

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 15 SEPTEMBER 2016

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## WA GOVERNMENT ANNOUNCES RETAILER REGULATORY REVIEW

This week, the WA Minister for Small Business, Sean L'Estrange, [announced](#) a '90-day' review of retailer regulation, to be led by the Small Business Corporation, with a focus to 'make it easier for small retailers to start and grow a business'. This has similarities to a current '2-year' [Victorian review](#) into regulation impacting small businesses, with an initial focus on retail ([Shop Talk 7/7/16](#)). The retailer scope for the WA project includes: (1) 'small' retailers (with less than 20 employees) and (2) retailers operating in sectors such as household goods, clothing, recreational goods, hardware, pharmacy and food (e.g. butchers, bakeries). Some sectors are expressly excluded such as motor vehicles, supermarkets, department stores and online retail. The regulatory scope includes issues – for retailers – such as planning and zoning, retail tenancy, trading hours and consumer law. The review is couched in the terms of a "90 day mapping project" which the WA Government has previously undertaken with regard to the process of establishing a restaurant, completed in December 2015. Other current '90 day' projects include a focus on aquaculture and ecotourism. The Minister also announced that the project will "look at the potential introduction of a standard form tenancy contract for small business", and also "examine the practice of landlords on-selling electricity at a profit". The Shopping Centre Council has spoken with the Government about the project.

## EXTENDED CHRISTMAS TRADING FOR PERTH METROPOLITAN AREA

We have lodged a submission with the Western Australian Government detailing a preferred approach to extended Christmas trading for 2016. As a minimum, we have supported the extended hours adopted in 2015 ([Shop Talk 10/9/15](#)) – 7am to 9pm on weekdays (instead of 8am to 9pm), 7am to 6pm on Saturdays (instead of 8am to 5pm) and 8am to 6pm on Sundays (instead of 11am to 5pm). We have sought a speedy decision from the Government to enable proper preparation in the lead up to Christmas.

## ACT TRANSITION TO "EFFICIENT" LAND VALUE TAX: REPORT

Prosper Australia has recently released an interesting [report](#) titled "*The First Interval – Evaluating ACT's Land Value Tax Transition*". The report evaluates the economic effects of the shift from 'taxes on transactions' (stamp duty) to land value taxes in the ACT. Whilst the report focusses on residential real estate, the analysis does highlight an issue that correlates with previous work undertaken by the Shopping Centre Council, specifically that commercial landlords may be negatively impacted by changes to the application of stamp duty. The report details that "for some landholders, this changes their annual cash flows substantially...". According to the report, commercial rates (marginal percentage of Average Unimproved Value) have increased from <1 per cent in 2012 to >4 per cent in 2016. Our own analysis indicates that council rates for shopping centres in the ACT increased by 113 per cent in 2012, by a further 86 per cent in 2013 and by another 27 per cent in 2014. Overall, council rates increased by 463 per cent between 2011 and 2015. The report indicates that it is unable to determine at this time if tax reform has provided the required "revenue stability" for the ACT Government. One of the aims of the tax reform in the ACT was to achieve "greater equality in territory taxation". We would argue this has not been achieved and also note existing disparities in other jurisdictions with regard to the relative tax burden on non-residential property. For example, in South Australia commercial land makes up just 6 per cent (by value) of all land but contributes 51 per cent of all land tax revenue.

## NRA REWARDS FOR EXCELLENCE AWARDED THIS WEEK IN SYDNEY

Congratulations to Andrew Bentzen, Store Manager, Supercheap Auto who won the National Retail Association Young Retailer of the Year award at a gala awards evening this week. Andrew will be joining a Westfield World Retail Study Tour as part of his prize. The Shopping Centre Council is a proud sponsor of the NRA Rewards for Excellence.

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