

Dear David

I would like to express my views on retail leases in Australia and the way that various state legislation is written in total favor of the landlord.

Firstly I would like to give you my background in retail.

My wife and I opened a franchised kebab store in Lakeside Shopping City Joondalup some 12 years ago and with a lot of hard work and long hours built the business up to a point where we were making a comfortable living and employing 7 staff both full time and casual. The shopping centre owners informed us in early 2006 that the centre would be extended and the works would be complete late 2008 and as our leases fell we would be on month by month and we WOULD BE ABLE TO TRADE UNTIL LATE 2008, with this information owners made a financial decision to remain and operate their business rather than leave and look for something else. Then in early Feb we were given one month to vacate.

So after 12 years we left with nothing thanks to the commercial tenancy act which I am sure the property council is already fighting to keep totally in its favor.

There is so many things that are wrong in this country as far as commercial leases go I am not sure where to start so I will cover the problems as I see them in point form and hopefully I will get a chance to speak to the inquiry in person.

LEASE PERIODS;

In 1985 the act was reviewed in W.A. and 5 year minimum periods were introduced, at that time the cost of fitting out a shop of the kind we operated was about \$60,000 to \$70,000 and rents were about \$45,000 so in a 5 year period you would have a very good chance of making back the cost of your shop fit and make some money as well.

In 2007 The cost of a shop fit is somewhere about \$250,000 and the rents are \$130,000 plus, you don't have to be a mathematical genius to see with a 5 year lease there is no way one can recoup an initial outlay and make any money.

RE-LOCATION;

This is nearly always at the tenants expense even when the landlord wants you to re-locate . It should be at the expense of the party that wants the move.

TURNOVER FIGURES;

It astounds me that landlords are able to get a businesses turnover, it is purely to keep jacking up the rents, the only entity the operator should give figures to is the tax dept.

There is a lot more that I could go on with however I would rather attend a public hearing if there is to be one in Perth.

May I suggest that you examine the way commercial leases are legislated in France.

Regards

John Dickson

2 JohnDickson.txt