

OCTOBER 2026

2027-28 PRE-BUDGET SUBMISSION

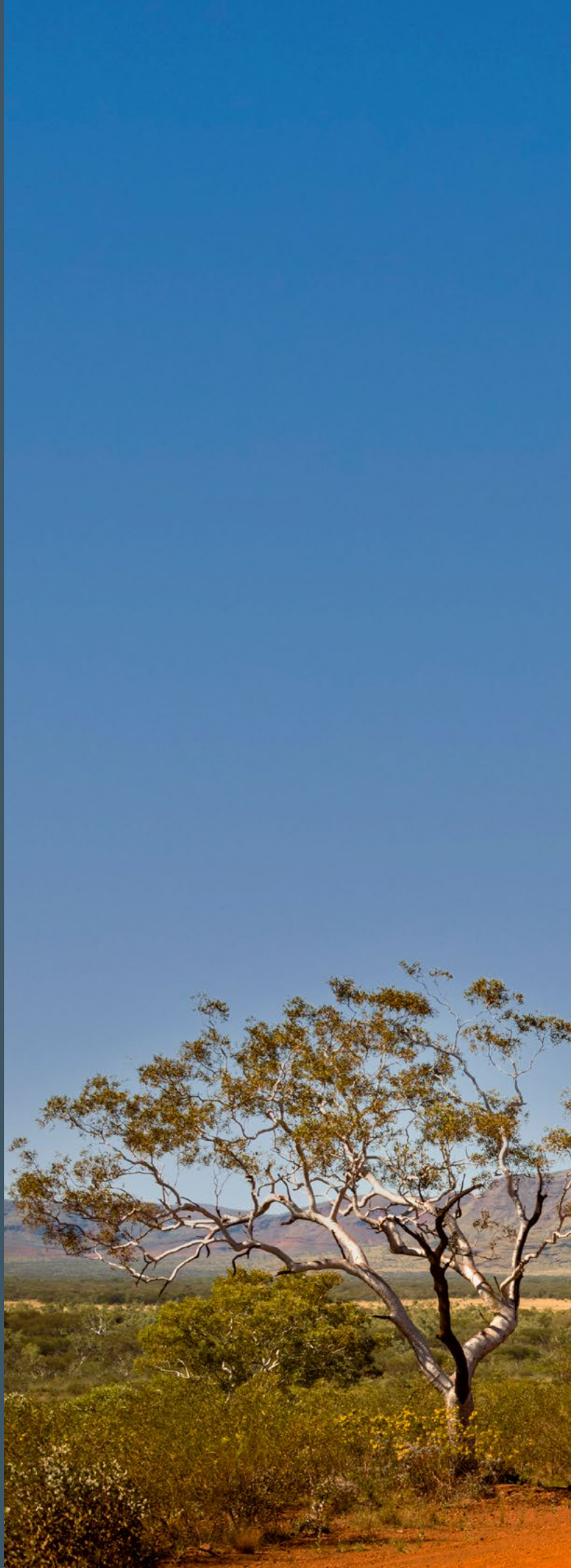
Power up WA



Chamber of Commerce
and Industry WA

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INTRODUCTION

As a state with over 65,000 years of continuous First Nations presence and history and on the verge of its modern bicentenary, it is an exciting time to be in Western Australia.

The state is Australia's gateway to the Indo-Pacific region, with substantial opportunity for further trade and investment. This is not limited to the resources sector that powers the nation, but also energy, agriculture, and advanced manufacturing, science and innovation, tourism, the health and community care sectors and beyond.

The Chamber of Commerce and Industry of Western Australia (CCIWA) is proud to have been a foundational part of business here in this great state. For more than 130 years, CCIWA has championed trade and commerce across WA.

It is our vision to make WA the best place to live and do business.

With the right policy settings now, the benefits for current and future generations will be substantial, with such benefits shared across all regions of WA.

As WA's largest and most representative business community voice, every year we share our budget recommendations, highlighting the barriers to business and prompting discussion around what WA can do to best achieve success.

Right now we cannot shy away from the increasing complexities of conducting business in Australia, growing geopolitical challenges and faltering productivity growth – and we cannot afford to be complacent.

Both short- and long-term business confidence recovered in the September quarter from the historic lows recorded at the onset of the Middle East conflict. However, both measures remain below their 2018 levels.

At a national level, Australia's productivity has tanked – and while WA is arguably the only economic bright spot, our economy is still heavily reliant on resources extraction and skilled migration.

The need for a competitive business environment remains an evergreen goal, particularly against the backdrop of a more intense international economic environment and global instability.

Over the past few years, there have been emerging trends across the globe which have an acute impact on the WA economy, given the State's isolation and heavy dependence on trade.

CCIWA acknowledges many of the State Government's efforts to date – the commitment to Diversify WA, the creation of a Seven Cities regional vision, a strong focus on fiscal management and backing of innovation.

However, there are still gaps in policy and funding. Industry has raised concerns which CCIWA seeks to address in this 2027-28 Pre-Budget Submission.

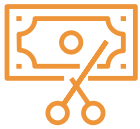
In what follows, CCIWA will highlight the economic and policy directions critical to power up WA's future, and the five priority areas for action spearheaded by the need to grow WA industry.

VISION

*Make WA the
best place to live
and do business*



GROWING WA INDUSTRY



KEEPING COSTS LOW



REASONABLE REGULATION



ENSURING SKILLED WORKFORCES



REGIONS AND COMMUNITIES

Seven BIG IDEAS TO Power up WA

1 A NEW WAY OF DOING PAYROLL TAX

CCIWA calls on the State Government to lift the payroll tax threshold from \$1 million to \$1.3 million for metropolitan businesses and to \$1.5 million for regional businesses. Moving forward, the thresholds should automatically increase annually in line with wage price inflation to end bracket creep. Further tax reform should be considered as part of a Grow WA Tax Summit in 2027.

Aligns with: Diversify WA; Innovation Strategy; Seven Cities vision; Western Australian Industry Participation Strategy; Made in WA

2 INVESTING IN ENERGY

Reinforce the Future Energy Systems Outlook (FESO) with clear funding pathways and a 'connect it' attitude to energy investment.

Aligns with: WA State of Energy; FESO; Innovation Strategy; State Infrastructure Strategy; Made in WA



3 A TURBOCHARGED INNOVATION PACKAGE

Create a consistent standalone innovation challenge program to tackle industries 'wicked problems' and develop a new state-based research and development (R&D) model such as Germany's Fraunhofer Institute. Government should also accelerate plans for a defence innovation precinct in Rockingham (including a new innovation hub), explore new Catapult twins with the United Kingdom (UK) for defence and advanced manufacturing, and deliver a new home for Scitech in the Central Business District (CBD).

Aligns with: WA Defence and Defence Industry Strategy; Diversify WA; Innovation Strategy; 10-year Science and Technology Plan; Digital Strategy roadmap; Waste Avoidance and Resource Recovery Strategy 2030; Made in WA

4 DEVELOPING AND DELIVERING A WORLD-LEADING REGULATORY STEWARDSHIP FRAMEWORK

CCIWA has long advocated for regulation that 'helps not hinders' and is innovation friendly. A new cooperative and performance-based approach to regulation built on a stewardship model would allow industry to get on with investing, while helping government better demonstrate regulatory outcomes.

Aligns with: Diversify WA; Innovation Strategy; Western Australian Industry Participation Strategy; Made in WA

5 GROWING THE SKILLS PIPELINE

Complement the existing Federal scheme with apprentice supports that 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.

