CONFIDENCE SURVEY

Westpac McDermott Miller Consumer Confidence, September quarter 2026.

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CONTENTS AND AUTHOR

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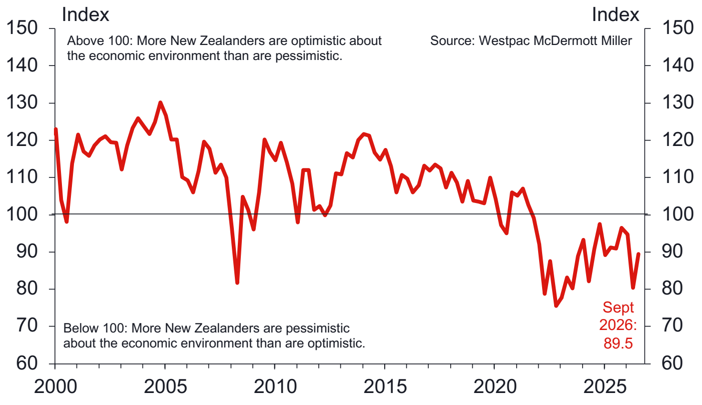
SUMMARY

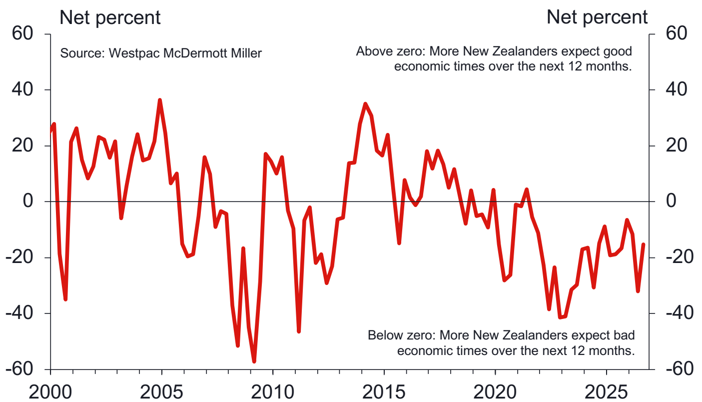
Confidence springs back up, but there's still a lot of nervousness out there.

- Spring is here. The mornings are getting lighter. And in Auckland the CRL is FINALLY open. Against that backdrop, consumers across the country are feeling a bit less downbeat about the economic outlook. Even so, there is still a lot of nervousness about economic conditions.
- Consumer confidence rose 9 points in our latest Westpac McDermott-Miller survey of New Zealand households, taking it to a level of 89.5. That's a sizeable lift after confidence fell to a three-year low earlier in the year. But even with this recent pickup, consumer confidence is still well below average levels (Note: a level below 100 means that there are more households who are pessimistic about economic conditions than those who are optimistic).
- Since our last survey in June, some of the pressure on households' finances has eased. Most notably petrol prices have fallen from the eyewatering highs we saw earlier this year (though at the time of writing, the outlook for petrol prices is looking worrying again). We've also seen ongoing strength in key export industries, which has been boosting incomes and sentiment in many regions.
- But even with those factors supporting sentiment, households are still being buffeted by some powerful financial headwinds and they remain cautious about their spending.

Consumer Confidence



Do you expect good or bad economic times over the next 12 months?



CONSUMER CONFIDENCE INDICES

Nationwide

	Sept-26	Jun-26	Change	Average (past ten years)
Consumer Confidence Index	**89.5**	**80.4**	**+9.1**	**97.2**
Present Conditions Index	**78.7**	**73.5**	**+5.2**	**92.6**
Expected Conditions Index	**96.6**	**85.0**	**+11.6**	**100.3**
Current financial situation	-29.5	-34.9	+5.4	-14.8
Expected financial situation	0.0	-10.4	+10.4	4.3
1-year economic outlook	-15.8	-32.0	+16.2	-11.5
5-year economic outlook	5.7	-2.4	+8.1	8.1
'Good time to buy'	-13.0	-18.2	+5.2	-0.1

