



## Summary

### Monthly Change (Trend):

Queensland	↑	0.4%
Rest of Australia	↑	0.5%

- Nominal retail turnover (trend) rose 0.4% in Queensland in June 2006, slightly below the 0.5% rise in the rest of Australia. In seasonally adjusted (sa) terms, retail turnover in Queensland rose by 1.3% in June, 1.2 percentage points higher than in the previous month.
- In sa terms, retail turnover nationally rose by 1.0% in June 2006, well above the market expectation of a 0.5% rise.

## Analysis

Queensland's nominal trend retail turnover increased by 0.4% in June 2006, slightly below the 0.5% growth recorded in the previous month. Trend monthly retail trade growth in the rest of Australia also moderated 0.1 percentage point in the month, to 0.5%. In annual terms, trend retail turnover in Queensland grew 6.7% in June 2006, exceeded only by Western Australia (up 8.5%). As a whole, retail turnover in the rest of Australia recorded trend annual growth of 5.7% in June (see Table 1).

With respect to industry groups in Queensland, food retailing, and to a lesser extent, other retailing and household goods, were the main contributors to retail growth in June (see Chart 1). This is the sixth consecutive month in which food retailing has been the leading contributor to monthly retail trade growth.

The ABS publishes *real* retail trade data on a quarterly basis. These data differ from *nominal* retail trade data in that the impact of price changes is removed, and thus acts as a gauge of the *volume* of retail spending.

In real terms, trend retail trade in Queensland rose by 0.6% in June quarter 2006, below the 1.1% rise recorded in the rest of Australia (see Chart 2). In annual terms, growth in real retail trade in Queensland slowed to 4.8% in June quarter 2006, compared with 5.3% growth recorded in the previous quarter, but remained 1.6 percentage points above that in the rest of Australia.

Annual growth in the price deflator for retail turnover in Queensland increased from 1.7% in March quarter 2006 to 2.3% in June quarter 2006. Growth in retail prices in the rest of Australia was slightly stronger than that in Queensland in the quarter, with the price deflator increasing at an annual rate of 2.4%.

Looking ahead, strong wages growth and low unemployment rates should support retail turnover in the coming months. Key risks to retail turnover going forward include ongoing high petrol prices and the impact of recent interest rate rises. These may adversely impact on discretionary incomes, and therefore retail turnover growth.

Table 1. Nominal retail turnover, June 2006

States/Australia	% Change			
	Monthly		Annual	
	Trend	SA*	Trend	SA*
Queensland	0.4	1.3	6.7	7.8
New South Wales	0.4	1.5	4.7	4.0
Victoria	0.6	0.7	5.7	5.2
South Australia	0.3	0.1	4.4	4.2
Western Australia	0.7	0.4	8.5	7.7
Tasmania	-0.2	0.5	5.8	6.5
<b>Rest of Australia</b>	<b>0.5</b>	<b>1.0</b>	<b>5.7</b>	<b>5.1</b>

\* Seasonally Adjusted

Chart 1. Nominal retail turnover by industry group  
(% point contribution to growth, trend, June 2006)

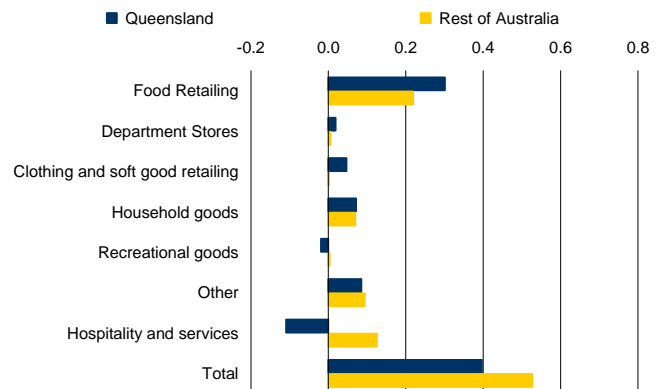


Chart 2. Real retail turnover  
(Quarterly % change, trend)

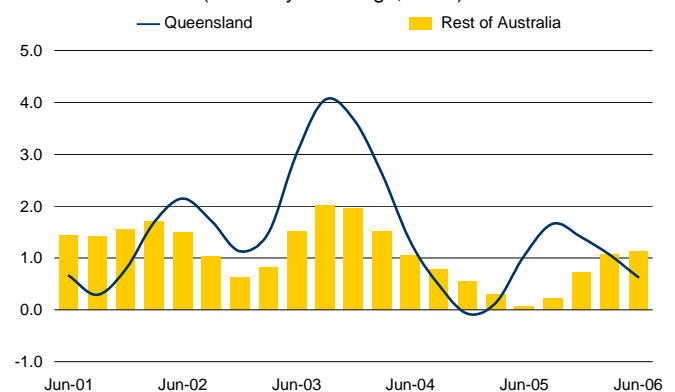


Chart 3. Real retail turnover by State  
(Annual % change, trend, June 2006)

