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NORTHERN TERRITORY GOVERNMENT MEDIA RELEASE

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DR PETER TOYNE MLA

Attorney-General

NEW TENANCIES ACT WILL HELP SMALL BUSINESSES

Small businesses across the Territory will benefit from new tenancy laws passed in Parliament today.

Attorney-General Dr Peter Toyne said the new laws provide safeguards and fair trading principles for retail and business tenants and landlords.

“The Business Tenancies (Fair Trading) Bill delivers on Government’s commitment to introduce contemporary retail tenancy legislation to give small business operators a fair go.”

The legislation is designed to cover leased retail premises both in shopping centres and main street, or strip shopping precincts.

“This legislation is an important step forward in fair trading for small business as it addresses an imbalance in relative bargaining strength between landlords and tenants and regulates lease agreements.

“The legislation represents major reform which establishes the parameters of sound business conduct in an open and transparent way, and has dispute resolution mechanisms that contain the costs for both parties.

“To assist businesses to understand how the laws can assist in negotiating lease agreements a comprehensive education and information campaign will be jointly delivered by the Justice and Business departments.

“The Business Tenancies (Fair Dealings) legislation generated a lot of interest around the Territory among small businesses, retailers, landlords and representative bodies who participated in consultative forums.

“The retail sector in the Territory is the largest single employment sector so this new legislation which protects landlords and tenants from unfair lease arrangements also enhances the job security of some 15,000 Territorians,” Dr Toyne said.

The key elements of the new laws include:

- A ban on ratchet clauses (ratchet clauses in leases provide that rent can increase in line with market trends, but cannot decrease in the event of economic decline);
- Establishing a Statutory position of Commissioner of Business Tenancies, to be assumed by the existing Commissioner for Consumer Affairs, to hear and determine disputes;
- Mandatory disclosure statements which will detail costs and expenses for tenants, details of rent calculation and reviews, details of outgoings to be paid by the tenant, and if applicable the shopping centre details
- 5-year leases for tenants to improve security of tenure and bring the Territory into line with interstate legislation

Under the new laws tenants may also be compensated for disturbance or disruption to premises within control of the landlord where inadequate notice has been given and resulted in an adverse effect on their business.

Extensive training workshops will be held during February and March next year ahead of the commencement of the new Business Tenancies (Fair Trading) Act in July 2004.

More information on Business Tenancies Act can be found at www.business.nt.gov.au or by phoning 89 995 185