



nSummary

Monthly Change (Trend):

Queensland	↑	0.3%
Rest of Australia	↔	0.0%

- Nominal retail turnover (trend) in Queensland rose 0.3% in December, but remained unchanged in the rest of Australia.
- In seasonally adjusted (sa) terms, nominal retail turnover nationally rose 0.4% in December, in line with a market consensus of a 0.5% rise. Queensland turnover rose 0.6% in sa terms, largely reversing a 0.7% fall in November.

Analysis

Queensland's monthly retail trade growth eased to 0.3% in December, after peaking at 0.7% monthly growth between May and August 2005. Retail trade was more subdued in the rest of Australia, with the level of turnover remaining unchanged for the second consecutive month (see Table 1).

With monthly retail turnover growth remaining stronger in late 2005 relative to late 2004, annual growth in retail turnover in Queensland strengthened to 6.4% in December 2005. This represents the highest annual growth rate of the mainland Australian States and is above the 2.4% annual growth rate in the rest of Australia.

In terms of industry groups in Queensland, hospitality and services and household goods continued to make the strongest contributions to trend monthly growth in nominal retail turnover in December (see Chart 1).

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 value of turnover, and thus acts as a gauge of the *volume* of retail spending.

In real terms, trend retail trade in Queensland rose by 1.3% in December quarter 2005, following 1.5% growth in the previous quarter (see Chart 2). The December quarter also represented the second consecutive quarter in which Queensland recorded the highest growth in real turnover of any Australian State. As in nominal terms, real retail trade was more subdued in the rest of Australia, remaining unchanged over the quarter. In annual terms, growth in real retail trade in Queensland strengthened to 4.0% in December quarter 2005, compared with 0.7% growth in the rest of Australia.

Queensland's stronger growth in retail spending relative to the rest of Australia is consistent with stronger labour market conditions, including faster jobs growth and wages growth, as well as higher population growth. Further, growth in the *volume* of retail turnover in the December quarter was only marginally lower than growth in the *value* of turnover, suggesting growth in the average price of retail items eased to 0.3%, compared with 0.7% growth in the previous quarter. While some retail price increases are consistent with other recent ABS data (which suggest higher prices for food and household items), easing growth in retail prices suggest that such price increases appear well contained in Queensland.

Table 1. Nominal retail turnover, December 2005

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.3	0.6	6.4	8.5
New South Wales	0.2	0.3	2.3	3.1
Victoria	-0.2	0.1	1.5	1.9
South Australia	-0.3	0.7	-0.1	1.1
Western Australia	0.0	0.5	5.4	5.3
Tasmania	0.4	0.7	6.6	7.3
Rest of Australia	0.0	0.3	2.4	3.0

* Seasonally Adjusted

Chart 1. Nominal retail turnover by industry group (% point contribution to growth, trend, December 2005)



Chart 2. Real retail turnover (Quarterly % change, trend)

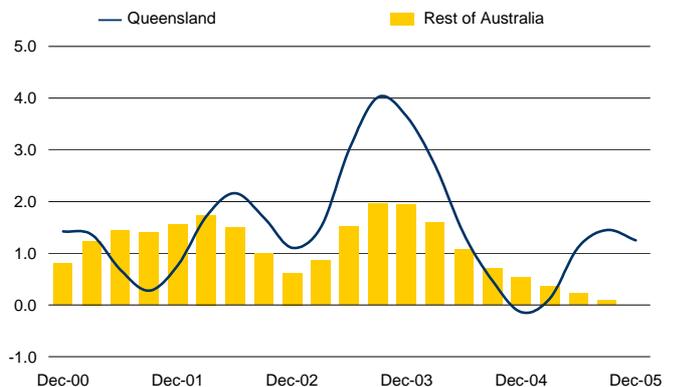


Chart 3. Real retail turnover by State (Annual % change, trend, December 2005)

