MELBOURNE INSTITUTE
Applied Economic & Social Research

Westpac – Melbourne Institute Survey of Consumer Sentiment

Monthly Report

July 2026

THE UNIVERSITY OF MELBOURNE

MELBOURNE INSTITUTE

IN PARTNERSHIP WITH:

Westpac–Melbourne Institute Consumer Sentiment Index - July 2026

Table 1: Consumer Sentiment Index - Australia

	Jul 2024	Jul 2025	Jun 2026	Jul 2026	% change on Jun-2026	% change on Jul-2025
Seasonally Adjusted	82.7	93.1	80.6	83.9	4.1	-9.9
Trend*	83.8	94.7	82.5	82.3	-0.3	-13.2

The Westpac–Melbourne Institute Consumer Sentiment Index increased by 4.1 per cent in July, after a decline of 2.9 per cent in June. At 83.9, the Index is well below the 100 neutral mark and 9.9 per cent below its level a year ago (93.1). Despite its July increase, the Index has been trending down from its recent high in November 2025 (103.8). Over the past four months, it has been around the level it sustained during the period of aggressive monetary policy tightening between July 2022 and July 2024 (with an average reading of around 82.0) (Chart 1), indicating **ongoing severe pessimism among consumers at the moment**.

The increase in the Consumer Sentiment Index in July was driven primarily by improvement in consumers' self-reported family finances with the component indexes relating to current and future family finances increasing by 5.6 and 13.4 per cent, respectively. Despite its substantial increase in July, the current reading of the component index relating to future family finances at 96.5 is still 4.9 per cent below its level a year ago (101.4) and well below its historical average of around 106.0. This reflects that consumers remain worried about future family finances despite a significant improvement in their outlook for family finances in July. **Consumers are also considerably less optimistic about the near-term outlook for the economy than they were a year ago**. The current reading of the component index relating to economic conditions over the next 12 month at 78.3 is well below the 100 neutral mark and 16.8 per cent below its level a year ago (94.1).

The results by demographic groups show monthly increases in the Index in most categories. By housing tenure, renters and outright homeowners recorded sizable increases of 6.5 and 7.5 per cent, respectively. Meanwhile, mortgagors recorded a modest increase of 1.3 per cent and their sentiment reading (80.8) is also less optimistic than those of renters (87.6) and outright homeowners (84.7). By age, respondents aged 18-24 years recorded a large monthly increase of 10.5 per cent and their current sentiment reading at 111.4 is considerably more optimistic than that of respondents aged 45 years and over (70.7).

The June survey was carried out a week and a half after the release of the ABS monthly CPI showing that annual inflation slowed further to 4.0 per cent in May from 4.2 per cent April and 4.6 per cent in March. **The proportion of consumers expecting rising interest rates in the next 12 months decreased further to 59.6 per cent from 66.4 per cent in June and 74.4 per cent in May**. Nevertheless, it still suggests that the majority of consumers are expecting further tightening in monetary policy over the next 12 months.

Chart 1: Consumer Sentiment Index

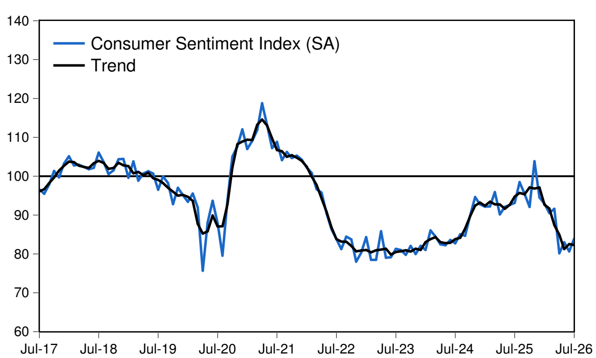
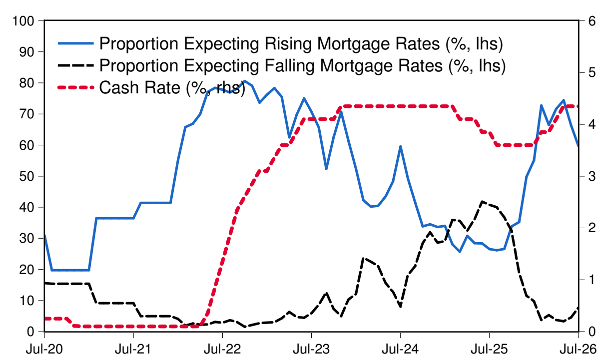


Chart 2: Expectations of Mortgage Rates and Cash Rate



*Trend for the latest month is a 2-month moving average while the rest are 3-month centered moving averages.

