



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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DODGING SALES TAX DOES GIVE INTERNET RETAILERS AN ADVANTAGE

This might seem like proving the obvious but [research](#) in the USA has found that Amazon's sales dropped after it was required to collect sales tax. Researchers at Ohio State University tracked around 245,000 households, which had spent at least \$100 at Amazon in the first half of 2012, over the following year. They found that Amazon's sales dropped where states insisted that it collect sales tax on purchases from within that state. Twenty one states in the USA now require internet retailers to collect the same sales tax as bricks-and-mortar retailers. The researchers found that households in these states reduced their spending on Amazon by around 10% compared to those in states that don't impose this sales tax. For online purchasers of more than \$300, sales fell by around 24%. This research has parallels to the debate in Australia on lowering the \$1,000 low value threshold (LVT) for the payment of GST on overseas purchases. The research undercuts the arguments of those who have claimed there is no point in lowering the LVT because the resulting price increase (on the overseas goods) is not significant.

DECISION CHALLENGES 'EACH PARTY BEARS OWN COSTS' RULE AT VCAT

Each party to proceedings before the Victorian Civil and Administrative Tribunal (VCAT) has to bear its own costs. Supporters say this rule ensures VCAT is accessible to the wider community. Opponents argue it works against mediation of disputes because it removes the risk of cost orders if legal proceedings are unsuccessful. A recent decision by VCAT, however, ordered a tenant to pay the landlord's costs after the Senior Member found the tenant had conducted the proceeding vexatiously. The Senior Member relied on section 92 of the *Retail Leases Act* which provides some exceptions to the 'each party bears own costs' rule. See this [summary](#) by Jasmina Bradonjic of Gadens.

ANDREW STONER IS NEW SMALL BUSINESS MINISTER IN NSW

NSW Deputy Premier, Andrew Stoner, is the new Minister for Small Business and Pru Goward is now Minister for Planning, in the [Cabinet reshuffle](#) following the election of Mike Baird as NSW Premier following the resignation of Barry O'Farrell. Andrew Constance is now Treasurer while Stuart Ayres remains Minister for Fair Trading.

LATEST ISSUE INSIDE RETAIL MAGAZINE AND RETAIL CHAIN DIRECTORY

The [latest issue](#) of *Inside Retail Magazine* featuring its 30 Top Retailers for 2014 is available by subscription at subs@octomedia.com.au. The latest *Inside Retail Australian Retail Chain Directory* can also be purchased [here](#).

SOUTH AUSTRALIAN SHOPPING CENTRE DIRECTORY 2014 NOW AVAILABLE

The South Australian Shopping Centre Directory for 2014 is now available from the Property Council Bookshop. This includes detailed information on ownership, management, tenants and other key details. Click [here](#) to purchase your copy.

RETAIL LEASES ACT COURSE IN MELBOURNE ON 14 MAY

The Property Council Academy and Minter Ellison are hosting a course in Melbourne on 14 May on understanding the Victorian *Retail Leases Act*. Click [here](#) for details and [here](#) to register.

PROPERTY COUNCIL RETAIL BREAKFAST IN BRISBANE ON 16 MAY

The Property Council Queensland is hosting a Retail Breakfast in Brisbane on 16 May on the 'Future Food Evolution' detailing trends in shopping centre food courts. Details are [here](#); register [here](#).