

# Procedure

SLM/2013/681  
Formerly PUX/952/066  
Version 4.07  
26 August 2019

## Covenants providing for no separate transfers

### Purpose

The purpose of this document is to provide guidance on when covenants can be used to tie freehold or leasehold land, to ensure no separate transfers.

### Background

#### Leases in Strata (Volumetric)

As some leases in strata such as walkways, balconies and underground car parks are physically attached to and used in conjunction with adjoining freehold or leasehold land, it is necessary for the lease and the adjoining land to be held in the same ownership.

See Policies:

- [Land Allocation: Granting Land Volumetrically](#)
- [Roads under the Land Act 1994](#)

Note: in some very limited circumstances e.g. an underground car park, a volumetric freehold title may have issued and that freehold also needs to be held in the same ownership of the adjoining land.

#### Other Leases or freehold

There is at times the necessity to tie a lease or freehold with other freehold and/or leasehold land in the same ownership, e.g. leases below high water (a marina lease) to adjoining land above high water; freehold land to leasehold land (to ensure continued access provisions to the land without dedicated access); when a lease may have been issued in priority for an Occupation Licence that is part of an aggregation; or, in very limited circumstances relating to freeholding leases, for family hardship reasons.

There is no statutory requirement for the above leases to be transferred simultaneously with the tied freehold and/or leasehold land. This may be facilitated by the inclusion of a special condition in a lease specifying that there are no separate transfers allowed and failure to do so would be a breach of the condition and render the lease liable to forfeiture in terms of the *Land Act 1994* (Land Act). However, such condition of lease may be easily overlooked, and a separate transfer may proceed.

Further, until 30 April 1998 the practice was, at the time of issuing an applicable lease\*, to enter an Administrative Advice (AA) against the title for the land to which the lease was conditionally attached. The AA did not stop the transfer of the tied land but merely informed a potential purchaser that a lease was conditionally attached to that land.

\*Applicable Lease - means those leases which are not "stand alone" e.g. overhead or underground walkways which are connected to structures on adjoining lots, balconies, underground car parks used in conjunction with an adjoining lot or lots, farm build up, marina development etc.

See Policies:

- [Land allocation and specific requirements](#)
- [Allocation of land in priority in terms of the Land Act 1994](#)
- [Conversion of Leasehold Tenure](#)

## Road Licences

The Minister may issue a road licence over a temporarily closed road.

If the person holding the licence transfers or sells the land for the benefit of which the road licence is issued (i.e. the adjoining land; or for underground pipes and water channels for irrigation purposes that cross the road, the "attaching" land) the person must -

1. Also transfer the road licence to the new registered owner or lessee of the land; or
2. Surrender the road licence at the time the sale is settled.

Until 30 April 1998 the practice was, at the time of issuing the road licence, to enter an AA against the title for the land to which the road licence attached. The AA did not stop the transfer of the land but merely informed a potential purchaser that a road licence attached to that land. As a result, many freehold/leasehold lots were transferred without a corresponding transfer of the attaching road licences. This has led to additional administrative actions having to be done by departmental operatives. Depending on circumstances and desired outcomes these additional actions are:

- follow up the transfer (if it is possible to locate licensee); or
- arrange for the surrender of the licence (if it is possible to locate licensee); or
- cancel the licence; and
- issue a new road licence (if still required).

## General

Section 97A(3)(c) of the *Land Title Act 1994* (Land Title Act) and 373A(3) of the Land Act allow a tie, in the same ownership, of freehold and non-freehold (other than a road for which a person does not hold a road licence) land by means of a covenant. Power also exists in Section 97D of the Land Title Act and Section 373D of the Land Act to release a covenant.

The registration of an instrument of covenant in terms of sections 97A(3)(c) and 373(A)(3) will legislatively ensure that an applicable lease or road licence will remain in the same ownership as the land to which they are attached.

## Transfers

Section 322 of the Land Act sets out the requirements for the transfer of a lease, licence or sublease. The Chief Executive may approve a transfer of a lease, licence or sublease to an eligible person and such approval may be given on conditions the Chief Executive states. This section therefore empowers the Chief Executive to include as a condition of transfer of a road licence that an

instrument of covenant be signed by the delegate of the Chief Executive and the licensee, tying the road licence with the land to which the licence is attached. The insertion of such a condition in any Chief Executive approvals for the transfer of a licence will ensure that, over time, a substantial number of existing licences will be covered by covenants.

