

## CITY AREA LEASES

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### No. 45 of 1970

#### An Ordinance to amend the *City Area Leases Ordinance* 1936-1969.

1.—(1.) This Ordinance may be cited as the *City Area Leases Ordinance* 1970.\* Short title  
and citation.

(2.) The *City Area Leases Ordinance* 1936-1969† is in this Ordinance referred to as the Principal Ordinance.

(3.) The Principal Ordinance, as amended by this Ordinance, may be cited as the *City Area Leases Ordinance* 1936-1970.

2.—(1.) Subject to this section, this Ordinance shall come into operation on the first day of January, One thousand nine hundred and seventy-one. Commence-  
ment.

(2.) The Minister may, notwithstanding the last preceding sub-section—

- (a) cause to be published in the *Gazette* notice of the holding of auctions at which rights to the grant of leases under the Principal Ordinance as amended by this Ordinance are to be offered for sale and of matters related to the grant of those leases; and
- (b) invite by notice published in the *Gazette* applications for rights to the grant of leases under the Principal Ordinance as amended by this Ordinance,

at any time after the notification of the making of this Ordinance is published in the *Gazette* and before the date specified in the last preceding sub-section, and notices so published shall be deemed, on and after that date, to be as valid and effective as if this Ordinance had come into operation on the date on which the notification of the making of this Ordinance is so published.

3. Section 3 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (1.) the definitions of “Lease” and “lessee” and inserting in their stead the following definitions:—

“ ‘lease’ means—

- (a) a lease under this Ordinance;

Interpretation.

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\* Made on 15 December 1970; notified in the *Commonwealth Gazette* on 17 December 1970.  
† Ordinance No. 31, 1936, as amended by Nos. 38 and 40, 1936; No. 21, 1938; No. 14, 1947; No. 18, 1950; No. 8, 1951; No. 18, 1957; No. 21, 1959; No. 12, 1961; No. 18, 1963; No. 7, 1964; No. 19, 1966; No. 13, 1967; Nos. 3 and 28, 1968; and No. 25, 1969.

- (b) a lease granted under a repealed Ordinance and continued in force by sub-section (2.) of the last preceding section; and
- (c) a lease under the *Unit Titles Ordinance* 1970;

‘lessee’ means the person who is the registered proprietor of a lease whether the lease was granted to him or the lease has passed to him by assignment, transfer, devolution or operation of law;”;

- (b) by adding at the end of sub-section (1.) the following definitions:—

“ ‘sub-lease’ means a sub-lease of a parcel of land or part of a parcel of land subject to a lease, or of a building or part of a building on a parcel of land so subject;

‘sub-lessee’ means the person who is the proprietor of a sub-lease whether the sub-lease was granted to him or the sub-lease has passed to him by assignment, transfer, devolution or operation of law;

‘the Secretary’ means the Secretary to the Department of the Interior.”; and

- (c) by omitting sub-section (2.) and inserting in its stead the following sub-section:—

“(2.) For the purposes of the application of a provision of this Ordinance (other than section nineteen A of this Ordinance) in which there is a reference to improvements on or to a parcel of land, there shall be deemed not to be any improvements on or to the parcel of land if the only improvements on or to the parcel of land are improvements by way of clearing, draining, grading, filling, excavating or levelling made by the Commonwealth or the cost of which the Commonwealth has paid.”.

Penalty for using land or building in contravention of lease.

4. Section 9A of the Principal Ordinance is amended by omitting sub-section (1.).

Particulars of sub-tenancies.

5. Section 9B of the Principal Ordinance is amended by omitting sub-section (4.).

Variation of purposes for which land is leased.

6. Section 11A of the Principal Ordinance is amended by omitting sub-sections (8.) and (9.) and inserting in their stead the following sub-sections:—

“(8.) An order of the Supreme Court under this section varying a provision, covenant or condition in a lease shall, in the first instance, be provisional only and is subject to—

- (a) the condition (to be included in the provisional order) that if, in accordance with sub-section (9B.) of this section, a premium is payable to the Commonwealth in respect

of the variation, the premium will be paid to the Commonwealth by the lessee within the prescribed time; and

- (b) such conditions, whether as to compensation to other persons or otherwise, as the Court thinks just and are included in the provisional order.