Aligns with: WA Workforce Strategy; Western Australian Skills and Workforce Development Action Plan; Digital Strategy roadmap

6 BUILDING OUT THE SEVEN CITIES VISION

CCIWA welcomes the Seven Cities vision, which should be expanded to include Carnarvon, Northam, and Mandurah. We also strongly support a Northern WA Housing plan for the Gascoyne, Pilbara, and Kimberley.

Aligns with: Seven Cities vision; State Infrastructure Strategy

7 BID FOR WORLD EXPO 2040

It has been over 100 years since Melbourne's World Expo, and almost forty since Brisbane '88. Perth is the gateway to Asia and Europe – we are very well placed to host a World Expo highlighting our great State. CCIWA is ready to work with the WA Government and Tourism WA to make this bid a reality.

Aligns with: Diversify WA, Walking on a Dream/WA – like no other; WA Visitor Economy Strategy; State Infrastructure Strategy; Western Australian Industry Participation Strategy; Western Australia's Asian Engagement Strategy



WA'S ECONOMY IN A GLOBAL CONTEXT

The Gulf conflict, which commenced in late February 2026, has disrupted global supply chains and energy markets, reshaping geopolitical relations, with wide-ranging ramifications for the global economy.

One of the most significant impacts has been the disruption to the Strait of Hormuz, a critical maritime chokepoint, through which around one-fifth of global oil trade passed prior to the conflict. WA's heavy reliance on imported liquid fuels has left the State particularly exposed to higher fuel prices and supply shortages resulting from disruptions to the Strait.

While broader freight disruptions have remained relatively contained, heightened risks to key shipping routes, energy prices and fertiliser markets have exposed WA businesses and households to significant flow-on effects.¹

At the same time, growing geopolitical competition, industrial policy intervention by major economies, supply chain reconfiguration, and increasing demand for secure and sustainable sources of energy and critical inputs are reshaping patterns of comparative advantage.

The culmination of these factors has contributed to widespread pressures across the State and national economy. These include:

- **Inflation remains a key concern**, with the Consumer Price Index (CPI) remaining above the Reserve Bank of Australia's (RBA) 2–3% target range. A prolonged Gulf conflict could add to inflationary pressures and keep interest rates higher for longer. Consequently, the RBA expects Gross Domestic Product (GDP) growth to remain subdued, reflecting the impact of high inflation on household incomes, softer conditions in the established housing market and the recent tightening of monetary policy.²
- **Labour market conditions have remained relatively tight in WA**, maintaining upward pressure on labour costs. Labour costs were identified as the largest business cost pressure by 82% of businesses in CCIWA's June quarter Business Confidence Survey.³ While wage growth has moderated, labour costs remain elevated and continue to place pressure on business margins.

- **Housing supply remains constrained**, with new developments often costing more to construct and to purchase, and Federal policy settings failing to initiate affordable new builds. Supply issues will continue to put structural upward pressure on house prices and rents in WA.
- **Productivity remains hampered**, held back by a lack of political will to substantially ease the burden of regulation or make globally impactful incentives for business investment and innovation. The RBA noted in August 2026 that historically weak productivity growth continues to constrain the capacity of the Australian economy to supply goods and services.⁴

For WA, these are felt acutely. Our isolation and heavy reliance on the resources sector act both as a buffer to economic headwinds and a barrier to diversification. Furthermore, the Regional Price Index (RPI) found that food costs and transportation costs were higher in the regions compared to Perth, and that insurance remains a key cost barrier for the northern half of WA.⁵

1 CCIWA Outlook. May 2026.

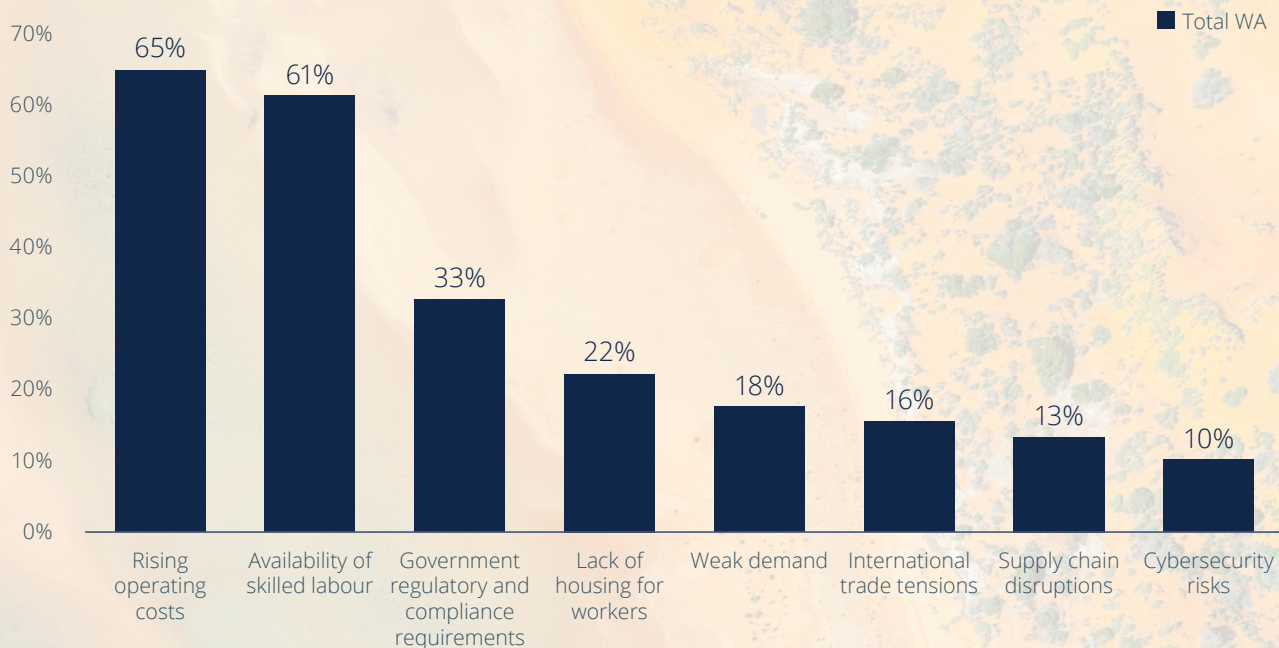
2 Reserve Bank of Australia. *Minutes of the Monetary Policy Board Meeting*. August 2026.

3 CCIWA. Business Confidence. June 2026.

4 Reserve Bank of Australia. *Statement on Monetary Policy – August 2026 – Economic Conditions*. August 2026.

5 Department of Primary Industries and Regional Development. *Regional Price Index 2025*. July 2026.

Figure 1: Barrier to business growth over the next 12 months



Added to this, the Productivity Commission has recommended the Federal Government tear up the current GST deal. This would be highly detrimental to WA's fiscal bottom line, effectively leaving us \$6 billion worse off every year.⁶

Data taken from CCIWA's quarterly Business Confidence and Consumer Confidence surveys show that both measures have recovered from the historic lows recorded at the onset of the Gulf conflict. However, both remain below their 2018 levels.

This is largely driven by the barriers to business growth faced by WA businesses, including rising cost of doing business, labour shortages and government regulation and taxes.

[Figure 1].

At time of writing, projections for the next four years remain very economically volatile. Providing clear economic long-term plans will help to grow the economy. While reforms may be difficult to achieve, the economic, policy and societal benefits will pay off.

