



Thursday 17 October 2013

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#### DRAFT MELBOURNE METROPOLITAN PLANNING STRATEGY RELEASED

The Victorian Government has released Plan <u>Melbourne</u> for comment. This Draft Melbourne Metropolitan Planning Strategy follows an earlier discussion paper (Shop Talk 11/4/13). The Draft Strategy provides a solid basis for consultation on managing Melbourne's population growth and development to 2050, with a projected population of 6.5 million compared to 4.2 million today. Buried in the detail, however, is a proposed 'value-capture' levy to help fund "city-shaping infrastructure". Specific departmental investigations are proposed in the short-term. Presumably this levy would be in addition to the proposed standard development contributions levy expected to be announced shortly. If so, it is difficult to justify another financial burden on commercial property. The recently introduced property-based Fire Services Levy (FSL), based on Capital Improved Value (CIV), is apparently "fair and equitable", even though it has led to \$1 million increases for some properties. Based on the FSL experience, along with other experience with taxation policy including 'value capture' proposals, we are sceptical that such a levy will be fair and equitable, despite the beliefs of economic and tax theorists. This is particularly so given other tax reforms are blatantly ignored. Such a proposal also fails to consider that land and capital improvements are already heavily taxed (by land tax, fire services levy, council rates, development charges, car park levies etc.) and these add 'value' to government revenue. GST generated in shopping centres also benefits state revenues. We are seeking further details of the proposed levy and also seeking assurances the investigations will be conducted in close consultation with industry and in an open and transparent manner. We will also seek to ensure that the value to government revenue of private sector investment is acknowledged as part of the investigations. Submissions close on 6 December.

## SBC ANNUAL REPORT REVEALS FEW RETAIL TENANCY DISPUTES IN VICTORIA

According to the <u>Annual Report</u> of the Victorian Small Business Commissioner for 2012-13, of all matters handled by the SBC retail tenancy issues fell from 75.8% to 65.9%. Of all disputes handled by the SBC, including retail lease disputes, 42.4% were resolved before mediation. Of the 57.6% of disputes that went to mediation, 83.1% were resolved. We can deduce from the report that only 11 retail leases in every 1,000 were referred to the SBC's dispute resolution processes. This is a very low number, given a lease is on foot 7 days a week, 365 days a year. Of the lease disputes referred to the SBC, the vast majority are settled prior to mediation or at mediation. Bear in mind one marriage in every three in Victoria ends in divorce!

# SHOPPING CENTRE NEWS 'MINI GUNS' EDITION IS NOW AVAILABLE

The 'Mini Guns' edition of <u>SCN</u> (Shopping Centre News) is now available. This includes a comparative listing of 155 shopping centres between 6,000 m<sup>2</sup> and 20,000 m<sup>2</sup> GLA, according to centre MAT and MAT per m<sup>2</sup>. Click <u>here</u> to subscribe.

### WESTFIELD BREAKFAST SEMINARS IN FIVE CITIES DURING NOVEMBER

Don't miss next month's Westfield Breakfast Seminars, featuring four leading international retail marketing commentators, in Adelaide, Perth, Sydney, Brisbane and Melbourne. Click <u>here</u> to view the speakers and <u>here</u> to book tickets.

### PROPERTY COUNCIL RETAIL PROPERTY AWARDS IN ADELAIDE ON 2 NOVEMBER

The Property Council, SA, 2013 Retail Awards will be held on Saturday 2 November at the Adelaide Hilton. Further details are <u>here</u>; and tickets <u>here</u>.

**Previous Editions**