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ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE COUNCIL OF AUSTRALIA

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SCCA MEMBERS CURRENTLY HAVE AN $11.5 BILLION DEVELOPMENT PIPELINE

Analysis of Shopping Centre Council of Australia members' developments shows a current shopping centre development pipeline conservatively amounting to $11.5 billion, revealing considerable medium-term and long-term optimism about 'bricks and mortar' retailing in Australia. The pipeline comprises redevelopments currently underway; about to commence; or being planned. These redevelopments are in addition to around $2.24 billion of redevelopments completed in the last few years. This survey was confined to SCCA members – it does not, for example, include Coles and the SCA Property Group, which are both large shopping centre developers – and therefore does not represent the total shopping centre investment currently underway or planned in Australia. The survey found shopping centre investment occurring in all mainland States and a solid mix of city and regional developments. This shopping centre development pipeline dwarfs the investment potential of the so-called 'new retail formats' and is creating tens of thousands of jobs across Australia in construction and in retailing, centre administration and associated centre services (such as in cleaning and security).

Unfortunately, in some areas, shopping centres are seen as 'old investments' or are simply taken for granted, rather than understanding they are 'continuous investors', given that existing centres need to be refurbished and redeveloped at regular intervals. Relative planning certainty is therefore critical. The 'dead hand' of planning regulation, as well as the investment upside from policy reform, is just as relevant to SCCA members as it is for other retail property developers and formats. Retail planning reform, including current initiatives and reviews underway in Victoria, NSW and Queensland, need to be comprehensive; must ensure a level playing field; and must avoid 'picking winners'.

ARA REVEALS SUBSTANTIAL OPERATING LOSSES IN THE LAST TWO YEARS

The future of Australia's oldest retailer association is now problematic, following operating losses amounting to $732,222 in the last two years and an auditor's warning of "inherent uncertainty". The financial statements of the Australian Retailers Association for the year ending 30 June 2012, filed with the Fair Work Commission, reveal an operating loss in FY12 of $427,895, following a similar loss in FY11 of $304,327. As a result the ARA's net assets have shrunk to only $800,053. The statements also show the ARA's revenue from memberships fell by $240,292, or by nearly 13%, in 2012. An auditor's report, filed with the statements, notes "there is inherent uncertainty whether the economic entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report." The statements also reveal, among other things, that the ARA has not renewed the lease on its Sydney office; has cancelled its call centre; and has successfully negotiated a reduction in the service fee paid to FCB, the firm to which in 2009 it outsourced its employee relations services.

SMALL BUSINESS FESTIVAL IN VICTORIA DURING AUGUST

Small Business Victoria is hosting a month-long program of events to assist small business owners. Click here for additional details and a full program.

DIRECTIONAL INSIGHTS RELEASES ITS 2013 CONSUMER SHOPPING BENCHMARKS

Consumer research company, *Directional Insights*, has released its 2013 Consumer Shopping Benchmarks. A summary of these can be viewed here. Click here for a free subscription to their monthly e-newsletter.