city of
PALMERSTON

COUNCIL AGENDA

CITY OF PALMERSTON

Notice of Council Meeting
To be held in Council Chambers
Civic Plaza, Palmerston
on Tuesday 20 February 2018 at 6.30pm.

Luccio Cercarelli
Chief Executive Officer

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

Audio Disclaimer
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Acknowledgement of Traditional Ownership
I respectfully acknowledge the past and present Traditional Custodians of this land on which we are meeting, the Larrakia people. It is a privilege to be standing on Larrakia country.

1 PRESENT

2 APOLOGIES

3 CONFIRMATION OF MINUTES

RECOMMENDATION

1. THAT the minutes of the Council Meeting held Tuesday, 6 February 2018 pages 9489 to 9496, be confirmed.

2. THAT the Confidential minutes of the Council Meeting held Tuesday, 6 February 2018 pages 363 to 365, be confirmed.

4 OFFICIAL MANAGER'S REPORT M8-9

4.1 Official Manager's Report M8-9

5 REPORT OF DELEGATES

6 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS BEEN GIVEN

7 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS NOT BEEN GIVEN

8 PETITIONS

9 DEPUTATIONS / PRESENTATIONS

10 CONSIDERATION OF MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

11 COMMITTEE RECOMMENDATIONS

11.1 Governance and Organisation

Nil

11.2 Economic Development and Infrastructure

Nil

11.3 Community Culture and Environment

Nil

11.4 Risk management and Audit Committee

THAT the minutes from the Risk Management and Audit Committee meeting held on 8 February 2018, be received and noted and that Council adopts the recommendations made by the Committee and accordingly resolves as follows:-

11.1.1 Review of Terms of Reference RMA/0127

THAT the Committee recommends to Council the amended Draft Terms of Reference of the Committee by the next Council meeting.

11.1.2 Appointment of External Auditor for 2017/18 – 2019/20 RMA/0129

THAT the Committee recommends to Council the appointment of audit firm Merit Partners as Council's external auditor for a period of two years with an option to extend for a third.

11.1.3 External Audit Management Letter 30 June 2017 RMA/0130

1. THAT the Committee recommend the Chief Executive Officer amend and send the letter in Attachment B entitled Proposed Management Response to UHY Haines Norton to include at Section 7 Creditor Bank Details "***in writing or by email to a previously agreed address for that organisation to ensure that the change request is genuine. This will ensure that an audit trail is created***" and send as Council's response to the issues raised in the External Audit Management Letter.

2. THAT the Action Report be updated to include each item raised in the External Audit Management Letter with a target completion date.

11.1.4 Other Business RMA/0132

THAT the Committee recommends to Council the renewal of the appointment of the independent chair Mr Iain Summers for a period of 12 months from 30 May 2018.

11.1.5 Other Business RMA/0133

THAT the Committee recommends to Council that a revised work plan for the Risk Management and Audit Committee be presented to the next Council meeting reflecting the change in meeting schedule.

12 INFORMATION AGENDA

12.1 Items for Exclusion

12.2 Receipt of Information Reports

RECOMMENDATION

THAT the Information Items contained within the Information Agenda, be received.

12.3 Officer Reports

Nil

13 DEBATE AGENDA

13.1 Officer Reports

13.1.1	Review of Policy FIN18 – Grants, Donations, Scholarships and Sponsorships	8/1406
13.1.2	Community Benefit Scheme – January 2018	8/1407
13.1.3	Financial Report for the Month of January 2018	8/1408
13.1.4	Independent Review of Council's Rating Policy	8/1409
13.1.5	Council's Submission to the Northern Territory Government's Revenue Discussion Paper	8/1410
13.1.6	Call for Nominations – Local Government Authority Accounting Advisory Committee	8/1419
13.1.7	Hog's Breath Café – Alfresco Dining	8/1414
13.1.8	Adoption of Reviewed Council Policies	8/1415
13.1.9	Local Government Authority of the Northern Territory Call for Policy and Action Motions	8/1416
13.1.10	Disability Permit Parking – Palmerston City Centre	8/1417
13.1.11	Proposed Lease of Part of Lot 9543	8/1418
13.1.12	Strategic Initiatives	8/1421
13.1.13	Planning for a Vibrant Future	8/1420

14 CORRESPONDENCE

15 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

16 PUBLIC QUESTION TIME

At the invitation of the Chair.

17 OTHER BUSINESS – ALDERMAN REPORTS

By-law 14(8) provides that the Chairman must not accept a motion without notice if the effect of the motion would, if carried, be to incur expenditure in excess of $1,000 unless:

a) the motion relates to the subject matter of a committee's or sub committee's recommendations (as the case may be, or an officer's report that is listed for consideration on the business paper; or
b) the matter is urgent.

18 CONFIDENTIAL REPORTS

18.1 Report Number 8/1412

RECOMMENDATION

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Acting Director City Growth and Operations, Director of Community Services, Director of Corporate Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to

confidential agenda item 18.1 Report Number 8/1412 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

(c) information that would, if publicly disclosed, be likely to:
   (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or

This item is considered confidential pursuant to Regulation 8 (c)(i) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 20 February 2018, in relation to item number 18.1 Report Number 8/1412 and associated documents remain confidential and not available for public inspection.

18.2 Report Number 8/1413

RECOMMENDATION

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Acting Director City Growth and Operations, Director of Community Services, Director of Corporate Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.2 Report Number 8/1413 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (c) information that would, if publicly disclosed, be likely to:
      (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or

   This item is considered confidential pursuant to Regulation 8 (c)(i) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 20 February 2018, in relation to item number 18.2 Report Number 8/1413 and associated documents remain confidential and not available for public inspection.

18.3 Report Number 8/1411

RECOMMENDATION

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Acting Director of City Growth and Operations, Director of Community Services, Director of Corporate Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.3 Report Number 8/1411 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (b) information about the personal circumstances of a resident or ratepayer;

This item is considered confidential pursuant to Regulation 8 (b) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 20 February 2018, in relation to item number 18.3 Report Number 8/1411 the report and associated documents remain confidential and not available for public inspection.

18.4 Report Number 8/1422

RECOMMENDATION

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.4 Report Number 8/1422 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (c) information that would, if publicly disclosed, be likely to:
      (iv) prejudice the interest of the council or some other person;

   (d) information subject to an obligation of confidentiality at law, or in equity;

   This item is considered confidential pursuant to Regulation 8 (c)(iv) and (d) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 20 February 2018, in relation to item number 18.4 Report Number 8/1422 the report and associated documents remain confidential and not available for public inspection.

19 CLOSURE

CITY OF PALMERSTON

Minutes of Council Meeting
held in Council Chambers
Civic Plaza, Palmerston
on Tuesday 6 February 2018 at 6.30pm.

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1 PRESENT

Elected Members:	Mark Blackburn, Official Manager
Staff:	Luccio Cercarelli, Chief Executive Officer Malcolm Jones, Acting Director of City Growth and Operations Jan Peters, Director of Community Services Chris Kelly, Director of Corporate Services Samantha Abdic, Communications Officer Alyce Breed, Minute Secretary
Gallery:	Lauren Roberts, NT News 3 members of the public

2 APOLOGIES

Nil.

3 CONFIRMATION OF MINUTES

1. THAT the minutes of the Council Meeting held Tuesday, 30 January 2018 pages 9481 to 9488, be confirmed.

2. THAT the Confidential minutes of the Council Meeting held Tuesday, 30 January 2018 pages 361 to 362, be confirmed.

CARRIED 8/3012 – 06/02/2018

4 OFFICIAL MANAGER'S REPORT

Nil.

5 REPORT OF DELEGATES

Nil.

6 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS BEEN GIVEN

Nil.

7 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS NOT BEEN GIVEN

Nil.

8 PETITIONS

Nil.

9 DEPUTATIONS/PRESENTATIONS

Nil.

10 CONSIDERATION OF MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

Nil.

11 COMMITTEE RECOMMENDATIONS

11.1 Governance and Organisation

Nil.

11.2 Economic Development and Infrastructure

Nil.

11.3 Community Culture and Environment

Nil.

11.4 Risk Management and Audit

Nil.

12 INFORMATION AGENDA

12.1 Items for Exclusion

Nil.

12.2 Receipt of Information Reports

Nil.

12.3 Officer Reports

Nil.

13 DEBATE AGENDA

13.1 Officer Reports

13.1.1 Palmerston Development Consent Authority 8/1405

1. THAT Report Number 8/1405 entitled Representation on the Palmerston Division of the Development Consent Authority be received and noted.

2. THAT Council write to the Minister for Infrastructure, Planning and Logistics requesting that the appointment of Mr Paul Bunker, Mr Andrew Byrne and Ms Seranna Shutt to the Palmerston Division of the Development Consent Authority be terminated.

3. THAT Council write to the Minister for Infrastructure, Planning and Logistics nominating the Official Manager, Mr Mark Douglas Blackburn as the City of Palmerston's nomination as a member on the Palmerston Division of the Development Consent Authority.

4. THAT Council write to Mr Paul Bunker, Mr Andrew Byrne and Ms Seranna Shutt advising them of Council's decision, regarding the request to terminate their membership on the Palmerston Division of the Development Consent Authority and acknowledging their contribution.

CARRIED 8/3013 – 06/02/2018

13.1.2 Delegations 8/1402

1. THAT Report Number 8/1402 entitled Delegations be received and noted.

2. THAT Council revoke all previous delegations to the Chief Executive Officer.

3. THAT pursuant to Section 32 of the Local Government Act, Council hereby delegates to the Chief Executive Officer its powers and functions as set out in the schedule below:

Section 112	Appointment of Authorised Persons
Section 244	Authorisation of the persons to institute proceedings in the name of Council
Various	All of the powers and functions of the Council with the exception of the following: i. those matters referred to in Section 21(2) of the Local Government Act ii. Sections 22 and 24, regarding adoption of the Municipal Plan iii. Section 46, appointment to fill a Casual Vacancy on the Council iv. Section 49, establishment of Local Boards v. Section 54, establishment of Council Committees vi. Section 68, calling meetings for elections

4. THAT pursuant to Section 112 of the Local Government Act, Council appoints the Chief Executive Officer as an authorised person.

5. THAT pursuant to Section 32 of the Local Government Act, Council hereby delegates to the Chief Executive Officer the power and authority to exercise all powers of the Council under the City of Palmerston (Animal Management) By-Laws excluding Part 1 Division 1 Section 5 (2).

6. THAT a report be prepared reviewing the committee structure and delegations for the second Ordinary Council Meeting in April 2018.

CARRIED 8/3014 – 06/02/2018

14 CORRESPONDENCE

Nil.

15 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil.

16 PUBLIC QUESTION TIME

The Official Manager provided an opportunity for members of the gallery to ask questions.

Q: Ian Abbott of Farrar asked "In regards to the Development Consent Authority and your tenure, will that be a temporary tenure or a permanent tenure and obviously how that will be reported back to the new council?"

The Official Manager stated the Minister of Infrastructure, Planning and Logistics will determine if the Official Manager will be appointed and the term of any such appointment. It is common that Elected Members are appointed to the Development Consent Authority for a period of two years to coincide with the election timetable. The incoming Council will be formally informed of any appointment made by the Minister and its tenure.

Q: Ian Abbott of Farrar asked "In the last Council information agenda regarding Tarakan Court and the appalling decision of the Minister to approve the permit for the commercial development, will the Official Manager write to the Minister posing a strong objection to that decision as has been stated publicly already?"

The Official Manager stated that a letter has previously been sent to the Minister for Infrastructure, Planning and Logistics strongly objecting to the development proposal. Council's objection is a matter on the public record. The Council objection was also reported in the NT News. Council will not be providing further objection as it's position has been clearly stated previously and the Minister has determined the matter.

17 OTHER BUSINESS

Nil.

Initials: ____________

18 CONFIDENTIAL REPORTS

18.1 Report Number 8/1387

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Acting Director of City Growth and Operations, Director of Community Services, Director of Corporate Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.1 Report Number 8/1387 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (b) information about the personal circumstances of a resident or ratepayer;

   This item is considered confidential pursuant to Regulation 8 (b) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 6 February 2018, in relation to item number 18.1 Report Number 8/1387 the report and associated documents remain confidential and not available for public inspection.

18.2 Report Number 8/1404

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Acting Director of City Growth and Operations, Director of Community Services, Director of Corporate Services and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.2 Report Number 8/1404 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (c) information that would, if publicly disclosed, be likely to:
      (i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or

   This item is considered confidential pursuant to Regulation 8 (c)(i) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 6 February 2018, in relation to item number 18.2 Report Number 8/1404 and associated documents remain confidential and not available for public inspection.

18.3 Report Number 8/1401

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.3 Report Number 8/1401 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (c) information that would, if publicly disclosed, be likely to:
   (iv) prejudice the interests of the council or some other person;

   (d) information subject to an obligation of confidentiality at law, or in equity;

   This item is considered confidential pursuant to Regulations 8(c)(iv) and (d) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 6 February 2018, in relation to item number 18.3 Report Number 8/1401 and associated documents remain confidential and not available for public inspection.

18.4 Report Number 8/1403

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer and Minute Secretary on the basis that Council considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider the report in relation to confidential agenda item 18.4 Report Number 8/1403 and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the report and associated documentation involves:

   (c) information that would, if publicly disclosed, be likely to:
   (iv) prejudice the interests of the council or some other person;

   (d) information subject to an obligation of confidentiality at law, or in equity;

   This item is considered confidential pursuant to Regulations 8(c)(iv) and (d) of the Local Government (Administration) Regulations.

2. THAT Council orders that the minutes from the Confidential Council Meeting held on 6 February 2018, in relation to item number 18.4 Report Number 8/1403 and associated documents remain confidential and not available for public inspection.

CARRIED 8/3015 – 06/02/2018

The meeting moved into the Confidential Session at 6:54pm.

19 CLOSURE

Meeting closed at 7.08pm

UNCONFIRMED

Mark Blackburn
Official Manager
Date:

ITEM NUMBER:	**4.1**	**Official Manager's Report**
FROM:		**Mark Blackburn**
REPORT NUMBER:		**M8-9**
MEETING DATE:		**20 February 2018**

Summary:

My report provides Council with a monthly update on recent meetings and events of interest.

RECOMMENDATION

THAT Report Number M8-9 entitled Official Manager's Report be received and noted.

Media:

At the following Media Events, I promoted a range of Community Events available in the municipality.

Wednesday 24 January 2018
- ABC Radio Interview – Grass Roots.
- Radio Larrakia Interview.
- 104.9 Radio Interview with Katie Woolf.

Thursday 25 January 2018
- ABC Radio Interview with Presenter Kate O'Toole in relation to 2nd Quarter Budget Review.

Monday 5 February 2018
- ABC Radio Interview with Presenter Adam Steer in relation to Candidate information.

Thursday 8 February 2018
- Territory FM Radio Interview with Presenter Mel Little.

Meetings:

Tuesday 23 January 2018
- Attended the Minister of Housing and Community Services offices in relation to the Investigator's Report.

Monday 29 January 2018
- Attended the Palmerston Senior Advisory Group Meeting.

Tuesday 30 January 2018
- Met with a prospective elected member candidate.

Wednesday 31 January 2018

- Attended a meeting with the Minister for Housing and Community Development with TOPROC members to discuss Thorak Regional Cemetery.
- Attended Council's Candidate Information Session.

Monday 5 February 2018

- The CEO and myself met with RSPCA representatives, Danny Moore (Chair) and Jess Moore-Jones (CEO).

Tuesday 6 February 2018

- The CEO and myself met with Shane Dignan and Regan Anderson from Halikos Group.
-

Thursday 8 February 2018

- Attended the Risk Management and Internal Audit Committee Meeting.

Events Attended

Monday, 22 January 2018

- Hosted the Australia Day Award Winners Reception

Friday, 26 January 2018

- Attended Litchfield Council's Australia Day Flag Raising and Citizenship Ceremony
- Officiated Council's Australia Day Flag Raising and Citizenship Ceremony

Friday 9 February 2018

- Attended the grand opening of Tristar Medical Centre in Palmerston.
- Participated in the Clontarf Northern Region NT Year 12 Leadership and Induction Day.
- The CEO and myself attended Round 17 of the AFLNT at the invitation of Member for Drysdale and the Member for Brennan.

Saturday 10 February 2018

- Attended the Welcome to the Top End 2018 event hosted by the Defence Community Organisation.

Recommending Officer: Mark Blackburn, Official Manager

Any queries on this report may be directed to Mark Blackburn, Official Manager on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Schedule of Attachments: Nil

CITY OF PALMERSTON

Minutes of Council Meeting
held in Council Chambers
Civic Plaza, Palmerston
on Thursday 8 February 2018 at 10.00am.

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I respectfully acknowledge the past and present Traditional Custodians of this land on which we are meeting, the Larrakia people. It is a privilege to be standing on Larrakia country.

1 PRESENT

Members:	Iain Summers (Chair) Mark Blackburn, Official Manager
Staff:	Luccio Cercarelli, Chief Executive Officer Chris Kelly, Director of Corporate Services Shane Nankivell, Finance Manager Alyce Breed, Minute Secretary
Gallery:	Nil.

2 APOLOGIES

Nil.

3 CONFIRMATION OF MINUTES

Moved: Mark Blackburn
Seconded: Iain Summers

THAT the minutes of the Risk Management and Audit Committee Meeting held Wednesday, 13 December 2017 pages 74 to 76, be confirmed.

CARRIED RMA/0126 – 08/02/2018

4 FINANCIAL REPORTING

Nil.

5 INTERNAL CONTROLS AND RISK MANAGEMENT

5.1 Review of Terms of Reference — RMA/066

Moved: Iain Summers
Seconded: Mark Blackburn

1. THAT Report Number RMA/066 entitled Review of Terms of Reference be received and noted.

2. THAT the Committee recommends to Council the amended Draft Terms of Reference of the Committee by the next Council meeting.

CARRIED RMA/0127 – 08/02/2018

6 WHISTLE BLOWING

Nil.

7 INTERNAL AUDIT

7.1 Internal Audit Update — RMA/067

Moved: Mark Blackburn
Seconded: Iain Summers

THAT Report Number RMA/067 entitled Internal Audit Update be received and noted.

CARRIED RMA/0128 – 08/02/2018

8 EXTERNAL AUDIT

8.1 Appointment of External Auditor for 2017/18 – 2019/20 — RMA/068

Moved: Iain Summers
Seconded: Mark Blackburn

1. THAT Report Number RMA/068 entitled Appointment of External Auditor for 2017/18 – 2019/20 be received and noted.

2. THAT the Committee recommends to Council the appointment of audit firm Merit Partners as Council's external auditor for a period of two years with an option to extend for a third.

CARRIED RMA/0129 – 08/02/2018

8.2 External Audit Management Letter 30 June 2017 RMA/069

Moved: Iain Summers
Seconded: Mark Blackburn

1. THAT Report Number RMA/069 entitled External Audit Management Letter 30 June 2017 be received and noted.

2. THAT the Committee recommend the Chief Executive Officer amend and send the letter in Attachment B entitled Proposed Management Response to UHY Haines Norton to include at Section 7 Creditor Bank Details "***in writing or by email to a previously agreed address for that organisation to ensure that the change request is genuine. This will ensure that an audit trail is created"*** and send as Council's response to the issues raised in the External Audit Management Letter.

3. THAT the Action Report be updated to include each item raised in the External Audit Management Letter with a target completion date.

CARRIED RMA/0130 – 08/02/2018

9 WORK PLAN

9.1 Action Report RMA/070

Moved: Mark Blackburn
Seconded: Iain Summers

THAT Report Number RMA/070 entitled Action Report be received and noted.

CARRIED RMA/0131 – 08/02/2018

10 OTHER BUSINESS

Moved: Mark Blackburn
Seconded: Iain Summers

THAT the Committee recommends to Council the renewal of the appointment of the independent chair Mr Iain Summers for a period of 12 months from 30 May 2018.

CARRIED RMA/0132 – 08/02/2018

Moved: Iain Summers
Seconded: Mark Blackburn

THAT the Committee recommends to Council that a revised work plan for the Risk Management and Audit Committee be presented to the next Council meeting reflecting the change in meeting schedule.

CARRIED RMA/0133 – 08/02/2018

11 CORRESPONDENCE

Nil.

12 CONFIDENTIAL REPORTS

Nil.

13 CLOSURE

Meeting closed at 11.54am

UNCONFIRMED

FIN09

Name:	Risk Management and Audit Committee		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	5/07/2016	Next Review Date:	[Next Review]
Records Number:		Council Decision:	[Policy Code]

HISTORY					
Records Number:		Approval Date:		Council Decision:	

1 PURPOSE

This Policy sets out the Terms of Reference for the Risk Management and Audit Committee. The Committee is an Advisory Committee established pursuant to Part 5.2 of the Local Government Act and Section 10 of the Local Government (Accounting) Regulations.

2 PRINCIPLES

The Committee is responsible for over viewing the responsibilities of corporate governance, particularly maintaining adequate internal controls over the revenue, expenditure and assets of the Council.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	*Definition*
Committee	This term refers to the Risk Management and Audit Committee
The Act	This term refers to the most recent Local Government Act of the Northern Territory
Regulations	This term refers to recent Local Government Regulations in the Northern Territory

4 POLICY STATEMENT

4.1 Membership

4.1.1 The Committee shall consist of at least one independent member with at least three additional members from the Elected Members of Council. The minimum size of the Committee shall be four members.

4.1.2 Independent member (s) of the Committee shall have recent and relevant financial, risk management, internal audit experience.

4.1.3 The chairperson of the Committee must be an independent member.

4.1.4 Other individuals such as the Chief Executive Officer, Director of Corporate Services, Internal Auditor and Finance Manager will attend any meeting as observers and/or be responsible for preparing papers for the Committee.

4.1.5 Council’s external and internal auditors may be invited to attend meetings of the Committee.

4.2 Appointment and Termination of Committee Members

4.2.1 Members of the Committee are appointed by the Council. Appointment to the Committee from among the Elected Members of Council shall be for a period of up to one year, or until the end of the term of the Council. Committee members cease being a member of the Committee if they are no longer an Elected Member of the Council.

4.2.2 Independent members(s) of the Committee shall be appointed for a period of up to four years, commencing part-way through an election cycle, so that their terms overlap each Council election and provide some continuity. Appointees may be reappointed by Council. Independent members can be terminated by the Council subject to the appointment agreement.

4.2.3 The selection process for the independent member(s) should consider the following factors when assessing the applicants:

- Level of understanding of Local Government and the environment in which they operate;
- Level of knowledge and practical exposure on governance and financial management practices;
- Capacity to dedicate adequate time on the Committee;
- Depth of knowledge of regulatory and legislative requirements; and
- Ability to maintain professional relationships with staff, Council members and other stakeholders.

4.3 Voting Right of Committee Members

4.3.1 Only members of the Committee are entitled to vote in the Committee meetings. All Committee members have equal voting rights. Unless otherwise required (by the conflict of interest provision in the Act) and each member must vote on every matter that is before the Committee for decision.

4.3.2 Where a vote is taken and the result is undecided, the chairperson has the casting vote.

4.4 Remuneration of Committee Members

4.4.1 Council should agree on the remuneration rate and conditions of the independent chairperson and committee members.

4.5 Committee Performance Review

4.5.1 The chairperson will initiate a review of the Committee at least once every two years.

4.5.2 The review will be conducted on a self-assessment basis with appropriate input sought from the Chief Executive Officer and any other relevant stakeholders.

4.6 Quorum

4.6.1 The quorum for the transaction of business shall be one independent member and one Committee member that is a member of the Council. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of the authorities, powers and discretions vested in or exercisable by the Committee.

4.7 Meetings

4.7.1 In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. Members have to be present and cannot attend meetings over phone or other devices.

4.7.2 For section 65(2) of the Act, business involving the discussion of confidential information is classified as confidential business. The public may be excluded while business of a kind classified by the regulations as confidential business is being considered. The Local Government (Administration) Regulations Part 4 Confidential information and business Section 8 Classes of confidential information describes what information is classified as confidential.

4.7.3 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than three clear days before the date of the meeting.

4.7.4 The Committee shall meet at least four times per year at appropriate times in the reporting and audit cycle.

4.8 Minutes of Meetings

4.8.1 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of all Regulations.

4.8.2 Unconfirmed Minutes shall be circulated within five days after a meeting to all members of the Committee and to all members of the Council and will (as appropriate) be made available to the public within ten business days after the meeting on the Council's website.

4.8.3 The Committee maintains a register of audit report recommendations and action taken to address these recommendations. The Committee considers any follow-up action require pursuant to the report or the implementation of report recommendations.

4.8.4 The Chief Executive Officer shall provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions.

4.8.5 After meeting the Committee recommendations should be reported to Council at the nearest Council meeting.

4.9 Role of the Committee

4.9.1 Risk Management and Internal Controls
The Committee shall:

4.9.1.1 Keep under review the policies and effectiveness of the Council's risk management systems and internal controls; and

4.9.1.2 Review and recommend the approval, where appropriate, of any material to be included in the annual report concerning risk management and internal controls.

4.9.2 Internal Audit
The Committee shall:

4.9.2.1 Monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system;

4.9.2.2 Consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards;

4.9.2.3 Review all reports on the Council's operations from the internal auditors;

4.9.2.4 Review and monitor management's responsiveness to the findings and recommendations of the internal auditor; and

4.9.2.5 Where appropriate, meeting the internal auditor at least once a year, without management being present, to discuss and issues arising from the internal auditor carried out. In addition, the internal auditor shall be given the right of direct access to the Principal Member of the Council and to the chairperson of the Committee.

4.9.3 External Reporting

4.9.3.1 The Committee shall monitor the integrity of the annual financial statements of the Council, including KPI's within the Annual Report, and review significant financial reporting issues and judgements which they contain.

4.9.3.2 The Committee shall review and challenge where necessary:

- The consistency of, and/or any changes to, accounting policies in the annual financial statements;
- The methods used in the annual financial statements to account for significant or unusual transactions where different approaches are possible; whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- The clarity of disclosure in the Council's annual financial reports and the context in which statements are made; and
- All material information presented with the annual financial statements including the management discussion and analysis.

4.9.4 External Audit

The Committee shall:

4.9.4.1 Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor;

4.9.4.2 Oversee Council relationship with the external auditor including, but not limited to:

- Recommending the approval of the external auditor's remuneration, covering fees for both audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
- Recommending the approval of external auditor's terms of engagement, including any engagement letter issues at the commencement of each audit and the scope of the audit;
- Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor;
- Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
- Monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners;

4.9.4.3 The Committee shall meet the external auditor at least once a year, without management being present, to discuss the external auditor's report and any issues arising from the audit;

4.9.4.4 Review and make recommendations on the annual external audit plan, and in particular its consistency with the scope of the external audit engagement;

4.9.4.5 Review the finding of the audit with the external auditor. This shall include, but not be limited to the following:

- A discussion of any major issues which arose during the external audit;
- Any accounting and audit judgements, and
- Levels of errors identified during the external audit;

4.9.4.6 Review the effectiveness of the external audit;

4.9.4.7 Review any representation letter(s) requested by the external auditor before they are signed by management; and

4.9.4.8 Review the subsequent audit management letter from the external auditor and management's proposed responses to the external auditor's findings and recommendations.

4.9.5 Work Plan

4.9.5.1 The Committee shall develop an annual work plan that sets out the scope of works.

4.10 Conflict of Interest

4.10.1 Committee members must declare any real or perceived conflicts of interest when joining the Committee, annually and at the start of each meeting before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

4.10.2 Where a Committee member declares a real or perceived conflict of interest, the person is excused from Committee deliberations on the agenda item where a conflict of interest exists.

4.11 Committee Access to Council Records and Resources

4.11.1 The Council, via the Council's Chief Executive Officer, will provide the necessary Council records and reports for the Committee to undertake its role and responsibilities subject to any confidentiality provisions in the Local Government Act or other legislative provisions.

4.11.2 The Committee should approach the Council requesting required resources being mindful of the finite nature of such resources.

4.11.3 The Committee has no authority to procure resources independently of Council.

4.12 Review of Terms of Reference

4.12.1 Biennially the Committee will review its Terms of Reference to ensure it is consistent with the perceived needs to the Council. This review will be in consultation with the Chief Executive Officer.

4.12.2 The outcome and recommendations will be given to Council as part of this policy to consider.

4.12.3 The Committee has no power or authority to amend or alter the Committee's Terms of Reference.

5 ASSOCIATED DOCUMENTS

5.1 City of Palmerston Policies

6 REFERENCES AND RELATED LEGISLATION

6.1 Northern Territory Local Government Act
6.2 Northern Territory Local Government (Administration) Regulations
6.3 Northern Territory Local Government (Accounting) Regulations
6.4 Australia Accounting Standards
6.5 Ministerial Guidelines
6.6 Local Government General Instructions

ITEM NUMBER:	13.1.1	Review of Policy FIN18 Grants, Donations, Scholarships and Sponsorships
FROM:		Director of Community Services
REPORT NUMBER:		8/1406
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The FIN18 Grants, Donations, Scholarships and Sponsorships Policy is due for review by 7 February 2018. This report presents the reviewed Policy FIN18 for Council's consideration and adoption.

RECOMMENDATION

1. THAT Report Number 8/1406 Review of Policy FIN18 Grants, Donations, Scholarships and Sponsorships be received and noted.

2. THAT Council approve the amended Policy FIN18 Grants, Donations, Scholarships and Sponsorships being ***Attachment A*** to Report number 8/1406 entitled Review of Policy FIN18 Grants, Donations, Scholarships and Sponsorships.

Background:

The City of Palmerston actively supports initiatives which benefit the community through its annual Community Benefit Scheme. Council Policy FIN18 Grants, Donations Scholarships and Sponsorships provides governance and outlines the method by which this support is provided through grants, donations, scholarships and sponsorships.

The FIN18 Grants, Donations, Scholarships and Sponsorships Policy is due for review and this Report recommends minor amendments to the policy.

General:

Policy FIN18 Grants, Donations, Scholarships and Sponsorships has been reviewed and the following amendments are being recommended.

1. Definitions: Sponsorships definition has been amended to refer to Agreed Conditions of Funding rather than sponsorship package.

2. An additional clause has been added, as 4.2.4.5, that allows Council to include a standard condition of funding requiring the organisation to permit Council to attend events and take photo and video recordings.

3. Associated documents 5.3 has been amended to Community Benefit Scheme Agreed Conditions of Funding.

It is recommended that Council adopt the amended Policy FIN18 Grants, Donations, Scholarships and Sponsorships being ***Attachment A.***

Financial Implications:

Funding of applications approved under Council Policy FIN 18 Grants, Donations, Scholarships and Sponsorships Policy are funded from the approved amended Community Benefit Scheme operational budget.

Legislation/Policy:

FIN18 Grants, Donations Scholarships and Sponsorships Policy

The agreed conditions of funding is provided as ***Attachment B*** for information.

Recommending Officer: Jan Peters, Director of Community Services

Any queries on this report may be directed to Jan Peters, Director of Community Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Jan Peters, Director of Community Services

Schedule of Attachments:

Attachment A: FIN18 Grants, Donations Scholarships and Sponsorships Policy
Attachment B: Agreed Conditions of Funding

city of PALMERSTON

POLICY

FIN18

Name:	Grants, Donations, Scholarships and Sponsorships		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director Community Services		
Approval Date:	30/01/2018	Next Review Date:	30/01/2020
Records Number:	270751	Policy Code:	FIN18

1 PURPOSE

The City of Palmerston actively supports initiatives which benefit the community. This Policy provides governance and outlines the method by which support is provided by way of grants, donations, scholarships and sponsorships.

2 PRINCIPLES

The City of Palmerston is committed to the principles of open and transparent government, as well as ensuring Council is financially sustainable.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	*Definition*
Grant	Where Council provides financial or in-kind support to a community organisation carrying out a project or activity benefitting the community, and where the organisation will need to acquit funds provided. GST is not applicable. Council is recognised for its contribution.
Scholarship	Where Council provides financial support for education or an educational activity. Acquittal of funds is not required. GST is applicable. Council is recognised for its contribution.
Donation	Where Council provides financial or in-kind support to a community organisation carrying out a project, activity, or purchase of material goods. Acquittal of funds is not required. GST is not applicable. Council is recognised for its contribution.
Sponsorship	Where Council provides financial or in-kind support to a community activity or event, and where Council is widely identified as a sponsor of the event as per details in the Agreed Conditions of Funding. Acquittal of funds is not required. GST is applicable.

4 POLICY STATEMENT

4.1 Criteria for all categories of Grants, Donations and Sponsorships from Council

4.1.1 All grants, donations and sponsorships must benefit the Palmerston Community, and applications must identify how the proposed activity/event/item relates to the goals and strategies in the Municipal Plan.

4.1.2 Each application must include a completed Community Benefit Scheme Application Form.

4.1.3 Community groups, incorporations and not for profit organisations are eligible to apply for grants, donations and sponsorships.

4.1.4 Applications by commercial entities will not be considered except in the incidence of an expression of interest for place-making activities in Palmerston.
4.1.5 Requests from religious organisations or schools are specifically excluded unless there is a clear community benefit to Palmerston.
4.1.6 Financial support will be restricted to one successful application per financial year.
4.1.7 A report detailing decisions made regarding requests will be tabled in full Council meeting each month, unless no requests were received.
4.1.8 A funding agreement prepared by Council, outlining conditions, must be signed by the successful applicant and return to City of Palmerston prior to disbursement of funds.

4.2 Authority Delegated to Chief Executive Officer

4.2.1 Category 1 – Grant and Donation Requests for $500 or less
All requests to Council for grants or donations of $500 or less are to be made at the discretion of the Chief Executive Officer, providing:
4.2.1.1 Requests are to be made in writing, with description of purpose and need of financial or in-kind support, and must fulfil all criteria in 4.1 above.
4.2.2 Category 2 – Grant and Donation Requests for between $501 and $2,000
All requests to Council for grants or donations of between $501 and $2,000 are to be made at the discretion of the Chief Executive Officer, providing:
4.2.2.1 The organisation provides their details including most recent audited financials, proof of appropriate registration as an incorporated community group or not-for-profit organisation, applicable insurance details, contact details of elected office holders and minuted details of the organisation's resolution to request funding.
4.2.2.2 A letter of application which details the project, event, or material need, written by someone within the organisation holding an elected office must be submitted along with the completed Community Benefit Scheme Application Form.
4.2.3 Category 3 – Grant and Donation Requests in excess of $2,000
All requests for grants or donations in excess of $2,000 are to be referred by the Chief Executive Officer to the Community, Culture and Environment Committee for consideration, followed by a recommendation to Council.
4.2.3.1 All requests must comply with requirements set out in 4.2.2 above.
4.2.3.2 In addition, the organisation must submit a project brief including the projected budget.
4.2.3.3 Evidence of alternate sources of funding, to a minimum of 30% of the project costs, must be provided.
4.2.3.4 A full acquittal of funds is required for grants but is not required for donations.
4.2.4 Sponsorship Requests only
4.2.4.1 The Organisation must submit a copy of the Sponsorship Package which details all levels/categories of sponsorship including costs and benefits.
4.2.4.2 Sponsorship requests up to $2,000 are at the discretion of the Chief Executive Officer.
4.2.4.3 Sponsorship requests in excess of $2,000 are to be referred by the Chief Executive Officer to the Community, Culture and Environment Committee for consideration, followed by a recommendation to Council.

4.2.4.4 The organisation is responsible for the appropriate display of Council's branding, as deemed appropriate by the Chief Executive Officer or Council.

4.2.4.5 The organisation must permit the City of Palmerston to attend funded event/program for the purpose of taking photos and/or video recording. Council will seek permission from the individual/s photographed or recorded.

4.2.4.6 Where recurring annual sponsorship is agreed upon, the organisation must comply with criteria set out in the Agreement, and Council must resolve to provide the recurring funding.

4.2.4.7 No acquittal is required.

4.3 Chief Executive Officer required to maintain register.

4.3.1 The Chief Executive Officer is required to maintain a register of all grants, donations, scholarships and sponsorships made under delegation.

4.4 City of Palmerston Scholarships

All requests for Scholarship funding will be referred by the Chief Executive Officer to the Community, Culture and Environment Committee for consideration, followed by a recommendation to Council.

4.4.1 Individuals are eligible to apply for scholarships.

4.4.2 Applicant must be a resident of Palmerston.

4.4.3 Applicant must be an Australian Citizen or holder of an Australian Permanent Resident Visa.

4.4.4 Applicant must be undertaking study or be enrolled in an accredited tertiary educational institution or training provider delivering qualifications adhering to the Australian Quality Training Framework.

4.4.5 Applicant must be enrolled full time or part time for the duration of the Scholarship.

4.4.6 If successful, a Scholarship Agreement will be developed with each applicant and include scholarship value, scholarship duration, ongoing eligibility and other obligations and conditions.

4.4.7 A scholarship may be terminated if the recipient ceases to meet the eligibility criteria, withdraws from his/her course or if the recipient breaches any conditions of the Scholarship Agreement.

4.5 Special Projects

Council may elect to offer and promote Special Projects Expressions of Interest to encourage applications for financial support for various initiatives.

4.5.1 These may be short-term or long-term projects and will be offered as determined by full Council Meeting, including maximum value of and length of time of offer.

4.5.2 Funding for these Special Projects will be from the Community Benefits Scheme.

4.5.3 Application for these Special Projects will be via Expression of Interest, where the applicant meets eligibility as specified per Special Project criteria.

4.5.4 Special Project criteria may differ from 4.2 in that:

4.5.4.1 Successful funding through the Community Benefit Scheme does not preclude successful Special Projects funding.

4.5.4.2 Expressions of Interest may be accepted form businesses and individuals if there is clear community benefit.

4.6 Annual School Awards

Council will provide the sum of $100 annually to all schools within the municipality for the purpose of a “City of Palmerston Community Service Award”, to be awarded at the time and under the criteria deemed fit by the recipient school. Schools will be invited early in Term 1 to apply for the funding by submitting details requested. Only schools responding to invitations as requested will be awarded funding.

4.7 Where criteria are not met

Where a request for a Grant, Donation, Scholarship or Sponsorship is made which does not comply with the criteria outlined above, and is deemed to have merit by the Chief Executive Officer, the request will be forwarded to the Community, Culture and Environment Committee for consideration, followed by a recommendation to Council.

4.8 Commitment to Funding

4.8.1 The Council commits to setting an amount in its budget process dedicated to initiatives governed by this policy.

4.8.2 Where budgeted funds are not expended during the financial year, excess funds will be transferred to a Reserve which will be maintained at no greater than $100,000.

5 *ASSOCIATED DOCUMENTS*

5.1 City of Palmerston Policies
5.2 Community Benefit Scheme Application Form
5.3 Community Benefit Scheme Agreed Conditions of Funding
5.4 City of Palmerston Scholarship Application Form
5.5 City of Palmerston Scholarship Terms and Conditions
5.6 City of Palmerston Scholarship Agreement

6 *REFERENCES AND RELATED LEGISLATION*

6.1 Northern Territory Local Government Act
6.2 Northern Territory Local Government (Administration) Regulations
6.3 Northern Territory Local Government (Accounting) Regulations
6.4 Australia Accounting Standards
6.5 Ministerial Guidelines
6.6 Palmerston By-Laws
6.7 Fines and Penalties (Recovery) Act

city of PALMERSTON

AGREED CONDITIONS

OF FUNDING

CONTACT DETAILS

Organisation Name:

Contact Name:

Position:

Contact Number:

Name of Activity:

Date of Activity:

Location of Activity:

Below are the conditions of your funding. This offer of funding is subject to your organisation signing and agreeing to the conditions below and your compliance with the conditions and requirements outlined.

This agreement is made between the City of Palmerston and

Amount awarded: $

Standard conditions of Funding:

- You must recognise the City of Palmerston on all promotional material including where applicable, advertising *(print/radio/television)*, promotional material *(flyers/website/banners/programs)* as well as media releases/newspaper articles.
- The correct logo must be used and can be obtained by contacting the City of Palmerston via telephone (08) 8935 9922 or via email palmerston@palmerston.nt.gov.au
- You must permit City of Palmerston to attend your event and take photos and/or video recording. Council will seek permission from the individual/s photographed or recorded.

Special Conditions of Funding:

☐ I am authorised and agree to accept the terms of conditions of funding stated above on behalf of my organisation. Our organisation will provide evidence to support all conditions were met though the acquittal process outlined by the City of Palmerston.

Signed: Date:

Name:

Council's privacy statement is available from City of Palmerston, Civic Plaza, 1 Chung Wah Terrace or via our website at www.palmerston.nt.gov.au

Version 1 - December 2017

ITEM NUMBER:	13.1.2	Community Benefit Scheme – January 2018
FROM:		Director of Community Services
REPORT NUMBER:		8/1407
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.2 Service

4.2 We value and encourage participation in Council activities by the community, and are committed to delivering the highest possible levels of service and community engagement

Summary:

This report provides Council with a summary of Community Benefit Scheme applications processed for the month of January 2018.

RECOMMENDATION

THAT Report Number 8/1407 entitled Community Benefit Scheme – January 2018 be received and noted.

Background:

This report details applications received, processed, approved and not approved against the Community Benefits Scheme eligibility criteria for the month of January 2018.

General:

A table listing all funding applications and acquittals processed during January 2018 is provided at Attachment A.

The table includes expenditure to date and funds remaining for Grants, Donations, Sponsorships and Scholarships for 2017/2018.

In anticipation of invoices to be received for previously approved multiple-year funding arrangements, funds to the value of $25,000 remain as committed for the following organisations:

- Palmerston and Rural Seniors Committee
- Touch Football NT

An additional $3,000 has recently been committed by Council for Baptist Care NT. This includes $500 of work to be undertaken directly by Council.

Community Benefit Scheme applications are accepted all year-round and Council promotes the opportunity to apply for funds monthly and via the Council website.

Where budgeted funds are not expended during the financial year, excess funds are transferred to the Community Benefit Scheme Reserve, which will be maintained at no greater that $100,000 annually. The current reserve total is $100,000, therefore it is anticipated that any savings for 2017/2018 will not be transferred to reserves as the reserve cap has been reached.

Financial Implications:

The budget for the 2017/2018 year for Grants, Donations, Sponsorships and Scholarships is $100,000. As of February 2018, Council has awarded $53,391 and $46,609 remains in the 2017/2018 Community Benefit Scheme budget.

It is noted that NT Athletics Palmerston Fun Run for 2018 has currently been placed on hold by NT Athletics. The current budget has sufficient funds should the event proceed and Council contribute it's $10,000.

Legislation/Policy:

Policy number FIN18 - Grants, Donations, Sponsorships and Scholarships

Recommending Officer: Jan Peters, Director of Community Services

Any queries on this report may be directed to Jan Peters, Director of Community Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Jan Peters, Director of Community Services

Schedule of Attachments:

Attachment A: Applications/Acquittals Processed January 2018, Expenditure to Date

Community Benefits Scheme

Applications Received

Activity Project	Applicant	Amount Requested	Amount Received	Outcome
Collaborative Dinner	Role Models and Leaders Australia	$2,000	n/a	Awaiting requested information
International Women's Day Event	United Nations Association of Australia NT Division	$2,000 (modified)	n/a	In process
Palmerston Fun Run 2018	Athletics NT	$10,000	n/a	Withdrawn
Food for Life Expansion	Baptist Care NT	$8,956	$2,500	Successful, with modification
ANZAC Day 2018 Event	*RSL Palmerston*	*$10,000*	*$10,000*	*Carried Forward -Successful*
Touch Football NT Titles	*Touch Football NT*	*$13,000*	*$13,000*	*Carried Forward -Successful*
Palmerston and Rural Seniors Committee	*Seniors Fortnight 2018*	*$12,000*	*$12,000*	*Carried Forward -Successful*

Acquittals Received

Applicant	Activity Project	Amount Granted
Top End Mental Health Consumer Organisation Inc.	Purchase art and promotional materials to support its programs in Palmerston	$2,000

Current Community Benefits Scheme Expenditure to Date

CC name	**Account Name**	**YTD $**	**Commitment $**	**YTD + Comm $**	**Rev. Budget**	**Budget Available $**
Grants / Donations/Contributions Paid	Community Grants	25,891	27,500	53,391	100,000	**46,609**

ITEM NUMBER:	13.1.3	Financial Report for the Month of January 2018
FROM:		Director of Corporate Services
REPORT NUMBER:		8/1408
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is to present to Council the Financial Report for the month of January 2018.

RECOMMENDATION

THAT Report Number 8/1408 Financial Report for the Month of January 2018 be received and noted.

Background:

The Local Government (Accounting) Regulations prescribes that:

18 Financial reports to Council

1. The CEO must, in each month, lay before a meeting of the Council a report, in a form approved by the Council. Setting out:
    a. The actual income and expenditure of the Council for the period from the commencement of the financial year up to the end of the previous month;
    b. The forecast income and expenditure for the whole of the financial year.
2. The report must include:
    a. Details of all cash investments held by the Council (including any money held in trust);
    b. A statement on the debts owed to the Council including aggregate amount owed under each category with a general indication of the age of the debts;
    c. Other information required by the Council.

If a Council does not hold a meeting in a particular month, the report is to be laid before the Council Committee performing the Council's financial functions for the particular month.

General:

Financial Officers provide year to date financial information for the month ended 31 January 2018.

Operating Income
Total operating income is at 97% of the current forecasted budget. Rates & Charges are showing as 99% for the year as rate income is recognised in full when it is levied.

Grants, Subsidies & Contributions, currently showing as 101% is higher than anticipated due to an increase in Funds In Lieu Of Construction (FILOC) funds received compared to budget, as well as the reimbursement of streetlighting maintenance fees by the Northern Territory Government for the first half of 2017/18. These budget items are expected to be revised at third budget review.

Other Income, at 121% is currently performing above expectations due to insurance reimbursements received for damaged play equipment, this will be adjusted at third review. The remaining income items are performing as anticipated.

Operating Expenditure
Across all areas, operating expenditure is currently 59% of budget for the full year. The budget is trending and minor adjustments will be made at third review to reflect actuals which are currently over budget. All remaining expense items are tracking as forecasted.

Capital Income
Capital Income items are generally proceeding as anticipated. The $5,000,000 budget for Asset Income relates to gifted assets received from developers throughout the year and will be adjusted at end of financial year. An adjustment of $50,000 will need to be made at third review to reflect Council Decision 8/1863 for the sale of part lot 14730, Miller Court, Gunn.

Capital Expenditure
Overall Capital Expenditure is showing at 50% for the year, including Asset Upgrades at 53% for the full year, and Asset Purchases at 30%. Balance of works are anticipated to occur predominately after the wet season, when conditions are more favourable.

Financial Implications:

No significant issues have been identified in this review.

Legislation/Policy:

The review is undertaken in accordance with legislative and policy requirements.

Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Shane Nankivell, Finance Manager

Schedule of Attachments:

Attachment A: Financial Management Report – January 2018

Attachment A

Financial Management Reports

January 2018

- 1. Executive Summary
- 2. Financial Results

city of PALMERSTON

TABLE OF CONTENTS

January 2018

Section 2
Financial Results

1.1 - Executive Summary as at 31 January 2018

Results	Revised Budget 2018 $	YTD Actual $	YTD Committed $	Budget Forecast $	% Utilised
Operating Income					
Rates & Charges	26,709,566	26,506,977	0	26,709,566	99%
Statutory Charges	193,000	93,885	0	193,000	49%
User Charges	1,551,219	987,896	0	1,551,219	64%
Grants, Subsidies & Contributions	1,572,643	1,584,423	0	1,572,643	101%
Investment Income	746,160	622,455	0	746,160	83%
Other Income	53,500	64,496	0	53,500	121%
Operating Income	30,826,088	29,860,133	0	30,826,088	97%
Operating Expenditure					
Employee Costs	-8,208,035	-3,839,916	-40,286	-8,208,035	47%
Professional Services	-1,286,085	-677,295	-388,585	-1,286,085	83%
Auditor's Remuneration	-32,000	-90	0	-32,000	0%
Bad and Doubtful Debts	0	0	0	0	0%
Operating Lease Rentals	-206,300	-101,618	-73,157	-206,300	85%
Energy	-1,135,653	-631,587	0	-1,135,653	56%
Materials & Contractors	-12,307,223	-5,721,434	-2,521,908	-12,307,223	67%
Depreciation, Amortisation & Impairment	-8,820,000	-5,145,000	0	-8,820,000	58%
Elected Members Expenses	-327,959	-120,111	0	-327,959	37%
Legal Expenses	-61,500	-72,501	0	-61,500	118%
Landfill Rehabilitation	0	0	0	0	0%
Other Expenses	-4,405,053	-2,143,485	-231,768	-4,405,053	54%
Finance Charges PAN/Parking Structure	-13,877	0	0	-13,877	0%
Operating Expenditure	-36,803,685	-18,453,036	-3,255,704	-36,803,685	59%
OPERATING SURPLUS/(DEFICIT)	-5,977,597	11,407,096	-3,255,704	-5,977,597	
Capital Income					
Net gain (loss) on disposal or revaluation of assets	30,985	59,443	0	30,985	192%
Asset Income	5,000,000	0	0	5,000,000	0%
Grants received	678,380	543,600	0	678,380	80%
Capital Income	5,709,365	603,043	0	5,709,365	11%
Net SURPLUS / (DEFICIT) transferred to Equity Statement	-268,232	12,010,139	-3,255,704	-268,232	
Capital Expenditure					
Land Purchase	0	0	0	0	0%
Asset Purchase	-1,177,590	-301,313	-46,162	-1,177,590	30%
Asset Upgrade	-9,736,973	-3,220,614	-1,900,795	-9,736,973	53%
Capital Expenditure	-10,914,563	-3,521,927	-1,946,958	-10,914,563	50%
Less Non-Cash Expenditure	-8,820,000	-5,145,000	0	-8,820,000	58%
Plus Gifted Assets	5,000,000	0	0	5,000,000	0%
NET CAPITAL SURPLUS/(DEFICIT)	-7,362,795	13,633,212	-5,202,662	-7,362,795	
Borrowings	2,000,000	0	0	2,000,000	0%
Repayment of Borrowings	-35,192	0	0	-35,192	0%
Reserve Movement	5,397,986	0	0	5,397,986	0%
NET OPERATING SURPLUS/(DEFICIT)	0	13,633,212	-5,202,662	0	

Reviewed by: Finance Manager

Approved by: Director of Corporate Services

2.1 - Budget Summary Report as at 31 January 2018

Operating Income

	Revised Budget $	YTD Actuals $	%
Governance			
Office of the CEO	350,898	335,869	95.72%
Governance	350,898	335,869	95.72%
Corporate Services			
Financial Services	300,000	380,000	126.67%
Office of the Director Corporate Services	0	5,891	0.00%
Rates	20,060,426	19,435,240	96.88%
Corporate Services	20,360,426	19,821,132	97.35%
Community Services			
Events Promotion	0	3,500	0.00%
Library Services	690,856	658,428	95.31%
Senior Citizens	1,500	0	0.00%
Youth Services	5,000	3,300	66.00%
Community Services	697,356	665,228	95.39%
Technical Services			
Animal Management	392,000	288,444	73.58%
Aquatic Centre	77,291	45,087	58.33%
Civic Centre	162,333	106,173	65.40%
Driver Resource Centre	6,600	8,722	132.16%
Gray Community Hall	16,800	8,729	51.96%
Office of the Director Technical Services	43,250	37,551	86.82%
Parking & Other Ranger Services	175,000	88,571	50.61%
Private Works	110,000	71,810	65.28%
Recreation Centre	71,000	61,456	86.56%
Roads & Transport	383,489	234,996	61.28%
Stormwater Infrastructure	52,000	0	0.00%
Subdivisional Works	450,000	481,119	106.92%
Waste Management	6,682,860	7,088,857	106.08%
Odegaard Drive Investment Property	446,160	297,440	66.67%
Durack Heights Community Centre	2,830	636	22.49%
CBD Car Parking	345,795	218,313	63.13%
Technical Services	9,417,408	9,037,904	95.97%
	30,826,088	29,860,133	96.87%

2.1 - Budget Summary Report as at 31 January 2018

Capital Income

	Revised Budget $	YTD Actuals $	%
Corporate Services			
Office of the Director Corporate Services	30,985	59,443	191.84%
Corporate Services	30,985	59,443	191.84%
Technical Services			
Open Space	0	11,000	0.00%
Roads & Transport	538,380	532,600	98.93%
Subdivisional Works	5,000,000	0	0.00%
Waste Management	140,000	0	0.00%
Technical Services	5,678,380	543,600	9.57%
	5,709,365	603,043	10.56%

2.1 - Budget Summary Report as at 31 January 2018

Operating Expenditure

	Revised Budget $	YTD Actuals $	Commitment $	Total YTD Actuals plus Commitments $	%
Governance					
Elected Members	-556,588	-328,644	-330	-328,974	59.11%
Office of the CEO	-724,134	-625,761	-7,878	-633,640	87.50%
Governance	-1,280,722	-954,405	-8,208	-962,614	75.16%
Corporate Services					
Customer Services	-212,945	-76,339	0	-76,339	35.85%
Financial Services	-1,473,388	-781,575	-64,732	-846,307	57.44%
Human Resources	-230,363	-95,765	-426	-96,191	41.76%
Information Technology	-1,089,738	-503,735	-204,221	-707,956	64.97%
Office of the Director Corporate Services	-9,432,218	-5,422,211	-2,589	-5,424,800	57.51%
Public Relations and Communications	-385,517	-171,066	-9,963	-181,029	46.96%
Rates	-303,900	-282,679	0	-282,679	93.02%
Records Management	-270,342	-141,520	-37,727	-179,248	66.30%
Corporate Services	-13,398,411	-7,474,889	-319,659	-7,794,547	58.18%
Community Services					
Arts & Culture	-127,000	-39,300	-660	-39,960	31.46%
Community Development	-856,228	-371,435	-25,000	-396,435	46.30%
Events Promotion	-273,300	-111,594	-5,554	-117,148	42.86%
Families & Children	-20,000	-7,254	-500	-7,754	38.77%
Health and Wellbeing Services	-62,500	-6,304	-10,923	-17,226	27.56%
Library Services	-1,539,299	-625,225	-38,098	-663,323	43.09%
Senior Citizens	-6,500	-1,979	0	-1,979	30.45%
Youth Services	-50,500	-12,632	0	-12,632	25.01%
Office of the Director Community Services	-283,853	-116,764	-500	-117,264	41.31%
Community Services	-3,219,180	-1,292,488	-81,235	-1,373,723	42.67%
Technical Services					
Animal Management	-111,500	-54,178	-35,058	-89,237	80.03%
Aquatic Centre	-558,228	-270,714	-201,489	-472,203	84.59%
Archer Sports Club	-10,936	-1,546	0	-1,546	14.14%
Civic Centre	-388,645	-152,805	-30,727	-183,532	47.22%
Depot	-66,243	-27,430	-14,073	-41,504	62.65%
Driver Resource Centre	-31,348	-5,706	-1,827	-7,533	24.03%
Emergency Operations	-10,000	0	0	0	0.00%
Gray Community Hall	-73,976	-21,699	-9,936	-31,635	42.76%
Office of the Director Technical Services	-1,289,228	-635,613	-78,886	-714,499	55.42%
Open Space	-5,635,322	-2,310,843	-177,728	-2,488,571	44.16%
Parking & Other Ranger Services	-809,465	-357,070	-1,664	-358,734	44.32%
Plant & Equipment	-32,000	-34,925	-1,509	-36,434	113.86%
Private Works	-92,688	-46,366	0	-46,366	50.02%
Recreation Centre	-142,711	-133,156	-37,362	-170,518	119.48%
Roads & Transport	-2,478,888	-952,508	-137,052	-1,089,559	43.95%
Stormwater Infrastructure	-281,000	-157,544	-3,188	-160,732	57.20%
Street Lighting	-875,000	-555,114	-6,402	-561,516	64.17%
Subdivisional Works	0	-243	0	-243	0.00%
Waste Management	-5,591,174	-2,862,723	-2,055,921	-4,918,644	87.97%
Odegaard Drive Investment Property	-116,187	-73,090	0	-73,090	62.91%
Durack Heights Community Centre	-54,738	-9,078	-6,804	-15,882	29.01%
CBD Car Parking	-218,584	-58,460	-46,977	-105,438	48.24%
Goyder Square	-37,510	-10,442	0	-10,442	27.84%
Technical Services	-18,905,371	-8,731,254	-2,846,602	-11,577,857	61.24%
	-36,803,685	-18,453,036	-3,255,704	-21,708,740	58.99%

2.1 - Budget Summary Report as at 31 January 2018

Capital Expenditure

	Revised Budget $	YTD Actuals $	Commitment $	Total YTD Actuals plus Commitments $	%
Corporate Services					
Information Technology	-15,000	0	-8,792	-8,792	58.62%
Office of the Director Corporate Services	-213,600	-118,317	-622	-118,939	55.68%
Corporate Services	-228,600	-118,317	-9,415	-127,732	55.88%
Community Services					
Community Development	-733	-1,806	0	-1,806	246.48%
Community Services	-733	-1,806	0	-1,806	246.48%
Technical Services					
Aquatic Centre	-42,368	0	-10,950	-10,950	25.85%
Civic Centre	-100,000	-73,117	0	-73,117	73.12%
Depot	-17,000	-4,400	0	-4,400	25.88%
Driver Resource Centre	-15,000	0	0	0	0.00%
Office of the Director Technical Services	-202,746	-39,357	-20,588	-59,945	29.57%
Open Space	-2,205,310	-851,558	-73,699	-925,258	41.96%
Recreation Centre	-10,000	0	0	0	0.00%
Roads & Transport	-2,819,930	-1,465,848	-517,460	-1,983,308	70.33%
Stormwater Infrastructure	-115,000	-7,633	-12,985	-20,617	17.93%
Subdivisional Works	0	-138,731	-12,959	-151,690	0.00%
Waste Management	-5,136,368	-819,158	-1,288,902	-2,108,059	41.04%
CBD Car Parking	-21,508	-2,003	0	-2,003	9.31%
Technical Services	-10,685,230	-3,401,804	-1,937,543	-5,339,347	49.97%
	-10,914,563	-3,521,927	-1,946,958	-5,468,884	50.11%

2.2 Reserves Schedule

	Balance as at 01/07/2017	TO RESERVES Original Budget $	TO RESERVES Budget Reviews 1st Review $	TO RESERVES Budget Reviews 2nd Review $	TO RESERVES Adopted Budget $	FROM RESERVES Original Budget $	FROM RESERVES Budget Review 1st Review $	FROM RESERVES Budget Review 2nd Review $	FROM RESERVES Adopted Budget $	Balance as at 30/06/2018
Externally Restricted Reserves										
Unexpended Grants Reserve	0	0	0	0	0	0	0	0	0	0
Developer Funds in Lieu of Construction*	4,669,920	250,000	0	0	250,000	0	0	0	0	4,919,920
	4,669,920	**250,000**	**0**	**0**	**250,000**	**0**	**0**	**0**	**0**	**4,919,920**
Internally Restricted Reserves										
Election Expenses Reserve	150,000	0	0	0	0	0	0	150,000	150,000	0
Disaster Recovery Reserve	500,000	0	0	0	0	0	0	0	0	500,000
Strategic Initiatives Reserve	500,000	0	0	500,000	500,000	500,000	0	0	500,000	500,000
Unexpended Capital Works Reserve	3,217,148	0	0	0	0	0	3,217,148	0	3,217,148	0
Property Reserve	1,077,343	0	0	500,000	500,000	500,000	155,240	0	655,240	922,104
Plant and Equipment Reserve	310,442	0	0	0	0	0	38,810	0	38,810	271,632
Infrastructure Reserve	4,108,758	500,000	0	3,556,000	4,056,000	3,500,000	662,149	864,000	5,026,148	3,138,610
Community Grants Reserve	100,000	0	0	0	0	0	0	0	0	100,000
Waste Management Reserve	1,313,229	3,430,217	0	0	3,430,217	4,174,069	0	0	4,174,069	569,377
Streetlighting Reserve	811,063	0	0	0	0	500,000	0	0	500,000	311,063
Masterplan Reserve	0	15,545,795	0	14,753,418	30,299,213	14,972,002	200,000	15,000,000	30,172,002	127,211
	12,087,982	**19,476,012**	**0**	**19,309,418**	**38,785,430**	**24,146,071**	**4,273,346**	**16,014,000**	**44,433,416**	**6,439,996**
Total Reserve Funds	**16,757,902**	**19,726,012**	**0**	**19,309,418**	**39,035,430**	**24,146,071**	**4,273,346**	**16,014,000**	**44,433,416**	**11,359,916**

* Developer Funds in Lieu of Construction is currently listed as Unrestricted in FIN19 Reserves Policy. FIN19 will be amended shortly to show this reserve as Restricted.

Reviewed by: Finance Manager

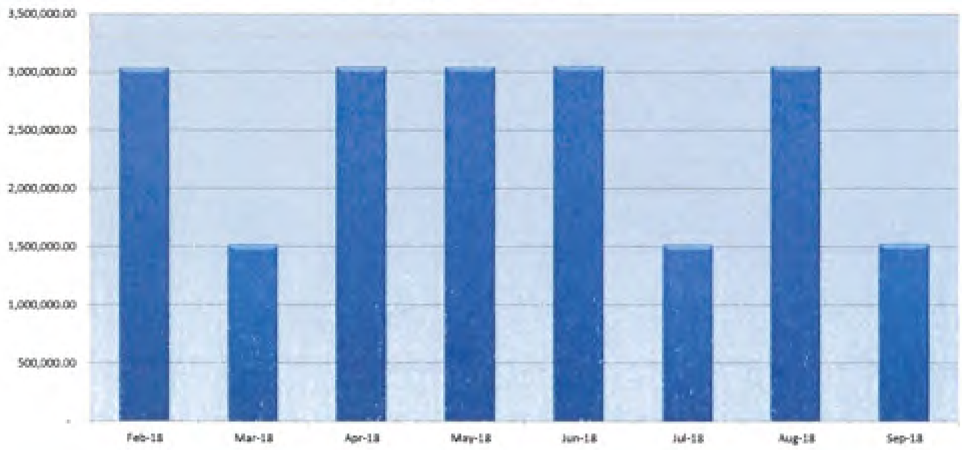
Approved by: Director of Corporate Services

INVESTMENTS REPORT TO COUNCIL AS AT 31/01/2018

COUNTERPARTY	RATING	AMOUNT	INTEREST RATE	MATURITY DATE	DAYS TO MATURITY	INSTITUTION TOTALS	%COUNTER PARTY
People's Choice Credit Union	S&P A2	$ 6.79	0.00%			$ 6.79	0.00%
Auswide	S&P A3	$ 1,500,000.00	2.65%	May 23, 2018	112	$ 1,500,000.00	7.63%
AMP	S&P A1	$ 1,500,000.00	2.55%	February 28, 2018	28	$ 1,500,000.00	7.63%
Bendigo & Adelaide Bank	S&P A2	$ 1,500,000.00	2.70%	July 18, 2018	168		
Bendigo & Adelaide Bank	S&P A2	$ 1,500,000.00	2.70%	August 15, 2018	196		
Bendigo & Adelaide Bank	S&P A2	$ 1,500,000.00	2.70%	September 12, 2018	224	$ 4,500,000.00	22.89%
National Australia Bank	S&P A1+	$ 7,430.50	2.80%				
National Australia Bank	S&P A1+	$ 152,603.79	2.80%				
National Australia Bank	S&P A1+	$ 1,500,000.00	2.57%	February 14, 2018	14		
National Australia Bank	S&P A1+	$ 1,500,000.00	2.60%	April 11, 2018	70		
National Australia Bank	S&P A1+	$ 1,500,000.00	2.61%	May 9, 2018	98		
National Australia Bank	S&P A1+	$ 1,500,000.00	2.60%	June 6, 2018	126		
National Australia Bank	S&P A1+	$ 1,500,000.00	2.60%	June 20, 2018	140	$ 7,660,034.29	38.96%
ME Bank	S&P A2	$ 1,500,000.00	2.60%	April 25, 2018	84		
ME Bank	S&P A2	$ 1,500,000.00	2.57%	August 29, 2018	210	$ 3,000,000.00	15.26%
MyState	Moody's P2	$ 1,500,000.00	2.57%	March 14, 2018	42	$ 1,500,000.00	7.63%

TOTAL SHORT TERM INVESTMENT	$ 19,660,041.08	Average Days to Maturity	116.00		
% OF TOTAL INVESTMENT PORTFOLIO	A1 (max 100%) 46%	A2/P2 (max 80%) 46%	A3 (max 50%)	8%	100%
Weighted Average Rate	2.62%	BBSW 90 Day Rate Benchmark	1.78%		
GENERAL BANK FUNDS	$ 5,708,875.80	Total Budget Investment Earnings	-$ 300,000.00		
TOTAL ALL FUNDS	$ 25,368,916.88	Year to Date Investment Earnings	-$ 280,794.16		

Cashflow of Investments



PROPERTY INVESTMENT

PROPERTY ADDRESS	VALUATION BASIS	VALUE	INCOME YTD	EXPENSE YTD	NET PROFIT YTD	COMPARITIVE YTD YIELD AT CASH RATE OF 3%
48 Odegaard Drive, Rosebery	Fair Value	$ 6,935,502	$ 297,440	$ 73,155	$ 224,285	$ 121,989

Reviewed by: Finance Manager

Approved by: Director Corporate Services

2.4 Debtor Control Accounts

31 January 2018

SUNDRY DEBTORS:

BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS	OVER 90 DAYS
54,836.17	4,655.06	10,672.06	(60.00)	5,380.51	34,188.54

RATES:

REPORT MONTH	OUTSTANDING $	OUTSTANDING % OF RATES INCOME	OVERDUE $	OVERDUE % OF RATES INCOME
Jan-18	$6,428,530	23.3%	$2,249,768	8.2%
Jan-17	$5,901,148	22.4%	$1,928,871	7.3%

TOTAL OVERDUE $	Charged in 2017/2018	Charged in 2016/2017	Charged in 2015/2016	Charged in 2014/2015	Charged Prior to 2014/2015
$2,249,768	$1,966,807	$218,291	$51,038	$9,874	$3,759

INFRINGEMENTS:

	$
Animal Infringements	118,158.83
Public Places	9,900.00
Parking Infringments	172,030.99
Litter Infringements	875.00
Signs	0.00
Other Law and Order	0.00
Net Balance on Infringement Debts	300,964.82

Reviewed by: Finance Manager

Approved by: Director Corporate Services

Section 2
Financial Results
2.5 - Financial Indicators

	Target	2018	2017	2016	2015	2014
Operating Surplus Ratio						
Total Operating Surplus/Deficit Total Operating Income	**0.00%**	-19.39%	-5.16%	-39.40%	-20.18%	-18.22%
This indicator shows the extent to which operational expenses are covered by operational income, and if in surplus, how much is available to use for other purposes such as capital expenses. This has been calculated from the forecast budget.						
Debt Service Ratio						
Net Debt Service Cost Operating Revenue	**<5%**	0:00%	0:00%	0:00%	0:00%	0:00%
A Council's debt service ratio shows Council's debts (principal + interest) in relation to Council's income. Palmerston currently has no loans payable, and therefore the debt ratio is 0:0						
Rate Coverage Percentage						
Rate Revenues Total Revenues	**60%-75%**	65.03%	59.25%	60.02%	61.53%	61.03%
This indicator shows the percentage of total revenue raised through rates income.						
Rates & Annual Charges Outstanding Percentage						
Rates & Annual Charges Outstanding Rates & Annual Charges Collectible	**<5%**	30.98%	3.57%	3.16%	3.47%	2.39%
This percentage shows Council's total rates outstanding against rates payable to Council in this financial year. The rate will decrease as instalment dates pass.						

2.6 - Creditor Accounts paid - January 2018

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
V00318	StatewideSuper Clearing House	PJ001262	FORTNIGHT 2018-12 - From Payroll	$	5,779.04
4398	Quality Indoor Plants Hire	831217	Plant hire - Recreation Centre - Dec 2017	$	90.93
4398	Quality Indoor Plants Hire	821217	12 Months plant hire for Civic Centre - Dec 2017	$	102.40
4912	Remote Area Tree Services Pty Ltd	00004327	Wilton Court - r&sg declining Syzygium	$	330.00
4912	Remote Area Tree Services Pty Ltd	00004326	Corypha Circuit - r&sg 2x damaged Tabebuia	$	330.00
4912	Remote Area Tree Services Pty Ltd	00004310	Flora McLaren Park - remove & sg 2 dead Rosewoods	$	1,749.00
4912	Remote Area Tree Services Pty Ltd	00004309	Tree Removal - Golden Grove & Haydon	$	2,079.00
4912	Remote Area Tree Services Pty Ltd	00004308	Rosebery Drive - r&sg 1 declining Rosewood	$	946.00
4912	Remote Area Tree Services Pty Ltd	00004255	Scenic Park - remove to base declining Acacia	$	660.00
4912	Remote Area Tree Services Pty Ltd	00004250	2 Hale Place - r&sg Syzygium	$	495.00
4561	Bendesigns	4370	Library - Bendesigns	$	110.00
1453	Able Library Supplies T/A Able Agencies	2245	Library stock	$	641.50
4561	Bendesigns	4364	Palmerston Library wall mural x 2 printed corfulte	$	748.00
938	Nightcliff Electrical	7854	Lights CBD	$	370.00
3787	Total Event Services T/A Top End Sounds P/L	16194	Xmas Tree Light Up - Marquee+chairs	$	1,095.60
V01345	GreenTec Pty Ltd	CIP005	Landfill Gas Monitoring - Dec 2017	$	2,321.00
2965	KIK FM Pty Ltd	09010208	Australia Day 2018 radio audio	$	135.00
V01459	Tropical Water Solutions P/L	TWS/17/105	Carry out WQM - Archer - 28 Sept 2017	$	7,826.25
V01459	Tropical Water Solutions P/L	TWS/17/106	Carry out WQM at Archer - 23 November 2017	$	7,826.25
V00848	Aldebaran Contracting Pty Ltd	00001485	Carry out remediation works drain green waste pad	$	6,930.00
112	Beaurepaires	6409543038	4 Tyres CB00EP	$	1,191.63
943	Territory Asset Management Services	00001146	Undertake 1 weekTraffic Count Survey at Belyuen	$	330.00
3313	Zip Print	19338	Activate Timetable Block One x 100 A4 folded	$	209.00
87	Industrial Power Sweeping Services Pty	00012155	callout - 29/11/2017 - Driver	$	176.00
3438	NT Shade & Canvas Pty Ltd	00001652	Machine & replace roller bushes Sanctuary Lakes	$	660.00
V01079	CAP22 Services Pty Ltd	00002781	CAP22 W/E 10/12/17	$	377.69
256	The Bookshop Darwin	BD15941	Library the bookshop BD4391	$	1,665.40
256	The Bookshop Darwin	BD15940	Library bookshop BD4385	$	1,261.17
4029	Totally Workwear Palmerston	100019979	New safety boots - outdoor staff	$	233.00
201	Spotless Facility Services Pty Ltd (T/A Ensign)	279918	Library Ensign - Mat Hire - 7/12	$	24.21
35	WINC Australia Pty Limited	9022992754	Civic Centre Kitchen & Stationery	$	424.69
289	Bolinda Publishing Pty Ltd	87559	Library Bolinda order number 20436332	$	257.27
48	Top End Line Markers Pty Ltd	L17/595	Line Marking at Various Streets - Rosebery	$	1,765.50
48	Top End Line Markers Pty Ltd	L17/593	Line Marking - Various Streets - Bellamack	$	1,617.00
5136	RMI Security	S-3686	Security for Christmas Tree lighting event	$	2,088.03
2587	Top End RACE	00044199	Attend non working aircon civic plaza - 1/12/17	$	168.30
35	WINC Australia Pty Limited	9023025672	Library WINC Order	$	657.71
938	Nightcliff Electrical	7920	Repair the GPO at Stadim between Crt 1 & Crt 2	$	160.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
289	Bolinda Publishing Pty Ltd	88428	Library Bolinda order number 20436332	$	256.28
V00295	Jacana Energy	68383689	1011831010 -01.11.2017 - 30.11.2017	$	11,643.20
V01437	GWI Pty Ltd	00016731	Professional advisory services IM Review - 40%	$	16,588.00
5508	Open Systems Technology Pty Ltd - CouncilFirst	SI004158	Dialog Annual Payroll Maint - 15/1/18 to 14/1/2019	$	1,924.25
350	IBM Global Financing Australia Limited	1050655	Agreement Ref: AUAL-AEF7BK-4- Dec 2017	$	1,783.33
350	IBM Global Financing Australia Limited	1050237	Agreement Ref: AU7K-9YLARM- Dec 2017	$	981.87
3683	Area9 IT Solutions	SIN48885	Review - Decommissioning - Direct Access	$	8,332.50
3879	Litchfield Council	3949	LSL	$	10,032.74
V00318	StatewideSuper Clearing House	PJ001269	FORTNIGHT 2018-13 - From Payroll	$	5,829.17
V01416	McArthur (SA) Pty Ltd	SA8676	Professional Services - Travel - Review Lib Ser	$	2,236.30
V00828	Iain Summers	COP/1217	Chairman fee - Risk Management & Audit Committee	$	1,054.90
5104	JLM Civil Works Pty Ltd	00008223	Landscape Maintenance Moulden - Dec 2017	$	849.20
V01416	McArthur (SA) Pty Ltd	SA8677	Professional Services- Final Instal - Lib Ser	$	1,925.00
V01416	McArthur (SA) Pty Ltd	SA8658	Professional Services - First Instalment - Lib Ser	$	1,925.00
5104	JLM Civil Works Pty Ltd	00008252	Sanctuary Lakes - tree maintenance	$	308.00
5104	JLM Civil Works Pty Ltd	00008253	Rosebery Park - replacement climbing net	$	3,948.73
5104	JLM Civil Works Pty Ltd	00008254	Marlow Lagoon Recreation Reserve - vandalism	$	468.22
5104	JLM Civil Works Pty Ltd	00008248	Repair various park issues	$	638.00
5104	JLM Civil Works Pty Ltd	00008247	Remove debris from various areas	$	2,178.00
5104	JLM Civil Works Pty Ltd	00008249	Callout - reinstate 3 displaced SEP lids Farrar	$	641.30
5104	JLM Civil Works Pty Ltd	00008244	Remove graffiti from structures in Various Parks	$	269.50
5104	JLM Civil Works Pty Ltd	00008245	Backfill low depression on Golf Corse surrounds	$	814.00
5104	JLM Civil Works Pty Ltd	00008241	Please collect items on verge of 27 Lorna Lim Tce,	$	179.30
5104	JLM Civil Works Pty Ltd	00008250	Remove graffiti - various areas	$	385.55
5104	JLM Civil Works Pty Ltd	00008251	Tree maintenance - various areas	$	781.00
5104	JLM Civil Works Pty Ltd	00008240	Job-494. Sweep off the broken glass pieces	$	77.00
5104	JLM Civil Works Pty Ltd	00008246	Remove debris from first carpark @ Marlow Lagoon	$	1,116.50
5104	JLM Civil Works Pty Ltd	00008243	Remove glass from footpath @ Gordon Stott	$	360.80
5104	JLM Civil Works Pty Ltd	00008232	Remove graffiti on exterior walls of Gray Hall	$	60.50
5142	Australian Catchment Management Pty Ltd	731	Parts required for truxor	$	992.31
5104	JLM Civil Works Pty Ltd	00008272	Remove debris/ silts from all culverts	$	1,320.00
5104	JLM Civil Works Pty Ltd	00008266	Collect Broken Glass on Tilston Ave	$	69.30
5104	JLM Civil Works Pty Ltd	00008267	Please collect broken glass crn of Temple & Chung Wah	$	69.30
5104	JLM Civil Works Pty Ltd	00008268	Pet waste Dispensers Durack Lakes	$	2,360.05
5104	JLM Civil Works Pty Ltd	00008264	48 Odegaard Drive - landscape maintenance	$	1,742.62
5651	Minter Ellison Lawyers	1572853	Matter 254408	$	24,595.63
V00315	HWL Ebsworth Lawyers	798270	Review of Dog Attack Invest Procedure to 21 Dec 17	$	2,711.50
5104	JLM Civil Works Pty Ltd	00008221	Long Grass Removal Antonino Drive	$	275.00
5104	JLM Civil Works Pty Ltd	00008226	Clear blockage front of SEP JN 208 & Job No. 207	$	69.30
5104	JLM Civil Works Pty Ltd	00008230	Cleaning Service - JN 218, JN 219, JN 221, JN 222	$	207.90
5104	JLM Civil Works Pty Ltd	00008237	Supply and install Liddy Crescent Sign at Light	$	302.50
5104	JLM Civil Works Pty Ltd	00008239	Speed Trailer Service @ Beluyen Road, Rosebery	$	138.60
90	Local Government Association of the NT (LGANT)	3843	Interim CEO Recruitment Campaign	$	3,107.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
5104	JLM Civil Works Pty Ltd	00008262	Replace hazard marker Sign int Forrest Pd/Belyuen	$	246.29
5104	JLM Civil Works Pty Ltd	00008261	Maintenance Signage Bakewell	$	271.96
5104	JLM Civil Works Pty Ltd	00008260	Pedestrian Crossing Coles Car Park	$	92.40
5104	JLM Civil Works Pty Ltd	00008258	Reinstate the fence Panels at Butterfly Drain	$	69.30
5104	JLM Civil Works Pty Ltd	00008257	Reinstate the signage Post at the int of Hutchison	$	124.30
5104	JLM Civil Works Pty Ltd	00008256	Reinstate Round about Warning Sign near Emily Crt	$	101.20
5104	JLM Civil Works Pty Ltd	00008255	Replace KR Sign JN 495	$	485.99
V01368	Chris Kelly	1172687335	Reimburse mobile phone - 7 Oct to 6 Nov 2017	$	60.00
V00166	Diamond International Events T/A Trina's Catering	1718098	Catering - Council Meetings - 12 Dec 2017	$	264.00
5104	JLM Civil Works Pty Ltd	00008259	Remove 2 X Odegaard Road Sign and Supply New Sign	$	605.00
5104	JLM Civil Works Pty Ltd	00008236	Job # 228. Replace pit lid with GRD type	$	363.00
V01467	Janice Taylor & Trenton Gray	ANIMAL 125610 REFUND PRO RATA	Animal 125610 refund pro rata dog rego	$	31.00
35	WINC Australia Pty Limited	9023002009	Civic Centre Kitchen & Stationery	$	36.72
5104	JLM Civil Works Pty Ltd	00008276	Supply install 3m Fence Panels & 2 Post Buscall	$	735.90
V01455	D. Fantasia's Painting Services	INV0123	Graffiti Proof - Mural - Butterfly Wall	$	660.00
V01455	D. Fantasia's Painting Services	INV0124	Graffiti Proof - Mural	$	660.00
V01421	Shaun Lee	7	Mural #1 - final payment	$	1,350.00
4065	Southern Cross Protection Pty Ltd	951826	Call outs- Library & Civic Plaza	$	502.54
5104	JLM Civil Works Pty Ltd	00008265	6x letter box locks and 6x rekey cylinders include	$	603.46
5104	JLM Civil Works Pty Ltd	00008228	Repair the broken hook for lane way rope	$	124.30
41	Harvey Distributors	474788	10 boxes of 82lt bags for CBD rubbish.	$	704.00
5104	JLM Civil Works Pty Ltd	00008263	Replace hazard marker Sign int P'ston Cir /Bunning	$	246.29
5104	JLM Civil Works Pty Ltd	00008234	Organize for Signage Works at Rec Centre Car Park	$	1,206.95
V00509	The Association for Payroll Specialists	8910	Personal (Aust Payroll) 3 Feb 18 to 2 Feb 19	$	705.00
571	Animal Care Equip & Service Pty Ltd	00028049	Poles & Net	$	1,019.38
4508	News 4 U	SN00134201012018	Newspapers - 1342 - 1/12/2017 - 31/12/2017	$	143.25
V00318	StatewideSuper Clearing House	DEC - 17	Superannuation Contribution	$	50,301.09
4678	Allabout Party Hire & Events - Darwin Party Hire	43037	Event - BFL - Tables	$	386.50
V00295	Jacana Energy	68431844	1016266810 -07.11.2017 - 06.12.2017	$	216.96
V00295	Jacana Energy	68431897	1017379110 - 07.11.2017 - 06.12.2017	$	221.74
V00295	Jacana Energy	68443033	102137110 -07.11.2017 - 06.12.2017	$	24.89
V00295	Jacana Energy	68478789	105742210 -14.11.2017 - 12.12.2017	$	36.05
V00848	Aldebaran Contracting Pty Ltd	00001468	Supply machinery (dozer) and labour to backfill	$	1,870.00
V01308	Dornier Digital Pty Ltd	INV-DD-0025	Consulting on legal matters 19 Dec 2017	$	240.00
4065	Southern Cross Protection Pty Ltd	952369	Call Outs - Library & Civic Ctr - Dec 2017	$	504.58
4508	News 4 U	SN00197201012018	Newspapers - Cust 1972 -1/12/2017 - 31/12/2017	$	58.00
4508	News 4 U	SN00166701012018	Newspapers - 1667 - CEO - 1/12/17 - 31/12/17	$	58.00
2199	SBA Office National	637357	Supply VTC1809 Commercial white board magnetic	$	258.00
353	Otis	1557647	Lift Maintenance - 1 Jan 2018 to 31 Mar 2018 Qtr	$	2,511.63
353	Otis	1561223	Lift Maint - 1 Oct 2017 to 31 Mar 2017 - 2 Qtrs	$	101.33
5104	JLM Civil Works Pty Ltd	00008225	New Driveway - Lot 14775, 4 Garrick St Zuccoli	$	1,589.78
5104	JLM Civil Works Pty Ltd	00008231	Zuccoli Lot 14371 (165) Zuccoli Pde New Driveway	$	1,204.28
V01312	Rian Smit	201708003 - FINAL PAYMENT	Mental Health Week Youth Mural	$	2,370.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
V00101	Bellamack Pty Ltd	DRIVEWAY REIMBURSMENT LOT 13691	Lot 13691 Driveway Reimbursment	$	1,120.00
V00101	Bellamack Pty Ltd	DRIVEWAY REIMBURSEMENT LOT 13637	Lot 13637 Driveway Reimbursement	$	1,260.00
V01468	Janet P Muller	ANIMAL 114993 REFUND PRO-RATA	Animal 114993 refund pro-rata dog rego	$	28.00
V01469	Blake Gawne	ANIMAL 128602 REFUND PRO-RATA	Animal 128602 refund pro-rata dog rego	$	28.00
V01470	Marilyn Anne Harrison	REFUND CAT TRAP 3	Receipt 260879 - Refund Cat Trap 3	$	100.00
V01471	Mr Mark W Harper	ANIMAL 125266 REFUND PRO-RATA	Animal 125266 refund pro-rata dog rego	$	28.00
2199	SBA Office National	637801	Supply Rapidline round table beech 900mm	$	249.00
V01472	D A Wilson	R6069	Assess 110312 rates refund	$	446.59
V01473	Sandra & Dave Hart	ANIMAL 115693 REFUND PRO RATA	Animal 115693 refund pro rata dog rego	$	28.00
5104	JLM Civil Works Pty Ltd	00007498	Speed Trailer service at Palmerston Christian School	$	277.20
256	The Bookshop Darwin	BD15937	CR/Adj Note for 2x items Invoice BD15868 & BD15869	-$	56.68
353	Otis	1561224	CR/Adj Note for 1 Oct 2017 to 31 Mar 2018 x2 qtrs	-$	281.84
112	Beaurepaires	6409556500	Tyre rotation and wheel alignment - CC49KV	$	81.37
3313	Zip Print	19369	Activate 2018 timetable one x 100	$	209.00
938	Nightcliff Electrical	7788	Investigate and Repair PCC99	$	789.18
3313	Zip Print	19368	National Families Week x 100 A4 folded	$	209.00
V00443	Top End Hydraulic Services P/L T/A Forecast Machin	4765	Truxor service and fix hydrulic leak	$	425.10
5204	Voyager Trailers	INV-2811	Repairs to trailer brakes and reg inspection	$	265.00
3936	Arafura Tree Services and Consulting	7479	Remove & stump grind 2 x declining Black Wattles	$	1,650.00
938	Nightcliff Electrical	7939	Investigate and Repair at end of Hayes Court	$	160.00
4737	D & L Plumbing & Gasfitting	6783	Santuary Lake Exeloo seat bolt broken	$	126.50
938	Nightcliff Electrical	8001	Durack art hall wall light near bin encloser	$	160.00
4737	D & L Plumbing & Gasfitting	6782	Unblock the exeloo drains at Marlow Lagoon	$	247.50
4737	D & L Plumbing & Gasfitting	6781	Replace the tap at outdoor shower Aquatic Ctr	$	275.00
V00223	HME Air Conditioning & Electrical Services	23235	Odegaard Drive Aircon repairs - 16 Dec 2017	$	1,651.00
4737	D & L Plumbing & Gasfitting	6779	Aquatic Centre male toilet flushing	$	352.00
36	Darwin Lock & Key	132304	Investigate & repair lock on BBQ 7 @ Marlow Lagoon	$	104.50
V00368	iWater NT	INV-0051	Re-seed and fertilise the lawn areas at Goyder Squ	$	330.00
V00228	Outback Tree Service	1027	Prune storm damaged Peltophorum branch Geoid Park	$	99.00
V00228	Outback Tree Service	1029	Remove failed branch & rem prune Pretty Park	$	352.00
V00228	Outback Tree Service	1046	Remove small hanger over Maluka Drive and remedial	$	198.00
V00228	Outback Tree Service	1028	Remedial prune Maranthes - Eucalypt Marlow Lagoon	$	352.00
V00228	Outback Tree Service	968	Remedial prune Cnr Tilston Ave & Chin Gong	$	198.00
3936	Arafura Tree Services and Consulting	7442	Remove & stump grind dead Ficus in Widdup Park	$	550.00
3936	Arafura Tree Services and Consulting	7443	Remove & cut to base 7 x dead Palms University Ave	$	440.00
3936	Arafura Tree Services and Consulting	7523	Remove & stump grind dead Maranthes adj 8 Moulden	$	572.00
3936	Arafura Tree Services and Consulting	7529	Remove & stump grind dead Melaleuca adj 7 Minorell	$	418.00
3936	Arafura Tree Services and Consulting	7527	Remove & stumpgrind dead Eucalypt adjacent 4 James	$	880.00
3936	Arafura Tree Services and Consulting	7526	Remove & stump grind dead Mimusops adj 51 Bonson	$	484.00
3936	Arafura Tree Services and Consulting	7440	RQ121533 - Remove & stump grind dead/ Gumnut	$	616.00
V01079	CAP22 Services Pty Ltd	00002788	CAP22 W/E 7/12/17	$	377.69
938	Nightcliff Electrical	8008	COP Park Light Audit - Dec 2017	$	320.38
4414	JLL Infrastructure Advisory Pty Ltd	AU003-0104416	Street Light Asset Evaluation as per TS2017/10	$	27,500.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
289	Bolinda Publishing Pty Ltd	89582	Library Bolinda order number 20372962	$	79.16
289	Bolinda Publishing Pty Ltd	89815	Library Bolinda order number 20436332	$	57.42
289	Bolinda Publishing Pty Ltd	89830	Library Bolinda order number 20436343	$	47.03
87	Industrial Power Sweeping Services Pty	00012193	Street Sweeping Service at the int of Scott Court	$	88.00
5104	JLM Civil Works Pty Ltd	00008271	Remove debris & silts from the drain along Bridle	$	2,585.00
5104	JLM Civil Works Pty Ltd	00008279	Take the trapped cat out of the drain 9 Maximilla	$	138.60
5104	JLM Civil Works Pty Ltd	00008278	Reinstate the park light cover, materials and labour	$	157.30
5104	JLM Civil Works Pty Ltd	00008277	Remove debris and silts from the drain along Muster	$	1,897.50
5104	JLM Civil Works Pty Ltd	00008285	Reinstate the fence panels next to 19 Widdup Cres	$	179.30
5104	JLM Civil Works Pty Ltd	00008280	Reinstate dislodged existing Pit Lid ifo 1/2 Lowe	$	88.00
5104	JLM Civil Works Pty Ltd	00008281	Bunt the area with damaged Pit at Long park	$	69.30
5104	JLM Civil Works Pty Ltd	00008282	Remove the abandoned temporary fence at Rec Centre	$	69.30
5104	JLM Civil Works Pty Ltd	00008283	Lock the Water Over Road Sign at 3 Floodways	$	165.00
5104	JLM Civil Works Pty Ltd	00008289	Reinstate the Post and Rail Fence at Marlow Park	$	69.30
5104	JLM Civil Works Pty Ltd	00008290	Clean the surface drain along Squatter Road	$	1,292.50
5104	JLM Civil Works Pty Ltd	00008291	Clean the surface drain along Flockhart Drive	$	1,809.50
5104	JLM Civil Works Pty Ltd	00008286	Maintenace Stormwater Marlows Lagoon	$	3,102.00
2977	Security & Technology Services P/L	123191	Prevention Maint & Alarms - 23/12/17 to 22/1/2018	$	500.50
201	Spotless Facility Services Pty Ltd (T/A Ensign)	280184	Library Ensign - Mat Hire - 14/12	$	24.21
2336	Flick Anticimex Pty Ltd	801243360	Drill & inject chemical for Termites Marlow Lagoon	$	385.00
5104	JLM Civil Works Pty Ltd	00008288	Replace the 200 Lock on the Water over road signs	$	165.00
5104	JLM Civil Works Pty Ltd	00008287	Repair the lock of cabinet in Goyder	$	165.00
3936	Arafura Tree Services and Consulting	7468	RQ120809 - Remove deadwood & Muckanninie	$	3,520.00
289	Bolinda Publishing Pty Ltd	88728	Library Bolinda order number 20372962	$	79.16
289	Bolinda Publishing Pty Ltd	88729	Library Bolinda order number 20436343	$	79.16
5104	JLM Civil Works Pty Ltd	00008284	Clear the debris at the Culvert near Crowson Close	$	962.50
3428	Bunnings Group Limited	2315/00223290	5L poison for spraying CBD	$	83.50
V00582	Ezko Property Services (Aust) Pty Ltd	00048090	Special cleaning on Chung Wah side awning roof	$	660.00
5104	JLM Civil Works Pty Ltd	00008293	Christmas tree repair - ute and labour one hour	$	124.30
5104	JLM Civil Works Pty Ltd	00008292	Clear the surface drain along Waler Road	$	1,551.00
350	IBM Global Financing Australia Limited	XWC049	Agreement Ref: AUBJ9QQ28F-5- purchase of equipment	$	3,630.00
938	Nightcliff Electrical	7954	Reconnect the wifi router cables roof of library	$	120.00
3313	Zip Print	19414	SRA3 Blank 250gsm Pacesetter Bond x 500 sheets	$	352.00
4528	Miranda's Armed Security Officers Pty	PCC1046	Cash collection Civic/Library - December 2017	$	541.20
444	Ms Techy Masero	01	2017 Christmas Tree Installation and dismantle	$	8,500.00
712	Paradise Landscaping (NT) Pty Ltd	00037999	TS2017-08 - Grounds Maintenance East - November	$	35,946.64
938	Nightcliff Electrical	7794	Park lights various	$	6,429.82
V00368	iWater NT	INV-0052	Re-route irrigation from under the playground	$	3,850.00
V00476	Water Dynamics (NT) Pty Limited	SLI21017913	Irrigation parts consumed for the month of Dec 17	$	2,271.31
V00476	Water Dynamics (NT) Pty Limited	SLI21017912	Labour for irrigation 11.12.2017 - 15.12.2017	$	3,740.00
V00476	Water Dynamics (NT) Pty Limited	SLI21017911	Labour for irrgation repairs 4.12.17 - 8.12.2017	$	3,740.00
201	Spotless Facility Services Pty Ltd (T/A Ensign)	280934	Library Ensign - Mat Hire - 28/12	$	24.21
5641	Northern Planning Consultants Pty Ltd	NPC142-17/1	Marlow Lagoon Land Use Plan - as per EOI submitted	$	9,696.28

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
V00228	Outback Tree Service	874	Remove & stump grind dead Black Wattle in Frenella	$	352.00
399	St John Ambulance (NT) Incorporated	618286	Defibrillator for Civic Plaza	$	2,650.00
5	Australia Post	1007074114	Postage - Dec 2017	$	11,721.13
4065	Southern Cross Protection Pty Ltd	033444	Security Patrols - Dec 2017	$	2,155.73
5104	JLM Civil Works Pty Ltd	00008238	Reinstate Hazard marker Sign JN 491	$	282.21
5104	JLM Civil Works Pty Ltd	00008242	Drain clean up at Joan Fejo Park	$	4,323.00
5104	JLM Civil Works Pty Ltd	00008224	Johnston Lot 11334 (200) Lind Rd New Driveway	$	759.22
5104	JLM Civil Works Pty Ltd	00008222	Reconstruction of Pavement app. 2m X 11m JN 342	$	4,210.80
5651	Minter Ellison Lawyers	1572717	Matter 257602 - Special Rates - shortfall carparks	$	16,500.00
5651	Minter Ellison Lawyers	1573665	Matter 254408 - Car Park Contracts	$	6,781.50
V00474	Lane Print & Post	00041284	3rd Instalment Reminder Notices	$	2,276.86
V00157	McArthur Management Services (Vic) P/L	JM8344	CEO Recruitment	$	8,250.00
47	Telstra Corporation Ltd	311 - 2 JAN 2018	4640728244 - Satellite - 2 Jan 2018	$	105.00
35	WINC Australia Pty Limited	9023032983	Library WINC Order	$	335.62
V00730	The Burning Circus	TBC163	Burning Circus INV: TBC163	$	200.00
5104	JLM Civil Works Pty Ltd	00008229	Supply and Compact Stabilised Sand Gray	$	463.10
35	WINC Australia Pty Limited	9022920243	Civic Centre Kitchen and Stationery	$	35.34
4065	Southern Cross Protection Pty Ltd	953013	Call outs - Library, Civic & Rec Centre	$	645.54
54	Powerwater	PJ001277	FORTNIGHT 2018-14 - From Payroll	$	650.00
V01420	CENTRELINK (PAYROLL)	PJ001277	FORTNIGHT 2018-14 - From Payroll	$	164.14
5104	JLM Civil Works Pty Ltd	00008323	Dumped Wheelie bin Ida Scott Park	$	110.00
V01272	Storytime Pods Pty Ltd	INV-0249	Rental Agreement Storytime Pods - 9 Jan 2018	$	403.04
V01474	Beatrice Mayo	ANIMAL 109854 REFUND PRO RATA	Animal 109854 refund pro rata dog rego	$	15.00
289	Bolinda Publishing Pty Ltd	90195	Library Bolinda order number 20372962	$	79.16
5104	JLM Civil Works Pty Ltd	00008294	Removal of Total Group Sign Pinelands	$	550.00
4508	News 4 U	SN00283809012018	Newspapers - Cust 2838 - DCorp - 10/10 to 31/12/17	$	155.85
5104	JLM Civil Works Pty Ltd	00008301	Please deliver 2018 waste calendars	$	7,243.28
5104	JLM Civil Works Pty Ltd	00008317	Remove Post and Spike, JN 503	$	55.00
5435	Access Hardware (NT) Pty Ltd	DRH-25788	Repair the lock of disabled toilet at ground floor	$	242.00
2587	Top End RACE	00044112	Monthly maint for Library air con - 1/12/2017	$	379.50
V00939	Defend Fire Services Pty Ltd	00001046	Durack Community Hall- 1x Stanilite LED Exit Light	$	229.79
2587	Top End RACE	000044202	Callout 09/12/2017 Library Server Room Aircon	$	264.00
2587	Top End RACE	000044201	Library community room aircon - 4/12/17	$	102.30
2587	Top End RACE	00044200	Library leaking condenser 1.12.2017	$	1,167.98
4737	D & L Plumbing & Gasfitting	6785	Left urinal blocked at Mens toilet at Library	$	148.50
938	Nightcliff Electrical	7921	Fix the lights at Library	$	206.22
4737	D & L Plumbing & Gasfitting	6786	Replace the shower head at Pool requested on 28/11	$	192.50
5036	Dormakaba Aust P/L T/as Territory Door Services	40NT-478443	The door for Library Community Room not closing	$	255.86
5036	Dormakaba Aust P/L T/as Territory Door Services	40NT-478432	Adjust the door at records - ground floor Civic Ctr	$	198.00
V00299	EPAC Salary Solutions Pty Ltd	172860-110118	Salary Packaging - Pay (F/E 07/01/2018)	$	1,864.64
2	Australian Taxation Office - PAYG	PAYG WE 07/01/2018	PAYG WE 07/01/2018	$	61,000.00
47	Telstra Corporation Ltd	0122308614	0675506800 - MS Exchange - 9 Jan 2018	$	2,157.85
5031	All Aspects Recruitment & HR Services	00013165	Temp placement -EA to DTS - WE 31 Dec 2017	$	1,603.31

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
5031	All Aspects Recruitment & HR Services	00013162	Temp placement -EA to DTS - WE 24 Dec 2017	$	2,351.51
5104	JLM Civil Works Pty Ltd	00008320	Amend the existing park sign to read William Kirkby	$	1,320.00
5104	JLM Civil Works Pty Ltd	00008319	Remove unused Post JN 505	$	55.00
5104	JLM Civil Works Pty Ltd	00008318	Remove unused Post JN 505	$	55.00
5104	JLM Civil Works Pty Ltd	00008315	Remove the Minibus Signage and Post at Coles C/P	$	89.65
V01232	Mark D Blackburn	7	Official Manager - December 2017	$	16,632.00
5104	JLM Civil Works Pty Ltd	00008313	Relocate the 1P Parking Signage and supply Rec Cnt	$	1,836.05
5104	JLM Civil Works Pty Ltd	00008314	Clear the concrete invert at Long Park as per site	$	693.00
5104	JLM Civil Works Pty Ltd	00008316	Remove Post and Spike, JN 502	$	55.00
5104	JLM Civil Works Pty Ltd	00008322	Replace KL Sign Post JN 501	$	485.99
798	YMCA of the Northern Territory	REFUNDS	Refund double payment SINV02166 & SINV02165	$	3,125.00
V00185	Brooke Prince	REIMBURSE - UNI FEES STUDY PERIOD 3	Reimburse - Uni Fees Study Period 3, 2017	$	2,648.00
V01482	Bendigo and Adelaide Bank	TD PLACEMENT 237DAYS - 2.7%	TD Placement 237days - 2.7%	$	1,500,000.00
V01482	Bendigo and Adelaide Bank	TD PLACEMENT 181DAYS - 2.7%	TD Placement 181days - 2.7%	$	1,500,000.00
V01482	Bendigo and Adelaide Bank	TD PLACEMENT 209DAYS - 2.7%	TD Placement 209days - 2.7%	$	1,500,000.00
3936	Arafura Tree Services and Consulting	7565	Provide 4m clearance on Delonix Cnr Fairway	$	308.00
3936	Arafura Tree Services and Consulting	7564	Remove & stump grind dead Royal Palm in Royal Park	$	352.00
V01079	CAP22 Services Pty Ltd	00002800	CAP22 W/E 24/12/17	$	243.47
87	Industrial Power Sweeping Services Pty	00012199	Street Sweeping Service at Majestic Drive	$	88.00
87	Industrial Power Sweeping Services Pty	00012206	Sweep along the islands of Forrest Parade	$	176.00
87	Industrial Power Sweeping Services Pty	00012198	Weekly Sweeping of Goyder Square for the month Dec	$	462.00
2977	Security & Technology Services P/L	123349	Civic Plaza - door not locking completely 22/12/17	$	154.00
272	City Wreckers	00018348	Towing and Storage - RAV 4	$	154.00
272	City Wreckers	00018349	Towing and Storage - BMW Coupe	$	154.00
3099	Iron Mountain Australia Pty Ltd	633780-AD1	Records Management - Dec 2017	$	1,473.00
201	Spotless Facility Services Pty Ltd (T/A Ensign)	280517	Library Ensign - Mat Hire - 21/12	$	24.21
87	Industrial Power Sweeping Services Pty	00012207	Carry out street sweeping for the month of Dec 17	$	17,891.57
V01009	Australian Parking and Revenue Control Pty Limited	INV-00052320	TS2016-13 - Credit Card Transaction Fee - Dec 2017	$	382.34
5104	JLM Civil Works Pty Ltd	00008335	Second xmas tree repair	$	124.30
256	The Bookshop Darwin	BD15958	Library bookshop quote BD4404	$	1,139.64
5104	JLM Civil Works Pty Ltd	00008341	Replace 2x SEP Lids JN 234	$	726.00
4737	D & L Plumbing & Gasfitting	6784	Library: The right hand side basin in ladies loo	$	99.00
26	Viva Energy Australia Ltd	1602420343	Shell Fuel Cards - December 2017	$	6,003.39
V01009	Australian Parking and Revenue Control Pty Limited	INV-00052319	TS2016-13 - Meter Licencing Fees - Dec 2017	$	3,025.00
V01009	Australian Parking and Revenue Control Pty Limited	INV-00052311	TicketOr - Monthly Charges - December 2017	$	330.00
V01009	Australian Parking and Revenue Control Pty Limited	INV-00052308	TS2016-13 - Meter Maintenance for December 2017	$	5,225.00
5104	JLM Civil Works Pty Ltd	00008344	Repalce Sign Post JN 520	$	55.00
5104	JLM Civil Works Pty Ltd	00008343	Remove debris from concrete invert 27 Lancewood	$	69.30
5104	JLM Civil Works Pty Ltd	00008342	Remove debris from Grates at Aquatic Centre Car Pk	$	69.30
5104	JLM Civil Works Pty Ltd	00008339	Remove unused Post JN 519	$	55.00
5104	JLM Civil Works Pty Ltd	00008338	JN: 515 Reinstate UniDirectional Hazard Marker	$	602.58
5104	JLM Civil Works Pty Ltd	00008337	JN: 516 Reinstate Signage at the int of James	$	166.79
5104	JLM Civil Works Pty Ltd	00008336	Water Over Road Signage Service at all 3 Floodways	$	207.90

