NAB Consumer Sentiment Survey

Q3 2025

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Consumer stress is rising again after easing to a 2-year low on the back of falling inflation, but importantly, stress levels remain below the series average. While cost-of-living pressures endure, job security is now a driver of higher stress levels. Though price dynamics continue to influence a range of spending behaviours, consumers were a little less restrained with their expenditure in the September quarter. This easing allowed households to spend more, though spending growth remains concentrated in specific areas, with a focus on value. Consumers are still struggling with a lack of clarity on the future path of the economy, contributing to the decline in overall sentiment. On balance, while 2 in 3 Australians now expect house prices to continue to rise over the next year, 1 in 2 also believe inflation, taxes and other Government charges will increase. Over 1 in 3 believe unemployment will lift and fewer expect interest rates to decrease.

NAB Behavioural & Industry Economics **October 2025**

Summary

The NAB Consumer Stress Index rose in the September quarter and for all index components, though importantly stress levels remain below the series average. NAB's measure of consumer stress is based on household stresses arising from their job security, health, ability to fund retirement, cost of living and the impact of Government policies. The NAB Consumer Stress Index tracks these five key components to understand the overall stress level of Australian consumers. Despite resilience in the Australian labour market during the survey period, the biggest increase related to a rise in concern over job security. Though falling steadily in trend terms since early-2023, cost of living stress also inched up and continues to contribute most to overall stress levels. On balance, 70% of consumers reported their living costs had increased during the quarter. More consumers on balance also said they felt the cost of all monitored goods and services had risen over the past 3 months, apart from mortgages and other debt as interest rates were further reduced. Consumer perceptions mirrored concerns from the RBA about inflation potentially remaining higher at its September Board meeting. Consumers tend to use a few key anchor prices or reference prices to determine the overall cost of living. Most reported higher prices for utilities (+73% vs. +66% in the June quarter) and groceries (+73% vs. +71%). And, when we asked consumers how they expect their overall cost of living to change in the next 3 & 12 months, many still see no respite. Consumers were also slightly more concerned about the about the impact of the domestic economy on their future spending and savings plans.

Cost of living pressures are still having a significant impact on how consumers are spending, with large numbers scaling back or cutting expenditure on many goods and services. In September, on balance the greatest share of consumers report cutting back on eating out at restaurants (53% vs. 54%), micro treats (unchanged at 48%) and entertainment (unchanged at 47%). Somewhat higher numbers cut back on their holiday plans (46% vs. 41%), while lower numbers cut back on health practitioner visits (28% vs. 31%) and groceries (26% vs. 29%). Consumers remain least inclined to cut spending on private school fees & tutors (9% vs. 8%), children's activities (unchanged at 12%) and pets (16% vs. 17%). Far fewer consumers over 65 typically pared back their spending on most goods and services. Consumers who cut spending were asked to estimate how much they saved per month by doing so. The biggest savings were made on holidays ($626) and major household purchases ($602). Significant savings were also made on areas where the most consumers cut back - eating out ($129), micro treats ($64) and entertainment ($64). Combined, these items alone totalled monthly savings of $257 and a potential savings buffer of around $3,800 a year if these behaviours continued. Even cutting in areas where savings were smallest - other subscriptions ($26 vs. $22) and subscription streaming services like Foxtel & Netflix (unchanged at $31) - could potentially save $684 annually.

Around 6 in 10 consumers who saved money in September used it to help manage their daily living expenses, while around 1 in 2 funnelled them into savings or offset accounts. Almost 1 in 5 used these savings to pay down a mortgage. Only 1 in 20 splurged. Priorities were more nuanced by age. Whereas most 18-29 year olds put this extra money into a savings or offset account, most consumers in all other age groups used it for day to day living expenses, particularly over 65s. Far more 30-49 year olds paid down their mortgage and other debt.

Consumers are doing more than cutting back spending to manage cost of living. Over 1 in 3 also used their savings more rapidly and 1 in 5 sold possessions. Over 1 in 10 borrowed or were given money from family or friends or got a second job or worked longer hours. Significantly more 18-29 and 30-49 year olds managed by borrowing or being given money from family or friends

and getting a second job or working longer hours or got second jobs or worked longer hours than those over 50. Noticeably more over 50s however took money from their super or did not top it up. Almost 1 in 2 over 65s also said cost of living was not affecting their lifestyle.

Though cost of living continues to influence a range of consumers spending behaviours, consumers were somewhat less restrained in the September quarter. This easing allowed households to spend more, though spending growth was concentrated in specific areas, suggesting a continued focus on value and convenience. While the most common behavioural change among consumers remains being mindful where they spend, fewer told us they behaved this way in Q3 (+37%, from +42% in June). A somewhat lower number of consumers also report changing to less expensive products to save money (+28% vs. +32%), while an unchanged +11% made purchases because of great deals. Many are still researching brand and product choices before making a purchase (+21%), though this was down slightly (from +23% in June). Consumers were also less conscious of buying Australian made (+8% vs. +11% in Q2 and well below a survey average +19%). However, the number who supported local business increased slightly (+6% from +4% in June but still trended well below average of +17%).

When asked how they see the year ahead, more consumers on balance (+66%) expect house prices to increase in the next 12 months (+62% in Q2). More also see inflation and prices in general rising (+55% vs. +52%), expect to be hit with increased taxes and other Government charges (+53% vs. +49%) and higher unemployment (+34% vs. +31%). Slightly fewer believe the risk of recession has increased (+30% vs. +31%) or that wages and salaries will increase (+9% vs. +10%). There was a however a large jump in the net number of consumers expecting the share market to increase over the next 12 months (+11% vs. +3%). Somewhat fewer consumers expect interest rates to decrease over the next year (-8% vs. -12%) but slightly more economic growth in Australia (-10% vs. -8%). It is still of some concern that a significantly large number of Australians on balance still expect the quality of life in their country to decrease over the next year, and this view strengthened in Q3 (-27% from -24% in June). This is important as research suggests when consumers anticipate a decline in their future quality of life, they can also become more price-sensitive, shift spending priorities and seek greater value, with can impact business and the economy overall.

By age, far more Australians over 50 expect house prices to increase, with considerably more over 65s also expecting taxes and other Government charges to rise (+70%) and the 50-64 age group unemployment (+40%). More consumers on balance in all age groups expect the quality of life in Australia in the next 12 months to fall, ranging from -19% among 18-29 year olds to -34% among those over 65.

Since most of us only have direct knowledge of our own household's current economic conditions, we must rely on external information to develop views about the future and the economy more generally. Research suggests news media significantly influences consumers' economic perceptions. Negative economic news can lower consumer sentiment, sometimes even independently of real economic conditions. Furthermore, the sheer amount of news about the economy can affect how frequently people update their expectations.

On balance, more Australians indicated there was more bad news than good news in September (-43% vs -37% in Q2). Australians in all age groups reported more bad than good news, particularly over 65s who said it rose sharply (-53% vs. -37%). When asked what they believed were the key themes or issues the media had focussed on, 1 in 4 consumers told us that war, international conflict & Palestine dominated the news, with 1 in 5 also highlighting cost of living, and 1 in 7 Trump, US politics and tariffs. Local issues also dominated media, led by crime, youth crime and domestic violence, house prices, the housing crisis and homelessness, interest rates, the RBA and home loans and the economy. Key media themes differed across states. A significantly higher number in VIC identified crime, violence, youth crime and domestic violence as key media themes, with over 1 in 4 telling us it dominated media - twice more than in QLD, the next highest state. Across age groups, a significantly higher number of under 50s highlighted cost of living as a key theme, and somewhat more over 50s war, international conflict and Palestine. Noticeably more 18-29 year olds pointed to housing, house prices and the housing crisis, and over 65s domestic politics and local government.

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Key Tables

Consumer Stress Index (100 = extremely concerned)

	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Consumer Stress Index	**57.6**	**58.5**	**59.6**	**56.6**	**57.7**
Job Security	46.8	47.8	47.3	44.2	46.9
Health	55.5	56.1	57.3	54.1	55.2
Ability to Fund Retirement	59.2	59.0	61.6	58.3	59.0
Cost of Living	66.8	67.2	69.3	66.1	66.3
Government Policy	59.7	62.5	62.6	60.0	61.1

Extent Costs Changed in Last 3 months (net balance - higher/lower)

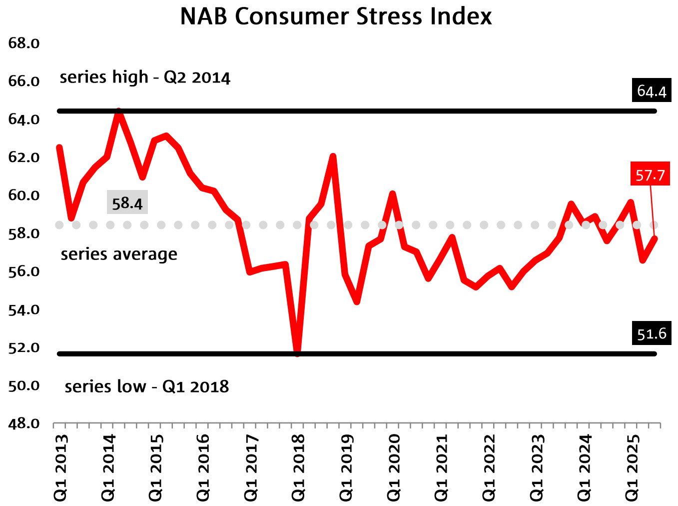
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Overall Cost of Living	**74**	**72**	**71**	**68**	**70**
Travel/Holidays	57	58	58	56	57
Eating out	62	62	62	58	62
Entertainment	55	55	54	51	56
Groceries	75	74	74	71	73
Home improvements	58	59	58	56	58
Major HH items	55	52	52	52	53
Utilities	72	66	63	66	73
Telecoms	58	53	50	54	56
Personal goods	56	56	54	52	55
Medical expenses	57	57	57	52	55
Transport	63	54	57	50	55
Children	49	49	48	44	46
Mortgage	55	50	51	38	37
Rent	58	55	57	51	56
Other debt	46	43	47	43	43

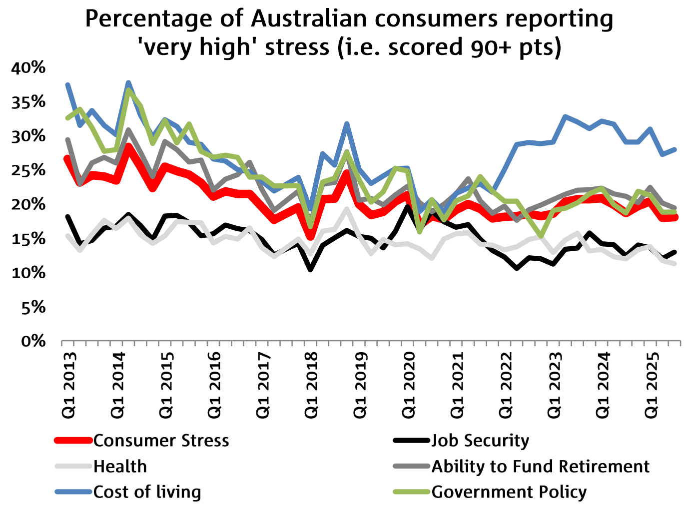
Expectations for Major Purchases in Next 12 months (net balance - spend more/less)

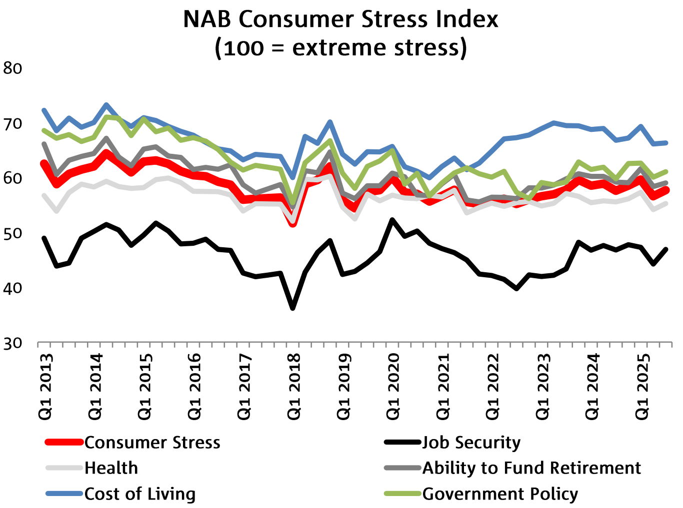
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025
Major household item	-22	-22	-25	-22	-19
Car	-16	-13	-11	-11	-13
Property (residence)	-12	-11	-10	-10	-10
Property (investment)	-15	-16	-13	-15	-13
Home renovation	-14	-13	-14	-15	-11
School fees	-14	-13	-11	-11	-14
Holiday	-20	-14	-16	-19	-15
Private health insurance	-3	-8	-7	-8	-7
Other Investment (ex. property)	-13	-13	-12	-10	-12

Consumer Stress

NAB's measure of consumer stress is based on household stresses arising from their job security, health, ability to fund retirement, cost of living and the impact of Government policies. Despite a surprisingly strong pick up in household consumption spending in the recent June quarter national accounts and a still resilient labour market, consumers reported higher stress levels in the September, with NAB's Consumer Stress Index lifting to 57.7 pts (56.6 in June). Overall stress levels however remained below their long-term survey average (58.4), with the number of consumers reporting 'very high' stress (90+) unchanged at 18.0%.







Consumer stress levels were higher for all index components in September, with the biggest increase related to job security, where it rose 2.7 pts to 46.9 - above the long-term survey average (45.9). Despite this, a slightly higher number of consumers on balance expect their job security to be higher in the next 3-12 months - see below.

Consumers also worried more about their health (up 1.1 to 55.2), Government policies (up 1.1 to 61.1 pts) and ability to fund retirement (up 0.7 to 59.0) - though all measures continue to print below long-term average levels.

Inflation pressures have moderated alongside the gradual rebalancing of the economy over the past couple of years, but cost of living pressure continue weigh most on consumers. And in September, cost of living stress inched up (66.3 from 66.1 in June), though remained below the survey average (62.9).

Consumer stress levels increased in the majority of the 47 monitored groups in the September quarter with few exceptions - rural towns (down 0.1 to 57.3), $35-50,000 (down 0.6 to 59.0) and $75-100,000 (0.5 to 57.9) income groups, women 18-29 (down 3.9 to 57.7), retirees (down 7.0 to 41.0) and for those who won a home with a mortgage (down 3.1 to 56.0) and outright (down 8.0 to 48.0). Stress levels were unchanged for men 18-29 (56.6) and in two-person households (55.0). It increased most among women over 65 (up 5.5 to 57.9), in SA/NT (up 3.9 to 59.0) and for all over 65s (up 3.4 to 52.1).

