain points impacting supply chains.

In addition, government regulatory and compliance requirements also presented barriers to business growth in regional areas, including higher compliance costs and administrative burden. Together, these compounding cost, labour and supply chain pressures weighed on business capacity and growth across regional areas.

How Businesses Navigated the Middle East Crisis

In response to the Middle East crisis impacts, businesses have adopted a variety of tactics. More than half of the surveyed companies (56%) increased cost-cutting measures by reducing non-essential spending. Similarly, 55% reported the need to absorb higher costs through lower profit margins.

Beyond cost absorption, 40% said they had passed on rising expenses onto customers. Nearly a third (30%) of businesses had delayed or scaled back investment. Operational adjustments were comparatively less common: only 26% reviewed staffing hours, 20% cut back on production, and 12% changed suppliers to manage the disruption.

While every measure has been taken to ensure data reliability, care should be exercised when using regional estimates as they are subject to smaller sample sizes than state-wide results. In this edition, some regional findings from the Snap Consumer Confidence survey have been omitted or combined due to insufficient sample sizes. Numbers may not add to 100% due to rounding.

Issues Facing Businesses in Regional WA

Barriers to Business

What are the barriers to growing your business in the year ahead?						
	Availability of skilled labour	Weak demand	Supply chain disruptions	Rising operating costs	Lack of housing for workers	Government regulation and compliance
Peel	36%	21%	36%	93%	0%	50%
South West	53%	33%	33%	90%	33%	47%
Great Southern	80%	20%	50%	60%	20%	50%
Goldfields-Esperance	80%	10%	50%	90%	70%	40%
Wheatbelt	30%	30%	20%	70%	20%	70%
Mid-West & Gascoyne	75%	13%	31%	69%	50%	31%
Pilbara	50%	25%	40%	60%	35%	25%
Kimberley	83%	0%	33%	83%	100%	50%
WA Regions	59%	22%	35%	77%	36%	43%
Perth Metro	59%	20%	43%	80%	13%	53%

Source: CCIWA | data from CCIWA's Snap Consumer Confidence June Survey. Some regions have been combined due to sample size.

The number one barrier to growth for businesses in the June quarter was rising operating costs, ahead of skilled labour shortages. Inflationary pressures remained elevated, with headline CPI increasing by 4% over the year to May. Rising operating costs were reported by just under eight in 10 (77%) regional businesses - an increase of 13 ppts from the March quarter. Businesses most affected by rising operating costs were in Peel (93%), South West (90%) and Goldfields-Esperance (90%).