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
5104	JLM Civil Works Pty Ltd	00008345	Straighten the Finger Signage JN 521	$	46.20
5104	JLM Civil Works Pty Ltd	00008340	Clean grates X 7 at Rosebery and Bakewell	$	485.10
4883	Creative Light Studios - Shane Eecen	INV-5079	Australia Day	$	990.00
54	Powerwater	68491695	2012020910 -14.11.2017 - 13.12.2017	$	1,361.42
54	Powerwater	68478730	2014563410 -15.11.2017 - 13.12.2017	$	1,431.80
54	Powerwater	68443215	2012299510 -07.11.2017 - 06.12.2017	$	96.63
54	Powerwater	68431669	204417610 -07.11.2017 - 06.12.2017	$	402.20
54	Powerwater	68443211	2011848310 -07.11.2017 - 06.12.2017	$	61.97
54	Powerwater	68478636	204426110 -14.11.2017 - 12.12.2017	$	302.15
54	Powerwater	68443216	2012299610 -07.11.2017 - 06.12.2017	$	897.64
54	Powerwater	68482244	2014563310 -15.11.2017 - 13.12.2017	$	2.05
54	Powerwater	68481058	202810210 -14.11.2017 - 13.12.2017	$	180.66
V00295	Jacana Energy	68550435	109005410 -01.12.2017 - 31.12.2017	$	6,245.35
V00295	Jacana Energy	68431063	109005610 -07.11.2017 - 06.12.2017	$	118.98
V00295	Jacana Energy	68550306	1012191213 -01.12.2017 - 31.12.2017	$	7,403.36
V00295	Jacana Energy	68549964	1011831010 -01.12.2017 - 31.12.2017	$	11,763.07
V00295	Jacana Energy	68460817	102675310 -09.09.2017 - 11.12.2017	$	595.40
V00295	Jacana Energy	68482120	104426110 -14.11.2017 - 12.12.2017	$	257.98
V01479	Joseph Tracanelli	ANIMAL 129537 REFUND PRO RATA DOG	Animal 129537 refund pro rata dog rego	$	55.00
V01478	Olympic Concreting & Construction	REFUND WITHDRAWN 2X APPLICATIONS	Withdrawn 2x applications to work Refunds	$	590.00
V01477	Melissa Leech	ANIMALS 127354 & 114316 REFUND	Animals 127354 & 114316 refund pro rata dog rego	$	23.00
4007	Ark Animal Hospital Pty Ltd	121316	Euthanasia - 9056 - Animal Disposal x 2	$	186.00
4007	Ark Animal Hospital Pty Ltd	121361	Euthanasia - 20/12/17 - 9114, 9015, 8947	$	258.00
5104	JLM Civil Works Pty Ltd	00008307	Epoxy patch job number 1941, ITC no. 1077	$	133.65
5104	JLM Civil Works Pty Ltd	00008306	Epoxy patch job number 1934, ITC no. 1076	$	107.80
5104	JLM Civil Works Pty Ltd	00008310	Grind concrete path. Item 3.10©. Job no. 1946,	$	44.00
5104	JLM Civil Works Pty Ltd	00008308	Epoxy patch job number 1941, ITC no. 1077	$	128.15
5104	JLM Civil Works Pty Ltd	00008309	Errect fence at Depot	$	275.00
5104	JLM Civil Works Pty Ltd	00008311	Grind concrete path. Item 3.10©. Job no. 1960,	$	44.00
5104	JLM Civil Works Pty Ltd	00008312	Grind concrete path. Item 3.10©. Job no. 1962,	$	44.00
5104	JLM Civil Works Pty Ltd	00008334	TS2017/06 - Contract Variation 20	$	2,321.00
5104	JLM Civil Works Pty Ltd	00008333	TS2017/06 - Contract Variation 19	$	330.00
5104	JLM Civil Works Pty Ltd	00008332	TS2017/06 - Contract Variation 18	$	2,992.00
5104	JLM Civil Works Pty Ltd	00008331	TS2017/06 - Contract Variation 17	$	2,887.50
5104	JLM Civil Works Pty Ltd	00008328	TS2017/06 - Contract Variation 14	$	1,061.50
5104	JLM Civil Works Pty Ltd	00008327	TS2017/06 - Contract Variation 12	$	2,155.45
5104	JLM Civil Works Pty Ltd	00008326	TS2017/06 - Contract Variation 11	$	21,153.00
5104	JLM Civil Works Pty Ltd	00008325	TS2017/06 - Contract Variation 9	$	836.00
5104	JLM Civil Works Pty Ltd	00008324	TS2017/06 - Contract Variation 8	$	10,081.94
5104	JLM Civil Works Pty Ltd	00008329	TS2017/06 - Contract Variation 15	$	676.50
5104	JLM Civil Works Pty Ltd	00008305	Job # 484. Remove concrete spill from the pavement	$	231.00
5104	JLM Civil Works Pty Ltd	00008330	TS2017/06 - Contract Variation 16	$	1,971.75
V00964	HD Enterprises Pty Ltd T/a HD Pumps	3-82-005254	Check all the plant room equipment Aquatic Centre	$	250.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
5104	JLM Civil Works Pty Ltd	00008275	Job # 479. Remove Sediment on path. (item 10.1 x 1	$	69.30
5104	JLM Civil Works Pty Ltd	00008269	Job # 226. Remove sediment build up around pit	$	69.30
5104	JLM Civil Works Pty Ltd	00008270	Job #227. Grate rusted and cracke, new grate	$	234.30
5104	JLM Civil Works Pty Ltd	00008233	Job # 477. Supply and install Zenith circuit sign	$	357.50
5104	JLM Civil Works Pty Ltd	00008235	Job # 863, 1915. Grind concrete lip	$	2,962.08
5104	JLM Civil Works Pty Ltd	00008227	Place and compact select fill. 21.6m2total JN 468	$	950.40
5104	JLM Civil Works Pty Ltd	00008274	Job # 478. Remove sediment from side of road	$	124.30
5104	JLM Civil Works Pty Ltd	00008273	Remove sediment from path approx 4m l. Job # 724.	$	100.65
V00101	Bellamack Pty Ltd	DRIVEWAY REIMBURSEMENT LOT 13597	Lot 13597 Driveway Reimbursement	$	840.00
5104	JLM Civil Works Pty Ltd	00008321	Job 504 - Remove Roads to recovery signage, post	$	101.20
2186	Optus Billing Services Pty Ltd	17971941	1-7ZLW7Y: Optus Evolve Internet -1 Dec - 31 Dec 17	$	2,068.00
47	Telstra Corporation Ltd	0411615617	9032687000 - Mainline / Mobile account - 12 Jan 18	$	6,239.28
5568	Mr E F Gojar	96700409	Reimburse iinet - 26 Jan 2018 - 26 Feb 2018	$	79.99
V01480	Emma Berry	REFUND RECEIPT 263135 CAT TRAP 1	Receipt 263135 refund Cat Trap 1	$	100.00
54	Powerwater	68311350	2017339411 -19.08.2017 - 16.11.2017	$	4,286.60
54	Powerwater	68311273	2017339411 -19.05.2017 - 18.08.2017	$	6,667.34
54	Powerwater	68311148	2017339411 -16.02.2017 - 18.05.2017	$	666.02
54	Powerwater	68311030	2017339411 -18.11.2016 - 15.02.2017	$	1,414.19
54	Powerwater	68310871	2017339411 -25.08.2016 - 17.11.2016	$	2,087.49
54	Powerwater	68310869	2017339411 -20.06.2016 - 24.08.2016	$	3,911.93
V01458	Big Ass Fans Australia Pty Ltd	319343	Supply Black Jack Fan to Recreation Centre	$	7,480.00
3880	PAWS Darwin Limited	IV00000000004	TS2015-08 -Pound Management -14 Jan to 13 Feb 2018	$	7,310.28
V01481	Steven R Turner	R6075	Assess 104296 rates refund	$	380.51
5357	Amiable Communications - Amy	11	Amy Hetherington - Yth W/S	$	500.00
V00702	YMCA of the Northern Territory	1404	Free Pool New Years Eve 17/18	$	974.40
V01234	Mulga Security	140	Mulga Security - 4 Staff - 15 & 22 Dec 2017	$	1,633.50
4007	Ark Animal Hospital Pty Ltd	121906	Euthanasia - 9240, 9244, 9130	$	275.34
5508	Open Systems Technology Pty Ltd - CouncilFirst	SI004190	NAV professional services - December 2017	$	214.50
V00614	RTM - Dept. of the Attorney General and Justice	LIST PCC003-17 REFUND OVERPAYMENTS	Refund of overpayments list PCC003-17	$	105.30
2915	Territory Uniforms	17-00006595	Uniform - Liz Middleton	$	217.12
V01484	Vanessa Munro	R6076	Assess 102117 rates refund	$	3,190.13
5104	JLM Civil Works Pty Ltd	00008302	Job # 213 Replace damaged SEP lintel (item 4.3)	$	451.00
5104	JLM Civil Works Pty Ltd	00008303	Job # 214, 215, 220. Replace damaged stormwater	$	1,254.00
5104	JLM Civil Works Pty Ltd	00008300	"Replace damaged lintel. Job #146, (item 4.3x 1)	$	429.00
5104	JLM Civil Works Pty Ltd	00008298	Remove sediment from path approx 17m l. Job # 724	$	517.00
5104	JLM Civil Works Pty Ltd	00008304	Job # 224, 225. Replace damaged stormwater lids	$	2,452.38
V00295	Jacana Energy	166988	00233980-6 - Traffic Lights period ending 31-12-17	$	521.51
V01485	Ghada Kassem	RECEIPT 264730 REFUND DEPOSIT ROOM	Receipt 264730 refund deposit room booking	$	125.00
185	Bridge Toyota	RI21101502	Prado GXL 2.8L Diesel Wagon	$	65,258.52
256	The Bookshop Darwin	BD15816	CR/Adj Note - Library stock	-$	35.96
274	CSG Business Solutions (NT) Pty Ltd	INV00233390	Copier Corp Svc iRADVC5255 lease- 14/12/17-13/1/18	$	2,244.19
4679	iSentia Pty Ltd	MN0713774	Media Monitoring - 31/12/2017	$	635.80
846	Nationwide News NT Division	49600842	Newspaper advertising - Dec 2017	$	3,751.70

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
3313	Zip Print	19424	Business Cards - CDO Safe Coms, CDO, Art & Cul, EA	$	561.00
V01341	Fyfe Pty Ltd	162726	Carry out road closure - Wallaby Holtze - Claim 1	$	3,682.80
53	Eggins Electrical	00006472	Repair BBQ # 2 @ Joan Fejo Park	$	467.50
V00193	Amcom Pty Ltd	A234378	Internet & Ethernet service - 1 Feb 18 - 28 Feb 18	$	3,142.70
V00773	Akron Group NT Pty Ltd	00010497	Dead cat inside a plastic bag on Owston Street	$	253.00
V00271	Fuji Xerox Business Centre NT	AB00052185	AGREEMENT NO: 723: 8 Dec 2017 to 7 Jan 2018	$	3,364.21
798	YMCA of the Northern Territory	1403	CS2017/01: Management Contract - December 2017	$	33,966.80
639	Cleanaway Pty Ltd.	15625548	TS2014/01 - Waste Management - Driver Res - Dec 17	$	17.64
639	Cleanaway Pty Ltd.	15625437	TS2014/01 - Waste Management - Depot - Dec 2017	$	183.04
639	Cleanaway Pty Ltd.	15625506	TS2014/01 - Waste Management- Civic Ctr - Dec 2017	$	74.59
639	Cleanaway Pty Ltd.	15625559	TS2014/01 - Waste Management - Pound - Dec 17	$	11.52
639	Cleanaway Pty Ltd.	15625869	TS2014/01 - Waste Management - Durack - Dec 2017	$	33.31
639	Cleanaway Pty Ltd.	15625504	TS2014/01 - Waste Management- Library - Dec 2017	$	113.44
639	Cleanaway Pty Ltd.	15626283	TS2014/01 - Waste Management - Woodroffe - Dec 17	$	15.84
639	Cleanaway Pty Ltd.	15627993	TS2014/01 - Waste Management - Rec Ctr - Dec 2017	$	15.34
639	Cleanaway Pty Ltd.	15625557	TS2014/01 - Waste Management - Gray Hall - Dec 17	$	15.84
V01079	CAP22 Services Pty Ltd	00002809	CAP22 W/E - 31/12/17	$	255.95
5104	JLM Civil Works Pty Ltd	00008353	Replace damaged Pit Lid at Tiverton Park	$	363.00
5036	Dormakaba Aust P/L T/as Territory Door Services	40NT-481779	Recreation Centre - undertake December servicing	$	176.00
1502	Figleaf Pool Products	455262	Maintenance - CBD Water Features - Dec 2017	$	1,639.90
549	City of Darwin	101978	Shoal Bay Waste Charges - 30 Nov 17 - 21 Dec 17	$	37,094.40
639	Cleanaway Pty Ltd.	15626497	TS2014/01 - Waste Management - Tenements - Dec 17	$	210,198.86
5104	JLM Civil Works Pty Ltd	00008346	Remove unused Signage Post JN 531	$	55.00
5104	JLM Civil Works Pty Ltd	0008351	Remove Graffiti from footpath Chung Wah	$	211.75
5104	JLM Civil Works Pty Ltd	00008350	Post Office Pick up the lid x2 from Depot replace	$	138.60
5104	JLM Civil Works Pty Ltd	00008355	Pick up the broken glass pieces @ Palmerston Cir	$	69.30
5104	JLM Civil Works Pty Ltd	00008354	Remove graffiti from Light Post opposite Yummy Noodle	$	30.25
V01341	Fyfe Pty Ltd	162840	Carry out survey Flack Road - Claim 2	$	1,595.00
3971	Pipeline Renovations Pty Ltd trading as RenoFLO	00002423	Lockwood Crt Use Vac truck to clear the blockage	$	1,254.00
35	WINC Australia Pty Limited	9023132684	Library WINC Order	$	6.25
5104	JLM Civil Works Pty Ltd	00008348	Remove graffiti at pathway front of Library	$	60.50
V00939	Defend Fire Services Pty Ltd	00001229	Fire Equip Maint Ser - REC CTR - December 2017	$	378.40
V00939	Defend Fire Services Pty Ltd	00001228	Fire Equip Maint Ser - LIBRARY - December 2017	$	317.90
V00939	Defend Fire Services Pty Ltd	00001227	Fire Equip Maint Ser - CIVIC- December 2017	$	317.90
215	Employee Assistance Services NT Inc (EASA)	00030065	EAP Counselling Session - Dec 2017	$	193.60
350	IBM Global Financing Australia Limited	1054542	Agreement Ref: AU7K-9YLARM-6- January 2018	$	981.87
5104	JLM Civil Works Pty Ltd	00008347	Supply and compact Crusher next to 5 Timpson Crt	$	451.00
5104	JLM Civil Works Pty Ltd	00008349	Reinstate and clean slot drain at Gager Park	$	138.60
5104	JLM Civil Works Pty Ltd	00008352	Pressure clean the pathway at Palmerston Circuit	$	57.62
350	IBM Global Financing Australia Limited	1054929	Agreement Ref: AUAL-AEF7BK-4- January 2018	$	1,783.33
5104	JLM Civil Works Pty Ltd	00008299	Asphalt Reinstatement app.11m X 1m JN 343	$	2,607.00
5104	JLM Civil Works Pty Ltd	00007727	Grate frame may need repairing or replacing JN 82	$	1,494.90
V01381	Phoebe Wear	8	Australia Day Awards	$	300.00

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
V01022	Quality Plumbing & Building Contractors Pty Ltd	01194262	Camera inspection of stormwater pipe along Bombax	$	841.50
2587	Top End RACE	00044195	Replace the fan motor of Chambers Kitchen Fridge	$	303.81
V01488	Philip Bryan Cain	ANIMAL 126320 REFUND PRO RATA	Animal 126320 refund pro rata dog rego	$	157.00
V00939	Defend Fire Services Pty Ltd	00001230	Fire Equip Maint Ser - AQUATIC - Dec 2017	$	528.00
V00939	Defend Fire Services Pty Ltd	00001231	Fire Equip Maint Ser -DRIVER RES - Dec 2017	$	229.90
V00939	Defend Fire Services Pty Ltd	00001232	Fire Equip Maint - GRAY HALL- Dec 2017	$	176.00
V00939	Defend Fire Services Pty Ltd	00001233	Fire Equip Maint - DURRACK - Dec 2017	$	176.00
2977	Security & Technology Services P/L	123538	Alarm Response 25/12/17 - Aquatic Centre	$	82.50
2977	Security & Technology Services P/L	123552	Alarm Response 11/12/17 - Aquatic Centre	$	82.50
2977	Security & Technology Services P/L	123667	Alarm Response 24/12/17 - Aquatic Centre	$	82.50
2336	Flick Anticimex Pty Ltd	801015604C	Facilities Hygiene Service Agreement - 1/1/2018	$	1,546.89
4737	D & L Plumbing & Gasfitting	6794	Unblock the hand wash sink at Mens Toilet at Library	$	99.00
V00435	Palmerston RSL	2018/001	funding support of 2018 ANZAC Day services	$	10,000.00
V01487	Kimmie Mychas	RECEIPT 223873 REFUND KEY DEPOSIT	Receipt 223873 refund key deposit	$	125.00
54	Powerwater	68481233	207756810 -15.09.2017 - 13.12.2017	$	958.62
54	Powerwater	68531703	204294410 -27.09.2017 - 22.12.2017	$	809.02
54	Powerwater	68501674	202777310 -17.09.2017 - 15.12.2017	$	72.62
54	Powerwater	68531705	206519910 -27.09.2017 - 22.12.2017	$	738.37
54	Powerwater	68542290	204093410 -26.09.2017 - 22.12.2017	$	283.44
54	Powerwater	68531506	204278410 -26.09.2017 - 22.12.2017	$	675.64
54	Powerwater	68522593	205733410 -20.09.2017 - 19.12.2017	$	73.43
54	Powerwater	68509397	206145210 -20.09.2017 - 19.12.2017	$	534.59
54	Powerwater	68522624	206149210 -20.09.2017 - 19.12.2017	$	95.98
54	Powerwater	68522623	206144610 -20.09.2017 - 19.12.2017	$	73.43
54	Powerwater	68522622	206138310 -20.09.2017 - 19.12.2017	$	73.43
54	Powerwater	68460540	202600810 -09.09.2017 - 11.12.2017	$	1,158.04
54	Powerwater	68478986	205593610 -15.09.2017 - 13.12.2017	$	2,103.78
54	Powerwater	68481001	201514010 -15.09.2017 - 14.12.2017	$	3,469.98
54	Powerwater	68424114	206453410 -12.08.2017 - 15.11.2017	$	77.46
54	Powerwater	68431858	2015249911 - 07.11.2017 - 06.12.2017	$	680.95
54	Powerwater	68431750	2017414510 -07.11.2017 - 06.12.2017	$	486.05
54	Powerwater	68443358	205522910 -07.11.2017 - 06.12.2017	$	24.21
54	Powerwater	68443243	2015250011 -07.11.2017 - 06.12.2017	$	61.97
54	Powerwater	68482290	203115311 -15.11.2017 - 13.12.2017	$	25.45
54	Powerwater	68482238	2014004010 -15.11.2017 - 13.12.2017	$	23.40
54	Powerwater	68482377	206399910 -15.11.2017 - 13.12.2017	$	130.30
54	Powerwater	68478599	206480110 -15.11.2017 - 13.12.2017	$	185.32
54	Powerwater	68482375	206382310 -15.11.2017 - 13.12.2017	$	482.83
54	Powerwater	68478674	206233510 -14.11.2017 - 12.12.2017	$	80.79
54	Powerwater	68443307	202797611 -07.11.2017 - 06.12.2017	$	1,289.50
54	Powerwater	68478659	2013921810 -14.11.2017 - 12.12.2017	$	154.90
54	Powerwater	68482370	206213510 -14.11.2017 - 12.12.2017	$	23.40
54	Powerwater	68482379	206639310 -14.11.2017 - 12.12.2017	$	23.40

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
54	Powerwater	68482378	206414410 -14.11.2017 - 12.12.2017	$	105.71
54	Powerwater	68478623	206347110 -14.11.2017 - 12.12.2017	$	423.07
54	Powerwater	68482373	206317110 -15.11.2017 - 13.12.2017	$	372.16
54	Powerwater	68478601	207029610 -14.11.2017 - 12.12.2017	$	436.81
54	Powerwater	68443361	205691510 -07.11.2017 - 06.12.2017	$	1,428.87
54	Powerwater	68443305	202787910 -07.11.2017 - 06.12.2017	$	1,240.59
54	Powerwater	68482381	206795510 -14.11.2017 - 12.12.2017	$	181.22
54	Powerwater	68478484	206237910 -14.11.2017 - 12.12.2017	$	93.41
54	Powerwater	68478692	206301310 -14.11.2017 - 12.12.2017	$	491.03
54	Powerwater	68443231	2014457910 -07.11.2017 - 06.12.2017	$	732.01
54	Powerwater	68443308	202798510 -07.11.2017 - 06.12.2017	$	80.42
V00295	Jacana Energy	68424115	1010920710 -12.08.2017 - 15.11.2017	$	75.85
V00295	Jacana Energy	68613264	1017379110 - 07.12.2017 - 08.01.2018	$	324.17
V00295	Jacana Energy	68613229	1016266810 -07.12.2017 - 08.01.2018	$	249.80
V00295	Jacana Energy	68431707	1017011910 -07.11.2017 - 06.12.2017	$	360.93
V00295	Jacana Energy	68550970	1011518711 -01.12.2017 - 31.12.2017	$	877.37
V00295	Jacana Energy	68443392	1016086710 -01.08.2017 - 30.10.2017	$	363.73
V00295	Jacana Energy	68561036	1016746610 -15.11.2017 - 13.12.2017	$	52.78
V00295	Jacana Energy	68561035	1016317211 - 15.11.2017 - 13.12.2017	$	139.40
V00295	Jacana Energy	68491464	1016872810 -15.09.2017 - 14.12.2017	$	75.18
V00295	Jacana Energy	68443012	1016554010 -07.11.2017 - 06.12.2017	$	115.10
V00295	Jacana Energy	68452541	1015010612 -19.08.2017 - 08.12.2017	$	81.57
V00295	Jacana Energy	68478775	1015105310 -14.11.2017 - 12.12.2017	$	709.02
V00295	Jacana Energy	68482160	106190610 -15.11.2017 - 12.12.2017	$	22.12
V00295	Jacana Energy	68550421	1010962110 -01.12.2017 - 31.12.2017	$	166.99
V00295	Jacana Energy	68478760	1014110110 -14.11.2017 - 12.12.2017	$	1,228.46
V00295	Jacana Energy	68443166	107710210 -07.11.2017 - 06.12.2017	$	190.97
V00295	Jacana Energy	68482164	106367310 -14.11.2017 - 12.12.2017	$	32.47
V00295	Jacana Energy	68482027	1010817310 -14.11.2017 - 12.12.2017	$	148.36
V00295	Jacana Energy	68478821	106382310 -15.11.2017 - 13.12.2017	$	24.70
V00295	Jacana Energy	68478726	1014518410 -14.11.2017 - 12.12.2017	$	115.51
V00295	Jacana Energy	68478723	1014517910 -14.11.2017 - 12.12.2017	$	90.71
V00295	Jacana Energy	68482167	106690411 -14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68482046	1014111710 -14.11.2017 - 12.12.2017	$	130.44
V00295	Jacana Energy	68482028	1010817411 -14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68482029	1010866212 -14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68478890	106143211 -14.11.2017 - 12.12.2017	$	34.56
V00295	Jacana Energy	68482098	102914811 -14.11.2017 - 12.12.2017	$	39.33
V00295	Jacana Energy	68482045	1014110010 -14.11.2017 - 12.12.2017	$	162.40
V00295	Jacana Energy	68478763	1014109710 -14.11.2017 - 12.12.2017	$	275.91
V00295	Jacana Energy	68482115	104178910 -15.11.2017 - 12.12.2017	$	22.12
V00295	Jacana Energy	68551022	104406210 -01.12.2017 - 31.12.2017	$	201.14
V00295	Jacana Energy	68443098	105650710 -07.11.2017 - 06.12.2017	$	25.19

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount	
V00295	Jacana Energy	68443109	106225010 -07.11.2017 - 06.12.2017	$	23.70
V00295	Jacana Energy	68482161	106198310 -15.11.2017 - 12.12.2017	$	22.12
V00295	Jacana Energy	68478802	106399910 -15.11.2017 - 13.12.2017	$	55.47
V00295	Jacana Energy	68482165	106414410 -14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68482163	106317110 -15.11.2017 - 13.12.2017	$	22.91
V00295	Jacana Energy	68478853	1010931710 -15.09.2017 - 12.12.2017	$	50.67
V00295	Jacana Energy	68482105	103598210 -15.11.2017 - 12.12.2017	$	84.85
V00295	Jacana Energy	68482030	1010884410 -15.11.2017 - 13.12.2017	$	22.91
V00295	Jacana Energy	68482044	1014109910 -14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68478695	1014109810 -14.11.2017 - 12.12.2017	$	56.07
V00295	Jacana Energy	68531454	1012498610 -27.09.2017 - 22.12.2017	$	299.64
V00295	Jacana Energy	68403369	106775610 -01.08.2017 - 03.11.2017	$	152.43
V00295	Jacana Energy	68431626	102787910 -07.11.2017 - 06.12.2017	$	623.19
V00295	Jacana Energy	68443165	107710110 -07.11.2017 - 06.12.2017	$	24.00
V00295	Jacana Energy	68478885	106365710 - 14.11.2017 - 12.12.2017	$	37.85
V00295	Jacana Energy	68482169	106795510 - 14.11.2017 - 12.12.2017	$	29.18
V00295	Jacana Energy	68482168	106720411 - 14.11.2017 - 12.12.2017	$	22.91
V00295	Jacana Energy	68482031	1010921910 - 14.11.2017 - 12.12.2017	$	23.21
V00295	Jacana Energy	68478559	1011630810 - 15.11.2017 - 13.12.2017	$	54.57
V00295	Jacana Energy	68482198	109001210 - 14.11.2017 - 12.12.2017	$	154.63
V00295	Jacana Energy	68482197	109001110 - 14.11.2017 - 12.12.2017	$	102.37
V00295	Jacana Energy	68482121	104433510 - 14.11.2017 - 12.12.2017	$	60.55
V00295	Jacana Energy	68480927	107722111 - 14.11.2017 - 14.12.2017	$	472.53
V00295	Jacana Energy	68481258	107722013 - 14.11.2017 - 14.12.2017	$	233.58
289	Bolinda Publishing Pty Ltd	85762	Library Bolinda order number 20372962	$	237.47
289	Bolinda Publishing Pty Ltd	91110	Library Bolinda order number 20372962	$	130.64
V01090	Colourfest	6027	Palmerston Library Colourfest Invoice 6027	$	295.00
4336	Wavesound Pty Ltd	118869	Library wavesound	$	163.35
4816	CS Services NT	00004668	TS2011/03 - AWTS Operations/Recharge - Dec 2017	$	194,345.39
5104	JLM Civil Works Pty Ltd	00008371	TS2017/06 - Contract Variation 21	$	2,904.00
5104	JLM Civil Works Pty Ltd	00008370	TS2017/06 - Contract Variation 13	$	1,210.00
5104	JLM Civil Works Pty Ltd	00008364	Replace bollard item 5.18. Job no. 1959, ITC 1087	$	165.00
54	Powerwater	PJ001294	FORTNIGHT 2018-15 - From Payroll	$	650.00
V01420	CENTRELINK (PAYROLL)	PJ001294	FORTNIGHT 2018-15 - From Payroll	$	116.14
399	St John Ambulance (NT) Incorporated	PALMERSTON CADET DIVISION- DONATION	Winner Community Event of the Year -Cadet Division	$	500.00
V01061	Payge Rankin	RECEIPT 254658 REFUND BOND	Receipt 254658 refund bond William Kirby 2/12/17	$	150.00
V01490	Timothy Stone	RECEIPT 246337 REFUND DEPOSIT	Receipt 246337 refund deposit cat trap 5	$	100.00
3098	Roadshow Films Pty Ltd	1012955	Roadshow Account LIB7007258 - Expiry 31 Dec 2018	$	275.00
V01491	Briana Cook	REFUND PRO RATA DOG REGO	Animals 129808 & 129809 refund pro rata dog rego	$	42.00
5104	JLM Civil Works Pty Ltd	00008375	Replace damaged Cycle Crossing Sign & Arrow Bakewell	$	46.20
5104	JLM Civil Works Pty Ltd	00008372	JN: 518Remove Post & reinstate Sign on Light Post	$	101.20
2103	Australia Day Council NT Inc (Darwin)	00000067	Aust Day Banner	$	250.00
5104	JLM Civil Works Pty Ltd	00008380	Clear the sediments and garden stones Zuccoli	$	93.50

Creditor No.	Creditor Name	Invoice Number	Invoice Description	Amount
V01234	Mulga Security	142	Mulga Security - 4 Staff - 5,12 & 19 January 2018	$ 1,452.00
5104	JLM Civil Works Pty Ltd	00008378	Remove unused Sign Post JN 534	$ 55.00
5104	JLM Civil Works Pty Ltd	00008377	Supply and install 2X Ginger Street Sign	$ 605.00
2	Australian Taxation Office - PAYG	PAYG WE 21/01/2018	PAYG WE 21/01/2018	$ 84,318.71
V01437	GWI Pty Ltd	00016739	Professional advisory services IM Review - final	$ 22,521.92
V00582	Ezko Property Services (Aust) Pty Ltd	00048140	Contract Cleaning - Council Facilities - Dec 2017	$ 16,340.74
V00368	iWater NT	INV-0059	Labour and pump hire to clean out the irrigation	$ 550.00
V00906	Quantified Tree Risk Assessment Limited	7742	QTRA user registration renewal 22/12/17 - 22/12/18	$ 471.90
1607	Sterling NT Pty Ltd	INV-56314	Undertake TS2017-14 for December 2017 Area 4	$ 17,542.50
1607	Sterling NT Pty Ltd	INV-56315	Undertake TS2017-13 for December 2017 Area 3	$ 17,682.36
1607	Sterling NT Pty Ltd	INV-56316	Undertake TS2017-12 for December 2017 Area 2	$ 22,066.36
1607	Sterling NT Pty Ltd	INV-56317	Undertake TS2017-11 for December 2017 Area 1	$ 21,861.35
712	Paradise Landscaping (NT) Pty Ltd	00038043	TS2017/09 - Grounds Maintenance West - Dec 2017	$ 44,825.64
712	Paradise Landscaping (NT) Pty Ltd	00038042	TS2017/09 - Grounds Maintenance East - Dec 2017	$ 28,381.91
V01486	Brainium Labs Pty Ltd	INV-1166	Website Design and Development - 30%	$ 7,065.00
V00200	Hidden Valley Ford (Red Earth Automotive P/L)	7146	4x2 Ford Ranger XL Double Cab Pick-Up Diesel	$ 34,573.35
V00299	EPAC Salary Solutions Pty Ltd	172860-250118	Salary Packaging - (F/E 21/01/2018)	$ 1,864.64
				$ 6,186,693.61

Reviewed by: Finance Manager

Approved: Director of Corporate Services

2.7 - Creditor Accounts outstanding - January 2018

Creditor No.	Creditor Name	Amount	
18	Integrated Land Information System	$	137.00
2	Australian Taxation Office - PAYG	$	934.92
2009	The Big Mower (NT) Pty Ltd	$	422.05
201	Spotless Facility Services Pty Ltd (T/A Ensign)	$	72.63
2064	Larrakia Nation Aboriginal Corporation	$	125.00
2124	Food'll Do Catering Darwin (Grinners Catering)	$	2,856.50
215	Employee Assistance Services NT Inc (EASA)	$	310.00
2336	Flick Anticimex Pty Ltd	$	385.00
256	The Bookshop Darwin	$	1,293.97
2587	Top End RACE	$	4,200.57
272	City Wreckers	$	462.00
289	Bolinda Publishing Pty Ltd	$	1,397.72
2977	Security & Technology Services P/L	$	1,248.50
3313	Zip Print	$	2,171.40
35	WINC Australia Pty Limited	$	460.98
3504	Raeco International Pty Ltd	$	660.48
3683	Area9 IT Solutions	$	3,761.84
3787	Total Event Services T/A Top End Sounds P/L	$	960.85
3879	Litchfield Council	$	316.25
3936	Arafura Tree Services and Consulting	$	4,246.00
4029	Totally Workwear Palmerston	$	466.00
41	Harvey Distributors	$	39.75
4269	RTM - NT Electoral Commission	$	133,428.23
4320	Elton Consulting	$	2,297.35
4336	Wavesound Pty Ltd	$	1,960.20
4398	Quality Indoor Plants Hire	$	193.33
4737	D & L Plumbing & Gasfitting	$	2,502.50
48	Top End Line Markers Pty Ltd	$	1,328.80
4825	OracleCMS	$	999.00
4963	Centratech Systems Pty Ltd	$	3,221.79
5031	All Aspects Recruitment & HR Services	$	4,809.92
5104	JLM Civil Works Pty Ltd	$	53,684.60
54	Powerwater	$	87,882.83
5611	Steelmans Tools and Industrial Supplies	$	319.00
5640	Think Water - Winnellie & Virginia	$	4,467.42
5757	Rutledge Engineeering (Aust) Pty Ltd	$	1,613.70
59	City of Palmerston	$	72.65
610	Data Centre Services (DCS)	$	24.86
86	Greening Australia NT	$	79.38
87	Industrial Power Sweeping Services Pty	$	352.00
938	Nightcliff Electrical	$	4,137.74
V00149	Signal One Pty Ltd	$	264.50
V00193	Amcom Pty Ltd	$	2,636.23
V00200	Hidden Valley Ford (Red Earth Automotive P/L)	$	659.00
V00223	HME Air Conditioning & Electrical Services	$	6,632.00
V00269	Faceboother Photobooth	$	390.00
V00271	Fuji Xerox Business Centre NT	$	3,529.39
V00284	Wheelers Books	$	676.42
V00295	Jacana Energy	$	168,211.04
V00315	HWL Ebsworth Lawyers	$	1,309.00
V00318	StatewideSuper Clearing House	$	11,520.75
V00354	Elders Real Estate Palmerston	$	125.00
V00476	Water Dynamics (NT) Pty Limited	$	5,752.89

Creditor No.	Creditor Name	Amount	
V00681	NT Controls & Automation Pty Ltd	$	1,039.50
V00773	Akron Group NT Pty Ltd	$	18,311.78
V00872	Amadeus Music	$	300.00
V00877	Gisela Pineiro T/as Artuition	$	1,350.00
V00902	Coles Motors	$	1,129.90
V00994	Frangipani Farm	$	160.00
V01009	Australian Parking and Revenue Control Pty Limited	$	480.48
V01079	CAP22 Services Pty Ltd	$	1,155.75
V01118	Wilson Security Pty Ltd	$	1,155.77
V01150	Fire and Safety Australia	$	275.00
V01234	Mulga Security	$	385.00
V01345	GreenTec Pty Ltd	$	1,727.00
V01431	Gigtek	$	7,700.00
V01475	BullAnt Security Pty Ltd	$	262.90
V01483	OfficeMax	$	339.13
V01492	Dianne Webber	$	26.00
V01493	Sheila Ravenswood	$	125.00
V01495	Supreme Homes NT Pty Ltd	$	360.00
		$	568,294.14

Reviewed by: Finance Manager

Approved: Director of Corporate Services

2.8 - STATEMENT OF CREDIT CARD TRANSACTIONS - DECEMBER 2017

NAB Visa
29 November 2017 to 28 December 2017

Cardholder	Amt.	Cost Code	Description
Cathryn Hutton	$ 28.50	3840.EXEC002.308	Catering - Library
Jan Peters	$ 38.09	3841.COMM005.335	PKN Catering
	$ 35.80	3808.COMM002.308	Key cutting
	$ 7.87	3842.COMM009.335	Face Book - Youth
	$ 3,151.73	3207.COMM002.311	Community Directory
	$ 190.00	3806.CORP004.309	Checkfront
	$ 54.29	3841.COMM005.335	GWLW Catering
	$ 577.50	3842.COMM004.335	Citizenship Awards
Shane Nankivell	$ 90.20	3111.CORP003.300	Consumables
	$ 80.67	3111.CORP003.300	Consumables
	$ 124.00	3822.COMM010.301	Roadside Assist - CB08IQ
	$ 75.42	3111.CORP003.300	Consumables
	$ 201.50	3828.CORP002.308	Consumables
	$ 137.05	3823.TECH009.301	Rego - TI6112
	$ 720.00	3111.CORP002.300	CPA Professional Membership - Finance Manager
Caroline Hocking	$ 83.37	3840.EXEC002.308	Consumables
	$ 9.00	3840.EXEC002.308	Consumables
Sharon Tollard	$ 10.10	3819.COMM007.315	Library Stock
	$ 205.00	3822.COMM007.301	KAT Van battery
	$ 53.08	3819.COMM007.315	Library Stock
	$ 96.31	3841.COMM007.335	Program Materials
	$ 88.86	3841.COMM007.335	Program Materials
	$ 36.00	3841.COMM007.335	SHP equipment
	$ 16.54	3840.COMM007.335	Library mural catering
	$ 96.00	3841.COMM007.335	SHP equipment
	$ 80.00	3841.COMM007.335	SHP equipment
	$ 100.00	3841.COMM007.335	Program music iTunes
	$ 126.00	3841.COMM007.335	SHP equipment
	$ 37.00	3841.COMM007.335	SHP materials
	$ 18.40	3841.COMM007.335	SHP materials
	$ 82.25	3841.COMM007.335	SHP materials
Alyce Breed	$ 175.98	3806.CORP004.309	Software renewal
	$ 17.81	3808.CORP005.308	Stationery
	$ 100.00	3111.CORP003.300	Gift card
	$ 92.00	3840.EXEC001.305	Restock Chambers fridge
	$ 15.05	3840.EXEC001.305	Restock Chambers fridge
Maxie Smith	$ 61.80	3828.CORP005.334	Feedbackly
	$ 39.90	3804.CORP004.309	iPad case
	$ 171.96	3828.TECH001.334	Food for dogs - Pound
	$ 24.24	3810.CORP002.334	JibJab software
	$ 264.00	3810.CORP002.334	SurveyMonkey software
	$ 60.67	3828.CORP005.334	Feedbackly
Samantha Abdic	$ 40.00	3807.EXEC003.308	Social Media
	$ 99.14	3807.COMM004.335	Social Media
	$ 14.81	3828.EXEC003.308	Social Media
	$ 20.00	3810.EXEC001.308	NT News subscription - Official Manager
	$ 185.86	3807.EXEC003.308	Online Newsletter
	$ 15.50	3828.EXEC003.308	NT News Subscription
	$8,049.28		

Reviewed by: Finance Manager

Approved by: Director Corporate Services

2.9 - Waste Charges as at 31 January 2018

Waste Management

	Revised Budget $	YTD Actuals $	Commitment $	Total YTD Actuals plus Commitments $	%
Income					
Rates & Charges	6,682,860	7,088,617	-	7,088,617	106.07%
Income	6,682,860	7,088,617	-	7,088,617	106.07%
Expenditure					
Professional Services	(60,771)	(26,082)	(34,411)	(60,492)	99.54%
Educational Resources	(20,000)	(11,280)	-	(11,280)	56.40%
Utilities	(15,150)	(6,038)	-	(6,038)	39.85%
Street Sweeping	(268,000)	(112,951)	(15,289)	(128,240)	47.85%
Litter Collection	(214,000)	(123,874)	(37,792)	(161,666)	75.54%
Domestic Bin Collection	(2,464,376)	(1,236,455)	(988,779)	(2,225,234)	90.30%
Waste Removal	-	(420)	-	(420)	0.00%
Kerb Side Collections	(90,000)	(98,793)	-	(98,793)	109.77%
Tip Recharge Domestic Bin collection	(570,000)	(284,892)	(214,169)	(499,061)	87.55%
Transfer Station	(1,575,000)	(789,164)	(667,584)	(1,456,748)	92.49%
Loan Repayments	(13,877)	-	-	-	0.00%
Tip Recharge Transfer Station	(300,000)	(172,775)	(97,897)	(270,672)	90.22%
Expenditure	(5,591,174)	(2,862,723)	(2,055,921)	(4,918,644)	87.97%
Profit/(Loss)	1,091,686	4,225,894	(2,055,921)	2,169,973	

Expenditures not included in reconciliation are waste related depreciation, overheads and capital works.

Reviewed By: Finance Manager

Approved By: Director of Corporate Services

Section 2
Financial Results

2.10 - Commercial Leases as at 31 January 2018

Commercial Leases

	Revised Budget $	YTD Actuals $	Commitment $	Total YTD Actuals plus Commitments $	%
Income					
Library Services	30,000	21,172	-	21,172	70.57%
Aquatic Centre	77,291	45,087	-	45,087	58.33%
Civic Centre	162,333	107,905	-	107,905	66.47%
Income	269,624	174,163	-	174,163	64.59%
Expenditure					
Civic Centre	(16,800)	(6,488)	-	(6,488)	38.62%
Expenditure	(16,800)	(6,488)	-	(6,488)	38.62%
Profit/(Loss)	252,824	167,675	-	167,675	

Library Services includes lease held by Mosko's Market
Aquatic Centre includes the lease held by Tang Soo Do
Civic Centre includes leases held by Adult Mental Health and Peter McGrath
McGees Management Fees charged to Civic Centre each month

Reviewed By: Finance Manager

Approved By: Director of Corporate Services

ITEM NUMBER:	13.1.4	Independent Review of Council's Rating Policy
FROM:		Director of Corporate Services
REPORT NUMBER:		8/1409
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is to receive the Independent Report into Council's Rating Policy.

RECOMMENDATION

THAT Report Number 8/1409 entitled Independent Review of Council's Rating Policy be received and noted.

Background:

In 2017, the City of Palmerston commissioned an independent review into its rating strategy including the current use of Unimproved Capital Value (UCV) as a rating methodology and other available alternatives. John Comrie of JAC Comrie Pty Ltd, an experienced consultant with local and state government undertook the review.

A final report entitled City of Palmerston – Review of its Basis of Rating (the Report) dated 6 February 2018, has been provided to Council at **Attachment A.**

General:

The UCV rating methodology was introduced by Council and replaced the then fixed flat rate system. Under a UCV rating methodology, the rates payable are proportional to the undeveloped value of the rateable land, versus a fixed flat rate, which sees every property owner pay the same amount based on the cost of services, regardless of the value of their land. UCV is a very common rating methodology used throughout local government in the Northern Territory and Queensland. Both systems are required to guarantee the same amount of rate revenue required for the delivery of services to the community.

As part of the preparation of the review, Council hosted a community consultation session on 13 December 2017 to provide residents with the opportunity to learn more about the independent review of Council's rating model and to ask any questions they may have. John Comrie presented at the session and answered questions from attendees.

At the workshop a variety of questions and discussions occurred including but not limited to:

- Theoretical basis for rates and rating models
- Fixed rates vs UCV
- Phasing in changes, e.g. rates capping
- The role of the Valuer-General in determining UCV
- Equity in rating
- Comparisons with other Councils
- The use of data in determining capacity to pay

The results of this consultation session were taken into consideration by the consultant in the final of the Report.

The Report discusses rating theory considerations and rating practices noting Council rates are a tax and not a fee for service.

The Report modelled ten (10) rating options utilising property valuation data which could be applied by Council in determining its 2018/2019 rating decisions. The models assume total rate revenue was unchanged in all instances.

The ten options modelled were as follows:

- Option 1: Future UCV's with current differential rate relatives and existing minimum rates.
- Option 2: Future UCV's with no differential rates (i.e. a common rate in the dollar) and existing minimum rates.
- Option 3: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 75% of total rates revenue.
- Option 4: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 50% of total rates revenue.
- Option 5: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace minimum rates) which generates approximately 25% of total rates revenue.
- Option 6: Future UCV's with a common differential rate in the dollar for all properties except Commercial (which is retained at 157% of residential) and the introduction of a fixed charge (to replace minimum rates) which generates approximately 50% of total rates revenue.
- Option 7: Future UCV's with changed differential rates relativities and existing minimum rates.
- Option 8: Future UCV's with existing differential rates relativities and increased minimum rates.
- Option 9: Future UCV's with changed differential rates relativities and increased minimum rates.
- Option 10: Future UCV's with a common Fixed Charge (Flat Rate) of $1,237 applied to all rateable assessments other than the categories of Commercial and Industrial which are rated using valuation-based differential rates in conjunction with the existing minimum rate of $1,191.12.

The Report states that there is no rating strategy based on a fixed charge rather than a minimum rate that could be introduced without significant redistribution of the overall rating burden across properties.

"*It is important to note that the majority of CoP rate revenue is sourced from residential (83.9% in 2017/18) properties (see Table 2.2). Any movement in rates for residential ratepayers must necessarily materially inversely impact on ratepayers in other categories (assuming total rate revenue remains unchanged). On the other hand, the other categories of CoP's ratepayers (Residential – Marlow Lagoon, Commercial and Industrial) collectively only provide approximately 16% of 2017/18 rate revenue. Any adjustment for these ratepayers would have little overall impact on total revenue generated or rate levels for residential ratepayers.*"

The Report does not make a specific recommendation as to which of the models is preferable but highlights that in considering its rating model Council should have regard to both rating theory considerations and its community circumstances.

"*This report has focused on the distribution of the impact of the rate burden across various classes of CoP ratepayers. That is, it is concerned with the proportion of total rates paid by different types of ratepayers rather than how much rate revenue Council collects in aggregate. It is noted that Council has produced a net operating deficit totalling approximately $19.5M across the three most recent financial years (i.e. average of approximately $6.5M per annum). Under-lying ongoing operating deficits typically mean that a council is under-charging ratepayers for the level of services it is providing relative to their cost and flags potential financial/service level sustainability risks. Total rate revenue would need to increase by about 11% currently if this average deficit was to be eliminated without changes in other factors.*"

The Report further identifies that Council should strive to ensure it doesn't model unnecessary layers of complexity to its rating methodology.

The Report does recommend that there may be merit in the following possible refinements by Council to its rating strategy:

i) Continue to generate a share of total general rate revenue based on property values;
ii) Retaining a minimum rate-based rating rather than (or as well as) introducing fixed charges;
iii) Reviewing the differential rating relativities, specifically with a focus on the levels of relativity for Industrial and Residential – Marlow Lagoon properties, compared to all other Residential properties;
iv) Keeping any application of differential rating as simple as possible (and clearly defendable); and
v) Implementing a rate cap (or similar tool) to assist with managing potential volatility in rates increases associated with any changes to Council's basis of rating (and possibly arising from revaluation volatility in future). The Rating Policy (FIN25) should be updated to formally recognise the introduction of a rate capping process.

The information within the Report and these refinements will inform Council as it considers it's 2018/2019 Municipal Plan.

It is inevitable that when changes are made to the basis of rating that some ratepayers will pay more, on average, and some will pay less. Council should consider strategies available to mitigate the impact of movement while ensuring the future sustainability of the Council.

It should also be noted that a revaluation of land will take affect for the 2018/2019 process adding an additional layer of consideration.

The Report also recommended reviewing the differential rating relativities, specifically with the focus on the low relativity for Industrial and Residential-Marlow Lagoon properties, compared with all other residential properties. This is to ensure equity in any rating system. As demonstrated in the extract from Table 5.3 of the Report, industrial properties in Palmerston have a significantly lower differential rate relative to the residential rate compared to other Northern Territory jurisdictions (residential properties =100%):

Council	***Industrial***
Palmerston	72%
Alice Springs	119%
Darwin	81%
Katherine	101%
Litchfield	128%

The Report also notes that there is not equity in the City of Palmerston's current rating arrangements for residential properties noting *"it is not clear as to what regard the principles of rating theory (such as equity considerations) have historically influenced rating decisions"*. Further on in the report it notes *"residential properties throughout CoP's jurisdiction (excluding Marlow Lagoon) currently attract a differential rate in the dollar which is approximately 28% greater than the differential rates levied on Marlow Lagoon"* and concludes that *"differentiating solely on land use ensures that all properties of the same use (e.g. residential) throughout the Council are rated on the same basis irrespective of their locality"*.

Finally, the Report raises concerns about the long-term financial sustainability of Council highlighting the fact that Council has produced net operating deficits totalling about $19.5 million across the last three financial years. Council has balanced its budgets by drawing down reserves however this is not sustainable in the long term and has contributed to Council's reserves decreasing almost 50% over that time.

Council will need to address the related challenges of protecting revenue and managing expenses. Rates income will need to keep pace with service level provision inflation, wage growth and future costs of infrastructure replacement and renewal otherwise Council will not be financially sustainable and able to provide services, replace or upgrade infrastructure or community facilities in the future. The generation of income via rates will need to be balanced by the management of expenses by looking for opportunities for continuous improvement and cost-effective delivery of services.

The City of Palmerston – Review of its Basis of Rating Report (6 February 2018) will inform Council as part of its 2018/2019 Municipal Plan deliberations.

Financial Implications:

As described in the body of this report, Council needs to ensure it applies strategies to ensure it can provide services and is financially sustainable in the future.

Legislation/Policy:

Nil

Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services

Schedule of Attachments:

Attachment A: City of Palmerston – Review of its Basis of Rating

City of Palmerston - Review of its Basis of Rating

Final Report 6 Feb 2018

John Comrie

JAC Comrie Pty Ltd

Table of Contents

Executive Summary

There is no single rating system that best suits or is preferred by all ratepayers. Which rating tools to use and the extent and details of their use is a choice a council needs to make having regard to a wide range of factors. It needs to be mindful of historic arrangements and the current and likely future circumstances and character of its community. Trade-off judgements inevitably need to be made. Consideration of the relative public finance criteria merits of various alternative options can help make this decision more objective and better able to be defended.

The City of Palmerston's (CoP or Council) basis of rating utilises Unimproved Capital Values (UCV's), minimum rates and a special rate (subsequently rescinded) plus a waste management service charge (WMC). It also applies differential rates depending on a combination of:

- land use (different rates are applied for residential, commercial and industrial properties); and
- locality; i.e. Council applies a differential rate on the residential land in the suburb of Marlow Lagoon which is at a reduced level compared to other residential properties within the CoP.

CoP's declared rates and charges for 2017/18 are set out in Appendix 5 and its system of rating, generally, is not dissimilar to other councils.

Valuation-based charges (rate in the dollar depending on land-use and locality) are applied to UCV's and minimum rates determine the least value of rates payable by respective property owners. The outcome is that the system of rating is streamlined and relatively non-complex such that it is not too difficult to determine relativities between the differential rates.

Council rates should be thought of more as a tax than a fee for service and Council recognises this in its Rating Policy (FIN25). Regardless, all councils should have careful regard to equity in designing their rating systems. Equity considerations need to weigh up both benefits received and the capacity to pay of different classes of ratepayers.

Opportunities for improvement exist in terms of tax theory considerations and it is possible that some ratepayers may push for changes in future. It is noted that Council made significant changes to its system of rating in 2015 in order to attempt to better address rating theory considerations and in particular principles of equity. The changes recognised that the CoP's previous system of rating (a high fixed charge and no ad valorem rate for residential properties) was no longer the best option of rating the diverse overall mix of properties which had changed significantly in nature since the common fixed charge was initially introduced.

CoP needs to ensure its rating strategy is structured and reviewed as necessary such that it can equitably accommodate on-going growth within its jurisdiction and the associated new (additional) and changing demands of its community.

Councils need to be able to justify the rationale for their basis and extent of differential rating. As highlighted above CoP applies various differential rates based on land uses and in one instance locality (Marlow Lagoon). Locality rating results in properties with the same land use and same UCV, but being situated in a different locality, being levied different amounts of general rates. All residential properties throughout CoP's jurisdiction (excluding Marlow Lagoon) currently attract a differential rate in the dollar which is approximately 28% greater than the differential rate in the dollar levied on residential land in Marlow Lagoon.

An argument could be mounted (in the absence of justification to the contrary) that commercial land ratepayers are currently paying somewhat more and industrial land ratepayers plus residential – Marlow Lagoon ratepayers somewhat less than what rating theory considerations alone would suggest is appropriate. The rationale for the industrial differential rate currently being somewhat lower and the commercial rate somewhat higher than the residential rate is unclear. It may reflect Council's perceptions of the typical level and cost of services provided to such ratepayers (although this arguably would be reflected in each property's UCV). Councils need to be able to clearly justify their application of differential rates.

The report discusses rating theory considerations and an assessment of CoP's current rating practices relative to these objectives in Sections 3, 4 and 5. It highlights in particular that it is generally (but not always) reasonable to assume that residents occupying properties with a higher improved capital value (ICV) have greater capacity to pay rates and charges (at least on average over the long-term). The results are likely to be less clear-cut regarding the correlation between owners of properties based on UCV and capacity to pay. It does seem reasonable though to conclude owners of properties with very high UCV are often likely to have greater capacity to pay than owners of properties with modest UCV. For example, according to the Australian Bureau of Statistics (ABS) residents of the suburb Marlow Lagoon experience a socio-economic advantage, on average, relative to all other suburbs within the CoP (refer to Appendix 6). Basing local government rating on ICV rather than UCV would better assist in promoting equity but it is not practical for NT councils to rate on ICV at this time. ICV information is not currently available and is likely to be difficult and / or expensive to obtain.

Even with UCV's public finance theoretical considerations and experiences and practices elsewhere support at least a share of general rate revenue from all classes of ratepayer being generated based on property values.

Ten alternative rating options have been modelled utilising property valuation data proposed to be applied by CoP in determining its 2018/19 rating decisions. The impacts of these alternative approaches have been quantified relative to actual rating outcomes achieved in 2017/18 (see Section 6). The modelling assumed total rate revenue was unchanged in all instances.

The ten options modelled were as follows:

- Option 1: Future UCV's with current differential rate relativities and existing minimum rates.
- Option 2: Future UCV's with no differential rates (i.e. a common rate in the dollar) and existing minimum rates.
- Option 3: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 75% of total rates revenue.

- Option 4: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 50% of total rates revenue.

- Option 5: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 25% of total rates revenue.

- Option 6: Future UCV's with a common differential rate in the dollar for all properties except Commercial (which is retained at 157% of residential) and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 50% of total rates revenue.

- Option 7: Future UCV's with changed differential rates relativities and existing minimum rates.

- Option 8: Future UCV's with existing differential rates relativities and increased minimum rates.

