

# Historical leasehold types

## Introduction

The repealed *Land Act 1962*, which replaced various Acts dealing with leasehold, licences and permits to occupy tenures throughout the State, had provided for a considerable number of leasehold types.

The primary focus of the previous Lands legislation was the settlement of the State and the different tenures issued to indicate the term of a lease, whether the lease was freeholding or non-freeholding or in some cases, the type of activity permitted on the land.

The *Land Act 1994* (Land Act) consolidated the previous tenures into the following:

- term lease (TL)
- perpetual lease (PPL)
- freeholding lease (FL)
- road licence (RL)
- permit to occupy (PO)
- occupation licence (OL)

Read more about these tenure types at [Types of land tenure | Environment, land and water | Queensland Government \(www.qld.gov.au\)](#) and on State land in general at [State land | Environment, land and water | Queensland Government \(www.qld.gov.au\)](#)

The following are the more common leasehold types issued under the repealed *Land Act 1962* and previous Lands legislation and continued as leases under the Land Act.

The following leases were continued as term leases

## Pastoral holding, pastoral development holding, preferential pastoral holding and stud holding

The pastoral holding, pastoral development holding, preferential pastoral holding and the stud holding have all been continued as term leases for pastoral purposes.

The Land Act requires the lease to be used for grazing and/or agricultural purposes.

These leases had a maximum term of 50 years (in some instances upgraded from the original term of 30 years) and were made available by ballot unless the renewal of an existing lease was involved. The term was changed in 1987, when legislation automatically increased the term of some 30-year leases by 20 years. If the lease did not meet the set criteria which permitted this, then the lessee could apply for an extension of the term.

The 1962 Act's requirements that a stud holding be used for stud purposes has been removed, although the lease must still be used for grazing or agricultural purposes, or both. The lessee of a stud holding may apply to have conditions relating to the operation of a stud removed from the lease.

The leases also contain a covenant that if the land is to be further leased at the expiry of the existing lease, the existing lessee will be offered a new term lease for pastoral purposes, with a maximum living area allowed (living area is generally the area on which a landholder can make a living). Term leases for pastoral purposes issued under the Land Act do not contain this covenant.

A term lease for pastoral purposes is now a rolling term lease. The Land Act was changed in 2014 to allow for rolling term lease extensions where lessees can apply in certain circumstances to extend their leases by the term of the original lease.

## **Special lease**

The special lease is continued as a term lease for the purpose for which it was issued. A special lease usually has a term of 10, 20 or 30 years, and is granted for purposes such as manufacturing, industrial activities, residential development, business and grazing.

Generally, the State issued this type of tenure when it wished to retain supervision of the use or development of the land, or when the future use intended for the land had not been clarified at the time the lease was granted.

## **Development lease**

The development lease is continued as a term lease for the particular use for which it was issued. A development lease was granted for a maximum term of 30 years for a significant development connected with manufacturing, business, industrial, residential, tourist or recreational purposes. The term of the lease could be extended to maximum of 75 years.

The conditions of the development lease stipulate the development to be undertaken and the purchase price of the lease, or the methodology to calculate the purchase price, which is paid to the State for the subject land, upon freehold title being granted.

The following leases were continued as perpetual leases

## **Grazing homestead perpetual lease**

The grazing homestead perpetual lease is continued as a perpetual lease for grazing and/or agricultural purposes.

## **Perpetual town, suburban and country leases (non-competitive)**

Each of these three lease types is continued as a perpetual lease issued for purposes such as residential, business, commercial and tourism activities.

All of these leases are non-competitive, which indicates that they were granted in priority (i.e. issued either following successful application to convert a special lease, or for the purpose of effecting substantial improvements in connection with a business or the provision of tourist facilities).

The following leases were continued as freeholding leases

### **Agricultural farm lease**

The agricultural farm lease was issued mostly as a consequence of a successful application to convert perpetual lease selections and settlement farm leases to freehold. In 1981 perpetual lease selections were placed on final rental periods and, consequently, conversion to an agricultural farm lease was not required. More details are contained in the below section of perpetual lease selections.

Agricultural farm leases were still available for the sale of land in the Burdekin Irrigation Area until 30 June 1998.

The term of the agricultural farm lease is generally 40 years, although leases issued after 31 December 1991 have a maximum term of 30 years.

Until 31 December 1991, repayments on agricultural farm leases were interest-free and a discount was available for cash payment of the purchase price. For leases issued after that, repayments have attracted interest and no discount is available for cash payment.

A deed of grant (a freehold title) is issued upon payment of the purchase price in full and compliance with any conditions attaching to the lease.

### **Grazing homestead freeholding lease**

The grazing homestead freeholding lease tenure was granted following successful application to convert a grazing homestead perpetual lease to freehold, with the lessee electing to pay the purchase price of the land over a term of years.

