

Retail Shop Leases Amendment Bill 2005

Explanatory Notes for amendments to be moved during consideration in detail by the Honourable Chris Cummins MP

Title of the Bill

Retail Shop Leases Amendment Bill 2005

Objective of the Amendments

The objective of the amendments is to improve the operational efficiency of the Retail Shop Leases Amendment Bill 2005.

Achievement of the Objectives

The policy objectives will be achieved by rectifying an oversight in drafting and implementing amendments that improve the efficiency and practical application of the Bill.

Alternatives Ways of Achieving Policy Objectives

The policy objectives can only be achieved by amendment to the Retail Shop Leases Amendment Bill 2005.

Estimated Cost for Government Implementation

Administrative costs to the Queensland Government are not expected to increase as a result of the proposed amendments.

Consistency with Fundamental Legislative Principles

The provisions of the Bill are consistent with the fundamental legislative principles prescribed by the *Legislative Standards Act 1992*.

Notes on Provisions

Amendment of clause 4

Clause 1 amends the definition of ‘major lessee’ in clause 4 of the Bill. The phrase “who uses each shop wholly or predominantly for carrying on 1 or more retail businesses” is omitted from the definition. The omission of the phrase will ensure that all non retail major lessees, such as banks, are included in the definition.

Amendment of clause 15

Clause 2 amends clause 15(2) of the Bill. The amendment will allow for a rent review to be based on the average rent paid over one or more years, when rent is determined as base rent and a percentage of turnover.

Amendment of clause 16

Clause 3 amends clause 16 of the Bill. The amendment will result in section 27A – Lessee may require early determination of current market rent - not applying to a major lessee. The amendment provides for the lessee to give the lessor written advice that the lessee has received appropriate financial and legal advice about the lease. It also requires the lease to specify the timing and basis for each review of the lease.

Amendment of clause 28

Clause 4 amends clause 28 of the Bill. The amendment will ensure that the parties to the lease can act in an informed manner, by providing a written notice, when extending the lease for six months.

Amendment of clause 29

Clause 5 amends clause 29 of the Bill. The amendment inserts additional wording to describe the relocation of a retail business to “reasonably comparable alternative” premises. The additional wording is compatible with other Australian retail tenancy jurisdictions and is able to be practically applied when negotiating the relocation of a retail business.

Amendment of clause 38

Clause 6 amends clause 38 of the Bill. The term “specialist retail valuer” applies to valuers with appropriate qualifications to undertake market rent reviews and determinations for retail premises.