



**Thursday 8 March 2012**

**MESSAGE TO THE MELBOURNE WHOLESALE MARKET FROM THE HON DR DENIS NAPTHINE MP, MINISTER FOR MAJOR PROJECTS**

On 27 February 2012, three discussion papers concerning allocation arrangements for the new market were released for feedback from the market community. Comments are due back on 16 March 2012.

The discussion paper on the allocation of stores proposes an entitlement for current leaseholders for stores (as at 15 November 2010) in the new market.

Under the proposed entitlement:

- all current leaseholders of stores (as at 15 November 2010) will be made an offer of space as close as possible to their current store space; and
- if a current leaseholder sells their whole entitlement, the buyer is entitled to the same proposed allocation of space as the leaseholder who sold it.

Partial transfers of leases are not recognised in the proposed allocation where they would result in the creation of an additional store at Epping because there is no space to accommodate any more stores.

**Example A:**

*If a current leaseholder has a total area of 204 sq.m (four small stores of 51 sq.m each), the proposed allocation to that leaseholder would be one large store at Epping (193 sq.m). If that leaseholder sold all of their stores to one purchaser then the purchaser would, similarly, have a proposed allocation of one large store at Epping (193 sq.m).*

**Example B:**

*If that same current leaseholder sold one of their small stores (51 sq.m), that leaseholder would still qualify for one large store at Epping (retaining 153 sq.m), but the purchaser would not qualify for a small store at Epping (56 sq.m) because there are no more small stores available under the proposed allocation process.*

It is not true to say the transfers of leases have been disallowed. However all leaseholders and potential leaseholders involved in transfers must understand that they have no guarantee of an allocation until a final decision on the proposed allocations have been made.

Decisions on the proposed allocations will not be made until comments have been received from the market and consideration has been given to the views.

Once the decision is made, all eligible leaseholders will be notified of their allocation of space at the new market.

This entitlement to a space at the new market only becomes binding once a lease for the new market is signed.