

AUSTRALIA'S NEXT GROWTH MARKETS

Understanding the rise of regional cities
and towns



Australia's next growth markets aren't where most brands are looking.

Some of the country's **fastest-growing** and most **financially stable** audiences live outside the capitals.

Yet while marketing plans focus on metro areas, millions of consumers in regional cities and towns represent one of Australia's most overlooked opportunities for brands.



A quick clarification before we begin

For the majority of Australia's regional markets ...



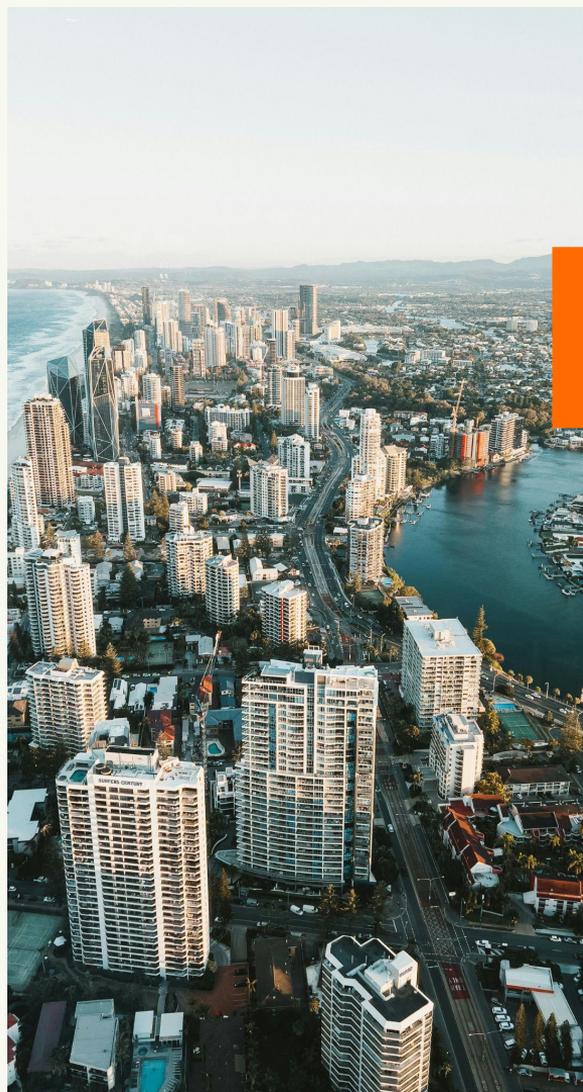
Regional \neq Rural



Regional Cities and Towns (CAT) Markets, are a major population centre.

Regional City and Town Markets are the areas that have a population of over **100,000**...

...but are outside the 5 capital cities.



15

areas in total

Including...

- Gold Coast
- Cairns
- Sunshine Coast
- Townsville
- Toowoomba
- Newcastle
- Central Coast
- Wollongong
- Geelong
- Ballarat
- Bendigo
- Albury/Wodonga
- Canberra
- Darwin
- Hobart

And they are much bigger than you might think...

Combined they are the **3rd largest** market in Australia.



These include some of the **fastest growing regions** in Australia, outpacing metro markets.

