



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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PRODUCTIVITY COMMISSION INTERIM REPORT ON RETAIL COSTS RELEASED

Last week the Productivity Commission released its 109-page Interim Report on its [Study into the Relative Costs of Doing Business in Australia: Retail Trade](#). The Federal Treasurer, Joe Hockey MP, commissioned the study (and a similar study into the dairy product manufacturing industry) in April to investigate cost issues surrounding capital, labour, energy, taxation and regulatory compliance in the retail industry; and identify where there are cost advantages and disadvantages for Australian retailers when compared with international jurisdictions ([Shop Talk 16/4/14](#) & [15/5/14](#)).

The Interim Report highlights that "labour costs are the single largest area of expense for most retail businesses". This includes, the "level of wages, the growth in real wages, penalty rates, labour on-costs (workers compensation and superannuation), the costs of negotiating enterprise bargaining agreements and inconsistencies in the *Fair Work Act* outcomes". In addition to wages as an area of cost pressure for retailers, the Commission has also drawn attention to rents and occupancy costs, including the relatively higher occupancy costs in the clothing and furniture sectors compared to other countries (but not in other sectors such as supermarkets and department stores). In relation to rents, the Commission has drawn a link to "restrictive approaches" across Australia's land-use planning systems. The Commission has acknowledged that Government regulations and taxes have an impact on business costs such as restrictions on trading hours. The Commission also notes utility costs such as energy and water, which are largely influenced governments. Submissions on the Interim Report are due on 11 July, and the Commission has outlined 12 specific 'information requests' to enable it to make a final set of findings. A final report is scheduled to be forwarded to the Federal Government for consideration in October.

NEW BRISBANE CITY PLAN FINALISED FOR COMMENCEMENT ON 30 JUNE

Brisbane City Council has approved the new [Brisbane City Plan](#), which commences on 20 June ([Shop Talk 20/2/14](#)). The Plan aims to guide Brisbane's growth out to 2031 (although it will be reviewed periodically) and has a strong focus on economic development; with a 'strategic framework' which will see growth focused around a series of nodes and corridors which includes the CBD, major centres (e.g. Chermside, Upper Mt Gravatt, Indooroopilly, Toombul) and other areas. This includes areas identified under the SEQ Regional Plan 2009-2031. While previous adverse proposals have been removed, and some restrictions still apply (e.g. there are 68 separate performance outcomes for development within centres), we believe the final plan provides a balanced outcome and a good platform for future growth.

QLD GOVT SEEKS TO OVERTURN SUPREME COURT DECISION ON COUNCIL RATINGS

The Queensland Government has tabled legislative amendments to enable councils to differentially rate residential investment properties, following a recent Supreme Court decision which found such a practice (in the form of higher rates) was illegal ([Shop Talk 15/5/14](#)). Differential rates are the scourge of the rating framework and too easily enable councils to gouge rate-payers. With the Property Council, the Shopping Centre Council has written to the Local Government Minister, David Crisafulli, to address the misuse of differential rating.

LATEST EDITION OF SHOPPING CENTRE NEWS IS AVAILABLE NOW

The May/June issue of [SCN](#) (*Shopping Centre News*) is now available. This issue contains a new feature on 'CBD Guns' with a comparative listing of CBD centres according to MAT, MAT per m² and speciality MAT per m². This edition also includes special features on CBD retailing. Subscriptions can be made via SCN's website [here](#).