



# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE  
COUNCIL OF AUSTRALIA

Thursday 6 October 2011

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## SCCA LODGES SUBMISSION ON NEW VICTORIAN FIRE SERVICES LEVY

The Shopping Centre Council of Australia has lodged a [submission](#) on the Victorian Government's [Options Paper](#) on the proposed property-based Fire Services Levy, which will replace the existing insurance-based levy, to fund the state's fire services ([Shop Talk, 7/7/11](#)). We support a property-based levy, since presently the insured subsidise the under-insured and uninsured, but there is a risk that the proposed new levy will become just another version of land tax. The inequitable nature of the current scheme, which the Victorian Treasurer, Kim Wells, has previously criticised, may therefore continue. As a 'levy', as opposed to a general tax, there should be a clear link between the levy and fire incidence and fire risk. Since shopping centres have low fire incidences and risk (as part of a category representing only 1% of metropolitan fire service incidents), they should not be required to pay more than existing contributions. Despite this, the Options Paper is littered with incorrect assertions and ignores relevant facts in attempting to justify a higher funding burden being placed on shopping centres. One of major problems which commercial property faces is the proposed exclusion of motor vehicles from the levy base under the proposed new scheme. Vehicles account for around 10% of fire service incidences but are being asked to contribute nothing - not even vehicles which carry dangerous goods, such as fuel tankers. Apart from being contrary to all good taxation design principle this is plainly inequitable. Mr Wells is right to criticise the current scheme. But we hope he sticks to his views, and adheres to good taxation design principles, by designing a new levy which does not put an unfair funding burden on shopping centres. The current levy was increased by a massive 15.8% in this year's State Budget ([Shop Talk 5/5/11](#)). There is no justification for imposing even higher taxes on Victorian businesses, particularly those with low fire risk, through a new fire services levy.

## US MAIN STREET FAIRNESS BILL DESIGNED TO LEVEL THE RETAILING PLAYING FIELD

We have previously noted the introduction of a *Main Street Fairness Bill* into the USA Congress which is designed to require online retailers in the US to collect and remit sales tax as physical retailers are required to do ([Shop Talk 18/8/11](#)). It is estimated that around \$12 billion in state sales taxes could be lost this year as a result of exploitation of a loophole created by a US Supreme Court ruling in 1992. A good account of this issue is given in the September edition of the International Council of Shopping Center's magazine *SCT* ([Shopping Centres Today](#)). Click [here](#) for the *SCT* article. In echoes of the current controversy in Australia over offshore online retailers escaping payment of the GST (if the value of the goods are less than \$1,000), the *SCT* article is headlined "Unlevel Playing Field". In the latest development in this issue, California has [passed a law](#) requiring internet retailers to pay sales tax but the law delays the collection of the tax pending developments with the *Main Street Fairness Bill*.

## MELBOURNE RETAIL STRATEGY FIVE YEAR REPORT CARD NOW RELEASED

The Five Year Report Card of the *Melbourne Retail Strategy* was [released](#) last week by the Victorian Minister for Small Business, Louise Asher, and the Lord Mayor of Melbourne, Robert Doyle. The report, covering all details of retailing in the Melbourne CBD, can be obtained [here](#).

## RETAIL TRADERS ASSOCIATION OF WA WORKSHOP ON CUSTOMERS OCTOBER 25

The Retail Traders Association of WA is conducting a workshop on 25 October, called *In the Customer's Shoes*, designed to assist retailers in pursuing and keeping their customers. Click [here](#) for further information and to register.