
MEDIA RELEASE

Extension of commercial tenancies declaration unnecessary and costing struggling businesses

The Property Council of Australia, together with the ACT Branch of the Australian Hotels Association representing both tenants and landlords have jointly opposed the extension of the Commercial Tenancies Declaration.

Both industry associations who are representatives on the government's Commercial Tenancies Administration Committee argued strongly against the extension in that forum arguing that impacted parties had of their own accord struck satisfactory rent relief and support.

Yesterday, the ACT Government extended arrangements offered to Small and Medium Enterprises who are struggling to pay commercial rents during the COVID-19 Health Emergency. The new Declaration comes into effect on 28 September. It will stay in place until 31 January 2021.

"We have been strongly advocating against any extension Commercial Code of Conduct around the country beyond September where businesses have been able to re-open and economic activity has resumed – as they have in the ACT," Adina Cirson, ACT Executive Director of the Property Council of Australia said.

"The codes were an extraordinary intervention at the height of the COVID-19 pandemic emergency phase, however in many jurisdictions the spread of the virus has been significantly slowed or halted altogether.

"Commercial property owners are highly motivated to support existing tenants who are experiencing hardship and were doing this prior to the code's implementation – we don't need extra regulation to do continue this should the need warrant it," Ms Cirson said.

Analysis prepared by Deloitte found that the impact of the commercial leasing code across Australia on commercial landlord revenues for the five month period from April to September is at least \$4 billion to tenants under the code, and extension would impose an extra \$4.8 billion in costs on commercial property owners and potentially threaten the viability of many small and mid-sized commercial property businesses.¹

Anthony Brierley, General Manager of the ACT Branch of the AHA stated that the first declaration was made in the most extraordinary of pandemic measures.

"At that time the Government was mandating lockdowns and had shut down businesses for health and safety reasons. The pandemic conditions are different now in the ACT," Mr Brierley said.

"Our preference has always been that the coronavirus restrictions are adjusted so that there is no need for this declaration to be extended. The ACT Government is refusing to adjust the current restrictions in line with the health risks associated with COVID-19 in the ACT. This is causing ongoing unnecessary financial hardship for landlords and tenants.

¹ [Commercial tenancy code extension risks property company collapses.](#)



**ACT
BRANCH**

“With no cases in more than 9 weeks, it is time the government allowed the hospitality sector get back to a financially-viable level of trade. We know that this can be done safely with average patron density of one person per two square metres.

“One person per two square metres is the best relief for our industry, and comes without any cost to government. Instead we have a government which cost-shifting the burden onto businesses, without justification,” Mr Brierley said.

Both Industry representatives have also argued for a need for ongoing rates relief so that landlords were not shouldering the financial burden of government restrictions that are inhibiting trade.

“We acknowledge that the government has now extended rates relief both waivers (3 months) and deferrals (6 months), available to impacted businesses, which is welcome,” Mr Brierley concluded.

ENDS

Media contacts - for interviews, comment and further information:

Adina Cirson, ACT Executive Director, Property Council of Australia: 0429 579 972

Anthony Brierley, General Manager, Australian Hotels Association ACT: 0423 597 814