

## SUBMISSION TO OFFICE OF ENVIRONMENT AND HERITATE

### A DRAFT PLAN TO SAVE NSW ENERGY AND MONEY

The Shopping Centre Council of Australia (SCCA) is the national industry and advocacy group for Australia's major owners, managers and developers of shopping centres (refer to [www.scca.org.au](http://www.scca.org.au)).

The SCCA has reviewed the three relevant documents – 1) *Climate Change Fund Draft Strategic Plan*, 2) *A Draft Plan to Save NSW Energy and Money*, and 3) *Energy Efficient Business – Commercial Buildings Detailed Analysis*. This submission responds to the detailed proposals in the *A Draft Plan to Save NSW Energy and Money* and the *Energy Efficient Business – Commercial Buildings Detailed Analysis*, specifically those which deal with shopping centres and the *Retail Leases Act 1994*.

The SCCA would appreciate the opportunity to discuss this submission with relevant officials in early 2017.

#### 1 INTRODUCTION

The SCCA has had long and detailed engagement on matters regarding energy efficiency and retail property at the state and federal levels.

The SCCA has engaged constructively with the NABERS team within the Office of Environment and Heritage over many years on the development and ongoing refinement of NABERS for Shopping Centres.

We were also engaged in the 2014-15 review of the Commercial Building Disclosure (CBD) Scheme, undertaken on behalf of the Federal Department of Industry and Science by ACIL Allen. This review specifically contemplated – and recommended against – the extension of CBD to shopping centres.

In our experience, policy makers at all levels of Government have a relatively limited understanding of shopping centres, including the regulation of the landlord-tenant relationship.

The SCCA is also the only shopping centre stakeholder with regard to the operation and periodic review and amendment of the *Retail Leases Act 1994*. We note that the *Retail Leases Amendment (Review) Bill 2016* is currently before the NSW Parliament.

#### 2 POSITION

The SCCA does not support the application of voluntary or required standards to shopping centres or retail tenancies, or the extension of the CBD scheme to shopping centres. We also do not support any consequential amendments to the *Retail Leases Act*.

We are specifically concerned that the shopping centre sector is being singled out for additional and burdensome regulation – i.e. the proposed application of performance standards – which would impose new costs on shopping centre owners and introduce considerable implementation and compliance risk to the retail leasing market.

This is an unjustified and naive proposal for the Government to be contemplating.

The following five fundamental points underpin our position:

- There is **no consensus among stakeholders**, or evidence provided by the Government, that there is a policy failure, nor is there a clearly defined policy objective, that calls for regulation with regard to energy efficiency in shopping centres.
- NABERS for Shopping Centres is a respected, **voluntary industry tool**. It is underpinned by a credible implementation framework and ongoing sector engagement.
- The *Retail Leases Act* **does not regulate** the 'performance' of shopping centres, retail property or tenancies; it regulates the relationship between landlords and some tenants in the context of a retail lease.
- A 'like for like' translation of CBD from commercial offices to shopping centres **is not possible**.
- Historically, shopping centres **have not been able to benefit** from financial incentives to progress energy efficiency upgrades; for example, shopping centres are not able to benefit from the Emissions Reduction Fund (ERF).

These points capture the key issues and experiences which inform the SCCA's position on, and engagement with, policy and decision makers regarding sustainability and energy efficiency in our sector.

### FIVE CRITICAL ISSUES

With respect to the intent of the Government's work in the area of energy efficiency and climate policy, many of the proposals relevant to shopping centres in the various documents noted above re-visit policy options which have been considered in detail – and disregarded – via other policy review processes. Many also reveal a poor understanding of shopping centres and retail leasing.

As noted above, we would be pleased to meet with relevant officials in early 2017 to assist inform the Department's understanding of our sector in more detail

The SCCA has identified 5 key issues with the consultation material.

#### #1: There is confusion between retail tenancies and shopping centres

In Table 3 on page 9 of the *Draft Plan to Save NSW Energy and Money*, one of the options on the 'pathway' to meet the energy savings targets is to "investigate the introduction of energy standards for retail tenancies'.

This area of investigation is reinforced on page 17 of the *Energy Efficient Business – Commercial Buildings Detailed Analysis*, with a specific heading (1.7.1) referencing this area of investigation.

