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## **Conversion of Remaining Perpetual Town Leases to Freehold Title – Housing Legislation Amendment Bill 2005**

*The Housing Legislation Amendment Bill 2005 (Qld) (the Bill) was introduced into the Queensland Legislative Assembly on 23 August 2005 by the Hon Robert Swarten, Minister for Public Works, Housing and Racing, to amend the Housing Act 2003 (Qld) and the Housing (Freeholding of Land) Act 1957 (Qld). The aim of the Bill is to increase the rate at which perpetual town leases are converted to freehold. The Bill will accomplish this by providing leaseholders with incentives to convert their perpetual town leases to freehold, and disincentives to remain as perpetual town leaseholders. The Bill will assist holders of perpetual town leases to achieve home ownership and will reduce the administrative costs of the Department of Housing.*

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## **EXECUTIVE SUMMARY**

The Housing Legislation Amendment Bill 2005 (Qld) (the Bill) was introduced into the Queensland Legislative Assembly on 23 August 2005 by the Hon Robert Swarten, Minister for Public Works, Housing and Racing, to amend the *Housing Act 2003* (Qld) and the *Housing (Freeholding of Land) Act 1957* (Qld).

The Bill provides incentives to perpetual town leaseholders to encourage them to voluntarily convert their leases to freehold, and it provides for the automatic conversion of perpetual town leases to freehold if a prescribed change of ownership of a lease is registered (**pages 4-9**). The automatic conversion of residential leases to freehold will not apply before 1 July 2009 (**page 9**).

Perpetual leases are leases which are granted in perpetuity. This means that they continue indefinitely. The Bill and this Research Brief discuss only perpetual town leases. These leases have been issued under various Queensland statutes since the late 1800s. For many years, perpetual leases were used to assist Queenslanders on low incomes to afford homes. Of the over 7000 perpetual town leases which were issued between 1924 and 1985, only 262 remain (**pages 1-3**).

This Research Brief also discusses a recent South Australian bill which was introduced into the South Australian House of Assembly with the aim of reducing the number of perpetual leases in that State (**pages 10-12**).



## 1 INTRODUCTION

The Housing Legislation Amendment Bill 2005 (the Bill) amends the *Housing Act 2003* and the *Housing (Freeholding of Land) Act 1957* to:

- provide incentives to perpetual town lessees to encourage them to convert their leases to freehold; and
- require the conversion of a perpetual town lease to freehold if a prescribed change of ownership<sup>1</sup> of a lease is registered.

The aim of the Bill is to “provide for the accelerated divestment of residential perpetual town leases administered by the Department of Housing”.<sup>2</sup>

## 2 BACKGROUND

A perpetual lease is a lease granted in perpetuity. This means that it continues indefinitely. Perpetual leases are described by the Queensland Department of Primary Industries and Fisheries as having a level of security equivalent to that of freehold because they do not expire.<sup>3</sup>

Perpetual leases have been issued under various Queensland statutes since the 1800s.<sup>4</sup> Under the *Land Act 1962*, for example, a number of different types of perpetual lease could be issued – perpetual lease selection, grazing homestead perpetual lease, perpetual town lease, perpetual suburban lease and perpetual country lease. This Research Brief and the Bill cover only perpetual town leases.

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<sup>1</sup> ‘Prescribed change of ownership’ of a lease is discussed below in 3.2 (Automatic Conversion of Residential Leases to Freehold).

<sup>2</sup> Hon Robert Swarten MP, Minister for Public Works, Housing and Racing, Housing Legislation Amendment Bill 2005 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 August 2005, pp 2582-2583, p 2582.

<sup>3</sup> Department of Primary Industries and Fisheries, ‘Box 1a - Land Tenure in Queensland’, last updated 10 December 2004, downloaded 30 August 2005 from website at <http://www.dpi.qld.gov.au/forestrybook/16535.html>

<sup>4</sup> Perpetual town leases, for example, were issued under the *Land Act 1897*, *Closer Settlement Act 1906*, *Land Act 1910*, *Discharged Soldiers’ Settlement Act 1917*, *Workers’ Homes Act 1919*, *Tully Sugar Works Area Land Regulations Ratification Act 1924*, *Irrigation Acts Amendment Act 1933*, *State Housing Act 1945*, *Irrigation Areas (Land Settlement) Act 1962*, *Land Act 1962*.

