

Application for Classification of Rateable Property as Farm Land

(Confidential when completed)



Mornington Peninsula Agricultural Land is land which is 'Farm Land' within the meaning of section 2(1) of the *Valuation of Land Act 1960* but excluding any portion containing a residential, commercial or industrial building (or buildings) or an outbuilding or other similar form of improvement (including the curtilage to any principal residential or commercial building whether the curtilage is fenced off or not).

For the purposes of this definition:

- (a) 'curtilage' means an area of land measuring 2,000 square metres around the principal residential building or commercial building or industrial building. If there is both a principal residential building and a principal commercial or industrial building on such land, the curtilage will be the area around the residential building alone;
- (b) 'residential building' means a building used or designed or adapted for residential purposes; and
- (c) 'commercial building' means a building used or designed or adapted for commercial purposes; and
- (d) 'industrial building' means a building used or designed or adapted for industrial purposes.

Farm Land definition

The definition of Farm Land as per Section 2(1) of the *Valuation of Land Act 1960*:

"Farm Land" means any rateable land-

- (a) that is not less than 2 hectares in area; and
- (b) that is used primarily for grazing (including agistment), dairying, pig-farming, poultry-farming, fish-farming, tree-farming, bee-keeping, viticulture, horticulture, fruit-growing or the growing of crops of any kind or for any combination of those activities; and
- (c) that is used by a business-
 - (i) that has a significant and substantial commercial purpose or character; and
 - (ii) that seeks to make a profit on a continuous or repetitive basis from its activities on the land; and
 - (iii) that is making a profit from its activities on the land, or that has a reasonable prospect of making a profit from its activities on the land if it continues to operate in the way that it is operating.

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Determination of eligibility

1. “Used primarily”

In determining whether a property is eligible for Farm Land classification, the primary use or activity on the property must be identified.

The use of the term “used primarily” does not refer to area only. All the evidence relating to the use to which the land is put will be assessed, including the nature and intensity of each use, the physical areas over which they extend, and the time, labour and expenses involved in conducting them.

The primary use or activity on the property is required to be one of the following primary production activities:

- Grazing (and agistment) of farm animals; **excludes** recreational horses
- Dairying & Pig farming – business must be registered under the Health Act
- Poultry farming
- Fish farming can include yabbies, fish for food or tropical fish for pet shops
- Tree farming, viticulture and fruit growing – you must prove that trees or vines have been planted before submitting your application
- Horticulture or crop growing – you must prove proof of expenditure or sound agricultural development of the land with your application
- Beekeeping

The primary production activity must be intensive enough and of a sufficient scale to outweigh any competing residential use.

2. “Business”

The primary production activity conducted on the property must be a business and that business must be the sole or primary use of the land.

The essential characteristics of a primary production business have been held by the courts to be:

- the activity has significant commercial purpose or character;
- there is more than just an intention to engage in business;
- the purpose of making a profit as well as a prospect of profit from the activity must be apparent;
- the activity must be undertaken on a sustained and repetitive basis;
- the activity is planned, organised and carried on in a businesslike manner such that it is directed at making a profit;
- the size, scale and permanency of the activity
- the keeping of books and records

Hobby farms or recreational activity and rural retreats are not considered to be a true farming business within the legal definition of Farm Land.

The effective development of the property for production, judged by significant expenditure clearly directed to this purpose are factors considered for the commencement of a business. It is the responsibility of the applicant to convince Council that a farming business is being conducted or your intentions regarding the establishment of a business.

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Completion of Application Form

The applicant can be the owner or the occupier the property but must be:

- classified as a Primary Producer by the Australian Taxation Office; and
- be responsible for the payment of the rates and charges of the property for which the application is being made.

The application needs to provide sufficient evidence to confirm that the primary use of the property is within the above definition of 'Farm Land' and the existence of a 'business' and will therefore require proof of:

- ATO classification as a Primary Producer; and
- Elements of continuity, repetition, and independent viability; and
- The activities are for the purpose of financial gain and not merely as hobby or recreation; and
- Evidence of systematic keeping of books and records

Completed application forms and supporting documentation should be submitted to:

Mornington Peninsula Shire
Coordinator – Revenue Collections

by email: valuations@mornpen.vic.gov.au

by post: Private Bag 1000
ROSEBUD VIC 3939

It is the responsibility of the owner to make a Farm Land classification application to Council and it is the owner's responsibility to ensure that this application is received by Council.

Council will determine each application based on the details provided and will arrange for an inspection of your property.

You will receive a letter acknowledging receipt of your application form and advising you of the outcome of your application.

If the application is successful, the Farm Land classification will only be applied from the date the application is received. Should the application be made after 15 January, or the finalisation of Stage 2 in the valuation process (whichever comes first) the applied date will be 1 July of the following rating year.

If your application is refused, you may apply to the Victorian Civil and Administrative Tribunal, pursuant to Section 183 of the *Local Government Act 1989*, for a review of the decision. An application for review must be made within 30 days of receiving your letter of refusal from us. For more information about lodging an appeal visit the VCAT website at www.vcat.vic.gov.au.

When a property classified as Farm Land changes ownership, a fresh application for Farm Land classification must be made by the new owners.