Refer to Policy: [Transfer of Leases, Licences and Subleases](#)

## Procedure

### Offers

All offers for the issue of applicable leases or licences will be conditional on an instrument of covenant being executed and subsequently registered in the Land Registry tying the lease or licence with the land to which the lease or licence is attached.

### COVENANTS

Land Registry Form 31 - COVENANT - will be used for this purpose.

**Attachment A** (Land Registry Form 31 - COVENANT) is an example when a lease/licence is required to be tied to one or more leasehold lots.

**Attachment B** (Land Registry Form 31 - COVENANT) is an example when a lease/licence is required to be tied to one or more freehold lots.

### Note

The Form 31 is prepared by the regional operative and forwarded with the letter of offer for execution by the covenantor and subsequent return to the region with the title (if issued) for the relevant freehold and the other requirements of the offer. Upon return, the form 31 is executed by the delegate of the Chief Executive and lodged by the regional operative for registration in the Land Registry, together with any other necessary documents.

The Form 31 must also be accompanied by the Chief Executive's (authorised delegate's) approval to the lodgement of the covenant. This is by way of Form 18 (General Consent) **Attachment D**.

i.e. both the covenantor (the owner of freehold or lessee/licensee of State owned land) and the covenantee (the State) must execute the covenant instrument (Form 31). If any parcel of land subject to the covenant is leased (or is a licence) from the State, the Chief Executive that administers the Land Act must approve the covenant affecting that land (Form 18) - section 373B (1) (d) of the Land Act refers.

Also, the actual lot/plan descriptor or title reference of the applicable lease or road licence may not be known by the regional operative when form 31 is forwarded with the offer letter. In this instance, the operative should insert in pencil in item 2 of the form "lease or road licence to issue as per offer". The actual information can be substituted when known.

### Release of Covenant

When any lease or road licence mentioned in the covenant is absolutely surrendered, forfeited (lease) or cancelled (licence) it will be necessary for the covenant to be released. This can be achieved by the Covenantee (the State) executing a Release of Covenant (Land Registry form 33) and lodging it in the Land Registry for registration.

The form will be completed by the department's regional operative, executed by the delegate of the Chief Executive and lodged by the regional operative in the Land Registry. **If the "attached" land is freehold, and a freehold title has issued, the title is not required to be lodged with the Release.** The Form 33 does not need to be accompanied by the Chief Executive's approval (i.e. a Form 18 General Consent is not required).

### **Application to Release a Covenant**

**The delegate must have regard to the relevant Policies, including the Policies referred to above, for any application to release a covenant.**

**Attachment C** (Land Registry Form 33 - RELEASE OF COVENANT) is an example to be used when it is necessary to release a covenant.

### **Note**

**No fees (Stamp Duty or Land Registry) are payable on Form 31 - Covenant or Form 33 - Release of Covenant when the Covenantee is the State of Queensland.**

### **Transfers**

Chief Executive approval for the transfer of a road licence will be subject to a condition that the transferee must execute a Land Registry Form 31- COVENANT tying in the same ownership, the road licence with the relevant freehold and/or leasehold land and subsequently lodge the form for registration in the Land Registry with other documents required for the transfer of the road licence and the relevant freehold and/or leasehold land.

### **Note**

The regional operative completes the Form 31 (apart from the lodgers name and address), has it executed by the delegate of the Chief Executive and witnessed and forwards it (accompanied by the Chief Executive's Consent to the lodgement of the covenant - Form 18 General Consent) with the Chief Executive's approval to transfer, to the person who made the request for consent.

## **Legislation**

*Land Title Act 1994*

*Land Act 1994*

## **Related documents**

- [Land Allocation: Granting Land Volumetrically](#)
- [Roads under the Land Act 1994](#)
- [Land allocation and specific requirements](#)
- [Allocation of land in priority in terms of the Land Act 1994](#)
- [Conversion of Leasehold Tenure](#)
- [Transfer of Leases, Licences and Subleases](#)

## Approval

Position	Name	Date
A/Director, Land Services, Land and Native Title Services	Roslyn Hooper	26/08/2019

## Version history

Version	Effective Date	Comments
3	27/08/2004	Endorsed
3.1	30/06/2005	Conversion Project – New WORD/XML template
4	21/11/2008	Reviewed and updated
4.1	10/02/2009	Amended status of Notification from “NRW only” to “Public access”
4.2	10/02/2011	Updated to DERM
4.3	01/07/2013	Minor amendments to reflect MOG changes
4.04	09/05/2014	Updated to new DNRM template
4.05	29/04/2015	Minor amendment to update links
4.06	23/01/2017	Minor amendment to insert text on new template
4.07	26/08/2019	Updated to reflect amendments to the Land Act

## Further information

- Contact your nearest business centre ([https://dnrme.qld.gov.au/?contact=state\\_land](https://dnrme.qld.gov.au/?contact=state_land)), or
- Refer to <https://www.qld.gov.au/environment/land/state>, or
- Call 13 QGOV (13 74 68).