Table 2: Component Indexes* (SA) - Australia

	Jul 2024	Jul 2025	Jun 2026	Jul 2026	% change on Jun-2026	% change on Jul-2025
Family Finance vs a year ago	63.5	79.2	67.3	71.1	5.6	-10.3
Family Finance next 12 months	92.1	101.4	85.1	96.5	13.4	-4.9
Economic Conditions next 12 months	81.4	94.1	77.8	78.3	0.6	-16.8
Economic Conditions next 5 years	94.5	93.4	86.5	87.1	0.7	-6.8
Time to Buy Major Household Items	82.1	97.6	86.4	86.8	0.5	-11.1
*Current Conditions Index***	72.8	88.4	76.9	78.9	2.7	-10.7
*Expectations Index****	89.3	96.3	83.1	87.3	5.0	-9.4

Table 3: Consumer Sentiment Index - by Demographic Characteristics

		Jul 2024	Jul 2025	Jun 2026	Jul 2026	% change on Jun-2026	% change on Jul-2025
Gender	Male	90.7	101.4	92.3	87.0	-5.8	-14.1
	Female	75.2	85.3	69.4	81.0	16.8	-5.1
Age	18-24 years	100.8	110.3	100.8	111.4	10.5	1.0
	25-44 years	88.8	102.1	94.2	94.6	0.4	-7.4
	Over 45 years	73.9	82.9	66.1	70.7	7.0	-14.6
Home Ownership	Tenant	86.1	87.0	82.3	87.6	6.5	0.7
	Mortgagor	82.0	94.9	79.8	80.8	1.3	-14.8
	Wholly Owned	81.5	96.8	78.8	84.7	7.5	-12.5
Voting Intention	Coalition	79.5	91.5	82.7	84.4	2.0	-7.8
	ALP	95.8	108.7	103.8	101.7	-2.1	-6.5
	Greens and others	72.4	79.2	64.4	69.7	8.3	-11.9
	None/Don't know	76.0	81.2	72.4	81.9	13.1	0.9
Occupation	Managers/professionals	86.1	103.1	92.0	89.1	-3.1	-13.6
	Technicians/service workers	90.6	107.5	86.0	83.0	-3.5	-22.7
	Administrative/sales workers	80.2	95.3	79.9	90.8	13.6	-4.8
	Machine operators/labourers	86.8	88.2	81.9	86.6	5.8	-1.8
	Not working	76.9	79.3	67.9	74.7	10.0	-5.8
Household Income	Up to $20k	70.6	88.2	91.1	88.7	-2.7	0.6
	$20k-$40k	82.0	74.9	70.6	78.7	11.5	5.1
	$40k-$60k	79.4	79.3	86.0	74.6	-13.4	-6.0
	$60k-$80k	82.9	94.3	75.5	83.7	10.9	-11.2
	$80k-$100k	88.1	95.6	87.2	80.8	-7.4	-15.5
	Over $100k	87.9	100.5	81.9	89.8	9.6	-10.7
Area	Metropolitan	84.1	95.1	84.4	86.0	1.8	-9.6
	Non-metro	79.6	86.8	72.9	79.9	9.7	-7.9

Table 4: Time to Buy a Dwelling Index

	Jul 2024	Jul 2025	Jun 2026	Jul 2026	% change on Jun-2026	% change on Jul-2025
Time to Buy a Dwelling Index	75.7	88.5	81.1	85.4	5.3	-3.5

*These indexes are constructed based on the balance approach: the percentage of 'optimistic' respondents less the percentage of 'pessimistic' respondents plus 100.

