



Queensland

# Land Amendment Regulation (No. 2) 2012

## Explanatory Notes for SL 2012 No. 87

made under the  
*Land Act 1994*

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## General outline

### Short title

*Land Amendment Regulation (No. 2) 2012.*

### Authorising law

Section 448 of the *Land Act 1994*

### Policy Objectives and the reasons for them

The objective of the Regulation is to:

- Amend the *Land Regulation 2009* to provide rental capping for certain State land leases.

The introduction of site value in 2011 to value all non-rural land in Queensland combined with market movements since previous valuations many State land lease rents will increase substantially. These increases come at a time when the State's leaseholders are still suffering the effects of recent natural disasters. Whilst there are hardship provisions under the Land Act which can assist these lessees, additional mitigation measures are needed to be considered for these leases.

### **Achievement of policy objectives.**

One of the main components to the *Land Regulation 2009* relates to financial matters including rentals for leases over state land.

By capping of rental increases the government will mitigate against lessees suffering hardship due to high rental increases. In order to assist lessees within the residential category of leases, it is proposed that rental increases for certain leases will be capped for three years. A 50 per cent cap will apply for 2012/13, a 75 per cent cap to apply for 2013/14 and a 100 per cent to apply for 2014/15. The capping arrangements for these residential leases will cease on 30 June 2015.

To assist some other lessees it is proposed that the business (excluding tourism and mining sector leases) and government core business (excluding State and Commonwealth government leases and Government Owned Corporations leases) and divestment category leases will be capped at 100 per cent for 2012/13 and 2013/14. Capping arrangements for these leases will cease on 30 June 2014.

### **Consistency with authorising law**

The regulation is consistent with part 2 of the Act which requires land to be managed for the benefit of the people of Queensland.

### **Inconsistency with policy objectives of other legislation.**

Not applicable.

### **Benefits and cost of implementation.**

Implementation will be done within current departmental budget allocations. Almost 400 lessees will benefit from the rental capping arrangements.

### **Consistency with Fundamental Legislative Principles**

The regulation is consistent with fundamental legislative principles.

## **Consultation**

The Department of the Premier and Cabinet (DPC) and Queensland Treasury were consulted regarding the proposed amendments and were supportive.

As the rental capping will benefit stakeholders no other consultation was undertaken.

The Queensland Office for Regulatory Efficiency was consulted in relation to the need for a Regulatory Assessment Statement (RAS) and advised that a RAS was not considered necessary.

## **Notes on Provisions**

### **Part 1 Preliminary**

#### **Short title**

Clause 1 provides the short title of the regulation.

#### **Regulation amended**

Clause 2 of this regulation amends provisions in the *Land Regulation 2009*.

#### **Percentage for protection against undue rental increases-Act, s 183AA**

Clause 3 amends section 39 by extending the existing capping of 50 per cent for category 12 leases held by natural persons, local governments and not for profit organisations until 30 June 2013, replacing the 50 per cent with a 75 per cent cap for these leases for the 2013/2014 financial year; and, replacing the 75 per cent cap with a 100% cap for these leases for the 2014/15 financial year.

This clause also amends section 39 by capping rentals increases to no more than 100% in the 2012-13 and 2013-14 financial years for leases in the business and government core business category (excluding those leases for tourism, or State and Commonwealth government agencies or government-owned corporations or mining and resource companies) and the divestment category.

**Schedule 6A (Lease title reference)**

Clause 4 amends this schedule by deleting leases that are no longer in existence and includes a lease that has a new title reference. These leases are leases used for tourism purposes and have their rents capped at 10%.

**Schedule 12 (Dictionary)**

Clause 5 amends this schedule by adding two new definitions.

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ENDNOTES

- 1 Laid before the Legislative Assembly on . . .
- 2 The administering agency is the Department of Natural Resources and Mines.

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