

Media Release

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Minister for Local Government
Minister for Small Business



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FREE MEDIATION SERVICE FOR COMMERCIAL TENANCY DISPUTES

The Victorian Government's mediation service to help small and medium business tenants and landlords reach a fair agreement in rent disputes arising as a result of coronavirus is up and running.

The service is provided through the Victorian Small Business Commission (VSBC) and is part of the Government's commercial tenancy relief scheme. Regulations to deliver the scheme come into effect today, implementing the commercial tenancy principles agreed by the National Cabinet.

The scheme provides a six-month moratorium on evictions for the non-payment of rent for small businesses with an annual turnover of under \$50 million that are participating in JobKeeper, backdated to 29 March.

It also allows eligible small and medium sized businesses to negotiate rental relief that is in line with COVID-19 related reductions in turnover with a stipulation that 50 per cent of the relief is a waiver, with remaining rent deferred.

Since 23 March, the VSBC has received more than 1,200 enquiries about commercial leases in relation to coronavirus, 81 per cent of which have been about rent relief and the National Cabinet's commercial leasing code.

About a third of these inquiries have originated from tenants who are struggling to pay their rent, with a further 18 per cent coming from landlords whose tenants have stopped paying rent.

The VSBC also recorded a 100 per cent increase in applications for rental dispute mediation in April compared to the previous month, with two out of three relating to the commercial tenancy relief scheme.

Landlords who provide tenants impacted by coronavirus with rent relief may be eligible for a 25 per cent reduction on their property's 2020 land tax as part of the Victorian Government's \$1.7 billion Economic Survival Package.

For more information about the tenancy relief scheme, go to vsbc.vic.gov.au.

Commercial tenants and landlords requiring advice or help in resolving their rental disputes can access the VSBC's free mediation service by calling 13 87 22.

Quotes attributable to Minister for Small Business Adem Somyurek

"The tenancy relief scheme is about ensuring that small businesses and landlords can maintain their business and an income until we get to the other side of this crisis."

"If both parties are unable to reach an agreement, the Victorian Small Business Commission is there to assist both parties in reaching a fair outcome."

Quote attributable to Victorian Small Business Commissioner Judy O'Connell

"It's vital that tenants and landlords communicate as early as possible to try to reach an agreement, and if this fails, they can come to us."