



FARMLAND RATING POLICY

REVIEW AND RESPONSIBILITY	
POLICY OWNER	Chief Financial Officer
FIRST ADOPTION DATE	21/12/2015
LAST ADOPTION DATE	27/05/2024
NEXT REVIEW DATE	27/05/2027
REVIEW CYCLE	Every 3 years unless legislation differs
LAST AMENDMENT DATE (ADOPTION NOT REQUIRED)	Nil

POLICY STATEMENT	This policy details the legislative provisions within the Local Government Act 1993 under which Council may categorise land as Farmland for rating purposes and formalises the criteria and procedures to be used to assess applications for Farmland Rating.
SCOPE	Chief Executive Officer, Chief Financial Officer, Revenue Team Leader, Finance Officer – Revenue, Senior Revenue Officer and Revenue Officer
RELATED PROCEDURES	Nil
RELATED DOCUMENTS	Application for Categorisation of Land as Farmland for Rating Purposes
COMPLIANCE REQUIREMENTS	Local Government Act 1993 (Section 515)

Always read this policy in conjunction with the Related Procedures identified above.

1. PURPOSE OF THIS POLICY

This policy aims to:

- Provide clear procedures and criteria for assessment of categorisation as farmland for rating purposes,
- Ensure that all applications for categorisation as farmland for rating purposes are determined using a consistent criteria,
- Ensure that all eligible rate assessments are appropriately categorised as farmland for rating purposes.

2. PRINCIPLES

2.1 Legislative Requirements

a) Section 515 of the Local Government Act 1993 provides:

- Land is to be categorised as “farmland” if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying,

pig-farming, poultry farming, viticulture, orcharding, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind, forestry or aquaculture within the meaning of the Fisheries Management Act 1994, or any combination of those businesses or industries which:

- has a significant and substantial commercial purpose or character, and
- is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).
- Land is not to be categorised as farmland if it is rural residential land.
- The regulations may prescribe circumstances in which land is or is not to be categorised as farmland.

2.2 Procedures for Determining Applications and Periodical Reviews

- a) Council shall make available to ratepayers an “Application for Categorisation of Land as Farmland for Rating Purposes” form.
- b) A completed “Application for Categorisation of Land as Farmland for Rating Purposes” form must be lodged with Council by the property owner. The Revenue Team Leader has delegated authority to assess the application in accordance with the ‘Criteria for Assessing Applications’. The criteria will be reviewed when required according to changes in legislation and industry standards. Council may ask the applicant to supply further information where the details in the original application are not sufficient to determine the application.
- c) All information contained within an Application for Categorisation as Farmland for Rating Purposes shall be treated as “strictly confidential”.
- d) To assist with the determination of an application, property inspections will be carried out for all new applications and all borderline applications following a periodic review of properties categorised as farmland.
- e) Property inspections shall whenever necessary and possible be carried out at a time convenient to and in the company of the ratepayer or occupier of the property.
- f) The staff member completing the inspection shall complete an inspection report at the time of inspection, or as soon as practical thereafter.
- g) Authority under the Local Government Act 1993 to enter upon any lands for the purposes of carrying out farmland rating inspections shall be

granted to the Revenue Team Leader, Revenue Officer, Senior Revenue Officer and Finance Officer - Revenue.

- h) As per section 525(6) of the Local Government Act 1993 all applications are to be assessed within 40 days of receipt of the application. In respect of unsuccessful applications, reasons for refusal shall be given.
- i) Effective date for category change for new applications will be the date of application.
- j) In the event of a property owner being dissatisfied with the decision, the applicant may request a review of the decision by submitting their request and reasons why the determination should be reviewed in writing to the Chief Executive Officer within 30 days of the decision. Applicants will be advised in writing of the outcome of the review.
- k) If the applicant remains dissatisfied with the outcome of the review an appeal against the declaration of category under section 526(1) of the Local Government Act 1993 must be lodged with the Land and Environment Court within 30 days after the declaration is made by Council.
- l) If an applicant chooses to appeal to the Land and Environment Court against the categorisation declaration, Council may obtain an independent review of the application. This review would require the appointment of an independent advisor with agricultural expertise to inspect the property and provide a written report of the categorisation determined by Council. Where a property is sold, transferred or subdivided (other than a minor boundary adjustment) the owner(s) will be required to complete and submit an "Application for Categorisation of Land as Farmland for Rating Purposes" form for determination within 30 days of Councils receipt of the notice of sale from Land and Property Information.
- m) A periodical review of all properties categorised as farmland is to be carried out at least every four (4) years. Owners will be requested in writing to complete an Application for Categorisation of Land as Farmland for Rating Purposes form.
- n) A periodical review is to be completed at least two (2) months prior to the end of the rating year and any category adjustments will be effective from the next rating year. Owners will be notified in writing of any category change and have the same rights of appeal as new applications.

