

Iconic fashion brands close – 933 lose jobs

Giuseppe Tauriello

More than 900 retail workers will lose their jobs following a decision to wind up women's fashion brands Millers and Noni B.

Receivers of the chains' owner Mosaic Brands have announced they were unable to secure a buyer for the two brands, resulting in the closure of 241 stores in Australia and 11 in New Zealand, and the loss of 933 retail jobs.

Millers and Noni B were the last two surviving brands in the Mosaic Brands portfolio, which fell into administration on October 28.

Receivers from KPMG later took control, which led to the closure of the Katies brand in December and last week's announcement that the iconic Rivers menswear brand would also be lost.

Receiver David Hardy from KPMG said all stores in the Mosaic Brands group would be wound down over the coming months, with all stores expected to be closed down by mid-April.

"Despite the best efforts of all parties, we have been unable to achieve a sale of any of the brands within the Mosaic portfolio," he said.

"The receivers would again like to acknowledge and thank the Mosaic management team, employees, customers and suppliers for their support throughout the receivership process."

KPMG said the timing of individual store closures would depend on stock levels and sales over the coming weeks.

Sale events and promotions will be run in all stores.

The closure of Millers and Noni B brings the total number of retail jobs lost in the Mosaic Brands collapse to more than 2000.

In December, receivers began a store consolidation program and complete closure



of Katies, resulting in the first 480 job losses.

The Rivers closure affected 136 stores, employing 650 retail workers. The iconic menswear fashion brand had a

history dating back to 1863, and was once worn by Australian sporting legends such as Ron Barassi, David Hookes, Peter Brock and Max Walker.

Rivers, along with Auto-

graph, Crossroads, Katies and Millers, was bought by Noni B seven years ago which then became the Mosaic Brands umbrella. It collapsed in October with debts of almost \$250m.

Apartment value on chopping Block Conditions easing for renters

David Bonaddio

A luxury apartment once celebrated as a champion of The Block has suffered a whopping \$625,000 loss – almost the equivalent of Melbourne's median unit price.

The glamorous three-bedroom property at 1/164 Ingles St, Port Melbourne which won The Block in 2016, was listed in September for \$2m-2.1m, and recently sold

for \$1.975m – well below the \$2.6m paid at auction by an investor eight years ago.

Originally listed in March 2024 at \$2.6m-\$2.75m, the price had several reductions.

According to PropTrack's December home price index, Melbourne's median unit price is \$590,000 – making the investor's loss almost enough to purchase an inner-city apartment outright.

The property was renovated

by Block couple Will and Karlie Bethune.

Chisholm & Gamon associate director Jon Kett, who handled the sale, told the Herald Sun last year that he wanted to steer attention away from its reality TV history.

MR Advocacy director Madeline Roberts said that despite the property's attributes, it couldn't shake the challenges currently facing the \$2m price bracket.

Sarah Petty

Conditions have finally started to ease for Melbourne renters, with the city's median rental price flat at \$570 a week over the final three months of 2024.

While the price was up \$20 (3.6 per cent) for the year, the more recent trend has been good news for tenants preparing for the busiest time of the year for new leases in January and February.

Latest inflation data



Mortgage broker Adele Andrews, at her home in Black Rock, says families could now have a sense of hope. Picture: David Geraghty

Homeowners boost

ANALYSIS
Matt Bell

Struggling households are at the closest stage yet to receiving mortgage relief from the Reserve Bank than at any stage since the start of the Covid-19 pandemic five years ago after a better-than-expected decline in inflation.

The Australian Bureau of Statistics on Wednesday reported that the trimmed mean Consumer Price Index (CPI) indicator, the Reserve Bank's preferred measure, dropped to 3.2 per cent in the

year compared with 3.3 per cent forecast by markets and below the 3.4 per cent expected by the RBA.

Headline inflation also fell by more than expected to 2.4 per cent in the year to December compared with 2.5 per cent financial markets had expected.

Inflation is now at its lowest period since 1.1 per cent in March 2021.

This sets up the prospect that when RBA governor Michele Bullock and her fellow board members meet in three weeks they will

However, the PropTrack data shows the total number of rental listings was down 19.7 per cent compared to its 10-year average.

