



Damien Tudehope
Minister for Finance and Small Business

MEDIA RELEASE

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GREATER PROTECTION AND FINANCIAL SUPPORT FOR COMMERCIAL TENANTS AND LANDLORDS IMPACTED BY COVID-19

The NSW Government will re-introduce the National Cabinet's Mandatory Code of Conduct for Commercial Leasing to mandate rent relief for eligible tenants impacted by COVID-19.

A new \$40 million Hardship Fund will also be established to provide a monthly grant of up to \$3,000 for small commercial or retail landlords who provide rental waivers of at least the value of the grant and any land tax relief they are eligible for.

Minister for Finance and Small Business Damien Tudehope said the Retail and Other Commercial Leases (COVID-19) Regulation 2021 would be extended until 13 January 2022 providing protection for small businesses such as cafes, restaurants, hair salons and gyms for six months.

"We have always encouraged landlords and tenants to come to the table and negotiate, but now we are going one step further by mandating the minimum relief that landlords need to provide impacted tenants," Mr Tudehope said.

"It has been very tough for small businesses across NSW and we want to deliver more certainty for business owners who have bills continuing to pile up."

Mr Tudehope said for many small businesses rent was one of the biggest fixed costs and urged landlords to again work with their tenants to assist them during this challenging time.

"The Government has not taken this step lightly but we saw last year that the framework set down by the National Cabinet brought tenants and landlords to the table to work out a way forward.

"Now, as part of the feedback from the community, we have ensured small landlords who rely primarily on rental income from commercial properties will also be able to access a monthly \$3,000 grant to help ease the burden and ensure they pass on rental relief to tenants."

The *Retail and Other Commercial Leases Regulation (COVID-19) Regulation 2021* will require landlords to renegotiate rent having regard to National Cabinet's Code of Conduct. The Code of Conduct requires landlords to provide rent relief in proportion with their tenant's decline in turnover. Of the rent relief provided, at least 50 per cent must be in the form a waiver, and the balance a deferral.

The Regulation applies to commercial and retail tenants with a turnover of up to \$50 million who qualify for the COVID-19 Microbusiness grant, COVID-19 Business Grant or JobSaver Payment. It will prohibit a landlord from evicting or locking out a tenant for certain breaches of the lease unless they have first renegotiated rent and attempted mediation.

The NSW Government has injected an extra \$2 million into the Small Business Commission so it can provide additional staff to meet the demand for mediations and assist retail and commercial tenants and landlords to discuss discounts or renegotiating rents, noting the challenges faced by small businesses at this time.

Eligible commercial landowners are able to apply for up to 100 per cent of their land tax liability for 2021. To be eligible, the landowner must have reduced rent for the affected tenant by at least the amount being claimed for any period between 1 July 2021 and 31 December 2021.

The previous *Retail and Other Commercial Leases (COVID-19) Regulation 2021* – which required commercial and retail landlords to attempt mediation before locking out or evicting their tenant – was due to expire on 20 August 2021 and has been amended to include these new measures. The new Regulation will expire on 13 January 2022.

More information for landlords and tenants will be published on the Service NSW website soon.

For more information on mediation support and the Small Business Commission visit:
<https://www.smallbusiness.nsw.gov.au/>

For more information on support available for businesses visit:
<https://www.service.nsw.gov.au/campaign/covid-19-help-businesses/grants-loans-and-financial-assistance>

For more information on land tax relief visit:
<https://www.service.nsw.gov.au/transaction/apply-covid-19-land-tax-relief>