We strongly urge the State Government to consider the following when drafting and finalising future budgets:

- **Review WA's tax settings:** Fulsome tax reform takes time and planning, so a review should start now. The 2050 Commission could undertake this work at no additional cost to the State Government supported by a Grow WA Tax Summit in 2027.
- **Avoid kneejerk policy which throttles investment:** Any policy should be fairly scrutinised by the State Government to determine if it will deliver an actual real dividend, or simply add to inflation, or increase risk of corruption. Unscrutinised concepts such as union-biased procurement practices might look attractive but are bad economic policy.
- **Work with community, rather than against:** While assets such as sport courts and parks are welcome as community amenity, making announcements on the fly during elections which do not match long-term funded plans by local government can have flow on impacts to local government funding and community trust.

- **Special Purpose Accounts have a purpose:** Many Special Purpose Accounts are not being used to their full potential and are essentially acting as offset accounts. We encourage sustainable drawdown from these accounts before money from consolidated revenue is used.
- **Tackling cost of living without inflationary or cost-burdening regulations:** Continue to capture the cost of living and identify ways to reduce costs without introducing regulation which adds barriers or is inflationary. CCIWA makes several recommendations in this submission which we believe are commonsense and achieve this goal.





GROWING WA INDUSTRY

Made in WA and Diversify WA outline the direction of the State Government with respect to key industries. They are ambitious, laudable strategies. However, they need successful businesses to realise their goals. And successful businesses need a supportive business environment.

To achieve this and grow WA industry, the State Government needs to be more focused on the productive fabric of our economy.

Less focus should be on individual loans or subsidies, and more on underlying productive capacity. The State Government should focus on:

- Productive investment – partnering with business and community to invest in high value and efficiently operated infrastructure; be it transport, common-user infrastructure or energy infrastructure.
- Our people – ensuring a highly skilled, incentivised, and efficiently taxed workforce with diverse education, training and employment opportunities.
- Innovation and technology – where we do not just adopt cutting edge technology, but we play a role in creating it.
- Competitive environment – with efficient taxes compared to peers and well administered regulation that is proportionate to risk and benefits.



BENEFITS OF GROWING WA INDUSTRY

Attracting and growing businesses expands the economy, providing more opportunities for employment and boosting government revenue.

Getting this right has benefits for consumers, visitors, and workers – more choice, better experiences, and more career opportunities.

Future generations will benefit from an economic framework which is built on cost-effective infrastructure and sustainable business growth.

- Smart, timely access to our natural resources – to maintain the State's powerhouse resource sectors and enable the energy transition, the state needs more streamlined approvals.
- Liveability – to attract and retain a skilled workforce and future entrepreneurs, with affordable housing in thriving and connected communities.

Growing industry in WA is not just about reinforcing our existing business and consumer economic base, it is about attracting and retaining businesses across the economy, promoting innovation, and diversifying WA's economy overall.

Growing WA's productive capacity

Infrastructure is key to growing WA industry. We, therefore, welcome the announcements and funding commitments for Strategic Industrial Areas (SIAs), which help to reinforce the importance of industrial land.

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, supply chain transport and other physical infrastructure, and agreements with Traditional Owners. Public-private partnerships should be considered to help fund and deliver necessary infrastructure.

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

Infrastructure that supports Western Australia's trade continues to need prioritisation – particularly road and rail investment.

The 2019 *Australian Infrastructure Audit* estimated that congestion in Perth will cost \$3.1 billion per annum in 2031 and that the city has a lack of dedicated active transport connections.⁷ We urge the WA Government to continue to expense the relevant infrastructure accounts, such as the Perth Parking Levy Fund, to full effect.

WA Treasury should convene a business-government taskforce to support productivity enhancing reforms.

Innovation has always been the heartbeat of WA. We would not be the state we are without it. But in an increasingly uncertain global environment, characterised by geopolitical tension, supply chain disruption, rapid technological change and intensifying international competition, innovation can no longer be taken for granted or assumed to occur due to past success – it has to be a cornerstone of government policy just like infrastructure, workforce and tax policy.

Innovation is a critical economic capability that underpins productivity growth, business competitiveness and economic resilience.

Government should be commended for its recent work supporting and expanding WA's innovation ecosystem, as well as the release of its Innovation Strategy and 10 Year Science and Technology Plan. But it is time to build on this base.

Innovation creates high-value jobs, attracts skilled workers and private investment, and fosters the development of new export industries. For Western Australia, innovation presents a significant opportunity to strengthen sovereign capability in strategically important sectors, including defence, advanced manufacturing, critical minerals, renewable energy, and clean technology, while reducing dependence on interstate and international supply chains.

The case for stronger innovation investment is particularly compelling as Western Australia navigates the energy transition. Achieving net zero ambitions, decarbonising industry and maintaining international competitiveness will require the development and deployment of new technologies at scale.

These opportunities require closer collaboration between government, industry, and research institutions to accelerate commercialisation and ensure Western Australia captures greater value from the innovations developed within the State.

The case for stronger innovation investment is particularly compelling as Western Australia navigates the energy transition.

⁷ Infrastructure Australia. *Evaluation: Perth active transport improvements*. Accessed August 2026.

CCIWA, therefore, recommends the State Government adopt a more ambitious and mission-driven approach that leverages innovation to solve major industry and societal challenges. This will build the competitiveness of existing industries and create new economic opportunities.

To achieve this, CCIWA recommends the Government:

- Create a consistent standalone innovation challenge program to tackle industries' most pressing wicked problems. This would build on the Government's successful Health Challenge and smaller green tech hub challenges.
- Develop a new state-based applied R&D model inspired by Germany's Fraunhofer Institutes. This can build on the Government's commendable work supporting the Ideas to Industry Lab collaboration between Edith Cowan University and Fraunhofer IKTS (Institute for Ceramic Technologies and Systems).
- Accelerate plans for a defence innovation precinct in Rockingham, including a dedicated innovation hub.
- Explore opportunities to establish UK Catapult twins focused on defence and advanced manufacturing.
- Deliver a new home for Scitech in the Perth CBD as a flagship institution to inspire the next generation of innovators and entrepreneurs.

These recommendations would give impetus to the Government's commitments in its 10 Year Science and Technology Plan and Innovation Strategy. It would lay the foundations for growing WA industry into the future. It would support the livelihoods of future generations.

One of the best ways to attract business and people is to have a thriving economy that is 'open for business'.



FOCUSING ON INNOVATION

One reason Fraunhofer works well in Germany is that mid-sized companies get access to research capabilities they could never afford themselves.

For example, a WA engineering company could work with an institute to develop new equipment, test materials, create patents, or commercialise products.

These collaborations could focus on automation and robotics, Artificial Intelligence (AI) and digital mining, ore beneficiation and processing, and decarbonisation.

Attracting businesses and people

While there are many opportunities to attract businesses and people to WA, CCIWA suggests the State Government focus on three opportunities which are low-hanging fruit: reforming retail trading hours, supporting defence industry, and a clear focus on tourism.

One of the best ways to attract business and people is to have a thriving economy that is 'open for business' – ironically, Perth's retail is too often closed due to outdated regulation.

Perth continues to be held back by restrictive shopping hours that put WA brick and mortar businesses at a comparative disadvantage to online companies.

While there has been useful focus on liquor trading, we now have the bizarre outcome that consumers can buy a beer or glass of Margaret River wine before heading to the supermarket and doing the weekly shop.

We propose commonsense changes: first, the Government should abolish the regulatory stipulations restricting what a business can sell when. This would immediately improve competition and provide consumers with choice.

