

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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FAIRNESS EXTENDED FOR COMMERCIAL TENANTS, LANDLORDS

New regulations introduce proportional rent relief for commercial tenants and give powers for rent relief orders to be made when landlords refuse to negotiate in good faith with tenants suffering losses due to the pandemic.

The regulations allowing for the extension of the Commercial Tenancy Relief Scheme introduced following a decision of the National Cabinet in March came into effect yesterday, and provide commercial tenants and landlords with enhanced protection and certainty.

They ensure that rent increases as well as evictions for commercial tenants where rent relief has been sought will continue to be banned until 31 December 2020.

A free mediation service through the Victorian Small Business Commission (VSBC) will also be available until the end of the year to assist tenants and landlords in resolving rent relief disputes caused by the effects of coronavirus.

Since the scheme's introduction, the VSBC has fielded more than 9,800 rent-related enquiries from small business tenants and landlords. Of the matters that went to mediation, almost 90 per cent resulted in tenants and landlords reaching common ground.

To further support small local businesses, the new regulations require commercial landlords to provide rent relief in proportion with the fall in turnover being experienced by eligible tenants. Under previous provisions, proportionality was one of several factors to be considered during negotiations on rent relief.

Under the extended Commercial Tenancy Relief Scheme, the VSBC will be able to issue binding rent reduction orders in situations where landlords refuse to respond to tenants or engage in negotiations in good faith.

The scheme commenced on 29 March 2020 and supports tenants and landlords whose incomes have been affected by the restrictions put in place to slow the spread of coronavirus.

The *Commercial Landlord Hardship Fund* is a key program in the scheme, providing \$3,000 grants to private landlords of premises valued at less than \$1 million who are facing financial hardship due to providing rent relief to their tenants.

Commercial tenants and landlords can apply for help to resolve their rent dispute by visiting vsbc.vic.gov.au. More information about the Commercial Landlord Hardship Fund is available at business.vic.gov.au/clhf.

Quotes attributable to Minister for Small Business Jaala Pulford

"We are extending these emergency commercial rent arrangements to help small businesses trade through to COVID Normal – these regulations lay down the rules unambiguously and we expect all parties to abide by them."

"Smaller private landlords who've done the right thing by their tenants – by giving them rent relief – can apply for a hardship grant to help ease the pressure and I encourage them to do so."

Quote attributable to Victorian Small Business Commissioner Judy O'Connell

"It's vital that commercial tenants and landlords know they are not alone – they can come to the Victorian Small Business Commission for free and impartial help in having fair tenancy negotiations."

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