However, under this heading there is no commentary or proposals relevant to the energy efficiency of retail tenancies. Rather, the areas of investigation are all relevant to the energy efficiency of the 'base building' of a shopping centre. For example, the existing NABERS for Shopping Centres tool is mentioned, as is the premise of voluntary or required standards for 'large tenanted buildings in the retail sector, including large shopping malls'. NABERS for Shopping Centres is a 'base building' rating tool, not a tenancy rating.

A retail tenancy is not synonymous with a 'large tenanted building in the retail sector' or a 'large shopping mall'.

Retail tenancies are highly variable in size and use.

If it is the Government's intention to investigate applying a standard on 'retail tenancies' (which, as we note, isn't clear in the consultation material), this would require detailed and extensive engagement with the SCCA and its members (which provide guidance to tenants with regard to their fitout obligations under a lease), in addition to stakeholders from across the various retail groups (e.g. the National Retail Association, the Australian Retailers Association, the Franchise Council of Australia, the Jewellers Association of Australia, the Pharmacy Guild, the Newsagents Federation of Australia etc).

#### #2: What is the other approach?

The *Energy Efficient Business – Commercial Buildings Detailed Analysis* indicates that the Government has modelled the application of performance standards to "all shopping centres in NSW" (pg. 18). Similarly, the *Draft Plan to Save NSW Energy and Money* implies that the Government is interested in the whole of the shopping centre sector (the Draft Plan notes the current uptake of energy efficiency upgrades, while signalling that "significant scope for improvement in the rest of the sector" remains (pg. 22)).

Although it isn't clear from the consultation material, we have assumed that the performance standards proposed by Government are intended to be applicable to all shopping centres in NSW. Therefore, we have discounted the possible applicability of NABERS as the basis of a performance standard as NABERS is only applicable to shopping centres with a Gross Lettable Area Retail – GLAR – greater than 15,000m<sup>2</sup>. It has also been discounted as there is already good, and growing, voluntary uptake of NABERS for Shopping Centres (i.e there is no case for Government intervention). The uptake of NABERS for Shopping Centres is discussed further at #5.

Consequently, we are concerned about the lack of detail in the consultation material with regard to "another approach" that could be developed "to identify appropriate performance or technology standards".

We respectfully suggest that the Government is unaware of the lengths that it would need to go to to develop "another approach" that has any credibility or sustainability, and that has the confidence of its users.

We also suggest that the Government would struggle to develop a credible new 'approach' or 'tool' which addresses the variability in, for example, the built form of shopping centres (e.g. size, single story, multi-level, underground parking, at grade parking, closed, open air).

Similarly, depending on the Government's intent with regard to retail tenancies, we suggest that the development of a new 'approach' or 'tool' which addresses the variability in retailer/tenant categories and sizes would also be extremely challenging.

Although we **do not support** the use of NABERS as the basis of imposing standards on shopping centres, there are a number of important reasons why there is general industry confidence in NABERS for Shopping Centres and why we support its ongoing application as **a voluntary industry tool**.

NABERS has a strong implementation framework with regard to the certification of ratings, training and accreditation for assessors and the ongoing review of its tools.

Further, NABERS has a good culture of sector engagement. For example, the SCCA is a member of both the NABERS Stakeholder Reference Group, and the NABERS for Shopping Centres Technical Advisory Group.

The Government would have to invest considerable – and ongoing - resources and time to develop 'another approach' which has broad industry buy-in and credibility in terms of the output (as NABERS does) and that, importantly, would deliver cost efficient improvement. We do not think the latter is likely, or a good investment of the Government's resources.

### **#3: Proposals lack practicality**

From a practical perspective, we don't know how the Government would be able to impose performance standards on shopping centres fairly and transparently and without introducing a high financial impost and, presumably, significant compliance risk on shopping centre owners (presuming that this is the intended scope of the proposal, not retail tenancies – as discussed at #1).

Would each shopping centre in NSW be provided with a unique performance standard they would be required to meet? This would be extremely costly and challenging for the Government to develop, implement, administer and enforce. It would also require negotiation with the owner of each shopping centre in NSW.

Or would every shopping centre in NSW be required to achieve the same standard of performance? In which case, how would this standard be developed such that it was relevant built form, size and location of every shopping centre in NSW? Further, how would a performance standard be set so as to avoid the application of costs which may be prohibitive or uneconomic for some shopping centre owners?

In either scenario, what is the Government's proposed approach to monitoring and enforcing compliance with the new standards?

Would assessment against the performance standards be based on a 'user pays' model or would the Government fund assessment and associated compliance activities? If it is 'user pays' program, would landlords be able to recover the cost of the compliance process (not any capital costs, which is not allowed under the *Retail Leases Act*) be able to be recovered from retailers if appropriately disclosed via the Disclosure Statement?