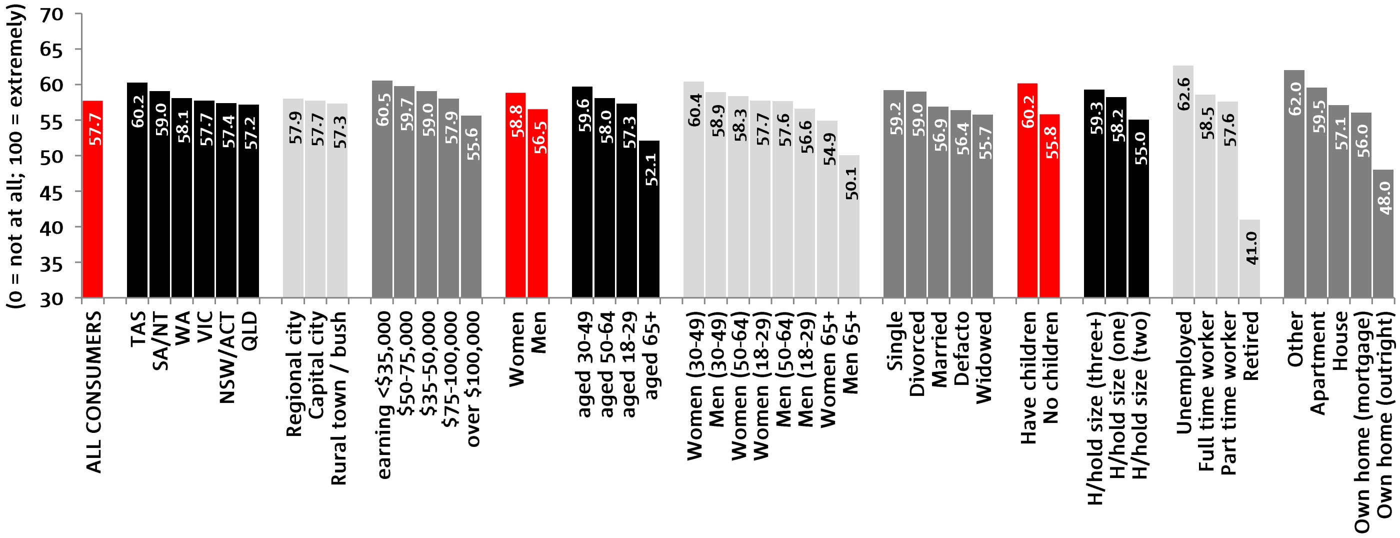
Within demographic groups, consumer stress levels varied widely. Stress rose in all states and remained highest in TAS (60.2) followed by SA/NT (59.0). Consumer stress levels were lowest overall in QLD (57.2) but only marginally lower than in NSW/ACT (57.4) and VIC (57.7). Consumer stress levels however diverged across regions, ranging narrowly from 57.9 in regional cities to 57.3 in rural areas.

Income is still a significant driver of consumer stress, with stress levels highest in the lowest income group (60.5) and lowest in the highest income group (55.6) - though consumers in the $50-75,000 income group (59.7) reported higher stress than in the 35-50,000 group (59.0) in September.

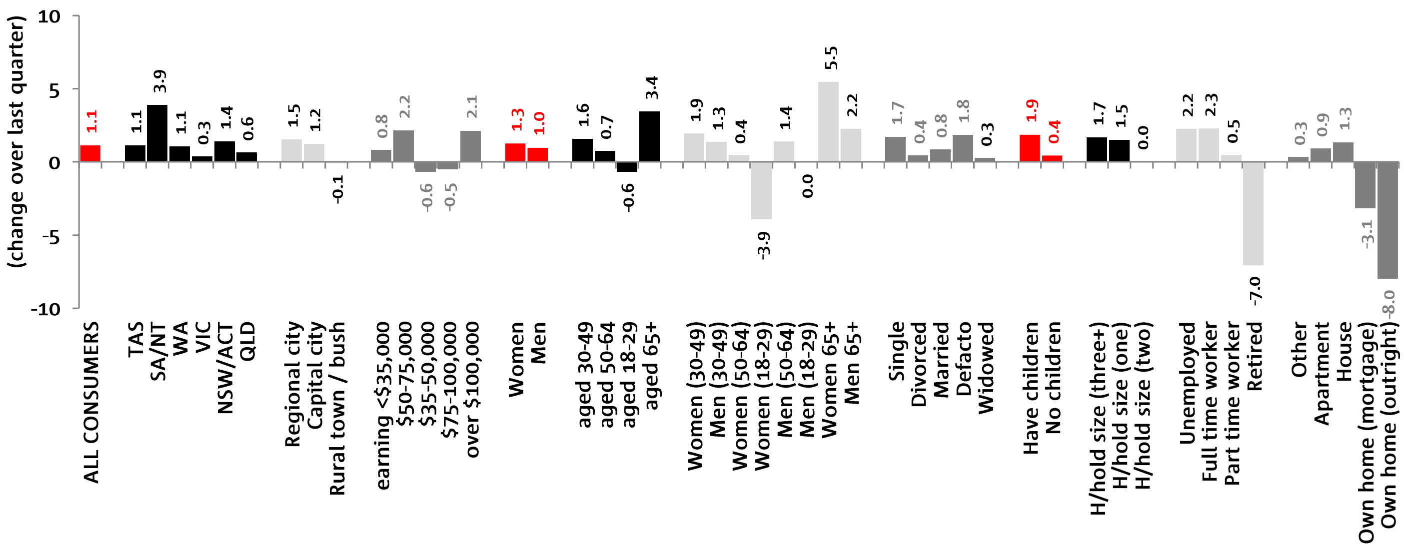
By gender, overall stress increased for women (up 1.3 to 58.8 pts) and men (up 1.3 to 56.5) causing the 'stress gap' to widen to 2.3 (2.0 in June). Women continue to report higher levels of stress than men in all age groups, with the gap widest by a large margin between men over 65 (50.1) and women over 65 (54.9). This was largely driven by much higher concern among women about their ability to fund retirement (57.7 vs. 48.0) and cost of living (64.5 vs. 59.3). The stress gap was narrowest in the 50-64 age group (58.3 women; 57.6 men). Among age groups in general, stress levels were highest in the 30-49 group (59.6) and lowest for over 65s (52.1), with 18-29 year olds the only group to report lower stress in September (down 0.6 to 57.3).

Among other key findings, unemployed consumers (62.6), those with 'other' living arrangements (62.0), in the lowest income group (60.5), 30-49 year old women (60.4), living in TAS (60.2) and who have children under 18 (60.2) reported the highest levels of stress in September. Retirees (41.0) and over 65s (52.1), especially men over 65 (50.1), reported the lowest stress. Our research also highlighted outright home ownership as key driver of lower stress (48.0), with consumers in this group reporting well below average levels of stress, and when compared to consumers with a mortgage (56.0).

NAB Australian Consumer Stress Index: Categories



NAB Australian Consumer Stress Index: Categories (change)

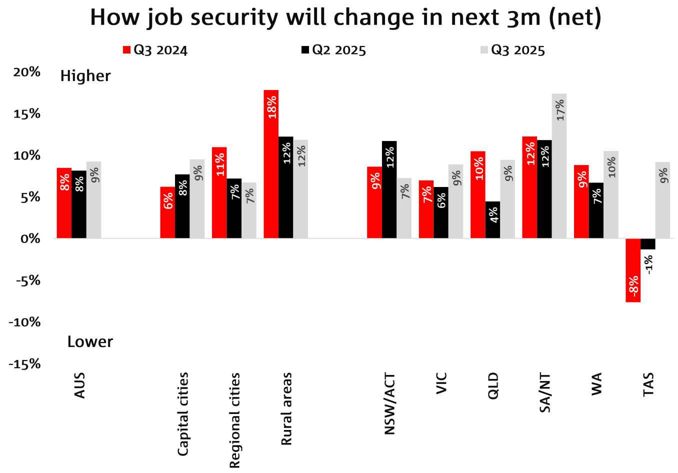


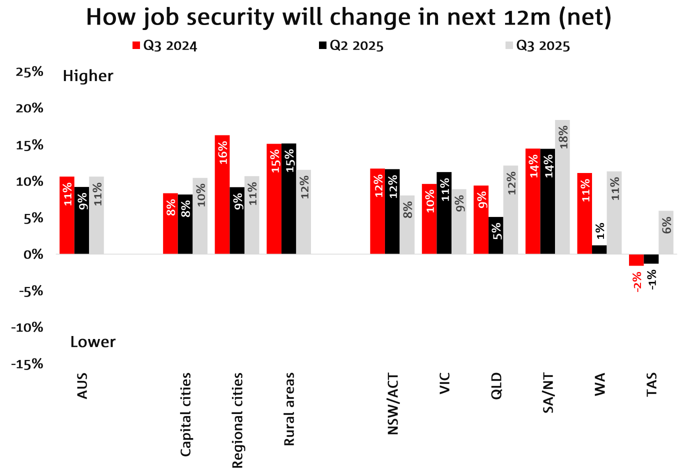
Job security

Data available during the September quarter survey period highlighted continued resilience in the Australian labour market, with the unemployment rate at 4.2% and growth in employment running at 2.0% over the past year. Forward indicators of labour demand also largely tracked sideways. Against this, NAB's expectation for the unemployment rate was to remain little changed going forward, forecasting a peak of 4.4% in Q4 before settling around 4¼% in the longer-term.

But despite a resilient labour market, overall consumer concern in terms of their future spending and savings plan associated with their job security increased noticeably in the September quarter. This may suggest other factors outside current labour market conditions may be at play. For example, a recent report from Jobs and Skills Australia found 13% of jobs may be automated by 2050 and more than half augmented by AI, with industries most at risk of automation clerical and administrative roles.

That said more consumers on balance still expect higher job security in the next 3 months, though this was basically unchanged at +9% (+8% in June). More consumers in all regions anticipate higher job security ranging from an unchanged +7% in capital cities and an unchanged +12% in rural areas. Short-term expectations ranged widely across states. Though they improved in most states, it was highest by a significant margin in SA/NT (+17% up from +12%) and improved noticeably in TAS (+9% vs. -1%) and QLD (+9% vs. +4%). It was lowest in NSW/ACT, which was also the only state to report a lower number of consumers expecting to enjoy higher job security in the next 3 months (+7% down from +12% in June).





Looking 12 months ahead, a slightly higher number of consumers overall anticipate higher job security than in the previous quarter (+11% up from +9% in June). They were more positive in capital (+10% vs. +8%) and regional cities (+11% vs. +9%) but less so in rural areas, though still most confident overall (+12% vs. +15%). By state, expectations improved in SA/NT (+18% vs. +14%), QLD (+12% vs. +5%), WA (+11% vs. +1%) and TAS (+6% vs. -1%) though lowest overall. The net number expecting their job security to be better in the next 12 months however dipped in both VIC (+9% vs. +11%) and NSW/ACT (+8% vs. +11%)

Cost of living stress in focus

Though falling steadily in trend terms since early-2023, stress associated with the cost of living inched up a little in the September quarter and it continues to contribute most to overall stress levels. To identify what is driving these pressures, NAB asks consumers if the cost of several key goods and services increased or fell in the past 3 months. We report the results in net balance terms - a positive result means the number who said costs increased outweighed those who said they fell, while a negative result means that more believe costs fell than increased. Consumers tend to use a few key anchor prices or reference prices to determine the overall cost of living - and how they perceive a price is often as important as the price itself.

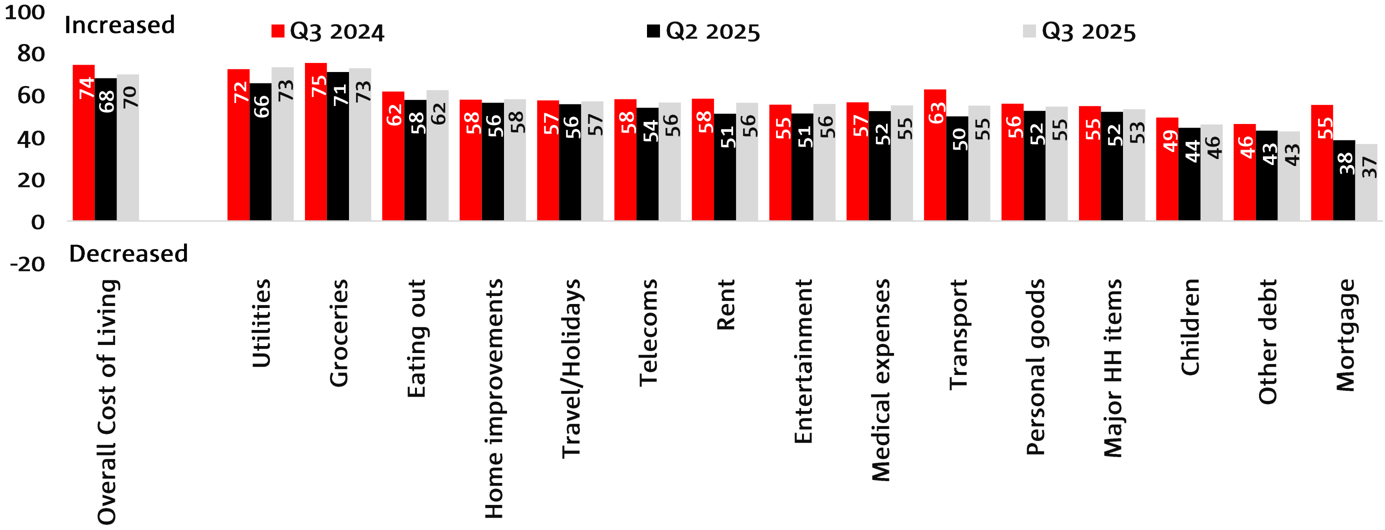
In the September quarter, the net number who reported their overall living costs increased lifted to +70% (+68% in June), after having fallen steadily over the previous 7 quarters. More consumers on balance also said that costs of all monitored goods and services rose over the past 3 months, apart from mortgages and other debt as interest rates were further reduced. Interestingly, consumer perceptions also mirrored concerns from the RBA about inflation potentially remaining higher than expected at its September Board meeting.

Most consumers again reported higher prices for utilities (+73% vs. +66%) and groceries (+73% vs. +71%). The net number who identified cost increases was next highest (and also increased) for eating out (+62% vs. +58%), home improvements (+58% vs. +56%), travel & holidays (+57% vs. +56%), telecoms (+56% vs. +54%), rent (+56% vs. +51%), entertainment (+56% vs. +51%), medical expenses (+55% vs. +52%), transport (+55% vs. +50%), personal goods (+55% vs. +52%), major household items (+53% vs. +52%) and children (+46% vs. +44%). An unchanged number reported higher costs associated with other debts (+43%) while fewer reported higher cost of living pressures from mortgages (+37% vs. +38%) - see chart below.

The extent overall costs changed in September did not vary materially by region, ranging from +69% in capital cities to +73% in rural areas. Perceptions were lowest in capital cities for all goods and services except telecoms (regional cities) and medical expenses (on par with rural areas). We also recorded a sharply higher number in rural areas who indicated higher telecoms prices (+62%).

By state, those who reported higher living costs overall were in QLD (+77%) and the lowest in NSW/ACT (+66%). We also noted much higher numbers in QLD reported higher grocery costs and with SA/NT personal goods (+62%). Noticeably more in SA/NT also reported higher costs associated with entertainment (+70%), medical expenses (+62%) and children (+51%).

Extent costs have changed in the past 3 months (net balance)



We continue to see a clear correlation with age, with the net number of consumers reporting higher living costs overall rising from +64% in the 18-29 age group stepping up in each successive group to +76% among over 65s. Relative to all other age groups, however we counted a somewhat higher number of over 65s who reported higher costs for utilities (+83%), groceries (+82%) and major household items, among 30-49 (+61%) and 50-64 (+60%) year olds medical expenses, among 30-49 year olds other debt (+50%) and among 30-49 (+42%) and 18-29 (+40%) mortgages.

A somewhat higher number of consumers in the lowest income group (+73%) said their overall living costs increased than in the highest group (+68%). Higher costs weighed on a far greater number of people in the lower income group than in the higher group for mortgages (+46% vs. +32%) and other debt (+49% vs. +40%), but for somewhat more in the higher income group travel & holidays (+57% vs. +53%).

