

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

THURSDAY 3 DECEMBER 2015

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'INNOVATIVE' INFRASTRUCTURE FUNDING NEEDS CALM HEADS AND CRITICAL ANALYSIS

There have been calls from various camps for Governments to consider 'innovative' and 'creative' ways to finance infrastructure in Australia. 'Value capture' is the phrase *du jour*, followed closely by catchy terms like (value) 'sharing' and 'uplift' and references to overseas models. This fervor is being led from the top with the Prime Minister, Malcolm Turnbull, lending his voice to the calls for new approaches to infrastructure funding to be considered. At least four jurisdictions are actively contemplating 'value capture' as a financing mechanism. We have serious reservations about the premise of this policy discussion. While various models exist, 'value capture' can come with a huge sting in the tail and can amount to double or triple-dipping. We've witnessed this first hand, including where a Government sought a multi-million dollar contribution based on questionable valuation assumptions. As this debate progresses, stakeholders need to think critically about 'value capture' as part of the broader property tax and valuation picture. The discussion does not acknowledge the considerable value already captured from commercial property owners via land-based taxes (which are based on statutory land values) and from development contributions. It doesn't consider the value created by some properties which benefit nearby properties and seems to assume that there is a methodology which can accurately isolate and quantify an increase in value directly attributable to the delivery of infrastructure, to the exclusion of other factors which impact value. The discussion is also blind to the considerable contribution that shopping centre owners make to their communities through active asset management and redevelopment activities and the role shopping centres play as hubs of employment, recreation and tax generation (including GST from retail sales). It also ignores circumstances where asset values may have been constrained overtime by poor or long delayed infrastructure provision by Government. We remain skeptical and are advanced on preparing a submission to share with Australia's governments.

PLANNING BILLS HAVE BEEN TABLED IN THE QUEENSLAND PARLIAMENT

The Queensland Government has tabled the *Planning Bill 2015*, and related Bills, into Parliament. This follows the Opposition also tabling a planning reform Bill, which largely mirrored a Bill introduced by the then Government before the last election. All Bills are now subject to the [examination](#) of the Infrastructure, Planning and Natural Resources Committee, which is expected to report in March 2016 (*Shop Talk* [28/5/15](#) & [11/6/15](#)). The Government has also [released](#) draft supporting material for consultation, including draft regulations and plan making rules. These will be on exhibition until 5 February 2016.

SHOPPING CENTRE COUNCIL DONATES \$10,000 TO CHARITIES AND COMMUNITY ASSOCIATIONS

Five Australian and New Zealand charities and community groups have financially benefited from the 2015 Shopping Centre Council of Australia Marketing Awards. The SCCA's Board of Directors earlier this year decided to donate an amount of \$2,500 to the relevant charities and community groups which were nominated in the winning 'Community' marketing campaigns in each of the Mini Guns, Little Guns, Big Guns and Multi Centre categories. This will now be an annual feature of the Marketing Awards. The SCCA is now in the process of donating \$2,500 to the Rockhampton SES, RSA National Poppy Fund and HoMie (Melbourne Central) along with \$1,250 to both Baldivis Volunteer Bush Fire Brigade and Baldivis Children's Forest, who were jointly nominated in one winning campaign. Congratulations to the teams at Charter Hall's Allenstown Square (Rockhampton), Stockland Baldivis (Baldivis, WA) and GPT's Melbourne Central for their individual efforts, which have generated further financial assistance to four Australian community groups. Congratulations also to AMP Capital's shopping centres in New Zealand (Botany Town Centre, Bayfair Shopping Centre and The Palms Shopping Centre) for their winning community project in New Zealand.

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