**Proposed Retail Leases Regulations 2023**

**Summary of issues raised in submissions on the Regulatory Impact Statement Response and Statement of Reasons**

**Introduction**

On 14 February 2023, the Minister for Small Business released a Regulatory Impact Statement (RIS) and exposure draft of the proposed Retail Leases Regulations 2023 for public consultation in accordance with section 11 of the Subordinate Legislation Act 1994 (the SLA). The public submission period closed on 14 March 2023.

DJSIR received 1 written submission on the proposed Regulations and the RIS from:

* The Shopping Centre Council of Australia (SCCA)

DJSIR also contacted the Law Institute of Victoria and the Australian Retailers Association who expressed interest in making a submission. However, neither made a formal submission before public consultation closed. Additionally, Paul Nunan from Eastern Bridge Lawyers provided an informal verbal submission.

All submissions and feedback received during consultation have been considered. All submissions were generally supportive of the proposed regulations. SCCA’s written submission has been addressed below.

**Changes to proposed regulations**

There are no changes to the proposed regulations.

Stakeholder submissions did not request any changes be made to the proposed regulations.

**Overview of comments**

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| **Disclosure Statements** |
| Comment | 1. The current four disclosure statement model is preferred, however, the current schedules are too cumbersome and could be abbreviated (SCCA).
	1. SCCA raised concerns around landlord uncertainty regarding compliance with requirements under section 28(1A)(e) of the Act. SCCA believes this uncertainty is leading to landlords over-disclosing.
	2. SCCA believes that disclosure on renewal of a lease is redundant.
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| Response | 1. The Department of Jobs, Skills, Industry and Regions (DJSIR) acknowledges the concerns around the burdens attached to disclosure statements.
	1. The concerns raised by SCCA about over-disclosure due to the Act are outside the scope of the current review. Ministerial guidance or further guidance through the Victorian Small Business Commission (VSBC) may alleviate landlord uncertainty.
	2. This comment is outside the scope of the current review as disclosure on renewal of a lease is required by the Retail Leases Act 2003 (the Act).
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| **Apportionment of Outgoings** |
| Comment | 1. The current apportionment formula was preferred.
	1. SCCA had no comments on the apportionment formula.
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| Response | 1. No comment
	1. No comment
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| **Occupancy Cost Threshold** |
| Comment | 1. The current occupancy cost threshold was preferred.
	1. SCCA supported the current occupancy cost threshold and provided data further supporting the position taken in the RIS and proposed Regulations.

SCCA claimed that around 95% of businesses would fall within the scope of the Act and that any business not covered by the Act would be considered a large business.  |
| Response | 1. No comment
	1. DJSIR welcomes the data that SCCA provided supporting the proposed Regulations.
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