- Option 9: Future UCV's with changed differential rates relativities and increased minimum rates.

- Option 10: Future UCV's with a common Fixed Charge (Flat Rate) of $1,237 applied to all rateable assessments other than the categories of Commercial and Industrial which are rated using valuation-based differential rates in conjunction with the existing minimum rate of $1,191.12.

The modelling highlights that there is no rating strategy based on a fixed charge rather than a minimum rate that could be introduced without significant redistribution of the overall rating burden across properties. This is a reflection of Council's existing rating system and the character and composition of aggregate properties.

It is important to also recognise that the proposed UCV revaluation that will take effect from 2018/19 will result in a significant redistribution of rates payable across ratepayers (and across ratepayer classes on average – as highlighted in Option 1). The revaluation presents an opportunity for Council to review its current rating arrangements.

Whilst we generally favour application of a fixed charge rather than a minimum rate we believe that arguments for such a preference are less compelling when UCV's are utilised.

Options 7, 8 and 9 generate most general rate revenue from a minimum rate rather than property values and have only a modest impact on most (e.g. particularly residential) ratepayers. They highlight too that it would be possible to more closely align other differential rates (effectively the 'tax rate' for that class of property) to that payable by residential properties without a major impact on average rates payable by properties in each class (although this may involve a slight increase in the minimum rate).

It is important to note that the majority of CoP rate revenue is sourced from residential (83.9% in 2017/18) properties (see Table 2.2). Any movement in rates for residential ratepayers must necessarily materially inversely impact on ratepayers in other categories (assuming total rate revenue remains unchanged). On the other hand, the other categories of CoP's ratepayers

(Residential – Marlow Lagoon, Commercial and Industrial) collectively only provide approximately 16% of 2017/18 rate revenue. Any adjustment for these ratepayers would have little overall impact on total revenue generated or rate levels for residential ratepayers.

As part of the work undertaken in preparing this report a public consultation briefing and feedback session was held at Council's offices on 13 December. Feedback received as part of that session has been had regard to in the preparation of this report.

The report does not make a specific recommendation as to which of the above rating options (or similar) is preferable; CoP should choose an option that has regard to both rating theory considerations and its' community's circumstances. Phasing changes in over time by capping the limit on the annual increase for any ratepayer (e.g. to not more than 7% per annum and a consequential offsetting slight increase for other ratepayers) would help ameliorate the impact of uneven rates increases to individual ratepayers. This could be managed by setting out the basis of the concession in CoP's Rating Policy and would be in accord with the Section 164 provisions of the NT Local Government Act.

This report has focussed on the distribution of the impact of the rate burden across various classes of CoP ratepayers. That is, it is concerned with the proportion of total rates paid by different types of ratepayers rather than how much rate revenue Council collects in aggregate. It is noted that Council has produced a net operating deficit totalling approximately $19.5M across the three most recent financial years (i.e. average of approximately $6.5M per annum). Under-lying ongoing operating deficits typically mean that a council is under-charging ratepayers for the level of services it is providing relative to their cost and flags potential financial / service level sustainability risks. Total rate revenue would need to increase by about 11% currently if this average deficit was to be eliminated without changes in other factors.

Council should strive to ensure it doesn't (in future) add unnecessary layers of complexity to its rating methodology. Rating theory and data modelling considerations suggest that there may be merit in the following possible refinements by Council to its rating strategy.

i). Continue to generate a share of total general rate revenue based on property values;

ii). Retaining minimum rate-based rating rather than (or as well as) introducing fixed charges;

iii). Reviewing the differential rating relativities, specifically with a focus on the levels of relativity for Industrial and Residential – Marlow Lagoon properties, compared to all other Residential properties;

iv). Keeping any application of differential rating as simple as possible (and clearly defendable); and

v). Implementing a rate cap (or similar tool) to assist with managing potential volatility in rates increases associated with any changes to Council's basis of rating (and possibly arising from revaluation volatility in future). The Rating Policy (FIN25) should be updated to formally recognise the introduction of a rate capping process.

Inevitably, some ratepayers will pay more, on average, and some will pay less when changes are made to the basis of rating however the modelling indicates that there are options and rating strategies available to Council to mitigate the impact of the movements in rates to the majority of ratepayers.

1. Introduction

Rate revenue represents the largest source of operating revenue for most councils. It is therefore appropriate, and good practice that councils periodically review their basis of rating.

The Northern Territory Local Government Act (2008) (LG Act) provides councils with considerable flexibility in the way they raise general revenue from rates and charges. Over time the mix of a council's services can change as can the characteristics of its ratepayer and property base. The City of Palmerston (CoP) decided to undertake a review of its basis of rating. It engaged Mr John Comrie (JAC Comrie Pty Ltd) to undertake the study and this report outlines his findings.[1]

2. Background

The Northern Territory (NT) local government structure comprises nine regional councils, three shire councils and five municipal councils (in which CoP is classified) as shown in Table 2.1.

Table 2.1: NT Municipal Councils by Classification[2]

Urban Capital City	Urban Fringe Small	Urban Rural Small	Rural Agricultural Very Large
City of Darwin	City of Palmerston	Alice Springs Town Council	Litchfield Council
		Katherine Town Council	

All of these councils differ in terms of their respective geography/land areas, the demographics of their communities and, to a lesser extent, the range and level of services they provide.

Each year all councils not only need to determine how much rate revenue to raise, they need to determine how they will raise it. Regardless of the amount raised there are a variety of decisions that need to be made regarding what share of aggregate rate revenue is raised from each individual ratepayer; including having regard to equity in determining their basis of rating. Key amongst these factors is the following:

i) Whether to base rating on the unimproved capital value (UCV or site value), improved capital value (ICV) or annual value (AV) of properties.[3] Unimproved capital value represents the value of a property excluding development that has occurred on it. Improved capital value is market value and annual value is the rental value of a property.

[1] Mr John Comrie operates a consultancy practice specialising in providing financial and governance advice to local governments. He has written and been published extensively on local government rating theory and practice issues. Further details about his background and experience are available at www.jaccomrie.com.au.
[2] Source; the 2016/17 LGANT Directory.
[3] See LG Act Section 149.

In 2016/17 the NT councils listed in Table 2.1 all used UCV's as their basis of rating[4], as is the case in 2017/18.

ii) Whether to apply a fixed charge and/or a minimum rate and if so the amount.[5] A council in the NT can apply both and, alternatively it doesn't have to apply either. In 2017/18, all five NT municipal councils applied a minimum rate (Litchfield set a minimum on Commercial and Other Land only; not residential) and the average value was $1,195. Litchfield was the only council setting a fixed charge (of the five municipal councils).

iii) Whether to apply differential rates or not.[6] The five NT municipal councils all utilise this choice and set higher or lower rates in the dollar for different land uses and/or localities.

In South Australia (SA), typically compared with the rate set for residential properties, councils charge a slightly lower rate in the dollar for primary production properties (not always, a few councils charge a higher rate) and a higher rate in the dollar for commercial/industrial properties. Broadly, this approach to differential rates appears to be similar to that taken by NT councils.

The CoP's basis of rating utilises UCV's, minimum rates and a special rate plus a waste management service charge (WMC).

It also applies differential rates depending on a combination of:

- land use; and
- locality; i.e. council applies a differential rate on the residential land in the suburb of Marlow Lagoon which is at a reduced level to other residential properties within the CoP.

CoP's declared rates and charges for 2017/18 are set out in Appendix 5. On average, residential properties would have paid council rates of $1,229 (excluding the $530 WMC).

Where a valuation-based component is utilised in rating (as is the case with CoP's rating system) a council's rate in the dollar will vary both as a result of how much rate revenue it seeks to raise and as a result of the value of property in its district. All other things being equal a council with lower average property values will need to charge a higher rate in the dollar compared with a council with higher average property values to generate the same rate revenue.

CoP's current system of rating is relatively new (since 2015) and it uses a range of differential rates and minimum rates (the City Centre Improvement Special Rate which was adopted in 2017/18 was subsequently rescinded by Council at its meeting of 17 October 2017). Council applies valuation-based rating to calculate property rates based on a property's UCV. Slightly different minimum rates are set for different classes of property. For example, the minimum rate for residential and vacant land properties in 2017/18 was $1,177 and this amount was payable for all properties with a UCV of less than $253,910 ($325,570 in Marlow Lagoon).

[4] It is the consultant's understanding that ICV's are not readily obtainable from the NT Valuer-General and for them to be provided it would likely be at a significant cost to Council.
[5] See LG Act Section 148.
[6] See LG Act Section 148.

Prior to 2015 the CoP utilised a fixed charge (also called a flat charge) ($1,155 in 2014/15). Under this arrangement. a residential property with a UCV of say $500,000 was paying the same amount of rates as a residential property with a UCV of say $150,000. A system of valuation-based charges (differential rating based on UCV's) in conjunction with a minimum rate (also $1,155, and for self-storage units the minimum rate was $315) was used to calculate rates for all other classifications of property. So, under these arrangements a residential property's UCV had no influence on the amount of rates payable, whereas for any other class of property this was not the case.

It is not clear as to what regard the principles of rating theory (such as equity considerations) have historically influenced rating decisions. At least, in part in the case of residential properties in the suburb of Marlow Lagoon, Council presumably attempts to somewhat align average rate revenue per property (for similar land uses in different localities) with the respective level of council investments in and provision of services. (The rate in the dollar in Marlow Lagoon is lower but the average property's UCV is higher than in other residential areas in total.)

Council's existing system of differential rates combines locality-based rating (for residential property in the suburb of Marlow Lagoon) with land use categorisation as the basis of rating for all other property; i.e. residential, commercial, industrial and vacant land. Valuation-based charges (multiple) are applied to UCV's and minimum rates determine the least value of rates payable by respective property owners. The outcome is that the system of rating is streamlined and relatively non-complex such that it is not too difficult to determine relativities between the differential rates.

Table 2.2 below shows the approximate number of properties, value of general rates revenue collected as well as rate revenue as a percentage of the total for each class of property in 2017/18. It also shows average general rates payable per property in each class net of service charges.

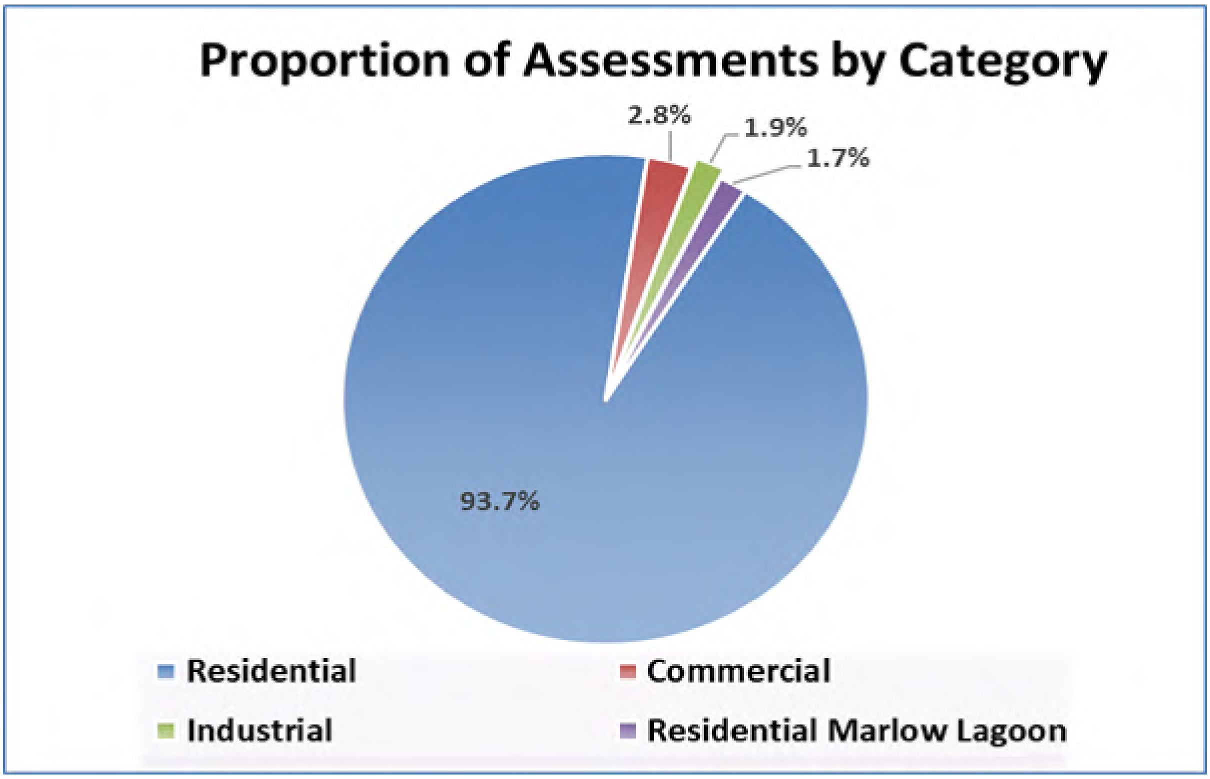
Table 2.2: Assessments, Rate Revenue and Average General Rates by Property Class 2017/18

Differentiating Factor	No. Rateable Properties	% Total Rateable Properties	Rate Revenue	% Total Rate Revenue	Average Revenue / Property	UCV ($'000)	% UCV to Total
Residential Marlow Lagoon	252	1.7%	446,248	2.2%	1,771	122,935	4%
Residential & Vacant	13,735	93.7%	16,884,448	83.9%	1,229	2,930,588	83%
Commercial	404	2.8%	2,013,895	10.0%	4,985	258,078	7%
Industrial	274	1.8%	791,307	3.9%	2,888	204,586	6%
Total	**14,665**		**$20,135,898**		**$1,373**	**$3,516,187**	

Source: CoP's rates database

Graph 2.1 below shows the proportion of rateable assessments in 2017/18 by differential rate category (each category includes vacant land as applicable).

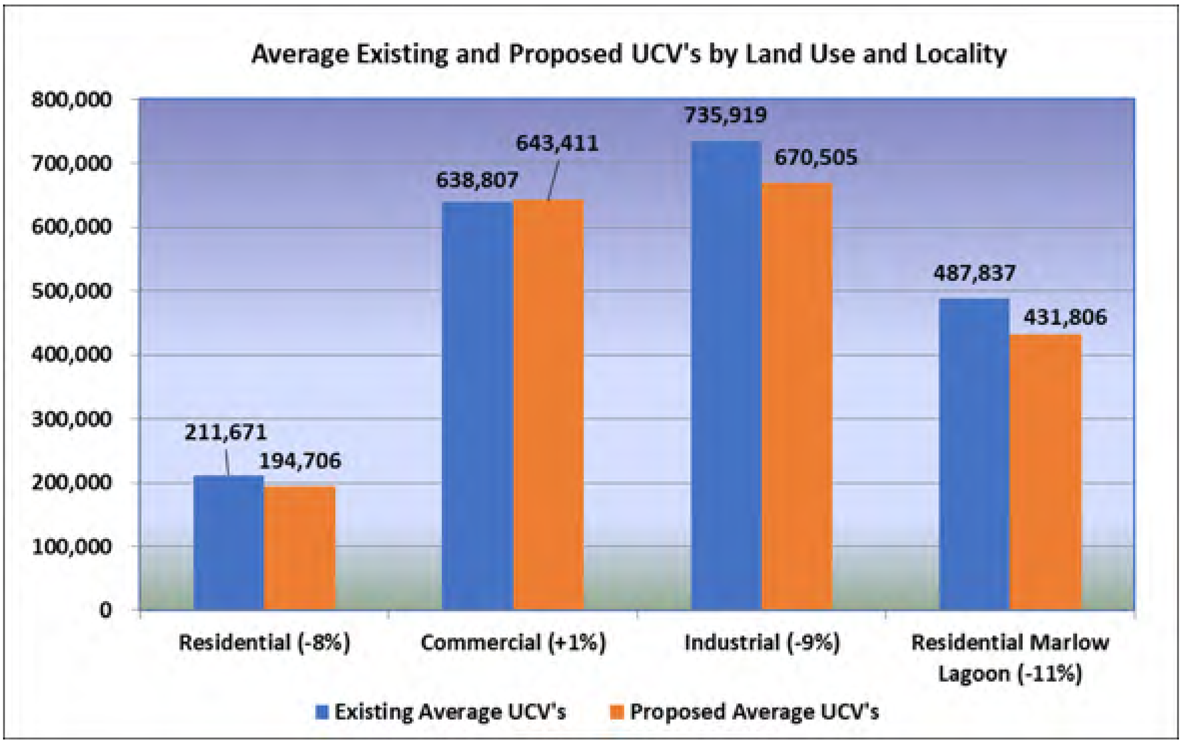
Graph 2.1: Proportion of Assessments by Land Use and Locality 2017/18



Graph 2.2 below shows average unimproved capital values (UCV) by Land Use and Locality for 2017/18 and proposed average UCV's for 2018/19. On average UCV's have fallen by approximately 8% between the two years. UCV's are revised for rating purposes every 3 years by the Northern Territory Valuer-General. The Valuer-General is an independent government officer who determines property values utilised by governments for various rating and taxing purposes. It is important to note that all ratepayers are provided with an opportunity to formally object to the Valuer-General's valuation assessment and this can sometimes result in an adjusted assessment being issued.

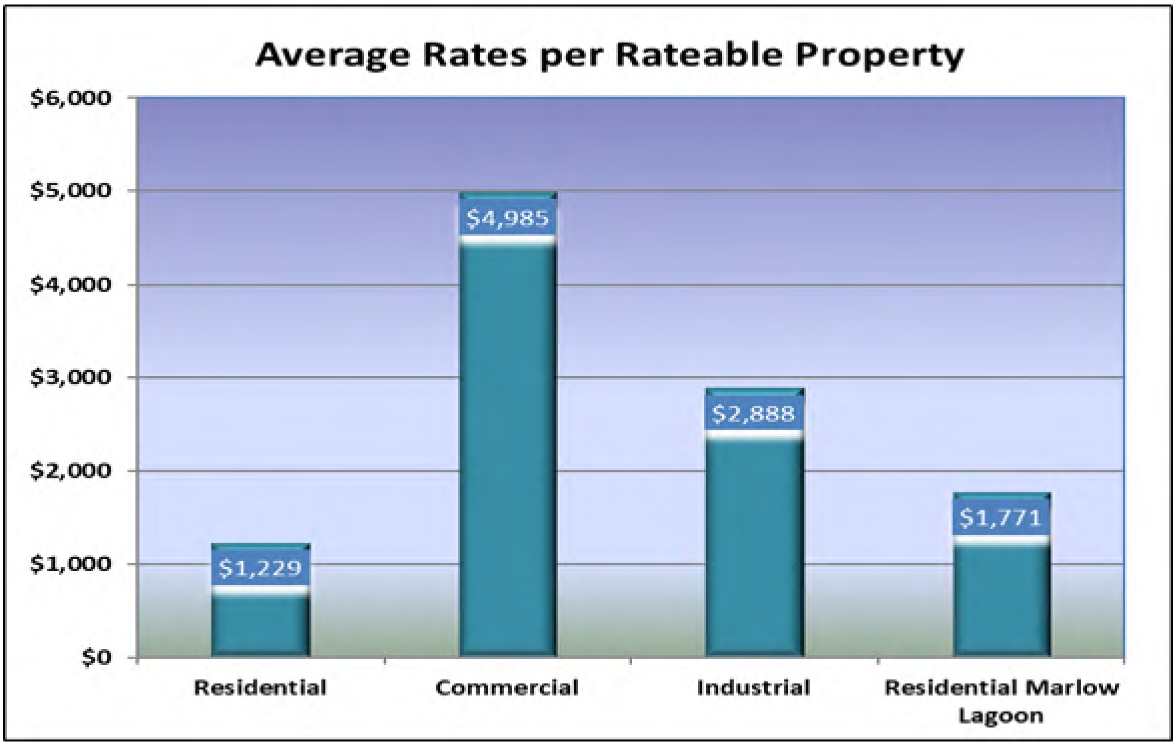
The proposed updated valuations will have some impact on the share of total revenue raised by different categories of ratepayers in future. This is discussed elsewhere in the report (e.g. see Graphs 6.6 & 6.7 and Option 1 and related discussion in Section 6).

Graph 2.2: Average unimproved capital values (UCV) by Land Use and Locality 2017/18 & Proposed average UCV's 2018/19



Graph 2.3 below shows average rates payable (excluding waste management charge) by land use and locality for 2017/18.

Graph 2.3: Average rates by Land Use and Locality 2017/18



Council currently levies waste management service charges on properties (approximately 13,000 services) to meet the cost of waste collection and disposal, as well as the costs associated with the management and operations of a waste transfer station and the rehabilitation of a waste landfill site. Council needs to ensure that its service charges for waste management are set at a level which will ensure waste management operations are financially sustainable over the long term. Applying a service charge is appropriate whenever beneficiaries can be identified, and such charges should aim to recover the full long-run costs of providing the service – i.e. in the absence of compelling reasons to do otherwise.

3. Rating Theory Considerations[7]

In 2017/18 CoP has budgeted to raise 84% of its operating revenue from general rates (in 2016/17 it was 77%). The other municipal NT councils (Alice Springs, Darwin, Katherine and Litchfield) collectively raise approximately 66% of their operating revenue from general rates. On average SA councils in aggregate raised 74% of their operating revenue from rates.

Significantly, councils are free to determine how much rate revenue they raise. It is in the best long-term interests of both a council's ratepayers and the council itself that the council exercise its rating powers responsibly, strategically and accountably.

Council rates are effectively a tax even if not universally recognised as such by ratepayers. (CoP recognises this and its Rating Policy (FIN25) states that '*Rates are a system of taxation and are not reflective of the services, infrastructure or facilities used by any particular property owner or resident.')*[8] Public finance theory emphasises the importance of the following in designing a tax system and evaluating alternative types of taxes:

i) Administrative simplicity – this refers to the costs involved in applying and collecting the tax and how difficult it is to avoid;

ii) Economic efficiency – this refers to whether or not the tax distorts economic behaviour. The less so the more efficient it is. E.g. a flat 10% goods and services tax on everything is more efficient than one that collects the same revenue but only applies to some goods and not others;

iii) Equity - equity considerations need to have regard to both benefits received and capacity to pay. All things being equal a person who receives more benefits should pay a higher share of the tax. Similarly, a person who has less capacity to pay should pay less. Often though these factors are not complementary and weightings need to be given to the

[7] The author of this report contributed to LGA (SA) Financial Sustainability Information Paper No 20, 'Rating and Other Funding Policy Options' which makes similar general points to those expressed in this section. See http://www.lga.sa.gov.au/webdata/resources/files/20%20-%20Rating%20and%20Other%20Funding%20Policy%20Options%202015.pdf

[8] The 'Henry Review' simply stated 'Local Government rates are a tax' (p.691, Henry, K. et al. 2010, Australia's future tax system: Report to the Treasurer, Commonwealth of Australia, published online at <http://www.taxreview.treasury.gov.au>.)

importance of each one. E.g. someone may receive more benefits but have less capacity to pay.

Academic research continually reaffirms the appropriateness of property taxes being a major source of revenue for local governments.[9] [10] Many local government services enhance property values. It is therefore reasonable that those who benefit from these services through higher property values contribute significantly to the funding of the services.[11]

Property prices are also generally a reasonable indicator of capacity to pay.[12] This correlation is far from perfect but typically people who earn higher incomes live in and own higher valued properties (particularly when lifetime incomes, including incomes from capital gains, are taken into account). Similarly, higher valued rural (primary production) properties are more highly valued because they are generally capable of generating more income on average over time compared with others of lesser value.

Property taxes can adversely impact on persons who are asset rich and income poor but councils can to a large degree negate this weakness by offering ratepayers in these circumstances rate deferral arrangements (at effectively no net cost to other ratepayers).[13]

Notwithstanding the overall suitability of property taxes for local government revenue raising, different methods of raising such revenue may better suit in different circumstances. This is often a judgement call depending on the policy objectives and preferences of decision-makers and the character of the taxpayer base. These factors and therefore the most appropriate approach can change over time. There is no single 'best' approach for all councils at any time or even a single council over time. A brief evaluation of various key factors and when one option or another is appropriate to apply is presented below.

i) Valuation bases

Whilst the availability of local government services affects the value of a property it is generally the 'land' component that is affected. UCV (which is currently the basis of CoP rating) therefore is often a better indicator of relative benefits of local government services than ICV (which includes a component for land value and the value of buildings and other improvements to the property). Annual values too are influenced to a large degree by the nature of improvements to a property (e.g. the existence of a house that can be rented out). All valuation bases are

[9] The paper *'Rating policies – an ad hoc or principled balancing act?'* prepared by the author of this report and others and available through the Australian Centre for Excellence for Local Government (or http://www.acelg.org.au/upload/Rating%20Policy%20Shane%20Sody.pdf) includes further discussion and references regarding academic research on this topic).

[10] The 'Henry Review' (p.693) concluded that '*rates based on land value an appropriate tax base for local governments to use to fund local public goods and services'*. On balance it favoured rating using UCV relative to ICV (se p.692).

[11] Property values are of course also affected by many other factors too.

[12] See '*The Correlation Between Income and Home Values: Literature Review and Investigation of Data – Final Report',* South Australian Centre for Economic Studies (June 2004) available at http://www.lga.sa.gov.au/site/page.cfm?u=204&s=search&searchTemplate=gui&searchMode=searchResults&searchType=query&searchString=%27Correlation+Between+Income+and+Home+Values%27.

[13] See LG Act Sections 162 and 164(1) (b). These provisions allow deferral, including potentially until property ownership was transferred. Borrowings could be raised if needed to offset any resulting cash flow shortages. Interest can be charged on outstanding rates that would negate the cost of any necessary borrowings or lost investment income.

influenced by many other considerations too and not just the extent of local government services.

UCV is more economically efficient than capital value as a rating base. That is a person doesn't pay more in rates because of the extent of improvements they have made to a property. For example, a person who wants to build a higher than average value home isn't discouraged from doing so because it won't mean that they'll pay higher council rates.

The disadvantage of UCV's for rating purposes is that they are not generally as good an indicator of capacity to pay as ICV's. Capacity to pay is an important consideration and the prime advantage of choosing ICV over UCV.

Annual values can work well in localities where strong rental markets for different types of properties exist. They often cause confusion though for ratepayers and are therefore not administratively simple or popular in circumstances where the majority of properties are occupied by their owners.

ii) Fixed charge and minimum rates

If a large range of council services are provided and available relatively uniformly to all ratepayers then it is equitable from a benefit principle perspective to recover the costs of such services by way of a fixed charge. Councils though need to have regard to both capacity to pay and benefits received in determining their rating structure.

A system where a significant proportion of revenue was collected via a fixed charge and the balance by an ad valorem rate based on property values (based on ICV) would often therefore seem a reasonable trade-off.

Having a minimum rate rather than a fixed charge would mean that rates payable by all properties with a value above the threshold for which the minimum applies have the amount they pay determined purely based on their property value. Arguably this may mean that too much emphasis is being given to 'capacity to pay' relative to 'benefits received' considerations (particularly in the case where ICV is used for rating purposes). At least equally importantly it means owners of the lowest valued properties, i.e. those to which the minimum applies, are effectively paying a higher ad valorem rate.

It seems hard to see the justification for use of a minimum rate, relative to a fixed charge, particularly in circumstances where a council also uses ICV's (and has a choice of using it or UCV's). This is because a council that chooses to use ICV has, at least implicitly, determined that capacity to pay is a prime factor in design of its rating system yet it applies an effective higher rate of tax to the owners of the lowest valued properties.

A minimum rate is likely to be a more justifiable option relative to a fixed charge where UCV is the basis of rating (as it is in CoP) because UCV is not as a reliable indicator of capacity to pay as ICV, i.e. those paying a minimum rate (those with lower UCV properties) are not as often likely to have less capacity to pay as if ICV was utilised.

The share of rate revenue raised linked to property values and raised as a minimum rate or fixed charge is a matter of judgement that may appropriately vary depending on the nature and character of the mix of properties in a council area (and to a lesser extent the circumstances of the owners of such property). There are no limits on the mix in the Northern

Territory but there are in some states. In South Australia no more than 35% of general rate revenue can be raised by a minimum rate and in Western Australia 50% (unless the minimum rate is $200 or less). A fixed charge is restricted to 20% of general rate revenue in Victoria and 50% in New South Wales, South Australia and Tasmania.[14] Having regard to rating theory considerations and legislative provisions in place elsewhere it seems appropriate that some reasonable share of general rate revenue (say generally at least 25%) should be raised linked to property values.

Graph 3.1 below shows the illustrative impact of a fixed charge and minimum rate on rates payable relative to property values. The same quantum of revenue would be generated under either option (effectively the area under each line). The actual slope and points of intersection of the lines representing the use of a minimum rate or alternatively a fixed charge would vary depending on the actual fixed charge or minimum rate set. The point at which the minimum rate line curves upwards represents the property value at which a property would start to pay more than the minimum rate. The higher the minimum rate the further along the x-axis the line would start to move upwards (and with a flatter slope). Similarly, the higher the fixed charge (it's point of intersection with the y-axis) the flatter the slope of that line. A higher minimum rate or fixed charge would thus have a negative impact on lower valued properties and a favourable impact on higher valued ones.

Graph 3.1: Illustrative impact of fixed charge and minimum rate on rates payable relative to property values

iii) Differential rates

Property values already take account of relative availability of and access to council services. Differences in availability and levels of services cannot therefore be a rational argument for use of differential rates. Use of differential rates must objectively therefore be based on perceptions of differences in:

- capacity to pay relative to property value between properties with different land uses or in different localities; or

[14] See *'Rating policies – an ad hoc or principled balancing act?,'* Table 1.

- the costs to a council generated by or in servicing properties affected by the differential.

Many councils offer lower differential rates to rural (primary production) properties and charge higher differential rates to commercial and industrial property owners relative to urban residential properties. Presumably they believe that relative to the value of the property, rural property owners (primary producers) have less capacity to pay taxes and commercial and industrial property owners more.

Evidence to substantiate such claims is likely to be difficult to find. Nevertheless, the fact that such differential arrangements are commonplace and have not changed materially over time at least suggests that there is widespread community perception of such differences in capacity to pay. That is other ratepayers seem generally to accept primary producers often receiving more favourable rating treatment. Similarly, there is typically across different council areas little agitation from commercial and industrial ratepayers as a result of being charged a higher tax rate. It seems well accepted, although it is noted in the CoP that the owners of industrial properties are currently charged a tax rate which is lower than that charged to owners of residential properties.

It is sometimes suggested that owners of commercial and industrial properties should pay a higher rate relative to the residential rate because they can claim a tax deduction for this payment. This is a spurious argument. Councils simply do not know the tax affairs of property owners and they will not be uniform across a class of properties.[15]

Commercial and industrial property owners will only pay tax and therefore get a deduction for council rates paid if they make a profit. Primary producers are in the same position. Owners of residential properties that are rented out to tenants will also be able to claim a tax deduction.

iv) Use of a service charge

The Local Government Act allows councils to apply a charge to ratepayers to recover the cost of dedicated services provided to specific properties. The use of such a charge is generally appropriate whenever beneficiaries can be identified and it is practical to do so. It helps recipients appreciate the costs involved and provide feedback on value to service providers. It also means that properties that don’t receive the service aren’t paying higher taxes to help fund its provision to others.

Many councils have in place a service charge for their waste collection services, as does the CoP. In many (but not all) instances where councils charge specifically for a waste collection service it is only provided in part of their area (e.g. in townships but not rural areas).

v) Use of special rates

These are a potentially equitable, targeted way of recovering the cost of provision of services that are intended to primarily benefit a specific identifiable group of ratepayers. When adopting special rates a council is required (in accordance with Sec 156 of the LG Act) to:

[15] In any event it is likely to make little sense given the relative financial scale of local governments to effectively seek to structure its tax decisions in a way that seeks to negate the intended effects of the tax system of another sphere of government.

- *State the purpose for which the special rates are imposed;*
- *State the amount to be raised;*
- *State the basis of the special rates; and*
- *State whether the special rates are imposed on rateable property generally, or on rateable property within a particular part of the area and, if they are limited to a particular part of the area, identify the relevant part.*

CoP initially adopted a special rate in 2017/18 titled the "City Centre Improvement Special Rate" (CCISR). The purpose for which the CCISR was imposed was to contribute to City Centre (as defined in Council's Master Plan) improvements; the Council being of the view that such improvements will be of special, direct benefit to the ratepayers of the City Centre. A particular focus was to generate additional revenue to assist in provision of car-parking facilities.

At its meeting of 17 October 2017 Council effectively decided not to pursue this special rate by resolving that *…"Council grants a (CCISR) concession of 100% to all properties within the City Centre that had a CCISR parking shortfall due to waivers granted by the Development Consent Authority prior to 1 July 2017" …*

4. Funding and Rating Policy Considerations

Council needs to determine how best to achieve its revenue targets from utilisation of a combination of the various revenue raising options over which it has control. An appropriate starting point is to consider the public good / private good characteristics of the services provided and to review the extent to which the user charges (e.g. waste management service) recover an appropriate proportion of service costs over the long run.[16]

In most circumstances Council should aim to charge prices comparable to those charged by private suppliers of similar services but should also consider targeted concessions where warranted on social or other policy grounds.

Pricing decisions also need to be mindful of Councils' national competition policy obligations,[17] and, where relevant, any price regulation stemming from operation of other legislation. Where a Council is a natural monopoly provider of private goods in its area it should transparently set rates or charges to recover full long-run costs.

Council's taxing power is effectively limited to rates on property; e.g. even where a council had fully appropriately utilised opportunities to levy user-based rates and charges, it would still in

[16] Public goods are goods or services that individuals cannot be effectively excluded from use of and where use by one individual does not reduce availability to others, e.g. a public park. It is generally appropriate that public goods be funded through taxation.
[17] See *'National Competition Policy an Implementation Manual for Councils'* at: http://www.lga.sa.gov.au/webdata/resources/files/National_Competition_Policy_-_An_Implementation_Manual_for_Councils1.pdf

many circumstances need to rely on general rates for the majority of its required operating revenue.[18] However, general rates should not be considered a surrogate for user charges.

It is common for ratepayers to complain that they get few if any services for the rates they pay. These complaints often reflect a fundamental misunderstanding about the nature of rates. Rates are not fees for services. They are better viewed as a system of taxation (see 3rd para of Section 3), that is revenue broadly raised by a government to fund provision of government services, particularly where it is not practical or appropriate to raise specific charges to do so). In the Commonwealth and State taxation systems, individuals and businesses that pay the highest proportion of taxes do not necessarily consume the most services. Local Government taxation decisions should be equitable but this means not only taking account of who benefits from services but also having regard to differences in capacity to pay between different classes of ratepayers.

While there are certainly good arguments for the broadening of all councils' revenue sources, and in particular more financial support from other spheres of government, the fact remains that property rates are both economically efficient and generally accepted by the community as an appropriate tax source for Local Government.

Council rates are a highly visible tax and perhaps for this reason they do at times attract public criticism even though as a proportion of average incomes they have remained at approximately the same level for decades (at least on average across Australia) while Local Government services and responsibilities have continued to grow. At the same time taxes generated by the other two spheres of government have increased as a proportion of national income. Perhaps the only valid criticism of council rates, as a system of taxation, is that they may cause difficulty for some people whose place of residence is highly valued but whose current income is relatively low (where rates are predominantly structured as a valuation-based charge).

As an answer to that criticism, it is important to recognise that the LG Act provides NT councils with reasonable flexibility in applying property rates. Councils are understandably sometimes reluctant to increase rates because of the impact this would have on specific sections of their communities. However, the flexibility available means it is usually possible for a council to equitably generate more overall revenue while reasonably protecting particular classes of ratepayers (e.g. persons with low capacity to pay) from an unfair burden. (See also footnote 13 and related discussion in Section 3).

In making rating decisions Council should be aware of the capacity to pay of its community overall, and between classes of ratepayers, to the extent that this is known or can be reasonably estimated. The Australian Bureau of Statistics (ABS) publishes average individual annual income levels by council area and for the Northern Territory. The ABS also can provide councils with data on the socio-demographic composition of the communities in different parts of their areas. Council should also bear in mind the level of rates paid by ratepayers in other Local Government areas.

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[18] Some councils receive large levels of operating grants. By far the largest source is Commonwealth financial assistance grants which are allocated to all councils based mainly on need and independent of their own revenue raising and outlay decisions.

Some of the key rating flexibilities and examples of their possible use are discussed below.

Relationship between funding policy/strategy, long-term financial plan and annual budget

A long-term financial plan (LTFP) should include a description of the financial strategy on which the plan is based. Work involved in the preparation of one of these is likely to influence the final content of the other. It makes sense for councils to adopt a financial strategy and financial targets in conjunction with the adoption of their LTFP. Even if some of these elements are not legislatively prescribed it represents sound business practice to have these developed to better inform future decision making. All three should be used to guide the preparation of the annual municipal plan and the budget.[19]

What are the issues for Councils?

Whether formalised as a policy or not, each council should have a funding strategy that ensures that it equitably generates appropriate levels of operating revenue. The strategy needs to:

- consider whether today's ratepayers and other service users should pay more or less than the cost of providing today's services to them and the consequential implications for future ratepayers;
- strike an appropriate balance between funding from direct users of specific services (through user rates and charges) and broader public beneficiaries (through general rates) having regard to the public good/private good characteristics of key services;
- keep taxing and charging regimes under review to ensure they have appropriate regard to changes in:
  - capacity to pay within sections of the community;
  - the extent of access to, use of, and benefit from, council services by various groups of service users and ratepayers.

5. An Assessment of Council's Current Rating Strategy

In this section CoP's current rating strategy is discussed in the context of the theoretical issues outlined above.

Council's rating strategy is based on UCV's. The existing system of differential rates combines zones (as defined in the NT Planning Scheme) with land use categorisation[20] and uses valuation-based charges (four differential rates applied to residential/vacant land, commercial and industrial property plus a further residential rate for property located in the suburb of

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[19] The following papers are part of a suite of SA LG best practice documents that have been primarily authored by the author of this paper. They are referenced in this report as they are considered to be applicable to LG generally:

- No. 8: *'Long-term Financial Plan';*
- No 9: *'Financial Indicators'* and
- No. 13: *'Annual Business Plan' (or in CoP's case the Municipal Plan)*

at www.lga.sa.gov.au/goto/fsp.

[20] Refer to CoP's Rating Policy (FIN25)

Marlow Lagoon) in conjunction with minimum rates (commercial and industrial minimum rates are slightly higher than other properties in 2017/18). Service charges and special rates are not included in the discussion and assessment of rating strategy (in this section of the report) as it is assumed that these charges are set at a level to essentially recover the whole of life (or long-run) costs of providing the service (in addition to funding the project costs).

The components of Council's current strategy which warrant consideration in the context of the theoretical issues discussed previously are:

- the use of UCV's as opposed to ICV's as the basis of rating;
- the use of fixed charges in conjunction with a valuation-based charge[21] (an ad valorem rate) and/or minimum rates;
- the use of a fixed charge as opposed to minimum rates; and
- the use of differential rates.

CoP is categorised "municipal" as shown in Table 2.1. The following Table 5.1 provides comparative information on the rating arrangements being used by the NT municipal councils.

Table 5.1: 2017/18 Inter-council comparative rating information

Council	Basis of Rating	Residential Min. Rate	Fixed Charge	Diff. Rates	Residential Rate in $
Palmerston	UCV	$1,177		Yes	0.0046355 & 0.0036152[22]
Alice Springs	UCV	$1,260		Yes	0.00759476
Darwin	UCV	$1,091 & $1,147[23]		Yes	0.00420575
Katherine	UCV	$1,050		Yes	0.01278200
Litchfield	UCV		$765 & $1,215[24]	**Yes (for non-residential)**	N/A

Source: 2017/18 adopted rates declarations and municipal plans as posted on the respective council web-sites

It is noted that in the case of residential property most of the NT municipal councils, broadly speaking, take a similar approach in the design of their respective rating systems. Litchfield Council is the only council applying fixed charges and it is also the only council that is not

[21] Sec 148 of the LG Act

[22] CoP adopted a differential rate of 0.0036152 for residential property in Marlow Lagoon. All other residential property is charged a differential rate of 0.0046355.

[23] City of Darwin adopted a minimum rate of $1,091 for residential property zoned SD, RR, R or RL under the NT Planning Scheme and a minimum rate of $1,147 for medium to high density residential property zoned MD, MR or HR.

[24] Litchfield Council levies the majority of its fixed charges to properties classified as Rural Residential which attract a $765 fixed charge. Residential properties in Coolalinga are levied a $1,215 fixed charge.

applying an ad valorem rate in the $ for residential property based on property valuation (although it is understood that this is currently under review).[25]

5.1 Unimproved or Improved Capital Values

In Section 2 it was highlighted that most (possibly all) NT councils set rates based on UCV's. Rating theory considerations of the merit of the various available valuation bases are discussed in Section 3 (see p.7).

Rating with ICV's may better address the capacity to pay aspects of rating theory but based on previous studies of NT rating it appears that there are difficulties in obtaining ICV's from the VG and there may also be a significant associated expense.

5.2 Minimum rates and fixed charges

In theory and in many circumstances a fixed charge rather than a minimum rate is likely to be a superior policy choice (as highlighted in Section 3, ii, but that section also noted that this may be less so when rating using UCV). A fixed charge results in a lower share of total rate revenue being raised by the valuation-based component (ad valorem rate). This means that all other things being equal a council's rate in the dollar would be lower. It would effectively mean that higher valued properties would pay relatively less.

CoP's minimum rate for residential properties ($1,177) is set at a level such that approximately 65% of residential properties are paying rates equal to the minimum rate. It is noted that residential properties comprise the dominant sector in terms of numbers of rateable assessments and percentage of total rates revenue (approximately 84%). Hence, UCV's do not strongly impact rating outcomes and this is most noticeable when considering the proposed future UCV's for the 2018/19 year have been devalued by approximately 8% yet, if Council was to apply the same rates as they did in 2017/18 to the future UCV's, they would only face a shortfall marginally greater than 1% over the current year total rates revenue.

CoP's minimum rate for commercial and industrial properties ($1,191.12) is payable by approximately 39% of commercial properties (i.e. 159 ratepayers) and 45% of industrial properties (i.e. 123 ratepayers). The rationale for this slightly higher minimum rate ($14.12) when compared to the minimum rate applied to residential properties (i.e. $1,177 versus $1,191.12) is unclear in the broad scheme. This alternative minimum rate introduces another variable to Councils' basis of rating which in turn increases the complexity of the system and has no tangible impact on overall rating outcomes.

From a theoretical perspective applying a fixed charge means that some low valued properties will also pay less providing that the fixed charge is less than the minimum rate that would otherwise be applied (see Graph 3.1). Other properties would pay more. How much more or less individual properties would pay and the property value cross-over point between more or less would depend on how much revenue was raised by a fixed charge and how much was raised by a valuation-based charge. This is illustrated in graph 5.1 below.

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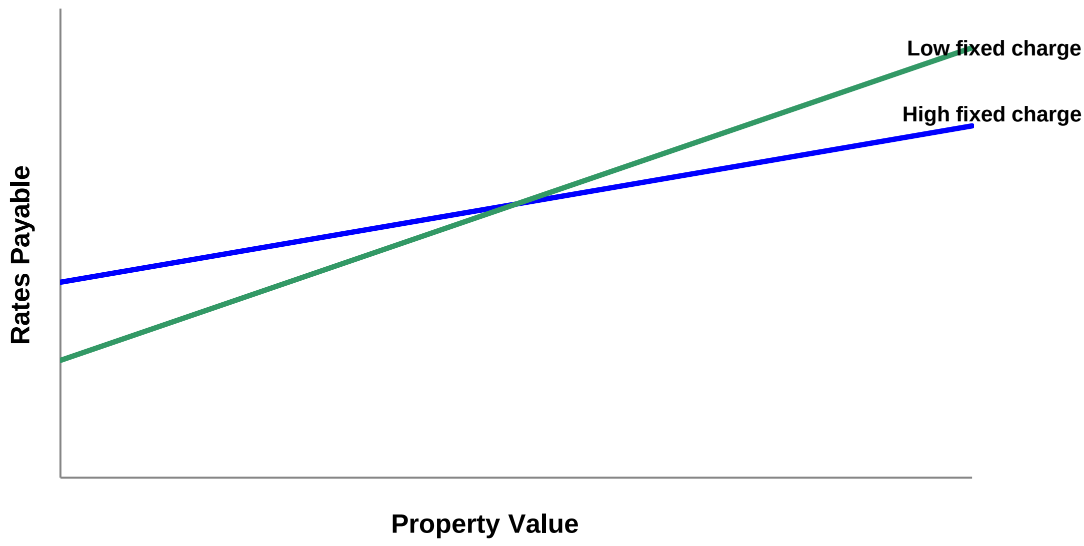
[25] The author of this report undertook a rating review for Litchfield in 2017.

Graph 5.1: Impact of high fixed charge relative to low fixed charge on rates payable relative to property values when a valuation-based charge is also applied



Council's 2016/17 waste service charge at $530 (residential properties only) applies to the majority of residential properties and Council also adopts a waste service charge to enable ratepayers to upgrade from a 120-litre bin (domestic waste) to a 240-litre bin for an additional charge of $149 p.a. Certain properties within the CoP comprise multiple residential units and when these properties have their own waste disposal arrangements in place (and the development exceeds 25 units) a waste service charge of $240 p.a. is levied.

5.3 Differential Rates

An area warranting careful consideration is the application by Council of differential rates. All councils should be in a position to defend not only their use of differential rating but also the extent of difference in the differentials applied. The extent and effect of CoP's differentials were outlined in Table 2.2. Shown below in Table 5.3 is the use of differential rates by CoP and other NT municipal councils. In each case the differential rate is expressed as a percentage of the residential rate[26] adopted by the respective councils in 2017/18.

[26] The CoP has set an additional differential residential rate for property within the suburb of Marlow Lagoon at 78% of the rate which is charged for all other residential property. The residential rate in the dollar used as the basis for calculating the above relativities for the CoP (Table 5.3) is based on that rate applied to the majority of CoP's residential properties (i.e. excluding Marlow Lagoon).

Table 5.3: 2017/18 Inter-council comparison of adopted differential rating arrangements (relative to the residential rate)

Council	Commercial	Industrial	Rural	Vacant
Palmerston[27]	157%	72%	100%	100%
Alice Springs	326%	119%	31%	84%
Darwin	132%	81%	100%	100%
Katherine	136%	101%	24%	14%
Litchfield[28]	128%	128%	100%	100%

Source: 2017/18 adopted rates declarations and municipal plans as posted on the respective council web-sites

Table 5.3 indicates the selected sample councils apply a higher differential rate to commercial property relative to the residential rate and there is no dominant trend in relation to the levels that differential rates are set for properties classified as industrial.

Vacant land is generally rated at a reduced rate in the dollar than that which is applied to residential land use. All the sample councils are setting lower or equivalent differential rates for rural land relative to the residential rate. Whilst the larger municipalities of Darwin and Palmerston are at 100% it is assumed they only have minor amounts of land classified as rural.

It should be noted that all other things being equal having no (or a very low) fixed charge or minimum rate will result in a higher rate in the dollar. It may also influence a council's decision about the variation in differentials relative to its residential rate. The average value of residential properties relative to the average value of other properties may also affect these relativities. All these factors need to be had regard to in comparing differential rates between councils.

Comments relating to CoP's current application of differential rates follow. The discussion of the current differential rating system will focus on four categorisations; these being Residential, Residential (Marlow Lagoon), Commercial and Industrial.

Residential

CoP's Residential sector contains the largest number of rateable properties (94% of assessments) and contributes 84% of total rate revenue. The average residential rates are $1,229 in 2017/18 excluding waste service charges. Of CoP's four rating classifications the average rates in this residential sector are lower than average rates in the other sectors which are discussed below.

[27] Palmerston's relativities are based on residential other than Marlow Lagoon

[28] Litchfield Council doesn't adopt a differential rate in the dollar for residential properties, only fixed charges for land within the Coolalinga township and a different level of fixed charge for all other residential and rural residential property. The comparative figures shown in Table 5.3 for Litchfield are based on analysis of 2016/17 data by the consultant.

A valuation-based charge (using UCV's and a minimum rate of $1,177) is the basis for rating residential properties and vacant land.

There is insufficient published[29] comparative information to be able to compare CoP's level of average rates with other NT councils.

Residential (Marlow Lagoon)

The Residential (Marlow Lagoon) sector contains approximately 2% of CoP's rateable assessments and contributes 2% of total rate revenue. The average rates are $1,771 for Marlow Lagoon properties in 2017/18 excluding waste service charges. The average rates in this sector are higher than average rates in the residential sector and are less than the commercial & industrial sectors.

Commercial

The Commercial sector contains approximately 3% of CoP's rateable assessments and contributes 10% of total rate revenue. The average commercial rates are $4,985 in 2017/18 and don't include waste service charges (these properties aren't provided with a waste collection service). Of CoP's current rating classifications, the average rates in this commercial sector are higher than average rates in all other sectors; this is a fairly common outcome in local government Australia-wide and these properties also experience a marginally higher minimum rate when compared with the residential sectors.

A valuation-based charge (using UCV's and a minimum rate of $1,1191.12) is the basis for rating commercial & industrial properties).

Industrial

The Industrial sector contains approximately 2% of CoP's rateable assessments and contributes 4% of total rate revenue. The average industrial rates are $2,888 in 2017/18 and don't include waste service charges (these properties aren't provided with a waste collection service). Of CoP's current rating classifications, the average rates payable in this industrial sector are higher than average rates payable in the residential sectors but significantly less than the average rates for the commercial sector; these properties also experience a marginally higher minimum rate when compared with the residential sectors. The differential rate that is applied for rating is approximately 72% of the residential rate and this is not always the case when compared to other councils; for example, Table 5.3 indicates 2 of the 5 NT municipal councils (i.e. Darwin and Palmerston) have set their industrial differential rate at a level lower than the residential rate.

General Comments

CoP applies various differential rates based on a combination land uses and locality (Marlow Lagoon). This results in properties with the same land use, but being situated in a different locality, being levied different amounts of general rates; e.g. all residential properties

[29] In SA the Local Government Grants Commission (LGGC) annually publishes consolidated reports and in 2015/16 the SA state-wide average amount of residential rates (incl. waste services) was $1,434.

throughout CoP's jurisdiction (excluding Marlow Lagoon) currently attract a differential rate in the dollar which is approximately 28% greater than the differential rate in the dollar levied on residential land in Marlow Lagoon. Additional commentary is provided in the following section of the report in conjunction with some analysis of the distribution and average UCV's across CoP's localities/suburbs (refer Graph 5.1).

Whilst this report has not compared average rates between different councils it is noted that some care, however, needs to be taken in making conclusions from such comparisons. In particular the effective extent of any 'concession' or 'higher taxation rate' will depend on whether a council applies a fixed charge and other charges (e.g. a waste service charge) and whether these generate a significant proportion of total 'rate' revenue. It will also depend on whether a council applies UCV's or ICV's as a basis of rating.

For example, applying fixed and other charges (or a minimum rate) results in a rate in the dollar being lower than would otherwise be the case (to generate the same level of aggregate rate revenue). This will typically generate greater savings for relatively higher valued properties. For example, assume two councils are identical in all respects except that council 'A' applies a fixed charge and a waste service charge but no differential rate and council 'B' does not apply a fixed charge or a waste service charge but has a rural differential rate of 80% of the rate that applies for other properties. It is quite possible that rural ratepayers in council 'A' would on average pay less in total rates than those in council 'B' because the 'savings' for them from the council applying fixed and waste service charges are greater than those generated by the lower differential rate are for identical ratepayers in council 'B'. This is because council 'A' relies less on property values to generate the same overall amount of revenue and would therefore apply a lower rate in the $.

Councils need to be able to justify the rationale for their basis and extent of differential rating. Differentiating solely on land use ensures that all properties of the same use (e.g. residential) throughout the council are rated on the same basis irrespective of their locality.

