PulseCheck

POWERED BY YORK PARK GROUP

Australians Absorbs the Shock

Q2 2026

-14

Score between -50 to +50

The Pulse fell nine points to -14 in Q2, its lowest reading since the depths of the pandemic in mid-2020. What Q1 signalled, Q2 has confirmed: Australia is absorbing the compounding shocks of the Middle East conflict, energy costs, rising interest rates and persistent inflation.

This coincided with unpopular measures in the Federal Budget, positioned as seeking to rebalance Australia's tax system. Despite a series of significant concessions since, it was viewed by many as a broken election promise that the Albanese Government would not to make changes to negative gearing or capital gains tax.

Business felt this directly, with NAB reporting 'Federal Government policy' jumped to the second most cited reason for a drag on confidence, behind only wage costs, as confidence fell to -19.

The most striking feature of the Pulse in Q2 is the gap between what Australians are saying and what they are doing. The national mood fell to -30, the lowest reading on record, yet discretionary household spending rose 2.1 per cent in May, the strongest rise since January 2024. It suggests sentiment has collapsed faster than behaviour has changed.

Outlook for Q3-2026 – Global War, Domestic Budget

One Nation has surged in the polls; almost one in three voters now say they would vote for One Nation at a Federal Election, although Leader Pauline Hanson's National Press Club speech brought scrutiny. The Victorian State Election in November 2026 will test whether the polling translates to votes.

The Pulse's direction in Q3 will depend significantly on the decisions of the RBA. Inflation remains persistent whilst there are signs of economic slowdown. The RBA's Chief Economist has said a period of higher unemployment may be required to reduce inflation, suggesting an economic slowdown is coming. This domestic uncertainty is further impacted by the ongoing global uncertainty.

US President Donald Trump has said an Iran War Deal is 'close' at least 38 times, yet uncertainty remains – and, at time of writing, there has been renewed fighting and airstrikes, which suggests the fragile deal may be unravelling. On 5 July 2026, 51 oil tankers crossed the Strait of Hormuz; so far this year, only nine have crossed. It demonstrates that, despite ongoing negotiations, the energy shock caused by the conflict will continue for some time.

Q2 2026 Considerations

- **Reputation**: If trust in government is falling, how does this influence our engagement with government?
- **Positioning**: One in three voters back a party campaigning against the establishment. How do we look through that lens?
- **Messaging**: Households and businesses are feeling the same shock differently, which audience are we communicating to?

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PulseCheck Methodology

York Park Group wanted PulseCheck to be an objective and subjective measurement. In developing the methodology, we considered:

- How do voters the community feel generally against their actions?
- What are business perceptions against the decisions they make?
- How to answer these questions with data that already exists?

We determined six national measurements released monthly were the best indicators of the national pulse. PulseCheck is then calculated by setting each indicator onto an equal and unified scale. This 'normalises' the data onto a scale of -50 and 50, with 0 set as a neutral score, indicating that, socially, economically and politically, Australia is neither positive nor negative.

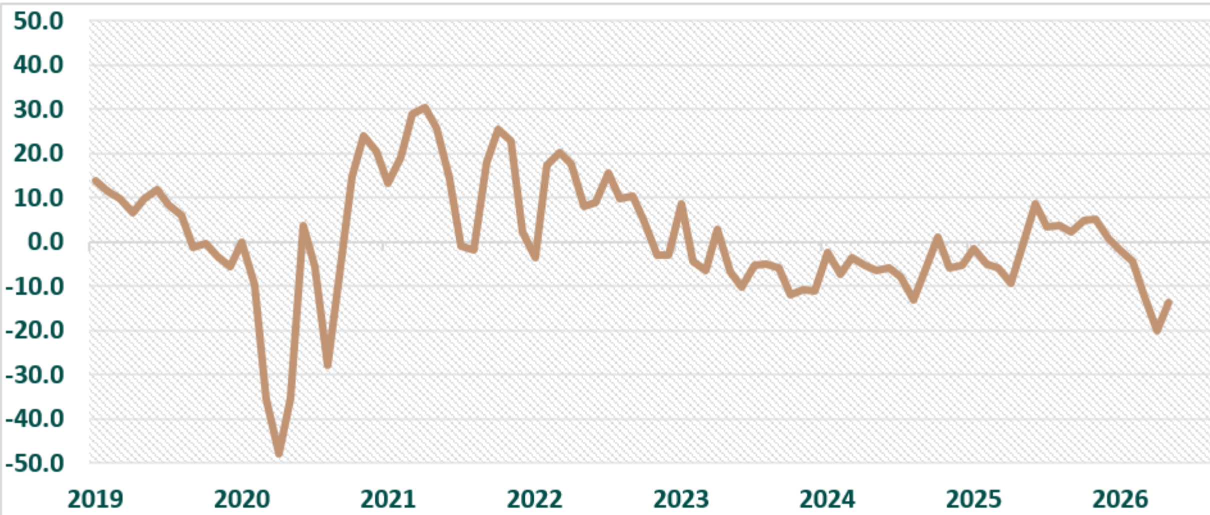
Indicator	Q2 2026 Change
ABS Household Spending Indicator	↗
Westpac and Melbourne Institute Consumer Sentiment Index	↘
NAB Business Survey – Confidence	↘
NAB Business Survey – Conditions	↘
Essential Media – National Mood	↘
Resolve Country Outlook Index	↘

History: 2019 to 2026

PulseCheck draws on data and research from around Australia, bringing together economic indicators from the ABS, public polling, and other insights, to determine Australia's 'pulse' and help organisations understand the environment in which they seek to build trust and change minds.

There is a never-ending stream of publicly available economic, social and political insights. The York Park Group PulseCheck brings together high quality, national data to provide a single reference point of the broader environment in which our clients seek to build and manage their reputation, and advocate for policy outcomes.

Viewing the Pulse within the context of the pandemic highlights the scale of the economic shock currently hitting Australia.



For more information about the York Park Group PulseCheck, and how organisations can use it, please contact Sean Sammon – sean.sammon@yorkparkgroup.com.au or 0417 137 419