Second, we propose a pilot for Perth Shopping – a five year sunset program as outlined below, which allows shops in the CBD to thrive rather than be stifled by archaic regulation **[Figure 2]**. A fair, evidence-based evaluation should occur to highlight successes and opportunities for further embedding of retail trading hour reforms.

There should also be funding available to support businesses and employers with retail crime – a matter which is not going away and has substantial economic cost. This could be achieved in a low-cost way, by providing targeted grants for retail and hospitality.

Figure 2: CCIWA's Proposed Trading Hours reform

	Current rules	Proposed changes
Monday-Friday	8am-9pm Friday late night shopping	No change
Saturday	8am - 5pm	8am - 9pm
Sunday	11am - 5pm	8am - 5pm
Public Holidays	11am - 5pm	8am - 6pm

We need to continue making decisions that improve our appeal to draw national and global businesses to invest and headquarter here, and to improve trade.

This is absolutely evidenced by the current drive to invest in the defence industry. The AUKUS pact presents huge opportunity, yet the lack of specific AUKUS presence from WA in Washington and London hampers getting our foot in the door.

For example, the Industry Capability Network (ICN) could be better utilised to attract and retain defence industry organisations. ICN-South Australia (SA) operates the SA Defence Hub, which is funded by Defence SA and the SA Department of State Development.⁸



This puts SA businesses at an advantage – businesses operating through ICN-SA do not have to deal directly with ICN-WA. To level the playing field, equivalent support to ICN-WA is needed.

Beyond defence industry, we also strongly support building trade and investment pathways. CCIWA has been proud to partner with the State Government on WA Investments, showcasing \$7.3 billion in projects and connecting global investors with opportunities across Western Australia. Keeping WA as an attractive place to invest in, and trade from, is critical to growing our local industry.

Tourism is also a key driver to grow WA – tourism activity has immense benefits for local economic activity. We welcome funding provided early for the Kununurra Eclipse in 2028, and we again support stronger planning and development ahead of the Perth Bicentennial in 2029.

Data from the 2025-26 financial year highlights the importance of tourism, with 100 events attracting over 2.1 million attendees and close to 132,000 visitors.⁹

Further, we trust that investment in assets such as the Perth Convention and Exhibition Centre can be growth focused – modernising facilities and optimising opportunity.

However, long term visions are required for tourism attraction and economic development. This was evidenced at the World Expo Osaka Kansai 2025 (Osaka '25) and World Expo 2020, Exposition City, Dubai (Dubai '20).

Recent data from Osaka '25 suggests an overall operating profit of US\$200-235 million, with over 17.6 million visitors to Osaka prefecture during the expo period. This massively exceeded expectations, despite a challenging construction and operational climate.¹⁰ Similarly, an EY Report for Dubai '20 found it generated US\$42 billion gross value for the economy through urban renewal, and facilitated hundreds of business meetings, substantially growing local business partnerships.¹¹

CCIWA stands ready to help the WA Government and Federal Government in pitching for World Expo 2040, the first World Expo in Australia since Brisbane '88.

8 Industry Capability Network Gateway. *SA Defence Hub*. Accessed September 2026.

9 Media Statement. Major events inject \$223 million into Western Australian economy. September 2026.

10 Czech-Japan Hub, Soska. *Economic Impact of the World Expo 2025 Osaka, Kansai*. May 2026

11 EY, Moody & Anwar. *Expo 2020 Dubai: Economic, Social and Environmental Impact of Expo 2020 Dubai*. October 2024

A large-scale construction site is captured during the golden hour of sunset. A prominent yellow tower crane stands on the left, its long jib extending across the upper portion of the frame. In the center, three construction workers wearing high-visibility yellow vests and hard hats (one blue, two yellow) are gathered, looking at a set of plans. The ground is cluttered with stacks of long wooden beams and other construction materials. In the background, the skeletal framework of several tall buildings is visible against a sky with soft, orange-hued clouds. The overall scene conveys a sense of active development and infrastructure growth.

*Attracting and growing businesses
expands the economy, providing more
opportunities for employment and
boosting government revenue.*

To grow industry in WA, CCIWA recommends:

KEY RECOMMENDATIONS

A turbocharged Innovation Package: Create a consistent standalone innovation challenge program to tackle industries 'wicked problems' and develop a new state-based R&D model based on Germany's Fraunhofer Institute. Government should also accelerate plans for a defence innovation precinct in Rockingham (including a new innovation hub), explore creating new Catapult twins with the UK for defence and advanced manufacturing, and deliver a new home for Scitech in the CBD.

Bid for Expo 2040: WA should seek to attract World Expo 2040 or World Horticultural Expo 2035, themed around Perth as a gateway and highlighting our unique history and geography.

Growing WA's productive capacity

- **Support Public-Private partnerships:** Work with industry to identify timely solutions 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.
- **Road infrastructure:** Revise the Mitchell-Kwinana Freeway intersection, help fix design flaws and make traffic flow more freely.
- **Rail infrastructure planning:** Start work now to plan for and baseline community expectations for future heavy and light rail extensions and investment in key corridors such as Wanneroo, Coogee-Spearwood, Northbridge-Morley, and Shenton Park-Booragoon.
- **Perth Parking Levy:** Use funds from the Perth Parking Levy to invest in the right road, light rail planning and rollout, and general amenity infrastructure to improve productivity and competitiveness across the City of Perth.
- **Trade:** Clearly articulate funding for Westport, Fremantle Port, Bunbury Port expansion, and Oakajee Strategic Industrial Area. Retain Fremantle Port as an import terminal for the near future, until Westport can be brought entirely online. Continue to update the forecasts of future container trade for the Westport project, and potential costs of trade for business.
- **Productivity enhancing reforms:** WA Treasury should convene a business-government taskforce to prioritise productivity enhancing reforms to access the Australian Government's \$900 million fund to support productivity reforms.

Attracting business and people

- **Attracting industry to WA:** Continue to develop a seamless narrative for WA as a key destination for work, investment, and leisure. This must highlight emerging opportunities in data centres, life sciences, space, and the energy transition.
- **Defence Industries attraction and support:** Fund Defence West to employ two AUKUS representatives at each of the UK, United States (US) trade offices, and match the ICN-SA scheme for the SA Defence Hub.
- **Data Centres Office:** Create a State Data Centre office within the Department of Energy and Economic Diversification, to facilitate data centres across WA.
- **Perth Convention and Exhibition Centre:** Commit to working on growing venue capacity and modernising the facility for long-term attractiveness, while retaining ability to host events.
- **Carbon capture, utilisation, and storage (CCUS):** Fund the State CCUS Action Plan, and work with the Federal Government to address the policy barriers impacting CCUS investment.
- **Retail trade restrictions:** Allowing businesses to decide what they sell and when.
- **Retail Trade hours:** Remove restrictions on shopping hours with a trial in the Perth metropolitan region.
- **Retail Security Grants:** Establish a Retail Security Grant Program, which can offer co-funding for small to medium businesses and charitable retailers to help pay for security training, anti-theft equipment, security cameras, duress alarms, and protective service counters.



