

Commercial Tenancy Relief Scheme extension – initial FAQs

Please note: To support small businesses with a turnover of \$10 million or less that continue to be under financial pressure as the state responds to the COVID-19 Omicron variant, [the Victorian Government is extending the Commercial Tenancy Relief Scheme \(the Scheme\) until 15 March 2022](#). Regulations for the Scheme will be made shortly. The Victorian Small Business Commission's (VSBC's) website, including the FAQs on the Scheme, will be updated.

The information in this file is not to be taken as specific legal advice. If you need help to resolve a dispute, please apply via our [application forms page](#).

1. What were the changes that were recently announced?

On 15 January 2022 the government announced an extension of the Commercial Tenancy Relief Scheme (the Scheme) until 15 March 2022.

The extended Scheme will be available to businesses with an annual turnover of \$10 million or less that have had a drop in turnover of at least 30 per cent because of COVID-19.

2. When is the Scheme being reintroduced and how long will it last?

Its operation will be retrospective starting 16 January 2022. This will ensure tenants who were accessing rent relief under the previous Scheme and who are still eligible under the extended Scheme don't experience a gap in supports.

The extension is effective until 15 March 2022.

3. What support does the Scheme provide?

Similar to the previous Schemes, the extended Scheme provides benefits and protections to eligible commercial tenants and landlords including:

- **proportionate rent relief** – for example, a small business with a turnover of 40 per cent of what it was before the pandemic can only be charged 40 per cent of its rent and of the remaining 60 per cent, at least half must be waived with the remainder deferred
- **an extension on paying back deferred rent** – tenants will not have to repay rent deferred under the previous Scheme until 15 March 2022
- **a ban on rent increases**
- **a ban on evictions where the tenant and landlord have not undertaken mediation** through the Victorian Small Business Commission (VSBC)
- **free help where a fair rent relief agreement can't be reached** – the VSBC can provide guidance early on and where the matter can't be sorted this way, they can arrange a free mediation session with an experienced, impartial mediator.

4. Is there any further support for commercial landlords?

Yes, the Commercial Landlord Hardship Fund will be extended to 22 March 2022.

The \$20 million fund will support commercial landlords that provide rent relief to their eligible tenants.

5. Who is eligible for the Scheme?

The Scheme will support small commercial tenants with an annual turnover under \$10 million who can show a drop in turnover of at least 30 per cent over a defined period because of COVID-19.

This includes small businesses that might have been impacted by coronavirus because of lower demand or fewer customers despite business operations not necessarily being directly restricted under public health restrictions.

The extended Scheme focuses on supporting Victoria's small businesses. Only businesses with a turnover under \$10 million will be eligible (compared with up to \$50 million in the previous Scheme).

Full details on eligibility will be in the regulations for the Scheme, which will be made shortly. The VSBC's website and FAQs will then be updated.

6. What if a tenant and landlord have an existing rent relief agreement ending 15 January 2022? What rent should be paid until eligibility details of the extended Scheme are announced?

Tenants and landlords are encouraged to continue working together in good faith. Where an existing rent relief agreement is in place, tenants and landlords can continue that arrangement. An adjustment can then be made once eligibility for the extended Scheme is made available in the regulations.