



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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SOUTH AUSTRALIA EMERGENCY SERVICES LEVY MUST BE CAPPED

The Shopping Centre Council of Australia and Property Council of Australia (South Australian Division) have jointly written to the Treasurer, Tom Koutsantonis MP, to seek urgent action on the Emergency Services Levy (ESL). This follows the massive increases in the ESL, initially announced as part of the State Budget on 20 June, which are now being received by property companies from Revenue SA. Like the Victorian Fire Services Levy, the ESL (which is also applied to a shopping centre's capital improved value) is quickly turning into another form of land tax, with the highest valued properties being hit the hardest ([Shop Talk 22/5/14](#)). When increases to the ESL were announced in the State Budget, it was indicated that there would be a 23% rate increase (along with some other changes to the scheme). It is hard to think of any other taxes (except for local council rates) that have skyrocketed to such an extent. When coupled with valuation increases, however, the ESL bills are even higher than that which was initially communicated – and certainly much higher than was expected and budgeted. We have seen some of the bills of SCCA members: one shopping centre has been hit with an increase of \$55,000; another of \$40,000. These tax hikes are counter-productive and do little to inspire confidence. This is particularly the case given that South Australia is already a high taxing state. As an example, overall statutory charges for neighbourhood shopping centres (e.g. land tax, council rates, water and sewerage charges) are the highest in Australia on a per square metre basis. For larger centres, South Australia's statutory charges are second only to Western Australia. However, unlike Western Australia, which has seen strong retail sale growth in recent years, South Australia has remained fairly flat and below the national average. We are urging the Government to consider a cap for the ESL, whether through the valuation process or through ESL rate process.

CLARIFICATION GIVEN ON CHANGES TO THE RETAIL LEASES ACT IN VICTORIA

The [Courts Legislation Miscellaneous Amendments Bill 2014](#) has now passed the Victorian Parliament ([Shop Talk 28/8/14](#)). As reported previously, the Bill, which amends parts of the *Retail Leases Act*, was introduced with no consultation with industry. Through discussion with the Government, through the offices of the Attorney-General and the Minister for Small Business, and in the absence of amendments, the Shopping Centre Council was able to secure clarification on key aspects of the Bill during the Parliamentary debate. These were read in Parliament on Thursday [4 September](#).

SCCA SUBMISSION ON VICTORIAN DEVELOPMENT CONTRIBUTIONS BILL

The Shopping Centre Council has written to Victorian Planning Minister, Matthew Guy MP, on the [Planning and Environment \(Infrastructure Contributions and Other Matters\) Bill 2014](#) which is currently being debated in Parliament. The Bill provides the legislative basis for the new framework for levying and collecting contributions towards the provision of infrastructure which were announced in May ([Shop Talk 8/5/14](#)). We have drawn attention to a number of issues under the new regime and will continue working with the Government on these issues.

REPEAL OF REPORTING REQUIREMENTS RELATING TO ENERGY EFFICIENCY

The [Energy Efficiency Opportunities \(Repeal\) Bill 2014](#) passed through the Federal Parliament on 4 September, with an effective date of 29 June 2014. The closure of this scheme reduces the reporting and compliance burden on high energy consuming businesses, including some shopping centre owners. The Government has stated this red-tape reduction initiative will save Australian businesses \$17.7 million per year.