

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 29 JANUARY 2016

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FINAL PRODUCTIVITY COMMISSION REPORT ON WORKPLACE RELATIONS RELEASED

The Productivity Commission released the Final Report of the inquiry into Australia's workplace relations framework on 21 December 2015. The Commission has made over 60 recommendations in response to a Terms of Reference provided by the then Treasurer, Joe Hockey, in December 2014. The Shopping Centre Council made three submissions to the inquiry ([Shop Talk 9/4/15](#), [Shop Talk 6/8/15](#) & [Shop Talk 1/10/15](#)), with our contribution assisting the Commission to reach the general view that Sunday has become a 'normal' trading day. The Commission has recommended that the Fair Work Commission "set Sunday penalty rates that are not part of overtime or shift work at the higher of 125 per cent and the existing Saturday award rate for permanent employees in the hospitality, entertainment, retail, restaurant and cafe industries". In general terms, this means that Sunday rates should be brought into line with those applicable on Saturdays to create a so-called 'weekend rate'. This reflects the intent of a recommendation made in the Commission's Draft Report. In accompanying summary material, the Commission notes that Sunday penalty rates have become "...anachronistic in the context of changing consumer preferences...". The Commission has also recommended that the "South Australian, Western Australian and Queensland Governments remove anti-competitive remnant shopping hour restrictions". This echoed a similar recommendation made by the Harper Competition Policy Review Panel ([Shop Talk 26/11/15](#)), which was subsequently supported by the Federal Government (despite its acknowledgement that trading hours are a state issue). The Government's general position to date has been that any change to the workplace relations framework would be taken to an election and that the Fair Work Commission should maintain responsibility for setting penalty rates. Upon the release of the Commission's Final Report, the Minister for Employment, Michaelia Cash, outlined that the Government would now review the Productivity Commission's report and recommendations.

FEDERAL GOVERNMENT MAY ABANDON CONSULTATIVE TAX REVIEW PROCESS

Media reports have indicated that the Federal Government may abandon the long anticipated release of a Green (Options) Paper on tax reform and, instead, just release a final tax policy either ahead of, or at, the May federal budget. The Treasurer, Scott Morrison, is reported to have said that "in many ways I think we have advanced the debate a lot more effectively over the last four or five months than a green paper ever would". Reports also suggest the Government may not seek to extend the GST to fresh food, health or education. The Shopping Centre Council, along with the Australian Retailers Association, raised concerns about the GST in our joint submission to the initial Discussion Paper, noting that some shopping centres are more highly exposed than others to spend on 'non-discretionary' items (including food and supermarket sales) which, generally, don't currently attract the GST. In our submission we also noted the impact of land tax, urging the Government to avoid oversimplified notions of reform which would expose shopping centres to even higher investment taxes.

WIDESPREAD BOXING DAY TRADING IN NSW WAS A SUCCESSFUL POLICY CHANGE

Widespread Boxing Day trading across NSW was a success, with some shopping centres outside of Sydney's CBD and some specific tourism precincts being able to open for the first time in 2015. This followed the NSW Government successfully securing a two year 'trial' of liberalised Boxing Day trading. Media reports highlighted the consumer and retailer interest in participating in the sales. The Shopping Centre Council will help the Government make the case for Boxing Day trading to become permanent in NSW.

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