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NAB Consumer Sentiment Survey Q3 2026

Stress Rises, Consumers Adapt

Cost-of-living stress hits a 12-year high as households switch, cut back and reshape spending.

NAB Behavioural & Industry Economics



Summary

Consumers are under greater pressure, but relatively resilient employment and active budget management are allowing many to keep spending. Cost-of-living stress rose to its highest level since mid-2014, and a net 81% reported higher living costs. Households are reshaping budgets, directing more to essentials, searching for value and cutting back selectively. The NAB survey therefore helps explain the growing disconnect between weak sentiment and resilient spending: consumers are adapting how they spend rather than simply stopping. This is resilience through adaptation, not greater financial comfort.

The NAB Consumer Stress Index rose across all five measures to 60.1, 1.6 points above its long-term average and 2.4 points higher than a year ago. Cost-of-living stress is 5.3 points above average and 5.9 points higher than a year ago. Concern about government policy rose to 64.8. Pressure is broad-based but concentrated in groceries, utilities and transport.

That adaptation is visible in increasingly deliberate consumer behaviour. Over the past year, the net balance being more mindful about spending rose from 37% to 52%, while researching brands or products increased from 21% to 35%. Price-driven switching rose from 51% to 56% in Q3. Stress is making consumers more deliberate, discriminating and willing to change providers—not simply more cautious.

Job security remains the critical consumer buffer, although NAB expects labour-market conditions to soften gradually. Stress edged up to 45.1 but remains the only component below its long-term average; net balances of 10% over three months and 14% over 12 months expect stronger job security. Employment is giving many households the capacity to make these adjustments without withdrawing more sharply from spending. However, NAB expects unemployment to rise gradually towards 5% by 2028; weaker labour-income security would reduce households' capacity to absorb essential costs and maintain discretionary spending.

Spending intentions have stabilised at weak levels, with demand redirected rather than restored. The essentials index rose to +4, while non-essential intentions remained deeply negative at -23. The overall index improved to -10, from -11 in Q2 and -12 a year ago. Financial intentions remain controlled: debt repayment is marginally positive, expected credit use is falling, and savings, super and investment contributions are broadly stable. Essentials remain supported, while discretionary demand is constrained and highly sensitive to price and value.

Observed transactions reinforce the survey signal. NAB data show spending rose 1.1% in August, but only 0.6% excluding fuel. Non-discretionary spending increased 2.2%, versus 0.4% for discretionary spending. Headline resilience reflects essential outlays and budget reallocation rather than broad discretionary strength.

Consumers expect some near-term easing in cost pressure but remain cautious. The net balance expecting living costs to rise over three months fell 5 points to 54%, but 69% still expect increases over the next year. Expectations for interest rates, unemployment and recession also eased, signalling tentative improvement rather than confidence that pressure has passed. NAB expects a 25-basis-point RBA increase in late September, further squeezing mortgage holders and raising the risk of more cautious discretionary spending.

Consumers have sharply reset house-price expectations. A net 18% expect prices to rise, down from 54% in Q2 and 66% a year ago, pointing to a more cautious view of household wealth. It may improve perceived affordability for buyers, but weaker expectations could make owners more cautious about major purchases.

The aggregate result masks large differences in households' capacity to absorb shocks. Stress among unemployed Australians reached 70.0, versus 57.6 for those earning more than \$100,000. Among 18–29 year olds, stress was 9.6 points above its long-term norm. Mortgage holders' average rate concern rose from 6.8 to 7.2, while high stress increased from 46% to 54%; only 14% of outright owners reported high concern. The defining divide is not income alone, but households' capacity to absorb pressure through secure employment, savings and lower debt.

State outcomes show similar pressures producing different spending responses. South Australia recorded the highest cost-of-living balance at 89%. Western Australia reported strong grocery and utility pressure at 86% and 83%, yet had the least cautious spending outlook at -5, versus -11 in NSW/ACT and Victoria. The contrast points to differences in households' capacity to absorb higher costs.

The adjustments sustaining spending today may weaken households tomorrow. When cutbacks were insufficient, 34% used savings faster, 19% sold possessions, 16% relied on family or friends and 11% worked more; 8% drew on super or reduced contributions. These strategies cannot continue indefinitely. Only 24% said higher costs were not affecting their lifestyle, down from 28% a year ago.

Continued spending should not be mistaken for restored financial capacity. Every discretionary dollar is being contested more intensely, increasing the premium on clear value, transparent pricing and practical benefits. Households are changing what they buy, where they buy it and, for some, how they fund it, while secure employment remains the critical buffer. This is resilience through adaptation, not greater financial comfort. The central question is how long employment strength and remaining household buffers can sustain spending before a broader retreat takes hold.

Key Tables

Consumer Stress Index (100 = extremely concerned)

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Consumer Stress Index	57.7	59.0	59.1	58.7	60.1
Job Security	46.9	48.4	43.4	44.4	45.1
Health	55.2	55.5	56.3	55.8	57.5
Ability to Fund Retirement	59.0	60.3	60.6	59.5	60.9
Cost of Living	66.3	67.8	71.8	70.2	72.2
Government Policy	61.1	62.8	63.4	63.8	64.8

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

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Overall Cost of Living	70	70	78	82	81
Travel/Holidays	57	53	62	48	58
Eating out	62	55	66	58	68
Entertainment	56	49	60	47	58
Groceries	73	68	78	76	79
Home improvements	58	51	62	45	54
Major household items	53	48	59	45	54
Utilities	73	65	71	68	73
Telecoms	56	47	51	53	62
Personal goods	55	49	58	53	60
Medical expenses	55	50	52	47	57
Transport	55	53	53	65	70
Children	46	43	48	23	26
Mortgage	37	34	58	35	38
Rent	56	47	62	31	37
Other debt	43	39	46	33	35

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

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Major household item	-19	-19	-24	-20	-18
Car	-13	-12	-13	-12	-11
Property (residence)	-10	-10	-12	-10	-8
Property (investment)	-13	-16	-18	-16	-14
Home renovation	-11	-10	-14	-12	-13
School fees	-14	-11	-15	-15	-13
Holiday	-15	-13	-17	-19	-16
Private health insurance	-7	-7	-9	-7	-5
Other Investment (ex. property)	-12	-13	-11	-15	-10

The Consumer Stress Test

What's weighing most on future spending and saving plans

The NAB Consumer Stress Index measures household concern about future spending and saving across job security, health, retirement funding, cost of living and government policy. Higher scores out of 100 signal greater concern.

Confidence and stress capture different parts of the consumer story. Confidence reflects how households assess their finances, the economy and the outlook. Stress is closer to constraint: it shows where pressure sits, how it shapes behaviour and how much capacity households retain to absorb further shocks. Used alongside spending data, it helps distinguish recovery from adaptation - and resilience from financial comfort.

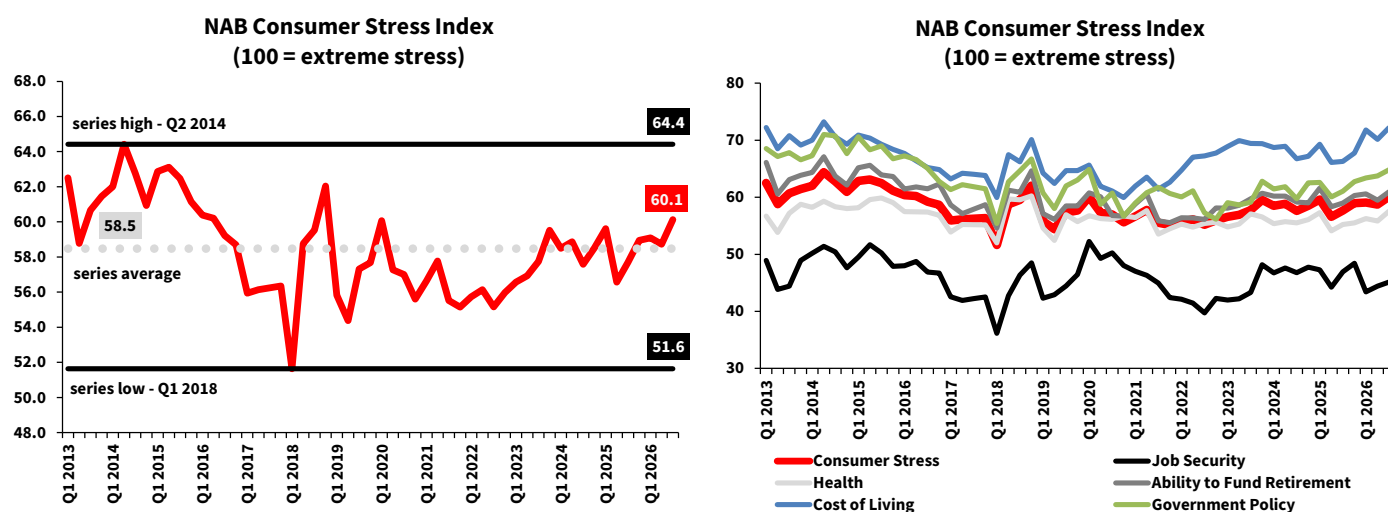
Consumer stress rose across all five measures in Q3, lifting the headline Index 1.4 points to 60.1 - 1.6 points above its long-term average and 2.4 points higher than a year ago, and back to levels last seen in early-2020.

Cost of living remains the dominant pressure, jumping 2.0 points to 72.2—5.3 points above average, 5.9 points higher than a year ago and the highest reading since mid-2014. Elevated essential prices continue to squeeze disposable income and sharpen spending trade-offs.

Pressure is also extending beyond the weekly budget. Health stress rose 1.7 points to 57.5, and retirement concern increased 1.4 points to 60.9, both slightly above their historical averages. Concern about government policy rose 1.0 point to 64.8, 1.8 points above average, adding to the broadening pattern of household concern.

Job security remains the clearest buffer - and the only component below its long-term average. Although concern edged up 0.7 points to 45.1, employment continues to provide households with an important measure of resilience.

The Q3 results show households holding their ground under broader pressure. Sustained improvement will require everyday costs to ease while employment remains resilient. Until then, consumers are likely to stay cautious and make every dollar count.



The headline Consumer Stress Index masks a sharper divide - stress is highest where insecure income meets unavoidable costs, and lowest where households have financial buffers.

That divide is clearest across employment and income. Stress among unemployed Australians reached 70.0, up 4.2 points, while those earning under \$35,000 recorded 66.6 - 9 points above earners on more than \$100,000 at 57.6. Without secure earnings, or when essentials absorb most income, there is little scope to meet an unexpected bill or reduce discretionary spending. But financial pressure is not limited to the lowest earners. Stress among those earning \$50-75,000 rose 3.8 points to 62.4, showing that rising fixed costs can also strain households on moderate incomes.

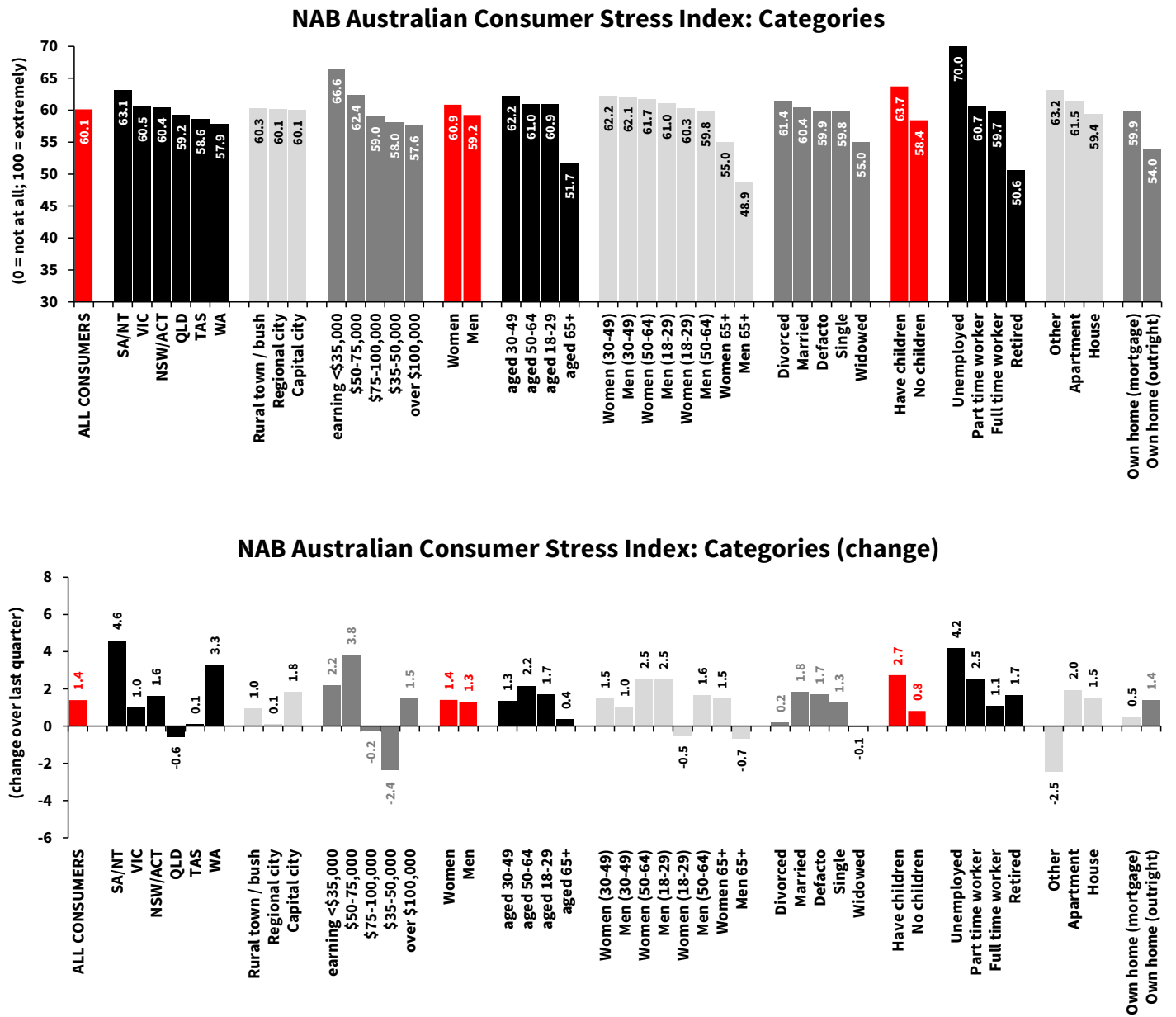
These pressures become particularly acute in the family-building years. Australians aged 30-49 recorded the highest current stress among age groups at 62.2 - 4.6 points above their long-term average. Younger Australians are also feeling a marked shift. Stress among 18-29 year olds reached 60.9, 9.6 points above their long-term norm - the largest gap for any age group.

Family pressures are equally clear. Stress among consumers with children was 63.7, 5.3 higher than for those without children, as housing, childcare, education, transport and everyday expenses converge and leave less room to absorb further increases.

By contrast, older and less indebted Australians are holding up markedly better. Stress among those aged 65 and over was 51.7, almost 9 points below the national result, while retirees recorded 50.6. Outright homeowners were also less stressed at 54.0 than mortgage holders at 59.9. Lower housing debt, fewer dependent-child costs and accumulated savings or assets can provide valuable insulation, although these advantages are not shared by all older households.

Where people live appears to matter less. Stress was 60.1 in both capital and regional cities and only marginally higher in rural areas at 60.3, pointing to broad-based pressure. Across the state and territory groupings, SA/NT was highest at 63.1 after rising 4.6 points, while WA was lowest at 57.9 despite a 3.3-point increase.

Financial resilience is the defining divide - secure income, low housing debt and savings cushion higher costs, while unemployment, low incomes and heavy family commitments leave little room to absorb further increases.



The Cost Pressure Map

Where household feel budgets are being stretched

The pressure is clearest in household budgets. Cost increases remained extremely elevated in Q3 2026, although the overall net balance reporting higher costs over the previous three months eased marginally from +82% to +81%.

