

JUNE 2026 · CCIWA Survey

Consumer Confidence

Consumer confidence improves, but WA households remain under pressure



Western Australian consumer confidence has begun to recover from the historic lows reported at the onset of the Middle East crisis at the end of February, when concerns about fuel shortages first emerged. At the same time, households were also facing consecutive interest rate hikes and a cooling economy.

Household short-term confidence index has slightly recovered with more than half of consumers (52%) expecting conditions to remain steady over the next three months. While the share of consumers expecting the economy to worsen has improved by 30 percentage points (ppts), 38% still expect a deterioration. The remaining 10% expect conditions to improve.

Long-term expectations also improved but remain a concern. Less than two in five (35%) respondents expect economic conditions to remain the same, while under half (45%) expect conditions to weaken – an improvement of 17 ppts from last quarter's results.

While the share of consumers expecting the economy to worsen has improved by 30 percentage points, 38% still expect a deterioration.

Cost of living was the main concern for consumers. More than eight in 10 (83%) reported living costs weakened their confidence, showing a clear sign that households are continuing to feel the brunt of the cumulative effect of years of price rises.

Global economic news replaced interest rates as the second largest factor to drag on consumer confidence. This was reported by seven out of 10 (73%) consumers – an increase of 20 ppts since the start of the conflict.

Interest rates was the third most influential factor shaping consumer sentiment. Just under seven in 10 respondents (69%) identified uncertainty around future rate hikes as weighing on their economic expectations – an improvement of 10 ppts. In June, the Reserve Bank of Australia's (RBA) Monetary Policy Board decided unanimously to hold rates steady, after three consecutive cash rate rises from 3.85% to 4.35%. Further rate hikes remain uncertain because global conflicts, supply chain disruptions and higher energy costs are exacerbating the current wave of inflation. As these are supply-side issues, the RBA's monetary policy tools cannot address them directly. Raising interest rates further risks penalising households and businesses already facing high costs, while doing little to cool these global price pressures.

Consumer views on personal finances and job prospects also declined this quarter, as both metrics continue to weigh down overall confidence.

Looking ahead, WA's labour market is expected to remain relatively tight, with wage growth adding to business cost pressures.

In this edition of CCIWA's *Consumer Confidence Survey*, we ask Western Australians how they plan to adjust their spending patterns over the next six months. The findings point to continued caution, with around half of households planning to cut discretionary spending, especially on cafés, restaurants, consumer goods, recreation and hospitality.



Confidence improves in the short term

Short-Term Index increases 22% over the quarter 97.4

Over the next three months, more than a third (38%) of Western Australians expect economic conditions to weaken, while just over half (52%) expect conditions to remain unchanged. Only one in 10 (10%) anticipate conditions to strengthen.

