SHOPPING CENTRE
COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.2 PER CENT FOR SEPTEMBER 2016 AND BY 2.8 PER CENT YEAR-ON-YEAR

Friday, November 4 2016 - Today's release of the latest (September 2016) 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 2.8 per cent year-on-year (y-o-y), down from a revised 2.9 per cent in the prior corresponding period (pcp).

STATE OF PLAY

The adjacent table summarises the key data in **seasonally adjusted** terms across the six ABS retail categories. The strongest growth was recorded for 'Household goods' retailing on a m-o-m basis (2.4 per cent) while 'Cafes, restaurants and takeaway food services' retailing recorded the strongest growth on a y-o-y basis (6.3 per cent). In seasonally adjusted terms, **Retail Turnover** grew by 0.6 per cent in the month of September 2016 (up from a revised 0.5 per cent from the pcp) and by 3.3 per cent on a y-o-y basis (up from a revised 2.9 per cent from the pcp).

TREND ANALYSIS: CONSUMER SENTIMENT

Historically retail trade, albeit with a slight lag, usually tracks consumer sentiment as the adjacent chart highlights. However, since the end of 2015 there has been a distinct departure from this trend. The latest release of the Westpac Melbourne Institute Consumer Sentiment Index indicates that consumer sentiment is at 102.4 for October 2016, up from 101.4 in September. The Index has been fairly stable over the last six months, averaging 101.6 and only dropping below 100 (neutral) once in that period. This is in spite of significant financial and political events both domestically and internationally that usually impact confidence.

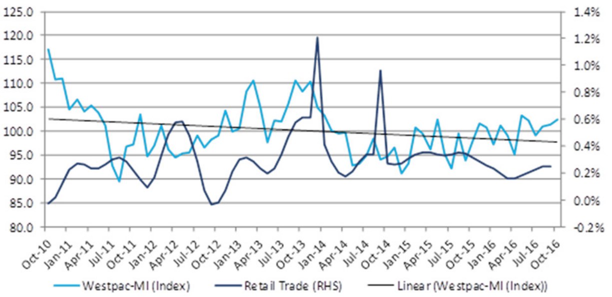
STATE BY STATE: BEST AND WORST

Retail turnover varies within the ABS defined six categories and across different jurisdictions. The adjacent map outlines and compares the total and growth of retail trade (y-o-y), and the best and worst retail growth categories. The strongest jurisdictions in **seasonally adjusted** terms were the ACT (up 5.7 per cent to $5.4 billion) followed by Victoria (up 4.5 per cent to $75.1 billion) and New South Wales (up 4.3 per cent to $96.2 billion). The weakest state was Western Australia (up 0.9 per cent to $33.7 billion). Queensland and Western Australia were the only jurisdictions not to record positive growth across all six ABS categories. 'Cafes, restaurants and takeaway food services' retailing was the key driver of retail growth in South Australia (up 12.1 per cent). However, the strongest growth category across all jurisdictions was 'Household goods' retailing in the ACT (up 13.0 per cent). 'Food' retailing was the weakest performing category in Victoria, Tasmania and the ACT, although positive growth was recorded for this category in all three jurisdictions. The weakest category across all jurisdictions was 'Cafes, restaurants and takeaway food' retailing in Queensland (-3.3 per cent).

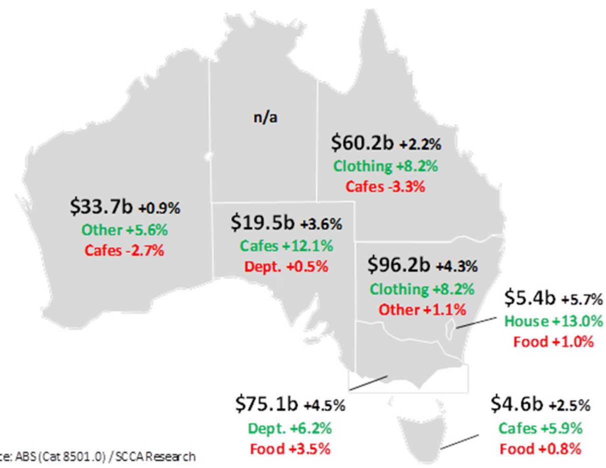
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.21	↑0.2%	↑1.4%	↑2.7%
Household goods retailing	$4.47	↑2.4%	↑1.9%	↑3.4%
Clothing, footwear and personal accessory retailing	$1.99	↓-0.6%	↓-0.9%	↑5.7%
Department stores	$1.56	↑0.5%	↓-2.0%	↑0.2%
Other retailing	$3.44	↓-0.1%	↓-0.7%	↑1.6%
Cafes, restaurants and takeaway food services	$3.64	↑1.0%	↑4.0%	↑6.3%
Retail Turnover	**$25.31**	**↑0.6%**	**↑1.1%**	**↑3.3%**

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

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



Source: ABS & Westpac Melbourne Institute / SCCA Research



Source: ABS (Cat 8501.0) / SCCA Research