



Australian Capital Territory

# **Civil Law (Property) Act 2006**

**A2006-38**

**Republication No 8**

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Authorised by the ACT Parliamentary Counsel

## About this republication

### The republished law

This is a republication of the *Civil Law (Property) Act 2006* (including any amendment made under the *Legislation Act 2001*, part 11.3 (Editorial changes)) as in force on 7 November 2013. It also includes any commencement, amendment, repeal or expiry affecting this republished law to 7 November 2013.

The legislation history and amendment history of the republished law are set out in endnotes 3 and 4.

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- authorised republications to which the *Legislation Act 2001* applies
- unauthorised republications.

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The *Legislation Act 2001*, part 11.3 authorises the Parliamentary Counsel to make editorial amendments and other changes of a formal nature when preparing a law for republication. Editorial changes do not change the effect of the law, but have effect as if they had been made by an Act commencing on the republication date (see *Legislation Act 2001*, s 115 and s 117). The changes are made if the Parliamentary Counsel considers they are desirable to bring the law into line, or more closely into line, with current legislative drafting practice.

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If a provision of the republished law is affected by a current modification, the symbol **M** appears immediately before the provision heading. The text of the modifying provision appears in the endnotes. For the legal status of modifications, see the *Legislation Act 2001*, section 95.

### Penalties

At the republication date, the value of a penalty unit for an offence against this law is \$140 for an individual and \$700 for a corporation (see *Legislation Act 2001*, s 133).



Australian Capital Territory

# Civil Law (Property) Act 2006

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Australian Capital Territory

## Civil Law (Property) Act 2006

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An Act to amend, simplify and consolidate provisions about the law of property, and for other purposes

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## Chapter 1 Preliminary

### 1 Name of Act

This Act is the *Civil Law (Property) Act 2006*.

### 3 Dictionary

The dictionary at the end of this Act is part of this Act.

*Note 1* The dictionary at the end of this Act defines certain terms used in this Act, and includes references (*signpost definitions*) to other terms defined elsewhere.

For example, the signpost definition ‘*trustee company*—see the *Trustee Companies Act 1947*, dictionary.’ means that the term ‘trustee company’ is defined in that dictionary and the definition applies to this Act.

*Note 2* A definition in the dictionary (including a signpost definition) applies to the entire Act unless the definition, or another provision of the Act, provides otherwise or the contrary intention otherwise appears (see *Legislation Act*, s 155 and s 156 (1)).

### 4 Notes

A note included in this Act is explanatory and is not part of this Act.

*Note* See the *Legislation Act*, s 127 (1), (4) and (5) for the legal status of notes.

### 5 Application of Act

- (1) This Act does not apply in relation to leasehold land (including leases of leasehold land) under the *Land Titles Act 1925* so far as there is an inconsistency with that Act.
- (2) If a provision of this Act is stated to apply to land under the *Land Titles Act 1925*, the provision is not taken (unless the contrary intention appears) to apply exclusively to land of that kind.

## Chapter 2 Conveyancing

### Part 2.1 Conveyancing—preliminary

#### 200 What is a *settlement*?

- (1) A *settlement* is an instrument, or a number of instruments, under which land is—
  - (a) held by people in limited ownership by succession; or
  - (b) held in trust for people as limited owners by succession; or
  - (c) held in trust for a child in possession; or
  - (d) held in limited ownership by a trust for a child in possession.

#### Example of settlement

will

*Note* An example is part of the Act, is not exhaustive and may extend, but does not limit, the meaning of the provision in which it appears (see [Legislation Act](#), s 126 and s 132).

- (2) If a child is beneficially entitled to land, and because of an intestacy or otherwise there is no instrument under which the interest of the child arises or is acquired, a *settlement* is taken to have been made by the intestate or the person whose interest the child has acquired.
- (3) An interest not disposed of by a settlement, and remaining in or reverting to the settlor (or someone deriving title through the settlor), is an interest included in the settlement and coming to the settlor (or other person) under the settlement.

## Part 2.2                      General rules about property

### Division 2.2.1              Rules of law on certain points

#### 201              Instruments required to be in writing

- (1) An interest in land cannot be created or disposed of by a person except—
- (a) by writing signed by the person or by the person's agent properly authorised in writing; or
  - (b) by the person's will; or
  - (c) by operation of law.

*Note 1*    The [Legislation Act](#), dict, pt 1 defines *interest*, in relation to land and other property, and *land*.

*Note 2*    See also the [Legislation Act](#), s 168 (References to person with interest in land include personal representative etc).

- (2) A declaration of trust by a person in relation to an interest in land must be—
- (a) in writing signed by the person; or
  - (b) made by the person's will.
- (3) A disposition by a person of an equitable interest or trust existing at the time of the disposition must be—
- (a) in writing signed by the person or by the person's agent properly authorised in writing; or
  - (b) made by the person's will.

- (4) This section—
- (a) does not affect the creation or operation of a resulting, implied or constructive trust; and
  - (b) is subject to section 202 (Creation of interests in land by word of mouth).

## **202 Creation of interests in land by word of mouth**

- (1) This section applies to an interest in land if the interest is—
- (a) created by word of mouth; and
  - (b) not put into writing signed by the person creating it or by the person's agent properly authorised in writing.
- (2) The interest is an interest at will only, whether or not consideration is given for it.

## **203 Exceptions to s 201 and s 202**

- (1) Section 201 (Instruments required to be in writing) and section 202 (Creation of interests in land by word of mouth) do not—
- (a) affect the creation by word of mouth of a lease that is at the highest rent reasonably obtainable without taking a fine and that takes effect in possession—
    - (i) for a term not longer than 3 years without a right for the lessee to extend the term; or
    - (ii) for a term not longer than 3 years with a right for the lessee to extend the term, at the best rent reasonably obtainable without taking a fine, for a further period, but so that the period of the lease and the period of the extension do not total longer than 3 years; or

- (b) invalidate a disposition by will; or
- (c) affect an interest validly created before 26 June 1986; or
- (d) affect the law about part performance.

*Note*      A ‘fine’ is an amount paid by a tenant to a landlord for the grant, transfer or renewal of a lease. It is not an amount reasonably demanded to cover the landlord’s expenses, rather an extortionate amount demanded by a landlord without reasonable cause (see Butterworths, Australian Legal Dictionary, p 477).

- (2) In this section:

*possession*—to remove any doubt, *possession* of land does not include receipt of income from the land.

## 204      Proceedings do not lie on certain unwritten agreements

- (1) A proceeding does not lie against a person on a contract for the sale or other disposition of land unless the agreement on which the proceeding is brought, or a memorandum or note of the agreement, is in writing signed by the person or by the person’s agent properly authorised in writing.
- (2) This section—
  - (a) applies to contracts whenever they were made; and
  - (b) applies to land under the *Land Titles Act 1925*; and
  - (c) does not affect the law about part performance or sales by a court.



## **205 Assignment of debts and things in action**

- (1) An absolute assignment, in writing signed by the assignor, of a debt or thing in action (other than an assignment expressed to be by charge only) is effective at law to transfer the right to the debt or thing in action if written notice of the assignment is given to the debtor, trustee, or other person, (the *liable person*) from whom the assignor would have been entitled to receive or claim the debt or thing in action.

*Note* A *thing in action* (also called a *chose in action*) is an intangible personal property right recognised and protected by the law. Examples include debts, money held at a bank, shares, rights under a trust, copyright, and the right to sue for breach of contract.

- (2) The transfer takes effect on the day the notice is given.
- (3) Without limiting subsection (1), the assignee may recover or otherwise enforce the debt or thing in action without involving the assignor.
- (4) However, the transfer is subject to all equities that would have been entitled to priority over the right of the assignee apart from this section.
- (5) If the liable person has notice that the assignment is disputed, or of any conflicting claims to the debt or thing in action, the liable person may—
  - (a) call on anyone claiming the debt or thing in action to interplead; or
  - (b) pay any amount in dispute into court.

## **206 Merger**

An estate in land is merged in another estate by operation of law only if the beneficial interest in the estate is merged or extinguished in equity.

**207      Equitable waste**

An estate for life without impeachment of waste does not give the tenant for life a legal right to commit equitable waste, unless an intention to give the tenant for life that right expressly appears in the instrument creating the estate.

**Division 2.2.2      Property generally**

**208      Person may assure property to self or to self and others**

A person may assure property to—

- (a) himself or herself; or
- (b) himself or herself and anyone else.

**209      Power for corporations to hold property as joint tenants**

- (1) A corporation may acquire and hold property in joint tenancy in the same way as if it were an individual.
- (2) Without limiting subsection (1), if a corporation and an individual become entitled to property under circumstances or an instrument that would have created a joint tenancy if the corporation were an individual, the corporation and individual are entitled to the property as joint tenants.
- (3) However, the acquisition and holding of property by a corporation in joint tenancy is subject to the conditions and restrictions that apply to the acquisition and holding of property by a corporation in severalty.
- (4) If a corporation that is a joint tenant of property is dissolved, the property devolves on the other joint tenant.

**210 Interpretation of conveyance etc of property to 2 or more people together**

- (1) A disposition of the beneficial interest in property (whether or not with the legal estate) to or for 2 or more people together beneficially is taken to be made to or for them as tenants in common, and not as joint tenants.
- (2) However, this section does not apply—
  - (a) to people who, under the instrument, are executors, administrators, trustees or mortgagees; or
  - (b) if the instrument expressly provides that they are to take as joint tenants.
- (3) This section applies to the interpretation of an instrument commencing after 8 May 1958.

**211 Tenants in common of equitable estate acquiring legal estate**

- (1) This section applies if—
  - (a) 2 or more people are beneficially entitled as tenants in common to an equitable estate in property; and
  - (b) they are or become entitled in their own right (whether as joint tenants or tenants in common) to the legal estate in the property; and
  - (c) their legal estate in the property is equal to, and coextensive with, their equitable estate in the property.
- (2) The legal and equitable estates in the property are both to be held by them as tenants in common unless they otherwise agree.

## **212      People taking who are not parties**

- (1) A person may take an immediate or other interest in land or other property, or the benefit of a condition, right of entry, covenant or agreement over or in relation to land or other property, even though the person is not a party to the assurance or other instrument.
- (2) The person may sue, and is entitled to all rights and remedies, in relation to the land or other property as if the person had been a party to the assurance or other instrument.

## **213      Presumption of survivorship**

- (1) If 2 people die at the same time or in an order that is uncertain, the deaths are, for purposes affecting title to land, taken to have happened in order of seniority, and the younger is taken to have survived the elder.
- (2) If more than 2 people die at the same time or in an order that is uncertain, the deaths are, for purposes affecting title to land, taken to have happened in order of seniority, and the youngest is taken to have survived the eldest.
- (3) This section is subject to the [Administration and Probate Act 1929](#), part 3B (Simultaneous deaths).

## **214      Provisions about supplemental instruments**

- (1) An instrument (the *supplemental instrument*) expressed to be supplemental to a previous instrument is, as far as practicable, to be read, and has effect, as if the supplemental instrument contained a full recital of the previous instrument.
- (2) This section does not operate to give a right to production of the previous instrument.

- (3) A purchaser may accept the same evidence that the previous instrument does not affect the title as the purchaser could have accepted if it had only been mentioned in the supplemental instrument.

### **Division 2.2.3      Ending life interests**

#### **215      Meaning of *life interest* for div 2.2.3**

In this division:

*life interest* means an interest in property ending on the death of 1 or more people.

