

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

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2017-18 BUDGET: SMALL BUSINESS A KEY WINNER FOR THE THIRD YEAR

While considerable attention has been paid to headline issues of the 2017-18 Federal Budget, buried in the detail of the Budget Papers are a range of initiatives targeted at small business. The Government has extended the ability of small businesses to deduct the cost of assets costing less than \$20,000. This measure was introduced in the 2015-16 budget and is now extended to 30 June 2018. There is also the establishment of a new National Partnership on Regulatory Reform across 2017-18 and 2018-19. To be developed with the States and Territories, the National Partnership is characterised as building on the Government's response to the Harper Competition Policy Review ([Shop Talk 26/11/15](#)) and will be based on the provision of "\$300 million over two years...to incentivise States and local governments to lessen the regulatory burden on small business and remove other restrictions that hinder economic growth and competition". In our experience, small business regulation reviews can present considerable risk for landlords, as reviews can quickly lurch to the consideration of retail leasing – even in the apparent absence any concerns being expressed by retailer groups. This has happened most recently in the context of the Victorian small business regulation review, which commenced in July 2016 ([Shop Talk 7/10/16](#)). In light of the noted link to the Harper review in the Budget Papers, this National Partnership may also open up the next round of reviews regarding trading hours (noting that, for example, Queensland already has a Bill before their Parliament in response to an independent review of their trading hour regime, and NSW is reviewing the liberalisation of trading hours on Boxing Day). The small business sector's support for the initiatives announced in the Budget has been tempered by Kate Carnell AO, the Federal Small Business Ombudsman, who [noted](#) that the Government had not adopted a number of recommendations regarding payment times for small businesses, including the establishment of a National Payment Transparency Register (a 'praise or shame' approach) to monitor payment terms and practices impacting small business.

BUDGET COINCIDES WITH RECOMMENDATIONS TO DELAY GST INTEGRITY MEASURE

In its 2016-17 Budget, handed down on 3 May 2016, the Federal Government detailed that it would take action on the \$1,000 GST Low Value Threshold, with the tax loophole to be closed from 1 July 2017 ([Shop Talk 5/5/16](#)). This came following Australia's Treasurers reaching in-principle agreement on the proposal in August 2015 ([Shop Talk 27/8/15](#)). The Government tabled enabling legislation in the Parliament in early 2017, which was then referred to the Senate Economics Legislation Committee for consideration in March ([Shop Talk 13/4/17](#)). In a strange coincidence, the 2017-18 Budget was handed down on the same day as the Committee tabled their inquiry report in the Parliament. Despite last year's budget noting a 1 July 2017 implementation date, the Senate Committee has recommended that that the Bill be passed, but that implementation be delayed to 1 July 2018. While noting their in-principle support for the collection of GST on low value imports, Labor Senators on the Committee prepared a dissenting report which highlighted what were, in their view, deficiencies on the policy development process, including the absence of a Regulatory Impact Statement. Considering the timing of the report, including with regard to timing of the delivery of the 2017-18 Budget and the proximity of the 1 July implementation date, it is almost assured that implementation will now be delayed by at least 12 months.

VICTORIAN COMMUNITY SAFETY STATEMENT LINK TO BAIL OVERHAUL

Following the release in December 2016 of its Community Statement ([Shop Talk 9/12/16](#)), the Andrews Labor Government has announced bail system reforms for 'serious offenders'. Melbourne has experienced an escalation in criminal activity, which is impacting the retail sector, including direct impacts on some shopping centres and their retailers. We are engaged with the Victorian Government on the implementation of initiatives of the Statement and continue to draw attention to the impact criminal activity is having in operations in Victoria.

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