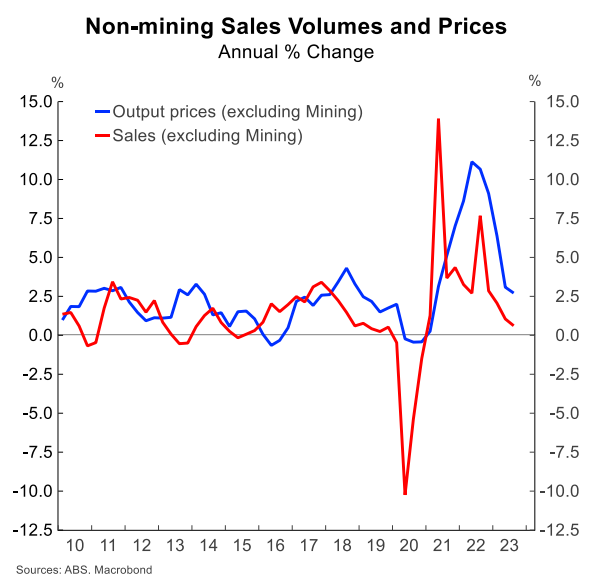
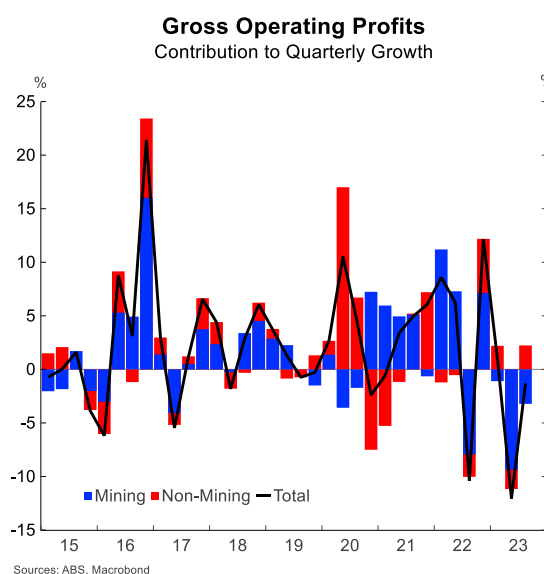


Business Indicators

Non-Mining, Not Letting Up

- Business profits declined 1.3% in the September quarter, driven by a 7.7% fall in mining profits. However, the detail points to resilience in the non-mining sector where profits rebounded by 3.4% in the quarter, to be 15.7% higher in annual terms. The quarterly increase was driven by accommodation and food (+11.6%), arts and recreation (+8.6%) and construction (+8.5%).
- Growth in sales volumes continued to moderate. Total sales declined by 0.1% in the quarter to be 1.0% higher in annual terms. Sales excluding mining remained resilient and increased by 0.2% in the quarter, to be 0.6% higher in annual terms. When it comes to prices, output prices across the non-mining economy increased by a strong 1.2% in the quarter. However, the pace of price growth continues to moderate.
- Wages grew by a strong 2.7% over the quarter, supported by the Fair Work Commission (FWC) award wage decision which came into effect from 1 July. We saw strong wages growth in telecommunications (+8.7%), healthcare (+5.6%) and transport and warehousing (+4.5%).
- Mining inventory rebounded sharply, more than reversing the fall recorded last quarter. Total inventories grew by 1.2% in the quarter, which is expected to contribute 0.9 percentage points to growth in the September quarter. This was stronger than expected and presents upside risk to Wednesday's National Accounts.
- Today's outcome was mixed. The mining sector continues to be impacted by commodity prices coming off their recent peaks. But the non-mining sector is showing resilience, with profits and sales stabilising over the quarter.



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