KEEPING COSTS 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, we are advocating for **actions that reduce the heavy cost burdens being placed on business and which add to the cost of living.**

Apart from regulation, there are two key factors under the Government's control which significantly influence the costs of doing business, namely:

1. Taxes; and
2. Utilities costs – particularly energy.

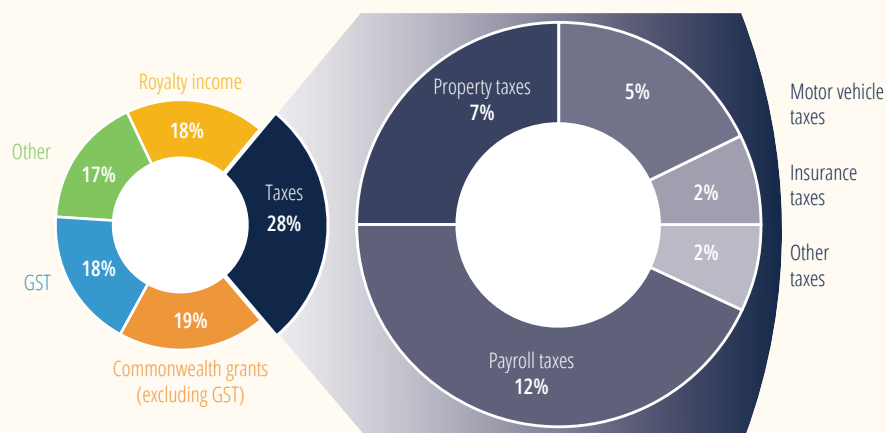
BENEFITS OF KEEPING COSTS LOW

Businesses can deploy capital where they need to, growing the economy through private sector investment, delivering an uptick in productivity.

Cost of living decreases for Western Australians, including our most vulnerable.

Future generations will benefit from a more competitive WA, with greater job opportunities as businesses find WA more attractive to establish and expand.

Figure 3: Breakdown of operating revenue for WA.¹³



In an uncertain global environment, it can be reassuring to governments to take less risk and provide certainty to industry by not changing key policy settings. However, when these settings are no longer appropriate there can be significant adverse ramifications to business productivity.

Fair, efficient taxes

WA's budget income is generated by royalties, payroll tax and stamp duty, and Commonwealth transfers – including a share of the Goods and Services Tax (GST) pool [Figure 3]. We remain steadfast with the State Government and Opposition in opposing the Productivity Commission's GST distribution reforms interim report.¹²

However, our focus in this document is the heavy, continued reliance on inefficient taxes: payroll tax and stamp duties. The reliance on such inefficient taxes is detrimental, adding

to the already prohibitive cost of doing business in WA and impacting WA's attractiveness as a business location.

Unfortunately, WA continues to hold the mantle as the highest taxing state in the country when it comes to payroll tax. This impacts our competitiveness and productivity.

Given this, it comes as no surprise that payroll tax remains a major frustration for business, with over 26% of employing businesses now hit by payroll tax.¹⁴ The WA Government recently announced a \$20.8 million boost to Western Australian Institute of Sport funding – however, 3% of this is effectively paid back to the State in payroll tax.

Regional businesses are hit hardest. 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

¹² CCIWA. *Media Statement: PM must keep his promise and keep the GST deal.* August 2026.

¹³ Adapted from 2026-27 WA State Budget, Budget Paper 3.

¹⁴ CCIWA analysis of WA Treasury data and 42nd Parliament of Western Australia, Legislative Council Question on Notice 1477.

any new employees.¹⁵ Based on member feedback, we understand businesses with as few as five employees can be caught by the payroll tax net.

Bracket creep means these taxes are hurting more Western Australians each year.

If the State Government believes in fairness and is pro-business, it should recognise the existence of wage inflation in tax thresholds.

Recent Federal Budget changes to capital gains tax and small business trusts will deliver an unexpected payroll tax windfall to the State Government. This is the last thing businesses need – and we call on the State to grant a grace period to allow for businesses to adapt.

Moving forward, the State Government should undertake more substantial reforms to payroll tax – especially at a time of rapidly expanding AI and robotics which is increasing the substitutability of capital for labour. This should occur as part of a more comprehensive review into state taxation, which should include stamp duties. A Grow WA Tax Summit would be a good first step, led by the 2050 Commission. This would allow businesses and community to highlight how major tax changes are essential to tackling costs.

Tackling costs of living and doing business

The costs of energy, water, and other utilities add to the burden on businesses which, in turn, can contribute to a higher cost of living. Businesses and communities in regional WA face even higher cost burdens, due to population and geographical challenges.

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

- Costly electricity transmission infrastructure.
- The linking of water sewerage charges to land value and, for hotels and motels, the number of sewerage outlets on a plot of land (the much maligned ‘toilet tax’).
- Lagging approval processes, which impact energy supply, telecommunications connections, and renewing water infrastructure.
- Inefficient regulations that penalise both business and households.
- Extensive delays in customer connections to utilities.

The State Government should regularly review these infrastructure related charges to ensure they are efficient and least cost – this could form an inquiry for the proposed 2050 Commission, and the task of a time-limited cabinet-level role: a Minister for Cost of Living and Doing Business.

As outlined earlier, CCIWA is concerned that kneejerk policy is having a direct impact on the economy. 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.

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. These are costs our budget cannot bear in the long-term.

It is time to get serious about reducing cost burdens for industry and community.

Smart utility systems

The State’s energy transition is an essential yet enormous upheaval of the systems powering and fuelling our industrialised economy. We have to get it right so we can continue to have affordable, reliable energy.

The Government needs to ensure it balances the need to decarbonise with the capacity of businesses and households to adjust, with realistic time frames, support mechanisms, and flexibilities in place. Supporting small and medium enterprises (SMEs) to navigate the complexities and cost barriers of decarbonisation is fundamental. Current investment schemes, such as the Made in WA Energy Affordability Investment Program, can help.

More regular engagement with businesses is needed to ensure the transition pathway is paved with possibility, not pitfalls.

The State Government also needs to invest in back-up energy supplies, such as gas turbines and batteries, and ensure its distributed energy framework encourages technology neutral solutions and maximum flexibility. Clear funding pathways should be established to deliver on this intent. Government should also explore industry-led solutions to the identification, generation, and distribution of new energy sources.

Competition should be expanded to drive better value solutions to business.

Lowering the contestability threshold to 20 megawatt hours of electricity per annum, down from 50 megawatt hours, or defining all non-residential customers as contestable would be a welcome first step.

¹⁵ CCIWA Analysis of WA Private Sector Wage Price Index data from the ABS to June 2025

To keep costs low, CCIWA recommends:

KEY RECOMMENDATIONS

A new way of doing Payroll Tax: Raise the threshold to \$1.3 million in the metropolitan area and \$1.5 million in the regions. The thresholds should regularly increase in line with wage price inflation.

Investing in Energy: Reinforce the FESO with clear funding pathways and a 'connect it' attitude to energy investment.

Fair, efficient taxation

- **Protect the GST safety net:** Continue to advocate for the GST safety net, to provide funding certainty to WA's budget.
- **State tax reform:** Work with business and community to re-think state taxation via a 2027 Grow WA Tax Summit, hosted by the 2050 Commission.
- **Temporary exemption on stamp duties for SMEs:** In response to Federal tax changes, provide temporary and immediate response to not penalise small businesses seeking to transition their model of ownership from a trust to another model.
- **Federal tax reform:** Work constructively with the Federal Government to begin the process of fundamental reform of Australia's tax system. This includes developing a Road User Charge model which does not create an additional burden on WA businesses due to our unique geographical spread.