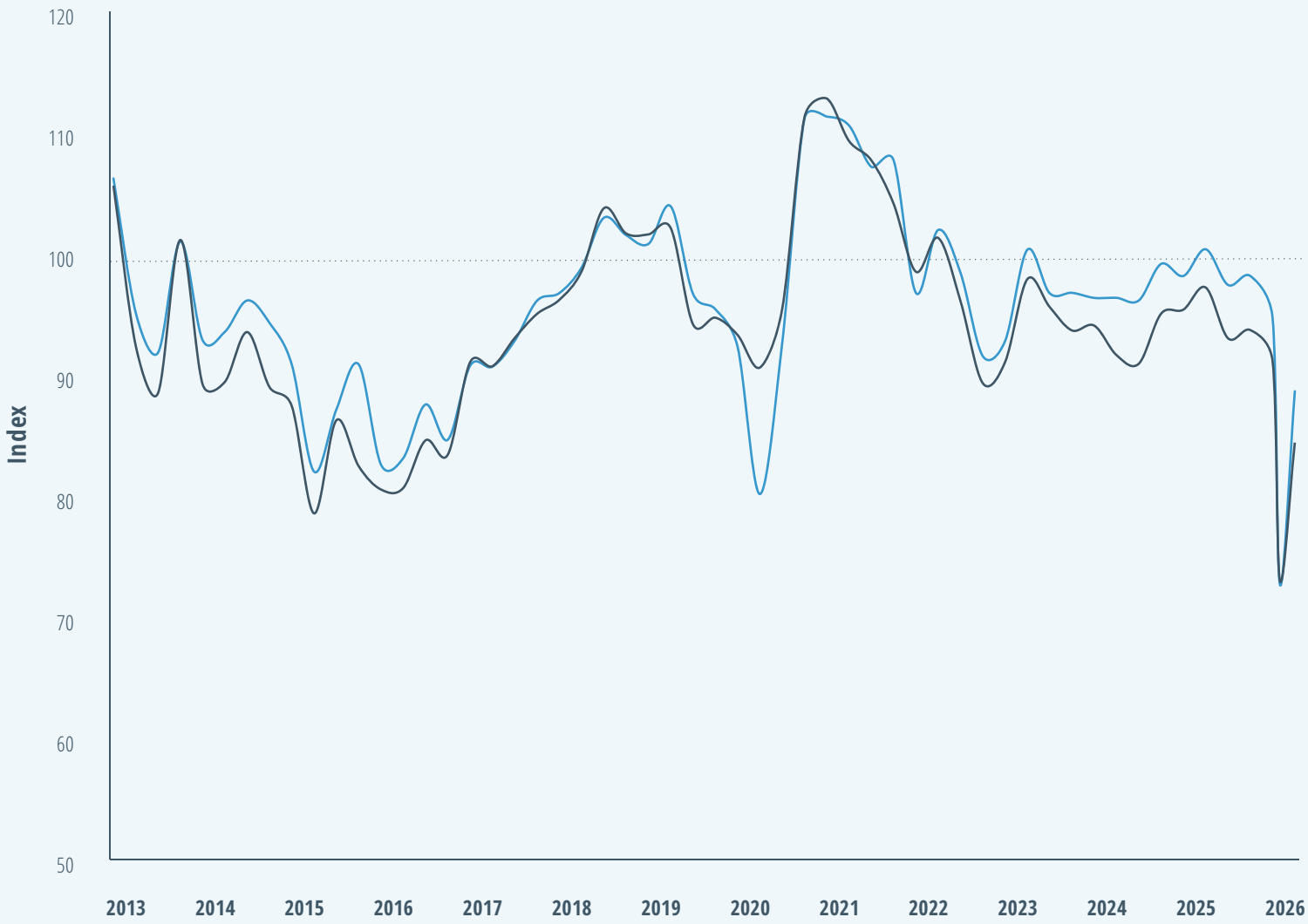
Longer-term consumer confidence increases

Long-Term Index increases 16% over the quarter 83.3

Over the coming year, one in five (20%) Western Australians expect economic conditions to improve, while slightly less than two in five (35%) expect conditions to remain unchanged. Just under half (45%) anticipate conditions will weaken.

CCIWA Consumer Confidence Index

2018 Average = 100



In the following sections we unpack the key factors influencing Western Australians' confidence in the WA economy.

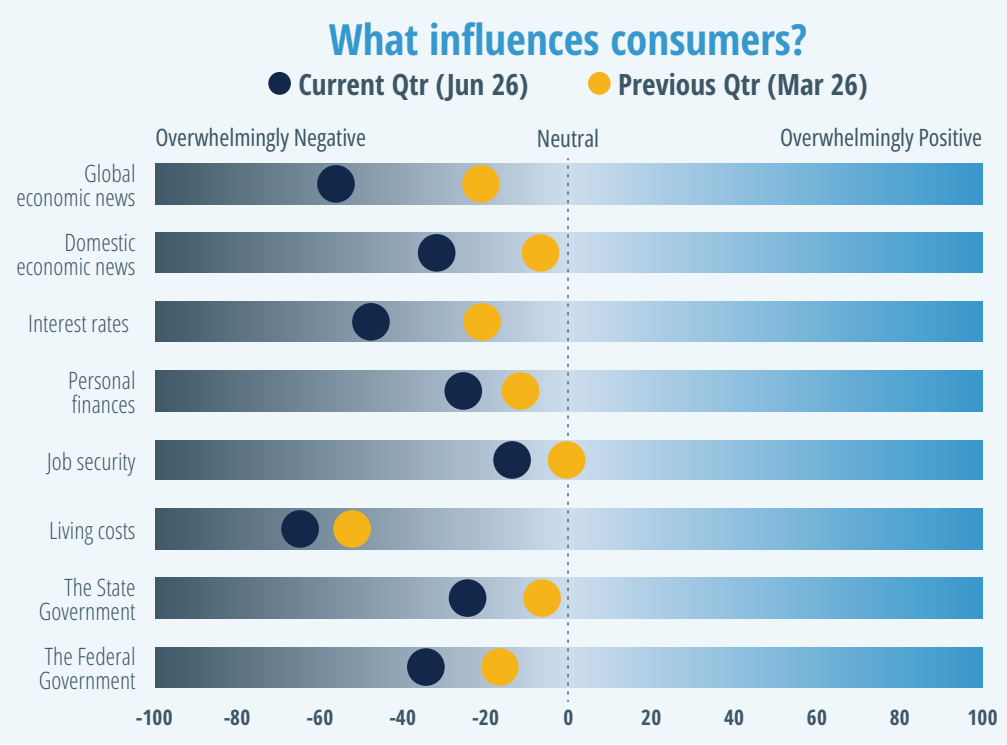
What's influencing consumer confidence?

