

Rent in the Western Division

General

Purposes of Western Lands leases granted under the repealed Western Lands Act 1901 or new perpetual Western Lands Leases granted under the Crown Land Management Act 2016 are categorised into urban and rural types.

For urban leases (such as residences, business or motels), the rent is based on land value rather than capital value.

Rent is a fixed percentage of land value; 3% and 6% respectively for urban general and urban business.

For rural types (such as leases for grazing, agriculture, horticulture or cultivation and grazing), rent is devised using a formula (involving up to five components) that reflects the land area, the environmental impact and the profitability of different land uses. It is calculated on a landholding basis (which may be comprised of several leases) rather than on individual leases.

If a landholder has a property that includes grazing, cultivation, intensive agriculture and rehabilitation, his or her rent will be calculating using the formula:

$$\text{Rent} = (\text{base rent} + \text{cultivation} + \text{intensive agriculture} - \text{rehabilitation}) \times \text{index}$$

Base rent

The base rent will be calculated on the total land area of the holding, which may be comprised of several leases, provided that they are a single property unit run under a common family or business name. The leases do not need to adjoin each other.

The base rent will involve a sliding scale where rent per hectare will decrease as the size of the holding increases. This recognises that on larger holdings, productivity per hectare is generally lower. The scale is set by regulations under the Crown Land Management Act 2016.

Cultivation

The number of hectares approved for cultivation will be charged at the cultivation rate per hectare and added to the basic charge.

Intensive agriculture

The number of hectares used for intensive agriculture, such as irrigation will be charged at the intensive agriculture rate per hectare and added to the basic charge.

The unit charges on cultivation and intensive agriculture represent premiums for land uses that impose greater 'wear and tear' on the environment, including the impacts on soil, vegetation, biodiversity and salinity.

Rehabilitation rebate

The number of hectares set aside for managed rehabilitation will be calculated at the cultivation rate per hectare and DEDUCTED from the basic charge.

The rehabilitation rebate applies where a portion of a landholding is specifically managed to achieve a positive environmental outcome.

Annual adjustment

The total annual rent will be adjusted each year by Consumer Price Index.

Note the annual rent cannot be less than the statutory minimum rental which is prescribed in the regulations.

Rent is payable for a year in advance and is due and payable on the 1 July of the financial year for which the rent is payable.

Further information

T: 1300 886 235

E: enquires@crowland.nsw.gov.au

W: www.industry.nsw.gov.au/lands

© State of New South Wales through Department of Industry 2018. The information contained in this publication is based on knowledge and understanding at the time of writing (May 2018). However, because of advances in knowledge, users are reminded of the need to ensure that the information upon which they rely is up to date and to check the currency of the information with the appropriate officer of the Department of Industry or the user's independent adviser.