



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

Wednesday 1 April 2015

[Previous Editions](#)

FINAL REPORT OF THE COMPETITION POLICY REVIEW NOW RELEASED

The [final report](#) of the Harper Panel's Competition Policy Review nominates a number of "priority areas for reform", including trading hours regulation, planning and zoning laws, and pharmacy location and ownership rules. The report also recommends significant changes to competition laws - including on the misuse of market power, price signaling, third line forcing and exemptions for joint ventures. The report also recommends changes to the structure of the Australian Competition and Consumer Commission (ACCC) and urges the establishment of an Australian Council of Competition Policy to replace the present National Competition Council.

The Harper Panel confirms its draft report recommendation to state governments to remove remaining restrictions on trading hours ([Shop Talk 25/9/14](#) & [20/11/14](#)). It also concludes that current restrictions on pharmacy ownership and location are anticompetitive and should be removed. The Panel also made sensible recommendations on planning and zoning regulation, encouragingly by not perpetuating the so-called 'incumbent' versus 'new entrant' distinction. Instead it puts emphasis on encouraging competition and not restricting entry to a market. The report lists a number of "competition policy considerations" that should be taken into account by state and territory governments. These include: "arrangements that explicitly or implicitly favour particular operators are anti-competitive" and "restrictions on the number of a particular type of retail store contained in any local area is not a relevant planning consideration". The Harper Panel also recommends that Commissioners of the ACCC no longer be designated with specific responsibilities (such as for small business and consumers) and instead that the ACCC as a whole be required to have regard to all interests and sectors of the economy.

TAX REFORM DEBATE STARTS WITH RELEASE OF DISCUSSION PAPER

Federal Treasurer, Joe Hockey, has initiated a national debate on the future of Australia's tax system with the release of the [Tax Discussion Paper](#). This is the first step towards the preparation of a Green Paper, due later this year, and, ultimately, a White Paper which will form the basis of the Government's tax policy leading into the next election. The Government is not 'ruling anything in or out' and has welcomed feedback on all aspects of the tax system and ideas for change. The Paper canvasses the challenges and functionality of the current tax system, including the reliance on corporate and income tax, the 'burden' imposed on the economy by some taxes relative to others (i.e. the 'distortions' created by corporate taxes and stamp duties) and costs arising from the complexity and compliance of the current system.

The Paper goes on to address the various 'users' of the tax system, including individuals, small businesses and Not for Profits. Interestingly, the Paper extends its view to local government level and canvasses issues regarding municipal rates and land valuation. Of particular interest to the shopping centre sector is [Section 8](#), which deals with the GST and other relevant taxes, including stamp duties, land tax, the LVT and municipal rates. The Paper's commentary notes the inability of the states and territories to reach an agreement on the treatment of the LVT, concerns about how land values are determined and rates are set for the purpose of municipal rates, the distorting nature and volatility of stamp duties, and the distortions and foregone revenue which result from current exemptions to the application of land tax. The SCCA is already dealing with a number of these issues in the context of a tax review underway in South Australia ([Shop Talk 12/2/15](#)) and, tangentially, in a number of retail lease reviews on foot across the country (eg. SA, NSW and Qld). Submissions are due on 1 June.