

SINGLE FARM ENTERPRISE – EXPLANATION

INTRODUCTION

From 1st July 2000, Council's that adopted a fixed charge as part of their general rates were required to develop a system that permits a ratepayer who operates a "single farm enterprise" across two or more pieces of adjoining land to make application for only one fixed charge to apply.

WHAT CONSTITUTES A SINGLE FARM ENTERPRISE

A "single farm enterprise" must be comprised of two or more pieces of rateable land, which are farmland,(Primary Production) as set out below, and are occupied by the same person or persons.

Section 152 of the Act defines a "single farm enterprise" as:

- a) Single Farm Enterprise means land which is used wholly or mainly for the business of primary production as a single enterprise and is occupied by the same person or persons. The land which constitutes the single farm enterprise need not be adjoining parcels of land.
- b) Where the land has upon it a dwelling which is used as a principal place of residence for one of the occupiers, the land with the dwelling must adjoin at least one of the other pieces of land used for the single farm enterprise.
- c) If different persons occupy any of the allotments which constitute the farm, then a single farm enterprise does not exist. (unless a tenancy is created, removing the residence and rated separately)

The definition imposes an absolute requirement that all of the **occupiers** must be the same for all the allotments comprising the single farm enterprise (regardless of who may own the land). Where multiple dwellings are located on a farming enterprise it will be necessary for Councils to be advised of every occupier in order to assess whether a single enterprise exists.

APPLICATION FORM INFORMATION

Section 152(3) of the Act provides that a ratepayer may only gain the benefit of the “single farm enterprise” categorisation on application to the Council and by provision of such information or evidence as the Council may reasonably require, that the relevant land is within the ambit of the provision.

The information or evidence that the Council will reasonably require will include the following:

- The names of all the persons who **own** and **occupy** each allotment (as comprised in a Certificate of Title) of the land claimed to be the single farm enterprise;
- A description of the **use** to which all of the allotments of land are put;
- If not the owner, a copy of any **leases** or licences, or details of the rights to occupy any of the allotments comprising the single farm enterprise;
- A list of the **names** of all persons who derive income or claim deductions for the purposes of income tax as a result of the farming activities conducted upon each of the allotments comprising the single farm enterprise.

If the **occupation** of any of the allotments differs, then a “single farm enterprise” by definition, will not exist. Also, if the persons who derived income or claim deductions for income tax purposes **differ** a “single farm enterprise” will not exist as the land will not be “farmed as a **single** enterprise”.

LANDSCAPE LEVY AND SFE's

Coorong District Council is one of only two Councils in South Australia which two different Landscape Boards exist within the boundaries of our district. The two boards, Murrayland and Riverland and Limestone Coast also treat raising their levies differently, which in turn affects how SFE's are paid.



The Murrayland & Riverland Landscape board determine their charge is to be applied on the council rates as a **Rate in the dollar.** This is a decision made by the Murrayland & Riverland Landscape Board and not Coorong District Council. The Board's levy calculation is then advised to Council administration, annually and applied accordingly against each relevant assessment and is not remitted under Single Farm Enterprise (SFE) rules.

The Limestone Coast board determine their charge to be applied on Council rates as a **Fixed charge.** This is a decision made by the Limestone Coast Board and not Coorong District Council. The Boards levy calculation is advised to Council administration, annually and applied accordingly against each relevant assessment.

Under the Local Government Act 1999, Section 152(2)(d) where a council applies a fixed charge as part of the "general rating" this fixed charge must be is remitted as part of a single farm enterprise.

APPLICATION DUE DATE

To allow Council to appropriately set rate levels at its annual budget meeting, applications for Single Farm Enterprise status or changes to existing SFE must be received by the **31st December** of the current year.

Please note: No application will be assessed retrospectively.

DEFINITIONS

SINGLE FARM ENTERPRISE DEFINITION

Local Government Act 1999

Section 152(2)(d) provides that:

“If two or more pieces of rateable land within the area of the council constitute a **single farm enterprise**, only one fixed charge may be imposed against the whole of the land”.

The term “single farm enterprise” is defined in Section 152 in the following terms:

“2. A reference to a single farm enterprise is a reference to two or more pieces of rateable land –

(a) which-

- (i) are farm land; and
- (ii) are farmed as a single enterprise; and
- (iii) are occupied by the same person or persons, whether or not the pieces of land are contiguous; or

(b) which-

- (i) as to all the pieces except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
- (ii) as to one piece contiguous with at least one of the other pieces, is the principal place of residence of that person or one of those persons.”

The term “farm land” is defined in Section 4(1) of the Act to mean:

“land used wholly or mainly for the business of primary production”

What is “Farm Land”?

In order to constitute a “single farm enterprise”, two or more pieces of rateable land must be “farm land” as defined by Section 4(1) of the Act. Land is “farm land” for the purposes of the Act, only if the land is used wholly or mainly for the “business of primary production”. The term “business of primary production” is not defined in the Act.

There are, however, two statutory provisions, which may provide some guidance upon the interpretation to be given to when land is used for the business of primary production for the purposes of a single farm enterprise:

Section 5(1) of the Valuation of Land Act 1971 defines the term “business of primary production” to mean:

“the business of agriculture, pasturage, horticulture, viticulture, apiculture, poultry farming, dairy farming, forestry or any other business consisting of the cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.”