



**Senator the Hon Michaelia Cash
Minister for Employment, Skills, Small and Family Business
Senator for Western Australia**

7 April 2020

UPDATE ON COMMERCIAL TENANCIES

Today, the National Cabinet agreed that states and territories will introduce a mandatory Code of Conduct (the Code) to implement the principles agreed by National Cabinet on 3 April 2020.

The Code builds on the draft codes submitted by landlord and tenant representative bodies in the commercial property sector.

The purpose of the Code is to impose a set of good faith leasing principles for application to commercial tenancies (including retail, office and industrial) between owners/operators/other landlords and tenants, in circumstances where the tenant is a small-medium sized business (annual turnover of up to \$50 million) and is an eligible business for the purpose of the Commonwealth Government's JobKeeper programme.

National Cabinet also agreed that there would be a proportionality to rent reductions based on the tenant's decline in turnover to ensure that the burden is shared between landlords and tenants.

The Code provides a proportionate and measured burden share between the two parties while still allowing tenants and landlords to agree to tailored, bespoke and appropriate temporary arrangements that take account of their particular circumstances.

Australian and foreign banks along with other financial institutions operating in Australia are expected by National Cabinet to support landlords and tenants with appropriate flexibility as they work to implement the mandatory Code.

The Rent Relief Policy will include a mutual obligation requirement on the small and medium sized enterprises and not-for-profit tenants to continue to engage their employees through the JobKeeper initiative where eligible, and if applicable, provide rent relief to their subtenants.

For more information on the Mandatory Code, click [here](#).

For more information on the JobKeeper Payment, click [here](#).

The Australian Government has also released a Coronavirus app and Whatsapp channel. The App is available on both Android and iPhones. To access the Whatsapp channel, you can go to the website here: aus.gov.au/whatsapp

Generally for more information on Coronavirus and the Government's response, please visit: www.treasury.gov.au/coronavirus or www.australia.gov.au.

Alternatively you can contact the business.gov.au support line at 13 28 46.

Regards

A handwritten signature in blue ink, appearing to read 'Michaelia Cash'.

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