



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

Thursday 2 May 2013

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VIC GOVT SLUGS COMMERCIAL PROPERTY INVESTORS TO FUND FIRE SERVICES

Despite government spin about a 'fairer way' to fund Victoria's fire and emergency services levy, the Victorian Government has decided large commercial property owners will pay more than their fair share. Today's announcement of the levy rates to apply (from 1 July) under the new 'property based fire services levy' places a disproportionate burden on the owners of high value shopping centres and commercial offices. These property owners are generally people saving for, or living out, their retirement. The Government's trumpeting of reductions in the indicative rates announced last August ([Shop Talk 30/8/12](#)) are basically the result of increased land values; reductions in the budgets of the County Fire Authority (CFA) and Metropolitan Fire Brigade (MFB); and an increase in the number of impacted properties. These shopping centres and their tenants will still be paying substantially more to fund the State's fire services levy, despite the fact that these have very few incidents of fire and invest heavily in fire suppression systems.

The Shopping Centre Council did not oppose the transition from an insurance-based fire levy to a property-based levy because it makes no economic sense to tax those who are prudent and fully insure their properties. We provided the Government with detailed modeling showing how a ceiling could be applied to the proposed levy which would distribute the burden more fairly across all property classes. This ceiling could be achieved by either a minor increase across all rates or at very little cost (\$16.7 million) to the Victorian budget. The Government has ignored this modelling, even though the legislation permits a ceiling. Instead the Government has gone out of its way to minimise the burden on residential properties and motor vehicle owners (i.e. rate payers), while slugging investors in superannuation funds, as well as hitting retail and office tenants. In doing so, the Government has put votes ahead of jobs.

VICTORIAN RETAIL LEASES REGULATIONS 2013 ARE NOW IN OPERATION

The Victorian [Retail Leases Regulations 2013](#) came into operation on 22 April ([Shop Talk 18/4/13](#)). It is important that lessors are aware that what is now the 'old' disclosure statement, which was only introduced in 2011, can continue to be used until 22 July 2013. Lessors also need to be aware that the new disclosure statements strengthen the obligations on landlords to disclose information to tenants about planned alteration works in the area around the retail premise and/or shopping centre "including surrounding roads, during the term or any further term or terms" (see Part 7, Item 17.1 of Schedule 2, which is the shopping centre disclosure statement). Lessors also need to be aware that Victoria now joins NSW and Queensland in requiring a disclosure statement to be used when a lease is assigned (Schedule 4) and this is also required to be signed by the landlord.

UPDATE ON PROPOSED NATIONAL LICENSE FOR REAL ESTATE AGENTS

For some time we have been awaiting the *Decision Regulation Impact Statement: Proposal for national licensing for property occupations*. This includes real estate agents. This follows the extensive consultation last year on the *Consultation Regulation Impact Statement* ([Shop Talk 15/11/12](#), [18/10/12](#) & [18/9/12](#)). The Decision RIS is currently with the Commonwealth Office of Best Practice Regulation for approval. The recent meeting of the Council of Australian Governments (COAG), however, agreed to requests by some States for additional consultation once the Decision RIS is made public. Strangely this further consultation will not be conducted by the National Occupational Licensing Authority (NOLA) but by state authorities. COAG agreed, however, to work towards a final decision on national licensing by the end of 2013 with the new national occupational licensing system commencing in 2014.