Perpetual town leases, like freehold title, provide exclusive possession and can be left to beneficiaries in a will and be bought and sold. However, it is necessary for lessees to obtain Ministerial consent if they wish to transfer the lease to another person or change the land use (from residential to another use). Perpetual leaseholders are also unable to subdivide the land in their lease.<sup>5</sup>

Perpetual town leases were used by the Queensland government for a number of decades to assist workers on low incomes to afford homes. While statutes such as *The Workers' Dwellings Act 1909* had enabled some Queenslanders on low income to purchase homes, by 1919 there was a "great scarcity of houses" which had led to high rents and serious overcrowding in the cities of the eastern seaboard.<sup>6</sup> The *Workers' Homes Act 1919* was introduced into the Queensland Parliament to enable homeless workers to "establish themselves in homes of which they will have some chance of becoming proprietors".<sup>7</sup> Under the *Workers' Homes Act 1919*, the State issued perpetual leases to home loan borrowers and the loan related only to the cost of the dwelling which had been erected by the government.<sup>8</sup>

From 1930, the *Workers' Homes Act 1919* provided that if a person had complied with all the terms of the perpetual town lease, he could apply to convert his lease to freehold.<sup>9</sup> The purchase price of the leasehold land was the capital value of the land plus the unpaid purchase price of the home.<sup>10</sup> This amount was paid in the form of increased monthly rent.

The conversion of perpetual town leases to freehold is now provided for by the *Housing (Freeholding of Land) Act 1957*. Under the *Housing (Freeholding of Land) Act 1957*, rent credit is provided as an incentive to lessees to convert their leases to freehold.<sup>11</sup>

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<sup>5</sup> Department of Housing, *Residential Perpetual Town Leases – Divestment Amendments*, a PowerPoint presentation emailed to Mary Westcott, Queensland Parliamentary Library, by Jeremy Hill, A/Senior Policy Officer, Housing Policy and Research, Department of Housing, 1 September 2005.

<sup>6</sup> Hon E G Theodore, Secretary for Public Works, Workers Homes Bill 1919 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 September 1919, pp 911-950, p 911.

<sup>7</sup> Hon E G Theodore, Secretary for Public Works, Workers Homes Bill 1919 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 September 1919, pp 911-950, p 912.

<sup>8</sup> Section 13 of the *Workers' Homes Act 1919*.

<sup>9</sup> Section 13A(1) of the *Workers' Homes Act 1919*.

<sup>10</sup> Section 13A(6) of the *Workers' Homes Act 1919*.

<sup>11</sup> Section 8(1) of the *Housing (Freeholding of Land) Act 1957*.



Between 1924 and 1985,<sup>12</sup> over 7,000 perpetual town leases were issued.<sup>13</sup> As at 30 June 2005, there were only 262 perpetual town leases remaining.<sup>14</sup> Of the remaining leases, less than 30% are held by the original lessees or their descendants. All the original home loan contracts have been finalised.<sup>15</sup>

The majority of the remaining leases are in regional Queensland. The table in the Appendix<sup>16</sup> provides a breakdown of the location of the leases. It also shows the total unimproved capital value of the land in the perpetual residential leases, the total amount of rent that is being paid and the number of lessees paying it, as well as the number of lessees who are currently receiving a remission on rent.

The Housing Legislation Amendment Bill 2005 provides incentives for leaseholders to convert their leasehold to freehold as well as automatic conversion provisions which will not commence prior to 1 July 2009. In his Second Reading Speech on the Housing Legislation Amendment Bill, the Hon Robert Swarten stated, “The provisions of this [B]ill will assist remaining residential lessees to achieve outright home ownership. This is consistent with ... the focus of the Department of Housing on providing contemporary products that meet contemporary housing needs.”<sup>17</sup> It will also result in savings in administration costs for the Department of Housing.<sup>18</sup>

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<sup>12</sup> The Queensland government has not issued any perpetual town leases since 1985.

<sup>13</sup> Hon Robert Swarten MP, Minister for Public Works, Housing and Racing, Housing Legislation Amendment Bill 2005 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 August 2005, pp 2582-2583, p 2583.

<sup>14</sup> In the financial year 2004-2005, 23 perpetual town leases were converted to freehold.

<sup>15</sup> Hon Robert Swarten MP, Minister for Public Works, Housing and Racing, Housing Legislation Amendment Bill 2005 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 August 2005, pp 2582-2583, p 2583.

