

## **FCA backs WA Government push for more openness in retail tenancy**

**Monday 29 August 2011**

**1 Page**

The Franchise Council of Australia (FCA) has put forward a submission backing the Western Australian Government's *Commercial Tenancy (Retail Shops) Agreements Amendment Bill 2011*, currently being debated by parliament.

FCA Executive Director Steve Wright says the Bill seeks a solution to the unfair imbalance of information between landlords and tenants.

"This imbalance is a function of history that is now outdated and needs to be brought into line with current practice – especially in franchising where many franchisees are the very good tenants of landlords," Mr Wright said.

"The fact that landlords have all the information and tenants very little is the exact opposite of what happens in franchising, where there is a very strong constructive bias toward giving the franchisee all the necessary information to make good commercial judgments.

"It is a discrepancy which needs to be redressed so that the retail tenancy market can operate fairly and efficiently. At present the information imbalance distorts the market and places tenants at a substantial disadvantage in lease negotiations," Mr Wright says.

"Currently landlords hold all the cards as they require tenants to disclose turnover as part of leases, but there is no reciprocal obligation on landlords to disclose rental information. Landlords can sometimes make it difficult for tenants to obtain market information."

The WA Government is currently airing four options to improve information balance. Of these four, the FCA believes the option extending valuers' access to lease information is the best.

However, it would also back the establishment of a public lease register or compulsory registration of leases on land titles.

The FCA is the peak industry body for the Australian franchise sector. About one in three franchise systems are involved in retailing, with many franchisors and franchisees occupying tenancies in major shopping centres.

**For more information, please contact:**

Terry Sefton

Franchise Council of Australia (03) 9508 0808 or email – [terry.sefton@franchise.org.au](mailto:terry.sefton@franchise.org.au)