

Summary

Monthly Change (Trend):

Queensland	↑	0.6%
Rest of Australia	↑	0.3%

- Nominal retail turnover (trend) in Queensland rose 0.6% in September 2005, to be 4.1% higher over the year (rest of Australia, up 0.3%, to be 3.1% higher over the year).
- Seasonally adjusted (sa) retail turnover in Queensland recorded the first monthly decline in five months, falling 0.7% in September 2005. With the exception of Victoria, all States recorded a decline in nominal retail turnover over the month. Nationally, sa retail turnover declined 0.3%, weaker than the market expectation of an unchanged level of turnover in September.

Analysis

- Queensland's nominal retail turnover growth has been relatively steady since April 2005. Retail turnover (trend) has grown in each month of 2005. In contrast, growth in nominal retail turnover in the rest of Australia has moderated slightly in each month since June 2005.
- Growth in the volume of retail trade in Queensland has accelerated in each of the past three quarters to September quarter 2005, while growth in the volume of retail trade in the rest of Australia has moderated over the same period (see Chart 1). In annual terms, Queensland recorded the third strongest growth in the volume of retail trade (up 2.4%) in September quarter 2005, exceeded by Western Australia (up 3.3%) and Tasmania (up 3.5%) (see Chart 3).
- Despite widespread speculation of higher retail prices due to ongoing high petroleum prices, retail prices in Queensland remained steady during September quarter 2005. As measured by the price deflator, overall retail prices in Queensland increased at an annual rate of only 0.8% in the September quarter, lower than the 1.1% annual growth recorded in the previous quarter.
- In terms of industry groups, Food retailing (0.2% point) and Household goods (0.2% point) continued to make the strongest contributions to monthly growth (trend) in nominal retail turnover in September, while Recreational goods detracted marginally from growth.

Implications

- The acceleration in growth in the volume of retail trade during the first three quarters of 2005 indicates that household consumption has proved to be resilient in the face of higher petroleum prices and easing growth in house prices. A number of positive factors, such as low unemployment, rising real wages, relatively low interest rates and solid population growth, should support the growth in the volume of retail trade in the near future.

Table 1. Nominal retail turnover, September 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.6	-0.7	4.1	2.3
New South Wales	0.1	-0.1	1.7	1.7
Victoria	0.1	0.1	3.4	2.9
South Australia	0.5	-1.1	2.5	1.3
Western Australia	0.6	-0.7	6.0	3.5
Tasmania	0.8	-1.6	6.3	5.9
Rest of Australia	0.3	-0.2	3.1	2.5

* Seasonally Adjusted

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

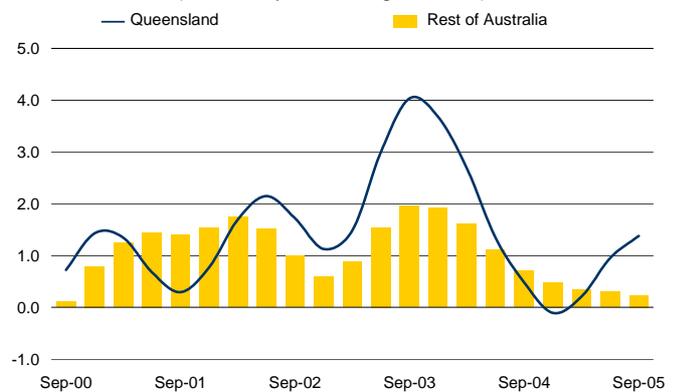


Chart 2. Nominal retail turnover by industry group (% point contribution to growth, trend, September 2005)

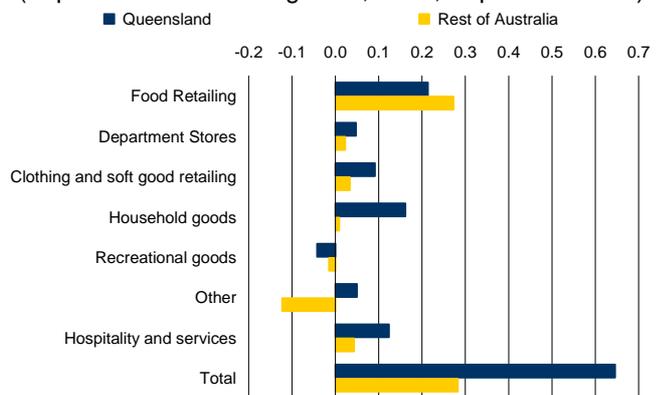


Chart 3. Real retail turnover – state comparison (Annual % change, trend, September 2005)