- o) If an applicant refuses to complete an application form or to provide sufficient information to enable determination of the application, the property shall be considered ineligible for farmland rating effective from the next rating year. Owners will be notified in writing of this change.
- p) Properties included in the periodic review are to be assessed under the same criteria as new applications.
- q) To support and encourage agricultural production, properties leased (or partially leased) for farming purposes will be categorised as farmland for rating purposes wherever the below minimum requirements are satisfied. The Procedures for Determining Applications also applies for leased properties and a copy of the lease agreement detailing the termination date must be provided. In addition to 2.2.14 and 2.2.15 a review will be conducted on termination of the lease.

2.3 Criteria for Assessing Applications

In addition to providing appropriate business information to confirm that the farming activity is engaged for the purpose of profit on a continuous or repetitive basis the minimum requirements which will need to be satisfied for eligibility for farmland rating are detailed below:

- a) Grazing
 - Minimum area of 10 hectares and minimum number of 20 head of stock.
 - Acceptable carrying capacity, registration with Local Land Services, relevant infrastructures such as dams, loading/unloading ramps, secure and appropriate fencing.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve less stock numbers for a period of time, which will include an appropriate recovery period.
 - Agistment- each application will be taken on its own merits. A copy of the written agreement for agistment should be supplied showing the number of stock and the time periods of agistment. Where land is given over to agistment for the purposes of grazing horses used by another person for recreation or sport this does not constitute the business of grazing (see, J E Clinton Enterprises Pty Limited v. Camden Municipal Council).

b) Animal Feedlots

- Minimum of 100 square meters per head, confined yard with watering and feeding facilities, either hand or mechanical, required loading and unloading ramps, secure and appropriate fencing and capacity of 50 head or more.
- Note: According to DPI “A beef feedlot is a confined yard area with watering and feeding facilities where cattle are completely hand or mechanically fed for the purpose of production. This definition does not include the feeding or penning of cattle in this way for weaning, dipping or similar husbandry purposes or for drought or other emergency feeding, or at a slaughtering place or in recognised sale yard.”

c) Dairying

- Proof of registration with Local Land Services, milking facility available, acceptable carrying capacity, relevant infrastructure such as dams, loading and unloading ramps, secure and appropriate fencing.
- Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve less stock numbers for a period of time, which will include an appropriate recovery period.

d) Pig Farming

- Minimum area of 2 hectares, minimum of 10 sows, penned and cared for in accordance with relevant legislation.
- Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve less stock numbers for a period of time, which will include an appropriate recovery period.

e) Poultry Farming

- Approval to operate a poultry farm from Council, minimum of one (1) shed with minimum average quota of 20,000 chickens per annum, 12,000 turkeys per annum or 10,000 laying hens per annum.
- Free range Ostriches, minimum average quota of 5 birds per annum.
- Free Range Eggs – the range area must be capable of continued production of vegetation.

f) Viticulture

- Minimum area under cultivation 5 hectares, registration with the Wine Producers Association or other appropriate body, appropriate irrigation available.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- g) Horticulture
- Minimum area under cultivation of 1 hectare, water supply readily available or irrigated. A copy of a horticulture produce agreement in-line with The Horticulture Code of Conduct or appropriate documentation to demonstrate farmers market or other farm direct sales is required with the application. Nurseries are required to be registered and must be growing their own stock.
 - Christmas Tree farms are considered a type of horticulture for the purposes of this policy.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) conditions Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- h) Vegetable Growing – Soil Based
- Minimum area under cultivation of 1 hectare, water supply readily available or irrigated, to cover the majority of useable land either preparation or planted.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- i) Vegetable Growing – Hydroponic Farming
- Facility can either produce or sells 10,000 units of produce per annum.
 - Infrastructure has been established and water supply readily available.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced quantity of produce

generated and sold for a period of time, which will include an appropriate recovery period.