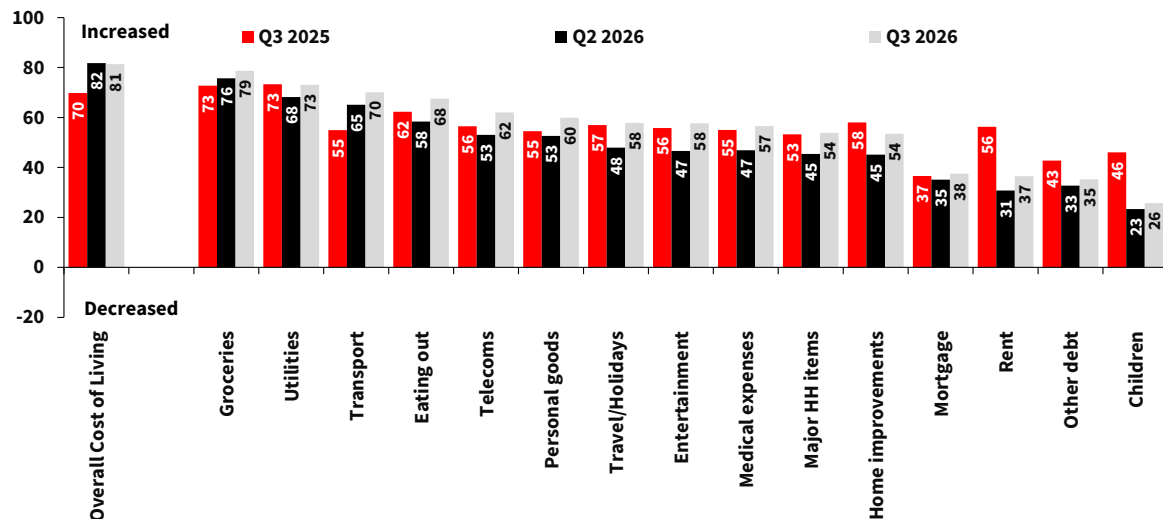
Beneath this headline stability, pressure increased across most individual expenses. Entertainment rose 11 points to +58%, while eating out, travel and medical expenses each increased 10 points. Groceries edged 3 points higher to +79% - the highest among all categories in Q3 2026, while transport rose 5 points to +70%.

Over the year, the direction is clearer - cost pressures have intensified. The overall balance rose 11 points from +70% in Q3 2025 to +81% in Q3 2026. Transport recorded the largest increase, up 15 points from +55% to +70%, followed by groceries and eating out, both up 6 points to +79% and +68% respectively. Utilities were unchanged at +73% but remained among the highest-pressure categories.

Some costs remained below year-earlier levels despite rising in the latest quarter. Rent increased 6 points to +37% but was still 19 points lower than in Q3 2025, while children's costs rose 3 points to +26% but remained 20 points lower over the year. Mortgage costs edged up 3 points over the quarter to +38% and were little changed annually.

The quarterly headline was broadly stable, but an 11-point annual rise and higher pressure across most expenses confirm that the squeeze remains broad and concentrated in essentials.

Extent overall cost of living has changed in past 3m (net)



Extent cost of living changed in past 3 months (net): Q3 2026

	AUS	NSW	VIC	QLD	WA	SA	ACT	TAS	NT	Capital cities	Regional cities	Rural areas	18-29	30-49	50-64	65+	Lower income	Higher income
Overall Cost of Living	81	79	81	86	82	89	78	81	82	80	82	85	74	79	86	88	82	81
Groceries	79	77	78	81	86	84	76	82	77	78	80	80	70	74	85	89	80	76
Utilities	73	74	72	73	83	75	67	71	66	73	73	76	62	70	81	82	74	72
Transport	70	70	66	73	74	72	73	74	45	68	73	79	62	69	73	78	67	69
Eating out	68	65	70	69	66	78	67	62	61	68	69	65	63	68	71	69	70	67
Telecoms	62	62	61	64	67	50	60	59	60	61	64	66	52	61	66	72	70	59
Personal goods	60	59	60	61	65	61	54	63	66	59	62	62	52	62	65	59	64	59
Travel/Holidays	58	58	54	61	52	75	63	56	66	57	62	55	61	61	55	53	52	58
Entertainment	58	58	59	60	54	55	55	50	72	58	60	54	58	61	63	47	54	61
Medical expenses	57	56	54	57	59	56	60	65	53	56	57	57	51	56	64	55	58	55
Major HH items	54	54	50	56	58	69	52	56	65	53	55	55	50	54	60	50	57	51
Home improvements	54	53	54	52	62	55	50	51	59	53	52	57	46	53	61	54	50	55
Mortgage	38	36	39	38	34	42	40	36	44	37	40	35	41	49	38	14	28	47
Rent	37	36	34	38	29	32	43	38	61	36	41	34	54	42	28	17	45	35
Other debt	35	35	34	35	34	36	40	36	49	33	38	43	33	40	39	25	34	35
Children	26	26	25	25	23	34	27	20	36	25	26	27	30	37	21	7	22	32

The headline Q3 result tells only part of the story, masking sharply different pressures across groups. Age and life stage created the clearest divide. Consumers aged 65 and over recorded the highest overall cost of living increases (+88%), followed by 50-64 year olds (+86%), while 18-29 year olds were lowest (+74%). Older Australians faced particularly strong pressure on groceries (+89%), utilities (+82%), transport (+78%) and telecoms (+72%), while 50-64 year olds stood out on medical expenses (+64%), major household items (+60%) and home improvements (+61%).

Mortgage pressure peaked among 30-49 year olds (+49%) but was much lower among those aged 65+ (+14%), while rent peaked among 18-29 year olds (+54%) and fell to +17% among those 65 and over. Children's costs were concentrated among 30-49 year olds (+37%).

Geography created a second divide. South Australia recorded the strongest overall pressure (+89%), while Western Australia stood out on groceries and utilities (+86% and +83%). Rural households reported much greater transport pressure than capital city households (+79% versus +68%), while regional city households faced more rent pressure than rural households (+41% versus +34%). This points to distinct pressures outside the capitals - transport in rural areas and housing in regional cities.

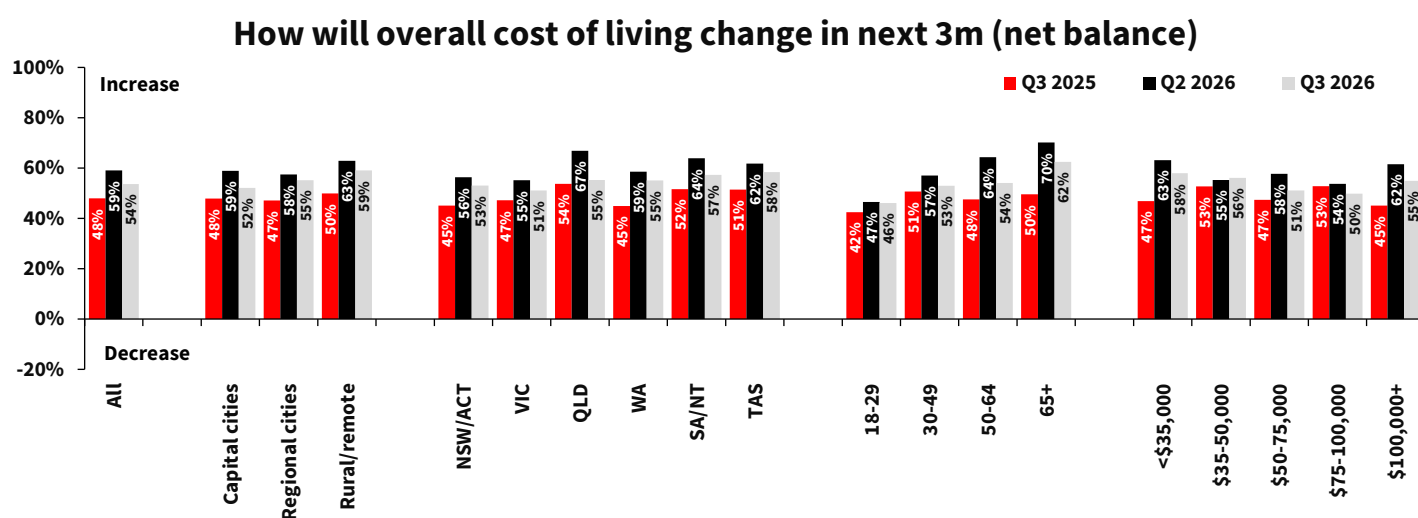
Income differences were modest overall, with lower-income households reporting a slightly higher cost of living balance than higher-income households (+82% versus +81%). The larger gaps were in housing and discretionary costs - higher-income households reported much stronger mortgage pressure (+47% versus +28%), while lower-income households faced greater rent pressure (+45% versus +35%) and higher entertainment costs (+61% versus +54%). Income therefore shaped the type of pressure more than its overall intensity.

The Squeeze Ahead

Whether consumers expect pressures to ease or intensify

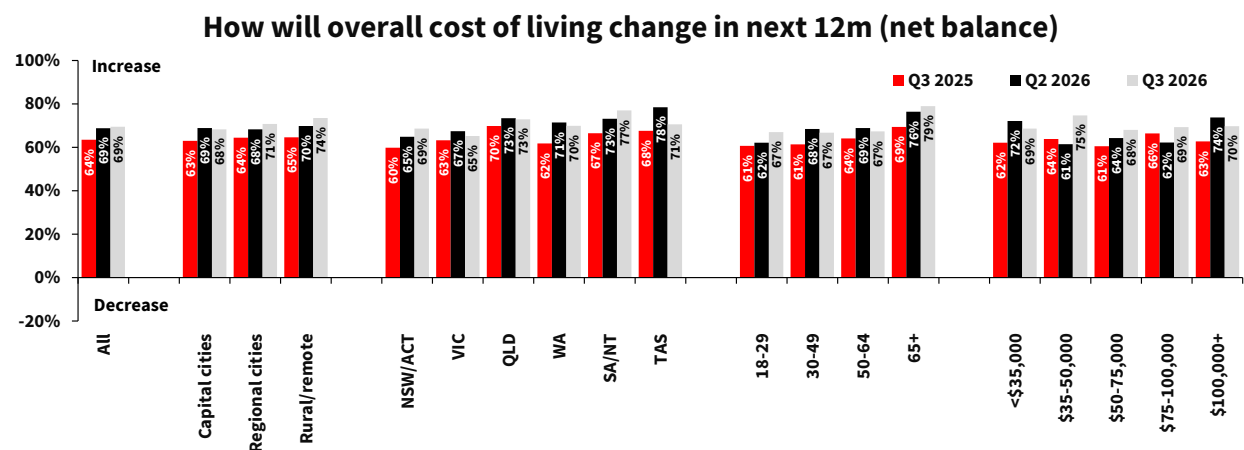
Near-term cost fears eased from last quarter's peak but remain elevated. The net balance expecting living costs to rise over the next three months fell 5 points to 54%, still 6 points above Q3 2025. This signals partial relief rather than a return to last year's expectations.

Concern is highest in rural areas (59%), Tasmania (58%) and SA/NT (57%), and lowest in Victoria (51%). Age is the sharper divide - 62% of those aged 65 and over expect further increases, compared with 46% of 18-29 year olds. Income is less linear, with concern elevated among both those earning under \$35,000 (58%) and \$100,000 and over (55%).

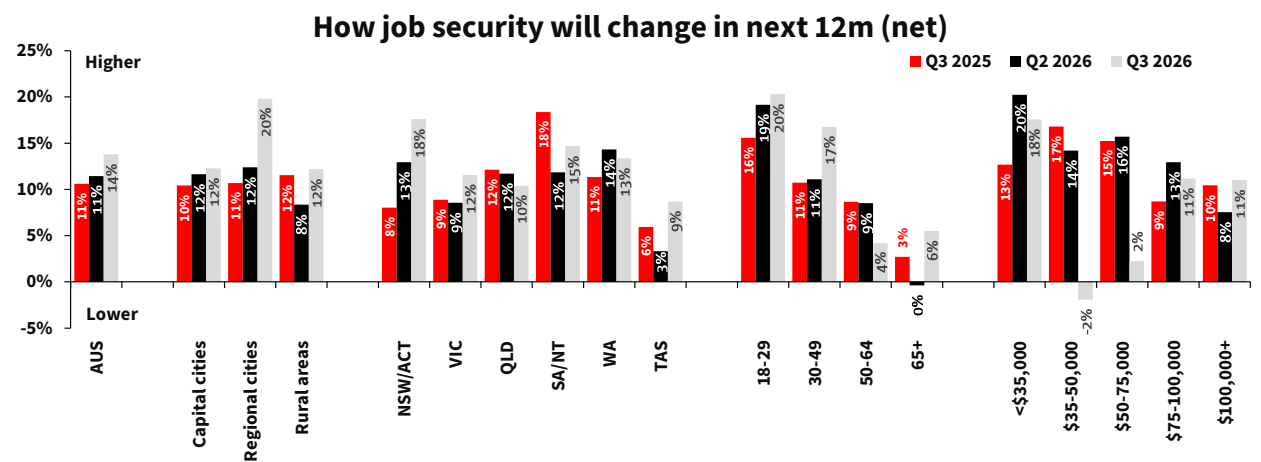
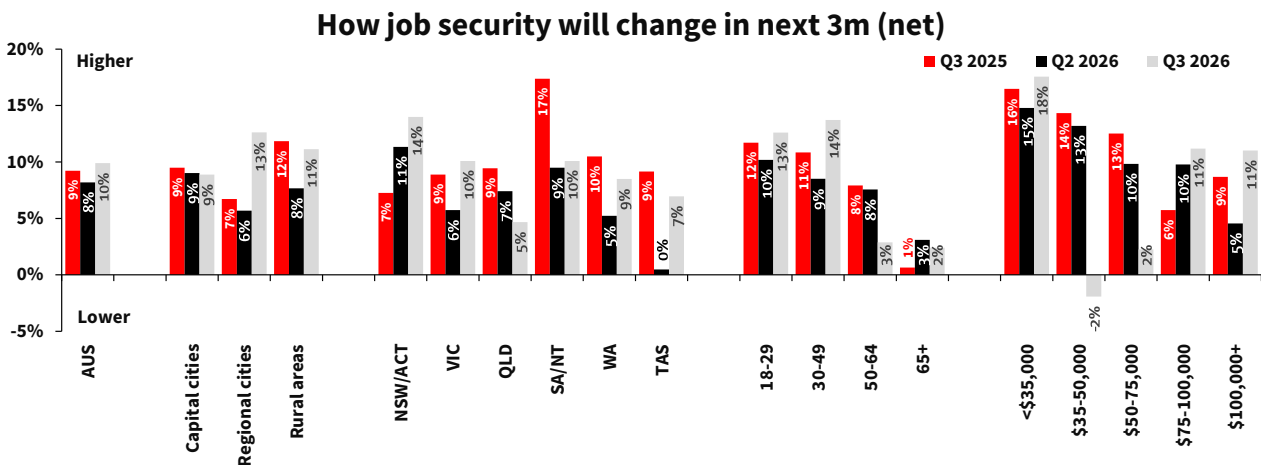


Longer-term expectations are more entrenched - 69% expect living costs to rise over the next year, unchanged from Q2 and 5 points above Q3 2025. Concern peaks in SA/NT (77%), rural areas (74%), and among those aged 65 and over (79%). It is also high among earners on \$35-50,000 (75%), reinforcing that sustained cost pressure extends well beyond the lowest-income households.

The 15-point gap between the 12-month and three-month outlooks (69% versus 54%) shows that Australians expect near-term increases to moderate, but not the cumulative burden of higher prices to disappear.



Australians are, however, becoming more hopeful about job security, although the recovery in confidence remains narrow - strongest among younger people and regional city residents, and notably absent across some middle-income households. Over the next three months, the net balance expecting job security to improve rose modestly to 10%, from 8% in Q2 2026 and 9% a year earlier. Regional cities record the strongest near-term result at 13%, more than double their Q2 reading of 6%, while capital cities sit at 9%. NSW/ACT is the most optimistic state grouping at 14%, up from 11% last quarter and 7% a year ago. Queensland is the least optimistic at 5%. Near-term job confidence is strongest among 30-49 year olds (14%), 18-29 year olds (13%) and those earning below \$35,000 (18%). It is weakest among older consumers and turns negative for earners on \$35-50,000 (-2%), showing that optimism does not rise neatly with income.



At 12 months, national job confidence strengthens to 14%, led by regional cities (20%), NSW/ACT (18%) and younger consumers. Yet it remains weak among those aged 50 and over and negative for earners on \$35-50,000, leaving the improvement constructive but narrow.

