



CommBank iQ

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Cost of Living Insights

CommBank iQ's analysis of de-identified transactions from approximately 7 million Australians shows that nationwide spending continues to decline in real terms. This suggests cost of living pressures remain even as falling inflation brings some price relief.

However, a year-on-year easing in essential spending may be creating just enough room in people's budgets for discretionary items to creep back in. Looking more closely reveals varied responses to ongoing cost of living changes across categories, age groups and locations.



About Cost of Living Insights

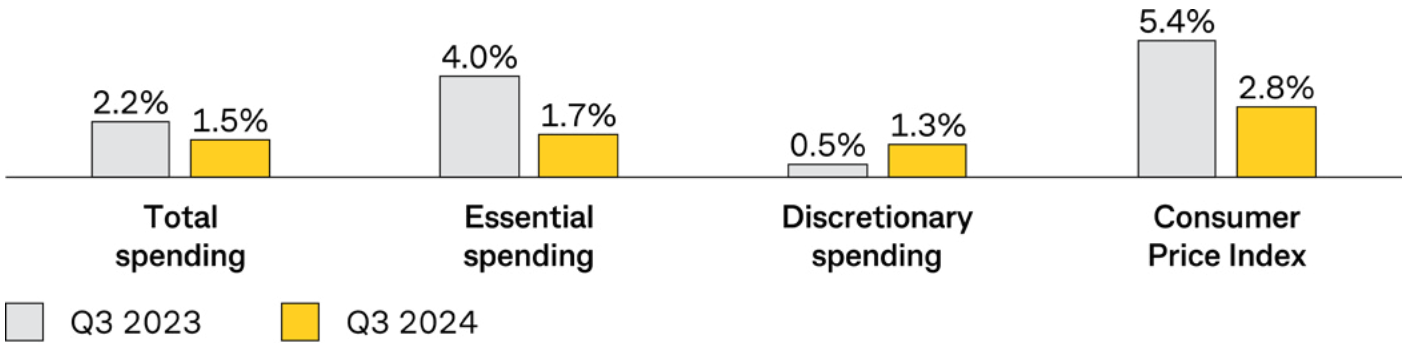
CommBank iQ uses the de-identified dataset of Australia's largest bank to evaluate changes in cost of living and how Australians respond. The analysis is based on transactions from approximately 7 million Australians scaled to represent the population. All figures sourced from CommBank iQ as at 30 September 2024, and compare the period from July to September 2024 to the corresponding period in 2023, unless otherwise stated. All figures based on spend per capita, rather than total consumption.

Material downshift in essential spending growth

Total spending across the Australian economy edged up 1.5% in the September quarter of 2024 compared to the same in 2023. That's still behind inflation, which fell from 5.4% to 2.8%ⁱ in that time.

Over the year, the growth rate for essential spending has halved, while discretionary purchases have seen an uplift.

Year-on-year changes in quarterly per capita spending



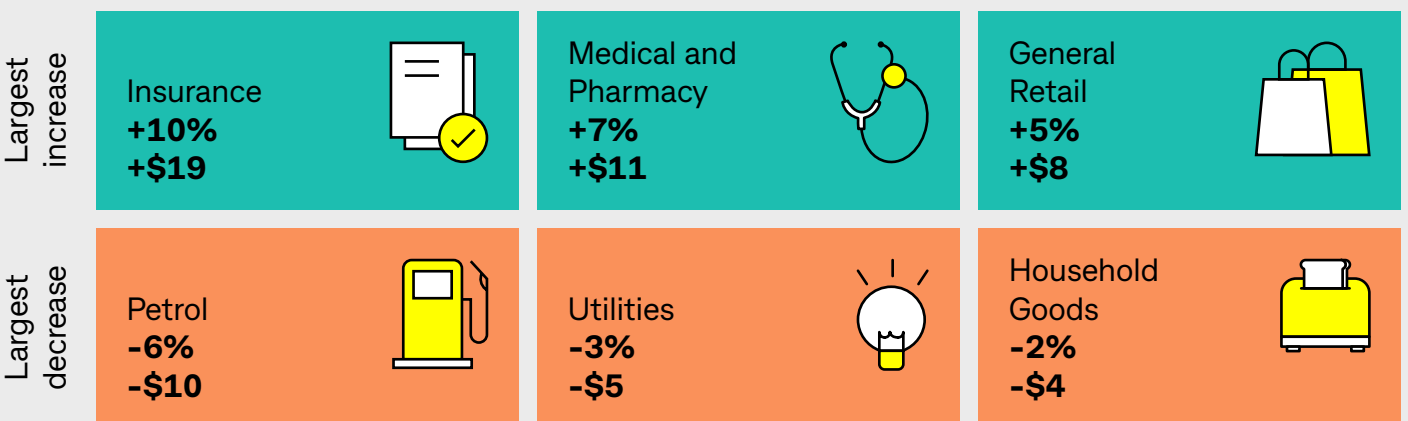
Insurance and health keep taking a larger slice while energy spending falls

Top movers in essential and discretionary categories

Spending on insurance and medical and pharmacy purchases continued its upward march. For discretionary categories, general retail purchases saw the highest growth, up 5%.

