

# WA Super - CCI SURVEY OF CONSUMER CONFIDENCE

December Quarter 2016 | 1300 4 CCIWA | [economics@cciwa.com](mailto:economics@cciwa.com)





Roughly 55 per cent of consumers expect the WA economy to improve or remain unchanged in the short-term, a decrease of seven per cent for the quarter.

# Christmas confidence cracks

Short and medium-term consumer confidence in Western Australia (WA) fell slightly during the December quarter, according to the latest WA Super-CCI Survey of Consumer Confidence.

The December quarter survey, which is the only survey of its kind in the State, canvassed the views of 832 adults, located across both metropolitan and regional WA.

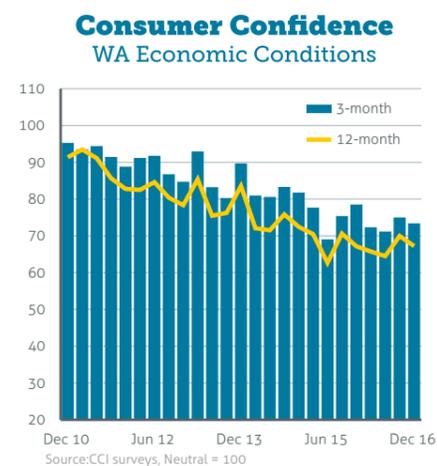
The results indicate that short-term confidence fell slightly in the December quarter. Roughly 55 per cent of consumers expect the WA economy to improve or remain unchanged in the short-term, a decrease of seven per cent for the quarter, while only 43 per cent of respondents expected the economy to worsen (an increase of eight per cent from the previous quarter) and two per cent of respondents remain unsure (the same number as the previous quarter). The medium-term consumer confidence tracks slightly more optimistically than short-term confidence, with a greater percentage of respondents expecting

economic conditions to be stronger over the next twelve months.

The small decrease in the short-and-medium term outlook for the WA economy reflects a nine per cent increase, in those reporting that Global Economic News was influencing their perceptions of the economy. This is the highest Global Economic News rating since the survey began in 2009. This could be attributed at least in part, to the recent US Presidential Election which saw a fall in markets on the day of the election followed by a strong rebound in many since that day.

Overall, living costs remained the most important factor for respondents in assessing the WA economy (67 per cent, up five per cent), followed by the political environment (65 per cent, up six per cent) and global economic news (64 per cent, up nine per cent).

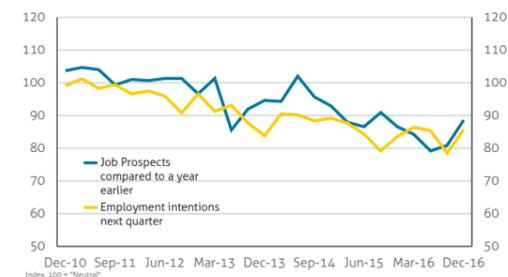
The personal finances index decreased during the December quarter. This was driven by 47 per cent of respondents indicating no change in their personal finances for the



previous 12 months, an increase of four per cent from the previous quarter. The number of consumers who reported that their financial position declined in the December quarter increased by one per cent.

Notes: The surveys data collection methodology has changed from CATI phone surveys to an online FlashPoll system, with the effect being a doubling of the sample size.

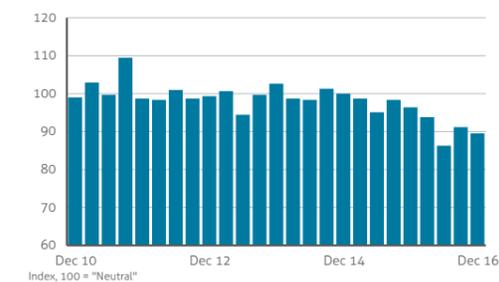
Labour Market Outlook, Business & Consumer Household Job Prospects vs Business Employment Intentions



Sentiment regarding job prospects increased slightly for the December quarter. The number of respondents stating that their job prospects worsened in December compared to last year increased by five per cent, to 36 per cent. It is important to note that the majority of respondents (55 per cent) reported no change in their perceived job prospects compared with 12 months ago.