Despite this the number of days a property spent advertised increased to 22 days in December, up from 19 days a year prior, the PropTrack report reveals.

In mixed news, PropTrack senior economist Angus Moore said he expected to see

rental prices rise over 2025, but at a slower pace than previous years.

In regional Victoria, rental supply also fell, with total listings down 6.5 per cent compared to December 2023.

The report follows rental tenancy bond data released earlier this month that showed the number of Victorian homes available to tenants fell by 24,000 in the 12 months to September 30 last year.

signals interest rate cut in February, and two more in 2025



\$3.3K RELIEF A YEAR IS ON THE WAY

Clare Armstrong
Emma Sudano

Australian households are within reach of desperately needed mortgage relief as lower inflation figures raise the prospects of an interest-rate cut in February.

Markets are now pricing in a 75 per cent chance of the Reserve Bank announcing a rate cut when the board meets next month after inflation dropped to 2.4 per cent in the 12 months to December, according to new Australian Bureau of Statistics data released on Wednesday.

The RBA is initially expected to cut the official cash rate by 0.25 percentage points at its next board meeting in mid-February, which would bring it down from 4.35 to 4.1 per cent.

Economists also expect two further cuts in 2025, each again of 0.25 percentage points, which would see the cash rate at 3.6 per cent.

The first cut, if passed on by the banks, would reduce the monthly payments for owner-occupiers with \$600,000 loans by \$92 a month (the average loan size in Victoria is \$614,730). Cuts totalling 0.75 percentage points across the year would slash payments by about \$275 a month (more than \$3300 a year).

The headline Consumer Price Index (CPI) figure released by the ABS yesterday was lower than what many economists had forecast, as was the “underlying” rate, which excludes more volatile price extremes and still fell to 3.2 per cent.

Despite setting a target rate of two to three per cent for cutting the cash rate, the RBA board has been focused on the underlying figure amid concerns the Albanese Government’s temporary energy bill

relief subsidies were artificially impacting the headline rate.

Treasurer Jim Chalmers insisted the worst of the inflation crisis was well and truly over, but acknowledged there were still Australian households and businesses struggling with cost of living pressures.

“We don’t pretend that it’s mission accomplished on inflation, but we are making very substantial progress,” he said.

Director and mortgage broker at Australian Property Home Loans, Adele Andrews, said families could now have “a sense of hope and a sense of confidence that we are heading in the right direction”.

“I think families have been under pressure for so long now with the cost of living and mortgage repayments.

The downward trajectory of interest rates will have a positive impact on that,” she said.

“Any increase in cash flow in any family is going to be very welcomed.”

But Coalition treasury spokesman Angus Taylor rejected Mr Chalmers’ suggestion the economy was headed for a “soft landing” out of the inflation crisis, arguing households were still struggling due to higher prices over the past three years and 12 rate hikes contributing to an extra \$50,000 on the average mortgage repayment. “Australians don’t see a soft landing here,” he said. “Of course, Australians want to see a rate cut, but they also want to see a standard of living increase.”

The prospect of a rate cut in February has heightened speculation Labor will seek to capitalise on the positive momentum and call the federal election as early as March or April.

Mr Chalmers said he was “working towards” handing down a fourth federal budget

scheduled for March 25, but could not promise it would be delivered as the timing of the looming election was “a decision for the Prime Minister”.

Anthony Albanese refused to be drawn on whether the inflation numbers had figured in his thinking around the timing of the next federal election, which must be held by May 17.

The Prime Minister also declined to answer if his government was considering extending the energy bill relief currently due to end in July.

“We’ll make policy announcements when we make them,” he said.

In the last three months of 2024 electricity dropped by 9.9 per cent – but this was driven almost entirely by temporary rebates. If the \$300 subsidy from the federal government and some additional supports from states were excluded, the cost of electricity would have increased by 0.2 per cent.

The government remains well short of its 2022 election commitment to reduce power bills by an average of \$275 by this year based on 2021 levels.

Ms Andrews said Australians should look at what discounts and refinancing options could be available to them.

