

The Red Book

November 2013

**Westpac Economics
with the
Institutional
Bank.**

 **estpac**

November 2013

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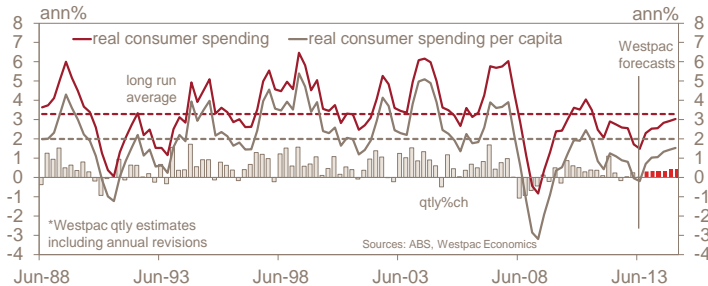
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Executive summary

- The **Westpac–Melbourne Institute Index of Consumer Sentiment** rose 1.9% in Nov to 110.3, a solidly optimistic level.
- The rally in sentiment following the Federal election is so far showing few signs of waning. Instead, the survey detail suggests confidence may be consolidating with a marked improvement this month in consumer assessments of family finances vs a year ago. The housing upturn in particular appears to be giving more support to confidence.
- The detail though shows a highly uneven consumer mood. State variations are particularly large, reflecting several influences including the uneven housing upswing (much stronger in NSW) and differing exposures to the mining slowdown.
- **CSI**[±], our modified consumer sentiment indicator, which we favour as a guide to spending momentum, posted a 2.2% rise in Nov taking it to a new post-GFC high. It remains consistent with a pick-up in consumption growth to the 3½-4%yr range by mid 2014. While we agree with the direction we expect a more muted acceleration to 2½-3%yr with ongoing labour market weakness and associated job security concerns a key inhibiting factor.
- Consumer attitudes towards ‘time to buy’ remain upbeat with the indexes tracking ‘time to buy a major item’ up 4.4% and ‘time to buy a car’ up 4.7%. Both are well above their long run average. However, the readings are difficult to interpret with continued subdued actual spending on durables and vehicles again suggesting that these upbeat buyer attitudes reflect low prices and the availability of cheap finance rather than an intention to buy.
- The Nov survey included an update of our annual question on Christmas spending plans. This showed a continuation of the ‘restrained’ approach to spending plans evident in the last 4yrs with 35% of consumers planning to spend less than they did in 2012, against 14% planning to spend more.
- The index tracking views on ‘time to buy a dwelling’ posted a welcome 4.2% partial rebound from Oct’s surprisingly sharp 10.3% drop. The Index remains at a high level by historical standards although some moderation does appear to be showing through, particularly in NSW where stronger price growth and associated affordability pressures are starting to affect buyer sentiment.
- The Nov survey included an update of the **Westpac-Melbourne Institute Consumer House Price Expectations Index** which rose from 159.2 in Oct to 164.2 in Nov, a new cycle high but still well below the peak in Apr 2010. Price expectations remain relatively closely clustered. Vic consumers showed the sharpest rise in expectations between Oct and Nov with price expectations more subdued in Qld and WA, the latter still down on its Apr 2013 peak. Note that this Index will now be compiled on a monthly basis having previously been a ‘special’ question run every third month.
- The **Westpac-Melbourne Institute Unemployment Expectations Index** nudged up 0.9% in Nov to 144.7, remaining at a high level well above the long run average of 128.8. Consumers continue to brace for a significant weakening in labour markets.

Consumer spending: slow, grinding recovery



This month's **Westpac-Melbourne Institute Consumer Sentiment survey** is a crucial read for several reasons.

Firstly, it gives a better sense of where sentiment may be settling after the clear 'post-election' bounce in Sep. In the past, these sentiment honeymoons have tended to last 2-3mths.

Secondly, it gives an important guide to consumers' inclinations towards spending heading into the all-important Christmas sales period, the last five of which have been disappointing for Australian retailers.

Thirdly, it allows us to assess whether Oct's sharp and unexpected pull-back in consumer views on 'time to buy a dwelling' is part of a sustained move or a temporary pull-back.

The results provide positive news on all fronts but, as usual, with some major caveats. Sentiment is showing no signs of losing its post-election buzz with the detail even suggesting some consolidation and more positive prospects for spending over the next 6mths. Homebuyer attitudes also look more assured with the time to buy a dwelling index posting a partial rebound.

The caveats are both general and specific.

On the lead-in to Christmas, our annual question on Christmas spending plans paints a downbeat picture with most consumers reprising last year's restrained spend.

On the more general outlook for demand, labour market conditions remain a major inhibiting factor. Consumers' unemployment expectations have still not turned with weak labour market conditions making job loss fears looking increasingly well justified.

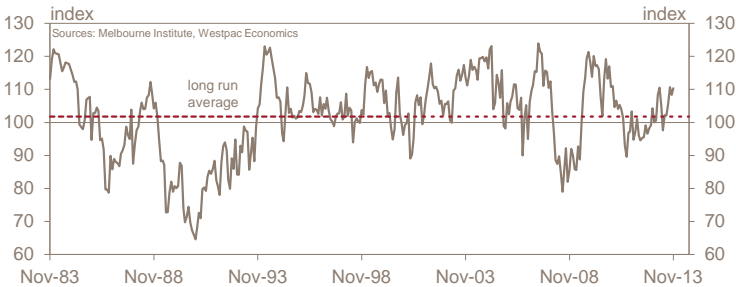
Perhaps the most positive aspects of the Nov survey are indications that the housing upturn is starting to permeate through other parts of the consumer view, most notably as a sharp improvement in assessments of family finances. A key question for 2014 is the extent to which this generates positive 'wealth effects' – i.e. a pick-up in spending driven or facilitated by rising wealth (real or perceived) rather than rising incomes.