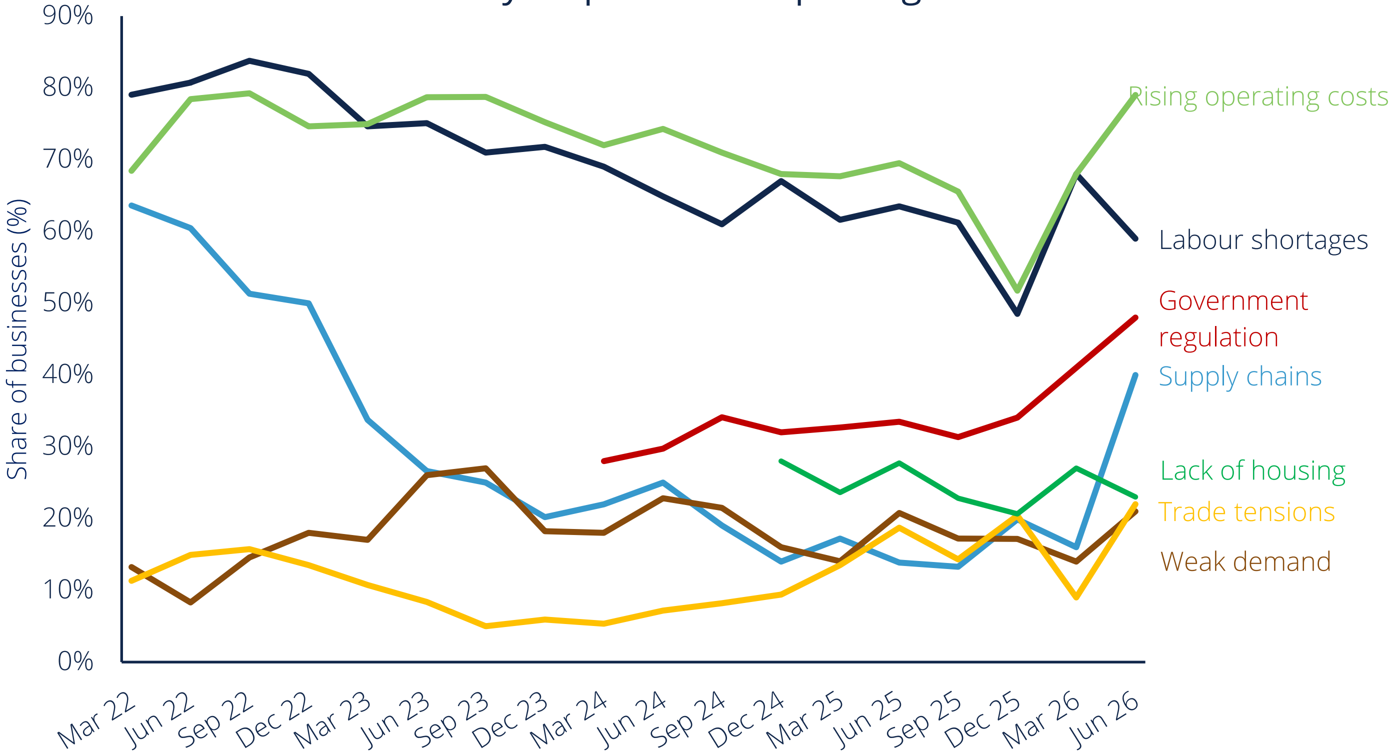
Labour shortages were the second biggest barrier to growth for 59% of regional businesses, an improvement of 11 ppts since March. Businesses most impacted by skilled labour shortages were in the Kimberley (83%), Great Southern (80%) and Goldfields-Esperance (80%). This comes amid WA's historically tight labour market showing signs of loosening, with the unemployment rate increasing to 4.6% in May.

Government regulation and taxes replaced housing shortages as the third biggest business growth barrier, cited by 43% of regional businesses, up 4 ppts from the previous quarter. The issue was most pronounced in the Wheatbelt (70%), while 50% of businesses in the Peel, Great Southern and Kimberley regions reported it as a key challenge.

Lack of housing for workers has declined to the fourth highest growth barrier, reported by around one in three (36%) regional businesses -up six ppts from the previous quarter. This was a prominent issue particularly for businesses in the Kimberley (100%), Goldfields-Esperance (70%) and Mid-West & Gascoyne (50%).

Barriers to Business Growth

% of survey respondents reporting barrier



Barriers to Resilient/Efficient Supply Chains

According to the results of the CCIWA Business Confidence survey, supply chain disruptions were the fifth largest barrier to growth, reported by one in three (35%) businesses, up 24 ppts on the previous quarter. This was the highest level of supply chain disruptions reported since December 2022 and most affected the Great Southern (24%), Goldfields-Esperance (21%) and Wheatbelt (20%).

In response, CCIWA asked businesses what the main barriers to resilient and efficient supply chains across regional WA were. According to survey respondents, the most significant supply chain challenge was freight costs. A substantial 70% of respondents identified shipping expenses as a major issue. Adverse weather was identified as the second most significant barrier by 33% of businesses. This was followed by liquid fuel supply at 32%, and road conditions at 30%.

In contrast, regulatory and specific infrastructure limitations represented a much smaller share of the feedback. Only 12% said rail conditions were a factor, while administrative burdens such as white tape (11%) and regulation (7%) had minimal relative impact. Infrastructure issues including port capacity (6%) and a reliance on commercial flights for cargo (4%) ranked lowest. Overall, while logistical, weather and fuel variables posed steady secondary pressures, managing direct freight costs remained the primary challenge for most operations.

