

Circular

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Real Property Amendment (Torrens Assurance Levy Repeal) Act 2011 No.7

The Land and Property Management Authority is officially registered in the Australian Business Register and also registered for GST. Its ABN is 33 537 762 019. This ABN will continue to apply until a new ABN is created to reflect LPI's administrative status as a division of the Department of Finance and Services.

Amendments to the *Real Property Act 1900* and the *Real Property Regulation 2008* to abolish the Torrens Assurance Levy were passed by the NSW Parliament on 24 May 2011.

The amendments are set out in the *Real Property Amendment (Torrens Assurance Levy Repeal) Act 2011 No.7*, which will come into force on 1 July 2011.

Repeal of the 'ad valorem' Torrens Assurance Levy

The Torrens Assurance Levy, introduced by the previous government on 1 July 2010, was payable by purchasers of land where the purchase price was more than \$500,000.

The effect of the repeal of the Torrens Assurance Levy is that purchasers entering into agreements to buy property on or after 1 July 2011 will not incur any Torrens Assurance Levy, regardless of the purchase price.

Transitional arrangements

The levy will remain payable in some instances after the new legislation commences. Transfers lodged for registration at Land and Property Information (LPI) from 1 July 2011 will continue to attract the levy if:

- They relate to a contract of sale entered into between 1 July 2010 and 30 June 2011 and
- The purchase price is more than \$500,000.

LPI encourages customers to continue checking contract date and purchase price when calculating lodgment fees for transfers prior to lodging them for registration at LPI. These checks will be particularly important in coming months when many contracts of sale signed in 2010-11 will be settled and associated documents lodged for registration in the land titles system.

LPI's fact sheet 'Torrens Assurance Levy: ad valorem provisions' and online calculator will remain available on LPI's website to assist in calculating levies.

Torrens Assurance Fund

The Torrens Assurance Fund (TAF) underpins the effective operation of the *Real Property Act 1900* by providing a State guarantee of interests registered in the Torrens land register. The purpose of the State guarantee is to provide compensation for anyone who is deprived of a registered interest in land through fraud or an error or omission in the Register.

The new legislation restores the arrangements that were in place before July 2010 in relation to the TAF.

From 1 July 2011, \$4.00 from every dealing lodgment fee will be assigned to the TAF, as was the case prior to July 2010. This will ensure that sufficient funds remain available to make compensation payments from the fund when required.

Proposed dealing lodgment fees from July 2011 - \$199.00 for transfers and \$99.50 for other dealings - as itemised in LPI Circular 2011/01 incorporate the \$4.00 amount to be assigned to the TAF.

Further information

The *Real Property Amendment (Torrens Assurance Levy Repeal) Act 2011 No.7* is published on the NSW legislation website www.legislation.nsw.gov.au.

LPI's fact sheet 'Torrens Assurance Levy: ad valorem provisions' can be accessed online at www.lpma.nsw.gov.au/about_us/publications/fact_sheets.

LPI's online calculator can be accessed at:

www.lpma.nsw.gov.au/land_titles/torrens_assurance_levy or via the inquiry tab on LPI's Online Shop at <http://six.lands.nsw.gov.au/wps/portal>.

LPI Circular 2011/01 'Proposed fees for land title related products and services from 1 July 2011' can be accessed online at:

www.lpma.nsw.gov.au/about_us/publications/memos_and_circulars.

For further inquiries contact LPI Customer Services on T: 1300 052 637, E: feedback@lpma.nsw.gov.au or visit our website www.lpma.nsw.gov.au.

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