



2015 Pastoral Lease Renewal - Frequently Asked Questions.

What happens to my pastoral lease after 1 July 2015?

On 30 June 2015, all pastoral leases will expire and will be removed from the Register of the Crown Land Title for the parcel of land in question. The Minister for Lands has offered to renew your lease on 1 July 2015 provided you are compliant with the terms of the offer of renewal.

What do I have to do to be compliant?

The then Minister for Lands, Hon Doug Shave MLA, by letter dated 24 December 1997, offered to renew the existing leases subject to a number of conditions ("**Minister for Land's Offer**"). The letter specified the following conditions of offer:

1. Compliance with lease conditions, including stocking requirements and maintenance of infrastructure, at the time of expiry on 30 June 2015;
2. There being no Soil Conservation Notices or other orders by the Soil and Land Conservation Commissioner in force;
3. There being no unfulfilled requirements of the Soil and Land Conservation Commissioner and/or the Pastoral Lands Board in relation to observance of lease conditions under the Soil and Land Conservation Act and the Land Administration Act (LAA); and
4. Exclusion of areas from the existing lease that may be required for public works, conservation, national park, nature reserve or other Government purposes.
5. The annual lease rental for the lease up to 30 June 2015 will apply to the renewed lease. The rental review period for the renewed lease will continue to apply every five years in accordance with section 123(4) of the LAA. The next rent review for the renewed lease will be on 1 July 2019.

NOTE: NON-COMPLIANCE MAY RESULT IN THE NON-RENEWAL OF YOUR PASTORAL LEASE.

In January 2014, all pastoral lessees were advised in writing of outstanding compliance issues that may result in the non-renewal of their lease. If you do not have outstanding compliance issues, you would also have received a letter confirming this and that your lease will be renewed subject to ongoing compliance. If you have not received a compliance / non-compliance letter, it is recommended that you contact the Department of Lands (**Department**) to check whether there are any outstanding compliance issues with respect to your lease.

In addition to the January 2014 correspondence, lessees are required to continue to comply with the conditions of their lease including payment of all rent due by 1 March 2015 to ensure that they continue to meet the conditions of the Minister for Land's Offer until 30 June 2015.

If you have any outstanding compliance issues, you are required to address these issues before 30 June 2015 to ensure that your lease is renewed. You may wish to contact the Department if you have already taken action to address compliance issues, or wish to have a developed plan endorsed by the Minister for Lands.

Need further information?

Please contact the Department of Lands, 2015 Pastoral Lease Project Team:

Telephone: +61 8 6552 4526

E-mail: 2015@lands.wa.gov.au

Postal: Department of Lands Pastoral Land Unit, PO Box 1143, WEST PERTH WA 6872



How long will my new lease be for?

Leases will be renewed for the same period as the term of the pastoral lease expiring on 30 June 2015.

When will the revised draft pastoral lease document be ready for me to look at?

The Department has previously distributed a draft copy of a proposed new lease. After receiving feedback on this lease, the Hon Wendy Duncan, MLA and Hon Vince Catania, MLA, State Solicitors Office and Officers from the Department of Land met in November 2013. At that meeting it was resolved that pastoralists would be provided with the choice of two options to renew their pastoral lease and that the documentation for these options would be made available by 31 January 2014. The two options were:

1. Renewal of a lease on the same terms and conditions as the existing lease in the form of a document that contains or incorporates by reference the existing lease conditions, together with a communication to pastoral lessees confirming that their lease has been renewed on the same terms and conditions; or
2. Renewal of a lease on materially the same terms and conditions of the existing lease in the form of a new lease document that expresses those terms and conditions in a more modern language along with some conditions expected in contemporary leases such as insurance and GST.

While the Department has developed a draft lease under the second option, there has been a delay in developing the documentation for the alternative option. We would prefer to be able to provide you with the documentation for both options at the same time. In view of this, we will contact you when both documents are available for your consideration. They will also be posted on the website at www.lands.wa.gov.au/2015pastoralleases when available.

Who pays for the cost of registering the lease with Landgate

The Pastoral Lessee pays for registration of the Pastoral Lease with Landgate. However, to assist all pastoralists in the timely registration of their pastoral leases on 1 July 2015, the Department will be seeking that the pastoral lease is executed by the lessee from 1 March 2015. Registration fees will be paid by the Department at the time of registration and the charge for these fees will be included in the rental invoice issued 1 July 2015, payable 1 September 2015.