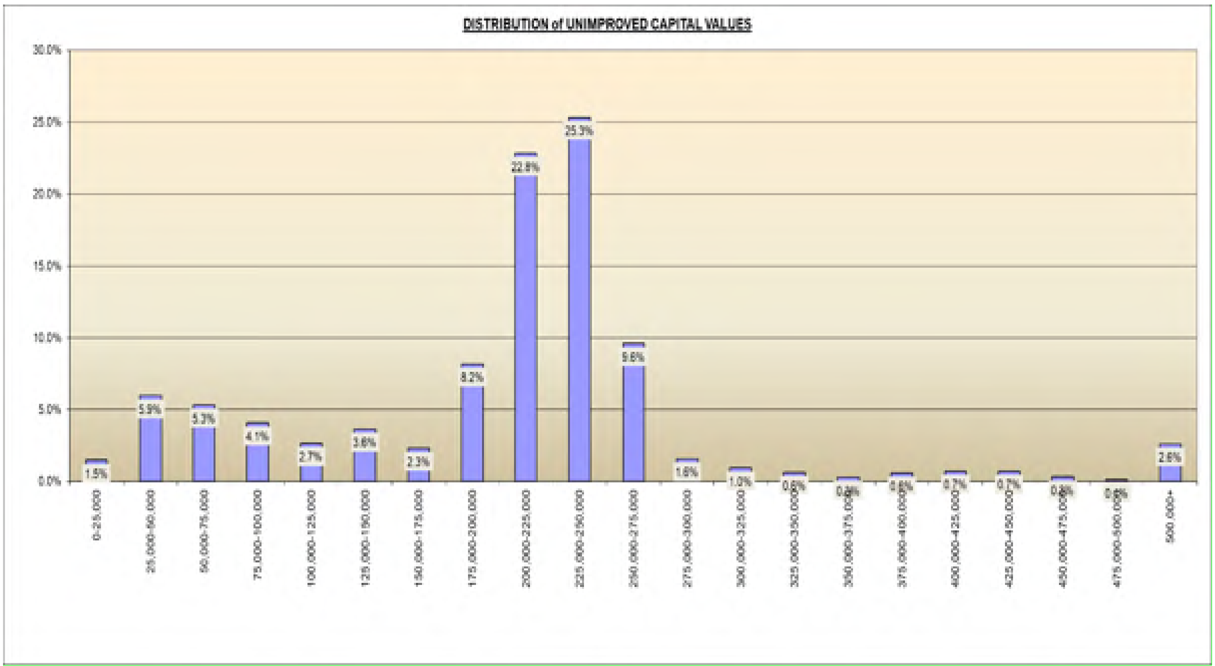
Applying differential rates may for example be justified on grounds that different localities or land uses give rise to particular relative costs and services incurred by a council that are not proportionately reflected in property values. Capacity to pay needs careful consideration before applying a differential rate on such grounds. Capacity to pay is typically reasonably correlated with ICV's and hence different ICV's effectively already take capacity to pay into account. Generally speaking, there is likely to be less correlation between UCV's and capacity to pay, although this will vary in different areas.

In some cases there may be reasonable correlation. For example, well located prime residential land with views/particular amenity is likely to encourage a high standard of housing to be developed. Where there is extensive high-density development (e.g. large scale, high value apartments) there is likely to be poor correlation between UCV and ICV.

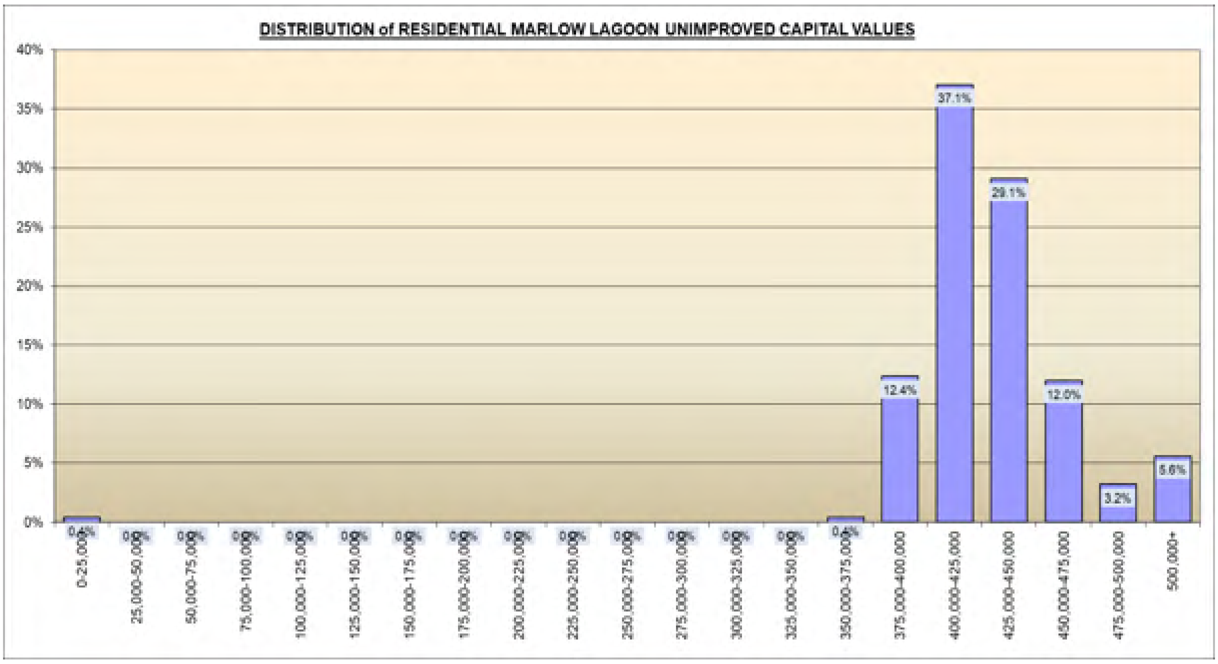
6. Modelling Results for Alternative Rating Options & Impact of Proposed UCV's

Having regard to the issues discussed in previous sections of the report some broad analysis of CoP's rates database was undertaken to determine the distribution and quantum of average UCV's council-wide. See Graphs 6.1 to 6.5 below. All are based on the future UCV's applicable from 2018/19 as provided by the Valuer-General.

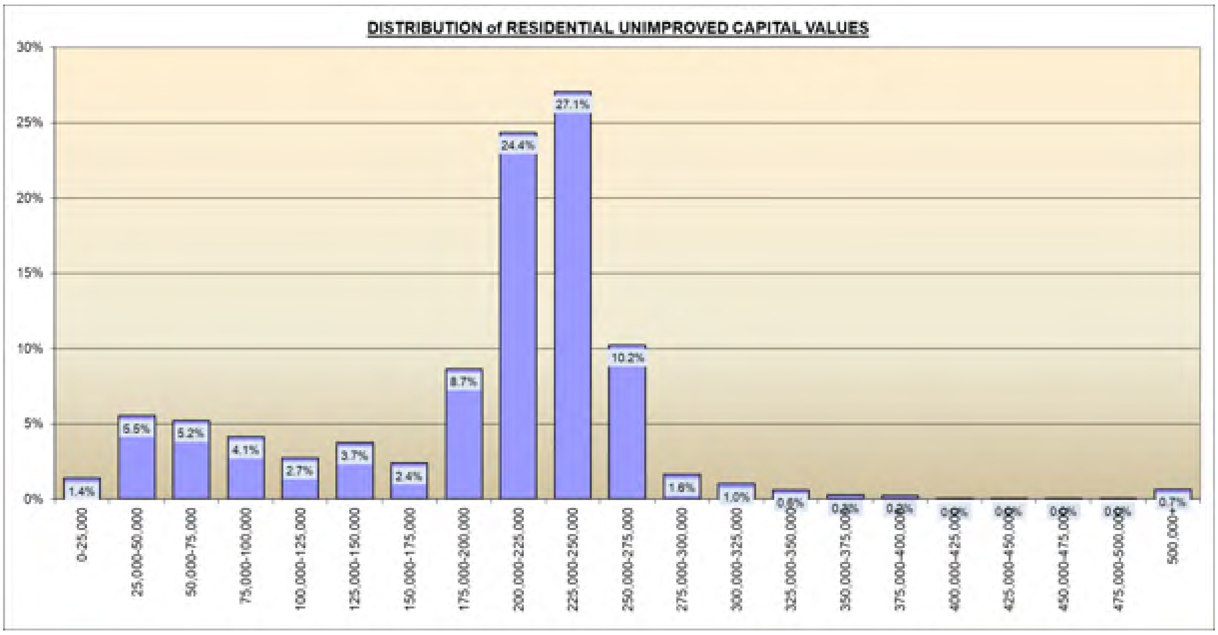
Graph 6.1 Distribution of UCV's for all properties Council-wide



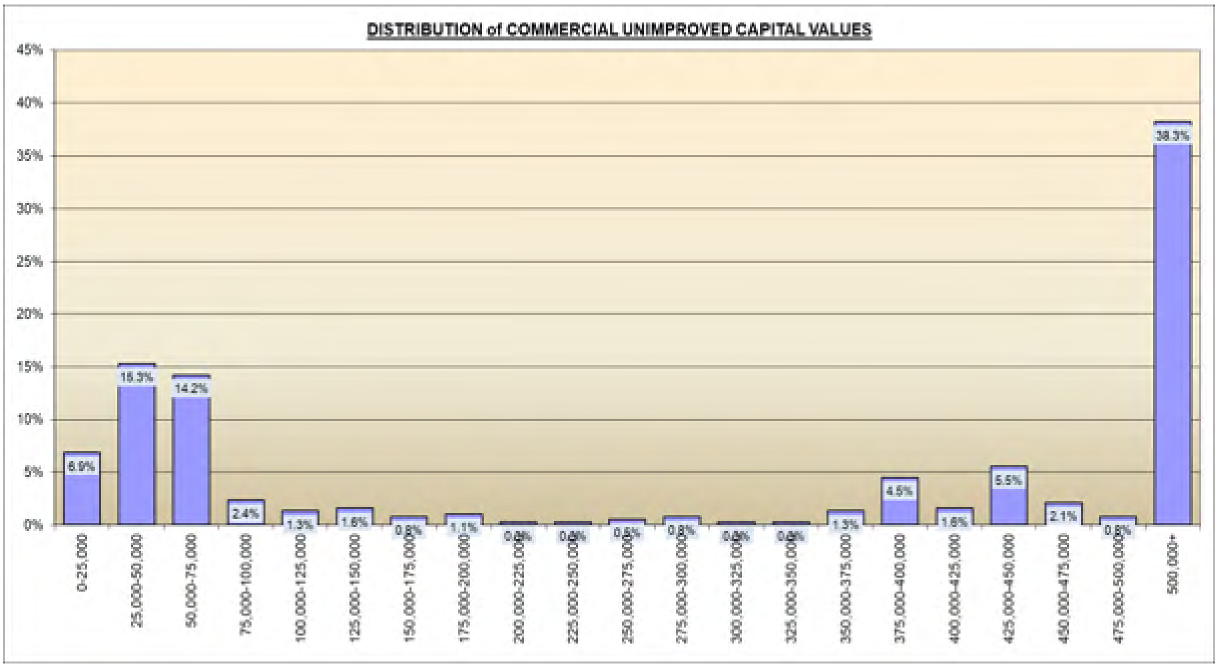
Graph 6.2 Distribution of UCV's for properties classified as Residential (Marlow Lagoon)



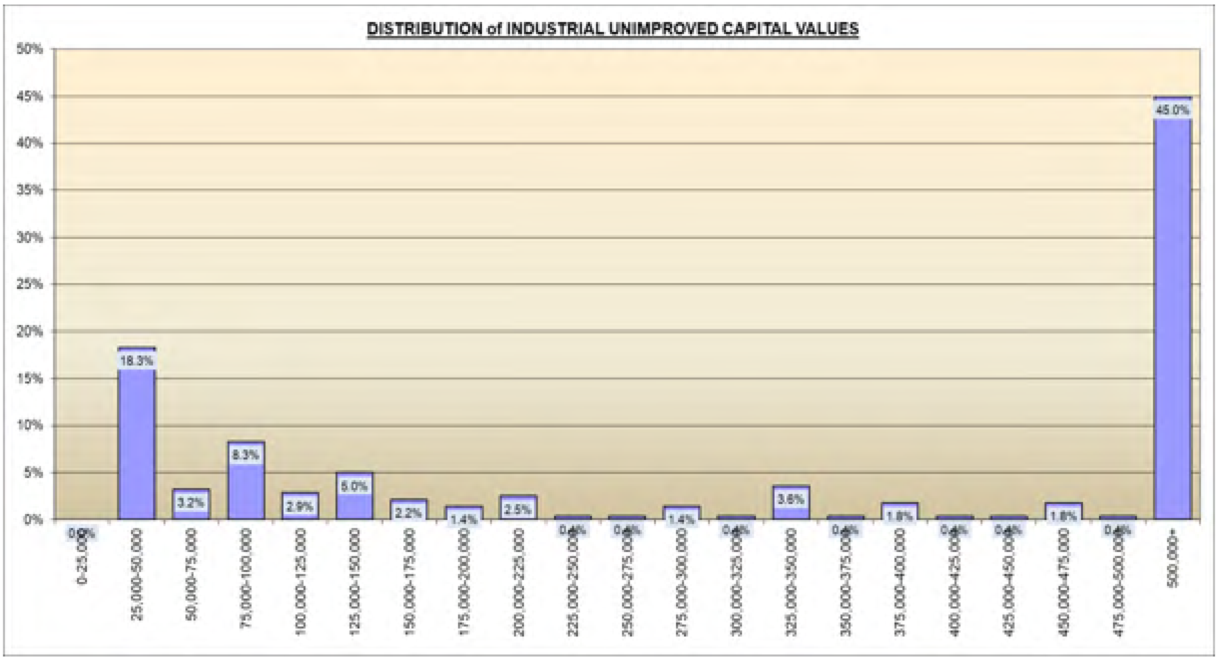
Graph 6.3 Average UCV's for properties classified as Residential (excluding Marlow Lagoon)



Graph 6.4 Average UCV's for properties classified as Commercial



Graph 6.5 Average UCV's for properties classified as Industrial



Graphs 6.1 to 6.5 expand on the data illustrated earlier in the report (in Graph 2.2) which indicated that average UCV's of residential properties are approximately 45% of the value of the residential UCV's for Marlow Lagoon properties and approximately 29% to 30% of commercial and industrial properties respectively.

There is not a significantly wide range of UCV's Council-wide given that Graph 6.1 indicates that approximately 66% of all properties have UCV's established within a range between $175k and $275k. It is important to note that this essentially correlates with the residential sector (excl. Marlow Lagoon) which has approximately 70% of its properties valued within the same range.

Council has established a minimum at a level ($1,177 for residential properties) which means it generated approximately 54% of its general rates in 2017/18 from the minimum rate. Given that its overall property valuations (proposed UCV's for 2018/19 onward) decreased by approximately 8% the fact that 54% of rates raised are not impacted by UCV's means that a minor shortfall (of approximately $223k or 1.1%) would eventuate if rates were generated using the exact rating criteria (minimum rates and differential rates in the dollar) as applied in the current 2017/18 rating year. Of course, in practice it is more likely that this would not happen as Council would need to make adjustments (increases) to the levels of its minimum rates and its differential rates in the dollar to ensure it raises the amount of rates revenue it deems necessary to meet budget expenditure and outlay needs.

Table 6.1 City of Palmerston Minimum Rates Analysis 2017/18

Differentiating Factor	Number subject to MR	% of MR Assmts.	Total Council Rate Revenue	Rate Revenue from MR	% of Revenue from MR
Residential Marlow Lagoon	2	0.8%	446,248	2,354	0.5%
Residential & vacant	8,944	65.1%	16,884,448	10,527,088	62.3%
Commercial	159	39.4%	2,013,895	189,388	9.3%
Industrial	123	44.9%	791,307	146,508	18.5%
Total	9,228	62.9%	20,135,898	10,865,338	53.9%

Whilst UCV is not as a reliable guide as to capacity to pay as ICV it would seem reasonable to conclude that typically owners of properties with a very high UCV would more often than not have more capacity to pay council rates than those who owned properties of much lower UCV. For example, in the case of Marlow Lagoon the relatively higher residential UCV's are evidenced in Graph 6.2 and according to the Australian Bureau of Statistics (ABS) residents of this suburb experience a socio-economic advantage on average relative to all other suburbs within the CoP (refer to Appendix 6). This same ABS data shows that other suburbs (such as Durack, Farrar, Gunn and Rosebery /Bellamack) also experience a relative socio-economic advantage not dissimilar to Marlow Lagoon yet they are rated on the same differential rate as other residential property. Given also that UCV is affected by availability of, and access to, local government services the question as to whether all residential properties should be rated on the same basis or the appropriate difference in the differential rate between Marlow Lagoon and other residential areas needs to be considered.

The previous basis of rating (pre-2015/16) applied a fixed charge ($1,155) to all residential properties and differential valuation-based charges to all other properties (refer to Section 2, "Background" for additional discussion); this structure had been in place, and unchanged, for approximately 23 years. In the initial phase of growth and development of the CoP (post Cyclone Tracy) this would have been a reasonable basis of rating which recognised that the majority of properties were comprised of similar sized allotments with similar UCV's and the access to services was evenly provided Council-wide. Significant development has subsequently occurred and the mix of properties throughout the CoP has changed over the years. It is important that all councils regularly review and where appropriate revise its basis of rating to ensure its rating strategy is developed and modified over time to best accommodate on-going growth and the associated new (additional) and changing demands of its community.

Rating with ICV's may typically better address the 'capacity to pay' aspects of rating theory but, in the absence of being able to access ICV's to undertake rate modelling, the effect of this option/outcome remains unsubstantiated for CoP. Based on previous studies of NT rating it appears that there are difficulties in obtaining ICV's from the VG and there may also be significant associated expense.

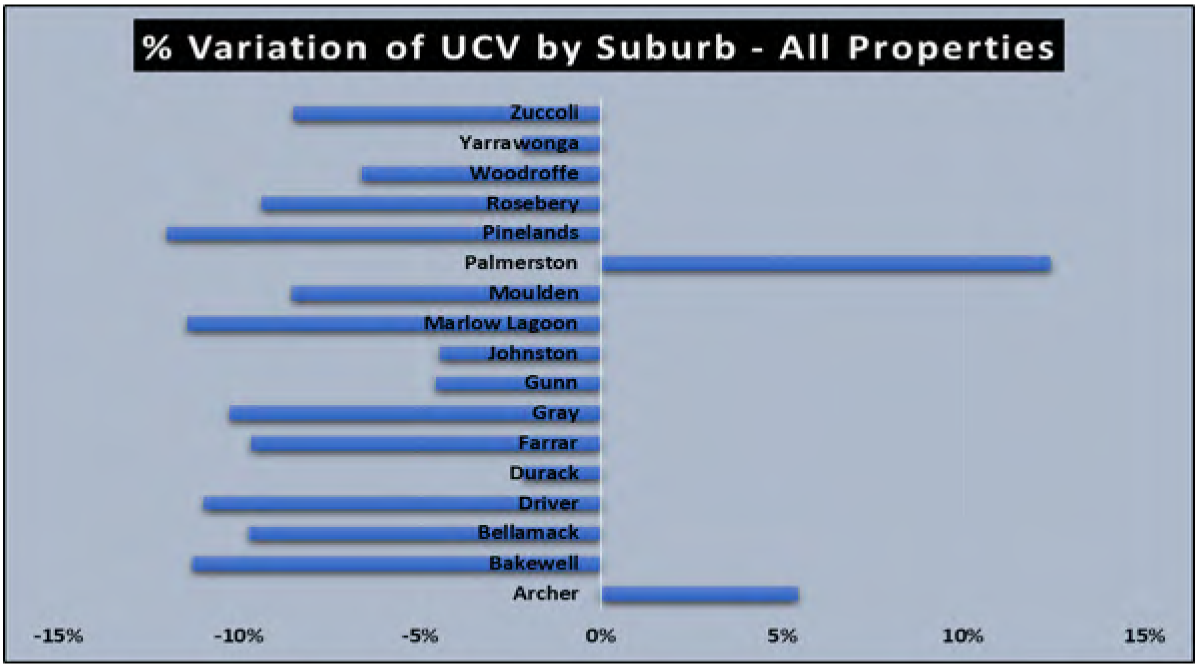
When rate modelling is undertaken it is important to note that there are many variables which may change over time and consequently impact on forecast rating outcomes, such as changes in the number of properties and the mix of relative values. For example (when using a valuation-based charge approach to rating), for any particular fixed charge (or minimum rate) a uniform increase in valuations across all properties between years would result in a higher proportion of rate revenue being levied against higher valued properties unless the fixed charge (or minimum rate) was also adjusted by an amount corresponding to the average increase in property values. Similarly, in future, properties in one differential rate category may increase (or decrease) in value relative to others; as is the case for the CoP (refer to Graph 2.2) based on the proposed "new" UCV's. For the existing CoP system of rating the 4 differential rates "zones" (for land use and locality) experienced "uneven" valuation movements as follows:

- Residential Marlow Lagoon -11%
- Residential & vacant -8%
- Commercial +1%
- Industrial -9%

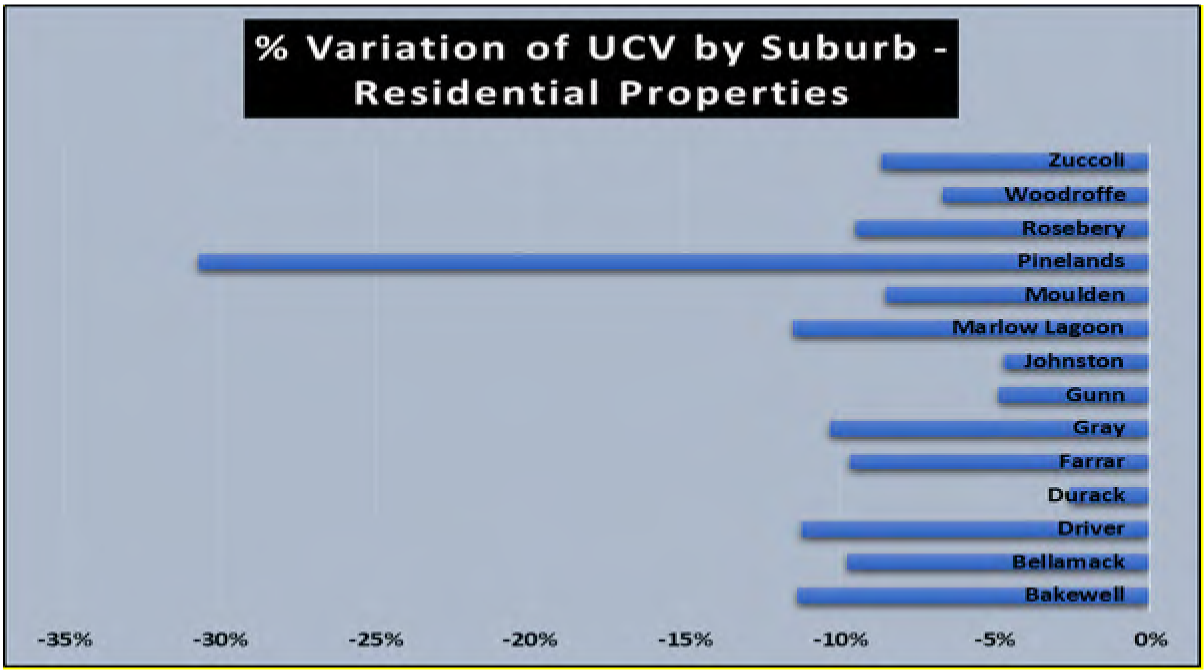
If the relative differential rates remained unchanged, property owners in the category that increased dis-proportionately to the others (in CoP's case this relates to the Commercial properties at +11%) would pay more in rates on average relative to those in the other categories.

Within the respective rating zones (of land use and locality) it is inevitable that different levels of variations in UCV's (i.e. proposed UCV's compared to current UCV's) will occur and some broad analysis of these are shown in the following 2 graphs. It is noted that trend-wise there are similar variations between different localities with a small number not experiencing such a large devaluation. The predominantly-commercial suburbs are easily identifiable by virtue of increased UCV's shown on the right-hand side of Graph 6.6.

Graph 6.6 Average Percentage Movement of UCV's (Existing versus Proposed) by Suburb for All Properties 2017/18 to 2018/19



Graph 6.7 Average Percentage Movement of UCV's (Existing versus Proposed) by Suburb for Residential Properties



Various alternative rating options have been modelled having regard to property valuation data proposed to be applied by CoP in determining its 2018/19 rating decisions. The impacts of these alternative approaches have been quantified relative to actual rating outcomes achieved in 2017/18.[30]

The rate modelling outputs have been structured to illustrate the relative impact of changes based on the existing land use and locality. The modelling scenarios are based on UCV's and include examples of valuation- based rating applied in conjunction with fixed charges.

An illustrative sample of key options that were considered is discussed below. The 10 options modelled (Options 1 to 10) and discussed below, all assume the same level of aggregate rate revenue is raised. This assumption enables the options to highlight the impact for different categories of ratepayers of alternative rating approaches relative to current arrangements. The modelling results are based on the amounts ratepayers would have paid under each scenario in the next financial year 2018/19, compared to the actual 2017/18 rating outcomes.

Option 1: Future UCV's with current differential rate relativities and existing minimum rates.

This option shows the impact of translating from the current UCV's used for the 2017/18 rating process to the proposed UCV's (devalued by approximately 8% Council-wide) which will be used for future rating of CoP properties commencing in the 2018/19 financial year. It assumes:

- Future (i.e. 2018/19) UCV's (as recently provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Current differential rate relativities are used; i.e. Residential Marlow Lagoon at 78% of the Residential rate in the dollar, Commercial at 157% and Industrial at 72%; and
- A minimum rate (MR) at $1,177 for residential properties and a MR at $1,191.12 for commercial and industrial properties.

Table 6.2 shows the impact on average revenue per assessment.

Table 6.2 Change in Average Rates by Class of Property – Option 1

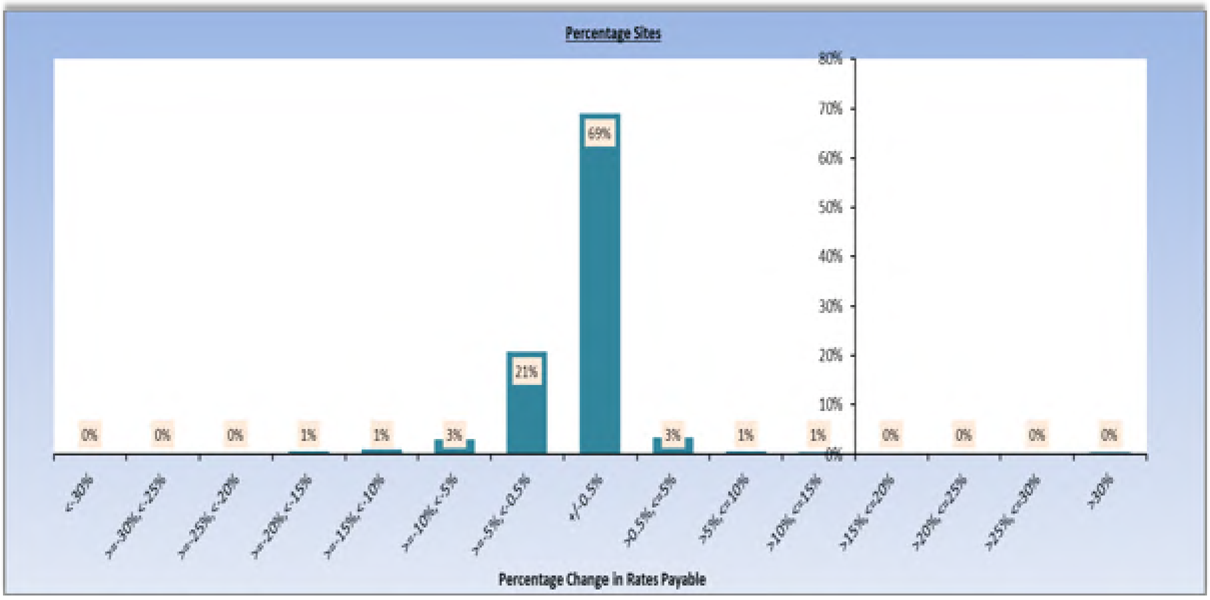
	$ Ave Change
Residential Marlow Lagoon	-$143
Residential & Vacant land	-$11
Commercial	+$225
Industrial	-$155

[30] Total overall rate revenue modelled in all instances is equivalent to that raised in 2017/18 ($20.1M). The total general rates exclude the service charge for waste management and, as such, the rate modelling discussed in Options 1 to 10 only considers the changes which occur to the average general rates component.

Option 1 results in:

- Residential Marlow Lagoon rates decreasing by 8.1%;
- Residential & Vacant land rates decreasing by 0.9%;
- Commercial rates increasing by 4.5%; and
- Industrial rates decreasing by 5.4%.
- Minimum rates raising approximately 60% of total general rates (i.e. approximately 40% raised based on property values)

Graph 6.8 Percentage of Properties Paying More or Less by Scale of Variation - Option 1



Graph 6.8 (and Table 6.2) indicates the relative UCV devaluations across the respective land classifications, with the exception of commercial land, result in a transference of the rates burden. The residential sector is noticeably moderate in terms of the quantum of the average movement (decrease) and this relates to the high number of properties that would remain paying the minimum rate.

It has previously been noted that residential properties comprise approximately 83% of total properties. When this is considered in conjunction with an overall UCV devaluation of approximately 8% for this category of CoP ratepayers then the 22% of total properties showing a decrease in rates between 0% and 10% is substantively residential properties (currently paying more than the minimum). Approximately 20% of properties classified as Residential Marlow Lagoon and 30% classified as Industrial also contribute to this result, albeit they comprise only a fraction of the numbers of properties impacted when compared to residential.

Approximately 11% of commercial properties would experience rates increases, again noting that a significant proportion of commercial properties (45%) experience no change as they attract the (unchanged) minimum rate.

All other options modelled below all show the impact of a particular alternative rating scenario based on future UCV's. It is important to recognise that some of any re-distributional impact of these options is in fact generated by the revaluation and its impact is highlighted in the discussion above.

Option 2: Future UCV's with no differential rates (i.e. a common rate in the dollar) and existing minimum rates.

In the absence of evidence to the contrary, rating theory considerations generally do not support application of differentials. This option shows the impact of such an approach when a single (common) rate in the dollar is applied to all Council properties. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- A common rate in the dollar for all properties; and
- A MR at $1,177 for residential properties and a MR at $1,191.12 for commercial and industrial properties.

Table 6.3 shows the impact on average revenue per assessment.

Table 6.3 Change in Average Rates by Class of Property – Option 2

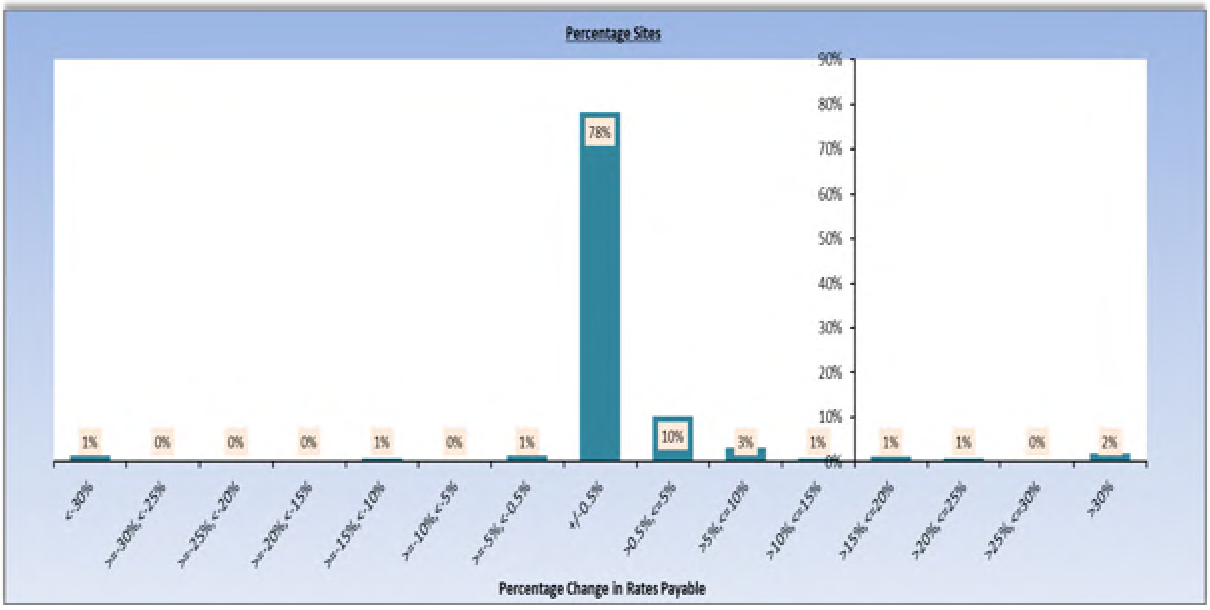
	$ Ave Change
Residential Marlow Lagoon	+$549
Residential & Vacant land	+$16
Commercial	-$1,557
Industrial	+$976

Option 2 results in:

- Residential Marlow Lagoon rates increasing by 33.7%;
- Residential & Vacant land rates increasing by 1.3%;
- Commercial rates decreasing by 29.9%; and
- Industrial rates increasing by 35.7%.

Minimum rates raising approximately 50% of total general rates (i.e. approximately 50% raised based on property values)

Graph 6.9 Percentage of Properties Paying More or Less by Scale of Variation - Option 2



Graph 6.9 shows 78% of all properties experience rates movements of +/- 0.5%; these are predominantly properties that are charged the minimum rate.

Properties classified as Residential - Marlow Lagoon experience increased rates (except for 2 minimum-rated properties); 95% of these properties would face increases greater than 15%.

Properties classified as Residential account for the majority of rateable assessments and they also account for the greatest number of properties being charged the minimum rate. As such, under this option approximately 81% of residential properties experience minor rates movements of +/- 0.5%. A further 13% of residential properties would face movements of +/- 5%.

Properties classified as Industrial experience either no rates movements or increased rates; approximately 53% of the industrial properties would face increased rates greater than 30%.

Properties classified as Commercial experience either no rates movements or decreased rates (only 2% would face minor increases); approximately 47% of the commercial properties would face decreased rates greater than 30%.

Noting CoP's existing differential rates structure then the outcomes described above are to be expected when a common differential rate is applied to all properties.

Option 3: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 75% of total rates revenue.

This option shows the impact of implementing a fixed charge as a replacement for the existing minimum rates. This option would result in a decrease in the ad valorem rate for each class of property compared to Council's existing rating system (i.e. the previous option) and therefore lessens the impact of UCV's in determining how much individual property owners' pay. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Current differential rate relativities are used; i.e. Residential Marlow Lagoon at 78% of the Residential rate in the dollar, Commercial at 157% and Industrial at 72%;
- A $1,070 fixed charge for all properties; and
- No minimum rates.

Table 6.4 shows the impact on average revenue per assessment.

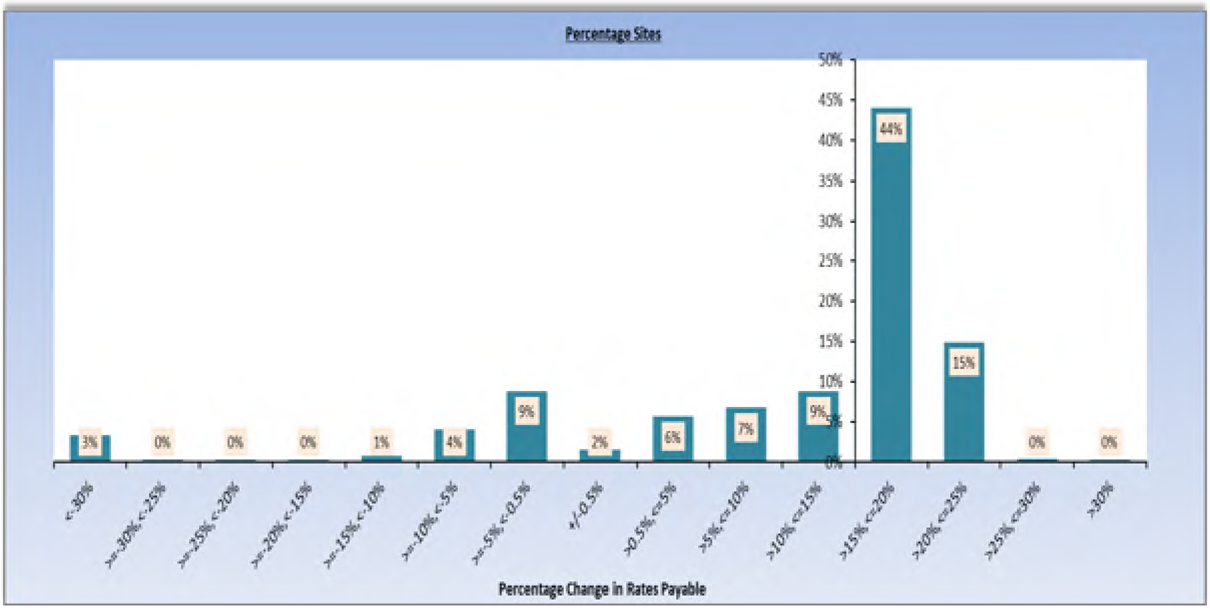
Table 6.4 Change in Average Rates by Class of Property – Option 3

	$ Ave Change
Residential Marlow Lagoon	-$52
Residential & Vacant land	+$97
Commercial	-$2,678
Industrial	-$929

Option 3 results in:

- Residential Marlow Lagoon rates decreasing by 3.2%;
- Residential & Vacant land rates increasing by 8.0%;
- Commercial rates decreasing by 51.4%; and
- Industrial rates decreasing by 34.0%.
- Fixed charges raising approximately 75% of total general rates (i.e. approximately 25% raised based on property values).

Graph 6.10 Percentage of Properties Paying More or Less by Scale of Variation - Option 3



Graph 6.10 shows 81% of properties experience rates increases of up to 25% and 17% of properties experience rates decreases (3% greater than 30%). This option uses a relatively high fixed charge and this results in higher-valued properties generally facing decreased rates (or relatively minor increases) as a result of reduced rating impact attributable to property UCV's; i.e. a lower differential rate in the dollar eventuates.

Properties classified as Residential - Marlow Lagoon predominantly experience decreased rates; approximately 85% of these properties would face decreased rates of up to 15% and the remainder of properties would experience greater decreases.

Properties classified as Residential predominantly experience increased rates; i.e. these are relatively modest-valued properties when compared to the average UCV's for the other classifications and don't benefit to the same extent from a high fixed charge. Under this option approximately 85% of residential properties experience rates increases of up to 25%; noting that 47% alone (of this group) face increases between 15% and 20%. A further 13% of residential properties would face rates decreases of varying amounts with approximately 8% of these between 0% and 5%.

Properties classified as Industrial experience both increased and decreased rates with the majority (78%) being decreases; of these 35% of properties would experience decreases exceeding 30%. Approximately 20% of the industrial properties would face increased rates up to 20%.

Properties classified as Commercial experience both increased and decreased rates with the majority (78%) being decreases; of these 53% of properties would experience decreases exceeding 30%. Approximately. 19% of the commercial properties would face increased rates up to 20%.

Option 4: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 50% of total rates revenue.

This option shows the impact of implementing a fixed charge as a replacement for the existing minimum rates. The same rating theory issues apply as discussed in the previous option 3 and this option indicates the impact of varying the level of the fixed charge – i.e. from one which generates 75% of total rates revenue to a fixed charge which generates approximately 50% of total rates revenue. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Current differential rate relativities are used; i.e. Residential Marlow Lagoon at 78% of the Residential rate in the dollar, Commercial at 157% and Industrial at 72%;
- A $710 fixed charge for all properties; and
- No minimum rates.

Table 6.5 shows the impact on average revenue per assessment.

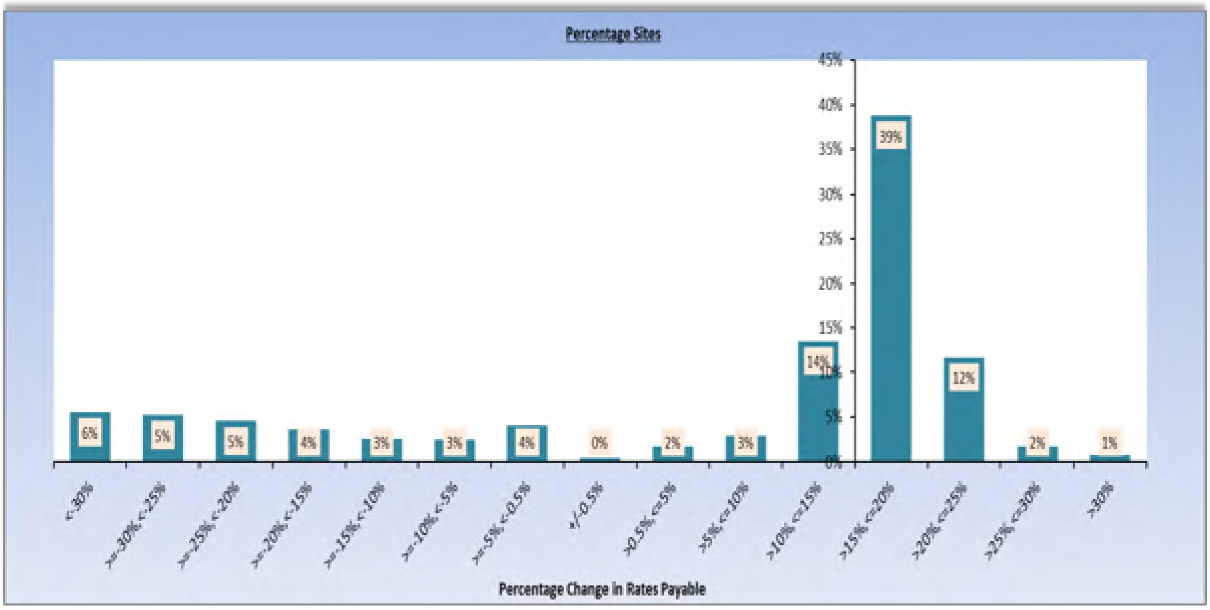
Table 6.5 Change in Average Rates by Class of Property – Option 4

	$ Ave Change
Residential Marlow Lagoon	+$104
Residential & Vacant land	+$52
Commercial	-$1,471
Industrial	-$547

Option 4 results in:

- Residential Marlow Lagoon rates increasing by 6.4%;
- Residential & Vacant land rates increasing by 4.3%;
- Commercial rates decreasing by 26.2%; and
- Industrial rates decreasing by 20.0%.
- Fixed charges raising approximately 50% of total general rates (i.e. approximately 50% raised based on property values)

Graph 6.11 Percentage of Properties Paying More or Less by Scale of Variation - Option 4



Graph 6.11 shows 70% of properties experience rates increases of up to 25% and 30% of properties experience rates decreases (6% greater than 30%). This option uses a mid-range fixed charge and this results in higher-valued properties generally facing decreased rates (or relatively minor increases) although not to the same extent as the set of results produced by the previous option.

Properties classified as Residential - Marlow Lagoon predominantly experience decreased rates; approximately 68% of these properties would face decreased rates of up to 15%. Some residential properties (approximately 24%) in Marlow Lagoon would experience increased rates of up to 10%.

Properties classified as Residential predominantly experience increased rates; i.e. these are relatively modest-valued properties when compared to the average UCV's for the other classifications and don't benefit to the same extent from either a high or a mid-range fixed charge. Under this option approximately 72% of residential properties experience rates increases of up to 25%; noting that 41% alone (of this group) face increases between 15% and 20%. A further 25% of residential properties would face rates decreases of varying amounts with approximately 5% exceeding a 30% reduction.

Properties classified as Industrial experience both increased and decreased rates with the majority (87%) being decreases; of these 26% of properties would experience decreases exceeding 30%. Approximately. 12% of the industrial properties would face increased rates up to 20%.

Properties classified as Commercial experience both increased and decreased rates with the majority (92%) being decreases; of these 28% of properties would experience decreases exceeding 30%. Approximately. 7% of the commercial properties would face increased rates up to 20%.

Option 5: Future UCV's with current differential rate relativities and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 25% of total rates revenue.

This option shows the impact of implementing a fixed charge as a replacement for the existing minimum rates. The same rating theory issues apply as discussed in the previous options 3 and 4, and this option indicates the impact of further varying the level of the fixed charge – i.e. from one which generates 75% and 50% of total rates revenue to a fixed charge which generates approximately 25% of total rates revenue. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Current differential rate relativities are used; i.e. Residential Marlow Lagoon at 78% of the Residential rate in the dollar, Commercial at 157% and Industrial at 72%;
- A $350 fixed charge for all properties; and
- No minimum rates.

Table 6.6 shows the impact on average revenue per assessment.

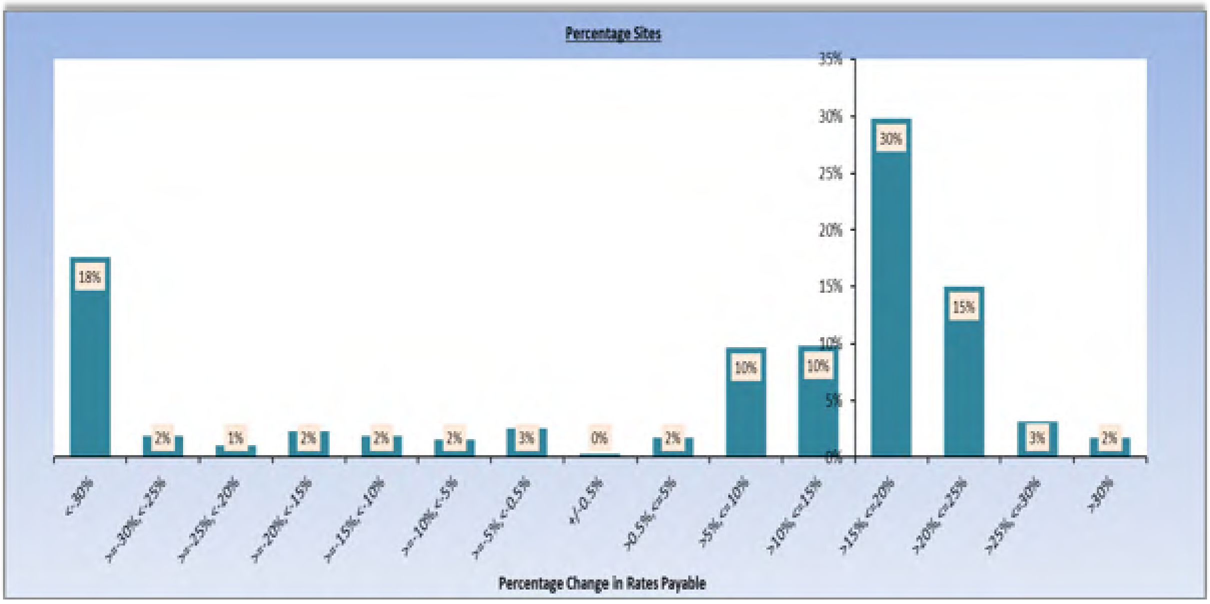
Table 6.6 Change in Average Rates by Class of Property – Option 5

	$ Ave Change
Residential Marlow Lagoon	+$260
Residential & Vacant land	+$6
Commercial	-$264
Industrial	-$166

Option 5 results in:

- Residential Marlow Lagoon rates increasing by 16.0%;
- Residential & Vacant land rates increasing by 0.5%;
- Commercial rates decreasing by 5.1%; and
- Industrial rates decreasing by 6.1%.
- Fixed charges raising approximately 25% of total general rates (i.e. approximately 75% raised based on property values).

Graph 6.12 Percentage of Properties Paying More or Less by Scale of Variation - Option 5



Graph 6.12 shows 67% of properties experience rates increases of up to 25% and 30% of properties experience rates decreases (18% greater than 30%). This option uses a relatively low fixed charge compared to the previous 2 options.

Properties classified as Residential - Marlow Lagoon predominantly experience increased rates; approximately 92% of these properties would face increased rates of up to 25%. The majority of these properties (67%) would face increases up to 10% A minor number of residential properties (approximately 4%) in Marlow Lagoon would experience decreased rates.

Properties classified as Residential experience both increased and decreased rates; i.e. these properties do benefit relatively to a low fixed charge when compared with results from the 2 previous options. Under this option approximately 68% of residential properties experience rates increases of up to 25%; noting that 32% alone (of this group) face increases between 15% and 20%. A further 27% of residential properties would face rates decreases of varying amounts with approximately 17% exceeding a 30% reduction.

Properties classified as Industrial experience both increased and decreased rates with the majority (73%) being decreases; of these 37% of properties would experience decreases exceeding 30%. Approximately 25% of the industrial properties would face increased rates up to 20%.

Properties classified as Commercial experience both increased and decreased rates with the majority (80%) being decreases; of these 35% of properties would experience decreases exceeding 30%. Approximately 11% of the commercial properties would face increased rates up to 20% and 8% of commercial properties would face increased rates greater than 20%.

Option 6: Future UCV’s with a common differential rate in the dollar for all properties except Commercial (which is retained at 157% of residential) and the introduction of a fixed charge (to replace the minimum rates) which generates approximately 50% of total rates revenue.

This option shows the impact of implementing a fixed charge which generates approximately 50% of total rates revenue and reducing Council’s differential rates to 2 only. A common rate in the dollar is applied to all properties other than the properties classified as Commercial which would retain the existing differential rate relativity to the residential rate. Currently the relativities for residential property in Marlow Lagoon and industrial land are 78% and 72% respectively of the residential rate. This option assumes:

- Future UCV’s (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Changed differential rate relativities; i.e. Residential Marlow Lagoon and Industrial at 100% of the Residential rate in the dollar, and Commercial at 157% (as per existing level);
- A $710 fixed charge for all properties; and
- No minimum rates.

Table 6.7 shows the impact on average revenue per assessment.

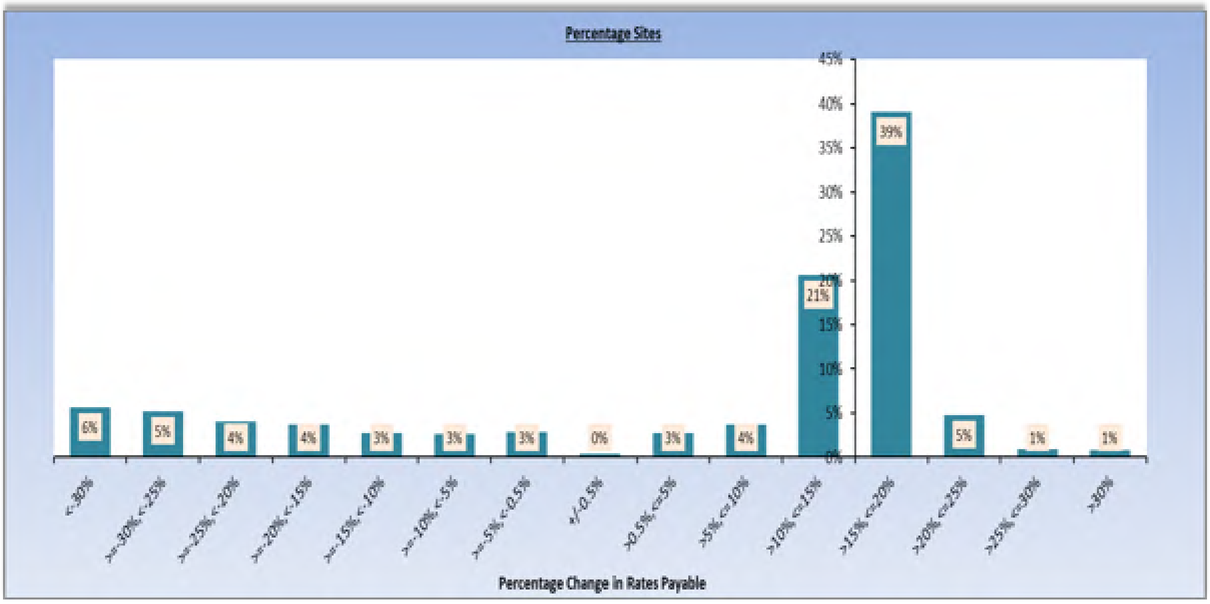
Table 6.7 Change in Average Rates by Class of Property – Option 6

	$ Ave Change
Residential Marlow Lagoon	+$364
Residential & Vacant land	+$38
Commercial	-$1,539
Industrial	-$27

Option 6 results in:

- Residential Marlow Lagoon rates increasing by 22.4%;
- Residential & Vacant land rates increasing by 3.2%;
- Commercial rates decreasing by 29.5%; and
- Industrial rates decreasing by 1.0%.
- Fixed charges raising approximately 50% of total general rates (i.e. approximately 50% raised based on property values).