On balance we remain of the view that a gradual recovery is the most likely path in 2014. We would need to see clear signs of a pick-up in retail sales and household credit to be convinced of a stronger upswing.

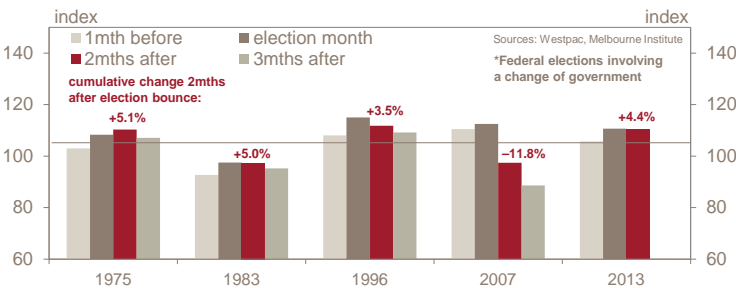
The consumer mood: guarded optimism

- The **Westpac Melbourne Institute Index of Consumer Sentiment** rose 1.9% to 110.3 in Nov, a solidly optimistic level near the year's highs recorded in Sep and Mar.
- The apparent boost to sentiment from the Federal election is showing no signs of waning. Past elections involving a change of government have seen an initial 'honeymoon' boost to confidence lasting 2-3mths. The signs of a more lasting boost this time are positive - sentiment has held on to all of its post election gains - but we will need another reading or two to be comfortable that temporary election effects have dropped out of the picture.
- Indeed, if anything, the detail suggests sentiment may be consolidating, with signs the housing upturn is providing more support. The Nov survey found a sharp jump in the sub-index tracking assessments of 'family finances vs a year ago' (+13.3% to the highest level since Jan 2008). With wage incomes flat and interest rates on hold, the lift presumably reflects a perceived boost from rising house prices.
- The housing upturn is not a uniform support though with sentiment up strongly amongst home-owners (+6.1%) and in NSW (+7.7%), where house price gains have been stronger, but down amongst renters (-2.8%) and softer in Qld & SA.

1. Consumer sentiment holds onto gains



2. Consumer sentiment: change of government



- The improved assessment of family finances vs a year ago is positive but undermined somewhat by a downgrade to expectations for finances in the year ahead (-7.9%). State-wise the markdown in this sub-index was particularly sharp in Qld (-17.5%) and SA (-16.3%).

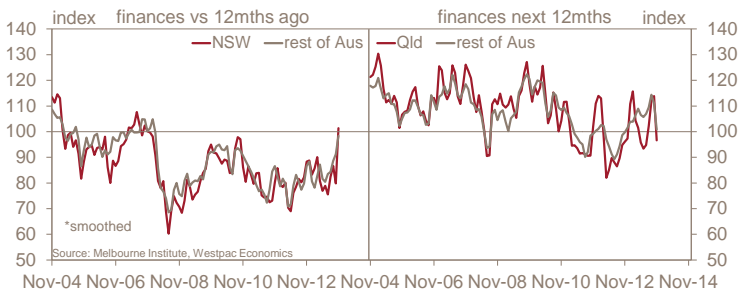
– Divergent state trends are a common theme across much of the rest of the survey detail. Stable assessments of the economic outlook nationally for example conceal big falls in Qld and SA, and a strong rise in NSW. State readings are more volatile month to month, and some of the Nov reads may be more ‘noise’ than ‘signal’, but the turbulence is notable nonetheless.
- Despite signs of consolidation, consumer optimism still looks quite ‘guarded’. The labour market remains a clear weak spot. Unemployment expectations were little changed in Nov, holding at very pessimistic levels in stark contrast to the optimism of sentiment overall.

– These labour market fears in turn seem to explain the gap between upbeat buyer perceptions (‘time to buy’) and lacklustre actual spending. That gap is emphasised by one of the more downbeat aspects of the Nov survey: our annual question on Christmas spending plans points to yet another year of restrained spending (see p10).

