

10 January 2025

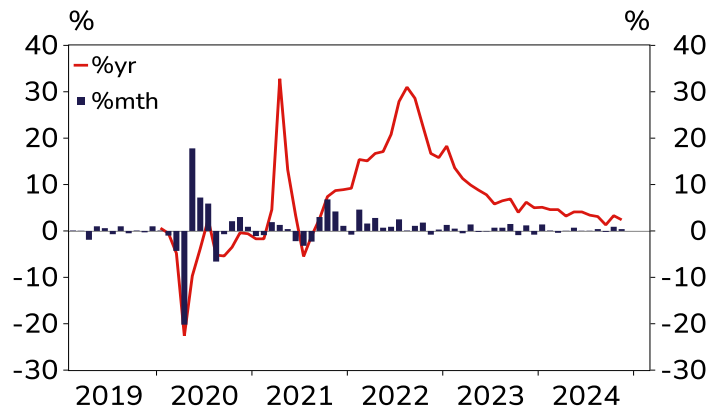
# HOUSEHOLD SPENDING INDICATOR BULLETIN

**A modest lift**

## Key points

- Household spending indicator of nominal spending came in-line with our expectations, rising 0.4%*mth* in November. Though supported by Black Friday the result was weaker than October's 0.9%*mth* lift.
- Overall growth was led by spending on clothing and footwear (1.8%*mth*), with another solid reading for recreation and culture (0.9%*mth*).
- Spending on goods outpaced services for the first time since June 2024, which captured the EOFY sales. Non-discretionary spend strengthened as well.
- Spending rose across all major states, led by Qld (0.7%*mth*). NSW had a weaker showing (0.2%*mth*) while the remaining states grew by 0.5%*mth*.

## Monthly Household Spending Indicator



Source: ABS, Macrobond, Westpac Economics

**November household spending indicator: 0.4%*mth*, 2.4%*yr***

# Spending slows despite sales



**Neha Sharma**  
Economist

The household spending indicator (HSI) slowed in November, rising 0.4%*mth*, from an upwardly revised 0.9%*mth* in October. The result was in-line with Westpac’s forecast but fell short of the market consensus of 0.7%*mth*. Annual growth tempered to 2.4%*yr* in November, from 3.3%*yr* in October (revised up from previously published 2.8%*yr*).

As anticipated, categories closely tied to Black Friday discounting recorded stronger gains in spending. Clothing and footwear saw the strongest lift (1.8%*mth*), followed by another solid rise in recreation and culture spend (0.9%*mth* following 2.1%*mth* in October). Over the past year, recreation and culture spending has accounted for a little under one-third of the overall growth in the HSI.

Rises across other categories include: food (0.8%*mth*); furnishing and household equipment (0.8%*mth*); health (0.7%*mth*) and transport (0.3%*mth*). Alcohol and tobacco posted a -1.2%*mth* decline with spending falls on miscellaneous items not too far behind, down -1.1%*mth*. Spending on hotels, cafes and restaurants was broadly flat in the month.

Black Friday sales prompted households to shift spending from services to goods. Spending on goods rose 0.9%*mth*, outpacing services spending (-0.1%*mth*) for the first time since June 2024, when similar discount-driven patterns were observed during EOFY sales. This is also the strongest rise in goods spending since the start of 2024. Discretionary spending pulled-back from 1.2%*mth* in October to 0.4%*mth*, and surprisingly overtaken by non-discretionary spend which rose to 0.5%*mth*.

Spending rose across all major states, front run by Qld (+0.7%*mth*) which saw its fifth consecutive rise. Vic, SA and WA all saw spending increase 0.5%*mth* in November, while NSW had a more subdued showing at 0.2%*mth*.

## Conclusion

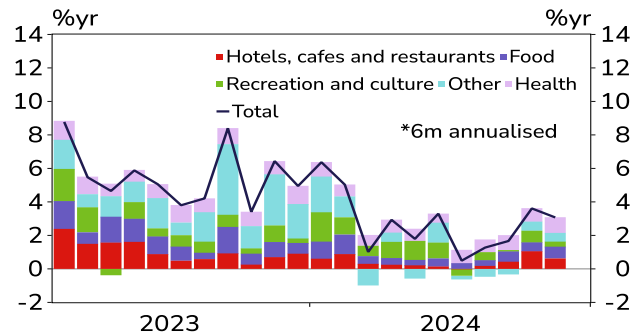
The HSI and yesterday’s [retail trade](#) figures suggest that household spending remains on solid footing. Early indications from Westpac’s Card Tracker Index show further strengthening in card spend activity in December (see [here](#) for more detail). That said, it remains to be seen whether this uplift will be carried into 2025 or if it is a result of price-sensitive consumers capitalising bargains and the typical festive season spending surge.

