



National Retail Association

MEDIA STATEMENT

March 1, 2011

Panic Grocery Buying Props Up Retail Figures In QLD

Panic grocery buying during Brisbane's January floods and higher food prices attributable to shortages caused by the floods have propped up retail sales figures in Queensland, according to the latest ABS figures released today.

National Retail Association Executive Director Gary Black said the Retail Trade figures for January confirmed a seven percent surge in food turnover in Queensland when compared with the same data for January 2010.

Mr Black said the influence of this surge on the aggregate retail trade data concealed significant declines across much of the rest of the sector in the flood devastated state.

"The panic buying in Brisbane and Ipswich before the floods and higher prices caused by shortages have driven up retail turnover in Queensland. However these causes do not reflect any significant increase in underlying demand and many retail categories continue to suffer from price deflation caused by the extensive discounting across all categories in 2010.

"When you look more closely at the ABS data for January retail sales in Queensland, the impact of the floods on the broader retail sector hits home."

Mr Black said outside of food, turnover for most categories in the sector declined sharply in Queensland when compared with January 2010 data. Furniture, floor coverings, houseware and textile goods fell -4.34%; electronic and electrical goods fell -11.07%; footwear and other personal accessory retailing fell -3.02%; department stores fell -2.81%; newspaper and books fell -25.77%; recreational goods fell -33.33%; and pharmaceutical, cosmetic and toiletry goods fell -2.41%.

Mr Black said the ABS figures for January confirmed the continuing decline in discretionary spending and noted that this trend was evident across most retail categories in most states.

Mr Black said Australian retailers were concerned that traditional discretionary spending was also leaking out of the domestic retail sector to overseas GST-free online retailers.

"Consumers are naturally seeking to buy non-essential items at the lowest possible prices, and because of a loophole in Australia's GST regime, goods worth less than \$1000 can invariably be imported cheaper from overseas online retail outlets.

"The means Australian retailers are facing unfair competition from overseas retailers who evade paying GST and customs duties and fees."

Gary Black is available for interviews. Contact Brad Burke 0458 291 234