

Purchasing a Western Lands Lease to obtain freehold title

How has Crown land management changed?

In 2012, the NSW Government began the first [major review of Crown land in 25 years](#), prompting a comprehensive consultation process with community and other interested parties about the future management of Crown land.

This exhaustive review process culminated in the NSW Parliament passing the new [Crown Land Management Act 2016](#) (the Act) in November 2016 and the [Crown Land Legislation Amendment Act](#) in May 2017.

This new legislation will take effect in 2018 and will ensure the Crown estate is managed efficiently and effectively and continues to support and generate social, environmental and cultural benefits for the people of NSW.

Who manages Crown land?

In NSW, Crown land is managed by the Department of Planning, Housing and Infrastructure – Crown Lands for the benefit of the whole community.

The department uses many mechanisms to manage Crown land, from issuing licences, permits or long-term leases to delegating care, control and management to local council Crown land managers and non-council Crown land managers (also referred to as reserve trust managers). It also manages development, marketing and sale of Crown land that is not needed for public purposes.

Will the Western Lands Act 1901 still exist?

No. The new Act will replace the Western Lands Act 1901.

Are there leaseholders with existing rights to purchase?

Yes. Some leaseholders already have the right to apply to purchase their lease and convert it from a leasehold interest to freehold title. This includes holders of residential, business and agricultural Western Lands leases.

This right will not change when the Act comes into force in 2018.

Can I now purchase my Western Lands lease?

Yes. The new Act includes additional rights for rural Western Lands leases, subject to meeting certain eligibility criteria, which include:

- grazing leases that possess a land and soil capability classification that supports agricultural production

- land in a rural area where there is evidence that supports that the conversion will contribute to the economic growth of the region (limited to not more than 20 kilometres from an urban area)
- land in a rural area where there is evidence that supports that the conversion is required for urban expansion.

Are there any Western Lands leases that cannot be purchased?

Yes. Leaseholders of residential Western Lands leases granted in lieu of residential mineral claims at Lightning Ridge and on the surrounding opal fields will not be able to purchase their lease. This is because the land has not been surveyed to the required standard and often there is no defined legal access.

Additionally, any leases that are unable to meet the eligibility criteria outlined in [section 5.9](#) of the Act will not be able to be purchased.

Am I eligible to purchase my lease?

Applications will be assessed by the department using the criteria set out in [section 5.9](#) of the Act. The department will refuse any application that does not meet at least one of the criteria in this section.

For the majority of rural Western Lands leases, eligibility will be determined using the Land and Soil Capability (LSC) Assessment Scheme.

Leaseholders may need to provide additional information with their application to demonstrate their eligibility.

Do I have to purchase my lease?

No. The decision to purchase your lease is voluntary and entirely up to you. If you choose not to purchase your lease, it will continue to be administered in the same way.

What are the benefits of purchasing my lease?

Each individual should consider their own circumstances when considering the purchase of their lease.

Benefits of purchasing your lease may include:

- You will hold freehold title to your land, which means that you own the land outright and have the highest title right in NSW.
- You will no longer be required to pay an annual rent to the department and certain activities, such as selling the land, will no longer require the consent of the Minister.

What costs would I have to pay?

You would be required to pay the purchase price of the land and any other costs such as stamp duty, GST, NSW Land Registry Services fees, inspection, survey and independent valuation costs (if required).

There is also an application fee.

How is the purchase price calculated?

The purchase price will generally be the unimproved market value of the land. The Minister may elect to determine purchase price using unimproved land value in lieu of market value. Matters which might influence this decision include the geographic location of the land, cost and practicality to obtain a market valuation or the type of lease or purpose for which it is held.

Rural Western Lands leases which are mainly used for primary production will pay 3% of the land value. Holders of all other lease types will be required to pay 100% of the land value. Other costs will also be payable including stamp duty, GST, survey, dealing fees and interest.

What are my payment options?

- Option 1: Payment of the full purchase price within 28 days once the leaseholder has accepted the purchase offer
- Option 2: Payment of the full purchase price by instalments can be established through an Incomplete Purchase. An Incomplete Purchase will be established for a period up to 20 years. Each year, a minimum instalment of \$2,500 will be payable for each Incomplete Purchase. If the purchase price is less than the annual minimum instalment then the purchase price must be paid in full within 28 days once the leaseholder has accepted the purchase offer.

Can I object to the purchase price offered to me?

Yes. All applicants have the right to object the assessed land value directly with the Valuer General.

Do I keep paying rent while my application is being processed?

Yes. All rent and any outstanding debt relating to your account must continue to be paid in full prior to a purchase application being granted.

Will I still pay rent once my purchase application is approved?

No. Once the purchase application is approved you will no longer be required to pay rent.

If you have elected an instalment plan option to pay off your purchase monies, you will make annual payments towards that instalment plan.

What else could affect my application?

During the processing of your application, the department will also consider:

- public rights of legal access through your lease

- Crown timber rights
- reserves, such as Travelling Stock Reserves, Trig Reserves, etc.
- other parties uses of your lease, such as pumps and/or pipelines, extractive industries, rights of way or tracks which provide access to other lands.

Can I purchase multiple leases?

Yes, if the leases are adjoining. A single application may be made for multiple adjoining leases, noting that all leases must be held by the same registered holder.

Where a leaseholder seeks to apply to convert leases that are not adjoining, separate application forms and application fees are required.

Can I purchase only part of my lease?

Yes. Leaseholders are able to survey and subdivide a lease into separate lots to facilitate a purchase of eligible land.

How do I apply?

It is recommended that interested leaseholders contact the department to discuss potential eligibility and the purchase process.

For fee information please refer to the department's website; www.crownlands.nsw.gov.au/fees

Leaseholders are required to fill out an application form and forward the form and the application fee to the department. The form is available on the department website; www.crownland.nsw.gov.au/applications

How long will it take to process my application?

The time to process an application is highly variable and dependant on the complexity of the application.

What happens if I sell my property before my purchase application is approved?

Your application can be transferred to the new leaseholder if they decide they want to proceed with the purchase.

Further information

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