A decline in spending on petrol and utilities helped cap essential expenditure. That's likely due to falling prices at the pump and the impact of various government energy bill relief programs.

Largest year-on-year spending increases and decreases by category

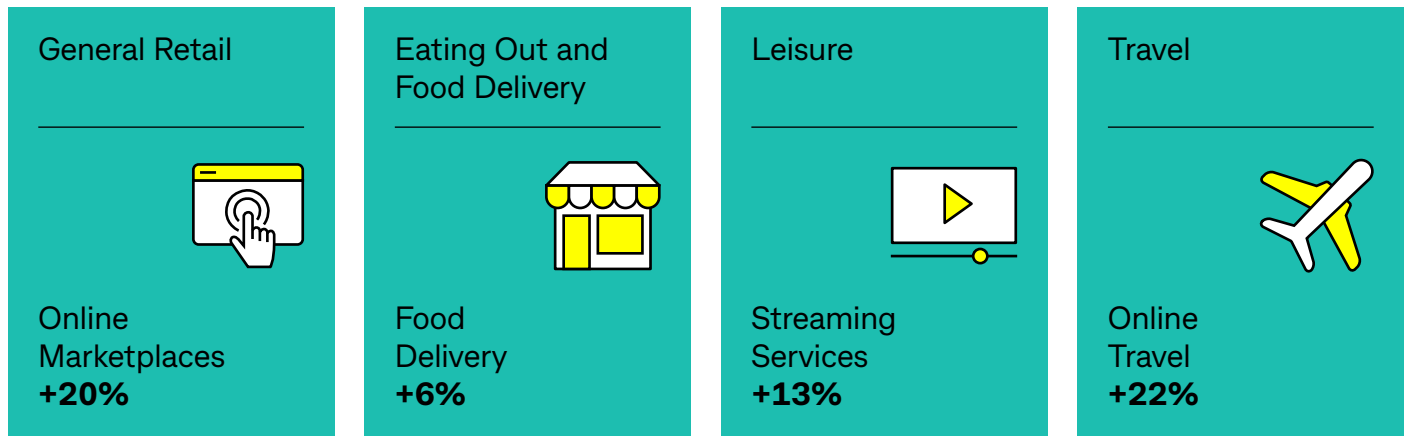


“Essential spending growth has more or less tracked inflation in recent years. However, it has now seen a significant decrease. That offers people more control of their budget, and if medical and insurance costs can follow, it will mean the pressure on life’s necessary expenses has passed.”