“(9.) The Minister shall, as soon as practicable after a provisional order has been made—

- (a) determine the capital sum that the lease might be expected to have realised assuming—

- (i) that the lease had been offered for sale at a *bona fide* sale on the day immediately before the day on which the provisional order was made on such reasonable terms and conditions as a *bona fide* seller would require; and
- (ii) that, during the remainder of the term of the lease, there would be no variation, whether under this section or otherwise, of any of the provisions, covenants or conditions in the lease; and

- (b) determine the capital sum that the lease might be expected to have realised assuming—

- (i) that the lease had been offered for sale at a *bona fide* sale on the day on which the provisional order was made on such reasonable terms and conditions as a *bona fide* seller would require; and
- (ii) that the variation specified in the provisional order had been made,

and cause notice of each determination to be given to the lessee.

“(9A.) For the purposes of the next two succeeding sub-sections, the prescribed formula is—

$$\frac{A - B}{2},$$

where—

A is an amount equal to the capital sum determined in accordance with paragraph (b) of sub-section (9.) of this section; and

B is an amount equal to the capital sum determined in accordance with paragraph (a) of that sub-section.

“(9B.) If the amount ascertained in accordance with the prescribed formula exceeds One thousand five hundred dollars, a

premium is payable to the Commonwealth in respect of the variation specified in the provisional order and the amount of the premium is an amount equal to the amount of the excess.

“(9c.) If—

- (a) the amount represented by the letter ‘A’ in the prescribed formula is less than the amount represented by the letter ‘B’ in that formula; or
- (b) the amount ascertained in accordance with the prescribed formula does not exceed One thousand five hundred dollars,

a premium is not payable in respect of the variation specified in the provisional order.

“(9D.) The prescribed time for the purposes of paragraph (a) of sub-section (8.) of this section is two months after the date on which the lessee is notified by the Minister of the capital sums determined in accordance with sub-section (9.) of this section.

“(9E.) In a notice under sub-section (9.) of this section, the Minister shall—

- (a) if a premium is payable to the Commonwealth in accordance with sub-section (9B.) of this section, include a statement setting out the amount of the premium so payable; or
- (b) if a premium is not so payable, include a statement to that effect.

“(9F.) A provisional order under this section shall be made a final order by the Court if the Court is, on an application by the lessee for a final order, satisfied that the lessee has complied with the conditions specified in the provisional order.

“(9G.) Upon registration by the Registrar of Titles of a final order under this section, the lease of the parcel of land to which the order relates shall be deemed to have been varied in the manner specified in the final order.”.

7. After section 11A of the Principal Ordinance the following sections are inserted:—

Appeals against  
determinations  
of premiums.

“11B.—(1.) In this section, ‘the Board’ means the Valuation Review Board referred to in section thirty of the *Rates Ordinance 1926-1970*.

“(2.) Within thirty days after the payment of the premium payable in respect of a variation under the last preceding section, the lessee by whom the premium was paid may post to, or lodge with, the Secretary a written request that the relevant determinations made by the Minister under sub-section (9.) of that section be reviewed by the Board.

“(3.) The Board shall, notwithstanding the payment of the premium, review the determinations referred to in the request and may confirm or vary either or both of those determinations.

“(4.) For the purposes of this section, the Board has all the powers that it has under the *Rates Ordinance* 1926-1970 when reviewing a decision of the Minister under that Ordinance, and sub-section (5.) of section thirty, and section thirty-one, of that Ordinance apply to and in relation to a review under this section in the same manner as they apply to and in relation to a review of a decision of the Minister under that Ordinance.

“(5.) The Minister or the person who requested the review of the determinations may appeal to the Supreme Court from the decision of the Board on the review of the determinations.

“(6.) The Supreme Court has jurisdiction to hear and determine an appeal under the last preceding sub-section.

“11c. Where, as a result of a review or an appeal under the last preceding section, a variation is made to either or both of the relevant determinations made under sub-section (9.) of section eleven A of this Ordinance, a re-calculation in accordance with sub-sections (9A.), (9B.) and (9C.) of that section shall be made, and—

Adjustment of premium on variation of determinations on review or appeal.

- (a) if, by reason of the re-calculation, the amount of the premium is reduced or a premium is not payable, the lessee is entitled to be paid an amount equal to the amount by which the premium is reduced or an amount equal to the amount of premium paid, as the case requires; or
- (b) if, by reason of the re-calculation, the amount of the premium is increased or a premium becomes payable, the Commonwealth may recover from the lessee as a debt due and payable by him to the Commonwealth an amount equal to the amount by which the premium is increased or an amount equal to the amount of the premium that is payable, as the case requires.”

