Buying and selling a pastoral lease in South Australia

Before you buy or sell

Before entering into a transaction involving a pastoral lease, prospective purchasers and vendors should:

Understand pastoral lease obligations

- Ensure the purchaser has the capacity to meet the obligations associated with holding and managing a pastoral lease. Refer to **Pastoral Lease Handbook**, key land management conditions under section 22 (page 13), and stock returns under section 42 (pages 9 and 13).

Check existing interests

- Confirm whether any mortgages, encumbrances or other interests are recorded against the lease.

Review financial commitments

- Check the annual rent payable for the lease and consider any associated operational costs.

Consider stock maximums and land condition

- Each pastoral lease has an approved stock maximum, which is recorded on the lease title. While this represents the maximum number of livestock permitted on the lease, most pastoral leases operate well below this most of the time, adjusting stock numbers according to seasonal conditions and management goals.

  The Pastoral Board encourages lessees to manage stock at sustainable levels – stock maximums are intended to reflect maximum stocking rates during favourable seasons, rather than at all times.

- Maximum stocking rates were originally determined through assessments undertaken under the Pastoral Act using:
  - Average stock numbers reported on annual stock returns over the previous 10 years
  - Adjustments based on district comparisons
  - An additional 20% allowance to accommodate favourable seasonal conditions
- Exceeding an approved stock maximum constitutes a breach of lease conditions.
- Stock maximums are expressed in Sheep Equivalents or Cattle Equivalents, not Dry Sheep Equivalents (DSE).
- Actual 10 and 20 year stock averages provide the best indication to the sustainable carrying capacity of the property. The Pastoral Unit can provide this information with the consent of the current lessee.
- The Pastoral Act requires that the Board must conduct land condition assessments at least once every 14 years for each pastoral lease. This function is undertaken by the Pastoral Unit on behalf of the Board. The Pastoral Unit holds copies of all Land Condition Assessment Reports and can provide copies of these reports with the consent of the current lessee.

Prepare early

- Ensure all required forms, supporting documentation and approvals have been completed before finalising settlement arrangements.

Seek advice

- Contact the DEW Pastoral Unit early in the process to discuss transfer requirements, fees and any other matters that may affect the transaction.



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Key facts



South Australia has 321 pastoral leases covering more than 40% of the State.



A pastoral lease allows the occupation and use of Crown land for pastoralism (grazing and raising livestock), conservation and a range of other uses, such as carbon farming and tourism, where approved by the Pastoral Board.



Pastoral leases are granted by the Minister for Climate, Environment and Water under the *Pastoral Land Management and Conservation Act 1989* (Pastoral Act).



Pastoral leases are granted for a term of 42 years and may be renewed for a further term, subject to periodic land condition assessments conducted at least every 14 years.



The Pastoral Act allows pastoral leases to be transferred, mortgaged, sublet and surrendered, subject to approval of the Minister for Climate, Environment and Water.

Did you know?

Ministerial consent is required before a pastoral lease, or an interest in a pastoral lease, can be:

- Transferred (i.e. purchased/sold)
- Assigned (i.e. assignment of an interest)
- Mortgaged
- Sublet
- Surrendered (wholly or partially)

To buy or sell a pastoral lease, the parties must complete a **Transfer a Pastoral Lease** or **Interest Application Form**, available on the DEW website.

Available tenure transaction forms

The following application forms are available from the DEW website:

- **Transfer a Pastoral Lease or Interest**
- **Mortgage a Pastoral Lease**
- **Sublease a Pastoral Lease**

Where there are multiple applicants, additional information may be required through:

- Annexure A – Additional Applicants
- Application fees may apply.

Submitting an application

1. Complete the relevant application form.
2. Submit the completed form to DEW via email.
3. DEW will review the application and issue an invoice.
4. Payment is made via Electronic Funds Transfer (EFT).
5. Applications will be assessed and processed once all required information and fees have been received.

You may also find the **Pastoral Lease Handbook** useful when considering a tenure transaction.

Need assistance?

For tenure transaction related enquiries contact DEW.PastoralTenure@sa.gov.au

For all general enquiries contact DEW.Pastoral@sa.gov.au or 8429 0333 and your enquiry will be directed to the relevant person

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