




Speech By
Hon. Shannon Fentiman

MEMBER FOR WATERFORD

Record of Proceedings, 19 April 2023

MINISTERIAL STATEMENTS

Developers, Sunset Clauses

 **Hon. SM FENTIMAN** (Waterford—ALP) (Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence) (10.00 am): The Palaszczuk government is committed to ensuring that Queenslanders are protected when they buy their family home off the plan. In recent years homebuyers and property developers across the state have faced difficulties with supply chain issues, labour shortages and increased costs for building suppliers. This, combined with increasing interest rates and soaring property prices, has made for challenging market conditions.

There has been a number of concerning reports of developers using sunset clauses to terminate an off-the-plan contract, allegedly to relist and sell the proposed lot for a much higher price. This has left many heartbroken potential buyers unable to afford another home. I speak of people like Jodie and Steven, whose family experienced extreme stress and emotional turmoil after a developer terminated their contract using a sunset clause and left them unable to afford another home. There was also John and Lisa from Morayfield, who said that it would be a catastrophic outcome for their family, who had invested time, money and emotional energy into a sale that was about to be terminated. Then there was Neville from the Gold Coast, who worried that he would never be able to afford another home in the city that he loved if the sunset clause was invoked.

Hundreds of stories like these poured into my office and the department following the announcement of a review into sunset clauses, all asking that consumers be protected when committing to the biggest financial investment of their lives. That is why we are starting work on amendments to make sure property developers can only use sunset clauses in very specific circumstances. This will include situations where the buyer has agreed in writing or there is an order from the Supreme Court similar to other jurisdictions. These reforms will initially be targeted towards land sales with a review to be undertaken one to two years after the reforms have commenced. That review will consider whether further reforms are required to protect people buying apartments off the plan.

We know that property developers, like many other sectors, are facing a range of economic pressures outside their control. However, we also know the vast majority of property developers do the right thing by their customers. That is why we will work closely with industry on these reforms to ensure there are no unintended consequences. We want to make sure Queenslanders have the confidence that their investment will be protected and we want developers to have confidence that they can continue to invest here in Queensland.

Of course, the best protection for anyone purchasing a property, whether off the plan or not, is to seek independent legal advice before signing a contract. I am proud that we are moving to protect Queenslanders when they make the biggest financial investment of their life.