

CONFIDENCE SURVEY

Westpac McDermott Miller Consumer
Confidence, March quarter 2026.

18 March 2026



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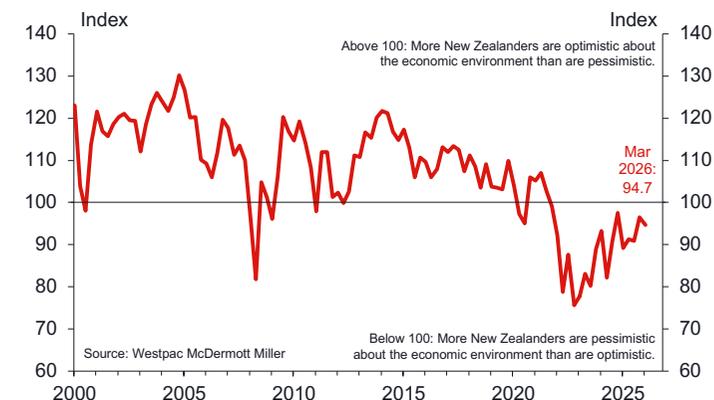


SUMMARY

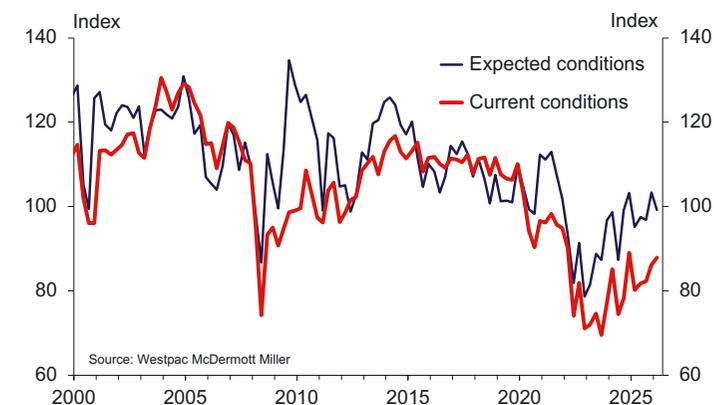
The fog of war.

- Consumer confidence has taken a knock, albeit only a small one at this stage. Our Westpac-McDermott Miller Consumer Confidence index fell 1.8ppts in March, taking it to a level of 94.7 (a level below 100 indicates that there are more households who are pessimistic about economic conditions than those who are optimistic).
- A growing number of households actually told us their financial position had been improving over the past year. However, those improving domestic conditions have now been over taken by more worrying global events.
- Our latest survey was conducted in the first two weeks of March – the same time as the war in the Middle East broke out. Against that backdrop, households have grown a little more nervous about the economic outlook.
- At this stage, the drop in confidence has been relatively limited. However, the war in the Middle East was intensifying over the survey period. As a result, when we spoke to households, many will not have seen the full impact of the conflict or experienced the rise in fuel prices.
- The longer the conflict continues, the larger the resulting disruptions to economic activity and pressure on households' finances will be. That could see confidence dropping back over the coming months.

Consumer Confidence



Households' perceptions of and expected economic conditions



CONSUMER CONFIDENCE INDICES

Nationwide

	Mar-26	Dec-25	Change	Average (past ten years)
Consumer Confidence Index	94.7	96.5	-1.8	98.3
Present Conditions Index	87.9	86.1	1.8	94.2
Expected Conditions Index	99.2	103.4	-4.2	101.0
Current financial situation	-23.8	-24.4	0.6	-13.2
Expected financial situation	1.9	5.6	-3.7	4.8
1-year economic outlook	-11.6	-6.5	-5.1	-10.3
5-year economic outlook	7.3	11.1	-3.8	8.6
'Good time to buy'	-0.5	-3.5	3.0	1.7