Leases issued following an application received before 5 February 1990 may have a term of 40 years, interest-free repayments, and a discount on cash payment of up to 57.1 per cent of the purchasing price.

For leases granted on an application received on or after 5 February 1990, a maximum term of 30 years was available. The discount for cash payment was a maximum of 25.36 per cent and an interest charge applies.

A deed of grant (a freehold title) is issued once the purchase price has been paid in full and the lessee has complied with any conditions attached to the lease.

This tenure type no longer may be issued under the Land Act.

## **Purchase lease**

The purchase lease was issued by ballot under the provisions of the Brigalow and Other Lands Development Act 1962 (now repealed) for a term of 40 years. It was used for the development of the brigalow lands of central Queensland and was part of the brigalow scheme, a joint State and Commonwealth venture with funds being made available by the Commonwealth. Administration of the scheme was undertaken by the corporation of the Land Administration Commission, later - the former Brigalow Corporation. The scheme made loans available to property owners for development costs and to local governments for road construction.

A deed of grant (a freehold title) is issued once the purchase price and any loans have been paid off and the lessee has complied with any conditions attached to the lease.

As all the loans under the scheme have now been repaid, the Brigalow Corporation was abolished, and the Land Act was amended in February 2009 to remove the provisions that related to it.

## **Perpetual lease selection**

The perpetual lease selection was originally granted as a lease in perpetuity for intensive farming (e.g., small lots for wheat growing, small crops). It was used to promote the soldier settlement and closer settlement schemes.

In 1981, legislation placed this lease type on what was termed a final rental period. The period was determined using a formula based on the percentage of the unimproved value of the lease being paid as rent at that time. The annual rental for the lease was one-fortieth or one-sixtieth of the unimproved value current as at 31 December 1980. Therefore, 40-years terms were given for lessees paying 2.5 per cent and 60-year terms for lessees paying 1.5 per cent.

At the end of the term or when all rent for the rental period has been paid, the lessee could elect to obtain freehold title or to maintain the lease with payment of a 'peppercorn' rent if the government demanded.

An amendment to the legislation in 1991 included a covenant in the lease to allow for the issue of freehold title once the lessee had paid the full rental value of the lease and had complied with any conditions attached to the lease.

## **Perpetual town, suburban and country leases (converted)**

Each of these three lease types were issued following successful application to convert a perpetual town lease, perpetual suburban lease or perpetual country lease to freehold. These leases were issued mainly for business, residential, commercial and tourism activities.

The leases were originally issued for terms of 30 years for residential activities and 20 years for other uses. From 1 January 1992, however, the maximum term of a lease was 30 years for all purposes.

Until 31 December 1991, repayments were interest-free and attracted a discount of a maximum of 57.1 per cent for initial cash payment for the whole amount owed. A lesser percentage applied if the balance of the purchase price was paid off over the term of the lease.

Leases commencing on or after 1 January 1992 attract an interest charge on repayments, with no discount being available for cash payment.

A deed of grant (a freehold title) is issued once the lessee has paid the purchase price in full and has complied with any lease conditions.

## **Auction perpetual lease**

The auction perpetual lease was originally a lease granted in perpetuity, made available by auction as a perpetual town, perpetual suburban or perpetual country lease. No further leases of this type can be made available.

From 1 January 1981, the rent payable on auction perpetual leases for the next 30 years was reserved at the amount applicable for the rental period current at 31 December 1980. Thereafter the rent was a 'peppercorn' rent if demanded by the government.

Up to the end of the rental period, the lessee could elect to pay off the rental commitment and apply for the issue of freehold title. No interest charge applied and a discount of up to 57.1 per cent was available for early payment of the rental commitment.

An amendment to legislation in 1991 included a covenant for the issue of freehold title upon payment of the full rental value and compliance with any conditions of lease.

## **Auction purchase freehold**

The auction purchase freehold, which is no longer available, was issued for a number of purposes, but mainly for residential developments. It was used to dispose of unallocated State land at public auction when the repayment of the purchase price was to be made over a term of years.

The term was usually 10 years for the repayment of the purchase price, with interest being charged on the outstanding balance. No discount was available for cash payment.

If the purchase price has been paid in full at the time of auction, but the finalisation of the sale was subject to the purchaser undertaking specified improvements, then the term was the time in which such improvements were to be undertaken.

A deed of grant was issued after the full payment of the purchase price and compliance with any conditions.

## Special lease purchase freehold

The special lease purchase freehold tenure was granted when a lessee successfully applies to buy the land covered by a special lease.

The term of the lease was a maximum of 30 years, with the annual instalment of the purchase price attracting an interest charge. No discount is available for early repayment of the purchase price.

## Further information

- Contact your nearest business centre ([https://www.resources.qld.gov.au/?contact=state\\_land](https://www.resources.qld.gov.au/?contact=state_land)), or
- Refer to <https://www.qld.gov.au/environment/land/state>, or
- Call 13 QGOV (13 74 68).

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