



Summary

Monthly Change (Trend):

Queensland	↑	0.7 %
Rest of Australia	↑	0.3 %

- Monthly nominal retail turnover in Queensland continued to grow strongly in August, outpacing growth in the rest of Australia for the sixth consecutive month.

Analysis

Queensland

- Nominal retail trade rose 0.7% in Queensland in August 2004, the fifth consecutive month of growth at or above 0.7%. Meanwhile, Queensland recorded annual retail trade growth of 9.2% over the year to August 2004, which was stronger than all other Australian states for the ninth consecutive month.
- However, the recent strong growth in nominal retail trade may not necessarily reflect growth in the volume of retail trade, as it includes the impact of price movements. Therefore, the next release of quarterly *real* retail trade data in early November will provide a clearer picture of changes in the volume of retail trade in recent months.
- Food retailing contributed 0.3% point to growth in August, while 'other' retailing contributed 0.2% point and department stores and clothing and soft goods retailing both contributed 0.1% point. In contrast, hospitality and services detracted 0.1% point from growth, and has now detracted from growth for seven consecutive months.
- In the rest of Australia, food retailing, department stores, clothing and soft goods retailing and household goods all contributed 0.1% point to growth.

National

- Nationally, monthly growth in nominal retail trade remained steady at 0.4% in August 2004, while annual growth eased, down 0.6% point to 6.3%.

Implications

- Retail trade growth over the past year in Queensland has been underpinned by excellent labour market conditions, with very strong employment growth and the trend unemployment rate falling to its lowest level in over 26 years. In addition, the ongoing wealth effects from recent house price growth, high levels of consumer confidence and continued solid population growth have also supported retail turnover.
- These factors are likely to continue to sustain retail turnover growth in coming months. However, retail trade growth may be adversely affected should fuel prices remain at their current high levels, reducing discretionary incomes.

Table 1. Retail Turnover, August 2004

States/Australia	% Change	
	Monthly trend	Annual trend
Queensland	0.7	9.2
New South Wales	0.2	4.9
Victoria	0.1	5.6
South Australia	0.3	5.5
Western Australia	0.7	8.3
Tasmania	0.4	6.8
Rest of Australia	0.3	5.5

Chart 1. Nominal Retail Turnover (monthly % change, trend)

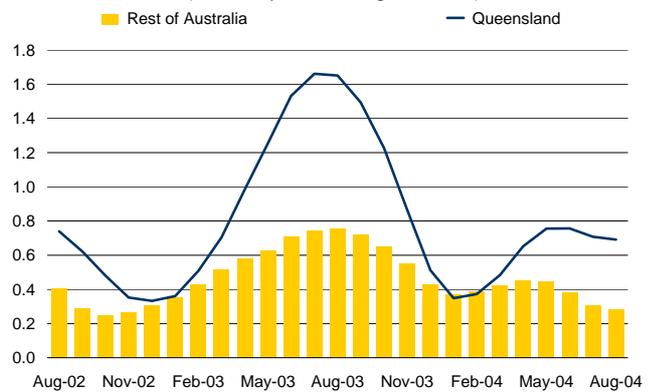


Chart 2. Retail Turnover by Industry Group (% point contribution to growth, trend, August 2004)



Chart 3. Retail Turnover – Interstate Comparison (annual % change, trend, August 2004)

