



SHOP TALK

ISSUES AND NEWS AFFECTING THE AUSTRALIAN SHOPPING CENTRE INDUSTRY

SHOPPING CENTRE
COUNCIL OF AUSTRALIA

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[Archive](#)

SCCA SUBMISSION TO THE PRODUCTIVITY COMMISSION RETAIL INDUSTRY INQUIRY

The Shopping Centre Council has lodged a [first submission](#) to the Productivity Commission Inquiry into the Economic Structure and Performance of the Australian Retail Industry ([Shop Talk 23/12/10 & 7/4/11](#)). This submission provides an overview of the shopping centre industry in Australia and the role it has played in fostering the retail industry. The submission also addresses the various regulatory issues which the Productivity Commission raised in its [Issues Paper](#). A second submission will specifically address the contentious issue of the low value importation threshold for GST purposes.

Our submission dispels some of the myths about the shopping centre industry in Australia, which has proved to be a great incubator for retailing in this country. First, and contrary to common perception, the shopping centre industry does not dominate the retailing industry in Australia; nor do regional shopping centres (the largest shopping centres) dominate the shopping centre industry. Second, it shows that while occupancy cost ratios have risen over the past few years (as retail sales have stalled), these have been remarkably stable over time. Third, it shows that occupancy cost ratios, considered in the context of retailers' profitability, are sustainable but can be expected to fall again when retail sales rebound. Fourth, it demonstrates that although occupancy cost ratios in Australian shopping centres are higher than in US shopping centres (although not by as much as is commonly claimed), Australian centres achieve very high sales productivity (i.e. sales per square metre of retail space) by world standards. In fact, the sales productivity of Australian shopping centres is nearly double that of US shopping centres. Fifth, the ownership of shopping centres is widely held – claims of an oligopoly are simply lazy and absurd – and shopping centre owners compete fiercely with each other for retailers and for customers.

VIC GOVERNMENT ANNOUNCES REVIEW OF DEVELOPMENT CONTRIBUTION PLANS

The Victorian Government has [announced](#) its intention to reform Development Contribution Plans (DCPs) in Victoria. Planning Minister, Matthew Guy, has established a stakeholder reference group to provide advice on a new system with the intention of implementing reforms in early 2012. Mr Guy said the new development contributions system would establish a range of standard schedules for different development settings, such as growth areas, regional cities, urban development areas etc; provide consistent and transparent development contributions for different categories of land use; and enable councils to tailor local schedules.

PROPERTY COUNCIL RETAIL CONFERENCE WILL BE HELD IN PERTH ON 22 JUNE

The Property Council, Western Australia, will hold a one-day Retail Property Conference on 22 June in Perth. This will cover a range of topics including online shopping; maintaining the relevance of shopping centres; and new planning requirements. Click [here](#) for further details and to register.

SMARTER WORKSHOPS FOR RETAILERS TO BE HELD IN PERTH IN JUNE

The Retail Traders Association of WA has a Smarter Workshop series for retailers. These half-day workshops, in Perth, commence on 14 June and will cover a range of important issues for retailers. Further details and registration are [here](#).

LEASING FUNDAMENTALS COURSE IN MELBOURNE ON 21-22 JUNE

The Property Council, Victoria, will run a two-day course in Melbourne on Leasing Fundamentals, which will also be of interest to shopping centre staff, on 21-22 June. Click [here](#) to register.