

# Household Spending October 2025

## Overview

Household spending rose a seasonally adjusted 1.3% in October, more than double the 0.6% expected by the markets. The September gain was revised slightly upwards (from 0.2% to 0.3%).

The annual growth rate in household spending increased to a two-year high of 5.6% in October.

The increase in October was broad-based, with gains registered in goods and services as well as discretionary and essential items.

Seasonally Adjusted, %	MoM	YoY
Goods	1.7	4.9
Services	0.8	6.4
Discretionary	1.6	5.1
Non-discretionary	0.8	6.5
Total	1.3	5.6

## Industry Groups

The rise in household spending in October was also broad-based across industries, with all of them registering some gains.

The strongest increases were recorded in clothing and footwear (+3.5%) as well as furnishings and household equipment (+3.0%). Food (+0.9%) as well as recreation and culture (+1.0%) saw the weakest growth.

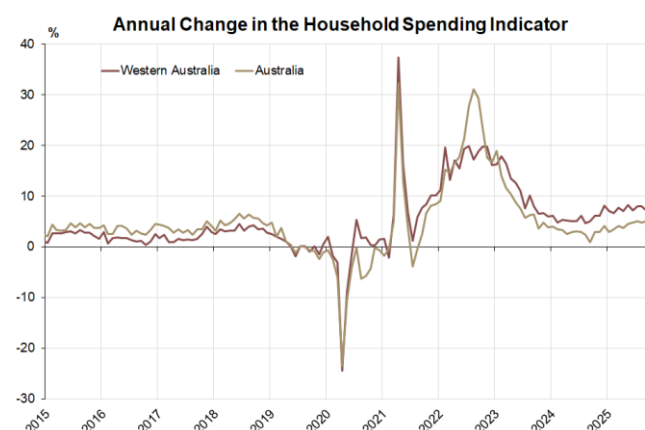
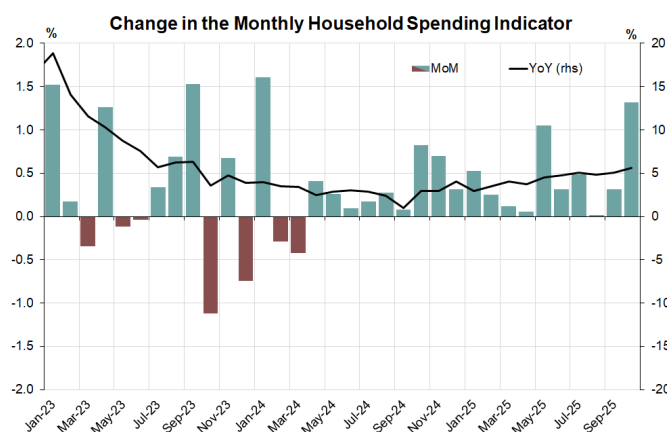
Seasonally Adjusted, %	MoM	YoY
Food	0.9	7.0
Alcoholic Beverages and Tobacco	1.8	-14.2
Clothing and Footwear	3.5	6.4
Furnishings and Household Equipment	3.0	6.3
Health	0.4	7.5
Transport	0.3	3.5
Recreation and Culture	1.0	7.3
Hotels, Cafes and Restaurants	2.2	6.4
Miscellaneous Goods and Services	1.6	9.4
Total	1.3	5.6

## States

Household spending also increased in all mainland states, with New South Wales recording the strongest monthly rise of 1.6%

Western Australian household spending rose by 1.1% in October, taking the annual rate of growth to 7.7%, by far the fastest among all states. The largest 2.9% gains were recorded in furnishing and household equipment as well as in hotels, cafes and restaurants. Alcohol and tobacco as well as transport saw the smallest increases, of just 0.1% each.

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.1	7.7
New South Wales	1.6	5.4
Victoria	1.1	4.1
Queensland	1.5	6.6
South Australia	0.9	5.8
Tasmania	-0.1	3.8



## Comment

After a setback in Q3 shown in the [national accounts](#) data released yesterday, Aussie consumers appear to have re-opened their wallets in October, partly driven by promotional events.

The household spending report is yet another set of figures released for the month of October that puts the rationale for further monetary policy easing in question and sparks speculation of rate hikes next year.

October also saw a solid gain in [employment](#) and a rise in [annual trimmed mean inflation](#) above the 2-3% RBA's target band.

One month does not make a trend. Looking through temporary volatility, trend household spending rose by 0.4%, same as a month ago, while annual growth slowed back to 4.9%.

The RBA cites household spending as one of the risk factors for the monetary policy outlook. In its November Statement on Monetary Policy, it acknowledged that household consumption had already been a bit stronger than expected by mid-2025.

Markets no longer expect rate cuts from the RBA. Instead, at the time of writing, a 25bps hike is fully priced in by the end of next year.

**04 December 2025**