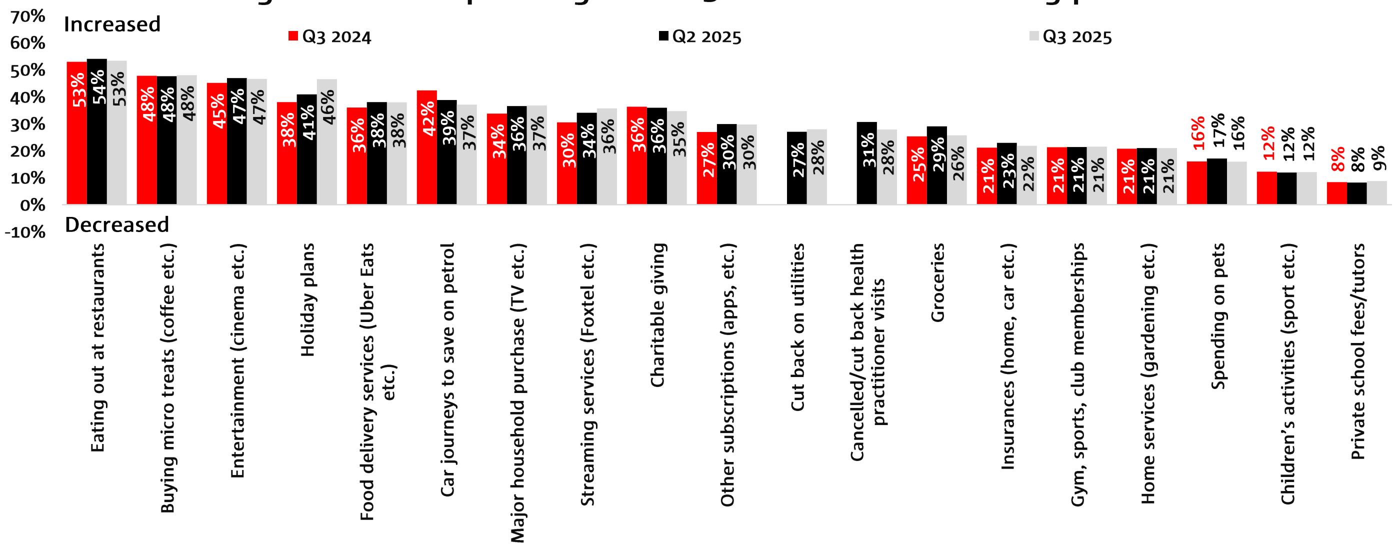
Extent cost of living changed in past 3 months (net balance): region, state, age & high/low income

	AUS	Capital cities	Regional cities	Rural areas	NSW/ACT	VIC	QLD	WA	SA/NT	TAS	18-29	30-49	50-64	65+	Lower income	Higher income
Overall Cost of Living	**70**	**69**	**71**	**73**	**66**	**68**	**77**	**70**	**73**	**70**	**64**	**71**	**68**	**76**	**73**	**68**
Utilities	73	72	75	76	71	75	77	67	79	67	61	73	76	83	70	72
Groceries	73	70	77	81	72	70	80	69	75	67	65	71	74	82	74	71
Eating out	62	60	68	64	61	58	69	64	68	54	56	60	65	70	65	60
Home improvements	58	55	63	64	57	55	64	59	61	43	43	58	65	68	63	57
Travel/Holidays	57	56	57	60	55	54	63	58	60	49	53	57	58	61	53	57
Telecoms	56	56	55	62	53	59	60	52	63	49	43	57	62	65	59	54
Rent	56	54	62	60	58	50	63	59	54	35	57	59	51	52	58	53
Entertainment	56	54	62	58	52	51	63	57	70	41	51	55	57	63	60	53
Medical expenses	55	55	56	55	57	53	55	49	62	51	45	61	60	51	52	56
Transport	55	54	56	56	56	56	51	55	58	62	52	56	58	53	55	57
Personal goods	55	52	59	62	54	49	62	55	62	34	47	56	53	60	57	52
Major HH items	53	51	57	58	50	51	61	51	57	47	39	56	55	63	58	51
Children	46	45	49	45	47	43	49	45	51	33	34	54	44	37	46	47
Other debt	43	41	47	45	42	43	42	43	48	46	41	50	39	31	49	40
Mortgage	37	36	39	38	38	34	41	32	39	31	40	42	25	21	46	32

Spend change due to COL pressures, estimated savings & how they are used

Cost of living pressures are still having a profound impact on how consumers spend money, with large numbers scaling back or cutting their spend on many goods and services. In September, most consumers trimmed their spending on non-discretionary goods and services - eating out at restaurants (53% vs. 54%), micro treats (unchanged at 48%) and entertainment (unchanged at 47%). Among other changes over the quarter, we noted somewhat higher numbers who cut back on holiday plans (46% vs. 41%), but lower numbers who cut back on health practitioner visits (28% vs. 31%) and groceries (26% vs. 29%). Consumers are still least inclined to cut spending on private school fees & tutors (9% vs. 8%), children's activities (unchanged at 12%) and pets (16% vs. 17%).

Changes made to spending in last 3m due to cost of living pressures



Behaviours varied by age. Far fewer consumers over 65 typically pared back or cut spending on all goods and services, except car journeys to save petrol and charitable giving where 18-29 year olds cutting back least. Also apparent was the much higher number of 30-49 year olds who cut back on insurances (29%), gym, sports & club memberships (31%), home services (29%) and children's activities (21%).

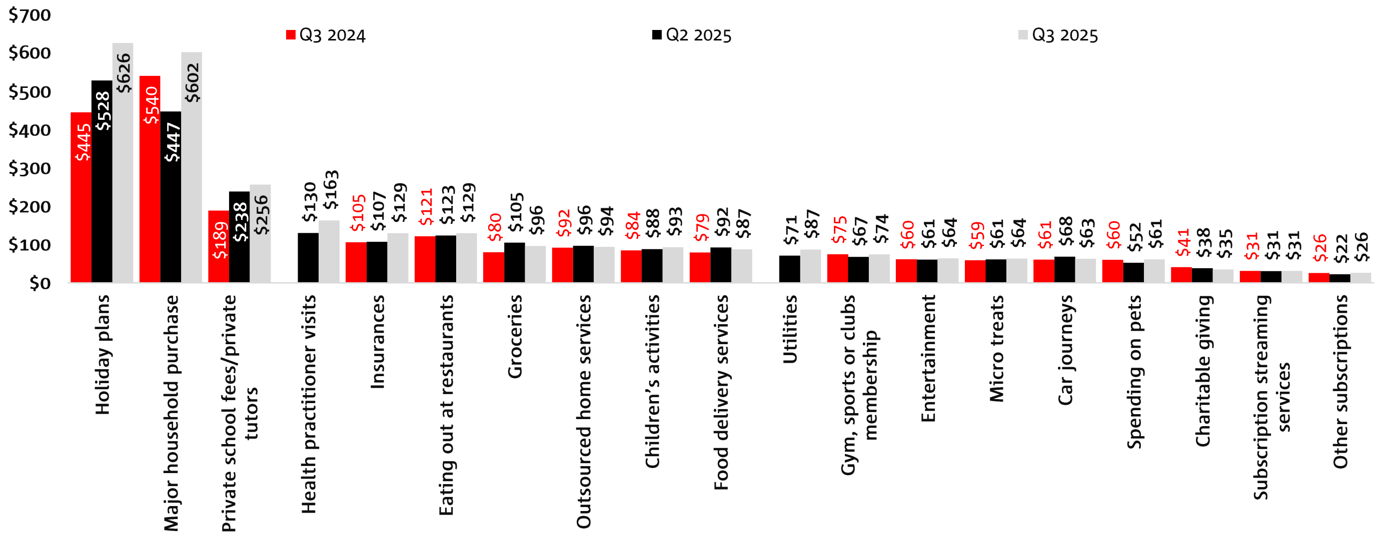
Changes made to spending due to cost of living pressures: age, gender, high/low income

	All	18-29	30-49	50-64	65+	Men	Women	Lower Income	Higher Income
Eating out at restaurants	53%	56%	59%	53%	42%	48%	58%	52%	53%
Buying micro treats (coffee etc.)	48%	51%	52%	49%	37%	42%	54%	49%	49%
Entertainment (cinema etc.)	47%	49%	53%	49%	31%	41%	52%	50%	47%
Holiday plans	46%	44%	52%	48%	38%	41%	52%	53%	43%
Food delivery services (Uber Eats etc.)	38%	49%	48%	32%	16%	35%	41%	36%	42%
Car journeys to save on petrol	37%	32%	39%	42%	33%	36%	39%	40%	31%
Major household purchase (TV etc.)	37%	33%	45%	41%	22%	31%	43%	39%	34%
Streaming services (Foxtel etc.)	36%	43%	42%	34%	20%	33%	38%	33%	36%
Charitable giving	35%	25%	39%	40%	32%	30%	39%	38%	31%
Other subscriptions (apps, etc.)	30%	33%	36%	28%	19%	28%	31%	30%	32%
Cut back on utilities	28%	23%	34%	30%	21%	24%	32%	37%	23%
Cancelled/cut back health practitioner visits	28%	27%	36%	29%	15%	22%	33%	35%	25%
Groceries	26%	30%	31%	23%	15%	21%	30%	37%	19%
Insurances (home, car etc.)	22%	18%	29%	21%	15%	19%	25%	29%	19%
Gym, sports, club memberships	21%	22%	31%	17%	10%	20%	23%	21%	25%
Home services (gardening etc.)	21%	21%	29%	19%	10%	20%	22%	22%	21%
Spending on pets	16%	17%	22%	14%	7%	14%	18%	17%	15%
Children's activities (sport etc.)	12%	12%	21%	8%	2%	12%	12%	10%	13%
Private school fees/tutors	9%	10%	14%	6%	2%	9%	9%	8%	8%

More women than men cut or cancelled spending on all goods and services bar their children's activities and private school fees & tutors. The biggest disparities included a much higher number of women than men that cut spending on eating out & buying micro treats (54% vs. 42%), major household purchases (43% vs. 31%), entertainment (52% vs. 41%), holiday plans (52% vs. 51%) and health practitioner visits (33% vs. 22%).

When comparing behaviours in lower and higher income groups, considerably more consumers in the lower group cut spending on groceries (37% vs. 19%), utilities (37% vs. 23%), holiday plans (53% vs. 43%) and insurances (29% vs. 19%).

Estimated savings per month from spending cutbacks (avg $)



Consumers who cancelled, delayed, or cut spending were asked to estimate how much they saved per month by doing so. In September, they saved most (and noticeably more than in the June quarter) by cancelling or delaying their holiday plans ($626 vs. $528) and cutting on major household purchases ($602 vs. $447). They also estimated significant savings from private school fees & tutors ($256 vs. $238) and health practitioner visits ($163 vs. $130).

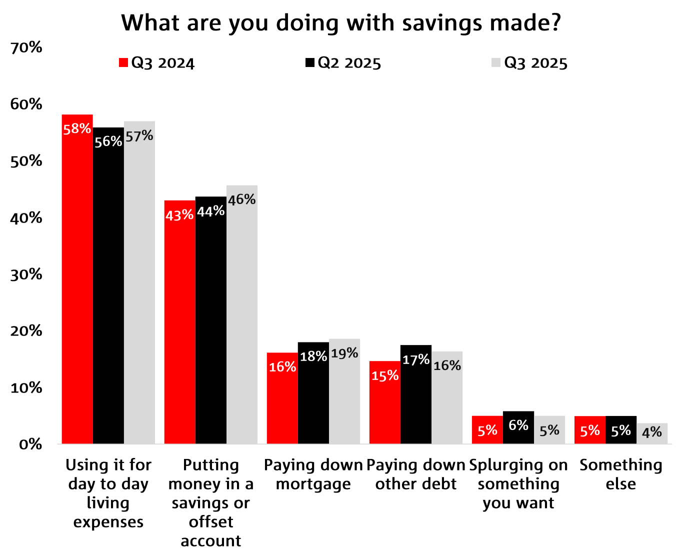
Estimated monthly savings from cutbacks: age, gender, higher/lower income

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Holidays	**$626**	$553	$715	$550	$624	$542	$708	$356	$642
Major household purchase	**$602**	$357	$801	$655	$543	$545	$648	$509	$749
Private school fees/private tutors	**$256**	$292	$294	$164	$253	$379	$178	$33	$308
Health practitioner visits	**$163**	$165	$156	$171	$180	$168	$161	$231	$144
Insurances	**$129**	$143	$151	$134	$90	$178	$104	$64	$138
Eating out at restaurants	**$129**	$115	$155	$135	$97	$127	$131	$91	$149
Groceries	**$96**	$97	$112	$93	$61	$90	$100	$74	$108
Outsourced home services	**$94**	$118	$105	$80	$66	$90	$97	$67	$107
Children's activities	**$93**	$137	$94	$99	$48	$93	$93	$19	$98
Food delivery services	**$87**	$90	$105	$67	$46	$88	$87	$56	$97
Utilities	**$87**	$89	$84	$117	$62	$95	$80	$81	$107
Gym, sports or club memberships	**$74**	$87	$77	$62	$65	$68	$80	$43	$77
Entertainment	**$64**	$59	$77	$62	$45	$63	$65	$43	$74
Micro treats	**$64**	$68	$73	$63	$41	$62	$65	$61	$69
Car journeys	**$63**	$80	$66	$63	$45	$62	$64	$52	$66
Spending on pets	**$61**	$117	$70	$35	$32	$63	$60	$36	$72
Charitable giving	**$35**	$32	$41	$36	$28	$35	$36	$30	$40
Subscription streaming services	**$31**	$31	$32	$30	$29	$33	$30	$33	$31
Other subscriptions	**$26**	$37	$26	$24	$20	$30	$24	$24	$27

Savings were also made on goods and services where the highest number of consumers cut back or stopped spending in September - eating out ($129 vs. $123), micro treats ($64 vs. $61) and entertainment ($64 vs. $61). Combined, these items alone totalled monthly savings of $257 - a potential savings buffer of around $3,800 a year if these behaviours continued. Even cutting in areas where savings were smallest - other subscriptions ($26 vs. $22) and subscription streaming services like Foxtel & Netflix (unchanged at $31) - alone also potentially save them $684 annually.

Among key groups, we noted comparatively higher savings made by 18-29 year olds on pets ($117), by 30-49 year olds on holidays ($715) and major household purchases ($801) and 50-64 year olds on utilities ($117). Women typically saved much more than men on big ticket items like holiday plans ($708 vs. $542) and major household items ($648 vs. $545), but men considerably more on insurances ($178 vs. $104).

Consumers in the higher income group made bigger dollar savings than in the lower income group for most goods and services, except spending on health practitioner visits ($231 low income vs. $144 high income). But the actual dollar amount masks the fact total that monthly saving made in the lower income group on all goods and services amounted to 5% of their annual income (from a base of $35,000) - almost twice higher than in the higher group of 3% (taken from a base of $100,000).



Around 6 in 10 (57%) consumers who said they saved in September used them to help manage their daily living expenses, while around 1 in 2 (46%) funnelled them into savings or offset accounts.

Almost 1 in 5 (19%) used these savings to pay down a mortgage and 16% other debt. But 1 in 20 (5%) splurged on something they wanted and 1 in 25 (4%) did something else.

Priorities were somewhat more nuanced by age. Whereas most 18-29 year olds put this extra money into a savings or offset account (61%), most consumers in all other age groups used it for their day to day living expenses, particularly over 65s (70%).

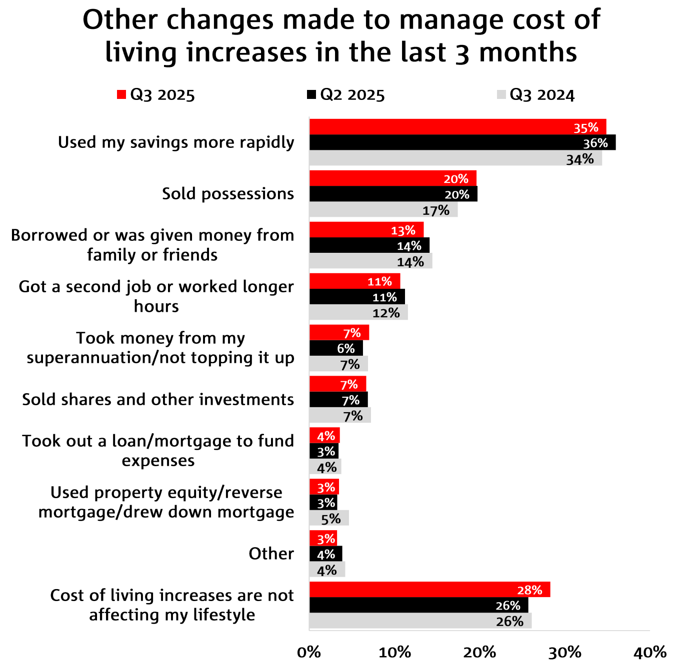
Far more 30-49 year olds paid down their mortgage (28%) and other debt (20%), while around 3 times more 18-29 year olds (10%) used these savings to splurge on something than in all other age groups.

How these savings were used did not vary material between men and women, with allocations broadly the same across all options.