Living costs (-)

Cost-of-living pressures remain well above pre-COVID levels. Inflation, which remained stubbornly high before the Middle East crisis, has been further exacerbated by the conflict as consumers feel the financial burden of disruption to critical supply chains on household budgets. More than four in five (83%) WA households continue to report **living costs** as dragging on their confidence levels. This is a decline of 11 ppts since the March quarter, higher than pre-COVID levels.

International headlines (-)

Global economic news has become the second largest drag on consumer confidence for Western Australian consumers. Seven out of 10 (73%) households said global economic news had dampened their confidence, as concerns around the Middle East crisis and its impact on energy costs and supply chains dominated the news. This increased 20 ppts from the previous quarter.



Interest rates (-)

Interest rates were identified as the third largest factor dragging on consumer confidence in the June quarter. The RBA delivered its third consecutive rate hike in May, before leaving rates unchanged in June. The RBA has struggled to tame inflation within the target band of 2-3%, which has been further exacerbated by the Middle East crisis. Despite the US and Iran negotiating a peace deal in June, global oil supply issues will take time to resolve, maintaining upward pressure on global energy prices and inflation. These factors have contributed to concerns around future rate hikes. Just under seven in 10 (69%) respondents identified the interest rates outlook as negatively influencing their confidence – an increase of 10 ppts.

Personal finances (-/+)

The impact of personal finances on consumer confidence remains mixed for the quarter. Just under half (49%) of respondents reported their personal finances had a negative impact on their confidence – an increase of 11 ppts. This is compared to one in three (33%) who claimed their personal finances had no impact and the remaining 18% who reported that their personal finances had a positive impact on their confidence. The deterioration in personal finances suggests households are feeling the impacts of a slowing economy – a combination of higher inflation and interest rates.



Employment prospects (+)

Employment prospects, typically one of the few indicators to have a net positive impact on consumer sentiment, also recorded a decline in the June quarter despite resource prices remaining robust. Just under two in five (39%) Western Australians reported job security as dragging on their consumer sentiment – a decline of nine ppts since the March quarter. Two in five (40%) reported job security as having no impact and the remaining 21% as a positive impact on consumer sentiment. The unemployment rate rose to 4.6% in WA, an increase of 0.4 ppts in May. WA's unemployment level has risen above above the national rate of 4.4% - the first time since November 2025.

INSIGHTS INTO CCIWA'S CONSUMER DATABASE

How WA households plan to change their spending habits over the next six months

A series of successive interest rate hikes (amongst other financial pressures) has forced Western Australian households to rethink their financial choices.

