

April 15, 2020

Victorian Government COVID-19 Response:

Residential and Commercial Tenancy Reforms - Emergency Sitting of Victorian Parliament

On Wednesday April 15, Premier Daniel Andrews announced the Victorian Government would bring to Parliament urgent legislation reforming residential and commercial tenancy laws.

The proposed laws establish:

- A six month ban on evictions (with exceptions in very limited circumstances)
- A pause on rental increases for six months, for both commercial and residential properties

In addition to these reforms, the Victorian Government will deliver a \$500 million package aimed at giving certainty to residential and commercial tenants, as well as landlords.

The package includes:

- Land tax relief for landlords
- Rent relief for tenants experiencing financial hardship

These reforms combined with the Government's broader assistance packages are designed to support Victorian households and businesses impacted by the COVID-19 crisis.

The emergency legislation will be put to Parliament next Thursday, 23 April.

Dispute Resolutions

Tenants and landlords who struggle to strike a deal over rent reductions will be given access to a fast-tracked dispute resolution service, with Consumer Affairs Victoria or the Victorian Small Business Commission mediating to ensure fair agreements are reached.

Landlord Compliance Incentives

To encourage landlords to support tenants, the Government will provide \$420 million in land tax relief.

If a landlord provides tenants impacted by coronavirus with rent relief, they will be eligible for a 25 per cent discount on their land tax, while any remaining land tax can be deferred until March 2021.

A Coronavirus Relief Deputy Commissioner will be established at the State Revenue Office to manage land tax relief claims.

Mandatory Code of Conduct - Commercial Tenancies

Consistent with the National Cabinet agreement to implement a mandatory code of conduct for commercial tenancies, the Government will legislate protections for small and medium sized businesses, granting rental waivers or deferrals.

Businesses are eligible for these measures if they have an annual turnover under \$50 million per year and have experienced more than a 30 per cent reduction in turnover due to coronavirus.



Rental Assistance

The Government will also create an \$80 million rental assistance fund for residential tenants facing hardship due to the COVID-19 crisis.

To be eligible, renters will need to have registered their revised agreement with Consumer Affairs Victoria or gone through mediation, have less than \$5,000 in savings and still be paying at least 30 per cent of their income in rent.

Parliament Schedule

The Victorian Parliament will be recalled two weeks early for a one-day emergency sitting on Thursday 23 April 2020.

All members of parliament will be offered detailed briefings on the legislation before it is introduced to the Parliament and Question Time will take place in both houses.

Further information

For more information, please contact your Hawker Britton consultant JP Blandthorn, Victorian Director on +61 407 366 304 or Policy and Business Analyst, Raphael Mengem at rmengem@hawkerbritton.com.

Further Hawker Britton Occasional Papers on the activities of the Victorian Government are available [here](#).

For further coverage of Labor Government Response Packages to the COVID-19 Pandemic see Hawker Britton Briefs [here](#).

For further coverage of Liberal Government Response Packages to the COVID-19 Pandemic see Barton Deakin Briefs [here](#).