Tackling costs of living and doing business

- **Minister for Cost of Living and Doing Business:** CCIWA supports the concept of a dedicated Minister to tackle cost of living and its underpinning factors. The role should be time-limited, with key deliverables.
- **Freight & Fuel Resilience Plan:** Work with industry to develop a fuel resilience plan and support mechanisms, to ensure business continuity, regional supply, and support for essential services.
- **Lower the energy contestability threshold:** 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.
- **Insurance:** Work with local industry to identify opportunities for streamlining insurance, noting the wicked problem of businesses facing increased risk environments whilst also navigating higher insurance premiums and costs.
- **Fiscal Responsibility:** Oppose and remove any best practice procurement (BPIC) practices which tie into union demands. BPIC has been found in Queensland, Victoria, and the Australian Capital Territory to be detrimental to State budgets and allegedly led to significant corruption opportunities.

Smart utility systems

- **Distributed Energy Systems:** Support behind-the-meter options that support the overall affordability of the energy transition and lower the overall requirements for transmission build out.
- **Invest in Energy:** Lower overall electricity costs in the near term by investing in gas generation, and battery storage, further to commitments already made. Explore industry-led solutions, supported by adequate funding, to ensure timely customer connections.
- **Fair utility costs:** Fund the uniform tariff policy through general revenue, and work with Water Corporation to decouple sewerage charges to rateable land value. Abolish the toilet tax with a fairer model of cost recovery.

Supporting small and medium enterprises (SMEs) to navigate the complexities and cost barriers of decarbonisation is fundamental.





REASONABLE REGULATION

Unrealistic and outdated regulation is a major barrier to investment. The impact of red tape and regulation has consistently been identified as a top priority for businesses in WA, only after payroll tax.¹⁶

Our view is that WA needs to get the basics right, with timely approvals, transparent assessment processes, and certainty in accessing land being critical to the advancement of projects across the state.

CCIWA has welcomed the Vogel-McFerran review, which built on our advocacy in this space, and has welcomed and supported the Office of the Coordinator General, a role which will help unpick where regulation is hindering investment, particularly within the framework of the State Development Act 2025.

WA is unable to compete with the multi-billion-dollar subsidies that are being provided by competitor jurisdictions globally, so we need to back in our outstanding natural opportunities and sovereign stability with proportionate and streamlined regulations and approvals.

We recommend the focus for reasonable regulation should be on improving competitiveness:

- Reduce approvals timelines and improve outcomes.
- Better procurement practices across the public sector.
- Longer engagement periods with industry and community before implementing new programs, industrial relations red tape, and policy guidelines; and

- Rethinking how we can manage WA's regulatory regimes and achieve reasonable regulation, through a stewardship approach to regulatory management.

If government gets regulation right, investment will come. Red tape reduction can be just as attractive as fiscal support.



BENEFITS OF REASONABLE REGULATION

Businesses are most hurt by regulation which hinders growth. Removing red and white tape can deliver an uptick in productivity and innovation.

This means businesses across Western Australia can be more competitive.

Future generations will benefit with businesses growing and thriving within a right fit regulatory framework.

Building best practice regulation

CCIWA has consistently advocated for regulation that helps not hinders and for a regulatory sandbox framework to support innovation and best practice. CCIWA believes there is a great opportunity to back this up with a Regulatory Stewardship framework.

In this model, all State regulators would adopt a clear set of rules, with industry providing regular feedback. Regulatory quality would be supported by key regulatory principles such as proportionality, evidence-based decision making, flexibility and stakeholder engagement.

Within this state-wide reform, Streamline WA and existing approvals reforms would continue as one part of the broader program. Previous approaches used by the Small Business Development Corporation and Treasury to map collaboratively with industry and community regulatory pathways should be re-introduced. These approaches would enable industry to help government identify key barriers to operating a business or delivering projects.

Extended consultation and greater co-design through a stewardship approach would also help to fulsomely identify risks and opportunities for new regulatory regimes, reducing the requirement to pause the roll out and helping to identify where appropriate funding may be required. Both business and regulators can win from this approach.

DEVELOPING GOOD REGULATORY STEWARDSHIP

A focus on regulatory outcomes, not inputs.

Whole of system perspectives – looking at legislation, regulation, policies, and practices collectively avoids duplication from the beginning.

Strong accountability for performance and continuous improvement – including ‘real-time’ tracking of approvals and regular public reporting of outcomes, costs, and improvements. Reporting requirements should be the minimum and, where possible, align with business reporting.

Good regulator practice – covering both regulatory quality and service levels. CCIWA supports adequate government investment in training and systems to ensure regulators have the resources to perform their important jobs well.



For example, the recent expansion of the 10-cent deposit scheme to alcoholic beverages is welcome, but has placed undue burden on small, boutique producers. An exemption could have been built into the framework early – but it was not.

A sector which is overly impacted by regulation are the community services and volunteering sectors, due to the nature of the work. One potential opportunity to relieve burden would be to reduce or waive costs associated with certification and approvals, while another would be to modernise and fully fund ACROD parking.

Procurement is a regulatory matter which, with some tweaks, could unlock greater economic activity for WA.

CCIWA understands that manufacturers have invested heavily in research and development for new products, meeting department requirements, only to miss out at the final approval for a tender which goes to an overseas manufacturer.

Leveraging local manufacturing opportunities by supporting WA businesses with multi-year purchase agreements (i.e. 3-7 years) can stimulate local manufacturing opportunities, creating local success stories and support business longevity.

Similarly, in the community services sector, contracts are not being renewed on time and not at the funding level required to realistically provide the service.

For example, a health associated member has been on rolling six-month contracts at the same valuation, notwithstanding their original contract was to expire in 2024. This is despite changes to minimum wages and award rates, and other increased costs of service delivery.

This is not helping to ease burden – underfunding only increases anxiety within the community services sector, causes consolidation of service providers which can reduce competition, and can lead to job losses and greater uncertainty.

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

Workplace laws that help employees and businesses

CCIWA remains concerned about the compliance burden of industrial relations and new regulation schemes which have no discernible benefit for productivity or workers.

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, particularly for SMEs. Effort must be focused on simplifying Australia's overly complex and damaging employment and workplace relations laws.

The State Government should double down its efforts to streamline workplace relations laws. This should include referring state industrial relations powers over non-incorporated businesses to the Federal Government. If this is not done, the State Government should at least consolidate remaining state-based industrial awards, simplify long service leave and public holiday rules, and ensure more predictable compliance obligations for small business.



*Regulation should help, not hinder,
businesses from being successful.*

To deliver reasonable regulation, CCIWA recommends:

KEY RECOMMENDATION

Develop and deliver a world-leading Stewardship Framework: CCIWA has long advocated for regulation that ‘helps not hinders’ and is innovation friendly. A new cooperative and performance-based approach to regulation built on a stewardship model would allow industry to get on with investing while helping government better demonstrate regulatory outcomes.

Best practice regulation

- **Real-time tracking of department agencies:** As part of a new stewardship model, roll out real-time tracking for approvals requests, including ‘stop the clock’ provisions, to keep government agencies accountable for their performance.
- **Approvals reform:** As another part of a new stewardship model, continue to review and revise approval processes and license requirements for businesses, potentially through renewed regulatory mapping processes, with the intent to streamline setting up and operating of new businesses across the economy.
- **Ensure adequate resourcing is met:** Sustainable budget management may require an uplift in resourcing, to ensure efficient and timely service provision across the public sector and for services provided by not-for-profits.
- **Support carers and volunteers:** Request the Director General of the Department of Communities consider waiving the \$11 fee for volunteers to obtain a NDIS Check, and fully fund, and modernise, the ACROD Parking Program to ensure it meets community standards.
- **Circular economy support:** Provide more time for the container deposit scheme transition, and lower waste levies for not-for-profits required to dispose of non-resaleable goods.
- **Procurement practices:** Ensure procurement best practice, including 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.

