



*Shire of Bridgetown-Greenbushes*

**URBAN FARMLAND RATING  
CONCESSION  
APPLICATION PACKAGE**



**Shire of Bridgetown-Greenbushes**

## URBAN FARMLAND APPLICATION

In order to qualify for an Urban Farmland Rating concession, the following details are hereby submitted:

Owner's Name(s): \_\_\_\_\_

Business Name: \_\_\_\_\_

Postal Address: \_\_\_\_\_

\_\_\_\_\_ Phone No.: \_\_\_\_\_

Property Address(es) for which the application is being made :

\_\_\_\_\_

Australian Business Number (ABN): \_\_\_\_\_

The property is used for:

- |  |  |
|--|--|
| <input type="checkbox"/> Grazing           | <input type="checkbox"/> Viticulture   |
| <input type="checkbox"/> Agistment         | <input type="checkbox"/> Horticulture  |
| <input type="checkbox"/> Dairying          | <input type="checkbox"/> Fruit Growing |
| <input type="checkbox"/> Acquaculture      | <input type="checkbox"/> Crop Growing  |
| <input type="checkbox"/> Timber Plantation |  |

Other activities carried out on property: \_\_\_\_\_

### **Declaration**

I/we \_\_\_\_\_

of \_\_\_\_\_

declare that I/we reside or pay rates at the above mentioned property and claim primary producer status on my/our taxation return with the Australian Taxation Office.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

- **Please provide proof that you are claiming primary producer status**
- **If property is leased, please attached a copy of the lease**

## Extract from Council's Policy Manual

<b>POLICY NO.</b>	F.11
<b>POLICY SUBJECT</b>	GRV/UV Rating Policy
<b>ADOPTION DATE</b>	25 <sup>th</sup> March 2004
<b>VARIATION DATE</b>	29 <sup>th</sup> June 2004 (SpC.7/0604)
<b>VARIATION DATE</b>	26 <sup>th</sup> August 2004 (C.15/0804)
<b>REVIEW DATE</b>	25 <sup>th</sup> May 2006 (C.22/0506)
<b>REVIEW DATE</b>	29 <sup>th</sup> November 2007 (C.16/1107)

Section 6.28(1) & (2) of the Local Government Act 1995 reads:

- (1) *The Minister (for Local Government) is to —*
  - (a) *determine the method of valuation of land to be used by a local government as the basis for a rate; and*
  - (b) *publish a notice of the determination in the Government Gazette.*
  
- (2) *In determining the method of valuation of land to be used by a local government the Minister is to have regard to the general principle that the basis for a rate on any land is to be —*
  - (a) *where the land is used predominantly for rural purposes, the unimproved value of the land; and*
  - (b) *where the land is used predominantly for non-rural purposes, the gross rental value of the land.*

Section 6.33 of the Local Government Act 1995 notes:

- (1) *A local government may impose differential general rates according to any, or a combination, of the following characteristics –*
  - (a) *the purpose for which the land is zoned under a town planning scheme in force under the Town Planning & Development Act 1928;*
  - (b) *the predominant purpose for which the land is held or used as determined by the local government;*
  - (c) *whether or not the land is vacant land; or*
  - (d) *any other characteristic or combination of characteristics prescribed.*

In order to comply with Section 6.28 of the Local Government Act, Council has to determine that the rating principles of the Act are correctly applied to rateable land within the district such that rural land is rated on its Unimproved Value (UV) and non-rural land is rated on its Gross Rental Value (GRV). These values are determined by the State Government's Valuer General.

**The Council has determined that rather than base the determination of 'rural' or 'non-rural' solely on land use, it instead be based on the zoning of the land. This determination has been made on the basis that it is clear what zoning exists and of the zones whether they are of a rural or non-rural nature.**

All land within the Shire is zoned under a statutory document, the Town Planning Scheme. Council currently has two Town Planning Schemes, TPS 3 covers land within the Bridgetown Townsite, and TPS 4 covers all other land within the Shire.

Council's policy is to tie the rating format of land to its zoning category. All "Rural" land will be rated under 'UV' valuation, all "Non-Rural" land will be rated as 'GRV'. Set out below is a break down of the existing zones of TPS 3 and TPS 4 into a "Rural" or "Non-Rural" classification:

- *Rural 1*
- Rural 2
- *Rural 3*
- Rural 4

#### Non-Rural (GRV Rating to Apply)

- Residential
- Residential Development
- Special Residential
- Special Rural
- Commercial
- Industrial
- Service Industry
- Special Use
- Community
- Rural (TPS 3: "Townsite Rural")
- 'Additional Use' classifications over any zoning

**Notwithstanding the zoning of the land, Council has determined that any lot of a size greater than 10ha, or any landholding greater than 10ha and rated as a single assessment, will be rated as 'UV' rather than 'GRV'.**

#### Rural (UV Rating to Apply)

Council has determined that notwithstanding their names, the Special Rural and Townsite Rural zones are not exclusively "rural" in nature. This is based on their predominant lot size being less than 5ha and their development is predominantly lifestyle in nature. Any agricultural pursuits carried out in these two zones is typically done on a lifestyle, hobby or property management basis, with very little bona fide commercial agricultural activities taking place.

