

Financial Wellbeing in Tasmania

HOME BASE[®] MyStateBank 

Foreword by Brett Morgan

Understanding the economic and social pressures and aspirations facing Tasmanians is crucial for both MyState Bank and the Tasmanian community.

This report, co-published with Home Base, highlights key issues such as the cost of living, housing, and employment. The findings reveal that while all Tasmanians remain concerned about the increased cost of living, younger Tasmanians under 35 are particularly optimistic, with a third of young Tasmanians under the age of 35 reporting they are financially better off than they were a year ago.

By examining these areas, we aim to foster informed discussions and collaborative efforts to address these issues.

At MyState Bank, we are dedicated to supporting our community, working with organisations like Home Base to build a more secure and prosperous future for all Tasmanians.

Brett Morgan
CEO & Managing Director, MyState Bank



Foreword by Di Underwood

Home Base Tasmania's overriding purpose is to end youth homelessness.

It's an ambitious goal, but it is absolutely achievable in a state where the magnitude of the task has not yet overwhelmed the joint capacity of the community sector and government to work on solutions together.

One of the critical steps in achieving our goal is understanding the economic and social conditions that lead to homelessness and the barriers to giving young people financial independence and putting a roof over their heads.

That is why we have commissioned this report, in partnership with MyState Bank. The results provide valuable insights to help inform policy development and even how we talk about these issues.

This latest report in the series challenges common prejudices about the willingness of young people to work hard to overcome financial adversity and achieve their goals.

The tired tropes about generation z choosing lattes and avocado on toast over home ownership are as offensive as they are wrong.

Young people are working more, spending less and saving to achieve their goals, but there remains a limit on how much is within their control when essentials such as rent, groceries and petrol prices keep going up.

If so much of the commentary about the problem of youth homelessness is based on false premises and prejudices, how can we ever hope to fix it?

We need to stop the simplistic blame game and focus on policy solutions that address the structural disadvantages in our community.

Dianne Underwood
CEO, Home Base



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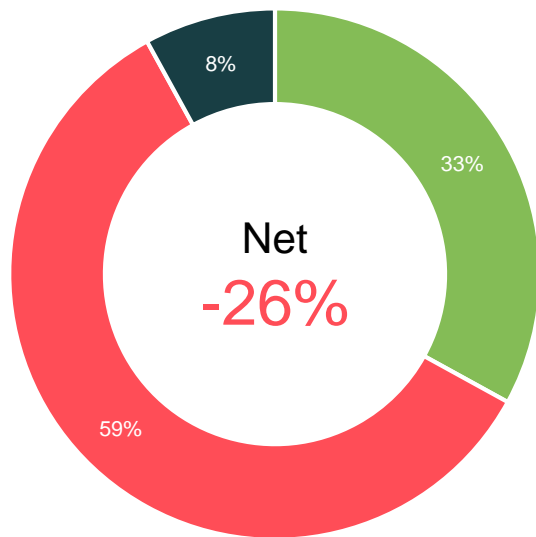
Young Tasmanians – optimistic and resilient

1.0 Young Tasmanians – optimistic and resilient

A third of younger Tasmanians are better off than they were 12 months ago, versus a fifth of older cohort

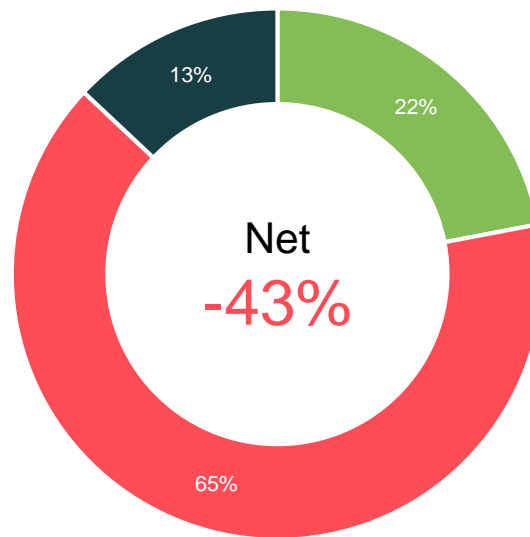
~60% of younger Tasmanians still worse off than last year, indicative of exposure to broad-based cost-of-living pressure

Younger: Financial Situation – In Last 12 Months
<35 (n=506)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

Older: Financial Situation – In Last 12 Months
>35 (n=756)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

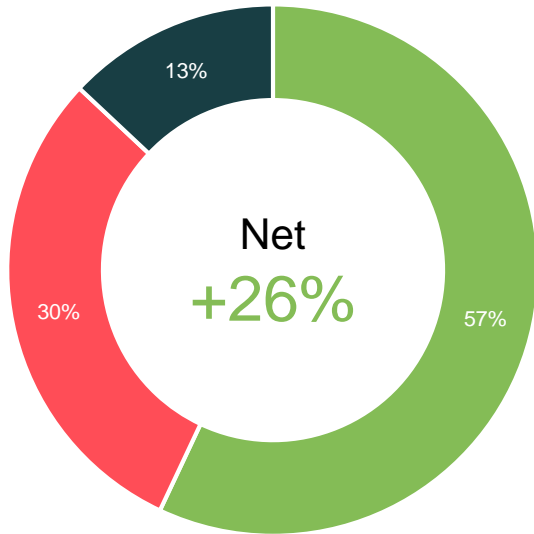
Question(s): Would you say you and your family are better-off financially or worse off than you were at this time last year?

1.0 Young Tasmanians – optimistic and resilient

Younger Tasmanians overwhelmingly optimistic about personal financial situation over next 12 months

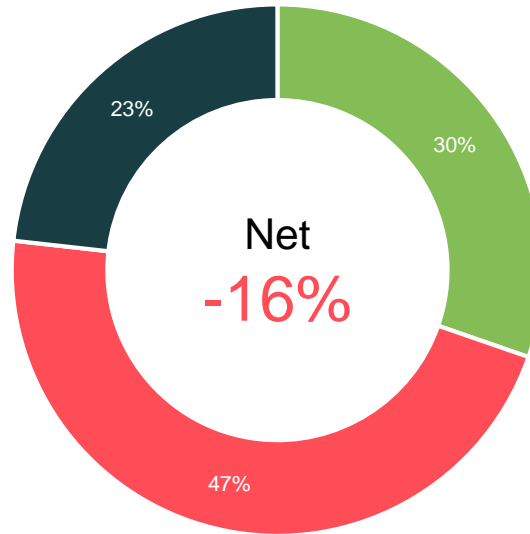
50% more older Tasmanians expect to be worse off in 12 months, with a significant lift in 'Can't say/prefer not to answer'

Younger: Financial Situation – Next 12 Months
<35 (n=254)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

Older: Financial Situation – Next 12 Months
>35 (n=756)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

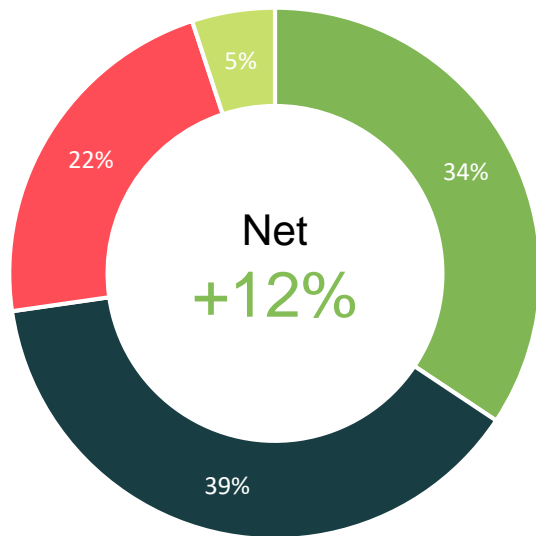
Question: This time next year, do you and your family expect to be better-off financially or worse off than you are now?

1.0 Young Tasmanians – optimistic and resilient

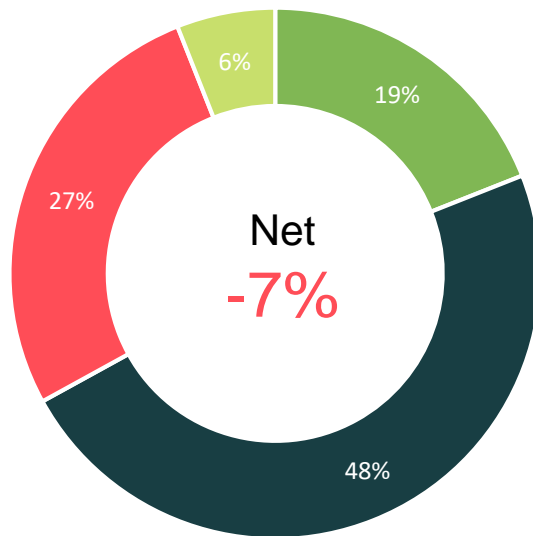
A third of young Tasmanians expect their personal income to have improved versus now

Compared with just one in five older Tasmanians – but likely of a much lower base

Younger: Personal Income Change – In 12 Months <35 (n=254)



Older: Personal Income Change – In 12 Months >35 (n=756)



■ Improved ■ No change ■ Worsened ■ Can't say/prefer not to answer ■ Improved ■ No change ■ Worsened ■ Can't say/prefer not to answer

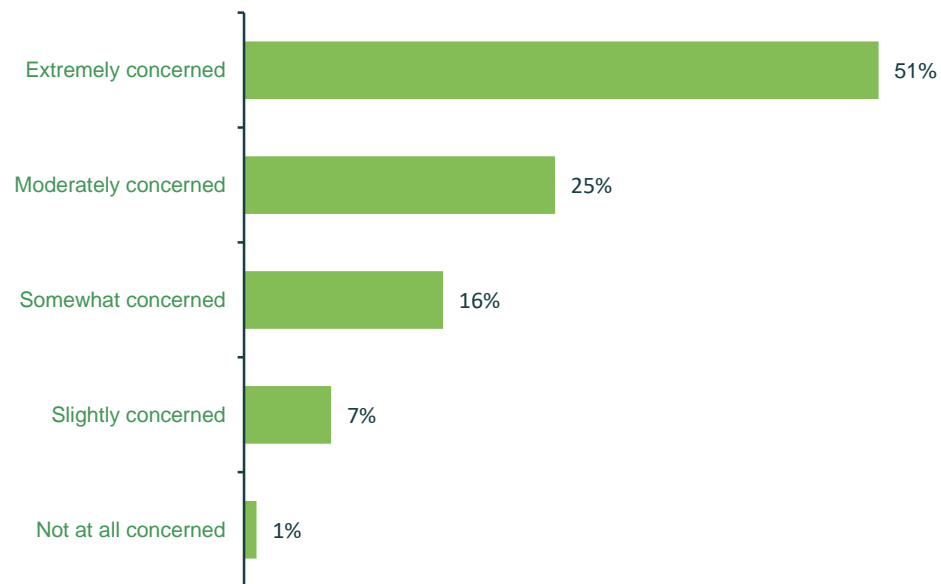
Question(s): In 12 months time, how do you expect your personal income (e.g. salary, investments, pension, etc.) to have changed versus now?

1.0 Young Tasmanians – optimistic and resilient

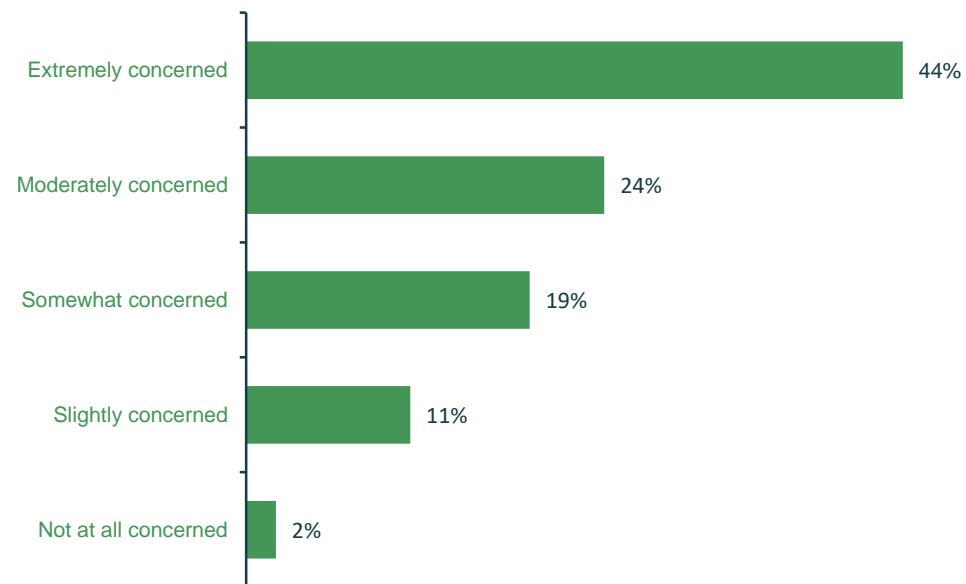
Younger Tasmanians exhibiting higher levels of extreme concern for cost of living

75% of young Tasmanians are moderately-to-extremely concerned about cost of living – even as inflation begins to recede

Younger: Cost of Living Concern
<35 (n=254)



Older: Cost of Living Concern
>35 (n=756)



