

Purchasing your Western Lands Lease to obtain freehold title

Background

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.

In NSW, Crown land is managed by the Department of Planning, Housing and Infrastructure – Crown Lands. Previous Crown land legislation was complex and included eight different pieces of legislation. The new *Crown Land Management Act 2016* will:

- reduce red tape and duplication in managing Crown land
- improve certainty and clarity about legal requirements
- support greater community involvement in local decisions made about Crown land
- formalise opportunities and processes for community involvement and engagement
- recognise and support Aboriginal involvement in the management of Crown land.

What is new

The Act will allow leaseholders to purchase eligible Western Lands leases by converting the leasehold land into freehold title. Some leaseholders in the Western Division have been able to purchase the freehold interest in their Western Lands lease for some time; these include urban leases for business and residential purposes and a number of agricultural leases. The Act will provide a new opportunity for grazing leaseholders in the Western Division.

For those leaseholders who currently hold existing purchase rights, these will continue under the Act. The Act includes criteria to guide the department when assessing applications to purchase a lease.

Eligibility

The decision to purchase a lease is up to the leaseholder and is a voluntary decision.

Applications will be assessed 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 to demonstrate their eligibility with their application.

Consultation

When assessing a purchase application, the department will consider any other parties that may have an interest in the land and, if appropriate, consult with these parties before approving a purchase. Examples of third-party interests may include Travelling Stock Reserves, pumps and pipelines and access routes to neighbouring properties.

Costs

The purchase price will be determined using the value of the unimproved land. A leaseholder will be required to pay a percentage of this value depending on the type of lease. Holders of rural Western Lands leases that 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. In addition to the value, other costs will be payable including, stamp duty, GST, survey, dealing fees and interest.

Payment options

There are two payment options available to leaseholders for approved applications:

- 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.
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How to 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 NSW Department of Planning, Housing and Infrastructure – Crown Lands website. 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 web site:

www.nsw.gov.au/fees

Further information

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