

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

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## FEDERAL LABOR ANNOUNCES UNFAIR CONTRACT TERMS ELECTION POLICY

Federal Labor recently [announced](#) their policy on *Unfair Contract Terms* (under the *Competition and Consumer Act 2010*), ahead of the pending Federal election. The policy, announced by Shadow Minister for Competition and Productivity, Dr Andrew Leigh, along with Shadow Treasurer and Minister for Small Business Chris Bowen, and Shadow Assistant Minister for Small Business Madeline King, proposed some key changes to the current legislation. This includes making unfair contract terms illegal along with fines of up to \$10 million, an expansion of the definition of small businesses eligible for protection (including to those with a turnover of up to \$10 million; and with a contract value of \$1 million (up from \$300,000), for contracts up to 12-months) and \$5 million (up from \$1 million, for contracts greater than 12-months), and consultation on the definition of a standard form contract. Labor's announcement comes in the context of the current two-year review of the unfair contract terms legislation being led by Treasury, announced by Assistant Treasurer, Stuart Robert MP, and for which submissions closed on 21 December 2018 ([ShopTalk 30/11/18](#)). The Shopping Centre Council lodged a formal submission on the review.

## TERRORISM INSURANCE ACT REVIEW REPORT RELEASED

Late last year, Federal Treasury released its [final report](#) on the *Terrorism Insurance Act Review:2018*. The triennial review commenced in April 2018, which included seeking feedback if the scheme should continue to operate, and whether the scheme should cover the risk of cyber terrorism causing physical property damage, and the extent of coverage available for incidents causing harm to people ([ShopTalk 11/05/18](#)). The Shopping Centre Council was engaged in the review. The final report sensibly recommends that the scheme continues, but disappointingly recommended against changes to scheme pricing (e.g. the levy paid by shopping centres), including whereby pricing has increased, yet the long-term reserves and equity in the scheme has diminished including via 'fees' paid to the Government. Treasury also did not recommend that the scheme be extended to cover cyber terrorism.

## RETAIL TRADE: DECEMBER FIGURES HIGHLIGHT CHANGING NATURE OF CHRISTMAS SPENDING

The latest release (December 2018) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate increased by 0.2 per cent, the fifth consecutive month to do so. In trend terms, Retail Turnover increased by 3.2 per cent year-on-year (y-o-y), down from (a revised) 3.4 per cent in the prior corresponding period (pcp). In seasonally adjusted terms, 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category on a m-o-m basis (1.1 per cent), whilst 'Other' retailing was the strongest category on a y-o-y basis (4.3 per cent). Retail Turnover decreased by 0.4 per cent in the month of December 2018, down from (a revised) 0.5 per cent in November 2018 - highlighting the changing nature of retail spending over the Christmas period, whereby a strong result for November is followed by a negative number for December, as was also the case in 2017. Interestingly, the latest release of the NAB Online Retail Sales Index indicated a contraction in growth for online sales of -1.4 per cent in the month of December. And despite November sales usually being the highest annually, December often records positive growth, with NAB noting that "...this is the first time such a large contraction has been recorded for December." On a y-o-y basis, Retail Turnover increased by 2.8 per cent, equal to the pcp. The strongest jurisdictions were Victoria (up 5.2 per cent to \$83.4 billion) followed by Tasmania (up 5.0 per cent to \$5.2 billion) and the ACT (up 3.4 per cent to \$5.9 billion). Western Australia was the worst performing jurisdiction (down 0.2 per cent to \$34.0 billion), recording the seventh consecutive month of negative growth. Victoria and New South Wales were the only states to record positive growth across all six ABS categories. Quarterly chain volume measures (an estimate of the change in value after the direct effects of price changes have been eliminated thereby reflecting changes in volume) increased by 0.1 per cent in the December 2018 quarter. Retail Turnover increased by 0.4 per cent over the same period, tracking ahead of chain volume measures and indicating that price inflation is the main driver of growth.

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