



MEDIA RELEASE

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COAG TO ENCOMPASS RETAIL TENANCY LAWS

The Rudd Government has welcomed the report of the Productivity Commission's inquiry into the market for retail tenancies which finds that, overall, the market is operating well.

The Inquiry, called *The Market for Retail Tenancy Leases in Australia*, stemmed from differences in retail tenancy laws between states and territories and the difficulties small businesses face in entering into and re-negotiating commercial leases.

The Commission recommends that the states and territories examine the potential to relax planning and zoning controls that limit competition and restrict retail space.

This recommendation is consistent with the Australian Competition and Consumer Commission inquiry into grocery pricing which also recommends that governments examine ways in which zoning and planning laws adversely affect competition between supermarkets in a locality.

The Commission's recommendations also include:

- Encouraging the use of simple (plain English) language in all tenancy documentation;
- Encouraging the inclusion of a one-page summary of all key lease terms and conditions in retail lease documentation;
- That lease documentation include clear and obvious points for information on lease negotiation, registration and dispute resolution; and
- Encouraging the development of a national reference lease.

The Rudd Government will now work with state and territory governments through the Council of Australian Governments' (COAG) Business Competition and Regulation Working Group on implementation of the Commonwealth's response.

To maintain important protections provided to small retailers through retail tenancy laws, the Rudd Government has rejected the Commission's recommendation that restrictive clauses in retail tenancy legislation be removed.

COAG is the natural body for the carriage of the Government's response to the Commission's report.

The Rudd Government, with the co-operation of the states and territories, is already making strong headway in 27 areas of reform to reduce administrative red tape for Australian businesses.

The Productivity Commission's report can be found at www.pc.gov.au while the Government's response can be seen at www.innovation.gov.au/retailtenancy

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