



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION

DEALER BULLETIN

NATIONAL CABINET ANNOUNCEMENT ON COMMERCIAL TENANCIES CODE OF CONDUCT

7 April 2020

To: ALL AADA MEMBERS

The National Cabinet today agreed that states and territories would implement the attached mandatory Code of Conduct to impose a set of good faith leasing principles for application to commercial tenancies between owners/operators/other landlords and tenants.

Eligibility is for tenants with an annual turnover of up to \$50 million and businesses eligible for the JobKeeper program. Importantly, for our sector the \$50 million annual turnover threshold will be applied in respect of franchises at the franchisee level and in respect of retail corporate groups at the group level (rather than at the individual retail outlet level).

It is envisaged that there would be a proportionality to rent reduction based on the tenants decline in turnover to ensure that the burden is shared between landlords and tenants. The Code still allows tenants and landlords to agree to tailored, bespoke and appropriate temporary arrangements that take account of their particular circumstances.

We are still awaiting further detail on the application of the Tenancies Code, which we will share with members as soon as it is available.

For more information, please [click here](#).

If you have any questions or need further information, please contact:

Sharnee Pardy

Communications & Operations Manager
Australian Automotive Dealer Association Ltd.

E: spardy@aada.asn.au

M: +61 423 542 494