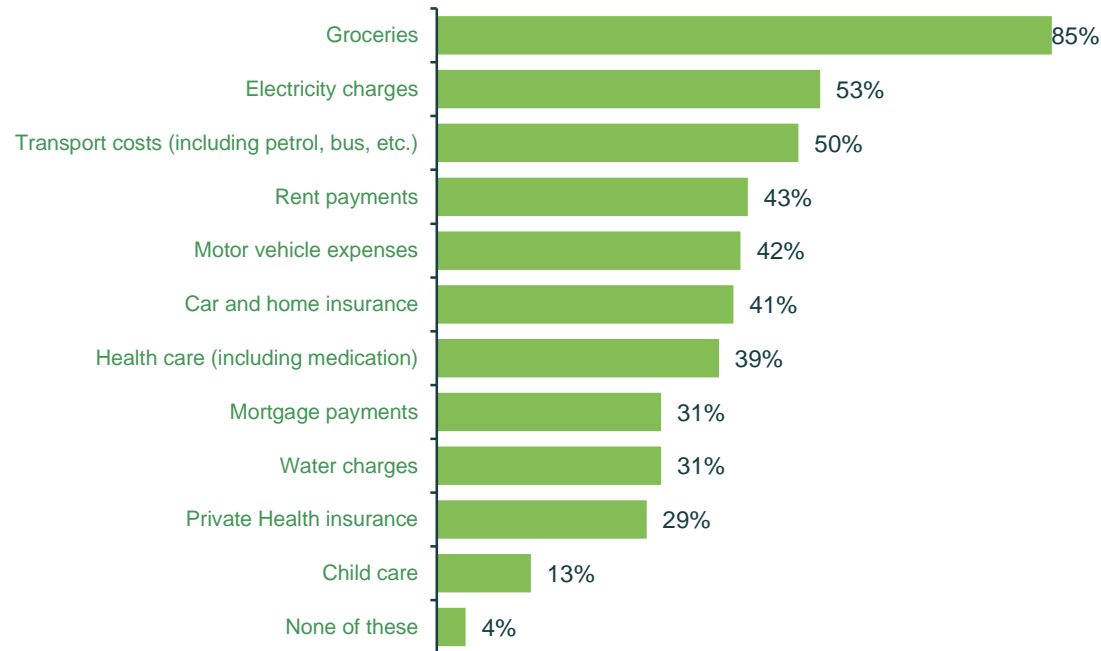
Question: How concerned are you by increases in cost of living?

1.0 Young Tasmanians – optimistic and resilient

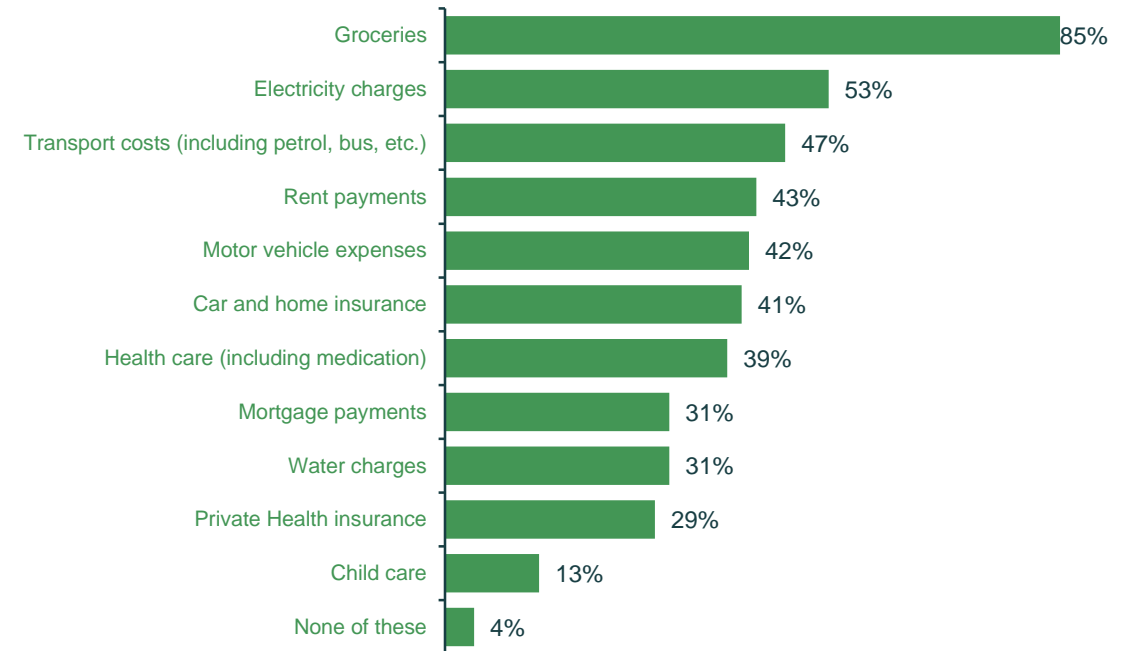
Almost identical exposure across key consumption categories indicative of broad-based impact

Only discernible skew observed Transport costs (incl. petrol, bus, etc.)

Younger: Cost of Living Pressures <35 (n=254)



Older: Cost of Living Pressures >35 (n=756)



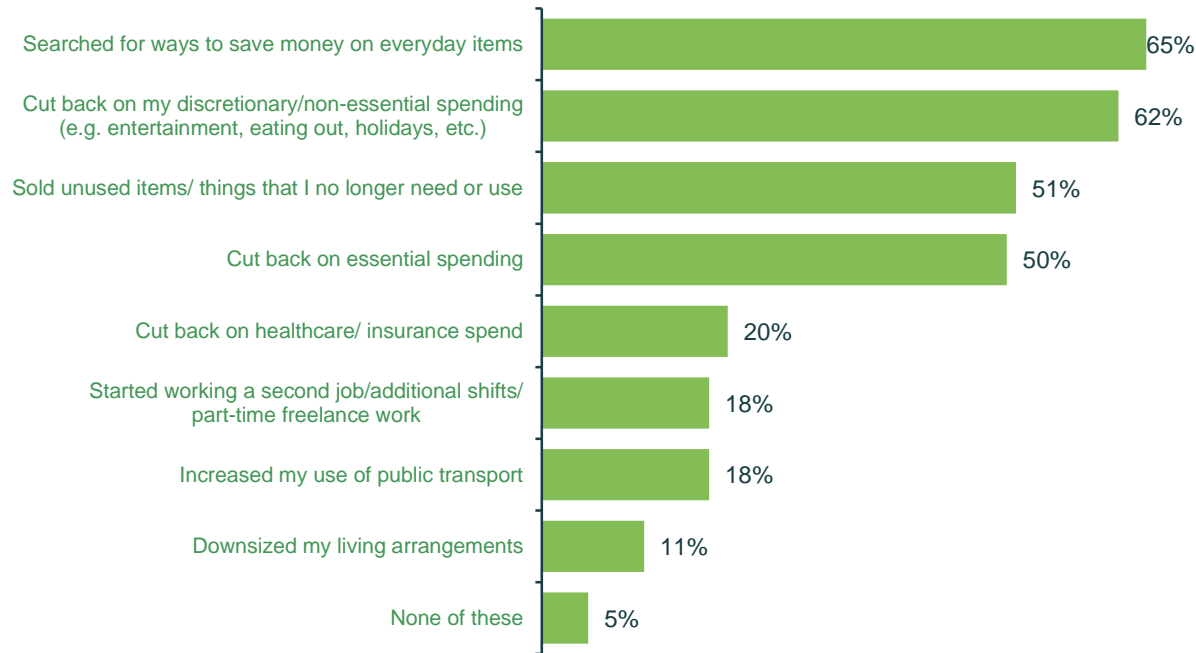
Question: Which of the following are you feeling significant cost of living pressure(s) on?

1.0 Young Tasmanians – optimistic and resilient

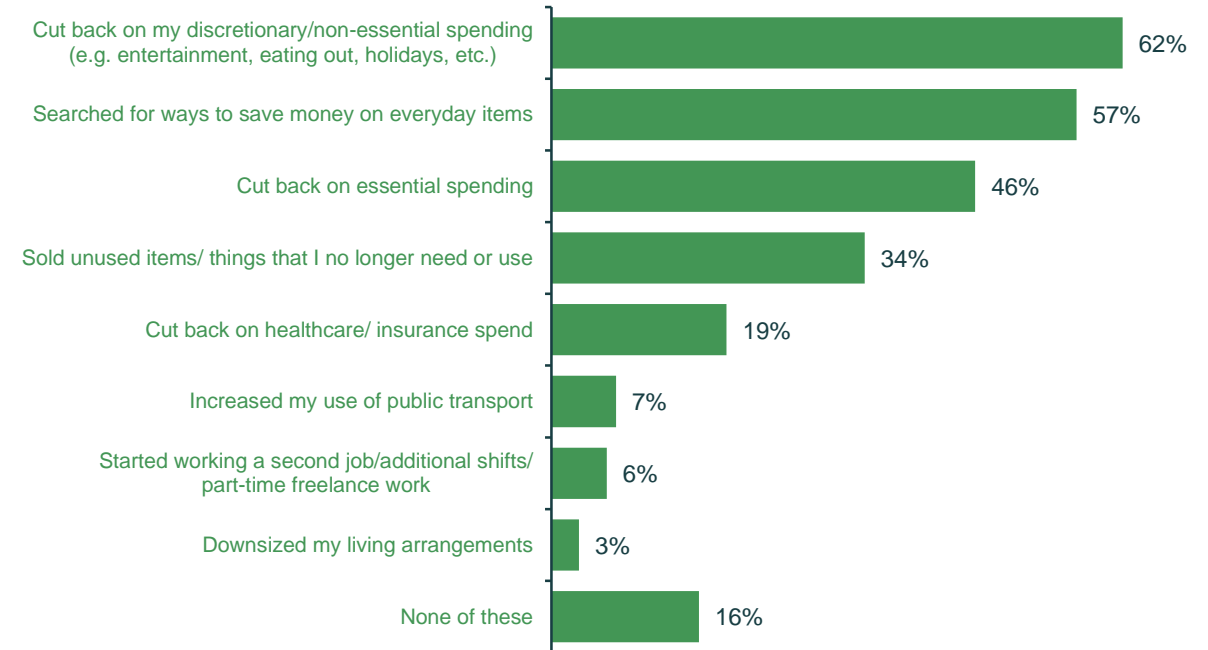
Younger Tasmanians more likely to actively seek out ways to save money and cut back on essentials

18% of young Tasmanians picking up additional shifts, jobs, etc to offset cost increases, 3x the levels of older Tasmanians

Younger: Actions To Deal With Cost-Of-Living Increases
<35 (n=254)



Older: Actions To Deal With Cost-Of-Living Increases
>35 (n=756)



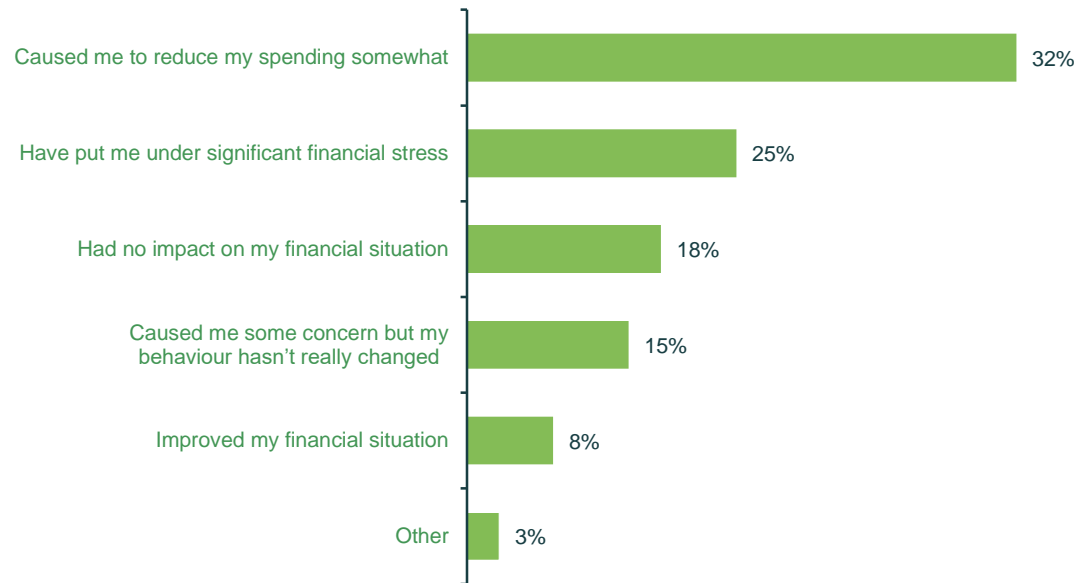
Question: Which of the following actions have you undertaken to deal with the rising cost of living over the last 12 months?

