



Summary

Monthly Change (Trend):

Queensland	↑	0.5%
Rest of Australia	↓	0.1%

- Nominal retail turnover (trend) in Queensland rose 0.5% in November, but fell by 0.1% in the rest of Australia.
- In seasonally adjusted (sa) terms, retail turnover nationally fell by 0.1% in November, well below a market expectation of a 0.3% rise. In sa terms, retail turnover in Queensland fell by 0.5%, partly reversing a 1.9% rise in October.

Analysis

Queensland's monthly retail trade growth remained solid at 0.5% in November, despite easing slightly from monthly growth of between 0.6% to 0.7% in the previous seven months (Chart 1). A seasonally adjusted fall of 0.5% caused the slight easing in trend monthly growth in Queensland in November. Queensland recorded the strongest trend monthly turnover growth of any State in November 2005, while retail turnover fell by 0.1% in the rest of Australia during the month.

Trend monthly retail turnover growth in Queensland remained much stronger in November 2005 compared with the same period a year earlier, where turnover fell in each of the three months to November 2004. As a result, annual growth in retail trade in Queensland accelerated from a low of 2.6% in June 2005 to 6.1% in November. Retail trade in the rest of Australia grew at a slower annual rate of 2.4% over the year.

The pick-up in annual retail turnover growth in Queensland through 2005 is consistent with stronger growth in wages last year. Economy wide labour market conditions also remained supportive to spending, with the monthly unemployment rate remaining at or below 5% in 2005 and the participation rate reaching an historical high mid-way through the year. Despite a stabilisation in house prices, household wealth also benefited from strong sharemarket gains during 2005.

In terms of industry groups in Queensland, hospitality and services, food retailing and household goods continued to make the strongest contributions to trend monthly growth in nominal retail turnover in November (see Chart 2).

The strength in retail turnover over much of 2005 translated into strong job gains in the industry. Employment in retail trade rose by 5.9% (18,400 persons) in original terms over the year to November 2005, well above the long-run average rate of growth. With solid population growth driving strong growth in food retailing, job creation in this sector accounted for half the job gains in retail trade over the year.

While annual retail trade growth in Queensland strengthened in 2005, part of this may be due to higher prices. The next ABS retail trade release (3 February) will provide quarterly data on retail turnover in real terms (ie. removing price effects) and therefore provide a clearer indication of growth in the volume of turnover over the year to December quarter 2005.

Table 1. Nominal retail turnover, November 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.5	-0.5	6.1	5.2
New South Wales	0.1	0.7	2.1	2.7
Victoria	-0.3	-0.9	1.8	1.1
South Australia	-0.4	0.0	0.4	0.0
Western Australia	0.1	-0.2	5.3	4.5
Tasmania	0.4	0.0	6.8	7.5
Rest of Australia	-0.1	0.0	2.4	2.4

* Seasonally Adjusted

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

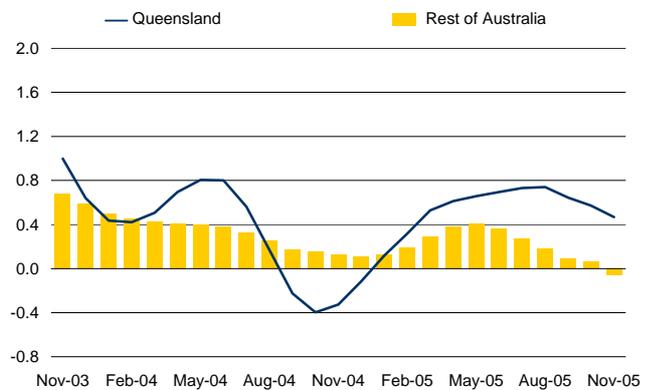


Chart 2. Nominal retail turnover by industry group (% point contribution to growth, trend, November 2005)



Chart 3. Nominal retail turnover by State (Annual % change, trend, November 2005)

