

FortyWinks

22/4/2020

Daniel McCracken-Hewson
Australian Competition & Consumer Commission
Level 17/2 Lonsdale Street
Melbourne, VIC, 3000

By Email: adjudication@acc.gov.au

Dear Daniel,

Forty Winks Logan is a retail bedding specialist store with a turnover of [REDACTED] per annum. Like many retailers in the furniture sector, we have been badly affected by COVID-19.

Since COVID-19, our turnover has dropped by [REDACTED]. We have been in negotiation with our landlord, however, while sympathetic to our situation, the landlord is requesting that we provide excessive financial information, and we are yet to receive any meaningful rental assistance.

Forty Winks Franchising is a member of the Australian Retailers Association (ARA). We have been advised that the ARA has sought, on behalf of all retailers, to allow tenants to collectively bargain. As a retailer, and a member of the ARA, I would fully support this request. Once the government lifts the self-distancing requirements, Forty Winks Logan does not expect to achieve normal trading results until at least six months after the end of the COVID-19 epidemic.

The ability to discuss the customer traffic flow in our centre with other tenants, and to discuss what impacts other retailers, within the furniture sector, are experiencing, would help me better understand the true impact of COVID-19 on my business.

Forty Winks Logan would like to be able to exchange information, and collectively negotiate with our landlord regarding support to be provided by them, including the appropriate information to be exchanged with the landlord for that purpose.

Areas that Forty Winks Logan would discuss are but not limited to:

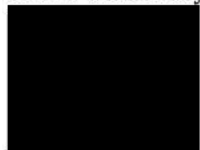
- Falling vacancies within a shopping centre
- Falling customer counts
- Deteriorating trading conditions caused by COVID-19
- The position landlords have taken with respect to how they have applied and interpreted the code
- The size and form of rent reductions, including waivers and deferrals
- The efficiency of a landlord's initiative to combat the impact of COVID-19, as part of the recovery phase

I understand that negotiations must take into account the guidelines in the Code of Conduct, announced by the Prime Minister on the 7th April 2020, which prescribes the

good faith leasing principles applicable to negotiations between landlords and SME tenants **(The Code)**.

Forty Winks Logan believes that if we can collectively bargain, that our business would stand the best chance to continue to trade. In turn this would ensure that we continue to employ our staff, continue to pay some rent in the short term, and then, over time, return to a position of paying our full rent once conditions return to normal.

Yours sincerely,



Richard Church
Director