Consumer confidence by region

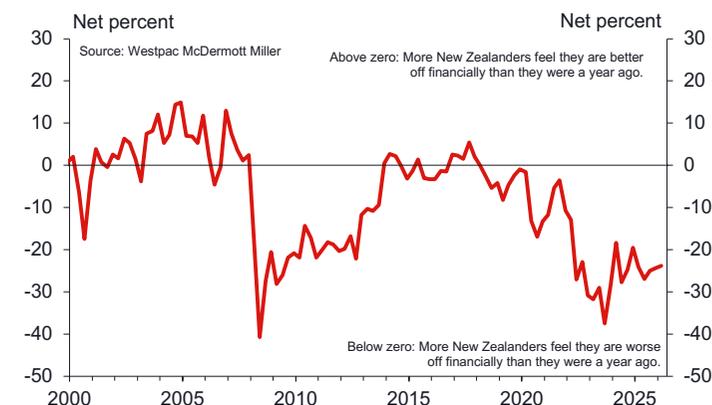
	Mar-26	Dec-25	Average (past ten years)
Northland	93.6	91.2	96.2
Auckland	100.7	106.9	100.6
Waikato	95.4	86.6	97.5
Bay of Plenty	95.4	96.2	99.0
Gisborne/Hawke's Bay	100.8	100.9	98.2
Taranaki/Manawatu-Whanganui	84.9	85.7	95.8
Wellington	88.2	83.8	99.9
Nelson/Marlborough/West Coast	91.3	103.0	95.7
Canterbury	90.6	93.1	97.5
Otago	93.3	98.2	96.4
Southland	86.8	85.2	95.4
Nationwide	94.7	96.5	98.3

HOUSEHOLD FINANCES

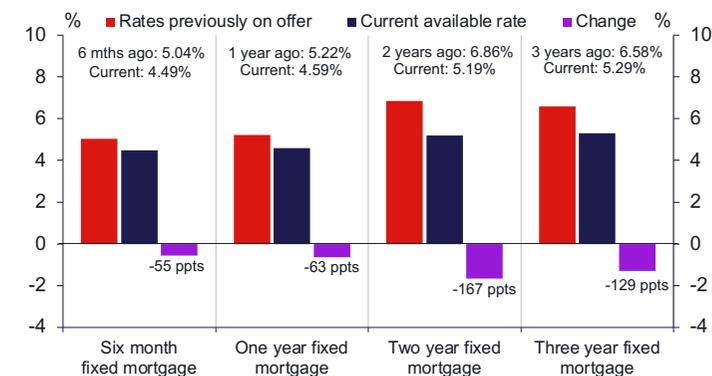
Milk and money.

- A growing number of households have told us that their financial position has improved over the past year. Helping to support those improvements have been two big factors.
- First is the continued strength in export commodity prices, including for New Zealand's key dairy exports. That's helped to lift incomes and spending in many regions. Importantly, the related boost to activity has spread well beyond the farm.
- The other factor that's been supporting consumer confidence has been the large drop in borrowing costs over the past year. While the RBNZ's tightening cycle has come to a close, borrowers are continuing to roll off the relatively high fixed mortgage rates that were on offer in recent years and on to lower ones. The related lift in the disposable incomes of mortgaged households has helped to boost spending in recent months. And that roll over on to lower rates will continue for several months yet as more borrowers come up for refixing.
- But even with the above factors helping to support households' finances, consumer confidence still remains low. A key reason for that is the softness in the labour market. We'll take a closer look at labour market conditions next week in our upcoming Employment Confidence report.

Do households feel better or worse off financially compared to a year ago?



Borrowers continuing to roll on to lower rates



Source: RBNZ data for borrowers with over 20% equity. Current rates on offer from Westpac from 17 March 2026.

SPENDING APPETITES

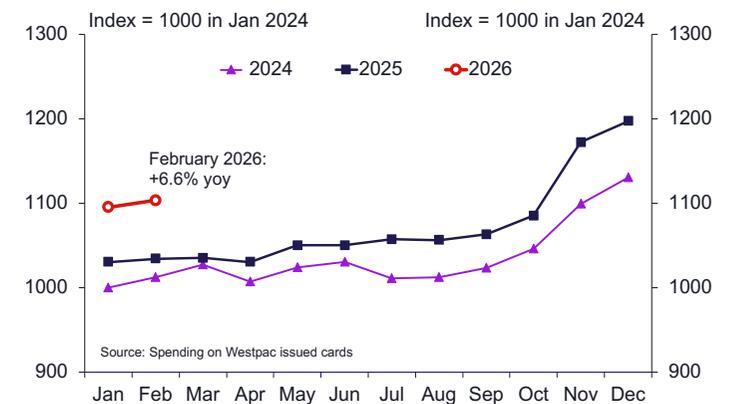
Discretionary spending on the rise, but for how long?

