



IRIS Economic Report

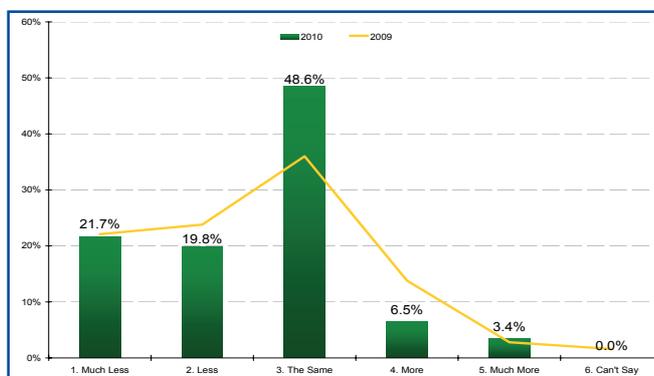
Spending Intentions for Christmas 2010

What are the spending intentions of Illawarra households this Christmas?

As part of its December quarter Illawarra Consumer Sentiment Monitor, IRIS Research asked over 500 local households about their spending intentions this Christmas. The survey was conducted Monday 13th - Thursday 16th December 2010, using IRIS's Computer Aided Telephone Interviewing (CATI) system. The results show that almost two thirds of Illawarra households will not be doing any Christmas shopping online.

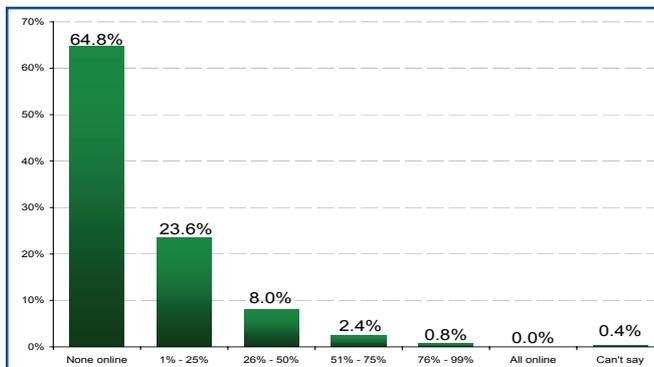
Spending on Christmas Presents

When asked how much they intend to spend on Christmas presents compared to last year, two in five respondents (41.5%) said they intend to spend less this year. Just 9.9% of respondents said that they plan to exceed last years spend on presents, a decrease of 6.7% pts compared to last year, with 3.4% intending to spend 'much more' than last Christmas. Meanwhile, nearly half of the Illawarra households surveyed (48.6%) indicated that they intend to spend the same amount this Christmas as last year, up 12.6% pts since December 2009.



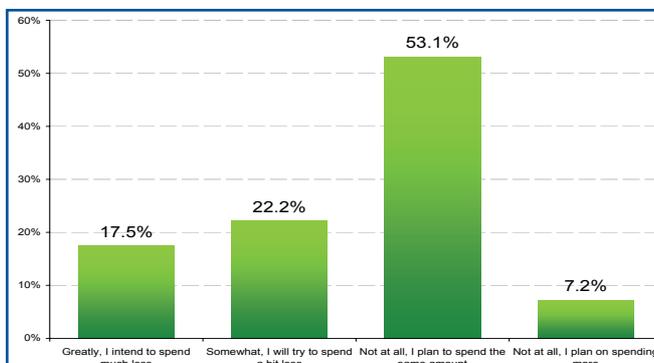
Online Christmas Shopping

Almost two thirds of Illawarra households (64.8%) said they will not do any of their Christmas shopping online during the Christmas period, a surprisingly high figure considering the strong Australia dollar. 23.6% of respondents said they expected that a quarter or less of their Christmas shopping would be comprised of online purchases. Only 3.2% of local households indicated that over half of their Christmas shopping would be bought over the Internet.



Impact of Interest Rate Rises

Overall, almost two in five Illawarra households felt that the interest rate rises over the past 12 months have impacted their spending intentions this Christmas. 17.5% of households suggested that the rate rises had impacted them 'greatly', causing them to spend much less. 22.2% are planning to try to spend 'a bit less' this Christmas. In comparison, just 7.2% intend to spend more this Christmas, while over half of the households surveyed (53.1%) felt the impact was minimal and that they would spend about the same as last year.



You can download a copy of this report from the IRIS Research website www.iris.org.au. The full December edition of the *Illawarra Consumer Sentiment Monitor* report will be released in early January 2011.

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