Workplace laws that help workers and business

- **Streamlining industrial relations:** The WA Government should refer its industrial relations powers over non-incorporated businesses to the Federal Government, to ensure a uniform industrial relations system for all private sector employers in Western Australia.
- **Support a national definition of small business:** Advocate for a national, legal, and clear definition for Small Business, in line with calls from CCIWA.



ENSURING SKILLED WORKFORCES

CCIWA has consistently argued that a skilled workforce is one of the most critical enablers of Western Australia's economic growth, productivity, and global competitiveness.

Yet despite efforts to increase the workforce and population growth, the number of businesses struggling to fill a position has remained a perennial issue.¹⁷

We have long advocated for WA to focus on key matters:

- Developing the foundational knowledge and skills, at the right level, to provide the best chance of success for employees.
- Maximising workforce numbers by tapping into the full talent pool of potential workers, supported by migration; and
- Ensuring incentives and programs actually deliver the uplift needed to meet WA's future workforce requirements.

If delivered well, these key matters could help build the pipeline of skilled workforces WA needs to be competitive and grow productivity.



BENEFITS OF ENSURING SKILLED WORKFORCES

Businesses cannot be competitive if they are not operating to the best of their ability – skilled workforces are critical to this success.

The natural result is strong employment, with workforces provided the right fundamental skills to transition across industries as needed.

Future generations will benefit from having transferable skills and a choice of employment – whether running their own small business or working for a large employer.

Apprenticeships and education

As highlighted by CCIWA in previous advocacy, there has been a clear **decline in apprenticeship and traineeship commencements across the State. The latest data shows that commencements decreased by 21% in FY25 from FY24 figures, and this fell again in December 2025**, with total in-training contracts decreasing by 8.6% (down 26,650) from 31 December 2024.¹⁸

Recent changes to apprenticeship subsidies in the Federal Budget are inevitably going to make the matter worse – a real risk to our workforce development pipeline.

More effort is needed to reverse the trend of declining apprenticeship and traineeship commencements and completions.

This decline is at a time when demand for skilled workers is increasing nationally, especially with:

- Decarbonisation needs, where it has been estimated that the number of electricians need to increase by at least 60%, from 26,000 to 42,000.¹⁹
- The Brisbane Olympics, which has a significant construction agenda. One estimate suggested 380,000 construction workers are needed each year to ensure facilities are completed and operational before 2032.²⁰ This is not insignificant; and
- Adelaide continuing to draw on workforces for submarine manufacturing, conservatively estimated at creating 4,000 direct shipyard jobs.²¹

¹⁷ CCIWA Business Confidence data.

¹⁸ National Centre for Vocational Education Research. National Apprentice and Trainee Collection December 2025. June 2026.

¹⁹ Jobs and Skills Australia. *The Clean Energy Generation: Workforce needs for a net zero economy*. October 2023.

²⁰ Australian Financial Review. *Not enough workers for Brisbane Olympics construction pipeline*. February 2026

²¹ Australian Submarine Agency. *South Australia SSN-AUKUS Fact Sheet*. October 2024.

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 have impacted the willingness of employers to take on apprenticeships.

Underpinning this is a need to coordinate education systems, so that skills are effectively taught and learnt, with a focus on equity. Businesses, large and small, across a variety of industries have raised concern over the ill-prepared nature of graduates for life outside of school.

We applaud the WA Government's focus on early childhood education – this is where inspiration and curiosity begin. However, we hope to see further innovation in the public education system, to help identify ways for all students, no matter where they live or their parent's income, to thrive in future employment.

Fee-free TAFE should not be at the expense of competition. Similarly, a narrow-minded approach to WA's university sector, which sees less competition, would be a detriment to our overall economy and innovation outcomes.

The State Government should also think smartly in relation to licensing and actual skills needs.

For example, electrical licensing remains an issue. Recent regulatory reforms to introduce Automatic Mutual Recognition (AMR) should have refreshed impetus. It is common sense that a licenced trades person working in another jurisdiction in Australia should be able to undertake the same work in WA.

WHAT WE HEARD: EDUCATING WORKFORCES

CCIWA's research into education and training has found a great willingness for industry to work with education and training providers, not against them.

Members raised concern that the right skills are not being embedded early, which puts students at a disadvantage – especially for students from lower socioeconomic backgrounds.

The education system should take children on an education journey that creates innovative individuals, with a strong understanding of the world around them.

These students will be citizens who, by their nature, are constructive and active members of society and deeply connected to the labour market.

Tapping the talent pool

We need to encourage parents back to work at the right time and with the right flexibility, retain semi-retirees in the workforce, and help people with disability to engage in meaningful work. Our estimates indicate that tapping the talent pool of people with disability alone would help deliver more than 114,000 skilled people into the workforce.

We need to recognise that some members of our community need different incentives or support to gain meaningful employment.

With massive workforce challenges in mind, the right incentives to increase workforce participation are needed now to ensure WA does not fall behind.

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.**

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

Migration is absolutely necessary for WA, particularly in the regions.

It is important in an environment where migration levels are expected to fall back to long term averages that the WA Government lobbies for a right-fit system, so businesses and communities do not lose out on priority skilled workers.

Many of the solutions relating to education and skills are low cost, high reward.

To ensure skilled workforces, CCIWA recommends:

KEY RECOMMENDATIONS

Apprenticeship supports: Complement the existing Federal scheme with apprentice supports that 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.

Apprenticeships and Education

- **A Cabinet Committee for Education Outcomes:** Creation of a Cabinet Committee which includes the Ministers for Early Education, Education, Skills and TAFE, Volunteering, Youth, Tertiary Education, and Planning. The Committee should focus on improving education outcomes, including ensuring that early childhood facilities are built in a timely manner.
- **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.
- **Employer Incentives:** Enhance employer incentives, by:
 - including by considering providing \$10,000 to employers per year for the first two years of a training contract.
 - support additional incentive loadings for employers who employ Indigenous people, people with disability or women in male-dominated trades.
 - 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.
- **Fixing fee-free training:** recalibrate fee-free training allocations to priority occupations such as electrical, mechanical, fabrication, aged care, and childcare roles. Set clear and transparent KPIs to ensure fee-free training leads to increases in skilled workers.
- **Finalising the rollout of Independent Public Schools:** Provide a timeline to transition all schools to the IPS framework by the end of 2027.
- **A focus on explicit education:** Support professional development for teachers to uptake and deliver explicit instruction.
- **Education Innovation Fund:** Create an education innovation fund for public and private schools to test teacher looping trials and different timetabling methods to see if this improves student outcomes and reduces teacher burnout.
- **Tertiary Competition:** Competition is important – especially in research. We strongly encourage the retention of the five universities framework with a mix of public and private tertiary education.

Tapping the talent pool

- **Tapping the talent pool:** Support people with disability to enter the workforce through an Ability Link style program in schools.
- **Licensing:** Review and update the relevant Road Traffic Acts and Electrical Licensing 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.
- **Sunflower Lanyard:** Support the rollout of the Sunflower Lanyard model across public and private sectors.
- **Migration that works for WA:** Ensure that state-based migration schemes are reflective of business needs and actual workforce challenge.
- **Improve occupational licensing regimes:** Improve the practical operation of the AMR scheme and consider other ways to ensure licencing achieves its objectives without constraining access to skilled workers from around the world. The 2050 Commission could undertake an inquiry into how best to deliver these reforms.

Businesses cannot be competitive if they are not operating to the best of their ability – skilled workforces are critical to this success.