#### **216      Wrongful holding over of life interest etc**

- (1) This section applies if a person entitled to a life interest in property holds over or continues in possession of the property, the interest in the property, or the rents, profits or income of the property, after the end of the life interest without the express consent of the person next entitled to the property, or to the rents, profits or income of the property, on the ending of the life interest.
- (2) The holder of the life interest is liable in damages, to account for the rents, profits or income of the property, or both, to the person entitled to the property, or to the rents, profits or income, after the end of the life interest.

#### **217      Vesting of interests on end of life interest—evidence of death**

- (1) If a reversion, remainder or other interest in property is to vest in possession on the death of 1 or more people and the person entitled to the interest believes that the interest has become vested in possession because of the death of the relevant person, the person entitled to the interest (the *applicant*) may—
- (a) apply to a court for appropriate orders in relation to the property; and

- (b) give the court evidence of the death of the relevant person.
- (2) If the court is satisfied that the relevant person has died, the court may make appropriate orders in relation to the property in which the interest is held.
- (3) Without limiting subsection (2), if evidence is given to the court that the relevant person has remained outside Australia, or has been absent from the place in Australia where the person might have been expected to be found, for 7 years or longer, then, unless it is proved to the satisfaction of the court that the relevant person is still alive, the court may order that the person is, for the proceeding, taken to have died and make appropriate orders on that basis.
- (4) If judgment is given against the applicant and the applicant later begins another proceeding in a court in which the applicant claims that the relevant person has died, the court in which the other proceeding is begun may order that the proceeding be stayed—
- (a) for a stated time; or
- (b) until a further order of the court; or
- (c) permanently.
- (5) In this section:
- relevant person*, in relation to the vesting in possession of a reversion, remainder or other interest in property, means the person on whose death the interest vests in possession or, if the vesting of the interest in possession happens on the deaths of 2 or more people, the last of them to die.

**218 Vesting orders made in error**

- (1) This section applies if—
  - (a) a person with a life interest in property (the *interest-holder*) has been evicted from the property or deprived of the interest because of an order made by a court on the basis that the life interest has ended; and
  - (b) in a later court proceeding the court is satisfied that the life interest has not ended, or had not ended when the order was made.
- (2) The court hearing the later proceeding may give the interest-holder appropriate relief.

## **Part 2.3**                      **General rules about deeds and documents of corporations**

### **Division 2.3.1**            **Deeds and their effect**

#### **219**            **Signature and attestation of deeds**

- (1) A deed (whether or not it affects property) must be—
  - (a) signed and sealed; and
  - (b) attested by at least 1 witness who is not a party to the deed, using any form of words.
- (2) Indenting is not necessary.
- (3) An instrument executed after 1 July 1920 that is signed and attested in accordance with this section is taken to be sealed if the instrument is expressed to be an indenture or deed or to be sealed.
- (4) A deed executed and attested in accordance with this section may be proved in the same way that a deed not required by law to be attested may be proved.
- (5) This section does not affect—
  - (a) the execution of a deed by a corporation; or
  - (b) a deed executed before 1 November 1951.

#### **220**            **Receipt in deed sufficient**

A receipt for consideration in the body of a deed is a discharge for the consideration to the person giving it, even though a receipt is not endorsed on the deed.



**221 Receipt in deed or endorsed evidence for subsequent purchaser**

A receipt for consideration in the body of a deed (or endorsed on it) is, for a subsequent purchaser without notice that all or part of the consideration has not been given, evidence of the giving of all the consideration.

**222 How powers of appointment are to be exercised**

- (1) This section applies if a power of appointment by an instrument other than a will is exercised by—
  - (a) a deed executed and attested in accordance with this Act or the [Corporations Act](#); or
  - (b) an instrument under the [Land Titles Act 1925](#) executed and attested in accordance with that Act.
- (2) The deed or instrument is, in relation to the execution and attestation, a valid exercise of the power, even though the instrument that creates the power requires an additional or another form of execution or attestation.

**Division 2.3.2 Operation of deeds**

**223 Limitations may be made by direct conveyance without uses**

A limitation that may be made by use operating under this Act may be made by direct conveyance without the intervention of uses.

**224 In conveyance use of word grant unnecessary**

- (1) In a conveyance it is not necessary to use the word ‘grant’ to convey land.
- (2) Any words that indicate an intention to convey the land are sufficient.

**225 Rights of entry etc**

The following interests in property may be conveyed by deed:

- (a) a right of entry;
- (b) a contingent remainder;
- (c) a contingent, executory, or future estate, right or interest;
- (d) a possibility coupled with an interest.

**226 Certain conveyance etc void**

- (1) This section applies to a conveyance of, or an agreement to convey, a present right of entry to land, other than a conveyance or agreement to convey to the person in possession of the land (**A**).
- (2) The conveyance or agreement to convey is void as against A or anyone claiming through A unless the person conveying or agreeing to convey (**B**), or the person through whom B claims, has been in possession of the land within 1 year from the date of the conveyance or agreement.

**Division 2.3.3 Documents of corporations**

**227 Execution of documents by or on behalf of corporations**

- (1) For an honest purchaser, a document is taken to have been properly executed by a corporation aggregate if the seal of the corporation is fixed to the document and the fixing of the seal is attested by—
  - (a) the secretary or another officer of the corporation or a deputy of the secretary or other officer; and
  - (b) a member of the board of directors, council or other governing body of the corporation.

- (2) If a document has attached to it a seal purporting to be the seal of a corporation aggregate and the fixing of the seal has been attested by people purporting to hold the positions mentioned in subsection (1), an honest purchaser may assume the document has been executed in accordance with subsection (1).
- (3) The board of directors, council or other governing body of a corporation aggregate may, by resolution or other means, appoint an agent to execute documents for the corporation, including registration copies of documents to which the corporation is a party.
- (4) If a person is authorised under a power of attorney or a statutory or other power to assure property for a corporation, the person may make the assurance by—
  - (a) signing it in his or her name in the presence of at least 1 attesting witness and stating in the assurance the power the person has to sign it for the corporation; and
  - (b) if the assurance is a deed—further executing the assurance in accordance with section 219 (Signature and attestation of deeds).
- (5) If a corporation aggregate is authorised under a power of attorney or a statutory or other power to assure property for someone else, an officer or employee of the corporation appointed for the purpose by the board of directors, council or other governing body of the corporation may assure the property for the other person.
- (6) If an assurance is made by an officer or employee who purports to be appointed under subsection (5), the assurance is taken, in relation to an honest purchaser, to have been made by a properly appointed officer or employee.
- (7) This section applies to deeds and other documents executed after 8 May 1958.

- (8) This section does not limit the ways in which a company may execute a document (including a deed), and any method of execution authorised by law or by practice, or by the law, charter, constitution or other instrument establishing the corporation or regulating the affairs of the corporation, is (in addition to the methods authorised by this section) as effective as if this section had not been enacted.

*Note* The [Corporations Act](#), s 127 provides how a company may execute documents (including deeds), and s 128 provides that a person is entitled to make certain assumptions in s 129 in relation to dealings with a company.

## **Division 2.3.4 Powers of appointment**

### **228 Application—div 2.3.4**

This division applies to appointments made after 26 June 1986 under powers created before, on or after that day.

### **229 Appointments to be valid despite exclusion of object**

- (1) An appointment made under a power to appoint property among 2 or more objects is not invalid only because 1 or more objects of the power is not to take a share in the property.
- (2) This section does not affect a provision of the instrument creating the power that declares a share in the property from which an object of the power is not to be excluded.

## **Part 2.4                      Sales and other transactions**

### **Division 2.4.1              Dispositions on trust for sale or with power of sale**

#### **230                      Meaning of *purchaser* for div 2.4.1**

In this division:

*purchaser* means a person who acquires an interest in or charge on property for money or money's worth.

#### **231                      Consents to execution of trust for sale etc**

- (1) If the consent of 3 or more people is required by a disposition for the execution of a trust for sale of property, or the exercise of a power of sale of property under a trust, then, for a purchaser, the consent of any 2 of those people to the execution of the trust or the exercise of the power or to the exercise of any statutory or other powers vested in the trustees is enough.
- (2) If a person whose consent is required by a disposition for the execution of a trust for sale of property, or the exercise of a power of sale of property under a trust, is a person with a legal disability, the person's consent is, for a purchaser, taken not to be required.
- (3) However, for the disposition mentioned in subsection (2), the trustees must get the consent of—
  - (a) if the person is a child—the parent or testamentary or other guardian of the child; or
  - (b) if the person is a person with a mental disability—the manager of the person's property under the *Guardianship and Management of Property Act 1991*; or
  - (c) if there is no parent, guardian or manager—the Supreme Court.

**232 Purchaser not to be concerned with trusts of proceeds of sale**

- (1) A purchaser of property from trustees for sale, or from trustees having a power of sale, need not be concerned with the trusts affecting the proceeds of sale or the income of the property until sale, whether or not the trusts are declared by the same instrument that created the trust for sale or the power of sale.
- (2) Despite anything to the contrary in the instrument (if any) creating a trust for sale of property, or a power of sale of property, or in the settlement of the proceeds of sale of property, proceeds of sale or other capital money may only be paid or applied by the direction of at least 2 trustees, unless the trust has only 1 trustee and—
  - (a) the trustee is a trust corporation; or
  - (b) the trustee was appointed as the sole trustee by the instrument creating the trust.
- (3) However, subsection (2) does not affect the right of a sole personal representative to give valid receipts for, or direct the application of, proceeds of sale or other capital money.
- (4) Also, subsection (2) does not make it necessary to have more than 1 trustee unless capital money arises on a transaction.

**233 Settlements of personal property invested in land**

- (1) If a settlement contains a power to invest money in the purchase of land and land is purchased in the exercise of that power—
  - (a) the land is held by the trustees on trust for sale; and
  - (b) the net rents and profits from the land must, after paying the costs of repairs properly payable out of income, insurance and other outgoings, be paid or applied in the same way as the income of investments made from the sale price of the land would have been payable or applicable if the land had been

sold and the proceeds invested other than in the purchase of land.

- (2) This section applies unless the settlement provides to the contrary.
- (3) This section applies only to settlements commencing after 1 December 1957.

### **234 Powers given to trustees for sale**

- (1) If property under a disposition on trust for sale includes land, the trustees may take possession of, hold and manage the land until it is sold.
- (2) This section applies unless the disposition provides to the contrary.

### **235 Application of income of land under trust for sale**

- (1) The net rents and profits of land under a disposition on trust for sale must, after paying the costs of repairs properly payable out of income, insurance, and other outgoings, be paid or applied in the same way as the income of investments made from the sale price of the land would have been payable or applicable if the land had been sold and the proceeds invested other than in the purchase of land.
- (2) This section applies subject to any contrary intention in the disposition or in a settlement of proceeds of sale under the disposition.

