



National Retail Association

MEDIA STATEMENT

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Cup day rates cut would be a good bet for the RBA, retailers say

Today's Reserve Bank decision to keep interest rates on hold is welcome news for Australian retailers in the lead-up to the Christmas trading period.

However, National Retail Association (NRA) executive director Gary Black said RBA board at its next meeting on Melbourne Cup day should move to cut rates to provide the fillip that consumers and retailers desperately need.

"With Christmas right around the corner we welcome the decision to hold rates, but what the retail sector needs most is for the Reserve Bank to recognise trading conditions are still unstable, and to respond with a rate cut," Mr Black said.

"After a dismal year of trading so far, the Christmas and New Year period will be critical for retailers as traditionally up to 25 per cent of their yearly earnings are made around this time.

"To ensure Australian retailers can keep their doors open and continue to employ staff, the RBA Board must do more than just pause rates when it meets on Melbourne Cup day. "Retailers desperately need the RBA to cut rates in order to kick start the most important part of the year and keep small businesses afloat," he said.

"While we are pleased to see rates on hold it won't be enough to stimulate the needed growth in consumer spending, and we may see consequences such as job cuts and store closures.

"Consumers are short of cash from rising costs of living. We need the RBA to cut rates next month to see some valuable momentum brought back for this vital Australian industry.

"It could turn out to pay the biggest dividends of all financial decisions on that famous first Tuesday in November."

The NRA is the largest and most representative retail organisation with members and affiliates located across all states and territories. Its membership includes the majority of Australia's national retail chains and extends across the retail take-away food and fast food sectors.

**Gary Black is available for interviews.
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