Population growth last 10 years



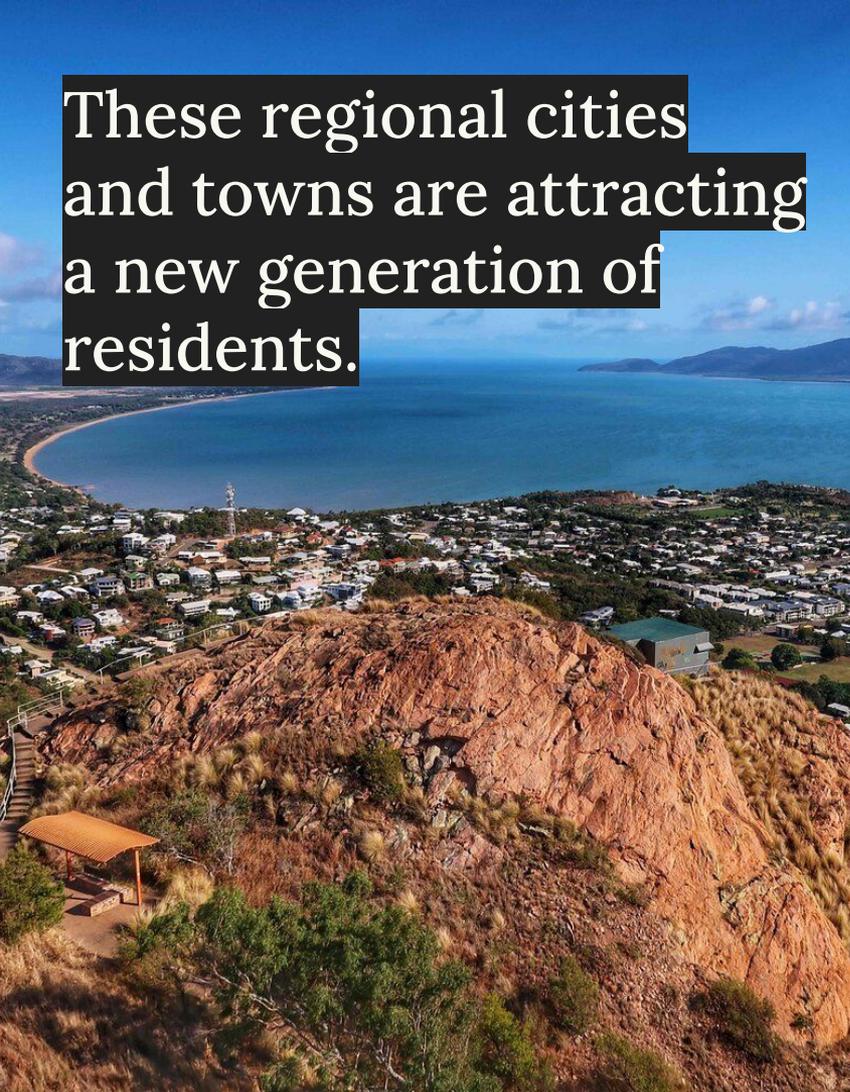
Geelong



Sunshine Coast



Gold Coast



These regional cities and towns are attracting a new generation of residents.

Growth is found in **unexpected places.**

A growing wave of high-earning families.

CAT Markets are attracting more financially secure, growing families with a noticeable lift in those with household incomes of \$150k or more. These areas are becoming hubs for younger families looking to build their future.

Professional workforce reshaping economy

Growth in white-collar employment is evident. Managers and professionals are increasing at a faster rate than other occupations, signalling a shift toward more skilled, knowledge-based workforces in these areas.

Increasing cultural diversity

Population growth in CAT Markets is being driven more by Australians born overseas than those born locally, particularly from regions such as Asia, Africa and the South Pacific.

Growth is set to outpace Sydney

By 2032, over 60K people are forecasted to move into these areas each year. In comparison, Sydney's annual growth is expected to be closer to 50K.

But there is more to regional cities
and towns than just their growing
populations...

BENDIGO

An aerial photograph of a coastal city, likely Christchurch, New Zealand. The city is densely packed with residential and commercial buildings, extending along a coastline. A prominent bridge spans across a large body of water, connecting different parts of the city. The water is a vibrant turquoise color, and there are sandy beaches visible. The sky is blue with scattered white clouds.

Residents are putting
down roots and investing
for their futures.

More likely to own a home

Home ownership is more common in CAT Markets than in the major capitals, reflecting greater affordability and appeal for buyers.

Growing desire to put down roots

Long-term home ownership is on the rise, with more people choosing to settle and invest in these regions.

Investing in their future

Total wealth might sit just below the national baseline, but the trajectory is shifting. With Super balances climbing at +13% QoQ, nearly 1.4x the national rate, and investments also growing faster than the average. This audience is focusing on the long term.

