ECONOMIC INDICATORS

Household Spending August 2026

Overview

Nominal household spending was virtually unchanged in August, compared with market expectations of a 0.4% increase, following a solid 1.1% rise in July.

Annual household spending growth slowed to 6.8%, but remained strong by historical standards.

The flat outcome in August came as gains in goods and essential spending were offset by declines in services and discretionary spending.

Seasonally Adjusted, %	MoM	YoY
Goods	0.3	7.7
Services	-0.3	5.9
Discretionary	-0.3	7.2
Non-discretionary	0.6	6.3
Total	0.0	6.8

Industry Groups

The largest declines were in discretionary categories, including recreation and culture, and clothing and footwear, although spending on food and health also fell.

Transport recorded the largest gain, driven by higher spending on fuel and new vehicles.

Seasonally Adjusted, %	MoM	YoY
Food	-0.3	5.9
Alcoholic Beverages and Tobacco	-1.0	2.7
Clothing and Footwear	-1.0	4.8
Furnishings and Household Equipment	-0.6	5.0
Health	-0.9	3.5
Transport	2.3	10.4
Recreation and Culture	-1.4	8.5
Hotels, Cafes and Restaurants	0.8	6.9
Miscellaneous Goods and Services	0.3	7.3
Total	0.0	6.8

States

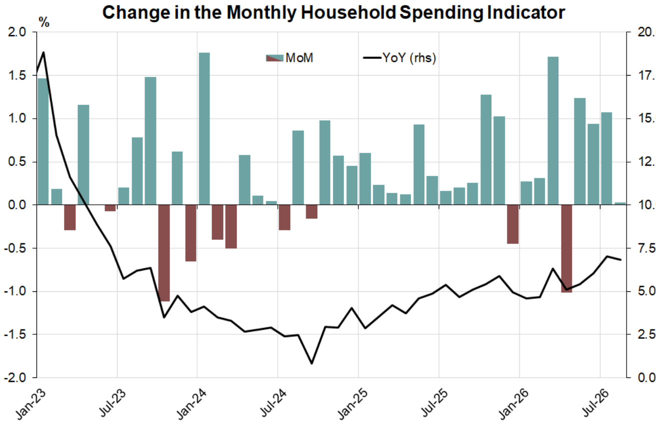
Household spending outcomes were mixed across the states, increasing in New South Wales, Queensland and South Australia, but declining elsewhere.

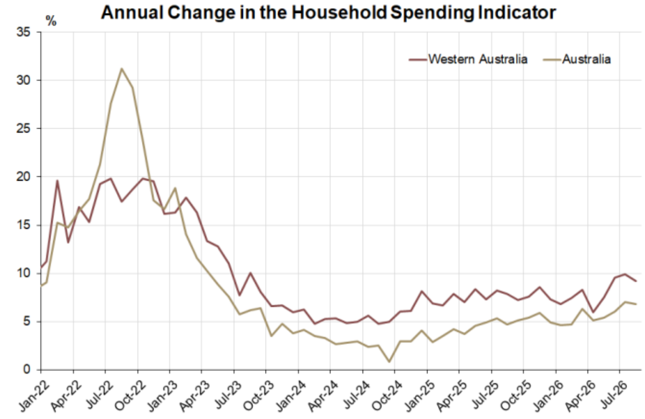
Despite a slight 0.2% MoM decline in August, Western Australia continued to record the strongest annual household spending growth of all states, at 9.2% YoY.

The slight monthly decline in Western Australian household spending reflected lower expenditure on health (-4.0% MoM), alcohol and tobacco (-1.7% MoM), and recreation and culture (-1.5% MoM).

These declines were partly offset by solid increases in transport (+2.6% MoM) and clothing and footwear (+0.7% MoM).

Seasonally Adjusted, %	MoM	YoY
Western Australia	-0.2	9.2
New South Wales	0.3	7.0
Victoria	-0.4	5.2
Queensland	0.3	7.2
South Australia	0.1	7.0
Tasmania	-0.5	7.1





Comment

After solid growth in July and earlier months, partly boosted by end-of-financial-year sales and sport events, household spending was flat in August.

August's weakness was concentrated in categories linked to households' purchasing power, particularly services and discretionary spending.

This may partly reflect base effects from end-of-financial-year sales and sporting events.

However, the weakness also coincided with renewed expectations for monetary policy tightening and higher petrol prices, following the expiry of the fuel excise cut and a rebound in global oil prices.

Households are increasingly feeling the effects of higher interest rates and prices, previously reflected mainly in weak consumer confidence. It is too early to determine whether August's result signals that this weakness has spread to actual spending decisions or is simply a correction after strong outcomes in previous months.

The RBA has repeatedly said that weaker economic conditions are needed to ease inflationary pressures, given excess demand in the economy. While flat household spending in August may be welcomed by the RBA, it is unlikely to change its determination to restore price stability.

29 September 2026

WESTERN AUSTRALIAN
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