Wade Tubman, Head of Innovation and Analytics CommBank iQ

Convenience and value drive shoppers online

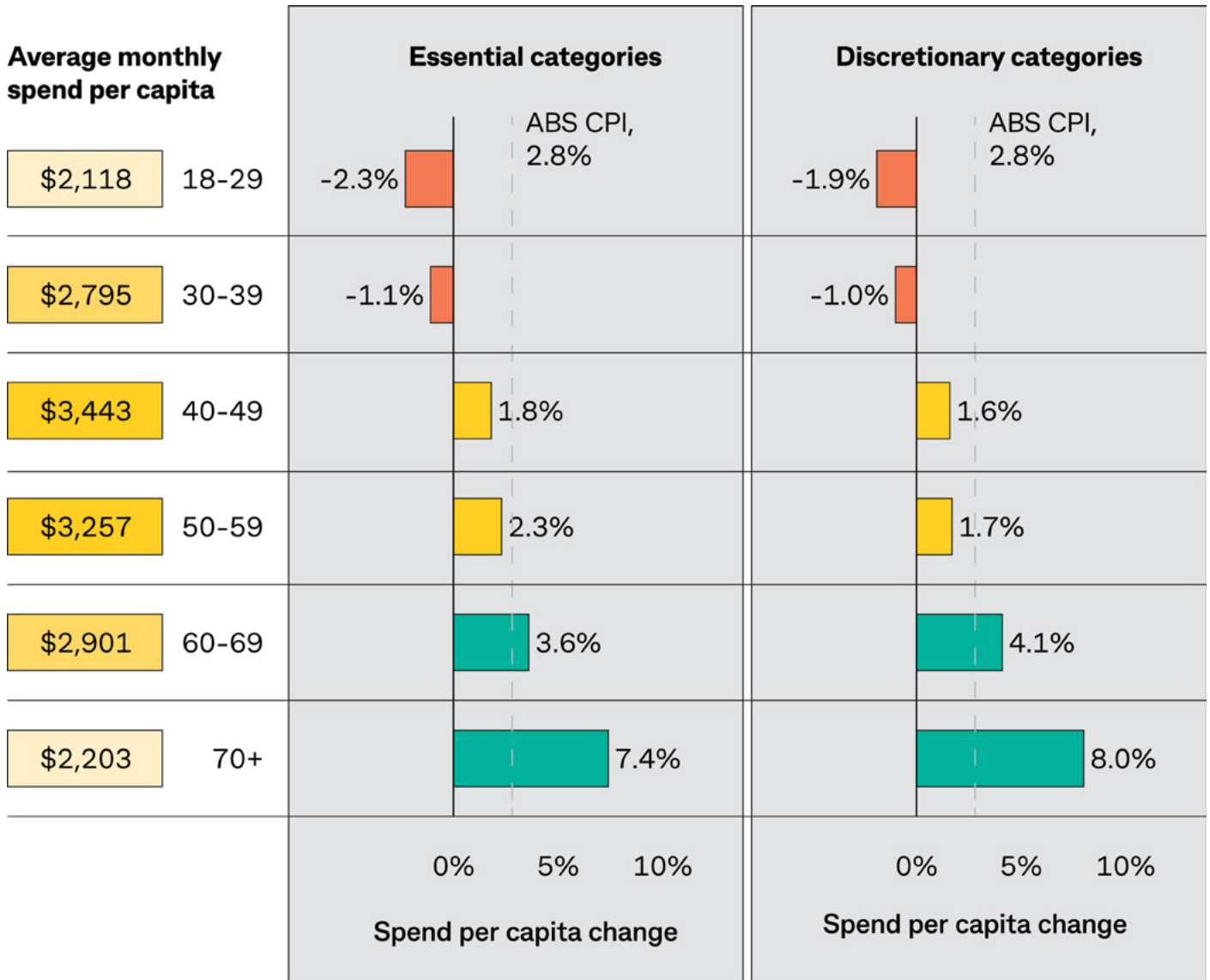
During the quarter, consumers increased spending across a range of online channels, indicating a focus on bargain-hunting and digital convenience. Significantly higher spending on online marketplaces led to an increase in the General Retail category. Spending also climbed for food delivery services, streaming services and online travel.



Spending and consumption across age groups remain polarised

Younger Australians continue to reduce spending in response to cost of living pressures. Under 40s have again recorded negative overall spending growth, signalling a consumption drop.





















Spending growth among 60 to 69 years olds coupled with falling inflation suggests consumption is expanding for those over 60.



- Spend per capita decline
- Spend per capita change behind CPI
- Spend per capita change ahead of CPI



Largest changes in essential and discretionary spending by age and category

	Essential	Discretionary
 18 to 29	Petrol -6% -\$9 	Apparel -8% -\$9 
	Utilities -8% -\$8 	Travel -5% -\$7 
 30 to 39	Utilities -6% -\$12 	Household goods -4% -\$9 
	Petrol -7% -\$12 	Apparel -5% -\$7 
 60 to 69	Insurance +11% +\$29 	Travel +8% +\$19 
	Medical & pharmacy +9% +\$15 	General Retail +9% +\$16 
 Over 70	Insurance +13% +\$30 	Travel +12% +\$19 
	Medical & pharmacy +11% +\$21 	General Retail +13% +\$14 