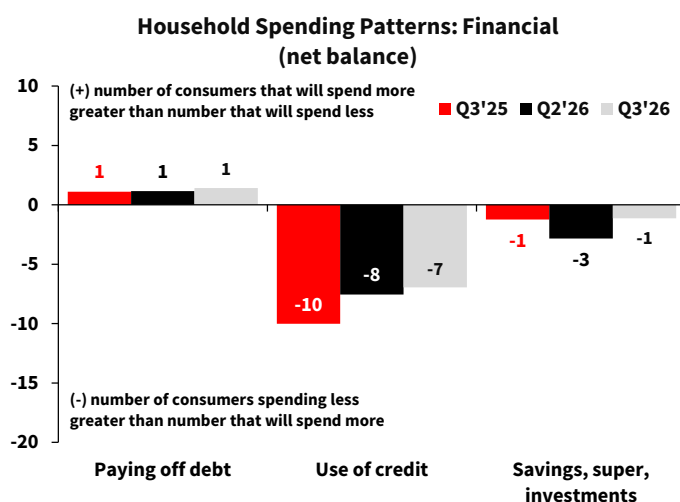
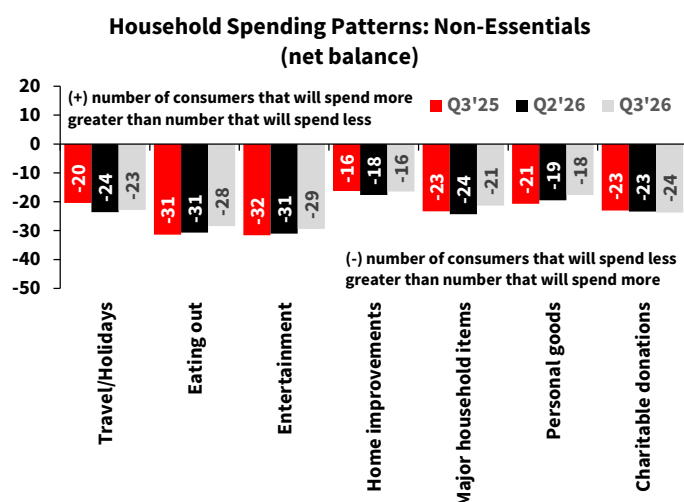
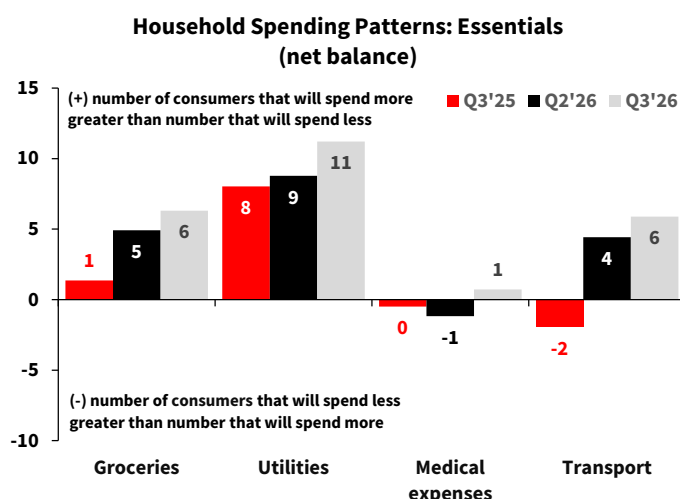
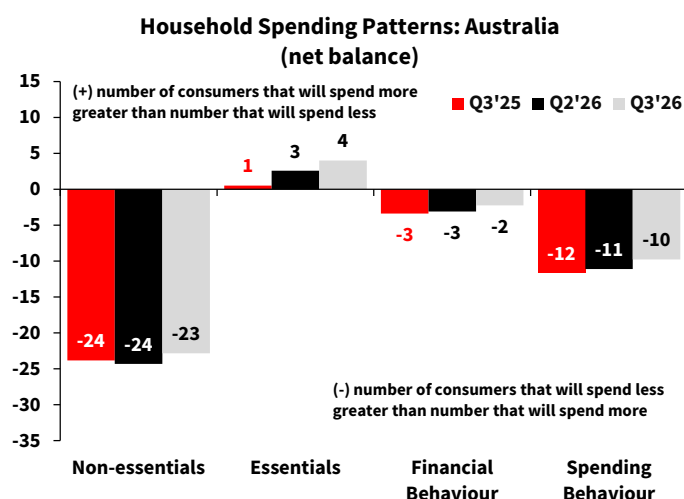
The Spending Signal

What households plan to do next

The NAB Consumer Sentiment Survey goes beyond measuring how consumers feel. It reveals how households respond to pressure - what they cut, protect, switch and fund differently - and where the limits of that adaptation may lie. This behavioural lens helps explain why high stress and resilient spending can coexist. Households are preserving expenditure by changing its composition: directing more towards essentials, reducing discretionary purchases, switching providers, researching more carefully and delaying larger commitments. Secure employment is giving many households the income continuity and confidence to keep spending, even as they feel financially worse off. This is resilience built on adaptation rather than greater financial comfort.

The essentials index rose to +4 in Q3 2026, from +3 in Q2 and +1 a year earlier, driven by utilities (+11), groceries (+6) and transport (+6). Non-essential spending, by contrast, remains deeply negative at -23, with the sharpest reductions anticipated for entertainment (-29), eating out (-28), charitable donations (-24) and travel (-23). The result is a widening divide between necessity and choice - unavoidable household costs are claiming more of the budget, leaving discretionary spending to absorb the adjustment.

States are moving at different speeds. WA is least cautious at -5, improving from -10, while NSW/ACT and Victoria sit at -11. Queensland also improved to -10, whereas Tasmania weakened from -3 to -10. Essentials remain positive in every state, led by WA and SA/NT at +7. Non-essentials are negative everywhere, with lighter restraint in WA and Tasmania (-18) than in Queensland (-25) and Victoria (-24). Financial intentions add to the divergence. WA moved positive at +4, while Tasmania was weakest at -6. The state picture therefore reflects different trade-offs between essentials, discretionary purchases and financial commitments - see Appendix 2.



The adjustment may be approaching a floor. The overall index improved to -10, from -11 in Q2 and -12 a year earlier, as intended cutbacks eased across several discretionary categories. This is stabilisation, not recovery - households remain defensive, but are becoming slightly less so at the margin.

Financial intentions reinforce this controlled adjustment. Debt repayment remains marginally positive (+1), credit use is expected to fall (-7), and savings, super and investment contributions are broadly stable (-1).

For businesses, resilient but stressed consumers create a market that is still active but more selective and less loyal. Headline spending may therefore overstate the durability of demand: households can keep purchasing for a time by switching providers, trading down, delaying larger commitments, drawing on savings or sacrificing elsewhere. Stable category spending can also mask weakening brand commitment and pricing power, making retention, downtrading and product substitution important complements to headline sales. Revenue may hold up even as consumer willingness and financial buffers weaken. Demand remains available, but every discretionary dollar is being contested more intensely. Clear value, transparent pricing, practical benefits and a low-friction customer experience will matter more. Businesses should also be alert to a non-linear adjustment: demand may remain resilient while employment is secure and buffers remain available, then pull back more sharply if job security weakens or those buffers are exhausted.

Spending intentions by State (net balance)

	Non-essentials			Essentials			Financial spending			Overall		
	Q3'25	Q2'26	Q3'26	Q3'25	Q2'26	Q3'26	Q3'25	Q2'26	Q3'26	Q3'25	Q2'26	Q3'26
AUS	-24	-24	-23	1	3	4	-3	-3	-2	-12	-11	-10
NSW/ACT	-23	-23	-23	1	2	3	-2	-1	-4	-11	-10	-11
VIC	-24	-26	-24	0	1	2	-4	-3	-2	-12	-12	-11
QLD	-29	-29	-25	-1	1	5	-8	-8	-2	-15	-15	-10
WA	-22	-22	-18	-1	3	7	-2	-4	4	-10	-10	-5
SA/NT	-18	-21	-20	7	10	7	1	0	-3	-6	-7	-8
TAS	-30	-15	-18	-2	15	2	-8	-4	-6	-15	-3	-10

The Big Ticket Test

Which major decisions are being reconsidered

Major purchase intentions provide a demanding test of confidence because these decisions are costly, difficult to reverse and sensitive to income, credit and available savings.

The results point to cautious improvement - balances remain negative across every category, but most strengthened in Q3 2026.

Investments other than property improved most, rising five points to -10, while holidays gained three points to -16. Residential and investment property, school fees, major household items and private health insurance each improved two points, and cars edged one point higher.

Caution remains strongest for large, deferrable outlays. Major household items sit at -18, holidays at -16 and investment property at -14. Home renovation was the only category to deteriorate, slipping one point to -13.

Private health insurance was least negative at -5, suggesting it is less discretionary than other major commitments. Overall, confidence is stabilising rather than fuelling a sustained big-ticket cycle, favouring offers built around value, affordability and certainty.

Intentions vary most by age and income. Younger consumers prioritise different commitments, while higher incomes support spending across a wider range of categories. Gender differences are comparatively modest.

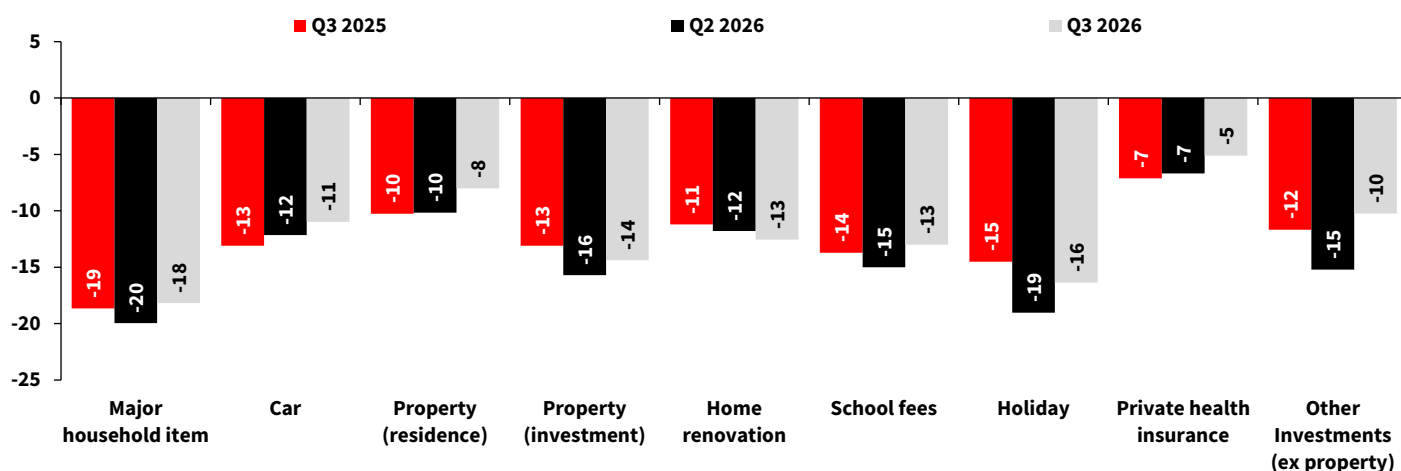
People aged 18-29 lead on non-property investments (-1), cars (-6) and holidays (-12), and share the strongest residential property result with 30-49 year olds (both -7). The 30-49 group leads on school fees (-10), investment property (-11) and major household items (-13), reflecting mid-life family, housing and investment priorities.

People aged 50-64 are weakest in six of nine categories, including major household items (-29), non-property investments (-21), renovations and holidays (both -20). Those aged 65 and over are the only group positive in any category - private health insurance (+8) - but are weakest on school fees (-27) and investment property (-20).

Gender differences reflect spending mix rather than overall confidence. Women are less negative on private health insurance, residential property and renovation; men are stronger on non-property investments, investment property and holidays. Results are identical for cars (-11) and major household items (-18).

Higher-income consumers are less negative in seven of nine categories, with the widest gaps in holidays, non-property investments, private health insurance, residential property and renovation. Lower-income households are slightly less negative only on school fees and cars, underscoring the role of financial capacity.

Expectations for making major purchases in next 12 m (net balance)



Expectations for major purchases: Q3 2026

	AUS	18-29	30-49	50-64	65+	Women	Men	Lower income	Higher income
Private health ins.	-5	-12	-6	-7	8	-2	-8	-13	-4
Property (residence)	-8	-7	-7	-13	-7	-7	-10	-14	-6
Other Inv. (ex property)	-10	-1	-13	-21	-9	-15	-7	-17	-7
Car	-11	-6	-12	-16	-9	-11	-11	-10	-12
Home renovation	-13	-13	-10	-20	-10	-11	-14	-16	-9
School fees	-13	-14	-10	-18	-27	-13	-12	-10	-12
Property (investment)	-14	-16	-11	-19	-20	-17	-13	-15	-11
Holiday	-16	-12	-16	-20	-17	-19	-14	-27	-12
Major h/hold item	-18	-15	-13	-29	-20	-18	-18	-20	-17

The New Consumer Playbook

How Australians are adapting in real time

Consumers are adapting with purpose. Rather than simply cutting back, they are becoming more active and selective - researching choices, seeking better value and deciding more carefully which businesses deserve their spend. The clearest shift is toward more considered spending. Mindfulness about where money goes rose 4 points over the quarter and 15 points over the year to a net +52% - the strongest result recorded (in net balance terms, a positive result means more consumers are doing more of a behaviour than less, while a negative result means the reverse). This is more than restraint. It signals consumers taking greater control, questioning purchases and directing limited budgets toward the options they judge most worthwhile.

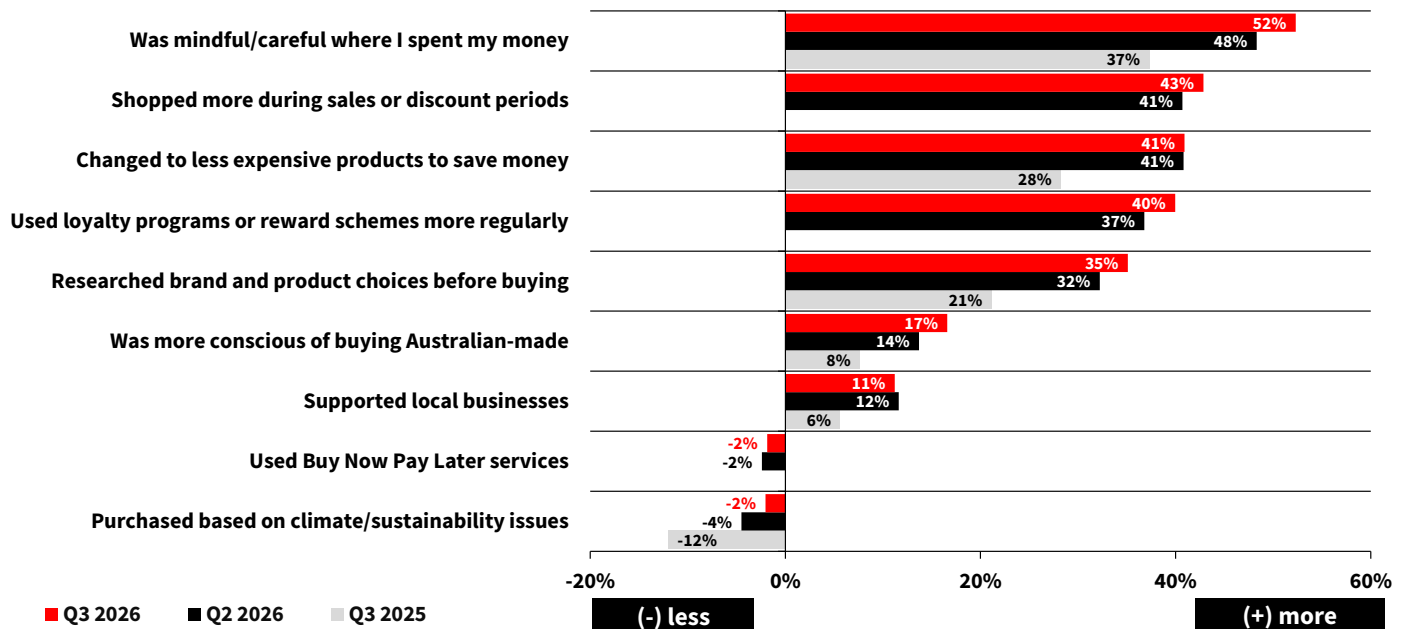
Price remains central, but consumers are working harder to secure it. The balance switching to less expensive products held at a high +41% over the quarter and stood 13 points above a year earlier, while shopping more during sales or discount periods rose 2 points to +43%. Research is becoming an equally important part of the value equation. Investigating brands and products before buying increased 3 points over the quarter and 14 points over the year to +35%. This suggests that consumers were not only more price-conscious in Q3 2026, but more resourceful - prepared to compare, wait, switch or explore unfamiliar brands when the value proposition is stronger.

Yet value is not defined by price alone. Consciousness of buying Australian-made rose 3 points over the quarter and 9 points over the year to +17%. Support for local businesses slipped 1 point in the quarter but remained 5 points above a year earlier at +11%, suggesting these preferences retain traction even as consumers scrutinise affordability. Climate and sustainability-led purchasing also moved closer to neutral, improving from -4% to -2% over the quarter and from -12% a year earlier. It

nevertheless remained negative, showing that values-led intent is strengthening but still competes with immediate cost pressures.

Consumers are also choosing mechanisms that deliver practical value on their terms. More regular use of loyalty and reward schemes rose 3 points over the quarter to +40%, indicating that customers will reward businesses when the benefit is visible and worthwhile. By contrast, Buy Now Pay Later was unchanged at -2%. The divergence suggests consumers are currently more inclined to extract value from planned rewards than to increase their use of deferred payment.

