

Development of Rural Western Lands Leases for residential use

Rural Western Lands Leases can in some circumstances provide opportunities for urban expansion of some towns in the Western Division and the development of those lands for residential use.

General

A procedure has been developed to allow for residential development of rural leasehold lands. This procedure provides a mechanism for meritorious proposals to be advanced on the basis that the lands are freehold in the first instance. This information sheet sets out generally the steps involved.

Any proposals of this nature should be referred to the Department of Natural Resources in the first instance. The department will undertake a field inspection and make general enquiries to establish the merit of the proposal. If investigations conclude that the development does have merit, the landholder will be advised of the department's requirements as outlined below.

Consent of council

The department will need to be satisfied that local planning instruments and the shire council support the development of the identified land for residential or rural residential use. This will include confirmation that the land is zoned appropriately and that a positive determination of a development application for the proposal has been made. The department (as owner of the land) will support the lodgement of a development application with Council for determination.

If the current zoning of the land does not support the development, the department will either no longer support the proposal or will require that the current planning instrument (Local Environment Plan or Interim Development Order) be amended before granting any further consent. In this instance the department may choose to support the lodgement of a rezoning application with Council for the area.

Change of lease purpose

Subject to satisfactory zoning, rezoning and/or development consent, the landholder will be invited to apply to change the purpose of the lease from its exiting purpose (eg grazing, agriculture etc) to 'residential subdivision'. A change of lease purpose is effected under Section 18J of the Western Lands Act.

More detailed information concerning this particular process is contained in the Department's information sheet titled 'Alteration of Purpose or Condition of a western Lands Lease'.

Subdivision

If the area proposed for residential development is less than the total area of the lease, then the area required will need to be excised from the lease. This will necessitate a subdivision if the lease to be effected prior to the change of lease purpose. The subdivision provisions that apply are contained in Section 18 FA of the Western Lands Act. The total area of the proposed development, the other will comprise the residue.

On completion of the subdivision, two separate leases will issue. One will comprise the area proposed for residential development, the other will comprise the residue.

More detailed information concerning the subdivision process is contained in the Department's information sheet titled 'Subdivision of a Western Lands Lease'.

Conversion to freehold

After the purpose of the lease is altered to 'residential subdivision', the landholder will be invited to apply to convert the lease to freehold. The conversion is effected under section 28BB of the Western Lands Act.

The Act specifies that the purchase price of the land for the purposes of converting to freehold is to be the market value. The Department uses the State Valuation Office to assess the market value for this purpose. Opportunity exists to repay the purchase money over a period of up to 33 years, with interest payable on the balance currently set 8% per annum.

Residential development

Although this repayment scheme exists for conversion of the leasehold estate to freehold, subdivision of the lands into multiple residential parcels is not possible until the purchase is fully paid out and the title is unrestricted freehold.

Costs

The following fees payable to the Department may apply:

- Owners consent to lodge a Development Application—\$65.70
- Application for subdivision—\$230.10
- Application for change of lease purpose—\$160.00
- Application for Conversion to Freehold—\$175.30
- Various other costs for field inspection, plan investigation and lodgement, Stamp Duty and dealing lodgement will apply and vary with each proposal. All costs are payable by the lessee including the purchase price for the lands as outlined above and cost of any consultants or surveyors engaged by lessee's to assist with the proposal.

For more information

For more information on Western Division issues contact your local Department of Natural Resources office.

Far West Region Offices

Dubbo	Ph: (02) 6883 3000
Bourke	Ph: (02) 6872 2144
Broken Hill	Ph: (08) 8082 5200
Buronga	Ph: (03) 5051 6200
Cobar	Ph: (02) 6836 1575
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Visit the website: www.naturalresources.nsw.gov.au

Note: This information does not constitute formal legal advice.

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