<sup>16</sup> Queensland. Department of Housing, Table – ‘Breakdown of Remaining Perpetual Town Leases, August 2005’, Microsoft Excel document emailed to Mary Westcott, Queensland Parliamentary Library, by Jonathan Leitch, Assistant Director, Housing Policy and Research, Department of Housing, 18 September 2005.

<sup>17</sup> Hon Robert Swarten MP, Minister for Public Works, Housing and Racing, Housing Legislation Amendment Bill 2005 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 August 2005, pp 2582-2583, p 2583.

<sup>18</sup> Hon Robert Swarten MP, Minister for Public Works, Housing and Racing, Housing Legislation Amendment Bill 2005 (Qld), Second Reading Speech, *Queensland Parliamentary Debates*, 23 August 2005, pp 2582-2583, p 2583.

### 3 CONVERSION OF RESIDENTIAL LEASES TO FREEHOLD

‘Residential lease’ is defined in the **proposed new Schedule** as a perpetual lease for residential purposes:

- granted and held, or taken to be held, under the *Housing Act 2003*, section 113<sup>19</sup> or the repealed *State Housing Act 1945*, section 24A<sup>20</sup>; and
- that is in force immediately before 1 July 2006.

Under the Bill, residential leases will be converted to freehold land either voluntarily or automatically.

#### 3.1 VOLUNTARY CONVERSION OF RESIDENTIAL LEASES TO FREEHOLD

**Proposed new section 3C** allows a lessee of a residential lease to make a written application to the chief executive to convert their residential lease to freehold land.<sup>21</sup> **Proposed new section 4** requires the chief executive, as soon as practicable thereafter, to give the lessee a written notice stating:

- the purchase price for converting the residential lease to freehold land;
- the period during which the lessee may accept the offer to convert;
- the day that the lessee’s requirement to comply with the lease ends if the lessee accepts the offer; and
- any conditions that the chief executive has imposed (for example, fees for converting the lease to freehold land).

The means by which the purchase price is determined is set out in **proposed new section 4A**. The purchase price is the amount equal to the difference between the declared percentage<sup>22</sup> and the amount of any concession prescribed under a

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<sup>19</sup> *Housing Act 2003*, section 113 (Chief executive’s power to sell houses to eligible persons)

<sup>20</sup> *State Housing Act 1945*, section 24A (Power of commission to provide home sites)

<sup>21</sup> **Proposed new section 4(4)** enables the chief executive to give the lessee of a residential lease an offer to convert on the chief executive’s own initiative if the lessee has not made a conversion application.

<sup>22</sup> **Proposed new section 3A** states that the declared percentage is the percentage of the unimproved value of the land contained in the lease that must be used to work out the purchase price for converting a residential lease to freehold land. The chief executive must work it out in accordance with the requirements prescribed under regulation and it must not be greater than 100%.

regulation<sup>23</sup> that applies for the conversion.<sup>24</sup> The purchase price may be adjusted by the chief executive to account for arrears of, or credits for, rent. Currently, the purchase price of the land in the lease is the amount of the unimproved value of the land with credit given for certain of the rent paid.<sup>25</sup>

**Proposed new section 4C** provides that if a lessee accepts an offer to convert the lease to freehold by paying the purchase price to the chief executive, giving the chief executive all necessary documents and complying with the conditions in the offer, the Governor in Council must issue a deed of grant (freehold title<sup>26</sup>) to the lessee for the land contained in the lease.

### **3.1.1 Conversion in Progress Lease**

A ‘conversion in progress lease’ is defined in **proposed new Schedule 2** as a residential lease in relation to which the lessee applied before 1 July 2006 under previous section 4<sup>27</sup> for the lease to be deemed a freeholding lease, if:

- the lessee was not given notice of the purchasing price for the land in the lease under previous section 5(4) before 1 July 2006; or
- each of the following applies:
  - before 1 July 2006, the lessee was given notice of the purchasing price for the land in the lease under previous section 5(4);
  - on 30 June 2006, the lessee had not yet elected to proceed with the application under previous section 6; and
  - the application did not lapse before 1 July 2006.

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<sup>23</sup> The example given in section 4A of the Housing Legislation Amendment Bill 2005 is that concessions might be of different amounts depending on how long lessees have held their residential leases.

<sup>24</sup> For example, if the chief executive set the declared percentage at, say, 90%, and there were no concessions applicable, the lessee would have to pay the purchase price of 90% of the unimproved land value of the lease to be able to convert the lease to freehold.

