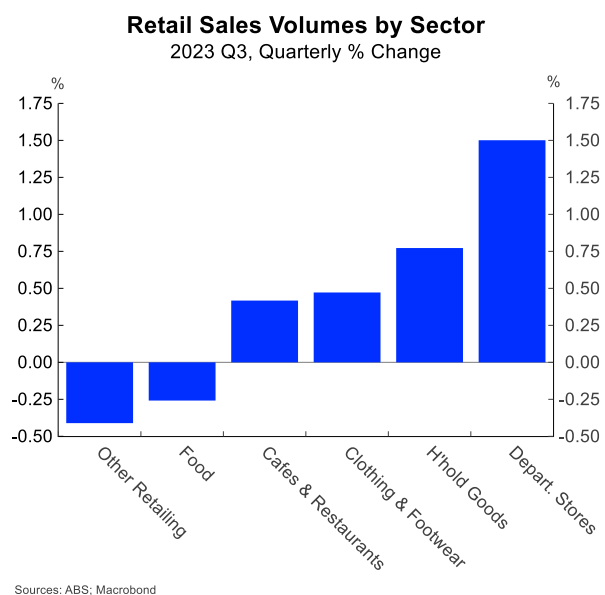
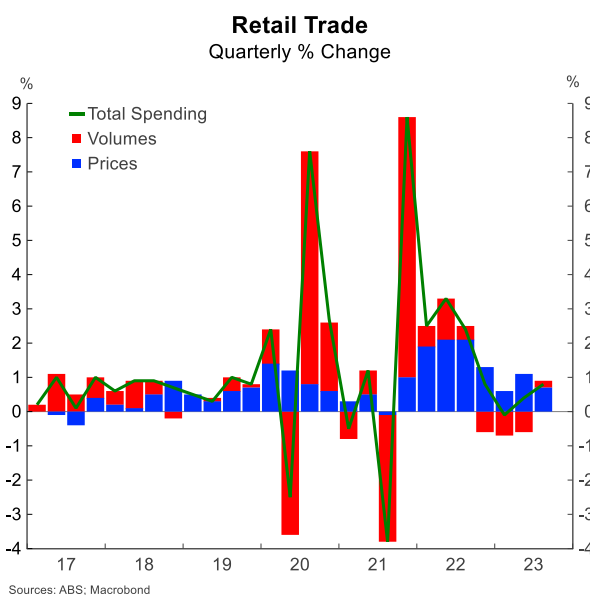


Retail Sales Volumes

Largest Per-Capita Contraction on Record

- Retail spending volumes, which exclude the impact of higher prices, rose 0.2% in the September quarter. This snapped a string of three consecutive quarterly falls in real retail spending. Despite the improvement, quarterly growth remains considerably slower than the pre pandemic average of around 0.6%.
- The improvement in the September quarter was driven by heavy discounting, unusually warm weather, and special events such as the FIFA women’s world cup.
- However, population growth was by far the biggest contributor. In fact, the ABS’ figures suggest that the population could have expanded by around 337k in the 6-months since the March quarter – the latest available population statistics. That’s almost double the average pace recorded since the turn of the millennium.
- Reflecting the rapid increase in the population, per-capita retailing volumes tumbled 4.0% over the year to the September quarter – the fastest fall ever recorded.
- Retail price inflation continued to slow. Retail prices rose 0.7% in the quarter and 3.7% in annual terms. This is considerably down on the peak of 7.6% recorded in the December quarter of 2022. Solid progress on retail price inflation is likely to reflect ongoing discounting activity.
- The consumption outlook remains incredibly weak. However, record population growth is more than offsetting this weakness and it is unlikely to dry up anytime soon. This will continue to support aggregate spending, though per-capita spending could continue to plumb fresh lows.



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