

Media Release



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Illawarra consumer sentiment at seven-year high

According to the latest IRIS Research Consumer Sentiment Monitor, consumer sentiment in the Illawarra rose to its highest point since the 2009 September quarter on the back of the stronger financial position of local residents and improved perception of national economic conditions.

The *Illawarra Consumer Sentiment Index* shot up to 92 pts, up 12 pts on the June quarter. On a national level, Westpac's *Australian Consumer Sentiment Index* was fairly steady at 101 pts, down 1 pt on the June quarter. Consumer sentiment in the Illawarra is catching up, as the gap between the two indices is the lowest since the 2009 March quarter.

The finances of local households were considerably stronger compared to last quarter. The *Current Financial Position Index* rose 19 pts to 117 pts, the highest result on record. The *Future Financial Position Index*, a measure of the expected strength of household finances in 12 months, surged 25 pts to 130 pts, also the highest result on record. Over half of respondents expected to be 'better off' in the next 12 months. These improvements were likely a combination of steady debt, higher levels of disposable income and low inflation.

Local confidence in the national economy is improving, up 15 pts to 89 pts. The *Perceived Job Availability Index* continued to recover with a gain of 6 pts, now sitting at 65 pts. However, sentiment towards buying property and starting a business remains stubbornly negative.

The August rate cut helped to keep debt levels steady over the quarter. A net 2.5% of respondents believe it is a 'bad time' to be borrowing money. This has been trending positively following interest rate cuts.

The September 2016 Consumer Sentiment Monitor was conducted in September 2016 and was a representative survey of the population comprising 304 responses from residents of the Illawarra over 18 years of age.

If you would like to be involved in the longest, continuously running consumer sentiment survey in the Illawarra, then contact us 02 4285 4446 to register.

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