### **236 Partition of land under trust for sale**

- (1) If the net proceeds of sale of land under a disposition on trust for sale have, under the trusts affecting the sale, become absolutely vested in possession in 2 or more people as joint tenants or tenants in common, the trustees for sale may, with the agreement of the people (if any) who are adults and not annuitants and who have interests in possession in the net rents and profits of the land until it is sold—
  - (a) partition the land remaining unsold or any part of it; and

- (b) provide (by mortgage or otherwise) for the payment of equality money.
- (2) On a partition being arranged under subsection (1), the trustees for sale must give effect to the partition by conveying the land partitioned in severalty (subject or not to any mortgage created to raise equality money) to the people entitled to it under the partition.
- (3) A purchaser of land partitioned under subsection (1) need not be concerned to inquire whether any agreement to the partition required by the subsection had been given.
- (4) If a share in the net proceeds belongs to a person who has a physical, mental, psychological or intellectual condition relevant to the *Guardianship and Management of Property Act 1991*, section 8, the trustees for sale are protected if they obtain the agreement of—
  - (a) the manager of the person's property under that Act; or
  - (b) if there is no manager—the Supreme Court.
- (5) If a share in the net proceeds is affected by an encumbrance, the trustees for sale may either—
  - (a) give effect to the encumbrance; or
  - (b) provide for the discharge of the encumbrance out of the property allotted in relation to the share.
- (6) If a share in the net proceeds is vested absolutely in a child, or in a person who cannot be found or identified, or about whom it is uncertain whether the person is living or dead, the trustees for sale may act for the child or person and keep land or other property that is the person's share.



**237 Powers of Supreme Court if trustees for sale decline to exercise powers**

- (1) If trustees for sale decline to sell or exercise any of the powers given by section 234 (Powers given to trustees for sale) or section 236 (Partition of land under trust for sale), or any agreement cannot be obtained, an interested person may apply to the Supreme Court for—
  - (a) a vesting or other order to give effect to the proposed transaction; or
  - (b) an order directing the trustees for sale to exercise any of their powers.
- (2) The court may make any order it considers appropriate.

**Division 2.4.2 Voidable dispositions**

**238 Meaning of *purchaser* for div 2.4.2**

In this division:

*purchaser* means a purchaser for valuable consideration, and includes a lessee, mortgagee or other person who, for valuable consideration, acquires an interest in property.

**239 Voluntary dispositions to defraud creditors voidable**

- (1) A disposition of property made with intent to defraud creditors is voidable by a person prejudiced by the disposition.
- (2) However, this section does not apply to an interest in property disposed of to an honest purchaser who did not have, at the time of the disposition, notice of the intent to defraud creditors.
- (3) This section applies to a disposition of property made before or after the commencement of this section.

**240      Voluntary dispositions of land—how far voidable against purchasers**

- (1) A voluntary disposition of land made with intent to defraud a subsequent purchaser is voidable by that purchaser.
- (2) For this section, if the document by which a voluntary disposition of land is made is registered before a subsequent purchase of the land, the voluntary disposition is not taken to have been made with intent to defraud a subsequent purchaser—
  - (a) only because the disposition was not made for valuable consideration; or
  - (b) only because of the subsequent purchase.
- (3) This section applies to a disposition of land made before or after the commencement of this section.

**241      Acquisitions of reversions at under value**

- (1) An acquisition of a reversionary interest in property honestly made for money or moneys worth must not be set aside only because it was made for less than full value.
- (2) This section does not affect the jurisdiction of a court to set aside or change unconscionable bargains.
- (3) In this section:  
*reversionary interest* includes an expectancy or possibility.

## Part 2.5 Partition

### 242 Definitions—pt 2.5

In this part:

*interested person*, in relation to property, means a person with an interest in the property.

*proceeding for partition of property* includes a proceeding for sale of the property and distribution of the proceeds.

### 243 Court may order partition of land held in co-ownership

If 2 or more people hold an interest in land as joint tenants or tenants in common, the Supreme Court may, on an application made by 1 or more of those people (the *applicants*)—

- (a) order a partition of the interest in the land held by the applicants; and
- (b) make any further orders, and give any consequential directions, it considers appropriate.

### 244 Power of Supreme Court to order sale instead of partition

- (1) In a proceeding for partition of property, instead of ordering partition—
  - (a) the Supreme Court may, on the application of an interested person, order the sale of the property if the court considers that sale (and a distribution of the proceeds) would be more beneficial than partition because of—
    - (i) the nature of the property; or
    - (ii) the number of interested people; or
    - (iii) the absence or disability of an interested person; or
    - (iv) any other circumstances; and

- (b) the court must (unless it sees good reason not to), on the application of interested people with a collective interest in the property of at least a half share in the property, order the sale of the property; and
    - (c) the court may, on the application of an interested person, order the sale of the property unless other interested people agree to buy the share of the applying person.
  - (2) The power of the Supreme Court to order the sale of property includes the power to order the sale of a part of the property and the partition of the rest of the property.
  - (3) If the Supreme Court orders the sale of property, it may—
    - (a) appoint trustees to receive and apply proceeds of the sale; or
    - (b) give any consequential directions it considers appropriate, including, for example, directions about—
      - (i) the valuation of an interested person’s share in the property; and
      - (ii) the application, investment and distribution of proceeds of sale.
- Note*      An example is part of the Act, is not exhaustive and may extend, but does not limit, the meaning of the provision in which it appears (see [Legislation Act](#), s 126 and s 132).
- (4) In a proceeding for partition of property, it is sufficient to claim sale and distribution of the proceeds and it is not necessary to claim a partition.

**245 Authority for interested person to bid**

- (1) The Supreme Court may allow an interested person in relation to property to bid at the sale of the property under this part on the conditions that the court considers appropriate, including, for example, conditions about—
  - (a) nonpayment of deposit; or
  - (b) setting off or accounting for the purchase money or any part instead of paying it; or
  - (c) anything else.

*Note* An example is part of the Act, is not exhaustive and may extend, but does not limit, the meaning of the provision in which it appears (see [Legislation Act](#), s 126 and s 132).

- (2) This section does not limit section 244 (3).

**246 Parties to partition proceedings**

- (1) A person who, apart from this part, might have brought a proceeding for partition of property may bring the proceeding against any interested person without serving any other interested person.
- (2) A defendant in a proceeding cannot object for want of parties.

**247 Several sales in same partition proceeding**

- (1) This section applies if, in a proceeding for partition of property—
  - (a) 2 or more sales are made; and
  - (b) a person (the *excluded person*) is excluded from participation in the proceeds of any of the sales (the *excluded sale*).

- (2) If the excluded person establishes the person's claim to take part in the proceeds of another of the sales, the shares of the other people interested in the proceeds of that sale must be reduced to the extent that their share of the proceeds of the excluded sale were increased by the exclusion of the excluded person from the proceeds of that sale.
- (3) The amount mentioned in subsection (2) must be put towards payment to the excluded person of the share of the proceeds of the excluded sale that the person would have been entitled to if the person had not been excluded.

## Part 2.6                      Apportionment

### 248                      Definitions—pt 2.6

In this part:

*annuity* includes salary and pension.

*dividend* includes—

- (a) a payment called a dividend or bonus; and
- (b) a payment otherwise made out of the revenue of a company that is divisible between members of the company, whether or not a payment of that kind is usually made or declared at fixed times;

but does not include a return of capital.

*rent* includes—

- (a) a payment under a rent charge or for rent service; and
- (b) a periodical payment in the nature of rent, or instead of rent.

### 249                      Application of pt 2.6 to dividends of companies

For this part, the divisible revenue mentioned in section 248, definition of *dividend*, paragraph (b) is taken to have accrued by equal daily increments during the period in relation to which the payment out of revenue is declared or expressed to be made.

### 250                      Income apportionable in relation to time

All rents, annuities dividends and other periodical payments in the nature of income (whether reserved or made payable by an instrument or otherwise) are, like interest on an amount lent, taken to accrue from day-to-day, and must be apportioned in relation to time accordingly.

**251      Time when apportioned part is payable**

An apportioned part of a payment mentioned in section 250 is payable or recoverable—

- (a) if the payment is a continuing payment—when the entire portion of which the apportioned part forms part becomes payable; or
- (b) if the payment is terminated by re-entry, death or otherwise—when the next entire portion of the payment would have become payable if it had not been terminated.

**252      Recovery of apportioned parts**

- (1) In this section:

*lessor* means the person who, if the rent for any land had not been apportionable, would have been entitled to the entire or continuing rent for the land.

*person* includes—

- (a) the person's personal representatives, successors and assigns; and
  - (b) the personal representatives, successors and assigns of a person whose interest ended on that person's death.
- (2) The person entitled to an apportioned part of a payment mentioned in section 250 (Income apportionable in relation to time) may recover the part, when payable, in the same way as the person could recover the entire payment if entitled to it.
- (3) However, an apportioned part of a payment of rent for land is not by itself recoverable from the person liable to pay the rent, but may be recovered from that person by the lessor together with the remaining part of the payment.
- (4) If the lessor does so, the person entitled to the apportioned part may then recover it from the lessor.



**253 Exceptions and application**

- (1) This part does not make apportionable an annual amount payable under a policy of assurance.
- (2) This part does not apply to any case in which it is expressly stipulated that apportionment is not to take place.

## Part 2.7      Children and children's property

### 254      Receipts by certain children

A child in a domestic partnership has power to give valid receipts for all income (including statutory accumulations of income made during childhood) to which the child may be entitled as if the child were an adult.

### 255      Management of land during childhood

- (1) This section applies if—
  - (a) a beneficial interest in land is held in trust for a child; and
  - (b) the trustees of the beneficial interest are—
    - (i) if the settlement that created the interest appointed trustees of the interest—the trustees appointed; or
    - (ii) if the settlement that created the interest did not appoint trustees of the interest but there are trustees of the settlement—the trustees of the settlement, unless the settlement or an order of the Supreme Court that appointed the trustees of the settlement or their predecessors in office provides otherwise; or
    - (iii) in any other case—people appointed as trustees of the beneficial interest by the Supreme Court on the application of a litigation guardian of the child.

*Note*      **Settlement** is defined in s 200.

- (2) The trustees of the interest may take possession of, hold and manage the land for the child.
- (3) This section does not apply so far as a contrary intention appears from the settlement that created the beneficial interest of the child.

## 256 Power to appoint trustees of child's property

- (1) This section applies if—
- (a) a child is absolutely entitled under the will, or on the intestacy, of a person (the *deceased person*) to a devise or legacy, or to the residue of the estate of the deceased person, or to a share in the deceased person's estate; and
  - (b) the devise, legacy, residue or share is not, under a will of the deceased person, devised or bequeathed to trustees for the child.
- Note* A *devise* is a disposal of real property by a will. To *bequeath* property is to dispose of personal property (ie property other than real property) by a will.
- (2) The personal representatives of the deceased person may, by registered deed, appoint a trust corporation or 2 or more individuals (not more than 4), or both, to be—
- (a) trustees of the devise, legacy, residue or share for the child; and
  - (b) trustees for section 255 (Management of land during childhood) of any land devised or any land that is, or forms part of, the residue or share.
- (3) If a trust corporation, or a trust corporation and 1 or more individuals, are the personal representatives of the deceased person, the personal representatives may, by registered deed, appoint the trust corporation either alone or with 1 or 2 individuals to be the trustees for the child.
- (4) The personal representatives of the deceased person may—
- (a) appoint 1 or more of themselves to be trustees under subsection (2); or
  - (b) appoint 1 or 2 of themselves who are individuals to be trustees under subsection (3).

