



14 April 2026

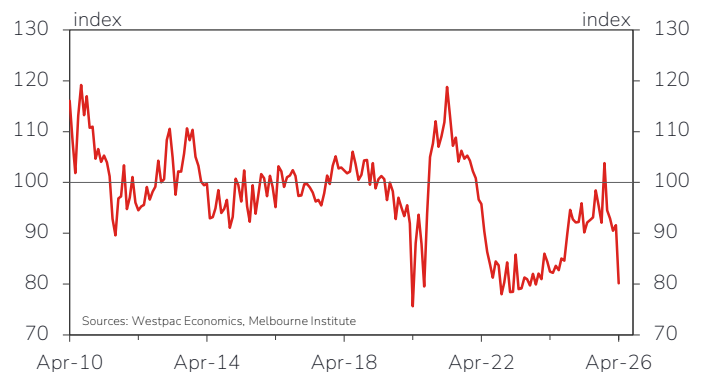
WESTPAC-MI CONSUMER SENTIMENT BULLETIN

Latest insights on the Australian consumer

Key points

- Westpac–Melbourne Institute Consumer Sentiment down 12.5% to 80.1
- Spiking fuel prices, rising interest rates trigger biggest fall since COVID.
- Near-term expectations drop back to 2022–23 ‘cost of living’ crisis lows.
- Job loss fears jump to 5½yr high (10yr high excl. COVID period).
- Consumers much less bullish on house price outlook.

Consumer Sentiment Index



“The Westpac–Melbourne Institute Consumer Sentiment Index fell heavily in April, declining 12.5% to 80.1 from 91.6 in March.”

Consumer sentiment crashes



Matthew Hassan
Head of Australian Macro-Forecasting

The Westpac–Melbourne Institute Consumer Sentiment Index fell heavily in April, declining 12.5% to 80.1 from 91.6 in March.

Australian consumers are being hit by another ‘cost of living’ shock. The spike in fuel prices following the US–Israel war on Iran and a further 25bp interest rate increase are again putting finances under intense pressure. A sharp deterioration in expectations suggests consumers are bracing for a return to the extended period of weakness seen during the 2022–24 inflation fight. The April sentiment drop is the biggest monthly decline since the onset of the COVID pandemic. At 80, the Index is back near historical lows, albeit above the extremes seen at the onset of the pandemic and during the recessions of the early 1990s and 1980s” Mr Hassan commented.

All Index components deteriorated sharply in April. Recall that the Westpac–Melbourne Institute Consumer Sentiment Index is a composite measure based on five sub-indexes: one tracking assessments of family finances compared to a year ago; two tracking expectations for family finances and the economy over the next year; one tracking expectations for the economy over the next five years; and one tracking responses to whether now is a good time to buy a major household item.

The biggest falls were across components tracking assessments of ‘current conditions’. Surging fuel costs are weighing particularly heavily on the ‘family finances vs a year ago’ sub-index which plunged 16.7% to 66.8. This is an extremely low read, albeit a touch above the 65 average recorded between September 2022 and June 2024.

Average pump prices hit \$2.40/litre in the first week of April, up 37¢ from the time of the March survey and 77¢ compared to early February. This is easily the biggest rise in the history of the survey, with the increase in percentage terms comparable to the 50% annual rise recorded during the 1979 oil crisis. Note that the survey was taken after the Federal government’s temporary halving in fuel excise tax, which came into effect on April 1, the 26¢/litre reduction contributing to a 12¢/litre decline in average pump prices in the first week of the month.

Near-term expectations for the economy and family finances also deteriorated sharply, suggesting consumers see little prospect for improvement and are bracing for more difficulties. The ‘family finances, next 12 months’ sub-index dropped 13.9% to 84 and the ‘economy, next 12 months’ sub-index dropped 12.4% to 75.3. With the Strait of Hormuz still effectively shut and few signs of an end to the conflict, fuel prices look set to remain elevated. While the fall in near-term expectations

was slightly milder than the hit to current conditions, these components have deteriorated by more since 2025.