Lower income, but catching up

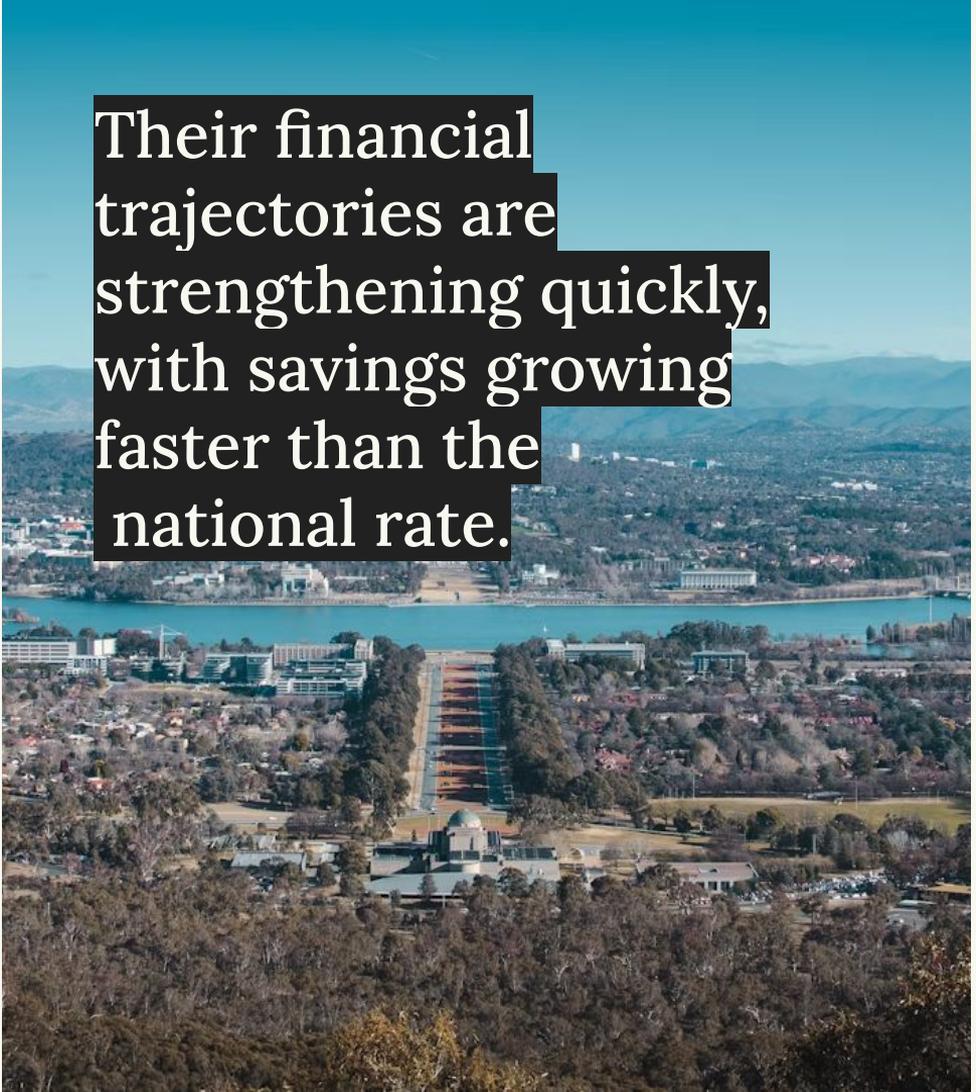
Household income is slightly below the national average, but growing faster year on year.

Smaller savings, but stronger growth

Savings are slightly lower but increasing 25% faster than the national rate (+3% vs +2.4% QoQ).

Significantly less debt

Average loan debt sits at \$396K, 17% below the national average and 26% lower than in the five capital cities.

An aerial photograph of a city, likely Canberra, Australia, showing a large blue lake in the middle ground, surrounded by green trees and buildings. In the background, there are rolling hills and mountains under a clear blue sky. The text is overlaid on a black rectangular background in the upper right portion of the image.

Their financial trajectories are strengthening quickly, with savings growing faster than the national rate.



Regional markets are just as active, connected and purchase-ready as metro Australia.

Purchase-ready across key categories

Just as likely as metro Australians to be purchase ready, equally planning a trip in the next year and to be in the market for a car.

Digitally active and e-commerce engaged

They match the 5 metro audiences in online shopping and use of marketplaces like eBay and Gumtree, and also for online grocery shopping.

Confidence and values in line with the mainstream

Their consumer confidence, financial outlook, and political views closely mirror those in metro areas.

And they are feeling **more content**
with their lives...

High Satisfaction

In their family life, relationships
and time for leisure and
entertainment

62%

Are feeling optimistic about the
future

1 in 4

Feel content, which is the most
common emotion (24%) saying it
best describes how they feel,
higher than metro Australians

This higher satisfaction and
confidence is correlated to higher
intention to purchase.

So how can brands win with these growth audiences?

In regional markets, brand trust is built through visible local participation.



Brands need to become part of the community, in order to connect with this highly engaged audience.



Tuned in to local life.

They are more likely than metro audiences to consume local community news and updates. They stay connected to what's happening in their area.

Proud, but not blind to the problems.

They rate their local area highly for natural beauty, the social scene, and traffic, but are more critical of housing affordability, crime, and healthcare than metro Australians.

Expect more from brands.

60% believe brands should actively engage in the issues that matter to them. Yet nearly half feel brands are falling short.

They want brands to take a stand on the issues that matter most to them...

Top issues they want brands to advocate for

#1

Cost of living

Strong concern around rising essential expenses; they want brands to advocate for affordability and support those most affected.

#2

Environmental sustainability

Especially focused on conservation and resource management, with expectations for brands to help influence policy and lead by example.