Far more consumers in the lower than higher income group used these savings for their daily living expenses (64% vs. 50%), but far more in the higher income group put it into savings or offset accounts (52% vs, 39%) and paid down a mortgage (29% vs. 2%). Slightly more consumers on higher incomes used their savings to pay down other debt (19% vs. 17%), but in the lower group splurge on something (6% vs. 4%).

What are you doing with savings made: age, gender, higher/lower income

	Using it for day to day living expenses	Putting money in a savings or offset account	Paying down mortgage	Paying down other debt	Splurging on something you want	Something else
All	**57%**	**46%**	**19%**	**16%**	**5%**	**4%**
18-29	50%	61%	13%	14%	10%	3%
30-49	53%	46%	28%	20%	3%	4%
50-64	61%	33%	19%	14%	4%	6%
65+	70%	38%	5%	14%	3%	2%
Men	55%	46%	19%	16%	5%	3%
Women	58%	45%	18%	17%	5%	4%
Lower income	64%	39%	2%	19%	6%	5%
Higher income	50%	52%	29%	16%	4%	4%



Consumers were also doing more than cutting back spending to manage cost of living increases over the last 3 months. Over 1 in 3 (35%) used their savings more rapidly to help manage (36% in June) and an unchanged 1 in 5 (20%) sold possessions.

A slightly lower 13% borrowed or were given money from family or friends (14% in June), and an unchanged 11% got a second job or worked longer hours.

Marginally more consumers took money from their super or did not top it up (7% vs. 6%) and an unchanged 7% sold shares and other investments. 1 in 25 (4% up from 3%) took out a loan or mortgage to fund their expenses, while an unchanged 3% used equity in their property, took out a reverse mortgage or drew down their mortgage. Slightly fewer (3% vs. 4%) reverted to 'other' means.

Almost 3 in 10 (28%) however said cost of living increases were not affecting their lifestyle, up from 26% in the previous quarter.

By age, significantly more 18-29 and 30-49 year olds managed by borrowing or being given money from family or friends and getting a second job or working longer hours and got second jobs or worked longer hours than those over 50. Noticeably more over 50s however took money from their super or did not top it up. Almost 1 in 2 (45%) over 65s also said cost of living was not affecting their lifestyle, much higher than in 18-29 (20%), 30-49 (23%) and 50-64 (29%) age groups.

Somewhat more women than men used their savings to manage cost of living increases (38% vs. 32%) and slightly more also borrowed or were given money from family or friends (15% vs. 12%). More men however took out a loan/mortgage to fund their expenses (5% vs. 2%). Noticeably more men than women also said cost of living increases over the past 3 months did not affect their lifestyle (34% vs. 23%).

Key differences in how lower and higher income groups managed included the much greater number in the lower income group who borrowed or were given money by family or friends (18% vs. 11%) and used their savings more rapidly (38% vs. 32%). In the higher income group, significantly more sold shares and other investments (10% vs 2%) and got a second job or worked longer hours (12% vs. 8%). Far more people in the higher income group also said that cost of living was not affecting their lifestyle (33% vs. 22%).

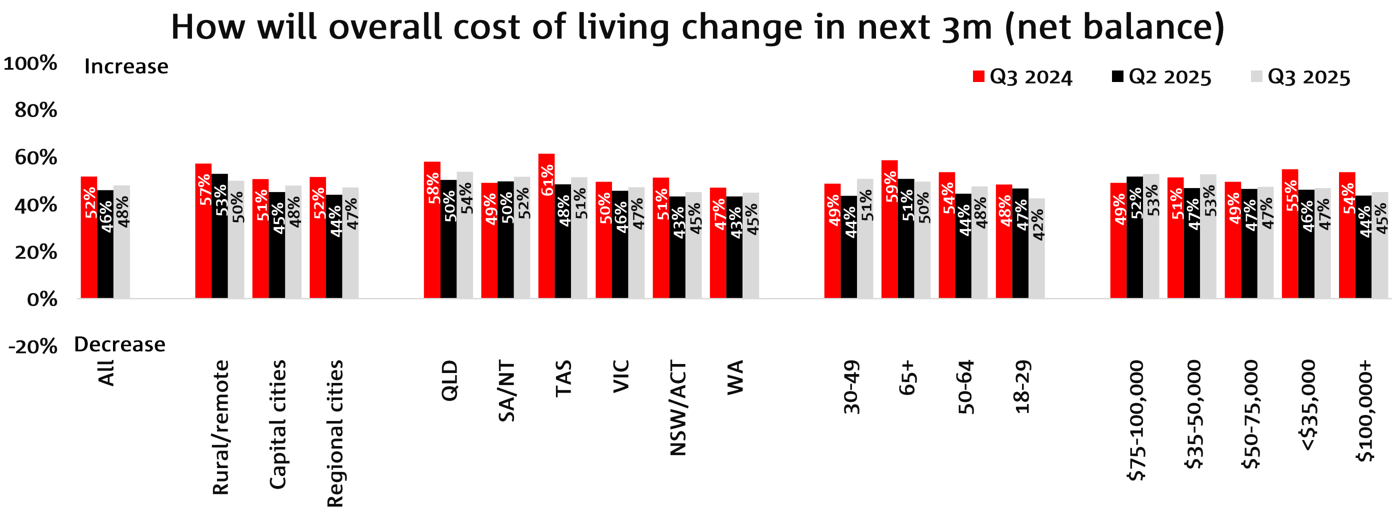
Other changes made to manage cost of living increases in last 3m: age, gender, higher/lower income

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Used my savings more rapidly	35%	36%	37%	37%	29%	32%	38%	38%	32%
Sold possessions	20%	24%	23%	19%	11%	19%	20%	22%	19%
Borrowed/ given money from family/ friends	13%	21%	17%	9%	4%	12%	15%	18%	11%
Got a second job or worked longer hours	11%	19%	13%	6%	2%	10%	11%	7%	12%
Took money from super/not topping it up	7%	6%	4%	9%	11%	7%	7%	9%	6%
Sold shares & other investments	7%	7%	9%	7%	4%	8%	6%	2%	10%
Took out a loan/mortgage to fund expenses	4%	5%	5%	3%	1%	5%	2%	3%	4%
Equity/reverse mortgage/drew on mortgage	3%	5%	4%	3%	1%	4%	3%	2%	4%
Other	3%	1%	3%	5%	4%	3%	4%	6%	3%
Cost of living increases not affecting lifestyle	28%	20%	23%	29%	45%	34%	23%	22%	33%

Future cost of living expectations

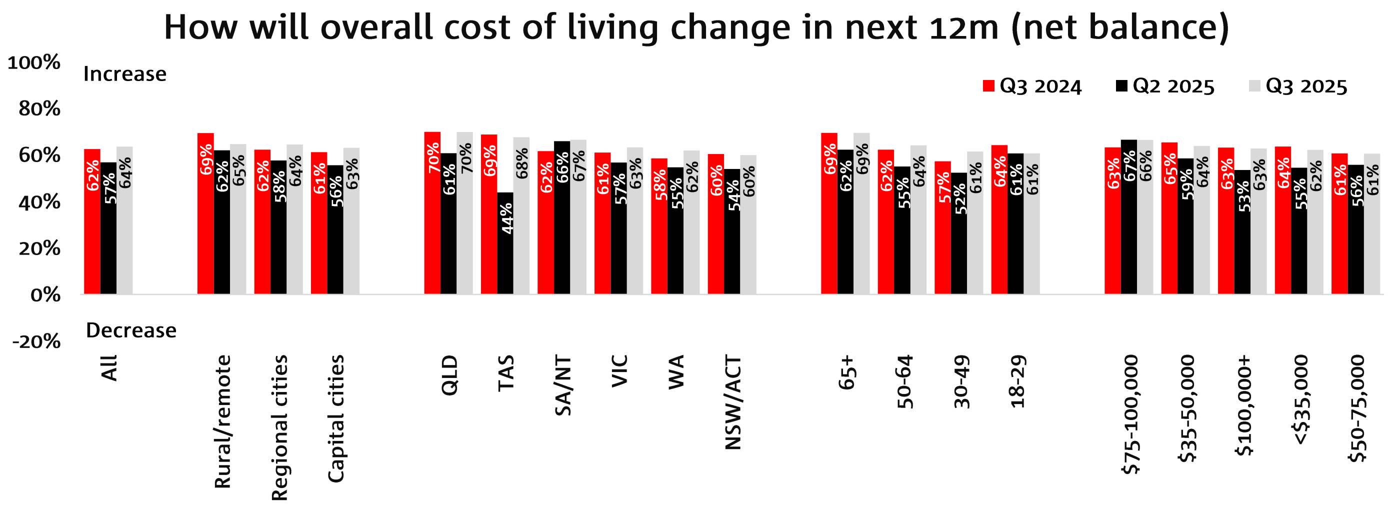
Future expectations about how cost of living may change can significantly influence current consumer behaviours by providing a framework for decision-making and motivating actions based on anticipated outcomes. Consumers who anticipate positive future expectations around their cost of living are more likely to engage in behaviour that align with their expected future and spend more, while those with negative or uncertain expectations may be more cautious about their spending and less motivated to cut back or spend.

NAB's broader macro assessment is that the economy is near balance, and an ongoing pickup in growth towards trend means it will stay there, sustaining inflation near its recent pace. June quarter data confirmed underlying inflation over the past couple of quarters has been around the midpoint of the RBA's 2-3% target. While we expect it to stay there, some lingering risks remain.



When we asked consumers how they expect their overall cost of living to change in the next 3 & 12 months, many still see no respite in the short-term. In net balance terms, the number who said living costs will increase rose to +48% up from +46% in June though down from +52% a year ago. The net number who believe their living costs will increase also continues to heavily outstrip those who believe it will fall in all key groups without exception.

Across the country, the greatest number expecting to face higher living costs in the next 3 months in September were in rural areas (+50%) and the lowest in regional cities (+47%), while by state it was highest in QLD (+54%) and lowest in WA and NSW/ACT (+45%). It ranged from +51% among 30-49 year olds to +42% in the 18-29 age group, and from +53% in the $75-100,000 income group to +45% in the $100,000+ group.



We counted a much bigger increase in the net number of consumers expecting their living costs to increase in the next 12 months to +64%, from +57% in the June quarter and higher than at the same time last year (+62%), with expectations of higher living costs rising in almost all cohorts.

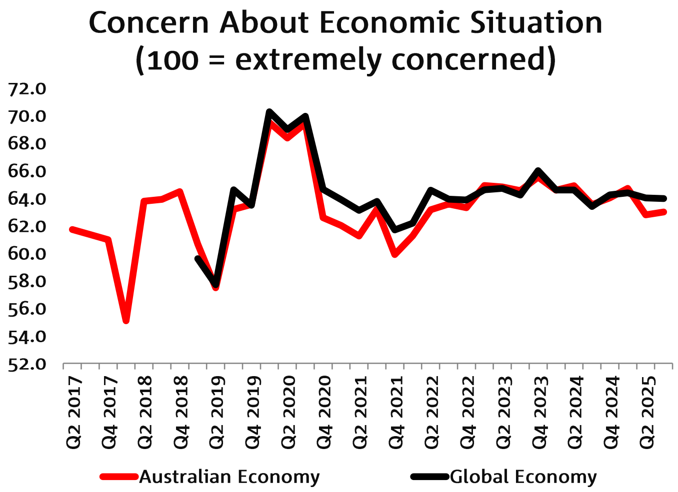
In September, we also counted a higher number of consumers in all regions expecting their overall living costs to increase in the next 12 months compared to the previous quarter and ranging narrowly from +65% in rural areas to +63% in capital cities. It was also higher in all states, led by QLD (+70%) with NSW/ACT lowest (+60%). A higher number of over 65s (+69% vs. 62%), 50-64 (+64% vs. +55%) and 30-49 (+61% vs. +52%) also expect living costs to increase over the next year, but expectations were unchanged in the 18-29 group (+61%). By income, the highest number expecting higher living costs were in the $75-100,000 cohort - though also the only group where it fell (+66% vs. +67%). It was lowest in the $50-75,000 group (+61%).

General level of concern over the economy

The assessment of the economy by the NAB Macroeconomics team during this survey period was based on domestic data flow that continued to provide greater confidence in our forecast of a gentle acceleration in GDP growth in coming quarters. July activity data showed a pickup in household spending, a solid rise in jobs growth and a decent lift in credit growth. Growth in house prices continued in Q3, and the composite PMI lifted over 5 points to this point. The NAB business survey improved, with the August survey showing better outcomes in previously weak sectors and regions (Retail, Manufacturing and Victoria). GDP rose 0.6% in the June quarter, boosted by strength in household spending. In summary, we were encouraged by the breadth of improvement in the domestic activity data (The Forward View: Australia September 2025).

The labour market remains resilient, with the unemployment rate at 4.2% and growth in employment running at 2.0% over the past year. Forward indicators of labour demand are largely tracking sideways. Core inflation continued to sustain a gradual descent, with the June quarter measure rising 0.6% q/q. The most recent monthly inflation data for July confirmed our expectation that the shelter components of the inflation basket have likely troughed. While a faster pickup in this component is a risk, broader conditions are consistent with overall inflation sustaining near target.

On net, this leaves our outlook for the economy broadly unchanged. We expect another year of below trend growth in 2025 and forecast GDP growth to accelerate to around trend over 2026. We expect the unemployment rate to drift up modestly, peaking at 4.4% in late-2025 before falling back to around 4.25% in 2026. We still expect underlying inflation to settle around 2.5% from H2 2025. Risks to our forecasts for the Australian economy remain balanced, although if the tone to recent domestic data sustains in coming months, risks will shift to the upside.



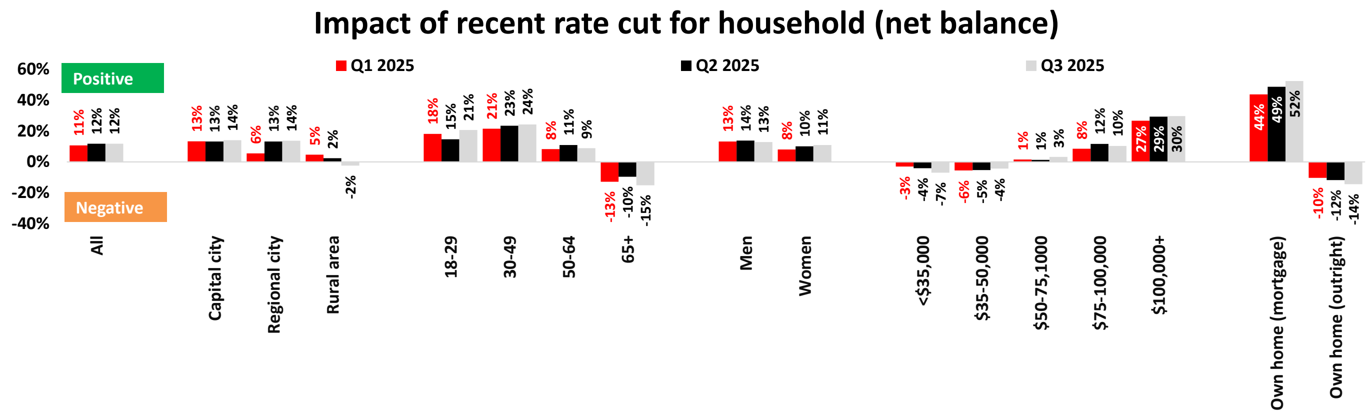
Against this backdrop, Australian consumers also report they were slightly more concerned about the about the impact of the domestic economy on their future spending and savings plans, scoring on average a higher 63.0 in September. This was down from 62.8 in the June quarter but lower than at the same time last year (63.5).

The level of concern over the domestic economy was highest and lifted most in TAS (64.9 up from 61.5 in June). It fell most states in QLD (64.7 vs. 65.4) and was lowest in VIC (62.0).

Consumer concern about the impact from the international economy on their future spending and savings plans were unchanged at 64.0 over the quarter, but up from 63.4at the same time last year.

