

Question on Notice
No. 1048
Asked on 8 June 2006

MRS J CUNNINGHAM asked the Minister for Small Business, Information Technology Policy and Multicultural Affairs (MR CUMMINS) —

QUESTION:

Will he outline the benefits to retail small businesses in my region of the Retail Shop Leases Awareness Sessions being run in Bundaberg?

ANSWER:

I thank the Member for her question and for her strong support for small business within her electorate. The Beattie Government recognises that small business represents 96.5% of all Queensland businesses and employs around 50% of all private sector workers, and as such, this Government is committed to driving economic growth and innovation, developing business and industry and securing employment opportunities for Queenslanders.

Retail tenants and landlords need to have an understanding of the retail leasing framework provided by the *Retail Shop Leases Act 1994* (the Act). This knowledge will assist them in negotiating a retail shop lease with appropriate terms and conditions to suit their current business requirements.

The Registry provides a summary of key changes introduced by the *Retail Shop Leases Amendment Act 2006* (the Amendment Act). The Amendment Act commenced on 3 April 2006. It is important that small business retail tenants and landlords negotiating new leases are aware of the changes to ensure that retail shop leases meet the mandatory minimum standards prescribed by the Act.

Changes to the Act include:

- An expanded definition of lessee to allow tenants whose leases have expired but who remain on a monthly tenancy on the same terms and conditions as the previous lease and sub-lessees and franchisees, to access the same compensation provisions. This is an important provision in a changing retail environment and will benefit small business tenants.
- The ability for lessees to request an early determination of current market rent. This will allow for the lessee to request a market rent determination before exercising an option for another term and help them to make an informed decision and assessment of the option.
- The responsibility to notify lessees of an upcoming option date now sits with the lessor. Where an option to extend the lease does not exist, the lessor has to notify the lessee if they intend to offer a new lease or not.
- Allowing the Retail Shop Lease Tribunal, when hearing a claim for compensation by a lessee, can now also decide disputes regarding arrears of rent payable under the lease, which are currently heard in a separate action in another jurisdiction.

These are important changes that impact on each new retail shop lease in Queensland. The amendments will enhance efficiency and equity within Queensland's retail business environment.

I would encourage those retail businesses in Bundaberg to contact their local State Development Centre on 4151 9700 for more information on the Retail Shop Leases Act or contact the Retail Shop Leases Registry on 1800 807 051 or visit the Department of State Development, Trade and Innovation website www.sdi.qld.gov.au.