# TABLE 4.

## WA Retail Turnover Comparisons by Sub-Sector

2016-17 v's 2017-18

*Source: ABS 8501.0 Retail Trade , Australia - June 2018 Seasonally Adjusted*

| Group | TOTAL Food Retailing | | | Supermarkets and Grocery Stores 82% of sector sales | | | Liquor Stores 10.8% of sector sales | | | Other Specialised Retailing 7.1% of sector s | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | 2016/7 | 2017/8 | % Var | 2016/7 | 2017/8 | % Var | 2016/8 | 2017/8 | % Var | 2016/8 | 2017/8 |
| Jul | 1161.7 | 1176.7 | 1.3% | 946.1 | 967.1 | 2.2% | 125.8 | 129.4 | 2.9% | 89.7 | 80.4 |
| Aug | 1159.5 | 1162.5 | 0.3% | 943.5 | 957.8 | 1.5% | 125.7 | 128.3 | 2.1% | 90.3 | 77.7 |
| Sept | 1153.7 | 1163.7 | 0.9% | 939.0 | 955.0 | 1.7% | 125.4 | 127.5 | 1.7% | 89.3 | 78.5 |
| Oct | 1156.9 | 1174.1 | 1.5% | 945.6 | 963.2 | 1.9% | 123.7 | 126.5 | 2.3% | 87.6 | 82.7 |
| Nov | 1161.2 | 1169.6 | 0.7% | 951.1 | 958.9 | 0.8% | 122.5 | 127.6 | 4.2% | 87.6 | 83.4 |
| Dec | 1158.5 | 1165.5 | 0.6% | 949.4 | 957.0 | 0.8% | 123.6 | 126.2 | 2.1% | 85.5 | 79.2 |
| Jan | 1163.9 | 1173.9 | 0.9% | 954.7 | 967.2 | 1.3% | 125.2 | 122.2 | -2.4% | 84.0 | 84.5 |
| Feb | 1162.2 | 1165.5 | 0.3% | 958.7 | 954.4 | -0.4% | 123.1 | 126.7 | 2.9% | 80.4 | 84.4 |
| Mar | 1159.2 | 1187.9 | 2.5% | 954.4 | 973.9 | 2.0% | 125.2 | 127.1 | 1.5% | 79.6 | 86.9 |
| Apr | 1166.9 | 1191.8 | 2.1% | 960.4 | 974.9 | 1.5% | 124.2 | 130.5 | 5.1% | 82.3 | 86.4 |
| May | 1164.9 | 1206.9 | 3.6% | 958.4 | 992.0 | 3.5% | 125.9 | 128.1 | 1.7% | 80.6 | 86.9 |
| Jun | 1169.8 | 1193.9 | 2.1% | 961.1 | 975.9 | 1.5% | 129.0 | 128.1 | -0.7% | 79.7 | 89.9 |
| **Total** | 13938.4 | **14132.0** | **1.4%** | 11422.4 | **11597.3** | **1.5%** | 1499.3 | **1528.2** | **1.9%** | 1016.6 | **1000.9** |
| National Variation 2016/7 v's 2017/8 | **Food Retailing Group** | | **3.1%** | Supermarkets and Grocery Stores | | **2.9%** | Liquor Stores | | **4.6%** | Other Specialised Food Retailing | |

**Sector:**

**Nationally**: The Food Retailing Group sales increased +3.1%. Supermarkets had a growth of +2.9%, Liquor retailing increased +4.6% and Other specialised food retailing increased +5.7%. The WA results were vastly in all sub-sectors. Liquor Stores and Other Specialised Food Retailing are the most concerning areas.

**WA**: The WA results were vastly lower in all sub-sectors. Liquor Stores (1.9%) and Other Specialised Food Retailing (-1.5%) are the most concerning areas with broad variations compared with the national results an sub-sector returns.

**Food Retailing cont.**

**Supermarkets and Grocery Stores**:

The overall grocery market in Australia is valued at over $100 billion per annum. Supermarkets are the high turnover sub-sector, accounting for around 35% of all retail sales. This sub-sector continues to have historic issues of increased competition and "price wars". In-sector competition, and the additional entry of new play continued to have a significant effect on the market, stimulating further discounting and limiting growth of the established and traditional supermarket and grocery businesses.

During the year subtle changes were introduced in the second half, advertising moved away from the "disco theme and redirected with support of "healthy eating" and "local sourcing", becoming the promotional catch- Market-share spread shifted, prices in selected categories have slightly lifted, resulting in a slight profit incre Expanded product offerings like bakeries and the inclusion of ready-to-eat meals etc., has enabled retailers minimise and offset turnover variations and increase the customer basket-size. Although marginal turnover has occurred, effectively this means that transaction spending has increased across the industry.

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A trend expected to continue, strongly driven through food and grocery retail include getting the customer to more of the work such as self-service checkouts, electronic labelling that transfers the buying risk to the sup through sale or return agreements, and reducing their supplier lists.

Continued automation and use of self-service checkouts will see lower skilled jobs and employment decline 2.5% in the five years to June 2022. However, grocery stores will increase employment in skilled trades, ma and business intelligence. (*source: BankWest Focus on Business Supermarket Report 2018*)

**Liquor Stores**:

The liquor store sector continues to be dominated by the larger corporate/chain operators. Independent liqu store operators are generally micro or small business retailers trying to compete in an aggressive market. O ordering of liquor continues to grow and merchants are offering improved pick-up service options. 2017/18 s Dan Murphy's online sales delivering double digit growth . Nationally the sector grew +4.6%, WA turnover wa again below this with a slight improvement of +1.5%. Although lower than national trend, this was an improv of previous years where WA had consecutive turnover falls in 2016/17 of -2.3%, preceded by -5.6% in 2015 Premium product ranging continues to be promoted within the smaller group/indepenent outlets to offset red comsumption.

Expansion of liquor store outlets by larger operators has raised social and community concerns of store foot location and captive population need. Community health, well-being and social need are also issues within r communities.

New legislation before the WA Parliament will apply regulations on future liquor store licencing. This will incl location, distance from existing similar businesses, size and community needs assessment regulations.

**Industry threats and opportunities:**

*The growing dominance of Woolworths and Coles has had the biggest influence on the industry*
*Oversupply and heavy discounting have reduced the price of wine over the past five years*
*Online liquor sales represent a small but fast-growing segment of the industry*

*Source:* **IBIS World Australian Industry Report -** *Liquor Retailing, January 2018*

**Other Specialised Food Retailing**:

After a horrendous start to the year (July - December) where each month registered negitive sales, a slight recovery returned in January. National sales in this sub-group grew +5.7% while the WA results were disappointing falling -1.5%.

Product categories of this sub-sector includes the retail sales of:

fruit & vegetable retailing - fresh, frozen and canned meat - fish and poultry
delicatessen and smallgoods - gourmet shops - bakery, pie and cake products

Other Specialised Food retailing is a sector mostly run by small family businesses. Generally as individuals, are low-level employers, but employers. Products within these categories have been range and price target of supermarket product expansion and competition objectives.

There are no specific issues in this sub-group but all businesses will need to aware of their compliance, oblig and penalties within the recently introduced labelling laws regarding the “country/s of origin” and the “made i regulations regarding all product offerings.

| |
|---|
| Food<br><br>sales |
| % Var |
| -10.4% |
| -14.0% |
| -12.1% |
| -5.6% |
| -4.8% |
| -7.4% |
| 0.6% |
| 5.0% |
| 9.2% |
| 5.0% |
| 7.8% |
| 12.8% |
| -1.5% |
| **5.7%** |

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