## Household spending indicator – Nov 2024

	\$bn	% chg mth		% chg yr	
	Nov-24	Oct-24	Nov-24	Oct-24	Nov-24
sa	74.18	0.9	0.4	3.3	2.4
trend*	74.19	0.3	0.2	2.4	2.5

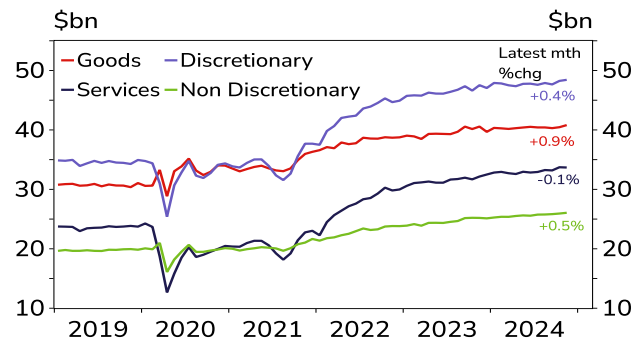
Source: ABS, Macrobond, Westpac Economics.

## Contribution to growth by category



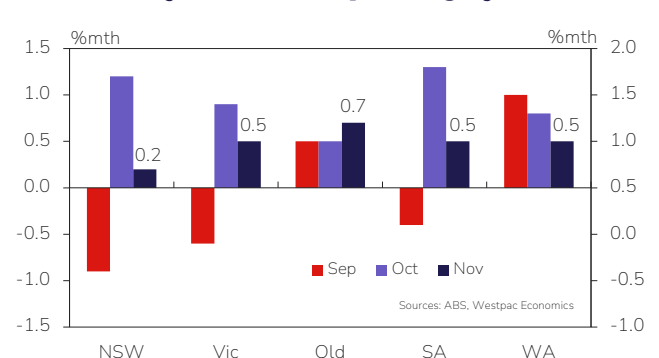
Source: ABS, Macrobond, Westpac Economics

## Goods, services, discret. & non-discret.



Source: ABS, Macrobond, Westpac Economics

## Monthly household spending by state



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# Corporate Directory

## Westpac Economics / Australia

**Sydney**  
Level 19, 275 Kent Street  
Sydney NSW 2000  
Australia

E: [economics@westpac.com.au](mailto:economics@westpac.com.au)

**Luci Ellis**  
Chief Economist Westpac Group  
E: [luci.ellis@westpac.com.au](mailto:luci.ellis@westpac.com.au)

**Matthew Hassan**  
Head of Australian Macro-Forecasting  
E: [mhassan@westpac.com.au](mailto:mhassan@westpac.com.au)

**Elliot Clarke**  
Head of International Economics  
E: [eclarke@westpac.com.au](mailto:eclarke@westpac.com.au)

**Justin Smirk**  
Senior Economist  
E: [jsmirk@westpac.com.au](mailto:jsmirk@westpac.com.au)

**Pat Bustamante**  
Senior Economist  
E: [pat.bustamante@westpac.com.au](mailto:pat.bustamante@westpac.com.au)

**Mantas Vanagas**  
Senior Economist  
E: [mantas.vanagas@westpac.com.au](mailto:mantas.vanagas@westpac.com.au)

**Illiana Jain**  
Economist  
E: [illiana.jain@westpac.com.au](mailto:illiana.jain@westpac.com.au)

**Ryan Wells**  
Economist  
E: [ryan.wells@westpac.com.au](mailto:ryan.wells@westpac.com.au)

**Jameson Coombs**  
Economist  
E: [jameson.coombs@westpac.com.au](mailto:jameson.coombs@westpac.com.au)

**Neha Sharma**  
Economist  
E: [neha.sharma1@westpac.com.au](mailto:neha.sharma1@westpac.com.au)

## Westpac Economics / New Zealand

**Auckland**  
Takutai on the Square  
Level 8, 16 Takutai Square  
Auckland, New Zealand

E: [economics@westpac.co.nz](mailto:economics@westpac.co.nz)

**Kelly Eckhold**  
Chief Economist NZ  
E: [kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

**Michael Gordon**  
Senior Economist  
E: [michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

**Darren Gibbs**  
Senior Economist  
E: [darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

**Satish Ranchhod**  
Senior Economist  
E: [satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

**Paul Clark**  
Industry Economist  
E: [paul.clarke@westpac.co.nz](mailto:paul.clarke@westpac.co.nz)

## Westpac Economics / Fiji

**Suva**  
1 Thomson Street  
Suva, Fiji

**Shamal Chand**  
Senior Economist  
E: [shamal.chand@westpac.com.au](mailto:shamal.chand@westpac.com.au)



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