



In the June 2005 issue of *Retail Trade*, the ABS notes, '...a new base year (2003-04) has been introduced into the chain volume estimates which has resulted in revisions to growth rates in subsequent periods'. As a consequence of these changes, levels in this series now differ from previous publications.

Summary

Monthly Change (Trend):

Queensland	↑	0.4%
Rest of Australia	↑	0.5%

- Nominal retail turnover (trend) in Queensland increased 0.4% in June 2005, to be 1.9% higher over the year (rest of Australia, up 0.5% in June, to be 3.0% higher annually).
- In seasonally adjusted terms (sa), retail trade in Queensland increased 0.8% in June, to be 1.3% higher over the year (the rest of Australia, up 1.5% in June, to be 3.7% higher 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.
- In real terms, trend retail trade in Queensland strengthened marginally in June quarter 2005, rising 0.2%, up from a flat outcome (0.0%) in March quarter 2005. However, quarterly growth in real retail turnover is still substantially lower than the recent peak growth rate of 4.1% in September quarter 2003 (see Chart 1). As a result, annual retail trade growth in the State continued to ease, from a peak of 14.1% in March quarter 2004, to 0.7% in June quarter 2005. In the rest of Australia, quarterly growth in retail trade remained at 0.4% in the June quarter, while annual growth eased to 2.0%, down from 2.7% in the March quarter.
- In nominal terms, Hospitality and services and Food retailing (both 0.2% point) were the industry groups to make the strongest contributions to monthly growth (trend) in June, while Other retailing (-0.2% point) was the only industry group to detract from growth.

Implications

- The moderate growth in retail trade recorded over recent months is consistent with other indicators of economic activity. Sustained high fuel prices during 2005, as well the easing in house price growth over the past year or so, may have resulted in households consolidating their balance sheets, restraining consumer spending going forward.
- However, factors including sustained low unemployment, rising real wages, relatively low interest rates, and solid

population growth should still underpin nominal retail turnover in Queensland in the near future.

Table 1. Nominal retail turnover, June 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.4	0.8	1.9	1.3
New South Wales	0.3	1.8	1.8	2.4
Victoria	0.7	1.0	4.5	5.5
South Australia	-0.1	0.9	0.3	0.6
Western Australia	0.9	2.2	5.3	6.6
Tasmania	-0.2	0.8	3.0	2.9
Rest of Australia	0.5	1.5	3.0	3.7

* Seasonally Adjusted

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

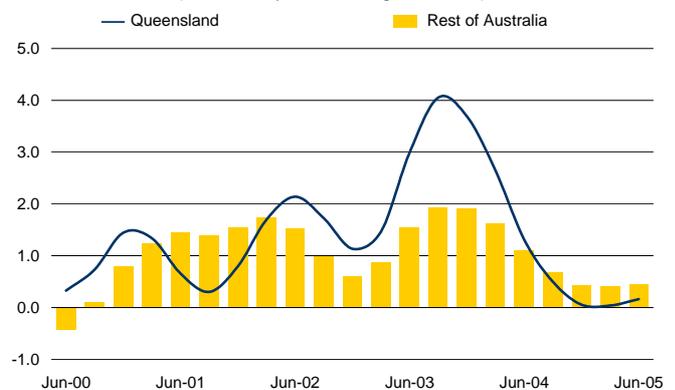


Chart 2. Nominal retail turnover by industry group (% point contribution to growth, trend, June 2005)

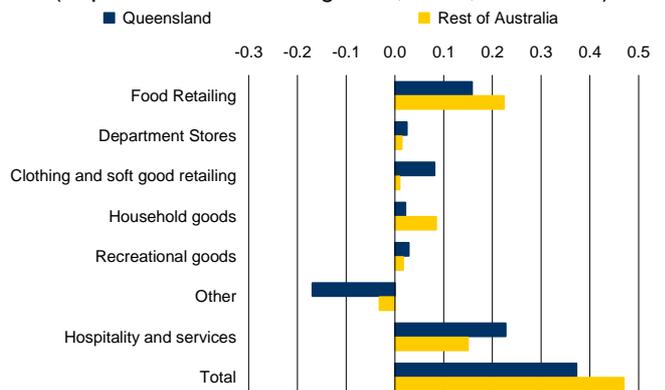


Chart 3. Real retail turnover – state comparison (Annual % change, trend, June quarter 2005)

