

Planning (Land Rent Payout) Policy Direction 2023 (No 1)

Disallowable instrument DI2023-266

made under the

Planning Act 2023, section 322(1) (Policy directions for paying out rent)

1 Name of instrument

This instrument is the *Planning (Land Rent Payout) Policy Direction 2023 (No 1)*.

2 Commencement

This instrument commences on the commencement of section 322 of the *Planning Act 2023*.

3 Repeal of DI2015 308

DI2015 308 is repealed.

4 Policy direction—loose-fill asbestos eradication scheme

- (1) This policy direction applies to a land rent lease of a parcel of land granted under the Act, section 263(1) (d) to a former owner of the parcel of land.
- (2) If the former owner of the parcel of land applies under the Act, section 320 (2) for a variation of the lease of the parcel of land to reduce the rent payable to a nominal rent, the amount to be paid by the former owner to the Territory under the Act, section 321 (2) (d) is an amount equal to the current market value.

5 Policy direction—prescribed leases

- (1) This policy direction applies to a lease included in a class of leases prescribed in the *Planning (General Regulation) 2023*, section 70.
- (2) If a lessee of the lease applies under the Act, section 320 (2) for a variation of the lease to reduce the rent payable to a nominal rent, the amount to be paid by the lessee to the Territory under the Act, section 321 (2) (d) is an amount equal to the current market value of the lease.

6 Policy direction—other land rent leases

- (1) This policy direction applies to a land rent lease, other than a land rent lease to which clause 4 or clause 5 applies.
- (2) If a lessee of the land rent lease applies under the Act, section 320 (2) for a variation of the lease to reduce the rent payable to a nominal rent, the amount to be paid by the lessee to the Territory under the Act, section 321 (2) (d) is an amount equal to—
 - (a) if the unimproved value has not been determined for the lease for the year in which the lessee applies for the variation of the lease—the current market value of the lease; or
 - (b) in any other case—whichever of the following the lessee specifies:
 - (i) the unimproved value of the lease;
 - (ii) the current market value of the lease.

7 Definitions

In this instrument:

Act means the *Planning Act 2023*.

current market value, of a lease, means the market value of the lease determined by the planning and land authority at the time the lessee applies to reduce the rent to nominal rent.

market value, of a lease, means, subject to any contrary meaning expressed in the lease, the amount that could be expected to be paid for the lease on the open market if it were sold by a willing but not anxious seller to a willing but not anxious buyer, it being assumed:

- (a) that the only improvements on or to the leased 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; and
- (b) that the lease has its full term unexpired; and
- (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.

unimproved value, of a lease, means the unimproved value of the parcel of land comprised in the lease determined under the *Rates Act 2004* for the year in which the lessee applies under the Act, section 320 for a variation of the lease to reduce the rent payable to a nominal rent.

Mick Gentleman MLA
Minister for Planning and Land Management
22 November 2023