SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED 0.4 PER CENT FOR JUNE 2017 AND BY 3.6 PER CENT YEAR-ON-YEAR

Friday, August 4 2017 - The latest release (June 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.4 per cent, equal to (a revised) 0.4 per cent in the prior corresponding period (pcp). In **trend terms**, retail turnover increased by 3.6 per cent year-on-year (y-o-y), up from (a revised) 3.4 per cent in the 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 both a m-o-m basis (0.9 per cent) and on a y-o-y basis (5.9 per cent). In seasonally adjusted terms, Retail Turnover increased by 0.3 per cent in the month of June 2017, following an increase of 0.6 per cent in May. On a y-o-y basis, Retail Turnover increased by 3.8 per cent for the second consecutive month, the strongest level of growth since April 2016. 'Department stores' retailing recorded negative growth on a m-o-m and y-o-y basis, the only category to do so.

TREND ANALYSIS: CHAIN VOLUME MEASURES

Monthly ABS Retail Trade data estimates reflect changes in both price and volume. However, the quarterly chain volume estimates measure the change in value after the direct effects of price changes have been eliminated, reflecting changes in volume. In the quarter to June 2017 the Chain Volume Measures increased by 1.5 per cent, significantly up from 0.2 per cent in the pcp. A higher correlation between Retail Turnover and Chain Volume Measures (as is the case in the quarter to June 2017) indicates that increased volumes are driving sales growth as opposed to price increases.

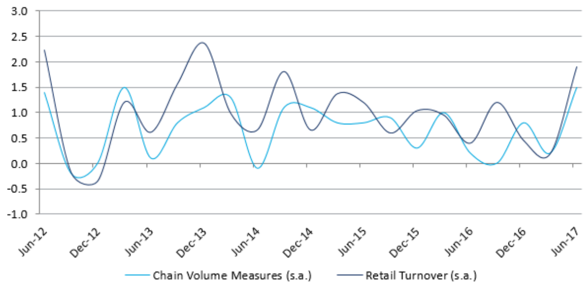
STATE BY STATE: BEST AND WORST

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 5.2 per cent to $5.7 billion) followed by Tasmania (up 4.9 per cent to $4.8 billion) and South Australia (up 4.2 per cent to $20.2 billion). The weakest jurisdiction was, once again, Western Australia (up 0.4 per cent to $34.0 billion). 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for all but two jurisdictions (Queensland and the Australian Capital Territory) with the highest y-o-y growth recorded in Tasmania (up 11.1 per cent). 'Department stores' retailing was, once again, the weakest performing category in all jurisdictions except Tasmania, noting that the ABS does not report 'Department stores' retailing in that particular jurisdiction.

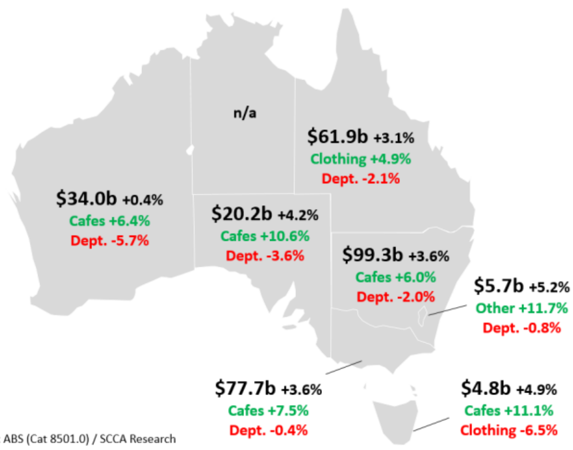
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$10.47	↓ -0.0%	↑ 1.1%	↑ 3.8%
Household goods retailing	$4.64	↑ 0.9%	↑ 3.8%	↑ 5.9%
Clothing, footwear and personal accessory retailing	$2.04	↑ 0.8%	↑ 2.6%	↑ 1.7%
Department stores	$1.57	↓ -0.3%	↑ 1.5%	↓ -1.1%
Other retailing	$3.73	↑ 0.2%	↑ 1.3%	↑ 2.9%
Cafes, restaurants and takeaway food services	$3.71	↑ 0.5%	↑ 2.2%	↑ 5.6%
Retail Turnover	**$26.15**	**↑ 0.3%**	**↑ 1.9%**	**↑ 3.8%**

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

ABS Retail Turnover - Seasonally Adjusted
Quarterly Growth in Chain Volume Measures vs. Retail Turnover (%)



Source: ABS / SCCA Research



Source: ABS (Cat 8501.0) / SCCA Research