Household Spending June 2026

Overview

Nominal household spending rose by a seasonally adjusted 0.8% in June, well above market expectations of a 0.2% gain.

Annual nominal household spending growth rose to 6.0%.

June's increase was driven mainly by discretionary items (+1.2%), while spending on essentials edged up by 0.1%. Spending on goods rose by 1.0%, while spending on services increased by 0.6%.

Seasonally Adjusted, %	MoM	YoY
Goods	1.0	5.8
Services	0.6	6.1
Discretionary	1.2	6.7
Non-discretionary	0.1	4.6
Total	0.8	6.0

Adjusting for inflation, household spending volumes rose by 0.7% in Q2, slightly less than in the previous two quarters (0.8% in Q1 and 0.9% in Q4 2025).

Industry Groups

Nominal household spending recorded its strongest increase in transport (+3.0%), reflecting strong electric vehicle sales and spending on air travel following disruptions caused by the war in the Middle East.

Meanwhile, nominal spending declined for clothing and footwear (-0.7%), 'miscellaneous' goods and services (-0.6%), and hospitality (-0.1%).

In volume terms, alcoholic beverages and tobacco recorded the strongest Q2 gain among the major categories (+2.7%), while health recorded the largest decline (-0.4%).

The ABS experimental series suggests that fuel spending volumes rose by 7.8% in June, while fuel prices fell by 10.9%.

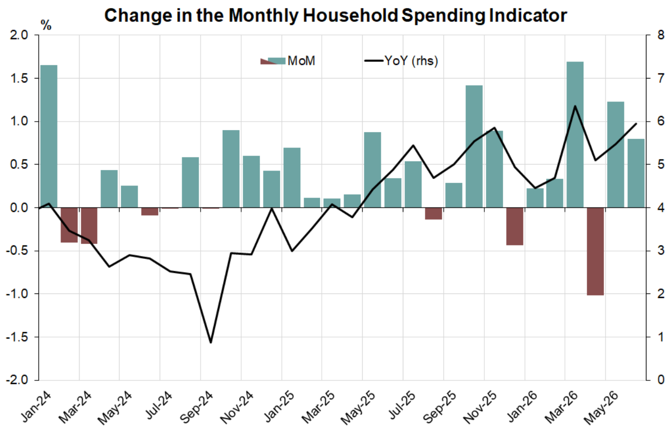
States

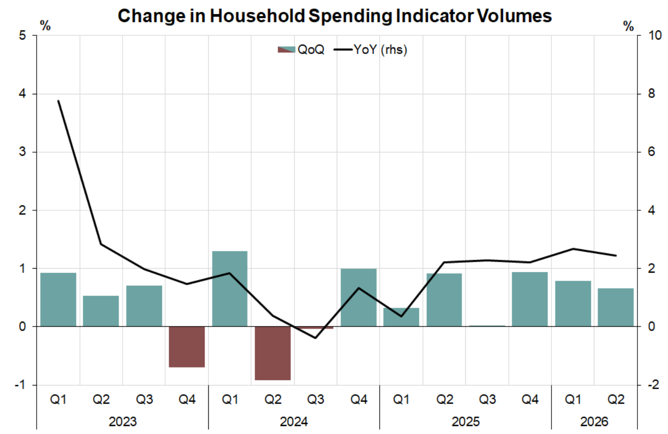
Nominal household spending rose in all states in June, led by Tasmania (+1.6%) and Western Australia (+1.4%).

Western Australia continued to record the strongest annual gain (+9.5%), while Victoria recorded the weakest growth (+5.2%).

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.4	9.5
New South Wales	1.0	4.7
Victoria	0.6	5.2
Queensland	0.4	6.1
South Australia	0.5	7.0
Tasmania	1.6	8.3

In volume terms, Q2 household spending growth ranged from 0.4% QoQ in New South Wales to 1.1% QoQ in Tasmania. Western Australia recorded a moderate 0.7% QoQ gain.





Comment

The June household spending report confirmed that Australian consumers remained remarkably resilient during the US-Iran war and the RBA's monetary policy tightening.

The fuel excise cut undoubtedly helped ease some of the pressure, as did the less severe-than-feared impact of the war in the Middle East. The World Cup finals may also have provided a tailwind for several spending categories in June.

Moreover, households appear to have had sufficient resources to respond proactively to the threat of fuel supply disruptions. ABS data support anecdotal evidence of a shift towards electric vehicles in Australia.

The resilience of household spending is also evident in trend data, which smooths month-to-month volatility. Trend household spending rose by 0.4% in June, slightly above the series average and broadly in line with recent months. Annual trend household spending growth reached a nearly three-year high of 5.5%.

The resilience of household spending could concern the RBA, as it is seeking to reduce demand-driven inflation. However, the report led to only a slight increase in cash rate hike expectations, with markets pricing in more than a 70% chance of a 25 bp hike by February 2027, compared with around 65% before the release.

05 August 2026