



PROPOSED AMENDMENTS TO LAND ACT

An expansion of dispute resolution mechanism for subleases

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The *Natural Resources and Other Legislation Amendment Bill 2019* (the **Bill**) was recently introduced to Parliament. One of the proposed amendments is the introduction of a new dispute resolution system for lease disputes.

Described as "an effective mechanism to facilitate the resolution of disputes between leaseholders and sublessees",¹ the newly proposed resolution system will provide some greater certainty to the way in which disputes might be resolved, as the current legislation lacks direction and an appropriate framework.

Currently, the Land Act contains minimal provisions for the handling of sublease disputes, merely providing basic descriptions as to:

- (a) the method in which a party may apply for a mediation referral;
- (b) the process of appointment of a mediator; and
- (c) the requirement for parties to participate in good faith.

¹ Natural Resources and Other Legislation Amendment Bill 2019 – Explanatory Notes, pg 1.

By implementing a more extensive framework for the resolution of disputes between lessees and sublessees, the proposed amendments provide a significantly better and more formalised dispute resolution process, including:

- (a) the introduction of 'notices of dispute' – a pre-mediation means of identifying, clarifying and potentially narrowing the issues in dispute between the parties; and
- (b) the introduction of arbitration as an avenue of dispute resolution following unsuccessful mediation.

These arbitration and mediation dispute resolution processes will sit alongside established court application processes within the Land Act.

The Bill has yet to be fully debated and we understand that it will be the subject of a Parliamentary committee public hearing before the legislation is put to the House for approval.

However, if the Bill and its proposed amendments are assented to, lessees and sublessees of Crown land may expect a more structured and regulated system for dispute resolution in future.

For assistance or more information about these matters, please contact Michael Byrom.

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