

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 27 AUGUST 2015

[SUBSCRIBE HERE](#)

AUSTRALIA'S TREASURERS AGREE TO ABOLISH THE \$1,000 LOW VALUE THRESHOLD

At last Friday's meeting of the *Council on Federal Financial Relations*, Australia's Treasurers agreed in principle to the Commonwealth's recommendation that the current \$1,000 Low Value Threshold (LVT) – which effectively exempts imported tangible goods under \$1,000 from the GST – be lowered to zero. In effect, this will see the LVT abolished. In a [statement issued](#) by the Federal Treasurer, Joe Hockey, following the meeting, it was revealed that the preferred method of implementation is a 'vendor registration model' whereby the overseas supplier will be required to charge, collect and remit the GST. This is a similar model to that proposed for the 'Netflix Tax' on intangible goods and a model that has been advocated for many years following concerns being raised about the potential cost of an onshore implementation model. It is proposed that the new arrangements will be implemented from July 2017. The Shopping Centre Council, jointly with the National Retail Association (NRA), has [welcomed](#) the abolition of the LVT as an important tax integrity measure that will promote fairness and ensure that domestic retailers are operating on a level playing field with their international competitors. It is also pleasing that Australia's Treasurers have unanimously agreed to address the integrity of the GST before considering changing the GST's base or rate. After a number of false starts on the LVT, the intervention by the Assistant Treasurer over Christmas 2014 to communicate the need for reform of the LVT was apparently instrumental in seeing this gaping GST loophole closed. The Federal Treasurer also used last week's meeting to outline the Commonwealth's six broad tax reform principles. These include promoting a stronger economy building jobs, growth and opportunity, ensuring reform is fit for purpose in a modern economy, and that reform must encourage innovation and opportunity, and reward for effort. The Shopping Centre Council looks forward to working with the Government to identify an achievable tax reform pathway which does not unfairly hit the shopping centre or retail sectors.

SMALL BUSINESS OMBUDSMAN BILL HAS BEEN PASSED BY FEDERAL PARLIAMENT

The Bill to replace the [Australian Small Business Commissioner](#) with a *Small Business and Family Enterprise Ombudsman* has been passed by the Federal Parliament (*Shop Talk* [18/6/15](#) & [16/7/15](#)). The Bill was referred to a Senate Committee for examination. Government Senators [recommended](#) the Bill be passed but also recommended the first review of the position should consider whether use of the title 'Ombudsman' has caused any confusion. Labor Senators, while not opposing the Bill, urged the Government to reconsider the position's title. It is understood, once the Bill receives Assent, the Government will advertise for the new position.

WA PREMIER PLEDGES TO EXTEND SUNDAY TRADING HOURS AND REDUCE PENALTY RATES

The West Australian Premier, Colin Barnett, pledged at last weekend's Liberal Party state conference that if re-elected in 2017, the government will extend Sunday trading hours to enable widespread earlier opening from 9am. This would require the removal of current restrictions under the *Retail Trading Hours Act 1987* which prevent large retailers such as supermarkets and discount department stores from opening before 11am. In addition, the Premier pledged that the Government would seek to reduce Sunday penalty rates for retailers, specifically noting that the current arrangements place small business at a disadvantage. Since widespread Sunday trading was introduced in Perth in August 2009, we believe it has been a great success for consumers. As we highlighted in recent analysis which has been cited by the Productivity Commission (*Shop Talk* [6/8/2015](#)) Sunday has experienced the strongest growth for any day between 2009-2014. This highlights the evolving and strong consumer demand for Sunday trading. While the Shopping Centre Council supports extending Sunday trading hours ahead of 2017, we have welcomed this pro-consumer commitment.

[PREVIOUS ISSUES](#)