

Household Spending January 2026

Overview

Household spending rose a seasonally adjusted 0.3% in January, slightly less than the 0.4% pencilled in by the market consensus. The December fall turned out to be slightly larger than first estimated (0.5% instead of 0.4%).

Annual growth in household spending decelerated to 4.6%, a level unseen since May 2025.

Trend growth rates also slowed in January, to 0.3% MoM and 5.0% YoY.

The increase in January was driven by spending for services (+1.0%), while goods saw a 0.3% decline. Discretionary spending ticked up only by 0.1%, while essential spending rose by 0.8%.

Seasonally Adjusted, %	MoM	YoY
Goods	-0.3	3.5
Services	1.0	5.9
Discretionary	0.1	4.5
Non-discretionary	0.8	4.9
Total	0.3	4.6

Industry Groups

January saw increases in five of the nine major spending categories, led by miscellaneous goods and services (digital streaming as well as travel agency and tour services) as well as health spending (dental services).

Out of the categories that saw a decline, the strongest fall was recorded for alcoholic beverages and tobacco.

Clothing and Footwear	MoM	YoY
Food	0.1	5.7
Alcoholic Beverages and Tobacco	-1.7	-13.3
Clothing and Footwear	0.3	5.1
Furnishings and Household Equipment	-0.7	5.0
Health	1.7	5.3
Transport	0.3	2.5
Recreation and Culture	-0.1	6.6
Hotels, Cafes and Restaurants	-0.6	5.6
Miscellaneous Goods and Services	2.5	8.8
Total	0.3	4.6

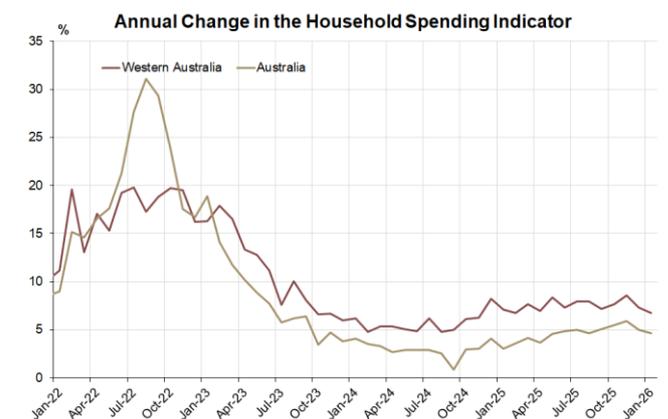
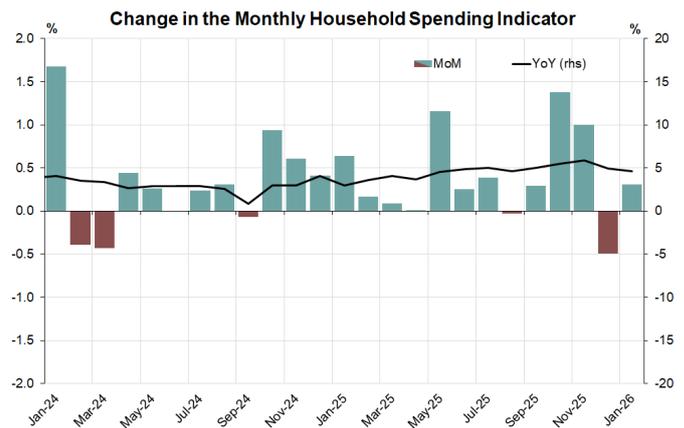
States

Household spending rose in all states except for South Australia in January. The strongest gain was reported for Tasmania, while Queensland saw the smallest increase.

In Western Australia, household spending picked up by 0.3% in January, as a 1.6% bounce in services offset a 1.0% retreat in goods. Discretionary items saw a 0.2% gain, while essential spending picked up by 0.3%.

Western Australia continues to record the strongest annual gain in household spending nationwide, at 6.8%.

Seasonally Adjusted, %	MoM	YoY
Western Australia	0.3	6.8
New South Wales	0.5	4.4
Victoria	0.5	3.2
Queensland	0.1	5.6
South Australia	-0.1	4.5
Tasmania	0.6	5.9



Comment

Following a downside surprise in private consumption growth in the [Q4 GDP](#) figures yesterday, we have received a slightly disappointing household spending report for January.

The strongest decline was recorded in alcoholic beverages and tobacco, which was most likely partly the result of sales of illicit cigarettes. Furnishings and household equipment, which had been subject to increased promotional activity late last year, also retreated.

The surprising decline in hotels, cafes and restaurants as well as recreation and culture, could have been due to issues with seasonal adjustment at this time of the year.

The RBA attributed the rise in inflation in late 2025 partly to increased demand for durable consumption goods (the other factors were a rise in housing construction costs and broader capacity pressures in the economy).

It appears that demand for durables is easing, although one month's worth of data is not enough to draw definitive conclusions.

While the downside surprise in private consumption in yesterday's GDP figures led to a temporary fall in cash rate hike expectations, a 25bps increase in May is again fully priced in at the time of writing.

05 March 2026