Shopping behaviours (net balance)



Shopping Behaviours (net balance): Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Was mindful/careful where I spent my money	52%	48%	54%	57%	48%	45%	59%	50%	55%
Shopped more during sales or discount periods	43%	41%	49%	48%	30%	37%	49%	38%	46%
Changed to less expensive products to save money	41%	37%	45%	46%	32%	34%	48%	43%	44%
Used loyalty programs/reward schemes more regularly	40%	34%	46%	46%	29%	34%	46%	32%	44%
Researched brand and product choices before buying	35%	30%	41%	37%	29%	29%	41%	33%	39%
Was more conscious of buying Australian-made	17%	10%	15%	16%	27%	18%	15%	15%	18%
Supported local businesses	11%	5%	11%	10%	21%	12%	10%	8%	11%
Used Buy Now Pay Later services	-2%	1%	3%	-5%	-9%	-3%	-2%	1%	-1%
Purchased based on climate/sustainability issues	-2%	-4%	2%	-8%	-2%	-3%	-1%	-5%	-1%

Across key groups, value-seeking was most pronounced in the middle working years. Australians aged 30-49 and 50-64 were more likely than average to shop sales (+49% and +48%), switch to cheaper products (+45% and +46%) and use loyalty schemes (both +46%). Research peaked among 30-49 year olds (+41%), while 50-64 year olds were the most mindful about where they spent (+57%). The pattern points to a broad, deliberate approach to value - combining planning, comparison, switching and rewards rather than relying on price alone.

Older and younger consumers pursued value differently. Australians aged 65 and over were less active on sales (+30%), switching (+32%), loyalty (+29%) and research (+29%), but led on buying Australian-made (+27%) and supporting local

businesses (+21%). Their results place greater weight on provenance and community than on promotional or switching behaviours. By contrast, 18-29 year olds were below average on most established value behaviours but marginally positive on BNPL (+1% versus -2% overall), making flexible payment a clearer point of difference.

Women were consistently more active value managers. They recorded markedly stronger balances than men for mindful spending (+59% versus +45%), shopping sales (+49% versus +37%), switching to cheaper products (+48% versus +34%), using loyalty schemes (+46% versus +34%) and researching choices (+41% versus +29%). The breadth and consistency of these gaps - not just the difference in any single behaviour - make gender one of the clearest dividing lines in the results.

Value optimisation extended well beyond lower-income households. High-income consumers recorded stronger balances than low-income consumers for mindfulness (+55% versus +50%), shopping sales (+46% versus +38%), loyalty use (+44% versus +32%) and research (+39% versus +33%). Switching to cheaper products, however, was high in both groups (+44% and +43%). The results show that seeking value is not solely a response to financial constraint - it is also a mainstream purchasing strategy across the income spectrum.

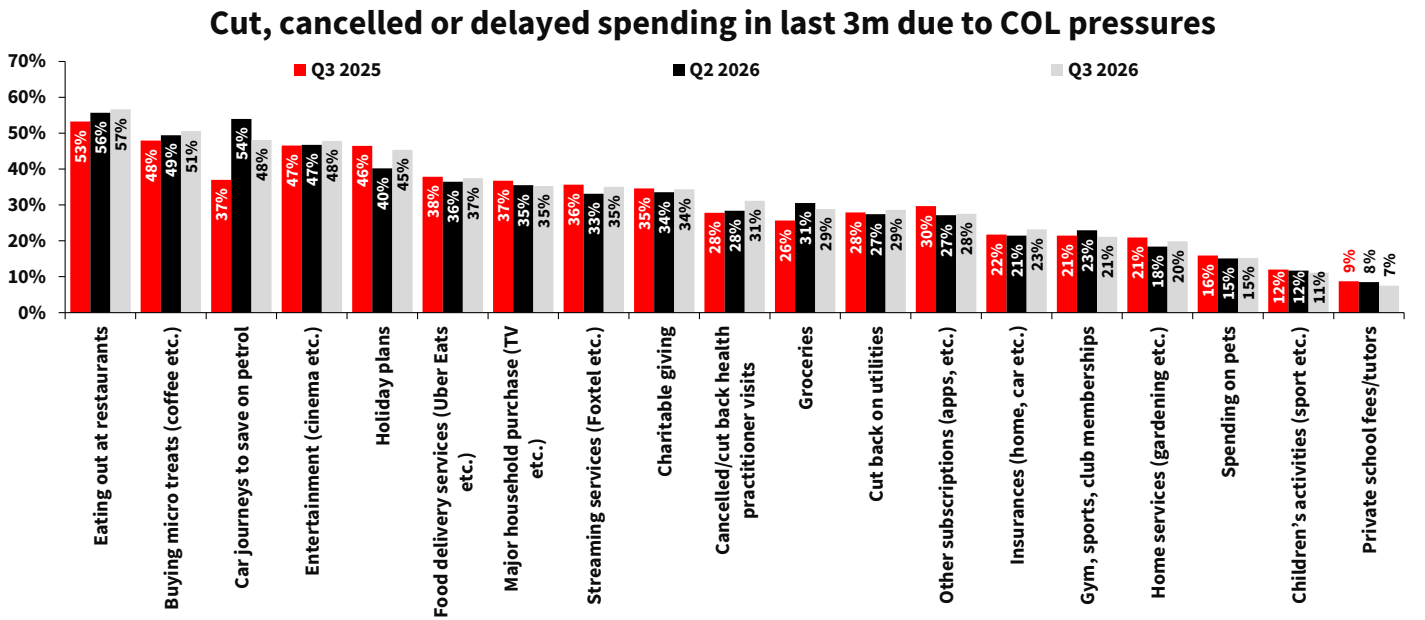
For businesses, this indicates that value must be tailored as well as visible. Working-age consumers - and women in particular - are signalling demand for clear comparisons, timely promotions and useful rewards. Older consumers stand out for Australian-made provenance and local connection, while flexible payment is more distinctive among younger adults. Across incomes, the opportunity is to make value easy to recognise, relevant to the customer and simple to act on.

The Cutback List

What is being reduced, delayed or dropped

Adaptation also involves sacrifice. The expenses households reduce, delay or abandon show which parts of everyday life are becoming harder to protect - and when short-term coping begins to signal deeper financial strain.

Households shifted where they cut back in Q3 2026 rather than easing restraint overall. The share reducing car journeys to save on petrol fell six percentage points to 48%, while holiday cutbacks rose five points to 45%. Reductions in health practitioner visits increased three points to 31%, small treats, utilities and streaming services each rose two points, to 51%, 29% and 35%. Eating out remained the most common adjustment at 57%, while grocery cutbacks eased two points to 29%.



Over the year, restraint has spread further into routine and essential spending. Compared with Q3 2025, cutbacks increased four points for eating out from 53% to 57%, and three points for micro-treats, groceries and health practitioner visits to 51%, 29% and 31% respectively. Car journeys saw the largest annual rise, up 11 points from 37% to 48%, despite the latest quarterly fall. By contrast, several more readily cancellable expenses were lower than a year ago - major household purchases fell from 37% to 35%, other subscriptions from 30% to 28%, home services from 21% to 20%, and private school fees or tutors from 9% to 7%.

These shifts suggest households are continually rebalancing budgets rather than experiencing broad relief. Many may have exhausted the easiest discretionary savings, forcing harder choices across transport, groceries, utilities and healthcare. Almost

one in three now cutting health practitioner visits is particularly concerning, as financial pressure increasingly shapes decisions with potentially longer-term consequences.

Cut, cancelled or delayed spending in last 3m due to cost of living pressures: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower Income	Higher Income
Eating out at restaurants	57%	62%	60%	59%	42%	52%	61%	61%	54%
Buying micro treats (coffee etc.)	51%	55%	53%	57%	33%	43%	57%	58%	49%
Car journeys to save on petrol	48%	44%	49%	55%	45%	45%	51%	53%	43%
Entertainment (cinema etc.)	48%	50%	53%	51%	34%	44%	51%	50%	47%
Holiday plans	45%	50%	50%	47%	30%	41%	49%	42%	47%
Food delivery services (Uber Eats etc.)	37%	51%	45%	32%	15%	36%	39%	40%	39%
Major household purchase (TV etc.)	35%	42%	39%	35%	23%	33%	38%	46%	32%
Streaming services (Foxtel etc.)	35%	44%	40%	36%	15%	44%	38%	38%	35%
Charitable giving	34%	30%	35%	44%	29%	28%	40%	43%	31%
Cancelled/cut health practitioner visits	31%	32%	35%	37%	17%	26%	36%	40%	28%
Groceries	29%	39%	30%	30%	16%	27%	30%	43%	22%
Cut back on utilities	29%	27%	30%	35%	20%	25%	32%	41%	24%
Other subscriptions (apps, etc.)	28%	33%	33%	28%	13%	26%	29%	33%	26%
Insurances (home, car etc.)	23%	22%	26%	28%	15%	22%	24%	30%	22%
Gym, sports, club memberships	21%	32%	25%	16%	8%	19%	24%	25%	20%
Home services (gardening etc.)	20%	25%	24%	16%	11%	18%	22%	24%	18%
Spending on pets	15%	18%	20%	15%	5%	13%	17%	19%	14%
Children's activities (sport etc.)	11%	12%	19%	7%	1%	9%	13%	14%	11%
Private school fees/tutors	7%	11%	11%	4%	1%	8%	7%	9%	7%

Overall results mask important differences by age. Younger consumers made the broadest cutbacks across lifestyle and everyday spending. Among 18-29 year olds, 62% cut eating out, 51% cut food delivery and 39% cut groceries. Those aged 30-49 responded similarly, cutting eating out (60%), entertainment (53%), holiday plans (50%) and food delivery (45%). They were also most likely to reduce children's activities (19%), highlighting added family trade-offs.

Among 50-64 year olds, cutbacks shifted towards recurring and harder to avoid costs. They were most likely to reduce micro-treats (57%), car journeys (55%), charitable giving (44%), health visits (37%), utilities (35%) and insurance (28%), suggesting closer scrutiny of regular outgoings. Those aged 65 and over reported fewer changes, including eating out (42%), micro-treats (33%), health visits (17%) and groceries (16%).

Women reported broader cutbacks than men. The largest gaps were in micro-treats (57% versus 43%), charitable giving (40% versus 28%), health visits (36% versus 26%) and eating out (61% versus 52%). Women were also more likely to reduce utilities (32% versus 25%) and entertainment (51% versus 44%), extending changes from discretionary spending into core costs. Streaming was the main exception, cut by 44% of men versus 38% of women.

Income revealed the clearest divide. Lower-income consumers were nearly twice as likely to change grocery spending (43% versus 22%) and more likely to cut utilities (41% versus 24%), health visits (40% versus 28%), major household purchases (46% versus 32%) and insurance (30% versus 22%). They also cut micro-treats (58% versus 49%) and eating out (61% versus 54%) more often. Holiday plans were the only area higher-income consumers cut more (47% versus 42%), while food delivery was similar (40% versus 39%). Higher-income households retained more discretion; lower-income households more often cut essentials, healthcare and protection, with potentially longer-term consequences.

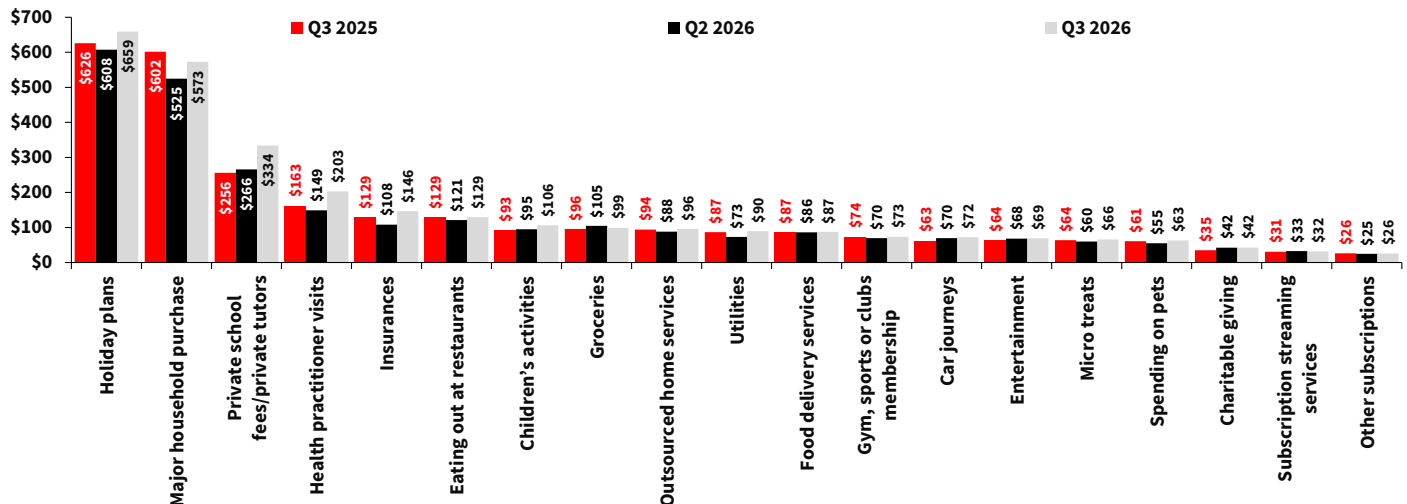
The Savings Count

What those cutbacks are worth each month

The largest estimated monthly savings continue to come from postponing big-ticket and discretionary commitments - cutting back on holiday plans is saving an average \$659 a month, while deferring major household purchases is saving \$573. Both also rebounded strongly from Q2 2026, indicating that households may be leaning more heavily on sizeable, immediate cutbacks to create financial breathing room.

There are also signs that cost pressures are reaching further into areas that can affect family wellbeing and longer-term outcomes. Estimated savings from private school fees and tutoring rose to \$334 a month, up from \$266 in Q2 2026, while savings from health practitioner visits climbed sharply to \$203, from \$149. Insurance cutbacks also increased to \$146. This may suggest that, for some households, belt-tightening is extending beyond lifestyle spending into services traditionally viewed as important safeguards or investments - potentially easing budgets today while creating trade-offs tomorrow.

Estimated savings per month from spend cutbacks (avg \$)



Estimated savings per month from spend cutbacks: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Holiday plans	\$659	\$554	\$743	\$843	\$515	\$575	\$754	\$593	\$695
Major household purchase	\$573	\$391	\$671	\$625	\$639	\$417	\$712	\$303	\$676
Private school fees/private tutors	\$334	\$703	\$368	\$112	\$0	\$550	\$192	\$711	\$431
Health practitioner visits	\$203	\$203	\$292	\$124	\$182	\$195	\$215	\$212	\$211
Insurances	\$146	\$133	\$160	\$137	\$150	\$136	\$158	\$118	\$159
Eating out at restaurants	\$129	\$120	\$158	\$119	\$89	\$119	\$138	\$113	\$150
Children's activities	\$106	\$108	\$115	\$92	\$33	\$127	\$100	\$123	\$121
Groceries	\$99	\$99	\$117	\$85	\$76	\$98	\$100	\$107	\$99
Outsourced home services	\$96	\$74	\$121	\$87	\$79	\$86	\$102	\$73	\$124
Utilities	\$90	\$100	\$114	\$64	\$77	\$74	\$104	\$79	\$96
Food delivery services	\$87	\$80	\$107	\$74	\$52	\$82	\$93	\$92	\$95
Gym, sports or club memberships	\$73	\$65	\$88	\$64	\$61	\$65	\$81	\$72	\$82
Car journeys	\$72	\$85	\$79	\$66	\$60	\$71	\$73	\$72	\$73
Entertainment	\$69	\$61	\$89	\$64	\$45	\$67	\$72	\$64	\$80
Micro treats	\$66	\$70	\$77	\$58	\$42	\$60	\$70	\$58	\$73
Spending on pets	\$63	\$63	\$74	\$42	\$112	\$68	\$60	\$74	\$74
Charitable giving	\$42	\$52	\$43	\$37	\$42	\$37	\$48	\$43	\$47
Subscription streaming services	\$32	\$31	\$34	\$29	\$32	\$33	\$30	\$29	\$33
Other subscriptions	\$26	\$26	\$36	\$19	\$27	\$35	\$22	\$22	\$29

At the same time, smaller everyday economies remain powerful when sustained. Monthly savings of \$99 on groceries, \$90 on utilities, \$87 on food delivery, \$73 on gym and sporting club memberships and \$66 on micro treats may appear modest in isolation, but over a full year they equate to around \$1,188, \$1,080, \$1,044, \$876 and \$792 respectively. Even cancelling or reducing streaming services by \$32 a month could retain \$384 over 12 months.

The message is constructive. Whether households make one sizeable cutback or a series of smaller sustained changes, deliberate spending choices can add up to meaningful financial gains. Together, these savings can create valuable breathing room - helping households rebuild savings, reduce debt and strengthen their resilience to future cost pressures.

