



AUSTRALIAN RETAIL LEASE MANAGEMENT

- Site Selection
- Specialty Retail Feasibility
- Retail Consulting
- Lease Renewals
- Dispute Resolution
- Retail Lease Negotiation

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www.retaillease.com.au

Your Ref:
Our Ref: Stephen Spring

Tuesday, 11 March 2008

The Productivity Commission,
Market for Retail Tenancy Leases,
PO Box 80,
Belconnen,
ACT 2616.

ATTENTION: COMMISSIONER NEIL BYRON

Dear Sir,

RE: COSBOA'S SUBMISSION -- THE MARKET FOR RETAIL TENANCY LEASES

I refer to the Shopping Centre Council of Australia's submission on the Productivity Commission's draft report dated February 2008.

At page 35 of that submission, the Council discusses retailer turnover information submitted to landlords. COSBOA is concerned there is a disconnect between what the SCCA is telling the Productivity Commission and what is going on at the coalface. For example, just yesterday in an upcoming negotiation for a lease renewal for a newsagency in [redacted] [redacted], the retailer was forcefully asked by the leasing agent that, prior to meeting, he must produce a *breakdown* of turnover by merchandise category in addition to turnover as required by the lease. This is not an uncommon request.

The argument that landlords do not use retailer's sales to set the maximum possible rent is demolished by this kind of behaviour.



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Obviously the leasing agent, with only the single turnover figure to workout profit required more detailed information. He was brazen enough to go ahead and use his position to try to obtain that detailed information

COSBOA would like to reiterate that collection of retailer's turnover information should not be allowed.

Yours sincerely,

Stephen Spring, on behalf of

COUNCIL OF SMALL BUSINESS ORGANISATIONS OF AUSTRALIA