Consumer confidence by region

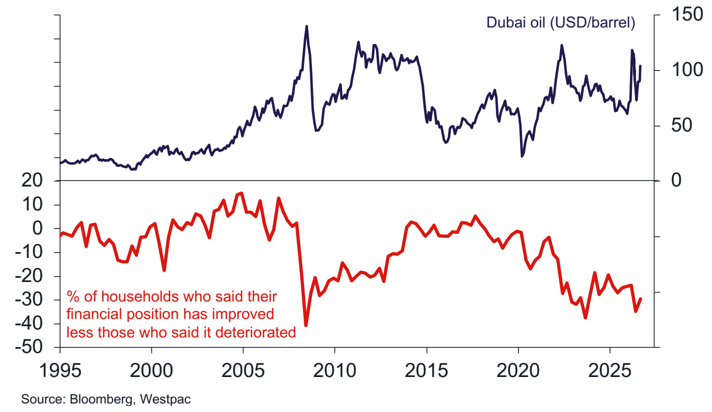
	Sep-26	Jun-26	Average (past ten years)
Northland	92.3	79.8	95.6
Auckland	94.3	83.8	99.5
Waikato	88.2	77.3	96.7
Bay of Plenty	92.3	78.6	97.9
Gisborne/Hawke's Bay	88.1	79.9	97.5
Taranaki/Manawatu-Whanganui	79.9	80.8	95.2
Wellington	85.0	74.2	98.9
Nelson/Marlborough/West Coast	82.9	79.9	95.1
Canterbury	90.9	83.2	96.6
Otago	83.1	73.0	95.7
Southland	84.3	80.4	94.9
Nationwide	**89.5**	**80.4**	**97.2**

HOUSEHOLD FINANCES

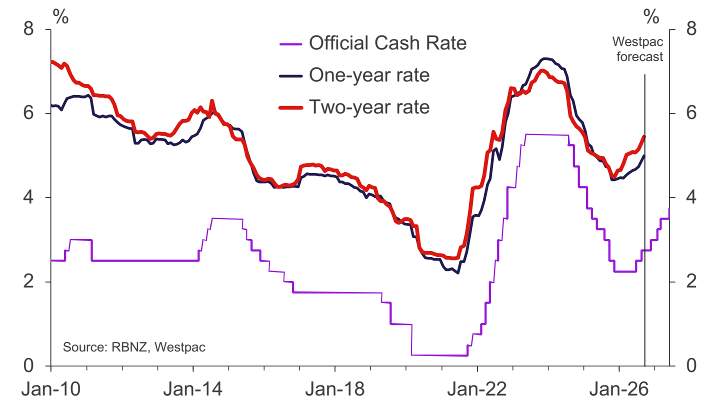
Not a lot left in the tank.

- The big concern for households remains the pressure on their finances. Even with a modest improvement since our last survey, the vast majority of households continue to report that their financial position has deteriorated over the past year. And households aren't expecting an improvement over 2027, with economic conditions expected to remain sluggish.
- The pressure on households finances is coming on several fronts, with fuel costs still a key concern. Even though petrol prices have fallen since their spike in the early part of the year, prices at the pump aren't low, with 91 unleaded currently averaging around $3.12/ltr around the country. And with global fuel prices pushing higher again in recent days, the risks for local petrol prices are firmly to the upside.
- But it's not just fuel prices that are worrying households. The past year has also seen large increases in other living costs, along with continued softness in the labour market.
- Importantly, the strength in inflation has seen the RBNZ hiking the Official Cash Rate twice since July, and we expect further increases over the months ahead. That's seen upward pressure on mortgage interest rates.