8. Section 12 of the Principal Ordinance is amended by inserting at the end thereof the following sub-section:—

Term, covenants and conditions of leases the right to which becomes vested before 1 January 1971.

“(2.) On and after the first day of January, One thousand nine hundred and seventy-one—

- (a) this section applies only to and in relation to a lease granted before that date or granted after that date by reason that the right to the grant was obtained before that date; and
- (b) the covenants and conditions to which such a lease is subject are the covenants and conditions contained in the lease as modified by section eighteen of this Ordinance.”

9. After section 12 of the Principal Ordinance the following section is inserted:—

Term of, and provisions, covenants and conditions in, leases the right to the grant of which is obtained after 1 January 1971.

“ 12A.—(1.) This section applies to a lease granted after the first day of January, One thousand nine hundred and seventy-one, not being a lease the right to the grant of which was obtained before that date.

“ (2.) The term to be included in a lease to which this section applies is the period of years, not exceeding ninety-nine years, determined by the Minister, before offering, whether by auction or otherwise, the right to the grant of the lease, as the term to be included in the lease.

“ (3.) The provisions, covenants and conditions to be included in a lease to which this section applies are those determined by the Minister, before offering, whether by auction or otherwise, the right to the grant of the lease, as the provisions, covenants and conditions to be included in the lease.

“ (4.) Where part of the reserve price for a lease to which this section applies is not paid by the person entitled to the right to the grant of the lease before the grant of the lease, there shall be included in the lease—

- (a) an acknowledgment by that person that he has agreed to pay an amount equal to the difference between the amount paid by him and the reserve price and interest on the amount payable by him at a specified rate by specified equal monthly instalments over a specified period; and
- (b) a mutual covenant that, if any of those instalments shall remain unpaid for a period of twelve months next after the date on which the instalment becomes payable, the Commonwealth may determine the lease.”

Auctioning of leases.

10. Section 13 of the Principal Ordinance is amended—

- (a) by omitting sub-section (5.) and inserting in its stead the following sub-sections:—

“ (5.) The Minister shall cause notice of the holding of an auction to be published in the *Gazette* at least fourteen days before the date of the auction and shall cause to be included in the notice a statement specifying the place at which copies may be obtained of plans showing the location of the parcels of land the rights to the grant of leases of which are to be offered for sale at the auction and of documents containing statements with respect to—

- (a) the distinguishing number allotted to each of the parcels of land;
- (b) whether or not there are improvements on any of the parcels of land and, if so, a description of the improvements, the value of the improvements and whether or not the Commonwealth is prepared to accept a mortgage securing the payment of an amount not exceeding the whole or a specified part of the value of the improvements;

- (c) the reserve price for each of the leases of the parcels of land;
- (d) the term to be included in each of the leases of the parcels of land; and
- (e) the provisions, covenants and conditions to be included in each of the leases of the parcels of land.

“(5A.) Where the Minister has made an order under sub-section (3.) of this section in relation to an auction, the Minister shall cause to be included in the notice referred to in the last preceding sub-section a statement specifying—

- (a) the parcels of land to which the order applies;
- (b) the class of persons specified in the order;
- (c) that the right to bid at the auction for the rights to the grant of leases of those parcels of land is restricted to persons included in that class of persons; and
- (d) where the order includes a direction as provided for by sub-section (3A.) of this section—
  - (i) particulars of the direction; and
  - (ii) the provisions to be included in an agreement to be entered into by a person who becomes entitled to the grant of a lease of any of those parcels of land for the payment by that person of any part of the reserve price for the lease that is not paid before the grant of the lease.

“(5B.) Where the Minister has made an order under sub-section (4.) of this section in relation to an auction, the Minister shall cause to be included in the notice referred to in sub-section (5.) of this section particulars of the order.”; and

- (b) by omitting sub-sections (8.) to (15.), inclusive, and inserting in their stead the following sub-sections:—

“(8.) Subject to the next succeeding sub-section, bidding at an auction for the right to the grant of a lease of a parcel of land shall, whether or not there are improvements on the parcel of land, commence at an amount that is not less than the reserve price for the lease, and a bid of an amount that is less than that reserve price is not an effective bid.

“(9.) At an auction in relation to which the Minister has made an order under sub-section (3.) of this section that includes a direction as provided for by sub-section (3A.) of this section, the bidding for the right to the grant of a lease of a parcel of land referred to in the order shall commence at an amount that is not less than one-quarter

of the reserve price for the lease of that parcel of land, and a bid of an amount that is less than one-quarter of the reserve price is not an effective bid.