1.0 Young Tasmanians – optimistic and resilient

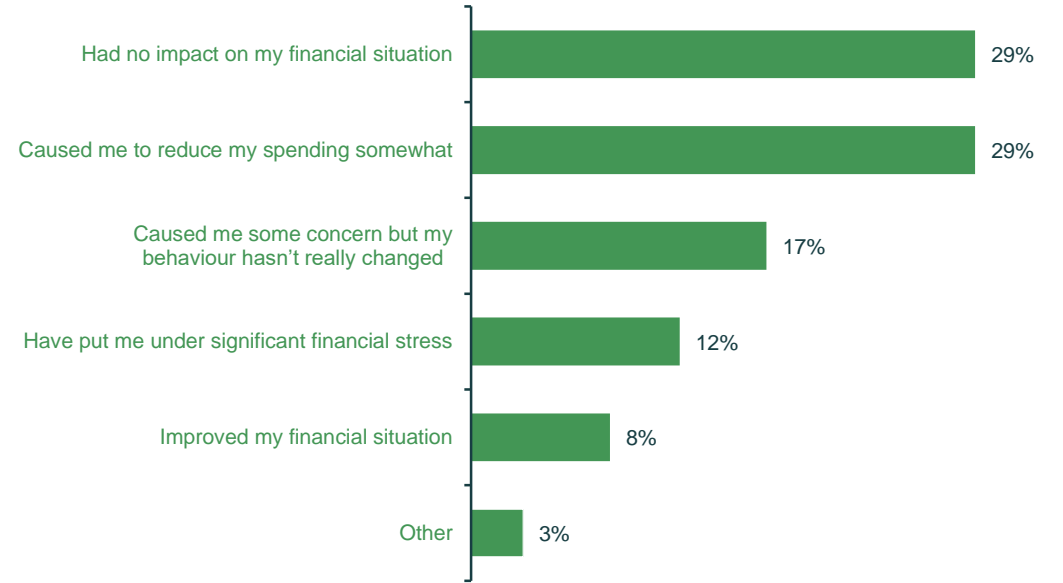
Young Tasmanians shouldering double the levels of 'significant financial stress' from rate rises

Proportion of young Tasmanians financial situation has not been impacted by rate rises, but this is 50% below older Tasmanians

Younger: Interest rate rises have...
<35 (n=254)



Older: Interest rate rises have...
>35 (n=756)



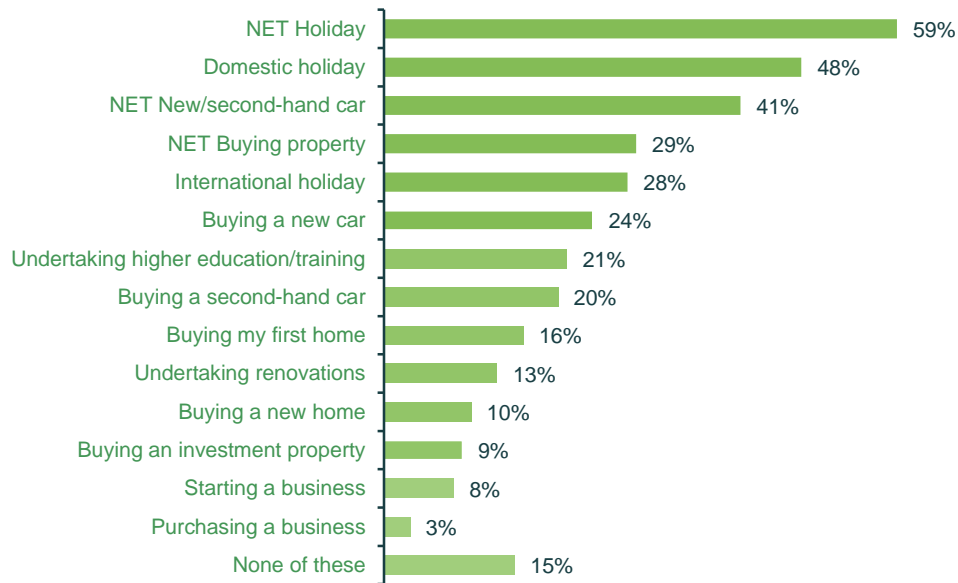
Question: Which of the following best describes how the recent interest rate rises have impacted on your financial situation?

1.0 Young Tasmanians – optimistic and resilient

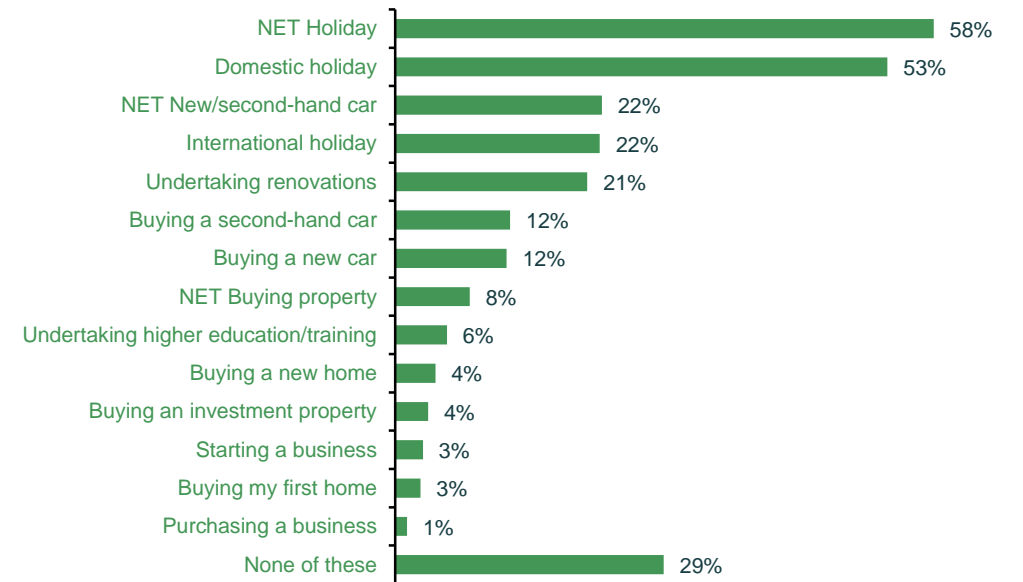
Almost a third of 18-to-34-year-old Tasmanians intending to buy property over next 12 months

Similar holiday intentions, with younger Tasmanians showing higher intentions for overseas travel compared with older Tasmanians

Younger: Major Purchases In Next 12 Months
<35 (n=254)



Older: Major Purchases In Next 12 Months
>35 (n=756)



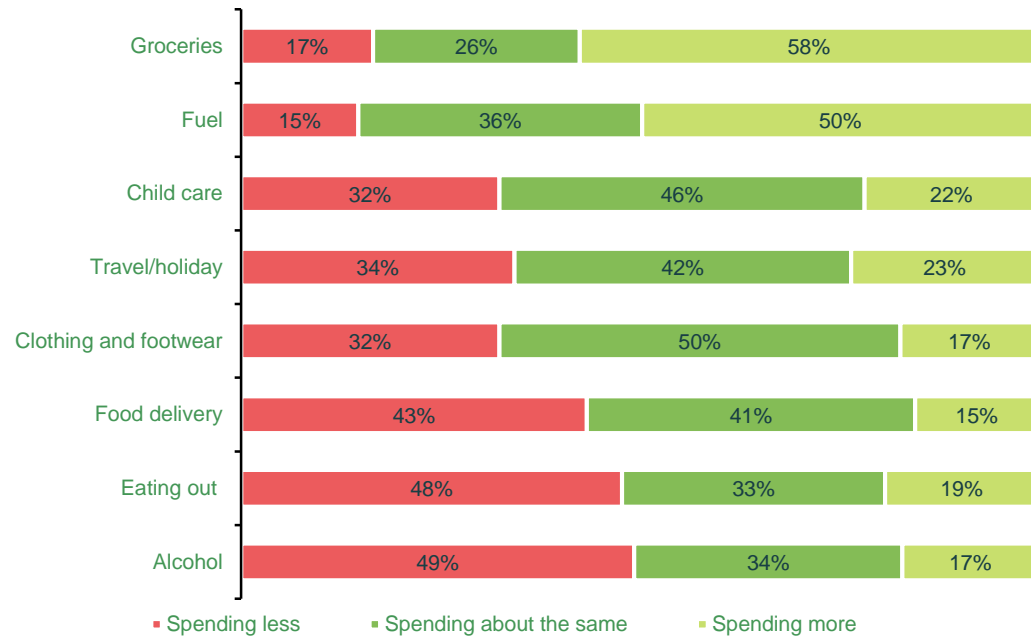
Question: Which of the following major purchases are you considering over the next 12 months?

1.0 Young Tasmanians – optimistic and resilient

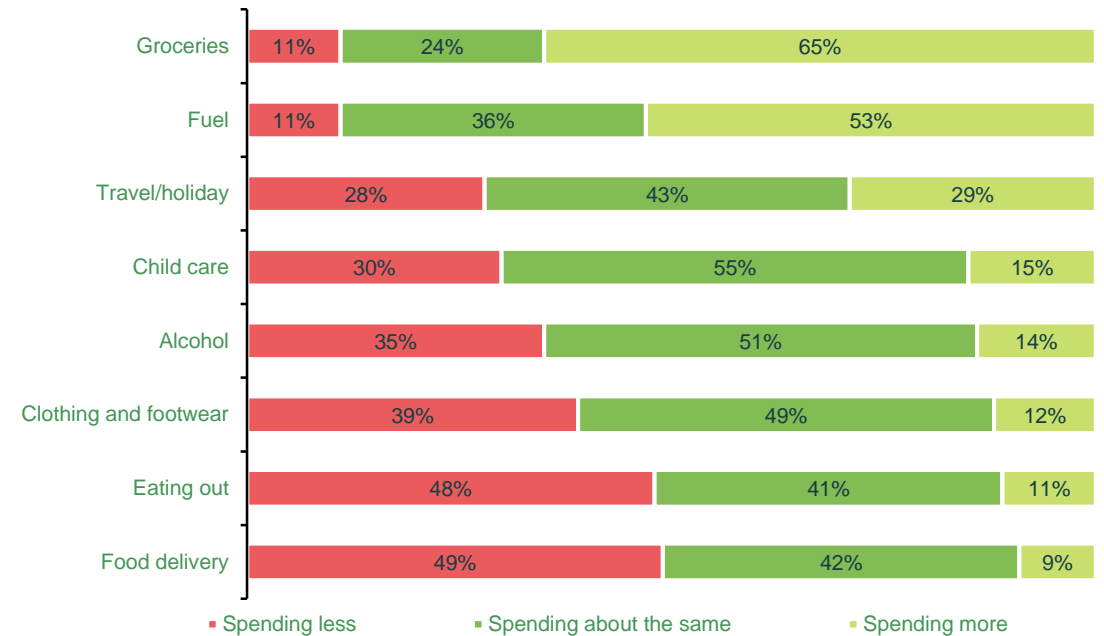
Younger Tasmanians spending less on a net basis on all 'discretionary' categories

Younger Tasmanians all paying more for Groceries, Fuel and Childcare

Younger: Spending Change (Last 12 Months)
<35 (n=254)



Older: Spending Change (Last 12 Months)
>35 (n=756)

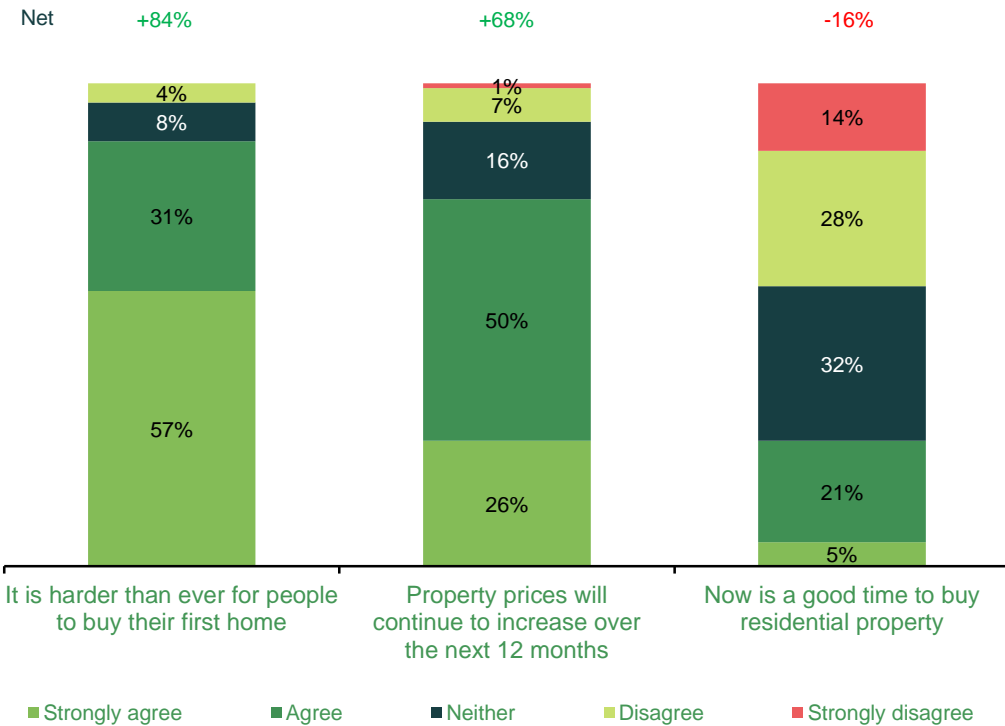


Question: In the last 12 months, has your spending changed in the following categories? Please account for changes in prices and changes in the amount you have purchased

1.0 Young Tasmanians – optimistic and resilient

Housing attitudes relatively similar on net basis, but 'good time to buy' distribution more varied

Younger: Housing Attitudes <35 (n=254)



Older: Housing Attitudes >35 (n=756)



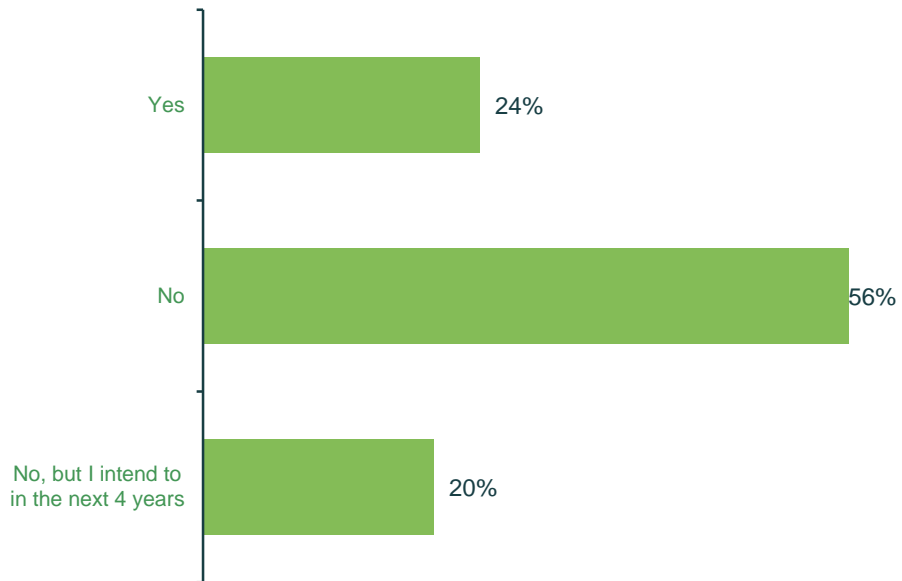
Question: Which of the following statements do you most agree with?

