



Department of Planning,  
Lands and Heritage



JUNE 2022

# Pastoral Lands Board Policy

## Annual Rent for Land Under Permit

The Pastoral Lands Board acknowledges the traditional owners and custodians of this land. We pay our respect to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

#### Disclaimer

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## POLICY STATEMENT

Pastoral Lands Board (PLB) supports opportunities for diversification to create prosperous pastoral enterprises. The PLB is committed to creating an environment where government and pastoral lessees work cooperatively to enhance productivity and financial viability, while achieving improved land management outcomes. This policy is a further demonstration of that commitment.

The *Land Administration Act 1997* (LAA) provides that pastoral lessees (lessees) must not use land under the pastoral lease (lease) for purposes other than pastoral purposes except in accordance with a pastoral diversification permit (permit) issued by the PLB under Part 7, Division 5, of the LAA. Lessees may apply, for a one-off application fee, to diversify their activities on the land under the lease via a permit.

This policy complements the **Pastoral Purposes Framework** and intersects with the Cultivation of Non-Indigenous Plant Species on a Pastoral Lease Policy and Provision of Rent Relief Policy located on the **PLB's policy web page**.

### **Additional annual rent payable for land under permit**

Lessees pay annual pastoral lease rent (annual rent) for the right to graze authorised stock on native vegetation on the land under the lease. Permit activities are additional to this. The additional activities or subsequent improvements made to the land for the purposes of the permit will result in an economic benefit to the lessee and the land may become more valuable. Therefore, the PLB has determined that, ordinarily, it is appropriate for lessees who apply for and are issued a new permit to pay additional annual rent for the land under permit (permit rent).

However, the PLB acknowledges that external factors or delays beyond the lessees control, such as obtaining other statutory approvals, may prevent lessees from commencing the activity authorised by the permit. While delay to commencing the permit activity does not prevent the permit being issued by the PLB it can result in financial loss for the lessee. Significant development costs in establishing the permit activity, while also paying the permit rent, may result in financial hardship; cause difficulties for or prevent a pastoral lessee from meeting its financial management obligations; or deter the realisation of long term economic benefits. In addition, in many cases seasonal conditions dictate certain windows of time during which an activity may commence, and it is not always possible to accommodate these windows in the administrative processes required to issue a permit, which can add delay to the commencement of the permit activity.

As such, the PLB has resolved that it will consider determining a commencement date for the payment of permit rent for new permits. Depending on the circumstances, this permit rent may be later than the issue date of the permit.

For the avoidance of doubt, this policy is separate to the **Provisions of Rent Relief Policy** which deals with applications for a waiver, delay or reduction in pastoral lease or permit rent.

## OBJECTIVES

- 1) To foster improved outcomes on pastoral leases through diversification.
- 2) To outline the conditions when a variation of, or additional, annual rent is payable for the land where a Division 5 permit is issued.

## PRINCIPLES

- 1) The PLB supports diversified activity on pastoral leases; it acknowledges that lessees are the primary land managers of the pastoral estate and wants to enable them to operate their leases in an economically and ecologically sustainable manner.
- 2) To provide clarity to lessees in relation to the payment of permit rent for new permits, ensure that the permit rent is applied fairly and consistently, and is administratively efficient.

## IMPLEMENTATION GUIDELINES

- 1) Where a new permit application to diversify activities on the land under the lease is approved by the PLB, the offer of a permit and the permit conditions (conditions) will be issued to the lessee by the Department of Planning, Lands and Heritage (DPLH) on behalf of the PLB.
- 2) The lessee must accept, sign and return the permit offer and conditions in 60 days and the permit will then be issued.

- 3) In the event that the lessee does not return the signed permit offer and conditions within the 60 day period, the permit offer will expire and the lessee will have to reapply for a new permit. An extension of this period may be granted in consultation with the PLB Chairperson.
- 4) The permit issue date is the date the permit is signed by the PLB Chairperson.
- 5) The PLB may consider it appropriate to set out in the conditions a commencement date for the payment of the annual rent that is later than the date the new permit is issued in accordance with the following guidelines:
  - a) Depending on the circumstances, where there is a need to alleviate the initial financial impact of commencing the permit activity, it may be considered appropriate for the annual permit rent to commence six months after issue of the permit for the following permits:
    - i. Section 118 clearing of specified trees or scrub
    - ii. Section 121 pastoral-based tourism
    - iii. Section 122 non-pastoral purpose of enclosed and improved land, for activities other than those identified in 5 (b)(iii) below, and
    - iv. Section 122A keep or sell prohibited stock.
  - b) Due to the generally more intensive and costly nature of development, conditional statutory approvals and seasonal factors that often result in greater delays in commencement of the activity, it is generally considered appropriate for the annual permit rent to commence 12 months after the permit is issued for the following permits:
    - i. Section 119 sowing and cultivation of non-indigenous plant species
    - ii. Section 120 non-pastoral agricultural activities, and

- iii. Section 122 non-pastoral purpose of enclosed and improved land, for activities such as agriculture, horticulture, aquaculture, silviculture or activities of a similar nature.
- 6) On issue of the permit, a permit rent determination will be requested from the Valuer-General for the land the subject of the permit. The permit rent will then be determined by the Valuer-General.
- 7) The determined permit rent will be applied from the permit rent commencement date specified in the conditions or when the permit holder is notified of the Valuer General's assessed permit rent, whichever is the later. The permit rent is payable upon the issue of an invoice by DPLH.

### **Review of annual rent payable**

1. The PLB requires that where the term of a permit is more than five years, a review of the permit be undertaken at five-yearly intervals, from the date of issue.
2. The permit review will, amongst other things, include review of the permit rent as determined by the Valuer-General.
3. The PLB may, at its discretion, request that a permit review be undertaken prior to the five-year period, but no more than once a year.