



## WA consumer confidence hits four-year high

17 January, 2018

West Australians' confidence in the economy is continuing to grow, reaching its highest level in four years in the December 2017 quarter.

CCI's *Survey of Consumer Confidence* is the only survey of its kind in WA, canvassing the views of adult consumers across metropolitan and regional WA.

CCI Chief Economist Rick Newnham says CCI's survey reveals both short-term and medium-term confidence continue to rise.

**“This emphasises that green shoots in the WA economy are beginning to be experienced by most West Australians and economic recovery is on track,” he says.**

“West Australians are feeling more confident about the medium-term future of the WA economy than they have in four years, with 74 per cent of WA consumers believing that the state's economy will strengthen or remain the same over the next 12 months, up five per cent from the September quarter.

“Short-term confidence has also continued to grow, up five per cent from the previous quarter to 76 per cent.

“Cost of living does, however, continue to be the biggest influence on consumers, with costs such as groceries, utilities, and transport being cited by more than 70 per cent of respondents as a concern.

“The pinch is particularly being felt by lower-income households – 72 per cent of consumers with household incomes under \$60,000 cite rising living costs as a major influence on confidence.

“Concerns regarding political activity have eased since the beginning of 2017, declining to 56 per cent in the December quarter – which is to be expected following the passing of several elections both locally and abroad.”

The December quarter also turned around a slump in confidence about personal finances and job security that had persisted previously in 2017.

“Consumers are reporting their job prospects and personal finances are at their highest level in two years, rising 3.6 index points to 102.3 and 2.7 index points to 99.8 respectively,” Newnham says.

“While there were improvements in consumer perceptions of job security, there is unfortunately still cause for concern, with over a quarter of respondents (26 per cent) considering their employment prospects to have deteriorated over the past year.

“Four out of five WA jobs are created by the private sector so it is clear that if the government wants to improve job prospects further and encourage wage growth, then business investment must be supported.

“CCI has called on the State Government to rein in its unsustainable spending, which is the highest of any state per person, and to sell Government assets to pay down debt instead of introducing new taxes which will damage consumer confidence.

“Reducing net debt, which will cost WA taxpayers more than \$4.5 billion in interest payments alone over the next four years, is the key to unlocking further investment in infrastructure, hospitals and schools.”