

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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RENT RELIEF ON THE WAY FOR COMMERCIAL TENANTS

The Andrews Labor Government will introduce new legislation today to provide rent relief to commercial tenants that have experienced a loss in turnover of more than 30 per cent during the pandemic.

Eligible businesses will benefit from rent relief through the *Commercial Tenancy Relief Scheme*, with tenants and landlords encouraged to enter negotiations as soon as possible.

Rent relief for eligible tenants will be calculated by comparing their turnover for the final quarter of the 2020/21 financial year with turnover from the final quarter of 2018/19.

Tenants will be eligible for the scheme if the drop in turnover is greater than 30 per cent. The percentage drop will also determine the amount of initial rent relief available to the tenant.

The Government is ensuring new businesses don't miss out on this assistance. Special arrangements will be in place to assess the turnover impacts for new businesses which were not operating in 2019.

A mandatory reassessment of turnover further into the new scheme will support fair treatment for all parties.

Eligibility for the scheme will be a one-time test. Businesses which are eligible at the beginning of the scheme will remain eligible throughout, with the proportion of rent relief adjusted in line with their turnover.

For eligible applications under the new scheme where there is also an agreement already in place from the first *Commercial Tenancy Relief Scheme*, existing deferred rent repayment requirements will be frozen until 15 January 2022, when the outstanding amount will be added to the deferred rent accrued during the current Scheme.

To help landlords that are doing the right thing by eligible tenants, the Government will provide land tax relief of up to 25 per cent, in addition to any previous relief, at an estimated cost of \$100 million.

Small landlords who can demonstrate acute hardship will be eligible to apply for payments as part of a \$20 million hardship fund.

The protections are backdated to start from when the scheme was announced last Wednesday and mean commercial landlords can't issue an eviction notice for eligible tenants without obtaining a direction from the Victorian Small Business Commission (VSBC).

Tenants and landlords are encouraged to enter negotiations directly, with the VSBC available to provide mediation if parties cannot reach a satisfactory agreement.

Tenants and landlords can contact the Victorian Small Business Commission for further information on 13 87 22 or visit vsbc.vic.gov.au.

Quotes attributable to Minister for Small Business Jaala Pulford

"It's encouraging to see the way tenants and landlords are working together to achieve fair outcomes and this new legislation will ensure they get the support they need."

"We know many small businesses have had a tough time due to the pandemic, but these changes will provide them with more security going forward and help them get back on their feet."

Media contact: Kieran Jones 0421 031 900 | kieran.jones@minstaff.vic.gov.au