- With lower interest rates and strength in export commodity earnings, spending appetites have been on the rise.
- The past few months have seen a pickup in the number of households who think that it's a good time to make a major purchase. There's also been a lift in the number of households who have told us that they're spending more on entertainment.
- That pickup in spending appetites was evident in our latest Westpac card spending report, which showed strong increases in discretionary spending categories, like furnishings and dining out.
- However, we're now seeing a reacceleration in cost of living pressures, led by sharp increases in fuel prices. That will syphon funds from households' pockets.
- If the rise in fuel prices is protracted, the pressures on households' finances could see them cutting back their spending in a range of areas.

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



Spending on Westpac cards (per person, level)

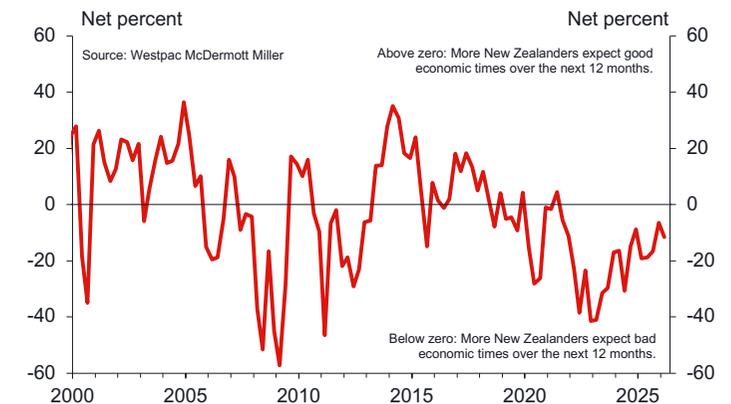


ECONOMIC OUTLOOK

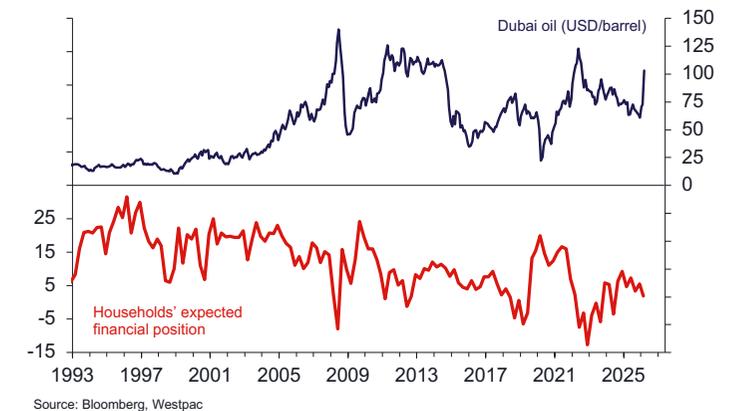
Elaiophobia; fear of oil.

- Despite the firming in economic conditions in recent months, households have become more nervous about the economic outlook and what that means for their own finances.
- The drop in confidence follows the outbreak of war in the Middle East and the related large increases in fuel costs. That's already seen prices at the pump rising sharply, with the average price of 91-unleaded around the country up around 63c/ltr since the start of the conflict. Prices for diesel have increased even more. We've also started to see related increases in other costs, like airfares, with prices for jet fuel more than doubling since the Middle East conflict began.
- It's not clear how long the war last, and at this stage the drop in confidence has been relatively limited. However, the longer the conflict continues, the larger the resulting disruptions to economic activity and pressure on households' finance will be.

