

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

5 APRIL 2019

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2019-20 FEDERAL BUDGET: A PRE-ELECTION BUDGET

This year's budget, a pre-General Election budget, saw a shift from the small business narrative that has played out across the last three federal budgets, to focus on tax cuts for 'average wage earners'. Retailer groups, including the Australian Retailers Association, have welcomed the change, noting that the income tax cuts as well as changes to the instant asset tax write off are measures that will directly benefit retailers. The instant asset tax write-off, first introduced in 2015, initiated an instant tax deduction of equipment up to \$20,000 for small businesses with annual turnover of up to \$2 million. This measure was extended three times with both the asset value and annual turnover figures increasing. This year's budget raised the instant-asset figure to \$30,000 (up from last \$25,000 from last year) for 'small business' of annual turnover less than \$50 million (up from last year's threshold of \$10 million). Other relevant measures include increased funding for the ACCC, which has been focused on the Consumer Data Right, on which the ACCC is currently consulting on its application to the energy sector, where 'additional measures and analysis are required to deliver efficient and competitive outcomes'.

NSW PREMIER ANNOUNCES NEW CABINET FOLLOWING RE-ELECTION

Following NSW Premier Gladys Berejiklian's re-election last week, the Premier has announced some key cabinet changes. John Barilaro will remain Deputy Premier as well as Minister for Regional NSW, Industry and Trade, and Dominic Perrottet will remain treasurer. Damien Tudehope will take over as Minister for Finance and Small Business, David Elliott as Minister for Police and Emergency Services, Rob Stokes as Minister for Planning and Public Spaces (with former Minister Anthony Roberts moving to the Counter Terrorism and Corrections portfolio). Andrew Constance will be the new Minister for Transport and Roads. The Retail Leases Act, Trading Hours Act, Fair Trading Act and Property, Stock and Business Agents Act are under the responsibility of the newly formed "super-department", with the relevant Minister for Customer Service appointed as Victor Dominello.

LATEST ABS RETAIL TRADE INDICATES STRONG RECOVERY IN FEBRUARY

The latest release (February 2019) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate increased by 0.2 per cent, equal to (a revised) 0.2 per cent in the prior corresponding period (pcp). In trend terms, Retail Turnover increased by 2.9 per cent year-on-year (y-o-y), down from (a revised) 3.1 in the pcp. In seasonally adjusted terms across the six ABS retail categories. The strongest growth was recorded for 'Department stores' retailing on a m-o-m basis (3.5 per cent), whilst 'Food' retailing was the strongest performing category on a y-o-y basis (4.9 per cent). Retail Turnover increased by 0.8 per cent in February 2019, up from 0.1 per cent in January 2019. On a y-o-y basis, Retail Turnover increased by 3.2 per cent, up from 2.7 per cent in the pcp. This is the first time that y-o-y Retail Turnover has been recorded more than 3 per cent since October 2018.

GOVERNMENT ANNOUNCES UNFAIR CONTRACT TERMS POLICY

Following Federal Labor's announcement of their election-policy on Unfair Contract Terms (under the *Competition and Consumer Act 2010*) ([ShopTalk 8/2/19](#)), the Government has [announced](#) their response to the Unfair Contract Terms (UCT) review undertaken by Treasury on 28 March. The review, which commenced in late 2018, found that whilst the current UCT regime had improved protections for small businesses in certain industries, it does not currently provide a strong enough deterrence. In a joint media release, Assistant Treasurer Stuart Robert and Minister for Small and Family Business, Skills and Vocational Education Michaelia Cash, announced that the Government would be introducing amendments to strengthen current laws following a Regulation Impact Statement (RIS) process. Consultation will contain amendment options including: making UCTs illegal with corresponding civil penalties, redefining small business to include businesses with fewer than 100 people and annual turnover less than \$10 million, removing the value threshold and further clarifying the definition of a standard form contract. We will continue to monitor the proposed amendments, including in light of the forthcoming federal election.

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