1.0 Young Tasmanians – optimistic and resilient

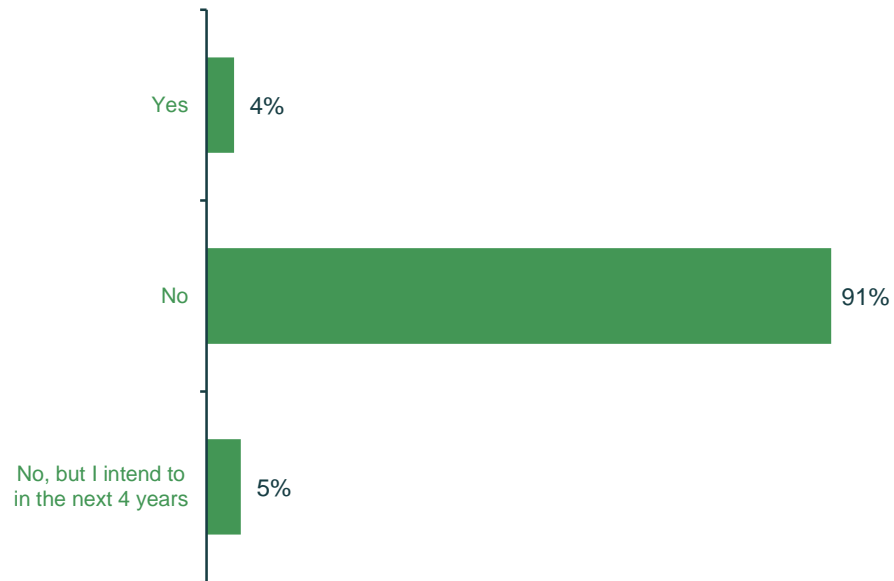
1 in 4 young Tasmanians undertaking higher education or training, another 1 in 5 intend to in next 4 years

Less than 5% of older Tasmanians undertaking higher education, with similar proportion intending over the next 5 years

Younger: Higher Education Intention
<35 (n=254)



Older: Higher Education Intention
>35 (n=756)



Question: Are you currently undertaking any higher education or training?

2.0

Community Confidence and Sentiment

A 6-month trend analysis

2.0 Community Confidence and Sentiment: A 6-month trend analysis

This section of the report provides an insight into the 6-month trends of Tasmanian's sentiment on their financial, housing, employment and consumption.

This analysis of community sentiment illustrates how Tasmanians are grappling with persistent economic pressures yet remain cautiously engaged in planning for their financial futures. Despite slight declines in optimism about personal financial improvement and rising concerns over inflation and interest rates, Tasmanians continue to show resilience in adapting their spending and saving behaviours.

The report reveals that the proportion of Tasmanians feeling worse off than last year remains consistent, surpassing the national average (based on national Roy Morgan survey data).

Current financial outlooks show a negative net trend, likely influenced by cautious Reserve Bank rhetoric and shifting inflation expectations. This caution is mirrored in the reluctance of over half of Tasmanians to make major purchases, although those in the over 60 age group display a somewhat more positive stance.

Concerns about the cost of living remain high, with groceries, electricity, and insurance being significant pressure points across the community. While discretionary spending continues to tighten, essential spending remains relatively stable, highlighting the community's adaptation to economic pressures even as some Tasmanians, particularly younger cohorts, look for more work hours to offset living costs.

Employment satisfaction has remained steady, with around 60% rating their employer positively. Although there is stability in satisfaction, about 15% of employed Tasmanians are uncertain about staying with their current employer over the next year, aligning with national turnover trends. This sentiment reflects the broader economic environment where fiscal caution shapes individual employment choices and long-term stability considerations.

Tasmanians' views on housing reflect an empathetic stance toward first-home buyers facing a challenging market. Major purchase intentions, including travel and vehicle purchases, have increased slightly but remain cautious, illustrating the community's prioritisation of essentials and a conservative approach to discretionary spending.

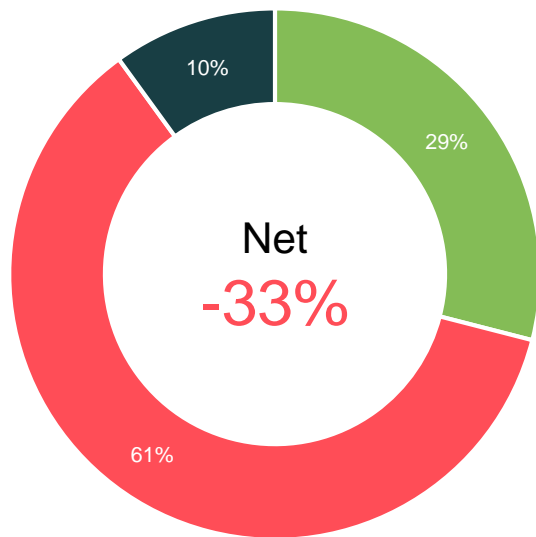
Overall, these findings highlight a community cautiously adapting to economic conditions, with careful management of spending and employment adjustments.

2.0 Community Confidence and Sentiment: A 6-month trend analysis

No change in proportion of Tasmanians worse off year on year, higher than national average (~48%)

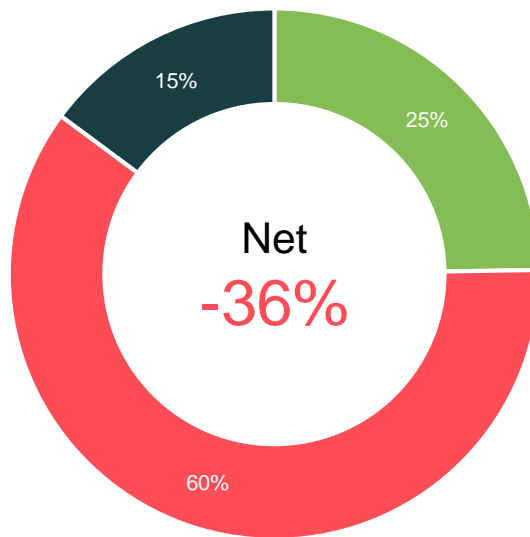
Slight easing in those better off financially and uptick in 'Can't say' potentially a result of varied fiscal exposure (home↓, deposit rates ↑, shares ↑, etc.)

Then: Financial Situation – In Last 12 Months
April (n=506)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

Now: Financial Situation – In Last 12 Months
May-September (n=504)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

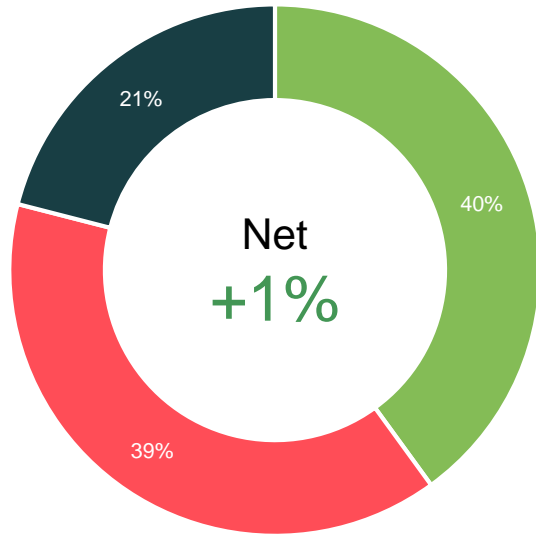
Question(s): Would you say you and your family are better-off financially or worse off than you were at this time last year?

2.0 Community Confidence and Sentiment: A 6-month trend analysis

Net financial outlook skews net negative to September, aligning broadly with national level (~34%)

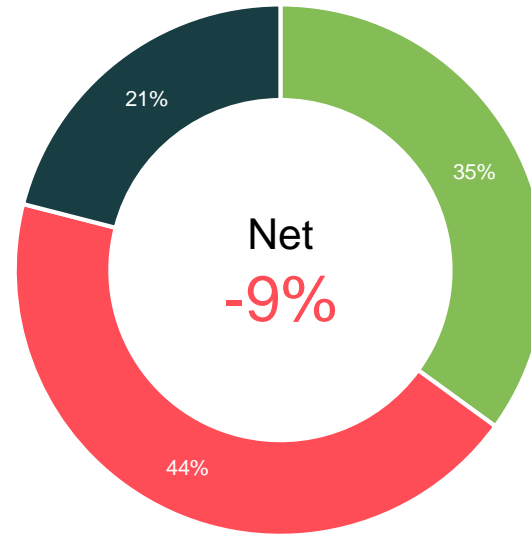
“Higher for longer” rhetoric from RBA potentially driving initial optimism from inflation easing

Then: Financial Situation – Next 12 Months
April (n=506)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

Now: Financial Situation – Next 12 Months
May-September (n=504)



■ Better off ■ Worse off ■ Can't say/prefer not to answer

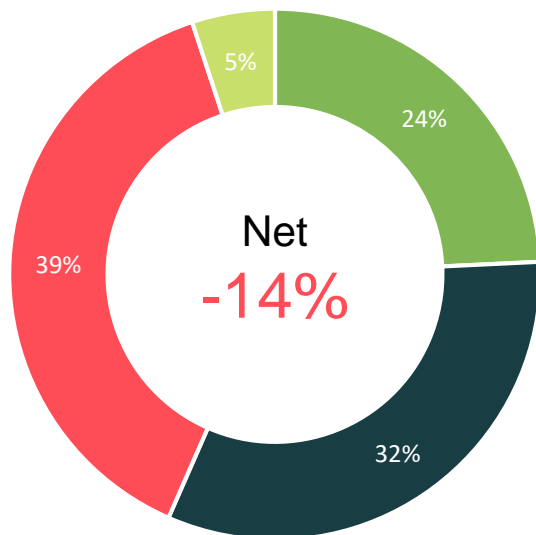
Question(s): This time next year, do you and your family expect to be better-off financially or worse off than you are now?

2.0 Community Confidence and Sentiment: A 6-month trend analysis

Inflation outlook skews further negative over period, potentially impacted by expectations

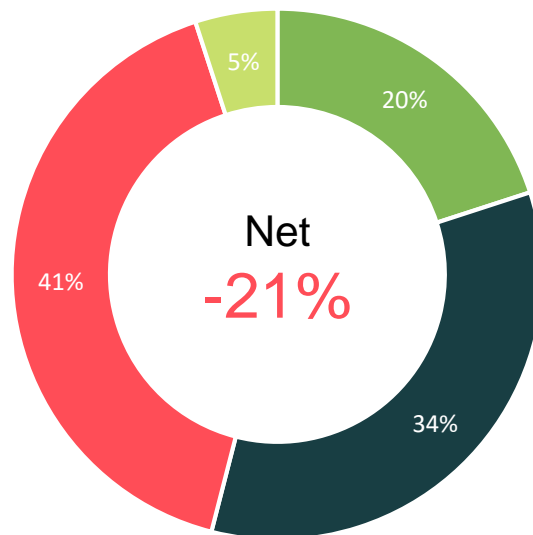
Initial forecasts on rate cuts continue to be pushed back despite current trajectory, contrast against similar actions by key central banks (e.g. US, China, Japan, etc.)

Then: Inflationary Conditions – Next 12 Months
April (n=506)



■ Improved ■ No change ■ Worsened ■ Can't say/Prefer not to answer

Now: Inflationary Conditions – Next 12 Months
May-September (n=504)



■ Improved ■ No change ■ Worsened ■ Can't say/Prefer not to answer

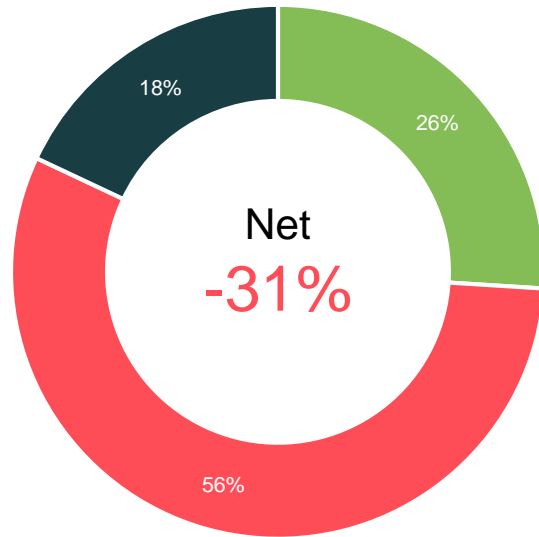
Question(s): In 12 months time, do you expect inflationary conditions to have improved, worsened or no change?

