10 November 2026

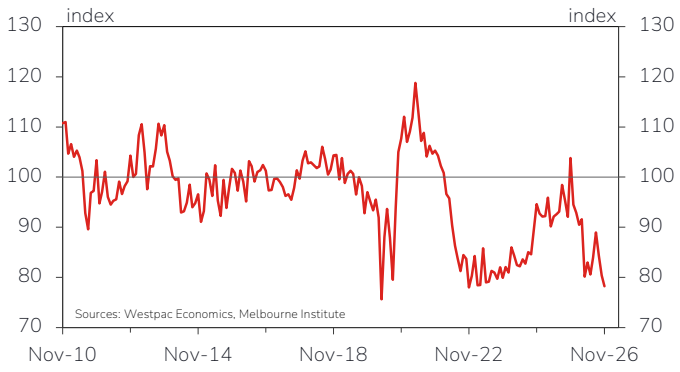
WESTPAC-MI CONSUMER SENTIMENT BULLETIN

Latest insights on the Australian consumer

Key points

- Westpac–Melbourne Institute Consumer Sentiment Index down 2.7% to 78.2.
- Deeply pessimistic reads continue as Index sinks to four-year low.
- November fall centred on sharp deterioration in near-term outlook for economy.
- Over 70% consumers expect further rise in mortgage rates over the next year.
- Big downgrade in consumer house price expectations.
- Job loss concerns rising gradually but consumers still not overly alarmed.
- Christmas spending plans show mortgage belt tightening up.

Consumer Sentiment Index



"The Westpac–Melbourne Institute Consumer Sentiment Index fell 2.7% to 78.2 in November from 80.4 in October."

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Consumer sentiment sinks to new low



Matthew Hassan
Head of Australian Macro-Forecasting

The Westpac–Melbourne Institute Consumer Sentiment Index fell 2.7% to 78.2 in November from 80.4 in October.

Australian consumers remain deeply pessimistic, sentiment continuing to plumb extreme lows. At 78.2, the November Index read is the lowest since late 2022, when annual inflation was running at close to 8%yr and the RBA raised was raising the cash rate by 4ppts in little over a year. Prior to that, readings this weak had only ever been seen in the economy's darkest moments: at the onset of the COVID pandemic; the height of the GFC; and during the recessions in the early 1990s and early 1980s.

Cost-of-living concerns remain front and centre. The last month has seen petrol prices push towards $2.40/litre, official inflation measures hit 4.3%yr and the RBA raise the cash rate by another 25bps to 4.85%, an 18yr high. Where there may have been some positives – coming from the US mid-term results for example – these have been swamped by inflation and interest rate concerns. The situation has hit consumers with a mortgage particularly hard, sentiment across this sub-group dropping 11.6% in November to just 68.1, a record low on measures going back to 1994.

Consumers are bracing for more rate rises. The **Westpac–Melbourne Institute Mortgage Rate Expectations Index**, which tracks consumer interest rate expectations, dipped 1.1% to 177.8 in November but remains near recent peaks. Amongst those surveyed after the RBA decision, 72%, a clear majority, expect mortgage rates to increase further over the next 12 months. This compares to 80% last month and 64% in September.

Component-wise, the November sentiment decline was led by a marked weakening in near-term expectations for the economy. 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 'economy, next 12 months' sub-index dropped 10% to 70.3 in November. This is the weakest read since August 2020, a low point in the early stages of the COVID pandemic when Melbourne had just entered its second lockdown and unemployment was surging. The 'economy, next 5 years' sub-index recorded a milder 1% dip in the November month but was already at its lowest level since August 2020.

Both sub-indexes were relatively resilient earlier in the year but are now showing a clearer loss of confidence.

Family finances and the loss of purchasing power are still at the heart of the current weakness in sentiment. Assessments of family finances were largely unchanged in November but remain near historic lows, both sub-indexes 19pts below their long run averages. Buyer attitudes are weaker still. The 'time to buy a major item' sub-index declined 3.7% to 80 in November, returning to the lows seen earlier in the year and over 40pts below the long-run average of 123. Across the 623 surveys that have been run since the mid-1970s, only fifteen have seen weaker reads on 'time to buy'.