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



Oil prices and households' expected financial position

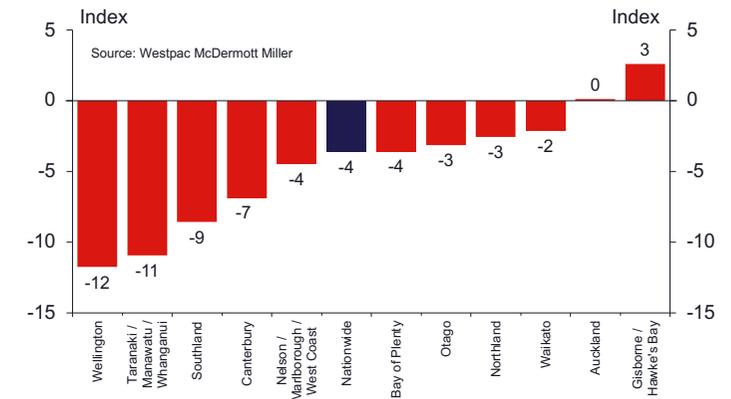


REGIONAL CONFIDENCE

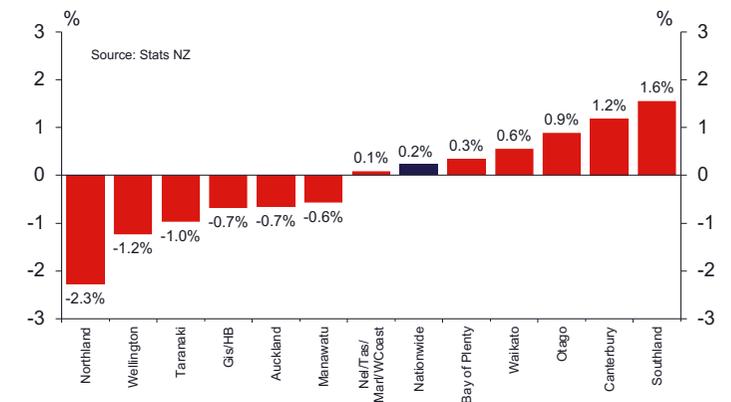
Mixing it up.

- The past few months have seen a shift in the mix of economic conditions and consumer confidence across the country.
- We're still seeing firm levels of confidence in many areas with strong rural backbones, like Gisborne, Hawke's Bay, Waikato and Northland. On top of that, growing numbers of international visitors are helping to boost conditions in Queenstown and other tourism hotspots.
- However, lower interest rates are boosting economic conditions right across the country. That's helping to boost confidence in metro areas like Auckland also.
- One thing that hasn't changed is that Wellington remains the most pessimistic part of the country. Many of those we've spoken to in the Capital continue to highlight softness in economic activity and the jobs market. Wellington isn't benefiting from the recovery in commodity prices like many rural areas. Nor has it seen a lift in international visitors in the same way as centres like Queenstown and Auckland.

Consumer confidence by region (difference from historic average)



Employment growth by region (three months to January vs same time last year)



TECHNICAL DETAILS

Survey description.

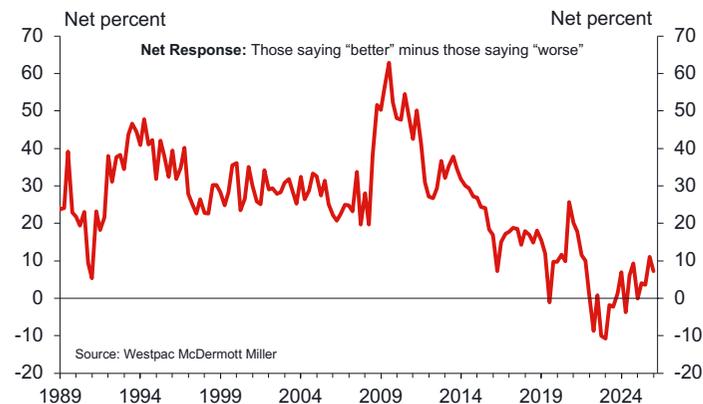
The Westpac-McDermott Miller Consumer Confidence Index summarises the net balance of optimistic/pessimistic responses to five questions: how households' financial situation has changed over the past year; whether now is a good time to buy a major household item; how households expect their financial 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 March 2026. The sample size was 1,550.

Summary charts.

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



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