

Grazing Licence

November 2016

A licence is a right granted by the Minister, which at law, gives permission to occupy and use Crown land for a specified purpose such as grazing, which otherwise would not be permitted or would constitute trespass.

General

Provisions exist under Sections 34 and 34A of the [Crown Lands Act 1989 \(Crown Lands Act\)](#) and Section 50A of the [Western Lands Act 1901 \(Western Lands Act\)](#) for the Minister to grant a licence over Crown land in such manner and subject to such terms and conditions as the Minister determines.

Licences may be granted in respect of:

- Crown lands not subject to any tenure;
- Crown lands subject to a lease granted under the [Crown Lands Act](#) and the [Western Lands Act](#) (with consent of the registered lessee)'
- Crown lands reserved from sale; and
- Crown lands reserved for a public purpose (with the consent of the trustee if a trustee has been appointed).

Applications

Applications for grazing licences can be made to the Department of Industry – Lands (the Department). The Department promotes equitable access to and allocation of Crown land. Therefore, licences may be granted by way of Public Competition, Closed Tenders or in some circumstances without public competition by way of Direct Application. A number of factors are determined by the Department prior to deciding on which method of allocation to use.

Public Competition is used in cases where the parcel of land can be used in isolation and be viable without the need for an adjoining parcel of land to support it. It may also be used when the parcel of land is considered prominent or close to town or has no adjoining freehold land owners or has multiple adjoining freehold land owners. When this method is used, advertisements are made in local newspapers allowing the public equal opportunity to apply for a grazing licence over the parcel of land.

Closed Tender is used when two or more freehold land owners adjoin the parcel of land and the land is suitable only for use by the applicant and/or the adjoining owners. Each adjoining owner would be given equal opportunity to apply for a grazing licence over the parcel of land.

Direct Application grazing licences are used where:

- a) the land is suitable only for use by the sole applicant
- b) there is land of low value and/or low demand
- c) land management controls (e.g. bushfire and weed) are paramount
- d) it is deemed unnecessary for the public at large to be given an opportunity to apply for a licence by way of public tender.

NB: At the discretion of the Department, a notice may be issued advising that the grazing licence will be terminated in 12 months. Upon termination, the grazing licence may be re-issued through public competition.

A licence does not grant the licence holder exclusive possession to the Crown land. The Crown retains ownership and, depending on the purpose of the licence, may grant more than one licence over the same parcel of land.

All applications for a grazing licence must be made on the approved [application form](#), accompanied by the application fee. The application fee is currently \$383.60. The application form and cheque or money order should be posted to PO Box 2155, DANGAR, NSW, 2309.

Every application is fully investigated and assessed on its merits. Approval cannot be assumed or guaranteed. The Department may invite Public Competition or Closed Tenders upon receipt of an application.

If an application for the grant of a licence is deemed unobjectionable, a licence “offer” will be prepared and forwarded to the applicant for consideration and acceptance.

Fees

An application for a licence must be made on the approved grazing licence [application form](#), accompanied by the application fee. The application fee is currently \$383.60.

Licence Terms and Conditions

Licence conditions help to clearly explain what you are required to do with your licence. They give peace of mind to both you as the licence holder and to other people who may have dealings with that land. They also help to ensure that all licence holders have the same responsibilities to manage their licence area, consistent with industry best practice. As with any contract or lease, the conditions also make clear the rights of both the lessee (you) and the landlord (the Crown).

There are two sets of conditions in a grazing licence. One set is standard, which applies to all grazing licences and the other set is a group of additional special conditions that may apply to the licence area based on the specific site you are applying for. Both sets of conditions are working towards improved, best practice grazing management on Crown land.

The full set of [Standard Terms and Conditions](#) can be viewed on the Department’s website. Additional conditions will vary depending on any site specific environmental considerations for each licence and will be provided in a separate schedule of the grazing licence.

Environmental conditions are required to ensure that you understand both the environment regulations that apply to Crown land, and also help you to make your licence area more productive by following best practice grazing principles.

Annual Rent

Grazing licences are subject to an annual rent payable to the Department.

Rentals are reviewed annually in line with movement in the Consumer Price Index (CPI). The rental is also subject to periodic market redeterminations (generally every 3 years) on the anniversary date of the commencement of the licence agreement in accordance with [s143 of the Crown Lands Act](#).

The market rental for the licensed area is assessed having regard to the utility of the licensed area for grazing purposes, while also ensuring a reasonable rate of return to the people of New South Wales. The determined rental may take into account any additional value which, because of the licence, may be accrued in relation to adjoining land held by the licensee.

In accordance with [s141 of the Crown Lands Act](#), the determined rental cannot be less than the prevailing quarterly CPI adjusted statutory minimum rental rate. The statutory minimum rental rate is published on the Leases and Licenses page of the Department’s website.

Compliance

It is a condition of the grazing licence that all grazing licence holders must comply with all terms and conditions of the grazing licence.

Failure to comply may lead to direction from the Minister for you to cease operations on the land under licence and/or remedy at your cost. Should you not comply with directions provided by the Minister, the licence may be terminated.

“Transfer” of a Licence

There are restrictions on the transfer of a licence under [s48 of the Crown Lands Act](#). Many proposals that purport to seek “transfer” of the interest in a licence may only be dealt with, at the discretion of the Minister, by revocation of the existing licence and the grant of a new licence as a separate entity.

Parties may enter into a private contract and lodge an application for ‘revocation of existing tenure and issue of a new licence’. At the sole discretion of the Minister a new licence may be offered to the incoming party with rent, terms and conditions considered appropriate.

The Department will determine whether Public Competition or Closed Tender applications will be invited where a request to transfer an existing grazing licence has been received or whether the request can be treated as a Direct Application.

Termination of a Licence

A licence may be terminated at any time by the Minister and no compensation is payable.

A licence may be terminated at any time by the holder subject to the area being deemed to be in a satisfactory condition.

Aboriginal Land Claim

Grazing Licences are granted subject to possible Aboriginal Land Claims over the land provided in [s36 of the Aboriginal Land Right Act 1983](#). Any licence shall terminate in the event that the Minister or a Court grants an Aboriginal Land Claim over the licensed area.

More information

For further information call us on 1300 886 235 or go to www.crownland.nsw.gov.au

Other Resources

- Local Land Services www.lls.nsw.gov.au
- Department of Industry www.industry.nsw.gov.au
- Office of Environment and Heritage www.environment.nsw.gov.au
- Soil Conservation Service www.scs.nsw.gov.au

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