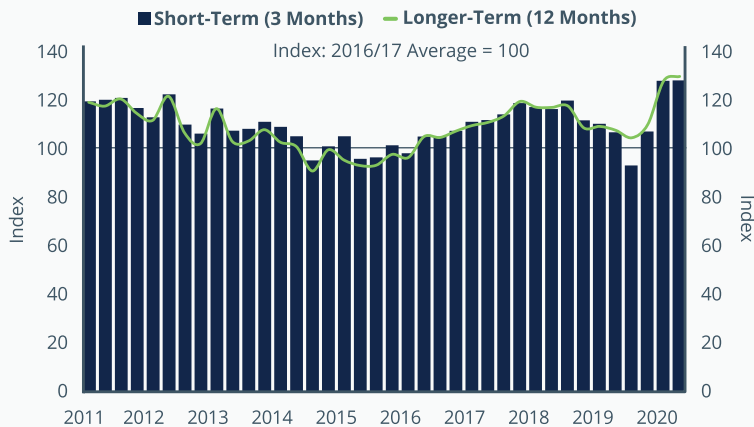


CCIWA Consumer Confidence Survey:
March Quarter 2021

Return to pre-lockdown life and vaccine optimism push WA consumer confidence to 11 year high



Consumer Confidence WA Economic Conditions

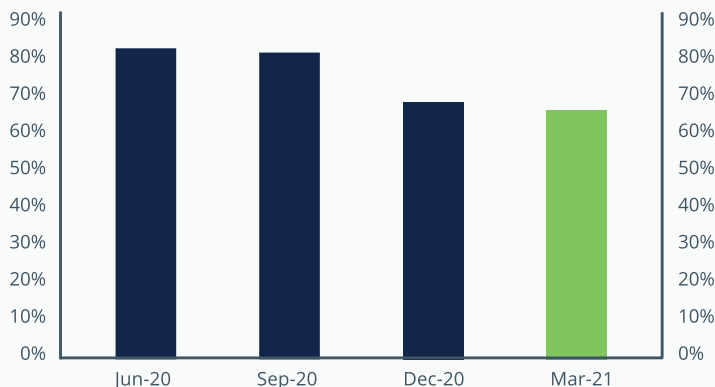


After soaring to decade highs in December 2020, Western Australian consumer confidence has held firm in the first three months of 2021 – rising slightly to its highest level since March 2010. The State Government continues to be the most significant factor underpinning Western Australians' confidence, followed by optimism around the nationwide COVID-19 vaccine roll-out and record low interest rates.

At the same time, Western Australians remain concerned about ongoing international trade tensions and the possibility that WA will experience another 5-day snap lockdown if a new locally acquired case is identified.

While the risk of a new outbreak continues to weigh on the minds of Western Australians, it has declined as a concern over the past two survey periods. Two out of three (65%) Western Australians identified COVID-19 as weighing on their confidence this quarter, compared to 81 per cent during the height of the pandemic (June quarter). This may reflect the successful containment of outbreaks across the nation and optimism around local vaccine distribution.

COVID-19 -Negative Influence on Confidence Proportion 'Agree'



For the second consecutive quarter, the State Government was the most significant factor driving WA consumer confidence

Confidence in the short-term outlook remains elevated

Short-Term Index up 0.2 Index Points over the quarter to 125.9

After surging to 10-year highs in the December edition of the *CCIWA Consumer Confidence Survey*, Western Australians' short-term (3 months) confidence has held firm in the first three months of 2021 – edging up to its highest level since March 2010.

More than four out of ten (42%) anticipate conditions will improve over the next three months, while one out of ten (13%) expect conditions to weaken – down 2 percentage points since last quarter. Almost one out of two (46%) anticipate no change – up 4 percentage points.

