



Summary

Monthly Change (Trend):

Queensland	↑	0.5%
Rest of Australia	↑	0.1%

- Nominal retail turnover (trend) in Queensland increased 0.5% in April 2005, to be 3.1% higher over the year (rest of Australia, up 0.1% and up 2.7% respectively).
- In seasonally adjusted terms, retail trade in Queensland decreased 0.5% in April, to be 3.2% higher over the year. Comparatively, the level of retail turnover for the month was down 0.6% in the rest of Australia, while increasing 2.6% over the year.

Analysis

- Retail trade data for July 2004 to March 2005 were re-released in mid-May after it was revealed that benchmark files used in estimation required updating during this period. Importantly, the ABS noted that the re-released retail data for March 2005 indicate that the pace of moderation in retail trade nationally has been less marked than the originally released data suggested. This has also been the case in Queensland, with the April trend data indicating a strengthening in nominal retail turnover in recent months. In particular, after falling by 0.3% in November 2004, growth in monthly nominal retail turnover in Queensland has strengthened to 0.5% in April, the highest monthly trend growth rate of any state in April (see Chart 1).
- Some financial analysts suggest that the moderation in seasonally adjusted nominal retail trade growth in April may reflect seasonal adjustment problems related to Easter falling entirely within March. In previous years, April sales have been weak when this has occurred.
- In terms of industry groups, hospitality and services and food retailing made the strongest contributions to monthly nominal growth (trend) in April, contributing 0.3% point and 0.2% point respectively (see Chart 2).
- The largest detractions from monthly nominal growth (trend) in April were for department stores and other retailing, each detracting 0.1% point.

Implications

- The growth in nominal retail trade in Queensland over the month was likely to have been underpinned by strong labour market conditions, rising real wages, and solid population growth. These influences positively affect disposable income and, as a result, provide underlying support for retail spending.
- However, the rise in official interest rates by the RBA in April, and high petrol prices in early 2005, are factors that may constrain growth in retail trade going forward.

Table 1. Nominal retail turnover, April 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.5	-0.5	3.1	3.2
New South Wales	0.0	-1.5	2.4	1.8
Victoria	0.2	0.3	2.4	3.2
South Australia	-0.2	-2.7	1.5	-0.1
Western Australia	0.4	2.0	4.9	5.8
Tasmania	0.0	-0.6	5.0	3.8
Rest of Australia	0.1	-0.6	2.7	2.6

* Seasonally Adjusted

Chart 1. Nominal retail turnover (monthly % change, trend)

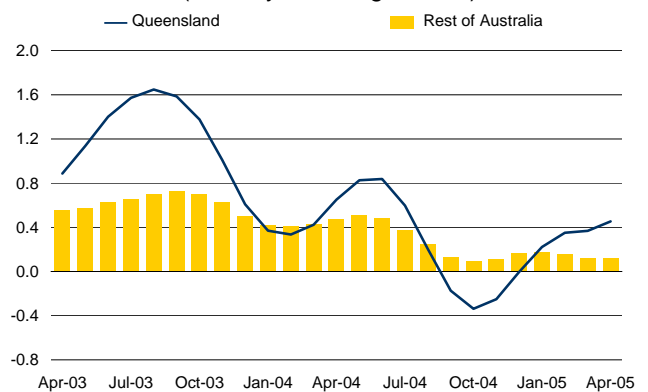


Chart 2. Nominal retail turnover by industry group (% point contribution to growth, trend, April 2005)

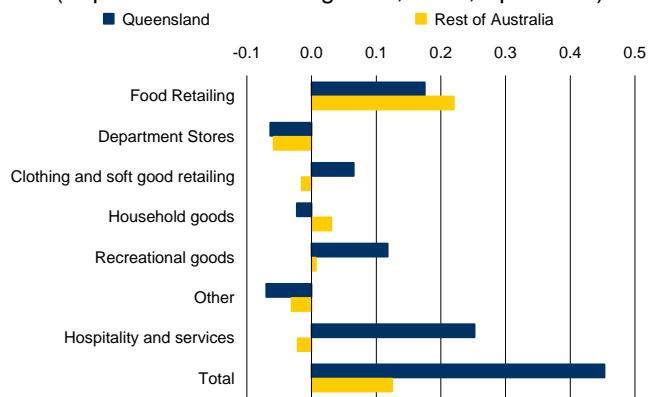


Chart 3. Real retail turnover – state comparison (annual % change, trend, April 2005)

