

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 9 JUNE 2017

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VICTORIAN GOVERNMENT STILL INTENDS TO BAN SALE OF PUPPIES AND KITTENS FROM PET SHOPS

The Victorian Government has, this week, reiterated its intention to ban the sale of puppies and kittens from pet stores in Victoria. A [statement](#) issued by Minister for Agriculture, Jaala Pulford, indicates that amendments to the already tabled [Domestic Animals Amendment \(Puppy Farms and Pet Shops\) Bill 2016](#) will be introduced after the Parliamentary winter recess. The statement confirms that “the amended Bill will protect dogs from a lifetime of misery and ban the sale of puppies and kittens in pet shops, breaking the business of puppy farms”. The statement comes on the back of the Government tabling its [response](#) to a highly critical Parliamentary inquiry into the Bill ([Shop Talk 16/12/16](#)). The inquiry [report](#) noted that the Government’s consultation on the Bill had been inadequate, and found that “shutting down pet shops would lead to less scrutiny of animal welfare issues”. In response, the Government has reiterated that their commitment to “reforming the dog breeding and pet shop industries” remains unchanged.

ACCC RETAIL ELECTRICITY INQUIRY ISSUES PAPER RELEASED FOR COMMENT

Last week, the Australian Competition and Consumer Commission (ACCC) released its [Issues Paper](#) on its inquiry into retail electricity supply and pricing. Three high level areas of interest are identified in the paper: 1) prices, costs, and profits in the electricity supply chain; 2) market structure and nature of competition; and 3) customer interaction with the market. While the nature of the inquiry is economy-wide, the Shopping Centre Council will be reviewing the detail of the Paper, giving particular consideration to other ongoing, but separate, reviews, including reviews by specialist groups such as the AEMC and AER. In an accompanying [media statement](#), the Chair of the ACCC, Rod Sims, stated that “a key focus for the ACCC is to determine the main drivers of retail electricity price increases over time and what can be done about these”. Submissions are due by 30 June 2017, with the ACCC’s final report due to be provided to Government by 30 June 2018.

ABS RETAIL TURNOVER FIGURES DELIVER A SURPRISE FOR APRIL 2017

The latest release (April 2017) of the monthly ABS [Retail Trade data](#) indicates a significant turnaround in seasonally adjusted retail turnover, increasing by a substantial 1.0 per cent in the month of April 2017 following a decrease of 0.2 per cent in March. This is the largest month-on-month (m-o-m) growth recorded since September 2014. On a year-on-year (y-o-y) basis, retail turnover increased by 3.1 per cent, significantly up from a revised 2.2 per cent in the prior corresponding period (pcp), the strongest level of growth since November 2016. This result comes as somewhat of a surprise, with recent media reports raising speculation about a ‘retail recession’ in Australia. Applying the accepted benchmark for a ‘technical recession’ (i.e. two consecutive quarters of negative growth) when analysing the ABS data (stretching back to April 1982) clearly indicates that there has never been a ‘retail recession’ in Australia. Further, there has not been a single quarter of negative growth since December 2012. The closest Australia has ever been to a ‘retail recession’ was during the ‘Tech Wreck’ in 2000 when the March and September quarters of that year recorded negative growth. The strongest growth in April 2017 was recorded for ‘Department stores’ retailing on a m-o-m basis (2.5 per cent), which is certainly a positive sign for traditional retailing given that the experimental ABS Online Retail Turnover data indicates a fall of 11.8 per cent m-o-m (noting that this is an ‘Original’ data series that is not seasonally adjusted). The strongest category on a y-o-y basis was ‘Cafes, restaurants and takeaway food services’ retailing (5.0 per cent). The strongest jurisdictions were the ACT (up 5.0 per cent to \$5.6 billion), Tasmania (up 4.3 per cent to \$4.8 billion) and South Australia (up 4.0 per cent to \$20.0 billion) whilst the weakest was Western Australia (up 0.4 per cent to \$34.0 billion). The latest Westpac-MI Consumer Sentiment Index indicates that consumer sentiment decreased to 98.0 in May 2017, down from 99.0 in April 2017. Interestingly, there has been a significantly higher correlation between sentiment and spending in the last 12-months than in the prior 12-month period.

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