3. Consumer sentiment: sub-indexes



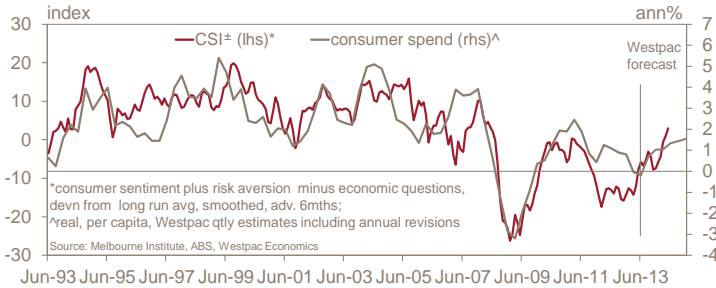
4. Consumer sentiment: family finances



Sentiment indicators: spending

- The improved reading on family finances and an uptick in the 'time to buy a major item' index produced a 2.2% rise in our **CSI[±]** composite in Nov. The composite combines these sentiment sub-indexes with the **Westpac Risk Aversion Index** and provides a useful guide to trends in spending with a lag of about 6mths.
- The Nov reading takes **CSI[±]** above its late-2010 peak to a new post-GFC high. While the recent rally in sentiment has been supportive, the real driver has come from a significant reduction in risk aversion over the last 6mths (see p15). This component is based on a quarterly survey with the next update due in Dec.
- As it stands, the **CSI[±]** points to an acceleration in per capita consumer spending to around 2%yr by mid-2014. With population growth of 1½-1¾%yr that implies total spending growth in the 3½-4%yr range, a pace considered to be about trend in the past. In terms of retail sales volumes, this reading points to growth rising towards 5%yr (3-3½%yr in per capita terms).
- We view **CSI[±]** as a guide to momentum rather than a predictor of point estimates for growth. Accordingly, and with job loss fears still elevated, we continue to see a more restrained pick-up with consumption growth rising to 2½-3%yr (1-1½%yr in per capita terms).

5. CSI[±] vs total consumer spending

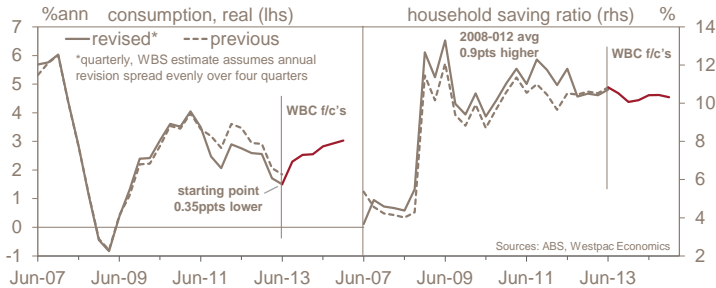


6. CSI[±] vs retail sales

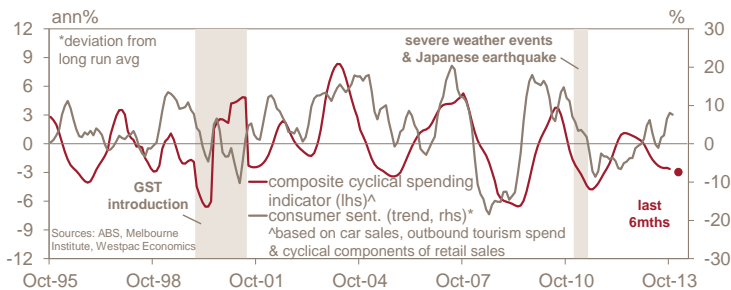


- Official Q3 estimates for total spending will be released with the Q3 GDP on Dec 4.
- Recently released annual national accounts emphasise the current lack of momentum. Annual GDP growth for the 2012-13 financial year was pared back from 2.9% to 2.6%. With growth in 2011-12 marked up from 3.4% to 3.6%, the revisions now show a more pronounced 1ppt slowdown and a lower 'stepping off' point for growth (the through the year growth rate for Q2 could be revised down from 2.6% to 2.3%). That in turn challenges the RBA's frequent assessment that the Australian economy has been growing 'a bit below trend'.
- These revisions also saw significant changes in the profile for consumer spending and saving. Annual growth in total consumer spending was revised from 3.3% to 2.5% for 2011-12 and from 2.4% to 2.1% for 2012-13. The household savings rate was also revised up significantly for 2010-11 and 2011-12 (the latter to a peak of 11.7%). The detail shows revisions were broad-based.
- More timely data on spending has been mixed. The Sep retail report was a little more upbeat, but coming off a weak base, growth is still not particularly strong. Meanwhile our composite indicator of cyclical spending suggests little or no improvement in weak underlying momentum.

7. National accounts: benchmark revisions



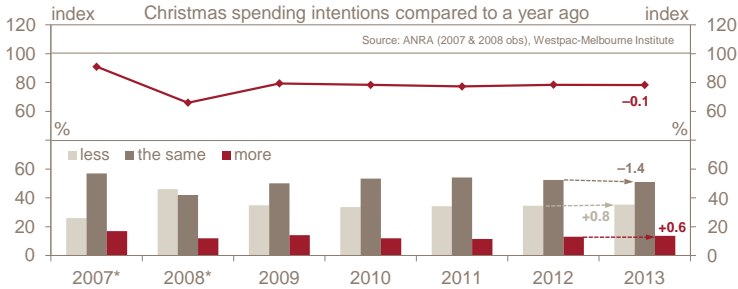
8. Composite indicator of cyclical spending



