

Purchasing a Wentworth or Hay Irrigation Act 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](#) (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 NSW Department of Industry—Lands & Water (the department) 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 the development, marketing and sale of Crown land that is not needed for public purposes.

Are there leaseholders with existing rights to purchase?

Yes. Some leaseholders already have the right to apply to purchase their lease under the existing Crown land legislation. These statutory rights are continued from the commencement of the Act for a period of five years. After this time, the right to apply will no longer exist.

Term leases cannot be renewed under the new Act, and an application to purchase this type of lease will need to be made prior to the tenure expiring.

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, there may be changes to the amount of rent you pay or the ability to renew or extend the tenure. This may affect how you want to use the land or your decision to purchase the land.

What are the benefits of purchasing my lease?

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

The 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?

For a *Wentworth Irrigation Act 1890* lease, the purchase price remains the unimproved land value as at the date of application.

For a *Hay Irrigation Act 1902* lease, the purchase price will be the reversionary value of the land—excluding improvements—as determined by a registered valuer as at the date of application.

What are my 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.
- If paying by instalments, the interest rate will be 8%, as prescribed by the regulations.

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

Yes. You must continue to pay all rent and any outstanding debt relating to your account in full before your purchase application is 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 and are eligible for 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 that provide access to other lands.

How do I apply?

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

There is an application fee of \$474, payable with each application.

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's web site industry.nsw.gov.au/lands

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

Email: leases@crowland.nsw.gov.au

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

Phone: 1300 886 235