Monthly savings vary markedly by age, gender and income. By age, Australians aged 30-49 report relatively high savings across many household expenses, including major purchases (\$671), health visits (\$292) and restaurants (\$158). Those aged 50-64 stand out on holidays, with the highest estimate at \$843. Among 18-29 year olds, private school fees or tutoring is the clear outlier at \$703, while major purchases are lower at \$391. For those aged 65 and over, private education falls to zero, and many everyday savings are lowest, although major purchases remain substantial (\$639) and pet spending is highest (\$112).

By gender, the largest gaps are in major household choices. Women report higher savings than men from major purchases (\$712 versus \$417) and holidays (\$754 versus \$575), while men report much more from private school fees or tutoring (\$550 versus \$192). Differences elsewhere are relatively modest, pointing to different concentrations of savings rather than a consistent lead for either group.

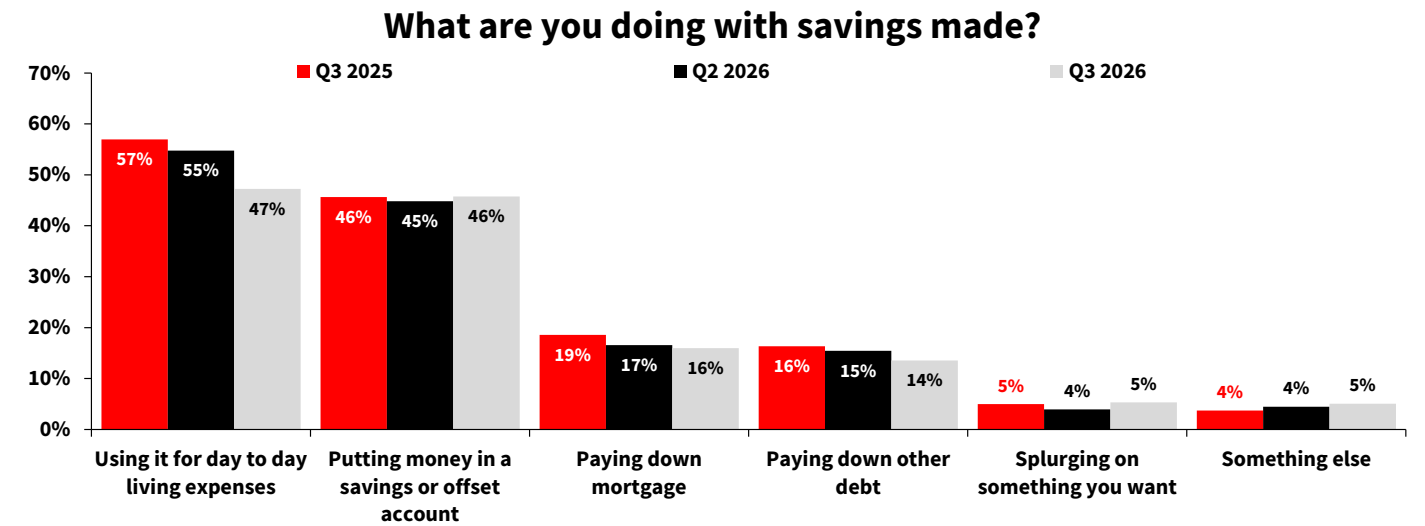
By income, the clearest divides are in big-ticket spending. Higher-income Australians report more than twice the savings from major purchases (\$676 versus \$303), as well as more from holidays (\$695 versus \$593), restaurants (\$150 versus \$113) and home services (\$124 versus \$73). Private education is the exception, with lower-income respondents reporting \$711 versus \$431. Everyday categories such as groceries, health visits, car journeys and pet spending are broadly similar.

The Savings Story

How households are redirecting freed up money

Where freed-up money goes reveals whether cutbacks are rebuilding buffers, reducing debt, covering essentials or funding small rewards - and whether households are strengthening resilience or simply keeping pace with living costs.

Savings appear to be shifting from a spending buffer to a financial safety net. Using savings for day to day living expenses remains the most common response at 47% but fell sharply from 55% in Q2 2026 and 57% a year earlier. This eight-percentage-point quarterly decline - and 10-point annual fall - is by far the clearest movement in the results, signalling a meaningful change in how consumers are deploying their savings.



Meanwhile, putting money into a savings or offset account edged up one point over the quarter to 46%, returning to its Q3 2025 level. As a result, the gap between using savings for everyday expenses and retaining them has narrowed dramatically - from 10 points last quarter and 11 points a year ago to just one point. The near-convergence of these two behaviours suggests fewer consumers appear to be drawing on savings for immediate needs, while the impulse to preserve a financial cushion remains strong.

Debt reduction softened modestly. Paying down a mortgage fell to 16%, down one point over the quarter and three points over the year, while paying down other debt eased to 14%, one point lower quarterly and two points lower annually. Discretionary use remained subdued. Just 5% were splurging on something they wanted, up one point over the quarter but unchanged from a year ago. A further 5% cited something else, also one point higher than both last quarter and a year earlier.

How consumers use their savings differs sharply by life stage and financial capacity. Younger consumers are the most focused on building a buffer - 60% of 18-29 year olds are putting money into a savings or offset account, compared with 48% of 30-49 year olds, 41% of those aged 65 and over and just 30% of 50-64 year olds. They are also the least likely to be using savings for everyday expenses, at 39%, compared with 54% among both the 50-64 and 65 and over age groups.

What are you doing with savings made: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Using it for day to day living expenses	47%	39%	45%	54%	54%	43%	51%	57%	39%
Putting money in savings/offset account	46%	60%	48%	30%	41%	48%	44%	30%	54%
Paying down mortgage	16%	18%	21%	13%	6%	16%	16%	7%	23%
Paying down other debt	14%	13%	15%	12%	11%	16%	12%	11%	16%
Splurging on something you want	5%	9%	6%	2%	2%	6%	5%	5%	6%
Something else	5%	3%	5%	8%	5%	5%	5%	7%	5%

The way savings are directed also reflects different stages of life. Those aged 30-49 are most likely to pay down their mortgage, at 21%, while this falls to just 6% among those 65 and over. Younger consumers are more willing to enjoy some of their savings, with 9% of 18-29 year olds splurging on something they want, compared with only 2% of both 50-64 and 65 and over age groups.

Income produces an even clearer divide. Lower-income consumers are far more likely to use savings for day to day expenses (57% versus 39% among higher-income consumers). By contrast, higher-income earners are much more likely to retain savings in an account or offset (54% versus 30%), pay down their mortgage (23% versus 7%) and reduce other debt (16% versus 11%).

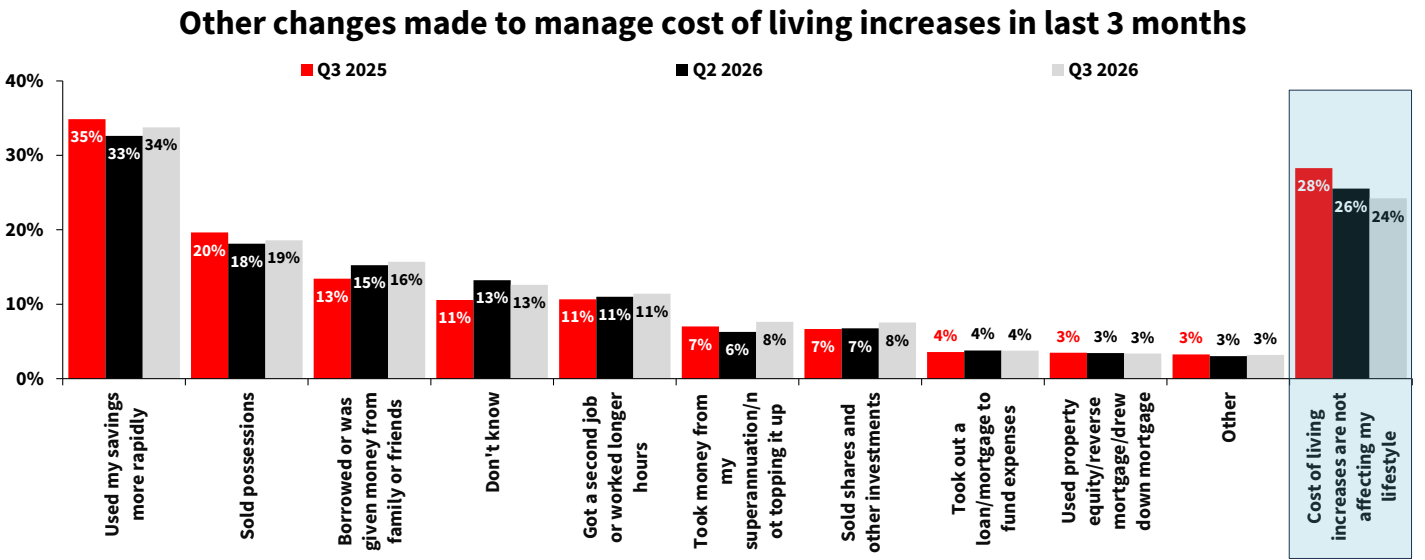
Gender differences are less pronounced, although women are more likely than men to use savings for everyday expenses (51% versus 43%), while men are slightly more likely to retain money in savings or offset accounts (48% versus 44%) and pay down other debt (16% versus 12%).

Overall, these differences suggest savings serve very different purposes. For lower-income and older consumers they are more often a source of immediate financial support, while younger and higher-income consumers have greater scope to build a financial buffer, reduce housing debt or enjoy an occasional reward.

The Coping Toolkit

What people are doing when cutting back isn't enough

When cutbacks are not enough, households turn to savings, assets, extra work and personal support. Savings remain the first line of defence, with 34% using them more rapidly in Q3 2026, while 19% sold possessions and 11% took a second job or worked longer hours. A further 16% borrowed or received money from family or friends, up from 13% a year earlier. These strategies demonstrate resourcefulness, but many are difficult to sustain indefinitely.



There are also signs that some consumers are drawing on resources with longer-term implications. Eight per cent sold shares or other investments, while the share taking money from superannuation or not topping it up rose from 6% to 8% over the quarter. These choices may reduce future financial buffers if sustained, although relatively few turned to formal debt - only 4% used a loan or mortgage and 3% drew on property equity, both unchanged. Meanwhile, the proportion unaffected by cost of living increases fell steadily from 28% to 24% over the year.

Other changes made to manage COL increases in last 3m: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Used my savings more rapidly	34%	34%	36%	36%	27%	32%	36%	36%	30%
Sold possessions	19%	20%	21%	20%	10%	17%	20%	22%	18%
Borrow/given money by family/ friends	16%	24%	19%	14%	4%	15%	17%	22%	13%
Got a second job or worked longer hours	11%	20%	13%	9%	2%	12%	11%	7%	14%
Sold shares and other investments	8%	11%	8%	6%	4%	9%	6%	6%	10%
Took money from super/not topping up	8%	6%	6%	10%	9%	8%	7%	14%	6%
Took loan/mortgage to fund expenses	4%	5%	6%	2%	1%	3%	4%	3%	4%
Used property equity/reverse mortgage/drew down mortgage	3%	5%	4%	2%	2%	4%	3%	5%	4%
Other	3%	2%	3%	3%	4%	3%	4%	5%	4%
COL increases not affecting my lifestyle	24%	15%	21%	22%	42%	28%	21%	14%	29%

How consumers adapted to cost of living increases over the past three months differed markedly by age, gender and income, revealing distinct coping strategies and sharply unequal room to manoeuvre.

Age produces the clearest divide. Younger adults are responding most actively and across the widest range of measures. Among 18-29 year olds, 24% borrowed from family or friends and 20% took a second job or worked longer hours, 20% sold possessions and 11% sold investments. Those aged 30-49 and 50-64 were most likely to run down savings more rapidly (both 36%), indicating greater reliance on accumulated financial buffers. By contrast, 42% of people 65 and over said cost of living increases had not affected their lifestyle. Older Australians appear more insulated overall, while younger cohorts are more likely to combine support networks, extra work and asset sales to manage higher costs.

Differences between men and women were generally modest. Women were slightly more likely to use savings more rapidly (36% versus 32%), sell possessions (20% versus 17%) and borrow from family or friends (17% versus 15%). Men were somewhat more likely to report no lifestyle impact (28% versus 21%) and to sell investments (9% versus 6%). Overall, women were marginally more likely to draw on savings, possessions and personal support, while men were more likely to report being unaffected and slightly more likely to sell financial investments.

Income strongly shapes both exposure and the options used. Only 14% of lower-income consumers said their lifestyle was unaffected, compared with 29% of higher-income consumers. Lower-income consumers were more likely to use savings faster (36% versus 30%), sell possessions (22% versus 18%), seek help from family or friends (22% versus 13%) and draw on super or reduce contributions (14% versus 6%). Higher-income consumers were twice as likely to take a second job or work longer hours (14% versus 7%) and also more likely to sell investments (10% versus 6%). The contrast points to unequal coping capacity - lower-income consumers are more often depleting finite buffers and relying on personal support, whereas higher-income consumers have greater scope to respond through additional work and investment assets.

The Switching Response

Where value-seeking is driving provider change

Price-driven switching recovered to 56% in Q3, from 51% in Q2 and close to its inaugural Q1 level of 57%. As the measure began in Q1 2026, the pattern remains emerging rather than established.

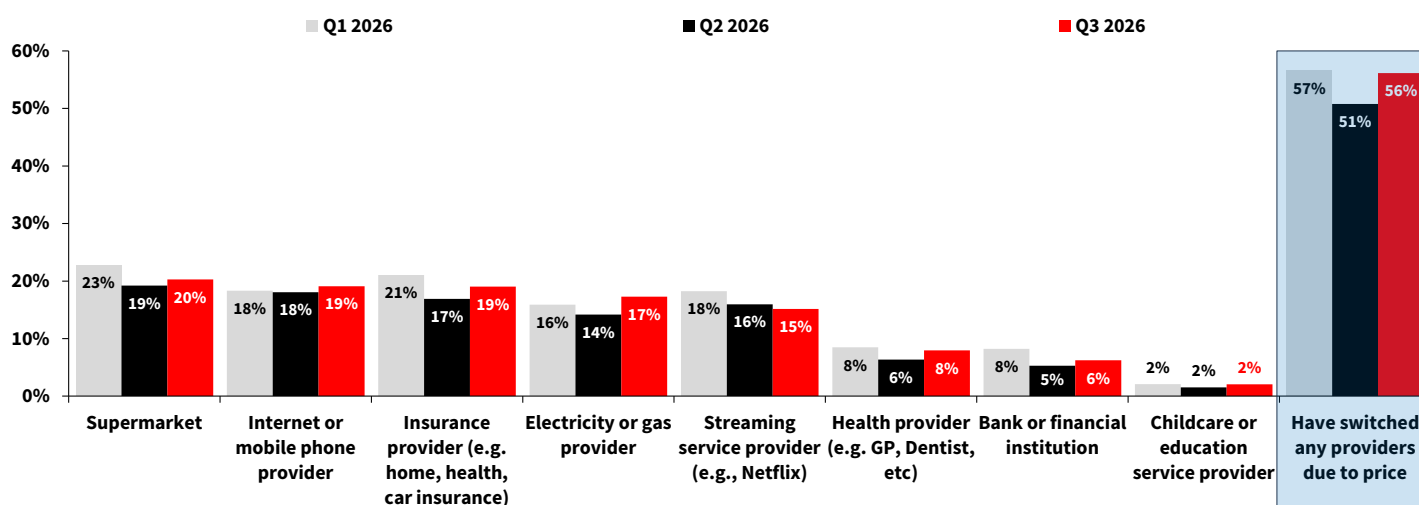
Supermarkets remained the most common switch at 20%, followed by insurance and internet or mobile providers at 19% each. Energy rose from 14% to 17%, while streaming fell for a second quarter to 15%, potentially reflecting cancellations or downgrades rather than provider changes.

The early evidence suggests price prompts the most movement when options are easy to compare and switching causes little disruption. It has had less influence in more personal or complex services. Only 8% switched health providers, 6% a bank or financial institution and 2% a childcare or education provider in Q3.

For providers, the message is clear. Visible value and transparent pricing matter most in competitive markets, while trust and continuity remain important - but not permanent - buffers elsewhere.

Age is the clearest guide to switching propensity. Around 68% of 18-29 year olds switched at least one provider, compared with 40% of those aged 65 and over. The contrast was strongest in easily compared services: 27% of younger consumers switched supermarkets and 26% changed internet or mobile providers, versus 12% and 9% respectively among the oldest group. Consumers aged 50-64 were the most likely to change insurance providers because of price (24%), while those aged 30-49 and 50-64 jointly led switching for electricity or gas (20%). Streaming switching was highest among 30-49 year olds at 20% and lowest among those aged 65 and over at 5%. Together, the results show that younger consumers switched more widely, while older groups were more selective about the services they changed.

Switched/changed providers because of price increases in past 12 months



Gender and income had little effect on whether consumers switched but influenced where they moved. Men switched telecoms and energy more often, women slightly favoured supermarkets. Lower-income consumers were more likely to switch supermarkets, while higher-income consumers more often changed insurance, energy and banking providers.

