



Chamber of Commerce
and Industry WA

WA business confidence hits three-year high

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Business confidence in Western Australia has not only bounced back, it is the highest it has been in almost three years.

The latest *WA Super-CCI Survey of Business Confidence* is the only WA-specific index in the country, providing a snapshot of state-wide economic conditions and business expectations.

CCI Chief Economist Rick Newnham says business confidence has rebounded in the September quarter following a short stumble in recovery, with 47 per cent of respondents expecting the WA economy to improve or stay the same in the short term. This figure was up 13 per cent – the highest it has been in almost three years.

“In regard to medium-term, business confidence has bounced back, with 60 per cent of respondents expecting conditions to improve,” he says.

Business sentiment regarding employment has also drastically improved since its all-time low in June 2015, with over half of businesses (57 per cent) expecting to keep employment numbers steady over the coming quarter and 23 per cent expecting to increase the size of their workforce.

“These are encouraging signs for WA jobs and a signal that economic recovery is ongoing,” Newnham says. “But, unfortunately, this hasn’t yet flowed through to wages growth, with 62 per cent of businesses experiencing almost no change in their wages.”

“That trend is expected to continue in the next quarter with 61 per cent of respondents expecting their wages to stay about the same.

“With both consumer and business confidence at a near three-year high, the WA economy is well on the way to recovery.”

Newnham says there are continued encouraging signs for business investment, with 19 per cent of businesses expecting to increase capital expenditure on plant and machinery over the next quarter, up eight per cent.

He says business must feel confident that the investment climate will improve in the future and, therefore, should not be slugged with new taxes when the State Government looks to balance the budget.

"The Government should focus on reining in its own spending, which is more than any other state per person," Newnham says.

WA Super Chief Executive Officer Fabian Ross says it is encouraging to see high business confidence in WA.

"One way to continue to see an improvement is to keep supporting local businesses, which will be fundamental to our success as a state," he says.

"I would encourage every consumer to think about where they spend their money. Whether it's superannuation or shopping online, spare a thought for the local providers."

<https://cciwa.com/about-us/news-and-media-statements/wa-business-confidence-hits-three-year-high>