SHOPPING CENTRE COUNCIL OF AUSTRALIA

RESEARCH NOTE

RETAIL TRADE TREND ESTIMATE INCREASED BY 0.1 PER CENT IN AUGUST 2019 AND BY 2.3 PER CENT YEAR-ON-YEAR

Friday, October 4 2019 - The latest release (August 2019) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) **trend** estimate increased by 0.1 per cent, down from (a revised) 0.2 per cent in July 2019. In **trend** terms, Retail Turnover increased by 2.3 per cent year-on-year (y-o-y), down from (a revised) 2.5 per cent in the prior corresponding period.

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 'Clothing, footwear and personal accessory' retailing on a m-o-m basis (1.8 per cent), as well as on a y-o-y basis (4.9 per cent). In **seasonally adjusted** terms, Retail Turnover increased by 0.4 per cent in the month of August 2019, up from (a revised) -0.0 per cent in July 2019. On a y-o-y basis, Retail Turnover increased by 2.6 per cent, up from 2.4 per cent in the pcp.

TREND ANALYSIS: CONSUMER SENTIMENT

According to the latest figures from the Westpac-Melbourne Institute Index of Consumer Confidence report, consumer sentiment was recorded at 98.2 in September 2019, down from 100.0 the prior month. Westpac noted that the "consumer mood has lapsed" and that there was "continued pressure on family finances" as well as "concerns about the near-term outlook". The September survey also polled consumers in relation to the recent 'tax offset payments'. Interestingly, more than half of those who have received the payment indicated that they planned to spend less than half or save the full payment.
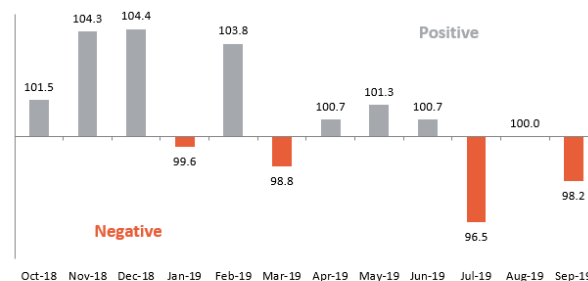
STATE BY STATE: BEST AND WORST

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 Victoria (up 4.5 per cent to $85.5 billion) followed by Queensland (up 4.3 per cent to $65.4 billion) and the ACT (up 4.0 per cent to $6.1 billion). Western Australia was the worst performing jurisdiction (up 1.2 per cent to $34.3 billion), although it is worth noting that over the last few months there has been relatively strong growth in Western Australia. 'Clothing, footwear and personal accessory' retailing recorded the highest growth in Victoria (7.0 per cent) followed by 'Other' retailing in Queensland (7.0 per cent). Victoria was the only jurisdiction to record positive growth across all six ABS categories.

CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$11.32	↑ 0.4%	↑ 0.9%	↑ 3.6%
Household goods retailing	$4.61	↑ 0.3%	↑ 0.8%	↑ 0.8%
Clothing, footwear and personal accessory retailing	$2.19	↑ 1.8%	↑ 2.6%	↑ 4.9%
Department stores	$1.58	↑ 1.1%	↑ 0.3%	↑ 1.7%
Other retailing	$3.97	↑ 0.3%	↑ 0.6%	↑ 2.5%
Cafes, restaurants and takeaway food services	$3.88	↓ -0.3%	↓ -0.6%	↑ 1.0%
Retail Turnover	**$27.55**	↑ **0.4%**	↑ **0.7%**	↑ **2.6%**

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

Westpac-MI Consumer Sentiment
12-months to September 2019

Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19
101.5	104.3	104.4	99.6	103.8	98.8	100.7	101.3	100.7	96.5	100.0	98.2

Source: Westpac-Melbourne Institute / SCCA Research

n/a

$65.4b +4.3%
Other +7.0%
Dept. -0.0%

$34.3b +1.2%
Other +4.5%
House -3.7%

$21.4b +2.1%
Other +5.3%
Clothing -5.2%

$104.4b +1.6%
Food +2.8%
House -1.3%

$6.1b +4.0%
Cafes +6.7%
Dept. -0.1%

$85.5b +4.5%
Clothing +7.0%
Dept. +0.8%

$5.3b +3.7%
Cafes +5.5%
House -0.5%
Tas. Excludes DS & Other

Source: ABS (Cat 8501.0) / SCCA Research