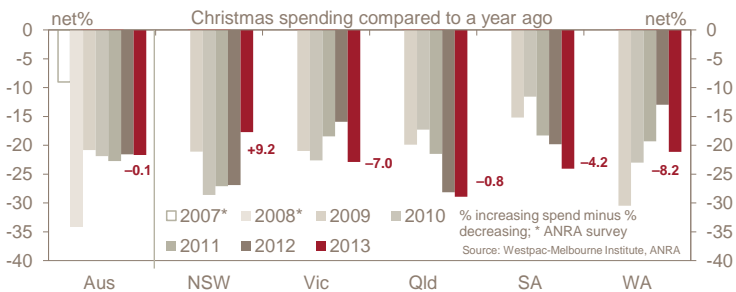
Special topic: Christmas spending plans

- The Nov survey included our annual question on Christmas spending plans. The results show consumers are again looking to restrain spending.
- Just over 35% intend to spend less than last year; 51% are planning to spend the same and 14% plan to spend more. That is little changed from 2012's 35%:52%:13% split, and both 2011 and 2010, when the split was 34%:54%:12%. The mix is identical to that in 2009. All of these were lacklustre Christmas seasons. Per capita non-food retail sales over Nov-Dec - our proxy for spending on gifts - has been flat over 2007-12. Growth averaged 4.5%/yr in the previous 10yrs.
- While 2013 is shaping as a similar year to the last five overall, there are some notable differences across states and sub-groups. Consumers in NSW are much less restrained compared to the last 4yrs. All other states are showing more restraint than last year, with sharply weaker spending intentions in Vic, WA and SA. Qld'ers are the most downbeat though, with nearly 40% planning to spend less this year.
- The age group detail shows a significant relaxation in restraint amongst 35-44 year olds, but 18-34 year olds and 50-54 year olds are looking to rein in spending more sharply than a year ago.

9. Christmas spending plans vs a year ago

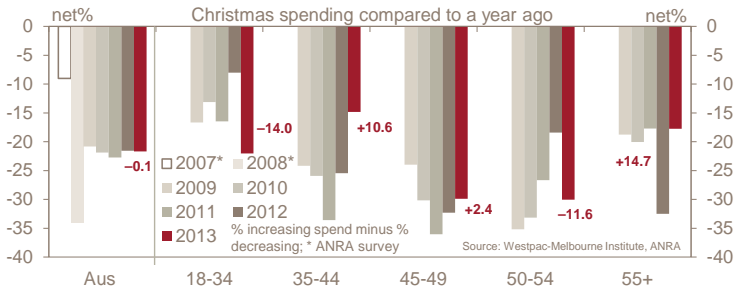


10. Christmas spending plans by state

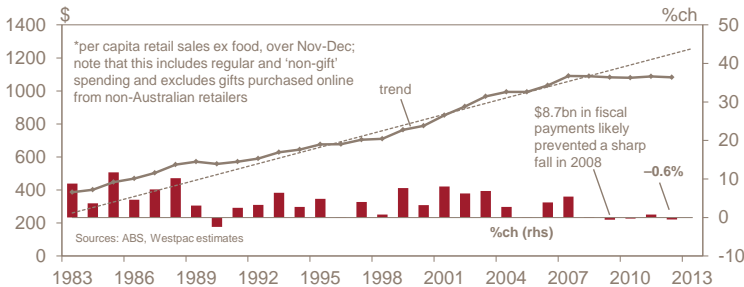


- Taken at face value, the age-group breakdown might suggest the mortgage belt is responding to easing interest rate pressures. However, the split by housing tenure shows little change in spending plans vs last year for those with a mortgage, with a more pronounced improvement amongst those that own their homes outright offset by a deterioration amongst renters.
- The group most inclined to cut Christmas spending this year compared to last were those in the 45-49 and 50-54 year old age bands - age groups that tend to have older children or are 'empty-nesters'.
- From the point of view of those receiving gifts, children in particular, the mix suggests both parents and grandparents may be a little less restrained than last year, judging by the responses of those in the 35-44 and 55+ age groups respectively.
- Despite the improvement in consumer sentiment in recent months, the continued restraint consumers are showing with regard to their Christmas spending plans suggests we are unlikely to see a near-term improvement in 'discretionary' consumer spending. That in turn suggests fears around job security are quashing the otherwise upbeat consumer mood.

11. Christmas spending plans by age group



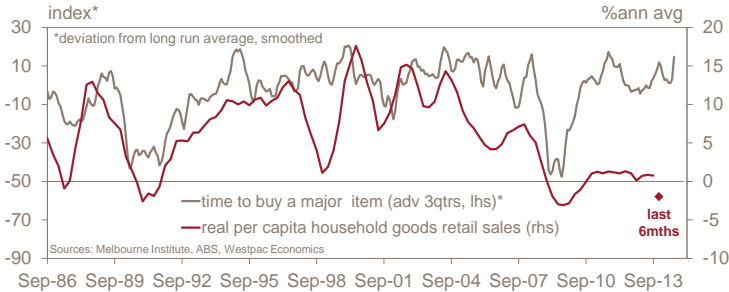
12. Christmas per capita retail sales: historical



