

Legislative Reforms

Retail Tenancies

One of the features of the *Business Tenancies (Fair Dealings) Act* is to protect certain small business tenants from ratchet clauses in leases. Ratchet clauses allow landlords to increase rent according to market trends without allowing for decreases. Prohibiting these ratchet clauses provides greater certainty, fairness and clarity in the commercial relationships between landlords and their retail tenants.

National Reform Agenda

On 10 February 2006, the Council of Australian Governments (COAG) endorsed a comprehensive national reform framework – the National Reform Agenda (NRA). The NRA comprises three overarching reform streams – competition, best practice regulation and human capital.

The objective of the NRA is to maintain future national economic growth by reducing red tape and increasing productivity, particularly with regard to demographic change over the next 20 years.

The competition reforms involve a range of initiatives to increase efficiency of major business inputs such as energy, freight transport and significant economic infrastructure.

The best practice regulation component seeks to reduce the burden of government regulation and to limit regulatory intervention.

The human capital reforms are intended to improve labour force productivity and participation to ensure the national workforce can meet future requirements.

Significant work will be undertaken in 2006-07 by all governments to identify priority areas and develop implementation plans for each jurisdiction.

Insurance Reforms

As part of the national insurance reform framework, the Territory Government has recently introduced legislation aimed at improving the cost and availability of professional indemnity insurance for business. These include the *Professional Standards Act* and the *Proportionate Liability Act*.

Professional Standards Act

The *Professional Standards Act* allows a professional association to limit its members' liability for economic loss in return for adherence to approved standards of service and risk management strategies. The Professional Standards Council is responsible for administering the legislation and approving professional standards schemes. This legislation commenced on 1 January 2006, after the Territory Government signed the Intergovernmental Agreement providing for the establishment of nationally consistent Professional Standards Councils across the states and territories.

Proportionate Liability Act

The *Proportionate Liability Act*, which commenced on 1 June 2005, allows the liability for economic loss or property damage, when caused by multiple parties, to be shared according to each party's relative contribution to that loss or damage. This reduces the scope for a professional, or firm of professionals, to be held entirely liable for a client's negligence, in cases where the contribution to that negligence may have been minimal.



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