



Australian National  
Retailers Association

# MEDIA RELEASE

*ANRA is the voice of Australia's leading retailers*

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## **Santa fails to fill retail's Christmas stocking**

Santa failed to deliver the much needed Christmas boost Australian retail was hoping for, this is a damaging blow for the sector as it heads into the slowest quarter of the retail year, Australian National Retailers Association (ANRA) CEO Margy Osmond said today.

Retail figures for December 2011 released by the Australian Bureau of Statistics show a 0.1% decrease in the month, well below the hoped for 0.5% bump the sector needed.

"Retailers needed a good Christmas in 2011, particularly after the dismal outcomes seen at Christmas 2010. On average retail figures in 2011 were improved on 2010, but it was a very poor finish to the year.

"ANRA's surveying at the end of 2011 indicated Australians were coming back to the stores, but the reality is people were still cautious at Christmas. Year on year growth was only half a percent higher than 2010 (2.6% over 1.9%). Despite a good showing in the early days of the Boxing Day/January sales period, numbers were still low.

"The impact of heavy discounting by supermarkets was reflected in a -0.7% drop in food, followed by cafes and restaurants (down 1.8%), usually the strongest parts of the sector. However, there were some bright spots – clothing, footwear and personal accessory retailing jumped 3.5% and department stores 1.1%, its best result in six months.

"There is some good news that shoppers are still happy to buy household goods (0.2%), generally a sign of a positive outlook on discretionary spending. But consumers' behaviour has changed significantly in recent years and we cannot be confident 'traditional' signals can be counted on to reflect willingness to open those wallets.

"The return of consumers to spending, rather than saving, their spare pennies is some way off. Despite numbers jumping in clothing and department stores, figures were down on year ago levels - clothing, footwear and personal accessories retailing was down 1.4% on last December, department stores were down 2.7% and household goods were only marginally up on +0.9%.

Across the states spending was down – only Victoria (+1.5%) and the ACT (+1.8%) recorded positive numbers.

"Christmas, while an improvement on the previous year, did not deliver enough eagerly awaited Christmas cheer to the as we needed. This year is shaping up to be a continuation of consumers saving and retailers discounting.

"Retailers will be looking to the Reserve Bank of Australia to reduce the cash rate tomorrow to stimulate spending growth, urging the banks pass that rate cut on to their customers," Mrs Osmond said.

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