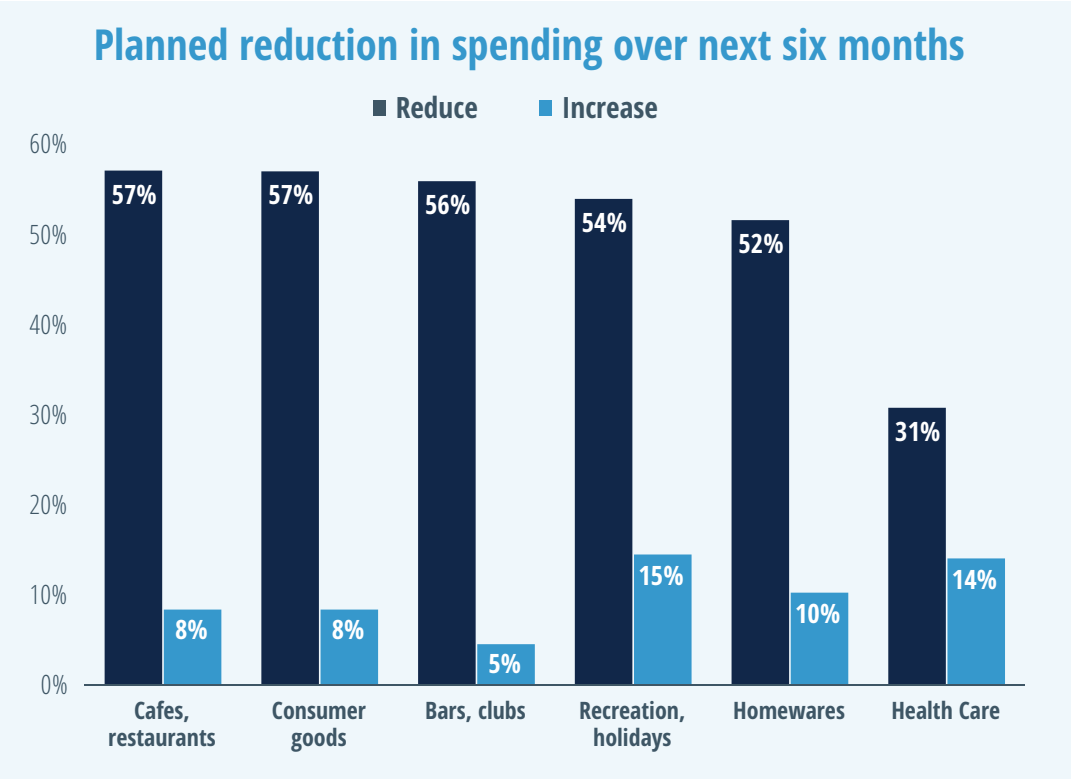
The RBA triggered this squeeze in February 2026 by unanimously raising the cash rate to 3.85%, followed by two subsequent hikes that pushed the rate to 4.35%. Because inflation looms over the second half of the year, families continue to face ongoing uncertainty. To understand how this environment shapes consumer behaviour, we asked consumers how they planned to adjust their spending across four key areas: recreation, hospitality, consumer goods, and homewares.

According to survey responses, consumers are planning to cut back sharply on discretionary spending. Roughly half of all WA households intend to slash their budgets across the surveyed categories over the next six months. The deepest cuts target cafés, restaurants and consumer goods, where almost six in 10 (57%) households are planning to tighten their belts. This shift marks a five ppt increase since last quarter.

This was followed closely by bars, clubs and pubs (56%), and recreation and holidays (54%). Homewares and furniture did not escape consumer spending cuts, with slightly more than half (52%) planning to cut spending across this category. Healthcare, a more essential item, was one category which the majority of consumers were not planning to reduce spending (53%).

By comparison, the proportion of respondents planning to increase their spending remained materially lower across all categories: 15% for recreation and holidays, 14% for healthcare, 10% for homewares, 8% for cafés and restaurants, and 8% for consumer goods. This suggests that while some households are preparing to lift discretionary spending, the expectation is that consumer spending will likely remain subdued over the next six months.

Planned changes to spending were pronounced across age differences. Western Australians aged 18-39 and 40-64 were consistently the most likely to decrease spending over the next six months. Consumers in the 18-39 age bracket were the most likely to cut



spending across bars and clubs (61%) while those aged between 40-64 were more likely to cut spending on consumer goods (66%), cafes and restaurants (65%) and recreation and travel (61%). The majority (more than 50%) of consumers aged 65+ were not planning to make any cuts to any of the categories discussed.

Geographic differences were comparatively modest. Metropolitan households were less likely than regional households to reduce spending on recreation and holidays (53% versus 58%), cafés and restaurants (57% versus 59%), consumer goods (56% versus 61%), while cuts to spending on homewares was equal (52% versus 51%). However, both groups showed broadly similar levels of intended spending restraint overall.

While younger consumers were more likely to reduce discretionary spending, reduced spending was widespread across every demographic cohort. Nearly all age brackets planned to reduce their non-essential outflows over the coming months. This universal caution signals that regardless of age, local households are bracing for a prolonged period of financial uncertainty.