<sup>25</sup> Sections 5 and 8 of the *Housing (Freeholding of Land) Act 1957*.

<sup>26</sup> Deed of grant is defined in **proposed new Schedule 2** to be a document evidencing the grant of land in fee simple under the *Land Act 1994*, including an indefeasible title under the *Land Title Act 1994*. An indefeasible title is one which is paramount over all other titles and is free from any unregistered interests.

<sup>27</sup> Previous section 4 (Conversion of certain tenures from perpetual leases to leases for term of years with freeholding covenant)

For conversion in progress leases, sections 5(1), (1A) and (5) and 5A will continue to apply as if they had not been repealed: **proposed new section 5A**. These provisions set out the mechanism for determining the purchasing price of the freehold. The lessee of the lease may accept the purchase price during the availability period which is three months from the day the offer is given to the lessee: **proposed new section 5A(5)**. If the lessee does not accept the purchase price during this period, the lease is no longer a conversion in progress lease, and if it is not automatically converted to freehold land, may be converted to freehold land under the new voluntary conversion provisions discussed above: **proposed new section 5B**.

### 3.2 AUTOMATIC CONVERSION OF RESIDENTIAL LEASES TO FREEHOLD

The provisions in the Bill concerning the automatic conversion of residential leases to freehold land will not apply before 1 July 2009. The provisions will commence on a day prescribed under a regulation (the application day): **proposed new section 5C**.

After the application day, if a ‘prescribed change of ownership’ of a lease is registered, the lease will be cancelled: **proposed new section 6B**. A ‘prescribed change of ownership’ is defined in **proposed new section 6A** as a change in ownership of the lease, other than:

- for a lease held by joint tenants if one or more of the joint tenants die – the recording of the surviving joint tenant(s) as the lessee;
- for a lease held by a lessee who dies – a transmission of the lease to the lessee’s personal representative<sup>28</sup>;
- for a lease held by a person who becomes an insolvent under administration within the meaning of the *Corporations Act*, section 9 – a transmission of the lease:
  - to the person’s trustee; or
  - if the person ceases to be an insolvent under administration – from the person’s trustee to the person;
- another change in the lessee’s ownership of a type prescribed under a regulation.

If a prescribed change of ownership occurs, **proposed new section 6B** provides that after cancelling the lease, the Governor in Council must issue a deed of grant to the lessee for the land contained in the lease. The deed of grant will be issued subject to the following interests:

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<sup>28</sup> A personal representative is the executor or administrator of a deceased person.

- the chief executive's charge securing payment of the conversion cost (unless the conversion cost has been paid to the chief executive before a deed of grant is issued for the land contained in the lease: **proposed new section 6C**);
- all of the interests to which the lease was subject.

**Proposed new section 6** defines the conversion cost (that is, the cost of converting the residential lease to freehold land) as the total of the following amounts:

- the amount equivalent to the declared percentage of the unimproved value amount of the lease;
- any fees prescribed, at the time the lease is cancelled, under the *Land Title Act 1994* for the issue of a deed of grant for the land contained in the lease;
- the costs reasonably incurred by the chief executive in converting the lease to freehold land.

The conversion cost must be paid within a specified time period. Different time periods apply depending on the reason for the prescribed change of ownership. **Proposed new sections 7A and 7B** provide that if the lessee died and the change of ownership was a transfer to a beneficiary in relation to the deceased estate, the conversion cost must be paid within five years from the day of the lessee's death. However, if within five years from the day of the lessee's death, the beneficiary transfers the land to a person, who is not a beneficiary in relation to the deceased lessee (a non-beneficiary), the conversion cost must be paid by the earlier of:

- five years from the day of the lessee's death;
- two years from the day the transfer from the beneficiary to the non-beneficiary is registered.

In all other instances, the conversion cost must be paid within two years from the day of the prescribed change of ownership.

If the registered owner of the land in the deed of grant does not pay the total amount of the conversion cost to the chief executive during the specified period, the chief executive may decide to sell the land. In this case, the chief executive must give written notice to the registered owner of the land and each mortgagee of the land stating the amount of the unpaid conversion cost and that the chief executive may sell the land if the registered owner does not pay to the chief executive within a stated period (at least 14 days), the amount of the unpaid conversion cost and any interest on the unpaid conversion cost (the demand amount): **proposed new section 7C**.

**Proposed new section 8** allows the chief executive to agree to accept payment of a lesser amount in payment of the chief executive's charge. Once that amount, or the demand amount, has been received, the land in the deed of grant is released from the chief executive's charge.