Switched or changed providers because of price increases in past 12m: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Have switched any providers due to price	56%	68%	59%	54%	40%	57%	55%	59%	58%
Supermarket	20%	27%	22%	18%	12%	19%	21%	24%	18%
Internet or mobile phone provider	19%	26%	22%	16%	9%	21%	17%	19%	22%
Insurance provider (e.g. home, health, car)	19%	14%	18%	24%	19%	19%	19%	16%	24%
Electricity or gas provider	17%	16%	20%	20%	11%	19%	16%	15%	21%
Streaming service provider (e.g., Netflix)	15%	19%	20%	14%	5%	14%	16%	17%	17%
Health provider (e.g. GP, Dentist, etc)	8%	9%	10%	8%	3%	7%	9%	8%	9%
Bank or financial institution	6%	10%	7%	5%	3%	7%	5%	5%	9%
Childcare or education service provider	2%	5%	3%	1%	0%	2%	2%	2%	3%

The financial value of switching is clearest in services with the largest estimated monthly gains. In Q3 2026, consumers who changed a bank or financial institution estimated saving \$713 per month, down from \$888 in Q2 but well above \$458 in Q1. Those switching childcare or education providers reported saving \$480, up from \$314 in Q2 but below \$679 in Q1. While both estimates moved sharply across the three quarters, they remained substantially higher in Q3 than those reported for any other provider type.

Among other household services, health providers delivered the next-largest savings estimate at \$179 per month, up from \$169 in Q2 but below \$192 in Q1. Estimated savings from electricity or gas rose in each quarter from \$73 in Q1 to \$124 in Q2 and \$137 in Q3. Insurance followed the same upward pattern, increasing from \$102 to \$117 and \$134. These were two of only three categories in which estimated savings increased in both Q2 and Q3.

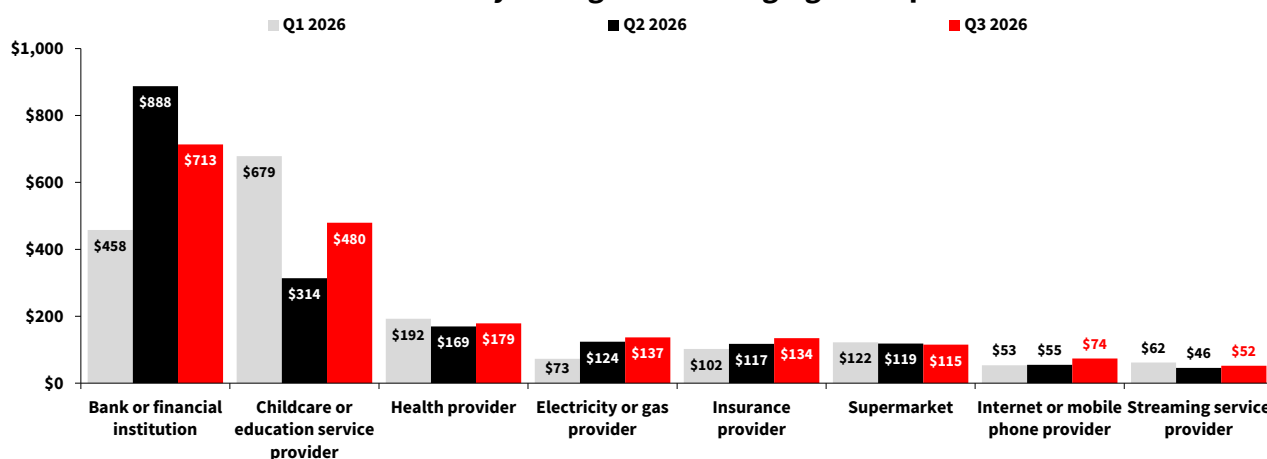
Estimated savings were smaller in other everyday services but still meaningful when repeated monthly. Consumers reported saving \$115 by changing supermarket, down slightly from \$119 in Q2 and \$122 in Q1. Internet or mobile savings climbed from \$53 in Q1 to \$55 in Q2 and \$74 in Q3, while streaming recovered to \$52 after falling from \$62 to \$46. As the question was first asked in Q1 2026, these results indicate an emerging rather than settled pattern. Even so, switching delivered value at different scales - from modest recurring savings on everyday services to much larger estimated gains in selected categories.

Looking beneath the overall estimates, income shows the most dramatic differences in savings consumers attributed to switching in Q3. Lower-income consumers estimated saving \$2,578 per month after changing a bank or financial institution and \$1,480 from switching childcare or education providers, compared with \$539 and \$208 respectively among higher-income earners. The pattern, however, reversed across several more commonly used services: higher-income consumers reported greater savings from health providers (\$243 versus \$105), supermarkets (\$154 versus \$85), internet or mobile providers (\$105 versus \$25) and streaming (\$64 versus \$39).

Age also revealed a broad pattern. Consumers aged 18-29 reported the highest estimated savings from banking (\$1,238), childcare or education (\$721), insurance (\$227) and internet or mobile services (\$127), with estimates generally lower among older groups. Important exceptions show the relationship was not uniform: consumers aged 65 and over reported the largest energy savings at \$195, while those aged 30-49 saved most from supermarket switching at \$143.

Gender differences were concentrated in particular categories rather than evident across the board. Men reported larger estimated savings than women from switching banks (\$952 versus \$274), health providers (\$283 versus \$77), energy providers (\$177 versus \$82) and internet or mobile providers (\$97 versus \$49). Women recorded the higher childcare or education estimate (\$609 versus \$346), while supermarket (\$115 versus \$116) and insurance (\$133 versus \$136) savings were almost identical. These subgroup estimates should be interpreted cautiously, particularly where switching is uncommon and bases may be small. Even so, the strongest savings message depends on who is switching and what they are switching.

Estimated monthly savings from changing these providers



Monthly savings from switching/changing providers because of price increases in past 12m: Q3 2026

	All	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Bank or financial institution	\$713	\$1,238	\$433	\$61	\$77	\$952	\$274	\$2,578	\$539
Childcare or education service provider	\$480	\$721	\$248	\$177		\$346	\$609	\$1,480	\$208
Health provider	\$179	\$229	\$240	\$55	\$44	\$283	\$77	\$105	\$243
Electricity or gas provider	\$137	\$180	\$135	\$69	\$195	\$177	\$82	\$124	\$142
Insurance provider	\$134	\$227	\$144	\$116	\$71	\$136	\$133	\$137	\$130
Supermarket	\$115	\$113	\$143	\$91	\$81	\$116	\$115	\$85	\$154
Internet or mobile phone provider	\$74	\$127	\$65	\$30	\$31	\$97	\$49	\$25	\$105
Streaming service provider	\$52	\$58	\$58	\$39	\$33	\$67	\$40	\$39	\$64

The Interest Rate Pressure Point

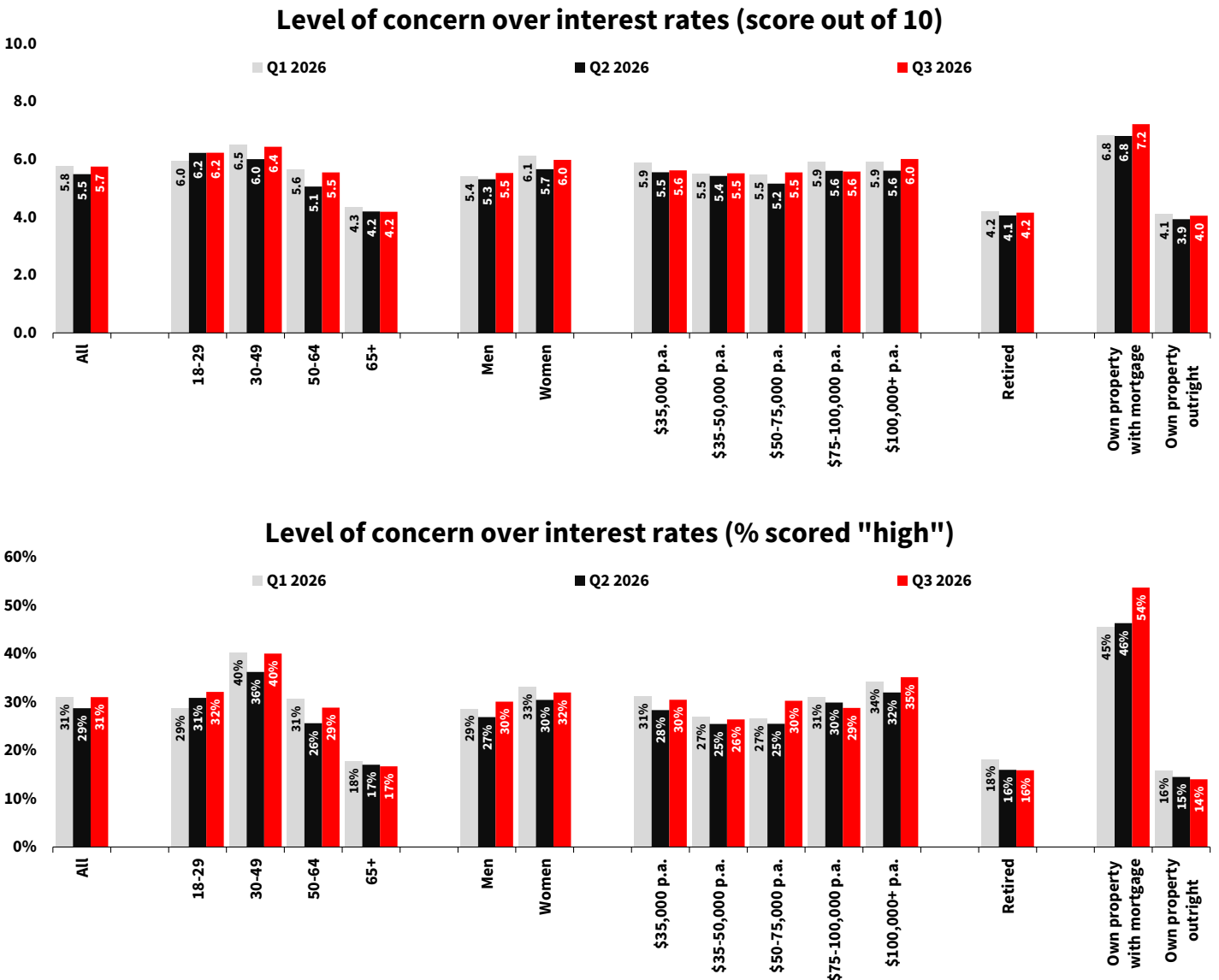
How interest rates are shaping household stress

Some pressures cannot be avoided by shopping around. Interest rates affect many households directly and reveal where financial stress persists even after consumers take practical steps to reduce expenses.

After cutting rates through 2025, taking the cash rate to 3.6% in August, renewed price pressures prompted the RBA to reverse course. It raised rates by 25 basis points in February and again in March, lifting the cash rate to 4.10%, before holding steady as it assessed persistently high inflation. Core inflation remains above the RBA's 2-3% target band and is expected to stay elevated through the rest of 2026, underpinned by domestic cost pressures and rising global energy prices. Attention is now turning to the RBA Board's next meeting on 29 September 2026, with financial markets pricing a strong chance of another increase. NAB also expects a 25 basis point hike in September.

Against this backdrop, consumers' concern about interest rates has remained elevated but broadly stable over the year to date. The average score eased from 5.8 out of 10 in Q1 to 5.5 in Q2, before rising to 5.7 in Q3. The share reporting high concern or stress (8 points and higher) followed the same pattern, dipping from 31% to 29% before returning to 31%. The Q3 rebound indicates that rate anxiety has not materially receded, with concern returning to around its level at the start of the year.

The strongest divide is by life stage and exposure to mortgage debt. In Q3, concern averaged 6.4 among 30-49 year olds and 6.2 among 18-29 year olds, compared with 5.5 for those aged 50-64 and 4.2 for those aged 65 and over. Four in 10 (40%) consumers aged 30-49 reported high stress, more than double the 17% among those aged 65 and over. Retirees were similarly less concerned, averaging 4.2, with 16% scoring high. Women also remained somewhat more concerned than men, averaging 6.0 compared with 5.5, although the gap in high concern was narrower at 32% versus 30%.



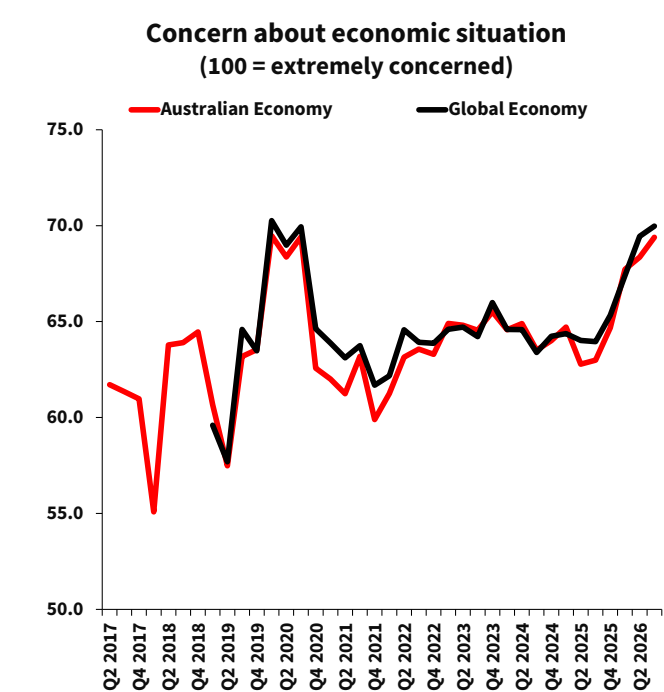
Income differences were less clear-cut. In Q3, average concern was lowest at 5.5 among those earning \$35-50,000 and \$50-75,000, and highest at 6.0 among those earning \$100,000 or more. High concern was also most common in the highest-income group at 35%. The absence of a simple income gradient reinforces that interest rate stress is more closely associated with exposure to debt and household commitments than with earnings alone.

That is clearest among mortgage holders. Their average concern climbed from 6.8 in both Q1 and Q2 to 7.2 in Q3, while the proportion reporting high stress rose from 45% in Q1 and 46% in Q2 to 54% in Q3. By contrast, outright owners averaged just 4.0 in Q3 and only 14% reported high concern. The result is a widening divide between households exposed to borrowing costs and those largely insulated from them. Interest rate stress is not evenly shared - it is intensifying where debt exposure is greatest.

The Wider Economic Mood

How consumers feel about the bigger picture

Concern has intensified materially over the past year. By Q3 2026, the average concern score for the Australian economy had risen to 69.4 out of 100, up 6.4 points from Q3 2025 and its highest level since Q3 2020. Concern about the global economy climbed to 70.0, 6.0 points higher than a year earlier and its highest level since Q1 2020. Both scores also edged up from Q2 2026, suggesting economic unease is not simply a short-lived reaction but an increasingly persistent influence on household decision-making.



The national averages, however, mask a widening regional divide. Concern about the Australian economy was highest in SA/NT, with a score of 74.8, well above the national result and 11.8 points higher than a year earlier. Tasmania also remained elevated at 70.1, despite easing from 72.3 in Q2. At the other end of the spectrum, Western Australia recorded the lowest domestic concern score at 66.9, although this too was higher than a year earlier. These differences may reflect varying exposure to local employment conditions, household costs and confidence in state economic prospects, but the broad-based rise shows that apprehension has strengthened across every region.

Global conditions are adding another layer of caution. Concern about the world economy was highest in SA/NT at 73.3 and Queensland at 71.2, while Western Australia was again lowest at 68.3. Tasmania stands out for a sharp quarterly fall in its score, from 73.9 to 67.7, although it remains above its Q3 2025 level. Across most regions, average concern about the global economy was slightly higher than concern about Australia’s economy, indicating that international uncertainty is reinforcing, rather than replacing, domestic worries.

Concern scores near 70 for both domestic and global conditions point to a defensive mindset likely to favour savings, scrutiny of discretionary purchases and delayed commitments until confidence in the broader outlook improves.