Graph 6.13 Percentage of Properties Paying More or Less by Scale of Variation - Option 6



Graph 6.13 shows 72% of properties experience rates increases of up to 25% and 28% of properties experience rates decreases (6% greater than 30%). This option uses a mid-range fixed charge which generates approximately 50% of total rates revenue.

Properties classified as Residential - Marlow Lagoon predominantly experience increased rates; approximately 91% of these properties would face increased rates of up to 25%. The majority of these properties (69%) would face increases up to 15% A minor number of residential properties (approximately 3%) in Marlow Lagoon would experience decreased rates.

Properties classified as Residential experience both increased and decreased rates. Under this option approximately 73% of residential properties experience rates increases of up to 25%; noting that 41% alone (of this group) face increases between 15% and 20%. A further 25% of residential properties would face rates decreases of varying amounts with approximately 5% exceeding a 30% reduction.

Properties classified as Industrial experience both increased and decreased rates with the majority (65%) being decreases; of these 18% of properties would experience decreases exceeding 30%. Approximately. 22% of the industrial properties would face increased rates up to 20% and approximately 5% of industrial properties would experience increases exceeding 30%

Properties classified as Commercial experience predominantly decreased rates (92%); of these, approximately 31% of properties would experience decreases exceeding 30%. Approximately 7% of the commercial properties would face increased rates up to 20%.

Option 7: Future UCV's with changed differential rates relativities and existing minimum rates.

In the absence of evidence to the contrary, rating theory considerations generally do not support application of differentials. Whilst this option does retain differential rates it seeks to minimise the extent of differentials in use by equalising the industrial differential rate with the residential differential rate and moving the differential rate relativity for residential Marlow Lagoon properties closer to the Council-wide residential differential rate. This option retains the existing minimum rates and assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Differential rate relativities (as a % of the residential differential rate) of 90% for residential Marlow Lagoon (changed from 78% existing relativity), 157% for commercial (unchanged from existing relativity) and 100% for industrial (changed from 72% existing relativity); and
- A MR at $1,177 for residential properties and a MR at $1,191.12 for commercial and industrial properties.

Table 6.8 shows the impact on average revenue per assessment.

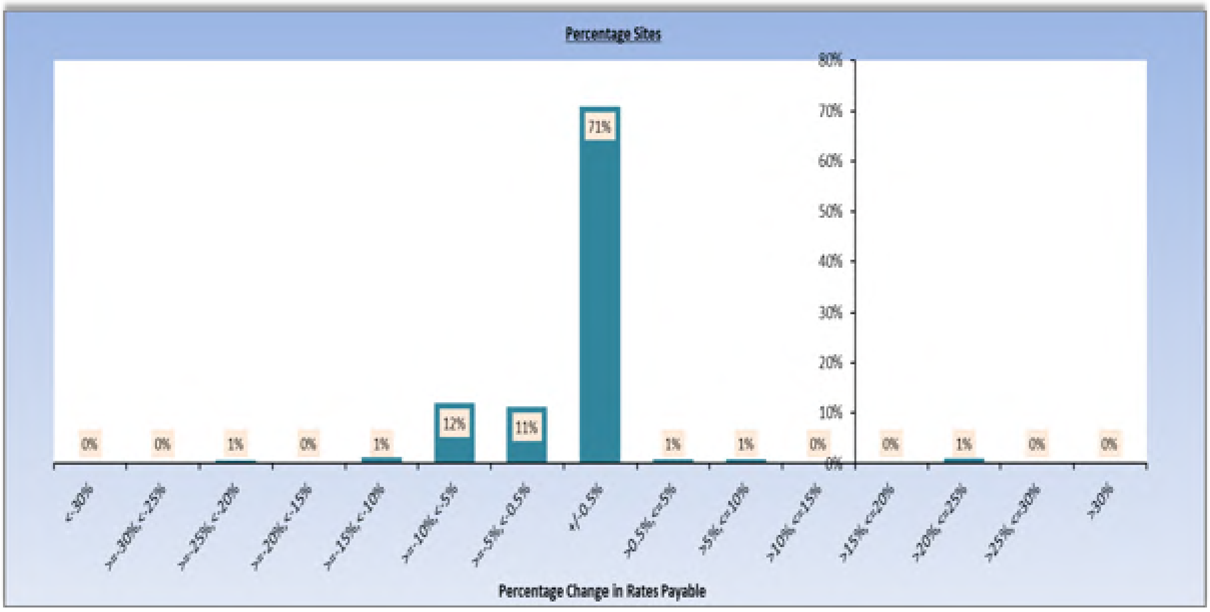
Table 6.8 Change in Average Rates by Class of Property – Option 7

	$ Ave Change
Residential Marlow Lagoon	+$159
Residential & Vacant land	-$10
Commercial	-$222
Industrial	+$693

Option 7 results in:

- Residential Marlow Lagoon rates increasing by 9.8%;
- Residential & Vacant land rates decreasing by 0.8%;
- Commercial rates decreasing by 4.3%; and
- Industrial rates increasing by 25.4%.
- Minimum rates raising approximately 70% of total general rates (i.e. approximately 30% raised based on property values)

Graph 6.14 Percentage of Properties Paying More or Less by Scale of Variation - Option 7



Graph 6.14 shows 71% of all properties experience rates movements of +/- 0.5%; these are predominantly properties (residential) that are charged the minimum rate.

Properties classified as Residential - Marlow Lagoon experience both increased (35%) and decreased (58%) rates movements; approximately 32% of the Residential Marlow Lagoon properties would face increases up to 15%.

Properties classified as Residential comprise the majority experiencing no, or a minor, movement. Approximately 2% of residential properties would face increases and approximately 25% would face decreases.

Properties classified as Industrial experience either no rates movements (44% on the minimum rate) or increased rates; approximately 44% of the industrial properties would face increased rates between 20% and 25%.

A majority of properties classified as Commercial experience either no rates movements (47% on the minimum rate) or decreased rates and 10% would face increases; approximately 37% of the commercial properties would face decreased rates between 10% and 15%.

Noting CoP’s existing differential rates structure then the outcomes described above are consistent with expectations. Further, the commercial rate has been retained at existing levels (of relativity with the residential rate) as this appears to align reasonably well with other councils and it also seems to be accepted by ratepayers generally.

Option 8: Future UCV's with existing differential rates relativities and increased minimum rates.

This option indicates the impact of increasing the level of minimum rates (and using a common minimum rate) whilst retaining the existing differential rates relativities. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Current differential rate relativities are used; i.e. Residential Marlow Lagoon at 78% of the Residential rate in the dollar, Commercial at 157% and Industrial at 72%; and
- A MR at $1,217 for all properties (an increase of $40 over the existing residential minimum rate.

Table 6.9 shows the impact on average revenue per assessment.

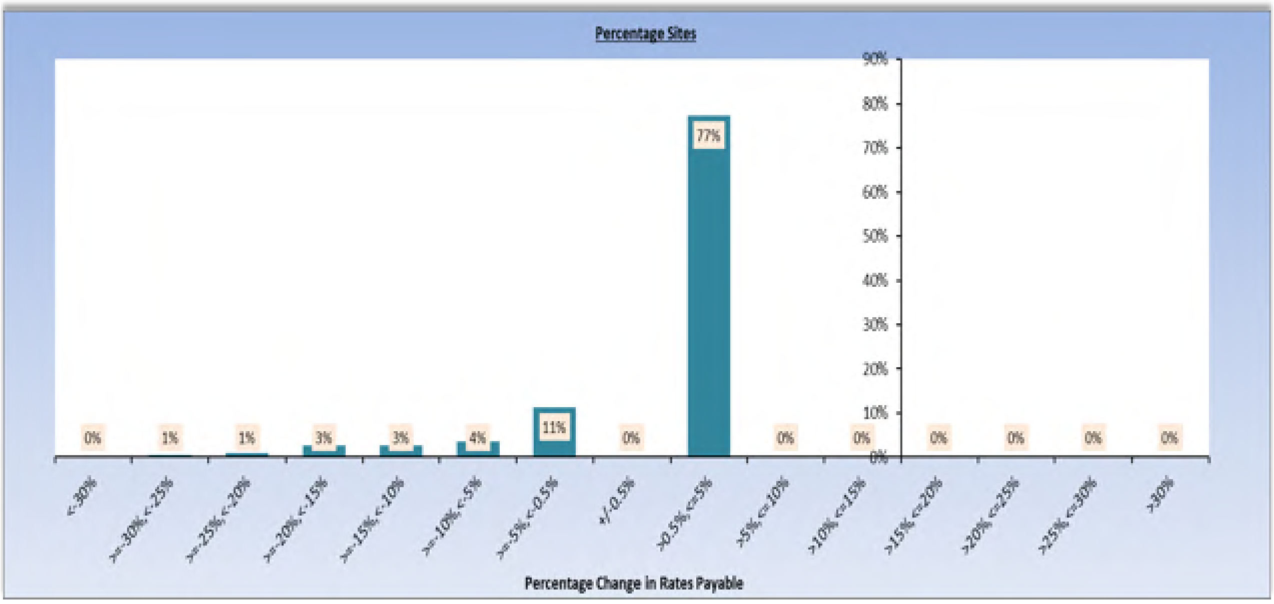
Table 6.9 Change in Average Rates by Class of Property – Option 8

	$ Ave Change
Residential Marlow Lagoon	-$171
Residential & Vacant land	+$21
Commercial	-$485
Industrial	-$214

Option 8 results in:

- Residential Marlow Lagoon rates decreasing by 10.5%;
- Residential & Vacant land rates increasing by 1.8%;
- Commercial rates decreasing by 9.3%; and
- Industrial rates decreasing by 7.8%.
- Minimum rates raising approximately 78% of total general rates (i.e. approximately 22% raised based on property values)

Graph 6.15 Percentage of Properties Paying More or Less by Scale of Variation - Option 8



Graph 6.15 shows 77% of all properties experience rates movements up to 5%; these are predominantly properties (residential) that are charged the minimum rate.

Properties classified as Residential - Marlow Lagoon experience either no movements or decreased rates for all properties; approximately 95% of the Residential Marlow Lagoon properties would face decreases between 5% and 25%.

Properties classified as Residential comprise the majority experiencing an increase up to 5%. Less than 1% of residential properties would face increases greater than 5% and approximately 19% would face decreases.

Properties classified as Industrial experience up to 5% rates increases (44% on the minimum rate) or decreased rates; approximately 42% of the industrial properties would face decreased rates between 15% and 20%.

Properties classified as commercial experience up to 5% rates increases (46% on the minimum rate) or decreased rates; approximately 38% of the commercial properties would face decreased rates between 15% and 20%. Approximately 7% of commercial properties experience rate increase exceeding 5%.

Noting CoP's existing differential rates structure then the outcomes described above are consistent with a $40 increase in the minimum rate as this is approximately 3.4% greater than the existing residential minimum rate.

Option 9: Future UCV's with changed differential rates relativities and increased minimum rates.

This option indicates the impact of increasing the level of minimum rates (and using a common minimum rate) whilst seeking to minimise the extent of differentials in use (refer to Option 7); i.e. by equalising the industrial differential rate with the residential differential rate and moving the differential rate relativity for residential Marlow Lagoon properties closer to the Council-wide residential differential rate. It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- Differential rate relativities (as a % of the residential differential rate) of 90% for residential Marlow Lagoon (changed from 78% existing relativity), 157% for commercial (unchanged from existing relativity) and 100% for industrial (changed from 72% existing relativity); and
- A MR at $1,217 for all properties (an increase of $40 over the existing residential minimum rate.

Table 6.10 shows the impact on average revenue per assessment.

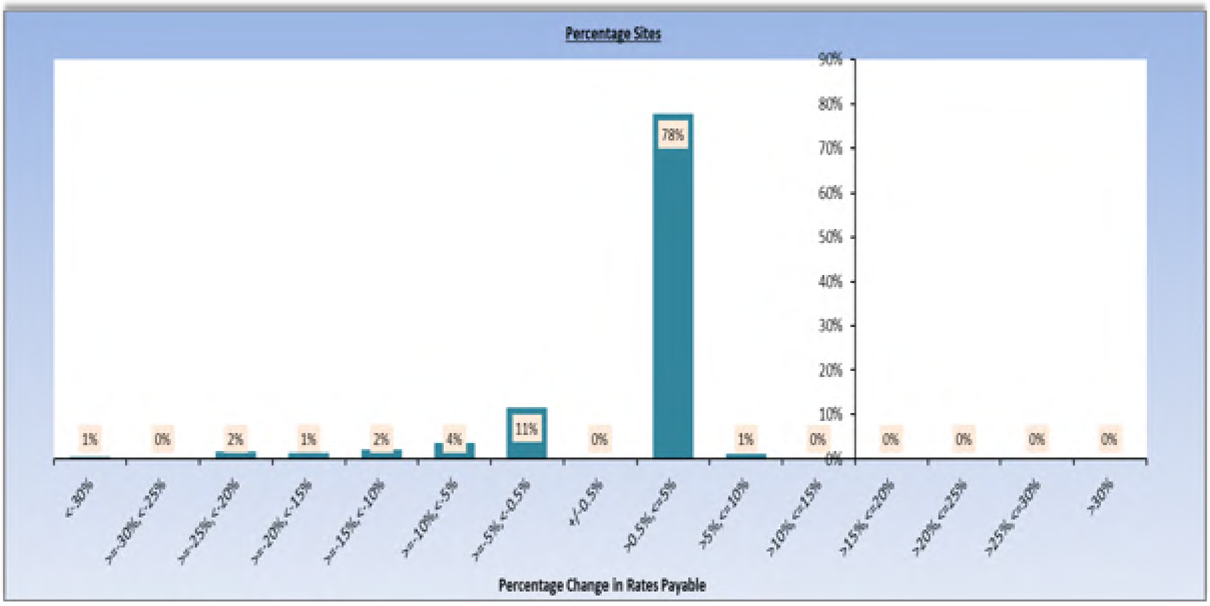
Table 6.10 Change in Average Rates by Class of Property – Option 9

	$ Ave Change
Residential Marlow Lagoon	-$70
Residential & Vacant land	+$17
Commercial	-$788
Industrial	+$328

Option 9 results in:

- Residential Marlow Lagoon rates decreasing by 4.3%;
- Residential & Vacant land rates increasing by 1.5%;
- Commercial rates decreasing by 15.1%; and
- Industrial rates increasing by 12.0%.
- Minimum rates raising approximately 79% of total general rates (i.e. approximately 21% raised based on property values)

Graph 6.16 Percentage of Properties Paying More or Less by Scale of Variation - Option 9



Graph 6.16 shows 78% of all properties experience rates movements up to 5%; these are predominantly properties (residential) that are charged the minimum rate.

Properties classified as Residential - Marlow Lagoon experience decreased rates predominantly, and 4% experience minor increases up to 5%; approximately 94% of the Residential Marlow Lagoon properties would face decreases up to 20%.

Properties classified as Residential comprise the majority experiencing an increase up to 5%. Less than 1% of residential properties would face increases greater than 5% and approximately 19% would face decreases.

Properties classified as Industrial experience up to 5% rates increases (44% on the minimum rate) and the other industrial properties (56%) face rates increases between 5% and 15%.

Properties classified as commercial experience up to 5% rates increases (46% on the minimum rate) or decreased rates; approximately 39% of the commercial properties would face decreased rates between 20% and 25%. Approximately 5% of commercial properties experience rate increase exceeding 5%.

Noting CoP's existing differential rates structure then the outcomes described above are consistent with a $40 increase in the minimum rate as this is approximately 3.4% greater than the existing residential minimum rate.

Option 10: Future UCV's with a common Fixed Charge (Flat Rate) of $1,237 applied to all rateable assessments other than the categories of Commercial and Industrial which are rated using valuation-based differential rates and a minimum rate of $1191.12.

Option 10 is a replication of the pre-2015/16 system of rating. It is included for illustrative purposes. The same percentage of rates revenue is raised in 2017/18 by the Fixed Charge on residential properties (which replaces the minimum rate on this class of property) as was the case in 2014/15. The current differential rates relativity between commercial and industrial properties (commercial approximately 217% of industrial) is maintained, along with the existing minimum rate of $1,191.12.

It assumes:

- Future UCV's (as provided by the Valuer-General) as the basis of rating;
- Same overall quantum of rate revenue as raised in 2017/18;
- A Fixed Charge (Flat Rate) of $1237 for all residential properties (an increase of $60 over the existing residential minimum rate of $1,177); and
- Differential rate relativities are applicable between commercial and industrial properties only; the relativity is maintained at approximately 217%. These are the only classes of property that valuation-based differential rating is applied to. The existing minimum rate is maintained for commercial and industrial properties as was the case pre-2015/16. Table 6.11 shows the impact on average revenue per assessment.

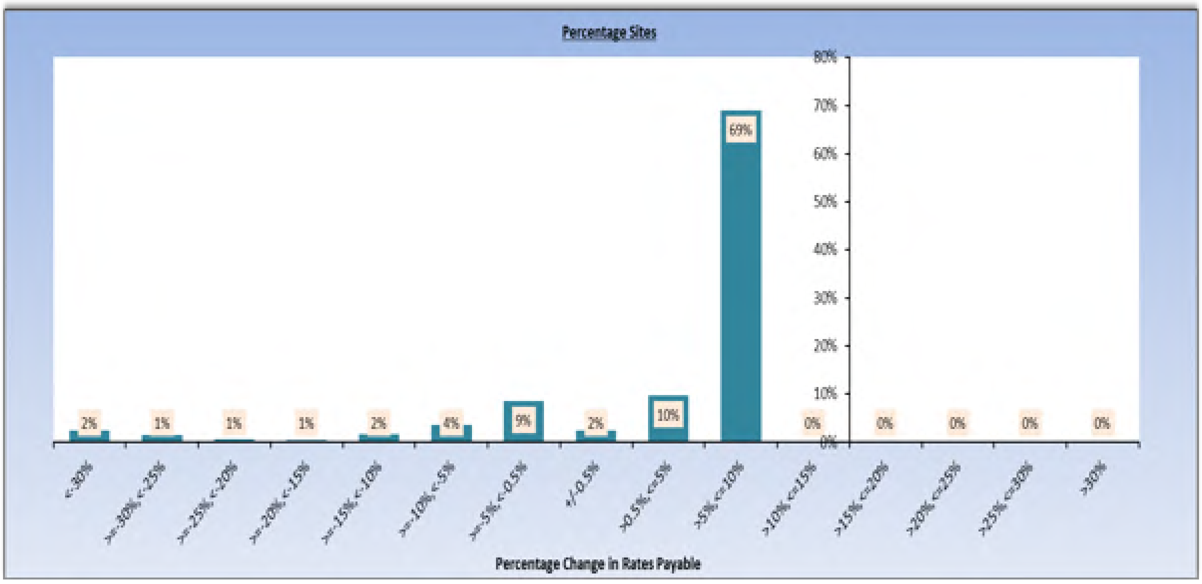
Table 6.11 Change in Average Rates by Class of Property – Option 10

	$ Ave Change
Residential Marlow Lagoon	-$376
Residential & Vacant land	+$12
Commercial	-$126
Industrial	-$80

Option 10 results on average in:

- Residential Marlow Lagoon rates decreasing by 23.1%;
- Residential & Vacant land rates increasing by 1.0%;
- Commercial rates decreasing by 2.4%; and
- Industrial rates decreasing by 2.6%.
- The flat rate (on residential property) raising approximately 86% of total general rates (i.e. approximately 14% raised based on property values (including minimum rates where applicable)), and the minimum rate (on commercial and industrial property) raising approximately 2% of total general rates.

Graph 6.17 Percentage of Properties Paying More or Less by Scale of Variation - Option 10



Under current existing arrangements approximately 67% of assessments are rated on the minimum rate ($1,177). The flat charge in this option (increase of $60 over the minimum rate) represents an 5.1% increase for these properties (refer the bar in Graph 6.17 above showing most increases between 5% and 10%).

Virtually all residential properties at Marlow Lagoon would pay less under this scenario. Some other residential properties would pay less but the overwhelming majority would pay more.

Most commercial properties would pay less but a small number would pay substantially more. Virtually all industrial properties would also pay less.

Summary of Rate Modelling Options

The ten options modelled have employed varying combinations of a valuation-based charge (differential rate) based on the proposed 2018/19 UCV's in conjunction with alternative levels of a fixed charge or minimum rates in order to demonstrate relative impacts of changing CoP's basis of rating. This impact by ratepayer class is summarised in Table 6.12 below.

Table 6.12 – Summary of Options Modelled

Option	Minimum Rate (MR)	Fixed Charge (FC)	% Rates Raised from MR & FC	Resi – Marlow Lagoon	Resi.	Comm.	Ind.
1	Existing ($1,177 & $1,191.12)		60%	-$143	-$11	$225	-$155
2	Existing		50%	+$549	+$16	-$1,557	+$976
3		$1,070	75%	-$52	+$97	-$2,678	-$929
4		$710	50%	+$104	+$52	-$1,471	-$547
5		$350	25%	+$260	+$6	-$264	-$166
6		$710	50%	+$364	+$38	-$1,539	-$27
7	Existing MR & Changed Differential		70%	+$159	-$10	-$222	+$693
8	$1,217 (all)		78%	-$171	+$21	-$485	-$214
9	$1,217 (all) & Changed Differential		79%	-$70	+$17	-$788	+$328
10	Existing MR for Comm & Industrial	$1,237 for Resi.	2% MR 86% FC	-$376	+$12	-$126	-$80

The modelling highlights that there is no rating strategy based on a fixed charge rather than a minimum rate that could be introduced without significant redistribution of the overall rating burden across properties. This is a reflection of Council's existing rating system and the character and composition of aggregate properties.

It is important to also recognise that the proposed UCV revaluation that will take effect from 2018/19 will result in a significant redistribution of rates payable across ratepayers (and across ratepayer classes on average – as highlighted in Option 1). The revaluation presents an opportunity for Council to review its current rating arrangements.

An argument could be mounted (in the absence of justification to the contrary) that commercial land ratepayers are currently paying somewhat more and industrial land ratepayers plus residential – Marlow Lagoon ratepayers somewhat less than what rating theory considerations alone would suggest is appropriate. The rationale for the industrial differential rate currently being somewhat lower and the commercial industrial rate somewhat higher than the residential rate is unclear. It may reflect Council's perceptions of the typical level and cost of services provided to such ratepayers (although this arguably would be reflected in each property's UCV).

It is important to note however that the majority of CoP rate revenue is sourced from residential (83.9% in 2017/18) properties (see Table 2.2). Any movement in rates for residential ratepayers must necessarily materially inversely impact on ratepayers in other categories (assuming total rate revenue remains unchanged). On the other hand, the other categories of CoP's ratepayers (Residential – Marlow Lagoon, Commercial and Industrial) collectively only provide approximately 16% of 2017/18 rate revenue. Any adjustment for these ratepayers would have little overall impact on total revenue generated or rate levels for residential ratepayers.

It is assumed that it is not practical to switch to rating using ICV and that for the foreseeable future Council will need to continue to base its rating structure on UCV. We believe that a fixed charge in theory to be a superior rating policy choice relative to striking a minimum rate, particularly when rating based on ICV. However, having regard to the impact of translating to a fixed charge and given that rating will continue to be based on UCV then retention of a minimum rate rather than a fixed charge is a sensible and justifiable outcome.

It is acknowledged that UCV is a less reliable guide to capacity to pay than is ICV. Nevertheless, we believe that property values (using UCV) should be utilised to raise a share of Council's rate revenue. How much is a judgement call best determined by Council taking into account local factors. On available evidence we accept that this may appropriately be less than 50% but don't believe it should be insignificant.

Options 7, 8 and 9 generate most general rate revenue from a minimum rate rather than property values and have only a modest impact on most (e.g. particularly residential) ratepayers. They highlight too that it would be possible to more closely align other differential rates (effectively the 'tax rate' for that class of property) to that payable by residential properties without a major impact on average rates payable by properties in each class (although this may involve a slight increase in the minimum rate).

It is stressed that the Options 1 to 10 shown above are simply representative of those available to Council and their effects. Various adjustments to their detail could be made to further refine the impacts relative to Council's local understanding and assessments of equity and other factors.

7. Community Consultation and Other Issues

As part of the work undertaken in preparing this report a public consultation briefing and feedback session was held at Council's offices on 13 December. Feedback received as part of that session has been had regard to in the preparation of this report. Key issues raised at the session included:

i). Whether rates are more appropriately a tax or a fee for service (discussed in this report in introductory part of Section 3)

ii). Fairness considerations going forward (also discussed in this report in introductory part of Section 3)

iii). Impact of fixed rates compared with UCV and merits / practicality of going back to previous rating arrangements (discussed in Sections 2 (p.3) and 3 i) and ii) and also Option 10 in Section 6)

iv). Phase in changes (see discussion of 'rate capping' further on in Section 7)

v). Explain UCV compared with ICV (see Sections 3 i) and 5.1)

vi). Explain who Valuer-General is (see Section 2 immediately below Graph 2.1)

vii). Address units versus houses (this is not easy to do without adverse unintended consequences when using UCV see e.g. Sections 2 i). 3 i) and 5.1.)

viii). Investors versus owners (the report does not specifically address this issue but it is touched on in Section 3 iii). It is not clear there is any particular reason to rate favouring one class relative to the other. In any event Council will not be able to determine from available records whether properties are occupied or not by the owner)

ix). Deferral of rates for retirees (a policy offering rate deferral arrangements in particular circumstances with specific conditions has merit – see footnote 13)

x). Comparison between councils (data is not publicly available to enable detailed comparison of rates payable between Northern Territory councils)

xi). Horizontal & vertical equity / regard to other income / SEIFA (see paragraph immediately below Table 6.1 in Section 6 and Appendix 6)

xii). Strengths and weaknesses of UCV compared with ICV (see Sections 3 i) and 5.1)

xiii). Consistency of UCV:ICV within suburbs (it is acknowledged that this correlation will be variable, see e.g. introduction in Section 3 and last two paragraphs of Section 5)

xiv). Different amenity between suburbs (UCV will take different amenity levels into account - see Sections 3 i) and 5.1)

xv). Checking UCV anomalies (any concern with reliability of UCV assessments should be referred to the Valuer-General – see Section 2 immediately below Graph 2.1)

xvi). Social equity (equity is considered in various sections, e.g. in discussing UCV and ICV and SEIFA – see references above)

xvii). Rating impact - the report attempts to graphically highlight and discuss the impact of different rating options (see Section 6)

xviii). Cost efficiency/financial sustainability (cost efficiency considerations are beyond the scope of this report, see brief financial sustainability comments further on in Section 7 including Table 7.1).

This report has focussed on the distribution of the impact of the rate burden across various classes of CoP ratepayers. That is, it is concerned with the proportion of total rates paid by different types of ratepayers rather than how much rate revenue Council collects in aggregate.

Council also needs to have regard to capacity to pay in determining just how much rate revenue it will raise. The average income level and therefore capacity to pay of ratepayers in CoP is slightly higher than the Northern Territory average (or at least recently was). The Australian Bureau of Statistics reports that for 2015 the average income of Palmerston residents (excluding Government pensions and allowances) was $72,222 which represented 106% of the Northern Territory average ($67,910) and 105% of the average for NT municipal councils ($68,760). Overall, this suggests that CoP ratepayers (at least in 2015) had reasonable capacity to pay for the services Council provides.

Council (currently) does not use rate capping, nor does its Rating Policy formally acknowledge payment deferral options.[31] The future use of a rate cap (including the level it is set at) is an important tool for Council if it was proposing to introduce a change in rating strategy that had a big impact on a significant number of ratepayers. The use of rate caps enables the impact to be phased in gradually over time. For example, should Council elect to set its rating cap at 15% a ratepayer who would otherwise experience a 30% increase in rates because of a change in the rating system and a 3% increase in rates each year because of a general increase in rates would pay an increase of 15% each year for 2 years and then about 9% in year 3 and 3% per annum thereafter (assuming no other rating changes or shifts in relative property values).

Council's recent financial operating results show:

2014/15 – ($5,525,055) deficit

2015/16 – ($12,219,032) deficit

2016/17 – ($1,755,555) deficit

A total deficit of $19,499,642 is the result across these 3 financial years; i.e. an average operating deficit of approximately $6.5M per annum. Under-lying ongoing operating deficits typically mean that a council is under-charging ratepayers for the level of services it is providing relative to their cost.

[31] It would be worthwhile for Council to review its existing Rating Policy. SA LGA Financial Sustainability Information Paper No. 20 '*Rating and Other Funding Policy Options*' includes a model rating policy, see footnote 7 for source.

Table 7.1 City of Palmerston Operating Result Forecast 2017/18 to 2021/22[32]

	2017/18 Budget	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
Total Income	$32.2m	$32.5m	$33.5m	$34.5m	$35.1m
Surplus/(Deficit)	($3.7m)	($3.4m)	($2.7m)	($2.0m)	($1.5m)
Operating Surplus Ratio	-11%	-10%	-8%	-5%	-4%

Council is forecasting significant operating deficits across the 5-year period shown in Table 7.1. Whilst the annual operating results trend towards reduced deficits a break-even operating result is not being forecast. Council will need to ensure strong financial discipline is exercised to achieve the forecast results as any unbudgeted new/additional expenses will only further exacerbate the deficit position.

Achieving and maintaining modest operating surpluses is equitable for current and future ratepayers and generally speaking should remain a key objective for all councils. In determining its rating and service level decisions Council has to have regard to long-term financial sustainability considerations in its revenue-raising decisions.[33] CoP's deliberations when it next undertakes a review of its long-term financial plan (LTFP), and based on its recent operating deficits, may identify a possible ongoing need to generate additional rate revenue; for example, if rates revenue was increased by 11% in the current 2017/18 year then the operating deficit would be eliminated. Regardless it is important to determine a rating system that best suits Council's ongoing likely circumstances.

Should Council wish to proceed with changing the basis of rating (e.g. implementing a fixed charge and/or changing its basis of differential rating) then the NT LG Act doesn't specifically require that it formally consult with its community before finalising its decision, as does the SA LG Act. However, in terms of best practice a robust community engagement process is recommended and in fact, the NT LG Act is potentially alluding to this with the broad provisions set out in Section 24. This process could be undertaken when consulting on the draft Municipal Plan for the financial year in which the change in basis of rating is proposed or it could also be undertaken through a separate consultation process.

[32] Source – City of Palmerston adopted Municipal Plan 2017/2022; Annual Budget 2017/2018

[33] See LG Act Sections 23, 24 and 126.

8. Conclusions

The most appropriate rating system for a council may vary over time e.g. because of:

- A change in the mix of properties;
- A change in the mix of council services;
- A significant relative change in property values;
- Changes in circumstances of some classes of ratepayers.

Which rating tools to use and how they are applied is a choice a council needs to make taking into account a wide range of factors. It needs to have regard to historic arrangements and the current and likely future circumstances and character of its community. Noting CoP's on-going growth, it is timely and important that a sound and strategic basis is in place to guide decision making associated with revenue, rates-setting and long term financial sustainability.

No rating system is perfect and when making changes to address any perceived concerns and/or better satisfy some classes of ratepayers a council always runs the risk of creating unsatisfactory outcomes for other ratepayers.

Council made significant changes to its system of rating in 2015 in order to attempt to better address rating theory considerations and in particular principles of equity. The changes recognised that the CoP's previous system of rating (a high fixed charge and no ad valorem rate for residential properties) was no longer the best option of rating the diverse overall mix of properties which had changed significantly in nature since the common fixed charge was initially introduced.

CoP needs to ensure its rating strategy is developed such that it can equitably accommodate on-going growth within its jurisdiction and the associated new (additional) and changing demands of its community.

CoP's existing basis of rating is reasonably similar to that adopted by many councils and Council should strive to ensure it doesn't (in future) add unnecessary layers of complexity to its rating methodology. Rating theory and data modelling considerations suggest that there may be merit in the following possible refinements by Council to its rating strategy.[34]

i). Continue to generate a share of total general rate revenue based on property values;

ii). Retaining minimum rate-based rating rather than (or as well as) introducing fixed charges;

iii). Reviewing the differential rating relativities, specifically with a focus on the levels of relativity for Industrial and Residential – Marlow Lagoon properties, compared to all other Residential properties;

[34] Rating with ICV's may better address the capacity to pay aspects of rating theory but it is not included in the recommendations as, in the absence of being able to access ICV's to undertake rate modelling, this option/outcome remains unsubstantiated. Based on previous studies of NT rating it appears that there are difficulties in obtaining ICV's from the Valuer-General and there may also be significant associated expense.

iv). Keeping any application of differential rating as simple as possible (and clearly defendable); and

v). Implementing a rate cap (or similar tool) to assist with managing potential volatility in rates increases associated with any changes to Council's basis of rating (and possibly arising from revaluation volatility in future). The Rating Policy (FIN25) should be updated to formally recognise the introduction of a rate capping process.

Inevitably, some ratepayers will pay more, on average, and some will pay less when changes are made to the basis of rating however the modelling indicates that there are options and rating strategies available to Council to mitigate the impact of the movements in rates to the majority of ratepayers.

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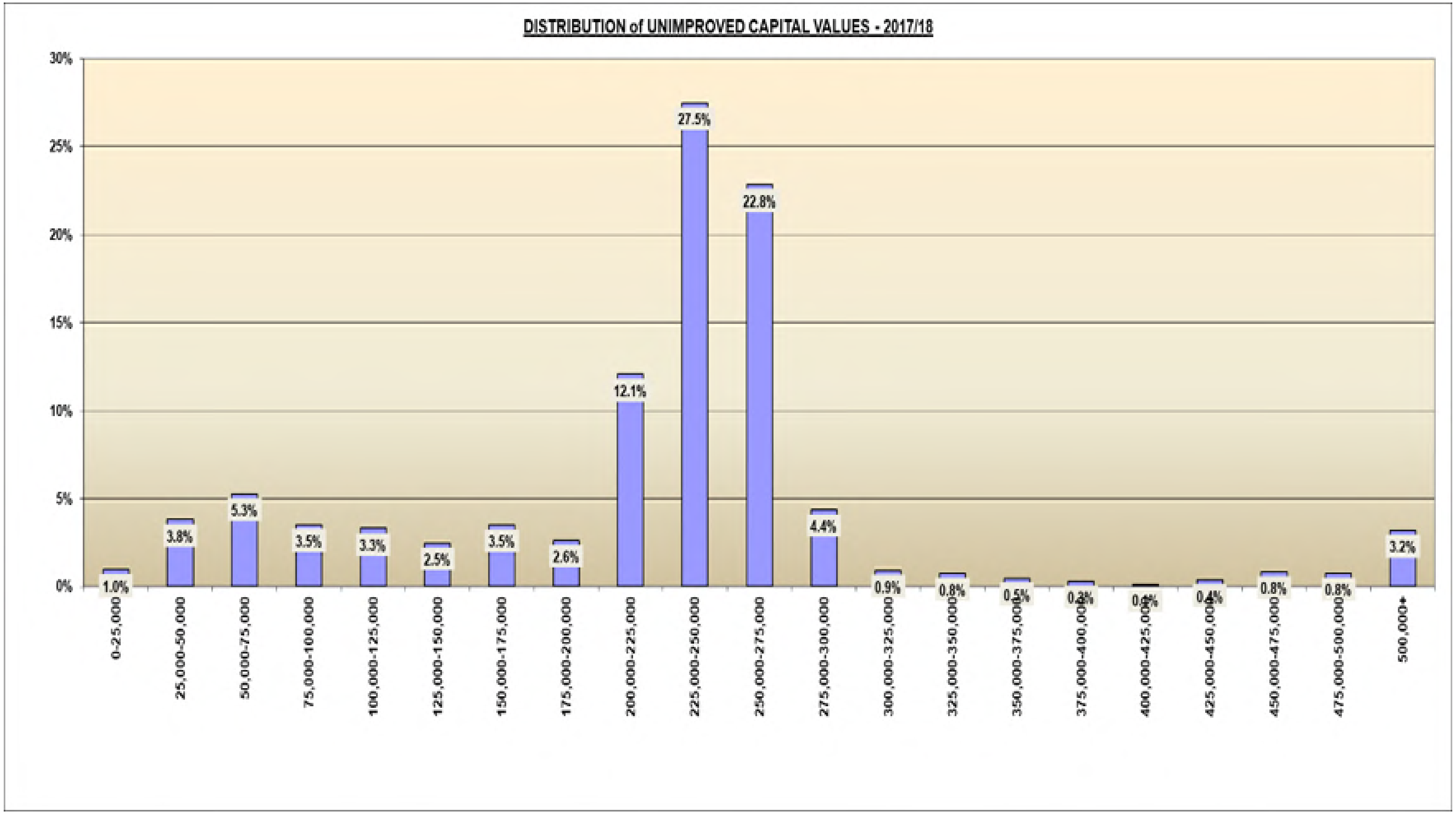
Appendix 1 – Table of Distribution of UCV's - 2017/18

	DISTRIBUTION of UNIMPROVED CAPITAL VALUES - 2017/18																					
LAND-USE	0-25,000	25,000-50,000	50,000-75,000	75,000-100,000	100,000-125,000	125,000-150,000	150,000-175,000	175,000-200,000	200,000-225,000	225,000-250,000	250,000-275,000	275,000-300,000	300,000-325,000	325,000-350,000	350,000-375,000	375,000-400,000	400,000-425,000	425,000-450,000	450,000-475,000	475,000-500,000	500,000+	TOTAL
Residential	118	431	662	464	452	330	470	365	1,684	3,845	3,191	611	125	101	54	42	13	14	14	7	103	13,096
Commercial	15	50	68	12	4	5	8	0	3	0	5	1	1	3	0	1	3	19	6	19	156	379
Industrial	0	51	8	17	7	10	13	3	3	5	2	0	2	1	10	1	2	4	1	1	133	274
Residential Marlow Lagoon	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	16	97	79	56	251
TOTAL	134	532	738	493	463	345	491	368	1,690	3,850	3,198	612	128	105	64	44	20	53	118	106	448	14,000
% Distribution	1.0%	3.8%	5.3%	3.5%	3.3%	2.5%	3.5%	2.6%	12.1%	27.5%	22.8%	4.4%	0.9%	0.8%	0.5%	0.3%	0.1%	0.4%	0.8%	0.8%	3.2%	

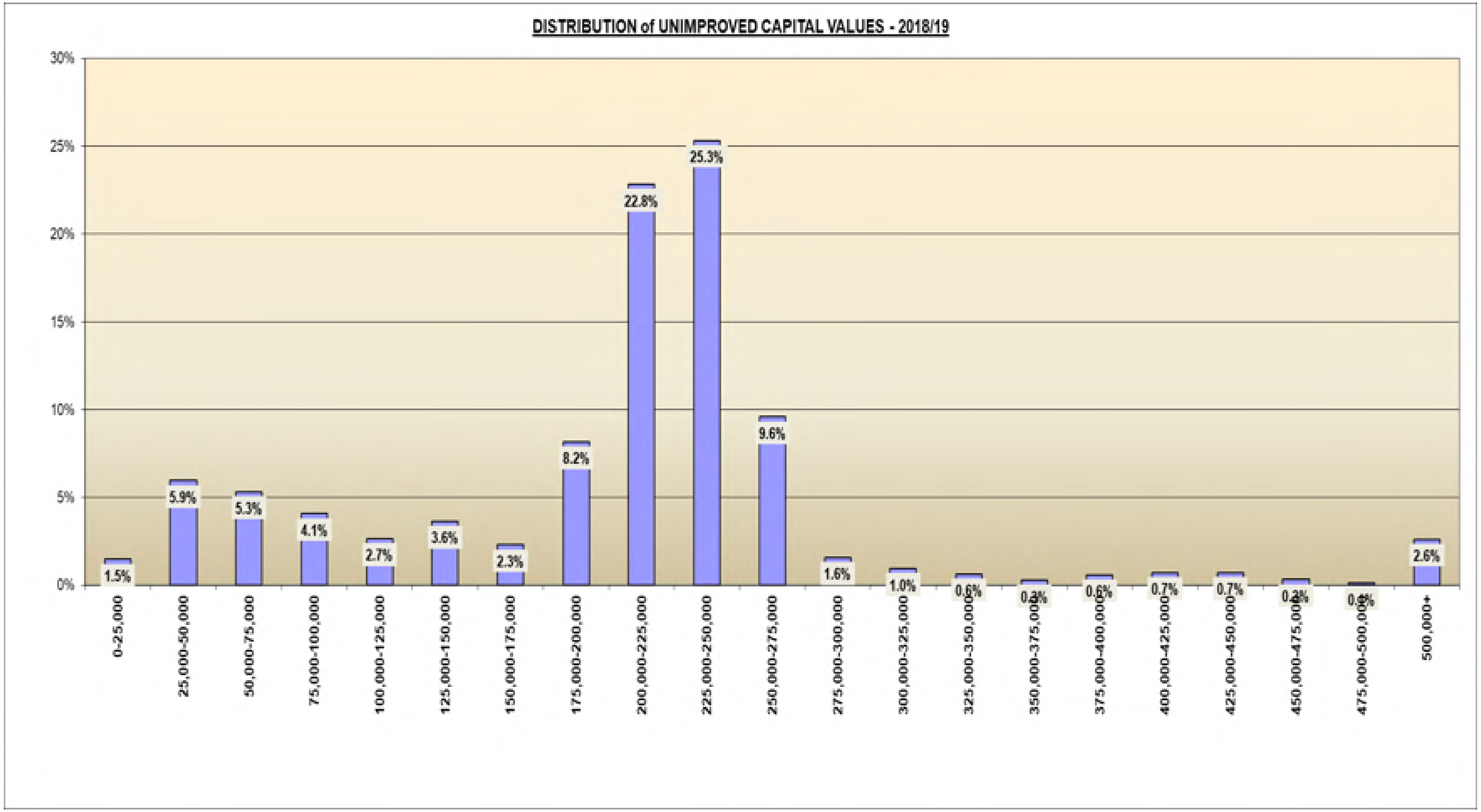
Appendix 2 – Graph of Distribution of UCV's - 2017/18



Appendix 3 – Table of Distribution of UCV's - 2018/19

	DISTRIBUTION of UNIMPROVED CAPITAL VALUES - 2018/19																					
LAND-USE	0-25,000	25,000-50,000	50,000-75,000	75,000-100,000	100,000-125,000	125,000-150,000	150,000-175,000	175,000-200,000	200,000-225,000	225,000-250,000	250,000-275,000	275,000-300,000	300,000-325,000	325,000-350,000	350,000-375,000	375,000-400,000	400,000-425,000	425,000-450,000	450,000-475,000	475,000-500,000	500,000+	TOTAL
Residential	183	731	688	545	363	495	317	1,144	3,217	3,576	1,352	216	133	80	34	32	2	6	3	6	87	13,210
Commercial	26	58	54	9	5	6	3	4	1	1	2	3	1	1	5	17	6	21	8	3	145	379
Industrial	0	51	9	23	8	14	6	4	7	1	1	4	1	10	1	5	1	1	5	1	125	278
Residential Marlow Lagoon	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	31	93	73	30	8	14	251
TOTAL	210	840	751	577	376	515	326	1,152	3,225	3,578	1,355	223	135	91	41	85	102	101	46	18	371	14,118
% Distribution	1.5%	5.9%	5.3%	4.1%	2.7%	3.6%	2.3%	8.2%	22.8%	25.3%	9.6%	1.6%	1.0%	0.6%	0.3%	0.6%	0.7%	0.7%	0.3%	0.1%	2.6%	

Appendix 4 – Graph of Distribution of UCV's - 2018/19



Appendix 5 – Declared Rates 2017/18[35]

City of Palmerston Rates Declaration 2017/18				
Rateable Land Class	**Rate/$**	**Minimum Rate**	**Waste Mgmnt. Charge**	**Special Rate**
Residential Marlow Lagoon	0.00361520	$1,177.00	$530.00	
Residential	0.00463550	$1,177.00	$530.00	
Commercial	0.00727736	$1,191.12		$200.00
Industrial	0.00335100	$1,191.12		
Vacant	0.00463550	$1,177.00		
Note 1 - The $530 waste management charge applies to residential property on a weekly 120 litre waste service and a fortnightly 240 litre recycling service. An additional charge of $149 is applied for property electing to upgrade to a weekly 240 litre collection service (and fortnightly 240 litre recycling service).				
Note 2 - A $240 waste collection is applied to multiple residential units (exceeding 25 units) where the property has its own waste services arrangements.				
Note 3 - Special rate declared for City Centre Improvement works is levied at $200 per car parking space on land assessed to have a current parking shortfall within the City Centre zone. This was subesequently rescinded at the Council meeting of 17 October 2017.				

[35] Council subsequently resolved in October 2017 to rescind its decision to impose the Special rate shown above.

Appendix 6[36] – Australian Bureau of Statistics (ABS) Analysis[37] of Relative Socio-economic Advantage/Disadvantage

Index of Relative Socio-economic Advantage and Disadvantage				
ABS Suburb Description	**Population**	**ABS Reporting Units**	**Decile Range**	**Average Decile**
Bakewell	3,194	6	8 to 5	6.0
Driver	2,955	6	9 to 3	5.3
Durack	2,852	6	10 to 8	9.2
Farrar	1,407	1	9	9.0
Gray	3,316	7	6 to 1	3.0
Gunn	2,640	7	10 to 8	9.0
Marlow Lagoon	716	1	10	10.0
Moulden	3,191	6	4 to 1	2.3
Pinelands	73	1	2	2.0
Rosebery/Bellamack	3,749	6	10 to 6	8.5
Woodroffe	3,423	7	7 to 1	4.6
Yarrawonga	69	1	3	3.0

[36] Source http://www.abs.gov.au/ausstats/abs@.nsf/DetailsPage/2033.0.55.0012011 . Refer to Excel file at "Statistical Area Level 1, Indexes, SEIFA 2011".
[37] A higher decile ranking number (minimum 1, maximum 10) indicates relative socio-economic advantage and the lower the decile ranking number indicates relative socio-economic disadvantage, as measured by the ABS within the CoP. The ABS "Suburb Description" comprises multiple data collection units within the same suburb so the data shown above records both the high and the low decile ranking plus an average (non-weighted) decile for the respective suburb.

ITEM NUMBER:	13.1.5	Council's Submission to the Northern Territory Government's Revenue Discussion Paper
FROM:		Director of Corporate Services
REPORT NUMBER:		8/1410
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is to seek Council endorsement of the submission to the Northern Territory Government's Revenue Discussion Paper.

RECOMMENDATION

1. THAT Report Number 8/1410 entitled Council's Submission to the Northern Territory Government's Revenue Discussion Paper be received and noted.

2. THAT Council endorse the submission being ***Attachment C*** to Report Number 8/1410 entitled Response to the Northern Territory Government's Revenue Discussion Paper to be sent to the Northern Territory Government Department of Treasury and Finance.

Background:

In November 2017, the Northern Territory Government released a Revenue Discussion Paper ***(Attachment A)*** and is seeking public responses by 28 February 2018.

The Local Government Association of the Northern Territory (LGANT) have made a submission as a peak body at ***Attachment B***.

This report recommends a response for Council's consideration.

General:

According to the Revenue Discussion Paper, the Northern Territory Government's fiscal strategy with regards to revenue is to "*maintain a competitive tax environment that encourages investment, creates jobs and attracts business to the Territory, while raising sufficient revenue to contribute to funding government service delivery*". It is recommended that Council support this objective.

The Discussion Paper notes several fiscal challenges facing the Northern Territory including a forecast reduction in Goods and Services Tax (GST) revenue from the Commonwealth Government over the coming years, slowing population growth and the reduction in workforce size due to the transition in the INPEX gas project from construction to operation. It analyses many different forms of own source revenue including payroll tax, property taxes, gambling taxes, motor vehicle taxes, insurance duty, banking taxes, mineral royalties and petroleum royalties.

Council has considered these areas and provide responses where relevant to Council operations and interests, particularly in relation to property taxes and motor vehicle taxes, as well as commentary on economic sustainability, consultation and fiscal management. Council's recommended response is ***Attachment C***.

Financial Implications:

The implementation of certain revenue models could impact on Council's future rating strategies.

Legislation/Policy:

Nil

Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services

Schedule of Attachments:

Attachment A: Northern Territory Revenue Discussion Paper November 2017
Attachment B: LGANT Response to the Northern Territory Government's Revenue Discussion Paper
Attachment C: City of Palmerston Response to the Northern Territory Government's Revenue Discussion Paper

DEPARTMENT OF
TREASURY AND FINANCE

Northern Territory Revenue

Discussion Paper

November 2017

NORTHERN TERRITORY GOVERNMENT

Contents

1 Objectives of the Northern Territory Revenue Discussion Paper

1.1 Why are we consulting the community about the Territory's main own-source revenues?

The Northern Territory receives the majority of its revenue from the Commonwealth Government, more so than the other states and territories, both through GST distribution and tied grants.

Nevertheless, the importance of the Territory having a robust, efficient, stable own-source revenue base has never been more apparent than through the 2017 Budget period when significant changes in GST revenue, which are beyond the control of the Territory, substantially impacted on Government's ability to plan and deliver essential services.

The Territory Government will continue to lobby the Australian Government to ensure the Territory receives its fair share of the GST, along with continuing the debate around national tax reform.

In the meantime, it is important the Territory considers improving its own-source revenue base. Taxes and royalties raised by the Territory directly assist to provide essential government services such as hospitals and health care, police and emergency services, education, family support and vital infrastructure. Funding requirements for these services, especially health and education, will continue to grow, placing increasing fiscal pressure on the Territory.

Consequently, Territory taxes and royalties must provide the funding required to continue to provide the quality government services Territorians expect and deserve. We must raise revenue in a sustainable manner that does not unduly impede investment and business decisions, reduces red tape and compliance effort, and provides government with stability and certainty to plan and budget.

An examination of Territory taxes and royalties is not simply about lowering or raising taxes or royalties, or introducing new taxes or abolishing current taxes. It is about developing tax and royalty systems that raise enough revenue to fund services and infrastructure while being fair and efficient. Balancing these objectives is important in assisting the Territory to grow and prosper.

1.2 Objectives and fiscal strategy

The Territory Government's fiscal strategy in respect of its revenue requirements is to maintain a competitive tax environment that encourages investment, creates jobs and attracts business to the Territory, while raising sufficient revenue to contribute to funding government service delivery.

Accordingly, Territory taxes and royalties need to:

- deliver sufficient revenue now and into the future to allow Government to deliver services and infrastructure to Territorians
- be as efficient and fair as possible, making sure everyone contributes to the development of the Territory, having regard to their capacity to do so
- be as simple as possible to minimise compliance and administration costs
- be as stable and predictable as possible so Government can plan and budget for the future
- support job creation and not act as a barrier to investment in the Territory by remaining competitive with the other jurisdictions.

These principles are the fundamental areas on which Government wishes to engage with the community to discuss the Territory's taxes and royalties.

1.3 Nature of the Discussion Paper

This Discussion Paper will allow Territorians to have their say on the future development of the Territory's tax and royalty policies. The paper provides a summary of the Territory's tax and royalty systems, setting out policy objectives, along with economic efficiencies and inefficiencies of the current system.

The paper also provides a range of reform options that could be considered, in order to assist in stimulating community input to government policy. These options are not recommendations and do not reflect any policy proposal of the Government.

2 Consultation process

The Government encourages interested parties to make a written submission regarding this Discussion Paper. These submissions will assist Government to prepare its taxation and royalty policies, consider the need and appropriateness for reform, and feed into the development of revenue options as part of its Budget processes.

In addition to seeking written submissions, public consultation with interest groups, peak bodies and the broader community will accompany the Discussion Paper. The dates of public consultation will be released shortly.

