

### 3.11. F&G - 25/11/2024 - Draft Policy - Categorisation of Land as Farmland for Rating

#### Strategic Context for this matter:

##### Strengthening Our Economy

To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

##### Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

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#### Executive Summary

The draft Categorisation of Land as Farmland for Rating Purposes Policy is new to Council and its purpose is to establish clear guidelines and procedures for the Revenue Team to apply to the assessment of rateable land parcels for the categorisation of Farmland for rating purposes and to ensure that all farmland assessments are determined using consistent measures.

Historically, Council adopted the approach of granting farmland to properties based on land size without any consideration of the criteria required under the Act. The adoption of a policy and the establishment of an application / assessment process are consistent with better practice for local government.

This policy will ensure a uniform approach from Council when determining the categorisation of land for ratepayers. The policy has been set in accordance with Section 515 of the Local Government Act. An application form will be available, and an assessment will be undertaken regarding the activities carried out on the property.

The purpose of the Policy is to continue to support primary producers within the Local Government area and to ensure that all ratepayers within the LGA are rated fairly and correctly.

#### Administration's Recommendation

THAT Council place the draft Categorisation of Land as Farmland for Rating Purposes Policy on public exhibition until the end of January 2025. Following the exhibition period, the policy will be returned to Council to consider any submissions received and determine whether the policy will be adopted.

#### Attachments

1. DRAFT Categorisation of Land as Farmland for Rating Purposes Policy [3.11.1 - 6 pages]
2. Application for Farmland Rating [3.11.2 - 7 pages]
3. Farmland FAQ sheet [3.11.3 - 4 pages]

#### Reference to any relevant previous minute

N/A

## Background and discussion

Council is required to categorise all land as one of the following categories;

- Farmland;
- Residential;
- Business; or
- Mining

Section 515 of the Local Government Act 1993 provides;

*“Categorisation as farmland*

*(1) 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;*

- a) Has a significant and substantial commercial purpose or character, and*
- b) Is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).*

*(2) Land is not to be categorised as farmland if it is rural residential land*

*(3) The regulations may prescribe circumstances in which land is or is not to be categorised as farmland.”*

The application and criteria for farmland rating has been developed based on better practice policies from other NSW Councils and is in line with the criteria set out in the Local Government Act 1993. How the criteria is applied depends on the type of farming. Each application is considered on a case by case basis using the criteria relevant to that type of farming.

While a property owner can make an application for farmland rating at any time, all land owners who receive the farmland discounted rate will have their application reviewed every 3 years.

If an applicant refuses to complete an application form or to provide sufficient information to enable a determination of the categorisation, the property shall be considered ineligible for farmland rating.

All applicants are notified of the outcome within a suitable time frame. Applicants then have 30 days to appeal if not satisfied with the decision. There is an opportunity for a review if further information is supplied which may establish farmland categorisation. In some instances, a property inspection may be required.

If an applicant chooses to appeal to the Land and Environment Court against the categorisation, Council may decide to obtain an independent review of the application. This review would require the appointment of an independent advisor with agricultural experience to inspect the property and provide a written report on the categorisation determined by Council.

It is important to note that the word “farming” in the context of the Local Government Act is about making a living from the land, contributing to society as a primary producer on a commercial basis.

The adoption of this policy will support officers in determining eligibility and ensuring that ratepayers are being rated correctly and fairly.

**Consultation and Communication**

Council has consulted with the Office of Local Government Rating and Revenue Raising Manual, the Local Government Act 1993, other NSW Councils, members of the NSW Farmers Association and several farmers within the Local Government Area in relation to the review of Farmland properties and the development of the policy and application form.

The Revenue team will openly discuss any aspects of the process and application with ratepayers who have enquiries. An FAQ sheet has been developed.

**Policy**

As detailed in this report.

**Legal**

Eligibility will be determined in accordance with Section 515 of the Local Government Act 1993. If an applicant is not satisfied with Council's decision nor the decision of an independent reviewer, they may apply to the Land & Environment Court.

**Risk Management**

N/A

**Financial**

The draft Categorisation of Land as Farmland for Rating Purposes Policy does not add or subtract from total income obtained from Council's rating base.

- Future potential impact – Nil.

**Consultation and Communication**

N/A