



Summary

Monthly Change (Trend):

Queensland	↑	0.6 %
Rest of Australia	↑	0.2 %

- Monthly nominal retail turnover in Queensland continued to grow strongly in September 2004, outpacing growth in the rest of Australia for the seventh consecutive month.

Analysis

Queensland

- Nominal retail trade rose 0.6% in Queensland in September 2004, unchanged from 0.6% growth in August. In annual terms, Queensland's retail trade grew by 8.1% over the year to September, markedly stronger than all other Australian states with the exception of Western Australia.
- The recent strong growth in monthly nominal data was also reflected in a strong increase in quarterly real retail trade, which rose by 1.5% in September quarter 2004. However, this quarterly growth rate represents an easing from a historical high of 4.0% in September 2003. As a result, annual growth in real retail trade also eased from a record 13.5% in March quarter 2004 to 9.3% in the September quarter.
- In monthly terms, food retailing contributed 0.2% point to growth in September, while 'other' retailing contributed 0.3% point. Other retailing, which includes garden supplies, cosmetics and jewellery, has contributed strongly to recent growth in Queensland's retail trade, increasing by 19.0% over the year.
- In the rest of Australia, food retailing, department stores, household goods, and clothing and soft goods retailing each contributed 0.1% point to growth.

National

- Nationally, monthly growth in nominal retail trade moderated slightly to 0.3% in September 2004, following 0.4% growth in August. In annual terms, retail trade growth eased, down 0.6% point to 5.7%.

Implications

- Retail trade growth over the past year in Queensland has been underpinned by excellent labour market conditions, characterised by very strong employment growth and the trend unemployment rate falling to its lowest level in at least 26 years. High levels of consumer confidence and housing activity, as well as continued solid population growth, have also supported retail turnover.
- These factors are likely to continue to sustain retail turnover growth at strong levels in coming months, although continued high fuel prices have the potential to adversely affect discretionary incomes and reduce retail spending.

Table 1. Retail Turnover, September 2004

States/Australia	% Change	
	Monthly trend	Annual trend
Queensland	0.6	8.1
New South Wales	0.0	3.7
Victoria	0.4	5.6
South Australia	0.1	5.1
Western Australia	0.7	9.1
Tasmania	0.1	5.5
Rest of Australia	0.2	5.1

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

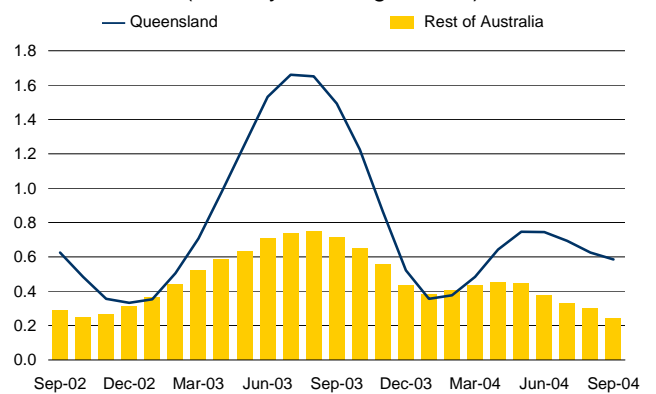


Chart 2. Retail Turnover by Industry Group (% point contribution to growth, trend, September 2004)

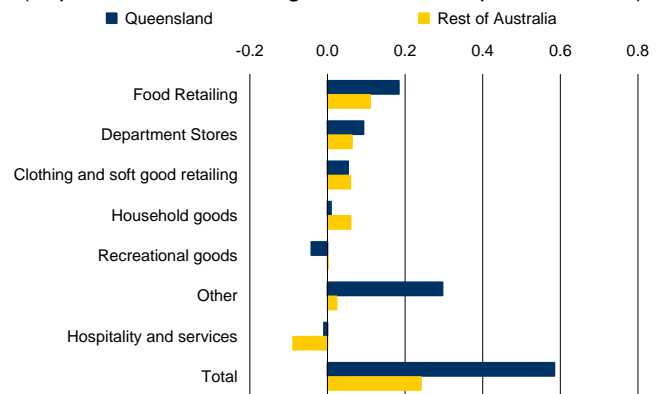


Table 2. Real Retail Turnover, September Qtr 2004

States/Australia	% Change	
	Qtrly trend	Annual trend
Queensland	1.5	9.3
New South Wales	0.7	3.9
Victoria	1.0	6.7
South Australia	0.8	4.9
Western Australia	2.1	8.9
Tasmania	0.8	7.1
Rest of Australia	1.0	5.5