Middle East Crisis

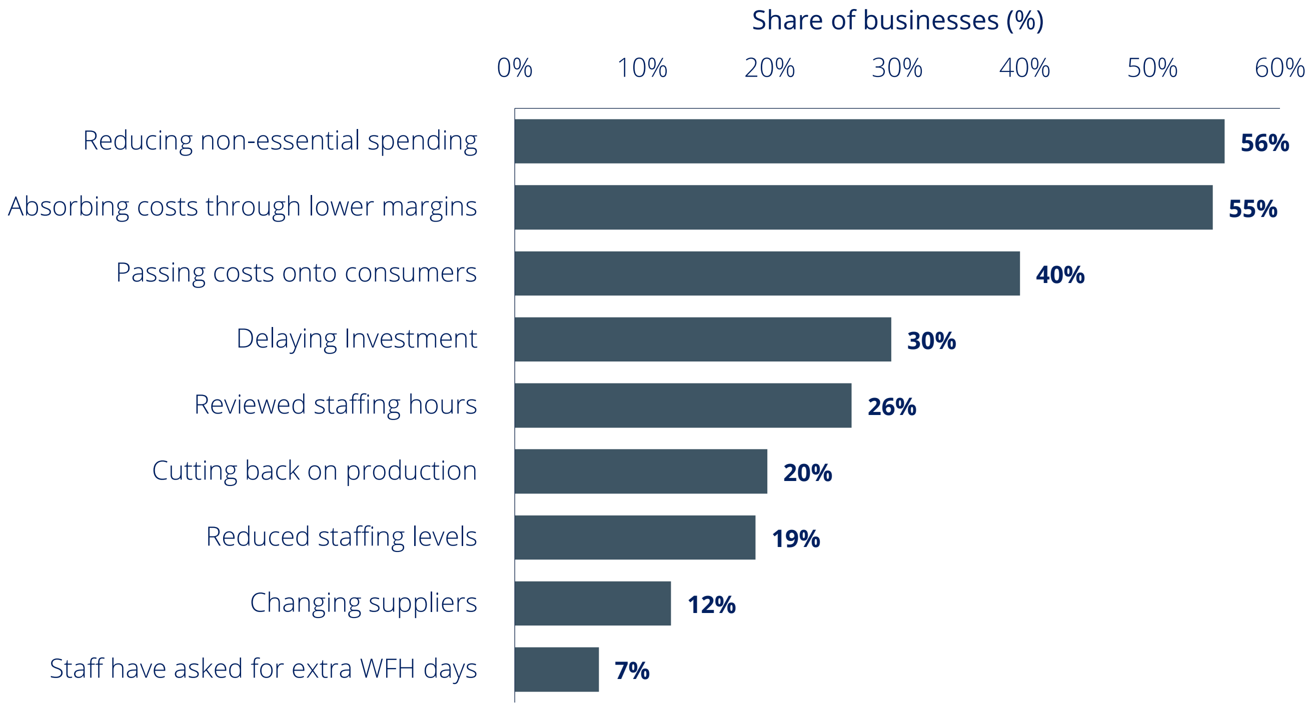
The Middle East crisis which commenced in February created volatility in energy markets, disrupted supply chains and contributed to rising inflation. According to CCIWA's Business Confidence survey, businesses in regional WA were hit the hardest, with 48% reporting that the conflict had a moderate or large impact. Just under half (44%) reported a small impact and 8% saw no impact.

Half (51%) of surveyed businesses said their investment plans were unchanged, 27% delayed investment and the remainder either scaled back or cancelled plans entirely.

Businesses have primarily responded to rising costs by accepting lower profit margins. More than half (51%) of surveyed companies reported margin compression, while one-quarter (25%) experienced a severe decline in profitability. This pressure reflects the fact that 55% of respondents chose to absorb higher costs rather than pass them on to customers. In addition to squeezed margins, 56% of companies reported reducing non-essential spending.

Excluding spending cuts, businesses also reported passing expenses directly onto customers or adjusting their workforces to help them through the economic volatility. While 56% of firms held pricing steady, a substantial 40% choose to pass rising costs onto consumers. This pricing pressure stemmed heavily from higher energy costs, with 70% of businesses reporting moderate to significant negative impacts of rising fuel prices. To cope with these climbing expenses, nearly a fifth of firms reduced staffing levels, while a quarter scaled back total production. Through these measured steps, regional enterprises continued to balance rising costs against uncertain trading conditions.

