

**SUBDIVISION OF PASTORAL LAND
IN THE NORTHERN TERRITORY
FOR PASTORAL PURPOSES**

GUIDELINES FOR APPLICANTS



**PASTORAL
LAND BOARD**

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ATTACHMENTS:

- Application Form
- Business Plan and Feasibility Study Proforma
- Sample Cash Flow form

ACRONYMS

DLRM	Department of Land Resource Management
DPIF	Department of Primary Industries and Fisheries
DLPE	Department of Lands, Planning and Environment
ESCC	Estimated Safe Carrying Capacity

INTRODUCTION

The Northern Territory's pastoral land administration system has been designed to promote sustainable land use and sound land management practices. It is a fundamental objective of the *Pastoral Land Act* that pastoral leases not only require the sustainable use of natural resources but also remain economically viable.

Whilst the Northern Territory Government is committed to diversification of activities on pastoral land to assist economic viability, it has a duty to prevent inappropriate subdivision of pastoral leases. The Pastoral Land Board has approved policy guidelines for the lodgement of applications under the *Pastoral Land Act* to subdivide pastoral leases for pastoral purposes¹. This includes the minimum level of information to be submitted by the applicant as part of the subdivision application and the criteria to be used by the Board to assess applications.

These guidelines have been prepared to outline the information that is required to be submitted by applicants proposing to subdivide a pastoral lease where it is intended the resulting leases will remain pastoral leases for pastoral purposes. An explanation of the criteria that will be used to assess these applications has also been given.

Further advice or assistance may be obtained from the Rangelands Division, Department of Land Resource Management (DLRM). Relevant contact officers are listed on page 10.

¹ These guidelines do not apply to the subdivision of pastoral leases for non pastoral uses such as closer development for horticultural or agricultural uses. Such subdivisions require a change of tenure, for example a Crown Lease issued under the *Crown Lands Act* and subdivision approval under the *Planning Act*. Consideration will also need to be given to possible native title implications arising from both the change in land tenure and use of the land. Further information in respect of subdivision of pastoral leases for non pastoral uses can be obtained from DLRM.

PASTORAL LAND ACT

Under the *Pastoral Land Act*, pastoral lessees may apply to the Minister for approval to subdivide the pastoral lease [section 61]. The application is referred by the Minister, or his delegate, to the Pastoral Land Board for consideration and recommendation.

The Pastoral Land Board is empowered by the *Pastoral Land Act* to consider:

- (a) whether it is desirable that the pastoral lease be subdivided;
- (b) whether the resultant parts of the proposed subdivision are capable, individually, of supporting sustainable commercial pastoral enterprises;
- (c) whether the proposed lines of subdivision should be varied;
- (d) the appropriate terms of the leases for the proposed subdivided portions;
- (e) what special conditions should be imposed on the leases of the proposed subdivided portions; and
- (f) such other matters as it thinks fit.

The Board may make such recommendations to the Minister as it thinks fit in relation to an application to subdivide a pastoral lease. The Minister may, after considering the recommendations of the Board:

- (a) approve the application as submitted by the pastoral lessee or as varied by the Minister; or
- (b) refuse the application.

SUBDIVISION CRITERIA

The following criteria have been approved by the Pastoral Land Board and the Minister as the criteria which will be used to assess all applications for subdivision of pastoral leases for pastoral purposes.

The Pastoral Land Board will consider the extent to which proposals for subdivision comply with the criteria when determining its recommendation to the Minister.

The criteria have been developed in line with the provisions of section 61 of the *Pastoral Land Act* and references to the relevant sections of the Act are outlined below.

1. Desirability of subdivision [section 61(4)(a) of the *Pastoral Land Act*]

Criterion 1: Intended use of subdivided lots to be for pastoral purposes

A primary concern of any proposal to subdivide pastoral land is that the subdivided leases remain a productive part of the pastoral industry. Various types of enterprises may be recognised by the Board when considering whether a subdivision application complies with this criterion:

1. Breeding herd
2. Growing out & finishing
3. Depot or agistment uses.
4. Other compatible and non-dominant uses

The *Pastoral Land Act* requires all pastoral leases to be used for pastoral purposes. Compatible non-dominant uses are permissible only if the proposed use is non dominant over the pastoral use of the subdivided land. For example, a subdivision which proposes horticultural or agricultural uses as the primary purpose for the subdivided allotments, would not meet this criterion. It may be possible for such proposals to proceed as an excision from the pastoral lease under a different form of tenure. Further information in respect of subdivisions for non pastoral uses can be obtained from DLRM.

