



National Retail Association

MEDIA STATEMENT

1 July, 2010

Trading conditions still difficult for retail sector

Today's ABS data on retail trade showed shopkeepers are still doing it very tough, the National Retail Association said.

NRA Executive Director Gary Black said the statistics released today showed the overall retail sector had barely moved from where it was 12 months ago, at the height of the global financial crisis.

Key sectors such as clothing, footwear and personal accessories (-3.62) and department store goods (-5.82) had gone backwards significantly over the last 12 months in seasonally adjusted terms.

"What we're seeing in these figures confirms what we've been told by retailers Australia wide over the course of this calendar year – that trading conditions are pretty difficult," Mr Black said.

"There's no year-on-year growth for many of them. They're saying sales are down by five to 10 per cent, and that's reflected in the data.

He said the poor result for May followed disappointing figures in March and April.

\$ millions – (seasonally adjusted – excludes cafe and restaurants)

Category	Food	Household Goods	Clothing, Footwear & personal accessories	Department Stores	Other Retailing	Australia Total
March 2009	7843.9	3518.6	1664.6	1627.0	2700.3	17355.0
March 2010	7900.9	3486.2	1598.7	1581.5	2764.0	17331.0
Change	0.73%	-0.92%	-3.96%	-2.80%	2.36%	-0.14%
April 2009	7830.0	3563.6	1687.2	1616.5	2706.6	17403.9
April 2010	8055.2	3597.0	1605.1	1540.0	2747.5	17544.8
Change	0.28%	0.94%	-4.78%	-4.73%	1.51%	0.81%
May 2009	7886.4	3551.1	1701.6	1648.7	2731.2	17519
May 2010	8073.3	3543.3	1640.0	1552.8	2752.1	17561.5
Change	2.37%	-0.22%	-3.62%	-5.82%	0.77%	0.24%

Mr Black said Queensland continued to struggle behind the other states – shrinking by 2.4 per cent in the year to May 31. He said business conditions would only get tougher for Queensland retailers as a result of award modernisation and the recent Fair Work Australia wage increase, both of which took effect today.

“Queensland retailers will be hit particularly hard by the award modernisation changes. However, all retailers Australia wide are facing payroll costs of between five and seven per cent as a result of these changes today.

“They are already operating in an environment of heavy discounting, and highly aggressive marketing in order to sustain marker share.

“Retailers are simply not in a position to pass these extra costs on, so they will need to cut back on staff hours or shed jobs altogether.”

\$ millions – seasonally adjusted

State	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
March 2009	5997.4	4923.3	4131.4	1430.8	2153.0	444.4	226.3	365.6
March 2010	6194.6	4982.8	4052.5	1436.7	2204.0	439.6	226.1	381.1
Change	3.29%	1.21%	-1.91%	0.41%	2.37%	-1.08%	-0.09%	4.24%
April 2009	6060.5	4953.3	4159.4	1436.1	2113.7	444.3	218.6	370.2
April 2010	6172.2	5085.6	4116.1	1488.3	2204.0	442.9	230.0	380.2
Change	1.84%	2.67%	-1.04%	3.63%	4.27%	-0.32%	5.22%	2.70%
May 2009	6094.6	4958.4	4204.3	1450.0	2174.7	446.0	219.7	372.7
May 2010	6236.2	5097.5	4103.6	1476.6	2193.5	442.1	228.4	377.6
Change	2.32%	2.81%	-2.40%	1.83%	0.86%	-0.87%	3.96%	1.31%

The NRA is Australia’s largest and most representative retail organisation with more than 3000 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. Contact Malcolm Cole on 0408 612 603