



New South Wales

# Retail Leases Amendment (Review) Bill 2025

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to give effect to the first tranche of recommendations arising from the statutory review of the *Retail Leases Act 1994* (*the Act*).

## Outline of provisions

**Clause 1** sets out the name, also called the short title, of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act.

## Schedule 1 Amendment of Retail Leases Act 1994 No 46

**Schedule 1[1]** sets out the objects of the Act.

**Schedule 1[4]** enables the regulations to exclude certain premises from the operation of the Act.  
**Schedule 1[21]** makes a consequential amendment.

**Schedule 1[5]** provides that a prospective lessor of a retail shop must not offer the shop for lease unless a copy of the proposed lease is available for inspection. The prospective lessor must also ensure a copy of the proposed lease and copies of certain other documents are made available to a prospective lessee as soon as the prospective lessor enters negotiations with the prospective lessee. A failure to comply with either requirement is an offence with a maximum penalty of 50 penalty units.

**Schedule 1[7]** replaces sections 11 and 11A and inserts proposed section 11B.

Proposed section 11 requires disclosure statements to be given by a proposed lessor and a proposed lessee when the parties are proposing to enter into a lease for a retail shop. The disclosure statements must contain the information and documents required by the regulations. Failure to comply with these requirements is an offence with a maximum penalty of 50 penalty units. The proposed lessor's disclosure statement must be given to the proposed lessee at least 7 days before the lease is entered into. This period may be reduced or waived by agreement. **Schedule 1[2], [3], [6], [19] and [22]** make consequential amendments.

Proposed section 11A provides for the amendment of a disclosure statement.

Proposed section 11B enables a lessee, within the first 6 months after entering into a lease, to terminate the lease in circumstances where the lessor disclosure statement—

- (a) was not given to the lessee, or
- (b) was not complete, or
- (c) contained information that was materially false or misleading.

**Schedule 1[8]** provides an exception to the current requirement that a lessor must not seek to recover lease preparation expenses from a lessee. The lessor may recover reasonable expenses if an existing lease could have been assigned but the parties instead agreed to prepare a new lease. **Schedule 1[9]** makes a consequential amendment.

**Schedule 1[10]** provides an additional ground for extending the 3-month period in which the lessor must provide the lessee with an executed copy of a retail shop lease. The additional ground applies if the delay was caused by the lessee failing to provide the lessor with relevant documents relating to the lease.

**Schedule 1[11]** provides an additional ground for extending the 3-month period in which certain leases must be lodged for registration to also include delays caused by the lessee failing to provide the lessor with relevant documents relating to the lease.

**Schedule 1[12]** excludes profits or takings of a pharmacy business from the definition of *turnover*, which is used in the calculation of rent for certain retail shop leases.

**Schedule 1[13]** provides that, for a retail shop not located in a retail shopping centre, the report on the outgoings statement must be prepared by a certified practising accountant.

**Schedule 1[15]** provides that, if a retail shop lease enables the business of the lessee to be relocated by the lessor, commercial factors must be taken into account in the adjustment of the rent of the alternative shop. **Schedule 1[14]** makes a consequential amendment.

**Schedule 1[17]** defines *expiry of a lease* for the Act, section 44. **Schedule 1[16]** makes a consequential amendment.

**Schedule 1[18]** clarifies that the Act applies to a retail shop lease to the extent the lease applies to—

- (a) a retail shop, and
- (b) other premises if the use of premises is ancillary to the operation of the retail shop.

**Schedule 1[20]** repeals redundant provisions relating to the COVID-19 pandemic.

**Schedule 1[23]** inserts savings and transitional provisions.