The application form assumes subdivided lots will be used for pastoral purposes. Applicants should consider the type of pastoral enterprise most suited to the subdivided leases when completing the business plan/feasibility study and sample cash flow forms (criterion 4).

Criterion 2: Intended use not to cause degradation of pastoral land

Applicants must demonstrate that pastoral use of the subdivided lots will not cause land degradation. This will require:

- A comparison of the Estimated Safe Carrying Capacity (ESCC) of all land types in the proposed lots and the anticipated stocking levels needed for a commercial enterprise. (*Note: Maps of leases showing land resource information and ESCC information can be obtained from DLRM. Contact officers are listed on page 10*).
- Details of present and past stocking levels on the existing lease including details of the areas currently developed for grazing purposes.
- Comment on proposed stocking levels compared to existing and proposed watering points within each proposed lot.
- Comment on the effect of proposed stocking levels and the capacity to undertake a paddock spelling program and controlled burning including use of fire for woody weed control.

Subdivision proposals relying on the use of improved pastures or cropping for stock fodder are required to outline:

- The pasture development program required to realise the full benefit of the pastures or crop and the expected production benefits. The cost and economic benefit of the pastures or crop will need to be detailed (see criterion 4).

The Board will also seek comment from DLRM on the likely impact the subdivision may have on indigenous plant and animal life in accordance with the objects of the *Pastoral Land Act* [Section 4]. Consideration will be given to the protection of threatened species, ecological communities, essential habitats and ecosystems should these issues be identified as being of concern.

Assessment of an application will also consider any existing land degradation or infestation of feral animals or weeds on the lease. Existing problems may be required to be addressed by the applicant under the remedial provisions of the *Pastoral Land Act* [section 76] prior to subdivision approval.

Criterion 3: Government policy and Regional Land use objectives.

Applications should address any existing Land Use Objectives under the *Planning Act*. Section 3 of the Application Form refers.

Details of whether any Land Use Objectives have been declared for the subject region or district can be obtained from the Department of Lands, Planning and Environment (DLPE). Contact details are on page 10.

2. Capability of proposed lots to individually support sustainable commercial enterprises [section 61(4)(b) of the *Pastoral Land Act*]

Criterion 4: Commercial Sustainability - Requirement for Business Plan and Feasibility Study

The application must demonstrate that all of the proposed new pastoral leases to be created by the subdivision are capable, individually, of supporting a sustainable commercial enterprise. The Board will consider whether the subdivided land will be able to carry sufficient numbers of cattle that, under reasonable management, will be adequate to service any debts and provide a reasonable standard of living at reasonable prices in average seasons.

Subdivision applications must be supported by a business plan/feasibility study for each lot in the proposed subdivision. A proforma is attached to the subdivision application form. Applicants may submit this information in a different format if preferred (eg own budget layout) provided all requested details are provided.

The following information is required:

Development

1. Present level of development on all proposed lots. A map and inventory schedule is available from the Rangelands Division, DLRM.
2. Proposed cost and timing of additional infrastructure development required to fully develop the new leases for sustainable commercial production. This will include access roads; fences; stockyards; buildings and watering facilities.

Note: The applicant should seek advice from Road Network Division, Department of Transport (DoT) in respect of requirements for road access to each of the subdivided lots from the Northern Territory Government's road network. Further details are provided under criterion 7 on pages 6 and 7. Relevant contact phone numbers are on page 10.

3. Proposed purchase prices of the subdivided lots.
4. Predicted livestock production assuming full development taking into account herd development; the type and extent of different land systems on the subdivided lots and the estimated safe carrying capacity.
5. A summary of any proposed program to introduce improved pasture or other land improvement with the likely cost and expected benefits. Land suitability for improved pasture development should be specified. Where cropping is proposed, an assessment of crop reliability with respect to rainfall and other factors is required.
6. Evidence of previous pastoral production on the lease including past and present stocking rates. The Board may also seek access to financial records of the existing pastoral enterprise.

