

# Media Release

**The Hon Jaala Pulford MLC**

Minister for Employment

Minister for Innovation, Medical Research and the Digital Economy

Minister for Small Business



Thursday, 5 August 2021

## RENT RELIEF GUARANTEED FOR COMMERCIAL TENANTS

The Andrews Labor Government is ensuring eligible tenants are provided with rent relief, with legislation to reintroduce the *Commercial Tenancy Relief Scheme* passing in Parliament today.

Businesses that have experienced a loss in turnover of more than 30 per cent during the pandemic are now guaranteed to receive rent reductions, while separate support will be provided to landlords.

As part of the scheme, landlords will be required to provide proportional rent relief in line with a business' reduction in turnover. Tenants and landlords are encouraged to enter negotiations directly, with the VSBC available to provide mediation if parties can't reach an agreement.

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' percentage drop in turnover will determine the amount of initial rent relief available to the tenant.

For example, a business with a turnover of 40 per cent of pre-pandemic levels can only be charged 40 per cent of its rent. Of the balance, at least half must be waived, with the remainder to be deferred.

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.

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

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.

Tenants and landlords can contact the Victorian Small Business Commission for further information on 13 87 22 or visit [vsbc.vic.gov.au](http://vsbc.vic.gov.au).

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

*"This passing of this legislation provides peace of mind for small businesses who are struggling to pay the rent, giving them the security they need."*

*"Tenants and landlords have already been working together really well and we'd encourage them to continue to do so to achieve fair outcomes."*