- (5) On the appointment—
- (a) the *Trustee Act 1925*, section 9 (Vesting on appointment and retirement) applies to the vesting in the trustees of the devise, legacy, residue or share; and
  - (b) the personal representatives, in that capacity, are discharged from further liability in relation to the devise, legacy, residue or share; and
  - (c) the rights of the child in relation to the devise, legacy, residue or share are restricted to the property that, under this section and the *Trustee Act 1925*, section 9, is vested in the trustees for the child and do not extend to any other property; and
  - (d) the devise, legacy, residue or share may be kept in its existing form or converted into money and the money invested in accordance with the *Trustee Act 1925*.
- (6) If land held under the *Land Titles Act 1925* is affected by a registered deed mentioned in this section, the registrar-general must, as the registrar-general considers appropriate—
- (a) make an entry in the register of the vesting of the land; or
  - (b) enter or withdraw caveats.
- (7) However, the registrar-general is not required to comply with subsection (6) unless the person the land is to be vested in—
- (a) asks, in writing, that the entry be made; and
  - (b) gives any evidence supporting the request that the registrar-general reasonably requires; and
  - (c) gives any notice of the request that the registrar-general reasonably requires to be given.

(8) In this section:

*registered deed* means a deed registered under the *Registration of Deeds Act 1957*.

*trust corporation* does not include the public trustee.

## **257 Powers and duties of guardian**

(1) A guardian of a child—

- (a) may take into the guardian's custody, and may manage, the child's real and personal property (other than property held by a trustee under a trust) until the guardian stops being the guardian of the child; and
- (b) holds any of the child's real and personal property that comes into the guardian's custody as trustee for the child; and
- (c) may bring a proceeding necessary to give effect to all or any of the guardian's powers under this section, including the guardian's powers as trustee for the child; and
- (d) is responsible for accounting to the child, when the child becomes an adult, for the guardian's custody and management of the property.

(2) Subsection (1) does not apply in relation to—

- (a) the director-general responsible for administering the *Children and Young People Act 2008*, when the director-general has long-term care responsibility for a child because of that Act; or
- (b) a testamentary guardian of a child.

## **Part 2.8                      Rights-of-way**

### **258              No right-of-way by user against Territory etc**

A right-of-way cannot be created only by continuous use against—

- (a) the Territory; or
- (b) the Commonwealth; or
- (c) a person holding land for a public purpose.

## **Part 2.9 Unit Titles**

### **Division 2.9.1 Definitions—pt 2.9**

#### **259 Definitions—pt 2.9**

In this part:

*common property*—see the *Unit Titles Act 2001*, section 13.

*owners corporation*—see the *Unit Titles (Management) Act 2011*, dictionary.

*registered* means registered with the registrar-general under the *Land Titles Act 1925* or the *Land Titles (Unit Titles) Act 1970*.

*unit*—see the *Unit Titles Act 2001*, section 9.

*units plan*—see the *Unit Titles Act 2001*, dictionary.

### **Division 2.9.2 Developer disclosure**

#### **260 Contract for sale of unit before registration of units plan**

- (1) This section applies to a contract for the sale of a unit in a units plan before the units plan is registered.
- (2) The contract must include the following:
  - (a) the default rules;
  - (b) details of any contract the developer intends the owners corporation to enter, including—
    - (i) the amount of the buyer's general fund contribution that will be used to service the contract; and
    - (ii) any personal or business relationship between the developer and another party to the contract;

- (c) the developer's estimate, based on reasonable grounds, of the buyer's general fund contribution for 2 years after the units plan is registered;
  - (d) if a right to approve the keeping of animals during the developer control period is reserved—details of the reservation, including the kind and number of animals;
  - (e) if a staged development of the units is proposed—the proposed development statement and any amendment to the statement.
- (3) By entering into the contract, the developer warrants that the information disclosed under subsection (2) (a) to (e) is accurate.

*Note*      If a developer is appointed as a proxy under the contract, a proxy disclosure statement must be included in the contract (see *Unit Titles (Management) Act 2011*, sch 3, s 3.27 (Proxy votes—limit on developer)).

- (4) The buyer of a unit may, by written notice given to the developer, cancel the contract of sale before the contract is completed if—
- (a) the developer's disclosure under subsection (2) is incomplete or inaccurate; and
  - (b) the buyer is significantly prejudiced because the disclosure is incomplete or inaccurate.
- (5) In this section:

**default rules**—see the *Unit Titles (Management) Act 2011*, section 106.

**developer**—see the *Unit Titles Act 2001*, dictionary.

**developer control period**—see the *Unit Titles (Management) Act 2011*, dictionary.

**development statement**—see the *Unit Titles Act 2001*, dictionary.

**general fund contribution**—see the *Unit Titles (Management) Act 2011*, section 78 (1).



*rule*, of an owners corporation—see the *Unit Titles (Management) Act 2011*, dictionary.

*staged development*—see the *Unit Titles Act 2001*, section 17 (3).

### **Division 2.9.3 Implied warranties**

#### **261 Meaning of *implied warranties*—div 2.9.3**

In this division:

*implied warranties*—see section 130D.

#### **262 Purpose—div 2.9.3**

This division—

- (a) sets out warranties that are taken to be division of a contract for the sale of a unit; and
- (b) provides a right to cancel a contract for the sale of a unit.

#### **263 Implied warranties and right to cancel—effect**

- (1) The implied warranties and the right to cancel a contract for sale under this division have effect despite anything in the contract or in any other contract or arrangement.
- (2) The right to cancel a contract for sale under this division is in addition to, and does not limit, any other remedy available to the buyer of a unit for a breach of warranty established under this division.

#### **264 Implied warranties**

- (1) The warranties (the *implied warranties*) in this section are taken to be part of a contract for the sale of a unit.

- (2) The seller of a unit warrants that, at the date of the contract—
- (a) to the seller's knowledge, there are no unfunded latent or patent defects in the common property or owners corporation assets, other than the following:
    - (i) defects arising through fair wear and tear;
    - (ii) defects disclosed in the contract; and
  - (b) the owners corporation records do not disclose any defects to which the warranty in paragraph (a) applies; and
  - (c) to the seller's knowledge, there are no actual, contingent or expected unfunded liabilities of the owners corporation that are not part of the corporation's normal operating expenses, other than liabilities disclosed in the contract; and
  - (d) the owners corporation records do not disclose any liabilities of the corporation to which the warranty in paragraph (c) applies.
- (3) The seller warrants that, at the completion of the contract, to the seller's knowledge, there are no circumstances (other than circumstances disclosed in the contract) in relation to the affairs of the owners corporation likely to materially prejudice the buyer.
- (4) For subsection (2), a seller is taken to have knowledge of a thing if the seller has actual knowledge, or ought reasonably to have knowledge, of the thing.

## **265      Cancellation of contract**

- (1) The buyer of a unit may, by written notice given to the seller, cancel the contract for the sale of the unit if there would be a breach of an implied warranty were the contract completed at the time it is cancelled.

- (2) A notice under this section must be given—
  - (a) if the contract for the unit is entered before the units plan for the unit is registered—not later than 3 days before the buyer is required to complete the contract; or
  - (b) in any other case—not later than 14 days after the later of the following happens:
    - (i) the buyer and seller exchange contracts;
    - (ii) another period agreed between the buyer and seller ends.
- (3) If the buyer cancels the contract, the seller must repay any amount paid to the seller towards the purchase of the unit.

## **266 Claim for compensation**

- (1) This section applies if, before completion of a contract for the sale of a unit, the buyer reasonably believes there would be a breach of a warranty established under this division were the contract to be completed.
- (2) The buyer may, by written notice given to the seller—
  - (a) tell the seller—
    - (i) about the breach; and
    - (ii) that the buyer will complete the contract; and
  - (b) claim compensation for the breach.
- (3) A notice under this section must be given—
  - (a) if the contract for the unit is entered before the units plan for the unit is registered—not later than 3 days before the buyer is required to complete the contract; or

- (b) in any other case—not later than 14 days after the later of the following happens:
  - (i) the buyer’s copy of the contract is received by the buyer;
  - (ii) another period agreed between the buyer and seller ends.

## Chapter 3            Mortgages

*Note to ch 3*

In this chapter, a reference to a mortgage includes a reference to a charge on property for securing money or moneys worth (see dict, def *mortgage*).

### Part 3.1            Powers in relation to mortgages

#### 300            Application—pt 3.1

- (1) This part applies to mortgages made to secure an amount advanced or to be advanced as a loan, or to secure an existing or future debt.
- (2) The powers given under this part are subject to anything provided in the mortgage.
- (3) The powers given under this part have the same effect as express powers to the same effect in the mortgage would have had and no more.

#### 301            Powers incidental to mortgages

- (1) If a mortgage is made in writing, the mortgagee has, because of this Act, the following powers:
  - (a) a power to sell or agree with someone else to sell all or any part of the mortgaged property;
  - (b) a power to appoint or have appointed, in accordance with this part, a receiver of the income of all or any part of the property;
  - (c) a power to insure from loss or damage all or any part of the property and to add the premiums paid for the insurance to the principal secured at the same rate of interest.

- (2) The power of sale under subsection (1) includes the following powers:
  - (a) a power to sell the property by public auction or private contract on any reasonable conditions the mortgagee considers appropriate;
  - (b) a power to rescind or vary contracts for sale;
  - (c) a power to buy in and resell the property with all the powers of sale given by this section.
- (3) A mortgagee must not exercise the power given by subsection (1) (a) or (b) until—
  - (a) 1 year after the day the principal becomes payable under the mortgage; or
  - (b) interest on the principal has been in arrears for longer than 6 months.
- (4) A mortgagee may exercise the power given by subsection (1) (c) only if the mortgagor has failed to pay a premium for insurance that the mortgagor is by the mortgage obliged to pay.

**302 Receipt for purchase money sufficient discharge**

- (1) A receipt for purchase money given by a mortgagee exercising the power of sale given under this part is sufficient discharge to the purchaser.
- (2) The purchaser need not be concerned with the application of the purchase money.

**303 Notice of sale**

A sale of property may be made under this part only if the person, or 1 of the people, entitled to the property has been given 6 months written notice.

**304 Purported exercise of power of sale**

- (1) If a sale is purportedly made under this part, the purchaser's title must not be questioned on the ground that—
  - (a) no circumstances had arisen to permit the sale; or
  - (b) the notice required by section 303 had not been given.
- (2) If a person suffers loss because of an unauthorised sale under this part, the person may recover damages from the mortgagee.

**305 Application of purchase money by mortgagee**

- (1) The amount received from a sale under this part must be applied by the mortgagee as follows:
  - (a) first, in payment of the expenses incidental to the sale or incurred in any attempted sale;
  - (b) second, in discharge of the interest and costs then owing in relation to the mortgage because of which the sale was made;
  - (c) third, in discharge of the principal then owing under the mortgage;
  - (d) finally, in payment of the balance to or on behalf of the person entitled to the property mortgaged.
- (2) To remove any doubt, this section is subject to the *Rates Act 2004*, section 22 (Charge of rates on land) and the *Land Tax Act 2004*, section 20 (Charge of land tax on rateable land).

**306 Property that may be transferred to purchaser**

A mortgagee exercising a power of sale over property under this part may transfer to the purchaser, in writing, all the interest in the property that the mortgagor could dispose of.

### **307 Mortgagee may call for documents relating to property**

At any time after the power of sale under this part has become exercisable, the mortgagee may demand and recover from anyone (other than a person having an interest in the mortgaged property that has priority to the mortgage) every document relating to the property that a purchaser under the power of sale would have been entitled to demand and recover from the person.