INSIGHTS INTO CCIWA'S CONSUMER DATABASE

How the Middle East Conflict has Impacted Household Finances

The continuation of the Middle East conflict has continued to create headaches for households which were already dealing with cost-of-living pressures prior to the conflict. With the RBA turning to hiking interest rates to ease inflationary pressures, households are starting to feel the squeeze on their finances.

In this edition of *Consumer Confidence*, we asked consumers what impact the Middle East conflict has had on their financial future and which household expenses were placing the greatest pressure on their household budgets.

Just under half (48%) of consumers said their households were feeling 'not very confident' or 'not at all confident' about their financial future. Households were more pessimistic in regional WA (55%) compared to the metropolitan area (46%). Consumers between the age of 40-64 were the most pessimistic (53%) compared to those 65+ (50%) and 18-39 (41%). Homeowners with a mortgage (54%) also reported feeling less confident about their future finances.

Just over two in five (45%) consumers reported the conflict had no impact on their confidence levels, with the remaining 7% feeling 'somewhat confident' or 'very confident' about their household's financial future.



INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Which Household Expenses are Placing the Greatest Pressure on Finances?

Amid the decline in financial confidence across WA households, an evaluation of budgetary pressures revealed housing costs remained the primary driver of consumer strain.

Rent and mortgage payments were identified by 34% of consumers as the single greatest pressure on household budgets. This strain has been intensified by tightening monetary policy, as a standard 0.25% (25 basis point) interest rate hike typically adds between $75 and $150 per month to variable-rate mortgages starting from $500,000.

Following three consecutive rate hikes in 2026, the compounding financial burden has mounted significantly for mortgage holders. Renters are also facing financial strain. A tight Perth rental market has seen the median rent in Perth now above $700 per week, placing further pressure on household budgets. From a demographic perspective, housing costs disproportionately impact younger households, affecting 49% of respondents aged 18-39 years, compared to 36% of those in the 40-64 age bracket.

Beyond housing, everyday living expenses continue to squeeze household disposable income, primarily led by grocery costs. Nearly a quarter of consumers (24%) cited groceries as their second largest financial pressure. The impact of grocery costs was more pronounced in regional WA (34%), compared to those in the metropolitan area (22%). Secondary essential services including utilities, fuel and transport, and insurance were also placing pressure on household finances. Each of these categories was flagged by one in 10 consumers (10%) as the leading pressure on their household bottom line.

Following three consecutive rate hikes in 2026, the compounding financial burden has mounted significantly for mortgage holders.



INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Support for Households

Australian households have been battling two fronts with cost-of-living pressures exacerbated by the Middle East crisis and multiple rate hikes. The culmination of these factors has resulted in a cooling economy, creating a tough environment for households.

In this edition of *Consumer Confidence*, we asked respondents what other support measures would assist households with navigating these conditions.