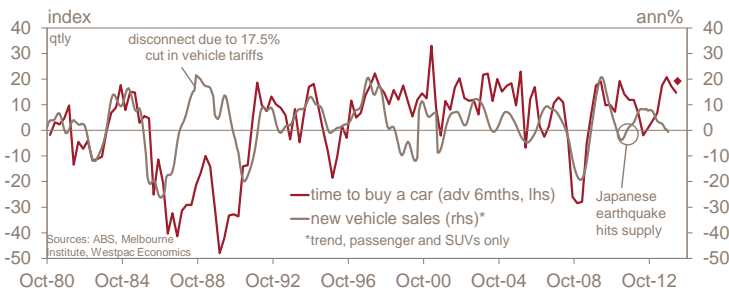
Sentiment indicators: durables, cars

- The sub-index tracking views on 'time to buy a major item' continued to rally strongly in Nov, rising 4.4% after gains of 3.2% in Oct and 6.9% in Sep. At 142.8, the sub-index is back near its Feb high and 14.8pts above its long-run average.
- Despite this, household goods retailers continue to report weak results. Sales volumes rose 0.8% in Q3, clawing back only part of Q2's 1% decline. Abstracting from quarterly volatility, the underlying pace of per capita sales volume growth is flat. Current reads of 'time to buy a major item' have been associated with strong double-digit annual growth rates in the past. The disconnect makes it difficult to assess.
- The sub-index tracking views on 'time to buy a car' also rose in Nov, up 4.7% to 141.8, 19.2pts above its long-run average.
- Again though there appears to be a disconnect between attitudes and actual sales. Oct figures show sales of new passenger vehicles & SUVs down 1.3% (seasonally adjusted) with trend sales tracking lower at a 3% annual pace. That is in stark contrast to the strongly positive reads on 'time to buy a car' that have been associated with double-digit annual growth in sales in the past. Both durables and car purchase attitudes appear to reflect low prices and the availability of cheap finance rather than an intention to buy.

13. 'Time to buy a major item' vs household goods retail



14. 'Time to buy a car' vs new vehicle sales



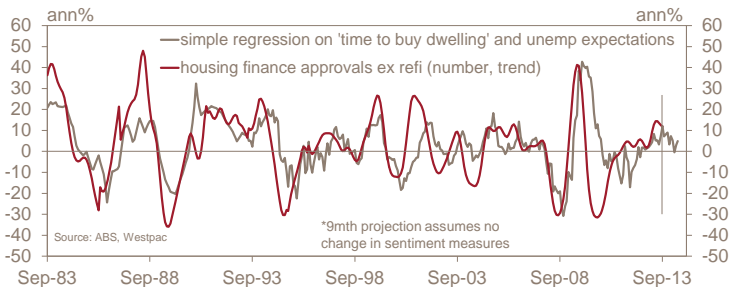
Sentiment indicators: housing activity

- The index tracking views on 'time to buy a dwelling' posted a welcome rebound in Nov, rising 4.2%. After sustaining near historic highs through most of the last year, a sharp 10.3% fall last month had caused some concern. The move came seemingly 'out of the blue' with no obvious driver such as interest rate or other policy changes. As such, there was some concern that it was indicating a sharp pull back in buyer sentiment, perhaps in response to higher prices and/or concerns about overheating.
- The Nov rise puts some of those fears to rest, although a shift does still appear to be coming through, in NSW in particular.
- Actual activity continues to strengthen, particularly in NSW. Auction clearance rates have stayed around 70% nationally in Oct-Nov with Sydney holding at record highs near 80%. Housing finance approvals rose 4.4% in Sep, reversing a dip in Aug to be up 12.6%yr. First home buyer activity is a clear weak spot, but growth in the value of loans to other segments continues to run at over 20%yr.
- The combination of moderating views on 'time to buy a dwelling' and still high unemployment expectations points to growth in finance approvals slowing in 2014. That said, activity will be at a relatively high overall level.

15. Time to buy a dwelling' by state



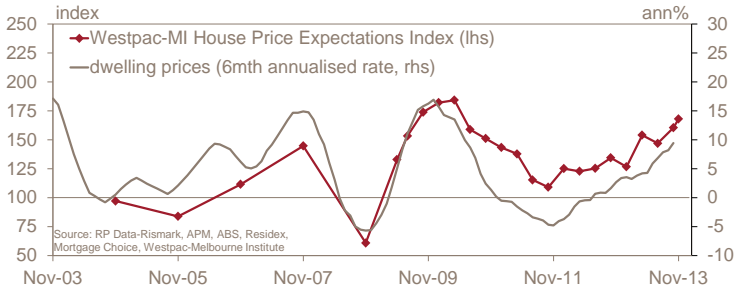
16. Model of housing finance approvals



Sentiment indicators: house prices

- Since 2009, the survey has included an additional question on house price expectations run in Jan, Apr, Jul and Oct, the responses to which are used to compile the **Westpac-Melbourne Institute Consumer House Price Expectations Index**. This has proven to be a very useful measure of a key aspect of consumer views on the housing market.
- Following a recent review, it has been decided to run this question every month. As well as providing more regular updates, this should also give more insight into how price expectations are formed, e.g. with reference to reported price growth, sentiment overall, and policy changes.
- The Nov update shows price expectations continuing to firm from already high levels, the Index rising 7.6pts to 168.0. This is well above the average read of 136.1, but below the peak of 184.2 in Apr 2010. Just under 74% expect prices to rise in the next 12mths, with 12% expecting a gain of over 10%. Just 5.8% expect a decline.
- Latest data shows a clear step-up in growth since mid-year. Nationally, the last 6mths has seen prices rise at a 10.3% annual pace. The Sydney market has been particularly strong. Price expectations have shown the sharpest rise in Vic though. Expectations are more subdued in Qld and WA, the latter still down on its Apr peak.

