



Queensland

Land Sales Amendment Regulation (No. 1) 2011

Explanatory Notes for SL 2011 No. 213

made under the

Land Sales Act 1984

General outline

Short title

Land Sales Amendment Regulation (No. 1) 2011.

Authorising law

Sections 28 and 36 of the *Land Sales Act 1984*.

Policy objectives and the reasons for them

The objective of the amendment regulation is to grant an extension of time within which purchasers of proposed lots in Longland Towers @ Gasworks, being undertaken by FKP Commercial Developments Pty Ltd, must be provided with a registrable instrument of transfer.

Section 27 of the *Land Sales Act 1984* (the Act) protects consumers' interests by allowing a purchaser of a proposed unit to avoid the contract for sale if a registrable instrument of transfer has not been provided by the vendor within 3½ years from the date of the contract.

Also, section 28 of the Act provides this period may be extended by two years so the maximum period for the supply of a registrable instrument of

transfer may be 5½ years. This provision was enacted to accommodate large-scale residential unit developments which have longer than normal construction timeframes. As a result of these longer construction timeframes, the period between when a purchaser signs a contract and when a registrable instrument of transfer is available is likely to be in excess of 3½ years.

Section 36(1) of the Act empowers the Governor-in-Council to make a regulation to facilitate such an extension. In recent years, extensions have been granted pursuant to section 28 in relation to a number of developments, including for the maximum allowable period. The requirements for an extension of time for Longland Towers @ Gasworks, at Newstead are detailed below.

FKP Commercial Developments Pty Ltd is seeking an extension to 5½ years under section 28(1) of the Act. The extension has been requested due to the scale and complexity of the development and the need to meet pre-sales targets to secure finance. The extension sought of 2 years falls within the prescribed maximum allowable period.

Achievement of policy objectives

The policy objectives will be achieved by making the amendment regulation granting an extension of time within which purchasers of proposed lots in Longland Towers @ Gasworks must be provided with a registrable instrument of transfer.

This approach is reasonable and appropriate because of the scale and complexity of the development by FKP Commercial Developments Pty Ltd and their need to meet pre-sales targets to secure finance.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the main objects of the Act which include to:

- (a) facilitate property development in Queensland; and
- (b) protect the interests of consumers in relation to property development.

The extension will not compromise the existing level of consumer protection. Under the Act, the developers are required to provide any

purchaser with a notice advising the date by which a registrable instrument of transfer must be provided.

Granting the extension is the most reasonable option to ensure the development has the best opportunity to proceed.

Inconsistency with policy objectives of other legislation

The amendment regulation is consistent with the policy objectives of other legislation, particularly in terms of ensuring consumer protection and supporting business and employment growth.

Benefits and costs of implementation

The benefits of implementation are that the development may proceed, subject to market conditions. Not granting the extension may jeopardise the development and may have a negative impact on employment and economic development.

The main impact would be on employment and residential housing. The residential component is expected to contain 226 units and this would contribute to residential housing infill targets under the South East Queensland Regional Plan. Jobs will also be created during and after construction. During construction of the residential component, developers estimate approximately 300-350 jobs will be created.

No costs of implementation have been identified.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles.

Consultation

Consultation has occurred with DLA Piper Australia, solicitors for the developer. DLA Piper Australia has provided information in relation to the development and the lots the subject of the amending regulation.

The Department of the Premier and Cabinet was consulted and has no concerns about the proposal.

Queensland Treasury was consulted to determine whether it was necessary to prepare a Regulatory Assessment Statement (RAS). Queensland Treasury agrees a RAS is not required.

ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Justice and Attorney-General.

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