



Via Email: attorney@ministerial.qld.gov.au

**Re: Report on Statutory Review
Retail Shop Leases Act 1994 (November 2014)
Retail Shop Leases Amendment Bill 2015
Final Submissions**

Dear Attorney General,

We refer to the abovementioned Report: we are pleased to take the opportunity to provide submissions to the Bill.

With reference to Attachment 4 of the Statutory Report – Review outcome for the options on which no Reference Group consensus (in particular, page 5 – Definition of ‘Turnover’ – special provision for Pharmacies): we note that 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.

We draw your attention to the fact that the community Pharmacy sector is the largest single retail/Lessee channel in Queensland with some 1088 sites, and although the representatives of the Landlord’s did not support change, the predominant comment from the Australian Property Institute needs to be revisited.

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

Taking into account the size of the Pharmacy cohort as far as this Act applies, and the long term effects such difficulties may cause through the inconsistencies in the definition of sales, we submit that a change in the wording of the Act that delivers consistency is prudent.

We believe very strongly that clarification of this definition will ensure transparency and consistency when Specialist Retail Valuers are determining Market Rent for Pharmacies.

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. This clause had the effect of removing the gross turnover derived from the sales of Lotto and other soft gambling products, on which a commission or fee is paid to the vendor being excluded from the reportable sales figures (only the commissions/fees are reportable).

We submit that such a change to the definitions under section 9 (2) will not introduce increased red tape, will not add to the costs of government, and will not change the market review process except to add clarity.

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.

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I can advise that, as a national body, 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 2015, in addition to the S.A. pending review announcement for 2015)

The amendment we seek 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 perspective of both sides of the Retail Property (Lease) Industry, having this definition incorporated in the *Retail Shop Leases Amendment Bill 2015* will afford the industry the opportunity to remove the inconsistencies in Sales reporting for Pharmacies which result in inconsistent and damaging benchmark reporting.

This will align occupancy cost and other real estate bench marking analysis with industry practices and appropriate and accurate outcomes. We note that there is no future review time frames for the Retail Shop Leases Act QLD, and submit that to not include this definition will disenfranchise the Pharmacy channel now and well into the future.

Prior to making a decision on this submission the Pharmacy Guild of Queensland would seek the opportunity to be consulted on such an important issue.

I would be delighted to discuss this submission further.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tim Logan', with a long horizontal flourish extending to the right.

Tim Logan
Queensland Branch President