

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 8 SEPTEMBER 2017

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VALE ANNA MCPHEE: CHIEF EXECUTIVE OF THE RETAIL COUNCIL

It came with great sadness last week to hear of the passing of Anna McPhee following her battle with cancer. In addition to having prominent roles across the Liberal Party and involvement in diversity and women's issues, Anna held the position of CEO of the Retail Council. During her tenure, which commenced in October 2014, Anna oversaw the name and brand change in June 2015 from the previous Australian National Retailers Association (ANRA) to the Retail Council. We had the pleasure of engaging with Anna on various industry and policy issues relating to consumer trends, trading hours and taxation. This included the passage of the NSW Boxing Day reforms through Parliament in 2015. Anna had a sharp intellect, good humour and a no-nonsense approach. Our sympathies go to Anna's family, friends and close associates.

CONSUMER AFFAIRS MINISTERS ENDORSE FINAL AUSTRALIAN CONSUMER LAW REPORT

Australia's consumer affairs Ministers met in Melbourne last week under the auspice of the Legislative and Governance Forum on Consumer Affairs (CAF). The meeting was chaired by the Federal Minister for Small Business, Michael McCormack. The [CAF Communique](#) indicates they have endorsed all of the proposals under the Australian Consumer Law (ACL) review completed by Consumer Affairs Australia and New Zealand (CAANZ) earlier this year ([Shop Talk 21/4/17](#)). We made a number of submissions on the review. Amongst various matters, CAF have accepted the extension of the unconscionable conduct provisions to publicly-listed companies. CAF has also accepted significantly higher maximum financial penalties, which seek to align the 'consumer' penalty regime with the 'competition' penalty regime. This is noted in the Communique as being a 'priority'. CAF also directed CAANZ to place seven projects on the forward work plan, including reviewing current ACL exemptions "with a view to removing those that are no longer in the public interest" and exploring "how an unfair trading prohibition could be adopted within the Australian context to address potentially unfair business practices".

WESTERN AUSTRALIAN LABOR GOVERNMENT DELIVERS FIRST BUDGET

This week, the new Western Australian Labor Government – led by Premier Mark McGowan and Treasurer Ben Wyatt - handed down its first Budget following its election victory in March 2017. The shopping centre sector can feel relieved as there has been no increase to land tax and no adjustment of relevant thresholds. Western Australia currently has the third highest rate of land tax in Australia. Land tax growth has also outpaced land valuation and shopping centre moving annual turnover (MAT) in recent years. On the negative side of the Budget, payroll tax will increase, and the curse of the lazily conceived value-capture funding continues in relation to infrastructure initiatives, including the delivery of METRONET across Perth. In an accompanying media statement, the Treasurer notes that "as promised, additional land sales and a new value-capture method will be used to offset the cost of METRONET, with \$104.8 million of revenue expected over the forward estimates". This is a significant concern.

LATEST ABS RETAIL TRADE FIGURES INDICATE STATIC SALES GROWTH

The latest release (July 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate increased by 0.3 per cent, down from 0.4 per cent in the prior corresponding period (pcp). In trend terms, Retail Turnover increased by 3.5 per cent year-on-year (y-o-y), equal to (a revised) 3.5 per cent in the pcp. In seasonally adjusted terms, Retail Turnover was relatively unchanged at -0.0 per cent m-o-m and increased by 3.6 per cent y-o-y, down from (a revised) 3.7 per cent in the pcp. The ABS [produce](#) an experimental series that estimates the value of online retail turnover. Noting this data is in original (i.e. non-adjusted) terms, online retail turnover on a y-o-y basis increased by 36.2 per cent in July 2017, whereas traditional retail (total retail trade less online) increased by just 1.8 per cent over the same period. This highlights the need for policy settings which enable shopping centres to be flexible and adaptive to respond to emerging trends and consumer preferences.

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