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MEDIA STATEMENT

Shopping Centre industry direct financial support for retailers reaches \$1.6 billion

Data released today by the Shopping Centre Council of Australia (SCCA) demonstrates the value of rental assistance extended to small and medium (SME) sized and non-SME businesses to carry them through COVID-19 related shutdowns amounts to \$1.6 billion nation-wide.

SCCA Executive Director Angus Nardi said: "The Council is releasing this data today to demonstrate the real dollar value of assistance that our members have provided to helping our SME and non-SME retailers, including under the *Commercial Tenancies Code of Conduct*. This is a direct financial contribution from our members to their retailers," Mr Nardi said.

"The \$1.6 billion value of rental assistance is almost certainly the largest private sector commitment to helping small business, which is unlike deferrals of interest or repayments on loans," Mr Nardi said.

The largest level of rental assistance has been to cafes and restaurants, followed by retail services such as hairdressers, beauty salons and nail bars. These are sectors that have been heavily impacted by government restrictions, and are often 'small' SMEs such as 'mum and dad' businesses.

Mr Nardi said the \$1.6 billion in rent relief was a larger financial contribution than the land tax concession schemes introduced by State Governments.

"Our industry has provided substantial rental assistance to both SME and non-SME retailers, however we are unable to continue to shoulder that assistance, and for that reason, are not in a position to support the Code of Conduct's extension where the cost of doing so falls exclusively on shopping centre owners," Mr Nardi said.

"We have strived to strike a balance between helping those who need it while at the same time confronting our own financial pressures in the face of ongoing disruptions to regular trading to protect public health.

"Unlike others, our sector stands alone in having regulation require us to provide direct financial assistance to third parties, which must be financed from our own resources, which are now exhausted.

"Our industry remains committed to working closely and co-operatively with our SME partners, particularly 'small' SMEs (e.g. with turnover of up to \$5 million), in the spirit for which the SCCA conceived the Code of Conduct in the first place with key retailer groups and well ahead of any government intervention.

"It is in our commercial interests as well as the broader economy that SMEs have longevity within our centres as they provide products and services our customers want and support local jobs."

Mr Nardi said all members of the SCCA were committed to continuing to work with SME retailers, particularly 'small' SMEs, in the spirit which the SCCA conceived and developed the Code with key retailer group and ahead of any government intervention.

"The SCCA conceived the Code of Conduct with key retailer groups, and government should take confidence that the industry can and will continue to work together, similar to our long-term successful industry Code for Casual Mall Licensing and which is chaired by former Australian Small Business Commissioner, Mark Brennan.

"We have proven our ability to manage a very complex range of negotiations on a case-by-case basis and our data demonstrates where the greatest need is for future government support for SMEs in the retail sector."

Mr Nardi said all members of the SCCA are committed to working with Governments to support jobs and ensure that both centre owners and retailers can mutually benefit from a return to normal trading.

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Attachment: SCCA Briefing Paper