The impact of recent interest rate cuts on Australian consumers

Between April 2002 and November 2023, the RBA lifted the cash rate from a historical low 0.1% to 4.35% to its highest level in 12 years. Rates stayed on hold until February 2025 when they were cut 25 bps to 4.1%. Rates were cut further to 3.85% in May and to 3.60% in August. Following these cuts, we asked consumers what it meant for them. Typically, lower rates make borrowing money and paying it back cheaper but can also punish savers and help boost asset prices like housing.



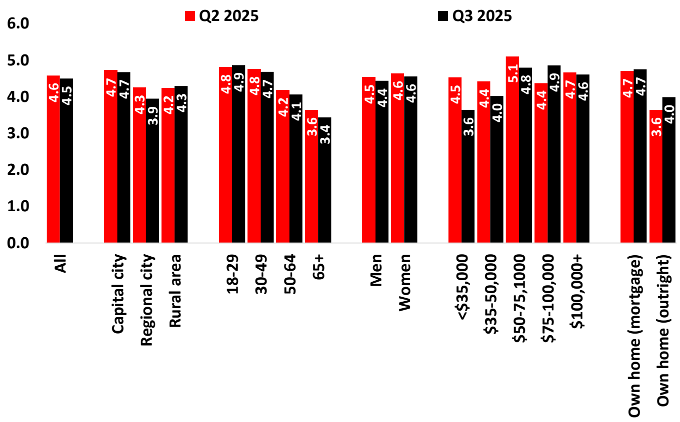
The overall number of consumers who said recent rate cuts had a positive impact outweighed those who said the impact was negative and at an unchanged +12% in the September quarter. By region, the net number who said the impact was positive was equal highest in capital and regional cities (14%). In rural areas however, more consumers on balance said it was negative (-2% vs. +2% in June).

Considerably more consumers in 30-49 (+24%) and 18-29 (21%) age groups said the impact was positive likely reflecting the positive impact on their mortgages and other debts. In the over 65 group, the number who said it had a negative impact exceeded those who said it was positive and increased to -15% (-10% in June), probably reflecting the negative impact on their earnings from their retirement savings. More men (+13%) and women (+11%) assessed the impact as positive.

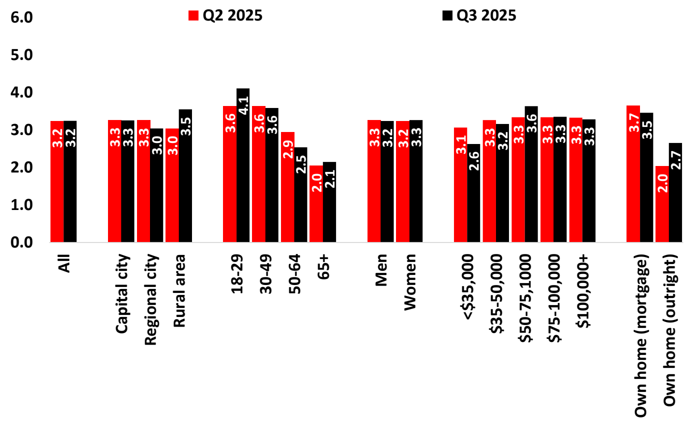
Income matters, with more people in lower income groups reporting a net negative impact from recent rate cuts, with the net number reporting a positive impact rising along with incomes. Not surprisingly, a much higher number of consumers who own homes with a mortgage said the impact was positive and it rose to +52% (+49% in June). But among those who own their homes outright, the net impact was negative and for more consumers in this group (-14% vs. -12%).

Consumers who said the impact of the recent rate cut was positive were also asked to rate the extent it eased their concern or stress over their home loan. Overall, they scored a slightly lower 4.5 (4.6 in June), signalling they are hoping for more relief to ease their stress. Stress eased most in capital cities, where mortgages are typically higher (unchanged at 4.7) and was lowest in rural areas (4.3 vs. 4.2). Stress relief was much higher in age groups below 50 and was scored highest in the 18-29 group (4.9 vs. 4.8). Stress fell slightly for men (4.4 vs. 4.5) but was unchanged for women (4.6). It was considerably lower in under $35,000 (3.6 v. 4.5) and $35-50,000 (4.0 vs. 4.0) income groups and highest in the $75-100,000 (4.9 vs. 4.4). Homeowners with a mortgage (unchanged at 4.7) enjoyed more stress relief than consumers who own their homes outright (4.0 vs. 3.6).

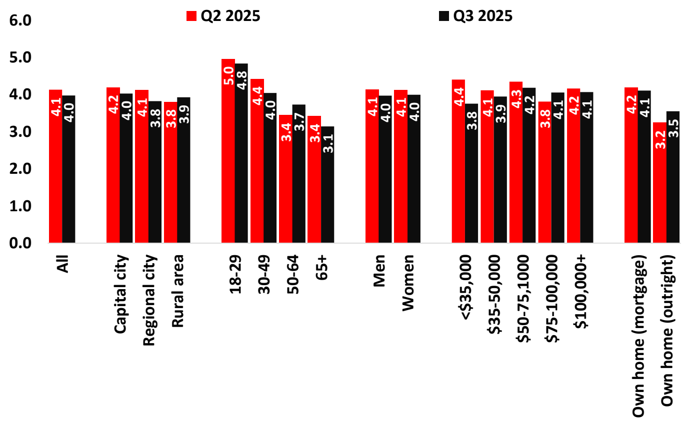
Extent recent rate cut eased stress: Home loan (10 = considerably)



Extent recent rate cut eased stress: Other debt (10 = considerably)



Extent recent rate cut eased stress: Cost of living (10 = considerably)



Consumers who said the impact of the recent rate cut was positive were also asked to rate the extent it eased their concern or stress over their other debts such as credit cards and personal loans.

Overall, they scored an unchanged 3.2. By region, stress relief for this type of debt improved noticeably in rural areas (3.5 vs. 3.0) but fell in regional cities (3.0 vs. 3.3) and was unchanged in capital cities (3.3). It was highest and rose for 18-29 year olds (4.1 vs. 3.6) and lowest for over 65s (2.1 vs. 2.0). It was largely unchanged for men (3.2 vs. 3.3) and women (3.3 vs. 3.2). By income, it ranged from 2.6 in the lowest group to 3.6 in the $50-75,000 group. Outright homeowners reported a big improvement in stress relief (2.7 vs. 2.0), but mortgage holders a little less (3.5 vs. 3.7).

When asked to rate how rate cuts eased their stress over cost of living, it was slightly lower (4.0 vs. 4.1). It ranged narrowly from 4.0 in capital cities to 3.8 in rural areas, and but more widely from 4.8 among 18-29 year olds to 3.1 among over 65s. It was similar for men and women (4.0). The impact was felt most in all income groups over $50,000 and somewhat less among those earning less than $50,000. Cost of living stress relief from recent rate cuts had a bigger positive impact for mortgage holders (4.1 vs. 4.2) but increased more for homeowners (3.5 vs. 3.2).

Future household spending intentions

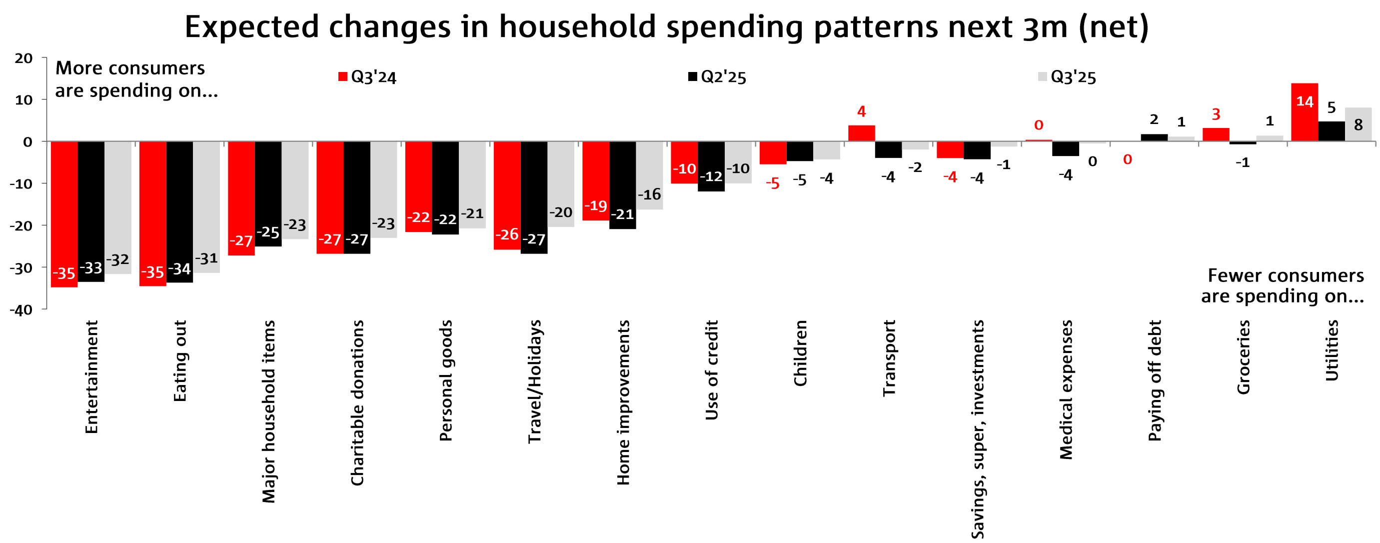
NAB's Consumer Spending Pulse tracks expected changes in household spending intentions in the next 3 months - i.e., whether they plan to spend more or less on a range of goods and services. Stressed consumers typically show increased saving intentions but also increased spending on products they perceive as necessities. These behaviours occur to gain control in an otherwise uncontrollable environment. Consumer caution remained evident in September, though the reins were loosed a little with the overall net number planning to cut back on all spending in the next 3 months falling to -12 from -14 in June and also lower than reported at the same time last year (-13).

On balance, more consumers still plan to reduce spending on non-essentials (travel & holidays, eating out, entertainment, home improvements, major household items, personal goods, and charitable donations) though this narrowed to -24 (-27 in June. In terms of spending on essentials (groceries, utilities, medical expenses, transport and children), the net number who planned to spend more marginally outweighed those who planned to spend less (+1), reversing spend the trend from the previous quarter when those planning to spend more exceeded those planning to spend less (-2). Intentions around financial spending (paying off debt, using credit and super, savings & investments) were a little less restrained (-3 down from -5 in June).

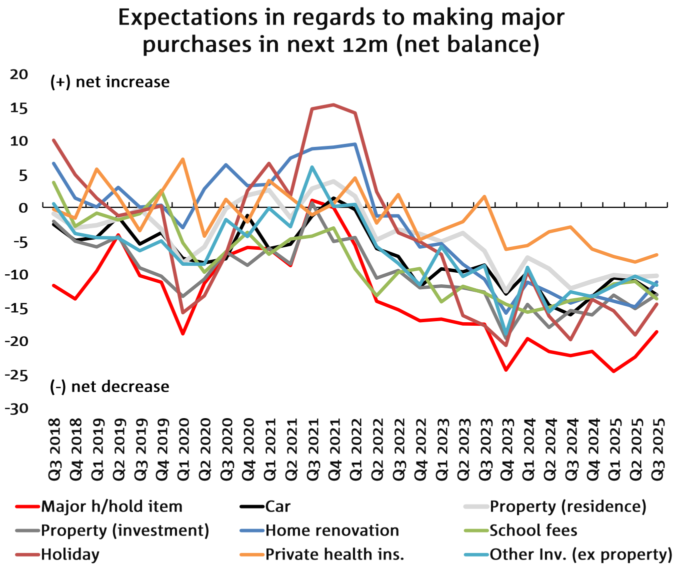
Spending intentions (net balance)

	Non-essentials			Essentials			Financial spending			Overall		
	Q3'25	Q2'25	Q3'24	Q3'25	Q2'25	Q3'24	Q3'25	Q2'25	Q3'24	Q3'25	Q2'25	Q3'24
AUS	**-24**	**-27**	**-13**	**+1**	**-2**	**3**	**-3**	**-5**	**-5**	**-12**	**-14**	**-13**
NSW/ACT	-23	-27	-14	+1	-3	2	-2	-7	-5	-11	-15	-14
VIC	-24	-28	-15	0	-4	0	-4	-5	-6	-12	-15	-15
QLD	-29	-28	-11	-1	0	7	-8	-3	-5	-15	-14	-11
WA	-22	-29	-9	-1	-2	2	-2	-4	-1	-10	-15	-9
SA/NT	-18	-20	-8	+7	+6	9	+1	0	1	-6	-8	-8
TAS	-30	-21	-20	-2	+3	9	-8	-6	-11	-15	-10	-20

Overall future spending plans are still quite restrained across the country, with the overall net number that planned to cut back all spending ranging from -15 in TAS and VIC to -6 in SA/NT. In terms of non-essential spending, more consumers also expect to cut back in all states, ranging from -30 in TAS to -18 in SA/NT. When it came to spending on essentials, intentions were mixed, with a higher number of consumers in SA/NT (+7) and NSW/ACT (+1) expecting to spend more, but to spend less in TAS (-2), QLD (-1) and WA (-1) and balanced in VIC (0%). More consumers on balance in all states also plan to lower financial spending in the next 3 months bar SA/NT (+1%), ranging from -8 in QLD and TAS to -2 in NSW/ACT and WA - see Appendix 2 for more State detail.



By spend category, the highest number of consumers said they expect to cut back in all non-essential spending categories, though falling from the June quarter in all categories. Most consumers expect to spend less on entertainment (-32 vs. -33 in June), eating out (-31 vs. -34), major household items (-23 vs. -25), charitable donations (-23 vs. -27), personal goods (-21 vs. -22), travel/holidays (-20 vs. -27) and home improvements (-16 v. -21). Expectations around spending on essentials were more nuanced, with fewer spending less on their children (-4 vs. -5), transport (-2 vs. -5), medical expenses (0 vs. -4), and more spending on groceries (+1 vs. -1) and utilities (+8 vs. +4). Fewer consumers on balance also expect to cut back credit usage (-10 vs. -12), spending on savings, super & investments (-4 vs. -1), but more paying off debt (+3 vs. +1).



Consumer expectations for making major purchases over the next 12 months remained mixed in September, but the net number of planning to spend less continued to outweigh those planning to spend more in all spend categories.

The highest number overall still expect to rein in their spending on major household items, though this fell to a 2-year low -19 (-22 in June).

This was followed by holidays (-15 also down from -19), school fees (-14 up from -11), investment property (-13 down from -15), cars (-13 down from -11), other investments (-12 down from -10), home renovations (-11 down from -15), residential property (unchanged at -10) and private health insurance (-7 down from -8).

Intentions about making major purchases however varied across key groups.

On balance, more consumers in all age groups said they expect to spend less on all big ticket items, except the over 65 age group where the number expecting to spend more on private health insurance exceeded those who expected to spend less (+6). More consumers aged 30-49 on balance planned spend less in all categories, except school fees, holidays and major household items where more 50-64 year olds planned to cut back.

More men and women in all age groups plan to spend less on all spending categories in the next 12 months, with noticeably more men than women expecting to cut school fees (-16 vs. -11). More consumers in lower and higher income groups also expect to reduce spending on all big ticket items in the next 12 months, with more consumers in the lower income group expecting to reduce spending on all big ticket categories except private health insurance (-7 higher income; -3 lower income) and investments other than property (-10 higher income; -4 lower income).

