

AUSTRALIAN CAPITAL TERRITORY

CITY AREA LEASES ORDINANCE 1970

LEASES (SPECIAL PURPOSES) ORDINANCE 1970

RATES ORDINANCE 1970

EXPLANATORY MEMORANDUM

No. 45 of 1970

The Government has decided that as from 1 January 1971 land rent will no longer be charged in the Australian Capital Territory. Instead, persons purchasing leases will be required to pay reserve prices for all blocks offered, which will be calculated to return to the Commonwealth the cost of acquisition and development of the land offered for sale.

At the same time, the level of general rates and municipal charges will be increased to levels comparable with the other Australian capitals.

The prime objective of the City Area Leases Ordinance 1970 is to introduce a new method of land charges in Canberra by removing the obligation to pay land rent, abolishing periodic re-appraisements and implementing instead the new reserve price scheme.

The reserve price for the land together with the conditions and covenants of the lease will be determined by the Minister before the date of sale or auction and these matters will be made available to interested purchasers.

The successful bidder at an unrestricted auction will be the person who has bid the highest amount provided that such amount is equal to or in excess of the reserve price.

At restricted auctions the amount bid will be payable in cash on the day of the auction, but if the amount of the bid is less than the reserve price set for the lease the purchaser will have the option of paying the balance by instalments together with interest. The balance of the reserve price will be secured by a personal agreement between the lessee and the Commonwealth.

The existing provisions dealing with the change of purpose clause of a lease granted will remain. The premium charged upon a change of purpose granted by the A.C.T. Supreme Court will be 50% of the difference between the rating value for the old and new lease less \$1,500, with a provision for appeal against the assessed value for the new purpose.

As a consequence of the Government's decision, the Leases (Special Purposes) Ordinance 1970 will provide that special purposes leases granted after 1 January 1971, (that is leases other than for business or residential purposes) will, subject to certain reserve prices, be free from land rent and periodic re-appraisalment.

The Rates Ordinance 1970 will provide the means to increase general rates charged in the Territory. The new unimproved value of parcels of land will be determined on 1 January 1971 based on the values existing at 1 January 1970.

Ratepayers will be entitled to have a choice of paying their rates either in a lump sum or by equal quarterly instalments.

For administrative convenience, the rating year will be changed from a calendar year to a financial year.

J. D. A.

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(Minister's Initials)