Effective strategies mitigating the higher costs of doing business



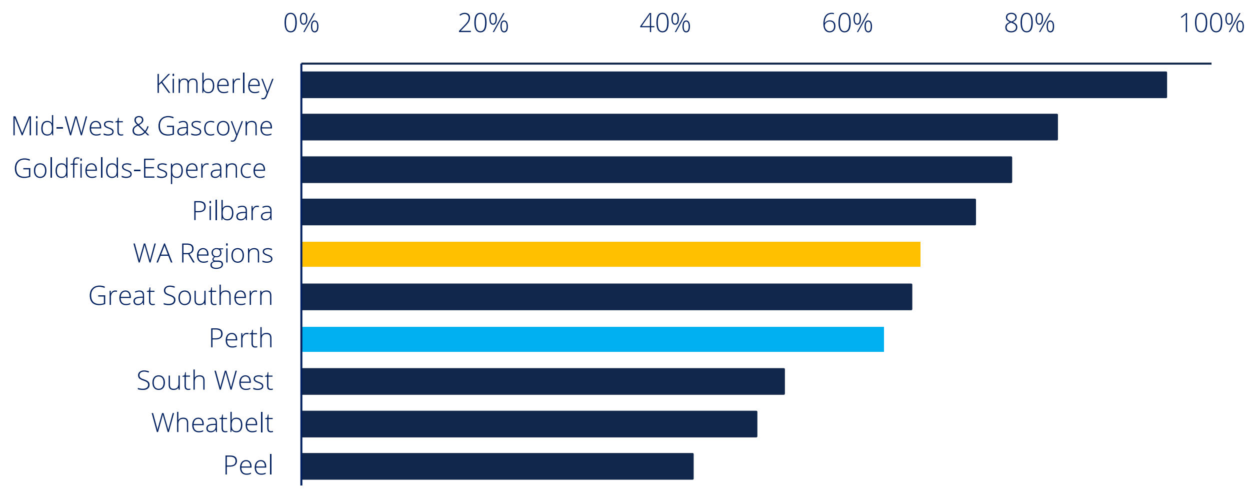
Worker Shortages in Regional WA

WA's historically tight labour market is showing signs of easing as labour demand continues to cool. The unemployment rate for the State has increased to 4.6% (as of May 2026), currently above the national average of 4.4%. This is the first time WA's unemployment rate has been higher than the national average since November 2025. In this edition of *Regional Pulse,* we explore developments in labour shortages across WA and the occupations most in demand.

The number of regional businesses struggling to hire for a particular skillset has declined in the June quarter, aligning with the increase in unemployment. When asked if businesses had struggled to hire for a particular skillset, just under seven in 10 (68%) regional WA businesses reported difficulties - a decline of 4 ppts from the previous quarter. By comparison, just over six in 10 (64%) Perth metro businesses experienced similar hiring challenges during the June quarter.

Hiring challenges were most pronounced across the Kimberley (95%), Mid-West & Gascoyne (83%), and Goldfields-Esperance (78%) regions. The region least impacted was Peel, with around two in five (43%) reporting difficult finding workers with the required skills.

Is your business struggling to hire for a particular skillset?



Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Top three occupations in demand by WA region			
	1	**2**	**3**
Peel	Tradespeople	Hospitality Workers	Construction/Landscaping
South West	Mechanical trades	Electrical trades	Hospitality Workers
Great Southern	Construction trades	Mechanical & Automotive	Plant & Transport Operators
Wheatbelt	Plant & Equipment Operators	Automotive & Electrical Trades	Administrative & Warehouse Staff
Mid-West/Gascoyne	Skilled Trades	Electrical & Telecommunications Technicians	Mechanical Trades
Goldfields-Esperance	Mechanical & Fabrication Trades	Technical Service Roles	Plumbing & Gas fitting
Pilbara	Engineering & Technical Professionals	Mechanical & Electrical Trades	Plant & Mining Operations

Business Confidence Across the Regions

The Outlook

	Short-Term Conditions (3-Months)			Longer-Term Conditions (12-Months)		
	Weaker	About the Same	Stronger	Weaker	About the Same	Stronger
Peel	64%	29%	7%	57%	32%	14%
South West	40%	30%	30%	47%	29%	23%
Great Southern	40%	50%	0%	40%	30%	10%
Goldfields-Esperance	40%	20%	40%	40%	40%	20%
Wheatbelt	20%	60%	20%	70%	40%	20%
Mid-West/Gascoyne	42%	47%	5%	63%	10%	5%
Pilbara	30%	10%	55%	30%	32%	55%
Kimberley	33%	50%	17%	33%	50%	17%
WA Regions	39%	37%	22%	48%	30%	21%
Perth	35%	36%	27%	40%	32%	25%

Source: CCIWA | data from CCIWA's Snap Consumer Confidence June Survey. Some regions have been combined due to sample size.

