

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 11 FEBRUARY 2016

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## SENATE COMMITTEE INQUIRY INTO DICK SMITH COLLAPSE AND GIFT CARDS

The Senate Economics References Committee has been tasked with undertaking an inquiry into the "causes and consequences of the collapse of listed retailers in Australia...", including the treatment of gift cards and gift card holders. The inquiry was established at the request of Independent Senator for South Australia, Nick Xenophon, who was also responsible for calling last year's unproductive inquiry into the need for a national approach to retail leasing ([Shop Talk 19/3/15](#)). The Committee, which has yet to call for submissions, is currently due to report on 12 May, although there has been some speculation that this date could be extended to avoid a scenario where the Senate Committee reports to the Parliament prior to Dick Smith's administrators providing further advice to creditors. The inclusion of an investigation of gift cards in the terms of reference will see stakeholders revisit the comprehensive arguments and recommendations which were put to a 2012 inquiry into *Gift Cards in the Australian Market* undertaken by the Commonwealth Consumer Affairs Advisory Council ([Shop Talk 12/7/12](#)). This inquiry commented that it had been "...unable to find any overwhelming evidence of structural consumer detriment warranting a regulatory response" to managing gift cards. The Shopping Centre Council will be making a submission to the inquiry.

## QLD PARLIAMENTARY COMMITTEE APPROVES RETAIL SHOP LEASES AMENDMENT BILL

The Queensland Parliament's Education, Tourism and Small Business Committee has completed its review of the *Retail Shop Leases Amendment Bill 2015* and has unanimously recommended that the Bill be passed through the Parliament ([Shop Talk 15/10/15](#) & [5/11/15](#)). The Committee has also requested that the Attorney-General clarify certain matters during the parliamentary debate, which is expected to commence after Parliament resumes on 16 February. The Committee's report is [here](#) and an erratum to the report is [here](#).

## FEDERAL GOVERNMENT RELEASES INDEPENDENT REPORT INTO MANDATORY DISCLOSURE SCHEME

Last week the Minister for Resources, Energy and Northern Australia, Josh Frydenberg, released the independent [report](#) into the current Commercial Building Disclosure (CBD) Scheme, otherwise known as 'mandatory disclosure'. The independent reviewers, ACIL Allen, were asked to contemplate the extension of CBD, which currently requires the disclosure of a NABERS rating to prospective tenants and purchasers of commercial offices where the floorspace involved is greater than 2,000m<sup>2</sup>, to other asset types, such as shopping centres. In their report, the reviewers have reached a definitive position: "ACIL Allen does not recommend that mandatory disclosure be extended to shopping centres or other retail buildings...". (This reflects the Shopping Centre Council's position). A number of reasons are given for this position, including their view that the issue of "information asymmetry" between landlords and tenants is not as acute in shopping centres due to disclosure requirements required via state retail lease regulation.

## 'NETFLIX TAX' BILL TABLED IN FEDERAL PARLIAMENT TO CLOSE GST LOOP HOLE

Following consultation in 2015, the Federal Treasurer, Scott Morrison, this week tabled a [Bill](#) in Parliament which will see the GST applied to intangible products from foreign suppliers ([Shop Talk 30/7/15](#)). Otherwise known as the 'Netflix Tax', this change will close a considerable loophole in the application of the GST. We have welcomed this reform as an initial step toward addressing the un-level playing between the application of the GST on goods and services sourced domestically and off-shore.

## ELIZABETH HOLLAND NOMINATED AS THE NEXT CHAIRMAN OF THE ICSC

Elizabeth Holland, CEO of [Abbell Associates](#), based in Chicago, has been nominated as the next Chairman of the International Council of Shopping Centers. If elected at ICSC's RECon in May, she will begin her one-year term on 23 May 2016.

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