The questions posed above are simply to illustrate the lack of a credible policy rationale and detail in the consultation documents and to demonstrate the considerable and ongoing investment that the Government would need to make to have a scheme along the lines of that proposed implemented in NSW.

We strongly recommend that the Government abandon this line of investigation.

### **#4: The Retail Leases Act does not regulate the 'performance' of the shopping centre**

As noted above, we do not support any amendments to the *Retail Leases Act* as a result of this process.

In simple terms, the *Retail Leases Act* regulates the relationship between landlords and some tenants in the context of a retail lease. It was introduced to ensure a balanced negotiating position between parties to a lease. It does not impose performance standards independent of the fundamental leasing relationship between the landlord and tenant.

By way of further explanation, the Act specifies what - in the context of a lease, or the negotiation or renewal of a lease - landlords and tenants need to do before a lease is entered into, what a landlord has to do with regard to their tenants in the event they want to redevelop their centre, what costs a landlord can recover from a tenant in the management of the shopping centre, and what costs can't be recovered.

The Act does not dictate to either the landlord or the tenant standards of performance that need to be met which are independent of the satisfaction of their respective obligations in the context of a lease. By way of simple example, the Act does not set a standard to the effect of requiring that a certain proportion of goods sold by a retailer must be Australian made.

As such, the suggestion on page 18 of the *Energy Efficient Business – Commercial Buildings Detailed Analysis* that the *Retail Leases Act* could be amended to “apply performance standards to large tenanted buildings in the retail sector, including large shopping malls”, reveals a misunderstanding of the purpose and scope of the *Retail Leases Act*.

As far as we are aware, such a move would be unprecedented in the context of retail leasing legislation across Australia.

Further, the NSW Government only very recently concluded a statutory review of the *Retail Leases Act*. This review took close to three years and involved the engagement of the SCCA and various retailer stakeholders, including the ARA, the NRA, the Pharmacy Guild, and the Franchise Council. An amending Bill – the Retail Leases Amendment (Review) Bill 2016 – was introduced into the NSW Parliament by the Minister for Small Business, John Barilaro, in early November 2016. This Bill will be debated in 2017 and, once passed, will lead to considerable administrative changes to the retail leasing sector in NSW which will take time and resources to plan for and implement.

Further reform to the Act with regard to the application of energy performance standards – which, as noted above, would be unprecedented – would come with considerable cost, disruption, resourcing requirements and risk to the administration of retail leases in NSW.

In this regard, we would be interested to understand the inputs to the ‘preliminary analysis’ which has been undertaken and, according to the *Energy Efficient Business – Commercial Buildings Detailed Analysis* document, “has estimated savings, costs and benefits of implementing standards in 2020 which are sufficient to drive a one NABERS star increase across all tenanted shopping centres in NSW”.

We suspect that the risk and costs to landlords, particularly with regard to retail leasing and investment risk in NSW, would not have been appropriately considered.

#### **#5: There is a failure fully to acknowledge the findings of earlier reviews of the CBD scheme**

Although the *Energy Efficient Business – Commercial Buildings Detailed Analysis* notes ‘administrative issues’ identified in the 2014-15 ACIL Allen review of the CBD Scheme, it does not acknowledge that a definitive recommendation was made by the reviewer to the Federal Government that the CBD scheme should not be extended to shopping centres. It also doesn’t acknowledge the Government’s response to the review, or the subsequent release and content of the COAG Energy Council’s *National Energy Productivity Plan 2015-2030*.

It is our view that this section of the consultation material trivialises the review process, its findings and the Government’s response.

ACIL Allen – informed by the SCCA’s representations – stated the following (pg. 89):

*ACIL Allen does not recommend that mandatory disclosure be extended to shopping centres or other retail buildings...*

(The SCCA’s submission to the ACIL Allen Review is **attached** to this submission. This provides specific detail as to why the CBD scheme cannot be applied in a ‘like for like’ fashion from commercial office to shopping centres.)

ACIL Allen went on to detail the various reasons why they reached this conclusion, principle among which was the fact that landlords “are already currently required by state legislation to disclose (base building) energy costs to prospective tenants”.

It is important that the Government acknowledges the increased number of shopping centres which have obtained NABERS ratings, and the improvement in the average rating, over time.