Expectations for major purchases: age, gender & lower/higher income

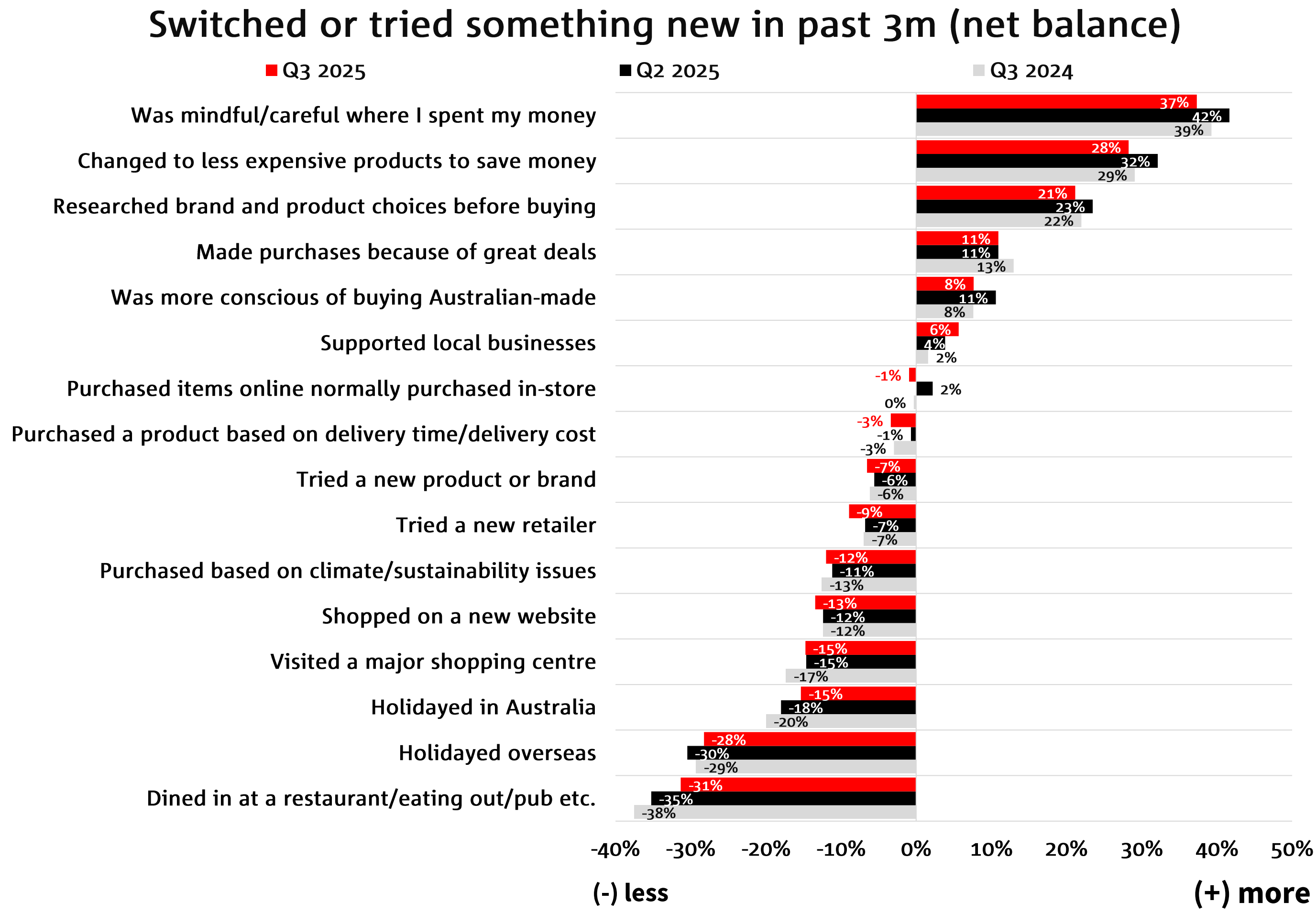
	AUS	18-29	30-49	50-64	65+	Women	Men	Lower income	Higher income
Private health insurance	**-7**	-12	-11	-7	6	-6	-8	-3	-7
Property (residence)	**-10**	-5	-14	-11	-8	-9	-12	-15	-10
Home renovation	**-11**	-2	-17	-13	-8	-11	-11	-12	-11
Other Inv. (ex-property)	**-12**	-4	-18	-11	-6	-13	-11	-4	-10
Property (investment)	**-13**	-3	-18	-17	-15	-12	-14	-14	-9
Car	**-13**	-11	-16	-15	-7	-12	-14	-14	-13
School fees	**-14**	-13	-11	-23	-19	-11	-16	-16	-6
Holiday	**-15**	-6	-17	-19	-15	-15	-14	-27	-12
Major household item	**-19**	-12	-20	-23	-18	-20	-18	-23	-13

Shopping Behaviours

In this section, we explore how Australian consumer shopping behaviours and habits have changed over the last 3 months. We focus on whether consumers switched or tried new products, brands, stores, or ways of purchasing, if their household was influenced by various cost, value, convenience, safety, environmental or social issues, and whether their behaviours changed around more general themes. To show if and how their behaviours changed, consumers were asked to think back over the past 3 months and rate the extent they switched or tried a new product, brand, store, or way or purchasing (i.e., if they were doing more or less of these things).

Though it seems that high living costs are still influencing a range of consumers spending behaviours, consumers were somewhat less restrained. In the September quarter, behavioural change among consumers remained most common for being mindful or careful about where they spent their money, with the net number doing so heavily outweighing those less mindful about where they were spending. However, we also noted a significant fall in the net number of consumers who behaved this way falling to +37%, from +42% % in June and below the same time last year (+39%). We also counted a somewhat lower number of consumers who changed to less expensive products to save money (+28% vs. +32%). An unchanged +11% made purchases because of great deals

Many consumers are still conscious of buying the right product with +21% researching brand and product choices before making a purchase, though this was down slightly from +23% in June. They indicated they were less conscious of buying Australian made, with the net number doing so in September noticeably lower at +8% (+11% in June and well below a survey average +19%). However, the number who supported local business increased slightly to +6% from +4% in June but still trended well below average (+17%).



In terms of doing less, we recorded a lower overall number of consumers who said dined in less at restaurants or ate out (-31% vs. -35%), holidayed overseas (-28% vs. -30%) and holidayed in Australia (-15% vs. 18%) and an unchanged number who visited a major shopping centre (-15%).

In contrast, the net number who did less than more shopping on a new website (-13% vs. -12%), made purchases based on climate or sustainability issues (-12% vs. -11%), tried a new retailer (-9% vs. -7%) or product or brand (-7% vs. -6%), bought products based on delivery times or delivery cost (-3% vs. -1%) or items online normally bought in stores (-1% vs. +2%) increased during the quarter.

In terms of doing more, we counted significantly higher numbers of 18-29 year olds made purchases because of great deals (+28%), bought items online normally bought in stores (+12%), tried a new product or brand (+5%) and a new retailer (+1%). Over 65s were much more conscious about buying Australian made (+26%) and supporting local business (+16%).

By gender, far more women than men were mindful about where they spent their money (+43% vs. +31%), changing to less expensive products (+35% vs. +21%) and researching brands and product choices before buying (+25% vs. +17%). A much higher number of women also dined less in restaurants or ate out (-36% vs. -26%) in the September quarter.

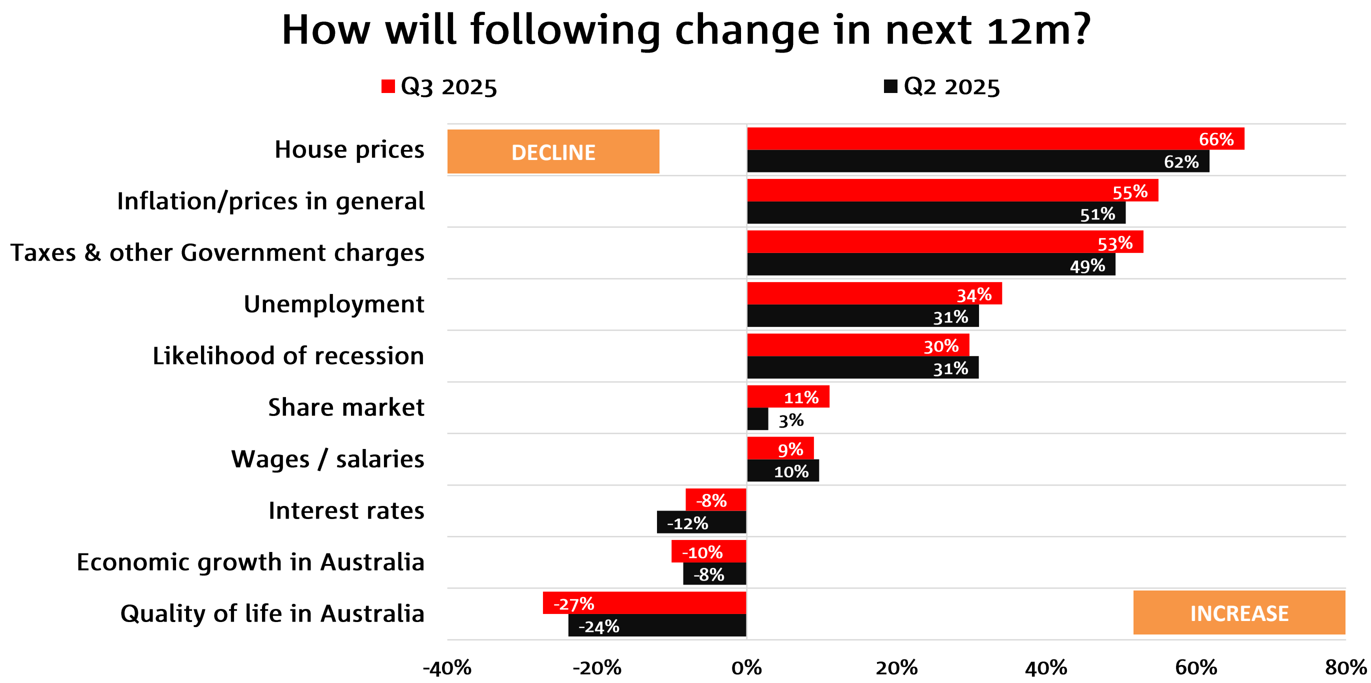
Some very large behavioural differences were also noted between consumers in lower and higher groups. This was most obvious when it came to trying a new product or brand (-16% low income; 0% high income), dining in at restaurants or eating out (-42% vs. -27%), changing to less expensive products to save money (+20% vs. +32%), researching brand and product choices before buying (+16% vs. +28%), making purchases because of great deals (+5% vs. +17%), visiting a major shopping centre (-22% vs. -10%), holidaying in Australia (-23% vs. -11%) and holidaying overseas (-31% vs. -24%) - see table below.

Switched or tried something new in the past 3 months (net balance more or less)

	All	18-29	30-40	50-64	65+	Men	Women	Low income	High income
Was mindful/careful where I spent my money	37%	40%	31%	42%	40%	31%	43%	37%	39%
Changed to less expensive products to save money	28%	33%	28%	27%	24%	21%	35%	20%	32%
Researched brand & product choices before buying	21%	27%	18%	20%	21%	17%	25%	16%	28%
Made purchases because of great deals	11%	28%	10%	4%	2%	11%	11%	5%	17%
Was more conscious of buying Australian-made	8%	2%	0%	8%	26%	10%	6%	8%	4%
Supported local businesses	6%	7%	-1%	5%	16%	6%	6%	1%	6%
Bought items online normally purchased in-store	-1%	12%	1%	-9%	-9%	-2%	0%	-5%	5%
Purchased product based on delivery time/cost	-3%	10%	-3%	-9%	-12%	-5%	-2%	-10%	0%
Tried a new product or brand	-7%	5%	-8%	-10%	-12%	-5%	-8%	-16%	0%
Tried a new retailer	-9%	1%	-11%	-13%	-12%	-6%	-12%	-13%	-6%
Purchased based on climate/sustainability issues	-12%	-5%	-13%	-15%	-14%	-11%	-13%	-15%	-10%
Shopped on a new website	-13%	-5%	-13%	-18%	-19%	-11%	-16%	-21%	-11%
Visited a major shopping centre	-15%	-2%	-14%	-27%	-17%	-11%	-18%	-22%	-10%
Holidayed in Australia	-15%	-12%	-18%	-17%	-14%	-12%	-19%	-23%	-11%
Holidayed overseas	-28%	-16%	-30%	-33%	-33%	-24%	-32%	-31%	-24%
Dined in at a restaurant/eating out/pub etc.	-31%	-19%	-32%	-37%	-36%	-26%	-36%	-42%	-27%

How consumers see the year ahead

Consumer behaviour can be influenced by several factors including economic, social, political, cultural, personal, psychological, and technical. These can affect how much consumers think they can afford to spend in the future, what they prioritise and how they perceive value. Here we ask consumers how they expect some key factors to change in the next 12 months. These insights help frame the mindset of consumers when thinking about their spending and saving patterns over the next year.



According to Cotality (formerly CoreLogic) Australian housing markets are gathering strength as we head further into Spring, with September marking the strongest monthly gain for national dwelling values since October 2023. The Cotality Home Value Index (HVI) recorded a 0.8% increase in September, powered by robust growth conditions across the capital cities, where values rose 0.9% over the month. On a quarterly basis, the national HVI increased 2.2%, up from a 1.5% lift in the June quarter and double the 1.1% increase seen over the three months to March. In dollar terms, the September quarter rise was equivalent to a $18,215 increase in the median dwelling value. Against this, more consumers in net balance terms (+66%) also now expect house prices to increase in the next 12 months (+62% in the previous survey).

On balance, more Australians also see inflation and prices in general climbing over the next 12 months (+55% vs. +52%), expect to be hit with increased taxes and other Government charges (+53% vs. +49%) and higher unemployment (+34% vs. +31%). Slightly fewer believe the likelihood or a recession has increased (+30% vs. +31%) or that wages and salaries will increase (+9% vs. +10%). There was a however a large jump in the net number of consumers expecting the share market to increase over the next 12 months (+11% vs. +3%)

On balance, somewhat fewer consumers expect interest rates to decrease over the next year (-8% vs. -12%) but slightly more economic growth in Australia (-10% vs. -8%). It is still of some concern that a significantly large number of Australians on balance still expect the quality of life in their country to decrease over the next year, and of even more concern that it increased in September quarter (-27% from -24% in June). This is especially important since research suggests when consumers anticipate a decline in their future quality of life, they can also become more price-sensitive, shift spending priorities and seek greater value, with can impact business and the economy overall.

Across states, differences in opinions were particularly telling about the quality of life, which was expected to decrease across the country except in the NT (+17%), with most consumers expecting it to decrease in the ACT (-37%) and TAS (-36%). The highest number expecting economic growth to decrease were in SA (-15%) and VIC (-13%), with noticeably more in SA anticipating higher unemployment (+43%) and QLD wages and salaries (+14%).

How will the following change in the next 12 months: Q3 2025 (net balance)

	NSW	VIC	QLD	SA	ACT	WA	TAS	NT	18-29	30-49	50-64	65+	Men	Women	Low income	High income
House prices	69%	65%	72%	66%	69%	55%	51%	67%	60%	60%	73%	78%	66%	67%	65%	67%
Inflation/prices	56%	53%	57%	56%	53%	52%	57%	41%	57%	52%	54%	58%	50%	59%	56%	53%
Taxes/Govt charges	52%	57%	54%	56%	47%	43%	50%	32%	46%	46%	54%	70%	49%	56%	58%	51%
Unemployment	38%	35%	31%	43%	38%	23%	34%	-1%	34%	33%	40%	30%	29%	38%	34%	35%
Recession	31%	32%	36%	33%	19%	13%	24%	-1%	31%	30%	31%	26%	26%	33%	29%	29%
Share market	17%	5%	12%	15%	19%	7%	0%	1%	16%	11%	4%	12%	15%	7%	6%	14%
Wages/salaries	10%	9%	14%	7%	10%	3%	-11%	8%	19%	0%	4%	18%	12%	6%	7%	10%
Interest rates	-8%	-13%	-9%	2%	-9%	-5%	8%	-16%	16%	2%	-22%	-36%	-17%	0%	0%	-13%
Economic growth	-8%	-13%	-11%	-15%	0%	-10%	-4%	17%	1%	-7%	-17%	-19%	-11%	-9%	-6%	-10%
Quality of life	-22%	-28%	-33%	-32%	-37%	-28%	-36%	17%	-19%	-25%	-32%	-34%	-25%	-29%	-27%	-26%

By age, far more Australians over 50 expect house prices to increase, with considerably more over 65s also expecting taxes and other Government charges to rise (+70%) and the 50-64 age group unemployment (+40%). More consumers on balance in all age groups expect the quality of life in Australia in the next 12 months to fall, ranging from -19% among 18-29 year olds to -34% among those over 65.