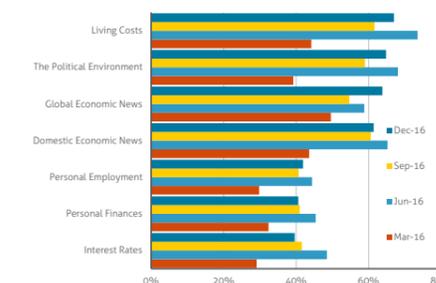
Analysis has shown that movements in the job prospects index reflect consumer sentiment towards the WA economy.

Personal Finances Compared to a Year Earlier



The personal finances index decreased during the December quarter. This was driven by an increase in the percentage of consumers reporting no change to their financial position.

Factors Influencing Consumers Percentage Reporting Net Major Influence



Living costs continued to be the number one concern for consumers in the December quarter, followed by the political environment. Global economic news ranked as the third most important issue for consumers, overtaking Domestic Economic News.

# Silly season spending



This quarter's feature question gained insight into consumers' spending intentions for the Christmas period. This is the fifth year CCI has conducted the Christmas expenditure survey.

Respondents were first asked what their spending expectations were for the 2016 Christmas period compared to the 2015 Christmas Period.

Approximately, 51 per cent of respondents stated that their Christmas spending would be more or about the same as last year. Around 48 per cent of consumers reported that their Christmas spending would be lower this year, an increase of nine per cent. However, the decline in spending was not as large as experienced in the period from December 2014 to December 2015, which increased by 13 per cent. The percentage of respondents indicating their spending would be lower has been increasing for the last four years.

Respondents were asked to estimate their total expenditure in dollar figures on Christmas related purchases including presents, accommodation, food, decorations and travel expenses. The average consumer expects to spend \$1,049 this Christmas period, which is down from last year's average

of \$1,703. Regional based consumers expect to spend on average \$1,487, which is higher than the average West Australian and higher than metropolitan shoppers who expect to spend \$916.

Expenditure for those families with children is also higher than average at \$1,338, with 56 per cent of families with children spending between \$1,001 - \$10,000 this Christmas. This is compared to 74 per cent of those without children spending \$700 or less.

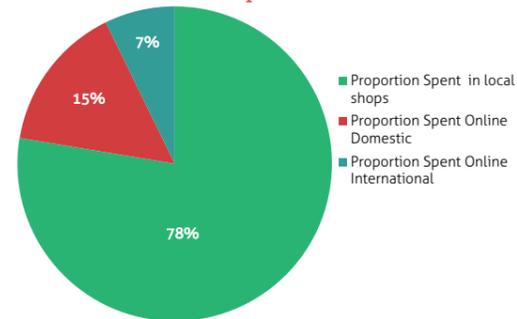
The survey also asked respondents to estimate the proportion of their Christmas spending in local shops, online domestic shops and online international shops. Interestingly, the majority (78 per cent) of spending on Christmas spending will occur at local bricks and mortar shops. This was followed by 15 per cent of expenditure occurring online at domestic businesses and the remaining seven per cent on online international businesses; a total of 22 per cent of Christmas shopping occurring online. The

results found that consumers increased the proportion of their total online shopping to 22 per cent from 18 per cent twelve months ago.

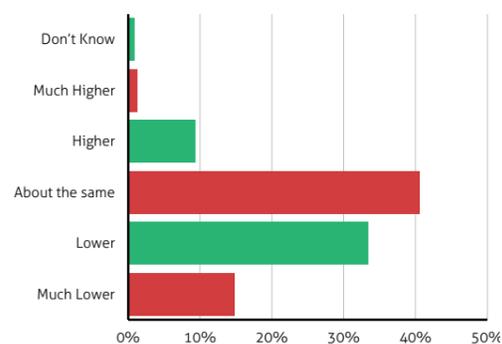
It is also worth noting that approximately 32 per cent of spending by those aged 18-39 was done online compared to 15 per cent of spending for those aged 40 and older.

There was no substantial difference between spending methods of males and females. However, 53 per cent of females reported starting their Christmas shopping before November 25, compared to 35 per cent of males. 56 per cent of shoppers began their Christmas shopping from the first Monday of December.