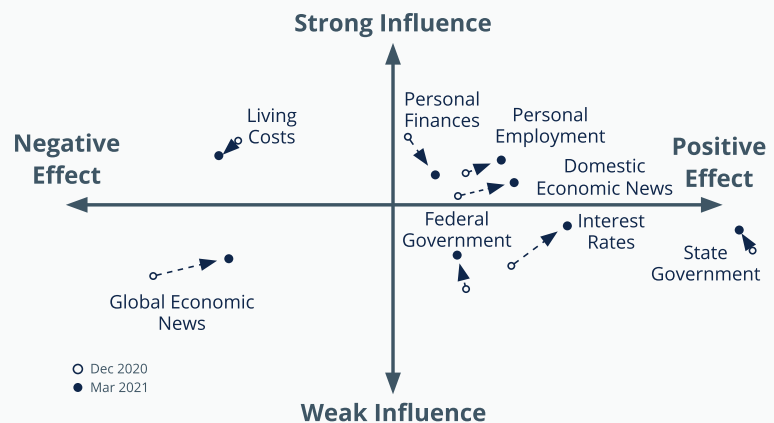
Longer-term outlook edges up on the back of vaccine news and low interest rates

Longer-Term Index up 1.8 Index Points over the quarter to 129.0

Looking to the year ahead, six out of ten (60%) Western Australians anticipate conditions will improve over the next twelve months, while one out of ten (10%) expect conditions to worsen – down 3 percentage points since last quarter. The remaining 29 per cent anticipate no change.

In the following sections, we unpack the key factors influencing Western Australians' confidence in the WA economy.

What influences consumers? - March 2021



What's influencing consumer confidence?

State Government

For the second consecutive quarter, the State Government was the most significant factor driving WA consumer confidence. This was underpinned by the State Government's decision to safely return WA to 'pre-lockdown' conditions after the completion of the recent 5-day snap lockdown.

Two out of three (67%) Western Australians considered the State Government to have positively influenced their confidence this quarter, down 2 percentage points since last quarter.

Interest rates

The RBA has reaffirmed that interest rates are unlikely to increase for at least three years, or until significant gains in national employment have occurred. This has lifted the mood of WA consumers, with almost one out of two (48%) Western Australians

considering interest rates to have increased their confidence – up 5 percentage points since last quarter. Lower interest rates will support WA's housing market and provide cashflow relief to homeowners, particularly those facing high levels of mortgage stress.

Domestic vaccine progress

The expected roll out of nationwide COVID-19 vaccination programs has positively influenced confidence this quarter, with two out of five (44%) Western Australians considering domestic economic news to have boosted their confidence – up 3 percentage points since last quarter.

An uncontrolled outbreak

At the same time, almost two out of five (38%) Western Australians reported high levels of concern about the possibility of an uncontrolled COVID-19 outbreak in WA, including more than half (53%) of those aged 18-24 years – up 6 percentage points since last quarter.

Younger people are disproportionately represented in industries most exposed to the introduction of social distancing measures, such as hospitality, tourism, and accommodation, and are therefore more likely to experience job insecurity if social distancing measures are re-introduced.

Insights into CCIWA's Consumer Database

Working from home

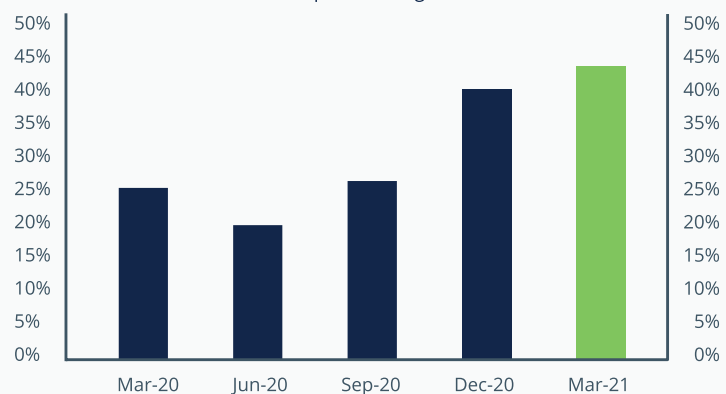
COVID-19 has changed the way we live and work. One significant and potentially long lasting consequence is the acceleration towards flexible working and 'work from home' arrangements. In this edition of the *CCIWA Consumer Confidence Survey*, we sought to investigate how Western Australians would prefer to balance working from home and at the workplace if they were given the choice.