If the chief executive decides to sell the land, it may be sold by public auction or private contract: **proposed new section 8A**. The proceeds of sale must be applied to pay the following in the order given:

- all costs, charges and expenses properly incurred by the chief executive in the sale or a previous attempted sale of the land;
- the demand amount to the chief executive;
- any amount(s) owing to mortgagor(s);
- any remaining amounts to the previous registered owner of the land.

If the demand amount has not been paid in full after the proceeds of sale are applied, the unpaid part of the amount may be recovered from the previous registered owner of the land as a debt owing to the State.

**Proposed new section 8B** applies if the chief executive intends to sell the land under **proposed new section 8A** and the land is subject to a charge for an overdue rate under the *Local Government Act 1993*, section 1037A<sup>29</sup>. In this situation, the chief executive must, before selling the land, give written notice to the local government to which the rate is payable stating the chief executive's intention to sell the land. The chief executive may sell the land subject to the charge or free of the charge to the extent, and subject to any conditions, agreed by the local government.

**Proposed new section 7C** enables the chief executive to allow a mortgagee to sell the land if a mortgagee agrees to do so. If the mortgagee sells the land before the chief executive's charge is released, the land is transferred to the purchaser subject to the charge: **proposed new section 9**.

**Proposed new section 10** provides that if a contract for the sale of a lease is entered into on or after the application day<sup>30</sup>, the contract must include a clause stating the following matters:

- under the *Housing (Freeholding of Land) Act 1957*, the lease will be cancelled on registration of the transfer and a deed of grant for the land contained in the lease will be issued;
- unless the conversion cost is paid to the chief executive before the transfer is registered, the deed of grant will be subject to a charge in favour of the chief executive securing payment of the conversion cost;
- if the conversion cost is not paid to the chief executive during the payment period, the chief executive may sell the land.

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<sup>29</sup> *Local Government Act 1993*, section 1037A (Registering charge over land).

<sup>30</sup> The day, not prior to 1 July 2009, prescribed by regulation that the provisions on automatic conversion of residential leases to freehold land apply.

**Proposed new section 10A** states that compensation is not payable for any action taken by the chief executive or the registrar of titles under Division 3 (Automatic conversion of residential leases to freehold land).

## **4 OTHER JURISDICTIONS**

Many of the Australian jurisdictions have issued perpetual leases. While some aspects of other jurisdictions are briefly mentioned, this section of the Research Brief focuses on South Australia because its government recently introduced a bill<sup>31</sup> whose object was to reduce the number of perpetual leases in that state.

### **4.1 NEW SOUTH WALES**

Thirty-eight percent of New South Wales is covered by perpetual leases.<sup>32</sup> They were first issued in New South Wales in 1894 in the form of a homestead selection. There are now 18 different types of perpetual lease, including a town lands lease which was a lease of town lands under section 82A of the *Crown Lands Consolidation Act 1913*.<sup>33</sup>

### **4.2 VICTORIA**

The Victorian government has issued perpetual leases under its various *Land Acts* since 1898, as well as under the *Land Settlement Act 1953*, the *Land Settlement Act 1958* and the *North-West Mallee Settlement Areas Act 1948*.

### **4.3 WESTERN AUSTRALIA**

The Western Australian government issued perpetual leases under the *War Service Land Settlement Scheme Act 1954* (WA). Under section 7 of that Act, perpetual leaseholders are able to apply to purchase the freehold of the land.

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<sup>31</sup> Crown Lands (Miscellaneous) Amendment Bill 2002 (SA).

<sup>32</sup> Hon Malcolm Jones, *New South Wales Legislative Council Hansard*, 2 July 2003, p 2529.

<sup>33</sup> Section 3 and Schedule 1, Part 2 Perpetual Leases of the *Crown Lands (Continued Tenures) Act 1989* (NSW).

