

Email to:

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Re: Report on Statutory Review Retail Shop Leases Act 1994 (November 2014) Retail Shop Leases Amendment Bill 2014 Final Submissions

The Australian Retailers Association (ARA) writes to support aspects of the submission put forward by Phil Chapman from Lease1, the ARA and Lease1 work closely on all aspects of retail leasing in Queensland with Mr Chapman taking the lead role for Australia's largest retail organisation in this State.

We would like to reference Attachment 4 of the Statutory Report – Review outcome for the options on which no Reference Group consensus.

And in the particular on page 5 – Definition of 'Turnover' – special provision for Pharmacies.

The report states that the option to amend the definition of turnover (section 9(2)) has not progressed as there was not predominant reference group support.

It should be noted that the community Pharmacy sector is the largest single retail/Lessee Channel in Queensland with some 1088 sites.

Although the representatives of the Landlord's did not support change the predominant comment from the Australian Property Institute needs to be revisited.

"API: Lack of Consistency in pharmacy sales reporting can cause difficulties for Valuers in rent review process. Clarification in the Act may assist."

Noting the depth of the Pharmacy Channel and the long term effects such difficulties may cause through the inconsistencies in the definition of sales, change is prudent.

Clarification of this definition will ensure transparency and consistency when Specialist Retail Valuers are determining Market Rent for Pharmacies.

The ARA not only supports the Pharmacy Guild in their position but also the large national pharmacy groups who are ARA members are also effected.

Further there remains the precedent in Section 9 (2) Meaning of Turnover paragraph (l) which was introduced to clarify the definition of sales for Newsagencies. Resulting in the removal of lotteries and soft gambling sales being excluded (less commissions) from the reportable sales figures.

Such a change to the definitions under section 9 (2) will not introduce increased red tape, will not cost the government and will not change the market review process.

The change, however, will remove the inconsistencies in how Pharmacy sales are reported and analysed, will reduce the opportunity for market rental to be distorted and will promote transparency across the sector.

The Pharmacy Guild of Australia will be further seeking that this definition be adopted across other stated and Territory reviews (noting NSW review due in 2014 S.A. review pending announcement for 2014)

The amendment sought for inclusion in the Retail Shop Leases Amendment Bill 2014 is as follows.

Amend section 9 Meaning of Turnover clause (2) after paragraph (l) insert new paragraph (m).

(m) amounts received in relation to and associated with the Health Act 1953 (Cth), in particular the pharmaceutical benefits scheme.

From the prospective of both sides of the Retail Property (Lease) Industry this definition engrossed in the Retail Shop Leases Amendment Bill 2016 will afford the industry the Opportunity to remove the inconsistencies in Sales reporting for Pharmacies which result in inconsistent and damaging benchmark reporting.

Thus aligning occupancy cost and other real estate bench marking analysis with industry practices and appropriate and accurate outcomes.

Noting that there is no future review time frames for the Retail Shop Leases Act QLD to not include this definition will disenfranchise the Pharmacy Chanel now and well into the future.

Prior to making a decision on this submission the stakeholders seek consultation.

Kind regards,



Russell Zimmerman
Executive Director
Australian Retailers Association