

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 7 APRIL 2016

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## AUSTRALIA'S LEADERS FLAG STATE TAX AND COMPETITION REFORM

At last week's Council of Australian Governments (COAG) meeting, Australia's leaders reached [agreement](#) that Australia's Treasurers "will develop a new competition and productivity enhancing reform agreement" for consideration at the next COAG meeting. This thinly described agreement follows the two year, comprehensive review of Australia's competition policies and laws which culminated in the November 2015 release of the Federal Government's comprehensive response to the 56 recommendations in the Harper Competition Policy Review report ([Shop Talk 26/11/15](#)). It is unclear how the states and territories will be asked to prioritise or justify their reform plans or how the proposed "innovation payments" will be applied, particularly to reforms that should otherwise be progressed or have already been progressed in some jurisdictions (e.g. the further deregulation of trading hours). With COAG unable to achieve consensus on the Prime Minister's proposal for the states to levy a portion of income tax, Australia's leaders have agreed that work on "broader opportunities for tax reform, including state tax reform" will be progressed by the Council on Federal Financial Relations (i.e. Australia's Treasurers). The agreement to consider state tax reform options led to media speculation this week that stamp duties could be replaced by land taxes. Against this backdrop of uncertainty, this week the Shopping Centre Council and the Australian Retailers Association (ARA) sent a jointly prepared tax *Policy Paper* to Australia's Treasurers to detail that, to keep the retail sector strong, it should be protected from further taxes in upcoming state and territory budgets. This *Policy Position* details our joint view that proposals to abolish stamp duty and replace it with land tax are over simplified, particularly considering that shopping centres do not transact frequently (unlike, for example, residential property). It also details that year-in-year-out 'operational' taxes, including land tax and payroll tax, are far more critical to the retail sector.

## ABS RETAIL TURNOVER TREND DATA INCREASES BY 3.7 PER CENT YEAR ON YEAR

The release this week of the latest (February 2016) monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) retail turnover trend estimate grew by 0.2 per cent and by 3.7 per cent year-on-year (y-o-y). In seasonally adjusted terms, the strongest growth was recorded for 'Household goods' and 'Department stores' retailing on a m-o-m basis (both 0.4 per cent). 'Department stores' retailing recorded the strongest y-o-y growth (7.0 per cent). Seasonally adjusted Retail Turnover was relatively unchanged for the month of February 2016 and increased by 3.3 per cent on a y-o-y basis.

## NEW CEO ANNOUNCED FOR THE AUSTRALIAN CHAMBER OF COMMERCE AND INDUSTRY

Following Kate Carnell's departure to take up to the position of Australia's inaugural Small Business and Family Enterprise Ombudsman ([Shop Talk 24/3/16](#)), ACCI's Board this week [announced](#) that James Pearson has been appointed as CEO. Mr Pearson was most recently an executive at Shell Australia and has previously been the CEO of the Chamber of Commerce and Industry in Western Australia. There had been speculation that the former Minister for Small Business, Bruce Billson, was in the running for the ACCI role. Mr Billson, who has announced that he will retire from Parliament at the upcoming Federal election, has recently been [appointed](#) as the Executive Chair of the Franchise Council of Australia.

## WA PREMIER APPOINTS NEW MINISTER FOR PLANNING IN CABINET RESHUFFLE

A [ministerial reshuffle](#) in Western Australia sees Donna Faragher MLC return to Cabinet as Minister for Planning, replacing John Day who becomes Minister for Health. Sean L'Estrange MLA has been appointed Minister for Small Business and Jan Norberger MLA is Parliamentary Secretary to the Minister for Planning.

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