

SHOPTALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 26 MAY 2016

EMERGENCY SERVICES LEVY INSURANCE MONITOR BILL BEFORE NSW PARLIAMENT

A bill to establish an Emergency Services Levy Insurance Monitor is currently before the NSW Parliament. The Monitor's role will be to ensure that, once the Emergency Services Levy is from removed insurance premiums and transitioned to the land-based Emergency Services Property Levy (Shop Talk 10/12/15), insurers pass on the anticipated cost savings to customers. The Monitor will be Professor Allan Fels AO, former Chair of the ACCC. As noted in the Treasurer's speech to Parliament, "the bill will also allow the monitor to obtain insurance data and to pass this information to NSW Treasury to be used to model the effects of different options for the proposed ESPL". A bill to establish the ESPL is expected later this year, with the levy on insurance to be fully removed and replaced with the ESPL by 1 July 2017. The Shopping Centre Council has met with NSW Treasury officials several times and provided modelling in relation to the current incidence of the ESL on shopping centres and to seek to ensure the ESPL does not result in any significantly higher levy incidence on our sector.

WOOLWORTHS RECEIVES APOLOGY FROM NSW INDUSTRIAL RELATIONS

The Executive Director for NSW Industrial Relations has apologised to Woolworths for the "unclear advice" provided regarding retail trading on ANZAC Day this year and advised that no further action will be taken in this instance in relation to alleged breaches under the Retail Trading Act 2008. Woolworths had sought and received verbal advice from IR NSW on the issue. There had been media speculation alleging that Woolworths may have breached the legislation by allowing some staff (on a 'volunteer basis') to work in some stores before the 1pm opening time to undertake preparation for trade. IR NSW has, however, reiterated in its statement that "on restricted trading days stores are not permitted to open or prepare to trade unless they have a written exemption".

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MASTERS' PROPERTY SELL-OFF RAISES ISSUES FOR THE PLANNING PROCESSES

Media speculation over the Masters Home Improvements' property portfolio, following the failed joint venture between Woolworths and Lowes, raises the possibility of future pressure for land-use planning changes and special treatment. Various retailers have been nominated as potential buyers or lessors of Masters' sites once the former partners can agree on an exit strategy. These include Bunnings, Harvey Norman, Costco, ALDI, Steinhoff or other 'big box' stores or 'new' entrants. What has been forgotten, however, is that Masters was occasionally given a 'leg up' in the planning process. This included the Victorian Government establishing a dedicated advisory committee (for what was called at the time, project "Oxygen") to advise on matters such as rezonings and permits for multiple sites. This included sites in areas outside of activity centres. The NSW Government also issued a discussion paper on "Opportunities for Delivering Multiple Site Programs" (Shop Talk, 5/11/10). Depending on the purchasers or lessors of Masters' sites and related zoning and planning conditions, we are anticipating renewed calls for special planning changes to facilitate some stores and formats. We hope Governments resist such pressure, particularly in isolation, and ensure all retail formats can have their planning issues addressed. As the Productivity Commission has stated: ". . . while it may be advantageous to have a planning system which facilitates a range of business models, it could also be expected that there is a point at which business models should be somewhat adaptable to local conditions".

VICINITY'S EMPORIUM MELBOURNE TAKES OUT ICSC VIVA MARKETING AWARDS

Congratulations to Emporium Melbourne (Vicinity Centres) which this week <u>won</u> an international award at the International Council of Shopping Centers' RECon in Las Vegas. Emporium Melbourne was awarded the <u>VIVA</u> (Vision, <u>Innovation, Value, Achievement</u>) <u>Best-of-the-Best</u> <u>Award</u> for its Reimagined campaign.

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