The NABERS Annual Report for 2015-16 shows growth in the number of rated shopping centres, and also a marked improvement in the average star rating achieved. 129 shopping centres were certified in 2015-16, an improvement of 20 (18%) from 2014-15, and the average star rating improved by 6.1% to 3.5 stars.

These results – which came without government intervention or regulation – demonstrate the effectiveness of voluntary engagement with NABERS. They also validate our view that there is no policy failure that would otherwise require the application of an equivalent CBD scheme to shopping centres.

In February 2016, then Federal Minister for Resources, Energy and Northern Australia, Josh Frydenberg, and the then Minister for the Environment, Greg Hunt, released the ACIL Allen report publicly and detailed the Government’s response to the report’s recommendations.

Importantly, the Government accepted a specific recommendation in the report that “*the focus for the CBD program should remain on office buildings*” and it did not propose any extension of CBD to other asset types. Consequently, the reforms that are currently being progressed on the scheme are specific to the office sector, including lowering the disclosure threshold from 2,000m<sup>2</sup> to 1,000m<sup>2</sup> (a reform which comes into force on 1 July 2017).

All stakeholders had the opportunity to participate in the review of the CBD scheme. There was an extensive engagement program associated with the review, including a call for submissions and public hearings/workshops. Stakeholders also had the opportunity to meet with the reviewer ‘one on one’. It was an extensive and credible review which reached sensible, evidence based conclusions.

It is also relevant to acknowledge that the COAG Energy Council in December 2015 released the *National Energy Productivity Plan 2015-2030*, and a related work plan. This Plan, adopted by relevant Ministers for Energy across all jurisdictions, flags the extension of the CBD scheme within the current scope of the scheme i.e. commercial office. This reflects the subsequent response of the Government to the ACIL Allen review.

There is no proposal or suggestion in the *Energy Productivity Plan* that the COAG Energy Council seeks to have CBD extended to other asset types.

In light of this, it is our view that it would be a waste of resources and energy for the NSW Government to consider reopening this issue by “advocating for the Commonwealth Government to require commercial buildings other than medium to large office buildings (such as retail buildings and data centres) to disclose their energy performance under the CBD program”.

#### 4 ABOUT US

The SCCA represents Australia’s major shopping centre owners, managers and developers. Our members own and manage shopping centres from the very largest (‘super-regional’) centres to the smallest (‘neighbourhood’) centres in cities and towns in every state and territory.

Our members are AMP Capital Investors, Blackstone Group, Brookfield, Charter Hall Retail REIT, DEXUS Property Group, Eureka Funds Management, GPT Group, ISPT, Ipoh Management Services, Jen Retail Properties, JLL, Lancini Group, Lendlease Retail, McConaghy Group, McConaghy Properties, Mirvac, Perron Group, Precision Group, QIC, Savills, SCA Property Group, Scentre Group, Stockland and Vicinity Centres.

#### 5 CONTACT

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# SHOPPING CENTRE

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## COUNCIL OF AUSTRALIA

21 November 2014

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ACIL Allen Consulting  
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Canberra City ACT 2601

By email: [j.soderbaum@acilallen.com.au](mailto:j.soderbaum@acilallen.com.au)

Dear Mr Soderbaum

### **Review of the Commercial Building Disclosure Program**

Firstly, thank you for the opportunity to meet with you in Canberra on 5 November to discuss the review of the Commercial Building Disclosure (CBD) Program as commissioned by the Federal Department of Industry. Kristin Pryce, our Senior Adviser, also attended the CBD workshop held in Sydney on 10 November.

If needed, we would be very pleased to meet with you again to discuss in more detail the issues and information outlined in this letter.

The Shopping Centre Council of Australia (SCCA) represents Australia's largest owners, managers and developers of shopping centres. Our interest in the CBD review principally rests with the Government's request in the Terms of Reference (un-numbered) for the Reviewer to provide recommendations on 'the lessons for assessing possible extension of mandatory disclosure to other building types'. We understand that this could include advice to Government on whether the CBD scheme could be extended to shopping centres.

The SCCA does not support the extension of CBD to shopping centres.

Given the complexity of the issues that would need to be considered to extend CBD to shopping centres, and the condensed timeframe of this review, we would not expect that you would be in a position to make a definitive recommendation to Government to extend CBD to shopping centres in your final report. In light of this, we respectfully suggest that you consider making the following points in your final report to Government:

1. There is no consensus among stakeholders that there is a policy failure, or a clearly defined policy objective, that calls for the extension of CBD to shopping centres.
2. A 'like for like' translation of CBD from commercial offices to shopping centres is not possible.
3. NABERS for Shopping Centres is still in its relative infancy and further testing and updating is required before consideration is given to having it underpin a national energy efficiency strategy
4. If an extension was to be considered in the future, it would need to be informed by a formal policy development and stakeholder engagement process by Government, including a process of Regulatory Impact Assessment.

