

Household Spending March 2026

Overview

Household spending rose by a seasonally adjusted 1.6% in nominal terms in March. This increase was slightly smaller than the 1.8% expected by the market, but still the strongest since October 2022.

Annual growth in nominal household spending accelerated to a near three-year high of 6.3%.

The March gain was concentrated in goods (+2.9%), while services ticked up by only 0.1%. Moreover, discretionary items underperformed, with a 0.6% gain, while essential items rose by 3.4%.

Seasonally Adjusted, %	MoM	YoY
Goods	2.9	5.8
Services	0.1	6.9
Discretionary	0.6	5.3
Non-discretionary	3.4	8.1
Total	1.6	6.3

Taking out the price impact, household spending rose by a moderate 0.7% in Q1, to be up by 2.8% YoY.

Industry Groups

The strongest nominal increase in March was unsurprisingly recorded for transport (5.1%). This reflected a 32.8% surge in automotive fuel prices, while fuel purchase volumes ebbed by 1.3% in March, according to experimental estimates by the ABS.

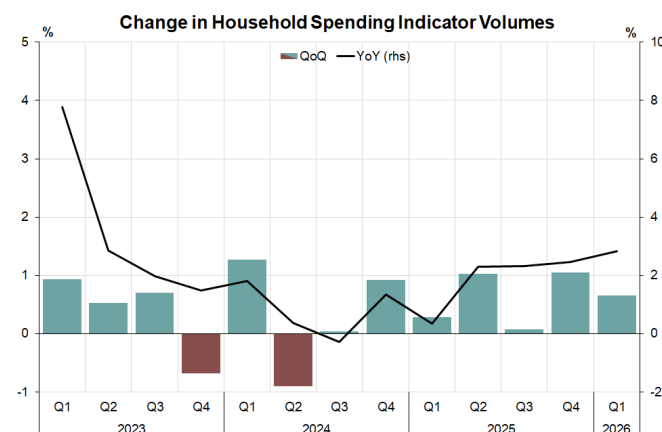
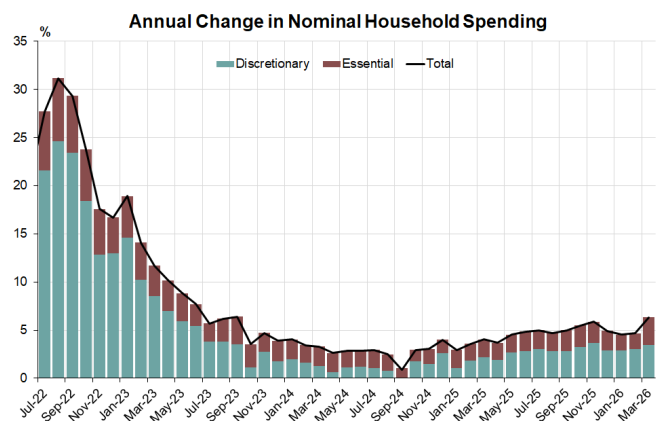
Regardless of the above gain, transport still led the increases in real terms in Q1, which may have been due to more use of fuel amid low prices ahead of the conflict. Most spending categories managed to increase in Q1 in real terms, though there were declines in discretionary clothing and footwear (-0.1% QoQ), while hotels, restaurants and takeaway services, as well as furnishings and household equipment were flat.

States

Nominal household spending rose across all states in March, as did real household spending in Q1.

Western Australia recorded a 1.6% nominal gain in March and a 0.8% increase in spending volumes in Q1. Goods – which include automotive fuel – were exclusively responsible for the nominal increase in March, with a 3.4% gain, while services retreated by 0.3%. Discretionary items rose by 0.9% in the month, while essential spending increased by 2.8%. Spending on transport unsurprisingly led the increases, with a 4.6% gain, the largest since January 2023.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.6	8.3
New South Wales	1.7	5.4
Victoria	1.2	4.0
Queensland	1.9	9.4
South Australia	1.7	6.9
Tasmania	2.0	6.6



Comment

Unsurprisingly, nominal household spending growth accelerated in March, driven by elevated fuel expenses amid a [surge in prices](#) for domestic petrol and diesel.

Households managed to maintain decent spending for essential items, especially goods. However, growth in discretionary spending was roughly unchanged from the previous month, and growth in spending on services virtually came to a halt.

Household spending also managed to rise in volume terms over the quarter, though the patterns for individual months are not available. That said, the ABS estimates that spending volumes for petrol were cut back in March, despite anecdotal evidence of hoarding.

Households tend to smooth their consumption during shocks, with the drop during COVID-19, enforced by the closure of many businesses, being a notable exception. Therefore, household spending is unlikely to fall off a cliff this time, especially given that the fuel excise cut brought some temporary relief. However, the deterioration in real disposable income amid higher prices, coupled with the impact of RBA tightening, should see real private consumption growth slow further over the course of 2026.

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