



8. FINANCE

Policy 8.11

CATEGORISATION OF LAND AS FARMLAND FOR
RATING PURPOSES

Version 1

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8.11 CATEGORISATION OF LAND AS FARMLAND FOR RATING PURPOSES

OBJECTIVE

- a) To provide clear criteria and procedures in relation to the assessment of land categorised as farmland for rating purposes.
- b) To ensure that all applications for categorisation as farmland for rating purposes are determined utilizing a consistent assessment approach.
- c) To provide staff with delegated authority to assess rateable land parcels for the categorisation as farmland for rating purposes.

POLICY

In relation to the determination of rateable land parcels for categorisation as farmland for rating purposes, Chapter 15, Part 3 and Part 3A of the Local Government Act 1993, (the Act), as amended, is applicable.

For land to be categorised as Farmland in terms of Section 515(1) of the Act, it must be:

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).

Land is not to be categorised as farmland if it is rural residential land.

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. Properties will then be categorized as rural residential land.

1. Procedures for Determining Applications and Periodical Reviews

- 1.1 Council will make available to ratepayers an "Application for Categorisation of Land as Farmland for Rating Purposes" form.
- 1.2 A completed "Application for Categorisation of Land as Farmland for Rating Purposes" form must be lodged with Council by the property owner for an application to be assessed. The Revenue Manager has delegated authority to assess the application in accordance with the criteria included in this policy.

- 1.3 The assessment criteria will be reviewed as required, in accordance with changes in legislation and industry standards.
- 1.4 Council may ask the applicant to supply further information where the details in the original application are not sufficient to determine the application.
- 1.5 All information contained within the application will be treated as confidential and will be managed in accordance with Council's Privacy Management Plan.
- 1.6 To assist with the determination of an application, a property inspection may be required. The property owner will be contacted prior to the visit to arrange a time that is convenient to the owner. Any inspection will occur in the company of the ratepayer or occupier of the property.
- 1.7 The staff member completing the inspection will complete an inspection report at the time of the inspection, or as soon as practicable thereafter.
- 1.8 Authority under the Act to enter upon any lands for the purposes of conducting an inspection shall be granted to the Revenue Manager, Snr Revenue Officer and Revenue Officer.
- 1.9 As per section 525(6) of the Act applications are to be assessed within 30 days of receipt of the application. In respect of unsuccessful applications, reasons for refusal shall be provided.
- 1.10 Effective date for category change for new applications will be the date of application.
- 1.11 In the event of a property owner being dissatisfied with a decision, the applicant may request a review of the decision by submitting a written request with reasons for disputing the decision. The review request must be received by the General Manager within 30 days of the decision. Applicants will be advised in writing of the outcome of the review.
- 1.12 If the applicant is dissatisfied with the outcome of a decision review an appeal against the declaration of category under section 526(1) of the Act must be lodged with the Land and Environment Court within 30 days after the declaration is made by Council.
- 1.13 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.

2. Review of Categorisation as Farmland upon Sale or transfer of property.

- 2.1 Where a property is sold, transferred or subdivided the owner(s) and Council receives the notice of sale an application will be sent to the new owner who 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 the application being posted.
- 2.2 Owners will be requested in writing to complete an Application for Categorisation of Land as Farmland for Rating Purposes form. Once your property has been determined as eligible Council will send a Farmland Declaration every four (4) years asking property owners to confirm that their details are still correct and current and that the

dominant use of the property is still Farming. Only if the property changes ownership will a new application be required.

- 2.3 A periodical review is to be completed at least two (2) months prior to the end of the relevant 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.
- 2.4 Properties included in the periodic review are to be assessed under the same criteria as new applications.

3. Criteria for Assessing Applications

- 3.1 Many parcels of land will readily be identifiable as farming land and will qualify for categorisation as farmland. Council will consider the following;
 - a) the land is valued as one property assessment, Council may consider other properties used in conjunction to this property for farming purposes as long as relevant evidence is provided;
 - b) the farming activity is the dominant use of the property;
 - c) the farming activity has a significant and substantial commercial purpose or character;
 - d) the farming activity is continuous and repetitive; and
 - e) there is an intention for profit whether or not a profit is actually made
- 3.2 In addition to satisfying the above criteria and providing appropriate business information to confirm that the farming activity is engaged for the purpose of profit on a continuous or repetitive basis Council will use the following minimum amounts as a guide in their decision making process.
- 3.3 **Grazing**
Minimum area of 10 hectares, minimum number of 20 head of stock, acceptable carrying capacity, registration with the Rural Lands Protection Board, relevant infrastructure such as dams, corrals, loading/unloading ramps, secure and appropriate fencing. Anything smaller cannot be classified as a grazing operation. *Using the Beef Stocking Rates and Farm Size as issued by DPI in June 2006 – "40 breeding cows is recommended as the minimum number of cattle needed to cover the direct costs and justify the effort of running a grazing operation".*
- 3.4 The basic connotation of the work "grazing" is that animals feeding themselves by cropping the grasses, or pastures, natural or improved. The word does not include the notion of feeding by eating hay, or other produce taken from the soil by man. For this reason, Horse Stud Farms will not be classified as grazing and not permissible as farming.

3.5 Agistment

Each application will be taken on its own merits. A copy of the written agreement for agistment or statutory declaration 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.

3.6 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."

3.7 Pig Farming

Minimum area of 2 hectares, minimum of 10 sows, penned and cared for in accordance with relevant legislation.

3.8 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.

3.9 Viticulture

Minimum area under cultivation 5 hectares, registration with the Wine Producers Association or other appropriate body, appropriate irrigation available.

3.10 Horticulture

Minimum area under cultivation of 1 hectare, water supply readily available or irrigated.

The Horticulture Code of Conduct requires that all Traders (Wholesalers) must have a signed Horticulture Produce Agreements with all their grower suppliers a copy is required to be included with the application. Nurseries are required to be registered and must be growing their own stock.

3.11 Vegetable Growing

Minimum area under cultivation of 1 hectare, water supply readily available or irrigated, to cover the majority of useable land either preparation or planted.

3.12 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.

3.13 Beekeeping

Commercial beekeepers can be defined as those managing 200 hives or more. A hive is a colony of bees headed by a queen bee. These hives must be in continuous use. Only properties with the extraction plant are qualified for farmland rating. All beekeepers must be registered with NSW Department of Primary Industries, a copy must be supplied with the application.

3.14 Crop Growing

Cropping industries includes wheat and other grains, oilseeds, pulses, rice, sugar, cotton and seeds. Minimum area under cultivation must be 2 hectares and the majority of useable land either for preparation or planting must be used.

3.15 Forestry

The main goal of forestry is to create and implement systems that allow forests to continue a sustainable of environmental supplies and services. There is a minimum of 100 hectares and proof of propagation required to be approved as farmland.

3.16 Aquaculture

A DPI permit 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). A copy is required with an farmland application.

3.17 Under Drought Conditions Council may approve adjustments to the minimum numbers stated above for an agreed period of time.

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

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