

Estimates Committee 2015
Questions Taken On Notice

(26/05/2015 to 4/06/2015)

Date: 28/05/2015 Output: Business and
Industry
Development
Sub Output: Business NT

Subject: Territory Retail

From: Mr Michael Gunner to Hon Peter Styles
Business

Question: 5-2
Can the Minister please explain why the Territory is the only jurisdiction that suffered an annual year on year decline in retail trade?

Answer:
Answered On: 16/06/2015

ESTIMATES COMMITTEE

Question Taken on Notice

Date: 28 May 2015 **Output:** 1.1
Subject: Retail Sales
From: Mr Michael Gunner MLA
To: Hon Peter Styles MLA
Agency: Department of Business

Number: 5.2

Question: **Mr GUNNER: Can the Minister please explain why the Territory is the only jurisdiction that suffered in the annual year on the retail year decline?**

Answer:

Trend retail trade turnover decreased by 0.5% to \$255 million (current prices) in March 2015, compared to March 2014.

The main categories that declined through the year were:

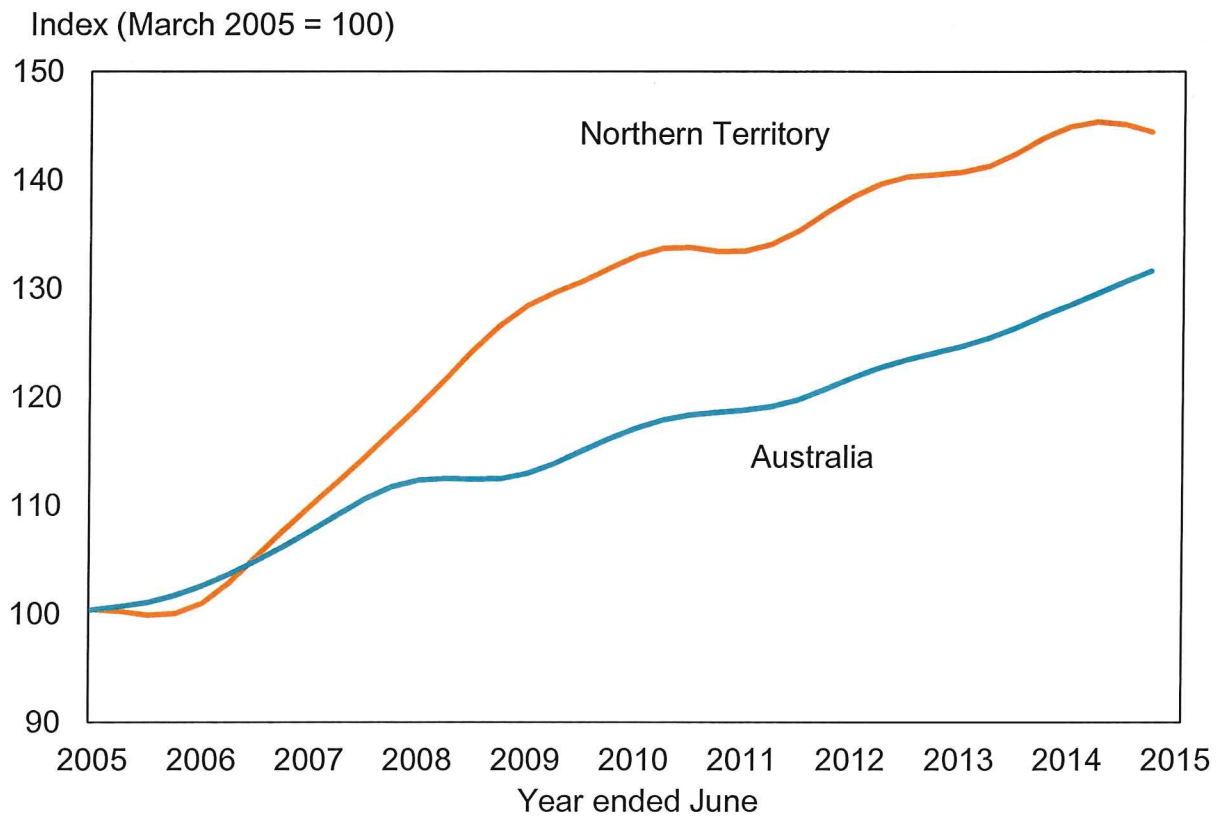
- 'household goods' (down by 1.9%);
- 'other recreational goods' (down by 23.6%); and
- 'newspaper and books' (down by 28.6%).

It should be noted that annual percentage change only compares the current month to the corresponding month a year earlier, which can be subject to significant volatility. The more stable calculation is year-on-year percentage change using trend data as this calculation takes into account 24 months of data and reduces data volatility, particularly for small jurisdictions like the Northern Territory. Further, an inflation adjusted figure removes the effect of price changes and allows a more accurate comparison of how retail trade volumes have changed over time.

Following INPEX's announcement in January 2012 to construct an LNG plant at Bladin Point, trend retail trade turnover in the Territory increased sharply. Sustained growth in trend retail trade into 2013-14 resulted in a high base level of turnover from which the March 2015 year-on-year figure was derived.

In inflation adjusted terms, trend retail trade turnover grew by 0.4% in the year to the March quarter 2015. Over the past ten years, retail trade turnover in the Territory (average 3.7% per year) has grown faster than the national rate (average 2.8% per year) (refer to Chart 1).

Chart 1: Trend retail trade turnover, inflation adjusted



Source: ABS Catalogue 8501.0