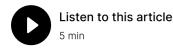
THE AGE

Business The economy Spending

See the spending changes in your area as cashstrapped Melburnians ditch dining out and movies



Gemma GrantOctober 7, 2024 — 5.00am



Forget going to a restaurant or visiting the cinema – Melburnians are choosing to save money and stay at home. The cost-of-living crisis is continuing to place pressure on households across the city, with data from Visa showing a decline in dining and entertainment spending.

Over a two-year period, every area of Melbourne recorded a drop in the average amount spent per person on dining. This included spending at restaurants and fast food outlets and on food deliveries through apps like UberEats.

On average, people in Greater Melbourne spent \$25 a week on dining between June 2023 and May 2024, a drop of 11 per cent compared with the previous period.

Use the interactive map below to see the change in dining spending among people who live in your area, and how much money people are spending each week on average.

Notable drops occurred in Maribyrnong, Brunswick-Coburg and Melbourne city, which all recorded more than a 15 per cent average decrease. The data covered a broader population than Visa cardholders.

Renter Liam Bleakley, 24, who lives in Carlton, has cut down on his dining spending. High prices have meant that he often opts to cook meals in bulk from supermarket-bought ingredients.



Liam Bleakley spends less on eating out. PENNY STEPHENS

"I don't really eat that much red meat any more because that's quite expensive. The only meat I really eat is chicken breast ... It's cheap. It's like 12 bucks a kilo," he said.

There has also been a decline in entertainment spending in Greater Melbourne. People are spending an average of 11 per cent – or \$163 – less a year.

This includes spending on sports clubs, golf club memberships, cinemas, live performances and entertainment centres.

The largest drops were recorded in Hobsons Bay (where spending fell 18 per cent) and Sunbury (17 per cent).

Use the interactive map below to see the change in entertainment spending among people who live in your area, and the average amount spent on entertainment.

The area of Bayside is a notable outlier. In this affluent part of Melbourne, average weekly spending on dining out was \$47, almost double the Greater Melbourne average.

According to 2020-21 data from the Australian Bureau of Statistics, residents of Bayside have the third-highest average annual personal income, at \$113,860 (compared with the Greater Melbourne average of \$72,612), and the third-highest average earning age (49).

However, between the two periods, they still spent less on dining out on average (9.8 per cent) and entertainment (10.5 per cent).

These figures are in line with wider economic trends, said Sam Tsiaplias, an associate professor in economics at the University of Melbourne.

"It makes sense that when you have cost-of-living pressures, usually households are going to substitute ... away from discretionary spending towards the necessities," he said. David Peacock, Visa Australia's head of consulting and analytics, said the data was based on depersonalised card transaction information, grouped together by area of residence. It was also run against government data on consumer habits to incorporate possible cash transactions that would not have shown up in card usage data.

"What this essentially means is that our data isn't just representative of Visa cardholders, but of the broader population," he said.

"Over the past two years, we have seen the rise in <u>inflation</u> outpace the growth in wages. As a result, consumers have had to increase the proportion of their income allocated to essential purchases, such as food and utilities, which results in a more significant decline in dining and entertainment spend."

Professor Gary Mortimer from the Queensland University of Technology Business School said households looking for cheaper alternatives had become increasingly common.

"Consumers still want to have a great experience. They want to entertain, but they're doing it now at home, which is substantially cheaper than doing it out of home," he said. "At the end of the day, consumers are more concerned about putting food on the table, paying their rent, more putting fuel in their car and paying their bills."

Use the interactive map below to see how much people living in regional Victoria are spending on dining and entertainment.

Some of the biggest drops in spending were recorded by those living in the inner city.

Mortimer said this was partially due to high rents.

Recent ABS data shows that the statistical areas of Melbourne city, Brunswick-Coburg and Maribyrnong all have significantly more households renting than the Victorian average of 28.5 per cent. All three areas also have higher average weekly rents than Victoria's median of \$370.

With higher rents in Melbourne's inner city, young people like Liam Bleakley are forced to make sacrifices when it comes to discretionary spending.

"A lot of that social catch-up stuff [does] happen at pubs... I would just prefer to have a barbecue at someone's place, rather than spending," he said.

"It's kind of sad to miss out ... My mum lived in Melbourne when she was growing up, and talking to her about some of the stuff that she was able to do on a student's budget ... it just seems like a night-and-day difference."

In order for discretionary spending to rise, Mortimer said, there needed to be change at a higher level.

"We need to see <u>interest rates</u> come down. That will then put more cash in people's pockets, and they'd be more willing to go out and spend it in the economy," he said.

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