



## land series

# Application for conversion of a lease

This fact sheet explains the procedures for making and assessing an application for conversion of a lease. This information applies only to current leases administered under the *Land Act 1994*.

## When can an application be made?

At any time during the term of their lease, leaseholders can apply to convert:

- a perpetual lease to freehold
- a term lease for pastoral purposes to a perpetual lease
- a term lease (not issued for pastoral purposes) to freehold.

A term lease for pastoral purposes (which includes a pastoral holding) can only apply to convert to perpetual leases, and only after 80 per cent of the existing term on the lease has expired unless special circumstances exist.

An application to convert a lease cannot be made if the existing lease:

- is a freehold lease
- is a lease over a reserve
- contains a specific condition that restricts the conversion of the lease
- is a road licence, occupation licence or a permit to occupy.

If an earlier application for conversion has already been refused by the Department of Natural Resources and Water (NRW) and the reasons for the refusal have not changed, your application may be rejected without consideration.

## How to apply

To convert a lease, you must submit:

- conversion of a lease application form, with both parts A and B completed
- the prescribed application fee.

Though you can submit an application at any NRW office, it is preferable to do so at the office nearest to which the land is located, where staff can also advise you of the correct application fee.

See the NRW website at <[www.nrw.qld.gov.au](http://www.nrw.qld.gov.au)> for a list of NRW offices and applications fees, or contact the department.

Unless you complete all parts of the form accurately, it may be returned to you for completion, which will delay the process.

If you are unsure if your application is complete, contact your nearest NRW office to discuss your application with staff prior to lodgement.

## Application considerations

Your application will be assessed against requirements under the *Land Act 1994*. When considering an application, NRW will also:

- use relevant NRW policies, procedures and guidelines
- seek the views of relevant stakeholders, for example other state government agencies and local government authorities
- consider native title issues
- ensure that all outstanding rent on the lease is paid.

An NRW officer may also inspect the leased land.

## Native title

As part of the assessment process, NRW will undertake a native title assessment of the leased land. This will determine if and how native title may need to be addressed.

Depending on the outcome of the native title assessment, the leaseholder (as a condition of the offer) may be required to satisfactorily address native title issues for the proposed tenure offered.

## Notice of the decision

When all issues, including native title, have been investigated, NRW will give applicants written notice of the decision.

If an application is refused solely on the basis that the leaseholder has not fulfilled the lease conditions, they can appeal the decision.

## Requirements of an offer

If an application is approved, the written offer sets out conditions such as:

- the land must be surveyed
- the offer is for only part of the lease
- the applicant must enter into a conservation agreement.

The offer will also set out requirements that must be met before the offer is considered to have been accepted.

These usually include:

- payment of the purchase price, including GST
- payment of stamp duty on the sale
- lodgement of a plan of survey, if needed
- payment of all regulatory fees and charges.

The offer will also include a Notification of Acceptance form that must be completed and returned to NRW within the timeframe specified or it will lapse.

## Purchase price

Unless a price or formula has already been stated in the conditions of the lease to be converted, the purchase price will comprise:

- the total of the unimproved value of the land being offered, as if it were fee simple (freehold)
- the market value of any commercial timber that is the property of the state on the land.

The unimproved value of the land is calculated as at the day NRW receives the conversion application. Leaseholders can appeal against purchase price decisions.

The purchase price must be paid in a single payment. However, the leaseholder may elect to pay it in annual instalments if the application for conversion is for a:

- grazing homestead perpetual lease
- non-competitive lease
- special lease.

Such instalments will also include interest.

If a lease that was formerly a Miners Homestead Lease on 31 December 1994 is being converted to a Non-Competitive Lease, this is subject to the special condition that, if freeholding of the lease is ever approved, the purchase price is an amount prescribed under the regulations.

More information on this issue can be obtained from Section 499 (2)(e) of the *Land Act 1994*.

## Issue of new tenure

The Governor-in-Council grants the new tenure, and NRW will seek approval to issue it in the leaseholder's name, when all requirements and conditions of the offer have been satisfied.

The new tenure will be issued subject to all the relevant encumbrances to which the previous lease was subject, and in the same priority order.

## More information

For more information on Conversion of Lease contact the nearest NRW office.