



AUSTRALIAN CAPITAL TERRITORY

LAND (PLANNING AND ENVIRONMENT) ACT 1991

POLICY DIRECTION

NO. 3 OF 1998

Under subsection 186(1A) of the *Land (Planning and Environment) Act 1991* (the Act) I make policy directions for the purposes of paragraph 186(1)(d)

- 1 A lessee, other than a lessee described at clause 4 or 5, may apply to the Territory, on or before the date of expiration of the completion clause in the lease, to pay out their land rent by paying to the Territory an amount equal to
 - a) if the lease was sold at auction - the reserve price, or
 - b) if the lease was granted by direct grant - the original site value

- 2 A lessee, other than a lessee described at clause 4 or 5, who applies to pay out their land rent at any time after the expiration of the completion clause will pay
 - a) the current site value; or
 - b) the reserve price or original site value, as the case may be,whichever is the greater,

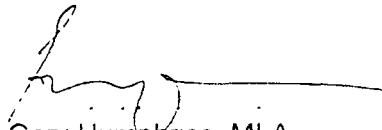
- 3 A lessee may, before the expiry of the completion clause, apply in writing to the Minister for an extension of the time allowed for payment of the amount referred to in clause 1. An application under this clause may only be on the ground of any personal hardship which would be caused to a lessee by the requirement to pay out their land rent at the higher amount. Consideration will be given to an application that demonstrates personal hardship and include supporting financial documentation from an independent qualified accountant or financial institution.
- 4 A lessee of a concessional lease within the meaning of regulation 14A of the *Land (Planning and Environment) Regulations* (hereinafter 'the Regulations') may pay out their land rent by paying to the Territory an amount equal to the current site value of the lease PROVIDED THAT the lease is not a recently commenced lease within the meaning of regulation 14B of the Regulations.
- 5 A lessee of a lease granted under section 163 of the Act to a community organisation are to be rental leases only and are not permitted to pay out their land rent.

In this instrument

- "completion clause" means a provision in the relevant lease requiring the lessee to complete the erection or alteration of improvements on the land within a specified period,
- "concessional lease" has the same meaning as regulation 14A of the Regulations
- "a recently commenced lease" has the same meaning as regulation 14B of the Regulations
- "current site value" means the site value of the leased land set by the Territory at the time the lessee applies to pay out the land rent,
- "original site value" means the site value of the leased land at the time it was offered for lease to the lessee; and
- "reserve price" means the reserve price set by the Territory at the time the land was sold at auction

- "site value" means, subject to any contrary meaning expressed in the relevant lease, the capital sum that might be expected to be offered for the lease subject to the terms and conditions upon which it is held determined by reference to market circumstances and values applying at the time of assessment, it being assumed
 - a) that the only improvements on or to the land are the improvements (if any) by way of clearing filling draining levelling or excavating made by the Commonwealth or the Territory or the cost of which has been paid by the Commonwealth or the Territory,
 - b) that the lease has its full term unexpired,
 - c) that rent payable throughout the term of the lease is a nominal rent, and
 - d) that there is no enhancement or detriment to the value of the lease attributable to any contemplated variation of the lease

Dated this *6th* day of *January* 1998


Gary Humphries MLA
Minister for the Environment,
Land and Planning