



Franchise Council of Australia Media Release

FCA welcomes extension to Victorian commercial leasing relief

20th August 2020

The Franchise Council of Australia has welcomed the Victorian Government's announcement that the Victorian Commercial Leasing Code of Conduct will be extended beyond the September expiry date to the end of the calendar year. The state-based legislation had been aligned with the National Commercial Leasing Code of Conduct and the initial expiry date of JobKeeper.

"This extension is a life raft for thousands of Victorian small businesses who are struggling to keep their head above water. With a major drop in turnover, small businesses still have to contend with fixed costs like rent. Extending the protections in the Victorian leasing code will help small businesses negotiate in good faith, and apply for a reduction in rent commensurate with their drop in turnover."

"In particular, it has been especially encouraging that Small Business Minister Jaala Pulford has engaged with small businesses on a notoriously complicated set of issues and is acting to support small businesses," said FCA CEO Mary Aldred.

"While the December extension is welcome relief, the FCA will continue to urge the Victorian Government to extend the provisions further, so that they aligned with the new JobKeeper date of March 2021," said Ms Aldred.

The FCA has participated in the Victorian Commercial Tenancies Relief Panel, which has brought together landlords and small business representatives to work through the challenges presented by commercial leasing arrangements.

"For small businesses and franchisees, commercial leasing terms remain the number one issue for a majority of our members. Victoria is the only state to have initiated a forum to bring landlords and business tenants together to work through these issues with the support of Minister Pulford and Business Victoria," said Ms Aldred.

"Banks and energy companies have been forthright in their message to business customers ensuring hardship to engage their support, and we need a similar level of proactivity from commercial landlords to support small businesses as well," said Ms Aldred.

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The Franchise Council of Australia is the peak body for the \$184 billion franchise business segment, which includes 1,344 networks, with 90,000+ individual franchised outlets, employing 598,500 Australians across the nation.

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