




Speech By
Ray Stevens

MEMBER FOR MERMAID BEACH

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RETAIL SHOP LEASES AMENDMENT BILL

 **Mr STEVENS** (Mermaid Beach—LNP) (4.47 pm): I am pleased that you saw me all the way down the back! Thank you, Madam Deputy Speaker.

I rise to speak to the Retail Shop Leases Amendment Bill 2015. As a former small business owner on the Gold Coast for many years, I am pleased to support the passing of this bill. As previously addressed by the LNP Retail Shop Leases Amendment Bill 2014, this bill will ensure the statutory review of the Retail Shop Leases Act 1994 will continue to provide a framework for addressing the imbalance in the negotiating power and access to information between the major shopping centres and their smaller retail tenants. The Retail Shop Leases Amendment Bill 2014 was the product of many hours of community consultation and the establishment of a reference group of key retail sector and professional stakeholders, providing industry and technical input from the perspective of retail businesses operating in Queensland.

My own history in small trading on the Gold Coast started with the then Pacific Fair, which was, and still is to a degree, owned by AMP. It was 27,000 square metres when I started. I bought a lease in there and went through all the pain. Then the Retail Shop Leases Act protected smaller traders from the heavy hand of the operators. I am very pleased that that is continuing through this particular piece of legislation.

I moved to the Paradise Centre after that and underwent some pretty heavy—you cannot call it bullying—negotiation with the landlords at that time and remember arguing over market rentals and those sorts of things. This legislation is proper and fair to address those many issues that smaller traders have battling with the big operatives today with billions of dollars to spend. With this legislation's original precursor in 1983, I have witnessed the benefits that attention in this area has achieved and I thank the Legal Affairs and Community Safety Committee and the shadow Attorney-General, Ian Walker, for the effort they have put in to considering and supporting this bill.

Further, with the changes recommended by the committee, this is a bill that benefits and protects both of the affected parties, allowing flexibility to proceed with leasing without delay—that is very important for the business community—while simultaneously providing sitting tenants information to ensure that they are aware of matters that may seriously affect the viability of their ongoing businesses—a change that will be of particular importance to my electorate of Mermaid Beach in the future as long-term proposed redevelopments and transport projects such as the southern Gold Coast Light Rail extension are considered. Particularly in major shopping centres that could be undergoing a refurbishment situation, this bill enhances the protections of the small business owner tenant by ensuring the lessee is only liable to refurbish the leased shop during the lease term where the lease gives sufficient details of the nature, extent and timing of the required refurbishment whilst allowing for protection of the lessor by providing a provision to limit the lessee's compensation claim for some specific business disturbances as notified by the lessor.

As I am sure many of my fellow Gold Coast MPs are aware, Pacific Fair is one of the major shopping centres that is currently undergoing a large long-term redevelopment on the Gold Coast—in the order of \$700 million for the refurbishment and it is an absolute—

Miss Barton: I bought my Mother's Day present there.

Mr STEVENS: I take the interjection from the member for Broadwater; that is exactly where she got her Mother's Day present. It is continuously going in different areas and it is a magnificent expansion. It is a wonderful fillip for the Gold Coast economy. It is providing an enormous amount of employment for the area. Along with the redevelopment of Jupiters Casino, which is worth \$300 million or \$400 million, there is over \$1 billion going into that central area on the Gold Coast that I share with the member for Surfers Paradise—well, prior to the redistribution anyway, at this point in time. It is a magnificent way to see the economy moving along on the Gold Coast through these fabulous redevelopments. Just a couple of years ago Robina Town Centre spent about \$300 million on the upgrade of its shopping centre. It is absolutely magnificent infrastructure on the Gold Coast. Today it is probably the most popular centre, although undoubtedly Pacific Fair will challenge for that title when it opens completely.

These upgrades are continuing. I have watched Pacific Fair grow from 27,000 square metres to its next expansion of about 44,000 square metres and then 78,000 square metres. I think it is somewhere around 160,000 square metres of shopping now. Those tenants are vitally affected. Some of the tactics in the past by shopping centre operatives have not been that pleasant for small tenants to deal with. As a matter of fact, I recall looking at the conditions required to re-enter Pacific Fair a number of years ago and they were quite onerous and really unfair on the tenants. This will give tenants a lot more security in going forward with their own small business.

As many speakers have said, small business is the backbone of our community, particularly the Gold Coast community. It employs many people and it needs to get a fair go from the big operatives. We have seen what happens when the big operatives go recklessly into the economy—like Masters taking on Bunnings. That is a classic example of a bad retailing exercise where the big boys thought they would bully their way into the market and take it over but have crashed and burned. To have these protections for the backbone of the economy—the small business economy—is a wonderful addition to the legislation put through this House.

On that note, I am pleased to see that the bill extends the current provision to exclude all leases with a floor area greater than 1,000 square metres, which is a very large building. I remember having one leased area of about 400 square metres and that was an enormous building. The Nerang Petbarn was mine. I established that on the Gold Coast many years ago and it is now a nationwide franchise right across Australia.

Tenants are predominantly sophisticated when they have floor space of over 1,000 square metres and do not require the protection of the act. The bill also simplifies the waiver of the lessor disclosure period and implied rent provisions by a lessee with five or more retail shops in Australia, commonly called a chain. By providing these provisions the bill allows for greater attention to be given to the smaller retail lessors, facilitating more time for the lessor and the lessee to meet minimum standards for retail shop leases and providing a low-cost dispute resolution process for any tenancy disputes.

On that particular matter, I can remember complaining about the market review of my rent which was totally correct when they wanted to try to double it. Unfortunately though, one of the big chains came in and paid double the rent for a small shop and my challenge to that was over. I am glad to see that that has been put into the legislation. Dispute resolution is an unfortunate part of business dealings that requires good communication between both parties. It should also be noted that provisions in this bill allow for general improvements to lessor and lessee communication by clarifying the accounting and reporting obligations by lessors to lessees for promotion or advertising and sinking fund contributions, augmenting the understanding an envisioned tenant can achieve, while allowing for a provision for the lessor to recover lease preparation costs where the lease has been negotiated but not proceeding with the final lease after instructing it to be prepared.

In closing, this bill is primarily a reintroduction of the LNP Retail Shop Leases Amendment Bill 2014 that lapsed at the end of the previous parliament and allows for the ensured confidence and continued protection of both the smaller retailers and lessors in retail tenancy dealings. I certainly commend the bill to the House as it allows for security of tenure, improved precontractual disclosure and improved transparency in fees and marketing costs whilst allowing the lessor exclusions on sophisticated transactions for areas greater than 1,000 square metres, certain exemptions from compensation and from trading losses in the case of an emergency situation. I certainly support the approval of the Retail Shop Leases Amendment Bill 2015.