Concern about economic situation (100 = extremely concerned)

	Australian Economy	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Q3 2025	63.0	62.8	62.0	64.7	62.6	63.0	64.9
Q2 2026	68.4	66.9	68.8	70.0	64.7	72.8	72.3
Q3 2026	69.4	68.4	69.7	69.7	66.9	74.8	70.1

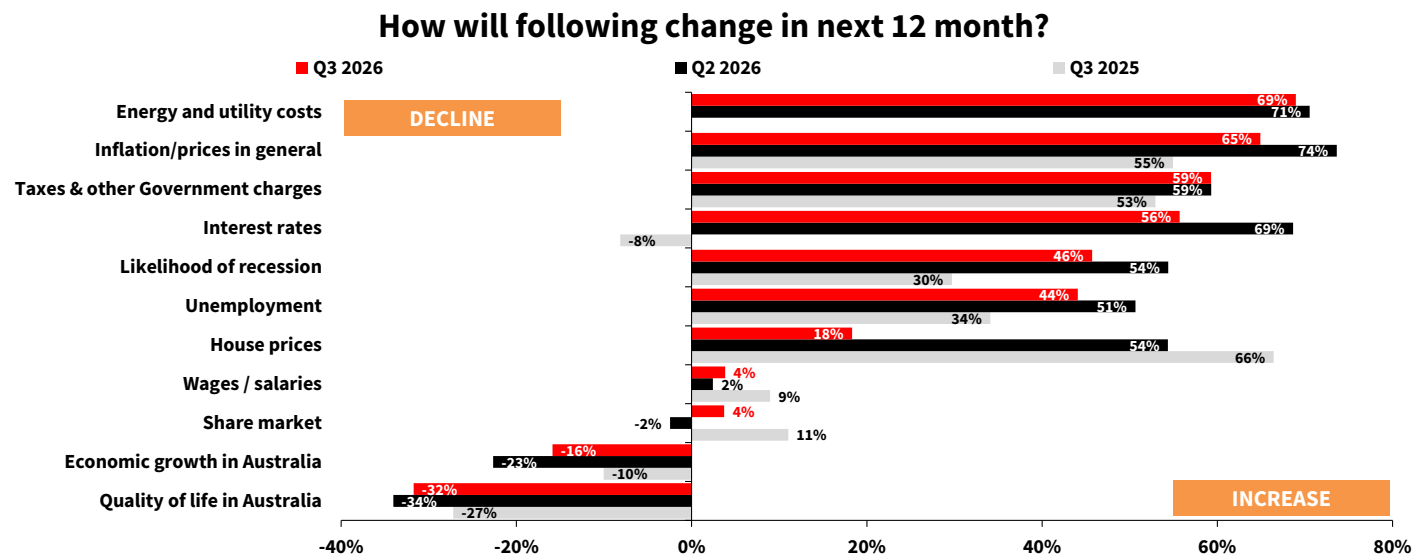
	Global economy	NSW/ACT	VIC	QLD	WA	SA/NT	TAS
Q3 2025	64.0	64.0	63.5	65.0	63.3	64.0	63.3
Q2 2026	69.4	68.6	69.9	70.3	65.8	73.3	73.9
Q3 2026	70.0	68.7	70.5	71.2	68.3	73.3	67.7

The Year Ahead View

What Australians expect from the next 12 months

The next 12 months look less threatening to consumers than they did in Q2, although optimism remains elusive. Expectations for economic growth improved from a net -23% to -16%, while the quality of life outlook edged up from -34% to -32%. Both remain negative, but the deterioration in sentiment appears to be easing.

That improvement is most visible in perceptions of major economic risks. Expectations of higher interest rates fell from 69% to 56%, anticipated unemployment increases eased from 51% to 44%, and the perceived likelihood of recession declined from 54% to 46%. Sentiment towards the share market also returned to positive territory, moving from -2% to +4%.



Cost pressures remain central to the household outlook, although some have moderated. A net 65% expect inflation and prices to rise, down from 74% in Q2 2026, while 69% anticipate higher energy and utility costs, compared with 71%. Expectations for wages and salaries also improved from 2% to 4%. These shifts are modest, and the 59% expecting higher taxes and other government charges is unchanged, but they offer some signs that the intensity of household pressure may be easing.

Housing expectations have also reset substantially. A net 18% expect house prices to rise, down from 54% in Q2 2026 and 66% in Q3 2025. For prospective buyers, this slower expected growth may provide some relief from the rapid escalation in prices that had previously shaped the market outlook, even as it presents a more subdued wealth signal for existing owners.

The outlook is therefore improving from a low base. Easing concerns about recession, unemployment, interest rates and inflation provide a firmer foundation for confidence but living-cost expectations still outpace wages. A sustained recovery will depend on that gap narrowing.

How will the following change in the next 12 months (net balance): Q3 2026

	NSW	VIC	QLD	SA	ACT	WA	TAS	18-29	30-49	50-64	65+	Men	Women	Lower income	Higher income
Energy & utility costs	71%	66%	71%	79%	63%	64%	66%	69%	66%	73%	58%	63%	77%	82%	65%
Inflation/prices	64%	64%	70%	69%	64%	59%	59%	62%	69%	75%	58%	62%	69%	74%	60%
Taxes/Govt charges	54%	62%	63%	63%	64%	60%	63%	59%	56%	68%	53%	56%	64%	68%	55%
Interest rates	54%	59%	58%	62%	50%	47%	57%	55%	56%	61%	49%	55%	63%	56%	49%
Recession	39%	52%	51%	52%	36%	42%	34%	44%	43%	58%	41%	45%	54%	44%	41%
Unemployment	43%	46%	47%	47%	54%	38%	46%	44%	45%	45%	38%	45%	48%	45%	39%
House prices	14%	14%	27%	25%	8%	19%	23%	16%	25%	19%	52%	26%	-5%	-6%	13%
Wages/salaries	5%	1%	6%	7%	-11%	1%	4%	4%	5%	2%	10%	3%	-4%	7%	7%
Share market	6%	0%	4%	11%	-2%	3%	-14%	2%	8%	5%	15%	5%	-6%	-1%	8%
Economic growth	-12%	-21%	-19%	-20%	-17%	-13%	5%	-17%	-11%	-17%	0%	-9%	-28%	-32%	-13%
Quality of life in AUS	-26%	-38%	-35%	-31%	-37%	-31%	-15%	-32%	-30%	-36%	-22%	-26%	-44%	-40%	-29%

The headline result masks marked differences across groups. By geography, cost expectations are elevated nationwide, but the mix varies. South Australia records the strongest upward net balance for energy and utility costs (+79%), while Queensland leads on inflation (+70%). Victoria and South Australia have the strongest upward balances for recession (+52% each), just ahead of Queensland (+51%). More positive signals emerge elsewhere. House price balances are highest in Queensland (+27%) and South Australia (+25%), while Tasmania is the only state positive on economic growth (+5%) and has the least negative balance for quality of life (-15%).

Age brings the clearest divide. People aged 50-64 record the strongest upward balances for inflation (+75%), taxes and government charges (+68%), interest rates (+61%) and recession (+58%), alongside the most negative balance for quality of life (-36%). Those aged 65 and over show greater resilience - they are neutral on economic growth, have the lowest energy and inflation balances (+58% each), and are the most positive about house prices (+52%) and the share market (+15%). Younger groups sit between these positions, with high cost expectations but a less negative growth outlook than the 50-64 cohort.

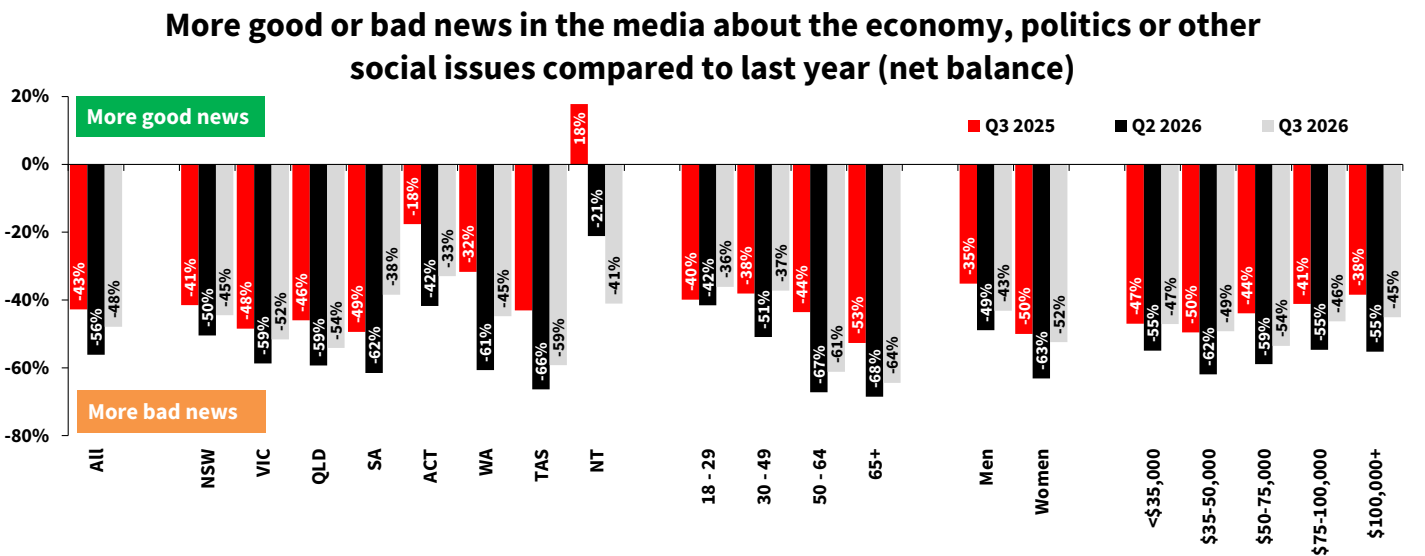
The gender gap spans most measures. Women record larger upward balances than men for energy costs (+77% versus +63%), inflation (+69% versus +62%), interest rates (+63% versus +55%) and recession (+54% versus +45%). They are also more negative on economic growth (-28% versus -9%) and quality of life (-44% versus -26%) and are the only gender cohort with negative balances for wages (-4%), house prices (-5%) and the share market (-6%). The pattern points to a distinctly weaker outlook among women across costs, incomes, growth and assets.

Income also sharply shapes expectations. Lower-income earners record stronger upward balances than higher-income earners for energy costs (+82% versus +65%), inflation (+74% versus +60%) and taxes and government charges (+68% versus +55%). They are also more negative on economic growth (-32% versus -13%) and quality of life (-40% versus -29%) and have negative balances for house prices (-6%) and the share market (-1%). Higher-income earners are positive on both asset measures (+13% and +8%), underscoring the more challenging outlook among lower-income households.

The Sentiment Backdrop

How the media mood is colouring confidence

The news backdrop is becoming less negative - but consumers still see bad news outweighing good. Across all Australians, the net balance improved to -48% in Q3 2026 from -56% in Q2, meaning the gap between those seeing more good news and those seeing more bad news narrowed by 8 percentage points. Even so, the result remains 5 points weaker than a year earlier (-43%), showing that the latest improvement is best read as a partial recovery rather than a decisive shift in the national mood.



The national improvement was broad but far from uniform. South Australia recorded the strongest turnaround, rising 24 points from -62% to -38%, while Western Australia improved 16 points to -45%. The ACT also strengthened to -33%, and NSW to -45%. Victoria (-52%) and Queensland (-54%) improved more modestly and remained among the more negative larger states, while Tasmania was the most downbeat overall at -59%. The Northern Territory moved against the broader trend, deteriorating 20 points to -41% - given the smaller population base, this result should be interpreted with care. Compared with Q3 2025, all jurisdictions except South Australia remained weaker, with South Australia 11 points better than a year earlier.

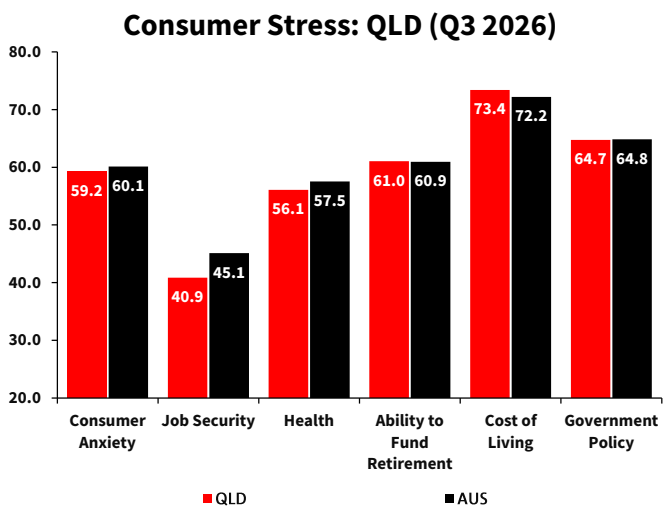
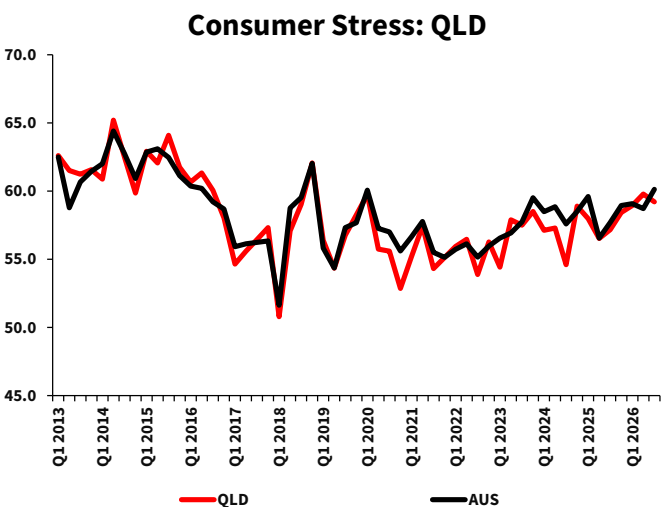
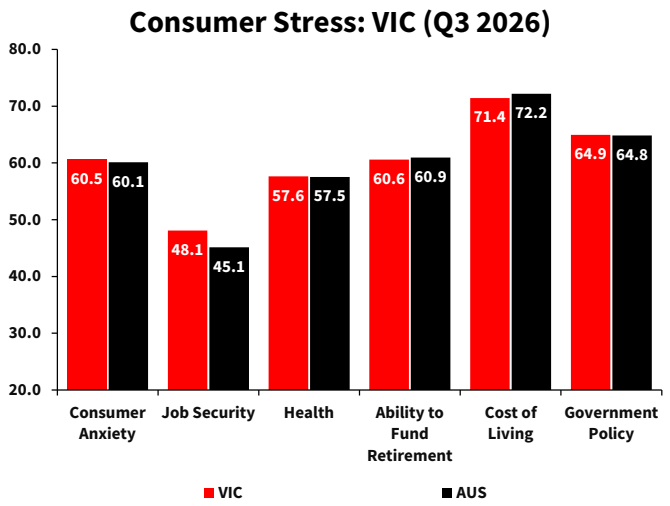
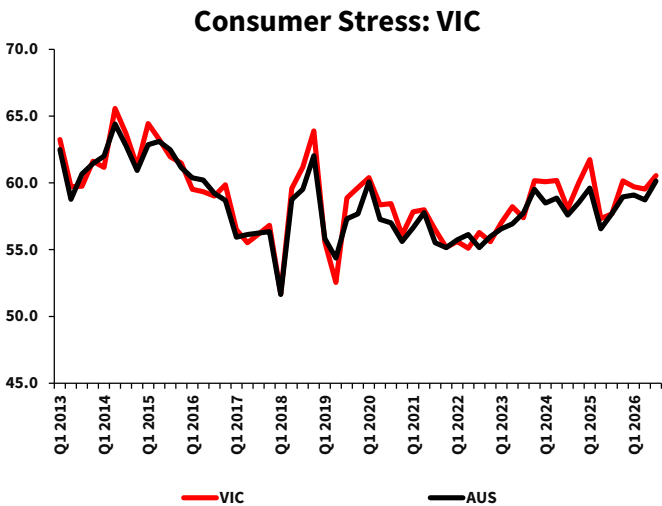
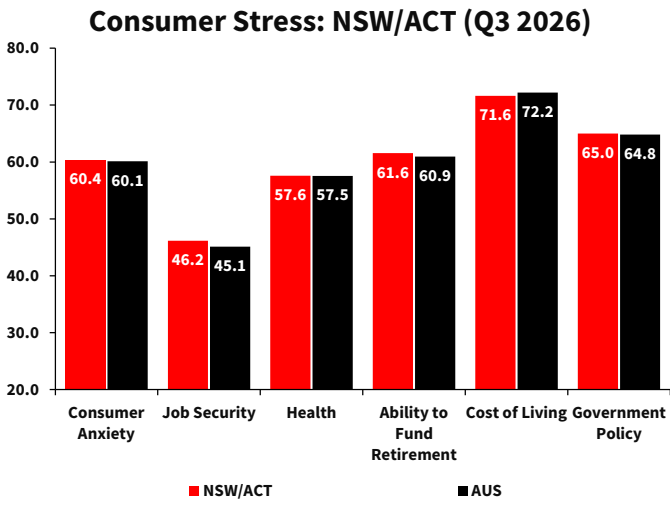
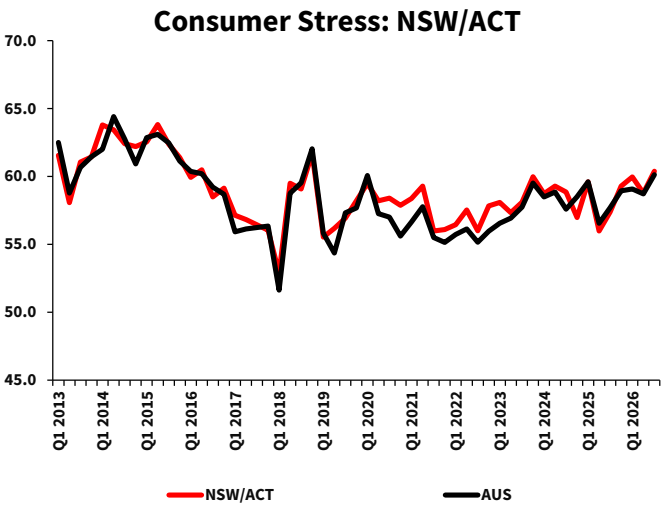
The sharpest divide is generational. Consumers aged 18-29 (-36%) and 30-49 (-37%) were the least negative, with the latter improving 14 points over the quarter and returning to around its Q3 2025 level. By contrast, consumers aged 50-64 (-61%) and

