

The Productivity Commission  
Retail Tenancies Inquiry PO  
Box 80  
BELCONNEN ACT 2616

Attention: Rosalie McLachlan

Dear Commissioner

### **NSW Retail Tenancy Leases Act Inquiry**

I am an elderly gentleman whose livelihood is dependent on the rent I receive from two suburban retail shops which I own in NSW.

Retail tenants, unfortunately, are able to not pay their rent or outgoings on time as required and set out in their retail tenant leases under the current NSW Act. This means that small landlords are constantly having to pay outstanding outgoings to protect their own credit standing and then fight through their solicitor to retrieve the money as well as the monthly rent owing.

Under the current Retail Lease conditions, landlords are frustrated as they are unable to proceed with the Notice to Quit, without giving 14 days notice to the tenant of the intent to take action. Because of this Notice period the negligent tenant will pay part rent and therefore, be deemed to have done something towards payment. Hence, the Notice to Quit is withdrawn but the landlord still has to pay all the costs associated with issuing such a Notice. Also the Tenant may not pay any of the outstanding rent until the next month's rent is due and again the process begins again. Legal advice is that the Arbitration and Tribunal process generally rule in favour of tenants against landlords, and disregard that tenants following the above actions can cause distress and financial hardship to landlords by a game of delay and obfuscation.

Many small landlords believe in giving tenants some concessions if unable to pay every now as the landlords own income is affected if the tenant leaves. Small landlords, many of which may have operated retail businesses themselves prior to becoming landlords, understand that, at times, money flow might be tight. However the current Act and the tribunal process currently operating under the Retail Lease act protects tenants but not the small landlord. Ultimately the property is the landlords and not the tenants to use and abuse.

Once again I would like to state how extremely unfair the current NSW Retail Tenancy Act is towards landlords of small suburban shops that they do not have the power in cases like mine to terminate a tenant's lease and remove them from the property when the tenants are clearly and consistently in breach of the lease conditions. Continuously having to give notice and the

Please do not underestimate the anxiety, distress and costs the Act and its conditions cause landlords of small businesses. As recent media articles take the case for the tenants against large corporate conglomerates, it is important that the Commission understand that most retail premises in countless suburbs across Australia are not found in large malls but in small suburban shopping strips. These premises are owned by many small landlords or investors (mums and dads) who have worked hard to invest for their future retirement. In reviewing the Act as a small landlord I ask that the Commission seek to tighten the conditions under which a landlord may evict tenants who consistently do not pay their lease obligations as required within the timeframes set and that any action that needs to be taken can be done so without the 14 days notice period.

Yours faithfully