

# Land Rent (Total income of lessee—Pre-1 October 2013 leases) Determination 2014 (No 1)

## Disallowable Instrument DI2014-318

made under the

*Land Rent Act 2008*, section 9A (Total income of lessee)

## **EXPLANATORY STATEMENT**

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1. The *Land Rent Act 2008* (the Act) allows a lessee the option of renting land through a land rent lease rather than purchasing the land to build a home.
2. As part of the Government's affordable housing measures, and as announced in the 2013-14 Budget, amendments have been made to the Act, effective 1 October 2013. These amendments retargeted the Land Rent Scheme to assist those most in need, by restricting entrance to the Scheme to only those applicants eligible for the discount land rent rate of 2 per cent, for land rent leases entered on or after 1 October 2013.
3. For land rent leases entered into prior to 1 October 2013, the income threshold amount for discount rate eligibility is determined by lessee income only. This income threshold amount is determined in a separate disallowable instrument.
4. New section 9A of the Act authorises the Minister to determine, in writing by disallowable instrument, how the total income of a lessee is worked out.
5. This instrument provides guidance on what constitutes 'total income'. This instrument commences on 1 January 2015, and only applies to a land rent lease granted under a contract entered into before 1 October 2013.
6. In this instrument, total income is the income of all persons named in the land rent lease. It includes income from all sources such as benefits from a salary packaging arrangement and income classified as exempt income under the *Income Tax Assessment Act 1997* (Cth). For a self-employed person, total income includes the net trading profit or gain made in the ordinary course of carrying on business, rather than the business' turnover.
7. This instrument reflects the current administrative approach of the ACT Revenue Office in determining the income for pre-1 October 2013 lessees.

Authorised by Treasurer  
Andrew Barr MLA