



# Victoria Government Gazette

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## Subordinate Legislation Act 1994

### PROPOSED RETAIL LEASES REGULATIONS 2023

#### Notice of Preparation of Regulatory Impact Statement

Notice is given in accordance with section 11 of the **Subordinate Legislation Act 1994**, that a Regulatory Impact Statement (RIS) has been prepared in relation to the proposed Retail Leases Regulations 2023 (the proposed Regulations).

The proposed Regulations will be made under section 99 of the **Retail Leases Act 2003**, and are intended to replace the Retail Leases Regulations 2013 which sunset on 16 April 2023.

The proposed Regulations that are the subject of the Regulatory Impact Statement:

- make provision with respect to the amount of occupancy costs for the purpose of excluding certain retail premises;
- make provision with respect to the amount of outgoing payable by a tenant;
- prescribe the form of the landlord's disclosure statement;
- prescribe other matters required by the Act to be prescribed.

Without new regulations there would be information asymmetries between landlords and tenants, potentially high transaction costs, and in some cases an imbalance in market power between landlords and tenants. It would be difficult for prospective tenants for retail premises to make informed decisions and the result will be instability within the market due to transparency problems around landlord disclosures and disputes may also arise from the legal uncertainty.

The RIS examines the costs and benefits of the proposed Regulations and possible alternatives, including the following settings:

- the level at which the occupancy cost threshold should be set, which ensures that certain businesses are covered by the Act;
- the formula which provides for tenants to pay for shared outgoing in proportion to their floor space;
- the form and structure of disclosure statements required for different type of leases.

The RIS concludes that the proposed Regulations in substantially unchanged form is the most effective option of achieving the objectives identified above, incorporating changes that are likely to be minor and technical.

#### RIS and Submissions

Copies of the RIS and proposed regulations can be obtained from the Department of Jobs, Skills, Industry and Regions website at <https://djsir.vic.gov.au/about-us/legislation-and-regulation/regulatory-impact-statement>

Public comment is invited on the proposed Regulations and RIS.

Please note that all comments and submissions received will be treated as public documents.

Comments and submissions should be received by the Department of Jobs, Skills, Industry and Regions no later than 5.00 pm, 14 March 2023.

Submissions can be made by email to [ris@ecodev.vic.gov.au](mailto:ris@ecodev.vic.gov.au)

Submissions can also be received by post, marked 'Retail Leases Regulations 2023 ('Draft Regulations') and addressed to: Executive Director, Small Business Victoria, Department of Jobs, Skills, Industry and Regions, GPO Box 4509, Melbourne, Victoria 3001.

HON. NATALIE SULEYMAN MP  
Minister for Small Business

**SPECIAL**

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