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**Leaders in Shopping Centre Advocacy**

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We have already provided you with the submission we lodged with the Department of the Environment on 23 October regarding the Emissions Reduction Fund (ERF) and the related Commercial Building (NABERS) Methodology. We have long been enthusiastic about the opportunity presented by the ERF for our members. Unfortunately, we have had to advise the Department of the Environment that the ERF will be very difficult for our members to take advantage of. This is as a result of what are, in our view, unnecessary prohibitions and compounding barriers to entry under the ERF methodology for commercial buildings. In this regard, we do not think there will be any opportunity for the ERF to interact with a CBD for shopping centres because we think it unlikely that shopping centres will find any material benefit from the ERF.

### **High level information**

At our recent meeting you asked for some information to assist contextualise the shopping centre sector. We are pleased to provide the following overview of the number and size of shopping centres across Australia, and an indication of the number of tenancies they cover. This data includes information on City Centre, Neighbourhood, Sub-regional, Regional, Major Regional and Super Regional centres only (ie. it does not include bulky good and outlet centres).

- There are around 1,580 shopping centres across Australia, of which around 315 (or 20%) have a Gross Lettable Area Retail (GLAR) of greater than 15,000m<sup>2</sup>.
- The 315 largest shopping centres account for around two thirds of total GLAR.
- There are around 60,000 speciality shops (small tenancies) and 2,200 major and mini-major shops (large tenancies) in shopping centres across Australia.
- 60% (or around 36,000) of all small tenancies and 55% (or around 1,200) of all large tenancies are in the 315 largest centres.

You also sought clarification on minimum lease terms as specified in state and territory based retail lease legislation. Most pieces of legislation across Australia prescribe a five year minimum lease term. For tenancies which are not covered by the prevailing retail lease legislation, which generally include larger tenancies such as supermarkets, department stores and discount department stores, lease terms can be upwards of 15 to 20 years.

### **Reasons for opposition**

We have a range of policy and implementation concerns regarding a possible extension of CBD to shopping centres. We made similar points to those following during the 2010 *Mandatory Disclosure Phase Two – Scoping Study Consultation Paper* process, which similarly considered an extension of CBD to shopping centres, and these remain generally unchanged.

The complexity of the issues outlined below illustrates that a 'like for like' translation of CBD from commercial offices to shopping centres is not possible due to the stark differences in built form, regulatory contexts and tenancy profiles. They also demand that, if an extension is considered in the future, a formal policy development and stakeholder engagement process, including a process of Regulatory Impact Assessment, would need to be undertaken by Government.

**Firstly**, there is no proven policy failure or defined policy intent to justify shopping centres being brought within an expanded CBD scheme. At a high level, this is demonstrated in the NABERS 2013/14 Annual Report, which details a 14% increase in the 'average' Star Rating received by rated shopping centres and a corresponding 8% decrease in energy intensity per square metre year to year. The 68 centres which are noted to have received a certified NABERS rating in 2013/14 account for around 22% of all centres which are able to be reliably NABERS rated. This is a reasonable sample size by which to consider the energy efficiency improvements which are occurring at the sophisticated end of the shopping centre sector in the absence of a mandatory requirement for owners to disclose a NABERS rating.

Also, anecdotal feedback from our members is that there is no strong tenant demand for the information provided for through a NABERS rating (and, subsequently, a Building Energy Efficiency Certificate – BEEC). This feedback is consistent with regard to both large tenants and small tenants.

**Secondly**, despite being a supporter of NABERS as a voluntary tool for industry, and welcoming the energy efficiency improvements revealed in the most recent NABERS Annual Report, NABERS for Shopping Centres is still somewhat of a 'work in progress'. The tool has only been in the market for five years, having been launched in December 2009, and it has yet to be refined to reach the relative maturity of NABERS for Offices, which has been available for over 15 years.

