



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

Thursday 16 October 2014

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PRODUCTIVITY COMMISSION REPORT ON COST OF DOING BUSINESS: RETAIL

The Productivity Commission recently released the final report of its most recent inquiry into the retail sector, titled *Relative Costs of Doing Business in Australia: Retail Trade*. This study was commissioned by the Federal Treasurer, Joe Hockey, in April and the Shopping Centre Council made two submissions during the inquiry process ([Shop Talk 15/5/14](#) & [24/7/14](#)). The Commission makes 19 findings in its 194 page report. Unsurprisingly, the Commission finds that "labor and occupancy costs tend to be the single largest costs of doing business", while noting that there is diversity in the cost structures in the different areas of retail trade. Reflective of a proposed recommendation in the recent Draft Report of the Competition Policy Review Panel ([Shop Talk 25/9/14](#)), the Commission finds that trading hour restrictions "are increasingly out of step with changing patterns of work, leisure and shopping" and that "the de-regulation of trading hours is expected to increase economic activity and lower retailers' cost of doing business". The report's findings specifically reference the "arbitrary boundaries and exemptions" in Queensland, Western Australia and South Australia. The Commission itself notes that they recommended the full deregulation of trading hours, including public holidays, in its inquiry *Economic Structure and Performance of the Australian Retail Industry* in 2011. Obviously, we are still waiting for the politics to catch up with this issue, but will use this further endorsement of the Commission to urge the Competition Policy Review Panel to keep its trading hour recommendation in its final report to Federal Government (...for the Government to then decide whether they want to spend time trying to persuade the states and territories to come on board). The report also, predictably, finds in favour of "further simplifications to state and territory planning and zoning schemes", making specific reference to the recent changes in Victoria. Similar findings have also been made previously by the Commission.

GOVERNMENT ACTION ON LOW VALUE THRESHOLD HAS BEEN SHELVED

Buried in a [media release](#), after a meeting of Small Business Ministers in Perth last week, is confirmation that government work on a sensible mechanism to lower the \$1,000 low value threshold has been shelved ([Shop Talk 3/4/14](#)). Federal Small Business Minister, Bruce Billson, revealed: "Ministers noted the decision of State and Territory Treasurers not to progress further work on options to lower the value at which the GST is applied to import goods given the States have been unable to agree a preferred workable approach on this issue". It is understood this follows refusal by the Western Australian Government to cooperate on this issue unless its demands for a greater share of the 'GST pie' are agreed. It is extraordinarily shortsighted that action which would increase GST revenue to all states and territories, including WA, can be abandoned because of a dispute over an unrelated issue.

NO REFLECTION ON INDEPENDENCE OF VIC SMALL BUSINESS COMMISSIONER

The Victorian Small Business Commissioner, Geoff Browne, considers last week's item on the current VCAT process reflects on his independence ([Shop Talk 9/10/14](#)). We disagree and stand by last week's commentary, but are happy to state the SCCA has never had reason, including on this occasion, to question the independence and integrity of the Small Business Commissioner or his office.

PROPERTY COUNCIL ACADEMY RUNS ASSET MANAGEMENT INDUSTRY COURSE

The Property Council Academy will run a three-day Advanced course on [Property Asset Management](#) in Sydney from 28 October 2014. The course will assist those currently working in property management, leasing or operations. Register [here](#).