Rate rise fears also look to be shaping consumers’ near-term concerns. The wider inflation consequences of the global energy shock have yet to fully play out locally but clearly add to concerns that the RBA will need to increase interest rates again. The Westpac–Melbourne Institute Mortgage Rate Expectations Index, which tracks consumer expectations for variable mortgage rates over the next 12 months, rose 3.9% to 177.2 in April, returning to recent cycle highs. Amongst those with a view, just over 80% of consumers expect mortgage rates to increase over the next 12 months with 40% expecting a rise of over 1ppt.

The situation is having a major dampening effect on buyer attitudes, with the ‘time to buy a major item’ sub-index dropping 15% to 83.3. This component has been particularly sensitive to ‘cost of living’ pressures in recent years. The decline takes the sub-index towards, but still slightly above, the very weak 75–80 range seen in 2022–24.

“Australian consumers are being hit by another ‘cost of living’ shock.”

Consumers’ medium-term expectations for the economy have been more resilient, the ‘economy, next 5 years’ sub-index recording a more moderate 5.1% decline to 91.4. The view here seems to be that current challenges are difficult but will pass over time.

The April sentiment shock was broadly based with 90 of the 100-odd sub-groups that we track recording declines in the month. Falls were particularly pronounced across sub-groups that are being more heavily impacted by higher fuel costs. Sentiment amongst those living in regional areas recorded a sharper 16% fall to just 73. There were also notably larger sentiment declines amongst those working in the recreational services, manufacturing and construction sectors – all of which have higher exposure to rising energy costs and/or cyclical swings in activity.

Notably, the current shock is having a deeper impact on consumers’ labour market expectations than the 2022–24 ‘cost of living’ crisis. The Westpac–Melbourne Institute Unemployment Expectations Index jumped 9.7% to 147.8 in April (recall that higher reads on this index mean more consumers expect unemployment to rise over the year ahead).

This is the worst read on job expectations since the 163 recorded in August 2020, one of the darkest moments during the COVID pandemic, just before the Federal government significantly expanded its JobKeeper policy to prevent widespread job losses. While the aggregate index is still well below previous cycle peaks, which have been in the 160–180 range, the latest shift is clearly worth monitoring closely.

The sub-group detail shows the rise in job loss fears has been most pronounced amongst those employed in sectors that are exposed to the energy and interest rate shocks, especially construction (+22% to 152), hospitality (+19% to 149).

Around housing, consumer expectations for house prices showed a clear cooling with homebuyer sentiment improving marginally. That said, price expectations are still very bullish overall and buyer sentiment is still weak by historical standards.

Homebuyer sentiment was the only part of the survey to record an improvement in April. The ‘time to buy a dwelling’ index rose 3.5% to 85.8 but was coming off a new cycle low in March. The latest read is still more than 33pts below the long-run average of 120. Curiously, the mortgage belt drove most of the rise, buyer sentiment across this sub-group up 5% to 88.2. Most states recorded rises with Victoria the main exception, its state index down 6.5% to 85. Buyer sentiment is notably firmer in New South Wales and South Australia (both state indexes at 93).

Buyer sentiment has tended to move inversely with price expectations in recent years –falls associated with high price expectations and vice versa. That was again the case in April with the Westpac–Melbourne Institute Index of House Price Expectations posting a sharp 10.2% fall to 153.5. Even with the decline, price expectations are still relatively bullish,

well above the long-run average of 130. A clear majority of consumers still expect prices to rise. Over two-thirds of those with a view expect an increase over the next year compared to just 12% expecting a fall.

Notably, the April cooling centred on New South Wales (–13% to 151) and Victoria (–14.5% to 144), where capital city markets, Sydney and Melbourne, have shown a clearer slowing and modest price slippage in recent months. Price expectations posted much milder declines and remained significantly higher in Queensland, South Australia and Western Australia with state indexes still in the 162–164 range.

The Reserve Bank Monetary Policy Board next meets on May 4–5. The April consumer sentiment survey shows the spike in fuel prices and higher interest rates are weighing heavily, suggesting we are heading into another period of declining real per capita income and spending. Despite this, inflation remains a major concern with underlying measures already above the RBA’s 2–3% target range and the effects of energy price rises yet to come through. For the MPB, the main focus will continue to be on inflation and how the balance of risks – between slower growth and higher energy and other costs – affect inflation expectations. We expect that to result in another 25bp rate hike in May with further moves likely in the second half of the year.

