



Department of Planning,  
Lands and Heritage

# Pastoral Rent Determinations

## Guideline for 2023

November 2023

The Department of Planning, Lands and Heritage acknowledges the traditional owners and custodians of land and waterways across Western Australia. The Department is committed to reconciliation to improve outcomes for Aboriginal and Torres Strait Islander peoples and to work together to provide a culturally-safe and inclusive environment.

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## Pastoral Lease Rent Determinations

### How is pastoral lease rent being determined this year?

- The Minister for Lands will calculate a base annual rent for all pastoral leases, which will be the lower of the following amounts:
  - i) the current rent for the pastoral lease; or
  - ii) the average rent for that pastoral lease over the determinations since 1999 (i.e. the years 1999, 2004, 2009, 2014 and 2019).
- The base rent is then adjusted by the Consumer Price Index (CPI) over the proceeding year.

### Consumer Price Index Model and the Perth CPI

The CPI model will adjust pastoral rent with inflation each year and will reduce volatility. The CPI model is commonly used for rent reviews in commercial leases, and therefore widely known. The 'Perth All Groups CPI' is updated quarterly by the Australian Bureau of Statistics.

- After the first CPI determination day, the base annual rent used to calculate future CPI determinations will be the then current rent payable under the pastoral lease.

### When will I be advised of my rent?

- Pastoral Lessee's will be advised on or before **31 December 2023** of the rent which will come into effect on **1 July 2024**.

### Timeline



*Timeline of CPI Rent Determinations (every year excluding Valuer-General determination years)*

### When are Valuer-General rent determinations?

- Every 10 years, commencing in 2028, a rent determination will occur conducted by the Valuer-General under section 123 of the *Land Administration Act 1997* (LAA).
- No CPI adjustment will be made in a Valuer-General determination year.
- In determining the rent the Valuer-General must consult the Pastoral Lands Board (Board) about the economic state of the pastoral industry.

- In Valuer-General rent determination years, the determination date will still be on or before 31 December, with rent being payable from 1 July the following year.
- The first Valuer-General determination under the amended LAA will occur in 2028, pastoral lessee's will be advised on or before 31 December 2028 and the new lease rent will be payable after 1 July 2029.

## Timeline



Timeline of Valuer-General Rent Determination Year (every 10 years)

- The current objection process will continue to apply to Valuer-General determinations of rent but will not apply to CPI adjustments as a result of a CPI determination.

## Permit Rent Determinations

### Are there any changes to the way in which Permit Rent is determined?

- Where the Board has made it a condition that permit rent will be payable, this will continue to be determined by the Valuer-General at times requested by the Minister for Lands, at intervals of not less than one year and not more than five years.
- Under section 122I of the LAA the Minister will adjust the permit rent annually by the rate of change in the CPI over the preceding year.
- The 'determination day' for a CPI permit rent determination is 31 December each year and the new rent is payable from the following 1 July.
- Permit holders will be advised on or before 31 December 2023 of the new permit rent, which will be payable from 1 July 2024.

### Permit rent determination by the Valuer-General

- A Valuer-General determination will occur at least once every five years for permits (and not more than once in a year), on request of the Minister for Lands. No CPI adjustment will be made in a Valuer-General permit rent determination year.

## Definition of key terms

Term	Definition
CPI number	The Consumer Price Index, All Groups index number for Perth
First CPI determination day	31 December 2023
Determination day	31 December, annually
Previous Valuer-General determination date	<p><b>A determination made on or before 31 December 2028</b> 1 July in the most recent calendar year in which the Valuer-General determined rents under section 123(4) (as in force immediately before commencement day); or</p> <p><b>A determination made after 31 December 2028</b> 1 July in the most recent rent determination year before the calendar year in which the determination is made.</p>
Valuer-General rent determination year	2028 and every 10th calendar year after that year
Pastoral rent formula	<p><b>AR = B × (CPI<sub>r</sub>/CPI<sub>r-4</sub>)</b></p> <ul style="list-style-type: none"> <li>AR is the annual rent;</li> <li>B is the base annual rent as referred to in subsection (4);</li> <li>CPI<sub>r</sub> is the CPI number for the previous quarter;</li> <li>CPI<sub>r-4</sub> is the CPI number for the corresponding quarter.</li> </ul>
Base annual rent	<p><b>First CPI determination day</b> The lower of the following amounts: i) The current rent for the pastoral lease, or ii) the average rent for that pastoral lease over the market rent determinations applying to it since 1999.</p> <p><b>After the first CPI determination day</b> The current rent of the pastoral lease.</p>
Previous and corresponding quarter	<p>The 'quarters' referred to in relation to CPI calculations are March, June, September and December.</p> <p><b>Previous quarter</b> The most recent quarter ending before the determination is made for which a CPI number is available. (e.g. likely to be September).</p> <p><b>Corresponding quarter</b> The quarter in the calendar year immediately preceding the calendar year in which the determination is made, that corresponds to the previous year. (E.g. if the previous quarter was September 2023, the corresponding quarter would therefore be September 2022. In this example, the September 2023 and September 2022 CPI numbers would be included in the formula)</p>
Permit rent formula	<p><b>PR = B × (CPI<sub>r</sub>/CPI<sub>r-4</sub>)</b></p> <ul style="list-style-type: none"> <li>PR is the permit rent;</li> <li>B is the permit rent that applies immediately before the determination is made;</li> <li>CPI<sub>r</sub> is the CPI number for the previous quarter;</li> <li>CPI<sub>r-4</sub> is the CPI number for the corresponding quarter.</li> </ul>

The above table does not represent a comprehensive guide, please refer to section 122G of the LAA for terms used.

## Pastoral Lease and Permit Rent Determination Provisions in the LAA

Section	Application
112A	Effect on rent if reduction in stock numbers
122G	Terms used
122H	Minister to determine annual rent (pastoral lease)
122I	Minister to determine permit rent (where pastoral lease subject to permit)
123	Valuer-General to determine annual rent at 10 yearly intervals
123A	Minister may request Valuer-General to make interim determination of annual rent
123B	Determining annual rent when new pastoral lease granted
124A	Phasing in annual rent (including by regulation)
124	Annual rent if permit is issued
125	Payment of rent
126	Objections to determined rent or value of improvements
127	Rent for amalgamated leases
128	Delay, waiver or reduction of rent

## Questions and Further Information Rent Reviews

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### Landgate

For information on the process for pastoral lease rent determinations by the Valuer-General and lodging an objection to a Valuer-General rent determination, visit <https://www.landgate.wa.gov.au>

Phone: 08 9273 7373 or for Regional Australia 1300 365 288

**Email:** [customerservice@landgate.wa.gov.au](mailto:customerservice@landgate.wa.gov.au)