



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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PRODUCTIVITY COMMISSION RELEASES FINAL REPORT ON RETAIL INDUSTRY

The Federal Government has released the [final report](#) of the Productivity Commission Inquiry into the Economic Structure and Performance of the Australian Retail Industry. The Commission has made some slight changes to the draft recommendations it proposed in its draft report in August 2011 ([Shop Talk 4/8/11](#) & [11/8/11](#)). The Federal Government has also released its [response](#) to the Commission's recommendations.

Disappointingly, although the Commission finds strong in-principle reasons on tax neutrality grounds for lowering the low value import threshold (LVT) – by which imported goods below \$1,000 avoid GST – it has refused arguments that the LVT be immediately lowered. (The LVT, which is far higher than in comparable countries, operates as a 'reverse tariff', making imported goods much cheaper than Australian goods.) Instead the Commission has recommended (and the Government has accepted) establishing a task force (including Customs, Australia Post and others) to streamline the processing of international parcels. Once this has been achieved the Commission has recommended the lowering of the LVT be revisited.

The Government has also announced the formation of a Retail Council (with membership to be finalised) to consider "policy matters relevant to the retail sector, including planning and zoning and retail tenancy leases". The Productivity Commission's recommendations on planning and zoning (which are essentially matters for State and Territory governments) are sensible and designed to increase retail competition. Importantly, the Commission has now recognised that planning and zoning are issues for all retail formats and the previous bias in its draft recommendations towards the so-called 'new retail formats' has been removed. The Commission's final recommendations seek to establish a level competitive playing field for all retail formats.

IRRESPONSIBLE CLAIMS OVER CENTRE HYGIENE IS PART OF UNION'S TACTICS

United Voice is attempting a scare campaign alleging unhygienic conditions at certain shopping centres. These just happen to be those cleaned by contractors targeted by the union in its misguided campaign for an over-award payment for shopping centre cleaners ([Shop Talk 25/11/11](#)). The contractors have firmly [rejected](#) the union's claims and have committed to ensuring centres will not be left uncleaned if bans and stoppages occur.

REVIEW OF RETAIL TENANCY LEGISLATION IN THE NORTHERN TERRITORY

The NT Government has released an [Issues Paper](#) for the review of the [Business Tenancies \(Fair Dealings\) Act](#). Submissions close on 31 January.

INDEPENDENT REPORT ARGUES FOR DEREGULATION OF TRADING HOURS IN WA

The Consumer Research Unit of the University of WA has released the [Shop Trading Hours: A Research Report](#), which argues that the long term interests of consumers is best served by the deregulation of shop trading hours. Importantly, this independent report finds that the majority of arguments put forward by opponents of deregulation, "do not eventuate following shop trading hours reform" and it also finds "on some of the key indicators, evidence suggests that the opposite of that predicted occurs". This supports the Productivity Commission's recommendation, in its [report](#) on the retail industry (see above), that trading hours be deregulated around Australia.

MARK ARBIB MOVES INTO ROLE OF FEDERAL MINISTER FOR SMALL BUSINESS

Senator Mark Arbib is now Assistant Treasurer and Minister for Small Business in the ministerial reshuffle [announced](#) by the Prime Minister.