

Still keen to spend; Job ads at 12½-year high

Preliminary retail trade; Skilled job vacancies

- **Retail trade:** ‘Preliminary’ retail trade rose by 1.4 per cent in March to stand 2.3 per cent higher than a year ago.
- **Spending by industry:** According to the Bureau of Statistics (ABS), “Cafes, restaurants and takeaway food services (6 per cent) led the rises by industry, driven by increases in Victoria and Western Australia. Clothing, footwear and personal accessory retailing, and department stores also saw rises led by these two states. Nationally, food retailing saw a fall of 1 per cent.”
- **Skilled job vacancies:** The National Skills Commission reported that skilled internet vacancies rose by 19.1 per cent in March to be up 96.4 per cent on the year. Vacancies are at 12½-year highs. Job advertisements increased across all eight broad occupational groups and the 48 detailed occupational groups during March 2021.
- **Household financial resources:** The ABS has released data on household income, wealth and housing costs for the September quarter.

Retail trade data is important for consumer-focussed companies. Job vacancies are a key gauge of future employment.

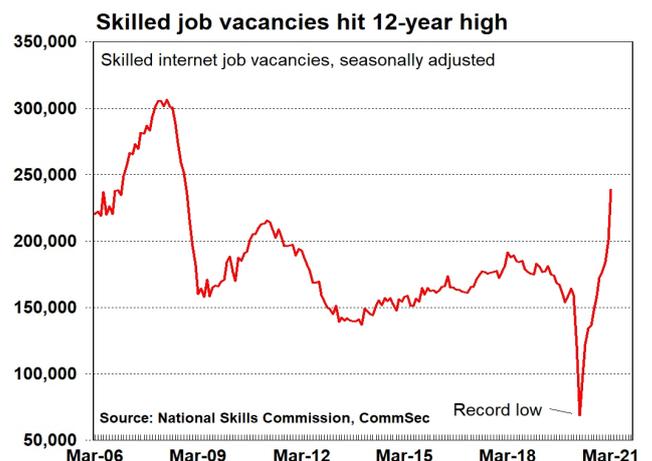
What does it all mean?

- It’s not hard to work out why Aussies are still spending. Interest rates are at record lows, job numbers are rising and confidence levels are sky high. And that’s only part of the explanation. Clearly the closure of foreign borders is also causing more dollars to be spent locally. Spending growth will ease gradually over 2021 from recent annual rates near 8-10 per cent to rates near 2-4 per cent. So retailers will need to invest in delivery channels and lift marketing efforts when more ‘normal’ trading conditions return.
- The shortage of staff across a broad range of occupations will need to be addressed to ensure that the economic recovery doesn’t falter – either nationally or across regions. Plenty of jobs are on offer but Aussie job seekers either can’t or won’t fill the vacancies on offer. Governments and business groups will need to focus minds on sponsored migrant worker programs.
- Amongst the occupations in demand (vacancies at least at decade highs) are Community and Personal Service Workers; Professionals, Technicians and Trades Workers; Machinery Operators and Drivers; Clerical and Administrative Workers; Sales Workers; and Labourers.

What do you need to know?

‘Preliminary’ retail trade – March 2021

- ‘Preliminary’ retail trade rose by 1.4 per cent in March to stand 2.3 per cent higher than a year ago.
- **The ABS noted:** “The rise of 1.4 per cent in March 2021 follows a fall in February 2021 of 0.8 per cent.
- The rises were led by Victoria (4 per cent) and Western Australia (5.5 per cent), with both states rebounding from COVID-19 lockdown restrictions during February.



Craig James, Chief Economist
Twitter: @CommSec

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- Queensland, which saw COVID-19 restrictions impact March 2021, saw a minor fall. Brisbane saw a 3-day lockdown at the end of March.
- Cafes, restaurants and takeaway food services (6 per cent) led the industry rises, which were driven by Victoria and Western Australia. Similarly, these states saw rises for Clothing, footwear and personal accessory retailing, and Department stores. These rises were offset by a 1 per cent fall in Food retailing.
- Through-the-year sales rose 2.3 per cent in March 2021 compared to March 2020, following a 9.1 per cent annual rise in February 2021. This change reflects the introduction of COVID-19 restrictions in March 2020, which led to a spike in sales in Food retailing in that month.
- In current price seasonally adjusted terms, the March quarter is showing a 0.1 per cent fall from the December quarter 2020.”