“(10.) Subject to the next succeeding sub-section and to sub-section (13.) of this section, the successful bidder for the right to the grant of a lease of a parcel of land shall pay to the Commonwealth, at the time of the auction, an amount equal to the amount of the bid that made him the successful bidder.

“(11.) Where—

- (a) the bidding for the right to the grant of a lease of a parcel of land commenced, by reason of sub-section (9.) of this section, at an amount that is not less than one-quarter of the reserve price for the lease; and
- (b) the amount bid by the successful bidder for the right to the grant of the lease is less than the reserve price for the lease,

the successful bidder shall, at the time of the auction—

- (c) pay to the Commonwealth an amount equal to the reserve price for the lease; or
- (d) pay to the Commonwealth an amount that is not less than the amount of the bid that made him the successful bidder for the right to the grant of the lease and sign an agreement that he will pay an amount equal to the difference between the amount paid by him and the reserve price for the lease and interest on the amount payable by him at a specified rate by specified equal monthly instalments over a specified period.

“(12.) The instalments to be specified in an agreement referred to in paragraph (d) of the last preceding sub-section shall be such that the total amount payable by way of instalments in any period of twelve months shall not be less than Fifty dollars and the period to be so specified shall not exceed thirty-one years.

“(13.) The successful bidder for the right to the grant of a lease of a parcel of land on which there are improvements shall pay to the Commonwealth, at the time of the auction—

- (a) an amount equal to the amount of the bid that made him the successful bidder; or
- (b) an amount that is not less than the difference between the amount of the bid that made him the successful bidder and the maximum amount notified in the documents referred to in sub-section (5.) of this section relating to the auction as the amount that may be secured by mortgage,

and, if the successful bidder elects to pay an amount ascertained in accordance with paragraph (b) of this sub-section, he shall, at the time of the auction, sign an agreement that he will—

- (c) pay to the Commonwealth, within twenty-eight days after the auction or within such further time as the Minister allows, an amount equal to the unpaid balance of the amount of the bid that made him the successful bidder; or
- (d) if the documents referred to in sub-section (5.) of this section relating to the auction notified that the Commonwealth was prepared to accept a mortgage securing the payment of any balance, execute such a mortgage on or before the grant of the lease.

“(14.) Where, after compliance with such of the preceding provisions of this section as are applicable to the successful bidder for the right to the grant of a lease of a parcel of land, the lease for the term and containing the provisions, covenants and conditions that are, by reason of section twelve A of this Ordinance, applicable is tendered to the successful bidder, the successful bidder shall accept, sign and seal the lease.”.

**11. Section 14 of the Principal Ordinance is amended—**

- (a) by omitting sub-sections (2.) and (3.) and inserting in their stead the following sub-sections:—

Power of Minister to invite applications for leases.

“(2.) The Minister may, by notice in the *Gazette*, invite applications for the right to the grant of a lease of a specified parcel of land and may, in the notice, direct—

- (a) that the right to make application for the right to the grant of the lease is not restricted; or
- (b) that the right to make application for the right to the grant of the lease is restricted to persons included in a specified class of persons.

“(3.) The Minister shall include in a notice referred to in the last preceding sub-section a statement specifying the place at which copies may be obtained of documents containing statements with respect to—

- (a) the location and description of the parcel of land;
- (b) whether or not there are improvements on the parcel of land and, if so, a description of the improvements, the value of the improvements and whether or not the Commonwealth is prepared to accept a mortgage securing the payment of an amount not exceeding the whole or a specified part of the value of the improvements;

- (c) the reserve price for the lease of the parcel of land;
- (d) the term to be included in the lease of the parcel of land;
- (e) the provisions, covenants and conditions to be included in the lease of the parcel of land; and
- (f) the conditions to be complied with by applicants including conditions relating to the manner in which, and the time within which, applications are to be made and to the deposit (if any) to be lodged with each application.

“(3A.) Where the Minister has, in the notice inviting applications for the right to the grant of a lease of a parcel of land, directed, in pursuance of paragraph (b) of sub-section (2.) of this section, that the right to make application for the right to the grant of the lease is restricted to persons included in a specified class of persons, the Minister may include in the notice a statement that persons included in that class of persons may offer for the right to the grant of the lease an amount that is not less than one-quarter of the reserve price for the lease, and, in such a case, the Minister shall include in the notice a statement specifying the provisions to be included in an agreement to be entered into by the successful applicant for the right to the grant of the lease for the payment by him of any part of the reserve price for the lease that is not paid before the grant of the lease.

