

AN UPDATE ON LIAISON MESSAGES – SEPTEMBER 2023

Liaison suggests that consumption growth will remain subdued as cost-of-living pressures continue to weigh on economic growth.

Retailers report that consumers, particularly those facing higher cost-of-living pressures, are more budget-conscious in their spending.

Economic growth remains subdued

Tourism

- Domestic tourism demand has declined from high levels in the past six months, driven by leisure travel. Some contacts expect a further softening in demand because of cost-of-living pressures and interest rate increases.

...and private sector wages growth appears to have stabilised at around 4 per cent.

- Liaison suggests that year-ended private sector wages have grown a bit above 4 per cent in the September quarter to date, similar to the previous three quarters. Firms across most industries continue to note that cost-of-living pressures and the tight labour market are feeding into higher wages growth than prior to the pandemic.

Regional and Industry Analysis
18 September 2023

RETAIL LIAISON SUMMARY – SEPTEMBER 2023

Consumers continue to trade down to cheaper products, or purchasing fewer items, due to cost-of-living pressures.

29 September 2023

NEW HOUSING – THE VIEW FROM LIAISON – SEPTEMBER 2023¹

There has been a modest recovery in demand for new detached homes, but OTP apartment sales remain at low levels.

New detached housing and greenfield land

Nonetheless, sales of detached housing and greenfield land remain close to their cycle lows as a range of factors continue to weigh on buyer sentiment; these include higher interest rates and construction costs, concerns around builder solvency, and cost of living pressures.

Regional and Industry Analysis
Economic Analysis Department
6 October 2023

AN UPDATE ON LIAISON MESSAGES – OCTOBER 2023

still report that consumers, particularly those facing higher cost-of-living pressures, are more budget-conscious in their spending. Retailers

Economic growth remains subdued

Retail

- For a few quarters now, consumers have continued to trade down to cheaper products, or purchased fewer items, due to cost-of-living pressures.

Tourism

- Many tourism contacts expect a further softening in demand because of cost-of-living pressures and interest rate increases.

Education

- Tertiary education providers report that the tight labour market, alongside cost-of-living pressures, continues to weigh on domestic student numbers.

...and expectations for private sector wages growth have drifted below 4 per cent.

- Cost-of-living pressures and the tight labour market are feeding into wages growth remaining higher than prior to the pandemic.

Regional and Industry Analysis
23 October 2023

RETAIL LIAISON SUMMARY – OCTOBER 2023

Retail conditions remain broadly unchanged: most retailers continue to note that volumes are lower than a year ago and that consumers have pulled back on spending and are more careful than last year in their purchases. Contacts attribute this to cost-of-living pressures, including interest rate increases, and uncertainty, with many retailers saying that this has led to a more competitive retail environment.

3 November 2023

From:
Sent: Thursday, 16 November 2023 8:05 AM
To: BULLOCK, Michele
Cc: HOLLOWAY, James
Subject: For info, ahead of Friday's ACOSS meeting [SEC=OFFICIAL]

We of course have spoken to other community services organisations in a range of states over the rest of 2023 as part of our continuous sample through the year. The broad themes from these discussions have not changed noticeably over 2023. They remain:

- Cost-of-living pressures remain acute for their constituents. More people than usual are seeking support from community services organisations, including wage earners and households with mortgages who have sought food support. Calls for support include for housing assistance, financial counselling services, mental health services, domestic violence services and food support.

Regional & Industry Analysis, Economic Analysis Department

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AN UPDATE ON LIAISON MESSAGES – NOVEMBER 2023

Economic activity has moderated, but not as much as expected

Retail

- Retailers note that consumers have pulled back on spending and are more careful than last year in their purchases. Contacts attribute this to cost-of-living pressures, including interest rate increases, and uncertainty, with many retailers saying that this has led to a more competitive retail environment.

Tourism

- Many tourism contacts expect cost-of-living pressures and interest rate increases to weigh on domestic leisure travel in coming quarters.

...and private sector wages growth is expected to slow over the year ahead.

- Cost-of-living pressures and the tight labour market are cited as reasons for wages growth remaining higher than prior to the pandemic.

Regional and Industry Analysis
20 November 2023

NSW BUDGET 2023/24

The NSW Government released its [2023/24 State Budget](#) on 19 September 2023.

However, expenses forecasts are higher than at the time of the March pre-election budget update driven by increased public sector wages and cost-of-living support measures.