

Land (Deferred Rent) Amendment Regulation 2018

Explanatory notes for SL 2018 No. 108

made under the

Land Act 1994

General Outline

Short title

Land (Deferred Rent) Amendment Regulation 2018.

Authorising law

Section 448 of the *Land Act 1994* (the Act)

Policy objectives and the reasons for them

The objectives of the *Land (Deferred Rent) Amendment Regulation 2018* (the amendment regulation) is to:

1. Further implement the government's commitment to provide support to landholders in drought/hardship declared areas.
2. Assist landholders recovering from long term drought conditions.

Achievement of policy objectives

It is proposed to amend the *Land Regulation 2009* to make provision for a lessee that has been removed from a drought declared area, to pay off any accumulated rent debt while the lease was drought declared. The lessee will have five years to pay off the debt with no penalty interest to accrue.

This year, 11 local government areas (either partial or full) have been revoked from drought declaration status, which is potentially up to 700 leases that will be removed from drought declaration status.

The deferral of balances from year to year since 2013 has resulted in accumulated debts of up to five years' rent for some leases. It is not reasonable to expect lessees

to pay accumulated rent immediately or soon after their properties are removed from a drought declared area.

The procedure to manage debts, following drought revocations, has been for regional officers to contact lessees and place them on individual hardship arrangements.

This approach is resource intensive and will be difficult to manage due to the large number of shire revocations for this year.

The amendment regulation will provide financial relief to lessees recently removed from drought, and provide an incentive to pay off outstanding rental debts, without imposing further financial hardship to lessees who are still recovering from drought.

Consistency with policy objectives of authorising law

The amendment regulation is consistent with the main objectives of the Act.

Inconsistency with policy objectives of other legislation

The amendment regulation is not inconsistent with any other legislation.

Benefits and costs of implementation

The benefits of the amendment regulation is to encourage payment of the current outstanding debt to the State.

The amendment regulation will decrease the administrative burden on the Department of Natural Resources, Mines and Energy in imposing separate hardship arrangements and will alleviate undertaking debt management processes on unpaid debts.

There will be a cost saving to the Department of Natural Resources, Mines and Energy in relation to less resources involved in the debt management processes.

There are negligible costs involved in the implementation of the amendment regulation.

Consistency with fundamental legislative principles

The amendment regulation is consistent with fundamental legislative principles in accordance with the *Legislative Standards Act 1992*.

The amendment regulation is consistent with the current legislative principles of the Act.

Consultation

Queensland Productivity Commission advised that the amendment appears to reduce the burden of regulation, with no apparent significant adverse impacts. Therefore, no further regulatory impact assessment is required under the *Queensland Government Guide to Better Regulation*.

There is no requirement for wider consultation on the amendment regulation, as there will be no impact on any lessees other than to affected lessees. The impact on affected lessees will be positive and provide a benefit and incentive to pay off outstanding rental debts.

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