2.1 Key dates

November 2017:	Discussion Paper released for consultation
November to January 2017:	Engagement with industry and peak bodies, public information sessions
28 February 2018:	Closing date for written submissions

Any changes to these dates, along with updates on timing of consultation processes, will be advised on RevenuePaper.nt.gov.au

2.2 Submissions

Submissions can be lodged via the following methods:

Email:	RevenuePaper.dtf@nt.gov.au
Mail:	Department of Treasury and Finance Revenue Discussion Paper GPO Box 154 DARWIN NT 0801
Hand delivery:	Department of Treasury and Finance Revenue Discussion Paper Level 14, Charles Darwin Centre 19 The Mall DARWIN NT 0801

All submissions will be publicly available and published to the website RevenuePaper.nt.gov.au, unless you specifically request otherwise in your submission.

3 Structure and limitations of Northern Territory revenue sources

- The Territory receives most of its revenue from the Commonwealth, more so than the other states and the Australian Capital Territory.
- Like other states and the Australian Capital Territory, the Territory has limited powers to impose only a narrow range of taxes and royalties.
- Changes to GST distribution, which provides half of the Territory's revenue, have a large impact on the Territory's Budget.

3.1 Northern Territory sources of revenue

The Territory's total revenue comprises 30 per cent own-source revenue and 70 per cent Commonwealth revenue. By contrast, the split for other jurisdictions is about 55 per cent own-source revenue and 45 per cent Commonwealth revenue.

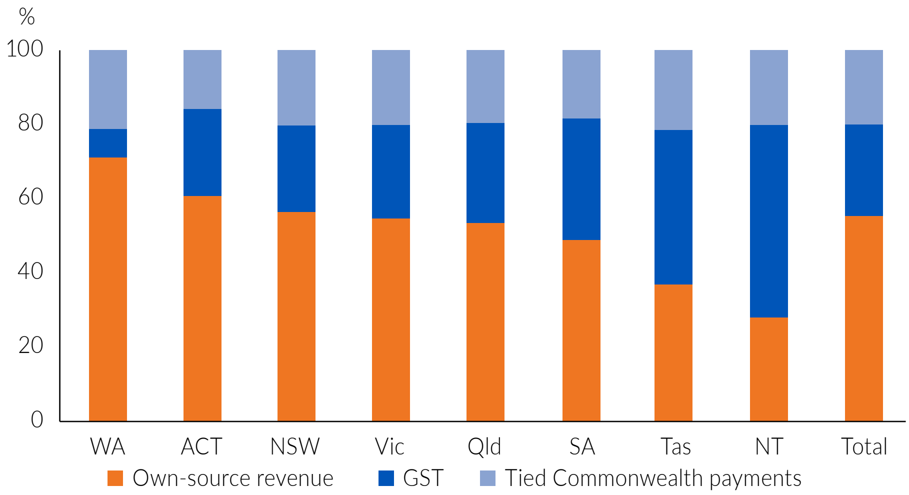
The Territory's own-source revenue primarily comprises taxes and royalties, but also includes fees and charges, rent and tenancy income, interest and dividend revenue, and profit and loss on the disposal of assets. Own-source revenue provides fiscal autonomy to tailor infrastructure and services to meet a jurisdiction's needs.

Commonwealth revenue provided to the Territory comprises:

- goods and services tax (GST), which accounts for about half of total Territory revenue
- tied payments, which account for about 20 per cent of total Territory revenue.

The difference in the importance of Commonwealth revenue to the Territory is demonstrated in Chart 3.1, which shows state and territory revenues by source.

Chart 3.1: State and Territory Revenues by Source, 2015-16



Source: Commonwealth 2015-16 Final Budget Outcome; state and territory 2015-16 annual financial reports or 2016-17 mid-year reports

3.2 Limitations on the Territory's taxation and royalty powers

The Territory, like the other states and the Australian Capital Territory, has limited powers to impose only a narrow range of taxes and royalties, whereas the Commonwealth has access to broad, stable growth taxes. However, states and territories have primary responsibility for delivering the majority of government services, such as health care, education, and law and order.

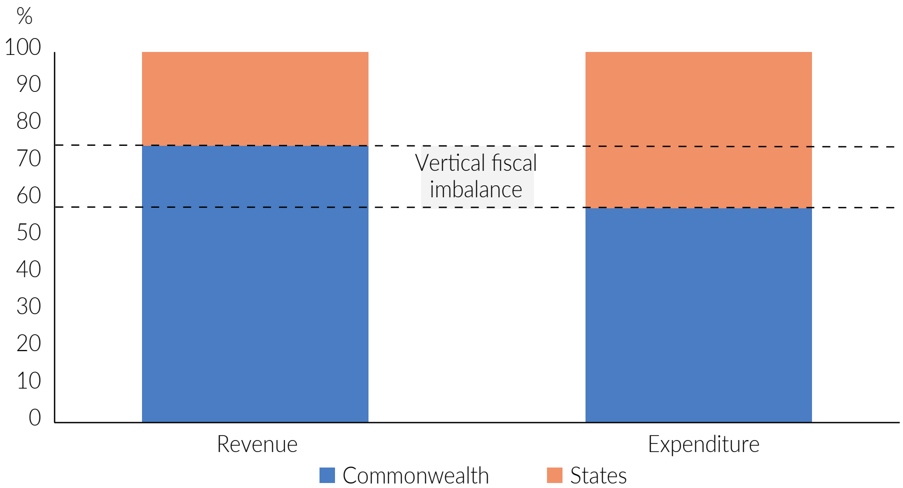
This mismatch between the revenue-raising powers of the Commonwealth and service delivery responsibilities of the states is referred to as vertical fiscal imbalance. It is the reason states and territories need to rely on Commonwealth revenue to deliver services.

Table 3.1: Limitations on Northern Territory taxing powers

Taxes the Territory can impose	Commonwealth taxes, which can't be imposed by the Territory Government
• Payroll tax	• Consumption taxes, for example, GST
• Stamp duties on property and insurance	• Company taxes
• Land tax	• Personal income taxes
• Gambling taxes	• Offshore petroleum royalties, for example, the Petroleum Resource Rent Tax that applies to the INPEX project
• Fees and charges, for example, motor vehicle registration fees	• Sales taxes
• Mining royalties (except on uranium)	• Customs and excise duties, for example, taxes on tobacco, alcohol and petrol
• Onshore petroleum royalties (but not on offshore production)	

As set out in Chart 3.2, this limitation on state and territory tax powers means states and territories are responsible for about 42 per cent of total government expenditure but only raise about 25 per cent of total revenue. By comparison, the Commonwealth raises about 75 per cent of total national revenue but its expenditure obligations amount to about 58 per cent of total expenditure.

Chart 3.2: Vertical Fiscal Imbalance 2015-16



Source: Commonwealth 2015-16 Final Budget Outcome; state and territory 2015-16 annual financial reports or 2016-17 mid-year reports

Due to this imbalance between the two levels of governments there is a need for revenue to be transferred from the Commonwealth to the states to ensure government services can continue to be delivered, which takes the form of GST revenue and tied payments.

3.3 Constraints on Commonwealth revenue to the Territory

3.3.1 Constraints to the GST

GST is a consumption tax and, because it has a much broader base than most other taxes, is considered an economically efficient tax. However, the GST could provide greater revenue to states and territories.

Australia's GST rate is 10 per cent, one of the lowest among developed countries. The GST has significant exemptions for fresh food, health-related services, education, childcare and utilities services, which benefit consumers but reduce GST revenue and add complexity and costs to business.

Only 49 per cent of Australia's national consumption is subject to GST, compared to the OECD average consumption taxation ratio of 56 per cent, or 55 per cent in Germany, 71 per cent in Switzerland and 97 per cent in New Zealand.

Furthermore, since the introduction of GST in July 2000, there has been a notable shift in consumer spending patterns from items that attract GST to those that are GST-exempt, notably education and health-related services.

These exemptions and changed consumer habits have resulted in a moderation in the growth of GST collections. In the initial years of GST the average annual growth rate of collections was around 8.2 per cent. More recently, average annual growth has been around 3.9 per cent.

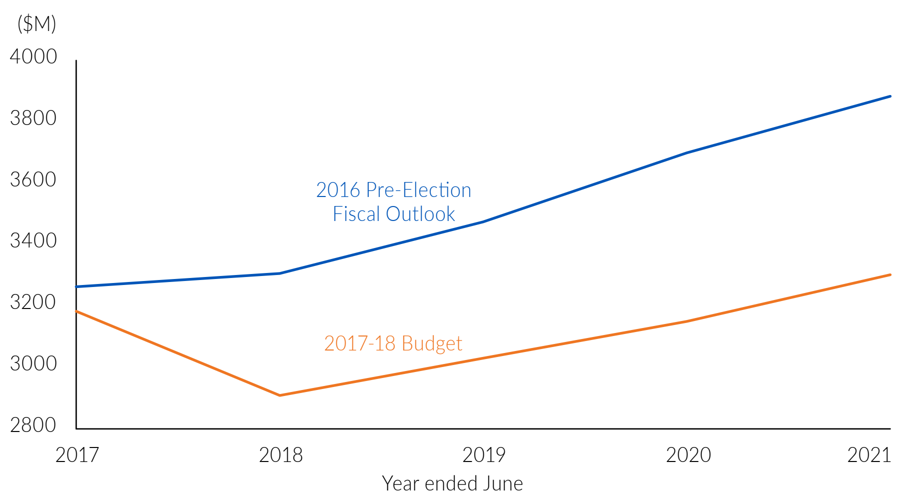
Regardless of whether changes to GST would be unanimously supported by states, the current Commonwealth Government has made it clear there will be no change to GST – base or rate – during this term of Government.

The Territory faces risks to its share of GST collections as a result of the factors taken into account in calculating states' shares.

Besides the growth in the amount of national GST collections, the other parameters that influence the amount of GST received by the Territory are GST relativities assessed by the Commonwealth Grants Commission and the Territory's share of the national population.

The challenges facing the Territory regarding population growth are addressed in Chapter 4. Combined with a decline in the Territory's share of national population, a significant reduction in the Territory's GST relativity in 2017 had the significant effect of reducing the Territory's expected GST receipts by $2 billion over the forward estimates, with GST revenue not expected to return to 2016-17 levels until 2020-21. This is set out in Chart 3.3 below.

Chart 3.3: Variations to GST revenue since August 2016 Pre-Election Fiscal Outlook



Source: Northern Territory 2017-18 Budget Paper No.2 Budget Strategy and Outlook

3.3.2 Constraints to tied Commonwealth payments

Tied Commonwealth payments are provided to support the achievement of outcomes in a particular sector, delivery of specified projects or to facilitate national reforms. They are generally subject to achieving defined milestones or performance benchmarks and are often time limited. As such, they cannot be relied on as a guaranteed ongoing source of revenue for the states.

In addition, tied payments are often provided to pursue Commonwealth Government priorities, which may not always align with the Territory's priorities.

There has been increasing uncertainty around Commonwealth funding in recent years with the Commonwealth preferring not to commit to funding for most National Partnership Agreements beyond one to two years; reducing or terminating National Partnerships; and introducing input controls and greater levels of prescription that impact states' autonomy to deliver services for which they are responsible.

Without sustainable Commonwealth payments, both tied and general revenue assistance, the Territory would need to apply a higher tax burden on its citizens or raise significant levels of debt in order to maintain existing service delivery levels. Alternatively, it would need to reduce the level of service delivery.

3.4 National tax reform

States and the Commonwealth continue to investigate a range of Commonwealth and state tax and revenue reform options, including proposals to share Commonwealth personal income tax revenue with the states. It is hoped this work will identify an appropriate measure that will:

- provide states with access to a broad revenue base that grows in line with the economy
- reduce the number of tied Commonwealth grants to the states, providing them with greater autonomy and reducing administrative burden
- create flexibility for states to meet their ongoing expenditure needs.

4 Key fiscal and economic challenges facing the Northern Territory

- The Territory delivers the same scope of services as those provided by other states but faces higher demand and service delivery costs.
- Demand for these services is expected to outpace Commonwealth funding growth over the medium to long term.
- The Territory continues to need to invest in closing the gap in outcomes between Aboriginal and non-Aboriginal Territorians.
- The Territory has a small, open economy that is significantly influenced by major projects and cyclical sectors such as mining and construction. This results in greater revenue volatility than other states.
- Low population growth may negatively affect the Territory's share of GST.

4.1 Key fiscal pressures

Health, education, public order and safety, and housing and community amenities comprise two thirds of the Territory Budget and are subject to the greatest fiscal pressures arising from growth in both demand and the cost of providing those services.

The Territory has a small population dispersed over a large landmass that is isolated from Australia's main population centres. Aboriginal people, who comprise around 30 per cent of the Territory's population, tend to live in more remote areas and use mainstream services more intensively compared to the non-Aboriginal population.

These factors affect both the demand for and cost of government services and result in the Territory needing to spend more than double per capita on government services than the average of the other jurisdictions. This is demonstrated in Table 4.1

Table 4.1: General government operating expenses per capita, 2015-16 ($)

NT	ACT	TAS	WA	SA	QLD	VIC	NSW
24 009	12 536	10 448	11 140	9 976	10 251	8 725	9 328

Source: ABS, Government Finance Statistics, Australia 2015-16, April 2017. ABS, Australian Demographic Statistics, December 2016

Changes to the level of tied Commonwealth payments and the declining growth in GST collections are both contributing to the fiscal pressures experienced by states. As a result, Commonwealth funding is not expected to grow in line with demand for services, particularly health care and education, over the medium to long term.

Since the 2014-15 Commonwealth Budget there has been significant uncertainty around the Commonwealth's future funding for health and education, with a proposal to move away from activity or needs-based funding to a flat indexation arrangement. Indexation is likely to result in a shortfall for jurisdictions with higher demand growth, including the Territory. Accordingly, the Territory is faced with significant funding uncertainty in the long term.

In addition, in its 2017-18 Budget, the Commonwealth announced the Quality Schools funding and reform package 2018-2027. Under this package, the level of funding for Territory government schools will be less than under the existing arrangements.

These fiscal pressures are expected to be further compounded by:

- challenging economic conditions
- the Territory's possible expenditure commitments under the National Disability Insurance Scheme
- costs of any reforms undertaken in response to findings of the Royal Commission into the Protection and Detention of Children in the Northern Territory.

4.2 Population and demographic change

Fiscal pressures will be influenced by demographic change in the Territory, with the main factors being:

- the continued high proportion of the population that is Aboriginal or who live in remote areas
- slow overall population growth in the short to medium term
- an ageing population.

As at June 2016 there were approximately 10.4 people of working age (15 to 64) for every one person aged 65 and over in the Territory, compared to a ratio of 4.3 nationally. However, the Territory population is projected to age in the future. An older population base can impact on the Territory budget through increased demand for services, especially health care, and a reduction in the size of the potential tax base.

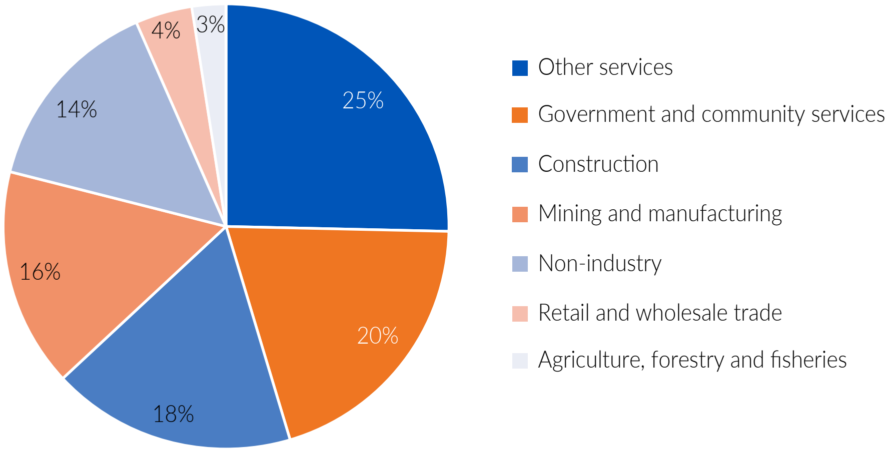
It is expected that the Territory's population growth will continue to be slow in the short term. This includes the effect of a proportion of resident construction workers departing the Territory when the INPEX project transitions from the construction to operational phase.

4.3 Economy

The mining and construction sectors are two of the largest contributors to Territory gross state product (GSP). Both are cyclical industries, which leads to variations in their level of contribution to the economy, which can exacerbate fiscal pressures.

The mining and construction industries were key contributors of economic growth in the Territory during the mining boom. Future growth prospects for these industries is reliant on overseas demand and investment, and subject to movement in global commodity prices and the exchange rate.

Chart 4.1: Territory industry proportion of gross state product



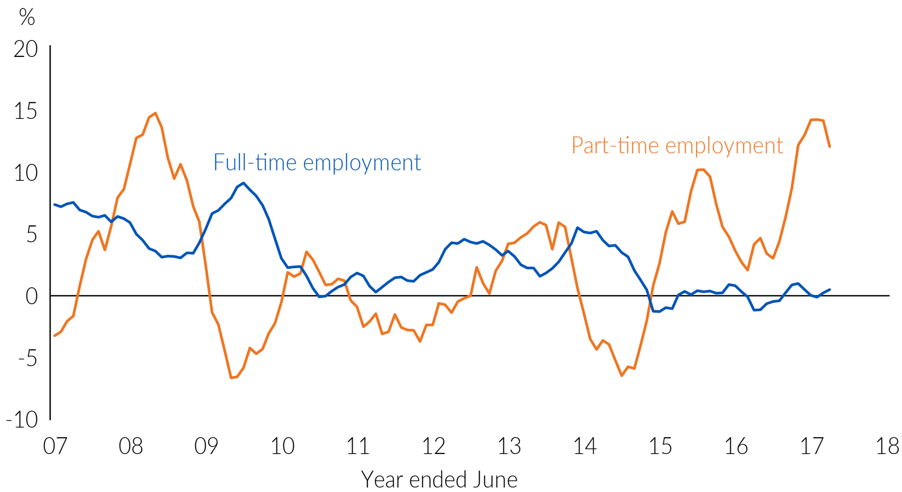
Source: ABS Cat No. 5220.0

The outlook for the structure of the Territory economy will be heavily influenced by the transition of the INPEX project from the construction to production and export phase.

As exports are not subject to GST, the growth in the Territory economy driven by exports from the INPEX project may not correspond to an increase in the Territory's contribution to the total revenue collected through GST. Also, offshore gas is not subject to royalties in the Territory.

In recent years, there has been a clear shift in the Territory and nationally towards part-time employment as a stronger contributor to employment growth than previous years (Chart 4.2). This may indicate payroll tax and conveyance duty revenue may grow at a slower rate than previously as more people are employed on a part-time basis rather than a full-time basis.

Chart 4.2: Territory full-time and part-time employment (year-on-year change)



Source: ABS Cat. No. 6202.0

5 Northern Territory own-source revenue

- The Territory levies similar taxes and royalties as the other states and the Australian Capital Territory.
- Territory taxes and royalties are generally volatile and difficult to forecast.
- In aggregate, Territory own-source revenues are among the lowest in Australia.

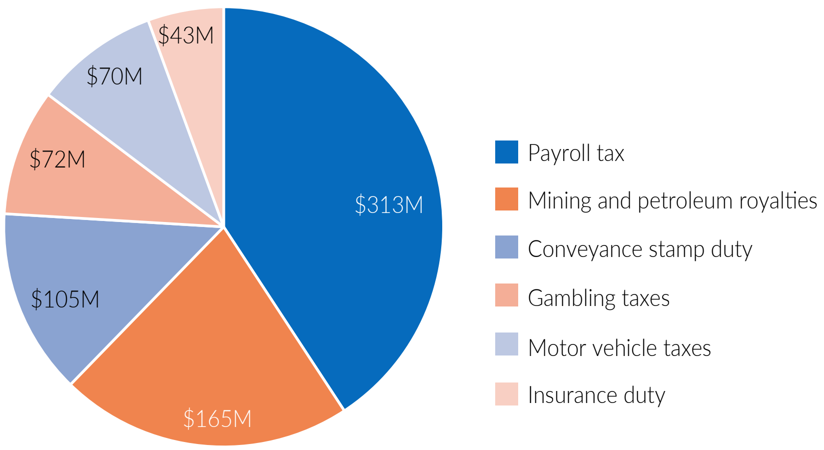
5.1 Components of own-source revenue

Territory own−source revenue predominantly comprises taxes and mining revenue but also includes fees and charges, rent and tenancy income, interest and dividend revenue, and profit and loss on the disposal of government assets.

Taxation and mining royalties are an important revenue source for the Territory. In 2016-17, own-source taxation and mining royalties contributed over $768 million of Territory revenue. Taxation and royalty receipts are the second largest revenue source for the Territory behind GST grants.

The main contributors to own-source revenue are taxes on employers (payroll tax) at $313 million or almost 40 per cent, mining and petroleum royalties at $165 million, or 21 per cent, and taxes on property (conveyance stamp duty) at $105 million, or 14 per cent. This is set out in Chart 5.1 below.

Chart 5.1 Main own-source revenue categories, 2016-17



Source: Department of Treasury and Finance

Table 5.1 summarises taxation receipts for 2016-17 and forecasts for the forward estimates period.

Table 5.1 Own-source revenue collections and forecasts

Main own-source revenue categories	2016-17	2017-18	2018-19	2019-20	2020-21
	$000	$000	$000	$000	$000
Mining royalties	165 378	225 037	175 438	175 438	175 438
Taxes on employers	313 156	260 030	248 716	257 410	263 845
Taxes on property	105 096	103 532	106 444	109 423	112 146
Taxes on gambling	71 615	78 016	82 676	85 867	89 198
Motor vehicle taxes	70 371	76 713	79 306	81 992	84 755
Taxes on insurance	42 851	39 255	40 040	40 841	41 658
Total	**768 467**	**782 583**	**732 620**	**750 971**	**767 040**

Source: Department of Treasury and Finance

5.2 Factors affecting main own-source revenue bases

Ideally, own-source revenue would be broadly predictable and grow at a similar rate to the economy, providing funding certainty for service delivery. However, some of the Territory's own-source revenue sources can fluctuate significantly from year to year. Aside from short-term variability, long-term growth in revenues also varies, with some revenue lines historically growing faster or slower than others.

Taxes that vary strongly from year to year are more difficult to forecast accurately and make it difficult for the Territory to plan future spending.

5.2.1 Payroll tax

Payroll tax revenue tends to be influenced by broad economic trends, which affect employment such as employment growth, wages growth, composition of part and full-time employment and average hours worked. Broadly, payroll tax revenue is expected to grow in line with gross state product (GSP) and to be relatively stable, which allows forecasting of this revenue base to be reasonably accurate and provides a reliable source of revenue to fund government expenditure.

However, two factors affect this stability and predictability in the Territory. First, the Territory historically has been dependent on major capital projects for a large proportion of its economic growth. This can lead to peaks and troughs in resident employment between major projects and to the contribution of wages paid to fly-in fly-out (FIFO) workers to payroll tax revenue.

Second, due to the Territory's high $1.5 million tax-free threshold, compositional changes in employment between small and large firms can affect payroll tax receipts in a manner inconsistent with economic growth trends. For example, a rise in small business employment may not correspond with an increase in payroll tax revenue.

5.2.2 Conveyance stamp duty

Conveyance stamp duty revenue is linked to the volume and prices of residential and commercial property markets, which can vary significantly from year to year and are often affected by the commencement or cessation of large projects.

Conveyance duty receipts vary year to year due to large one-off receipts from signficant commercial transactions, such as the sale of mines or pastoral properties. For example, in 2014-15, a few large commercial transactions saw conveyance stamp duty revenue increase to $265 million compared to $142 million in the previous year and $114 million in the subsequent year.

5.2.3 Mining and petroleum royalties

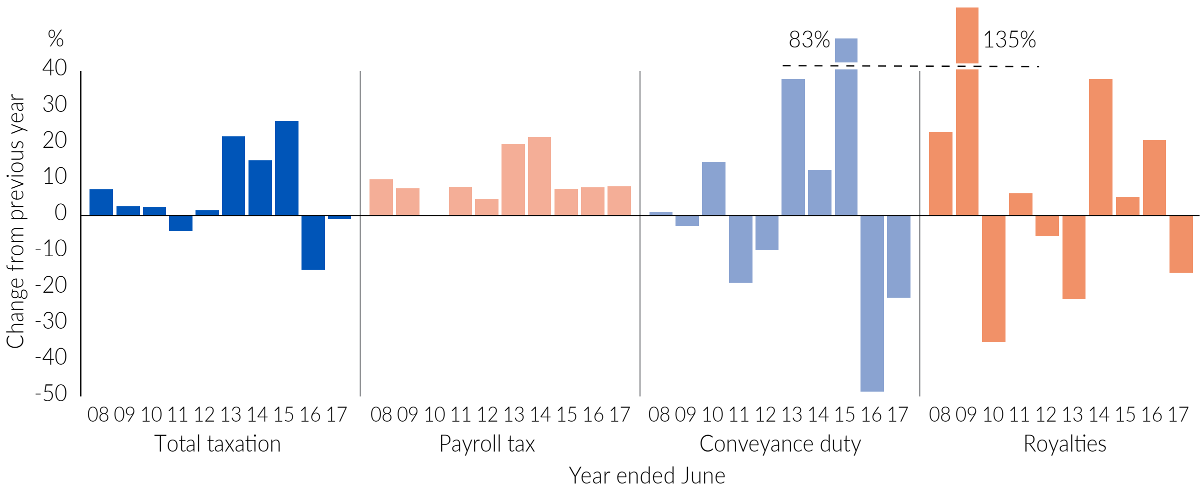
Mining royalties in the Territory are generally payable under a profit-based scheme set out in the *Mineral Royalty Act*. Onshore petroleum royalty is payable based on the value of the petroleum at the point of extraction.

With only a small number of miners in the Territory, material changes to the profitability of a single miner can have a significant effect on mining royalty receipts. Accordingly, forecasting royalty receipts is reliant on advice from mining companies and petroleum producers of estimated liability and commodity price movements, production levels and the value of the Australian dollar.

5.3 Own-source revenue stability

In aggregate, the Territory's own-source revenues can be challenging to forecast accurately, largely as a result of the variability of conveyance duty and royalties, which makes it difficult for the Government to budget and plan for the future. Although payroll tax is a comparatively stable source of revenue, even small percentage changes can have a significant impact on total revenues, as payroll tax is the largest contributor to own-source revenue.

Chart 5.2: Variations in growth of Territory own-source revenue components over time



Source: Department of Treasury and Finance

5.4 Interstate comparisons

Interstate comparisons of tax arrangements, including those undertaken by the Commonwealth Grants Commission (CGC), Pitcher Partners and the Institute of Public Affairs (IPA), have often shown that the Territory is the lowest or second lowest taxing jurisdiction.

This is particularly true for recurrent business taxes because the Territory is the only jurisdiction that does not impose a land tax. Although this may be an attractive arrangement for many businesses, it is unlikely to encourage businesses to move their head offices to the Territory.

5.4.1 Taxation as a percentage of gross state product

Taxation as a percentage of GSP is one way to measure the gross amount of tax revenue collected by a jurisdiction compared to the size of that jurisdiction's economy. Based on 2015-16 data (the latest available), the Territory had the lowest tax to GSP ratio in Australia. This is set out in Table 5.2.

Table 5.2: Taxation as a percentage of GSP

Jurisdiction	Taxation as a percentage of GSP (2015-16)	Rank
New South Wales	5.5%	8
Victoria	5.3%	7
South Australia	4.4%	6
Australian Capital Territory	4.3%	5
Tasmania	4.1%	4
Queensland	4.0%	3
Western Australia	3.8%	2
Northern Territory	2.6%	1

Source: ABS, Department of Treasury and Finance

There are some limitations when comparing taxation as a percentage of GSP. In the Territory, some sectors (in particular, the processing and export of natural gas from offshore fields) contribute heavily to GSP but are not directly subject to Territory taxation (in the case of offshore gas, this is taxed by the Commonwealth). This partly explains the Territory's low taxation to GSP ratio.

5.4.2 Taxation per capita

Taxation per capita is a measure that compares taxation receipts with a jurisdiction's population. It provides a useful indication of the overall level of taxation. However, it does not take into account the distribution of who pays tax. On this measure, as set out in Table 5.3, the Territory had the second lowest tax per capita ratio in 2015-16 (the latest available data).

Table 5.3: Taxation per capita (2015-16)

Jurisdiction	$ per capita	Rank
Australian Capital Territory	3 919	8
New South Wales	3 880	7
Western Australia	3 526	6
Victoria	3 280	5
Queensland	2 605	4
South Australia	2 592	3
Northern Territory	2 478	2
Tasmania	2 068	1
All states	3 290	

Source: ABS, Department of Treasury and Finance

5.4.3 Commonwealth Grants Commission tax effort ratios

The CGC assesses each state's revenue-raising effort on an annual basis. Revenue effort is the ratio of the actual amount of revenue a state raises to the amount of tax revenue the CGC assesses could be raised if the state applied national average tax rates to its tax base.

Under this assessment, the Territory has the lowest total taxation effort. Table 5.4 reflects this assessment.

Table 5.4: Commonwealth Grant Commission assessments of revenue effort (2017 Update Report)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	NT Rank
Mining revenue	100.8	47.7	105.6	99.0	81.0	56.2	n/a	129.2	7
Payroll tax	101.8	100.9	91.1	106.0	87.1	106.3	132.2	106.9	7
Stamp duty	100.0	104.9	86.7	113.1	105.8	88.7	88.9	105.0	6
Insurance tax	110.5	95.9	77.8	115.7	116.6	113.2	29.0	77.6	2
Motor taxes	121.2	81.3	104.4	100.2	80.5	72.9	111.0	65.5	1
Land tax	80.2	114.1	96.5	116.9	138.9	115.7	182.5	0.0	1
Total tax revenue	105.1	101.2	87.7	102.2	102.6	90.2	101.7	85.4	1
Total revenue	97.5	95.3	105.8	103.0	99.8	83.2	152.0	95.2	2

Source: CGC 2017 Update

5.4.4 Business tax costs models

Comparisons of state and territory taxes are undertaken by a range of firms, peak bodies and policy institutes. A comparison of state taxes based on the methodology of two reasonably recent state tax models indicates that the Territory generally has the lowest business tax costs.

Pitcher Partners

The Pitcher Partners' State Tax Review 2014-15 compared taxes payable and other costs by small to medium-sized companies in each state. The Northern Territory, Australian Capital Territory and Tasmania were not included in the original analysis. However, using Pitcher Partners' methodology and updating it with 2017-18 data, the analysis (set out in Table 5.5) shows that the Territory is generally a low taxing jurisdiction.

Table 5.5: Business taxation costs using Pitcher Partners' State Tax Review methodology (2017-18)

	Scenario 1: Business with payroll size $1 225 564				Scenario 2: Business with payroll size $6 010 000			
	Aggregate taxes and charges (purchase of property)		Aggregate taxes and charges (renting)		Aggregate taxes and charges (purchase of property)		Aggregate taxes and charges (renting)	
State	Total ($)	Rank	Total ($)	Rank	Total ($)	Rank	Total ($)	Rank
NSW	175 061	6	43 076	4	1 148 548	6	370 810	3
VIC	142 920	4	44 717	5	884 593	3	337 620	1
QLD	113 618	3	22 162	1	915 890	4	357 595	2
SA	75 155	1	54 864	6	569 740	1	384 990	4
WA	150 678	5	41 471	3	1 045 541	5	409 203	5
NT	80 306	2	23 286	2	773 572	2	424 253	6

Source: Department of Treasury and Finance

In all scenarios but one, the Territory is the second lowest business taxing jurisdiction (with the exception of larger businesses that choose to rent rather than purchase their premises). This largely reflects that the Territory does not impose a land tax.

For a small business (scenario 1), Territory tax is lower because a business with a payroll of less than $1.5 million in the Territory would be exempt from paying payroll tax. This is due to the Territory's relatively high payroll tax tax-free threshold compared to most other states.

For a larger business (scenario 2), the Territory ranked second for businesses purchasing their premises largely due to the fact land tax is not imposed. This is offset by the relatively high payroll tax payable by a business of this size in the Territory.

Institute of Public Affairs (IPA)

The IPA Business Bearing the Burden 2012 report compared the taxation costs associated with running a range of business sizes in each state. A range of business sizes are used based on the parameters of the World Bank's standard case study company.

Table 5.6: Business taxation costs using IPA Business Bearing the Burden 2012 methodology (2017-18)

Business size[1]	10%		50%		100%		200%	
	Tax paid ($)	Ranking	Tax paid ($)	Ranking	Tax paid ($)	Ranking	Tax paid ($)	Ranking
NSW	4 201	7	117 501	8	284 561	8	622 222	7
Vic	2 027	3	97 292	3	231 311	2	518 545	1
Qld	3 032	6	98 047	4	264 048	4	546 381	3
WA	1 407	2	104 591	6	272 468	5	607 651	5
SA	2 572	4	109 396	7	276 993	6	615 183	6
Tas	4 988	8	100 274	5	280 210	7	640 083	8
ACT	2 691	5	39 638	1	216 698	1	571 226	4
NT	1 171	1	65 568	2	234 261	3	544 500	2
Average	2 761		91 538		257 569		583 224	

1 Compared to World Bank case study company.
Source: Department of Treasury and Finance

Using the IPA methodology for 2017-18, the Territory has a below average tax payable for each business. This is consistent with the results using the Pitcher Partners' methodology, discussed above.

6 Payroll tax

- Payroll tax is the largest source of Territory own-source revenue.
- Payroll tax is the most stable and predictable Territory tax, although it can vary with the commencement and end of large projects.
- Payroll tax has economic impacts similar to consumption taxes, is an efficient tax, and has rules that are largely harmonised with the other states.
- Territory payroll tax has a high tax-free threshold that ensures most local businesses do not pay payroll tax, coupled with a relatively high tax rate.
- Reforms to payroll tax may focus on rate and threshold changes, and should balance the interests of Territory businesses with the importance of payroll tax as a revenue source.

6.1 Payroll tax overview

Payroll tax is the most significant source of Territory own-source tax revenue. In 2016-17, Territory payroll tax revenue was about $313 million, or about 40 per cent of own-source tax and royalty revenue. As discussed in Chapter 5, it is also one of the more efficient and stable taxes, although it can be heavily influenced by major projects.

Payroll tax is payable in the Territory when the total annual Australian wages of an employer exceeds the Territory's $1.5 million tax-free threshold amount. The threshold reduces proportionately if an employer pays wages in another state or territory.

The threshold amount is a deduction from taxable wages, which operates so businesses with total Australian wages of up to $1.5 million in a financial year do not pay any payroll tax.

The deduction reduces by $1 for every $4 in wages paid by an employer above the $1.5 million threshold. This means an employer who pays wages of $7.5 million or more does not receive a deduction and pays tax based on their total taxable wages.

After applying the deduction, payroll tax is calculated at the rate of 5.5 per cent on taxable wages paid by an employer for services rendered by employees in the Territory. Payroll tax is generally paid monthly and calculated based on wages paid in the previous month.

Payroll tax applies to most employee remuneration including wages and salaries, commissions, bonuses, allowances, employer-funded superannuation benefits, termination payments, most leave payments and the grossed-up value of fringe benefits.

In 2009, the Territory introduced payroll tax legislation harmonised with that of most other states and the Australian Capital Territory. As a result, payroll tax legislation interstate has the same rules. This was done to simplify administration and compliance and significantly reduce red tape for businesses operating in the Territory and other jurisdictions. However, tax rates and thresholds still differ between jurisdictions.

6.2 Who pays payroll tax in the Northern Territory?

The payroll tax policy setting in the Territory is a high tax-free threshold that means the majority of small local Territory businesses do not have to register for or pay payroll tax. It also significantly reduces the tax payable by slightly larger local businesses.

Payroll tax is imposed on employers. Although payroll tax is often regarded as a 'tax on jobs' and a disincentive to employ, studies indicate that payroll taxes have similar economic consequences to consumption taxes such as the GST, and generally do not result in lower profits for businesses.

Payroll tax is generally seen as an efficient source of Territory revenue, with revenue growth when wages and employment grow.

6.2.1 Tax-free threshold

The Territory's high tax-free threshold means the tax base is smaller and a higher tax rate is required to achieve the desired revenue outcome. Larger businesses will have a payroll tax liability while others, including smaller market competitors, will not. Some employers with taxable wages close to the $1.5 million threshold may also perceive payroll tax as a disincentive to engaging additional employees. However, payroll tax is only payable on the taxable wages that exceed the tax-free threshold.

It is also important to recognise that Territory taxes are only a reasonably small proportion of overall business costs. Businesses consider all costs arising from starting or expanding a business and do not base their location decisions solely on tax considerations.

Table 6.1 shows the effect of the Territory's $1.5 million tax-free threshold, with about 2400 employers registered for payroll tax in the Territory, compared to a total of 14 300 businesses operating in the Territory.

Table 6.1: Payroll tax paying businesses compared to total Territory businesses

	Number
Employers registered to pay Territory payroll tax (30 June 2016)	2 471
Employing businesses in the Territory (ABS estimate)	5 854
Total businesses operating in the Territory (ABS estimate)	14 310

Source: ABS Cat. No. 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2012 to June 2016

Table 6.2 demonstrates most businesses that pay Territory payroll tax are large national or international companies with wages in excess of $7.5 million. In contrast, only 383 (about 15 per cent) of payroll tax-paying businesses are Territory firms.

Table 6.2: Businesses paying payroll tax (30 June 2016)

Annual wages	Interstate	Local	Total
< $7.5M	413	259	672
> $7.5M	1 675	124	1 799
Total	2 088	383	2 471

Source: Department of Treasury and Finance

6.2.2 Exemptions

Wages paid by most non-profit organisations run for a charitable purpose, religious or public benevolent institutions, some schools and education providers, and health service providers are exempt from payroll tax. Exemptions are also provided to businesses in respect of wages paid to employees on maternity, paternity and adoption leave or when volunteering as firefighters and emergency service volunteers. As most Territory businesses are not subject to payroll tax, payroll tax exemptions primarily benefit large interstate employers.

6.3 Interstate comparison

Tables 6.3 and 6.4 set out a comparison of the tax rates and tax-free thresholds of states and territories, with Table 6.4 providing the effective payroll tax rate at various wage levels for each jurisdiction after considering individual state thresholds and tax rates.

As a result of the Northern Territory's high threshold and average payroll tax rate, the Territory imposes lower than average payroll taxes up to about $3 million in wages. However, for businesses with about $4 million or more in wages, the Territory's payroll tax scheme has an effective tax rate above the national average.

Table 6.3: State and territory payroll tax rates and annual thresholds

	NSW	Vic[1]	Qld[2]	WA[3]	SA[4]	Tas	ACT	NT[3]	Average
Threshold ($M)	0.75	0.63	1.10	0.85	0.60	1.25	2.00	1.50	1.08
Rate (%)	5.45	4.85	4.75	5.50	4.95	6.10	6.85	5.50	5.49

1 A rate of 3.65 per cent applies for regional Victorian employers.
2 Threshold reduces as wages increase, so no exemption is provided for employers with wages over $5.5 million.
3 Threshold reduces as wages increase, so no exemption is provided for employers with wages over $7.5 million.
4 Lower rate of 2.50 per cent applies for wages from $0.6M to $1M and the rate gradually increases to 4.95 per cent for wages between $1M and $1.5M.
Source: State legislation and information available at 31 October 2017

Table 6.4: Effective state and territory payroll tax rates at various wage levels

Wages $M	NSW %	Vic %	Qld %	WA %	SA[1] %	Tas %	ACT %	NT %	Average %
1	1.36	1.82	0.00	0.93	1.98	0.00	0.00	0.00	0.76
2	3.41	3.33	2.67	3.57	3.47	2.29	0.00	1.72	2.56
3	4.09	3.84	3.76	4.45	3.96	3.56	2.28	3.44	3.67
4	4.43	4.09	4.30	4.88	4.21	4.19	3.43	4.30	4.23
5	4.63	4.24	4.63	5.15	4.36	4.58	4.11	4.81	4.56
10	5.04	4.55	4.75	5.50	4.65	5.34	5.48	5.50	5.10
20	5.25	4.70	4.75	5.50	4.80	5.72	6.17	5.50	5.30

1 Not including the small business payroll tax rebate provided to eligible employers with payrolls up to $1.2 million.
Source: State legislation and information available at 31 October 2017

6.4 Employment incentives

Some states provide, or have previously provided, short-term employment incentive schemes through, or linked to, their payroll tax schemes. A current example is the NSW Jobs Action Plan, which provides a payroll tax rebate for businesses with 50 or less full-time equivalent (FTE) employees for each person employed in a new job for a minimum of two years. Other similar programs have variously targeted increasing employment based on:

- employer size, that is, generally smaller or medium businesses
- employer location, such as regional or remote employers, or employers in areas with high local unemployment
- targeted employees, such as long-term unemployed, retrenched persons, apprentices, young persons, residents (rather than FIFO employees) and Aboriginal employees.

Aside from the range of these schemes, the tax system is generally not considered the most effective mechanism to achieve employment objectives as it cannot accurately target government assistance to particular groups or activities without adding significant red tape requirements.

Also, only a small proportion of employers pay payroll tax, especially in the Territory where the majority of locally-established businesses are not subject to payroll tax. Therefore, tax incentives provide no benefit to these smaller employers.

Tax concessions may distort the intended outcome if an employer hires based on locality rather than business efficiency or dismisses a long-serving employee to receive or retain a concession provided for a newer employee.

6.5 Potential reform options

Given the desirability of maintaining harmonised payroll tax legislation across the states, the key reform options available are either alterations to the payroll tax rate of 5.5 per cent or the $1.5 million tax-free threshold.

The Government is interested in discussing what is required to ensure the Territory payroll tax scheme is effective and supportive of Territory businesses, balanced with it being a very important revenue source. This includes submissions in respect of the appropriateness of the current policy setting of a high tax-free threshold to reduce the impact of payroll tax on local businesses, balanced with a relatively higher payroll tax rate.

Adjusting the payroll tax rate

In terms of fiscal impact, each 0.1 per cent change in the payroll tax rate would lead to a $5 to 6 million per annum change in total revenue.

Adjusting the tax-free threshold

A reform option may include lowering the tax-free threshold so a number of smaller businesses commence paying payroll tax. It is estimated that lowering the tax-free threshold to $1 million would raise about $11 million, while lowering the threshold to $600 000 (equal to South Australia's threshold, the lowest in Australia) would raise additional revenue of about $24 million. These would lead to about 150 to 450 additional employers, respectively, paying payroll tax compared to the current 2500 registered employers.

In comparison, increasing the tax-free threshold would reduce the number of employers that pay payroll tax at the cost of a reduction in payroll tax revenue. However, the individual savings for each business would be moderate. The cost of increasing the threshold to $1.75 million would be about $4 million per annum and the cost of raising the threshold to $2 million would be about $7 million per annum. These threshold increases would only remove 50 to 100 employers from the tax base.

Introduce new employee incentives

Payroll tax concessions or rebates could be provided for employers that employ workers in new jobs for a minimum period of time (for example, at least two years) or targeted at particular categories of employer or employee. For example, payroll tax incentives could be designed to encourage employment of local workers rather than interstate or FIFO arrangements in order to benefit the Territory and regional economies, although it may incur additional tax for businesses.

However, in general, there may be limitations to the effectiveness and efficiency of payroll tax employee incentive schemes. Any such incentive needs to carefully consider whether the tax system is the most appropriate method for delivering assistance.

Reduce exemptions

Payroll tax exemptions for certain organisations or types of employees result in revenue forgone of about $30 million.

Removing exemptions might increase the simplicity, efficiency and equity of the payroll tax system, as well as providing a significant additional source of revenue for the Territory. However, as the bulk of these exemptions are provided to charitable organisations, removing the exemptions may be inconsistent with government and community objectives.

On the other hand, there is a case to be made that the provision of assistance is always more efficiently provided through a grant and payment framework, rather than tax concessions. First, this recognises that tax concessions provide no assistance to smaller organisations below the tax-free threshold or those mainly relying on volunteers. It also allows a government to better target particular types of charities or ensure the efficient allocation of resources.

Discussion questions

Q6.1 Are the current broad policy settings for payroll tax, focussed on a high tax-free threshold to minimise the liability of smaller local businesses, appropriate?

Q6.2 Should adjustments be made to the payroll tax rate or threshold? What revenue neutral options could be pursued, such as lowering the threshold in order to lower the payroll tax rate?

Q6.3 Does the current payroll tax system encourage businesses to employ local workers rather than FIFO workers? Should it? If so, how?

Q6.4 What other improvements to the payroll tax system could be considered?

Q6.5 If adjustments to the payroll tax system would reduce the revenue received by Government, what measures should be taken to compensate?

7 Property taxes

- Conveyance stamp duty tax is an important Territory own-source revenue.
- Stamp duty is difficult to forecast accurately as it is affected by property prices and sale volumes, as well as large commercial transactions in an otherwise small market.
- Annual property taxes are generally regarded as a stable and effective tax base. However, annual land taxes in other states are not as efficient as they could be.

7.1 Conveyance duty overview

In 2016-17, the Territory collected $105 million in conveyance duty, or about 14 per cent of own-source tax and royalty revenue.

Conveyance duty is derived from direct and indirect transfers of dutiable property in the Territory. Dutiable property is real estate (land, buildings and other fixtures), mining tenements including exploration rights, and business assets including plant and equipment, intellectual property, statutory licences and goodwill.

Duty in the Territory is calculated by a progressive rate on the whole value of the property. For property with a dutiable value of:

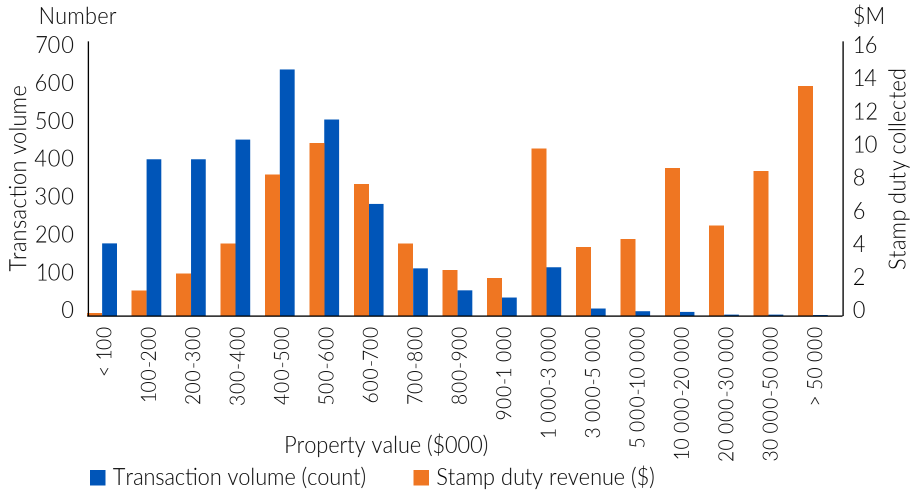
- less than $525 000, the rate is determined by a formula that ranges from a minimum of 1.5 to 4.95 per cent
- between $525 000 and less than $3 million, the rate is 4.95 per cent
- between $3 million and $5 million, the rate is 5.75 per cent
- $5 million or more, the rate is 5.95 per cent.

A range of exemptions from conveyance duty also apply and concessions are available for first home buyers, seniors and Northern Territory Pensioner and Carer Concession card holders and for newly built principal places of residence.

7.2 Conveyance duty collections

Conveyance duty collections are affected by both property values and transaction volumes, which can vary from year to year and result in volatility. For example, significant duty can result from a small number of very large commercial transactions in a single year.

Chart 7.1: Territory duty collections and transaction volumes at selected value ranges (2016-17)



Note: Excludes duty-exempt transactions.
Source: Department of Treasury and Finance

As detailed in Chart 7.1, although there are many transactions for properties valued below $400 000, relatively little stamp duty is collected due to the combination of lower property values and lower duty rates. At values of $400 000 to $600 000, substantial duty is collected both due to higher values and volumes, as this value range corresponds to the Darwin median house price. In contrast, there are far fewer transactions with a value of $1 million or more but significant duty is collected due to higher values and duty rates.

7.3 Conveyance duty design issues

As a transaction-based tax, conveyance duty has been criticised because it adds to the cost of transfers and can potentially delay or prevent transactions from occurring.

As a transactional tax, stamp duty imposes a higher level of overall taxation on individuals who transfer property more frequently. Stamp duty is partly mitigated in the Territory by a number of home buyer concessions and exemptions for corporate reconstructions to assist with business restructures. Duty relief is also provided to first home buyers to ensure stamp duty does not deter their entry into the housing market. Further details on these concessions are provided later in this chapter.

Stamp duty, in that it increases purchase costs, is only one factor affecting a decision to purchase property. Other factors include economic conditions, such as employment opportunities, rental or business investment returns, and personal factors, such as the location of family and the availability of health, education and recreational services.

Stamp duty also has some design benefits. Stamp duty is only paid when property is purchased, meaning the timing of the tax liability will generally align with a taxpayer's ability to pay (that is, when the taxpayer has enough funds to buy the property), or be capitalised into a mortgage. In comparison, recurrent property taxes may be less sensitive to the taxpayer's capacity to pay.

Stamp duty may also improve market stability by adding transaction costs and increasing the capital gains required before profits can be made on property investment, which may dampen speculative investment activity. As property values and investment decisions are affected by a wide range of variables, it is difficult to evaluate stamp duty's effect on market demand. Some states have nonetheless introduced specific duties, particularly surcharges on foreign buyers, to attempt to affect demand-side market conditions.

Table 7.1 Foreign buyer surcharges

NSW	VIC	QLD	SA (1 January 2018)	WA (1 January 2019)
8%	7%	3%	4%	4%

Source: State legislation and information available at 31 October 2017

The Territory does not impose a duty surcharge on foreign buyers of residential land and foreign investment in residential property in the Territory is extremely limited. Although a duty surcharge could be imposed on foreign buyers in the Territory, it is unlikely to have any material effect on Territory revenues or real estate market activity.

7.4 Stamp duty effort in the Territory – interstate comparison

The Territory has relatively high stamp duty rates when compared to most states, other than Victoria. However, there is no annual property or land tax in the Territory.

Some states have different duty rates for commercial transactions. In South Australia and the Australian Capital Territory, this reflects a broader reform agenda to exempt commercial transactions from stamp duty.

The Territory charges comparatively high stamp duty rates overall, but the size of the difference in tax rates varies with property values. The Territory's tax on median-value residential properties is comparatively much higher than the rates imposed interstate. The tax on high-value transactions is also more than the state average, particularly since tax rates were increased from 5.45 to a maximum of 5.95 per cent on 1 July 2017.

The Territory's high stamp duty rate is similarly reflected in Commonwealth Grant Commission's (CGC) assessments of tax effort.

Table 7.2 CGC assessed effort – transfer stamp duty

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Average
2015-16	100.0	104.9	86.7	113.1	105.8	88.7	88.9	105.0	100.0

Source: CGC 2017 Update

7.5 Stamp duty home buyer concessions

The effect of the Territory's relatively high stamp duty on Territory home buyers is partly offset by a number of home incentive schemes.

The largest program is the First Home Owner Discount, which provides stamp duty assistance for first home buyers who purchase an established home in the Territory up to the value of $650 000. It is a full stamp duty concession on the initial $500 000 value of the home, which equates to a stamp duty saving of up to $23 928.60.

The Territory also provides a Senior, Pensioner and Carer Concession, which is a stamp duty discount of up to $10 000 to seniors (aged 60 years or over) or holders of a Northern Territory Pensioner and Carer Concession Card, for the purchase of a home valued up to $750 000, or vacant land valued up to $385 000.

Finally, the Territory provides a Principal Place of Residence Rebate, which is a $7000 stamp duty concession for non-first home buyers who purchase or build a new home.

Although not a tax concession, the Territory also provides a First Home Owner Grant of $26 000 for first home buyers that purchase or construct a new home.

Together these stamp duty concessions (and grant) provide assistance and result in revenue forgone, of over $24 million per annum, which is set out in Table 7.3.

Table 7.3 Home buyer stamp duty concessions and other incentives

Concession type	Annual revenue forgone $M
First Home Owner Discount	13.2
Senior, Pensioner and Carer Concession	0.6
Principal Place of Residence Rebate	0.3
First Home Owner Grant	10.0
Total cost	24.1

Source: Department of Treasury and Finance

7.6 Potential stamp duty reform options

Increase stamp duty rates

An increase in stamp duty rates would generate greater Government revenues and fund government service delivery.

