SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

Friday, October 3 2015 - Today's release of the latest (August 2015) monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate grew by 0.2 per cent. In **trend terms**, retail turnover increased by 4.3 per cent year-on-year (y-o-y).

STATE OF PLAY

The following table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Department stores' and 'Other' retailing on a m-o-m basis (both 1.3 per cent), whilst 'Household goods' retailing recorded the strongest y-o-y growth (9.1 per cent). In seasonally adjusted terms, Retail Turnover increased by 0.4 per cent for the month of August 2015 and by 4.5 per cent on a year on year basis.

TREND ANALYSIS: CONSUMER SENTIMENT

Retail trade, albeit with a slight lag, broadly tracks consumer sentiment as the chart below highlights. The latest release from the Westpac-Melbourne Institute indicates that the consumer sentiment index decreased in September 2015 to 93.9 (down from 99.5 in August 2015). A fall in the index of some 5.6 points indicates a much more negative outlook for the retail industry, especially when compared with growth in the previous month of some 7.3 points. The fall in the index recorded over the last month could well be as a direct result of weakness in the Australian dollar, coupled with significant headwinds in the equity market.

STATE BY STATE: BEST AND WORST

Retail turnover tells a different story not only within the ABS defined six categories but also across different jurisdictions. The following map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories.

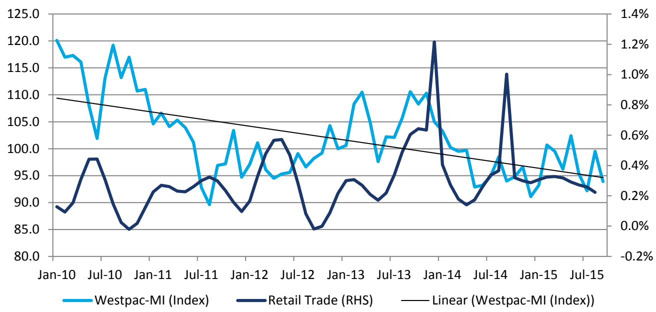
The strongest state was New South Wales (up 6.6 per cent to $91.9 billion), whilst the weakest states were Western Australia (up 2.6 per cent to $33.3 billion) and Queensland (up 2.6 per cent to $58.8 billion). However Western Australia joined New South Wales and the Australian Capital Territory as the only jurisdictions to record positive growth across all six ABS categories.

'Household goods', 'Food', 'Clothing, footwear and personal accessory' and 'Cafes, restaurants and takeaway food' retailing recorded the highest levels of y-o-y growth across the states, with 'Department stores' retailing again recording the lowest growth in three states.

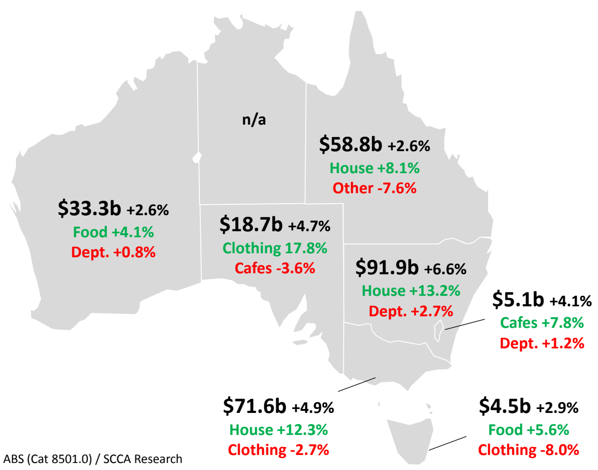
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$9.92	↑ 0.6%	↑ 0.3%	↑ 2.9%
Household goods retailing	$4.26	↑ 0.2%	↑ 0.6%	↑ 9.1%
Clothing, footwear and personal accessory retailing	$1.87	↓ -1.4%	↓ -0.1%	↑ 5.9%
Department stores	$1.56	↑ 1.3%	↑ 2.6%	↑ 7.1%
Other retailing	$3.38	↑ 1.3%	↑ 2.7%	↑ 2.8%
Cafes, restaurants and takeaway food services	$3.41	↓ -0.3%	↑ 1.2%	↑ 3.1%
Retail Turnover	**$24.40**	**↑ 0.4%**	**↑ 0.9%**	**↑ 4.5%**

Source: ABS (Cat 8501.0) / SCCA Research *Seasonally Adjusted

Consumer Sentiment vs. Retail Trade
Westpac-MI Index vs. ABS Retail Trade (m-o-m growth %, trend)



Source: ABS & Westpac-MI / SCCA Research



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