

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 1 SEPTEMBER 2017

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WA CONTAINER DEPOSIT SCHEME DISCUSSION PAPER LAUNCHED FOR CONSULTATION

This week, the Western Australian Government [released](#) a [discussion paper](#) on the recently announced Container Deposit Scheme, which is due to commence on 1 January 2019. The Government has stated they are seeking to align aspects of the scheme's operation with those operating in other jurisdictions such as South Australia and the Northern Territory. A number of scheme-design features have already been confirmed, such as the 10-cent container refund and the types of containers that will be eligible. The Minister for Environment, Stephen Dawson, has stated that the policy will be significant in "...reducing litter and encouraging a recycling culture". The retail sector has been targeted to play an 'important role' in the scheme. The discussion paper notes that retail sector involvement will promote "consumer convenience and accessibility...". Shopping centres are mentioned in the paper as potential container refund points. Similar to our engagement in the development of the New South Wales and Queensland schemes, we will seek to avoid any regulatory burden on shopping centre participation (*Shop Talk* [17/3/17](#) & [24/3/17](#)). Consultation on the discussion paper closes on 23 October 2017.

VIC FINAL POSITION PAPER ON ELECTRICITY LICENCE EXEMPTIONS RELEASED

The Victorian Government has released the [final position](#) on its review of the General Exemption Order, in relation to the licencing and regulation of embedded energy networks (*Shop Talk*, [8/9/16](#)). The paper outlines nine final policy positions, including the key finding that relevant incidental electricity distribution and retail activities should continue to be exempt from the requirement to hold a licence under the *Electricity Industry Act 2000*. The proposed exemption categories are based on the Australian Energy Regulator's (AER) equivalent categories, which we recommended, however some key differences will apply (e.g. in relation to gas, and 'adjacent' properties). Broadly, it is disappointing that Victoria continues to go it alone, rather than adopt the national regulatory framework administered by the AER.

POSITIVES FROM THE REPORTING SEASON FOR SHOPPING CENTRES DESPITE HEADWINDS

Various shopping centre companies have recently publicly reported their key results. A broad comparison of these results against similar metrics announced earlier this year highlights several positive outcomes for the industry. The average occupancy rate (i.e. how much of a centre is occupied) held firm at 99.1 per cent (ahead of the broader Australian REIT occupancy rate of 97.5 per cent). Similarly, the average specialty occupancy cost ratio (i.e. occupancy costs measured as a percentage of sales) held firm at 14.1 per cent. Average specialty sales, the measure of sales turnover generated per square metre by non-major shopping centre tenants, increased slightly to over \$9,600 per square metre. Finally, the average reported tenant retention rate (i.e. tenants that renewed their leases) was a solid 73 per cent; anecdotally higher than other non-residential property classes. Broad themes in related media coverage noted the 'challenging' factors for the shopping centre sector, including 'Amazon', which highlights the ongoing need for Government policy-makers to help ensure that shopping centres can efficiently adapt and respond to emerging issues and consumer trends.

2017 SCCA MARKETING AWARDS: FINALISTS ANNOUNCED!

Congratulations to the 2017 SCCA Marketing Awards [finalists](#)! Thank you to our 15 first-round [judges](#) who had the hard task of determining the finalists from the record 192 entries we received. The entries will now be judged by our finalist judges: Emeritus Professor Roger Layton, UNSW; Brand Communications Manager, Natasha Ritz from Lush Cosmetics; and Board Director and Executive Coach, Robyn Stubbs. Don't miss the opportunity to celebrate the crowning of the shopping centre industry's finest marketing campaigns. Tickets for the SCCA Marketing Awards Gala Dinner are now available for purchase [here](#). This year, the Gala Dinner will be held on Wednesday 25 October 2017 from 6pm at Doltone House, Jones Bay Wharf, Sydney. More information can be found on the Awards [website](#).

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