Cash flows

A sample cash flow budget is required showing:

1. Estimated income assuming full development of the subdivided property.
2. Operational and maintenance costs for the pastoral enterprise.
3. Cost of livestock purchases required for herd build-up to full production.
4. Capital purchases and development costs to bring the subdivided land into full production.

A sample cash flow form is attached to the subdivision application to help applicants supply this information. The cash flow form assumes a 100% equity level and full development of the subdivided properties. Applicants must complete details of their assumptions in relation to herd performance parameters.

The purpose of the sample cash flow is to demonstrate that each of the lots in the proposed subdivision is commercially sustainable. It will only be necessary to complete one sample cash flow (for example the worst case scenario or allotment with lowest stocking rate).

If there are significant differences in ESCC and proposed stocking rates, or if different types of pastoral enterprises are proposed (eg agistment block; breeding herd; mixed farming with grazing & hay production) the applicant may elect to submit separate cash flows for each different scenario to demonstrate their commercial sustainability.

The Pastoral Land Board may recommend that as a condition of subdivision the new pastoral lease(s) must be developed in general accordance with an approved development plan. Subsequent purchasers will be encouraged to submit a revised development and business plan to reflect their own development program.

Prior to lease transfer, the Minister may require the purchaser to substantiate their financial capability to undertake development in accordance with the approved plan. Verification in writing from the purchaser's accountant or financier will be sufficient.

A subdivision resulting in a parcel of land which is not considered commercially sustainable on its own, will only be allowed if the parcel is to be amalgamated with an existing contiguous lease.

Note: Under the provisions of the *Pastoral Land Act*, a subdivision application is not required if an excision of less than 8% of the lease is proposed. Application for a partial surrender of the lease is required in these cases.

3. Subdivision lines [section 61(4)(c) of the *Pastoral Land Act*]

Criterion 5: Suitability of subdivision boundaries

When proposing subdivision boundaries, applicants should consider the following:

- **Allotment size**

Lot sizes should be sufficient to ensure commercial sustainable enterprises are achievable on the new leases to be created by the subdivision.
- **Access**

The need for access to each lot should be considered in the design and layout of the proposed subdivision. Subdivision costs may be reduced by limiting the number of access roads required.
- **Land resource information**

When determining boundary alignments the applicant should consider the different land types, grazing potential and efficient land use. Subdivision design should take into account management of preferred grazing country and the need to reduce the risk of overgrazing and land degradation. Location of rivers, creeks and surface drainage lines also need to be considered in the subdivision design.
- **Fire management**

Boundaries may be aligned to enhance fire management through position of breaks on boundaries.
- **Present development on the lease**

The location of fence lines, watering points and other existing infrastructure should be considered in the subdivision design.
- **Future development options**

Consideration is also required of potential excisions by Telstra, the Power and Water Corporation and other government requirements.

4. Appropriate terms of leases [section 61(4)(d) of the *Pastoral Land Act*]

Criterion 6: Level of existing development on new leases

The Board will consider the existing level of development on each proposed lot, to determine its recommendations to the Minister on the appropriate terms for new leases. Most new term leases will be subject to a general development condition requiring completion of development in accordance with an approved development plan. This may be the business plan submitted as part of the subdivision process or an amended plan submitted by an incoming purchaser.

In some cases, new leases may be subject to specific development conditions. As an example, development covenants may be imposed on any proposal which relies on development of improved pastures, cropping or alternative uses for economic sustainability.

Tenure for new lots may be issued as a Perpetual Pastoral Lease if it is considered the existing level of development is sufficient to operate a pastoral enterprise (fences; watering points; stock yards and handling facilities; homestead and ancillary buildings). Special conditions may be applied to new leases following subdivision.

5. Special Conditions [section 61(4)(e) of the *Pastoral Land Act*]

In addition to the development conditions outlined under Criterion 6, conditions may also include a guideline on stock numbers, expressed as stock per watering point or per the total area of the property.

