



Media Release

For release: 23 February 2012

Small business sales deliver strong start for 2012, with the mining states fueling growth

ANZ today released its monthly Small Business Sales Trends report which showed small business sales increased by 7.5% year on year (y/y) in January 2012. Overall small business growth has now been positive since May 2011.

Retail-related small business sales remain flat with sales growth this month of just 3.4% y/y. Clothing and fashion outlets and homewares and furniture stores continue to experience difficult conditions with sales for 2011 as a whole, down 2.8% and 1.1% respectively.

Small Business Sales Trends – Highlights

- Small business sales increased by 7.5% y/y in January 2012.
- Overall growth rates have been positive since May 2011.
- Clothing and fashion experienced negative sales for 2011 (as a whole), down 2.8%.
- Mining states continue to outperform, with Western Australia +8.8% y/y, Queensland +9.8% and the Northern Territory +8.0%.
- Services and trades sectors again outshine retailers, with automotive +13.0% y/y and business services +16.9% y/y.
- Restaurants retain the best growth rates this month among the retailers, +13.4% y/y in January.
- The gap between metropolitan and regional small businesses is narrowing, with fairly comparable growth rates this month (+7.3% metro and +7.8% regional y/y).

Commenting on this month's result, ANZ General Manager Small Business Nick Reade said: "The year has started out on a positive note for Australian small businesses, with growth up 7.5% for the month. Overall small business sales have now been positive since May 2011, which is an encouraging sign for the sector.

"The major mining states of Queensland, Western Australia and the Northern Territory, seem to be fuelling this growth, with sales up 9.8%, 8.8%, and 8.0% y/y respectively. Although, Queensland's high annual growth rate is probably slightly inflated by the low level of sales during the floods at this time last year.

"In the other states, small business sales growth in NSW and Victoria improved in January, but remain weaker than in the mining-based states.

"Impressive sales increases were also seen in most of the non-retail industries, with automotive up 13% and restaurants up 13.4%, retail-related small businesses are still feeling the pinch of consumer caution.

"The critical issue for small businesses this year will be to maintain these growth levels as best they can. Particularly for the small businesses that aren't directly related to the mining sector which is growing strongly, they'll need to stay lean, agile and customer focused so that they can remain strong and profitable into the year," Mr Reade said.

Commenting further on the data, ANZ Senior Economist, Julie Toth said: "January's sales might be starting to show the benefits of two interest rate cuts in November and December 2011. The pick up in small business sales in January is also consistent with a range of other indicators that are pointing to a promising start to 2012, including the recent solid rise in the ANZ job advertisement series.

"Beneath the overall improvement, we are still seeing a large gap between retail-related small businesses compared with the non retail and services. Automotive and business services remain the best performers among non-retail, with growth up 13% and 16.9% respectively.

"Looking ahead, we expect this mixed pattern of growth to continue through 2012 as the increased mining activity increasingly dominates Australia's growth profile.

The data is based on the value of credit, debit and Eftpos transactions processed through ANZ merchant terminals and all ANZ card transactions processed through other systems for businesses at least two years old with annual turnover less than \$5 million. ANZ has approximately 20% market share of all card transactions.

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Notes for editors:

About ANZ Small Business Sales Trends

ANZ Small Business Sales Trends uses data from credit, debit and Eftpos transactions processed through ANZ merchant systems to provide insights into trading conditions for small businesses. The figures do not include cash transactions and therefore do not represent total sales for small businesses. The survey contains data from small businesses that have been accepting card payments during the 24 months directly preceding the current month (that is, businesses that have been in business and accepting payments for at least 24 months). Therefore each month, the survey uses data from a slightly different cohort of small businesses, as different businesses drop in and out of the 24 month timeframe. Small businesses are defined as having an estimated total turnover under \$5m p.a. The data are nominal (current dollars), that is, they have not been adjusted for inflation.

Some changes in transactions that pass through ANZ systems can be attributed to factors such as changes in the acceptance and use of credit and debit card transactions, and changes in ANZ's market share. The focus on small business and use of a 24-month business existence filter is believed to minimize the significance of such distortions.

Small business at ANZ

ANZ Small Business Sales Trends is part of ANZ's commitment to its small business customers. Other recent initiatives to help support small businesses include:

- A series of free online education courses and tools to help build the skills and knowledge of business owners, available through ANZ's Small Business Hub: register at thesbhub.com.au.
- An agreement with online accounting software provider Xero to provide small business customers and their advisors with an online, integrated banking and accounting solution that allows them to understand trading performance and cash flow position in real time.
- Awarded CANSTAR CANNEX Innovation Excellence award for 'ANZ Business Insights'.
- Awarded 2011 CANSTAR CANNEX award for outstanding value business deposits, business loans and business credit cards.