Can I sell my station before 2015?

Yes you can. Pastoral lessees are required to submit an application for 'Permission to Sell' to the Department prior to placing a lease on the market. As a condition of the approval for 'Permission to Sell', the Department may require that the current pastoral lessee address all non-compliance issues prior to the sale being approved.

A condition of the Permission to Sell approval letter is that you provide potential purchasers with a copy of the letter and any associated documentation.

The incoming lessee is required to advise in writing that they acknowledge that the lease is expiring on 30 June 2015. If the lease is to be renewed, the incoming lessee is required to continue to comply with the conditions of the lease, including payment of all rent due by 1 March 2015, and to ensure that they continue to meet the conditions of the Minister for Land's Offer until 30 June 2015.

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To ensure that there is no delay in approving an application for “Permission to Sell”, it is recommended that you ensure that you do not have any outstanding compliance issues at the time that you submit your application for “Permission to Sell” to the Department.

How does an exclusion affect my current pastoral lease?

The area of your pastoral lease commencing 1 July 2015 will be the area of your pastoral lease expiring 30 June 2015 reduced by the area of the exclusion, if any. Your rent will then be adjusted to reflect the amount of area excluded. If your lease is subject of an exclusion and you wish to sell your lease prior to 30 June 2015, the incoming lessee is required to acknowledge in writing their awareness that this area will not form part of the lease after 30 June 2015.

Compensation for improvements?

Where exclusions have occurred prior to 30 June 2015 you may apply for compensation for any lawful improvements on the area excluded during the 2015 pastoral lease renewal process. The valuation of these improvements is currently being undertaken.

Mortgages or other registered interests on the lease

All interests in respect of pastoral leases, including mortgages, caveats, memorials and other encumbrances will expire on 30 June 2015.

Interest holders, such as mortgagees, will need to prepare the necessary documentation to register their interest with respect to the new lease. The Pastoral Lessee will be responsible for all registration costs and for any duty payable with respect to those instruments.

The Department will contact mortgagees to advise them of the procedures to register a mortgage over the new lease.

Subleases after 1 July 2015

All subleases expire on or before 30 June 2015 and Ministerial approval is required for future subleases to be registered with respect to the new lease.

It is recommended that you contact the Department of Lands, if you have sublet your interest, to confirm details of the process required to register any new sublease over the new pastoral lease on or after 1 July 2015.

Division 5 Permits after 1 July 2015

All Division 5 permits expire on 30 June 2015. Permits issued by the Pastoral Lands Board (**Board**) since June 2012 contain a statement to the effect that the Board will issue new permits following the renewal of the lease as a matter of course, providing the terms of the permit have been complied with. Permits issued prior to this date will be reviewed to ensure that the activities are still within the scope of the original terms of the permit. If permit conditions are met and the lessee’s activities are consistent with the permit, the Department will request that the Board issue a new permit. These permits will be issued post 1 July 2015.

In both of the above cases, a fee will be payable for renewal of all permits on 1 July 2015. The current fee payable to renew a permit is \$239; however, this amount may change.

It is recommended that lessees provide detailed information in their next annual return to confirm whether or not permit conditions have been met and if the activities are consistent with that

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described in the permit. Where the activities are outside the terms of the permit, the lessee will be advised to apply for more appropriate tenure. The Department will be in contact with lessees before the end of the year to confirm the status of the renewal process regarding their permits. Where lessees have received confirmation that a permit will not be renewed, we strongly recommend that the lessee contact the Department for advice on seeking alternative land tenure as a matter of priority.

Agistment Agreements after 1 July 2015

Agistment agreements will expire on 30 June 2015. If the agistment arrangements are to continue post 30 June 2015, a new application will need to be submitted to the Pastoral Lands Board.

The Department will be in contact with Lessees who have Pastoral Lands Board approved agistment leases to advise of the process required to register an agistment over the new lease.

Rent review

The annual lease rental for the lease up to 30 June 2015 will apply to the renewed lease. The rental review period for the renewed lease will continue to apply for five years in accordance with section 123(4) of the LAA

Will my due date for rent payments change under the new Pastoral Lease?

Currently rent is paid bi-annually and is payable by 1 March and 1 September. There is no intention to change the dates or the frequency of rent payments.

Is GST payable on rent after 1 July 2015?

Yes, GST is payable on pastoral lease rent.

This information is current as at 20 March 2014

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