

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2014 - 2015

Department/Agency: Treasury

Question: AET 10

Topic: Consumer Sentiment Index

Reference: Hansard page no. 25 - 25 February 2015

Senator: Wong, Penny

Question:

Senator WONG: In requesting the secretary, say, to answer questions, the minister continues to give speeches from the table. I asked a simple question about consumer confidence and we are getting another speech. Mr Fraser or Ms Wilkinson: who in Treasury tracks or looks at the consumer sentiment index? Who can I ask questions of?

Ms Wilkinson: Yes, we are responsible for that.

Senator WONG: Yes, I thought so. Can you confirm that we did see a drop in consumer confidence around the budget and subsequently?

Ms Wilkinson: I can confirm in general terms but I do not have the details. I could take any detailed questions about that on notice.

Senator Cormann: However, I can assist you, Chair.

Senator WONG: Oh, Chair!

Senator Cormann: I can give you a quote from Mr Christopher Kent, assistant governor of the Reserve Bank, who said to the House economics committee hearing on 13 February 2015, AND I am quoting him here: 'The measures of things like consumer confidence and business confidence are around average. There has been an improvement particularly on the business front compared to where they had been—

Senator WONG: At budget.

Senator Cormann: in middle to late 2013—middle to late 2013', which is of course the period of the previous government. 'That is on the business side. Consumer confidence moves around a bit and it is around average now.'

I understand the political point that you are trying to make, but let me just say again: we are heading in the right direction. We are pursuing the difficult or necessary decisions in order to put Australia on a stronger foundation for the future. We are making progress. This is not the time to start moving backwards. This is the time to keep moving forwards.

CHAIR: Thanks, Minister. Senator Wong.

Senator WONG: Thank you. So do you not have the information in front of you, Ms Wilkinson?

Ms Wilkinson: I do not have the consumer sentiment index itself, no—not the numbers.

Answer:

Treasury looks at two key index measures of consumer sentiment, the Westpac-Melbourne Institute Consumer Sentiment Index (WMI) and the ANZ-Roy Morgan Consumer Confidence index (ANZ-RM).

The ANZ-RM increased in May 2015 (to the week ending 24 May) for the first time in 10 years. The WMI increased in May 2015 for the first time in 3 years, and for the fourth time in 10 years.