#3

Relationships & equality

From domestic violence prevention to broader inclusion, they want brands to listen to communities and invest in meaningful social impact.



CAT Market residents prioritise trust over trends. They show strong brand loyalty to brands they trust, creating a powerful opportunity for businesses to build lasting connections.

Doing so can deliver outsized returns in consumer trust.

71%

have **favourite brands** for most things they buy and they stick with them (+10.3% YoY).

But they're not brand snobs. They're **11% less likely** than capital city dwellers to **buy based on the label alone**.

So how can you take the opportunity with this key audience?

Let's take a look at how CAT market consumers show up in two key categories that drive growth. Retail and travel.



Retail shopping behaviours are on par with those of metro consumers

Purchased in the last 3 months



Beauty products lead

35% of regional Aussies bought skincare, haircare, fragrance or cosmetics in the past three months – only slightly behind metro (40%).

New clothes or accessories

Were purchased by 27% of regionals, only a little lower than metro's 33%.

Small appliances

Such as air fryers or coffee machines were next at 18%, close to metro's 20%.

Furniture and major appliances

Both sit around 12%–13%, virtually on par with metro audiences.

Bigger ticket items remain low

7% purchased a vehicle and 3% bought property, essentially the same as metro.



Active consideration for purchasing

Technology tops regional wish-lists:

- 14% are actively planning to purchase or upgrade a technology device (metro 19%).
- 15% are considering a personal tech upgrade like a new phone or smartwatch (metro 20%).

Household goods show steady demand:

- 14% planning to buy small appliances (metro 19%).
- 13% considering new furniture or home décor (metro 17%).
- 11% looking at major appliances (metro 15%).

Fashion & beauty intentions moderate:

- 13% plan to buy new clothes or accessories (metro 18%).
- 10% intend to buy beauty products (metro 14%).

Big purchases remain niche:

- 12% are considering a vehicle (metro 16%).
- 8% are considering buying property (metro 12%).

Regional markets deliver higher penetration for multiple national retailers



Supermarkets

Regional Australians are highly engaged with the major grocery chains. Woolworths (44%) is the top destination, followed by Coles (35%) and ALDI (13%).

IGA (6%) is the key regional differentiator, with double the metro rate, showing the stronger role of locally-positioned supermarkets outside the cities.



Value & home improvement

Regional shoppers are especially active in large-format and discount chains.

Bunnings Warehouse (54% vs 46% metro) leads comfortably, with Big W (53% vs 48% metro) and Kmart (54% vs 51% metro) close behind.



Discount & online variety stores:

Reject Shop (26% vs 18% metro) and Temu (23% vs 17% metro) and eBay (29% vs 23% metro) attract a notably larger share of regional shoppers.



Home Retail & specialty stores:

Harvey Norman (11%), Spotlight (11%), Mitre 10 (10%) and Anaconda (6%) all also record higher regional penetration when compared to metro.

Regional CAT markets have strong intent to **travel**, particularly within Australia

72%

intend to take a trip in the next 12 months.

Of these, almost 2.5 million (56%) say their next trip will be **within Australia**, while 7% (302k) are planning an overseas trip, and 8% (362k) have not yet chosen a destination.

- They are more likely than metro Australians to **travel within their own state** (40% vs 38%), and 40% intend to **travel outside their home state**.
- NSW and QLD are particularly popular for interstate CAT residents, with 17% and 13% respectively planning to visit (compared to 11% and 12% of metro travellers respectively).



Overseas Travel Is a Smaller Segment

Among the those who plan to travel overseas N12M, some of the most common intended destinations are:

1. New Zealand – 94k
2. UK – 29k
3. US – 26k
4. Japan – 24k
5. Bali – 21k



Recent Trip Types

- In the past year, the most common types of trips were:
 - **Road trip** – 56%
 - **Theme parks/attractions** – 41%
 - **Hop & flop** (relaxation holiday) – 37%



Future Aspirations

- Looking ahead, **cruising stands out**: while only **21%** have taken a cruise recently, **67%** say they would consider one in the future.
- Other experiences with strong future interest are **wellness retreats (41%) luxury, no expense spared trip (40%)** and **hop & flop holidays (37%)**.

How regional travellers see themselves

41%

describe themselves as **"In control"** travellers preferring to plan ahead and know what to expect.

38%

describe their style as **"Peaceful"**, looking for rest and escape.

