



4 April 2025

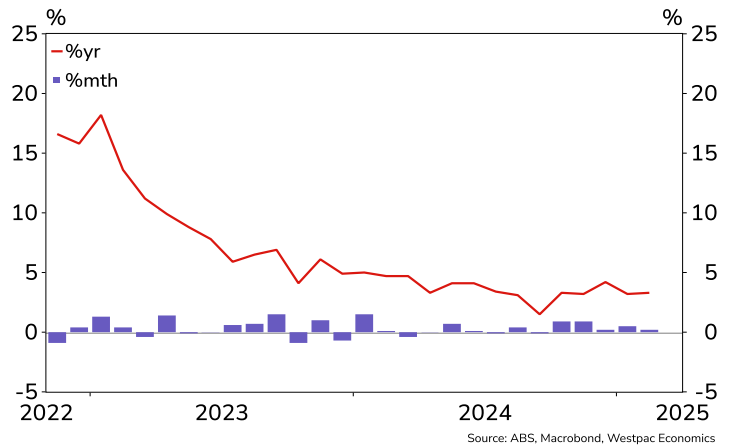
# HOUSEHOLD SPENDING INDICATOR BULLETIN

Slow and steady

## Key points

- The monthly household spending indicator rose 0.2%<sub>mth</sub> in February, moving the annual rate higher to 3.3%<sub>yr</sub>.
- Spending on goods and discretionary segments recovered after falling previously. Overall, 5 of the 9 categories saw a lift in spending in February.
- Spending rose across all eastern states, with NSW in front. WA recorded its first monthly decline since December 2023.
- The ABS will begin publishing seasonally adjusted chain volume estimates next month as part of ongoing efforts to enhance this release. It has also been progressively transitioning to bank transaction data as a key input in compiling household consumption for the national accounts.

Monthly Household Spending Indicator



**February  
household  
spending  
indicator:  
0.2%<sub>mth</sub>, 3.3%<sub>yr</sub>**

# Spending grows – just at a milder pace



**Neha Sharma**  
Economist

The ABS monthly household spending indicator increased by 0.2%*mt* in February, following a 0.1ppt upward revision to 0.5%*mt* for January. This marks the fifth consecutive monthly rise, pushing the annual growth rate to 3.3%*yr*. The trend annual rate rose to 3.7%*yr*, the strongest pace since May 2024.

Across the broad categories, goods spending lifted 0.3%*mt* in February, recovering from the previous -0.6%*mt* decline. Services spending remained flat for the month, but was still up 5.2%*yr*. Spending on discretionary goods and services also rebounded, rising 0.3%*mt* in February. On the other hand, non-discretionary spending saw a slight decline of -0.1%*mt*.

Looking at the detailed categories, there were increases in recreation and culture (0.9%*mt*), food (0.6%*mt*), hotels, cafes and restaurants (0.5%*mt*), furnishing and household equipment (0.2%*mt*) and clothing and footwear (0.1%*mt*).

Meanwhile falls were seen in transport (-0.1%*mt*), health (-0.3%*mt*), miscellaneous goods and services (-0.5%*mt*) and alcohol and tobacco (-1.4%*mt*).

The six-month annualised pace eased a touch, from 5.8% in January to 5.2%. Despite this slight easing, the trend has generally been strengthening since mid-2024. The three categories seeing the strongest rises this month - recreation and culture, food, hotels cafes and restaurants - accounted for around 55% of the growth in spending. This is slightly below the 2024 average of around 61%.

By state, the eastern states showed solid spending momentum. NSW led the way with a 0.4%*mt* increase, followed by Qld and Vic with rises of 0.2%*mt* and 0.1%*mt* respectively. Meanwhile, SA and WA saw spending dip, both down -0.1%*mt*. This marked the first fall for WA after 12 straight rises (flat print in Aug-24), with the drop largely driven by a sharp -2.6%*mt* decline in transport spending.

## Conclusion

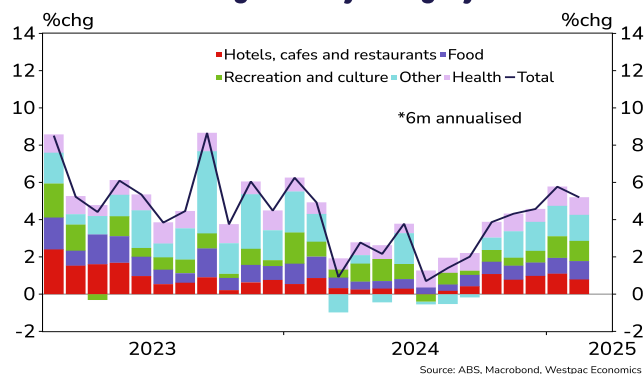
Despite only modest increases, there has been a degree of resilience in household spending over 2025 so far. This is in-line with our view that household consumption continues to recover slowly. Starting next month, the ABS will begin releasing seasonally adjusted chain volume measures. The current monthly nominal profile is softer compared to the consecutive 0.9%*mt* increases seen in October and November last year, suggesting that Q1 2025 volumes could be lower than the previous result of ~0.9-1.3%*qtr* (Westpac seasonally adjusted estimate range).

## Household spending indicator – Feb 2025

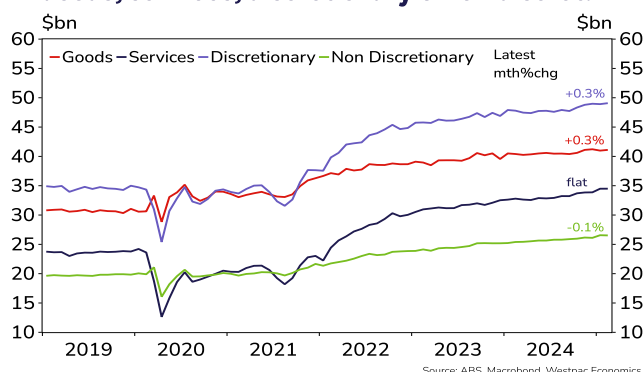
|       | \$bn   | % chg mth |        | % chg yr |        |
|-------|--------|-----------|--------|----------|--------|
|       | Feb-25 | Jan-25    | Feb-25 | Jan-25   | Feb-25 |
| sa    | 75.60  | 0.5       | 0.2    | 3.2      | 3.3    |
| trend | 75.63  | 0.4       | 0.3    | 3.6      | 3.7    |

Source: ABS, Macrobond, Westpac Economics.

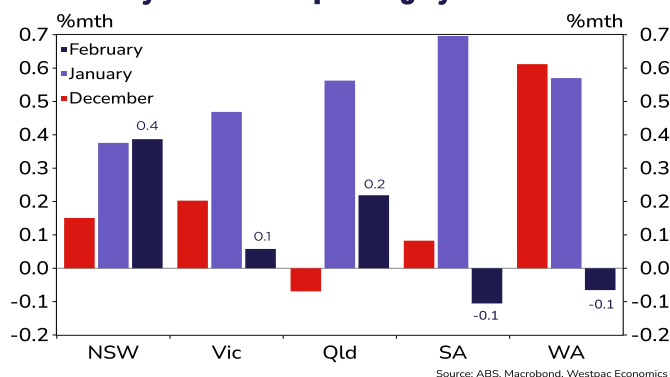
## Contribution to growth by category



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



## Monthly household spending by state





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