Job vacancies – March 2021

- The National Skills Commission (NSC) reported that skilled internet vacancies rose by 19.1 per cent in March in seasonally adjusted terms to be up 96.4 per cent on the year. Vacancies are at 12½-year highs (highest since October 2008). Details are at the website:

<https://lmp.gov.au/PortalFile.axd?FieldID=3194068&.pdf>

- **Skilled vacancies by state/territory:** NSW (up 16.8 per cent); Victoria (up 19.7 per cent); Queensland (up 15.6 per cent); South Australia (up 14.7 per cent); Western Australia (up 23.9 per cent); Tasmania (up 19.9 per cent); Northern Territory (up 10.5 per cent); ACT (up 6.0 per cent).
- **The NSC noted:** “Job advertisements increased across all eight broad occupational groups during March 2021. The strongest gains were recorded for Sales Workers, with recruitment activity up by 20.8 per cent (or 3,200 job advertisements), followed by Clerical and Administrative Workers (20.2 per cent or 6,000 job advertisements) and Community and Personal Service Workers (20.2 per cent or 4,200 job advertisements).”
- “The long time series of IVI data can be used to compare the levels of recruitment activity driven by recovery from the COVID-19 downturn to previous labour market trends:
 - Recruitment activity for Community and Personal Service Workers stands at an all-time series high (highest level since IVI series inception January 2006) of 25,200 job advertisements.
 - Recruitment activity for Professionals, Technicians and Trades Workers and Machinery Operators and Drivers stands at their highest levels in over 12 years (2008).
 - Recruitment activity for Clerical and Administrative Workers, Sales Workers and Labourers are comparable with recruitment activity levels observed during the Mining boom (2011).
 - Recruitment activity for Managers are equivalent to 2018 levels.”

Household financial resources – September 2020

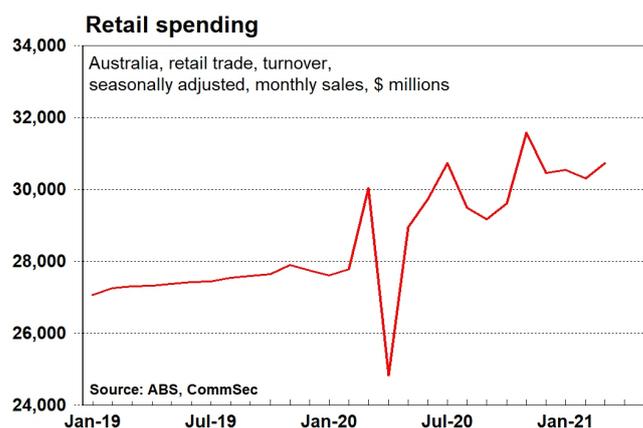
- The ABS has released details of household income, wealth, housing costs and financial stress and behaviours. The data only covers the period to September last year. Details can be found here:

<https://www.abs.gov.au/statistics/economy/finance/household-financial-resources/sep-2020#key-statistics>

- In terms of early access to superannuation: “Most people stated the main use of funds accessed through the COVID-19 early release of superannuation program by the end of September was either paying their mortgage or rent (29 per cent) or for household bills (27 per cent). Another 15 per cent of people used it to pay credit cards or personal debt, while around one in eight people (13 per cent) added it to their savings.”

What is the importance of the economic data?

- The ABS now provides preliminary estimates for **Australian retail turnover**. “This estimate is compiled from the monthly Retail Business Survey and is based on preliminary data provided by businesses that make-up approximately 80 per cent of total retail turnover and is therefore subject to revision.”
- The National Skills Commission releases a monthly **Internet Vacancy Index**. The index is based on a count of online job advertisements newly lodged on three main job boards (SEEK, CareerOne and Australian JobSearch) during the month. The index is the only publicly available source of detailed data for online vacancies, including around 350 occupations (at



all skill levels), as well as for all states/territories and 37 regions.

What are the implications for investors?

- If businesses need to pay for migrant work quarantine costs to access the necessary staff, the risk is that these costs may need to be passed on in higher prices. The skilled worker drought is an area to watch closely.
- Conditions for retailers are likely to get tighter as the year progresses. Retail spending has risen 0.3 per cent on average over the past three months, or 3.6 per cent annual. Watch for quarterly sales updates by major retailers for a guide to conditions.
- The ABS report “Household financial resources” is a little dated, being for the September quarter of last year. But the figures provide further comfort about the financial position of Aussie families.

Craig James, Chief Economist, CommSec
 Twitter: @CommSec