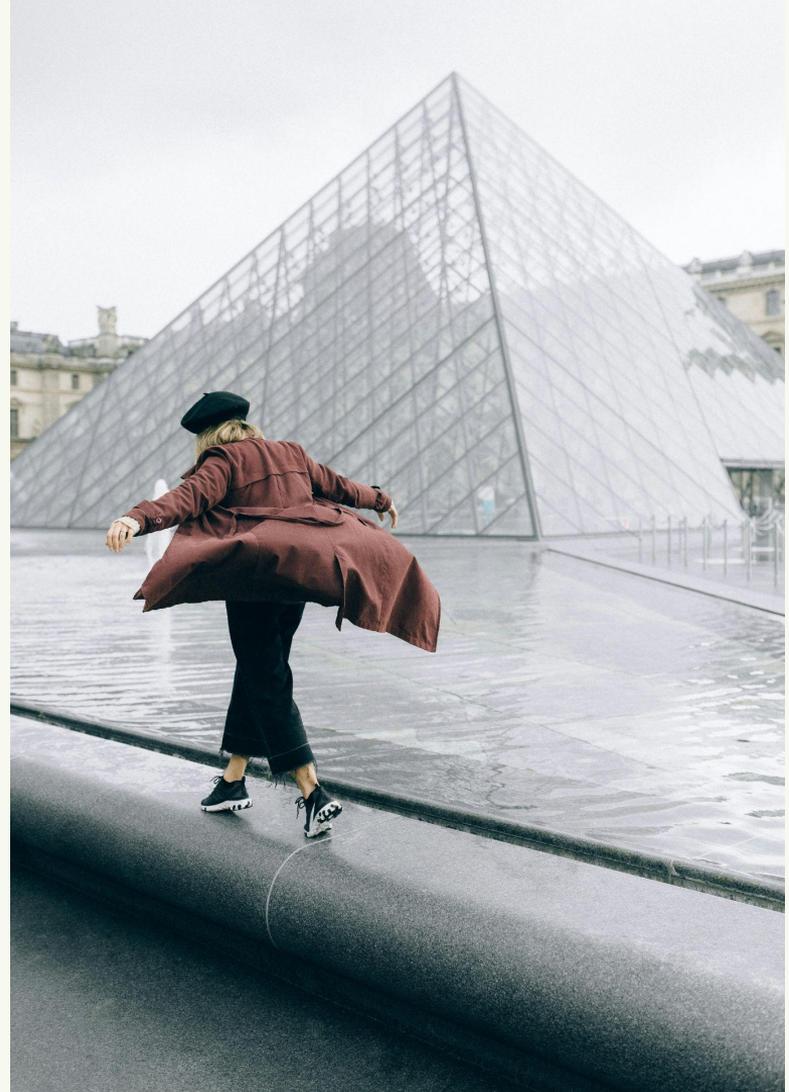
35%

identify as **"Exploratory"** enjoying discovery and trying new things.

Sources of Travel Inspiration and Planning

The most common sources of information when planning a trip are:

1. Friends & family – **44%**
2. Booking platforms – **33%**
3. Travel review websites – **26%**.



Win the growth markets others are missing

1.

Show up locally, not just nationally

Build trust through visible participation in community life.

2.

Don't reinvent. Reinforce.

The fastest path to growth is proving you're worth sticking with. These audiences reward consistency with long-term loyalty.

3.

Align to what matters most

Brands that engage in real issues like cost of living, environment and community will unlock disproportionate trust and growth

Methodology and market definition

Methodology details

All data in this report has been sourced from either:

- News Corp's GIC Lighthouse Consumer Sentiment Tracker*, with data collected from February 2025-February 2026
- Roy Morgan Single Source Australia, Roy Morgan iris; Jan 2025 - Dec 2025. Cities and Towns with a population over 100k (excl SA and WA).

*The Lighthouse consumer sentiment tracking capability has been designed to provide NCA with exclusive insights on what Australians are thinking and doing, through a 25 minute online survey with n=2,500 Australians are surveyed each month,

CAT Market definition.

CAT Markets are the areas that have a population of over 100,000 but are outside the 5 major capital cities. These areas include:

Gold Coast	Wollongong	Toowoomba
Newcastle/Maitland area	Geelong	Darwin
Canberra	Hobart	Ballarat
Sunshine Coast	Townsville	Bendigo
Central Coast	Cairns	Albury/Wodonga

An aerial photograph of a suburban neighborhood. The houses are densely packed, with various roof colors including brown, grey, and blue. Many houses have swimming pools in their backyards. The area is surrounded by lush green trees and lawns. The overall scene is a typical residential area.

Want to know more?

Ready to unlock the growth potential of your brand? Good, so are we.

The Growth Distillery pulls marketers out of chaos and cuts through the clutter, providing the 'need to know' of consumer behaviour.

www.thegrowthdistillery.com.au