Council reserves the right to review properties classified as Farm Land at any time.

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Applicant Details			
Ratepayer Name			
	Owner:	Occupier:	
Address			
	Suburb:	State:	Postcode:
Telephone (work hours)			
Email			
If applicant is not the owner, please state owner's name			
If applicant is not the occupier, please state occupier's name			
If property leased:	Copy of lease to be provided		
	Rental: \$	Date commenced:	Period:

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Property Details Please include all lands in respect of which this application is made				
Property No. (per rate notice)	Street Address	Locality	Area (hectares)	Title description Lot no. Plan No. Vol. Fol.

Details of Dwelling and/or other buildings Please include all lands in respect of which this application is made		
Type	Size (m ²)	Construction, age & condition

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Details of Farming Activities	
Business or industry	
Please specify the primary production business or industry, as listed in the definition of 'Farm Land', and the area used for the activity. If more than one primary production activity, please list each separately	
Activity	Area
Property Identification Code: (for Vineyards over 0.5 hectares)	
Please specify any other activity undertaken on the property	
Description of activity	Area
Are boundaries securely fenced? Please circle	Yes / No
Number of paddocks	
Fencing Describe types	
Description of water supply e.g. bores, dams, water-holes, drinking troughs	
Area & types of any pasture improvements or lucerne: (state condition & whether fully established)	

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Stock Details				
Property Identification Code:				
Stock Type	No. of each stock type on property as at:			
	Application Date	1 July for last three (3) financial years		
		Year 1	Year 2	Year 3
Agistment Details				
Property Identification Code:				
Stock Type	No. of each stock type agisted:			
	As at Application Date	For last three (3) financial years		
		Year 1	Year 2	Year 3
Amount received p.a.: \$				
Other information				
Give particulars of any abnormality in your normal farming program over the past three (3) financial years				

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Crop Details				
Crop Type	Area under crop as at:			
	Application Date	1 July for last 3 financial years		
		Year 1	Year 2	Year 3
Production Statistics				
Number of stock, kilos wool or hair, kilos honey, commercial eggs, fertile eggs, tonnes timber, trees, tonnes grapes/fruit/vegetables, bales of hay (large/small) sold during last three (3) financial years:				
Description of produce sold	Volume sold			
	Year 1	Year 2	Year 3	
Other information				
Give particulars of any abnormality in your normal farming program over the past three (3) financial years				

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Business Records														
Inspection of any books, documents and papers is granted under <i>Valuation of Land Act 1960</i> Section 3A														
Do you carry on the primary production activity as a business?		Yes	No											
What is your Australia Business Number (ABN)?														
<table border="1" style="width: 100%;"> <tr> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> <td style="width: 10%; height: 20px;"></td> </tr> </table>														
Do you keep business records for the primary production activity? If Yes, evidence will be required in the form of a statutory declaration from a registered accountant		Yes	No											
Is the business registered for GST?		Yes	No											
Does the property covered by this application represent your primary source of income?		Yes	No											
Do you include this primary production business in your tax return?		Yes	No											
Are you classified as a Primary Producer by the Australian Tax Office (ATO)? If Yes, evidence of ATO classification will be required in the form of either: - a Tax Assessment Notice from the ATO (not more than two years old); or - a statutory declaration from a registered tax agent or accountant		Yes	No											
Please provide your gross revenue and expenditure amounts for the past three (3) financial years														
	Year 1	Year 2	Year 3											
Revenue														
Expenditure														
If you are unable to provide all these amounts, please provide additional relevant information in support of your application. If the business is starting up, the additional information provided must include: - a comprehensive business plan, including start-up costs and a revenue forecast - the start-up costs should be presented in the format of Business Victoria's Start-up costs sheet, or an equivalent budget														
Has the primary production activity on the property produced a net profit in at least three of the past five years? If Yes, evidence in the form of Business Tax Returns will be required If No, please provide additional relevant information in support of your application		Yes	No											

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Applicant(s) Declaration:

I/We hereby make application for the above property to be classified as Farm Land.

I/We declare that the information provided within this application is true and correct at the time of in every detail and that no relevant information has been deliberately omitted and that this information and any relevant financial records are available for inspection if required*.

I/We agree to notify council if the primary production activity ceases to be carried out business ceases to be carried out on the property as defined by the Act

I/We acknowledge that:

- Council reserves the right to review properties classified as Farm Land at any time.
- Mornington Peninsula Agricultural Rate will be applied to the Farm Land and improvements used for the primary production activity only. Any dwellings and associated residential improvements on the property for which this application is made will be rated as the General Rate and, in accordance with section 13DC(8) of the *Valuation of Land Act 1960*, must be separately valued. The Farm Land and any dwelling will be treated as separate properties by the State Revenue Office for the purposes of land tax.

Full Name: Full Name:

Signature: Signature:

.....

Date: Date:

*Inspection of any books, documents and papers is granted under Section 3A of the *Valuation of Land Act 1960*.

INFORMATION PRIVACY COLLECTION STATEMENT

Council is collecting personal information on this form in accordance with its legislative powers and functions and it will only be used and disclosed in accordance with these powers and functions. You may access the information by contacting Council.