**Average of the two component indexes about family finances vs a year ago and good/bad time to but major household items.

***Average of the three component indexes about expectations of future family finances and economic conditions.

Chart 3: Current Conditions Index

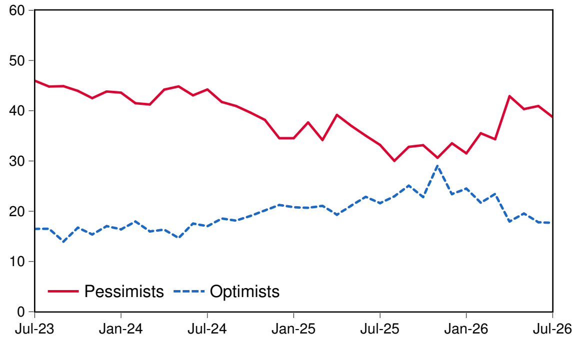


Chart 4: Expectations Index

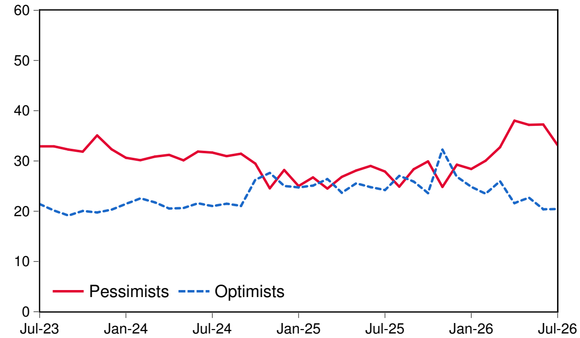


Chart 5a: Family Finances Last 12 Months

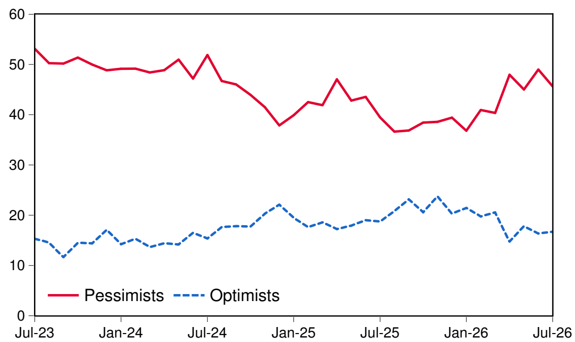


Chart 5b: Family Finances Next 12 Months

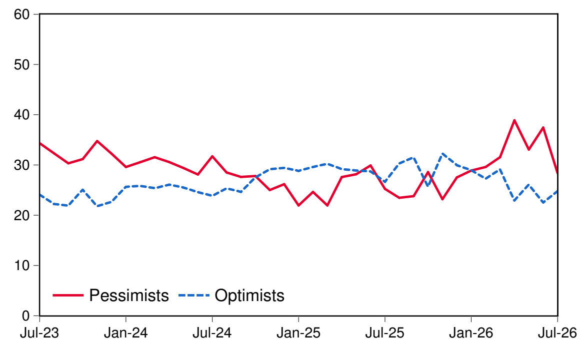