As well, there may be a requirement to conduct and report on pasture monitoring. As a condition of closer subdivision, the Pastoral Land Board may recommend a more intensive monitoring program, for example monitoring sites established in each paddock and annual assessment of all sites.

6. Other matters [section 61(4)(f) of the *Pastoral Land Act*]

Other matters that will be considered are provision of access to all proposed allotments; provision of water; implications of Native Title and other Aboriginal issues; protection of any heritage sites and any other specific requirements of government agencies.

Criterion 7: Provision of legal access

Subdivision approval will be subject to the provision of an appropriate road network to service all parcels created, to the approval of the Road Network Division, DoT or the relevant local Government authority (eg Litchfield Shire Council). Contact details for the Road Network Division are listed on page 10. Road Planning officers will be able to advise all NT Government requirements and/or whether local government standards will apply. Applications must allow for:

- Roads that conform to the NT Government Pastoral Road Standards or Local Government road standard requirements, and which are centrally located within a 100 metre road reserve.
- All road reserves to be excised from the affected land. The applicant is to provide written evidence that an excision of legal access can be achieved. This may require a letter of excision approval from affected neighbouring property owners.

It will be a requirement of subdivision approval that all proposed work associated with the provision of new access roads or upgrading of existing roads shall be designed, supervised and certified by a registered and practising civil engineer as being in accordance with the standards and specifications of the Road Network Division, DoT and/or the relevant local government authority.

The following process will be required if the access roads to the subdivided lots are to be managed and maintained by the NT Government:

1. Drawings for the subdivision access roads must be prepared and submitted to the Senior Director, Road Network Division, DoT for approval.
2. After approval of the road design documents the developer or the constructor shall obtain a "Permit to Work in the Road Reserve" from the Regional Office of DoT to allow work within the existing road reserves.
3. Upon completion, the supervising engineer is required to certify that the road work has been constructed in accordance with the approved drawings.
4. Defects in design and construction which appear within the first twelve months after certified completion will be rectified by the developer.
5. Upon the expiration of the defects liability period and the satisfactory rectification of any defects the road works will be accepted by government for maintenance and control.

Criterion 8: Provision of stock and domestic water

The application should include an assessment of existing stock or domestic water points and opportunities for further water development on each proposed lot.

Subdivision approval may be subject to the applicant providing at least one water point of a suitable standard for stock and domestic use on each allotment. It may be a requirement that this work be completed before the issue of new titles and/or subsequent transfer of titles to incoming purchasers.

Criterion 9: Consideration of native title and Aboriginal issues.

DLRM will seek advice on any native title and Aboriginal issues (eg. sacred sites) that may have an impact on the proposed subdivision and will report to the Board in respect of this criterion.

Criterion 10: Protection of heritage sites

The Heritage Conservation Branch, DLPE will be consulted on all subdivision proposals to assess whether there are any heritage conservation issues associated with the subdivision.

If concerns are identified, these will need to be addressed as part of the subdivision process and potential purchasers of the new leases will need to be informed of heritage issues and the need to comply with the *Heritage Conservation Act*. A standard condition alerting lessees to the need to comply with heritage legislation will be included on all new leases in cases where heritage conservation has been identified as an issue of concern.

Application Form

An application form for subdivision of a pastoral lease is attached. A Business Plan and Feasibility Study proforma and Sample Cash Flow Form have also been provided. Applicants may elect to provide this information in a different format.

The minimum level of information required for the Business Plan and Feasibility Study is outlined on the proforma. This must include details of existing development; development required to bring the subdivided land into full production; details of past and present stocking history; a description of land resources (land systems or units) and ESCC details. A business plan/feasibility study is to be provided for each lot in the subdivision, including the head-lease area.

A sample cash flow is required to be submitted, based on the allotment with the lowest stocking rate.

Applicants may elect to provide additional cash flows if different pastoral enterprises are proposed (eg. agistment block/breeder block/multiple use such as hay production) or if there are significant variations in lot sizes and/or carrying capacities.

All details requested on the forms must be submitted at the time of lodgement of the application.

