

SHOPTALK ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE

Thursday 21 May 2015 Previous Editions

NSW PARLIAMENTARY INQUIRY HAS IMPLICATIONS FOR PET SHOP SALES

Last week a NSW parliamentary inquiry, the <u>Joint</u> Select Committee on Companion Animal Breeding Practices in NSW, was established and is to produce a final report by 31 August 2015. The terms of reference include "the implications of banning the sale of dogs and cats in pet stores". The sale of animals has become an important issue, with the Victoria Government having an election commitment to ban 'puppy farming'. There have also been reports that the Queensland Government will be investigating this matter. Interestingly the RSPCA has recently pointed out the dangers of selling puppies over the internet, which is becoming an increasing trend. The government regulatory oversight that currently applies to pet shops is easily avoided over the internet. This problem will only increase if pet shops are banned from selling puppies.

WA GOVERNEMENT LIFTS LAND TAX COLLECTION IN 2015-16 BY 26%

Just when the shopping centre industry thought that land tax in Western Australia couldn't get any higher, last weeks' budget has further increased land tax rates from 1 July 2015. Anticipated land tax revenue is projected to increase by a massive 26%. The Government has both broadened the land tax base while, at the same time, increasing land tax rates, except for the top rate. A major concern is that the higher rates will hit the shopping centre sector disproportionately hard. This is because there is a possibility that land values for office properties will stabilise, or even decrease, due to the nature of the WA economy and increase in office market vacancy rates. Shopping centres could be hit with a 'double whammy' of rising land values and increasing land tax rates. This will inevitably damage the retailing industry in WA.

MASTER GROCERS OPPOSE MOVES TO STANDARDISE TRADING HOURS IN SEQ

The difficulty of implementing the Harper recommendations to Committee's remove restrictions on trading hours (Shop Talk 1/4/15) has been demonstrated in Queensland. The National Retail Association, supported by the Shopping Centre Council, has lodged an application with the Queensland Industrial Relations Commission to standardise trading hours across South East Queensland. This would allow all shops to open, if they choose to do so, from 7am to 9pm, Monday to Saturday. This involves only a small increase in permissible trading hours and would do away with the current embarrassing 'mish mash' of varying trading hours zones within this heavily populated area. The application is being opposed by Master Grocers Australia (representing the IGA brand) which wants to keep Coles and Woolworths closed during those additional hours. Many small businesses in shopping centres, although currently free to trade these hours, don't choose to do so because they don't get the boost in foot traffic which results from Coles and Woolworths opening their doors.

STRAND ARCADE WINS WORLD-WIDE MARKETING AWARD AT ICSC RECON

Congratulations to the Strand Arcade in Sydney (and Ipoh and GIC Real Estate) which this week won an international award at the International Council of Shopping Centers' RECon in Las Vegas. The Strand Arcade was awarded the <u>VIVA Marketing Award</u> for Small Centers for its campaign, "We Are the Makers", celebrating its luxury retailers.

Also at RECon this week, Stephen Lebovitz, President and CEO of CBL & Associates Properties Inc., was <u>elected</u> as the 2015-16 Chairman of the International Council of Shopping Centers.