Oil prices and households' financial position



Mortgage rates and the Official Cash Rate

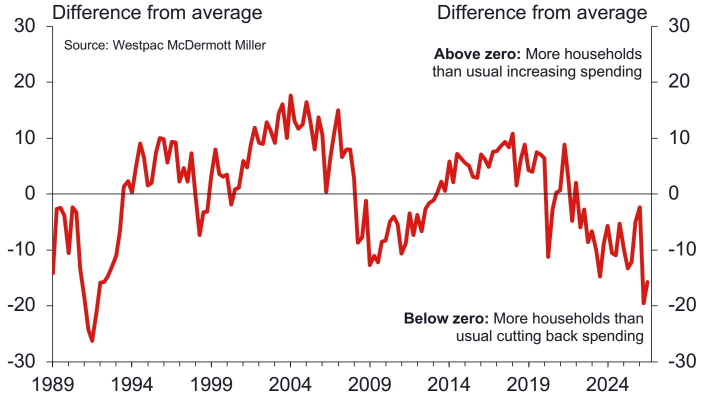


SPENDING APPETITES

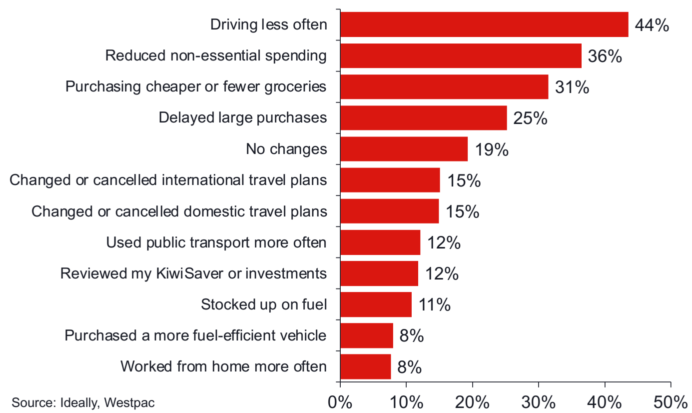
Pumping the brakes.

- With living costs and interest rates pushing higher, households are still very cautious about pulling out their credit cards.
- The majority of households we spoke to told us they've cut back their spending on dining out and other entertainment activities. Households are similarly cautious about purchasing major items for the home, like appliances or furnishings.
- But it's not just discretionary purchases that households have become more cautious abouts since oil prices have spiked. In our separate survey in July, around 30% of households we spoke to said they've adjusted their spending on essentials like groceries, purchasing fewer or cheaper items. Many households also told us they've been driving less.

Are households spending more or less on dining out and entertainment?



What changes, if any, have households made as a result of the Middle East conflict?

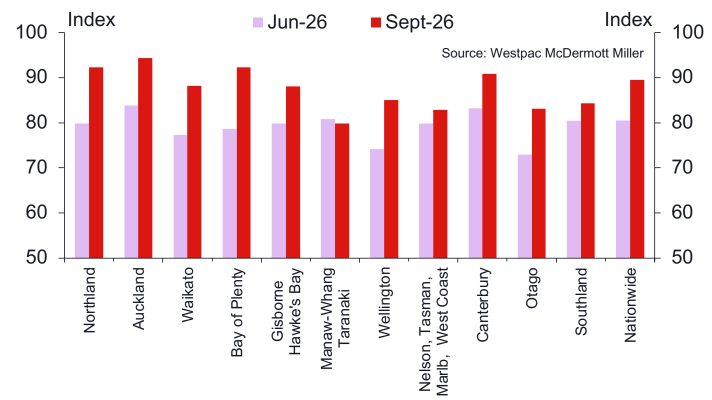


REGIONAL CONFIDENCE

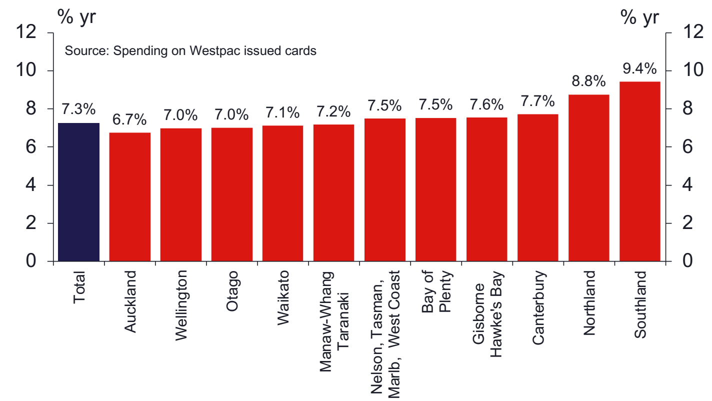
Wellington and Auckland continuing to lag rural regions.