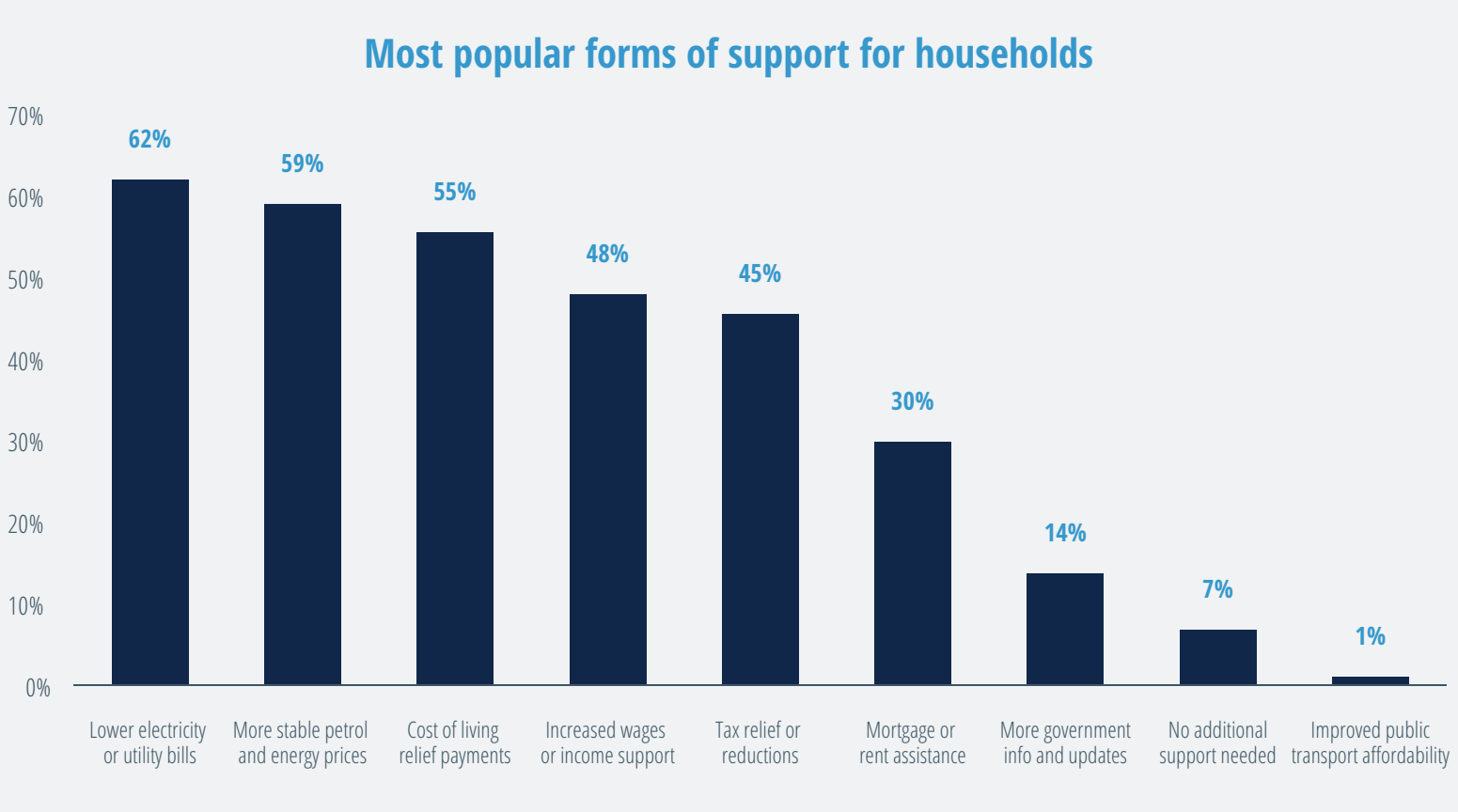
The most popular form of support was **lower electricity or utility bills**, with three in five (62%) households calling for utility bill relief. WA households have received up to $850 in electricity bill relief since 2024. This includes $400 from the WA Government and $450 from the Federal Government. Despite the government relief, energy costs have continued to rise, placing pressure on households.

The second most popular form of support is **stable petrol and energy prices**, with nearly three in five (59%) households reporting this. Increased support for stable petrol and energy prices was most common across the regions (65%) compared to the metropolitan area (58%).

The Middle East conflict created volatility in energy markets leading to higher prices for liquid fuels. The Federal Government halved the fuel excise in response to ease the pressure of rising fuel costs on households. This measure was due to expire on June 30, but has since been extended through to August, albeit at half the discounted rate. CCIWA strongly advocated for the excise cut to be extended beyond June 30 to help provide relief to households feeling the continued effects of higher fuel prices.

Cost-of-living relief payments was another popular form of support amongst WA households, with just over half (55%) reporting this. Support for cost-of-living relief payments were most common amongst 18–39-year-olds (64%) and renters (69%).

Other popular forms of support were **increased wages or income support** (48%), **tax relief or reductions** (45%) and **mortgage or rent assistance** (30%).



INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Housing Affordability Impacting Job Mobility