Consumer Sentiment – April 2026

	avg*	Apr 2024	Apr 2025	Mar 2026	Apr 2026	%mth	%yr
Consumer Sentiment Index	100.3	82.4	90.1	91.6	80.1	-12.5	-11.1
Family finances vs a year ago	87.9	65.5	70.2	80.2	66.8	-16.7	-4.8
Family finances next 12mths	106.5	95.5	101.6	97.6	84.0	-13.9	-17.3
Economic conditions next 12mths	90.7	82.7	90.5	85.9	75.3	-12.4	-16.9
Economic conditions next 5yrs	92.2	89.8	98.4	96.3	91.4	-5.1	-7.1
Time to buy a major household item	123.3	78.7	90.0	98.0	83.3	-15.0	-7.5
Time to buy a dwelling	119.4	75.3	85.7	82.9	85.8	3.5	0.1
Unemployment Expectations Index	129.2	124.6	123.9	134.7	147.8	9.7	19.2
House Price Expectations Index	129.8	161.2	153.4	171.0	153.5	-10.2	0.0
Interest Rate Expectations Index	140.7	122.8	98.1	170.5	177.2	3.9	80.6

Source: Westpac–Melbourne Institute.

*avg over full history of the survey, all indexes except ‘time to buy a dwelling’, ‘unemployment expectations’ and ‘house price expectations’ are seasonally adjusted

The survey is conducted by OZINFO & DYNATA. Respondents are selected at random. This latest survey is based on 1200 adults aged 18 years and over, across Australia. It was conducted in the week from 6 April to 11 April. The data have been weighted to reflect Australia’s population distribution. Copyright at all times remains with the Melbourne Institute of Applied Economic and Social Research.

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.



Corporate Directory

Westpac Economics / Australia

Sydney
Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis
Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan
Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke
Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner
Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk
Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante
Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas
Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells
Economist
E: ryan.wells@westpac.com.au

Illiana Jain
Economist
E: illiana.jain@westpac.com.au

Neha Sharma
Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic
Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland
Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold
Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon
Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs
Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod
Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark
Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva
1 Thomson Street
Suva, Fiji

Shamal Chand
Senior Economist
E: shamal.chand@westpac.com.au



©2026 Westpac Banking Corporation ABN 33 007 457 141 (including where acting under any of its Westpac, St George, Bank of Melbourne or BankSA brands, collectively, “Westpac”). References to the “Westpac Group” are to Westpac and its subsidiaries and includes the directors, employees and representatives of Westpac and its subsidiaries.

Things you should know

We respect your privacy: You can view the [New Zealand Privacy Policy here](#), or the Australian [Group Privacy Statement here](#). Each time someone visits our site, data is captured so that we can accurately evaluate the quality of our content and make improvements for you. We may at times use technology to capture data about you to help us to better understand you and your needs, including potentially for the purposes of assessing your individual reading habits and interests to allow us to provide suggestions regarding other reading material which may be suitable for you.

This information, unless specifically indicated otherwise, is under copyright of the Westpac Group. None of the material, nor its contents, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party without the prior written permission of the Westpac Group.

Disclaimer

This information has been prepared by Westpac and is intended for information purposes only. It is not intended to reflect any recommendation or financial advice and investment decisions should not be based on it. This information does not constitute an offer, a solicitation of an offer, or an inducement to subscribe for, purchase or sell any financial instrument or to enter into a legally binding contract. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice. Certain types of transactions, including those involving futures, options and high yield securities give rise to substantial risk and are not suitable for all investors. We recommend that you seek your own independent legal or financial advice before proceeding with any investment decision.

This information may contain material provided by third parties. While such material is published with the necessary permission none of Westpac or its related entities accepts any responsibility for the accuracy or completeness of any such material. Although we have made every effort to ensure this information is free from error, none of Westpac or its related entities warrants the accuracy, adequacy or completeness of this information, or otherwise endorses it in any way. Except where contrary to law, Westpac Group intend by this notice to exclude liability for this information. This information is subject to change without notice and none of Westpac or its related entities is under any obligation to update this information or correct any inaccuracy which may become apparent at a later date. This information may contain or incorporate by reference forward looking statements. The words “believe”, “anticipate”, “expect”, “intend”, “plan”, “predict”, “continue”, “assume”, “positioned”, “may”, “will”, “should”, “shall”, “risk” and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. Past performance is not a reliable indicator of future performance, nor are forecasts of future performance. Whilst every effort has been taken to ensure that the assumptions on which any forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The ultimate outcomes may differ substantially from any forecasts.

