



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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SCCA SUBMISSION ON PRODUCTIVITY COMMISSION INTERIM REPORT

The Shopping Centre Council has lodged a [submission](#) on the Productivity Commission's [Interim Report on its Study into the Relative Costs of Doing Business in Australia: Retail Trade \(Shop Talk 12/6/14\)](#). Our submission responds to a number of the Commission's "Information Requests", which focus on issues surrounding e-commerce, business costs, planning and zoning, local government, national harmonisation opportunities as well as the Commission's previous findings under its 2011 inquiry into the retail sector ([Shop Talk 15/12/11](#)). As part of our response, we have argued that the Commission's 2011 findings, many of which haven't been progressed, should form the basis for further reform including the deregulation of shop trading hours and the development of a national retail tenancy code. In a welcome sign, the Productivity Commission's [submission](#) on the Federal Government's current Competition Policy Review ([Shop Talk 19/6/14](#)), which came out after the Commission's Interim Report was released, makes a strong argument on these issues. This will hopefully provide the impetus for further progress. The Commission's final report will be provided to the Federal Government in October 2014.

GRATTAN INSTITUTE REPORT: CITIES AS ENGINES OF PROSPERITY

The [Grattan Institute](#) has released an interesting report – [Mapping Australia's Economy: Cities as Engines of Prosperity](#). The report highlights the relatively stronger economic activity and productivity in CBDs when compared with other locations. The Institute argues that "for the sake of the economy and the fair go, we have to find ways either to enable more workers to live closer to these centres, or to reach them more quickly by road and public transports".

REAL ESTATE LICENSING EXEMPTIONS ARE A SENSIBLE REDUCTION IN RED TAPE

The NSW Government, as part of the Review of the *Property Stock and Business Agents Regulation 2014*, is considering exemptions from licensing for agents managing on behalf of a 'related entity' property owner and on behalf of 'large commercial property owners' ([Shop Talk 26/6/14](#) & [3/7/14](#)). The SCCA has now calculated the impact this will have on the commercial real estate industry if the relevant threshold for a large commercial owner is set at 10,000 m² for management/leasing and \$10 million for transactions. The exemptions will impact on less than 1% of commercial properties; more than 96% of commercial sales will be unaffected; and fewer than 2% of real estate agents will be exempted from licensing. This is a very minor piece of deregulation. Nevertheless this is still an important cost saving for large commercial property owners; will reduce the cost of doing business in NSW; and contribute to the NSW Government's target of reducing regulatory burdens on business and the community by \$750 million a year.

The opposition to these exemptions by the REINSW is nonsensical, given residential agents and small commercial agents will be unaffected. The REI's claim that this "is being fast tracked without a review process" is just absurd. When the Government, at the urging of the REINSW, made a regulation in 2012 to impose compulsory professional indemnity insurance policies on all real estate agents in NSW – a regulation that actually *increased* the cost of doing business in NSW – it was done in three months. A draft regulation was circulated on 10 September 2012; submissions closed on 5 October 2012; and the regulation gazetted on 14 December 2012. No complaints from the REINSW about 'fast tracking' on that occasion! (The REINSW, by the way, is majority owner of an insurance company which provides public indemnity insurance). By contrast the exemptions now under consideration have been debated and supported in NSW for over 12 years.