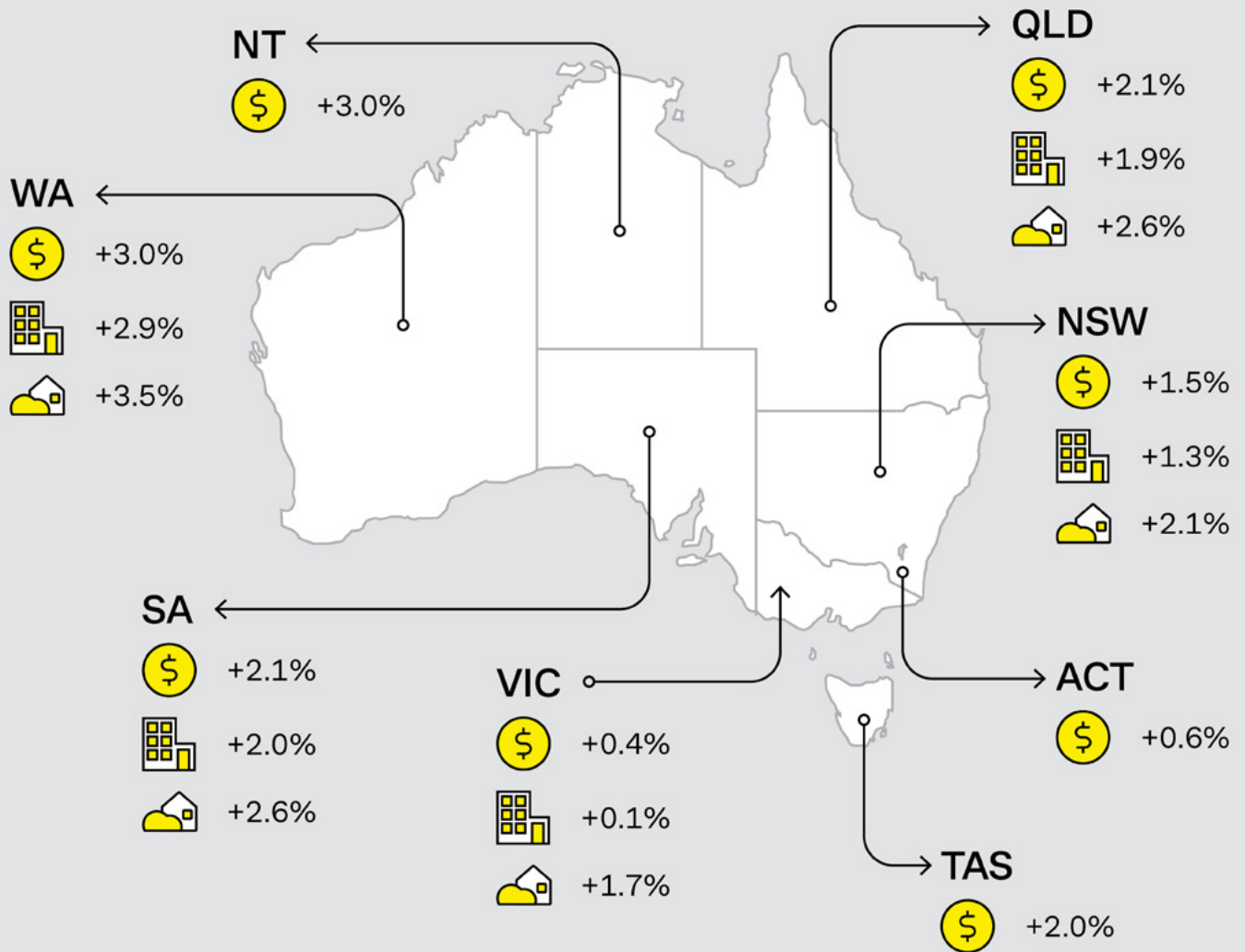
“Younger Australians are still making sacrifices as they face lingering cost pressures. Many are eating out less and buying fewer clothes while prioritising in-home entertainment like streaming. Higher spend on gyms and fitness suggests wellness is still a focus.”

Wade Tubman, Head of Innovation and Analytics CommBank iQ

Regions remain resilient, as WA and QLD top coast-to-coast spending

Spending across regional Australia continues to outpace metro areas. Increased spending on eating out, leisure, and travel have helped WA record the highest growth. QLD had similar drivers with energy and public transport subsidies also playing a role, while spending across NSW and VIC was more modest or flat.

Change in spending across locations



National

🇺🇸 Total State or Territory +1.5%
 🏢 Metro +1.3%
 🏠 Regional +2.2%



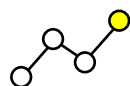
How your business can make smarter decisions.

Contact **CommBank iQ** by email at commbankiq.info@cba.com.au to learn more about how your business can unlock value from up-to-date customer behaviour analysis and market movements.



Customer intelligence

Learn why customers buy from you, where you fit into their lives, and predict future needs.



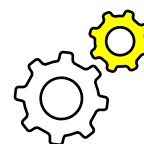
Market intelligence

Benchmark and identify product, category, and location-based growth opportunities.



Geospatial intelligence

Gain insights on a national to local level and map where de-identified customers live, work and spend.



Decision intelligence

Step-change your decision insight and accuracy with advanced analytics and predictive data.



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Things you need to know

¹ [Australian Bureau of Statistics. Consumer Price Index, Australia. October 2024](#)

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