

# Calculation of the reserve cash premium for sale of a Lease or Permit to Occupy PUX/952/037

**SLM/2013/405**

**Version 4.05**

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## Version History

Version	Date	Description/Comments
3	27/08/2004	Original approval
3.1	28/06/2005	Conversion Project - New WORD/XML template
4	08/09/2008	Updated to reflect Land Act amendments
4.1	04/02/2009	Amended status of Notification from "NRW only" to "Public access"
4.2	11/02/2011	Updated to DERM
4.3	13/06/2013	Updated to DNRM
4.04	18/03/2014	Updated to new DNRM template
4.05	22/06/2016	Updated to new DNRM template

## Approval

Position	Name	Date
Acting Director, Operations Support - Land	Amanda Kearnan	22/06/2016



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## Purpose

To provide guidelines on determining the reserve cash premium when offering a lease or permit to occupy at public auction.

## Rationale

In terms of the [Land Act 1994](#), if the State wishes to auction a lease or a permit to occupy over unallocated State land or a reserve, interested parties are required to bid on a reserve cash premium and NOT the annual rental.

**To auction a lease or permit to occupy over unallocated State land or a reserve the Department will invariably incur costs related to valuations, advertising, auctioneer fees etc. These costs should be recovered from the reserve cash premium.**

## Procedure

The reserve cash premium is utilised as the starting point for bidding at a public auction, or should the land not sell at auction, the reserve cash premium is payable for a "sale after auction".

In both instances the successful purchaser "at or after auction" is required to pay the reserve cash premium (either the amount bid or the amount reserved) together with the annual rental of the lease or permit to occupy and any associated fees.

The annual rental for a lease or permit to occupy auctioned is determined in the same manner as for any other lease or permit to occupy.

## Direction

The reserve cash premium for auction sales of Land Act leases or permits to occupy is to be at least sufficient to cover all costs incurred in making the land available.

## Responsibilities

Implementation by all operational staff dealing with the determination of the rental and reserve cash premium for the sale of a lease or a permit to occupy by public auction.

## Definitions

Reserve Cash Premium	This is the figure at which bidding commences when offering a lease or permit to occupy for sale at public auction and must be paid in addition to the annual rental.
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## References

Section 115 and 116 of the *Land Act 1994*

## Legislation

[Land Act 1994](#)