2.0 Community Confidence and Sentiment: A 6-month trend analysis

Over half of Tasmanians still feel now is a bad time to buy, aligning with national trend

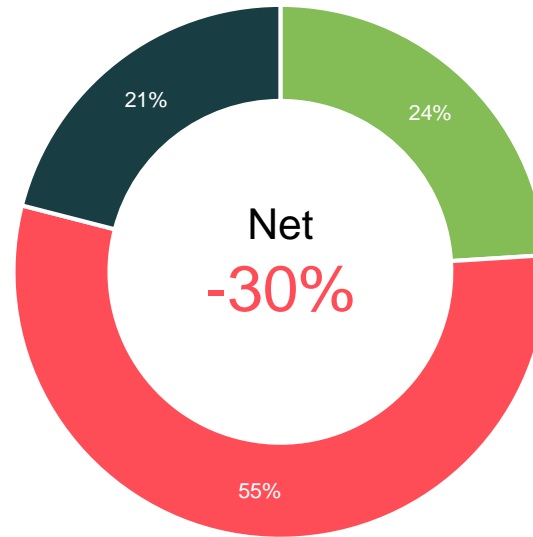
1 in 4 currently feel now is a good time to buy, skewing more positive to almost a third amongst a 60+ audience

Then: Good Time To Buy
April (n=506)



- Good time to buy
- Bad time to buy
- Can't say/prefer not to answer

Now: Good Time To Buy
May-September (n=504)



- Good time to buy
- Bad time to buy
- Can't say/prefer not to answer

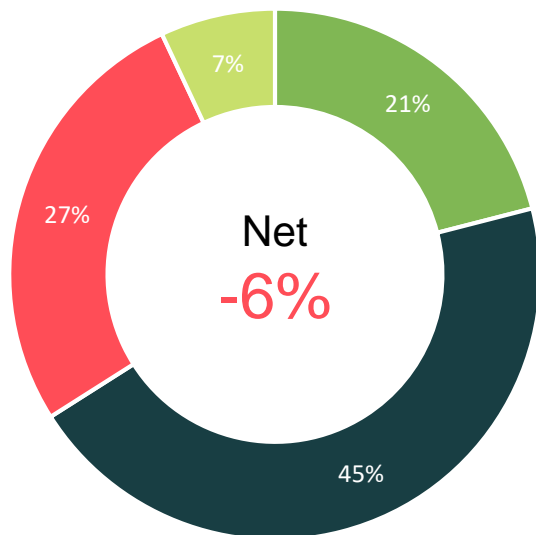
Question(s): Generally, do you think now is a good time - or a bad time - for people to buy major household items?

2.0 Community Confidence and Sentiment: A 6-month trend analysis

Personal income outlook just sneaks into net positive territory, ~45% still expect no change

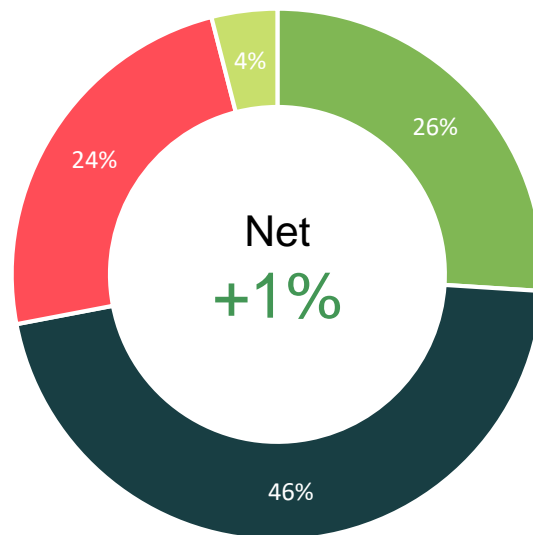
Key cohort, those working FT/PT now net +10% versus net -3% in previous wave

Then: Personal Income Change – In 12 Months
April (n=506)



■ Improved ■ No change ■ Worsened ■ Can't say/prefer not to say

Now: Personal Income Change – In 12 Months
May-September (n=504)



■ Improved ■ No change ■ Worsened ■ Can't say/prefer not to say

Question(s): In 12 months time, how do you expect your personal income (e.g. salary, investments, pension, etc.) to have changed versus now?

3.0

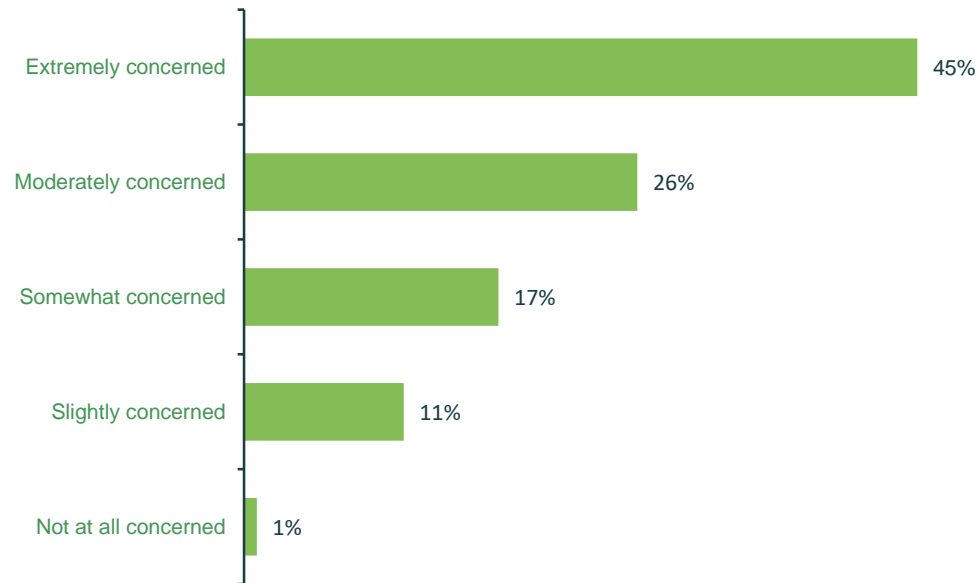
Cost of Living

3.0 Cost of Living

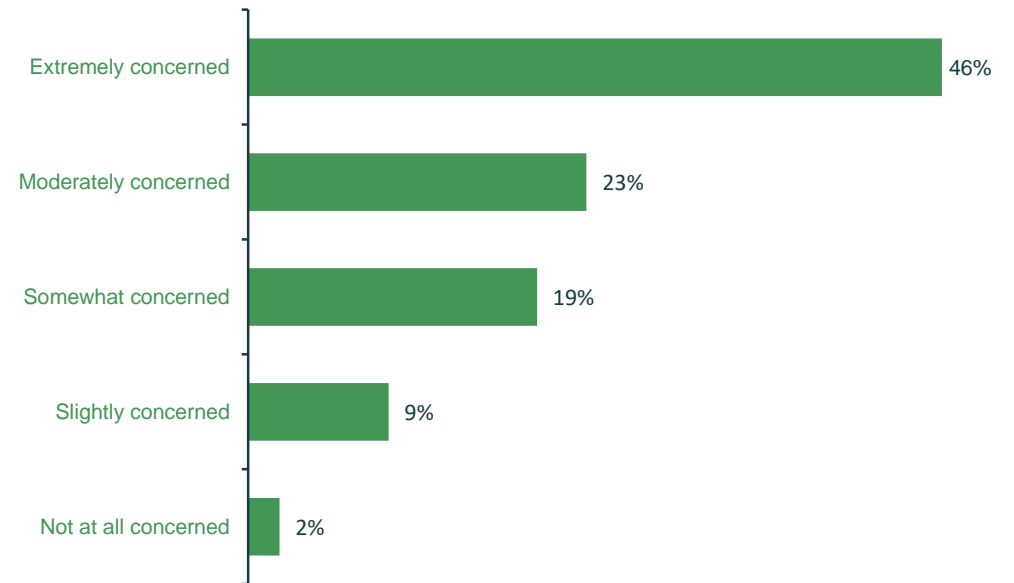
Extreme concern as strong as ever, but some easing across lower levels of concern

Community not normalising to broad based economic/social pressures, like observed during pandemic

Then: Cost of Living Concern
April (n=506)



Now: Cost of Living Concern
May-September (n=504)



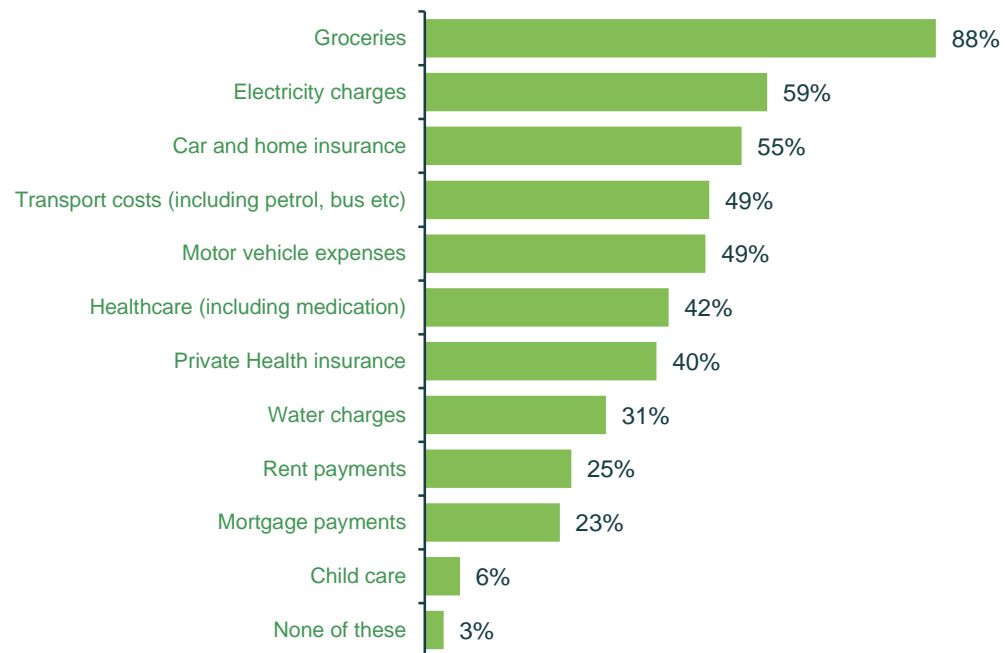
Question: How concerned are you by increases in cost of living?

3.0 Cost of Living

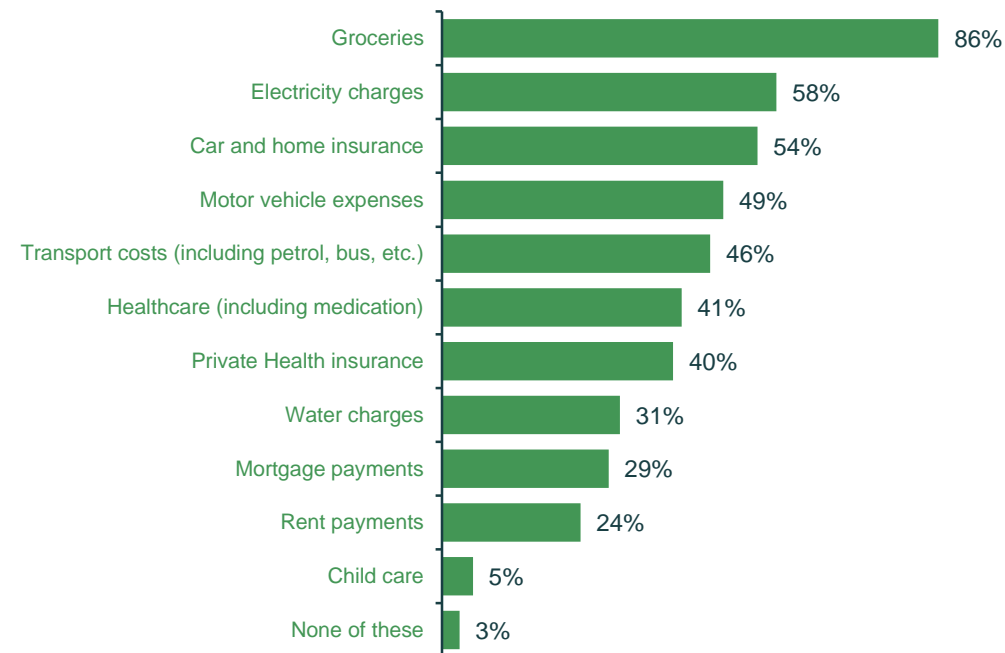
Groceries, Electricity and Insurance remain key pressure points for Tasmanians

All other pressures relatively unchanged over the period

Then: Cost of Living Pressures
April (n=506)



Now: Cost of Living Pressures
May-September (n=504)



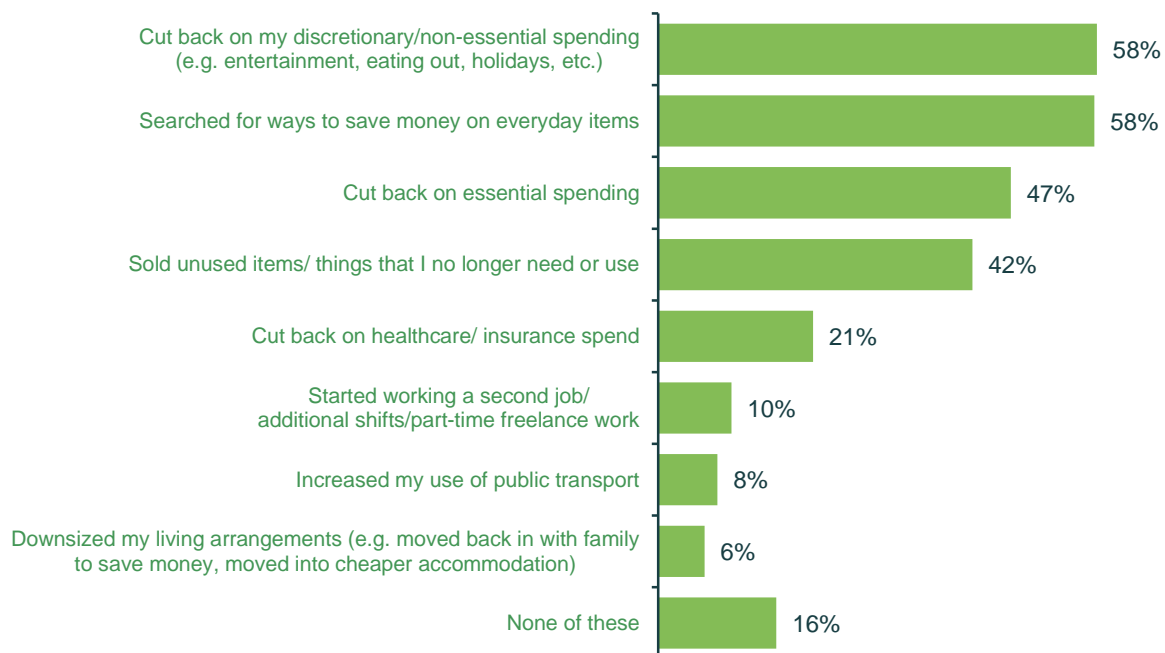
Question: Which of the following are you feeling significant cost of living pressure(s) on?

