



# MEDIA RELEASE

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**3 April 2020**

## **Shopping centres to co-operate to support retail tenants**

Shopping centre owners and managers have been granted interim authorisation to discuss and implement rent relief measures for small to medium shopping centre tenants facing hardship because of the COVID-19 pandemic.

This follows an application by Shopping Centre Council of Australia Limited (“SCCA”) and Scentre Group. The SCCA is an industry group representing Australia’s major shopping centre owners, managers and developers. Scentre Group owns and operates retail real estate under management including 42 Westfield shopping centres.

The ACCC has allowed shopping centre owners and managers to jointly develop a plan to help their small business tenants, including franchisees and licensees, which have a turnover of up to \$50 million pa. The plan could include an offer to defer or reduce rents and other payments, waive interest payments and extend leases.

“Support for small and medium businesses in this difficult time will help the economy start up again when the pandemic has subsided,” ACCC Chair Rod Sims said.

“We are allowing shopping centre owners to work together to come up with a plan to support their tenants experiencing financial difficulties. Nothing in the proposal stops individual owners from offering more generous concessions to their tenants

The ACCC will be notified of the rent relief measures agreed to, which will be published on its authorisations register. The ACCC can object to any proposed agreements, and revoke the authorisation at any time.

Having granted interim authorisation for the arrangements, the ACCC will now seek feedback on the application for final authorisation which is sought for a period of 12 months. More information, including the ACCC’s statement of reasons, is available at the ACCC public register.

## **Background**

ACCC authorisation provides statutory protection from court action for conduct that might otherwise raise concerns under the competition provisions of the Competition and Consumer Act 2010.

Section 91 of the Act allows the ACCC to grant interim authorisation when it considers it is appropriate. This allows the parties to engage in the proposed conduct while the ACCC is considering the merits of the substantive application.

Broadly, the ACCC may grant a final authorisation when it is satisfied that the likely public benefit from the conduct outweighs any likely public detriment.

The ACCC may review a decision on interim authorisation at any time, including in response to feedback raised following interim authorisation.

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