“(3B.) An application shall not be accepted as an application under this section for the right to the grant of a lease of a parcel of land unless the amount offered—

- (a) is not less than the reserve price for the lease; or
- (b) where the Minister has included in the notice inviting applications for the right to the grant of the lease a statement that persons included in the specified class of persons may offer for the right to the grant of the lease an amount that is not less than one-quarter of the reserve price for the lease—is not less than one-quarter of the reserve price for the lease.”; and

- (b) by omitting sub-sections (6.) to (9.), inclusive, and inserting in their stead the following sub-sections:—

“(6.) Subject to the next succeeding sub-section and to sub-section (9.) of this section, the successful applicant for the right to the grant of a lease of a parcel of land shall, within twenty-eight days after the date on which he is notified in writing that he is the successful applicant or

within such further time as the Minister allows, pay to the Commonwealth an amount equal to the amount offered by him in his application for the right.

“(7.) Where, in a case where the Minister has given a direction in pursuance of paragraph (b) of sub-section (2.) of this section, the amount offered by the successful applicant for the right to the grant of a lease of a parcel of land is less than the reserve price for the lease, the successful applicant shall, within twenty-eight days after the date on which he is notified in writing that he is the successful applicant or within such further time as the Minister allows—

- (a) pay to the Commonwealth an amount equal to the reserve price for the lease; or
- (b) pay to the Commonwealth an amount that is not less than the amount offered by him in his application for the right to the grant of the lease and sign an agreement that he will pay an amount equal to the difference between the amount paid by him and the reserve price for the lease and interest on the amount payable by him at a specified rate by specified equal monthly instalments over a specified period.

“(8.) The instalments to be specified in an agreement referred to in paragraph (b) of the last preceding sub-section shall be such that the total amount payable by way of instalments in any period of twelve months shall not be less than Fifty dollars and the period to be so specified shall not exceed thirty-one years.

“(9.) The successful applicant for the right to the grant of a lease of a parcel of land on which there are improvements shall, within twenty-eight days after the date on which he is notified in writing that he is the successful applicant or within such further time as the Minister allows—

- (a) pay to the Commonwealth an amount equal to the amount of the offer that made him the successful applicant; or
- (b) pay to the Commonwealth an amount that is not less than the difference between the amount of the offer that made him the successful applicant and the maximum amount notified in the documents referred to in sub-section (3.) of this section as the amount that may be secured by mortgage,

and, if the successful applicant elects to pay an amount ascertained in accordance with paragraph (b) of this sub-section, he shall, within that period or extended period,

sign an agreement that he will, on or before the grant of the lease—

- (c) pay to the Commonwealth an amount equal to the unpaid balance of the amount of the offer that made him the successful applicant; or
- (d) if the documents referred to in sub-section (3.) of this section notified that the Commonwealth was prepared to accept a mortgage securing the payment of any balance, execute such a mortgage.

“(10.) Where, after compliance with such of the preceding provisions of this section as are applicable to the successful applicant for the right to the grant of a lease of a parcel of land, the lease for the term and containing the provisions, covenants and conditions that are, by reason of section twelve A of this Ordinance, applicable is tendered to the successful applicant, the successful applicant shall accept, sign and seal the lease.

“(11.) An amount lodged by way of deposit with an application made under this section for the right to the grant of a lease of a parcel of land by a person who does not become the successful applicant for the right to the grant of a lease of the parcel of land shall be refunded to him.

“(12.) An amount lodged by way of deposit with an application made under this section for the right to the grant of a lease of a parcel of land by a person who becomes the successful applicant for the right to the grant of a lease of the parcel of land shall be deemed to be payment by that person on account of the amount payable by him under this section.”.

Power of  
Minister to  
grant lease  
where no bid  
or application  
is made.

**12.** Section 15 of the Principal Ordinance is amended by omitting paragraph (c) and inserting in its stead the following paragraph:—

“(c) for any other reason a person does not become entitled to the grant of such a lease or such a lease is not granted.”.

Leases by  
ballot.