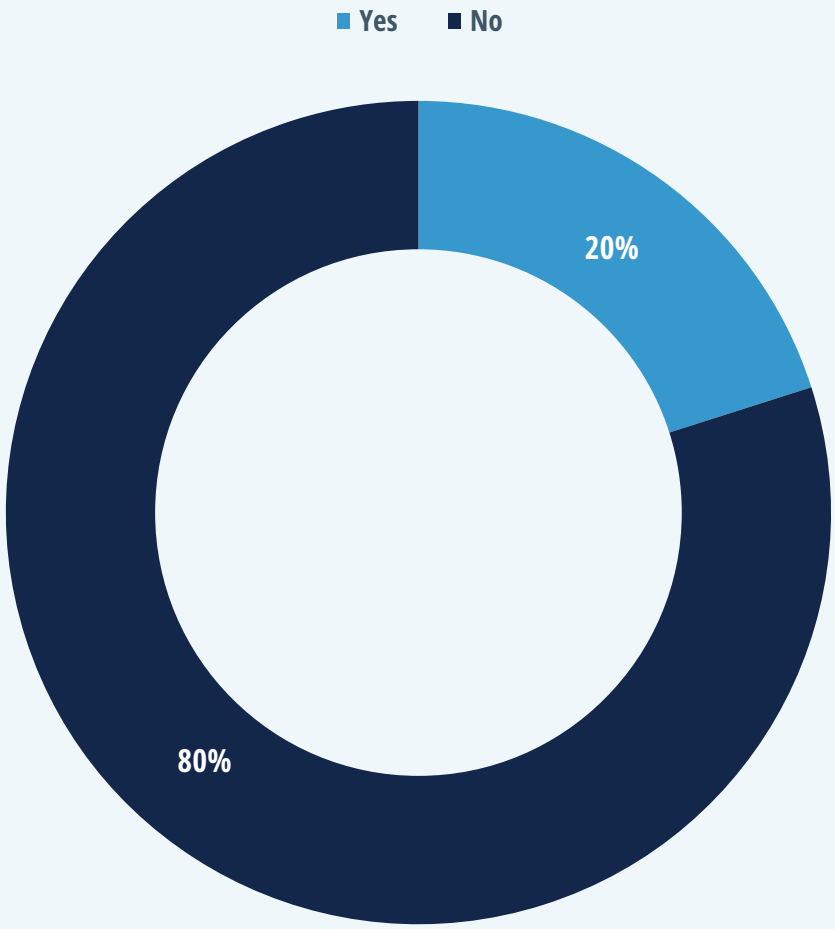
Perth's property market has experienced rapid growth over the past 12 months, with house prices surging between 24% and 28%, pushing the overall median dwelling value past the $1 million threshold.

However, this robust market growth has introduced significant affordability constraints, creating a notable deterrent for residents considering relocation. Survey data indicates that nearly one in three respondents (30%) would contemplate moving to an alternative suburb, city or region if more affordable housing options were available. This sentiment was most pronounced among younger demographics, particularly those aged 18-39 years with just under half (45%) reporting this.

A key factor contributing to higher housing costs is the shortage of available supply. Consequently, the constrained supply is actively impeding labour market fluidity.

As housing demand continues to outstrip available supply, individuals are facing increased difficulties when trying to align residential location with new career paths. Specifically, one in five survey respondents (20%) reported that a lack of suitable housing options directly prevented them from pursuing a new employment opportunity or role. This barrier was disproportionately felt by the rental sector, with just under half (46%) of renters identifying housing scarcity as a primary constraint on their professional mobility.

Has access to housing prevented you from pursuing a new job or role?