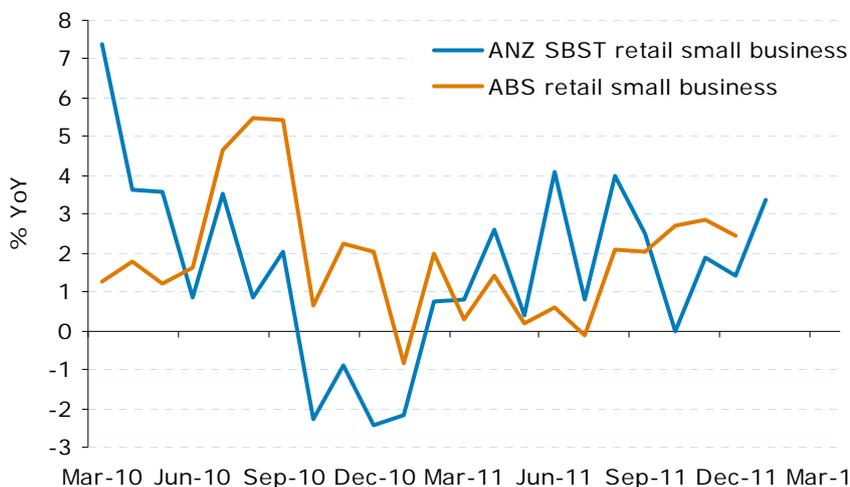
Business owners can see how they compare with ANZ Business Insights

Businesses that accept card payments and industry specialists can access this information at a local level by signing up to ANZ Business Insights which is free for ANZ business customers. ANZ Business Insights gives customers access to reports on sales patterns, turnover and customer insights. To find out more about ANZ Business Insights customers should speak to a local small business specialist by calling 1800 801 485 or visit www.anzbusinessinsights.com



Small Business Sales Trends

Monthly sales growth – comparison with ABS retail trade survey*



*ABS retail trade survey, small retailers, original nominal data, not seasonally adjusted or deflated.

Monthly growth summary – all small businesses

y/y %	Jan-12	2011 (whole year)	Jan-11
Retail related	3.4	1.4	-2.2
Non-retail and services	10.2	2.1	-4.7
Metro	7.3	1.4	-3.8
Regional and rural	7.8	2.6	-3.5
All small business	7.5	1.8	-3.7

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation



Small Business Sales Trends

Industry detail – small businesses

y/y %	Jan-12	2011 (whole year)	Jan-11
Retail related:			
Appliances and Electrical	2.5	-1.5	-6.4
Clothing and fashion	1.8	-2.8	-7.5
Homewares and furniture	0.0	-1.1	-5.2
Other food outlets	4.1	6.1	4.6
Other retail	4.3	2.7	-0.7
Restaurants	13.4	8.3	5.3
Retail related	3.4	1.4	-2.2
Non-retail and services:			
Automotive	13.0	4.8	-3.6
Business services	16.9	-0.3	-10.6
Hotels and Motels	3.8	4.2	4.0
Personal services	9.2	1.2	-3.8
Trade	7.5	2.0	-4.6
Travel & Entertainment	8.7	2.2	-4.3
Non-retail and services	10.2	2.1	-4.7
All small business	7.5	1.8	-3.7

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation.

Industry composition – predominant industry types:

Appliances and electrical – Appliance stores, electronics stores, hardware equipment, computer stores

Automotive – Car, Truck and Motorcycle dealers, Auto parts and repairs, service stations, taxi cabs

Business services- Office supplies, accountants, advertising services, legal services

Clothing and fashion – Clothing sales, footwear, jewellery, costumes, tailoring services

Homewares and furniture – Home and commercial furniture, drapers, flooring, antiques, homewares, art

Hotels and motels – Hotels, bars, beer and wine producers

Other food outlets – Fast food, bakeries, dairy product stores

Other retail – Books, pharmacies, newsagents, grocery stores, convenience stores, speciality retail

Personal services – Health and beauty services, cosmetics, dental, medical, childcare, gyms

Restaurants – Restaurants, cafes and catering

Trade – Construction materials, roofing, cleaning, plumbing, landscaping, tradespeople services,

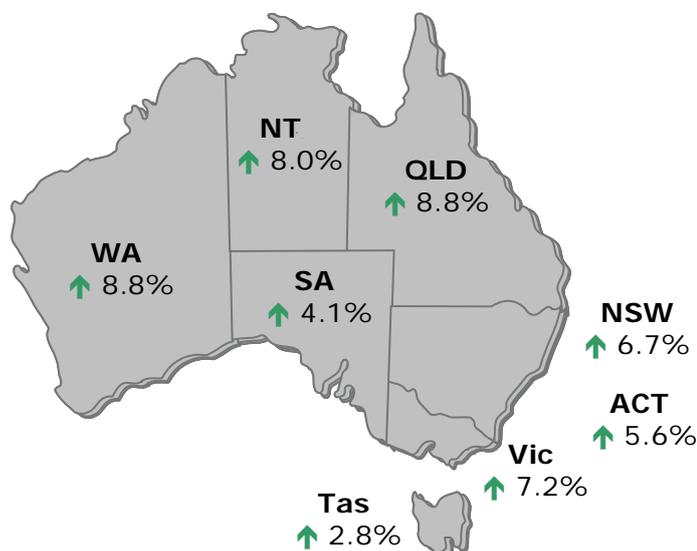
Travel & entertainment – Travel agents, caravan parks, movie theatres, video stores, amusements, luggage sales



Small Business Sales Trends

State detail – small businesses

Year on year annual growth, January 2012



y/y %	Jan-12	2011 (whole year)	Jan-11
New South Wales	6.7	1.5	-3.7
Victoria	7.2	2.8	-2.1
Queensland	9.8	2.0	-7.0
Western Australia	8.8	1.9	-3.0
South Australia	4.1	2.6	0.7
Tasmania	2.8	-1.9	-5.4
ACT	5.6	-3.0	-6.3
NT	8.0	-1.0	1.3
All small business	7.5	1.8	-3.7

Source: Aggregated ANZ cards and merchants transaction data. Not adjusted for inflation.