17. House prices: actual vs expected



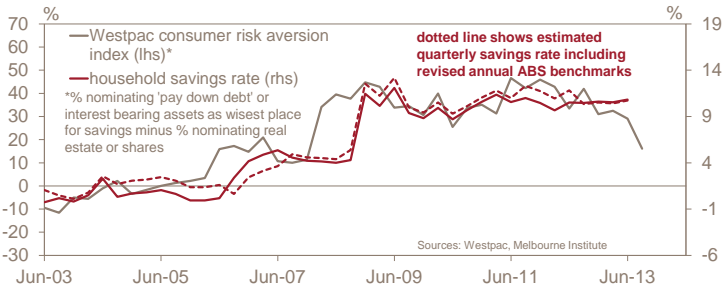
18. House price expectations by state, housing tenure



Sentiment indicators: risk aversion

- The 'wisest place for savings' questions used to construct the **Westpac Consumer Risk Aversion Index** were not included in the Nov survey, but will be in Dec (due Dec 12). The Sep update showed a significant swing, implying an easing in risk aversion and lower household savings rates in early 2014. Despite this shift, we expect household risk aversion and high-saving behaviour to remain fairly well entrenched over the next year.
- Benchmark revisions have altered the profile of household savings in recent years, lifting the rate in 2010-12. The change has brought saving more in line with the Index.
- The fall in the Index over the last year has been driven by a decline in the proportion nominating 'interest-bearing deposits' (-10pts) and 'pay down debt' (-6.7pts) in favour of 'real estate' (+7.7pts) and shares (+3.3pts).
- At 27.5%, the proportion favouring real estate in Sep was the highest since Sep 2003. Finance approvals have shown a clear pick-up in investor activity, with the value of home loans to the segment up 22%yr. That is from a low base though, and is being partially offset by repayments on existing loans with a muted 3.2% rise in the real value of investor loans outstanding, cf. the 20-25% growth in 2003.

19. Westpac Consumer Risk Aversion Index



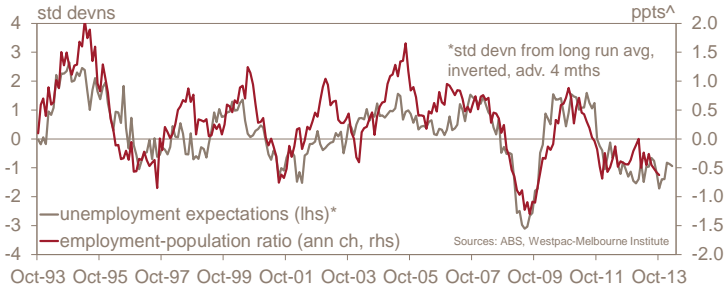
20. Wisest place for savings: % nominating real estate



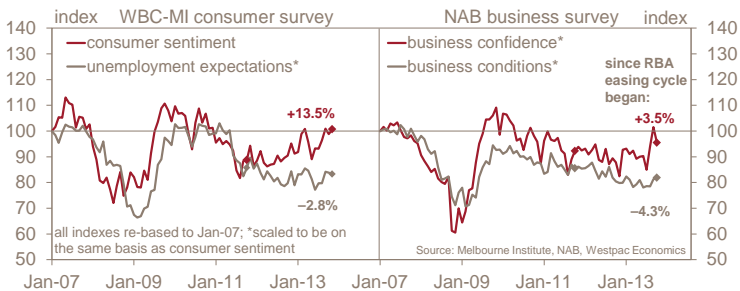
Sentiment indicators: job security

- The **Westpac-Melbourne Institute Unemployment Expectations Index** nudged up 0.9% in Nov to 144.7. That is a high level overall, one standard deviation above the long run average of 128.8. Consumers continue to brace for a significant weakening in labour markets.
- To some extent that weakness is already there. While the unemployment rate has shown a fairly mild rise over the last year, holding at 5.7% in Oct, this conceals a weak picture on jobs (full time jobs down 42k over the last 4mths alone). The only reason the unemployment rate has not jumped is because of a sharp rise in people dropping out of the workforce altogether.
- The employment to population ratio, which is unaffected by shifts in workforce participation, has been declining steadily since early 2011. It is now 0.5ppts below its GFC low and declining at a rate of 0.6ppts a year, broadly consistent with the signal from unemployment expectations.
- As we have noted many times over the last 2yrs, consumers' unemployment expectations have failed to respond to the RBA's rate cuts, in contrast to the solid rise in sentiment overall. There is an interesting corollary with business survey responses which show a rise in confidence but persistently weak readings on conditions.

21. Unemployment expectations vs employment



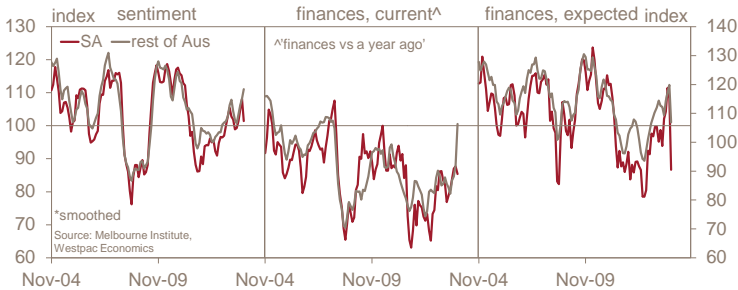
22. Consumer sentiment, business confidence