#### 4.4 SOUTH AUSTRALIA

In South Australia, legislation of the late nineteenth century and the first half of the twentieth century authorised the issuing of perpetual leases by the Crown.<sup>34</sup> In 2002, there were 15,603 perpetual leases in South Australia of which 2,676 (17%) were used for residential purposes.<sup>35</sup> Approximately 32% of all the lessees were paying less than \$5 per annum for their lease; 18% were paying between \$5 and \$10 per annum; 21% were paying between \$10 and \$25 per annum; 22% were paying between \$25 and \$100 per annum; and the remainder were paying more than \$100 per annum.<sup>36</sup>

The Crown Lands (Miscellaneous) Amendment Bill 2002 (SA) (the SA Bill) was introduced into Parliament with the aim to reduce the number of perpetual leases in the State,<sup>37</sup> and thus reduce the administrative costs of collecting rent and input funds into the Department for Environment and Heritage.<sup>38</sup> The original draft of the SA Bill provided a key disincentive to remaining as a perpetual leaseholder - the proposed introduction of an increase in the annual rent to a minimum of \$300. The SA Bill also proposed to increase the fee for converting the leasehold to freehold from \$1,500 to \$6,000.<sup>39</sup>

A number of petitions signed by South Australia residents were presented to the House of Assembly urging it to withdraw the SA Bill.<sup>40</sup>

Some of the reasons given by Members of the South Australia House of Assembly for not supporting the SA Bill included:

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<sup>34</sup> For example, the *Crown Land Act 1929* (SA).

<sup>35</sup> The Hon T G Roberts, *Parliament of South Australia Legislative Council Hansard*, 'Crown Land', 15 October 2002.

<sup>36</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Crown Land', 15 July 2002.

<sup>37</sup> The SA Bill did not affect soldier settlement leases or pastoral leases.

<sup>38</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Crown Land', 15 July 2002.

<sup>39</sup> Hon I F Evans, *Parliament of South Australia House of Assembly Hansard*, 'Crown Lands (Miscellaneous) Amendment Bill', 17 July 2002.

<sup>40</sup> For example, a petition signed by 1,461 residents of South Australia, requesting the House to urge the government to withdraw the Crown Lands (Miscellaneous) Amendment Bill 2002, was presented by Mrs Maywald, Member for Chaffey, to the South Australian House of Assembly on 28 August 2002.



- the government was changing rights that leaseholders thought they had – that is, leases granted in perpetuity;<sup>41</sup>
- any increase in rents to cover the cost of administration would cause great hardship to a large number of lessees;<sup>42</sup> and
- the price that purchasers had paid for their leases was very close to the market price of freehold land and thus it was unfair that they should be required to pay high fees to maintain their perpetual lease or convert it to freehold.<sup>43</sup>

Some of the reasons raised by Members supporting the SA Bill's aim of reducing the number of perpetual leases included:

- perpetual leases are anachronistic in the 21<sup>st</sup> century;<sup>44</sup>
- rent had failed to keep pace with administrative costs; and
- money that should be going to the government has gone to lessees who have sold their leases for market price.<sup>45</sup>

The Bill was sent to a Select Committee and a number of changes were recommended. These changes included replacing the annual rent increase with an annual service fee of \$300 and reducing the cost of converting the leasehold to freehold from \$6,000 to \$1,500 for residential leaseholders who apply to freehold their lease by 31 March 2006.<sup>46</sup> As a further incentive to freehold, leaseholders

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<sup>41</sup> Hon G M Gunn, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 13 October 2003.

<sup>42</sup> Mr O'Brien, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 13 October 2003.

<sup>43</sup> Mrs Maywald, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 13 October 2003.

<sup>44</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 14 October 2003.

<sup>45</sup> Mr O'Brien, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 13 October 2003.

<sup>46</sup> Government of South Australia, Department for Environment and Heritage, *Perpetual Lease Accelerated Freeholding – Discounted Freeholding Offer*, last modified 16 August 2004, downloaded 13 September 2005 from website at [http://www.environment.sa.gov.au/mapland/plaf\\_discounted.html](http://www.environment.sa.gov.au/mapland/plaf_discounted.html)

seeking to sell their leases after 31 March 2006 will be required to freehold their lease first.<sup>47</sup>

From the time that perpetual leases were introduced in South Australia until 1982, the cost of freeholding was 100% of the unimproved value of the land. In 1982, incentives to convert perpetual leases to freehold title were introduced into South Australian legislation - the South Australian government reduced the cost of freeholding to 30% of the unimproved value of the land, then six months later reduced it to 15% of the unimproved value of the land. In 1996, that amount was further reduced to \$1,500 but the cost of surveying was transferred from the State to the lessee seeking to freehold the leasehold land.<sup>48</sup> Nevertheless, as noted above, prior to the introduction of the SA Bill, there were still nearly 16,000 perpetual leases in South Australia.