We first identified the proportion of the working population that can at least partly work from home:

- Just under half (47%) of employed Western Australians reported that they can at least partly work from home. Younger Western Australians and higher income earners were most likely to hold occupations that can work from home.
- The remaining 53 per cent identified that their occupation does not permit working from home.



Domestic Economic News - Positive Influence on Confidence
Proportion 'Agree'



If your occupation permits, how much time would you like to spend working from home if given the choice?	Total	Male	Female	Younger (18-39 years)	Older (40+ years)	Lower income (up to \$40k annually)	Higher income (\$114k+ annually)
Up to half at home	59%	57%	61%	67%	45%	38%	64%
More than half at home	29%	30%	29%	25%	37%	42%	30%
All at home	17%	17%	17%	13%	23%	25%	20%
None at home	12%	13%	10%	8%	18%	20%	6%

Compared to prior to COVID-19, are you now any more or less likely to prefer the following living arrangements?	Living in outer suburbs versus inner city (CBD)			Having a larger house/block			Living in a house rather than apartment		
	Younger (18-39 years)	Older (40+ years)	Total	Younger (18-39 years)	Older (40+ years)	Total	Younger (18-39 years)	Older (40+ years)	Total
More likely	23%	18%	21%	38%	15%	27%	38%	24%	31%
Less likely	14%	10%	12%	13%	16%	14%	13%	6%	10%
No change	53%	68%	60%	42%	66%	54%	42%	66%	54%

Of those that can work remotely, the majority (59%) would prefer to spend up to half of their time working from home – including two out of three (67%) younger Western Australians. Only 12 per cent of those who could work from home would choose not to at all.

We also asked Western Australians to gauge their employer's level of support for flexible working arrangements:

- The majority (67%) of Western Australians reported that their employer actively or occasionally encourages staff to work from home when it suits them.

- Only 10 per cent reported that their employer actively or occasionally discourages staff from working at home.

Household living arrangements

Flexible working arrangements have allowed Western Australians to spend more time at home and within their local communities than ever before. We sought to identify whether Western Australians' preferences for living arrangements have changed since the start of the pandemic.

Looking to the survey results:

- Three out of ten (31%) identified that they are now more likely to

prefer living in a house rather than an apartment. This is three times the proportion less likely to prefer a house over an apartment (10%).

- Younger Western Australians (38%) are more than twice as likely as older Western Australians (15%) to prefer a larger house or block over a smaller property.
- One out of five (21%) identified that they are now more likely to prefer living in the outer suburbs rather than the CBD – almost double the proportion less likely to prefer this option (12%).

Consumer Confidence - March 2021



WA consumer confidence hits **11-year high**

Western Australians remain concerned that WA will experience another **5-day snap lockdown** if a **new local case is identified**



Return to **pre-lockdown life** and **vaccine optimism** are the **most significant factors** driving confidence this quarter



Almost **3 out of 5 (59%)** employed Western Australians would prefer to spend up to **half of their time working from home**

Consumer Confidence	Current Quarter (March)	Previous Quarter (December)	Highest since
Short-Term	125.9	125.7	March 2010
Longer-Term	129.0	127.2	June 2011
Personal Finances	108.0	107.3	September 2015
Job Prospects	108.4	106.7	December 2014

Note: Index figures may have changed from previous editions of Consumer Confidence due to changes in index calculation methodology. Percentage figures may not always add to 100% due to rounding errors.

The index is rebased to the average score of respondents to the 2016-17 financial year. The value of the index can be interpreted as the percentage change in average consumer confidence in a period compared with the average consumer confidence in 2016-17. For instance, the Consumer Confidence Index in March 2021 is 125.9, which suggests that the average score of survey respondents for consumer confidence in March 2021 is 25.9 per cent higher than the average rating in 2016-17.