

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

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## VALUE CAPTURE: THE SO-CALLED DEBATE AND BANDWAGON ROLLS ON

Another year, and the so-called 'value capture' funding debate and bandwagon continues (*Shop Talk*, [16/12/2016](#), [2/12/2016](#), [4/11/2016](#), [28/10/2016](#)). The Shopping Centre Council has recently responded to the Federal Government's [discussion paper](#), which claims to 'lay out the case' for such a scheme. Instead, the discussion paper is characterised by frighteningly simplistic assumptions, generic analysis and a series of unfounded 'truisms'. At its most fundamental, the paper asks readers to accept – almost without question – the premise that transport infrastructure always, or inevitably, delivers asset value uplift. This is amidst unfounded specific claims around issues such as shopping centre foot traffic. This process looks like nothing short of a tax grab, dressed up in waffly notions such as 'better cities' to somehow make it seem credible and legitimate.

## NSW CONTAINER DEPOSIT (REFUND) SCHEME: DUE TO COMMENCE JULY 2017

The Shopping Centre Council has lodged a submission to the NSW Government's [Draft Waste Avoidance and Resource Recovery \(Container Deposit Scheme\) Regulation 2016](#). The Scheme, scheduled to commence on 1 July 2017, is an election commitment of the Government, and part of the Premier's 'priority goal' to reduce litter volume by 40% by 2020. Its core basis is that people who return eligible containers will be entitled to a 10-cent refund (similar to the current scheme in South Australia). The draft Regulation sets out the operational details for the Scheme. The Government has also recently closed tenders for the operators of the scheme, due to be announced by April 2017. Our submission addresses various issues, including to ensure that shopping centre owners in terms of their property, operations, or relationship with their retailers and customers, have no regulatory obligations under the Scheme. The Queensland and Western Australian governments (and WA Opposition) have also committed to similar schemes by 2018 (noting that the WA State Election is on 11 March 2017).

## SEASONALLY ADJUSTED ABS RETAIL TRADE FOR DECEMBER 2016 DECREASED BY 0.1 PER CENT

The latest release (December 2016) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) seasonally adjusted turnover estimate decreased by 0.1 per cent, only the second recorded monthly fall since July 2015. Retail turnover increased by 3.0 per cent year-on-year (y-o-y), down from 3.2 per cent in the prior corresponding period (pcp). The strongest growth was recorded for 'Clothing, footwear and personal accessory' retailing on a m-o-m basis (1.4 per cent) as well as on a y-o-y basis (7.3 per cent). Interestingly, growth in quarterly chain volume measures of 0.9 per cent over the three months to December 2016, which is almost double the growth in retail turnover at 0.5 per cent over the same period, indicates severe discounting by retailers. Similar to retail turnover, growth in quarterly volumes was driven by 'Clothing, footwear and personal accessory' retailing. In trend terms the overall m-o-m retail turnover estimate grew by 0.3 per cent, the third consecutive month that growth has been recorded at that level. Also in trend terms, retail turnover increased by 3.2 per cent y-o-y, down from 3.3 per cent in the pcp. A copy of our full summary is [here](#).

## IPART LOCAL GOVERNMENT RATING REPORT SUBMITTED: FUTURE UNKNOWN

The NSW Independent Pricing and Regulatory Tribunal (IPART) lodged its Final Report on its review of local government rating to the Government in December 2016 (*Shop Talk*, [25/8/2016](#)). Given IPART's review was being undertaken in the context of the Government's program for council amalgamations, it is not yet known how the Government will respond to IPART's findings as the newly elected Premier, Gladys Berejiklian MP, and new Local Government Minister, Gabrielle Upton MP, have not yet outlined their future plans on local government reform. Recent media reports suggests that a decision on the future of council amalgamations (including already amalgamated councils) is imminent.

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