29 September 2026

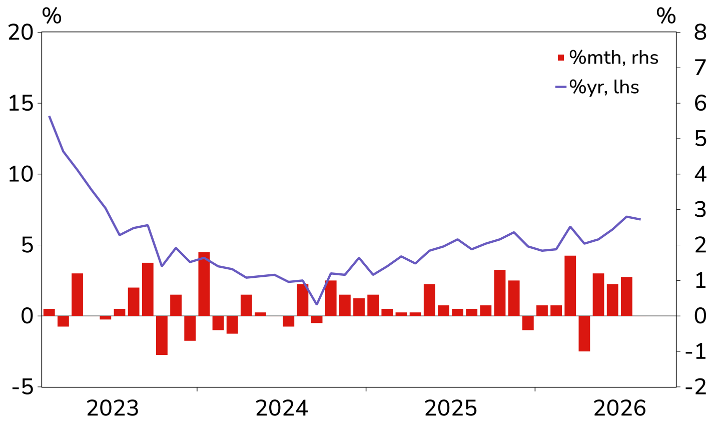
HOUSEHOLD SPENDING INDICATOR BULLETIN

Transport strength masks a softer spending pulse

Key points

- Household spending was unchanged in August, with annual growth easing to 6.8%yr.
- Services spend declined 0.3%mth, offset by a 0.3%mth rise in goods spend. A modest rotation away from discretionary categories emerged, with discretionary spend falling 0.3%mth and non-discretionary spend rising 0.6%mth.
- Transport spending rose strongly, supported by higher fuel spending and electric vehicle purchases, while most other categories were weaker.
- Our **Westpac Card Tracker** points to robust growth in nominal spending over the September quarter but with the pace much slower through the August and September months and a further shift from discretionary to non-discretionary categories, reflecting a renewed squeeze from higher fuel costs and weak consumer sentiment.

Monthly Household Spending Indicator Growth



Source: ABS, Macrobond, Westpac Economics

Aug household spending indicator: 0.0%mth, 6.8%yr

Higher fuel prices lift fuel spending and EV purchases

Luka Belobrajdic
Economist

The monthly household spending indicator was unchanged in August, with the annual pace of growth easing to 6.8%yr. Today's result was somewhat stronger than Westpac's expectation for a 0.5%mth decline, but weaker than the market expectation of a 0.4%mth increase. It also marks a material slowing in the pace of spending growth following a run of stronger outcomes since May.

The strength recorded in services spending over recent months gave way in August, with spending falling 0.3%mth (+5.9%yr). This was offset by a modest 0.3%mth rise in goods spending, taking annual growth to 7.7%yr, its strongest pace since November 2022. As highlighted in our latest **Westpac–DataX Card Tracker** (see here), there has been a modest rotation away from discretionary categories. Discretionary spending fell 0.3%mth (+7.2%yr), while non-discretionary spending offset some of this weakness, rising 0.6%mth (+6.3%yr).

At the detailed level, recreation & culture recorded the largest decline, falling 1.4%mth, with the ABS noting that some of the weakness reflected payback following elevated spending associated with major sporting events in previous months. Clothing & footwear (–1%mth), alcoholic beverages & tobacco (–1%mth), health (–0.9%mth), furnishings & household equipment (–0.6%mth), and food (–0.3%mth) also declined. Offsetting some of this weakness were gains across miscellaneous goods & services (+0.3%mth), and hotels, cafes & restaurants (+0.8%mth). The major offset, however, came from transport spending, up 2.3%mth. The ABS attributed the increase to stronger fuel spending and new vehicle purchases, particularly electric vehicles. Higher fuel prices, together with the full restoration of fuel excise from 3 August, helped drive an 8.1% increase in fuel spending. Excluding fuel spending, total household spending would have fallen 0.3%mth.

State outcomes were mixed. Tasmania (–0.5%mth), Victoria (–0.4%mth) and WA (–0.2%mth) recorded declines, while SA (+0.1%mth), NSW (+0.3%mth) and Queensland (+0.3%mth) proved more resilient.

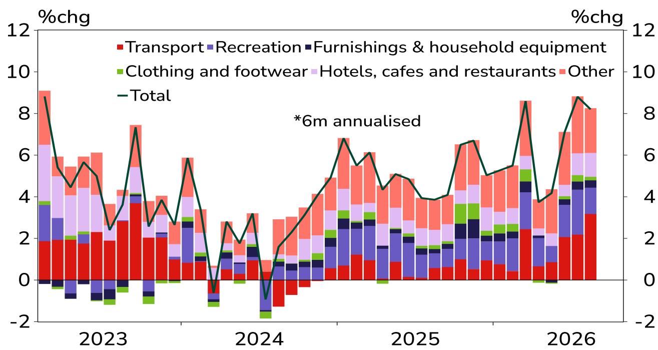
Today's result points to a moderation in the recent strength in household spending. Our **Westpac Card Tracker** suggests September has been about flat as well, albeit with nominal spending still posting robust growth for the quarter as a whole. Some of the quarterly gain appears to reflect higher prices rather than stronger underlying activity. Meanwhile, part of the slower monthly pace – and shift from discretionary to non discretionary – appears to be due to renewed constraints from higher fuel prices, concerns around further interest rate increases and ongoing weakness in housing sentiment, themes that are also evident in consumer sentiment, which deteriorated further through September (see here).

Household spending indicator – August 2026

	$bn	% chg mth		% chg yr	
	Aug-26	Jul-26	Aug-26	Jul-26	Aug-26
sa	82.34	1.1	0.0	7.0	6.8
trend	82.16	0.6	0.5	6.2	6.3

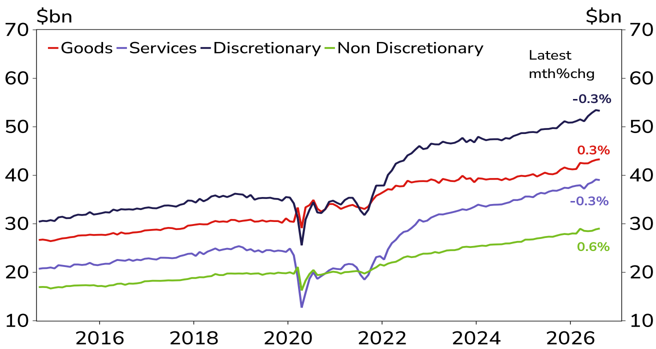
Source: ABS, Macrobond, Westpac Economics.

Contribution to growth by category: nominal



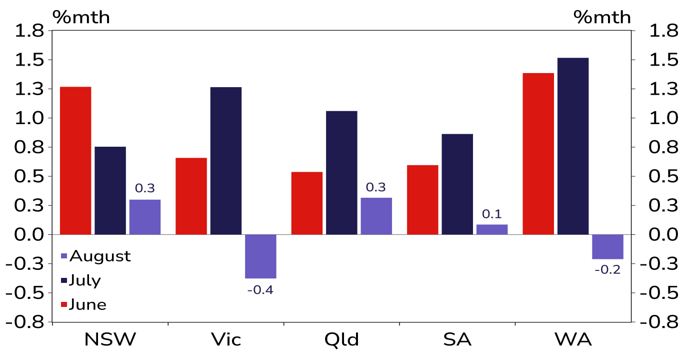
Source: ABS, Macrobond, Westpac Economics

Goods, services, discretionary & non-discret.



Source: ABS, Macrobond, Westpac Economics

Monthly household spending by state



Source: ABS, Macrobond, Westpac Economics

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