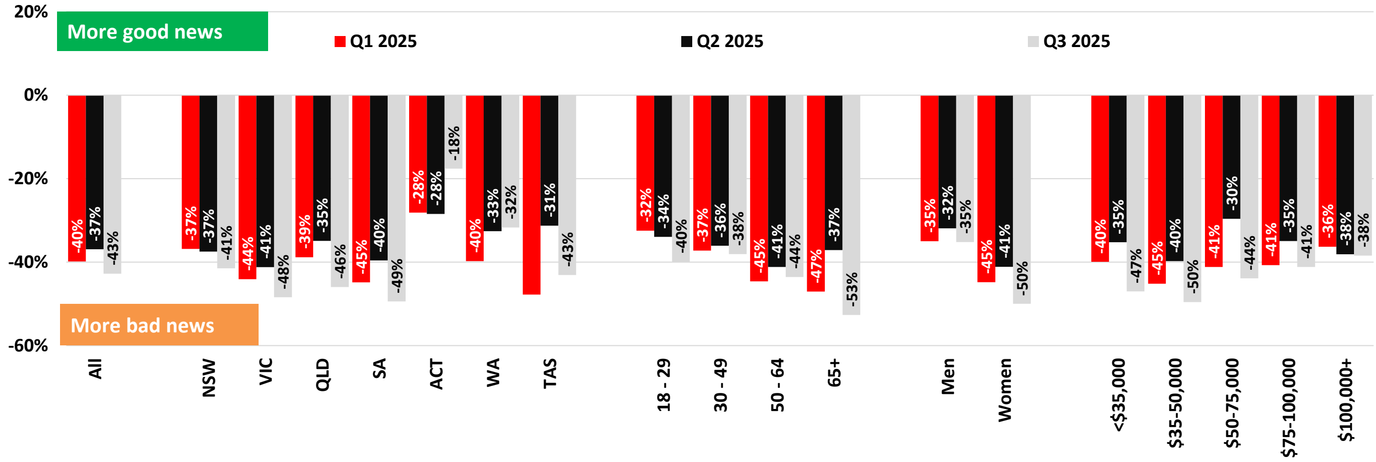
Key differences in expectations by gender included a significantly higher number of men than women who see interest rates decreasing in the next 12 months (-17% vs. 0%) and women who see inflation and prices in general (+59% vs. +50%) and unemployment (+39% vs. +29%) increasing. By far the biggest discrepancy between consumers in the lower and higher income groups was the significantly greater number in the higher income group who expect interest rates to decrease over the next 12 months (-13% vs. -0%).

Media & consumer perceptions

Research suggests news media can affect consumers' perceptions of the economy via three channels. First, it conveys the latest economic data and opinions of professionals to consumers. Second, consumers receive a signal about the economy through the tone and volume of economic reporting. Lastly, the greater the volume of news about the economy, the greater the likelihood consumers will update their expectations about the economy. Research has also found periods when reporting on the economy has not been consistent with actual economic events. As a result, there are times when consumer sentiment is driven away from what economic fundamentals would suggest. There is also evidence that consumers update expectations about the economy much more frequently during periods of high news coverage than in periods of low news coverage.

In this section, we look at how the media is impacting the perception of Australian consumers of their country and how that has changed over the past quarter. We do this by asking them to think about what they have been reading, hearing or seeing in the media (TV, radio, newspapers, social media, podcasts etc.) about the economy, politics or other social issues, and tell us if there was more good news or bad news now compared to the same time last year. Results are reported in net balance terms. A positive result indicates that the number who said there was more good news outweighed those who said there was more bad news, and a negative result indicates that more people saw more bad news than good news.

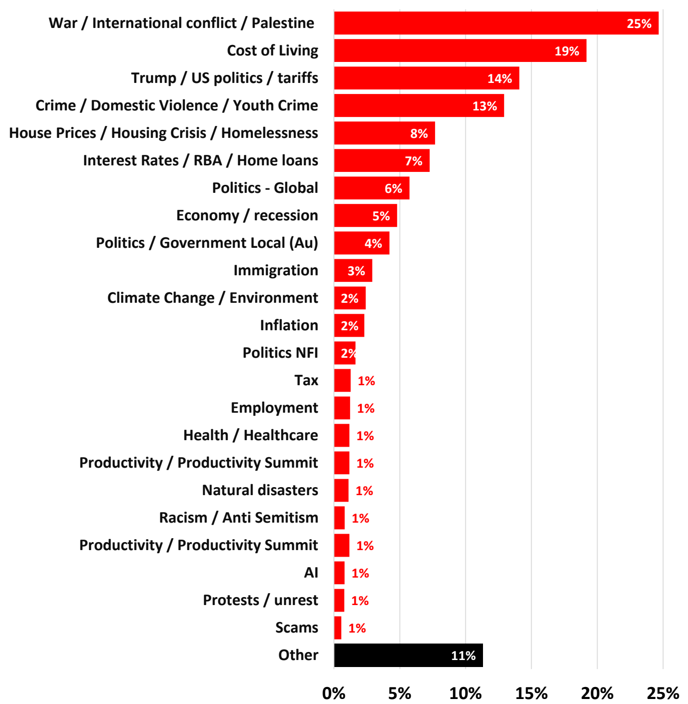
More good or bad news in the media about the economy, politics or other social issues compared to last year (net balance)



On balance, more Australians indicated there was more bad news than good news, with the net number who did also climbing to -43% (-37% in June). Though perceptions continue to vary across key monitored groups, more people in all cohorts on balance said there was more bad news than good news.

Those reporting more bad news than good news in September increased across most of the country led by SA (-49% vs. -40% in June) and VIC (-48% vs. -41%). It was lowest and fell noticeably in the ACT (-18% vs. -28%) and in WA where it was also marginally lower (-32% vs. -33%). Australians in all age groups also reported more bad than good news, particularly among over 65s group where it increased sharply (-53% vs. -37%). Men and women also said there was more bad news, but considerably more women (-50% vs. -41%) reported more bad news than men (-35% vs. -32%). Australians in all income groups said there was more bad news than good, except in the $100,000+ cohort where it was unchanged (-38%) and lowest overall. It was highest the $35-50,000 income group (-50% vs. -40%).

Key issues media focussing on (Q3 2025)



To establish what drove perceptions of the news, we also asked Australians to tell us in their own words what they believed were the key themes or issues the media had focussed on during the September quarter - either positive or negative news.

1 in 4 (25%) Australians told us that war, international conflict & Palestine dominated the news, with 1 in 5 (19%) highlighting cost of living. Trump, US politics and tariffs was still dominating the headlines according to around 1 in 7 (14%), with global politics in general identified as a key theme by 6% of Australians.

Local issues also dominated media, led by crime, youth crime and domestic violence (13%), house prices, the housing crisis and homelessness (8%), interest rates, the RBA and home loans (7%), the economy and recession (5%), domestic politics and local government (4%) and immigration (3%).

Less common themes included climate change & environmental issues (2%), inflation (2%), taxes (1%), employment (1%), health & healthcare (1%), productivity & productivity summit (1%), natural disasters (1%), racism & anti-Semitism (1%), AI (1%), protests & unrest (1%) and scams (1%). Just over 1 in 10 (11%) identified ‘other’ themes.

Key issues the media has been focussing on (Q3 2025)

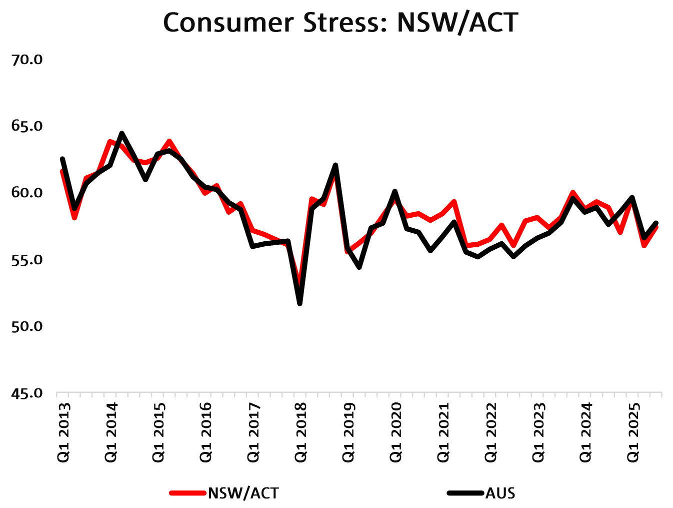
	All	NSW/ACT	VIC	QLD	SA/NT	WA	TAS	18-29	30-49	50-64	65+	Men	Women
War/International conflict/Palestine	**25%**	26%	23%	23%	21%	26%	20%	21%	23%	26%	30%	25%	24%
Cost of Living	**19%**	19%	16%	23%	13%	21%	21%	21%	23%	15%	16%	18%	21%
Trump/US politics/tariffs	**14%**	15%	10%	16%	10%	16%	15%	10%	14%	17%	16%	15%	13%
Crime/Violence/Youth Crime/DV	**13%**	7%	26%	13%	7%	6%	2%	13%	12%	13%	13%	9%	16%
Housing /Prices/Housing Crisis	**8%**	6%	5%	12%	8%	10%	3%	12%	7%	6%	6%	8%	7%
Interest Rates/RBA/Home loans	**7%**	8%	7%	8%	9%	6%	5%	6%	8%	9%	6%	7%	8%
Politics - Global	**6%**	6%	6%	4%	5%	5%	12%	4%	6%	7%	6%	6%	5%
Economy/recession	**5%**	7%	3%	6%	3%	3%	2%	6%	5%	3%	4%	5%	5%
Politics/Government Local (AUS)	**4%**	4%	4%	5%	6%	3%	10%	3%	2%	5%	8%	5%	3%
Immigration	**3%**	3%	2%	2%	7%	4%	2%	2%	3%	4%	3%	3%	3%
Climate Change/Environment	**2%**	3%	2%	2%	5%	2%	0%	3%	2%	2%	4%	3%	2%
Inflation	**2%**	3%	3%	2%	1%	3%	2%	4%	3%	1%	1%	2%	3%
Politics NFI	**2%**	2%	2%	1%	1%	3%	2%	4%	1%	1%	1%	2%	1%
Tax	**1%**	2%	1%	1%	1%	0%	4%	1%	1%	1%	1%	2%	1%
Employment	**1%**	2%	1%	2%	1%	1%	0%	1%	1%	1%	1%	1%	1%
Health/Healthcare	**1%**	1%	1%	1%	2%	2%	0%	1%	1%	2%	1%	1%	1%
Productivity/Productivity Summit	**1%**	2%	1%	1%	1%	1%	0%	1%	0%	1%	3%	2%	1%
Natural disasters	**1%**	1%	1%	2%	2%	0%	0%	1%	1%	1%	2%	1%	2%
Racism/Anti Semitism	**1%**	1%	1%	1%	1%	0%	2%	1%	1%	1%	1%	1%	0%
AI	**1%**	1%	1%	1%	0%	0%	0%	1%	1%	0%	0%	1%	1%
Protests/unrest	**1%**	1%	1%	0%	1%	0%	2%	0%	1%	1%	1%	1%	1%
Scams	**1%**	1%	1%	0%	0%	0%	0%	0%	1%	1%	0%	0%	1%
Other	**11%**	13%	10%	11%	11%	11%	11%	12%	13%	10%	9%	12%	10%

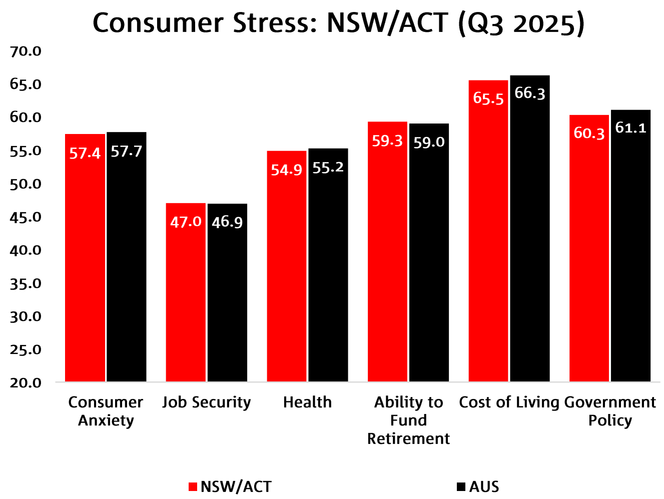
Key media themes differed in some areas across states. We counted a significantly higher number in VIC who identified crime, violence, youth crime and domestic violence as key media themes, with over 1 in 4 (26%) telling us it dominated media - twice higher than in QLD (13%) the next highest state. Somewhat more people in NSW/ACT (26%) and WA (26%) highlighted war, international conflict and Palestine and in QLD cost of living (23%). We also noted a somewhat higher number in SA/NT who called out immigration (7%).

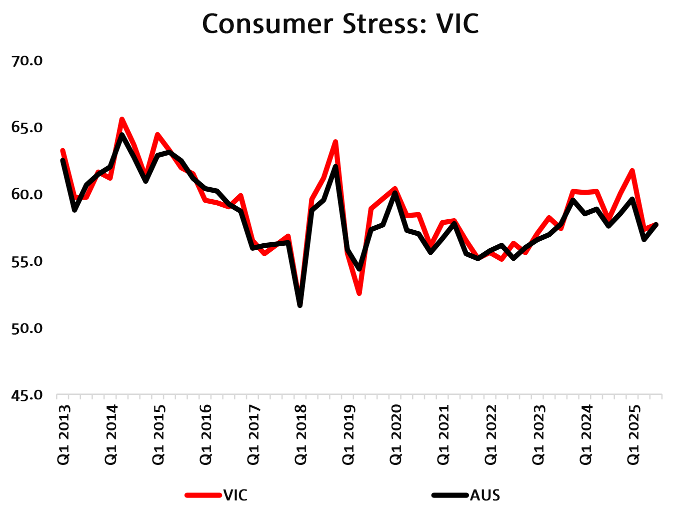
Across age groups, a significantly higher number of under 50s highlighted cost of living as a key theme, and somewhat more over 50s war, international conflict and Palestine. Noticeably more 18-29 year olds pointed to housing, house prices and the housing crisis, and over 65s domestic politics and local government (8%).

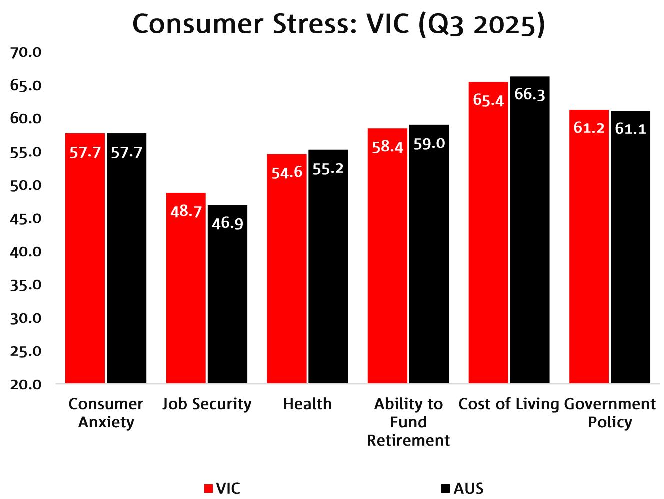
By gender, considerably more men than women highlighted crime, violence, youth crime and domestic violence than men (16% vs. 9%).

