Household Spending September 2026

Overview

Household spending rose a seasonally adjusted 0.6% in September, three times the increase expected by market participants.

The stronger-than-expected increase followed a slight 0.1% decline in August and a 1.0% gain in July.

Seasonally Adjusted, %	MoM	YoY
Goods	0.3	6.7
Services	1.1	6.8
Discretionary	0.3	6.9
Non-discretionary	1.2	6.5
Total	0.6	6.8

Spending volumes picked up by 0.7% in Q3, the same as in the previous quarter and only marginally less than the 0.8% recorded for Q1.

Industry Groups

The strongest increases among industry groups were recorded for transport and health. The gain in transport reflected not just higher fuel prices, but also a pick-up in air travel.

At the same time, there were declines in spending on food, alcohol and tobacco, as well as furnishing and household equipment.

Seasonally Adjusted, %	MoM	YoY
Food	-0.1	4.3
Alcoholic Beverages and Tobacco	-0.7	1.7
Clothing and Footwear	0.1	4.6
Furnishings and Household Equipment	-0.2	3.5
Health	1.5	5.1
Transport	1.5	11.8
Recreation and Culture	0.8	7.9
Hotels, Cafes and Restaurants	0.5	6.8
Miscellaneous Goods and Services	0.6	7.1
Total	0.6	6.8

In Q3, the strongest increase in spending volumes was recorded for transport (+1.6%), while alcohol and tobacco saw the largest drop (-1.2%).

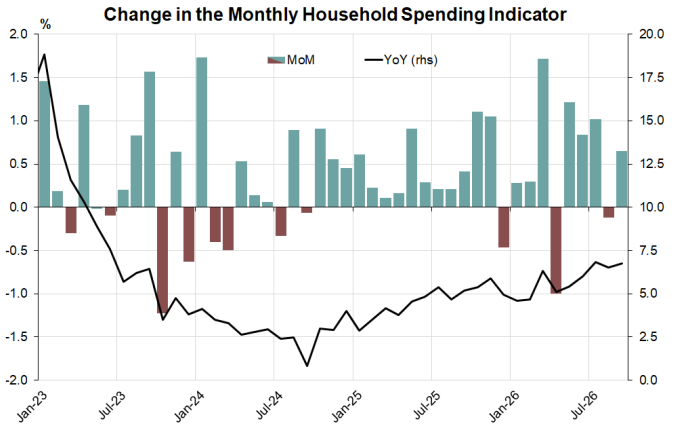
States

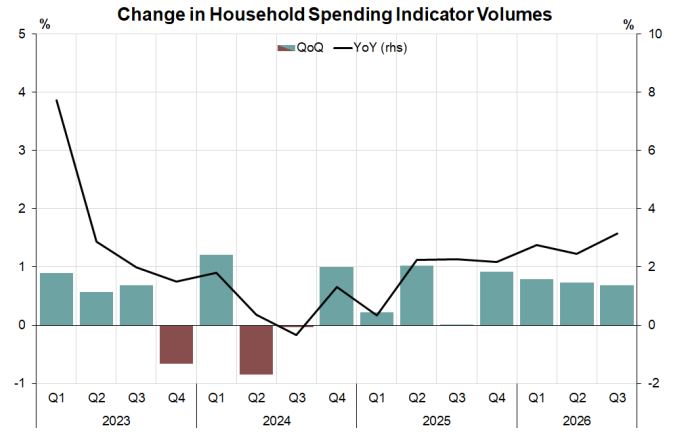
Household spending values rose in all states in September, with the strongest gain of 1.1% recorded in Western Australia.

In other states, increases in spending values in September ranged from 0.3% in New South Wales to 1.0% in Victoria.

Spending volumes picked up in all states except Tasmania (-0.1%). Western Australia also saw the strongest here (+1.4%).

Seasonally Adjusted, %	MoM	YoY
Western Australia	1.1	9.6
New South Wales	0.3	5.6
Victoria	1.0	6.3
Queensland	0.6	7.3
South Australia	0.6	6.3
Tasmania	0.5	7.6





Comment

After some weakness in August, the Australian consumer came back with renewed strength in the final month of Q3, supporting another solid gain in spending volumes.

However, some of the strength in household spending volumes in Q3 reflected the rebound in air travel following disruptions caused by the war in the Middle East in the previous quarter.

The AFL Grand Final in late September could also have been responsible for some of the strength in spending for recreation and culture.

The impact of higher fuel prices on spending values is also clear, with fuel spending values picking up by 5.4%. However, according to experimental ABS data, spending volumes for this subcategory declined by 2.2% in September.

That said, households still appear to have the capacity to maintain or even increase their discretionary spending. This is not good news for the RBA, which is seeking to reduce excessive demand to contain domestic inflation pressures.

Household spending data had little impact on RBA rate expectations, with only around a 35% chance of another rate hike priced in. We continue to see the risk of another cash rate hike, but this is not our base scenario.

04 November 2026