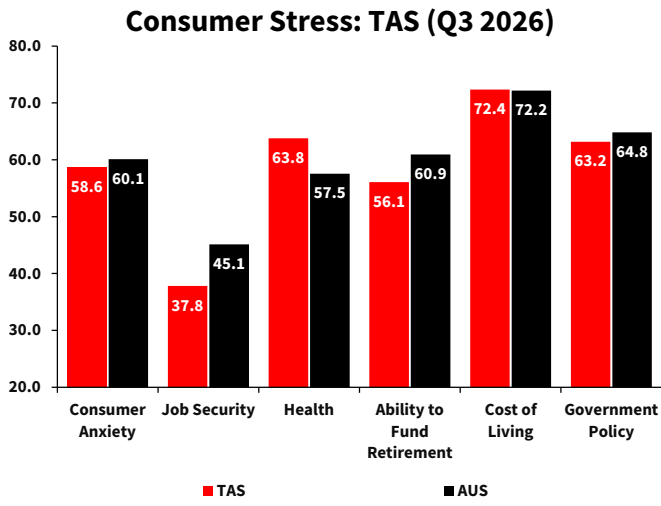
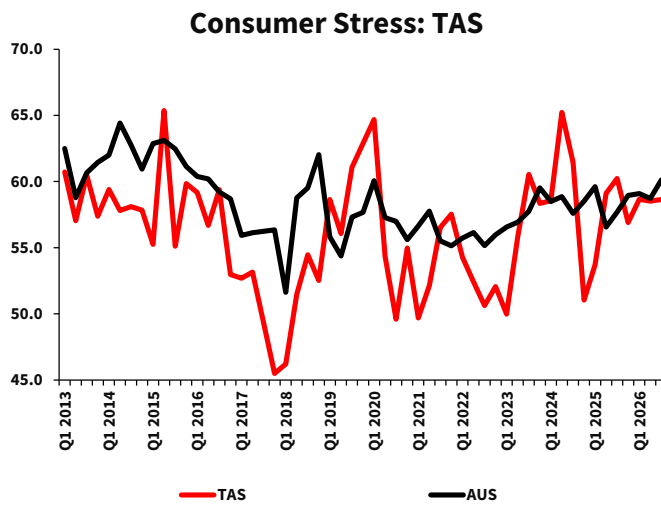
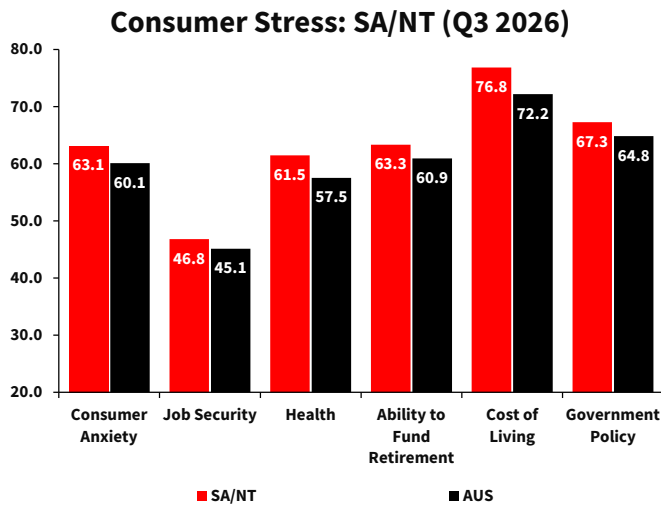
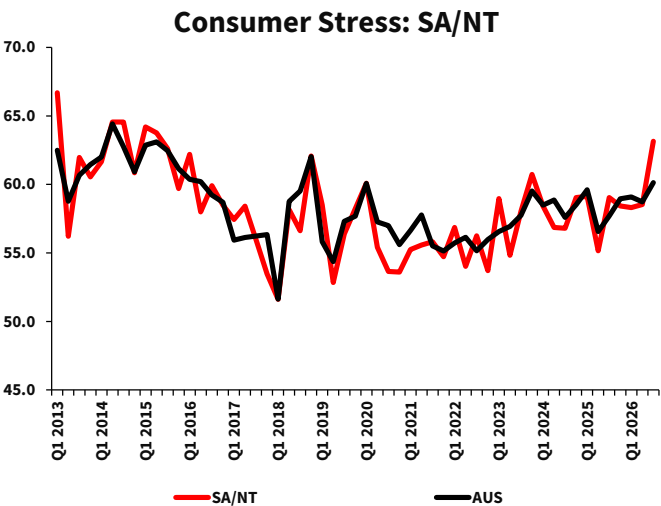
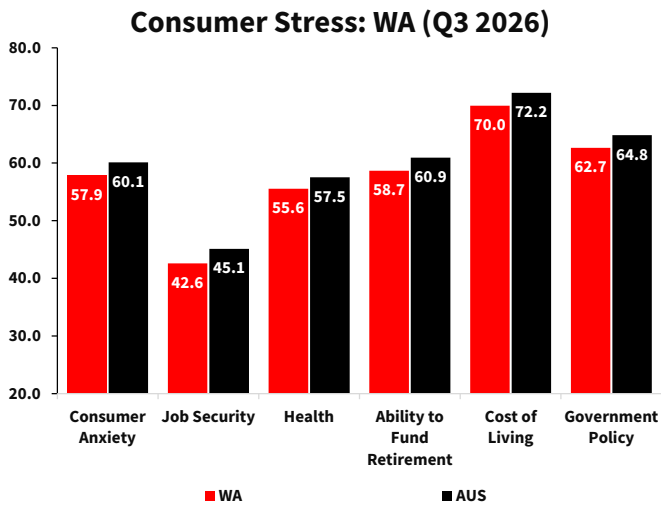
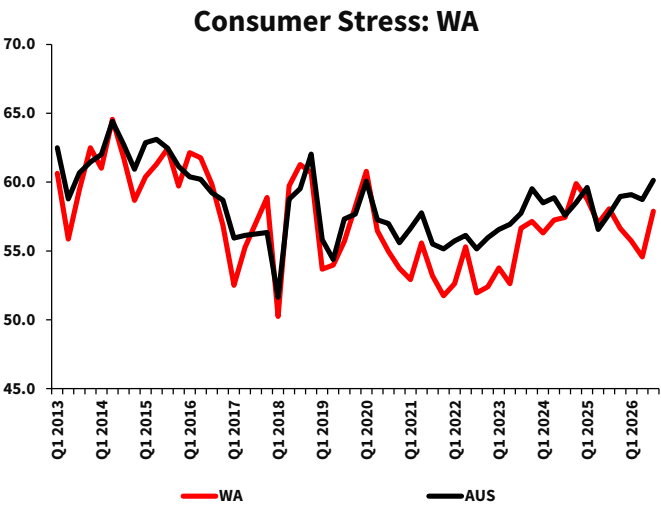
65 and over (-64%) remained deeply pessimistic despite modest quarterly gains. Both older groups were also substantially weaker than a year earlier, leaving a 28-point gap between the youngest and oldest Australians. This suggests the media environment is being filtered through very different life-stage perspectives, with older consumers seeing a considerably darker backdrop.

Perceptions improved among men and women, but the gap between them persists. Men improved 6 points to -43%, while women improved 11 points to -52%. Women therefore remained 9 points more negative than men and were still slightly below their Q3 2025 result (-50%). While the quarterly narrowing is constructive, the data indicates women continue to perceive a more adverse news environment.

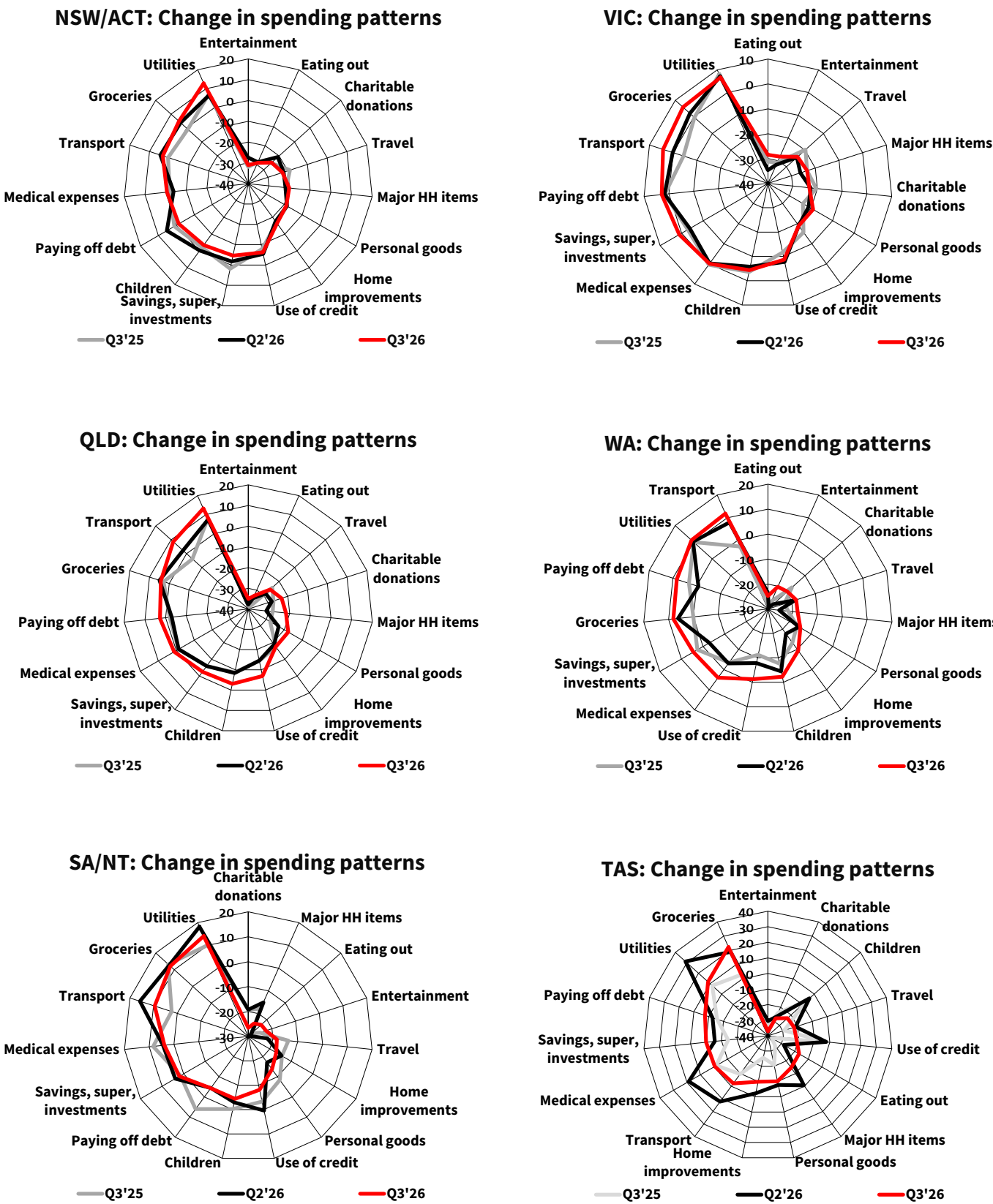
Sentiment improved across almost every income band, although there is no simple progression from low to high income. Consumers earning under \$35,000 returned to their year-earlier level at -47%, while those on \$35-50,000 posted the largest quarterly improvement, rising 13 points to -49%. The \$75-100,000 and \$100,000 and over groups also improved strongly to -46% and -45% respectively. In contrast, the \$50-75,000 group remained the most negative at -54% and was the only income cohort to slip below its Q3 2025 reading by a double-digit margin. Higher income appears to offer some insulation, but income alone does not determine how consumers interpret the news.

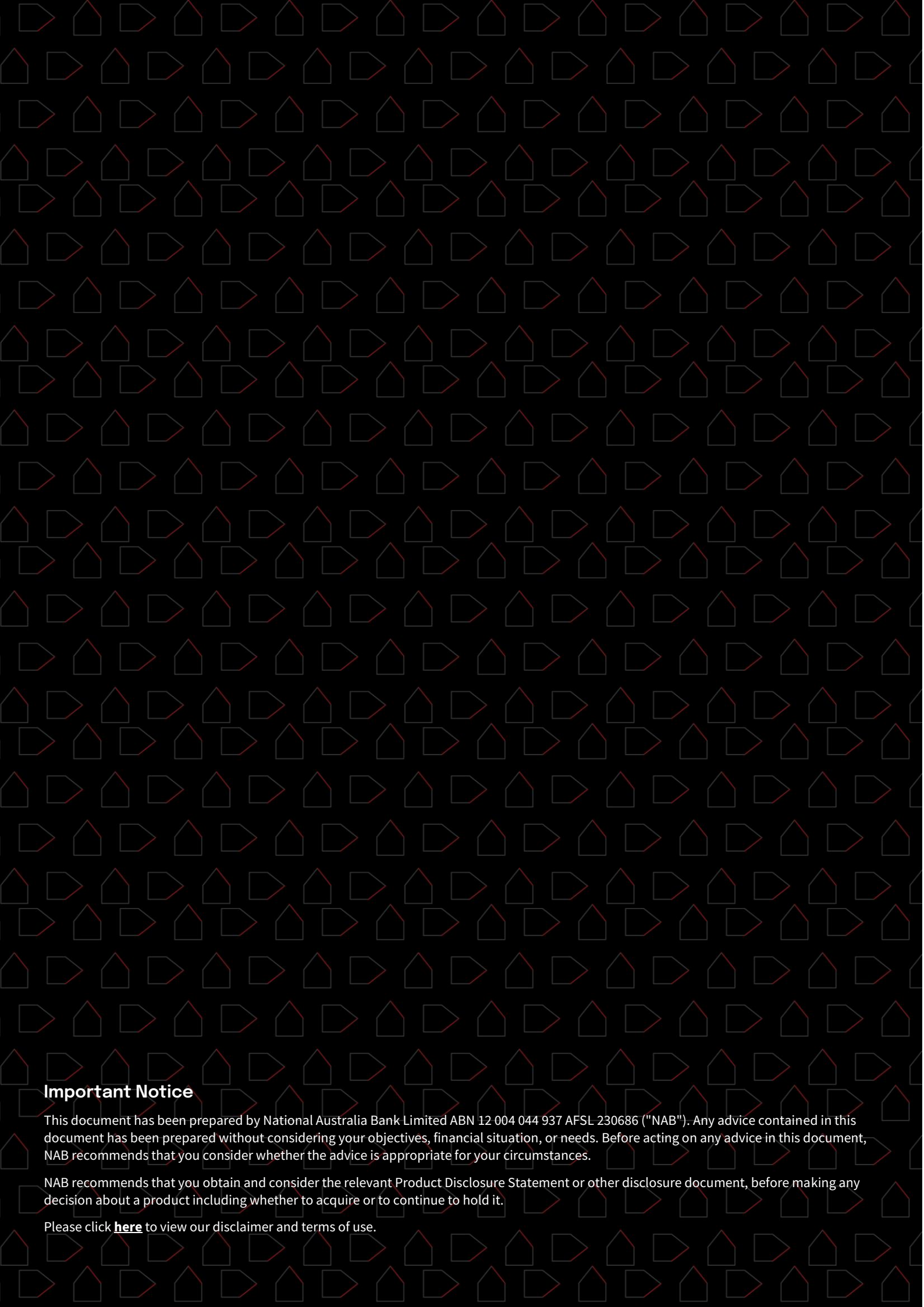
Appendix 1: Consumer Stress Index - States





Appendix 2: Future Change in Spending Patterns: States





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Authors

Dean Pearson
Head of Behavioural Economics
Dean.Pearson@nab.com.au
+61 0 457 517 342

Robert De Iure
Senior Economist
Behavioural Economics
Robert.De.Iure@nab.com.au
+61 0 477 723 769

Contact

nab.media@nab.com.au