From 12 March 2003 to 31 January 2005, the South Australian government received 9,223 applications for freeholding 13,249 perpetual leases.<sup>49</sup> These may take up to September 2007 to process.<sup>50</sup> As at 22 July 2004, the Crown Lands (Miscellaneous) Amendment Bill had not been passed and the Hon J D Hill, Minister for Environment and Heritage stated that it was his intention that the *Crown Lands Act* be reviewed and a rewritten bill be introduced into Parliament in the coming year.<sup>51</sup>

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<sup>47</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 26 November 2002.

<sup>48</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Select Committee on the Crown Lands (Miscellaneous) Amendment Bill', 14 October 2003.

<sup>49</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Perpetual Crown Leases', 7 March 2005.

<sup>50</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Perpetual Crown Leases', 7 March 2005.

<sup>51</sup> The Hon J D Hill, Minister for Environment and Conservation, *Parliament of South Australia House of Assembly Hansard*, 'Perpetual Leases', 22 July 2004.

**APPENDIX – QUEENSLAND DEPARTMENT OF HOUSING:  
BREAKDOWN OF REMAINING PERPETUAL TOWN LEASES,  
AUGUST 2005**

<b>Electorate</b>	<b>No of Leases</b>	<b>Total UCV \$</b>	<b>Total Rent: Rent Paying \$</b>	<b>Total Rent: Rent Remission \$</b>	<b>No Paying Rent</b>	<b>No on Rent Remission</b>
Ashgrove	1	175,000.00	5,250.00	0.00	1	0
Beaudesert	1	118,000.00	3,540.00	0.00	1	0
Bundamba	1	73,000.00	2,190.00	0.00	1	0
Burdekin	6	104,000.00	1,827.00	1,293.00	4	2
Burnett	3	144,000.00	4,320.00	0.00	3	0
Cairns	9	825,000.00	22,020.00	2,730.00	8	1
Callide	17	330,000.00	8,847.00	1,053.00	15	2
Charters Towers	7	109,700.00	3,297.00	0.00	7	0
Clayfield	3	727,500.00	21,825.00	0.00	3	0
Ferny Grove	1	25,500.00	0.00	765.00	-	1
Fitzroy	2	38,600.00	780.00	378.00	1	1
Gladstone	25	1,274,500.00	36,975.00	1,260.00	24	1
Greenslopes	1	345,000.00	10,350.00	0.00	1	0
Gregory	66	1,081,900.00	28,659.00	3,798.00	60	6
Hervey Bay	6	333,000.00	6,690.00	3,300.00	4	2
Hinchinbrook	2	52,000.00	1,560.00	0.00	2	0
Indooroopilly	2	660,000.00	19,800.00	0.00	2	0
Ipswich	1	113,000.00	3,390.00	0.00	1	0
Keppel	6	160,900.00	4,827.00	0.00	6	0
Lockyer	1	39,500.00	0.00	1,185.00	-	1
Lytton	2	537,500.00	16,125.00	0.00	2	0
Mirani	7	747,000.00	20,460.00	1,950.00	6	1
Mt Coot-tha	2	377,500.00	11,325.00	0.00	2	0
Mt Isa	10	105,300.00	3,159.00	0.00	10	0
Mt Ommaney	2	720,000.00	11,100.00	10,500.00	1	1
Mulgrave	1	60,000.00	1,800.00	0.00	1	0
Mundingburra	4	283,500.00	8,505.00	0.00	4	0
Nicklin	1	99,000.00	2,970.00	0.00	1	0
Nudgee	4	800,000.00	24,000.00	0.00	4	0
Sandgate	3	552,500.00	16,575.00	0.00	3	0
South Brisbane	1	350,000.00	0.00	10,500.00	-	1
Southern Downs	2	59,500.00	1,785.00	0.00	2	0
Southport	1	160,000.00	4,800.00	0.00	1	0
Stafford	1	275,000.00	8,250.00	0.00	1	0
Tablelands	12	333,500.00	9,240.00	765.00	11	1
Townsville	10	891,000.00	24,030.00	2,700.00	9	1
Warrego	24	339,700.00	8,334.00	1,881.00	21	3
Whitsunday	1	55,000.00	1,650.00	0.00	1	0
Yeerongpilly	3	1,000,000.00	30,000.00	0.00	3	0
	<b>252</b>	<b>14,476,100.00</b>	<b>390,255.00</b>	<b>44,058.00</b>	<b>227</b>	<b>25</b>



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