

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 11 MAY 2018

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FEDERAL TREASURY OPENS TRIENNIAL REVIEW OF TERRORISM INSURANCE SCHEME

Federal Treasury has commenced consultation on the [Triennial review of the Terrorism Insurance Scheme](#), which follows the last review which was finalised in 2015 ([Shop Talk 17/12/15](#) and [13/4/17](#)). Treasury is seeking feedback on 'emerging issues', such as whether the risk of cyber terrorism causing physical property damage should be included in the scheme, along with coverage available for terrorism incidents causing harm to people. The consideration of these issues is pleasing, as the Shopping Centre Council has previously raised these issues with the Government as forming part of the review. The scheme was established by the *Terrorism Insurance Act 2003* and intends to operate in the absence of commercially available terrorism insurance.

2018-19 FEDERAL BUDGET: A PRE-ELECTION (AND BY-ELECTION) BUDGET

While previous Federal Budgets have emphasised small business – with COSBOA's Peter Strong stating last year that "for the third year in a row, the Federal Government has demonstrated a genuine commitment to small business" – this week's Budget has a key focus on income tax cuts for low-middle income households ([Shop Talk 12/5/17](#)). The response from retailer groups has generally been positive. However, one analyst note has suggested that: "while encouraging, we expect the risk from higher household savings to more than offset any benefit to retail from tax cuts". This year's Budget has again extended the \$20,000 asset write-off for small businesses, initiated in the 2015 Budget. After 10 years of debate, the GST on imported low-value goods (up to \$1,000), that was deferred from 1 July 2017, will apply from 1 July 2018 ([Shop Talk 12/5/17](#)). When this measure was initially flagged in the 2016 Budget, the forecast revenue gain was \$300 million. This measure was mentioned in the context of further incremental GST reform specific to offshore providers of online hotel sales. There was also a range of other measures of interest revealed in the Budget, including the recently announced Consumer Data Right ([Shop Talk 4/5/18](#)).

ABS RETAIL FIGURES: STRONGER GROWTH MAINTAINED YEAR-ON-YEAR

The latest release (March 2018) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate increased by 0.3 per cent, equal to (a revised) 0.3 per cent in the prior corresponding period (pcp). In trend terms, Retail Turnover increased by 2.6 per cent year-on-year (y-o-y), equal to (a revised) 2.6 per cent in the pcp. In seasonally adjusted terms, the strongest growth was recorded for 'Food' retailing on both a m-o-m basis (0.7 per cent) and a y-o-y basis (4.2 per cent). In seasonally adjusted terms, Retail Turnover remained "relatively unchanged" at -0.0 per cent in the month of March 2018, following an increase of 0.6 per cent in February 2018. On a y-o-y basis, Retail Turnover increased by 3.1 per cent, slightly up from 3.0 per cent in the pcp. 'Food' retailing was the only category to record growth on both a m-o-m and y-o-y basis in March 2018. The strongest jurisdictions in seasonally adjusted terms were Victoria (up 4.4 per cent to \$80.2 billion) followed by Tasmania (up 3.9 per cent to \$4.9 billion) and South Australia (up 3.7 per cent to \$20.7 billion). 'Cafes, restaurants and takeaway food services' retailing continues to drive growth in New South Wales, South Australia, Western Australia and Tasmania. 'Department stores' retailing was the weakest performing category in New South Wales, Victoria, South Australia and the Australian Capital Territory.

FRANK LOWY FELLOWSHIP: SIDONE THOMAS ATTENDS WORLD RETAIL CONGRESS IN MADRID

The 2017 *Frank Lowy Fellowship* winner, Ms Sidone Thomas ([Shop Talk 20/3/18](#)), recently attended the 2018 the World Retail Congress, which was held in Madrid, Spain. A recap of her experience, and of conference highlights, is available [here](#). 2017 was the inaugural Fellowship year and served as an affirmation of the considerable talent in the shopping centre industry. Fellowship recipients receive a contribution toward a professional development opportunity or industry event of choice. Nominations for the 2018 Fellowship will open in mid-2018. For more information, please visit the [Frank Lowy Fellowship](#) website.

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