

# CHECKLIST FOR FARM LEASING

**A**re you looking to grow your business through the leasing of land? We are here to support you to make the right step forward for you and your farm business.

This factsheet provides a handy checklist to understand how to best prepare for, and manage, your lease. Remember, we have a bevy of resources in the [Leasing & Agistment Toolkit](#) to help you work through this list!



## Before you commence

### Business Fit & Capacity

- What are your goals for the lease and how do these relate to your existing business, personal and family goals?
- Do you have the resources to undertake the lease (e.g. labour, management capacity, machinery, funding)?
- Will your overall business profitability increase by introducing this land under your management?

### Due Diligence

- Have you done your research on the owner? You could politely approach your trusted advisors, peers or neighbours to get their opinion.
- Conduct a joint inspection the potential lease property and fill in a condition report/pre-property inspection checklist with accompanying photographs. Take special note of condition of land and improvements.



### Lease Budget and Planning

- Have you researched recent land sales and discussed current lease rates with trusted advisors/peers?
- Have you prepared a budget? This is critical to determine the best/average/worst scenario over the lease period.
- What are the inputs you require (e.g. fertiliser, seed, animal health)?
- Do you need to travel to the property? You need to value your time as this is an opportunity cost.
- Have you calculated lease rate options based on a number of options to help you negotiate/discuss the lease?
- Have you prepared a plan incorporating this lease into your current business?
- Have you determined how much extra working capital is needed?

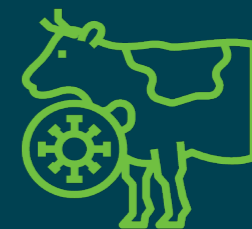
### Lease Agreement

- Has a lease agreement been drafted that includes all the necessary elements relevant to your circumstances?
- Has the lease agreement been reviewed and approved by your solicitor?
- Remember both parties must sign the lease agreement!

# Lease is in operation

## Lease Management

- Are you managing the lease in an appropriate manner and in accordance with the agreement?
- Are you having regular (at least annual) meetings with the landowner to discuss and resolve any issues?
- Are you inspecting the property periodically?
- Are you communicating openly and honestly with the owner of the land?
- Have you provided the owner with an annual statement outlining land use and evidence of the lease conditions (e.g. fertiliser application, weed removal)?
- Have you paid your rent on time and as per the lease agreement?
- Are you appropriately managing [biosecurity](#), [animal welfare](#) and obligations under the [Agricultural Tenancies Act](#)?



### **Prevention of Cruelty to Animals Act 1979:**

The objects of this Act are to prevent cruelty to animals, promote the welfare of animals by requiring a person in charge of an animal to provide care for the animal, and to treat the animal in a humane manner, and to ensure the welfare of the animal.

**Your role in Biosecurity:** Biosecurity is the protection of the economy, environment and community from the negative impacts of pests and diseases, weeds and contaminants. We can only successfully manage biosecurity when every person plays a part.

**Agricultural Tenancies Act 1990:** applies to all agricultural tenancies in New South Wales. The Act regulates aspects of the rights between agricultural landowners and their tenants and sharefarmers.

## Leasing resources

IN THE [YOUNG FARMER LEASING & AGISTMENT TOOLKIT](#) WE HAVE A NUMBER OF RESOURCES TO HELP YOU IN NAVIGATE LEASING LAND:

1. Videos with experts
2. Leasing factsheets
3. Sample lease agreement
4. Lease budget calculator
5. Lease checklist



....and much more!



- [Leasing & Agistment Toolkit \(Young Farmer Business Program\)](#)
- [Farm Scorecard \(People in Dairy\)](#)
- [Checklist for arranging a lease \(People in Dairy\)](#)
- [Successful land leasing in Australia \(AgriFutures Australia\)](#)
- [Leasing Dairy Assets Resource Pack \(Dairy Australia\)](#)
- [Leasing and share farming fact sheet \(GRDC\)](#)
- [Farm Leasing \(Farm Table\)](#)