- While still below average, confidence has taken a step higher in nearly every part of the country. That's consistent with lower fuel prices putting money back into households' wallets right across the nation.
- The only exception to this pattern was in Taranaki/Manawatu-Whanganui, where confidence was essentially unchanged this quarter and still very low. Regions in the central and lower North Island are seeing some mixed economic conditions, with firmness in sectors like agriculture, but broader softness in the labour market and house prices.
- Even with confidence picking up across most of the country this quarter, there are still big differences in economic conditions across regions. Those regions with strong rural backbones are continuing to outperform the major urban centres of Auckland and Wellington. In addition, labour market conditions have been notably firmer in the lower South Island than elsewhere.

Consumer confidence by region



Annual spending growth – three months to August compared to same time last year



TECHNICAL DETAILS

Survey description.

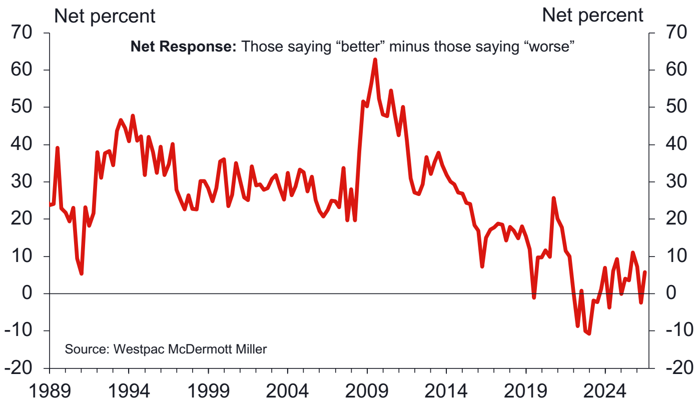
The Westpac-McDermott Miller Consumer Confidence Index summarises the net balance of optimistic/pessimistic responses to five questions: how households' financial situation has changed over the past year; whether now is a good time to buy a major household item; how households expect their financial situation to change over the coming year; and near term and longer-term prospects for the New Zealand economy as a whole.

The first two of these questions are summarised in the Present Conditions Index, and the last three are summarised in the Expected Conditions Index. An index number over 100 indicates that optimists outnumber pessimists, though the series may be above or below 100 on average. The survey also includes questions on respondents' spending on entertainment and eating out, and on what they would do with a $10,000 windfall.

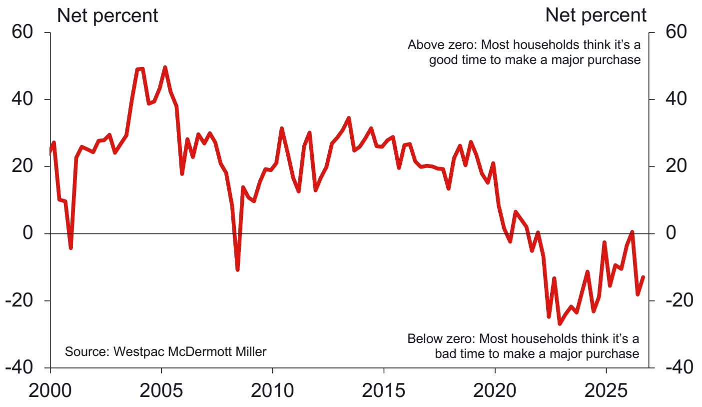
Survey interviews were conducted over the period 1-12 September 2026. The sample size was 1,550.

Summary charts.

Do you expect good or bad economic times over the next five years?



Is this a good or bad time to buy a major household item?



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