Conflicts of Interest: In the normal course of offering banking products and services to its clients, the Westpac Group may act in several capacities (including issuer, market maker, underwriter,

distributor, swap counterparty and calculation agent) simultaneously with respect to a financial instrument, giving rise to potential conflicts of interest which may impact the performance of a financial instrument. The Westpac Group may at any time transact or hold a position (including hedging and trading positions) for its own account or the account of a client in any financial instrument which may impact the performance of that financial instrument.

Author(s) disclaimer and declaration: The author(s) confirms that (a) no part of his/her compensation was, is, or will be, directly or indirectly, related to any views or (if applicable) recommendations expressed in this material; (b) this material accurately reflects his/her personal views about the financial products, companies or issuers (if applicable) and is based on sources reasonably believed to be reliable and accurate; (c) to the best of the author’s knowledge, they are not in receipt of inside information and this material does not contain inside information; and (d) no other part of the Westpac Group has made any attempt to influence this material.

Further important information regarding sustainability related content: This material may contain statements relating to environmental, social and governance (ESG) topics. These are subject to known and unknown risks, and there are significant uncertainties, limitations, risks and assumptions in the metrics, modelling, data, scenarios, reporting and analysis on which the statements rely. In particular, these areas are rapidly evolving and maturing, and there are variations in approaches and common standards and practice, as well as uncertainty around future related policy and legislation. Some material may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. There is a risk that the analysis, estimates, judgements, assumptions, views, models, scenarios or projections used may turn out to be incorrect. These risks may cause actual outcomes to differ materially from those expressed or implied. The ESG-related statements in this material do not constitute advice, nor are they guarantees or predictions of future performance, and Westpac gives no representation, warranty or assurance (including as to the quality, accuracy or completeness of the statements). You should seek your own independent advice.

Additional country disclosures:

Australia: Westpac holds an Australian Financial Services Licence (No. 233714). You can access [Westpac’s Financial Services Guide here](#) or request a copy from your Westpac point of contact. To the extent that this information contains any general advice, it has been prepared without taking into account your objectives, financial situation or needs and before acting on it you should consider the appropriateness of the advice.

New Zealand: In New Zealand, Westpac Institutional Bank refers to the brand under which products and services are provided by either Westpac (NZ division) or Westpac New Zealand Limited (company number 1763882), the New Zealand incorporated subsidiary of Westpac (“WNZL”). Any product or service made available by WNZL does not represent an offer from Westpac or any of its subsidiaries (other than WNZL). Neither Westpac nor its other subsidiaries guarantee or otherwise support the performance of WNZL in respect of any such product. WNZL is not an authorised deposit-taking institution for the purposes of Australian prudential standards. The current disclosure statements for the New Zealand branch of Westpac and WNZL can be obtained at www.westpac.co.nz.

Singapore: This material has been prepared and issued for distribution in Singapore to institutional investors, accredited investors and expert investors (as defined in the applicable Singapore laws and regulations) only. Recipients of this material in Singapore should contact Westpac Singapore Branch in respect of any

Disclaimer continues overleaf ►

matters arising from, or in connection with, this material. Westpac Singapore Branch holds a wholesale banking licence and is subject to supervision by the Monetary Authority of Singapore.

Fiji: Unless otherwise specified, the products and services for Westpac Fiji are available from www.westpac.com.fj © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia and registered as a branch in Fiji. The liability of its members is limited.

Papua New Guinea: Unless otherwise specified, the products and services for Westpac PNG are available from www.westpac.com.pg © Westpac Banking Corporation ABN 33 007 457 141. This information does not take your personal circumstances into account and before acting on it you should consider the appropriateness of the information for your financial situation. Westpac Banking Corporation ABN 33 007 457 141 is incorporated in NSW Australia. Westpac is represented in Papua New Guinea by Westpac Bank - PNG - Limited. The liability of its members is limited.

