



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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VICTORIAN FIRE SERVICES LEVY RATES INCREASE FOR 2015-16: CHANGE NEEDED

The Victorian Government has [announced increases to the Fire Services Levy \(FSL\) rates for 2015-16](#), which were published in the [Government Gazette on 29 May 2015](#). The Government's media statement outlined that the increases sought to address a funding 'shortfall' to the tune of \$63 million. While our sector supports well-funded and sustainable fire and emergency services, the current funding approach can result in unreasonable, uncertain and poorly timed increases. For this reason, the scheme is in need of review. As outlined in our initial submission on the scheme in 2011, we supported a property-based levy (as was recommended the Royal Commission into the Victorian Bushfires) in recognition of the fact that the insured, like shopping centres, were subsidising the uninsured and underinsured. We did note, however, that there was a risk that the new property based levy could become another version of land tax ([Shop Talk, 6/10/11](#)). Shopping centres are a low fire risk and have substantial investments in fire suppression and asset management systems, so we were hoping that a 'risk' adjustment would be introduced. The levy's initial introduction led to major cost increases for shopping centres, largely given the 'Capital Value' basis for the levy, and the relatively high levy rate for commercial properties. This has an ultimate impact on centres and their retailers. This latest increase – around 20% in the Metropolitan Fire Brigade (MFB) areas – is unfortunate and its timing is problematic given that shopping centre budgets have already been established for the coming year. The current volatility and uncertainty of levy adjustments highlights the need for a review of its quantum and timing. Too often 'headline' taxes such as GST, stamp duty and land tax get the attention, while 'under the radar' taxes, such as the FSL, continue along without a more considered approach with regard to tax principles. We have written to the Victorian Treasurer, Tim Pallas, to seek to have this issue more effectively addressed in the future.

NEXT STAGE OF CONSULTATION IN COMPETITION POLICY REVIEW

Following the release of the Competition Policy Review Panel's Final Report in March ([Shop Talk 1/4/15](#)), the Federal Minister for Small Business, Bruce Billson, [announced](#) another round of consultation on the recommendations embodied in the Final Report. We have provided a submission to Federal Treasury which outlines our support for various recommendations, but also highlights implementation challenges and issues we believe the Review Panel has overlooked. For example, while offering our strong support to the recommended liberalisation of trading hours, we pointed out the Queensland Treasurer seems to have already ruled out reform and that the WA Premier has only gone as far as to concede that "an extra hour or two on Sunday morning...might be a good thing". We have also expressed our support for recommendations for competition law issues such as joint-ventures. The Government also expressed interest in understanding where the Review Panel hadn't addressed issues raised during the consultation process. Among a number of issues, we noted that the Review Panel did not address the unlevel playing field with regard to large scale non-aviation development on airport land. The Government intends to prepare its response to the Final Report in the second half of this year.

SA GOVERNMENT RULES OUT BROAD BASED LAND TAX ON FAMILY HOME

The SA Government seems to have ruled out implementing a broad based land tax which includes the 'family home' as a measure to see the abolition of stamp duty. This puts a possible dampener on the prospect of comprehensive tax reform in SA ([Shop Talk 30/5/15](#)), and increases the possibility of a greater tax burden being placed on commercial property. This highlights a challenge the Federal Government will face on its own tax reform path.