“Every little dollar has really counted in their pockets and there has been a lot of stress in a lot of people’s financial systems,” she said.

“There have definitely been conversations with my clients around what the banks can do for us. What discounts are available and if they aren’t, what refinancing options do we have? Every little dollar has really counted in their pockets and there has been a lot of stress in a lot of people’s financial systems.” A cut would have “a great emotional impact.”

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HOW MUCH YOU WILL SAVE AFTER A RATE CUT

Loan size	0.25 point cut saving per month	0.5 point cut saving per month
\$200,000	\$31	\$61
\$300,000	\$46	\$92
\$400,000	\$61	\$122
\$500,000	\$77	\$153
\$600,000	\$92	\$183
\$700,000	\$108	\$213
\$800,000	\$122	\$243
\$1M	\$153	\$304
\$1.5M	\$230	\$457
\$2M	\$306	\$608

Source: Moneysmart.com.au mortgage calculator Assumes 25 year loan term, no fees and a standard variable interest rate for a principle and interest loan at 6.15 per cent before indicated cuts

at closest point since pandemic

consider cutting interest rates for the first time since November 2020.

Financial markets are taking that view too, having priced in a 75 per cent chance of a 0.25 percentage point rate cut at the February meeting, which would take the official cash rate to 4.10 per cent.

Westpac, Commonwealth Bank, and ANZ all predict rate cuts next month too. And the rates market is pricing 0.85 percentage points of rate cuts for 2025, which would see the RBA’s official cash rate end the year at 3.50 per cent.

Stubborn inflation and the most aggressive rise in interest rates ever have hurt households by leaving little left in the budget to spend on non-discretionary items, which has in turn resulted in record insolvency rates for businesses as cafes and hospitality venues go under.

The big sticking point for the RBA has been that inflation needed to “sustainably” get back down to target range and stay there. The number for December could just be the turning point. “Sustainably means that

we’re getting there and we’re staying there,” Ms Bullock said in September.

“We need to see that there’s a consistent trend down to the band and it’s going to stay in the band rather than dip in and out.”

In December, the RBA judged that the upside risk to inflation had diminished, but that it was too soon to conclude with full confidence that inflation was moving sustainably towards target.

Canada, New Zealand, the US and UK have all reduced interest rates.

Inflation might be lower but Albanese’s troubles are still building

ANALYSIS
Clare Armstrong

Labor MPs are breathing a sigh of relief as new lower-than-expected inflation data buoyed prospects of an interest-rate cut next month but a resulting electoral boost for the Albanese Government is far from assured.

At 2.4 per cent, headline inflation is now only 0.2 per cent higher than it was at the

beginning of 2020, before the Covid-19 pandemic and well within the Reserve Bank’s target range for considering a rate cut.

However the board and economists have long since abandoned this measure as the only factor in considering a cut given Labor’s direct intervention through energy bill subsidies artificially and temporarily lowering the cost.

Even so, Wednesday’s data

showed “underlying” inflation – where the more volatile price variables are removed – was lower than forecast, though it remained just above the RBA’s target at 3.2 per cent.

Treasurer Jim Chalmers will still chalk these results up as a major win but, even if Labor can bank a February rate cut and the possibility of a second in either April or May as they head into the election, the government’s cost-of-living

woes are far from over.

Mr Chalmers is right to acknowledge that improved economic figures do not mean Australian households and businesses aren’t hurting and while bringing down inflation obviously provides greater relief over time – that’s not something Labor has much of.

With an election due by May 17 at the latest, the positive impact of one or even two interest rate drops by then will

still be in its infancy.

Any benefits will be particularly slow to reach the one-third of Australians who rent and moderating mortgage pain will simply allow for households to focus their worries on other costs.

Nowhere will this be more evident than in energy prices.

The December quarter electricity data shows electricity dropped by a whopping 9.9 per cent – but

this was driven almost entirely by temporary rebates.

In fact, if the \$300 subsidy from the federal government and some additional supports from states were excluded, the cost of electricity would have increased by 0.2 per cent.

With that assistance expiring in July, Labor still has some big cost-of-living concerns to tackle before it banks on voters saying “thanks” for a rate cut.