3.0 Cost of Living

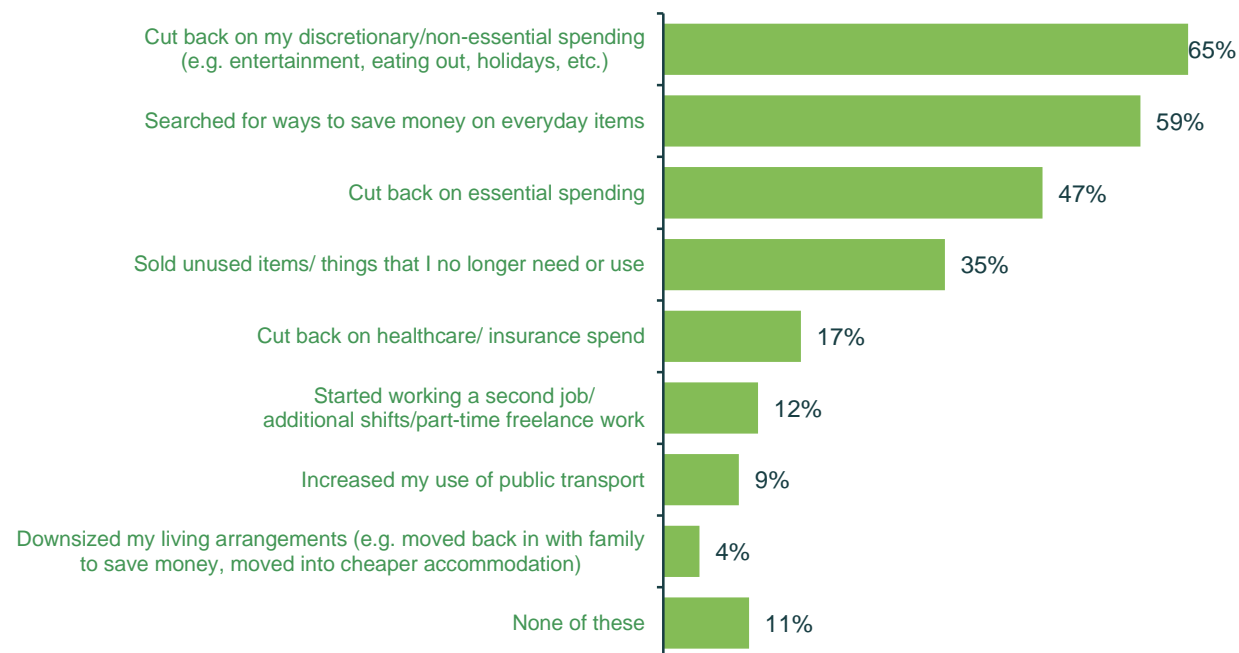
Discretionary expenditure pressure expands over the last 6 months, all other actions relatively stable

Aligning with the RBA’s objectives, but given expenditure dynamics across age groups, immigration and public spending economy remains ‘strong’

Then: Actions To Deal With Cost-Of-Living Increases
Total (n=506)



Now: Actions To Deal With Cost-Of-Living Increases
May-September (n=504)



Question: Which of the following actions have you undertaken to deal with the rising cost of living over the last 12 months?

3.0 Cost of Living

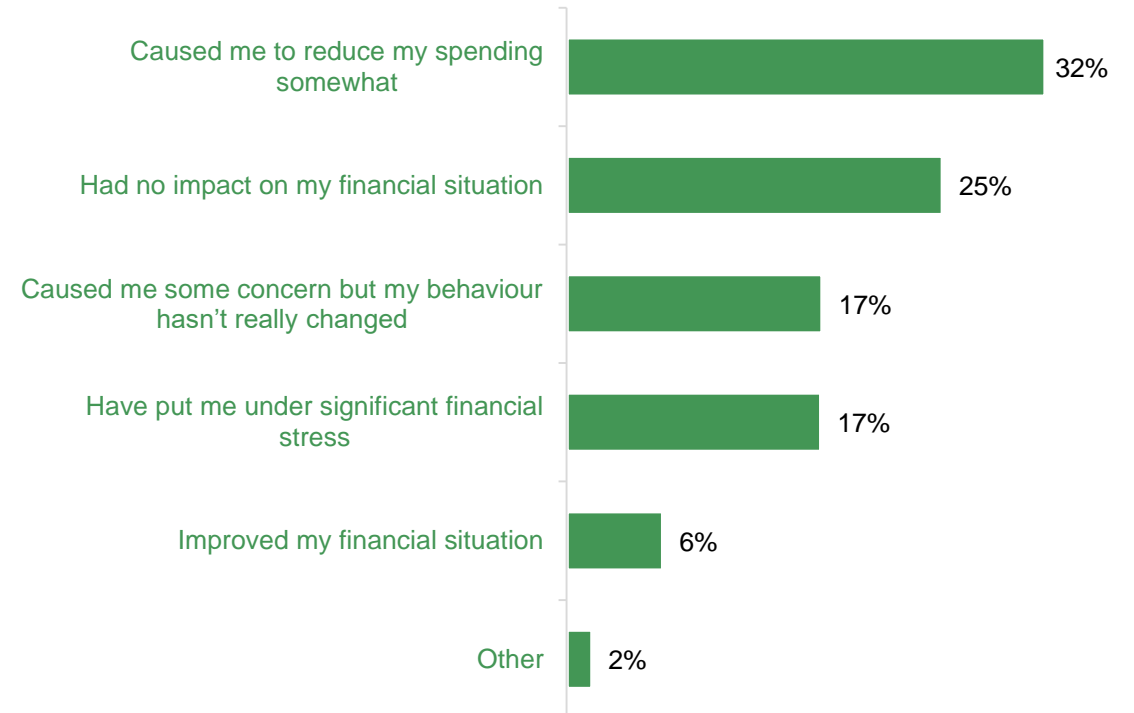
Proportion of those reducing their spending somewhat increasing, RBA rhetoric having desired effect

However, slight uptick in those under significant financial stress, while 1 in 4 Tasmanians have experienced no impact

Then: Interest rate rises have...
Total (n=506)



Now: Interest rate rises have...
May-September (n=504)



Question: Which of the following best describes how the recent interest rates rises have impacted on your financial situation?

4.0

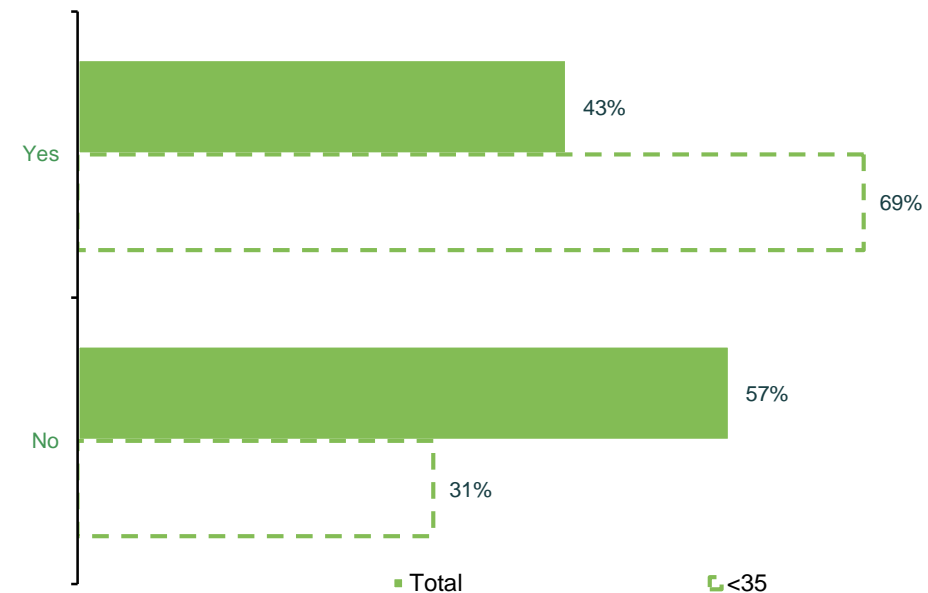
Employment

4.0 Employment

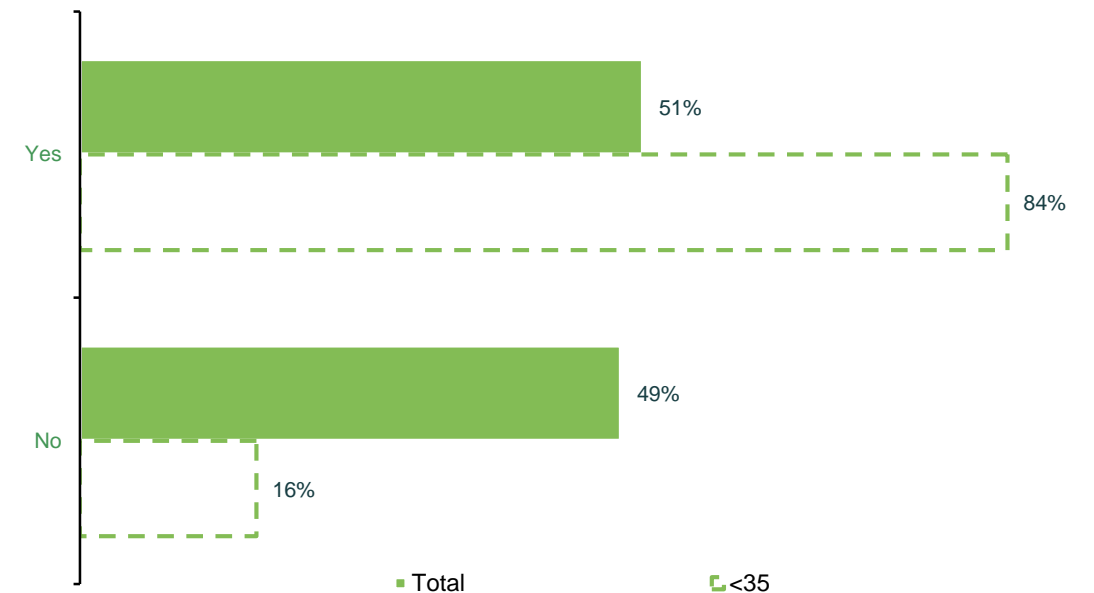
More Tasmanians actively looking for more hours to offset cost of living pressures

Significant skew amongst young people, but also representative of lifestage and part time employment dynamics

Then: Work Part Time & Actively Looking For More Hours
Total (n=151) <35 (n=45*)



Now: Work Part Time & Actively Looking For More Hours
Total (n=127) <35 (n=40*)



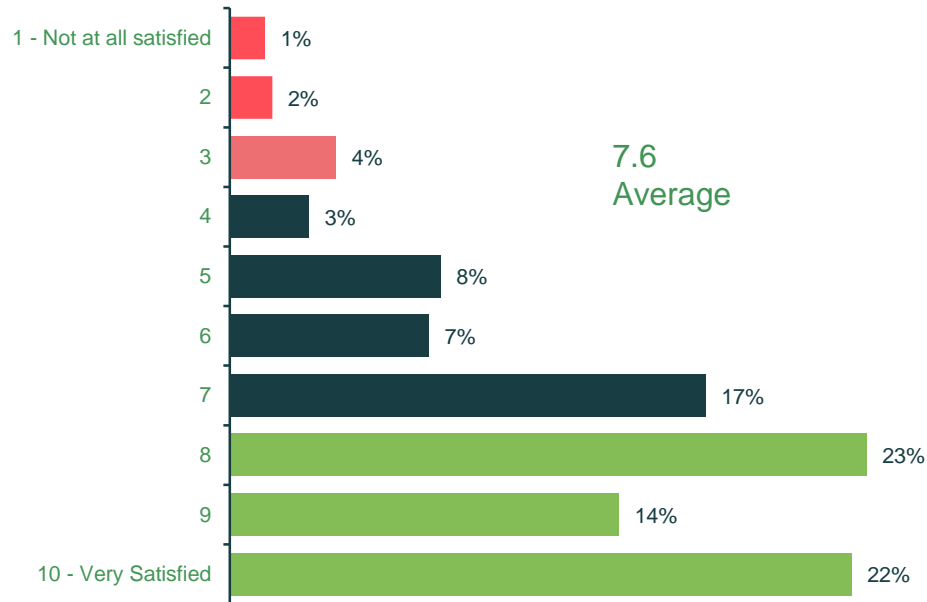
Question(s): Which of the following best describes your current employment situation? Are you actively looking for more hours of work?
Note: * Low Sample – Indicative Only