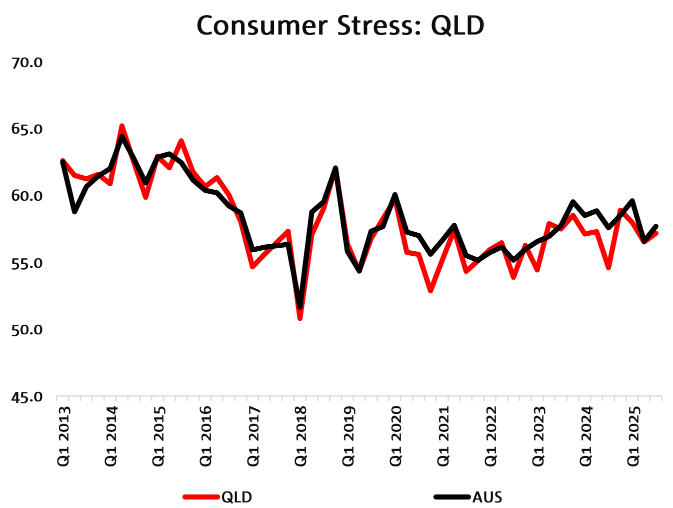
Appendix 1: Consumer Stress Index - States

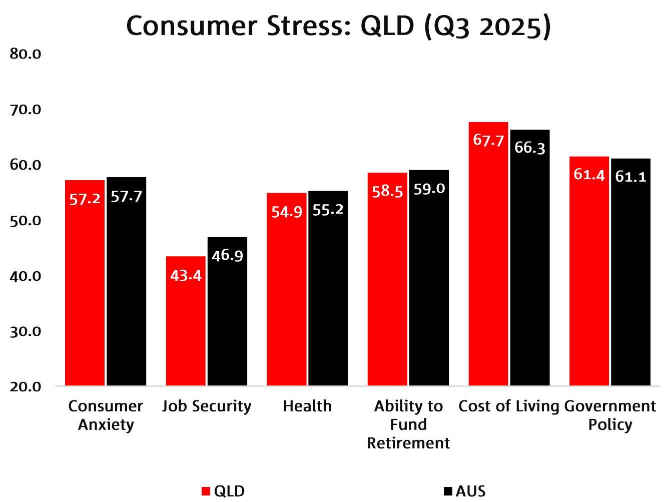


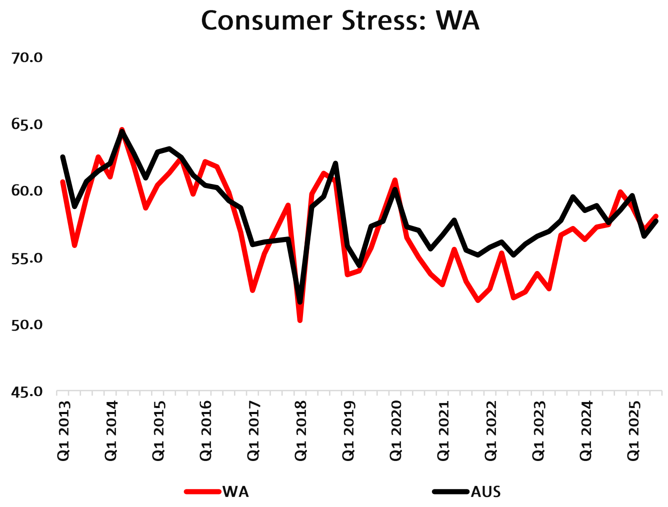


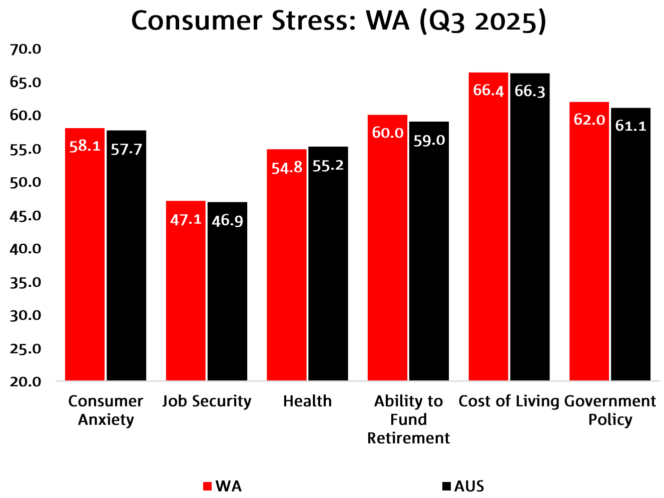


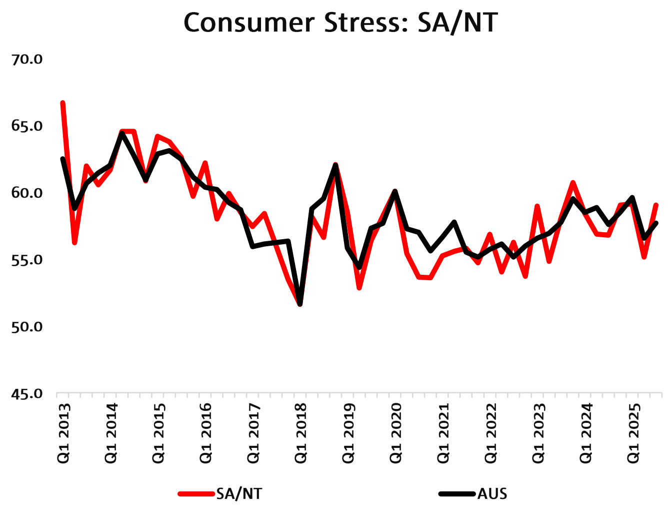


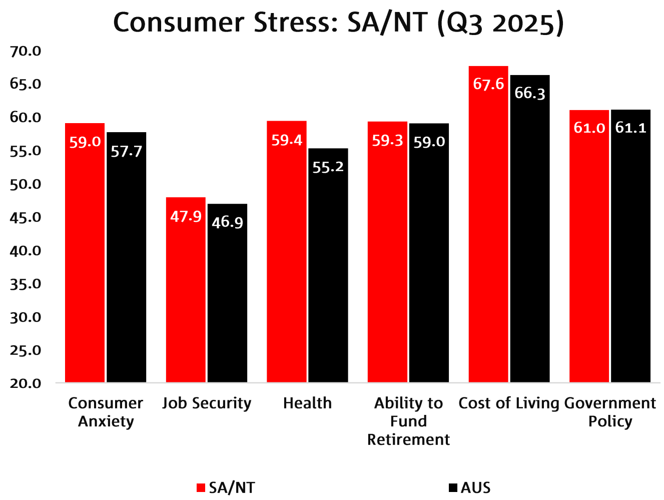


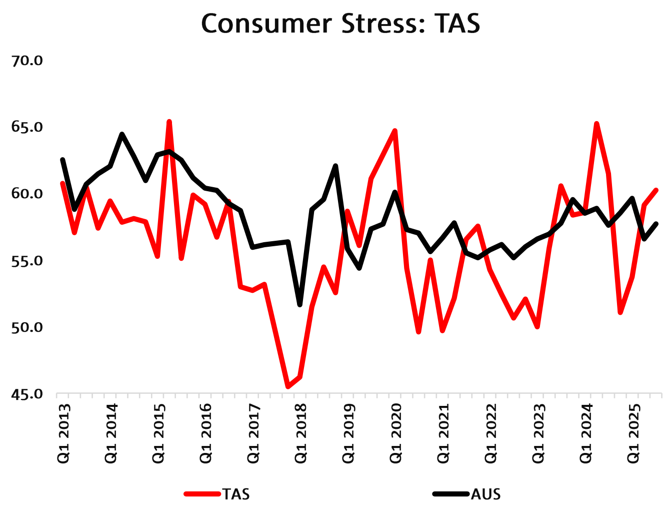


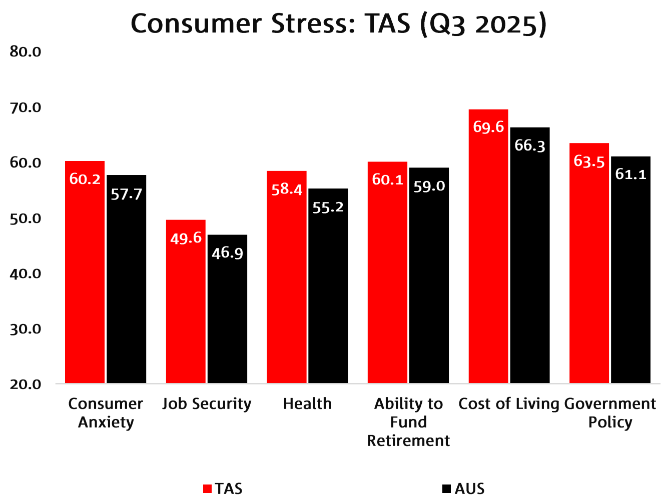

Consumer Stress: WA
70.0
65.0
60.0
55.0
50.0
45.0
Q1 2013
Q1 2014
Q1 2015
Q1 2016
Q1 2017
Q1 2018
Q1 2019
Q1 2020
Q1 2021
Q1 2022
Q1 2023
Q1 2024
Q1 2025
WA
AUS


Consumer Stress: WA (Q3 2025)
58.1
57.7
47.1
46.9
54.8
55.2
60.0
59.0
66.4
66.3
62.0
61.1
Consumer Anxiety
Job Security
Health
Ability to Fund Retirement
Cost of Living
Government Policy
WA
AUS


Consumer Stress: SA/NT
70.0
65.0
60.0
55.0
50.0
45.0
Q1 2013
Q1 2014
Q1 2015
Q1 2016
Q1 2017
Q1 2018
Q1 2019
Q1 2020
Q1 2021
Q1 2022
Q1 2023
Q1 2024
Q1 2025
SA/NT
AUS

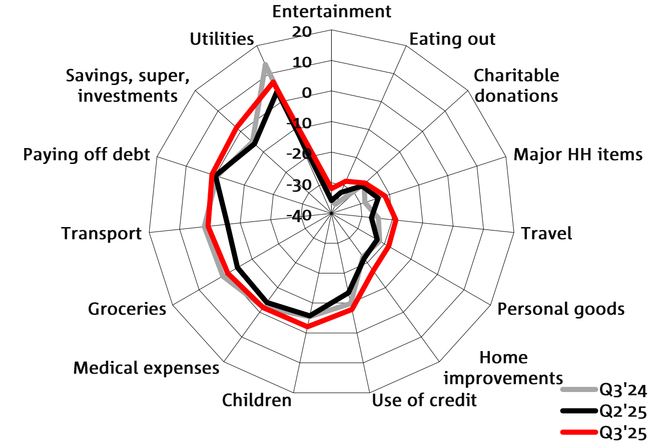

Consumer Stress: SA/NT (Q3 2025)
59.0
57.7
47.9
46.9
59.4
55.2
59.3
59.0
67.6
66.3
61.0
61.1
Consumer Anxiety
Job Security
Health
Ability to Fund Retirement
Cost of Living
Government Policy
SA/NT
AUS


Consumer Stress: TAS
70.0
65.0
60.0
55.0
50.0
45.0
Q1 2013
Q1 2014
Q1 2015
Q1 2016
Q1 2017
Q1 2018
Q1 2019
Q1 2020
Q1 2021
Q1 2022
Q1 2023
Q1 2024
Q1 2025
TAS
AUS

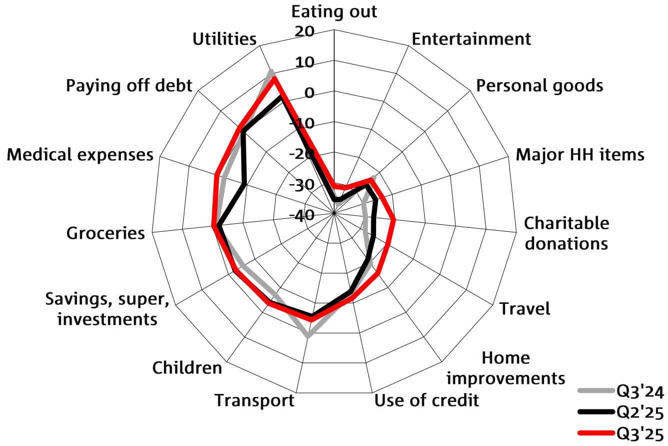

Consumer Stress: TAS (Q3 2025)
80.0
70.0
60.0
50.0
40.0
30.0
20.0
60.2
57.7
49.6
46.9
58.4
55.2
60.1
59.0
69.6
66.3
63.5
61.1
Consumer Anxiety
Job Security
Health
Ability to Fund Retirement
Cost of Living
Government Policy
TAS
AUS

Appendix 2: Future Change in Spending Patterns: States

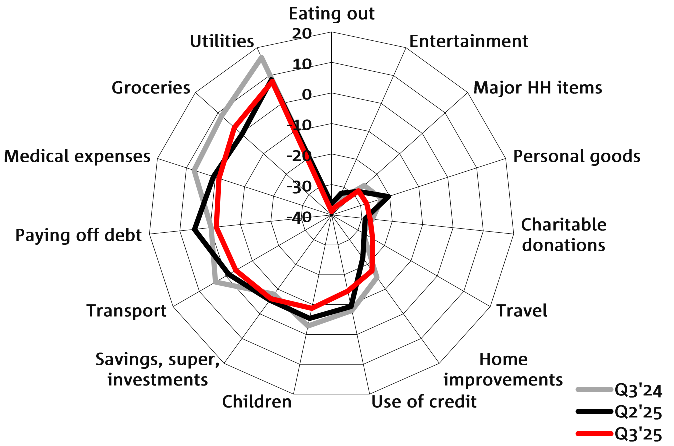
NSW/ACT: Change in spending patterns



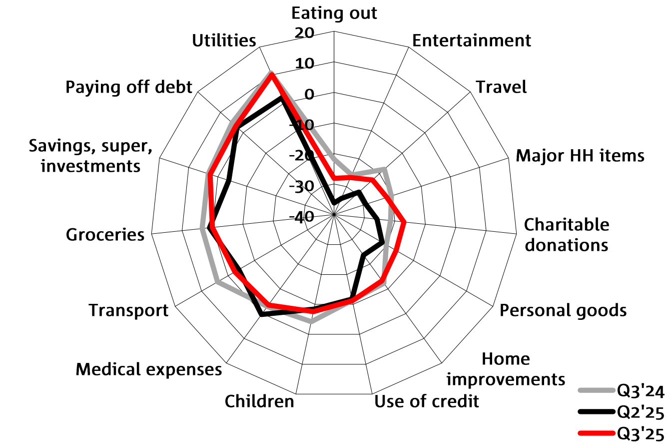
VIC: Change in spending patterns



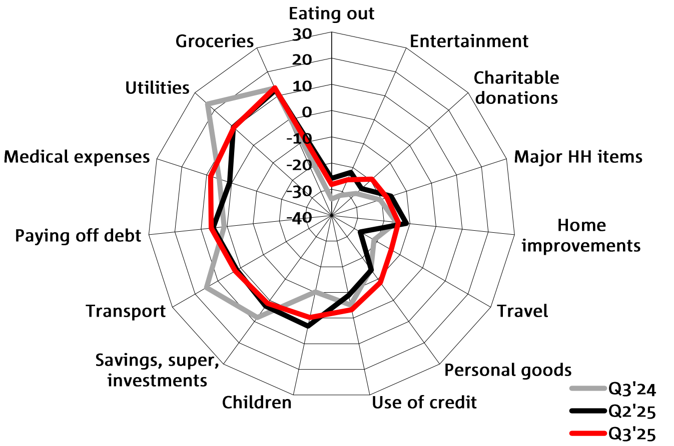
QLD: Change in spending patterns



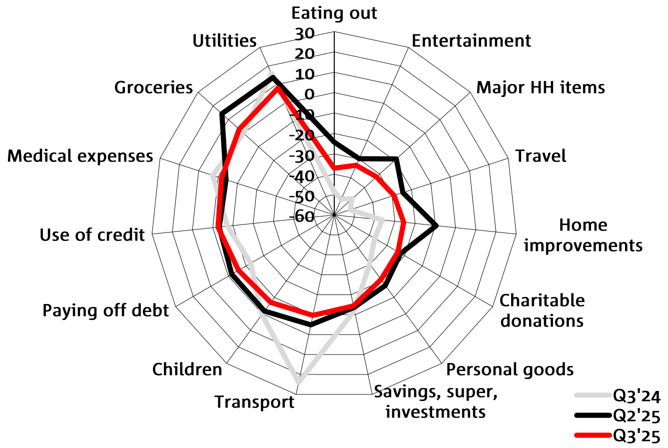
WA: Change in spending patterns



SA/NT: Change in spending patterns



TAS: Change in spending patterns



Important Notice

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