U.S.: Westpac operates in the United States of America as a federally licensed branch, regulated by the Office of the Comptroller of the Currency. Westpac is also registered with the US Commodity Futures Trading Commission ("CFTC") as a Swap Dealer, but is neither registered as, or affiliated with, a Futures Commission Merchant registered with the US CFTC. The services and products referenced above are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Westpac Capital Markets, LLC ("WCM"), a wholly-owned subsidiary of Westpac, is a broker-dealer registered under the U.S. Securities Exchange Act of 1934 ("the Exchange Act") and member of the Financial Industry Regulatory Authority ("FINRA"). In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WCM other than as provided for in certain legal agreements between Westpac and WCM and obligations of WCM do not represent liabilities of Westpac.

This communication is provided for distribution to U.S. institutional investors in reliance on the exemption from registration provided by Rule 15a-6 under the Exchange Act and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors in the United States. WCM is the U.S. distributor of this communication and accepts responsibility for the contents of this communication. Transactions by U.S. customers of any securities referenced herein should be effected through WCM. All disclaimers set out with respect to Westpac apply equally to WCM. If you would like to speak to someone regarding any security mentioned herein, please contact WCM on +1 212 389 1269. Investing in any non-U.S. securities or related financial instruments mentioned in this communication may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the SEC in the United States. Information on such non-U.S. securities or related financial instruments may be limited. Non-U.S. companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect in the United States. The value of any investment or income from any securities or related derivative instruments denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related derivative instruments.

The author of this communication is employed by Westpac and is not registered or qualified as a research analyst, representative, or associated person of WCM or any other U.S. broker-dealer under the rules of FINRA, any other U.S. self-regulatory organisation, or the laws, rules or regulations of any State. Unless otherwise specifically stated, the views expressed herein are solely those of the author and may differ from the information, views or analysis expressed by Westpac and/or its affiliates.

UK and EU: The London branch of Westpac is authorised in the United Kingdom by the Prudential Regulation Authority (PRA) and is subject to regulation by the Financial Conduct Authority (FCA) and limited regulation by the PRA (Financial Services Register number: 124586). The London branch of Westpac is registered at Companies House as a branch established in the United Kingdom (Branch No. BR000106). Details about the extent of the regulation of Westpac's London branch by the PRA are available from us on request.

Westpac Europe GmbH ("WEG") is authorised in Germany by the Federal Financial Supervision Authority ("BaFin") and subject to its regulation. WEG's supervisory authorities are BaFin and the German Federal Bank ("Deutsche Bundesbank"). WEG is registered with the commercial register ("Handelsregister") of the local court of Frankfurt am Main under registration number HRB 118483. In accordance with APRA's Prudential Standard 222 'Association with Related Entities', Westpac does not stand behind WEG other than as provided for in certain legal agreements (a risk transfer, sub-participation and collateral agreement) between Westpac and WEG and obligations of WEG do not represent liabilities of Westpac.

This communication is not intended for distribution to, or use by any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. This communication is not being made to or distributed to, and must not be passed on to, the general public in the United Kingdom. Rather, this communication is being made only to and is directed at (a) those persons falling within the definition of Investment Professionals (set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")); (b) those persons falling within the definition of high net worth companies, unincorporated associations etc. (set out in Article 49(2) of the Order); (c) other persons to whom it may lawfully be communicated in accordance with the Order or (d) any persons to whom it may otherwise lawfully be made (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this communication or any of its contents. In the same way, the information contained in this communication is intended for "eligible counterparties" and "professional clients" as defined by the rules of the Financial Conduct Authority and is not intended for "retail clients". Westpac expressly prohibits you from passing on the information in this communication to any third party.

This communication contains general commentary, research, and market colour. The communication does not constitute investment advice. The material may contain an 'investment recommendation' and/or 'information recommending or suggesting an investment', both as defined in Regulation (EU) No 596/2014 (including as applicable in the United Kingdom) ("MAR"). In accordance with the relevant provisions of MAR, reasonable care has been taken to ensure that the material has been objectively presented and that interests or conflicts of interest of the sender concerning the financial instruments to which that information relates have been disclosed.

Investment recommendations must be read alongside the specific disclosure which accompanies them and the general disclosure which can be found here. Such disclosure fulfils certain additional information requirements of MAR and associated delegated legislation and by accepting this communication you acknowledge that you are aware of the existence of such additional disclosure and its contents.

To the extent this communication comprises an investment recommendation it is classified as non-independent research. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and therefore constitutes a marketing communication. Further, this communication is not subject to any prohibition on dealing ahead of the dissemination of investment research.