SHOPPING CENTRE
COUNCIL OF AUSTRALIA

RESEARCH NOTE

Tuesday, August 4 2015 - Today's release of the latest (June 2015) monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate grew by 0.3 per cent. In **trend terms**, retail turnover increased by 4.7 per cent year-on-year (y-o-y).

This *SCCA Research Note* analyses and summarises headline results on: (1) growth across the six ABS retail categories; (2) trend analysis against consumer sentiment; and (3) the best and worst categories across jurisdictions.

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 'Household goods' on both a m-o-m (2.2 per cent) and y-o-y basis (11.2 per cent). This growth has been as a direct result of the house building boom in New South Wales and Victoria, and to a lesser extent, Queensland.

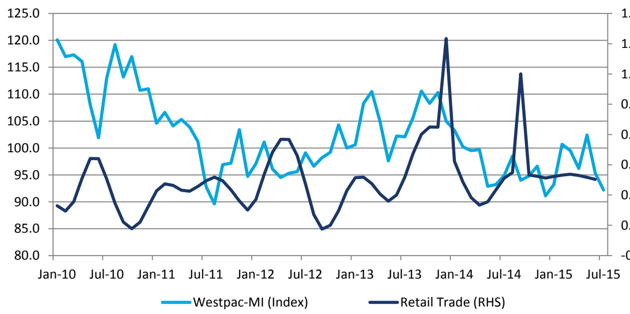
CATEGORIES	$ billion	m-o-m	last 3 months	y-o-y
Food retailing	$9.87	↓ -0.1%	↑ 0.3%	↑ 3.2%
Household goods retailing	$4.35	↑ 2.2%	↑ 3.5%	↑ 11.2%
Clothing, footwear and personal accessory retailing	$1.85	↓ -1.4%	↓ -1.3%	↑ 5.4%
Department stores	$1.52	↔ 0.0%	↓ -2.6%	↑ 1.9%
Other retailing	$3.35	↑ 2.0%	↑ 1.6%	↑ 3.2%
Cafes, restaurants and takeaway food services	$3.41	↑ 1.2%	↑ 2.2%	↑ 5.2%
Retail Turnover	**$24.35**	**↑ 0.7%**	**↑ 1.0%**	**↑ 4.9%**

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

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 dropped in July 2015 to 92.2 (down from 95.3 in June 2015), the lowest level at which it has been recorded since December 2014. Consumers have been displaying negative sentiment over the last 18 months, with the index being recorded above 100 (i.e. 'positive') just three times; this compares with 14 times in the prior 18 month period.

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



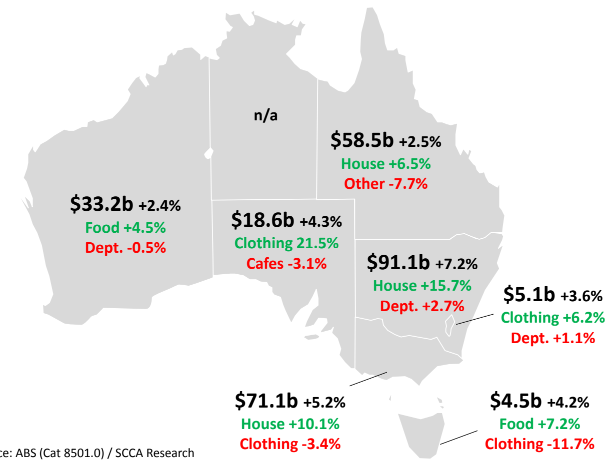
Source: ABS & Westpac-MI / SCCA Research

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 for overall growth in seasonally adjusted terms was New South Wales (up 7.2 per cent to $91.1 billion), whilst the weakest state was Western Australia (up 2.4 per cent to $33.2 billion). Interestingly, New South Wales and the Australian Capital Territory were the only two jurisdictions to record positive growth across all categories.

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



Source: ABS (Cat 8501.0) / SCCA Research