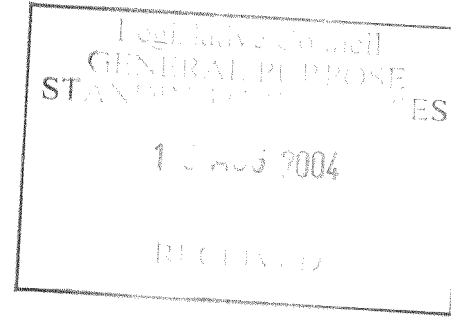


**INQUIRY INTO THE APPROVAL OF THE DESIGNER
OUTLETS CENTER - LIVERPOOL**

Organisation: Seres Australia Pty Ltd
Name: Mr Larry Musolino
Position: Director
Telephone: 02 9666 3300
Date Received: 10/08/2004

Subject: Tenant, Shops: Street XS & Nine Months

Summary



5 August 2004

The Director
General Purpose Standing
Committee No 4
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Sir/Madam,

Re:- Closure of Designer Outlets Centre – OrangeGrove Road, Liverpool.

Seres Australia Pty Ltd in August 2003 agreed to terms with Gazcorp Pty Limited to occupy 2 store locations:-

Tenancy No 44B - Street XS – Surf, Streetwear, Casual Clothing
Tenancy No 12 - Nine Months – Maternity Clothing

Our organization has been a wholesaler and retailer of casual clothing for nearly 12 years.

Predominately our core business is wholesaling, but in the last 5 years our company has expanded into retail operations.

In the early years of operating retail stores we had dealings with the Westfield Shopping Centres. Westfield's Shopping Centre's did not suit our style of business and given the large outlays and restrictions imposed by the Westfield group it became almost impossible to maintain a profitable retail outlet.

In the year 2000 a new shopping centre opened in Homebush NSW – Direct Factory Outlets. This centre promoted a more reasonable outlay for a retailer to setup a store and provide small businesses like my own an opportunity to retail with lower overheads.

Our company leased a store in this centre and has enjoyed great success.

The reason for the success is very simple. This style of retail shopping centre aims to attract small businesses who cannot operate in a large scale Westfield's and can offer the consumers a less superior brand of product at a cheaper price.

It is very clear that Westfield's and Factory Outlet Centres attract different clientele.

This style of retailing has been ongoing for generations, not only in the clothing textile and footwear industries but numerous other sectors.

So when Gazcorp Pty Limited planned to develop a Factory Outlet Style shopping centre in a largely growing regional part of the outer west of Sydney, it seemed logical our company would investigate the options for further expansion.

The outer west of Sydney has suffered the highest unemployment figures and crime rates of Sydney Metropolitan areas. This is largely due to the lack of opportunity within this region.

Gazcorp Pty Limited offered opportunities to this region, by way of employment not only within the shopping centre but also in the construction and development of the mere land this centre was created upon.

This development created opportunities, community resolve and more importantly an identity for this region.

In my dealings as a small business, it is very unfortunate that we have invested a substantial amount of capital towards shop fit outs, inventory, marketing, and employment recruitment.

To give an approximation, we have invested over \$ 200,000.00 into this shopping centre.

The decision to close this centre down on the 25 August 2004 will mean a number of things for my organization.

- 1) I will be in debt for over \$150,000.00 without an income stream to support such debt.
- 2) I will have to terminate the services of approximately 12 retail staff members.
- 3) I may be in a unfortunate position that this centre closure may in fact entirely close my business operations down, as our bankers are now nervous with regards to the outstanding debt. Should this occur I stand



to lose my entire income and will need to terminate the employment of another 20 odd staff members.

Even if a solution exists to find a suitable nearby location, I could not afford to relocate and pay additional capital for another 2 store fit outs.

In summary, I cannot comment on the validity of the approval process of the shopping centre, but what I can clearly ascertain is that if this shopping centre does not remain open I will incur financial hardship.

I would propose some consideration be given for the centre to remain open till 31 December 2004 to enable retailers like myself to enjoy the traditional Christmas trading period and hope to recover some lost capital.

This would make our Christmas far more enjoyable and would give some financial security to many employees who will suffer unemployment from the centre closure.

Government Departments whether Federal or State are often quick to react to the need of circumstances pertaining to economic loss. This has been recently witnessed with its attempts to assist areas of drought, bushfires and large corporate closures.

All I am proposing is for the State Government to provide some temporary relief for business owners and employees to have income till the period of 31 December 2004 by granting a further extension for the centre to remain open.

I would be available for further clarification or attendance at any hearings to help encourage an extension or more importantly a lifeline.

Yours sincerely,
Seres Australia Pty Ltd

A handwritten signature in black ink, appearing to read 'Larry Musolino', written over a faint, stylized graphic element.

Larry Musolino
Director