



THE LAW SOCIETY
OF NEW SOUTH WALES

Our ref: Property:JEgl1050302

11 September 2015

The Manager
Legal Services
Land and Property Information
GPO Box 15
Sydney NSW 2001

By email: legalservices@lpi.nsw.gov.au

Dear Sir/Madam,

Possible repeal of the *Land Sales Act 1964* ("Act")

The Law Society of New South Wales appreciates the opportunity to review the proposal to repeal the Act. The Property Law Committee ("Committee") has considered the operation of the Act and does not support its repeal.

The Committee notes that the Act broadly prohibits certain instalment contracts, unless those contracts satisfy the requirements prescribed by the Act. The Committee agrees with Land and Property Information that the intent of the Act when introduced was to protect purchasers under instalment contracts who would be exposed to significant risk if the developer became bankrupt and the land was sold prior to payment of the final instalment. The Committee considers that the Act still has a role to play in providing such consumer protection, particularly in times of economic downturn.

Land and Property Information has noted in its announcement in relation to the possible repeal of the Act that:

In today's market, however, it is understood that instalment contracts are rare and the problem which the Act was enacted to address is no longer prevalent. Continuing regulation of 'instalment contracts' may no longer be warranted.

In the Committee's view, the fact that instalments contracts are rare may be regarded as evidence that the legislation is fulfilling its purpose and should not be repealed.

An alternate approach to the repeal of the Act may be to review the Act and consolidate its operative provisions into the *Conveyancing Act 1919*. This would retain the level of consumer protection, but would reduce the number of different pieces of legislation in force. The Committee would be pleased to provide further more detailed feedback in relation to such a review of the Act, should that occur.

The Committee would welcome further opportunities to discuss these comments. Should you have queries about this letter, please contact Gabrielle Lea, Policy Lawyer for the Committee by email to gabrielle.lea@lawsociety.com.au or on (02) 9926 0375.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Tidball', with a horizontal line underneath.

Michael Tidball
Chief Executive Officer