



# SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE  
COUNCIL OF AUSTRALIA

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[Archive](#)

## FUNDAMENTAL CHANGES NEEDED ON TAX BREAKS FOR GREEN BUILDINGS SCHEME

The Shopping Centre Council of Australia has [recommended a number of fundamental changes](#) to the Federal Government's [Tax Breaks for Green Buildings](#) scheme, which aims to provide a tax incentive for capital investment in energy efficiency ([Shop Talk 3/2/11](#)). We support the intent of the scheme but its current design has limited application for the shopping centre industry. Unfortunately a key feature of the scheme requires a building to be upgraded from a maximum NABERS 2 star rating to a minimum 4 star rating. This is an office-sector centric approach. NABERS has only applied to shopping centres for a year and not one centre has been through the process of an initial rating, followed by energy improvements and a subsequent rating. Of the twelve shopping centres that have undergone an initial NABERS Rating, eleven are above 2 stars so these would all be ineligible under the scheme. So much for encouraging early adopters! More time is needed until NABERS is more wide-spread across our sector. Shopping centres also have to work harder than office buildings to gain a 1 star improvement under NABERS. We have recommended that any 1 star improvements should also be eligible for a tax incentive. A second concern is that the proposed tax benefit under the *Income Tax Act* is not relevant for collective investment vehicles such as Real Estate Investment Trusts (REITs). We estimate that 56% of shopping centres (and 69% of shopping centre floor space), that would otherwise be eligible for the scheme, would be rendered ineligible. Effectively, no shopping centre over 50,000m<sup>2</sup> would be eligible, due to the ownership structures of larger shopping centres being predominantly REITs. In the interests of equity, and an effective scheme that leads to cost-effective greenhouse emission reductions, a tax incentive should be extended to REITs to ensure that all shopping centres and owners benefit from the scheme, and not just a lucky few.

## NSW ACTIVITY CENTRES GUIDELINES ARE NOW ON EXHIBITION

The NSW Department of Planning has released [Draft Centres Design Guidelines](#) for comment, with a principal focus to "improve the form and function" of activity centres. While the Guidelines are not statutory, they reflect an urban designer's utopia with a bewildering grab-bag of 395 design principles (and negative commentary about 'traditional' shopping centres). A real concern is the principles, which largely ignore shopping centre and retail fundamentals, will emerge as a 'one-size-fits-all' (or one design fits all) approach in local council DCPs. In relation to shopping centre design, the Guidelines heavily favour the so-called 'main street' or 'new urbanism' approach. Comments are due by 31 May.

## UPDATE ON EASTER SUNDAY TRADING HOURS IN VICTORIA

The [Shop Trading Reform Amendment \(Easter Sunday\) Bill 2011](#), to permit shop trading on Easter Sunday in Victoria, has now passed the Legislative Assembly. It will be debated in the Legislative Council when it resumes on 22 March.

## BELMONT FORUM NAMED AS PCA WA RETAIL PROPERTY OF THE YEAR

Congratulations to Belmont Forum Shopping Centre in Perth, owned by Perron Investments, which was named last week as the *WA Retail Property of the Year*, in the Property Council of Australia/Rider Levett Bucknall Innovation and Excellence Awards.

## PROPERTY COUNCIL COURSES ON RETAIL LEASING IN SYDNEY THIS MONTH

The PCA is running a course on [Leasing Fundamentals](#) on 17-18 March and a course on the [Retail Leases Act](#) in Sydney on 30 March.