The Middle East crisis was a major catalyst to falling consumer and business confidence. CCIWA's Business Confidence index has continued to deteriorate since the conflict began. The index predicts a 10% decline over the next quarter and 13% over the next 12 months. As part of the Business Confidence survey, we also asked how businesses were faring across regional WA.

Despite business confidence declining across the State, the number of businesses expecting weaker economic conditions over the next three months has dropped. Around two in five (39%) expect conditions to weaken - an improvement of 34 ppts since the March quarter. In contrast, slightly more than one in three (37%) expect conditions to remain steady, an increase of 15 ppts. The remaining one in five (22%) are expecting stronger economic conditions. The region expecting the strongest condition was the Pilbara (55%). Peel has the weakest economic outlook (64%).

Over the next 12 months, just under half (48%) of businesses expect weaker economic conditions - 8 ppts higher than Perth metro businesses. Around one in three (32%) of businesses expect economic conditions to remain the same, with the remaining 25% expecting stronger conditions. The Pilbara was, again, the region with the highest number of businesses (55%) expecting conditions to strengthen. The Wheatbelt recorded the largest number of businesses expecting weaker economic conditions over the next 12 months, with 70% reporting this.

Peel

64% of businesses expect weaker economic conditions over the short term

7% of businesses expect stronger economic conditions over the short term

57% of businesses expect weaker economic conditions over the long term

14% of businesses expect stronger economic conditions over the long term

Peel region recorded the highest number of businesses expecting weaker economic conditions over the short term. Just over three in five (64%) businesses expect weaker economic conditions compared to just 7% anticipating stronger conditions. Expected economic conditions over the 12 months are marginally better, with less than six in 10 (57%) businesses expecting weaker economic conditions compared to just 14% anticipating a stronger environment.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	57%	7%	36%	36%	21%	43%
Labour Costs	0%	79%	21%	0%	79%	21%
Profit Margins	64%	0%	36%	43%	7%	50%
Credit or Debt	0%	36%	64%	0%	14%	86%
Capex	0%	50%	50%	21%	27%	52%
Employment	21%	29%	50%	36%	21%	43%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Rising operating costs have continued to rank as the largest barrier to growth, cited by 93% of businesses, a significant jump from the 75% reported in the previous quarter. Government regulation has surged to become the second largest barrier to growth, reported by 50% of businesses. Skill shortages as a barrier showed the largest improvement, reported by 36% of businesses, down from 65% in the previous quarter. Conversely, supply chain disruptions were ranked equal third with just over one in three (36%), a decline of 23 ppts.

Despite these headwinds, the economic indicators across the region remain robust. Most businesses expect no changes to profit margins (50%), credit or debit levels (86%) or capex (52%). Expectations around production and employment levels were expected to increase over the coming quarter (36%). Increased labour costs were the only indicator most businesses were expecting (79%). Peel's diverse and robust export-driven industries including agriculture, manufacturing, tourism and retail will continue to be challenged as they navigate these conditions.

South West

40% of businesses expect **weaker economic conditions** over the **short term**

30% of businesses expect **stronger economic conditions** over the **short term**

47% of businesses expect **weaker economic conditions** over the **long term**

23% of businesses expect **stronger economic conditions** over the **long term**

The South West remains a critical engine for WA's economy, anchored by a diverse industrial base spanning agriculture, tourism, mining and advanced manufacturing. The latest economic data reveals a shift toward cautious optimism as local firms navigate a tightening operational landscape.

