From the establishment of the colony in 1788 to 1813 the settlement at Port Jackson had been confined to a narrow coastal strip. This land was not suitable for the agricultural needs of the colony so exploration west took place to seek more productive land. Blaxland, Wentworth and Lawson’s crossing of the Blue Mountains in 1813 proved there was a route over this barrier but gave no indication of what lay beyond. Was this another Botany Bay? Soon afterwards, Deputy Surveyor Evans confirmed the potential of the land as good grazing land.

Governor Macquarie, faced with a drought and a flood stricken Colony, ordered the construction of a road over the mountains. Captain Cox and his superintendent, Richard Lewis, with several free men and a few convicts built the road in six months. Evans travelled again westward, and in 1815 reached the Lachlan River, and once more returned to the Colony with good reports. Surveyor General Oxley, on March 24, 1817 was despatched "to ascertain the course of the Lachlan River and generally prosecute the examination of the western interior of New South Wales". Oxley reached the present residential area of Forbes known as "Camp Hill" during the year 1817.

Development of the west was constrained by restrictive and confusing land policies. Land grants were abolished in 1831, and up until that time grants had been restricted to officers and officials of the Colony. With the abolition of grants passed the private tendering system also. Land was publicly auctioned, the price starting at 5/- an acre, rising to £1 per acre in 1841.

The rapid development of the sheep industry focused on conflict and confusion. There were few fences and leased land was subject to free selection under Robinson's Act. "Free selection before survey" was passed after the granting of self government in 1850. During the period 1861 to 1864, the Crown parted with 39 million acres of land, while only 420,000 acres were cultivated and 21,000 people were settled. The struggle for land ownership saw selection of the choicest areas on a run which would deliberately enclose a lessee's main water supply.

Then agriculture paled under the discovery of gold and the consequent swarm of humanity that overwhelmed each strike, stripping the area and moving onwards. It is advisable to relate Forbes to the Australian "Gold Rush". The stimulation of discoveries of gold on the Ovens and Mitta Mitta Rivers, encouraged exploration in the Snowy Mountains. Gold was found at Kiandra in November 1859, and from all directions miners swarmed onto a plateau of wind and snow, even facing in their quest for gold, the hardships of the Upper Murray route from Victoria. Kiandra was limited in its yield and the swarm migrated to gold found on Lambing Flat at Young. The miners would always attempt to secure the richest dirt, always holding themselves ready for a fresh rush. A population of 20,000 camped on this field at Young in 1861, then swarmed off to Forbes when it was announced that Josiah Strickland had found gold on T. Ranken's property, "Bugabagal Station". In two years 300,000 ozs of gold were won on a field consisting of lodes and alluvial leads, then hearing of gold at Chotow River in New Zealand, a rapid exodus of 28,000 men left the Forbes fields. In the days of the Gold Commissioners, an area of 40 square feet only, per party of four was allowed. The minuteness and close proximity of the claims created problems of access and lack of space to build efficient de-watering machinery. Living under indescribable conditions of imminent mine collapse, waist deep water and unhygienic surroundings, they toiled on with high spirits.

"The Boys" appeared during the "Gold Rush" period. This was the local name for the bushranger gang led by Gardiner and Ben Hall. Their most spectacular hold-up was sticking up the gold escort from Forbes on June 15, 1862, at Escort Rock, which was carrying gold to the Bank of New South Wales, the Commercial Banking Company of Sydney and the Oriental Bank. "The Boys" made off with fourteen thousand pounds, and only part of it was eventually recovered. Gardiner was finally caught in Queensland, gaol for a brief period, then finally released on a guarantee that he would leave Australia. Ben Hall was shot resisting the police after hiding in the Mylengaloo area west of Forbes.