Applicants are encouraged to discuss subdivision proposals with the Rangelands Division, DLRM prior to lodgement of the formal application. Relevant telephone contacts are shown on page 10. DLRM staff will be able to assist with information such as pastoral lease maps, land resource details, and information on ESCC. These issues are fundamental to the subdivision design.

Officers of Primary Industry Group, Department of Primary Industry and Fisheries (DPIF) may be able to provide assistance with financial and business planning matters, livestock production issues and information regarding improved pastures and cropping. Phone contact details for DPIF are shown on page 10.

Application Fee

A non-refundable application fee of \$1415.61 is required when applications are submitted.

The fee and application should be mailed to:

The Director
Pastoral Lease Administration and Board
Department of Land Resource Management
PO Box 496
PALMERSTON NT 0831

Procedures for consideration of applications

1. Applications which do not provide sufficient information as outlined in these guidelines and as required on the application forms will not be accepted. Incomplete applications will be returned to the lessee for submission of the additional information required.
2. Upon receipt of completed applications, DLRM will seek comment on the subdivision proposal from relevant government agencies.
3. The application will be formally referred to the Pastoral Land Board. The Board may give preliminary consideration to the proposal and refer any areas of concern to DLRM for further investigation.
4. A compiled report will be submitted to the Pastoral Land Board for consideration, normally within 10 - 12 weeks of lodgement of the application, depending on the complexity of the subdivision proposal. This report will include comments of all relevant Departments and will include reports by investigating field officers.
5. Once the Pastoral Land Board has received all relevant documentation it will schedule a meeting to consider the application at the earliest possible opportunity. This will normally include a property visit and, depending on the complexity of the application, may be handled by a Committee of Board members. The lessee will be given the opportunity to appear before the Board and to accompany Board members during a property visit.
6. Following the Board's consideration of the application a report will be prepared for the Minister's consideration. This is usually submitted within 3 - 4 weeks of the Board meeting. In some cases, the Board may need to seek additional information or may hold further discussions with the applicant lessee (for example to consider possible amendments to the subdivision proposal).

The Board's report to the Minister includes a recommendation for his consideration in determining the application.

7. The applicant will receive notification direct from the Minister advising his/her decision on the subdivision application; and if approved, the conditions of approval and the subdivision works required to be carried out by the applicant.

Issue of title will normally be dependent on completion of all subdivision works (eg. roads, bores).

The applicant will also be responsible for arranging survey of the new lots. Applicants should note that survey approval may take 2 - 3 months from lodgement of the new survey plan with the Surveyor General.

Note: Time frames are a guide only. Although best endeavours will be made to meet these time frames there may be unexpected delays in the subdivision process. Complex applications may require additional time for investigation and determination. As a general guide, subdivision applications may take 6 - 9 months to be processed and a further 4 months for survey approval and issue of new titles.

Further assistance

1: Department of Land Resource Management

- **Rangelands Division**

Assistance with lodgement of applications; subdivision procedures & guidelines; information on ESCC; land resource mapping and Pastoral Lease infrastructure maps.

Darwin: Rangeland Monitoring Officer – Ph: 8999 4535

Katherine: Rangeland Monitoring Officer – Ph: 8973 8842

Alice Springs: Rangeland Monitoring Officer - Ph: 8951 9248

Pastoral Land Board Executive Officer – Ph: 8999 4667

Director Pastoral Lease Administration and Board – Ph: 8999 4474

2: Department of Lands, Planning and Environment

- **Lands and Planning**

Information on any Land Use Objectives that may apply to the subdivision area under the *Planning Act*.

Darwin: 8999 5300

Katherine: 8973 8926

Alice Springs: 8951 9200

- **Survey**

Information on survey requirements.

Darwin: 8995 5360

Alice Springs: 8951 9241

3: Department of Primary Industries and Fisheries

Assistance with financial and business planning; livestock production issues and information regarding improved pastures and cropping.

General Enquiries: Ph: 8999 5511

4: Department of Transport

- **Road Network Division**

Information on requirements for road access to subdivided lots and standards of construction.

Phone enquires: 8924 7531

5: Telstra

General Enquiries Northern Territory: FREECALL 1800 687829

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