### **308 Appointment of receiver**

- (1) A mortgagee entitled to appoint a receiver, or have a receiver appointed, under this part may appoint the receiver, or have the receiver appointed, in accordance with this section.
- (2) If the mortgage document nominates the person to be appointed receiver, the mortgagee may appoint that person to be the receiver.
- (3) If the mortgage document does not nominate the person to be appointed receiver, the mortgagee may, by written notice given to the person entitled to the mortgaged property, require the person to appoint an appropriate person to be the receiver not later than 10 days after the day the notice is given.
- (4) A notice under subsection (3) may be given to the person entitled to the mortgaged property—
  - (a) by giving the notice to the person entitled to the property, or, if 2 or more people are entitled to the property, to any of them; or
  - (b) by attaching the notice to a conspicuous part of the mortgaged property.
- (5) If a notice under subsection (3) is given to the person entitled to mortgaged property in accordance with subsection (4) and the person fails to appoint an appropriate person to be the receiver not later than 10 days after the day the notice is given, the mortgagee may appoint a person the mortgagee considers appropriate to be the receiver.



**309 Receiver taken to be agent of mortgagor**

A receiver appointed under this part is taken to be the agent of the mortgagor and the mortgagor is solely responsible for the receiver's acts or omissions, unless the document creating the mortgage provides otherwise.

**310 Powers of receiver**

- (1) A person appointed as receiver under this part may demand and recover all the income of which the person is appointed receiver, by proceeding or otherwise, in the name of either the mortgagor or the mortgagee to the full extent of the interest that the mortgagor could dispose of.
- (2) The person may give valid receipts for the income of which the person is appointed receiver.

**311 Ending appointment of receiver etc**

- (1) The power under this part to appoint a receiver includes power to end the appointment and appoint someone else.
- (2) The power to end the appointment of a receiver and appoint a new receiver is exercisable in the same way, and under the same conditions, as the power to make the first appointment.
- (3) The [Legislation Act](#), part 19.3 (which deals with appointments) does not apply to the appointment of a receiver.

**312 Commission to receiver**

- (1) A receiver appointed under this part is not entitled to the payment of costs, charges or expenses but is instead entitled to a commission on the money received.
- (2) The commission to which the receiver is entitled is the amount, not more than 8% of the gross amount of all money received, stated in the receiver's appointment or, if no amount is stated in the appointment, 4% of the gross amount.

**313 Receiver to insure if required**

- (1) The mortgagee may, in writing, direct a receiver appointed under this part to insure and keep insured from loss or damage all or a stated part of the property included in the mortgage (whether or not a fixture) so far as it is insurable.
- (2) The receiver must comply with the direction.

**314 Application of amounts received by receiver**

Amounts received by a receiver appointed under this part must be applied as follows:

- (a) first, in discharge of all taxes, rates and assessments, in payment of the receiver's commission, and in payment of insurance premiums;
- (b) second, in discharge of the interest then owing under the mortgage because of which the receiver was appointed;
- (c) third, in discharge of the principal then owing under the mortgage;
- (d) finally, in payment of the balance to or on behalf of the person entitled to the property mortgaged.

## Part 3.2                      Mortgages—other provisions

### 315                      Effect of repayment on ejectment by mortgagee

- (1) This section applies if a proceeding for ejectment is brought by a mortgagee for possession of mortgaged property and no proceeding is pending for—
  - (a) foreclosure of the mortgagor's equity of redemption; or
  - (b) redemption of the mortgaged property.
- (2) If the mortgagor appears as a defendant in the proceeding and pays the outstanding amount to the mortgagee or into court, the amount paid is taken to be full satisfaction and discharge of the mortgage.
- (3) On the payment of the outstanding amount in accordance with this section—
  - (a) each mortgagor or defendant in the proceeding is discharged from liability for the amount; and
  - (b) the court must order the mortgagee, at the mortgagor's cost, to—
    - (i) give the mortgagor a discharge of the mortgage under the *Land Titles Act 1925*, section 101 or transfer the interest of the mortgagee in the mortgaged property to the mortgagor; and
    - (ii) give all documents of title to the mortgaged property that are in the possession or control of the mortgagee to the mortgagor.
- (4) This section does not affect a subsequent mortgage or encumbrance.

(5) In this section:

*outstanding amount*, for a mortgage, means the total of—

- (a) the amount of the principal of the mortgage that has not been repaid; and
- (b) the interest payable under the mortgage; and
- (c) the reasonable costs and expenses of the mortgagee in the proceeding for ejectment.

**316 Section 315 not to apply in certain cases**

Section 315 does not apply to a proceeding for ejectment if—

- (a) before the outstanding amount is paid under section 315 (2) of that section, the mortgagee asserts in writing given to the mortgagor—
  - (i) that the mortgagor does not have a right of redemption; or
  - (ii) that the mortgaged property is chargeable with a principal different from that stated in the mortgage or admitted to by the mortgagor; or
- (b) there is a dispute between defendants in the proceeding about the right of redemption.

**317 Redemption if mortgagee absent or unknown**

(1) This section applies if—

- (a) a person entitled to receive payment of all or part of a debt secured by a mortgage—
  - (i) cannot be found; or
  - (ii) is unknown; or
- (b) it is uncertain who is entitled to receive all or part of the debt secured by a mortgage.

- (2) On application by the person entitled to redeem the mortgaged property, the Supreme Court may, by order, direct that—
  - (a) the amount of the debt secured by the mortgage, or part of it, be worked out in the way the court directs; and
  - (b) the amount worked out be paid into court.
- (3) A certificate of the registrar of the Supreme Court that a payment into court was ordered to be made under subsection (2) (b) and has been made may be registered with the registrar-general.
- (4) On registration, the amount paid is a discharge of the mortgage debt, or part of it, to the extent of the amount paid.
- (5) However, an amount that is eventually shown by the person entitled to the mortgage debt, or a part of it, to have been in fact owing in addition to the amount paid into court continues to be a debt owing on the mortgage.
- (6) On application by the person entitled to an amount paid into court under subsection (2) (b), the Supreme Court may order the amount be paid to the person.
- (7) However, an amount must not be paid under subsection (6) until the registrar of the Supreme Court is satisfied that the mortgage document and all documents of title that were given by the mortgagor to the mortgagee for the mortgage have been given to the person who paid the amount into court.
- (8) If the amount of principal and interest owing under a mortgage is paid into court under this section and is afterwards paid under an order of the Supreme Court to the person mentioned in the order, the order operates as a discharge of mortgage of any land subject to the mortgage.
- (9) An order mentioned in subsection (8) takes effect as a discharge of mortgage only when it has been registered by the registrar-general.

## Chapter 4 Leases

### Part 4.1 Leases—general provisions

#### Division 4.1.1 Lessee's and lessor's obligations

##### 400 Lessee's obligations attach to reversion

- (1) The rent provided for by a lease, the benefit of every provision of the lease relating to the subject matter of the lease that is to be complied with by the lessee, and every condition of re-entry and other condition of the lease, is attached to, and goes with, the reversionary estate in the land (and in any part of the land) immediately expectant on the term granted by the lease, despite any severance of the reversionary estate.
- (2) Any rent, provision or condition mentioned in subsection (1) may be recovered, received, enforced or taken advantage of by the person from time to time entitled (the *entitled person*), subject to the term granted by the lease, to the income of all or a part of the land leased.
- (3) The entitled person may recover, receive, enforce or take advantage of the rent, provision or condition even though the person becomes entitled to the reversionary interest after the condition of re-entry or forfeiture has become enforceable.
- (4) This section does not make enforceable by a person a condition of re-entry or forfeiture, or any other condition, that had been waived or released before the person became entitled to enforce the condition.
- (5) This section applies to—
  - (a) a lease granted on or after 26 June 1986; and
  - (b) a lease granted before 26 June 1986, but only in relation to rent accruing due on or after that day and to the benefit of a

condition of re-entry or forfeiture for a breach of a provision of the lease committed on or after that day.

**401 Lessor's obligations to run with reversion**

- (1) If land is leased, the obligation imposed on the lessor by a provision of the lease relating to the subject matter of the lease—
  - (a) is, so far as the lessor had power to bind the reversionary estate expectant on the term granted by the lease, attached to, and goes with, the reversionary estate in the land (and in every part of the land); and
  - (b) may be enforced or taken advantage of by the person in whom the term is from time to time vested; and
  - (c) may, so far as the lessor had power to bind the person from time to time entitled to the reversionary estate, be enforced, and taken advantage of, against a person so entitled.
- (2) This section applies to—
  - (a) a lease granted on or after 26 June 1986; and
  - (b) a breach committed on or after 26 June 1986 of a provision in a lease granted before that day.

**402 Lessee to give notice of ejectment to lessor**

- (1) This section applies to a lessee of premises against whom a proceeding for ejectment is begun.
- (2) The lessee must give notice of the proceeding to the lessor or the lessor's agent immediately after being served with the originating process for the proceeding.
- (3) A lessee who contravenes subsection (2) is liable to the lessor for any damage suffered by the lessor because of the failure.

- (4) This section does not—
- (a) apply to a lessee who holds the premises leased under—
    - (i) a residential tenancy agreement under the *Residential Tenancies Act 1997*; or
    - (ii) a lease under the *Leases (Commercial and Retail) Act 2001*; or
    - (iii) a residence contract under the *Retirement Villages Act 2012*; or
  - (b) bind the Territory.
- (5) Subsection (4) (b) has effect despite the *Legislation Act*, section 121 (Binding effect of Acts).

## **Division 4.1.2 Renewal of headlease without surrender of sublease**

### **403 Renewal of headlease**

- (1) This section applies to a lease from which subleases have been derived.
- (2) If a lease is surrendered for renewal and a new lease is granted by the head lessor without a surrender of 1 or more of the subleases, the new lease is as valid for all purposes as if the subleases had been surrendered for renewal at or before the grant of the new lease.

### **404 Rights on renewal**

When a new lease is granted on the surrender of a lease (the *original lease*)—

- (a) a person in whom an estate for the life of the lessee, or for a fixed term, is vested by the new lease—
  - (i) is entitled to the rents payable under a sublease derived from the original lease; and



- (ii) is entitled to have the obligations and duties imposed on the sublessee by a sublease derived from the original lease properly performed; and
  - (iii) is entitled to the same remedies for the recovery of the rents, or for a breach of the obligations or duties, as if the original lease had not been surrendered but had remained in force; and
- (b) a sublessee under a sublease derived from the original lease continues to hold the lands sublet as if the original lease had not been surrendered but had remained in force; and
- (c) the head lessor is entitled to the same remedies by way of entry on the lands sublet by a sublease derived from the original lease, for rents payable under the new lease or for breaches of the obligations and duties imposed by the new lease (so far as the rents, obligations and duties are not greater than the rents payable under, or the obligations and duties imposed by, the original lease), as the head lessor would have if the original lease had not been surrendered but had remained in force or if each sublease derived from the original lease had been surrendered and regranted under the new lease.

## Part 4.2 Leases to and for children and for absent lessors

### 405 Leases for children

- (1) This section applies if—
  - (a) a child is entitled to a lease of premises; and
  - (b) the child, or someone for the child, applies to the Supreme Court for an order under this section.
- (2) The Supreme Court may, by order, direct a nominated person to—
  - (a) surrender the lease; and
  - (b) accept instead a lease of the premises to be held by the nominated person for the child's benefit.
- (3) A lease mentioned in subsection (2) (b) must be held—
  - (a) on the same terms as the surrendered lease would have been held except so far as the Supreme Court orders otherwise; and
  - (b) for the same purposes as the surrendered lease would have been held; and
  - (c) subject to the same trusts, charges, encumbrances, dispositions and arrangements as the surrendered lease would have been held.