The NABERS for Shopping Centre tool was only subject to a significant rule change in 2012 to equalise the treatment of large and small centres under the tool. The NABERS Team in the NSW Office of Environment and Heritage is also currently working on a number of other identified issues with the tool. This includes the preparation of a paper on issues surrounding partial HVAC (heating, ventilating, and air conditioning) servicing in centres. The SCCA has also alerted the NABERS Team to early concerns about the impact of lighting requirements in under cover carparks. In our view, NABERS for Shopping Centres needs more time and refinement before any consideration is given to having it underpin a national energy efficiency strategy.

NABERS for Shopping Centres is also only able to be reliably applied to shopping centres with over 15,000 m<sup>2</sup> GLAR. As outlined previously, only 20% of all shopping centres across Australia have a GLAR greater than 15,000m<sup>2</sup>.

**Thirdly**, shopping centres are different to other buildings, not least because they serve a consumer market, not an employment market. There are also major variances in the built form and configurations between shopping centres which are influenced by, for example, the climate of the centre's location (eg. fully enclosed, semi-enclosed, open air). There are also a number of different approaches to parking provision (eg. underground, at-grade, multi-deck).

Shopping centres also have comparatively large numbers of tenants, and the size of tenancies are much smaller, than is typical in a commercial office. By way of illustration, in the approx. 315 centres across Australia with a GLAR greater than 15,000m<sup>2</sup>, there are over 36,000 specialty stores (up to around 400m<sup>2</sup>) and over 1,200 mini-major (greater than 400m<sup>2</sup>) and major tenants (greater than 1,000m<sup>2</sup>). Australia's largest shopping centres have over 400 specialty stores, and up to around 10 major tenants.

**Fourthly**, the various pieces of retail lease legislation which exist at the state and territory level govern nearly every aspect of the negotiations and agreements between a shopping centre landlord, tenants and prospective tenants, including the assignment of leases.

This includes (not exhaustive):

- regulating what information must be provided to a prospective tenant in the form of a disclosure statement, the time frames within which it must be provided in the context of a lease negotiation, and penalties for providing incorrect information in a disclosure statement (for example, the potential invalidation of a lease),
- how and when a landlord can go about advertising space in their shopping centre if there is a sitting tenant (for example, they restrict a landlord from soliciting interest from the market in leasing a tenancy in deference to a sitting tenant),
- what costs a landlord can and can't recoup from a tenant as outgoings (for example, capital works on a building to improve energy efficiency cannot be recouped from tenants), and
- how retail lease disputes are able to be progressed, including the roles of the various Small Business Commissioners and civil and administrative tribunals around Australia.

It is not clear how an extended CBD scheme would exist within the framework of each state and territory's retail lease legislation and whether or not amendments to these pieces of legislation would be necessary to see an extended CBD scheme implemented. Certainly, it would not be possible to extend CBD in a 'like for like' sense to shopping centres in the context of the regulatory framework described above. In the absence of a model piece of retail lease legislation which applies across all jurisdictions (as per the approach taken regarding workplace health and safety legislation) an approach of amending state and territory based legislation could also take several years to negotiate.

The alternative approach of applying a new, additional layer of Federal regulation would lead to a red tape nightmare of double disclosure and the creation of another avenue for dispute between landlords and tenants, with, potentially, associated dispute resolution and penalty frameworks. This would come with additional resourcing costs for both Government and landlords.

In addition to the above, some businesses in the common areas of shopping centres are protected by the Casual Mall Licensing Code, not the prevailing retail lease legislation. This means there is no 'tenancy', as such. A potential overlap between CBD and the Casual Mall Licensing Code throws up another series of questions that would need to be resolved.

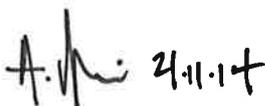
### **Members and contact details**

The SCCA's members are Australia's major owners, managers and developers of shopping centres. They are AMP Capital Investors, Brookfield Office Properties, Blackstone Group, Charter Hall Retail REIT, DEXUS Property Group, Eureka Funds Management, Federation Centres, GPT Group, ISPT, Ipoh Management Services, Jen Retail Properties, JLL, Lancini Group, Lend Lease, McConaghy Group, McConaghy Properties, Mirvac, Novion Property Group (formerly CFS Retail Property Trust Group), Perron Group, Precision Group, QIC, Savills, Stockland and Scentre Group (formerly the Westfield Group and Westfield Retail Trust).

We would be very pleased to meet with you again if you think it would be helpful to further inform the review process.

If you have any questions, please contact Kristin Pryce, Senior Adviser, on 02 9033 1941.

Yours sincerely,

Handwritten signature of Angus Nardi, dated 2.11.14.

Angus Nardi  
**Executive Director**