Whether it be transport, housing, entertainment or food, the cost of living is at the forefront of everyone's mind. This report is the fifth instalment of a monthly series that aims to compare the prices of every day essentials.

RACQ has commissioned this research from Deloitte Access Economics. As Queensland's peak motoring body, RACQ will use the data to advocate for its 1.6 million members. This may involve questioning discrepancies in cost or celebrating fair prices.

The fifth report in this series focusses on the cost of Christmas.

RACQ hopes to better educate Queenslanders through this research, allowing families to recognise where they must allocate funds. The research will be made publically available on RACQ's website so that Queenslanders can access the information most relevant to them and their every day expenses.
Holidays – Christmas cheer

It’s the most wonderful time of the year, and one of the most expensive. As the festive season begins, Queenslanders are preparing to buy gifts, host parties and celebrate with loved ones. All of these festivities come at a cost and are considered in this December 2016 Cost of Living report.

Queensland shoppers love Christmas and are expected to spend $9.7 billion in retail stores in the six week lead up to Christmas.

Queenslanders plan to spend $779 on average over the Christmas period.

Queenslanders are known for their generosity and the festive season is no different. **Queenslanders spend over half of their Christmas budget on Christmas gifts for others.**

**Over half of Queenslanders’ Christmas expenditure is spent on gifts for others.**

<table>
<thead>
<tr>
<th>Christmas giving</th>
<th>Christmas holidays</th>
<th>Boxing Day sales</th>
<th>Entertaining friends and family at home</th>
<th>Christmas food and drink at home</th>
<th>Christmas food and drink out of home</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>17%</td>
<td>13%</td>
<td>9%</td>
<td>5%</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Popular toys for Christmas 2016**

<table>
<thead>
<tr>
<th>Toy</th>
<th>Average Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bike (50cm)</td>
<td>$179</td>
</tr>
<tr>
<td>Barbie Star Light Adventure</td>
<td>$29</td>
</tr>
<tr>
<td>Popcorn maker</td>
<td>$11</td>
</tr>
<tr>
<td>LEGO City Police Patrol Boat</td>
<td>$49</td>
</tr>
<tr>
<td>Nerf N-Strike Elite HyperFire</td>
<td>$72</td>
</tr>
<tr>
<td>Furreal Friends Bootsie</td>
<td>$74</td>
</tr>
</tbody>
</table>

**Source:** Commonwealth Bank, Survey of Australian consumers Christmas spending 2014

Note: The average costs were calculated considering discount retail stores such as Target and Kmart, and department stores such as Myer. Several stores were considered in the calculations.
Queenslanders love entertaining family and friends, but it can become quite costly for many families as the festive season begins. Depending on what you are after, the average Christmas Tree can set you back anywhere between $60 to $224. The good news for Queenslanders? There are plenty of trees to choose from and you can pick a price that suits your budget.

Note: Standard Christmas tree considered ranges between 183cm and 200cm. The average costs were calculated considering discount retail stores such as Target and Kmart, and department stores such as Myer. Several stores were considered in the calculations.
The cost of Christmas lunch

Christmas lunch is arguably one of the best meals of the year, but it can become a costly affair. While some choose to spend big for quality and to shop locally, the essentials for a Christmas lunch can be purchased without breaking the bank.

<table>
<thead>
<tr>
<th>Christmas lunch essentials</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half leg of ham (4.2kg)</td>
<td>$34</td>
</tr>
<tr>
<td>Frozen whole turkey (3.9kg)</td>
<td>$42</td>
</tr>
<tr>
<td>Boneless pork leg (1.6kg)</td>
<td>$16</td>
</tr>
<tr>
<td>Large cooked Tiger Prawns, frozen (1kg)</td>
<td>$30</td>
</tr>
<tr>
<td>Christmas crackers (10pk)</td>
<td>$8</td>
</tr>
<tr>
<td>Christmas pudding (0.7kg)</td>
<td>$4</td>
</tr>
<tr>
<td>Fruit mince pies (6pk)</td>
<td>$3</td>
</tr>
</tbody>
</table>

Source: Commonwealth Bank, Survey of Australian consumers Christmas spending - December 2014
Note: The grocery prices were averages amongst Woolworths and Coles as they hold a substantial amount of market share.
Paying for Christmas

Despite Christmas being an expensive time for families, only 57 per cent of us budget for the Christmas period.

In the absence of planning for the extra spending, families have to increase their credit card debt to cover Christmas.

While this isn’t always ideal, the Christmas debt hangover usually doesn’t last too long into the new year, with the majority paying off credit card debt quickly.

How Christmas is paid for

- 60% Savings
- 20% Credit card
- 10% Layby
- 10% Other

Source: ASIC MoneySmart 2014

Note: Other includes those who used borrowed money from family and friends, work bonuses and/or their tax refund.

80% of families will pay off the Christmas credit card debt within three months.
Of the cost conscious **Aussies who budget for Christmas nearly 1 in 5 do not stick to it** and on average overspend by $284.

To avoid overspending, get in early. The Deloitte Retailer’s Christmas survey 2016 revealed that despite the lure of boxing day sales, **most Christmas discounts will be delivered before Christmas day** by retailers who have planned their sales.

### When do retailers expect to discount around Christmas?

- **Early December**: 33%
- **27-29th December**: 13%
- **30th December - 2nd January**: 2%
- **20-25th December**: 13%
- **No discounting**: 17%
- **Undecided**: 22%

Limitation of our work

General use restriction

This report is prepared for the use of RACQ. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose of estimating the cost of living Queensland. You should not refer to or use our name or the advice for any other purpose.
General information only
This presentation contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively the “Deloitte Network”) is, by means of this presentation, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this presentation.

About Deloitte
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.
Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

About Deloitte Australia
In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia’s leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our website at www.deloitte.com.au.

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Touche Tohmatsu Limited
© 2016 Deloitte Access Economics Pty Ltd