



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

Thursday 3 April 2014

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ALL GOVERNMENTS TO EXPLORE OPTIONS ON LOWERING LOW VALUE THRESHOLD

The Commonwealth, State and Territory Governments agreed last Friday to explore options to close the loophole which exempts overseas retailers from paying GST on sales valued under \$1,000. A substantial lowering of the LVT has never been disputed on 'competitive neutrality' grounds and work done by Ernst and Young has now demolished the Productivity Commission's claim that a lower LVT would not be cost-effective ([Shop Talk 20/2/14](#) & [6/12/12](#)). It is understood a decision will be made before the end of the year.

FEDERAL GOVERNMENT ANNOUNCES COMPETITION REVIEW PANEL

The Federal Minister for Small Business, Bruce Billson, has [announced](#) the panel (to be chaired by Professor Ian Harper) which will conduct the review of competition law and has also released the final terms of reference for the review. The [terms of reference](#) differ little from the draft terms of reference previously released. The review will be much broader than simply considering the competition provisions of the *Competition and Consumer Act*. The panel is also tasked with identifying "regulations and other impediments across the economy that restrict competition and reduce productivity, which are not in the broader public interest." The next critical step in the review will be the publication of an Issues Paper which will form the basis of submissions and public hearings.

NEW LIBERAL GOVERNMENT MINISTRY ANNOUNCED IN TASMANIA

New Liberal Premier of Tasmania, Will Hodgman, has [appointed](#) Peter Gutwein as Treasurer and Minister for Planning and Adam Brooks as Parliamentary Secretary for Small Business in a newly created Department of State Growth.

PHARMACY GUILD BEGINS ANOTHER MEDIA CAMPAIGN OVER RENTS

The Pharmacy Guild has begun another media campaign over shopping centre rents, following cuts to the Pharmaceutical Benefits Scheme and the move to full price disclosure. Obviously shopping centre landlords always listen to reasoned arguments but the Guild's refusal in some states to disclose turnover information will make these talks difficult. Some perspective is needed here, however. There are 5,300 community pharmacies in Australia but only 1,084 (slightly over 20%) of these are located in shopping centres. Of the pharmacies located in shopping centres, more than half are located in neighbourhood shopping centres. In other words, more than 90% of pharmacies are either located outside shopping centres or are located in the smaller neighbourhood centres where the average occupancy cost of pharmacies is low – around 10% of sales or around \$930 a square metre, hardly a figure that justifies claims that "rents are out of whack". Only 4% of community pharmacies are located in the higher demand regional centres, which generally have much higher foot traffic and higher rents.

NOMINATIONS NOW OPEN FOR NRA 2014 YOUNG RETAILER OF THE YEAR AWARD

[Nominations](#) have opened for the 2014 Young Retailer of the Year Award, conducted by the National Retail Association. Entries are open to retail employees, in any area of retail, who are under 25 years and eager to advance their knowledge and skills. This is also an opportunity for centre management staff to identify and encourage young retail talent in their centres. The winner will be announced at a Gala Dinner in Sydney on Friday 26 September and the winner is awarded a place on the [Westfield World Retail Study Tour](#), which is a sponsor of the awards. The Shopping Centre Council of Australia is also a sponsor.