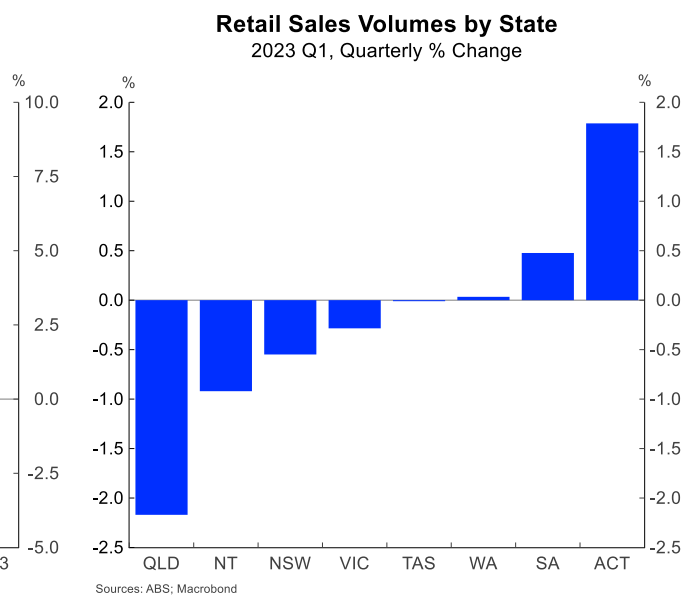
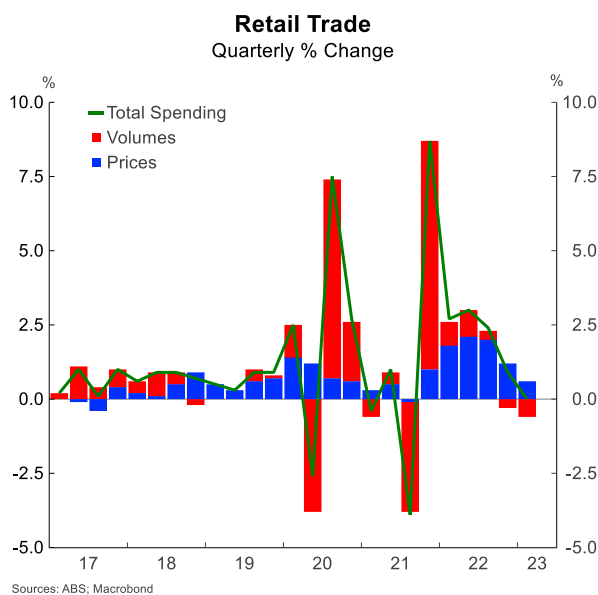


## Retail Sales Volumes

### Spending Falls Even As Population Surges

- The volume of retail spending fell 0.6% in the March quarter. This followed a 0.3% fall in the December quarter and was the first consecutive quarterly decline since 2011. Over the past six months, the volume of spending was down 0.9% from the record September quarter of 2022.
- Elevated inflation and cash rate hikes have been key drivers behind softer volumes. Retail prices rose 0.6% in the quarter. This was lower than the broader consumer price index (1.4%) as price pressures across goods begin to slow.
- By category, household goods (-3.7%) experienced the largest fall in the quarter. This was followed by other retailing (-0.8%). Clothing & footwear (+0.2%), cafes & restaurants (+1.0%), and department stores (+1.5%) gained in the quarter, while food was flat (0.0%).
- Retailing has been supported by the rapid surge in population growth, as migration hits record levels and international tourism recovers. This contributed to gains across cafes & restaurants, which was the only category to hit a new record high in volume terms in the quarter.
- Real retailing per capita was down 1.3% in the quarter and -2.0% over the year. This was the third negative quarter in a row and was the largest quarterly fall in over 13 years (ex. COVID).
- Retail spending accounts for around a third of household consumption. The latest outcome points to weakness in the March quarter. A key question remains how real spending has held up across other categories for which we have more limited partial data, particularly services.



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