

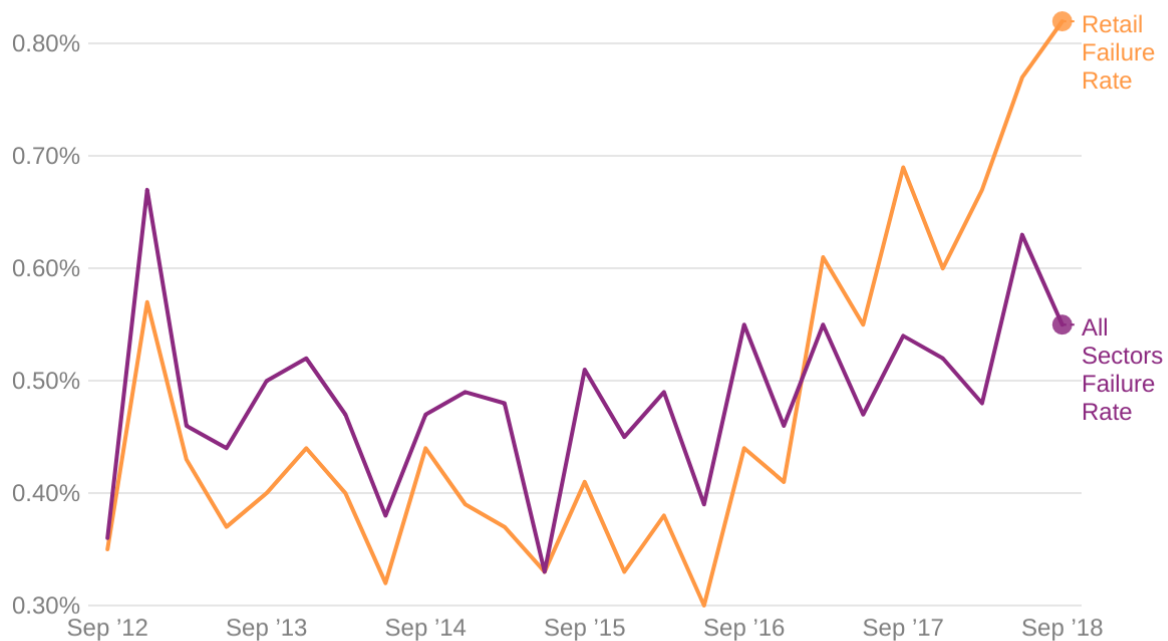
Retailers hit wall ahead of peak sales season

illion Business Failures, Summary Analysis: September Quarter 2018

27 November 2018 - Australian retailers are going bust in record numbers. The latest analysis from illion reveals the sector's failure rate hit record levels during the September quarter of 2018.

The failure rate for retailers is currently the highest on record at 0.82 per cent, which is 1.5 times the overall failure rate for all Australian businesses (0.55 per cent).

Retail Failures vs All Sectors, 2012-2018



Source: [illion Data Registries](#)

illion CEO Simon Bligh said the latest analysis shows retailers are struggling as they face challenges on multiple fronts.

“The retail sector is battling weak consumer confidence, falling house prices and competition from online and overseas competitors. One of these alone would hurt growth, but all three is a tough combination, and the results are clear in our latest analysis,” Mr Bligh said.

Despite the record high failure rate, there are some positives for the embattled sector. “While the failure rate has increased sharply, many retailers will stay afloat during this period and some will see this as an opportunity to expand their business and service offerings. The peak shopping season is here and we’re finally seeing some signs of a pickup in wage growth, which should boost consumer



confidence. So it's not a hopeless picture for bricks and mortar outlets that can stick it out during a downturn," Mr Bligh added.

Nationwide, failures increased across all regions during the September quarter. The Northern Territory had the highest business failure rate of 0.79 per cent, which isn't surprising given the territory recorded the highest annual rise of all states and territories (21.8 per cent).

Tasmania produced the lowest business failure rate at 0.34 per cent, well below the national average and a sign of the state's robust economic performance over the past two years; the benefit of population growth and a buoyant housing market.

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