

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 9 JUNE 2016

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## SUBMISSION LODGED WITH IPART ON REVIEW OF NSW LOCAL GOVERNMENT RATING SYSTEM

We have lodged a [submission](#) with the Independent Pricing and Regularity Tribunal (IPART) on its review into the NSW local government rating system ([Shop Talk 21/4/16](#)). The review's Issues Paper has, in our view, opened up a can of worms. It contemplates the option of shifting the current valuation base used for rating purposes across NSW from 'unimproved value' to 'capital improved value'. It also contemplates the option of allowing councils to opt out of using the Valuer General's centralised valuation services. Both propositions are potentially harmful to shopping centre statutory valuations. The former is nothing more than an attempt by local councils to shift a greater proportion of the rate burden to highly valued properties, like shopping centres, and the latter would seriously undermine the highly specialised skills and process required to value some shopping centres for rating purposes. We have highlighted to IPART that, as recently as 2012, a NSW Parliamentary Committee undertook a review of the NSW land valuation system and concluded *"that land value is the appropriate basis for valuation for rating and taxing purposes"*. We also pointed out that the NSW Government announced in December 2015 that the new Emergency Services Property Levy ([Shop Talk 10/12/15](#)) will be based on unimproved land value. A review of other submissions has revealed some startling recommendations from some business groups, including that a capital improved value (CIV) base should be mandated across all council areas (!) and that rate pegging should be abolished. These are crazy recommendations which we strongly believe would increase the rate burden on highly valued commercial property. The contribution to the review by the Office of the NSW Valuer General should provide IPART a sensible starting point for its deliberations: *"preliminary investigations... suggest that a system wide implementation of capital improved values would need to be spread over a number of years and...costs would exceed \$100 million"*. IPART's draft Report is expected in August.

## SOUTH EAST QUEENSLAND REGIONAL PLAN CONSULTATION UNDERWAY

The Queensland Government is progressing with a review of the [South East Queensland Regional Plan 2009-2031](#), having launched a community consultation website, [Shaping SEQ](#), last month. This initial consultation phase, which will be supplemented with direct engagement with business and other stakeholders, will conclude in late June, with a draft revised Regional Plan to be released for broad consultation from October 2016 through to February 2017. It is expected that a final SEQRP will be then be released in mid-2017.

## ACCC RELEASES UPDATED UNFAIR CONTRACT TERMS FAQs

The ACCC has released [updated advice](#) on its website regarding the extension of unfair contract term protections under the Australian Consumer Law (ACL) to 'small business contracts' ([Shop Talk 19/11/15](#)). The FAQs provide new guidance on matters including 'upfront price', renewal under an options lease and the treatment of lease assignments. The FAQs provide some useful examples using leasing scenarios. In related news, in July the Productivity Commission will be releasing an Issues Paper on the review of the 'single law, multiple regulator' model of enforcement under the ACL. The review of the enforcement framework is running alongside the more general review of the ACL being undertaken by Consumer Affairs Australia and New Zealand ([Shop Talk 1/4/16](#)). The ACL enforcement framework will become increasingly critical when the extension of the unfair contract term protections to small business begins later this year.

## ALDI OPENS FIRST SUPERMARKETS IN WESTERN AUSTRALIA

Aldi yesterday opened the first of its 70 planned supermarkets in Western Australia - in Belmont Forum, Kwinana, Mirrabooka Square and Lakeside Joondalup. It is understood that Aldi has plans to open 20 stores in Western Australia before the end of 2016.

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