Chart 5c: Economic Conditions Next 12 Months

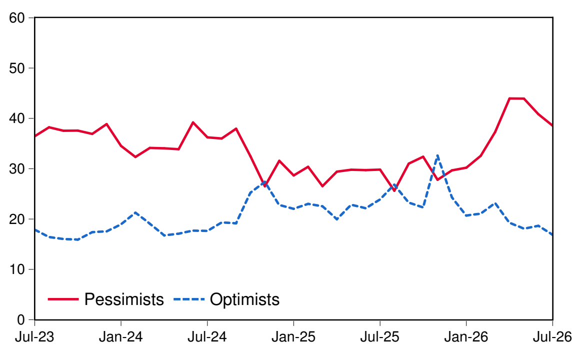


Chart 5d: Economic Conditions Next 5 Years

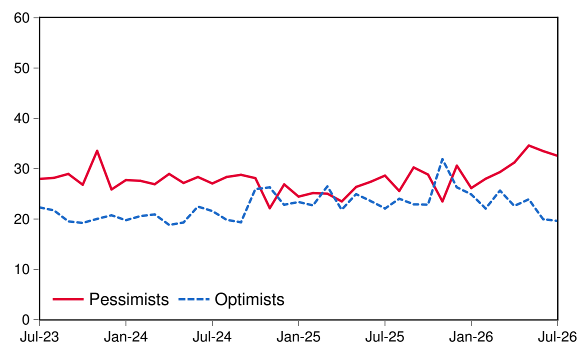


Chart 5e: Good/Bad Time To Buy Major Items

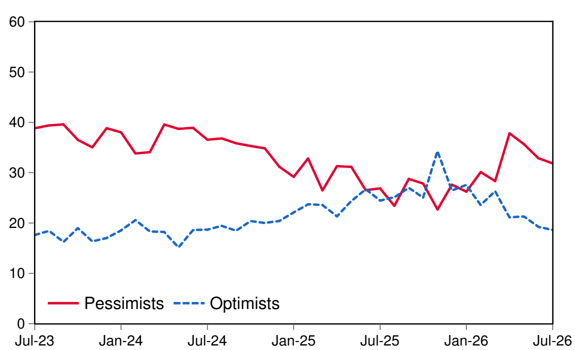
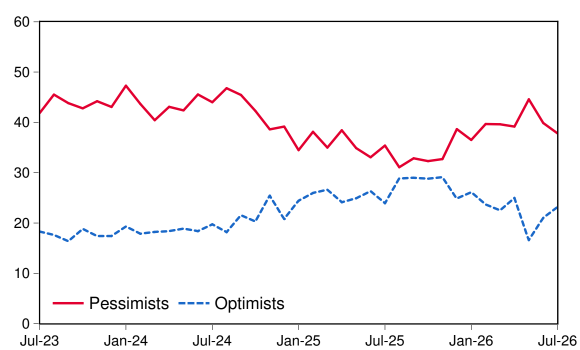


Chart 5f: Good/Bad Time to Buy A Dwelling



NOTE: The proportions of optimists and pessimists for the Current Conditions and Expectations Indexes are simple averages of the proportions of optimists and pessimists of their respective component indexes.