South West businesses are navigating a tougher trading environment as economic confidence softens. In the short term, 30% of local firms expect economic conditions to strengthen, 30% expect no change and 40% expect conditions to weaken. Over the next 12 months, long-term confidence drops further, with 23% of businesses predicting stronger conditions and 47% anticipating weaker performance. Even with this decline, the South West maintains the second-highest long-term confidence rating among the regional areas.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	60%	17%	23%	40%	10%	50%
Labour Costs	0%	90%	10%	7%	77%	16%
Profit Margins	63%	7%	30%	63%	7%	30%
Credit or Debt	10%	37%	53%	13%	30%	57%
Capex	17%	27%	56%	10%	13%	77%
Employment	27%	23%	50%	30%	13%	57%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey from CCIWA's Business Confidence June 2026

Soaring expenses and persistent labour shortages are weighing on regional growth. Nine in 10 (90%) businesses reported rising operating costs as a primary barrier to expansion, while just over half (53%) struggled to find skilled labour. Furthermore, government regulations and compliance requirements were the third-highest barrier to growth, with 47% of firms reporting this.

Local companies are preparing for a challenging quarter ahead as profit margins shrink. Only 10% of businesses expected to increase production next quarter, while 50% expected no change, and 40% projected a decline. Expectations around staffing levels have also cooled. Only 13% of firms planned to hire new staff, while 30% expected to reduce headcount. These cautious plans aligned with ongoing cost pressures, with 77% of businesses anticipating higher labour costs and 63% bracing for a drop in profit margins.

Great Southern

40% of businesses expect weaker economic conditions over the short term

10% of businesses expect stronger economic conditions over the short term

40% of businesses expect weaker economic conditions over the long term

10% of businesses expect stronger economic conditions over the long term

Great Southern businesses face a divided short- and long-term economic outlook. Over the next quarter, 40% of local firms expect economic conditions to weaken, 60% expect no change and 10% expect conditions to strengthen. This cautious sentiment stretches into the next 12 months, mirroring business expectations over the short term.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	20%	20%	60%	44%	22%	33%
Labour Costs	0%	50%	50%	11%	22%	67%
Profit Margins	40%	20%	40%	44%	0%	56%
Credit or Debt	10%	30%	60%	0%	33%	67%
Capex	0%	30%	70%	0%	11%	89%
Employment	20%	20%	60%	11%	11%	78%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Severe talent shortages and climbing overheads were the steepest operational hurdles for the region. Eight in 10 (80%) businesses reported the availability of skilled labour as a primary barrier to growth, while 60% pointed to rising operating costs. Furthermore, government regulations and compliance and supply chain disruptions were ranked equally as the third-largest barrier to growth, as flagged by 50% of businesses.

Firms are bracing for a sharp squeeze on profitability next quarter as production costs climb. While 22% of businesses expect to increase production, 44% project a decline and 33% anticipate no change. These declining production targets coincide with intensifying financial strain, as 22% of firms expect higher labour costs and 44% brace for a drop in profit margins. Consequently, capital investment and hiring plans have flattened. Nearly 90% of businesses planned to make no change to capital expenditure, and 78% expected to freeze employment levels.

[1] *Due to the small sample size at a sub-regional level, the findings presented in this report may not be representative of the broader population and should be interpreted with caution.*

Goldfields-Esperance

40% of businesses expect weaker economic conditions over the short term

40% of businesses expect stronger economic conditions over the short term

40% of businesses expect weaker economic conditions over the long term

20% of businesses expect stronger economic conditions over the long term

Goldfields-Esperance businesses maintained a balanced short-term outlook but showed growing caution over the coming year. In the short term, 40% of local firms expected economic conditions to strengthen, 40% expected them to weaken and 20% anticipated no change. Looking ahead to the next 12 months, long-term confidence has softened as 20% predict stronger conditions, 40% expect no change, and 40% brace for a weaker economic environment.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	33%	33%	34%	22%	33%	44%
Labour Costs	0%	100%	0%	0%	67%	33%
Profit Margins	56%	22%	22%	33%	33%	34%
Credit or Debt	22%	22%	56%	11%	33%	56%
Capex	0%	56%	44%	0%	33%	67%
Employment	22%	33%	45%	11%	22%	67%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Climbing expenses, labour and worker housing shortages were the most reported operational barriers to growth in the region. A striking 90% of businesses named rising operating costs as a primary obstacle to growth, while 80% struggled to secure skilled labour. Furthermore, 70% of local firms said they were hindered by a lack of housing for workers and 50% point to ongoing supply chain disruptions as business barriers.