- j) Orcharding
- Minimum area under cultivation of 1 hectare, water supply readily available or irrigated, to cover the majority of useable land either in preparation or planting.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- k) Beekeeping
- A sufficient number of hives in production to demonstrate a commercial production, hives must be in continuous use (although they can be located across multiple sites), extraction plant available (only properties with the extraction plant are qualified for farmland rating), must be registered with NSW Department of Primary Industries.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may reduce the number of hives required for a period of time, which will include an appropriate recovery period.
- l) Crop Growing
- Minimum area under cultivation of 1 hectare, water supply readily available or irrigated.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- m) Forestry
- Minimum area of 100 hectares, evidence of propagation.
 - Under extreme weather conditions (i.e. drought, flood, natural disaster) Council may approve a reduced minimum area under cultivation for a period of time, which will include an appropriate recovery period.
- n) Aquaculture

- Aquaculture permit from Department of Primary Industries is required for fish hatcheries or grow-out facilities, including yabby farms, grow-out ponds, 'fish-out facilities and oyster farms (but not including aquariums for display or pet shops).

2.4 Mixed Farming

- a) Where multiple farming activities are being conducted on a property and the above criteria for a single farming type is not met but evidence can be provided to show that the mixed farming business has a significant and substantial commercial purpose or character an overall assessment will be made to determine the application.

2.5 Additional Circumstances for Assessing Applications

- a) Where an assessment does not meet the minimum land area or stock requirements in any of the above criteria, it may still be deemed to comply with the definition of farmland where the land owner can establish that the size and scale of the farming activity is consistent with having a significant and substantial commercial purpose. For an application to be considered the applicant must establish:
 - That the farming business is engaged in for the purpose of profit on a continuous or repetitive basis
 - The farming business is of sufficient scale to genuinely make a profit from the activity (even if it is unlikely to do so in the short term)
 - The farming activities are planned, organised and carried out in a businesslike manner and are not a hobby or recreational activity.
 - The farming activity/activities carried out are of sufficient scale as to have some element of independent viability.
- b) The application must include sufficient evidence including business records confirming levels of activity and income and expenses substantiated by appropriate bookkeeping practices. A business plan or demonstration of established trading with the intention and possibility of making future profits must be apparent. If activities will only ever produce small returns and there is no possibility of making future profits then they would not be considered to have a significant and substantial commercial purpose.

2.6 Hardship Relief

- a) Council's Hardship Policy details assistance provided to ratepayers experiencing financial hardship resulting from Natural Disasters or unfavourable climatic conditions (e.g. drought, flood, etc.). In accordance with Council's Hardship Policy the below relief will be provided to farmland ratepayers experiencing financial hardship resulting from natural disaster or unfavourable climatic conditions:
- Deferment of payment of outstanding rates for the duration of the natural disaster plus a period of up to twelve months where a ratepayer has been significantly affected financially by the natural disaster or unfavourable climatic conditions.
 - Write-off of accrued interest.

2.7 Additional Hardship Relief

- a) In addition to relief provided under Council's Hardship Policy the following will be applied to farmland rate assessments
- Arrangement to pay rates over an extended period of time will be accepted.
 - No legal action for the recovery of outstanding rates and charges will be taken whilst the area is declared in natural disaster.
 - Where stock levels or crop areas fall below the farmland rating policy minimum criteria, the effects of the extreme conditions will be taken into consideration when assessing an Application for Categorisation as Farmland for Rating Purposes. This includes periodical reviews.

The above would continue to apply for twelve months after the area is no longer declared in natural disaster.

3. ROLES AND RESPONSIBILITIES

ROLE	RESPONSIBILITY
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COUNCILLORS	Council is responsible for approving policy that provides clear procedures and criteria that enables consistent assessment of applications.
CHIEF EXECUTIVE OFFICER	Responsible for approval of hardship applications and review of disputed applications
CHIEF FINANCIAL OFFICER	Responsible for providing recommendation of write off due to hardship and disputed applications to CEO
REVENUE TEAM LEADER	Responsible for determination of applications
SENIOR REVENUE OFFICER, FINANCE OFFICER - REVENUE AND REVENUE OFFICER	Responsible for performing duties in accordance with this policy and providing application and inspection report assessments to Revenue Team Leader to enable determination of applications.

4. RISK ASSESSMENT

Interactions with ratepayers and applicants will be in-line with Council's Code of Conduct and Customer Service Charter.

TERM	DEFINITION
COUNCIL	Means Wollondilly Shire Council
THE ACT	Means the Local Government Act 1993
THE REGULATION	Means the Local Government (General) Regulation 2021