**13.** Section 17A of the Principal Ordinance is amended —

(a) by omitting paragraphs (h) and (i) of sub-section (2.) and inserting in their stead the following paragraphs:—

- “(h) the reserve price for each of the leases of the parcels of land;
- (i) the term to be included in each of the leases of the parcels of land; and
- (j) the provisions, covenants and conditions to be included in each of the leases of the parcels of land including those relating to the payment of any part of the reserve price for the lease that is not paid before the grant of the lease.”; and

(b) by omitting sub-section (3.) and inserting in its stead the following sub-sections:—

“ (3.) A person who becomes, by reason of the conduct of a ballot, entitled to the right to the grant of a lease of a parcel of land shall, within twenty-eight days after he is notified in writing that he has become so entitled or within such further time as the Minister allows—

(a) pay to the Commonwealth an amount equal to the reserve price for the lease; or

(b) pay to the Commonwealth an amount that is not less than one-quarter of the reserve price for the lease and sign an agreement that he will pay an amount equal to the difference between the amount paid by him and the reserve price for the lease and interest on the amount payable by him at a specified rate by specified equal monthly instalments over a specified period.

“ (3A.) The instalments to be specified in an agreement referred to in paragraph (b) of the last preceding sub-section shall be such that the total amount payable by way of instalments in any period of twelve months shall not be less than Fifty dollars and the period to be so specified shall not exceed thirty-one years. ” .

14. After section 17A of the Principal Ordinance the following section is inserted:—

“ 17B.—(1.) The Minister may, by notice in the *Gazette*, determine that specified parcels of land are parcels of land to be developed in successive stages in accordance with this section and may, in the notice—

Staged  
development  
leases.

(a) offer for sale by auction; or

(b) invite applications for,

the right to the grant of leases of those parcels of land.

“ (2.) The Minister shall include in the notice referred to in the last preceding sub-section a statement specifying the place at which copies may be obtained of plans showing the location of the parcels of land and of documents containing statements with respect to—

(a) the distinguishing number allotted to each of the parcels of land;

(b) the reserve price for each of the leases of the parcels of land;

(c) the sequence in which leases of the parcels of land are to be granted;

(d) the term to be included in each of the leases of the parcels of land and the date on which each of those terms is to commence;

(e) the provisions, covenants and conditions to be included in each of the leases of the parcels of land; and

- (f) the provisions, covenants and conditions to be included in an agreement to be entered into with the Commonwealth by the person who becomes entitled to the right to the grant of leases of the parcels of land providing—
- (i) for the development of the parcel of land the lease of which is to be granted first and for the development in specified successive stages of the other parcels of land;
  - (ii) on completion of each stage of the development referred to in the last preceding sub-paragraph in accordance with the provisions, covenants and conditions applicable in relation to that stage of development, for the termination of the then subsisting lease and for the grant of a lease of the developed parcel of land or developed parcels of land and of the parcel of land next to be developed;
  - (iii) on completion of all stages of the development referred to in sub-paragraph (i) of this paragraph in accordance with the provisions, covenants and conditions applicable in relation to each of those stages of development, respectively, for the termination of the then subsisting lease and for the grant of one lease of all those parcels of land, being a lease for a specified term commencing on that termination and containing specified provisions, covenants and conditions; and
  - (iv) for the payment by that person, at such respective times as are specified, of the reserve price for each of the leases of the parcels of land other than for the lease which is to be granted first.

“ (3.) Bidding at an auction under this section shall commence at an amount that is not less than the reserve price for the lease which is to be granted first, and a bid of an amount that is less than that reserve price is not an effective bid.

“ (4.) An application shall not be accepted as an application under this section for the right to the grant of leases of the parcels of land unless the amount offered is not less than the reserve price for the lease which is to be granted first.

“ (5.) The person who bids at an auction, or offers by application, the highest amount for the right to the grant of the leases of the parcels of land is, in the succeeding provisions of this section, referred to as ‘ the successful bidder ’.

“ (6.) The successful bidder shall, if he became the successful bidder by auction, pay at the time of the auction or, if he became the successful bidder by application, pay within seven days after being notified in writing that he is the successful bidder to the Commonwealth an amount equal to the amount of the bid or offer that made him the successful bidder.

“ (7.) The successful bidder for the right to the grant of the leases of the parcels of land, upon—

- (a) payment, in accordance with the last preceding sub-section, of an amount equal to the amount of the bid or offer that made him the successful bidder; and
- (b) executing an agreement containing the provisions, covenants and conditions referred to in paragraph (f) of sub-section (2.) of this section,

becomes entitled to the grant of the lease which is to be granted first and, subject to this Ordinance and to compliance by him with the provisions, covenants and conditions contained in the agreement, becomes entitled to the grant, at the respective times specified in the agreement, of the successive leases as provided for by the agreement.”

