

AUSTRALIAN CAPITAL TERRITORY
LAND (PLANNING AND ENVIRONMENT) ACT 1991
EXPLANATORY STATEMENT
DETERMINATION OF CONDITIONS
INSTRUMENT NO. 270 OF 1999

As part of the Government's response to the Rural Policy Taskforce Report "*Toward a Sustainable Future*" the Government agreed that there were areas of rural land where the grant of a 99 year lease would be appropriate, subject to certain conditions. There were a number of other recommendations that are implemented by this Instrument.

Part V of the *Land (Planning and Environment) Act 1991* (the Land Act) deals with Land Administration. Under subsection 171A(1) of the Land Act the Minister may prescribe by instrument the fee, maximum term and conditions, subject to which the Executive shall grant a further rural lease.

Paragraph a) deals with the maximum terms available for rural leases. The maximum lease terms are specified in the Maximum Rural Lease Term Plan, which is Schedule 1 to the instrument.

Paragraph b) limits the number of dwellings to existing approved dwellings.

Paragraph c) specifies how the amount payable for the lease will be determined where the lease term is 21 years or greater. The amount determined for the lease will be calculated using the formulae in Schedule 2 to the instrument. If the further lease is for a lease specified by the legend in Schedule 3, then the amount for the lease will be determined in accordance with Schedule 4. The leases in Schedule 3 cover the area of Pialligo, which has leases with a combination of rural, residential and commercial uses, and therefore a different basis for calculating the amount payable for the lease. The lessee is also required to purchase all Territory owned improvements (except timber treatment). The Territory will determine that amount payable for the improvements.

Paragraph d) provides three options for the payment of the amounts determined under Paragraph c). The payments may be made as either: a lump sum; in quarterly instalments over 30 years at a fixed interest rate of 8% per annum on reducing balances, or a partial lump sum with the balance paid over the 30 year term with the same interest rates provisions as the other 30 year option.

Paragraph e) requires any discharge amount payable under section 186E of the Land Act in relation to the existing lease, to be paid before a further lease is granted. The discharge

amount is required where a lease is subject to a restriction on transfer within the first 10 years of the lease (for a lease term of 21 years or greater), or one third of the lease term for a lease term of less than 21 years. That restriction is under section 186D of the Land Act, **Dealings with rural leases.**

Paragraph f) specifies how the amount payable for the lease will be determined for a lease with a term less than 21 years. The amount payable will be as rent, and will be determined using the relevant formulae in Schedule 5 of the instrument.

Paragraph g) requires a Land Management Agreement to be prepared, be approved by the Minister and signed by the lessee before the further lease is granted. Paragraph h) provides that those leases specified in Schedule 3 are exempt from preparing a Land Management Agreement. Those are lessees in the Pialligo area whose current activities are not considered to impact adversely on the environment.

Paragraphs i) and j) specify the circumstances in which a withdrawal clause may still be included in the lease. This includes areas designated as Public Land, and areas with a maximum lease term of 20 years.

Paragraph k) requires that all monies owing under the lease must be paid up to the date of the surrender of the existing lease. The requirement for all rent due to be paid prior to the grant of the further lease is now a requirement under paragraph 171A(1)(c) of the Land Act.

Paragraph l) states that the Territory will not purchase timber treatment from lessees who already own their timber treatment.