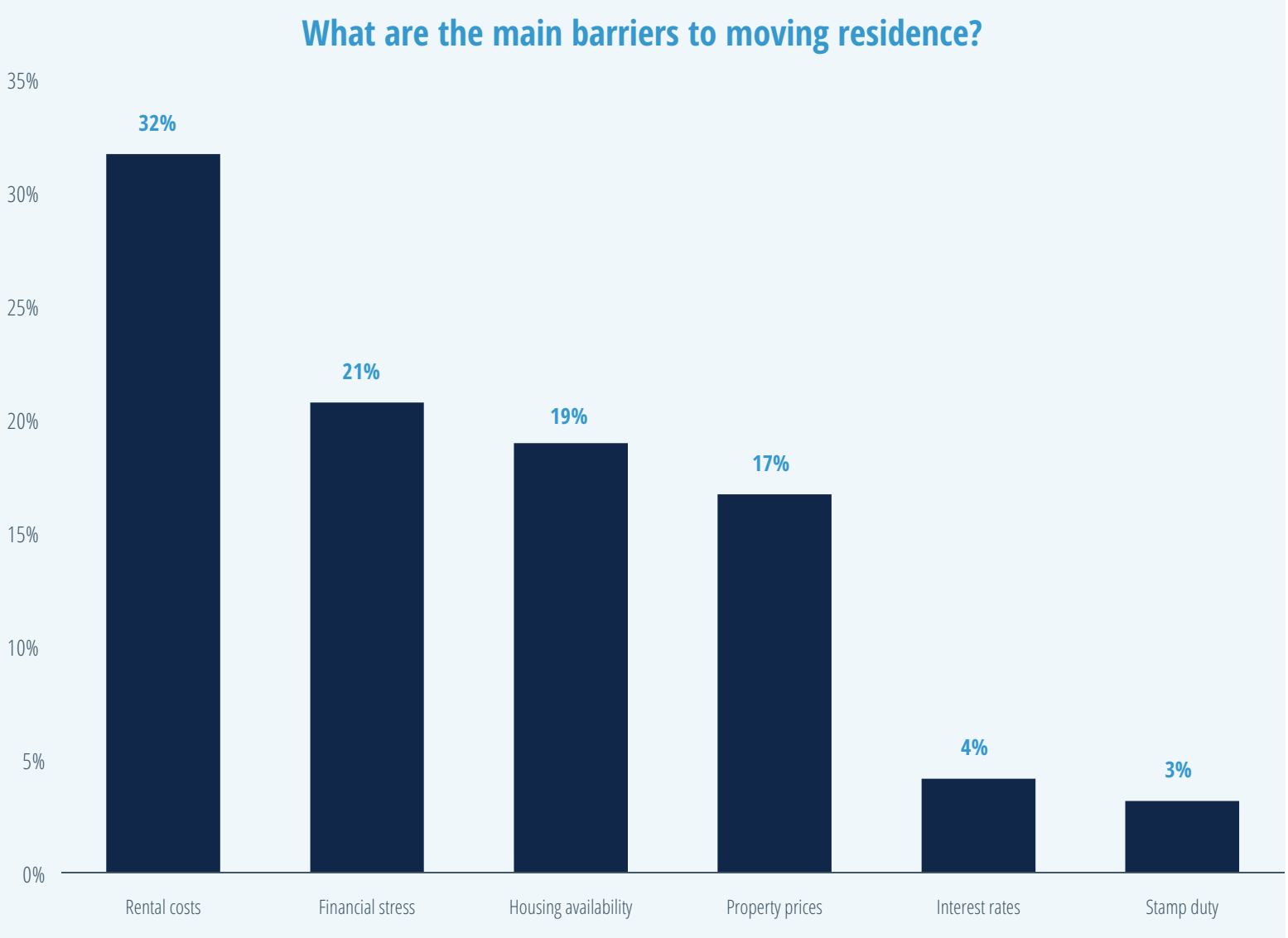


INSIGHTS INTO CCIWA'S CONSUMER DATABASE

Main Barriers to Moving Residence

As part of the *Consumer Confidence Survey*, we also asked about the main barriers preventing consumers from moving. According to respondents, rising rental costs emerged as the single largest obstacle, cited by 32% of respondents. General financial stress was identified as the second most pervasive factor, with more than one in five Western Australians (21%) indicating it was a major constraint. This widespread financial strain aligns with broader trends across the State, as WA households navigate heightened economic pressures driven by successive interest rate hikes and severe cost-of-living challenges, exacerbated by the ongoing Middle East crisis.

Following rental costs and financial stress, lack of housing availability was the next significant hurdle for consumers. Nearly 20% of respondents said this was a definitive barrier to relocation, reflecting the historically low vacancy rates and tight stock levels. Additionally, high property prices were flagged by 17% of participants as a significant barrier.



Consumer Confidence June 2026

Consumer confidence rebounds after reaching historical lows during March quarter

The majority of Western Australian consumers (52%) are expecting the WA economy to remain the same over the next three months

The majority of consumers (51%) are planning to reduce discretionary spending over the next six months

The deepest cuts target cafés, restaurants and consumer goods, where just over half (57%) of households are planning to tighten their belts

Consumer confidence

	Current quarter (June 2026)	Previous quarter (March 2025)
Short-term	88.6	72.6
Longer-term	84.4	73
Personal finances	100.6	103.8
Job prospects	93.3	98.7

Note: Index figures may have changed from previous editions of *Consumer Confidence* due to changes in index calculation methodology.

The index is rebased to the average score of respondents to the 2018 calendar year. The value of the index can be interpreted as the percentage change in average consumer confidence in a period compared with the average consumer confidence in 2018. For instance, the Consumer Confidence Index in June 2025 is 100.3, which suggests that the average score of survey respondents for consumer confidence in June 2025 is 0.3 per cent higher than the average rating in 2018.

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