Owners of land within an urban category who are of the belief that their land is used primarily for 'rural' purposes can apply for conversion of the property back to the UV classification. In order to prove to Council that the subject property is primarily a 'rural (agricultural)' property, land owners need to prove to the Council that the land is being predominantly used for rural purposes. In situations where a house is constructed on a rural-residential type property and a number of fruit trees have been planted, or stock is grazed (even if there exists a business running at a small scale), urban farmland classification would not apply as the predominant use of the land is residential and not the rural type uses. Where small orchards or vineyards have been planted on a rural residential lot, owners may have to prove (if requested by the local government) that the rural use is more predominant than the residential use. This may require submittal of additional supporting evidence, such as information concerning the income generated by the rural or farm land use of the land.

The information that landowners must provide in order for Council to consider conversion of a property from GRV to UV is the same as the information that landowners must submit for an Urban Farmland application. That information is set out at the conclusion of this policy.

The Urban Farmland differential rate is available for owners of property within the Bridgetown Townsite only, in recognition of the higher values within the townsite as

opposed to land outside of the townsite. Only properties under the 'UV' classification are eligible for the Urban Farmland differential rate, and to be eligible for this differential rate owners are required to lodge information proving that the activities undertaken on the land are primarily of a rural and agricultural nature. The required information is the same as that required by landowners seeking to have a property reclassified from 'GRV' to 'UV' and is set out at the conclusion of this policy.

Applications for urban farmland classification are required annually and it is the responsibility of the land owner to apply within the time constraints for application and approval of urban farmland classification each year.

At such time as the new town planning scheme (TPS 5) is gazetted (replacing two existing schemes) the classification of zones as either 'urban' or 'rural' would have to be reviewed. A number of new zones will be introduced by TPS 5.

The Department of Local Government and Regional Development has produced a publication titled 'Changing Methods of Valuation of Land' (May 2002). This publication states that in implementing suitable systems and procedures, local governments should observe the principles of:

- **Objectivity** – the predominant use of land should be reviewed and determined on the basis of an objective assessment of relevant criteria. External parties should be able to understand how and why a particular determination was made.
- **Fairness and Equity** – Each property should make a fair contribution to rates based on a method of valuation that appropriately reflects predominant use.
- **Consistency** – Rating principle should be applied, and determinations should be made, in a consistent manner. Like properties should be treated in a like manner.
- **Transparency** – Systems and procedures for determining the method of valuation should be clearly documented and available for the public to inspect.
- **Administrative Efficiency** – Rating principles and procedures should be applied and implemented in an efficient and cost effective manner.

**The Council is of the opinion that determining the basis of rating of land on its zoning is the best means of meeting the above principles.**

It is important that the exercise in changing the basis of rating of land within the Shire is understood to not be a revenue raising exercise by the Council. This exercise will not in itself increase the rate revenue raised by the Council, rather it will spread the rate burden more equitably amongst all land owners. Whilst land owners who have land proposed to change from UV to GRV might expect to pay increased rates, existing GRV land owners could expect a reduction in rates as the GRV:UV ratio increases.

The rates applicable for vacant land of normal residential or rural-residential size would not be expected to change as a result of a change from 'UV' to "GRV" rating as such properties are normally on the minimum rate in any case. Where these property's rates will change however is when a dwelling, commercial premises, etc. is constructed on the land which will increase the GRV valuation applicable to the land.

## **Supporting Information to be Submitted With Applications for Urban Farmland and/or Conversion of Properties from GRV to UV**

To be eligible for the Urban Farmland rate, or to submit an application to convert the rating of a property from “GRV” to ‘UV’, the applicant must clearly demonstrate that the land is used *predominantly* for rural purposes. The applicant must show documentation that a large part of the land’s income is derived from rural activities, where the applicant is conducting a commercial enterprise in the nature of a going concern. Applicants must demonstrate that activities engaged in for the purpose of profit on a continuous and repetitive basis. Hobby farms or properties not deriving a significant income from the land therefore will not be eligible for the Urban Farmland concession.

*Applicants must clearly address the following conditions:*

1. Name & Occupation of the Person residing on the property.
2. Details of what rural business or industry is carried out on the land.
3. Details of other activities carried out on the property.
4. Business Plan (if prepared), with details of anticipated overall profit and a detailed breakdown of profit relating to the particular rural business or industry.
5. If no Business Plan has been prepared, details of anticipated overall profit, and a detailed breakdown of profit relating to each particular industry. If other non-rural business or activity conducted on the land generates an income stream details of that income are to also be provided.
6. An audited Balance Sheet & Profit & Loss for the previous two years preceding the application
7. Any other documentation that would assist the applicant demonstrating that the land was used predominantly for a rural business or industry.
8. Applicants will be required to complete a statement annually; stating that there were no changes to the commercial enterprise carried out on the land, which would make that application invalid.
9. Applicants would be required to submit a new full application for Urban Farmland every five years, or if specifically requested in writing by the Shire.

Notwithstanding the above criteria, Council reserves the right to approve an Urban Farmland classification or conversion of a property from ‘GRV’ to ‘UV’ where, in its opinion the property is obviously being primarily used for bona-fide, commercial agricultural purposes.