### 406 Costs of lease authorisation application for child

- (1) If an order is made under section 405 (2) in relation to a lease for a child, the costs of the order must be paid from the child's property as the Supreme Court orders.
- (2) The costs of an order mentioned in subsection (1) include—
  - (a) the costs of the application for the order; and

- (b) the costs of surrendering the lease the child was entitled to; and
- (c) the costs of obtaining the substitute lease including any fine, premium or other amount paid for the lease.

#### **407 Renewal of leases by children**

- (1) This section applies if—
  - (a) a child could, under a lease or other agreement or arrangement, be compelled to renew a lease if the child were not a child; and
  - (b) 1 of the following people applies to the Supreme Court for the renewal:
    - (i) the child;
    - (ii) someone for the child;
    - (iii) a person entitled to the renewal of the lease.
- (2) The Supreme Court may, by order, direct a nominated person to renew the lease for the child and, if necessary for the renewal of the lease, accept the surrender of an existing lease.
- (3) A renewal of a lease under an order under subsection (2) must, except so far as the Supreme Court orders otherwise, be in accordance with the right of renewal.

#### **408 Renewal of leases for people not amenable to process**

- (1) This section applies if—
  - (a) a person who is outside the ACT, and not amenable to the process of the Supreme Court, could be compelled to renew a lease if the person were in the ACT and amenable to the process of the court; and
  - (b) the person (or any of the people) entitled to the renewal of the lease applies to the Supreme Court for the renewal.

- (2) The Supreme Court may direct a nominated person to renew the lease and, if necessary for the renewal of the lease, accept the surrender of an existing lease.

**409 Preconditions for grant or renewal of lease to be satisfied**

- (1) A lease must not be granted or renewed under this part until—
- (a) any fine or other amount required to be paid for the grant or renewal of the lease has been paid; and
  - (b) anything required to be done before the lease is granted or renewed has been done.
- (2) A lease or a renewal of a lease to be granted under this part must be properly executed by the lessee.

**410 Application of amounts paid for lease renewal under pt 4.2**

An amount paid for the renewal of a lease under section 407 (Renewal of leases by children) or section 408 (Renewal of leases for people not amenable to process) must, after deducting the costs and expenses payable for the renewal, be applied as the Supreme Court directs.

**411 Validity of surrenders and leases under pt 4.2**

A lease or other disposition, or a surrender of a lease, granted, made or accepted under this part is as valid as if the person by or for whom it was granted, made or accepted had been an adult without a disability who had personally granted, made or accepted it.

**412 Costs of applications under pt 4.2**

The Supreme Court may order that the costs and expenses of, or resulting from, an application under this part be raised from the premises or leasehold interest in relation to which the application is made in a way the court considers appropriate.

## Part 4.3 Breach of insurance provisions

### 413 Application—pt 4.3

This part applies to—

- (a) a lease for a fixed term, whether or not the lease may be terminated before the end of the fixed term; and
- (b) a lease for the life of the lessee.

### 414 Relief against forfeiture for failure to insure

- (1) The Supreme Court may, on application by a lessee under a lease, grant the lessee relief against forfeiture of the lease for breach of a provision of the lease requiring the lessee to insure the leased property against loss or damage if—
  - (a) no loss or damage to which the insurance would have applied has happened; and
  - (b) insurance of the kind required by the lease is in effect at the time of the application.
- (2) The Supreme Court may grant the relief on conditions.

### 415 Record of relief granted

If the Supreme Court grants relief under section 414 in relation to a lease, the court may order that a record of the relief having been granted be endorsed on the lease or be made in some other way.

### 416 Limit on relief

The Supreme Court must not grant relief to a person under this part in relation to a lease if—

- (a) the court has already granted relief to the person under the part in relation to the same provision of the lease; or

- (b) a forfeiture of the lease under the same provision has already been waived for the person other than in a court proceeding.

#### **417 Noncomplying insurance**

- (1) In this section:

*complying insurance*, in relation to a lease or mortgage of a lease, means insurance against loss of or damage to any of the leased property required by the insurance provisions of the lease or mortgage.

*insurance provisions*, of a lease or mortgage of a lease, means provisions of the lease or mortgage requiring the lessee or mortgagor to insure any of the leased property against loss or damage.

*noncomplying insurance*, in relation to a lease or mortgage of a lease, means insurance against loss of or damage to any of the leased property that was obtained by the lessee or mortgagor to cover his or her interest in the property and that does not comply with the insurance provisions of the lease or mortgage.

- (2) The person entitled to the benefit of insurance provisions of a lease or mortgage of a lease has the same rights in relation to noncomplying insurance of any of the leased property as the person would have in relation to complying insurance of the property.

#### **418 Protection of purchaser of leasehold against forfeiture**

- (1) This section applies in relation to a lease containing a provision (the *insurance provision*) requiring the lessee to insure any of the leased property against loss or damage.

- (2) An honest purchaser of the leasehold interest under the lease is not liable to forfeiture, for damages or in any other way for a breach of the insurance provision that happened before completion of the purchase if—
  - (a) the purchaser was given the written receipt of the person entitled to receive the rent for the last payment of rent owing before completion of the purchase; and
  - (b) there was, at the time of completion of the purchase, insurance that complied with the insurance provision.
- (3) This section does not affect any remedy the lessor has against a lessee for breach of the insurance provision.

## Part 4.4                      Restriction of effect of licence or waiver by lessor

### 419            Application—pt 4.4

- (1) This part applies to—
  - (a) a lease for a fixed term, whether or not the lease may be terminated before the end of the fixed term; and
  - (b) a lease for the life of the lessee.
- (2) This part does not—
  - (a) apply to a residential tenancy agreement under the *Residential Tenancies Act 1997*; or
  - (b) bind the Territory.
- (3) Subsection (2) (b) has effect despite the *Legislation Act*, section 121 (Binding effect of Acts).

### 420            Effect of licence given to lessee

- (1) If a lessee is given licence to do an act that contravenes a provision of the lease, the licence, unless otherwise expressed, extends only to—
  - (a) the permission actually given; or
  - (b) the particular breach of the provision; or
  - (c) anything else specifically authorised to be done by the licence.
- (2) The licence does not prevent a proceeding for a later breach of a provision of the lease unless the licence specifically authorises the breach.
- (3) Despite the licence—
  - (a) all rights under the provisions of the lease remain in force and are available against a subsequent breach of the provisions not



specifically authorised or waived by the licence in the same way as if the licence had not been given; and

- (b) the provision of the lease in relation to which the licence was given remains in force as if the licence had not been given, except in relation to the particular thing authorised to be done.

#### **421 Operation of partial licences**

- (1) This section applies if a licence gives a power of re-entry on a lessee assigning, subletting or doing another specified act without licence and licence is given—
  - (a) to 1 of 2 or more lessees to assign or sublet the lessee's share or interest or to do another act prohibited without licence; or
  - (b) to a lessee, or 1 of 2 or more lessees, to assign or sublet part only of the property, or to do an act prohibited without licence in relation to part only of the property.
- (2) The licence does not extinguish the right of entry for a breach of a provision of the lease by co-lessees of the other shares or interests in the property, or by the lessee or lessees of the rest of the property, in relation to those shares or interests or the rest of the property, but the right of entry remains in force in relation to the shares, interests or property not subject to the licence.

**422 Appportionment of conditions of entry on severance**

- (1) This section applies if the reversion of a lease is severed and the rent or other reservations under the lease are apportioned among the reversionary interests.
- (2) The assignee of a part of the reversion is, in relation to the apportioned rent or other reservation allotted to the assignee, entitled to the benefit of all the powers of re-entry for nonpayment of the rent or failure to render the other reservation in the same way as if the powers of re-entry had been given to the assignee as incident to the assignee's part of the reversion in relation to the rent or other reservation allotted to the assignee.

**423 Waiver of benefit of lease provision**

If a lessor waives the benefit of a provision of the lease in a particular instance, the waiver is not taken—

- (a) to extend to an instance, or a breach of a provision of the lease, other than that to which the waiver specially relates; or
- (b) to operate as a general waiver of the benefit of the provision.

## Part 4.5 Forfeiture of leases

### 424 Definitions—pt 4.5

In this part:

*lease* includes—

- (a) a sublease; and
- (b) an agreement for a lease if the person to be the lessee is entitled to have the lease granted.

*lessee* includes a sublessee.

*lessor* includes a sublessor.

*sublease* includes an agreement for a sublease if the person to be the sublessee is entitled to have the sublease granted.

### 425 Application—pt 4.5

- (1) This part applies to a lease despite any provision of the lease to the contrary.
- (2) However, this part does not apply to a residential tenancy agreement under the *Residential Tenancies Act 1997*.

### 426 Restrictions on re-entry or forfeiture

- (1) A right of re-entry or forfeiture under a lease for breach of a provision of the lease is not enforceable by proceeding or otherwise unless—
  - (a) the lessor gives the lessee a notice—
    - (i) specifying the breach; and
    - (ii) requiring the lessee to pay compensation for the breach; and

- (iii) if the breach can be remedied—requiring the lessee to remedy the breach; and
- (b) the lessee fails within a reasonable time after being given the notice—
  - (i) to pay reasonable compensation for the breach; and
  - (ii) if the breach can be remedied—to remedy the breach.

*Note* If a form is approved under s 502 for a notice, the form must be used.

- (2) If the lessor under a lease seeks to enforce, by proceeding or otherwise, a right of re-entry or forfeiture under the lease for breach of a provision of the lease, the lessee may apply to the Supreme Court for relief.
- (3) If the lessee applies to the Supreme Court for relief, the court may grant or refuse relief.
- (4) If the Supreme Court grants relief, it may grant relief on the conditions it considers appropriate, including the granting of an injunction to restrain similar breaches of the lease in the future.
- (5) This section does not apply in relation to—
  - (a) a lease granted by the Territory or the Commonwealth; or
  - (b) a lease for a term of 1 year or less; or
  - (c) a provision of a lease for forfeiture on the bankruptcy of the lessee; or
  - (d) the taking of the lessee's interest in execution; or
  - (e) re-entry or forfeiture for nonpayment of rent.
- (6) For this section, the term of a lease limited to continue only while the lessee does not breach the lease is taken to be the term for which the lease could continue apart from a breach.

**427 Notices under s 426 (1)**

- (1) A notice under section 426 (1) must be in writing.
- (2) If the lessee is not in the ACT, the notice may be given to the lessee by serving it personally on the lessee's lawyer or agent in the ACT.
- (3) Subsection (2) does not limit any other territory law that allows service of the notice in another way.

**428 Protection of sublessees**

- (1) If the lessor under a lease seeks to enforce, by proceeding or otherwise, a right of re-entry or forfeiture under the lease for breach of a provision of the lease, a person (the *interested person*) claiming an interest in all or part of the leased property as sublessee may apply to the Supreme Court for relief.
- (2) If the interested person applies to the Supreme Court for relief, the court may grant or refuse relief.
- (3) Without limiting subsection (2), the Supreme Court may stay a proceeding brought by the lessor to enforce the right of re-entry or forfeiture under the lease and vest all or a part of the leased property in the interested person as sublessee, or in any other capacity, for a term not longer than the term of the lease.
- (4) If the Supreme Court grants relief, it may grant relief on the conditions it considers appropriate.
- (5) For this section, the term of a lease limited to continue only while the lessee does not breach the lease is taken to be the term for which the lease could continue apart from a breach.

