

[Act 1998 No 4]



New South Wales

Land Sales Amendment Bill 1998

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The objects of this Bill are to amend the *Land Sales Act 1964* (the Principal Act) so as to make provision in that Act for various matters currently prescribed by the *Land Sales Regulation 1997* and to consequentially repeal that Regulation.

The Bill:

- (a) transfers the exemption of local councils and statutory bodies representing the Crown from the requirements of Part 3 of the Principal Act (currently contained in clause 7 of the Regulation) to section 6 of the Principal Act, and
 - (b) provides for notice of a vendor's intention to charge the land to which an instalment contract relates to be in a form approved by the Registrar-General instead of being in a form prescribed by the regulations, and
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- (c) provides for the amount that the vendor under an instalment contract can be required in certain circumstances to refund to the purchaser for the costs incurred by the purchaser in obtaining legal advice in connection with the contract to be an amount, not exceeding the amount specified in the undertaking attached to or endorsed on the contract, for the reasonable costs of obtaining that advice (instead of an amount not exceeding an amount prescribed by the regulations for the purposes of section 9 of the Principal Act).

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on assent.

Clause 3 is a formal provision giving effect to the amendments to the *Land Sales Act 1964* set out in Schedule 1.

Clause 4 repeals the *Land Sales Regulation 1997*.

Schedule 1 Amendments

Schedule 1 [1] gives effect to the object of the Bill described in paragraph (a) of the Overview.

Schedule 1 [2] and **[3]** give effect to the object described in paragraph (c) of the Overview. Section 9 (2) (a) (i) of the Principal Act currently provides that if a vendor tenders to the purchaser an instalment contract for execution by the purchaser, the vendor is to annex to, or endorse on, the contract an undertaking that the vendor will refund to the purchaser the costs (not exceeding an amount prescribed by the regulations) incurred by the purchaser in obtaining legal advice in connection with that contract. The *Land Sales Regulation 1997* currently provides that the maximum amount of such costs is \$140. The proposed amendments instead provide that the amount payable is to be an amount not exceeding an amount stated in the undertaking annexed to or endorsed on the instalment contract as the reasonable costs of obtaining such advice. This amount may be varied by agreement in writing between the vendor and purchaser at any time before the purchaser executes the instalment contract.

Schedule 1 [4] gives effect to the object of the Bill described in paragraph (b) of the Overview.

Schedule 1 [5]–[7] make consequential amendments as well as amendments of a savings and transitional nature.