

SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

FRIDAY 10 MARCH 2017

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NSW FIRE AND EMERGENCY SERVICES LEVY BILL TABLED IN PARLIAMENT

The NSW Treasurer, Dominic Perrottet, this week tabled in the Parliament a [Bill](#) to establish an unimproved land value-based Fire and Emergency Services Levy (FESL) in NSW. Subject to the passage of the Bill through the Parliament, this levy will replace the existing insurance-based Emergency Services Levy from 1 July 2017. The proposed new levy will have two components: 1) a fixed charge (which is \$200 for commercial property) and 2) an ad valorem rate which will be calculated by applying the relevant rate to the unimproved land value of the leviable property. The applicable rates, including that for the 'commercial property' land classification, will not be known until the end of April, the release of which is purported to be tied to the timing of budget setting for NSW's emergency services agencies and the land valuation cycle. The Treasurer's [media release](#) issued to accompany the tabling of the Bill notes that "owners of residential and public benefit land will pay lower rates", presumably relative to, for example, commercial property owners. The NSW Government announced this reform in December 2015 ([Shop Talk 10/12/15](#)) and, throughout 2016, the Shopping Centre Council engaged directly with NSW Treasury to provide data on the impost of the current levy on shopping centre owners, and to offer recommendations on the application of the new levy to shopping centres. In his speech to the Parliament, Treasurer Perrottet noted that the contribution made by the various land classifications (i.e. the amount of money recouped per property sector) will remain unchanged between the current insurance-based levy and the proposed land value-based levy. Under the proposed levy, local government will become the 'collection agent', with the FESL to be a "a separate line item on council rates notices". The introduction of the new levy should coincide with a reduction in insurance costs, including for commercial property. An [Insurance Monitor](#) have been appointed by the Government to ensure that insurance savings are passed on ([Shop Talk 23/6/16](#)).

LATEST ABS RETAIL TRADE FIGURES INDICATE STRONG REBOUND IN JANUARY 2017

The latest release (January 2017) of the monthly ABS Retail Trade data indicates that the overall month-on-month (m-o-m) trend estimate grew by 0.2 per cent, slightly down from 0.3 per cent in the prior corresponding period (pcp). Also in trend terms, retail turnover increased by 3.2 per cent year-on-year (y-o-y), for the third consecutive period. However, in seasonally adjusted terms, retail turnover increased by 0.4 per cent (equating to an additional \$114 million in spending m-o-m) in the month of January 2017, a significant turnaround from -0.1 per cent in the pcp. On a y-o-y basis retail turnover increased by 3.1 per cent in January 2017, up from 3.0 per cent in the pcp. The strongest jurisdictions in seasonally adjusted terms were the ACT (up 6.1 per cent to \$5.6 billion) followed by New South Wales (up 4.1 per cent to \$97.9 billion) and Victoria (up 4.0 per cent to \$76.5 billion). The weakest state was Western Australia (up 0.7 per cent to \$34.0 billion). The ACT and Victoria were the only jurisdictions to record positive growth across all six ABS categories. 'Cafes, restaurants and takeaway food services' retailing was the strongest growing category for South Australia (up 11.4 per cent), Tasmania (up 9.1 per cent) and Victoria (up 7.3 per cent). 'Department stores' retailing was the weakest performing category in Western Australia, South Australia, New South Wales and the ACT.

NATIONAL RETAIL ASSOCIATION STATE OF THE RETAIL NATION

State of the Retail Nation is a new quarterly forum series hosted by the National Retail Association. Forums will be held in Brisbane, Sydney, Melbourne, and online. Each forum will provide an update of current issues in the retail industry and give participants the chance to ask questions of sector experts. The events will be held in Melbourne on 27 March, Brisbane 28 March, Sydney 29 March and an online webinar will be held on 28 March. More information and registration details can be found [here](#).

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