State snapshot: South Australia

- South Australians recorded sharply weaker consumer sentiment in Nov with an 8.3% fall in contrast to the rise nationally. Sentiment in the state is 'neutral' rather than 'positive'.
- Specific factors appear to be driving the weaker SA read, including a comparatively soft housing market and renewed uncertainty over the future of the state's struggling motor vehicle industry. Adelaide dwelling prices are up only 1-2%yr compared to the 7-8%yr gains nationally. Meanwhile negotiations between Holden and the Government over industry assistance have raised the prospect of the closure of Holden's struggling Elizabeth plant.
- The survey detail shows SA consumers' assessments of family finances vs a year ago failed to show the big rise seen nationally while their expectations for finances over the year ahead suffered a big 16.3% slump. There were also sharp downgrades to SA consumers' assessments of prospects for the economy over the next 12mths (-7.9%) and next 5yrs (-13.6%).
- The SA economy has already been notably weaker with the unemployment rate rising to 6.6% in Oct up from 5.6% a year ago. Surprisingly, SA consumers' unemployment expectations are similar to those nationally. Likewise, views on housing are also upbeat.

21. Consumer sentiment, family finances: SA vs Aus



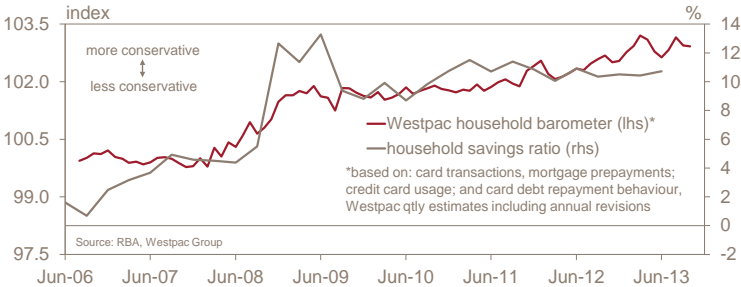
22. Consumer sentiment, economy & jobs: SA vs Aus



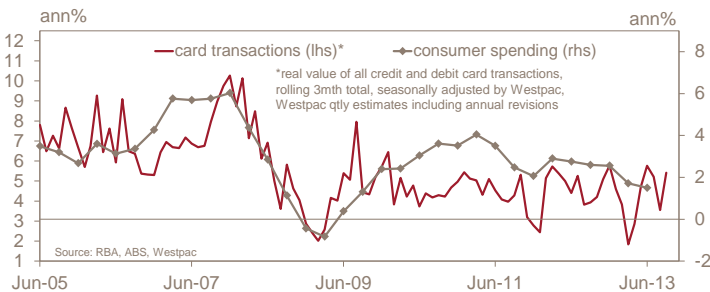
Westpac household barometer

- The **Westpac Household Barometer** draws on a range of data – including system-wide credit and debit card usage from the RBA, and the mortgage repayment behaviour and credit card usage of Westpac customers – to give a broad proxy for consumers’ financial behaviour.
- The **Barometer** has declined slightly since Aug, falling 0.23pts. The overall picture still suggests households have shifted to a more conservative footing with their finances over the course of 2013, albeit with significant quarter to quarter variations. The contrast with the improvement in reported risk aversion implicit in survey responses remains stark.
- Note that the timing of data releases means this month’s measure includes two new months of RBA data on system-wide credit and debit card usage (Aug and Sep). They show a continued recovery from the slowdown in Q1. Annual growth in the 3mth rolling sum of transactions adjusted for price inflation hit a low of 1.8% in Mar but has risen back to 5.4% as at Sep.
- Although the link to spending is not close enough to provide point estimates for growth, the pick up in the real value of transactions is broadly consistent with some improvement in consumer spending in Q3 along the lines of that reported in the Sep retail sales survey.

23. Westpac household barometer



24. Card transactions vs real spending growth



Economic and financial forecasts

Interest rate forecasts

	Latest (15 Nov)	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
Cash	2.50	2.50	2.25	2.00	2.00	2.00
90 Day Bill	2.58	2.60	2.35	2.10	2.10	2.10
3 Year Swap	3.19	3.30	3.00	2.80	3.00	3.20
10 Year Bond	4.21	3.75	3.60	3.40	3.80	4.00
10 Year Spread to US (bps)	151	140	120	100	100	100

International

Fed Funds	0.125	0.125	0.125	0.125	0.125	0.125
US 10 Year Bond	2.70	2.35	2.40	2.40	2.80	3.00
US Fed balance sheet USDtrn	3.95	4.03	4.28	4.54	4.79	5.05
ECB Repo Rate	0.25	0.25	0.25	0.25	0.25	0.25

Exchange rate forecasts

	Latest (15 Nov)	Dec 13	Mar 14	Jun 14	Sep 14	Dec 14
AUD/USD	0.9347	0.96	0.94	0.90	0.92	0.90
NZD/USD	0.8290	0.85	0.84	0.83	0.83	0.81
USD/JPY	100.24	97	96	95	94	93
EUR/USD	1.3454	1.38	1.34	1.31	1.31	1.28
AUD/NZD	1.1275	1.13	1.12	1.11	1.11	1.11

Sources: Bloomberg, Westpac Economics.

