



Summary

Monthly Change (Trend):

Queensland	↑	0.2%
Rest of Australia	↑	0.1%

- Nominal retail turnover (trend) in Queensland increased 0.2% in March 2005, to be 1.1% higher over the year (rest of Australia, up 0.1% and up 1.3% respectively).
- In seasonally adjusted terms, retail trade in Queensland increased 0.2% in March, to be 2.4% higher over the year. In comparison, the level of retail turnover for the month was unchanged in the rest of Australia, while increasing 1.3% over the year.

Analysis

- The ABS publishes *real* retail trade data on a quarterly basis. This data differs from *nominal* retail trade data as it accounts for the impact of price changes on the nominal value of turnover, and thus acts as a gauge of the *volume* of retail spending.
- The 1.4% rise in seasonally adjusted terms in real retail turnover in March quarter 2005 was not substantial enough to offset the fall of 2.4% in December quarter 2004 (the December quarter fall can be partly attributed to the rotation of smaller retailers into the retail trade survey in October 2004). As a result, real retail turnover (trend) continued to ease in March quarter 2005, recording a fall of 0.3% (Chart 1). The rest of Australia saw real retail turnover unchanged in the March quarter.
- In annual terms, real retail turnover in Queensland increased by 0.9% over the year to March 2005. In the rest of Australia, growth moderated to 1.4% over the year.
- In terms of industry groups, hospitality and services made the strongest contribution to monthly nominal growth in trend terms (Chart 2).

Implications

- The easing in real retail trade growth over the quarter, while partly reflecting the sample rotation of smaller retailers into the retail trade survey, is consistent with other economic trends. Specifically, high petrol prices in early 2005 may have adversely affected discretionary spending and, therefore, retail trade.
- Looking forward, the recent rise in official interest rates in March, as well as weaker results of business and consumer surveys and housing finance approvals data, suggest growth in retail trade may remain subdued compared with the high growth rates of 2004.
- However, the growth in nominal retail turnover in the State remains supported by strong labour market conditions and population growth.

Table 1. Nominal retail turnover, March 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.2	0.2	1.1	2.4
New South Wales	0.2	0.4	1.2	1.7
Victoria	0.0	-0.2	0.2	-0.3
South Australia	0.3	-0.3	1.7	1.7
Western Australia	-0.2	-0.8	3.0	2.9
Tasmania	0.3	-1.2	3.5	2.7
Rest of Australia	0.1	0.0	1.3	1.3

* Seasonally adjusted

Chart 1. Real retail turnover (quarterly % change, trend)

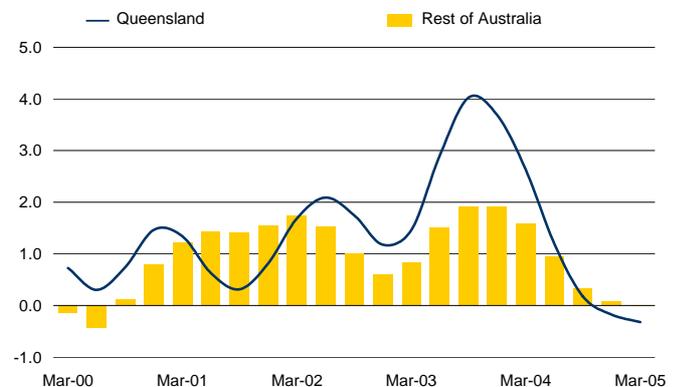


Chart 2. Nominal retail turnover by industry group (% point contribution to growth, trend, March 2005)



Chart 3. Real retail turnover – state comparison (annual % change, trend, March quarter 2005)

