

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 14 SEPTEMBER 2018

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ACCC COLLECTIVE BARGAINING DISCUSSION PAPER RELEASED

The Australian Competition and Consumer Commission (ACCC) has [released](#) a discussion paper to seek feedback about “a potential ‘class exemption’ to allow small businesses, agribusinesses and franchisees to negotiate collectively with their customers or suppliers, including franchisors.” ACCC Deputy Chair Mick Keogh commented: “Working together, they (businesses) may be able to negotiate more efficiently with larger businesses to achieve better terms and conditions than they can on their own”. Collective bargaining is currently not allowed under Australian competition law unless approval is obtained from the ACCC. The ACCC needs to be satisfied that the conduct is unlikely to substantially lessen competition or is likely to result in a net public benefit. The ACCC’s power to make ‘class exemptions’ was granted in November 2017 as part of the passage of the [Competition and Consumer Amendment \(Competition Policy Review\) Bill 2017](#), which implemented various reforms recommended in the Harper Competition Review, and is in addition to its existing authorisation and notification processes ([ShopTalk 26/11/15](#)). Submissions close on 21 September 2018.

SOUTH AUSTRALIAN BUDGET – FORWARD TAX REDUCTIONS, POTENTIAL REVALUATION RISK

Last week, South Australian Treasurer Rob Lucas handed down the first state [budget](#) since the Government was elected in March this year. From 1 July 2020, the tax-free threshold for land tax will be increased from \$369,000 to \$450,000, and the current highest tax rate of 3.7% will be reduced to 2.9% for properties valued between \$1.2 million and \$5 million (under South Australia’s retail lease legislation, land tax is not a recoverable outgoing). SA currently has the highest top land tax rate, however not the largest spread between the lowest and highest rate. For 2018-19, there has been a slight increase in the fixed land tax charge, for the highest value threshold. The budget also notes an expected ‘upward revision’ in land tax revenue due to revaluations under the Valuer-General’s comprehensive review of site values.

SENATE COMMITTEE ON RED TAPE RELEASES INTERIM REPORT

The Senate Red Tape Committee recently released its interim report on the [Effect of red tape on occupational licensing](#), with a final report due by early December. The inquiry was established to look into the impact of occupational licensing on the economy and community ([ShopTalk 5/6/18](#), [ShopTalk 6/4/18](#)). The Shopping Centre Council lodged a [submission](#) to, and appeared before, the Committee and, amongst other things, proposed that the committee recommends a further roll out of real estate licensing reform similar to what has occurred in Queensland, New South Wales and South Australia – noting that such reform is low-risk and low-cost-to-Government. The interim report has made four recommendations including that: “subject to its retention, the committee recommends that occupational licensing be based on specific, measurable outcomes and the identification of best practice models for occupations throughout Australia.” It is pleasing that the Committee has noted that “occupational licensing is a barrier to market entry that prevents some people from practising their chosen trade. As such, it should only be imposed when there is strong justification.”

REVIEW INTO THE SUPPLIER PAYMENT CODE ANNOUNCED

The first [review](#) of the Business Council of Australia’s Supplier Payment Code was recently announced. Professor Graeme Samuel AC, former Chair of the ACCC, has been appointed as the Independent Reviewer, along with a panel comprising Kate Carnell AO (Australian Small Business and Family Enterprise Ombudsman), Judy O’Connell (Victorian Small Business Commissioner), Peter Strong (Chief Executive, Council of Small Business Australia) and Dirk Fourie (Principal, Procurement, Rio Tinto Australia). The Code was launched by the Business Council of Australia in mid-2017 as an industry-led initiative to improve payment times for small businesses across the economy. The review is accepting submissions until 28 September.

PREVIOUS ISSUES