

Media Release

2 May 2013

VICTORIAN FIRE SERVICES LEVY

The Shopping Centre Council of Australia (SCCA), which represents Australia's largest owners and managers of shopping centres, has criticised the Victorian Government's announcement of the *Fire Services Property Levy* rates today.

"The Victorian Government has missed an opportunity to introduce a fair levy framework on the commercial property sector", said Angus Nardi, Deputy Director, SCCA.

"Treasurer O'Brien said he's removing unfair 'tax on tax' arrangements under the current system, but he's imposing unfair levy arrangements on high valued, low fire risk, commercial properties".

"We acknowledge the rates are lower than those indicated in August last year – and that some smaller shopping centres will face negligible increases - but some of our members and their retailers will still face large increases under the new regime".

"It's the high valued properties that are being gouged".

"We've said since day one that using a Capital Improved Value (CIV) basis for the levy will hit highly improved properties the hardest. This is despite the fact that they are low fire risk and have invested heavily in fire suppression systems".

"That's just on today's CIV. This burden could increase through future investment and redevelopment where the Valuer-General issues new CIVs as part of either a general revaluation or supplementary valuation".

"Our members also have a multi-billion development pipeline across Victoria, which directly increases the CIV of these centres. This levy will tax that investment".

"The use of CIV compounds the Government's mistake in exempting motor vehicles, including commercial vehicles, from the levy base – even though motor vehicles account for around 10% of call-outs."

"We provided detailed modelling and recommendations on a ceiling framework to ensure that high-valued properties aren't heavily penalised."

"For one of our member's centres, the current contribution of around \$200,000 will increase to \$535,000; a 167% increase. The saving of \$170,000 from the implied rates published in August last year will provide little comfort to the investors in this centre".

"At this level, these rates will be a deterrent to future investment".

"The Government's legislation gives the Treasurer the ability to introduce a ceiling."

"We urge Treasurer O'Brien to seriously look at our cap recommendations to ensure a fair approach for high valued properties".

"We will closely scrutinise next week's State Budget as we have preliminary concerns the levy will collect more than is needed to meet the MFB and CFA budgets".

Contact: Angus Nardi, 0408 079 184

Case studies:

Case Studies - Fire Services Levy

	Existing	Proposed	Announced	Variation
	Total FSL	August 2012	May 2013	From Existing
Shopping Centres		Rates	Rates	to Announced
				May 2013
Regional	\$200,353	\$706,079	\$535,448	167.3%
Sub-Regional	\$111,678	\$228,510	\$178,348	59.7%
Neighbourhood	\$25,176	\$32,481	\$25,489	1.2%