

2 April 2020

The Hon Dominic Perrottet MP
Treasurer
GPO Box 5341
SYDNEY NSW 2001

Dear Treasurer

Small Business Direct Assistance for COVID-19 Financial Advice

I write to request urgent clarification on commercial tenancy protections as part of the COVID-19 emergency. A number of small businesses in my electorate are feeling the economic pressure of Covid-19 and unable to seek any leniency from landlords, despite the announcements from state and federal governments.

The COVID-19 pandemic is causing far reaching disruption across the community and economy. I welcome the broad range of stimulus and support packages from all levels of government to keep businesses afloat and staff employed during this crisis, however many operators who have contacted me say their business remains vulnerable to ruin from a requirement to continue paying rent. Similarly property owners report that they are vulnerable to COVID-19 impacts on trade and income making it hard for lessees to pay rent.

Rent is typically the highest fixed cost businesses face, particularly for the food and beverage, fitness and retail sectors. Many businesses in my electorate have pointed out that if they are required to continue to pay rent during the emergency period, they will go under. Similarly, property owners in my electorate, including self-funded retirees, point out that they rely on rent for income.

The Prime Minister recently announced a moratorium on evictions and banks have committed to a six-month moratorium on mortgage repayments, although interest will accrue over that time. The Prime Minister also encouraged tenants, landlords and banks to negotiate payments during this period.

Notwithstanding commercial tenants and landlords report uncertainty and I have heard accounts of parties being unwilling to compromise or discuss options without onerous conditions. While we have been told evictions will not proceed, commercial tenants tell me that agents and landlords continue to pressure tenants to pay full rents beyond their means and there is a refusal to adjust to the current economic situation or wait until the full package of incentives and supports are available to both parties.

I share community concern that the rights and responsibilities of landlords and tenants, and requirements on lenders in commercial tenancies during the COVID 19 crisis are currently unclear and a comprehensive package is required to protect all parties.

Could you please provide urgent clarity on the protections, processes and requirements of parties to commercial tenancies, with safeguards that ensure businesses, landlords and property owners do not risk hardship or bankruptcy, and inform me what action you will take?

Yours sincerely



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