

1 April 2025

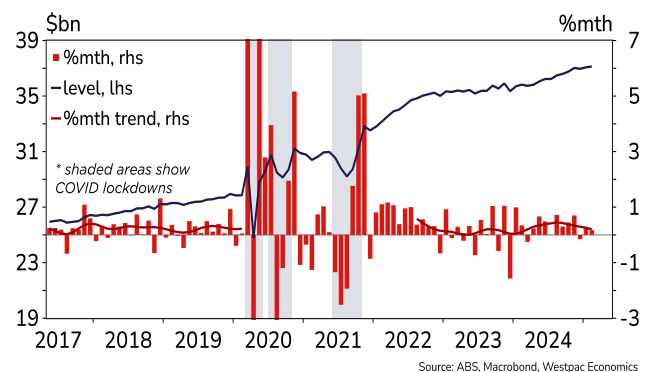
# AUSTRALIAN RETAIL SALES BULLETIN

A timid lift

## Key points

- Retail sales rose 0.2% in February, with annual growth slowing further to 3.6%yr.
- Food retail has done much of the heavy lifting in 2025, led by basic food. Meanwhile non-food retail declined for a second consecutive month as the post-sales consumer blues continue.
- Retail trade declined -0.4%*mth* in Qld, while Vic posted a flat result. Trends were positive in the remaining states with WA recording its 14th consecutive lift. Any impacts from Cyclone Alfred will show through in March figures.
- The nominal prints for January and February hint at a weaker Q1 2025 volumes result. Today's hold in the cash rate and potential uncertainty from developments offshore may temper near-term spending but is unlikely to dislodge the ongoing gradual recovery in consumer activity.

### Nominal retail trade



**February  
retail sales:  
0.2%*mth*,  
3.6%*yr***

# Food retail leading in 2025



**Neha Sharma**  
Economist

Retail trade rose 0.2%*mt* in February, following a 0.3%*mt* rise in January and a -0.2%*mt* dip in December (revised down a touch). The recovery in retail spending is underway but moving slowly, annual growth in retail sales eased slightly to 3.6%*yr*, though still below the pre-COVID average of 5.7%*yr*.

The industry detail was mixed. Food retailing has emerged as the clear driver of spending in 2025 so far.

Food spending lifted for a second consecutive month, up 0.5%*mt* in February. Underlying this was a 0.6%*mt* lift in basic food. We will likely see another lift in basic food spending next month as some households in Qld and NSW rushed to stock up on food before Cyclone Alfred (see [here](#) for more information). Cafes, restaurants and takeaway rose 0.2%*mt*.

At the other end was non-food retailing which declined for a second consecutive month (-0.2%*mt*). The fall was centred on a -1.0%*mt* decline in other retailing. Household goods retailing was down -0.3%*mt* after a sharp -4.4%*mt* fall in January. Partially offsetting this weakness was a 1.5%*mt* rise in department stores and a 0.4%*mt* lift in clothing and footwear.

The state detail was as follows: -0.4%*mt* in Qld; flat in Vic; 0.2%*mt* in SA; 0.5%*mt* in NSW; and 0.8%*mt* in WA. This was the 14th consecutive monthly lift for WA, marking the longest run of gains the state has seen since the mid-2000s.

The other detail showed online retailing was up 1.7%*mt*, with a flat result for in-store spending. By firm size, gains were once again centred on large retailers, particularly non-food (1.4%*mt*). Small retailers have struggled in 2025 so far with a -1.0%*mt* fall in February following a -0.6%*mt* decline the month prior.

Last month's rate cut boosted buyer sentiment to its highest level in almost three years (though pessimists still slightly outnumber optimist, see [here](#)). However, our Westpac-DataX Card Tracker [data](#) shows that, much like the tax cuts, the first few weeks following the rate cut rate have had little meaningful impact on spending. The RBA's decision to hold rates steady today, along with uncertainty from developments overseas may dampen near-term spending but is unlikely to derail the ongoing gradual recovery of the Australian consumer.

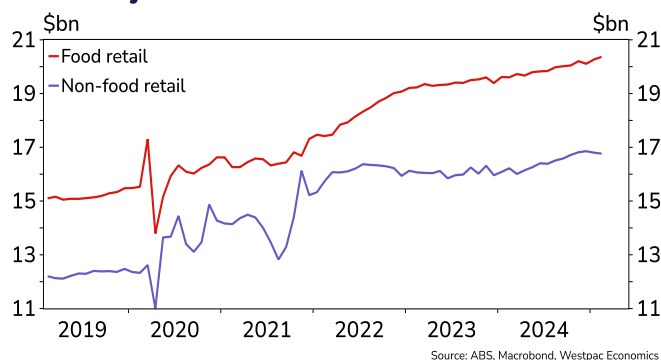
Next month (May 2) will see the penultimate release of retail volumes before the cessation of the retail trade publication in July. The monthly nominal profile for Q1 2025 has so far been a bit more subdued than the equivalent Q4 2024 prints, suggesting a potentially softer result for volumes.

## Retail sales – February 2025

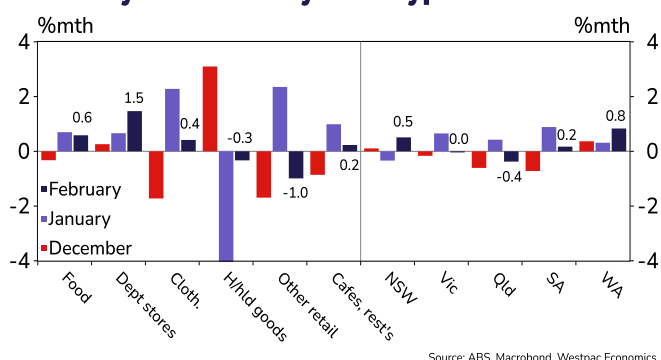
	\$bn	% chg <i>mt</i>		% chg <i>yr</i>	
	Feb-25	Jan-25	Feb-25	Jan-25	Feb-25
sa	37.13	0.3	0.2	3.8	3.6
trend	37.17	0.3	0.2	4.0	4.1

Source: ABS, Macrobond, Westpac Economics.

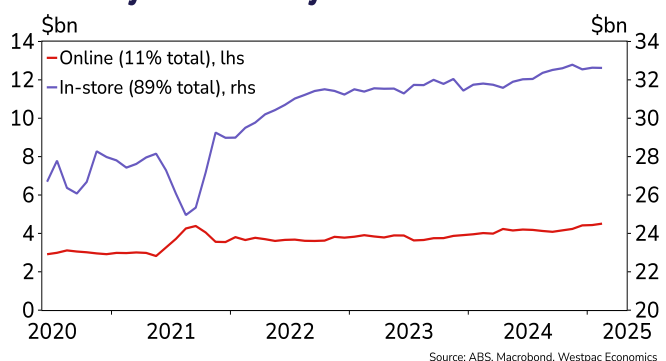
## Monthly retail sales: food vs non-food



## Monthly retail sales by store type and state



## Monthly retail sales by channel





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