Local companies are managing a challenging trading window as rising overheads threaten their bottom line. Over the next quarter, 33% of businesses expect to increase production, 44% expect no change and 22% project a decline. These measured production targets coincide with persistent financial strain, as 67% of firms anticipate higher labour costs and 33% brace for a drop in profit margins. While the majority (67%) of businesses are planning to make no changes to capex or employment levels, 33% plan to increase capital expenditure, while only 22% intend to add new staff.

Wheatbelt

20% of businesses expect weaker economic conditions over the short term

20% of businesses expect stronger economic conditions over the short term

70% of businesses expect weaker economic conditions over the long term

20% of businesses expect stronger economic conditions over the long term

Wheatbelt businesses maintain a cautious but largely steady economic outlook, though long-term anxieties are beginning to rise. In the short-term, only 20% of local firms expect economic conditions to weaken, while the clear majority (60%) anticipate no change and 20% expect conditions to improve. Looking ahead to the next 12 months, confidence softens as 70% of businesses predict weaker conditions, 10% expect no change and 20% anticipate stronger performance.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	40%	20%	40%	30%	20%	50%
Labour Costs	10%	50%	40%	0%	70%	30%
Profit Margins	40%	20%	40%	40%	20%	40%
Credit or Debt	10%	30%	60%	10%	30%	60%
Capex	0%	30%	70%	0%	20%	80%
Employment	40%	10%	50%	40%	20%	40%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Climbing overheads and regulatory burdens represent the most prominent hurdles to local growth. The majority of businesses (70%) identified rising operating costs as a primary barrier to expansion, and an identical 70% point to government regulatory and compliance requirements. Furthermore, weak demand (30%), international trade tensions (30%) and shortages of skilled labour (30%) continued to weigh on regional operations.

Local companies are preparing for a period of consolidation next quarter as cost pressures intensify. Only 20% of firms planned to increase production, while 50% expected no change and 30% projected a decline. These flat production targets coincided with mounting financial strain, as 70% of businesses expected higher labour costs and 40% brace for a drop in profit margins. In response, businesses were keeping investment tight; 80% planned to maintain flat capital expenditure, while only 20% intended to expand their workforce.

[2] *Due to the small sample size at a sub-regional level, the findings presented in this report may not be representative of the broader population and should be interpreted with caution.*

Mid-West/Gascoyne

42% of businesses expect weaker economic conditions over the short term

5% of businesses expect stronger economic conditions over the short term

63% of businesses expect weaker economic conditions over the long term

5% of businesses expect stronger economic conditions over the long term

Mid-West and Gascoyne businesses face a constrained economic environment as long-term confidence sharply declines. In the short-term, 42% of local firms expect economic conditions to weaken, 47% expect no change, and 5% expect conditions to improve. Business sentiment is largely mirrored over the next 12 months, with 63% of businesses predicting weaker performance, 32% expecting no change, and a mere 5% anticipating stronger conditions.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	42%	8%	50%	17%	33%	50%
Labour Costs	0%	100%	0%	0%	83%	17%
Profit Margins	50%	8%	42%	33%	25%	42%
Credit or Debt	8%	33%	59%	8%	8%	84%
Capex	0%	58%	42%	0%	33%	67%
Employment	50%	25%	25%	42%	25%	33%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Ongoing labour constraints and rising overheads represented the steepest operational hurdles for the region. Three-quarters (75%) of local firms named the availability of skilled labour as a primary barrier to growth, while 69% struggled with rising operating costs. Furthermore, exactly half (50%) of the region's businesses were hindered by a lack of housing for workers. Supply chain disruptions and government regulatory and compliance requirements were ranked equally as the fourth largest barrier.

Local companies are taking a highly defensive stance as intense cost pressures squeezed profitability. Over the June quarter, half (50%) of businesses experienced a drop in profit margins while 100% absorbed higher labour costs. Looking ahead to next quarter, firms were freezing both expansion and investment; 42% of businesses planned to reduce employment levels, while 67% expected capital expenditure to remain unchanged. These strict efficiency measures aligned with a subdued business outlook, with 67% of Mid-West and Gascoyne businesses expecting production levels to either decrease or remain unchanged.