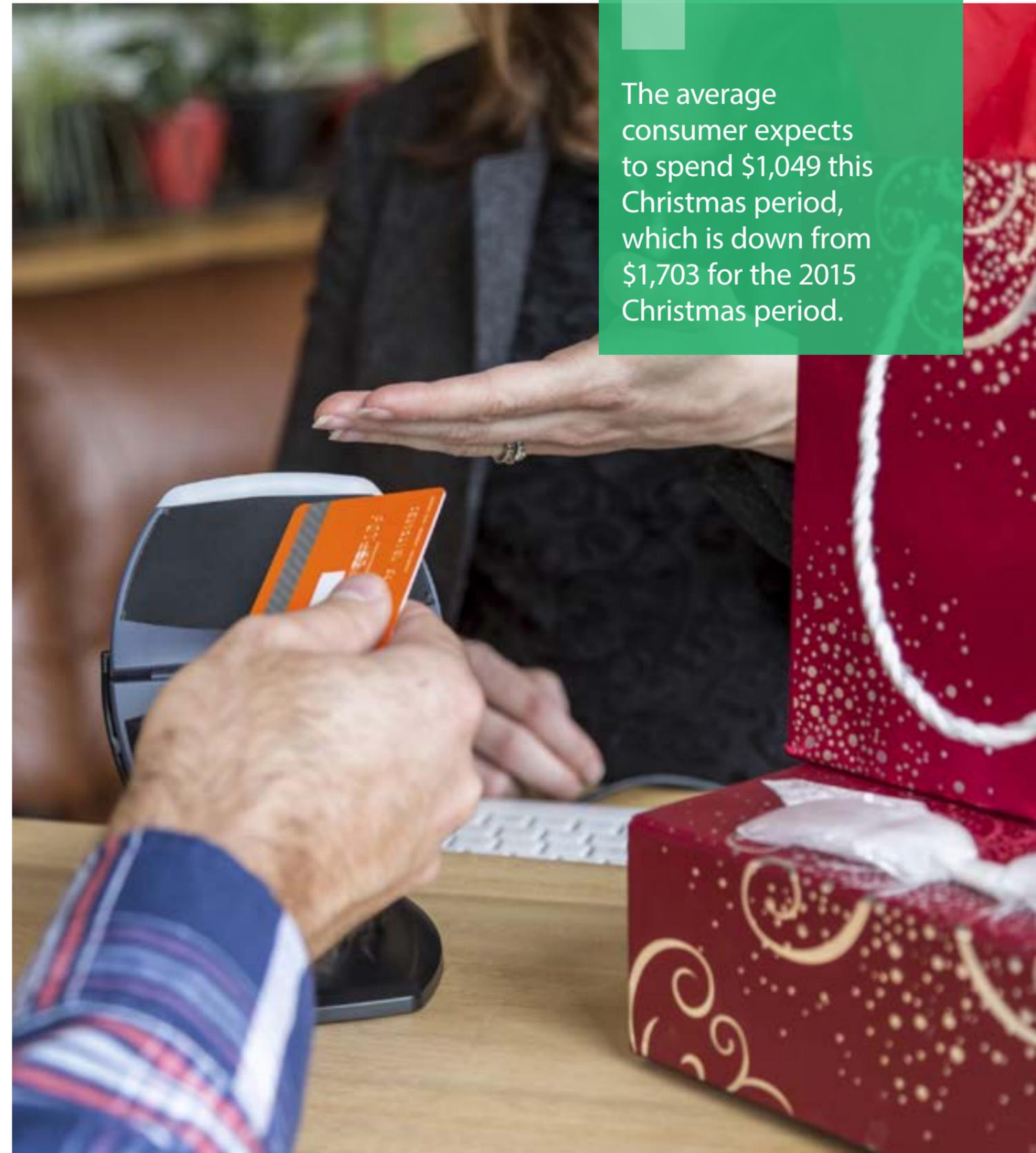
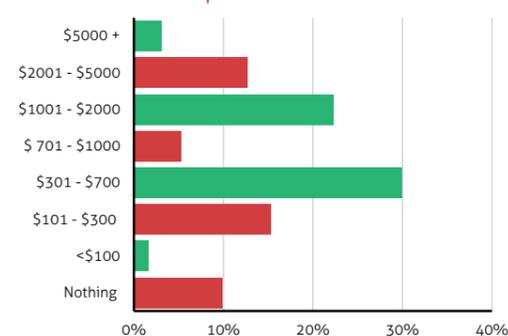
**Consumer Christmas Spending Expectations**  
Location of purchases



**Consumer Christmas Spending Expectations**  
Compared to last year, percentage



**Consumer Christmas Spending Expectations**  
\$



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