4.0 Employment

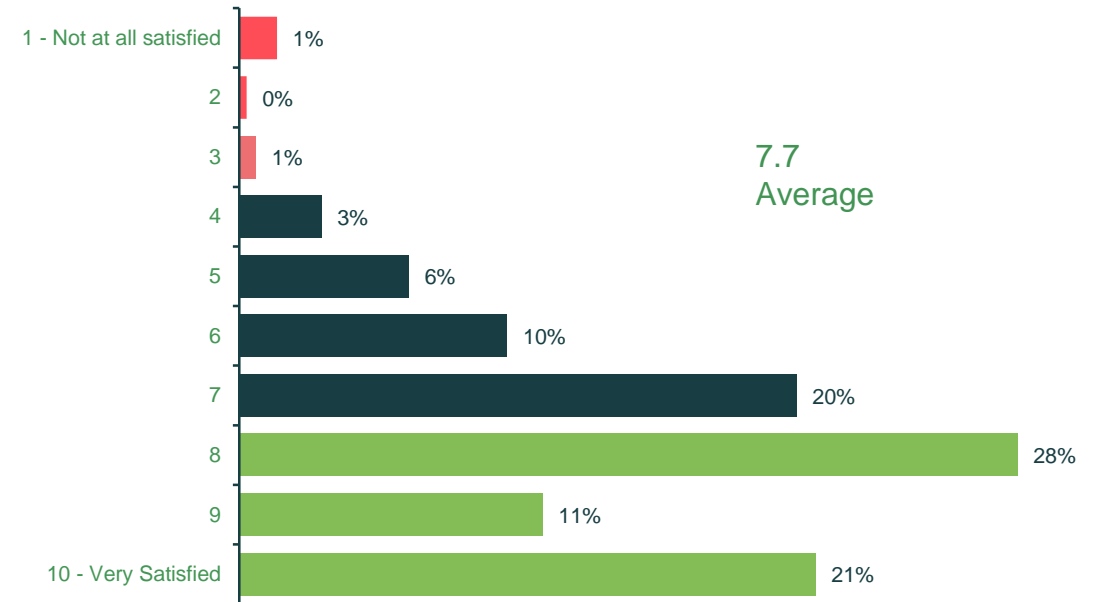
No significant change in average employment satisfaction amongst Tasmanians

Consistent mix of ~60% across both waves rating their employer from 8-10

Then: Employment Satisfaction
Employed (n=309)



Now: Still Employment Satisfaction
Employed (n=310)



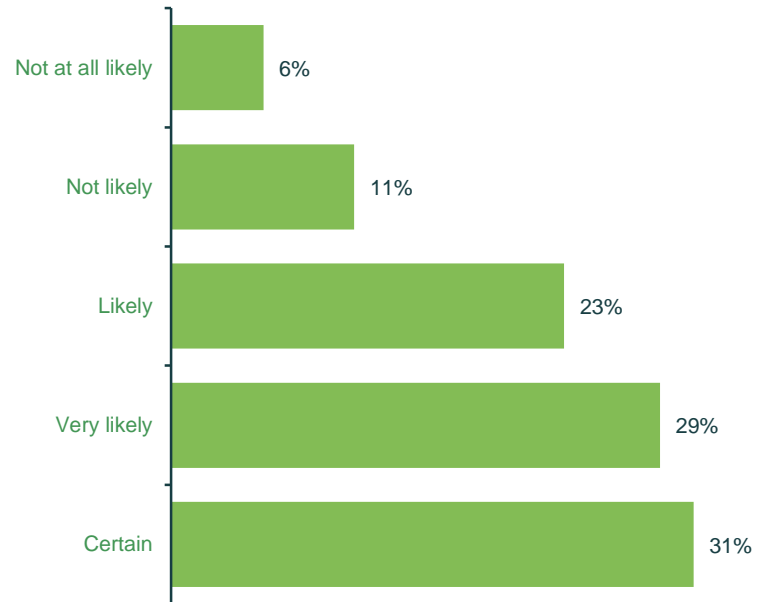
Question(s): How satisfied are you with your current employer?

4.0 Employment

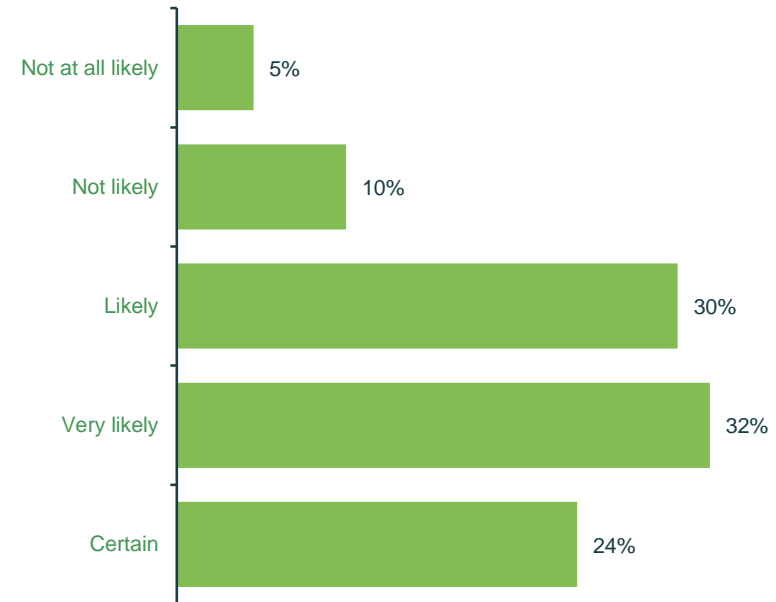
Consistent ~15% of Tasmanians not-to-not at all likely to be working for current employer in 12 months

Aligning with national employment turnover rates ~14%, while overall business confidence and conditions potentially weighing on proportion of certain

Then: Still Working At Current Employer In 12 Months Employed (n=309)



Now: Still Working At Current Employer In 12 Months Employed (n=310)



Question(s): If working conditions stay the same, what is the likelihood you'll still be working at your current employer in 12 months?

5.0

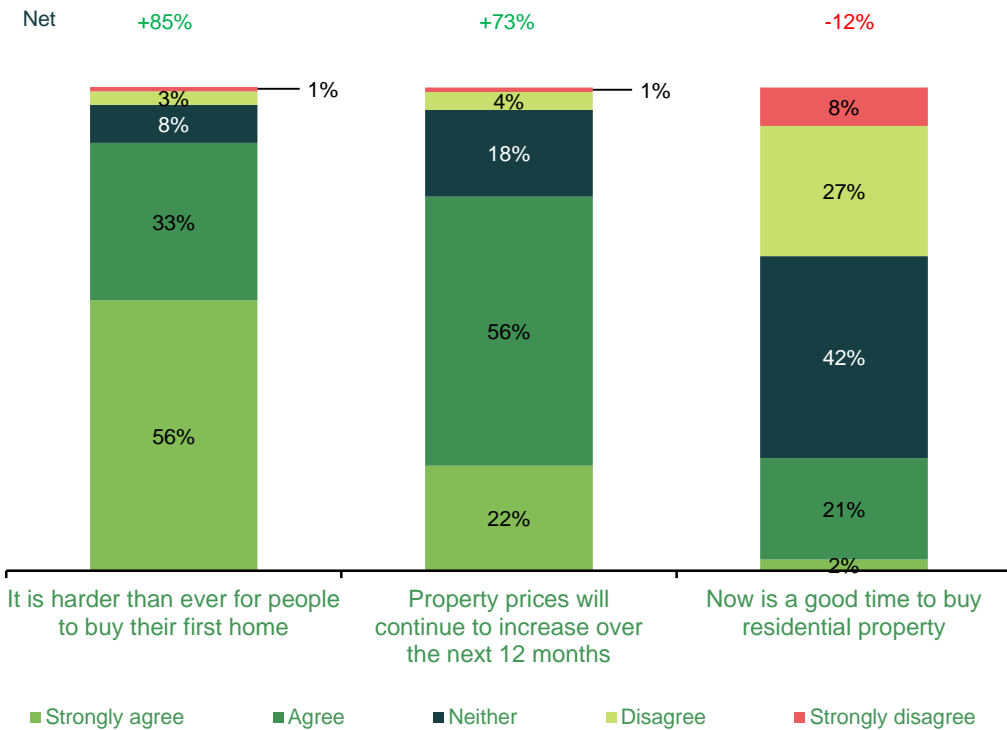
Housing

5.0 Housing

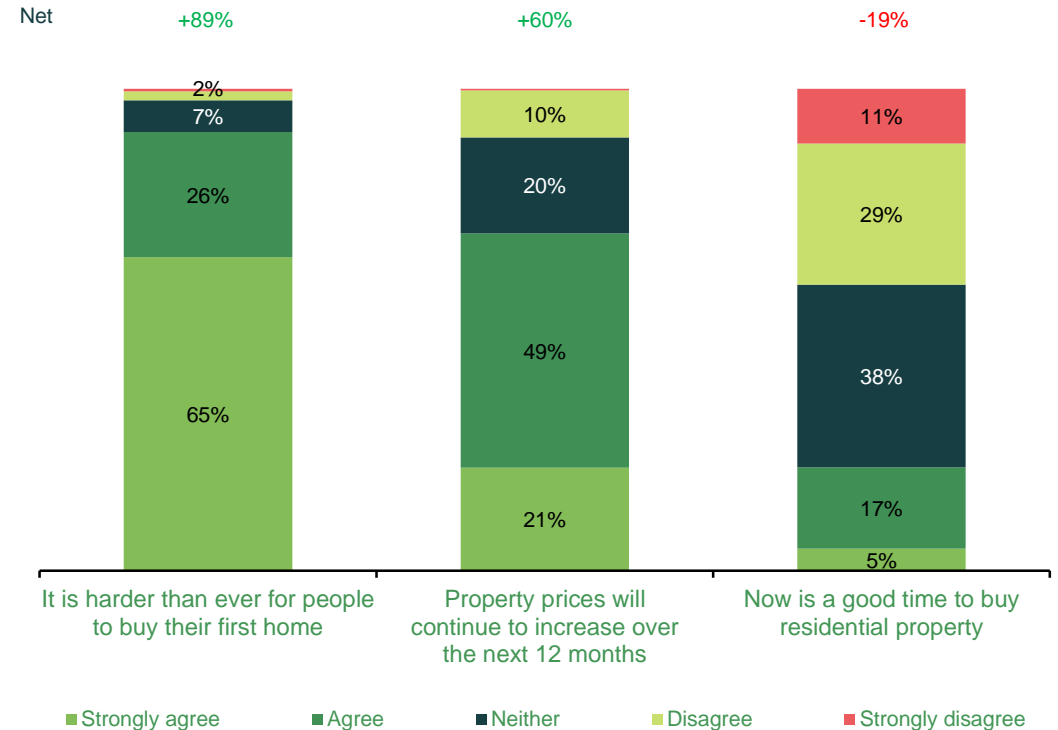
Downward pressure on housing prices curbs strong growth outlook, good time to buy eases further

Arguably historical high levels of empathy amongst the community for the difficulty facing those trying to buy their first home

Then: Housing Attitudes
April (n=506)



Now: Housing Attitudes
May-September (n=504)



Question: Which of the following statements do you most agree with?

