

# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

MONDAY 5 MARCH 2018

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## QUEENSLAND PARLIAMENTARY COMMITTEE ENDORSES TRADING HOURS AMENDMENTS

The Queensland Parliament's Education, Employment, and Small Business Committee has handed down its final report, following its investigation and public briefing, in relation to an amendment bill to address an oversight in trading hours legislation passed in 2017 ([Shop Talk 16/2/18](#)). The amendment seeks to enable trading for relevant shops on Easter Saturday in areas without seven-day trading. The affected towns include: Mt Isa, Goondiwindi, Chinchilla, Kingaroy, Roma, Childers, Bowen, Ayr, Charters Towers, Proserpine, Mission Beach, Cloncurry, Weipa, Nanango, Oxley, Home Hill, Pittsworth, Blackwater, Charleville and Longreach. Under questioning, a senior official from the Office of Industrial Relations noted that the oversight in the original legislation was simply that; an oversight. Pleasingly, the Committee has recommended that the Bill should be passed, noting that: "...the Committee affirms its support for the amendments and their important restoration of Easter Saturday trading rights in time for the upcoming Easter trading period". Subject to the Parliament's passage of the legislation, the amendment is scheduled to commence on 30 March 2018 - ahead of Easter Saturday on 31 March.

## ...AND A SEPARATE COMMITTEE RECOMMENDS THAT NEW TOW TRUCK LEGISLATION BE PASSED

The Queensland Parliament's Transport and Public Works Committee has handed down its final report on the [Tow Truck and Other Legislation Amendment Bill](#), which the Government re-tabled into Parliament whereby the initial (and similar) Bill was tabled in 2017, and lapsed when the previous Parliament was dissolved for the state election ([Shop Talk 6/10/17](#)). The Committee has recommended that the Bill be passed. Among other things, the Bill seeks to address issues with towing from private property, which is a response to an independent review of towing practices in Queensland. The Bill requires towing operators to have towing consent, evidencing an arrangement with the occupier to remove vehicles from private property.

## QUEENSLAND VALUER-GENERAL RELEASES 2018 PROPERTY MARKET MOVEMENT REPORT

The Queensland Valuer-General, Neil Bray, has released the [2018 Property Market Movement Report](#), which reveals an overall increase in land values over the 12-month period. The report, released in advance of the issuing of the 2018 statutory land valuations this week, covers 22 local government areas. Highlighting the variation across the state, and the basis of the valuations as being "each areas recent land sales history and the state of the surrounding economy", while 19 local government areas experienced an overall increase in value, 3 local government areas recorded a decrease in value. The new valuations will take effect on 30 June 2018 for local government rating and land tax purposes. This will include the scheduled increase to land tax, announced by the Government ahead of the November 2017 election, which will increase the top land tax rate to 2.5% for properties valued \$10 million or above. We have undertaken analysis on this proposed land tax increase and it will adversely affect a range of shopping centres.

## FEBRUARY 2018 'REPORTING SEASON' – STEADY RESULTS WITH A FOCUS ON DEVELOPMENT

Analysis of the recent publicly reported results by retail-exposed A-REITs indicates that whilst growth has slowed, their overall performance remains solid. A broad comparison of these results against similar metrics released in August 2017 highlights growth in specialty moving annual turnover (i.e. retail sales), increased customer foot traffic and a stable average occupancy rate of ~99.1 per cent. Similarly, the average specialty occupancy cost ratio (i.e. occupancy costs measured as a percentage of sales) held relatively firm at 14.4 per cent. The average reported tenant retention rate (i.e. tenants that renewed their leases) was a solid 70 per cent. There was an emphasis on tenant remixing and the continued development of shopping centres (with a reported combined development pipeline in excess of \$7.3 billion) to reflect the dynamic nature of retail and consumer demand.

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