## Part 4.6 Leases invalidly granted under powers

### 429 Pt 4.6 does not bind the Territory

- (1) This part does not bind the Territory.
- (2) This section has effect despite the [Legislation Act](#), section 121 (Binding effect of Acts).

### 430 Leases taken to be granted in intended exercise of power

If—

- (a) a valid power of leasing is vested in or may be exercised by a person granting a lease; and
- (b) the lease cannot have effect, or continue to have effect, according to its terms independently of the power (because of the ending of the estate or interest of the person or otherwise);

the lease is, for this part, taken to be granted in the intended exercise of the power, even though the power is not mentioned in the lease.

### 431 Certain invalid leases taken to be agreements to lease

- (1) This section applies if—
  - (a) in the intended exercise of a power to lease property, a lease is granted that is invalid against—
    - (i) the person entitled to the reversionary interest in the property at the end of the interest of the person granting the lease; or
    - (ii) anyone else who, subject to a lease validly granted under the power, would have an interest in the property; and
  - (b) the lease is invalid for failure to comply with the terms of the power; and

- (c) the lease is honestly granted; and
  - (d) the lessee or a person claiming under the lessee has entered into possession of the property.
- (2) An invalid lease mentioned in subsection (1) is taken in equity to be a contract for the grant, at the request of the lessee, of a valid lease—
- (a) under the same power as the invalid lease was granted under; and
  - (b) in the same terms as the invalid lease apart from any changes necessary to comply with the terms of the power.
- (3) Anyone who would have been bound by the invalid lease if it had been validly granted is bound in equity by the contract mentioned in subsection (2).
- (4) However, no-one is entitled under the contract mentioned in subsection (2) to obtain a variation of the lease if the other people bound by the contract are willing to confirm the lease without variation.
- (5) In this section:
- possession*—to remove any doubt, *possession* of land does not include receipt of income from the land.

#### **432 Certain leases validated**

- (1) This section applies if—
- (a) a lease granted in the intended exercise of a power of leasing is invalid because, when the lease was granted, the person granting the lease could not lawfully grant it; and
  - (b) the person was at least 18 years old at that time; and
  - (c) the person can, at a later time, lawfully grant the lease or a similar lease under the power.

- (2) If this section applies, the lease is taken to have been granted by the person under the power at the later time.
- (3) This part applies to the lease.

**433 Acceptance of rent taken to be confirmation of lease**

- (1) This section applies if, on or before acceptance of rent under an invalid lease, a written receipt, memorandum or note confirming the lease is signed by the person accepting the rent or by someone authorised by that person.
- (2) The acceptance of the rent is, as against the person accepting the rent, taken to be a confirmation of the lease.

**434 Lessee bound to accept confirmation**

- (1) This section applies if—
  - (a) a person (the *first person*) is in possession of land under an invalid lease; and
  - (b) someone else (the *other person*) is entitled, subject to the interest of the first person in the land, to possession of the land or to receipt of its rents and profits; and
  - (c) the other person can confirm the lease without variation.
- (2) The first person (or a person deriving title to the lease under or from the first person), or anyone else who would have been bound by the lease if it had been valid, must, if asked by the other person, accept confirmation of the lease by the other person.
- (3) The confirmation may be made by a written memorandum or note signed by the other person and the person accepting the confirmation.
- (4) On the confirmation of the lease, the lease is taken to have been valid from the time it was granted.



**435 Pt 4.6 does not affect certain other rights**

This part does not affect the rights of anyone in relation to a breach of a provision of an invalid lease.

**Example**

rights of a person named as lessor of an invalid lease to re-entry or forfeiture for breach of a provision of the lease

*Note* An example is part of the Act, is not exhaustive and may extend, but does not limit, the meaning of the provision in which it appears (see [Legislation Act](#), s 126 and s 132).

## Part 4.7 Recovery of leased premises

### 436 Application—pt 4.7

- (1) This part does not—
  - (a) apply to—
    - (i) a residential tenancy agreement under the *Residential Tenancies Act 1997*; or
    - (ii) a lease under the *Leases (Commercial and Retail) Act 2001*; or
    - (iii) a residence contract under the *Retirement Villages Act 2012*; or
  - (b) bind the Territory.
- (2) Subsection (1) (b) has effect despite the [Legislation Act](#), section 121 (Binding effect of Acts).

### 437 Who is an *agent* for pt 4.7?

In this part:

*agent* means—

- (a) a person usually employed by a lessor in leasing premises or collecting rents; or
- (b) a person authorised in writing by the lessor of premises to act in relation to the premises.

### 438 Recovery of possession

- (1) This section applies—
  - (a) if—
    - (i) the term of a lease has ended; or
    - (ii) a lease has been terminated by a notice to quit or a demand for possession; and
  - (b) the lessee, or a person claiming under the lessee who is occupying the leased premises or a part of the premises, fails to quit and give possession of the premises or a part of the premises to the lessor.
- (2) The lessor or the lessor's agent may apply to the Supreme Court or Magistrates Court for an order for recovery of possession of the premises.
- (3) If the court is satisfied that the term of the lease has ended or that the lease has been terminated, it may make an order for recovery of possession of the premises by the lessor and may—
  - (a) issue a warrant authorising a police officer or someone else to enter (with any reasonable and necessary force) into the premises and give possession to the lessor or the lessor's agent; or
  - (b) postpone the issue of a warrant mentioned in paragraph (a), or suspend the execution of the warrant, for a time it considers appropriate.
- (4) In this section:

*possession*—to remove any doubt, *possession* of land does not include receipt of income from the land.

## **Chapter 5            Miscellaneous**

### **Part 5.1            Debts charged on property of deceased person**

#### **500            Charges on property of deceased person to be paid primarily out of property charged**

- (1) This section applies if a person dies possessing or being entitled to, or, under a general power of appointment, disposes of by will—
  - (a) property that at the time of the person's death is charged with the payment of an amount, whether by legal mortgage, equitable charge or in some other way (including a lien for unpaid purchase money); or
  - (b) land for which an amount is owing at the time of the person's death under a contract of purchase.
- (2) Unless the deceased person has by will indicated a contrary intention, the property charged or land for which purchase money is owing is, as between the different people claiming through the deceased person, primarily liable for the payment of the charge or purchase money and—
  - (a) each part of property that is subject to a charge must bear a proportionate part of the charge on the whole of the property; and
  - (b) each part of a parcel of land for which purchase money is owing must bear a proportionate part of the amount owing for the whole parcel.

- (3) A contrary intention is not taken to be indicated—
- (a) by a general direction in the deceased person's will for the payment of debts, or all debts, of the person out of—
    - (i) the person's personal estate; or
    - (ii) the person's residuary real and personal estate; or
    - (iii) the person's residuary real estate; or
  - (b) by a charge in the deceased person's will of debts, or all debts, of the person on any estate mentioned in paragraph (a).
- (4) However, a contrary intention is taken to be indicated by words in the deceased person's will expressly or by necessary implication indicating an intention that a general direction in the will of the kind mentioned in subsection (3) (a), or a charge in the will of the kind mentioned in subsection (3) (b), is to apply to a charge on property mentioned in subsection (1) (a) or an amount of unpaid purchase money mentioned in subsection (1) (b).
- (5) This section does not affect the right of a person entitled to a charge on property mentioned in subsection (1) (a), or to unpaid purchase money mentioned in subsection (1) (b), to obtain payment of the charge or purchase money out of other assets of the deceased person or in some other way.

## **Part 5.2 Stipulations in contracts**

### **501 Stipulations not of the essence of contracts**

Stipulations in a contract, about time or anything else, that, in accordance with the rules of equity, are taken not to be, or not to have been, of the essence of the contract must be interpreted and have effect at law in accordance with those rules.

## **Part 5.3**                      **Miscellaneous—other provisions**

### **502**            **Approved forms**

- (1) The Minister may, in writing, approve forms for this Act.
- (2) If the Minister approves a form for a particular purpose, the approved form must be used for that purpose.

*Note*        For other provisions about forms, see the [Legislation Act](#), s 255.

- (3) An approved form is a notifiable instrument.

*Note*        A notifiable instrument must be notified under the [Legislation Act](#).

### **503**            **Regulation-making power**

The Executive may make regulations for this Act.

*Note*        A regulation must be notified, and presented to the Legislative Assembly, under the [Legislation Act](#).

## Dictionary

(see s 3)

*Note 1* The [Legislation Act](#) contains definitions and other provisions relevant to this Act.

*Note 2* For example, the [Legislation Act](#), dict, pt 1, defines the following terms:

- adult
- child
- corporation
- Corporations Act
- domestic partnership (see s 169 (2))
- individual
- instrument (see s 14)
- interest
- land
- marriage
- person
- police officer
- proceeding
- provision (see s 16)
- public trustee
- registrar-general.

*Note 3* See also the [Legislation Act](#), s 168 (References to person with interest in land include personal representative etc).

**administrator** includes anyone to whom administration of the estate of a deceased person is granted, and includes the public trustee acting under the [Administration and Probate Act 1929](#), part 6.

**agent**, for part 4.7 (Recovery of leased premises)—see section 437.

**annuity**, for part 2.6 (Apportionment)—see section 248.

**assurance** includes a conveyance and a disposition made otherwise than by will.



**bankruptcy** includes any act or proceeding in law having effects or results similar to those of bankruptcy.

**Example**

winding-up of a company

*Note* An example is part of the Act, is not exhaustive and may extend, but does not limit, the meaning of the provision in which it appears (see [Legislation Act](#), s 126 and s 132).

**common property**, for part 2.9 (Unit Titles)—see the [Unit Titles Act 2001](#), section 13.

**conveyance** includes an assignment, appointment, lease, settlement or other assurance by deed of any property.

**deed**, in relation to land under the [Land Titles Act 1925](#), includes an instrument that has the effect of a deed under that Act.

**disposition** includes—

- (a) a conveyance; and
- (b) an acknowledgment under the [Administration and Probate Act 1929](#), section 56 (Executor may sign acknowledgment instead of conveyance); and
- (c) a vesting instrument, declaration of trust, disclaimer, release or any other assurance of property by an instrument other than a will; and
- (d) a release, devise, bequest or appointment of property in a will.

**dividend**, for part 2.6 (Apportionment)—see section 248.

**encumbrance** includes—

- (a) a mortgage; and
- (b) a trust for securing money; and
- (c) a lien or charge of a portion, annuity, or other capital or annual sum.

**executor** means the executor to whom probate has been granted, and includes an executor by right of representation.

**income**, of land, includes rents and profits.

**instrument** includes a deed, a will, an agreement for settlement, and a law of the Territory, the Commonwealth, a State or another Territory.

**interested person**, in relation to property, for part 2.5 (Partition)—see section 242.

**lease**, for part 4.5 (Forfeiture of leases)—see section 424.

**lessee**, for part 4.5 (Forfeiture of leases)—see section 424.

**lessor**, for part 4.5 (Forfeiture of leases)—see section 424.

**life interest**, for division 2.2.3 (Ending life interests)—see section 215.

**mortgage**—

- (a) for land under the *Land Titles Act 1925*—see that Act, section 6 (1); and
- (b) for other property—includes a charge on property for securing money or money's worth.

**mortgagee**—

- (a) for land under the *Land Titles Act 1925*—see that Act, section 6 (1); and
- (b) for other property—includes a person taking title to the mortgage under the original mortgagee.

**mortgagor**—

- (a) for land under the *Land Titles Act 1925*—see that Act, section 6 (1); and

- 
- (b) for other property—includes any of the following:
- (i) a person taking title to the equity of redemption under the original mortgagor;
  - (ii) a person entitled to redeem a mortgage, according to the person's interest in the mortgaged property.

