

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

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## VALUE-CAPTURE INFRASTRUCTURE FUNDING GAINING MOMENTUM

Infrastructure Australia this week released its 15 year [Australian Infrastructure Plan](#), a document prepared for the Federal Government which details 78 recommendations on the potential reform of the country's approach to planning, funding and delivering infrastructure. The Plan is accompanied by an [Infrastructure Priority List](#) which details priority projects and initiatives to "address nationally significant challenges, support Australia's productivity and unlock new economic and social opportunities". Although the Plan outlines that there are only two sources of funding for infrastructure – taxpayers and users – the Plan goes on to recommend that a third funding source should be tapped – so-called 'beneficiaries' of infrastructure. In rationalising this approach, the Plan supposes that "land prices around new or more efficient transport connections can increase substantially" and that there is a "strong case for private owners' windfall gains to be shared with taxpayers". The Plan recommends that "Governments should routinely consider value capture opportunities in all future public infrastructure investments". Also released this week was the Federal Government's [Principles for Innovative Financing](#). These Principles, which include that the "the funding shares from the Commonwealth and the state and territory governments should be determined after taking into account contributions made by the beneficiaries" are now intended to be worked through the Council of Australian Governments (COAG) for adoption. Meanwhile, the Shopping Centre Council has lodged a submission with the House of Representatives Standing Committee on Infrastructure, Transport and Cities with regard to its inquiry into transport connectivity and value-capture ([Shop Talk 3/12/15](#) & [4/2/16](#)). The submission, which attempts to counter the current wave of evidence-free populism regarding value-capture, reiterates our major concern that this discussion could result in yet another property tax. Our concern has been heightened by the material released by the Government this week.

## ABS RETAIL TURNOVER INCREASES BY 4.2 PER CENT YEAR ON YEAR

The release earlier this month of the latest monthly [ABS Retail Trade](#) data (December 2015) indicates that, in seasonally adjusted terms, Retail Turnover remained relatively unchanged growing by just 0.03 per cent over the month and by 4.2 per cent on a year-on-year (y-o-y) basis. Positive growth was recorded across all six ABS retail categories throughout 2015. The strongest growth was recorded for 'Clothing, footwear and personal accessory' retailing on a month-on-month (m-o-m) basis (1.1 per cent). 'Household goods' retailing recorded the strongest y-o-y growth (6.3 per cent). Y-o-y, the strongest state in seasonally adjusted terms was New South Wales (up 5.2 per cent to \$93.3 billion). The weakest state was Tasmania (up 1.4 per cent to \$4.5 billion). New South Wales, Victoria, Western Australia and the Australian Capital Territory all recorded positive growth across all six ABS categories. 'Household goods' remains the key driver of retail growth in four of the seven analysed jurisdictions, most notably in New South Wales and Victoria, with South Australia also posting a strong result in this category. In seasonally adjusted terms, y-o-y retail trade figures indicate that 2015 was a strong year for retailers.

## ICSC RECON ASIA PACIFIC TO BE HELD IN MANILA FROM 11-13 OCTOBER 2016

Mark your diaries for this year's International Council of Shopping Centers' *RECon Asia Pacific* to be held in Manila, the Philippines, from 11-13 October. Retail adviser, Michael Baker, writing in *Inside Retail Weekly* last week, described Manila as "an absolutely terrific" choice of location by ICSC. "[Australian] retail property executives should make a point of going because they will get to visit a place where some really special shopping, leisure and living places are being created." One of those "special places" is the [Bonifacio Global City](#) where RECon Asia will be held, at the new Shangri-La Fort Hotel. Full details are coming soon and will be found [here](#).

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