6.0

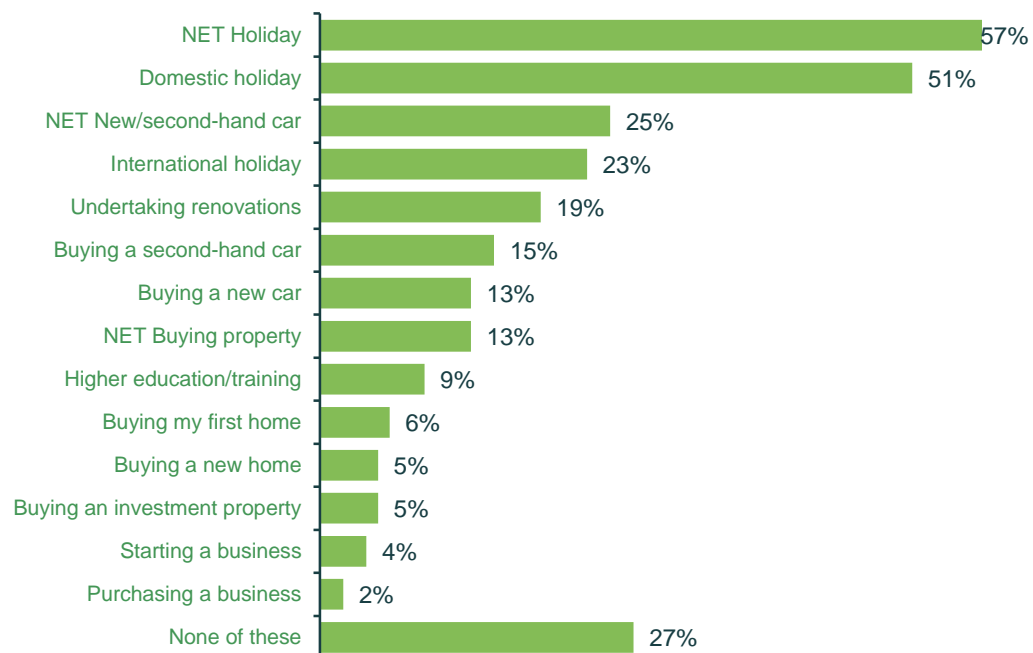
Consumption

6.0 Consumption

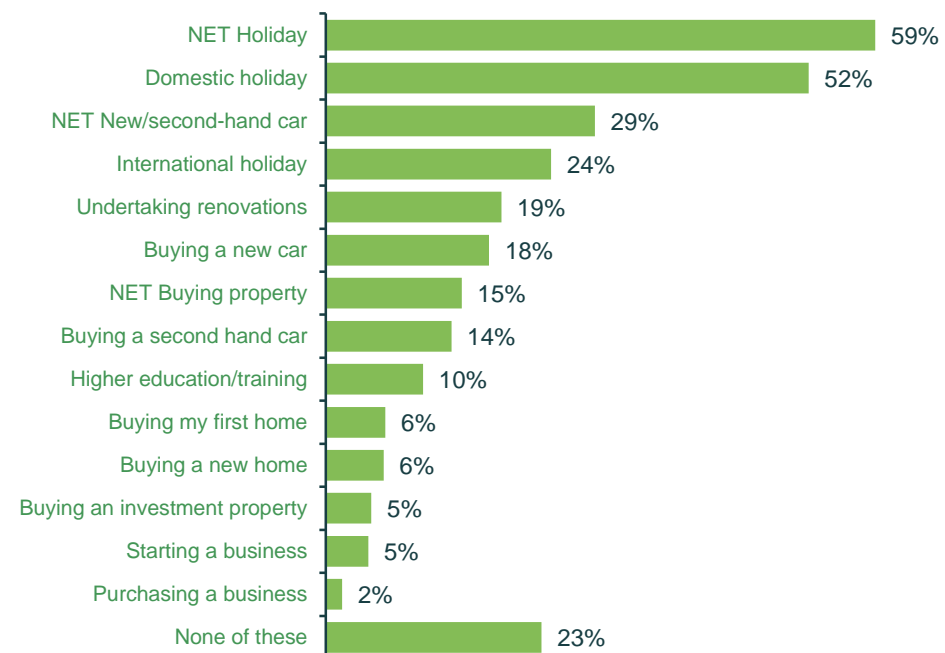
Travel remains the clear major purchase ahead of new vehicle, both edging up slightly to September

Renovations, buying and building intentions unchanged

Then: Major Purchases In Next 12 Months
April (n=506)



Now: Major Purchases In Next 12 Months
May-September (n=506)



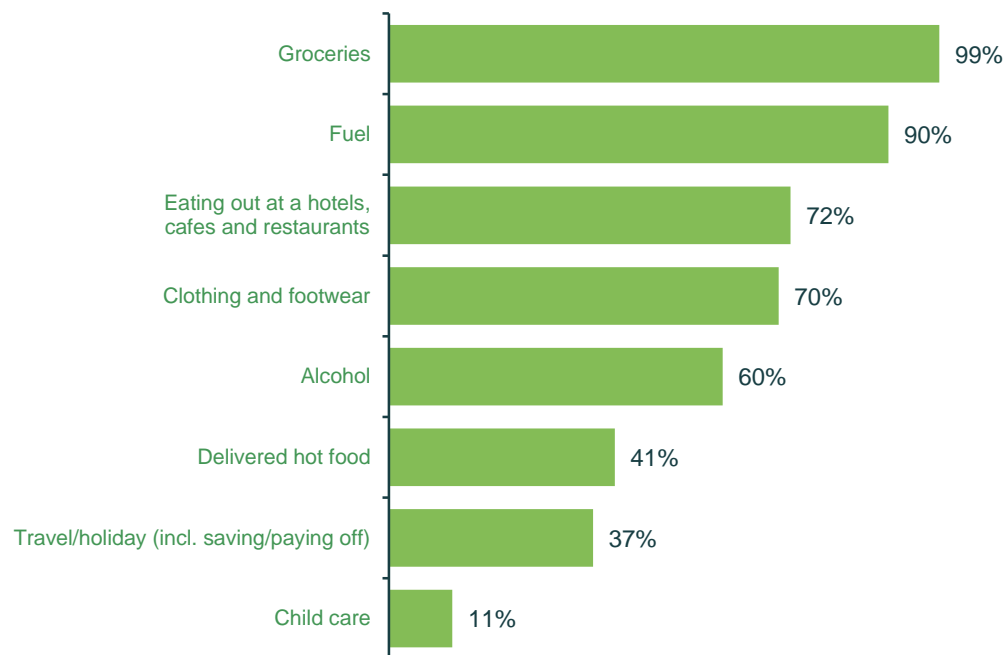
Question: Which of the following major purchases are you considering over the next 12 months?

6.0 Consumption

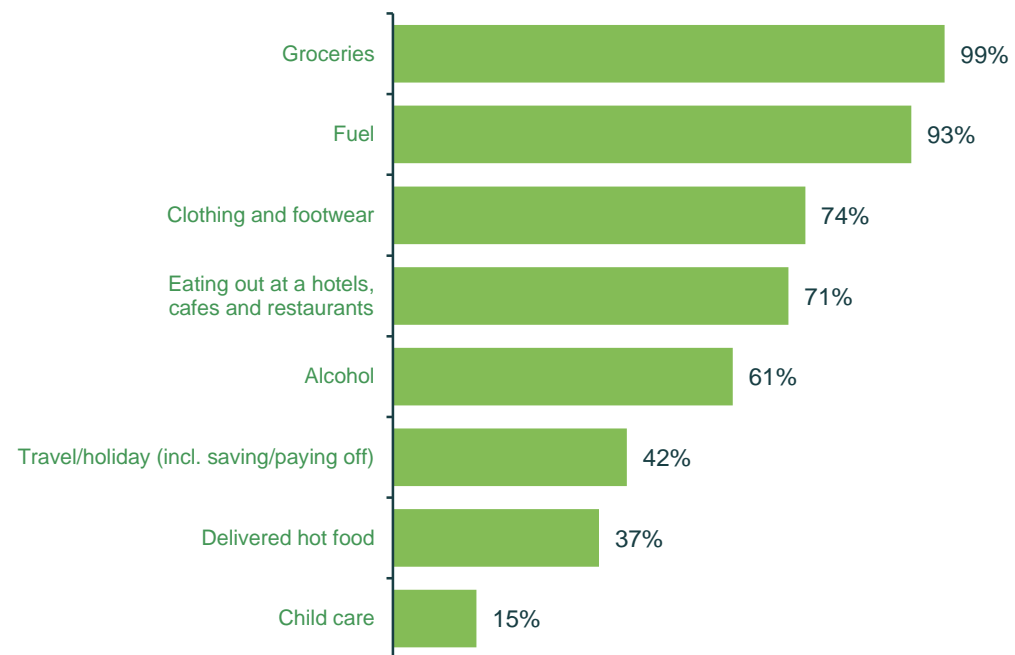
Delivered hot food falling most, inflationary impact on groceries reduces discretionary appetite

Clothing and footwear up slightly, but could be a result of retail seasonality (e.g. Seasons, EOFY, etc.)

Then: Category Consumption
April (n=506)



Now: Category Consumption
May-September (n=504)



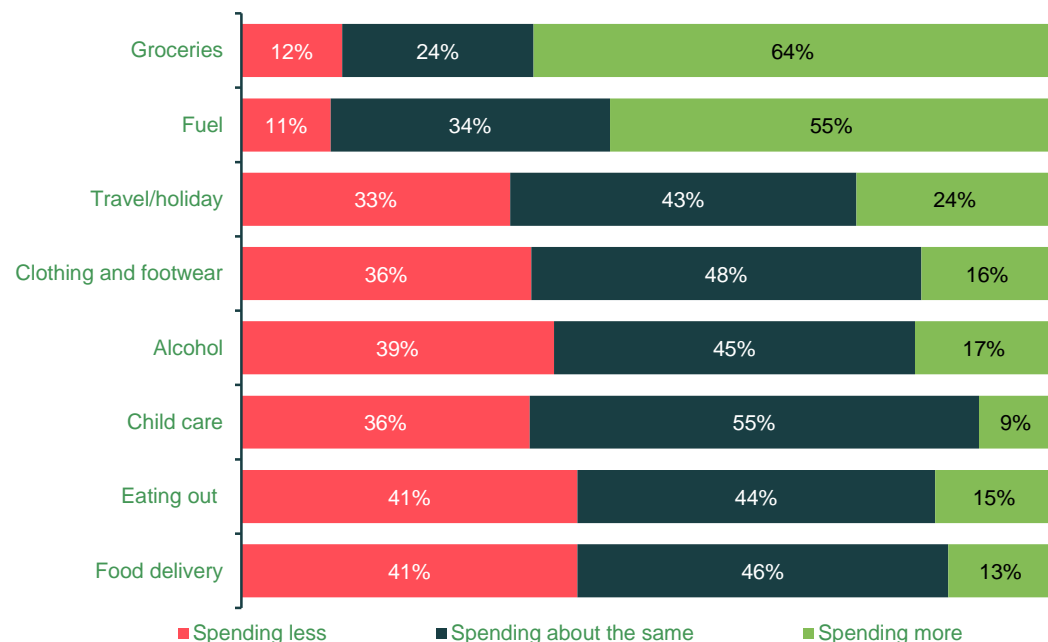
Question: In the last 4 weeks, how much did you estimate you spent on the following?

6.0 Consumption

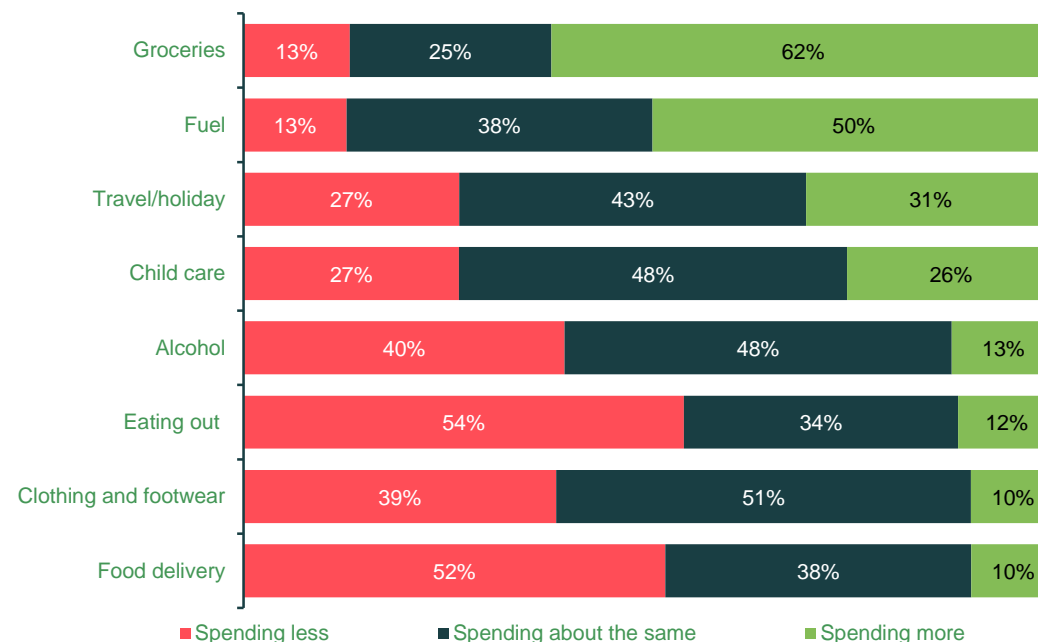
Over half of those eating out now spending less year-on-year, up from 41% last report

Continuing downward impact on discretionary out of home F&B occasions, while childcare expenditure lifts as rises lag inflationary cycle

Then: Spending Change (Last 12 Months)
April (n=506)



Now: Spending Change (Last 12 Months)
May-September (n=504)



Question: In the last 12 months, has your spending changed in the following categories? Please account for changes in prices and changes in the amount you have purchased

7.0

Appendix

5.0 Appendix

Background

In April 2024, 3P Advisory undertook a 15-minute online quantitative survey of over 500 Tasmanians on behalf of MyState Bank and Home Base to better understand the financial state of Tasmanians. The survey sought to explore a range of critical and emerging topics impacting Tasmanians, which included but was not limited to:

Consumer Confidence;
Employment & Training;
Consumption;
Cost of living; and
Housing

From May to September 2024, 3P Advisory included key measures and areas of interest from the initial survey into their ongoing tracking of the Tasmanian population as part of the ongoing Tasmanian Community Sentiment Survey (TCSS), collecting data from another 500 Tasmanians.

This report aims to explore key changes in these metrics of the last 6 months as well as more detailed analysis of key subsections of the Tasmanian community.

The sample was supplied by Pureprofile (ASX:PPL) who manage large online communities which are used by leading government, commercial and research organisations.

The data was weighted to ABS data on gender and age, with other variables managed on natural fallout.

3P Advisory is a Tasmanian owned, family business. At 3P Advisory, we stand at the intersection of People, Place, and Purpose, championing the voices of Tasmanians. Through rigorous engagement and analysis, we provide key insights that shape policy, practice, and decision-making across government, business, and community sectors. As thought leaders in fostering meaningful dialogue on critical issues, we ensure Tasmanian perspectives drive impactful and sustainable solutions that benefit Tasmanians.