**owners corporation**, for part 2.9 (Unit Titles)—see the *Unit Titles (Management) Act 2011*, dictionary.

**personal representative** means the executor or administrator of a deceased person.

**person with a legal disability** means—

- (a) a child; or
- (b) a person with a mental disability.

**person with a mental disability** means—

- (a) in relation to a proceeding—a person (other than a child) who is not legally competent to be a party to the proceeding; and
- (b) in relation to the doing of something—a person (other than a child) who is not legally competent to do the thing;

and includes such a person even if a guardian or manager has not been appointed for the person under the *Guardianship and Management of Property Act 1991*.

**possession**, of land, includes receipt of income from the land.

**proceeding for partition of property**, for part 2.5 (Partition)—see section 242.

**purchaser**—

- (a) for division 2.4.1 (Dispositions on trust for sale or with power of sale)—see section 230; and
- (b) for division 2.4.2 (Voidable dispositions)—see section 238; and

(c) for any other provision—means a purchaser for valuable consideration, and includes—

- (i) a lessee or mortgagee; and
- (ii) anyone else who acquires an interest in property for valuable consideration.

**registered** means—

- (a) for this Act generally—registered in the appropriate register kept by the registrar-general; and
- (b) for part 2.9 (Unit Titles)—see section 259.

**rent**—

- (a) includes yearly or other rent; and
- (b) for part 2.6 (Apportionment)—see section 248.

**securities** includes stocks, funds and shares.

**settlement**—see section 200.

**sublease**, for part 4.5 (Forfeiture of leases)—see section 424.

**trust corporation** means—

- (a) the public trustee or a trustee company; or
- (b) the Official Trustee in Bankruptcy under the [Bankruptcy Act 1966](#) (Cwlth); or
- (c) the trustee in whom the property of a bankrupt is vested.

**trustee company**—see the [Trustee Companies Act 1947](#), dictionary.

**trustees for sale** means the people holding property on trust for sale.

**trust for sale** means a binding trust for sale, whether or not exercisable at the request or with the consent of anyone, and with or without a discretionary power to postpone sale.

**unit**, for part 2.9 (Unit Titles)—see the [Unit Titles Act 2001](#), section 9.

***units plan***, for part 2.9 (Unit Titles)—see the *Unit Titles Act 2001*, dictionary.

***valuable consideration*** includes marriage, but does not include a nominal consideration in money.

## Endnotes

1 About the endnotes

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## Endnotes

### 1 About the endnotes

Amending and modifying laws are annotated in the legislation history and the amendment history. Current modifications are not included in the republished law but are set out in the endnotes.

Not all editorial amendments made under the *Legislation Act 2001*, part 11.3 are annotated in the amendment history. Full details of any amendments can be obtained from the Parliamentary Counsel's Office.

Uncommenced amending laws are not included in the republished law. The details of these laws are underlined in the legislation history. Uncommenced expiries are underlined in the legislation history and amendment history.

If all the provisions of the law have been renumbered, a table of renumbered provisions gives details of previous and current numbering.

The endnotes also include a table of earlier republications.

### 2 Abbreviation key

A = Act	NI = Notifiable instrument
AF = Approved form	o = order
am = amended	om = omitted/repealed
amdt = amendment	ord = ordinance
AR = Assembly resolution	orig = original
ch = chapter	par = paragraph/subparagraph
CN = Commencement notice	pres = present
def = definition	prev = previous
DI = Disallowable instrument	(prev...) = previously
dict = dictionary	pt = part
disallowed = disallowed by the Legislative Assembly	r = rule/subrule
div = division	reloc = relocated
exp = expires/expired	renum = renumbered
Gaz = gazette	R[X] = Republication No
hdg = heading	RI = reissue
IA = Interpretation Act 1967	s = section/subsection
ins = inserted/added	sch = schedule
LA = Legislation Act 2001	sdiv = subdivision
LR = legislation register	SL = Subordinate law
LRA = Legislation (Republication) Act 1996	sub = substituted
mod = modified/modification	<u>underlining</u> = whole or part not commenced or to be expired

### 3 Legislation history

#### **Civil Law (Property) Act 2006 A2006-38**

notified LR 28 September 2006

s 1, s 2 commenced 28 September 2006 (LA s 75 (1))

remainder commenced 28 March 2007 (s 2 and LA s 79)

as amended by

#### **Children and Young People (Consequential Amendments) Act 2008 A2008-20 sch 3 pt 3.5**

notified LR 17 July 2008

s 1, s 2 commenced 17 July 2008 (LA s 75 (1))

s 3 commenced 18 July 2008 (s 2 (1))

sch 3 pt 3.5 commenced 27 October 2008 (s 2 (4) and see [Children and Young People Act 2008](#) A2008-19, s 2 and [CN2008-13](#))

#### **Justice and Community Safety Legislation Amendment Act 2010 (No 3) A2010-40 sch 1 pt 1.1**

notified LR 5 October 2010

s 1, s 2 commenced 5 October 2010 (LA s 75 (1))

s 3, sch 1 pt 1.1 commenced 6 October 2010 (s 2 (1))

#### **Administrative (One ACT Public Service Miscellaneous Amendments) Act 2011 A2011-22 sch 1 pt 1.26**

notified LR 30 June 2011

s 1, s 2 commenced 30 June 2011 (LA s 75 (1))

sch 1 pt 1.26 commenced 1 July 2011 (s 2 (1))

#### **Unit Titles (Management) Act 2011 A2011-41 sch 5 pt 5.2**

notified LR 3 November 2011

s 1, s 2 commenced 3 November 2011 (LA s 75 (1))

sch 5 pt 5.2 commenced 30 March 2012 (s 2 and [CN2012-6](#))

#### **Justice and Community Safety Legislation Amendment Act 2013 A2013-7 sch 1 pt 1.2**

notified LR 1 March 2013

s 1, s 2 commenced 1 March 2013 (LA s 75 (1))

sch 1 pt 1.2 commenced 4 March 2013 (s 2 and see [Retirement Villages Act 2012](#) A2012-38, s 2 and LA s 79)

## Endnotes

3 Legislation history

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**[Marriage Equality \(Same Sex\) Act 2013 A2013-39 sch 2 pt 2.4](#)**

notified LR 4 November 2013

s 1, s 2 commenced 4 November 2013 (LA s 75 (1))

sch 2 pt 2.4 commenced 7 November 2013 (s 2 and [CN2013-11](#))



## 4 Amendment history

### Commencement

s 2 om LA s 89 (4)

### Application of Act

s 5 am [A2010-40](#) amdt 1.1

### Powers and duties of guardian

s 257 am [A2008-20](#) amdt 3.13; [A2011-22](#) amdt 1.91

### Unit Titles

pt 2.9 hdg ins [A2011-41](#) amdt 5.3

### Definitions—pt 2.9

div 2.9.1 hdg ins [A2011-41](#) amdt 5.3

### Definitions—pt 2.9

s 259 ins [A2011-41](#) amdt 5.3  
 def *common property* ins [A2011-41](#) amdt 5.3  
 def *owners corporation* ins [A2011-41](#) amdt 5.3  
 def *registered* ins [A2011-41](#) amdt 5.3  
 def *unit* ins [A2011-41](#) amdt 5.3  
 def *units plan* ins [A2011-41](#) amdt 5.3

### Developer disclosure

div 2.9.2 hdg reloc from [Unit Titles Act 2001](#) div 3.4 hdg by [A2011-41](#) amdt 5.38

### Contract for sale of unit before registration of units plan

s 260 reloc from [Unit Titles Act 2001](#) s 31A by [A2011-41](#) amdt 5.38

### Implied warranties

div 2.9.3 hdg reloc from [Unit Titles Act 2001](#) pt 7A hdg by [A2011-41](#) amdt 5.47

### Meaning of *implied warranties*—div 2.9.3

s 261 reloc from [Unit Titles Act 2001](#) s 130A by [A2011-41](#) amdt 5.47

### Purpose—div 2.9.3

s 262 reloc from [Unit Titles Act 2001](#) s 130B by [A2011-41](#) amdt 5.47

### Implied warranties and right to cancel—effect

s 263 reloc from [Unit Titles Act 2001](#) s 130C by [A2011-41](#) amdt 5.47

### Implied warranties

s 264 reloc from [Unit Titles Act 2001](#) s 130D by [A2011-41](#) amdt 5.47

### Cancellation of contract

s 265 reloc from [Unit Titles Act 2001](#) s 130E by [A2011-41](#) amdt 5.47

### Claim for compensation

s 266 reloc from [Unit Titles Act 2001](#) s 130F by [A2011-41](#) amdt 5.47

## Endnotes

4 Amendment history

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### **Lessee to give notice of ejectment to lessor**

s 402 am [A2013-7](#) amdt 1.2

### **Application—pt 4.7**

s 436 am [A2013-7](#) amdt 1.3

### **Transitional**

pt 5.4 hdg exp 28 March 2009 (s 506)

### **References to repealed Act**

s 504 exp 28 March 2009 (s 506)

### **Transitional regulations**

s 505 exp 28 March 2009 (s 506)

### **Expiry of pt 5.4**

s 506 exp 28 March 2009 (s 506)

### **Repeals and consequential amendments**

pt 5.5 hdg om LA s 89 (3)

### **Legislation repealed**

s 507 om LA s 89 (3)

### **Legislation amended—sch 1**

s 508 om LA s 89 (3)

### **Consequential amendments**

sch 1 om LA s 89 (3)

### **Dictionary**

dict am [A2013-39](#) amdt 2.9  
def **common property** ins [A2011-41](#) amdt 5.4  
def **owners corporation** ins [A2011-41](#) amdt 5.4  
def **registered** sub [A2011-41](#) amdt 5.5  
def **unit** ins [A2011-41](#) amdt 5.6  
def **units plan** ins [A2011-41](#) amdt 5.6

## 5 Earlier republications

Some earlier republications were not numbered. The number in column 1 refers to the publication order.

Since 12 September 2001 every authorised republication has been published in electronic pdf format on the ACT legislation register. A selection of authorised republications have also been published in printed format. These republications are marked with an asterisk (\*) in column 1. Electronic and printed versions of an authorised republication are identical.

Republication No and date	Effective	Last amendment made by	Republication for
R1 28 Mar 2007	28 Mar 2007– 26 Oct 2008	not amended	new Act
R2 27 Oct 2008	27 Oct 2008– 28 Mar 2009	<a href="#">A2008-20</a>	amendments by <a href="#">A2008-20</a>
R3 29 Mar 2009	29 Mar 2009– 5 Oct 2010	<a href="#">A2008-20</a>	commenced expiry
R4 6 Oct 2010	6 Oct 2010– 30 June 2011	<a href="#">A2010-40</a>	amendments by <a href="#">A2010-40</a>
R5 1 July 2011	1 July 2011– 29 Mar 2012	<a href="#">A2011-22</a>	amendments by <a href="#">A2011-22</a>
R6 30 Mar 2012	30 Mar 2012– 3 Mar 2013	<a href="#">A2011-41</a>	relocation of provisions from <a href="#">Unit Titles Act 2001</a> and other amendments by <a href="#">A2011-41</a>
R7 4 Mar 2013	4 Mar 2013– 6 Nov 2013	<a href="#">A2013-7</a>	amendments by <a href="#">A2013-7</a>

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