Economic and financial forecasts

Australian economic growth forecasts

	2012	2013			2014		
	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f
GDP % qtr	0.7	0.5	0.6	0.5	0.6	0.5	0.6
Annual change	3.3	2.5	2.6	2.3	2.2	2.2	2.2
Unemployment rate %	5.3	5.5	5.6	5.7	5.8	6.1	6.3
CPI % qtr	0.2	0.4	0.4	1.2	0.4	0.6	0.6
Annual change	2.2	2.5	2.4	2.2	2.4	2.6	2.8
CPI underlying % qtr	0.6	0.4	0.6	0.6	0.8	0.6	0.7
ann change	2.4	2.4	2.4	2.3	2.4	2.6	2.7

	Calendar years			
	2011	2012	2013f	2014f
GDP % ann change	2.4	3.7	2.5	2.3
Unemployment rate %	5.2	5.3	5.8	6.4
CPI % ann change	3.0	2.2	2.4	2.6
CPI underlying % ann change	2.8	2.4	2.4	2.5

Calendar year changes are (1) period average for GDP, employment and unemployment, terms of trade (2) through the year for inflation and wages.

* GDP & component forecasts are reviewed following the release of quarterly national accounts.

** Business investment and government spending adjusted to exclude the effect of private sector purchases of public sector assets.

Consumer data and forecasts

Consumer demand

% change	2013		2014					
	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Total private consumption*	0.7	0.4	0.7	0.7	0.7	0.7	0.8	0.8
annual chg	2.1	1.8	2.3	2.5	2.5	2.8	2.9	3.0
Real labour income, ann chg	-0.3	0.7	1.1	0.4	1.1	0.6	1.3	1.9
Real disposable income, ann chg**	2.9	2.2	2.3	1.9	2.0	2.2	2.6	3.1
Household savings ratio	10.5	10.8	10.5	10.1	10.2	10.4	10.4	10.3
Real retail sales, ann chg	2.5	1.2	2.2	2.7	2.1	3.1	3.4	4.1
Motor vehicle sales ('000s)***	894.2	901.7	807.1	837.0	841.2	849.6	866.6	883.9
annual chg	4.2	3.2	-8.5	-8.2	-5.9	-5.8	7.4	5.6

	Calendar years			
	2011	2012	2013f	2014f
Total private consumption, ann chg*	3.3	3.2	2.2	2.8
Real labour income, ann chg	4.5	3.7	0.5	1.2
Real disposable income, ann chg**	4.3	2.4	2.3	2.5
Household savings ratio, %	10.8	10.3	10.5	10.3
Real retail sales, ann chg	0.8	3.1	2.2	3.2
Motor vehicle sales ('000s)	805.9	881.5	860.0	895.0
annual chg	-2.7	9.4	-2.4	4.1

Notes to pages 20 and 21:

* National accounts definition.

** Labour and non-labour income after tax and interest payments.

*** Passenger vehicles and SUVs, annualised

^ Average over entire history of survey.

^^ Seasonally adjusted.

Net % expected rise next 12 months minus % expecting fall (wage expectations is net of % expecting wages to rise and % expecting flat/decline).

Note that questions on mortgage rate, house price and wage expectations have only been surveyed since May 2009.

Consumer data and forecasts

Consumer sentiment

	2013					
% change	avg [^]	Feb	Mar	Apr	May	Jun
Westpac-MI Consumer Sentiment Index	101.8	108.3	110.5	104.9	97.6	102.2
family finances vs a year ago	89.8	83.5	86.8	83.4	76.7	83.2
family finances next 12 months	108.5	105.0	108.2	108.0	100.5	105.9
economic conditions next 12 months	90.5	108.9	109.8	104.9	90.8	94.3
economic conditions next 5 years	91.0	101.0	107.1	98.2	91.4	94.3
time to buy major household item	128.0	143.1	140.8	130.2	128.5	133.3
time to buy a motor vehicle	122.7	140.7	142.5	138.0	139.7	138.4
time to buy a dwelling	123.4	135.4	144.5	128.4	142.7	143.3
Westpac-MI Consumer Risk Aversion Index^{^^}	11.6	-	32.5	-	-	29.0
CSI[‡]	103.5	99.9	100.8	97.6	93.9	98.3
Westpac-MI House Price Expectations Index[#]	140.8	-	-	152.0	-	-
consumer mortgage rate expectations [#]	42.5	11.2	-	-	-	8.7
consumer wage expectations [#]	-25.9	-	-27.3	-	-	-
Westpac-MI Unemployment Expectations	128.6	145.1	139.7	141.5	149.1	158.5

	2013				
continued	Jul	Aug	Sep	Oct	Nov
Westpac-MI Consumer Sentiment Index	102.1	105.7	110.6	108.3	110.3
family finances vs a year ago	78.6	88.8	87.1	87.7	99.4
family finances next 12 months	103.0	113.0	114.8	108.5	99.9
economic conditions next 12 months	95.1	100.3	109.0	106.8	107.3
economic conditions next 5 years	103.0	102.5	109.8	101.8	102.4
time to buy major household item	131.1	123.9	132.5	136.8	142.8
time to buy a motor vehicle	124.2	130.9	133.4	135.5	141.8
time to buy a dwelling	131.3	136.2	145.0	130.0	135.5
Westpac-MI Consumer Risk Aversion Index^{^^}	-	-	16.1	-	-
CSI[‡]	97.0	101.3	104.6	104.2	106.5
Westpac-MI House Price Expectations Index[#]	145.6	-	-	159.2	164.2
consumer mortgage rate expectations [#]	-	17.4	-	-	-
consumer wage expectations [#]	-	-	-	-	-
Westpac-MI Unemployment Expectations	152.8	152.7	142.6	143.5	144.7

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