Chart 6a: Consumer Sentiment by Age

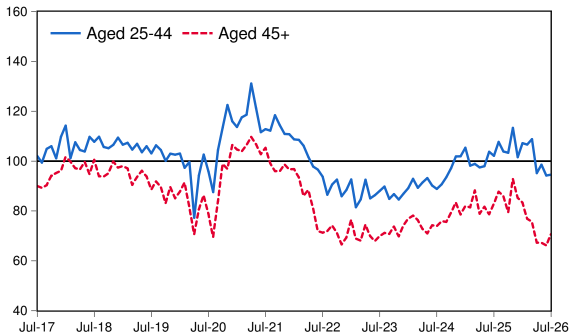


Chart 6b: Consumer Sentiment by Home Ownership

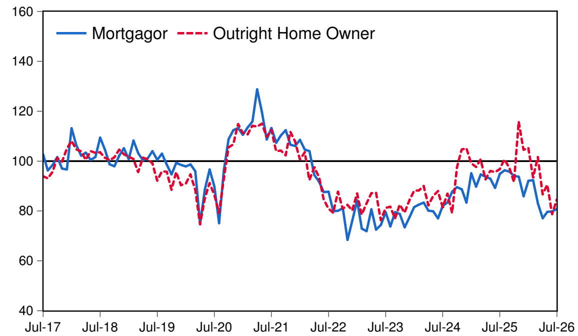


Chart 6c: Consumer Sentiment by Voting Intention

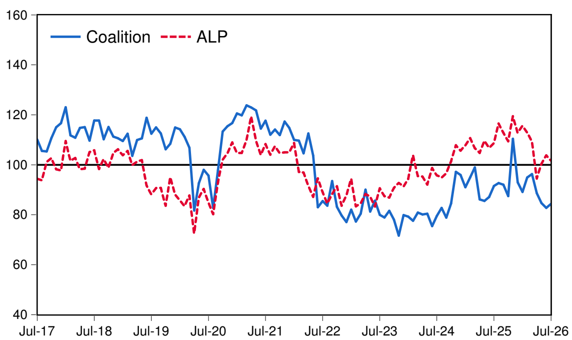


Chart 6d: Consumer Sentiment by Occupation

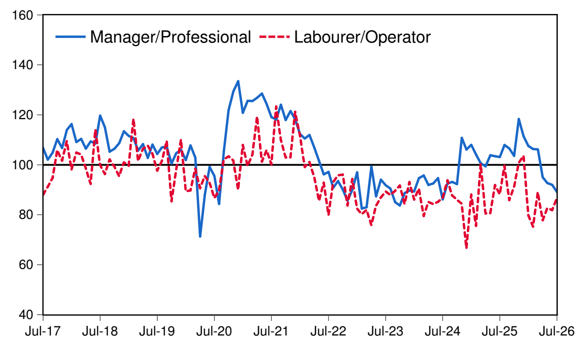


Chart 6e: Consumer Sentiment by Household Income

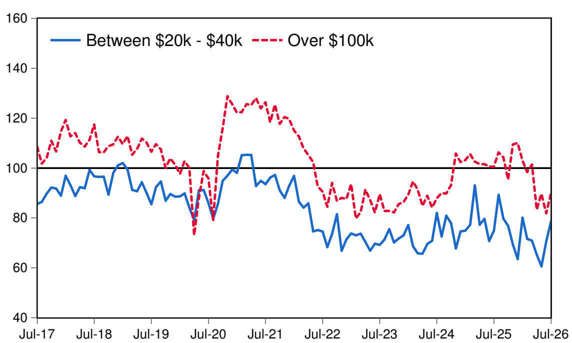
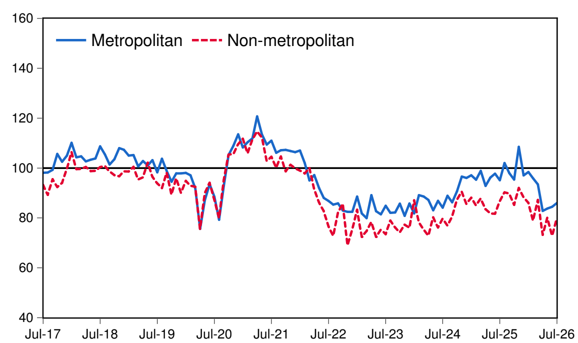


Chart 6f: Consumer Sentiment by Area



Release:	14 July 2026	Coverage: persons 18 years and over, all states and ACT.
Interview period:	6 Jul - 9 Jul 2026	Stratified by gender, age and location.
Sample size:	1200	

Westpac - Melbourne Institute
Survey of Consumer Sentiment

The *Westpac - Melbourne Institute Survey of Consumer Sentiment* Index has been designed as a trend-less variable that provides an indication of the level of and shifts in consumer sentiment over time. The index is an average of five component indexes which in turn reflect the balance of favourable and unfavourable responses to five survey questions. These questions relate to family finances a year ago and in the next 12 months, economic conditions in the next 12 months and next 5 years, and good or bad time to buy major household items. An index level of 100 indicates that the balance of confidence or optimism is equally weighted, while an index level greater than 100 indicates that optimists outnumber pessimists.

The Consumer Sentiment Index has been found to be a good predictor of economic activity.

For information on the data contained in the report, contact the Melbourne Institute, the University of Melbourne, on (03) 8344 2196.

For more information about the Melbourne Institute, see: `http://melbourneinstitute.unimelb.edu.au`

For more information about Macro@MI and other Reports, see:
`http://melbourneinstitute.unimelb.edu.au/research-programs/macroeconomics`

ISSN 1836-4217 (Online)

THE UNIVERSITY OF MELBOURNE

MELBOURNE INSTITUTE