REGIONS AND COMMUNITIES

WA's economy is underpinned by our strong regions, which deliver the vast majority of gross state product and government revenue. The State's future economy rests on opportunities in critical minerals, energy transformation, and defence, with these sectors having strong ties to regional WA too. But challenges with housing affordability, access to essential services and community amenity are known barriers to growth.

Right now, WA's ongoing housing shortage remains a handbrake for WA's regions and the broader economy. 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.

Doubling down on efforts to diversify the WA economy will be central to thriving regions, with expanding agriculture and tourism in the regions, along with critical minerals and energy, vital to that vision. With this, we welcome the Seven Cities announcement.

However, as outlined by the Kimberley Chamber Collective in their budget submission, major government and industry investment provides limited long-term regional benefit if local

businesses and workers cannot participate²²

The State Government should put regional businesses and communities front and centre in delivering its Diversify WA strategy.

This includes delivering key infrastructure, such as utilities headworks, and unlocking land supply where it is needed most.



BENEFITS OF INVESTING IN REGIONS AND COMMUNITIES

The cost of living in regional WA is already significantly higher than in the metropolitan region – there's also significant untapped potential in regional cities for housing, investment, and business attraction.

A strong focus on housing delivers benefits to businesses too – ensuring skilled workforces can find long-term accommodation.

Future generations will benefit from suitable housing stock and ability to move between regions.

Housing

While housing supply is a major topic right now across the nation, there is arguably no place feeling the pressure more than regional WA. Housing is a fundamental human need and the most pressing barrier for regional WA.²³ 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.²⁴ Rents have also risen over the past few years.

When the cost of housing remains high in the regions, it exacerbates the cost of living.

All options must be considered to ensure efficient housing supply, and ensure the regions are a great place to live and do business.

We commend the Seven Cities framework – however, this must be reinforced through clear initiatives and supports to grow regional WA. CCIWA supports a targeted focus on housing, particularly in the north. This should be a priority for the Regional Development Commissions and new Department of Housing and Works.

But concerns over housing are statewide, and while the Government has several actions underway, including additional funding for the Government Regional Officer Housing (GROH) program and Infrastructure Development Fund, along with new Housing Pattern Book which provides pre-approved home plans, more needs to be done.

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.

22 Kimberley Chamber Collective. Priorities for the 2027-28 State budget. August 2026.

23 CCIWA Business Confidence data; CCIWA Member feedback.

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

DEPARTMENT OF HOUSING AND WORKS: A GROWING AGENDA

In the 1950s, it became increasingly evident that without government intervention into the housing market, there would be limited-to-no government services delivered within regional communities. This was the foundation for GROH – and today, we see similar circumstances with housing supply constraints.

CCIWA welcomes the creation of the Department of Housing and Works – which we understand includes a dedicated approach to GROH.

But GROH still faces barriers – especially in the Gascoyne, Pilbara, and Kimberley regions. It should be a development tool, helping to renew community amenity while ensuring local public service delivery.

Unfortunately, rates of dwelling approvals dropped for four of the six months up to July 2026.²⁵

The State Government should respond with urgency to:

- Implement more fit-for-purpose approvals processes to encourage building and increase supply, thereby releasing the pressure on the current housing market.
- Empowering Development WA to take greater risk with unlocking, developing and underwriting supply – even if profits are not immediately available.

- Expand land release and supporting infrastructure and utilities more generally – with greater flexibility given to developers. Identifying further underutilised government land for reuse could provide quick wins. This could include doing a deal to unlock underutilised Commonwealth Government land.
- Support new modern forms of housing construction, and review and reform the GROH program so it better achieves its original objectives which included increase housing supply.
- Ensure a sufficient workforce as outlined earlier in this submission.
- Expand the Infrastructure Development Fund and Housing Enabling Infrastructure Fund and Housing Enabling Infrastructure Fund and introduce a framework that prioritises funding based on workforce shortages and regional economic need.

There is a need to put additional effort into the provision of housing and related support for vulnerable groups. Piloting new programs and expanding existing programs should be given priority, such as:

- Piloting a youth-focused Housing First program.
- Expanding the Foyer housing model to each of the nine regions, starting with Albany and Carnarvon. As a place-based response, each Foyer is slightly different to specific youth-focused housing.²⁶

Government should consider whether some of these programs could be funded, as well as delivered, collaboratively with local governments, businesses, and not-for-profits.

Connectivity and amenity

Our regions also need adequate economic and social infrastructure covering telecommunications and mobile coverage, reliable power and water infrastructure and road and freight corridors.

The State Government should consider ways to deliver these services. For example, investment in remote battery energy storage systems (BESS) could be complemented by pilot programs for new and innovative technology solutions for energy and water.

Connectivity, however, is more than just poles and wires. We strongly support existing initiatives for transport, such as the highly successful regional travel subsidies. However, these schemes can be expanded to better support regional communities, particularly to help improve access to in-person courses and care.

Maximising the regional benefits of the Royalties to Regions program is important, ensuring funding is directed toward projects that improve productivity and long-term economic capacity rather than short-term spending.

Keeping costs down in the regions is another key task for Government. CCIWA's recommendation to lift the payroll tax threshold to \$1.5 million for regional businesses is one tangible action Government should implement as a matter of urgency. Businesses in the regions face a higher cost burden, and reducing this can ease economic pressures and help business owners to reinvest in their local communities.

²⁵ WA Treasury Corporation. Economic Indicators: Building Approvals. Accessed September 2026.

²⁶ Foyer Foundation. *About Foyers*® - *The Foyer Foundation* Accessed July 2026.

A strong focus on housing delivers benefits to businesses too – ensuring skilled workforces can find long-term accommodation.



To grow WA's regions and communities, CCIWA recommends:

KEY RECOMMENDATIONS

Grow the Seven Cities vision: Expand the Seven Cities vision to Carnarvon, Northam, and Mandurah, with an explicit focus on housing supply and urban planning. Create dedicated planning roles within each Regional Development Commission to lead social and infrastructure investment opportunities.

A new way of doing Payroll Tax: Raise the threshold to \$1.3 million in the metropolitan area and \$1.5 million in the regions. The thresholds should regularly increase in line with wage price inflation.

Housing

- **A dedicated focus on Northern WA:** Advocate for a Northern WA insurance band, to bring down the cost of insurance for WA and create a dedicated Northern WA housing strategy.
- **Review and reform of the Government Regional Officer Housing (GROH) program:** Return GROH to its original purpose as a way of improving overall housing supply, by investing in rapid build stock, reforming regulations around and reducing reliance on private rentals for the GROH program.
- **Youth housing:** Support the roll out of regional youth accommodation, including foyer models in the Seven Cities, with Local Government buy-in.
- **Reform stamp duty settings:** Develop a long-term plan to swap stamp duty for land tax.

Connectivity and amenity

- **Telecommunications:** Review of telecommunications barriers and opportunities, to inform future investment.
- **Regional Travel Subsidies:** Commit to retaining the Regional Affair Scheme in a cost-effective way and consider a Regional Travel Subsidy for Capacity Building, to allow regional residents to travel to Perth for upskilling opportunities.
- **Identify languishing Government land for reuse:** Undertake a comprehensive review of State Government land and building holdings to identify unused sites for housing development, peppercorn leases for community activation or community amenity.
- **Continue supporting creative industries:** Strengthen and uplift funding for creative industries. Investigate underwriting schemes to help national arts and culture programs come to Western Australia.

STAY INFORMED

cciwa.com



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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