

# Media Release

**The Hon Jaala Pulford MLC**

Minister for Employment

Minister for Innovation, Medical Research and the Digital Economy

Minister for Small Business



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## FAIRER LEASE CONDITIONS FOR SMALL AND MEDIUM BUSINESSES

The Victorian Government is making it easier for small business owners to get their security deposits back faster and making leases easier to understand, under changes to the Retail Leases Act passed in Parliament this week.

The changes, made after consultation with the retail sector, will enable small businesses to be more agile and make their legal obligations easier to understand.

Key amendments to the *Retail Leases Act 2003* include:

- Retail tenants must now be informed of the proposed rent amount before they extend their lease.
- Tenants now have more time to consider the terms and conditions of a proposed lease – 14 days, compared with seven days previously.
- Setting a maximum 30-day timeframe for the return of security deposits to tenants – formerly landlords only had to return deposits “as soon as practicable”, which was open to exploitation.

The current practice of landlords passing on the costs of repairs, maintenance and installation of essential safety measures (ESMs) to tenants when mutually agreed to in a lease will continue under the new Act.

The Government will continue to engage with businesses outside the retail sector to consider the status of ESMs in other commercial leases.

The Government is also supporting commercial tenants and landlords impacted by the pandemic through the *Commercial Tenancy Relief Scheme* and the *Commercial Landlord Hardship Fund*.

The Commercial Tenancy Relief Scheme commenced on 29 March and enables rent reductions for small-to-medium business tenants whose income has been affected by the coronavirus pandemic and provides a freeze on evictions for non-payment of rent for businesses with an annual turnover under \$50 million participating in JobKeeper.

The Commercial Landlord Hardship Fund offers grants of up to \$3,000 per tenancy to eligible landlords. Information on how to apply is available at [business.vic.gov.au](https://business.vic.gov.au).

If tenants and landlords cannot reach an agreement on rent relief, the Government offers free mediation through the Victorian Small Business Commission, where an independent mediator is appointed to work with parties to try and resolve the dispute and reach an outcome that both sides can accept.

The small business mediation service has fielded more than 9,500 rent-related enquiries from small business owners and landlords during the pandemic. Of the cases reaching mediation, almost 90 per cent have resulted in tenants and landlords reaching common ground.

### Quotes attributable to Minister for Small Business Jaala Pulford

*“We’ve listened to Victoria’s small businesses and delivered fairer, more transparent and easier to understand retail leases – and less red tape.”*

*“This is about giving business owners a fair go in tough times and providing certainty for all parties.”*

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