



**Small Business  
Development Corporation**

Our Ref: D14/2919

EMAILED  
2:40 pm 22/7/14.

Mr Richard Chadwick  
General Manager  
Adjudication Branch  
GPO Box 3131  
CANBERRA ACT 2601

Dear Mr Chadwick

**Jewellers Association of Australia application for authorisation A91432 – interested party consultation**

I refer to your letter of 27 June 2014, to which you attached the Jewellers Association of Australia's ("JAA") application for authorization to establish a retail tenancy database for use by its members.

The Small Business Development Corporation ("SBDC") is a statutory authority of the Western Australian Government, established to facilitate the development of the small business sector in Western Australia ("WA"). Amongst its many functions, the SBDC provides policy advice on issues pertinent to the small business sector. In line with this, the SBDC has in the past been an active participant in the debate surrounding the establishment of retail lease registers in WA.

The JAA's proposal specifies that retail members may choose to participate in the creation of this database. It is assumed that this means that participation would be voluntary.

The SBDC supports in principle an industry association creating a voluntary lease register to increase access to rental information for its members. However, it is worth noting some of the risks inherent in creating such a resource.

A lease register could result in detrimental commercial outcomes for jewellery shop tenants when information on the register is incomplete, false or is misinterpreted. There are also risks associated with tenants and prospective tenants relying on information from the register without broader business analysis being conducted and expert opinion being sought. For example, users may focus on one aspect of the registered leases (such as amount of rent) and fail to take into account important considerations such as their ability to meet the costs of the lease. Further, while a lease register would provide a tenant with access to additional information, it may not improve their ability to negotiate better lease outcomes with landlords.

Level 2, 140 William Street, Perth WA 6000  
GPO Box C111, Perth WA 6001  
T: 13 12 49 F: 08 6552 3399  
E: [info@smallbusiness.wa.gov.au](mailto:info@smallbusiness.wa.gov.au)  
[smallbusiness.wa.gov.au](http://smallbusiness.wa.gov.au)

With a membership of only 646 retail jewellers in Australia, the usefulness of the JAA's register may also be limited. The relevance of the information for a tenant negotiating a lease will depend, to an extent, on whether there is any information on leases in that particular geographical location. The register may only be of use to those setting up a store in a high density hub that contains other jewellery stores subject to retail leases.

In addition, the establishment of a register may not result in decreased costs or add value for jewellers negotiating leases. It was acknowledged by the JAA that a business owner would still need to engage a broker to help find and negotiate a lease; and the SBDC understands that lease negotiators already have access to the type of information that is likely to be captured on the database.

In the SBDC's assessment, the JAA's proposed register does have the potential to be beneficial for jewellery retailers when negotiating leases by increasing their access to rental information. This could result in lower cost leases being entered into and cost savings being passed on to consumers.

Overarchingly, the SBDC believes the establishment of the lease register would not appear to be detrimental to competition in the industry.

Thank you for providing the SBDC with the opportunity to comment on the JAA's application for authorisation. Please contact Darcy Bosch at [darcy.bosch@smallbusiness.wa.gov.au](mailto:darcy.bosch@smallbusiness.wa.gov.au) or on (08) 6552 3308 if you would like to discuss this matter further.

Yours sincerely



David Eaton  
SMALL BUSINESS COMMISSIONER

22 July 2014