15. Section 18 of the Principal Ordinance is repealed and the following section inserted in its stead:—

“ 18.—(1.) In this section, the prescribed date is the first day of <sup>Rent.</sup> January, One thousand nine hundred and seventy-one.

“ (2.) The rent—

- (a) to be reserved under a lease of a parcel of land granted on or after the prescribed date; and
- (b) payable, on and after the prescribed date, under a lease granted before that date,

shall be Five cents per annum to be paid if and when demanded by the Minister.

“ (3.) On and after the prescribed date—

- (a) a provision in a lease granted before the prescribed date reserving the rent payable under the lease;
- (b) a covenant in such a lease by the lessee to pay rent or to pay additional rent under the lease; and
- (c) a covenant in such a lease by the lessee or the Commonwealth or any mutual covenant in such a lease by the lessee and the Commonwealth providing for the determination of the lease in the event of the rent payable under the lease remaining unpaid for any period,

cease, subject to sub-section (5.) of this section, to have any force or effect.

“ (4.) On and after the prescribed date, a provision or a covenant in a lease granted before the prescribed date whereby any amount payable under the lease shall be deemed to be rent payable under the lease shall, subject to the next succeeding sub-section, cease to have any force or effect and any amount which, but for this sub-section, would have been deemed to be rent payable under the lease is recoverable as a debt due and payable to the Commonwealth by the lessee.

“ (5.) Nothing in the last two preceding sub-sections prevents the enforcement of a provision or a covenant in a lease granted before the prescribed date, being a provision or covenant referred to in either

of those sub-sections, in respect of rent, amounts deemed to be rent, or additional rent, that had become payable before the prescribed date.”.

Payment for improvements.

**16.** Section 19 of the Principal Ordinance is amended by adding at the end thereof the following sub-section:—

“(8.) On and after the first day of January, One thousand nine hundred and seventy-one, this section applies only to and in relation to a lease to the right to the grant of which a person became entitled before that date, and the references to specified provisions in sub-section (1.) of this section in its application to and in relation to such a lease shall be read as references to those provisions of the *City Area Leases Ordinance 1936-1969.*”.

**17.** After section 19 of the Principal Ordinance the following section is inserted:—

Security for balance of money payable where lease includes improvements.

“19AA.—(1.) This section applies to and in relation to the grant of a lease of a parcel of land the right to which a person has become entitled on or after the first day of January, One thousand nine hundred and seventy-one, being a parcel of land on which there are improvements.

“(2.) Where a person who is entitled to the right to the grant of a lease of a parcel of land to which this section applies has not paid the whole of the amount payable by him in respect of the grant of the lease and has signed an agreement that he will execute a mortgage securing the payment of an amount equal to the unpaid balance of that first-mentioned amount, that person shall, on or before the grant of the lease, execute in favour of the Commonwealth a mortgage of his estate in the parcel of land securing the payment of an amount equal to that balance and interest on that last-mentioned amount.

“(3.) Where—

(a) a mortgage executed in pursuance of this section makes provision for the acceptance of an instalment without further interest if the instalment is paid on or before the due date for its payment; and

(b) an instalment is paid after the due date for its payment,

the Minister may waive on behalf of the Commonwealth payment of the whole or part of the further interest that would, but for the waiver, be payable under the mortgage in respect of that instalment.”.

**18.** Section 20 of the Principal Ordinance is repealed.

**19.** Section 21 of the Principal Ordinance is amended—

Payment of survey fees.

Failure of person to accept, sign and seal a lease.

(a) by omitting from sub-section (1.) the words “has failed to accept, sign and seal, within three months after the date of the auction or the date on which he is notified that he is so entitled, as the case may be, a lease of the parcel of land,” and inserting in their stead the words “has, within one month after the date on which a lease of the parcel of land is tendered to him for execution, failed to accept, sign and seal the lease and, in an appropriate case, pay any amount payable by him before the grant

- of the lease or execute a mortgage to the Commonwealth securing the payment of any unpaid balance of the amount payable by him in respect of the grant of the lease;” and
- (b) by omitting from sub-section (5.) the words “rent or other”.

**20.** Section 23 of the Principal Ordinance is repealed.

Reduction of rent and relief from conditions in the case of approved associations.

