

Retail spending in Australia has declined to its weakest level since the recession, [ABC News reports](#).

Specifically, the article says that retail sales were worse than expected in September and in the third quarter.

Predictions were for an expected a rise of 0.5% in September. However, sales rose by just 0.2% for the month.

The third-quarter results were worse yet, it adds. With a decrease of 0.1% in sales volumes, results went against market expectations of a 0.2% rise.

Consumer spending accounts for almost two-thirds of the country's economic activity.

“By way of comparison, the last time volumes fell on an annual basis was the 0.6% decline seen in the early 1990s recession,” NAB economist Kaixin Owyong was quoted saying.

While government tax cuts were expected to boost consumer spending, it seems that they were insufficient.

The article quotes Callam Pickering, an economist at Indeed, saying: “Low wage growth remains the greatest impediment for the retail sector.”

He went on to say that the Australian government should make sacrifices to stimulate the economy.

Sales for cafes, restaurants and takeaway services rose (+0.6%). Meanwhile, clothing, footwear and personal accessory retailing (-0.5%) and department stores (-0.2%) had the worst performance, according to the article.

Online sales continued growing and made up 6.3% of all retail turnover in September (compared to 5.6% during the same period last year).

The worst performing states were in Victoria, where sales were flat, and Queensland which saw a 0.1% decline.

On the other hand, Tasmania and Western Australia performed the best (with 1% and 0.7% increases respectively).

[Click here](#) for the full article.