

Household Spending December 2025

Overview

Household spending fell a seasonally adjusted 0.4% in December 2025, against the market expectations of a 0.1% uptick.

Annual growth in household spending decelerated to a three-month low of 5.0%, from the downwardly revised 6.0% in the previous month (originally 6.3%).

The decline in December was broad-based, with declines in goods and services, as well as discretionary and essential items.

Seasonally Adjusted, %	MoM	YoY
Goods	-0.5	3.7
Services	-0.3	6.6
Discretionary	-0.3	4.6
Non-discretionary	-0.5	5.8
Total	-0.4	5.0

In volume terms, household spending rose by 0.9% QoQ in Q4 2025, to be up by 2.4% YoY, the most since mid-2023.

Industry Groups

Declines were recorded in most industry groups, led by clothing and footwear as well as furnishings and household equipment. These declines were partly offset by a rise in alcoholic beverages and tobacco, transport as well as hotels, cafes and restaurants.

Seasonally Adjusted, %	MoM	YoY
Food	-0.4	6.4
Alcoholic Beverages and Tobacco	2.0	-13.5
Clothing and Footwear	-2.4	3.2
Furnishings and Household Equipment	-1.7	4.4
Health	-1.3	5.9
Transport	0.6	3.6
Recreation and Culture	-0.5	7.8
Hotels, Cafes and Restaurants	0.5	6.8
Miscellaneous Goods and Services	-0.9	7.3
Total	-0.4	5.0

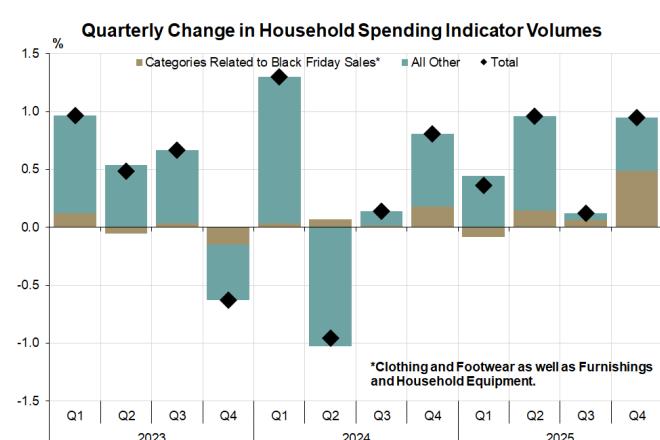
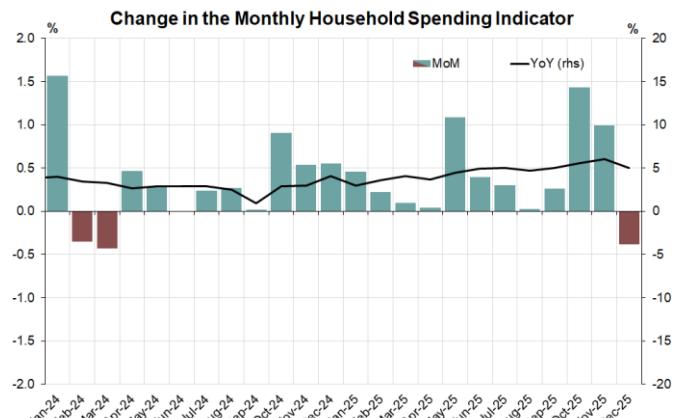
States

The results in household spending were mixed across the states, with Victoria seeing the strongest fall (-1.0%), while South Australia saw the largest, albeit still modest, gain of just 0.3%.

Despite a slight 0.3% decline in December, Western Australia's household spending indicator remained 7.4% up through the year, by far the most of all the states.

Seasonally Adjusted, %	MoM	YoY
Western Australia	-0.3	7.4
New South Wales	-0.6	4.2
Victoria	-1.0	3.2
Queensland	0.2	6.6
South Australia	0.3	5.9
Tasmania	0.1	6.2

Western Australia also registered the strongest quarterly increase in household spending volumes of 1.7%. The weakest gain was recorded for Tasmania (0.5%).



Comment

The unexpected and unusual decline in the household spending indicator in December came after strong outcomes for the previous two months, driven by Black Friday sales which started as early as October and continued throughout November.

In the entirety of Q4, household spending indicator volumes saw a solid rise, with half of the increase coming from categories associated with Black Friday sales being apparel and household goods.

The increased spending towards the end of 2025 was boosted by higher real disposable income amid energy bill relief measures, lower mortgage rates and good labour market conditions.

In the coming months, some of this boost may fade, as the 2024–25 tax cuts continue to be offset by bracket creep (and the upcoming tax cuts being lower), while the RBA has increased the cash rate, with another hike quite likely.

In its Monetary Policy Statement released last week, the RBA attributed a part of the unexpected rise in inflation to a temporary – in their assessment – pick-up in household demand in late 2025. Given this, Q1 household spending figures will be more important than usual in determining the next RBA move.

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