**21.** Section 25 of the Principal Ordinance is repealed.

Re-appraisal of value of land.

**22.** Section 26 of the Principal Ordinance is amended—

- (a) by omitting from sub-section (1.) the words “for the purposes of the last preceding section”; and
- (b) by omitting sub-section (2.).

Commencement of term of lease for certain purposes.

**23.—(1.)** Section 27 of the Principal Ordinance is repealed.

Repeal of section 27 and saving.

(2.) Notwithstanding the repeal made by the last preceding sub-section, section 27 of the Principal Ordinance continues to apply to and in relation to any appeal instituted under that section before the date of commencement of this Ordinance and to any appeal made to the Appeal Board referred to in that section under any other Ordinance as if that section had continued in force.

**24.** After section 28D of the Principal Ordinance the following section is inserted:—

“28DA.—(1.) Subject to this section, a lease that contains an acknowledgement and a covenant in accordance with sub-section (4.) of section twelve A of this Ordinance is not capable of being transferred or assigned at law or in equity.

Restrictions on transfer, &c., of leases where reserve price for the lease not paid by lessee in full.

“(2.) The last preceding sub-section does not operate so as to prevent—

- (a) the transfer or assignment of the lease by operation of law;
- (b) the transfer or assignment of the lease by way of gift;
- (c) the transfer or assignment of the lease made in the course of the administration of the estate of a deceased person;
- (d) the transfer or assignment of the lease to a person who has become entitled to the right to the transfer or assignment—
- (i) on a sale under a writ or warrant of execution issued by a court;
- (ii) on a sale by a mortgagee in the exercise of a power of sale conferred by the mortgage or by the *Real Property Ordinance 1925-1970*; or
- (iii) on a sale by the trustee of the estate of a bankrupt, by the trustee of a composition or scheme of arrangement under Division 6 of Part IV. of the *Bankruptcy Act 1966-1970*, by the trustee of a deed of arrangement, a deed of assignment or a composition under Part X. of that Act or by the

trustee of the estate of a deceased person in respect of which an order has been made under Part XI. of that Act.

“(3.) Where—

- (a) a lease contains an acknowledgement and a covenant in accordance with sub-section (4.) of section twelve A of this Ordinance; and
- (b) the liability under the agreement referred to in the acknowledgment to make payment to the Commonwealth has been discharged,

the Minister shall issue to the lessee an instrument in writing stating that that liability has been discharged and, upon registration of the instrument under the *Real Property Ordinance* 1925-1970, sub-section (1.) of this section ceases to apply to or in relation to that lease.

“(4.) The provisions of this section are in addition to, and do not derogate from, the provisions of section twenty-eight A and section twenty-eight B of this Ordinance.”.

**25.** Sections 33 and 34 of the Principal Ordinance are repealed.

**26.** Section 36 of the Principal Ordinance is repealed.

**27.** Section 37A of the Principal Ordinance is amended—

- (a) by omitting paragraph (a) of sub-section (2.);
- (b) by omitting paragraph (a) of sub-section (4.); and
- (c) by omitting sub-section (5.).

**28.** Notwithstanding the amendments made by this Ordinance, the provisions of sections 13, 14, 15 and 20 of the Principal Ordinance continue to apply to and in relation to a right to the grant of a lease of a parcel of land to which a person became entitled under the Principal Ordinance before the date of commencement of this Ordinance.

**29.** Where, in the period that commenced on the first day of January, One thousand nine hundred and seventy, and ended on the day immediately before the commencement of the *Land Rent (Interim Provisions) Ordinance* 1970, a person who, on becoming entitled to the right to the grant of a lease of a parcel of land under section 13 or section 14 of the Principal Ordinance, paid an amount equal to the first year's rent for the parcel of land, that person is entitled to a refund of an amount that bears to the amount of the first year's rent for the parcel of land the same proportion as the number equal to the number of days in the period commencing on the date of commencement of this Ordinance and ending on the anniversary in the year One thousand nine hundred and seventy-one of the date on which he became entitled to the right to the grant of that lease bears to three hundred and sixty-five.

Repeal of sections 33 and 34.

Amounts demanded under sections 31 and 35 deemed to be rent unpaid.

Refund of amounts paid for the grant of a lease in certain cases.

Continued application of certain provisions of the Principal Ordinance to rights obtained before the commencement of this Ordinance.

Refund of portion of first year's rent to certain persons.