Household Spending Indicators – September Quarter 2026

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Key points

- The Reserve Bank of Australia has raised its cash rate target five times this year (effective on 4 February, 18 March, 6 May, 30 September and 4 November, respectively). The recently released household spending data for the September quarter reflect any change of consumer demand following the first three rate hikes, which has implications for various property sectors.
- In value terms, household spending for the September quarter was up 6.7% from a year ago, which was an acceleration from the 5.5% annual growth recorded in the June quarter. Both discretionary spending and non-discretionary spending growth accelerated, from 5.7% to 7.1% and 5.2% to 6.0% respectively. Discretionary spending, which should be sensitive to household budget changes (e.g. higher mortgage repayments following the RBA's rate hikes), was particularly strong in Western Australia (up 10.4%) and the Northern Territory (up 13.1%).
- Household spending for the September quarter in volume terms (i.e. any increase is not attributed to price inflation) was up 3.2% from a year ago, also an acceleration from the previous quarter's growth rate of 2.5%, which suggests the three rate hikes by the RBA in the first half of 2026 had not dampened consumer demand overall.
- However, the breakdown of household spending by category (in volume terms) shows a mixed picture during the September quarter:
    - Reflecting the housing market downturn, the annual growth in spending on furnishings and household equipment decelerated to 4.2% (from 5.1% the previous quarter).
    - A positive sign for the tourism-related sectors, household spending on recreation and culture remained solid with an annual growth rate of 4.5% (compared with 3.8% the previous quarter).
    - Spending on hotels, cafes and restaurants grew at a relatively modest pace of 2.4% but this was nevertheless the strongest result in five quarters.

Household spending - September quarter 2026 (annual change)	Australia	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Volume (seasonally adjusted*)	3.2%	2.7%	2.8%	3.5%	5.2%	3.1%	3.1%	0.7%	8.1%
>> Furnishings and household equipment	*4.2%*	*3.9%*	*3.3%*	*4.3%*	*6.7%*	*3.7%*	*5.9%*	*-0.1%*	*8.4%*
>> Recreation and culture	*4.5%*	*4.1%*	*3.1%*	*5.2%*	*7.7%*	*5.6%*	*4.3%*	*1.2%*	*13.3%*
>> Hotels, cafes and restaurants	*2.4%*	*2.3%*	*1.8%*	*3.0%*	*3.4%*	*3.2%*	*1.4%*	*2.1%*	*4.5%*
>> Transport	*4.0%*	*4.2%*	*4.1%*	*4.0%*	*6.1%*	*3.6%*	*10.4%*	*-1.2%*	*0.5%*
Value (current price, seasonally adjusted)	6.7%	6.2%	5.8%	6.9%	9.4%	6.6%	7.6%	4.8%	11.4%
>> Discretionary	*7.1%*	*6.1%*	*6.2%*	*7.5%*	*10.4%*	*7.0%*	*8.1%*	*5.0%*	*13.1%*
>> Non-discretionary	*6.0%*	*6.2%*	*5.1%*	*5.9%*	*7.9%*	*5.8%*	*6.7%*	*4.4%*	*7.1%*

*The spending category data for states and territories are not seasonally adjusted.

Source: ABS

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