



Summary

Monthly Change (Trend):

Queensland	↑	0.9 %
Rest of Australia	↑	0.7 %

- Monthly nominal retail turnover in Queensland rose strongly in June, once again outpacing growth in the rest of Australia.

Analysis

Queensland

- Nominal retail trade grew by 0.9% in Queensland in June 2004, slightly higher than the 0.8% growth recorded in May. Retail trade growth has picked up steadily since the January 2004 low of 0.3%.
- Strong growth during 2003, as well as the upturn in recent months, has resulted in annual growth in retail trade of 11.2% in Queensland over the year to June, substantially outpacing all other Australian states. Queensland has now recorded the highest annual growth rate of all states for eight consecutive months.
- The rise in Queensland retail trade was evident across most sectors in June, with food retailing (0.2% point), clothing and soft goods (0.2% point) and household goods (0.2% point) all contributing significantly to growth. In the rest of Australia, retail trade growth was dominated by food retailing (0.3% point) and hospitality and services (0.2%).
- In real terms, which are published quarterly, Queensland's retail trade grew by 1.6% in the June quarter, to be 11.6% higher over the year. By comparison, real retail trade in the rest of Australia grew by 1.2% in the June quarter, to be 6.4% higher over the year.

National

- Nationally, monthly growth in nominal retail trade strengthened slightly to 0.7% in June 2004 from 0.6% in May, while annual growth edged lower to 7.9%, from 8.0% in May. Meanwhile, in real terms, retail trade in Australia rose 1.3% in the June quarter, to be 7.4% higher over the year.

Implications

- Queensland's retail trade growth over the past year has been strongly supported by strong labour market conditions, rising housing wealth and an increase in real incomes.
- In addition to ongoing conditions conducive to retail spending, retail trade in coming months is likely to be supported by the Federal government's family bonus payments, as well as income tax cuts, announced in the recent Commonwealth Budget.

Table 1. Retail Turnover, June 2004

States/Australia	% Change	
	Monthly Trend	Annual Trend
Queensland	0.9	11.2
New South Wales	0.9	7.0
Victoria	0.1	7.3
South Australia	0.6	6.4
Western Australia	0.9	7.9
Tasmania	0.4	8.5
Rest of Australia	0.7	7.0

Chart 1. Nominal Retail Turnover
(Monthly % Change, Trend)

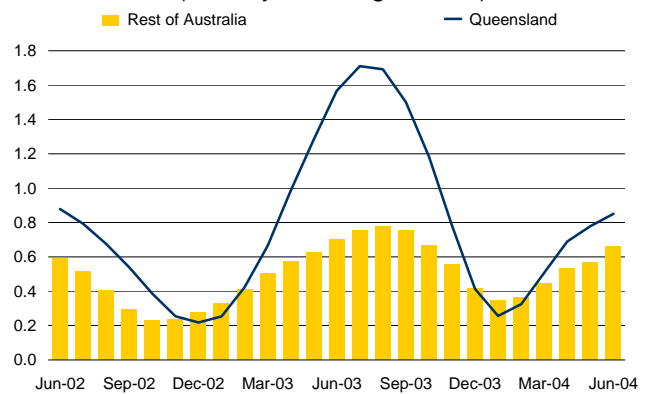


Chart 2. Retail Turnover by Industry Group
(% Point Contribution to Growth, Trend, June 2004)

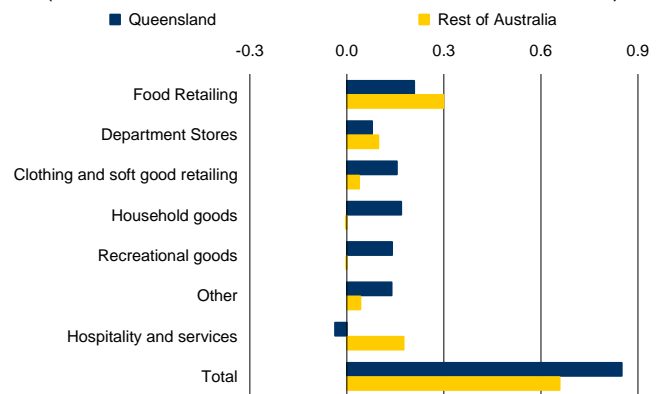


Table 2. Real Retail Turnover, June Qtr 2004

States/Australia	% Change	
	Qtrly Trend	Annual Trend
Queensland	1.6	11.6
New South Wales	0.9	5.1
Victoria	1.2	7.9
South Australia	1.5	5.7
Western Australia	1.6	7.7
Tasmania	0.5	9.1
Rest of Australia	1.2	6.4