"Cost-of-living concerns remain front and centre"

The negative mood is a troubling sign for retailers heading into the Christmas high season. That said, responses to additional questions on Christmas spending intentions run in our November surveys are not quite as bleak. These suggest that spending plans have not been dented too badly despite the ongoing pressure on finances. Just over 38% of consumers plan to spend less on gifts than last year, 46% about the same and 14% more. This is a little more restrained than this time last year when 36% of consumers were planning to spend less, and only marginally higher than the average 34% share over the last 20 years. Notably, it is slightly less restrictive than the 39% that were looking to cut spending when the last cost-of-living crisis was biting hard in 2022 and 2023. Not surprisingly, consumers with a mortgage are more focused on reining in spending, 92% of this subgroup planning to spend the same or less than last year.

Consumers continue to report a gradual rise in job-loss fears. The **Westpac–Melbourne Institute Unemployment Expectations Index** ticked another 1.6% higher to 144.4 in November, up 11%yr since July (recall that higher reads on this index mean more consumers expect unemployment to rise over the year ahead). Apart from a brief jump following the war in Iran, the latest read is the worst since the COVID period. However, expectations are still some way below previous peaks with readings consistent with a consumer that is 'on edge' rather than suddenly alarmed about jobs.

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Housing-related sentiment mostly deteriorated in November, led by a sharp downgrade to price expectations but with assessments of 'time to buy a dwelling' a little less pessimistic.

As in recent months, at least some consumers are starting to see lower prices as a potential buying opportunity. The 'time to buy a dwelling' index rose 1.3% to 89.6 in November, to be up 1.3% on a year ago as well. By state, buyer sentiment is a touch above neutral in Victoria (101), moderately downbeat in Queensland (93) and New South Wales (91) but extremely pessimistic in South Australia (76) and downright disastrous in Western Australia (56) and Tasmania (54).

Consumers are no longer positive about the house price outlook. The **Westpac–Melbourne Institute Index of House Price Expectations** recorded a steep 13.4% drop to 99.6 in November. This is the second biggest monthly deterioration since the COVID period and the first net negative (sub-100) read since November 2022. Consumers are evenly split on the outlook, just over 38% expecting more declines, 19% expecting no change and 38% expecting a rise (5% reported "don't know").

The state breakdown showed a particularly steep fall in consumer house price expectations in Queensland (–32% to just 86) but with big declines also recorded in Western Australia (–20% to 93) and South Australia (–18% to 92). NSW broadly tracked the national result (–13% to 103) while Victoria saw a much milder decline to a still moderately net positive level (–2.4% to 113).

The Reserve Bank Monetary Policy Board next meets on December 7–8. Having already lifted the cash rate five times this year, monetary policy is now tight and clearly weighing on interest rate sensitive parts of the economy. The impact on consumer sentiment is particularly clear. The RBA Governor's comments after last week's meeting suggest the Board will pause in December to assess how the tightening to date is impacting. This means the next meeting a hike will be actively considered is likely to be in February next year. On balance, we do not expect a cash rate increase in February. However, high inflation will continue to test the RBA's resolve.

Consumer Sentiment – November 2026

	avg*	Nov 2024	Nov 2025	Oct 2026	Nov 2026	%mth	%yr
Consumer Sentiment Index	**100.1**	**94.6**	**103.8**	**80.4**	**78.2**	**–2.7**	**–24.6**
Family finances vs a year ago	87.7	78.8	85.2	66.9	68.8	3.0	–19.2
Family finances next 12mths	106.4	104.1	109.1	88.4	87.6	–1.0	–19.7
Economic conditions next 12mths	90.5	100.9	104.8	78.3	70.3	–10.2	–32.9
Economic conditions next 5yrs	92.1	104.2	108.4	85.5	84.6	–1.0	–22.0
Time to buy a major household item	122.9	85.2	111.6	83.0	80.0	–3.7	–28.4
Time to buy a dwelling	119.0	86.8	96.4	88.4	89.6	1.3	–7.0
Unemployment Expectations Index	129.3	120.5	139.5	142.1	144.4	1.6	3.5
House Price Expectations Index	130.2	150.1	172.4	115.1	99.6	–13.4	–42.2
Interest Rate Expectations Index	141.8	103.0	119.1	179.7	177.8	–1.1	49.3

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 2 November to 6 November. 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.

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