

BULLETIN

All Members



Reference No: Retail Leases Act

Date issued: 11/05/2018

Changes to the Retail Leases Act may affect your business. Have your agreements checked ASAP!

Dear Members

A recent decision made by the Victorian Court of Appeals in the IMCC Group (Australia) Pty Ltd v CB Cold Storage Pty Ltd broadens the coverage of the Retail Leases Act 2003 (the Act). Members should be aware that the Act may now apply to premises used for supplying commercial services to other businesses. This means that a premises that is used to produce a good for sale could be covered by the Act.

The Victorian Small Business Commissioner (VSBC) provides the following example:

“premises used for the sale of flour to a bakery which uses that flour to make bread may be covered by the Act. Premises used for selling mixed concrete to a builder for use by the builder to construct a driveway may also be covered.”

There are several differences between a retail and commercial lease. For example, in the case of a retail lease, a landlord cannot make the tenant pay land tax nor contribute to capital costs. Outgoings such as insurance, rates or owners corporate fees cannot be recovered by an owner unless an annual estimate of these expenses is given beforehand.

Regarding dispute resolution, the VSBC states:

“Any dispute involving a landlord and tenant under the Act needs to be taken to the Victorian Small Business Commission before going to VCAT.”

Any members currently under a commercial lease, or negotiating a lease should seek legal or property advice on whether the premises should be covered by the Act.

An information seminar is being conducted on Monday 14th May 12-1 at the office of the VSBC. You can register [HERE](#)

VACC, in collaboration with the VSBC will be running a number of seminars across Victorian over the coming months. Members will be advised of dates when available.

Read the VSBC media release [HERE](#)

Watch an informative video [HERE](#)

For further information, contact

Dr Imogen Reid

VACC

M: 0428 334 128 E: ireid@vacc.com.au