

Note: Sampling issues identified by the ABS indicate that the October 2004 retail trade data for Queensland should be treated with particular caution.

Estimates in the first month of each quarter can be influenced by, among other things, the quarterly rotation of sampled businesses, which ensures that the sample remains representative of the population and spreads the reporting load across retailers. The impact is usually within the normal standard errors associated with the estimates. However, the ABS states that in October 2004 '... the businesses rotated into the sample were generally smaller than those rotated out, **particularly for Queensland** [emphasis added]. This can lead to a decrease in the estimate. However, at the Australian level, the rotation effects were essentially offsetting' (ABS cat no. 8501.0 Oct 2004).

Summary

Monthly Change (Trend):

Queensland	Unchanged	0.0%
Rest of Australia	↑	0.1%

- Monthly nominal retail turnover in Queensland was steady (0.0%) in October 2004 (rest of Australia, 0.1%), down from 0.1% in September and 0.2% in August. The significant impact of the ABS sample rotation can be seen when noting that the previous (September 2004) release estimated trend retail turnover growth to be 0.6% in both August and September.

Analysis

Queensland

- Over the year to October 2004, Queensland recorded trend retail trade growth of 5.5%, which was higher than all other states except Western Australia (rest of Australia, 4.2%).
- Analysis by industry group indicates that food retailing, recreational goods, and hospitality and services each detracted 0.1% point from growth in October, while 'other' retailing contributed 0.1% point.
- However, as noted above, particular caution should be taken when interpreting retail trade data for October 2004. Consequently, few conclusions can be drawn from the October retail trade data until a few more months' data is available and it can be assessed (with hindsight) whether this month was a statistical aberration or in fact was a true downward correction in the trend level of retail turnover in Queensland.

Implications

- Queensland continues to experience 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. Further, high levels of consumer and business confidence and housing activity, as well as continued solid population growth, continue to be recorded. It is anticipated that these factors are likely to support retail turnover growth in coming months, although continued high fuel prices have the potential to adversely affect discretionary incomes and reduce retail spending.

Table 1. Retail Turnover, October 2004

States/Australia	% Change	
	Monthly Trend	Annual Trend
Queensland	0.0	5.5
New South Wales	-0.1	2.6
Victoria	0.4	5.1
South Australia	0.1	4.1
Western Australia	0.3	8.0
Tasmania	0.0	4.2
Rest of Australia	0.1	4.2

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

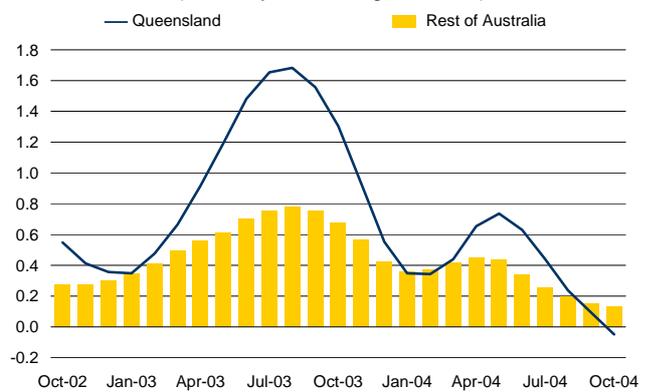


Chart 2. Retail Turnover by Industry Group (% Point Contribution to Growth, Trend, October 2004)

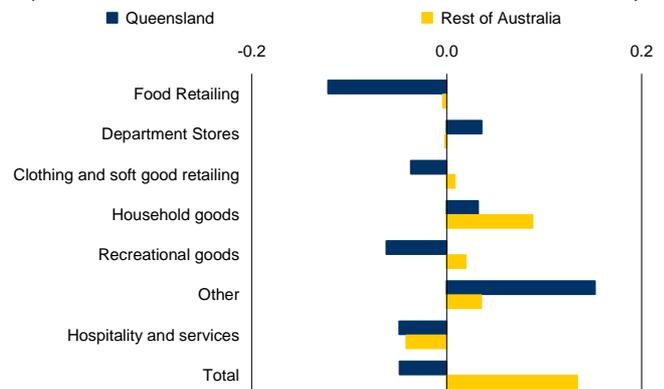


Chart 3. Retail Turnover – Interstate Comparison (Annual % Change, Trend, October 2004)