This publication has been compiled by Land Services, Department of Natural Resources, Mines and Energy.

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QUEENSLAND TITLES REGISTRY → COVENANT → FORM 31 Version 3  
 Land Title Act 1994 and Land Act 1994 → Page 1 of 1

Dealing Number [ ] Lodger (Name, address, E-mail & phone number) [ ] Lodger Code [ ]

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DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY

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1. → **Covenantor**  
 JOE CITIZEN

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2. → Description of Covenant / Lot on Plan	Title Reference
LOT 7 ON SP103568	40015314
LOT 10 ON CP881956	30567091

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3. → **Covantee**  
 THE STATE OF QUEENSLAND (REPRESENTED BY THE DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY)

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4. → **Description of Covenant** (include reference to relevant section of legislation)  
 For the purpose of restricting the separate transfer of the lots described in item 2, PURSUANT TO SECTION 373(A)(3) OF THE LAND ACT 1994

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5. → **Execution**

The Covenantor being the registered owner of the lot described in item 2 covenants with the Covantee in respect of the covenant described in item 4 and: - the attached schedule; - the attached schedule and document no. [ ]; document no. [ ]

\*delete if not applicable

**Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994**

..... signature  
 ..... full name  
 ..... qualification → /.../ → Execution Date → Covenantor's Signature

**Witnessing Officer** →  
 (Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C-Dec)

..... signature  
 ..... full name  
 ..... qualification → /.../ → Execution Date → Covantee's Signature

**Witnessing Officer** →  
 (Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C-Dec)

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Dealing Number [ ] Lodger (Name, address, E-mail & phone number) [ ] Lodger Code [ ]

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DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY

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 JOE CITIZEN

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2. → Description of Covenant / Lot on Plan	Title Reference
LOT 7 ON SP103568	40015314
LOT 10 ON CP881956	30567091

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3. → **Covenantee**  
 THE STATE OF QUEENSLAND (REPRESENTED BY THE DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY)

---

4. → **Description of Covenant** (include reference to relevant section of legislation)  
 For the purpose of restricting the separate transfer of the lots described in item 2, PURSUANT TO SECTION 97A(3)(c) OF THE LAND TITLE ACT AND SECTION 373(A)(3) OF THE LAND ACT 1994

---

5. → **Execution**

The Covenantor being the registered owner of the lot described in item 2 covenants with the Covenantee in respect of the covenant described in item 4 and: \*the attached schedule; \*the attached schedule and document no. [ ]; document no. [ ]

\*delete if not applicable


**Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994**

..... signature  
 ..... full name  
 ..... qualification

**Witnessing Officer** → Execution Date → Covenantor's Signature  
 (Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

..... signature  
 ..... full name  
 ..... qualification

**Witnessing Officer** → Execution Date → Covenantee's Signature  
 (Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

Dealing Number  
 OFFICE USE ONLY

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**1. → Type/Dealing No. of instrument/document being released**      **Lodger** (Name, address, E-mail & phone number)      **Lodger Code**

→ Type of Instrument/Document → **Covenant**      **DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY**

→ Dealing Number → **1665432**

**2. → Lot on Plan Description**      **Title Reference**

**LOT 7 ON SP103568**      **40015314**

**LOT 10 ON RP188976**      **30567091**

**3. → Grantor/Covenantor**

**JOE CITIZEN**

**4. → Grantee/Covenantee**

**THE STATE OF QUEENSLAND (REPRESENTED BY THE DEPARTMENT OF NATURAL RESOURCES, MINES AND ENERGY)**

**5. → Execution by Grantee/Covenantee**

**\*Full Surrender**

The Grantee/Covenantee releases the covenant/profit a prendre in item 1 so that the covenant/profit a prendre is extinguished.

**\*Partial Surrender**

The Grantee/Covenantee releases the covenant/profit a prendre in item 1 so far as relates to the land in item 2:

\*so far as relates to a part of the land being .....

\*so far as relates to the substance taken from the land being .....

\*delete if not applicable

**Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994**

..... signature

..... full name

..... qualification

**Witnessing Officer**

..... /...../      **Execution Date**

.....      **Grantee's/Covenantee's Signature**

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)