Pilbara

30% of businesses expect weaker economic conditions over the short term

55% of businesses expect stronger economic conditions over the short term

30% of businesses expect weaker economic conditions over the long term

55% of businesses expect stronger economic conditions over the long term

The Pilbara recorded the second-highest business confidence in regional WA for the next three months over both the short term and long term. Just over half of respondents (55%) expected economic conditions to improve in the next quarter, up 8 ppts from the March quarter. Confidence over the next 12 months remained relatively strong, with 55% expecting stronger conditions, an increase of 14 ppts. While business sentiment remained positive overall, uncertainty about the future was increasing.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	25%	30%	45%	26%	37%	37%
Labour Costs	0%	75%	25%	0%	79%	21%
Profit Margins	30%	15%	55%	42%	16%	42%
Credit or Debt	5%	15%	80%	0%	11%	89%
Capex	5%	45%	50%	16%	37%	47%
Employment	20%	40%	40%	11%	42%	47%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Economic expectations over the next quarter suggest that the Pilbara will continue to be one of the most robust regions in WA. Over the current quarter, 30% of firms increased production, with that figure projected to rise to 37% next quarter, highlighting the resilience of businesses in the region. Operational pressures, however, were likely to remain high, with 79% expecting labour costs to rise. Despite this, just under half (42%) of businesses said they would increase their workforce. Expectations around profit margins remained equally split, with 42% of businesses expecting either a decrease or no change to margins.

Rising operating costs have replaced skill shortages as the number one barrier to growth. Rising costs were reported by 60% of businesses, while exactly half (50%) continued to struggle with the availability of skilled labour. Furthermore, 40% of businesses were hindered by ongoing supply chain disruptions, and 35% pointed to a lack of housing for workers as a roadblock to expansion.

Kimberley

33% of businesses expect **weaker economic conditions** over the **short term**

17% of businesses expect **stronger economic conditions** over the **short term**

33% of businesses expect **weaker economic conditions** over the **long term**

17% of businesses expect **stronger economic conditions** over the **long term**

Kimberley businesses are facing an increasingly restrictive operating environment despite the majority of businesses expecting no change to economic conditions. In the short term, 33% of local firms expected economic conditions to weaken, 50% expected no change and 17% expected conditions to improve. Over the next 12 months, this sentiment holds steady, with 33% anticipating weaker conditions, 50% no change and 17% predicting stronger conditions.

	Current Quarter			Next Quarter		
	Decrease	Increase	No Change	Decrease	Increase	No Change
Production	1%	17%	82%	17%	33%	50%
Labour Costs	1%	67%	33%	0%	100%	0%
Profit Margins	50%	0%	50%	50%	0%	50%
Credit or Debt	0%	33%	67%	0%	17%	83%
Capex	17%	67%	16%	17%	33%	50%
Employment	50%	17%	33%	50%	33%	17%

Source: CCIWA | data from CCIWA's Business Confidence June 2026 Survey

Businesses in the Kimberley have indicated that they were particularly affected by accommodation and staffing shortages, limiting business growth. Lack of housing for workers was reported as the number one barrier to growth - identified by 100% of respondents in the region - making the Kimberley the hardest-hit region for accommodation. Labour shortages and rising costs were ranked as the second most prominent barrier to growth by 83% of firms. Government regulatory and compliance requirements were reported as the third largest barrier, impacting 50% of businesses.

Local companies were also managing a difficult trading period as overheads put pressure on their bottom line. Over the current quarter, 82% of businesses reported no change to profit margins while 67% experienced higher labour costs. Looking ahead to next quarter, 50% of firms planned to reduce employment levels, while 33% expected to increase headcount and 17% planned to reduce it. These measured staffing tactics match flat production targets, with half (50%) of Kimberley businesses expecting production levels to remain entirely unchanged next quarter, one third (33%) to increase production and the remaining 17% to decrease.

[3] *Due to the small sample size at a sub-regional level, the findings presented in this report may not be representative of the broader population and should be interpreted with caution.*

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