

4 December 2025

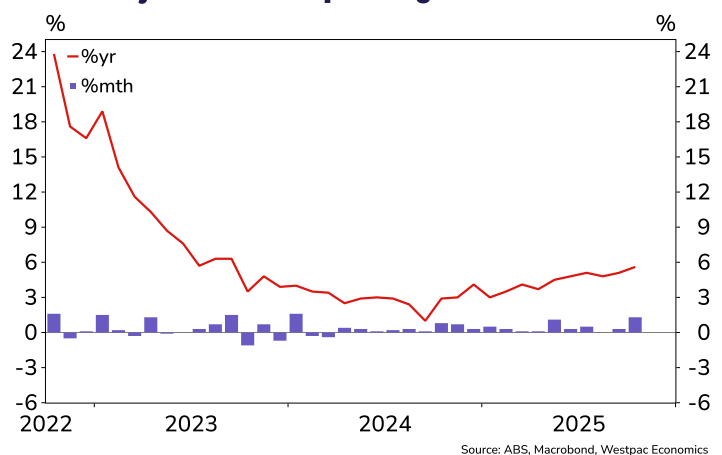
HOUSEHOLD SPENDING INDICATOR BULLETIN

Spending lifts across all categories

Key points

- Household spending rose 1.3%*mt* in October, marking the strongest monthly rise since early 2024. Given revisions to earlier estimates, the indicator has not recorded a fall since March 2024.
- Annual growth hit around a two-year high of 5.6%*yr*, but growth in real, per capita terms looks to be closer to flat.
- Goods spending jumped 1.7%*mt* which the ABS attributed to promotional events. Services spending also saw a solid 0.8%*mt* lift driven by major events in the month. Discretionary segments saw a notable 1.6%*mt* lift after near flat reads the past two months. Non-discretionary spending rose 0.8%*mt*.
- All nine categories rose for the first time since January 2024. All major states also recorded a lift, led by NSW and Qld.

Monthly Household Spending Indicator Growth



**October
household
spending
indicator:
1.3%*mt*, 5.6%*yr***

Strongest lift since January 2024



Neha Sharma
Economist

The monthly household spending indicator jumped 1.3%*mt* in October, above ours and the market consensus of 0.6%*mt*. This was the strongest monthly increase since the start of 2024. Given revisions to earlier estimates, the indicator last recorded a fall in March 2024. The annual rate is around a two-year high of 5.6%*yr* and near-term momentum is stronger, with the six-month annualised pace at 7.2%.

With inflation running at around 3.8%*yr* and population growth around 1.7%*yr* (according to National Accounts projections) this equates to around a 0.1%*yr* increase in real, per capita terms.

By broad categories, the strength came from a 1.7%*mt* lift in goods spending. The ABS attributed this to promotional events. We note several of these categories did see notable gains in the October CPI (e.g. clothing & footwear: 2.2%*mt*, furniture: 2.5%*mt*, household textiles: 1.7%*mt*) but did see falls in September. Services spending also saw a solid 0.8%*mt* lift driven by major events in the month. Discretionary segments saw a notable 1.6%*mt* lift after near flat reads the past two months. Meanwhile, non-discretionary spending rose 0.8%*mt* again to be at a two-year high.

For the first time since January 2024 all nine spending categories lifted. The strength came from clothing & footwear (3.5%*mt*), and furnishings & household equipment which rose 3.0%*mt*, the strongest since October 2021. The other categories were as follows: hotels, cafes & restaurants (2.2%*mt*); alcohol & tobacco (1.8%*mt*, strongest lift since April 2022); misc. goods and services (1.6%*mt*); recreation & culture (1.0%*mt*); food (0.9%*mt*); health (0.4%*mt*); and transport (0.3%*mt*).

Spending also rose across all the major states. NSW was once again the front-runner at 1.6%*mt*. This was followed by Qld (1.5%*mt*), Vic & WA (1.1%*mt*) and SA (0.9%*mt*).

The experimental retail turnover estimates based on the household spending card data, showed a 1.6%*mt* increase in October (5.7%*yr*). Food was up 1.3%*mt* (4.8%*yr*) with non-food retail showing a more robust lift of 1.8%*mt* (6.8%*yr*).

Yesterday's [national accounts data](#) showed real household consumption rose 0.5%*qtr* in Q3. Notably, the ABS household spending indicator provided a solid guide for the two-thirds of the basket it covers, with the quarter's strength came from essential categories outside its scope.

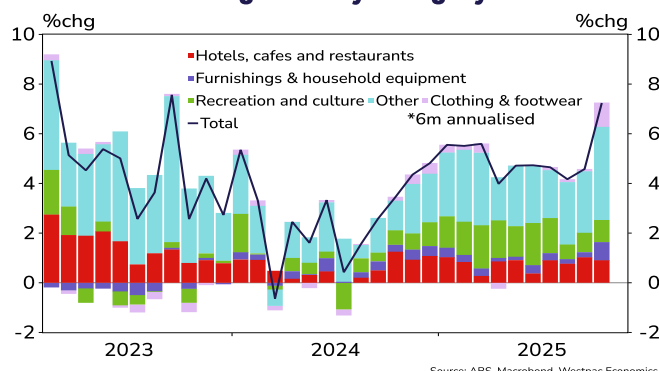
Today's numbers may be partly reflecting firmer price growth in some categories which are boosting nominal values. Though encouragingly, the lift in discretionary goods spending did not come at the expense of weakness in discretionary services – a pattern we have usually seen before.

Household spending indicator – October 2025

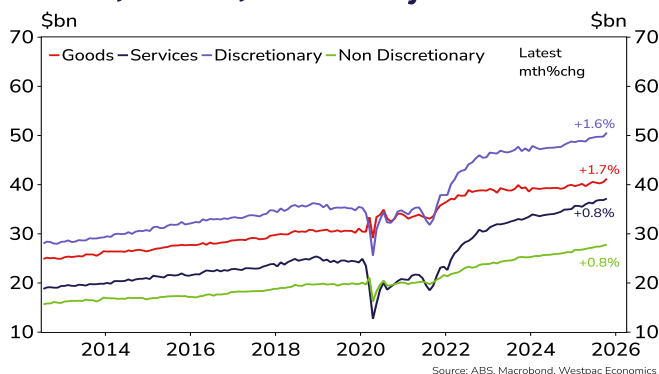
	\$bn	% chg mth		% chg yr	
	Oct-25	Sep-25	Oct-25	Sep-25	Oct-25
sa	78.40	0.3	1.3	5.1	5.6
trend	77.91	0.4	0.4	5.1	5.0

Source: ABS, Macrobond, Westpac Economics.

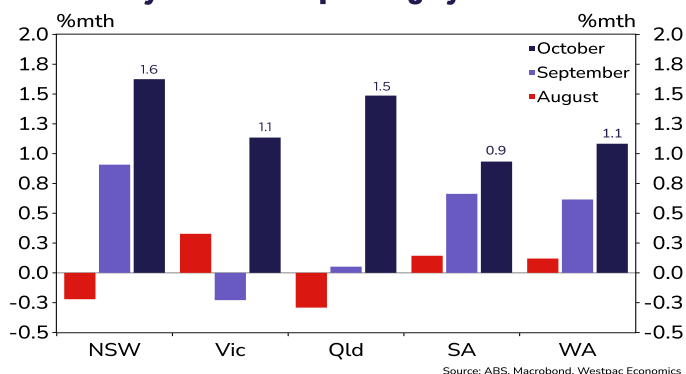
Contribution to growth by category



Goods, services, discretionary & non-discret.



Monthly household spending by state





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