Any consideration of raising stamp duty rates should take into account the Territory's relatively high stamp duty rates when compared to the national average.

Nonetheless, the Territory's overall taxation base is limited and in the absence of an alternative form of taxation, increasing stamp duty rates (or reducing concessions) is one of the few options available to Government to raise additional revenue.

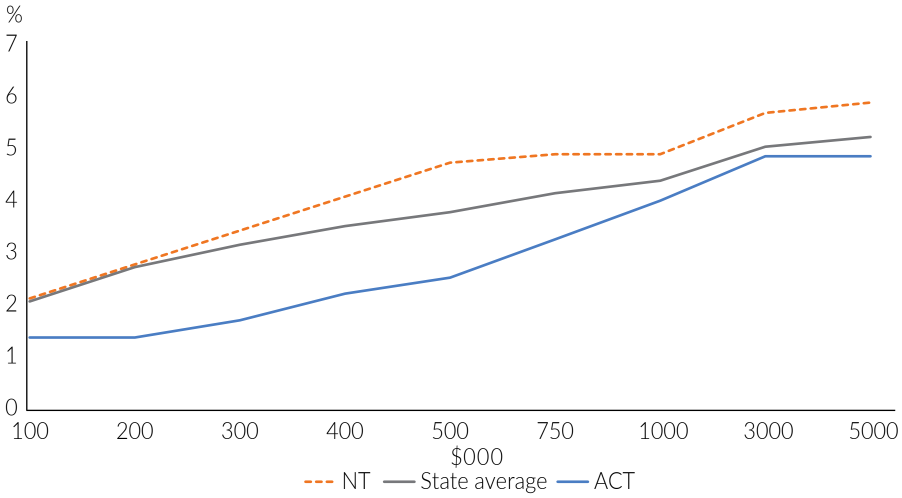
Reform/reduce stamp duty rates

Stamp duty is a progressive tax, with rates increasing as the value of the property being transferred increases. Other than at very low value ranges, the Territory's stamp duty rate is high when compared to stamp duty rates interstate.

One reform option is to reduce tax rates. This could generally improve the efficiency of the Territory's taxation system but would result in substantial reductions in revenue.

Chart 7.2 and Table 7.4 illustrate the effect on Territory revenue from aligning the Territory's duty rates with the lower duty rates in the Australian Capital Territory, or by adopting the average of duty rates imposed interstate.

Chart 7.2 Comparison of Northern Territory, Australian Capital Territory and state average residential stamp duty rates



Source: State legislation and information available at 31 October 2017

Table 7.4 Revenue effect of lowering duty rates (excluding effects of home buyer concessions)

	NT duty rates	State average duty rates	ACT duty rates
Average overall duty rate (%)	4.83	4.24	3.60
Revenue ($M)	113	99	84
Cost ($M)	–	- 14	- 29

Source: Department of Treasury and Finance

Reducing the Territory's stamp duty rate to be closer to the state average would cost the Territory over $14 million per annum and would require additional revenue from other sources if government services are not to be reduced.

Abolition of duty on non-land business property

Following the introduction of the GST in 2000, the government at the time committed, as part of tax reform agreed with the Commonwealth, to abolish stamp duty on non-land business assets such as goodwill and licences. However, as business property comprises a relatively significant component of Territory dutiable property, this commitment has been delayed until Budget circumstances improve sufficiently to fund that commitment. All states, other than the Territory, Queensland and Western Australia, have now abolished these taxes.

Abolition of this component of stamp duty is estimated to cost about $10 million per annum. The Government is interested in hearing views, and receiving evidence as to the extent to which duty on non-land property is considered an obstacle to business decisions about expansion or investment.

Reform of landholder legislative scheme

One of the more complex aspects of stamp duty is the imposition of duty on changes in control over companies and trusts that own land. This ensures equity between individuals who own land in a company or trust structure and individuals who hold land directly, and also ensures stamp duty cannot be avoided by holding property in companies or trusts.

However, as company and trust structures can be extremely complex, particularly where foreign corporations are involved, the stamp duty landholder legislation is very technical, making it challenging for both taxpayers and government to apply.

Although some of this complexity is unavoidable, the current legislation could possibly be reformed to make it easier to understand and apply.

Government is interested in whether industry considers this to be a priority area for reform.

Reform of corporate reconstruction exemptions

Duty exemptions exist to allow for corporate reconstructions to allow for transfers of property within corporate groups and facilitate business restructures. However, to ensure these provisions are not exploited for tax avoidance, the current provisions are relatively technical and have a range of specific criteria that must apply before the concession is applied.

These provisions could be expanded to allow for a broader range of transactions to be exempted. For example, the provisions currently do not apply to assets held in unit trust structures. However, as corporate reconstructions are relatively rare, views are sought as to whether such reforms would be useful in practice or are a priority.

7.7 Annual property taxes

An alternative to stamp duty is an annual tax on land ownership. A recurrent land tax is generally charged on the unimproved value of the land (that is, the land value excluding buildings and improvements), and is not dependent on transactions involving the land. Recurrent taxes on land are regarded as efficient because land is valuable and immobile, meaning the tax cannot be avoided by changes in the behaviour of the landowner. Previous taxation reform reviews interstate have noted overall economic efficiency could be improved if states and territories were to focus on broad-based recurrent taxes on land.

Recurrent property taxes increase the costs of owning land. This can encourage landlords to develop and utilise land towards its best economic use, and discourage practices such as land banking. Taxes on unimproved land values are also desirable from a revenue stability perspective, as unimproved land values are not reliant on the state of the real estate market, that is, price and sales volumes.

Other than the Territory, all states and the Australian Capital Territory have some form of recurrent property tax in addition to local government rates, generally called a land tax. The Territory does not impose any kind of land tax.

Although property taxes are said to be efficient, the land taxes currently in place in other states suffer design inefficiencies, such as:

- tax free thresholds that exclude lower value landholdings from the tax base
- significant exemptions for particular land uses, specifically principal place of residence (for example, the family home) and farming land, which remove a large portion of the residential land base and high value land holdings from the land tax base
- progressive rate structures, where more valuable land is taxed at a higher rate, which means property holdings need to be aggregated to assess owners' liability to tax. Such aggregation is administratively complex and costly and can cause an incentive for owners to hold their land in different forms of ownership vehicles in an attempt to reduce their land tax liability.

In contrast, local governments across Australia impose broad-based land taxes in the form of local government rates. These taxes mostly do not have the above inefficiencies and are considered to be among the most efficient taxes a government can impose.

Other types of recurrent property taxation interstate include the imposition of various miscellaneous levies, fees and charges. This includes regional levies, such as emergency services levies or metropolitan parking levies, levies on foreign owners of land, and levies on vacant residential land. The rate of land tax varies significantly in each jurisdiction, as illustrated in Table 7.5.

Table 7.5 Summary of land tax rates and thresholds

	NSW	VIC	QLD	WA	SA	TAS	ACT
Fixed component ($)	100	275	500	300	–	50	–
Minimum threshold ($000)	549	250	600	300	353	25	–
Maximum threshold ($000)	3 357	3 000	5 000	11 000	1 176	350	275
Minimum rate (%)	1.60	0.20	1.00	0.25	0.50	0.55	0.41
Maximum rate (%)	2.00	2.25	1.75	2.67	3.70	1.50	1.23

Source: State legislation and information available at 31 October 2017

The amount of revenue that can be raised in each jurisdiction through a land tax varies according to the tax rate and thresholds, but is also dependent on the amount, value and use of land in that jurisdiction.

Assessments of each jurisdiction's land tax capacity are made annually by the CGC. Having regard to the Territory's population, the Territory is assessed as having below average land tax capacity, but could raise $72 million annually if state average policy was imposed.

7.8 Potential reform – introduce an annual property tax

An annual broad-based property tax with no tax-free thresholds and a low tax rate would be very similar to, and have the same incidence as, local government rates. Due to their similarities, it is possible that existing local government systems could be leveraged to allow an annual property tax to be implemented in the Territory to minimise administrative costs.

In terms of possible revenue raised under such a model, the unimproved capital value of rateable land in the Darwin, Palmerston, Litchfield, Alice Springs and Katherine local government areas is about $21 billion. At a tax rate of 0.5 per cent, which is roughly equivalent to the level of rates imposed by local governments, this would raise $105 million, broadly equivalent to Territory stamp duty revenue in 2016-17.

Introduction of an annual property tax would provide additional revenue that could fund government services. It may also provide an opportunity to fund other tax reform, such as reducing conveyance or insurance stamp duty. Other tax reviews, such as the Australia's Future Tax System Review, have recommended that a move to reduce stamp duties funded by annual property taxes would result in improvements in state and territory taxation systems.

Table 7.6 sets out indicative revenue, the approximate annual tax payable by a typical Darwin home and examples of other tax reform that could be funded.

Table 7.6 Indicative revenue and effect of a broad-based annual property tax

Property tax rate	Annual property tax revenue	Examples of revenue-neutral reform options available (that is, no overall increase in tax revenue)	Approximate annual tax[1]
0.1%	$21M	Reduce the Territory to 'state average' conveyance duty rates OR Reduce insurance duty rates by half	$300
0.2%	$42M	Reduce Territory conveyance duty rates to a flat 3 per cent rate OR Abolish insurance duty	$600
0.3%	$63M	Reduce Territory conveyance duty rates to a flat 3 per cent rate AND Abolish insurance duty	$900
0.4%	$84M	Reduce Territory conveyance duty rates to a flat 1 per cent rate	$1 200
0.5%	$105M	Abolish Territory conveyance stamp duty	$1 500

1 Property with a unimproved capital value (UCV) of $300 000 and market value of $520 000 (the stamp duty for which would be $25 569)

Source: Department of Treasury and Finance, local government budgets and annual reports

Introducing any annual charge on property may be difficult for low or fixed-income homeowners to budget for. Consideration may need to be given to assistance for these households, which in turn would have an effect on the level of revenue raised and may increase the complexity of the scheme.

Discussion questions

Q7.1 Are the current broad policy settings for conveyance stamp duties, focussed on relatively high rates with concessions to assist home buyers, appropriate?

Q7.2 Should adjustments be made to the conveyance stamp duty rates or threshold?

Q7.3 What other improvements to the property tax system could be considered?

8 Gambling taxes

- The Territory imposes several kinds of gambling taxes, including lotteries, electronic gaming machine taxes, bookmaker tax and casino taxes.
- Community gaming machine taxes paid by clubs and hotels were recently increased in the 2017-18 Budget.
- Bookmaker taxes may shift to being based on the location of the person placing the bet, depending on the reforms interstate.
- Due to existing contractual agreements with operators, there is limited scope to reform other gambling taxes, such as casino taxes, in the near term.

8.1 Gambling tax overview

Gambling taxes are the fourth largest contributor to the Territory's own-source revenue. In 2017-18, gambling tax revenue is forecast to be $78 million, up from $72 million in 2016-17. This mainly comprises community gaming machine tax of $32 million, community benefit levy of $12 million, lottery tax of $23 million, bookmaker tax of $5 million and casino taxes of $4 million.

Generally, gambling activities are taxed at high rates. This is because gambling activities are often restricted by regulation, with fewer suppliers than in normal competitive markets. As a result, industry participants face restricted competition from which they can extract higher profits. These higher profits are also known as monopoly profits or economic rent.

Taxes on economic rent are generally regarded as being a very efficient form of taxation. However, determining an appropriate level of taxation is challenging due to the need to balance the revenue that can be raised from gambling taxes with the regulatory role government plays in limiting social harm from problem gambling.

Furthermore, given the social costs associated with gambling, there is a strong community expectation for governments to collect a reasonable share of profits, in the form of taxes, from gambling activities.

In terms of tax policy principles, gambling taxes are somewhat regressive. This is because low income earners tend to spend proportionately more of their income on gambling activities including lotteries and gaming machines.

Gambling taxes are reasonably straightforward to administer, with limited compliance costs for business after other regulatory compliance requirements are factored in. Despite this simplicity and the relative stability of gambling tax collection, there are tax-base risks in relation to bookmaker tax, which are detailed later in this chapter.

The Northern Territory 2015 Gambling Prevalence and Wellbeing Survey by the Northern Territory Government and Menzies School of Health Research found that Territory adult population gambling participation declined significantly between 2005 and 2015, other than online gambling on racing and sports. This may indicate limited scope for growth in gambling tax revenues.

8.2 Gambling in the Territory

Gambling in the Territory involves Electronic Gaming Machines (EGMs, colloquially known as poker machines or 'pokies'), table gaming in casinos, NT Keno and lotteries. Gambling also includes bets placed on events such as horseracing or sports betting.

Pokies, table games, lotteries, and NT Keno typically physically take place in the Territory, while betting on events, and in particular sports betting, can occur online with the bets being placed remotely by both local and interstate customers. To the extent the online bookmakers and betting exchange companies are located in the Territory, taxes are currently paid to the Territory regardless of where the customers are.

8.3 Taxes on community gaming machines

Community gaming machine tax is a monthly tax based on the gross profits, that is, player losses, from gaming machines in hotels and clubs. A Territory wide-cap limits the total number of community gaming machines to 1852. Limits in the number of gaming machines also apply for each venue, being 55 for clubs and 20 for hotels.

From 1 July 2017, community gaming machine tax is imposed on clubs and hotels at marginal rates ranging from 12.91 per cent to 42.91 per cent, with recent reform lowering the thresholds at which those marginal rates are imposed. From 1 July 2018, hotels will be subject to further changes to rates and thresholds.

8.4 Community benefits

Hotels and the casinos are also subject to a 10 per cent community benefit levy in addition to gaming machine taxes, with revenue from that levy contributing $11 million to the Community Benefit Fund in 2016-17. The Community Benefit Fund provides grants to offset gaming-related harm and improve community welfare.

Clubs are not subject to the community benefit levy in recognition that clubs are not-for-profit and already provide a range of benefits to the community.

Clubs have significant discretion in the manner and amount of community benefits they provide. The level of contributions to the community vary significantly from club to club and year to year.

Table 8.1 illustrates the reported gross gaming machine profit and community contribution clubs provide (either by way of financial assistance or in-kind contributions).

Table 8.1: Community support contributions from licensed clubs in 2016-17

Club size (by gross profit from gaming machines)	Gross profit from gaming machines	Gaming tax paid	Community contribution
Clubs 1-10	$44.3M	$15.3M	$3.8M
Clubs 11-20	$9.7M	$2.4M	$1.1M
Clubs 21-28	$0.8M	$0.1M	$0.4M
Total	$54.7M	$17.8M	$5.3M

Source: Northern Territory Department of Business Community Benefit Fund Annual Report 2016-17

8.5 Casino taxes

There are two casinos in the Territory, SKYCITY in Darwin and Lasseters in Alice Springs. Casinos are licensed to operate pokies, which are additional to the Territory-wide cap on machine numbers applicable to clubs and hotels. Territory casinos are also required to provide additional activities including table games, as well as restaurants and other facilities. This indirectly limits the number of pokies by requiring floor space to be put to other uses. SKYCITY also operates NT Keno, which is broadcast to other venues under licensing arrangements.

As part of a casino licence, operators enter into a tax agreement with the Government. Casino tax rates are set out in the agreements, with taxes subject to review by Government on the terms set out in the agreements. SKYCITY's next tax review is in 2025 (and then every 10 years), whereas Lasseters' review is in 2022 (and then every 10 years).

These tax reviews must take into account the profitability of the casinos, gambling harm, conduct of the casinos and the casinos' investment in the local economy, such as through expansion, refurbishment, community sponsorship and support, and the provision of non-gambling entertainment, retail and dining facilities. There is limited scope to amend casino tax arrangements outside the agreement review clauses.

Presently, different tax rates apply to the gross profits of each type of gambling activity undertaken at SKYCITY and Lasseters casinos. These are summarised in Table 8.2 below.

Table 8.2: Comparison of casino taxes

Casino	Poker machines	Table games and commission play	Keno
SKYCITY	15% plus 10% community benefit levy	Rate equivalent to the GST rate	10%
Lasseters	11%[1] plus 10% community benefit levy	Rate equivalent to the GST rate	Tax paid by SKYCITY

1 Increasing to 13 per cent in 2018, 15 per cent in 2019 and 20 per cent in 2022.
Source: Casino Operators Agreements

8.6 Lottery tax

Currently, the Tatts Group pays lottery tax based on net profits of lotteries physically sold in the Territory and online through the internet lottery licence granted by the Territory to Tatts Group.

Lottery tax is based on an exclusive 20-year licence and agreement between the Territory and Tatts, negotiated in 2012. To reflect the monopoly rights associated with these agreements, and the general lack of separate community investment in comparison with casinos or other community gaming venues, lottery tax rates are much higher than other forms of gaming tax. As lottery taxes are set by agreement, reform options are limited.

8.7 Wagering tax

Wagering tax is paid by UBET in relation to totalisator ('tote') wagering though Territory outlets, clubs and pubs, and at racecourses. In 2015, UBET was granted a long-term exclusive licence to operate tote wagering in the Territory for a period of 20 years.

Although the terms of that agreement reduced the amount of wagering tax payable to the Territory by UBET, it resulted in UBET providing sustainable, long-term funding to the racing industry through the peak bodies Thoroughbred Racing NT and the Darwin Greyhound Association. These bodies receive significant fixed annual funding, monthly payments based on fixed price betting revenue, a quarterly industry funding package, and racing and regional marketing support fees. These payments significantly reduce the amount of industry assistance government would otherwise provide to the racing sector.

Due to the 20-year exclusivity agreement currently in place with UBET (until 2035), tax reform options are limited.

8.8 Bookmaker tax and betting exchange tax

Although online bookmakers have a relatively small physical presence in the Territory, they nonetheless contribute to the Territory economy. Online bookmakers and betting exchanges employ about 380 Territorians and provide about $42 million in broader economic benefits including taxes, sponsorships, product fees, rent and Aboriginal employment programs.

Bookmakers and betting exchanges pay tax at a rate of 10 per cent on gross profits, capped at a maximum of 500 000 revenue units (currently $575 000). Bookmakers paid about $5.4 million in bookmaker tax in 2016-17.

The Territory's bookmaker tax cap was set in direct response to tax competition from other states. As a result, bookmakers remained in the Territory but at the cost of a significant reduction in Territory tax revenue. As long as current interstate tax competition remains, there is limited ability for the Territory to adjust bookmaker tax rates.

However, one area that could be examined is aligning the treatment of bets made in relation to sporting events. Currently, bookmaker taxes are levied on gross profits in relation to bets made on horse, trotting and greyhound races. Bets on other events are specifically excluded in calculating gross monthly profit for tax purposes. As a result, bookmakers primarily focused on betting in relation to sporting events pay lower bookmaker tax.

The reason for this inconsistency is largely historic, as gambling on other sporting events was much lower in the 1990s and Territory gambling tax on other sporting events was relatively low prior to being removed to make way for the introduction of the GST. Expanding the tax to include sporting events could raise up to $1.1 million per annum.

More recently, other states have expressed interest in a point-of-consumption tax on bookmakers based on the location of the person placing the bet, rather than the location of the bookmaker. South Australia commenced a point-of-consumption tax on 1 July 2017, and imposes a 15 per cent tax on the net wagering revenue of all betting companies from bets placed by customers located in South Australia. This new tax is expected to raise about $10 million per annum for the South Australian Government.

Western Australia is set to introduce a similar tax from 1 January 2019 and its racing industry will be compensated for any direct financial impacts relative to the current tax scheme. The measure is expected to raise over $20 million per annum for the Western Australian Government.

In comparison, the Territory would raise only about $1 to $2 million if it followed the South Australian approach, whereas more than $5 million in bookmaker tax was collected in 2016-17. Although a point-of-consumption tax has advantages for other state governments' tax revenues, it presents a challenge for the Territory, as most bets are placed by consumers residing in other jurisdictions.

Other issues include designing taxes to avoid double taxation, ensuring a new tax can be effectively implemented by bookmakers, and recognising the payment of GST and product fees paid to sporting bodies.

The Territory opposes the introduction of point-of-consumption taxes. However, given the moves by other states, the Territory has advocated, through the Council of Federal Financial Relations, that any introduction of a point-of-consumption tax should be through a unified national tax scheme, either through consistent state taxes collected by a single jurisdiction or by means of a Commonwealth tax. Such a model would reduce the administrative and compliance burden that would arise under divergent state tax models.

Discussion questions

Q8.1 Are the current broad policy settings for gambling taxes appropriate?

Q8.2 Are gambling tax collections at an appropriate level? If not, how should gambling profits be better distributed between gambling operators and the Territory?

Q8.3 If any gambling tax adjustments would reduce the revenue received by Government, what measures should be taken, or other sources of revenue considered, to compensate?

9 Motor vehicle taxes

- The Territory imposes motor vehicle duty when ownership of a vehicle changes, and also charges six-monthly or annual registration fees.
- The Territory's stamp duty rate and registration fees are among the lowest in Australia. This contributes to the total cost of registration of Territory vehicles being below the national average.
- Australian Government taxes, compulsory motor accident insurance and other costs increase the cost of owning a motor vehicle far more than Territory taxes.

9.1 Motor vehicle tax overview

There are two main Territory taxes imposed on motor vehicles. Stamp duty is imposed on the transfer of ownership of a motor vehicle (motor vehicle duty) and fees are also payable on the registration or renewal of registration of a motor vehicle.

In 2016-17, the Territory received about $70 million in motor vehicle taxes or almost 10 per cent of own-source tax and royalty revenue. This total comprised $48 million in motor vehicle fees ($28 million from light vehicle registrations and $20 million from heavy vehicle registrations) and $22 million in motor vehicle duty.

Motor vehicle taxes are a relatively efficient and stable form of revenue. Motor vehicle registration fees, imposed periodically and at lower rates, are more efficient than motor vehicle duty, which is imposed on a transactional basis.

It is recognised that motor vehicle costs are a significant component of household expenditure. Australian Government taxes, compulsory motor accident insurance and other costs such as council parking fees, each increase the cost of owning a motor vehicle.

9.2 Motor vehicle duty

Motor vehicle owners are required to pay stamp duty on the issue or transfer of a motor vehicle certificate of registration. Stamp duty is levied on the value or purchase price of the vehicle at a rate of $3 per $100 or part thereof. This includes vehicle accessories and additional equipment at the time the application for registration or transfer is made as well as any GST payable.

Duty is payable at the Motor Vehicle Registry at the time the application for registration or transfer is made, with application to be made within 14 days of a person becoming the owner of the vehicle.

Due to motor vehicle duty's relatively low rate, its influence on taxpayer behaviour is likely to be limited. For example, an additional $150 in duty would be payable by a Territorian deciding between a $25 000 and $30 000 car. Compared with the cost of the car, the stamp duty is unlikely to be a major factor in deciding between the two choices.

To the extent that it has an effect on behaviour, stamp duty is more likely to deter a person from registering change of ownership of a motor vehicle (as this is when the duty is paid) rather than the sale or underlying change in ownership of a vehicle.

9.3 Motor vehicle registration fees

Territory motorists are also required to pay a six-monthly or annual fee to register their vehicles for use on-road. Vehicle registration helps to ensure the roadworthiness of motor vehicles and promotes their simple and reliable identification and proof of ownership.

Registration fees in the Territory are collected on the registration of both light and heavy vehicles. Heavy vehicle registration fees are determined nationally by the Standing Council on Transport and Infrastructure, and are adjusted in July each year.

Light vehicle registration fees are determined by the Territory and vary according to a differential scale based on engine capacity and number of cylinders. Fees are expressed in revenue units, which means motor vehicle registration fees increase in line with inflation.

Although not taxation revenue, compulsory motor accident cover adds to the total cost of owning a vehicle. Motor accident insurance premiums in the Territory are set by the Motor Accidents Compensation Commission and fund no-fault insurance to road users who are injured or die as a result of an accident. Premiums are based on ensuring likely compensation claims can be met and are subject to actuarial review annually. In the Territory, premiums are affected by higher costs associated with the Territory's small population base and high incidence of road accident casualties. Nonetheless, Territory motor accident premiums are around the average of the other states.

9.4 Interstate comparison

The Territory's stamp duty rate and motor vehicle registration fees are among the lowest in Australia. In terms of stamp duty, in comparison with the Territory's flat 3 per cent rate, other jurisdictions apply various progressive rate scales and often apply different rates for passenger and commercial vehicles. For example, for passenger vehicles above a certain value threshold (ranging from over $40 000 in Tasmania to $65 000 in Victoria), higher rates of between 4 per cent and 6.5 per cent may apply interstate.

A number of motor vehicle duty exemptions apply in the Territory and interstate, including when registration is transferred between jurisdictions, agricultural or primary production vehicles, vehicles owned by charities, and trading stock of motor vehicle dealers. Some enthusiast vehicles, caravans and trailers may also be exempt. In the Australian Capital Territory, a green vehicle rating scheme applies, which provides for concessional rates of duty based on lower vehicle carbon dioxide emissions per kilometre.

For motor vehicle registration fees, some states calculate fees based on gross vehicle mass and tare weight and some based on engine capacity and number of cylinders. Some states also impose emergency service levies, traffic improvement levies, road rescue fees and road safety contribution fees. As can be seen in Table 9.1, which compares a range of popular light vehicles, the Territory's motor vehicle registration fees are among the lowest in Australia and contribute to the Territory's total cost of registration generally being below the national average.

Table 9.1: Motor vehicle registration costs comparison

Vehicle	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Avg
2017 Toyota Corolla/Hyundai i30									
Registration fee ($)	358	290	310	301	123	200	366	179	266
Compulsory insurance, other charges ($)	638	510	435	421	648	377	700	559	536
Total registration cost ($)	**996**	**801**	**746**	**721**	**771**	**577**	**1 066**	**738**	**802**
Ranking[1]									
Registration fee	7	4	6	5	1	3	8	2	
Total costs	7	6	4	2	5	1	8	3	
2017 Toyota Hilux SR5									
Registration fee ($)	513	290	310	474	454	200	532	179	369
Compulsory insurance, other charges ($)	1 309	512	471	392	734	377	700	559	632
Total registration cost ($)	**1 822**	**802**	**782**	**866**	**1 188**	**577**	**1 233**	**738**	**1 001**
Ranking[1]									
Registration fee	7	3	4	6	5	2	8	1	
Total cost	8	4	3	5	6	1	7	2	
2017 Holden Commodore – Evoke									
Registration fee ($)	513	290	492	366	252	233	532	227	363
Compulsory insurance, other charges ($)	638	510	435	421	648	377	700	559	536
Total registration cost ($)	**1 151**	**801**	**927**	**786**	**900**	**610**	**1 233**	**786**	**899**
Ranking[1]									
Registration fee	7	4	6	5	3	2	8	1	
Total cost	7	4	6	3	5	1	8	2	
2017 Nissan Patrol									
Registration fee ($)	715	290	689	626	357	292	811	538	540
Compulsory insurance, other charges ($)	638	510	435	421	648	377	834	559	533
Total registration cost ($)	**1 353**	**801**	**1 124**	**1 047**	**1 005**	**669**	**1 646**	**1 097**	**1 093**
Ranking[1]									
Registration fee	7	1	6	5	3	2	8	4	
Total cost	7	2	6	4	3	1	8	5	

1 Ranking of 1 represents the lowest fees/cost of all states.
Source: State legislation and information available at 31 October 2017

Table 9.2 compares the revenue-raising effort as assessed by the Commonwealth Grants Commission (CGC) for each jurisdiction as at 2015-16, the most recent available year. The CGC's comparison shows the Territory had the lowest effort of all states and territories with respect to motor taxes.

Table 9.2: Motor taxes revenue raising effort 2015-16 (per cent)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	NT rank
Motor taxes	121	81	104	100	81	73	111	66	Lowest

Note: Lowest means least tax revenue raised.
Source: CGC 2017 Update

Due to the timing of available data, Table 9.2 does not reflect the increase in registration fees in recent state and territory budgets. This includes an increase in Territory fees from 1 July 2017, providing an additional revenue of $5.2 million per year, which should move the Territory's motor taxes revenue effort closer to, but still below, the national average effort.

9.5 Potential reform options

The Territory could consider further increasing its revenue effort to more closely reflect the national average.

One potential reform option may be to move the Territory's registration fee component of overall registration further towards the national average. This could be achieved immediately or with smaller increases of fees over time in order to reduce the impact on the cost of living.

Another option for reform may be to lower or remove motor vehicle stamp duty and replace the revenue forgone with higher registration fees. Changing the mix between motor vehicle registration fees and stamp duty would have some benefits and disadvantages. A reduction in motor vehicle duty may encourage or facilitate motorists to upgrade their vehicles, leading to newer, more environmentally friendly and safer vehicles on Territory roads.

However, higher annual registration fees would have a greater impact on lower income Territorians who have less ability to pay.

Table 9.3: Light motor vehicle registration fee options

	Current	+ 5% increase[1]	+ 10% increase[1]
Revenue	$33M	$1.6M	$3.3M
2017 Toyota Corolla/Hyundai i30	$179	$9	$18
2017 Toyota Hilux SR5	$179	$9	$18
2017 Holden Commodore	$227	$11	$23
2017 Nissan Patrol	$538	$27	$54

1 Percentages reflect increases to the registration fee and do not reflect a percentage increase to total registration costs, which would be lower.
Source: Department of Treasury and Finance

Discussion questions

Q9.1 Are the current broad policy settings for motor vehicle taxes, including the mix between motor vehicle duty and fees, appropriate? Should an adjustment to this mix be made?

Q9.2 What other improvements to motor vehicle taxes could be considered (for example, specific exemptions or simplification)?

10 Insurance duty

- Insurance duty increases the cost of insurance but it is reasonably administratively simple and an important source of revenue, raising about $40 million each year.
- A significant reduction in insurance duty rates or abolition would require other tax reform.

10.1 Overview of stamp duty on insurance

Like most other states, the Territory imposes stamp duty on insurance. In the Territory, insurance duty is only imposed on general insurance. Insurance duty is calculated at a rate of 10 per cent of the premium charged to the insured person, including GST.

Insurance duty does not apply to a policy of reinsurance, private health insurance, workers compensation insurance under the *Return to Work Act*, freight and commercial marine insurance or life insurance policies.

Insurance duty is paid by insurers, however the cost is passed to customers in the form of higher insurance prices.

In 2016-17, the Territory collected about $43 million in insurance duty, or about 6 per cent of own-source tax and royalty revenue.

10.2 Insurance duty design issues

Insurance products are purchased by many Territorians to help manage their risk, with the payment of a premium made for cover against loss if certain events occur. Insurance can provide a safety net and can be described as a social good.

Private insurance is considered desirable from a public policy perspective (particularly in the event of a large scale disaster). To the extent that insurance duty increases the cost of insurance, it may deter people from taking up the appropriate level of insurance. Non-insurance is likely to be more prevalent among for persons on lower incomes, who may also be more vulnerable in the event of loss.

Overall, complying with insurance duty is reasonably straightforward for insurers and administrative costs are low. In some cases, where the policy relates to risk or property both inside and outside the Territory, the premium needs to be apportioned and this imposes an additional compliance burden. Suggestions for simplification would be welcome.

In any event, broader reform of insurance duty needs to take into account its contribution to own-source revenue. It is worth noting that all states other than the Australian Capital Territory continue to impose insurance duty at rates similar to the Territory.

10.3 Potential reform

Reducing the rate of insurance duty may be desirable from an economic efficiency perspective, as it could lower insurance premiums and encourage individuals and businesses to take up an appropriate amount of insurance.

However, a 25 per cent reduction of insurance duty rates (to 7.5 per cent) would cost around $11 million annually, and a full abolition would cost over $43 million.

Introducing specific exemptions for certain classes of insurance may be an alternative reform. Creating new specific exemptions costs less than full abolition of insurance duty but could achieve some of the same policy goals by reducing the cost of a class of insurance products. However, specific exemptions would increase complexity and only benefit policy holders with the specific exemption. Exemptions can also potentially distort insurance policy markets by making the non-exempt policies comparatively more expensive.

Discussion questions

Q10.1 Are the current broad policy settings for insurance duty appropriate?

Q10.2 What other improvements to insurance duty could be considered (for example, specific exemptions or simplification)?

Q10.3 If any insurance duty reforms would reduce the revenue received by government, what measures could be taken to compensate?

11 Banking taxes

- A new bank tax would have the potential to provide the Territory with significant revenue of about $24 million, based on the Commonwealth's major bank levy and South Australia's similar proposal.
- The tax would be paid by Commonwealth Bank, ANZ, Westpac, NAB and Macquarie Bank. However, the cost of the tax may be passed on to bank customers in the form of higher interest rates charged to borrowers or lower interest rates on deposits.

11.1 The Commonwealth's major bank levy

In its 2017-18 Budget, the Commonwealth introduced a major bank levy on banks with over $100 billion in total liabilities. As a result, the major bank levy applies to Australia's five largest banks: the Commonwealth Bank, ANZ, Westpac, NAB and Macquarie Bank.

The levy applies from 1 July 2017 and is based on the liabilities of each bank, less some exclusions considered low risk and deposits up to $250 000. The levy is set at the rate of 0.015 per cent payable quarterly, which equates to an annual rate of 0.06 per cent. The major bank levy is forecast to raise about $1.5 to $1.6 billion per annum for the Commonwealth Government.

The Commonwealth's stated policy rationale for introducing the major bank levy is:

- ensuring the banking sector makes a fair contribution to the economy given its unique role in Australia's economy and associated systemic risks it imposes
- improving competition and accountability
- complementing prudential reforms.

The major bank levy follows a 2010 recommendation by the International Monetary Fund to introduce a tax on the financial sector, with several countries having introduced similar levies since 2010. Such a tax may be justified on the basis the Commonwealth Government would support Australia's largest banks in the event of a significant financial crisis. As a result, the credit ratings of Australia's largest banks benefit from the perception or expectation of Commonwealth support. The value of this implicit subsidy was estimated by the Reserve Bank of Australia at about $1.9 billion in 2013.

In terms of the impact of the major bank levy, although payable by Australia's five largest banks, the cost may be passed on to bank customers in the form of higher interest rates charged to borrowers and lower interest rates on deposits.

If competitive pressure from smaller banks and other financial institutions limits the impact on bank customers then the profitability of the major banks could decrease, with consequences for bank shareholders.

11.2 Introduce a state bank levy?

In South Australia's 2017-18 Budget, a similar bank levy at the same rate of 0.015 per cent was proposed but the enabling legislation is yet to be passed by the South Australian Parliament. The South Australian bank levy is forecast to raise $417 million over the next four years.

Importantly, the South Australian bank levy would be imposed on South Australia's share of the total value of bank liabilities subject to the major bank levy. South Australia's share of bank liabilities is to be based on South Australia's gross state product share of national gross domestic product. This is currently about 6 per cent.

Although a bank levy was not included in Western Australia's 2017-18 Budget, the Western Australian Government has said it will consider introducing a bank levy similar to that proposed in South Australia.

By way of comparison, based on the Territory's gross state product share of 1.4 per cent, the Territory could raise about $24 million from a new bank levy with a similar design to that proposed in South Australia.

There is a risk if a state-imposed bank levy was passed on to borrowers in the form of higher interest rates, then this could reduce home ownership, especially for borrowers on lower incomes. A further risk is a constitutional challenge against any state bank levy in the High Court. Concerns have also been expressed in South Australia about the effect of the bank levy on customers and investment in the state.

Discussion question

Q11.1 Should the Territory consider introducing a bank levy?

12 Mineral royalties

- Mineral royalties are mostly collected under a profit-based scheme, apart from several mines operating under legacy value-based arrangements.
- Mineral royalties are an important but highly variable source of own-source revenue for the Territory.
- However, some mines have paid little or no mineral royalties to the Territory under the profit-based scheme.

12.1 Mineral royalty overview

Mineral royalties can be a very significant but highly variable component of the Territory's own-source revenue, raising $165 million in 2016-17.

Unlike taxes, royalties are collected by the Territory from businesses as payment for the right to extract commodities owned by the community.

In the Territory, most mines pay profit-based mineral royalties. However, several mines are subject to legacy agreements that impose royalties based on the value of minerals extracted. Overall, the majority of royalties are paid by only a minority of Territory miners due to the framework of the Territory's profit-based royalty scheme. Some past mines paid little mineral royalties to the Territory, having opened for short periods but then closed before incurring royalty liabilities or are under 'care and maintenance'. This is arguably a drawback of the Territory's profit-based royalty scheme.

Royalty collections are also important for Aboriginal people in relation to mining on Aboriginal land. The Commonwealth makes payments to the Aboriginal Benefits Account equal to the amounts of any royalties received by the Territory in respect of a mining interest in Aboriginal land. These payments are then directed to the benefit of traditional owners and other Aboriginal Territorians, including through the land councils.

The Fraser Institute's Annual Survey of Mining Companies continues to rank the Territory very high in the world for mineral potential and investor attractiveness, in part due to the Territory's profit-based royalty scheme. The survey also recognises a favourable royalty scheme is one of many factors affecting exploration and mining investment decisions.

12.2 The *Mineral Royalty Act* profit-based scheme

Much of the Territory's royalties are collected under the *Mineral Royalty Act*, which is a profit-based royalty scheme introduced in 1982. Royalty is calculated based on mining revenue less production and other directly related expenses. Profit-based royalties are more complex than value-based or quantity-based royalty schemes.

The main features of the *Mineral Royalty Act* are:

- A uniform scheme regardless of the type of minerals produced.
- 20 per cent royalty rate on the net value of mineral production, subject to a $50 000 net value royalty threshold.

- The life cycle of a mine is recognised by allowing the deduction of certain exploration, pre-production, production and rehabilitation costs essential to produce the mineral commodity.
- Changes in profitability over a mine's life impacts on royalty collections, that is, less royalty is payable to the Territory at commencement of mining, but higher royalty should be collected as a mine matures and generates more profit.
- There is a stronger growth in royalty collections in times of higher mineral prices than under value-based schemes but has the opposite result in times of lower mineral prices.
- Negative net value (that is, where deductible costs are greater than revenue in a year) can be carried forward and accumulated by a royalty payer until offset against profits. Royalty becomes payable after all prior year costs are fully absorbed.
- Accelerated deduction of capital costs that recognises the depreciation of mining assets and the cost of financing.
- Royalty is calculated on a production unit basis and does not aggregate revenue and expenses from other mines carried out by the same operator.

12.3 Interstate alternatives

With the exception of the Commonwealth's Petroleum Resource Rent Tax (PRRT) and the royalty arrangement for Barrow Island in Western Australia, the Territory is unique as the only Australian jurisdiction that has a wholly profit-based royalty. The royalties and rates adopted interstate vary between the jurisdictions and depend on the commodity, which can make direct comparisons difficult. However, other jurisdictions largely impose royalties based on the value or quantity of minerals extracted. Tasmania and Queensland have exceptions with hybrid value/profit royalty schemes for some mineral commodities.

Value-based royalties (also referred to as ad valorem royalty) are levied on the value of the mineral produced without regard to the costs incurred by the miner. In comparison to profit-based royalties, value-based royalties are more predictable and less responsive to changes in commodity prices. However, they cannot readily take full advantage of sudden increases in commodity prices and mining profits.

One of the main advantages offered by value-based royalties is they are simpler and more transparent for government and miners to administer, while also providing a more predictable source of revenue.

While profit-based royalties can reflect the stronger growth of royalty revenues during times of high mineral prices, the opposite result may be observed in times of low mineral prices when value-based schemes continue to provide a more steady royalty on the minerals consumed.

Accordingly, some jurisdictions apply a hybrid value/profit royalty scheme. Such a scheme provides some royalty for each year of mine production while also maintaining the ability to take advantage of a significant increase in commodity prices and mining profits. By ensuring all miners producing product pay a royalty on that production, a hybrid royalty scheme can meet the objective of the community receiving a return from the removal of its non-renewable resources.

12.4 Historical trends in the Territory's royalty receipts

As a number of the Territory's mines have become well established, the Territory's royalty collections have increased significantly and the benefits of the Territory's profit-based royalty scheme have become more evident. The increase in the Territory's mineral royalty receipts in recent years also corresponds with a similar increase in mining revenue effort as assessed by the Commonwealth Grants Commission (CGC).

During the 1980s, 1990s and early 2000s, the value of production and profitability of mines was much lower and fewer royalties were collected. The increase in royalty collections since 2007-08 demonstrates the effectiveness of the Territory's profit-based royalty scheme in ensuring an overall fair return to the community on its non-renewable resources, especially in relation to several of its well-established mines.

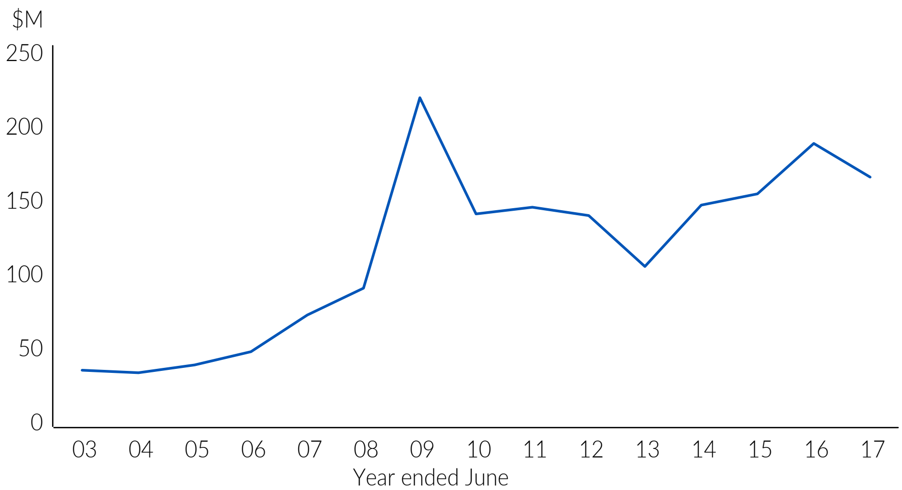
By contrast, in order to benefit from high mineral prices, interstate governments increased value-based coal and iron ore royalty rates. This provided better returns to the community in response to the super profits generated by some mining companies. However, these reactionary increases generally occurred after periods of high profitability enjoyed by miners.

Comparisons of total royalty receipts are made by the CGC for each state and territory. The CGC has assessed the Territory's effort as around or above the national average in recent years. Revenue effort is the ratio of actual revenue to the revenue raised if a jurisdiction applies the national average level of royalty.

In comparison to the Territory's average or above-average effort in recent years, from 2002-03 to 2006-07, the Territory's assessed mining revenue-raising effort was below the national average. This means the amount of mining revenue the CGC assessed the Territory as having capacity to raise was significantly greater than what was actually received from Territory mines.

Chart 12.1 shows the Territory's revenue effort in relation to mining royalties from 2002-03 to 2015-16 as assessed by the CGC.

Chart 12.1: Northern Territory's mining revenue raising effort



Source: CGC updates and reviews

Chart 12.1 also demonstrates the increase in the Territory's mining revenue effort during the 'commodities boom' in 2008 and 2009, which corresponds to a significant spike in royalty receipts.

12.5 Design issues with the Territory's profit-based royalties

Although royalty collections and mining revenue effort have increased significantly in recent years, following years of relatively low royalty collections, it is important to note the CGC's assessment provides aggregate information about the effects of the Territory's royalty scheme overall. The high profitability some mines are now experiencing is balanced by other mines paying little to no royalties to the Territory.

As a mine matures, and initial capital costs are recouped and production volumes increase, an increase in profitability should result. However, the risks inherent in mining may explain why a number of Territory mines have paid little to no royalties under the *Mineral Royalty Act*. The complexity of the legislation underpinning the Territory's profit-based royalty scheme and the scope of deductions and ability to carry forward large losses, may also be a contributing factor.

In recent years a number of smaller mines have operated in the Territory for relatively short periods and then closed or placed into care and maintenance, due to a range of factors. Such factors include higher than expected costs, short-lived decreases in commodity prices or lower than expected mineral grades and recoveries. These short-lived mines did not pay royalties.

Arguably, the recent experience with these smaller mines was not contemplated in the design of the *Mineral Royalty Act*, which anticipates mining operations moving from the initial start-up phase to increased production and profitability when higher royalties become payable. This potentially indicates the *Mineral Royalty Act* applies more effectively to long-life mines where the initial costs are recouped over a decade or more.

12.6 Potential reform options

The Government is interested to hear of potential reforms that would ensure Territory royalties are more effective and supportive of businesses but ensure an appropriate return to the community for the extraction of non-renewable resources.

Adjust the headline mineral royalty rate

The mineral royalty rate was increased from 18 per cent to 20 per cent in 2010; the only change to the rate since the introduction of the legislation. Prior to the introduction of the *Mineral Royalty Act* in 1982, a royalty rate higher than 20 per cent was initially proposed, and the current rate compares favourably to the Commonwealth's resource rent tax rates.

Although difficult to accurately forecast, every 1 percentage point change in the mineral royalty rate equates to a change in royalty collections to the Territory of about $8 to $10 million. This number is sensitive to commodity prices, currency exchange rates and production levels.

A profit-based royalty rate that is too high, however, may act as a disincentive to undertake mining activities in the Territory and lower the Territory's competitiveness in comparison with other jurisdictions.

Introduce a value-based minimum royalty

The introduction into the current profit-based scheme of a minimum level of royalty payment using a value-based method would ensure a minimum return to the Territory from mining, regardless of the profitability of the mine. Guaranteeing a minimum return offers a buffer to fluctuating royalty collections over the life cycle of a mine under a profit-only scheme. A minimum value-based royalty would not impact those Territory mines currently paying profit-based royalty above the level of the set minimum amount.

However, this type of scheme would require those mines not paying royalty under the current rules to pay a royalty. It would also address the contention that current mineral royalty rules allow the collection of royalty to be deferred too long and would provide a return to the community from short-term mining operations that otherwise would not pay profit-based royalties.

To reduce any disincentive to future investment, a relatively low minimum value-based royalty rate could be set. For example, a 2 to 4 per cent royalty based on the gross value of mineral production would raise about $11 to $22 million per annum. Again, this estimate is sensitive to commodity prices, currency exchange rates and production levels. A minimum royalty rate of 4 per cent or less may also be competitive with the value-based royalties in other jurisdictions.

A minimum value-based royalty guarantees a minimum return to the Territory on any level of production.

Replace current profit-based scheme with a value-based scheme

Introduction of a value-based scheme would provide the Territory with a more steady, but likely lower overall level of royalty revenue.

However, the Territory's profit-based royalty scheme is attractive to the development of new mining sites in the Territory and contributes to the high international rating assigned to the Territory in the Fraser Institute's Annual Survey of Mining Companies, when compared to purely ad valorem royalties.

Any fundamental change of this nature would need to consider grandfathering the arrangements in place for existing mines, as the profit-based scheme is centred on a whole of mine life concept, with little to no payments early in mine life and higher payments as the mine matures.

Base reforms and efficiencies

A royalty scheme should promote certainty by having contemporary rules clearly specify how royalty is to be determined. As a result, royalty payers should understand the rules and be able to comply with them correctly, which leads to increased stakeholder confidence in the integrity and transparency of the royalty scheme.

Changes to the *Mineral Royalty Act* may be appropriate to modernise the provisions and reduce red tape. It is important to generate an appropriate return to Territorians on finite mineral resources and support investment in exploration and development of those resources.

Outlined below are a number of options for reform to the operation and efficiency of the *Mineral Royalty Act*. Suggestions and comments are invited in this regard.

Operating costs

To calculate the royalty payable, a mine operator is entitled to deduct a range of operating costs incurred in the production, maintenance for production, sale or marketing of a mineral commodity. In order to be an eligible operating cost, an expense must be reasonable in amount and directly attributable to the production of a saleable mineral commodity.

The legislation currently sets out the definition of operating costs in broad terms, listing specific expenses that may be considered operating costs and specific expenses not considered operating costs. Competing interpretations are encountered on concepts such as 'directly attributable' or 'reasonable in amount'.

Alternatively, deduction rules could be amended to provide greater clarity or incentives for certain kinds of behaviour. For example, current operating cost rules exclude costs for offices located outside the Territory. Similar rules could be used to encourage miners to employ local workers rather than FIFO arrangements.

Government is interested on views as to whether it is desirable to clarify the scope of the definition of operating costs, ensuring costs are properly categorised, and if so, how?

Determining mineral value

By setting the valuation point at the boundary of a mine, royalty is payable to the Territory for minerals in their natural state, rather than the enhanced value of a refined mineral. Where there is no contracted sale price at the time the minerals leave the mine site, the value must be established through other valuation methods.

In many cases, the minerals will be sold shortly after being removed from the mine site, in which case the sale value can be used in much the same way as if the minerals were sold directly from the mine site. However, more complex and less reliable valuation methods must be utilised where this does not occur, or if the sale price does not reflect an arm's length or open market price.

The most appropriate valuation method can vary between miner and mineral, and may also depend on the grade and quality of the commodity. The Territory has published a guideline listing acceptable valuation methods. However, in some cases, valuation may need to be resolved on a case-by-case basis having regard to the circumstances of each mine and commodity. This approach lacks certainty for both administrators and royalty payers, and has been the cause of complex and costly disputes.

Accordingly, it may be appropriate to consider options to implement better valuation practices aimed at reducing disputes and increasing certainty. Government is interested in views as to whether it is desirable to clarify valuation practices and if so, how.

Consider appropriateness of negative net value transferability

Currently, when a mine is sold, negative net value (that is, deductible costs exceeding revenue) accrued by the royalty payer is transferable to the new owner of the mine. When the negative net value exceeds the purchase price paid for the mine, this results in an anomalous outcome where a new miner is mining profitably after recouping its purchase price but is not in a royalty-paying position due to the substantial negative net value incurred by the previous owner.

Accordingly, there may be merit in examining the policy of allowing the carry forward of negative net value from year to year and limiting it to the royalty payer who actually incurred the losses. Alternatively, it may be appropriate for a new owner of a mine to only be able to inherit a limited amount of negative net value.

Alignment with Commonwealth taxation concepts

Currently, there are a range of concepts used to determine a mine's royalty liability, similar in nature to those used in Commonwealth taxation purposes, but which have a different application. For example, deductions for depreciation and capital allowances or eligible research and development expenditure.

Where appropriate, aligning mineral royalty concepts with Commonwealth reporting requirements, or otherwise with standard accounting practices, may save miners the cost associated with maintaining separate reporting schedules for different tax or royalty schemes. Government is interested whether these reforms would assist miners in streamlining their reporting obligations.

Administrative amendments to clarify and modernise

It is also recognised there are administrative efficiencies to be gained or opportunity exists to make other changes to the royalty scheme that would assist in reducing the administrative burden on royalty payers.

The administrative framework could be modernised with a view of increasing clarity and transparency around its operation. Administrative modernisation has occurred for other Territory legislation in recent years, including the *Taxation Administration Act*, which provides useful model provisions that may be suitable to adopt for royalty purposes.

Discussion questions

Q12.1 Are the current broad policy settings for mineral royalties appropriate?

Q12.2 Does the mineral royalty scheme provide an appropriate return to the community, bearing in mind the need to balance a fair return to the community with a return to producers? Is there merit in considering a minimum royalty requirement in the scheme?

Q12.3 What other improvements to the mineral royalty system could be considered?

13 Petroleum royalties

- There is currently a moratorium on unconventional petroleum production, such as hydraulic fracturing, in the Territory while the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory is conducted.
- The petroleum royalty matters discussed in this chapter do not presume any particular outcome or recommendation from the scientific inquiry, or any policy stance of the Government.
- Petroleum royalties are collected under a 10 per cent value-based scheme.
- There could be improvements to the current scheme, including how petroleum is valued for royalty purposes.

13.1 Petroleum royalty overview

There is currently a moratorium on unconventional petroleum production, such as hydraulic fracturing, in the Territory while the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory is conducted.

The petroleum royalty matters raised below do not presume any particular outcome or recommendation from the Scientific Inquiry, or particular policy stance of the Government. Rather, the royalty matters below reflect long-standing legislative provisions governing petroleum royalties in the Territory and associated issues with current conventional petroleum producers.

The Territory charges a 10 per cent value-based royalty on all onshore petroleum resources within the Territory and its coastal water boundaries. Petroleum sourced from offshore, such as the Bayu-Undan field processed at the liquefied natural gas (LNG) plant at Wickham Point and the Ichthys field processed at the INPEX LNG project are subject to taxation by the Commonwealth and not subject to Territory royalties.

13.2 The *Petroleum Act* royalty scheme

The main features of the Territory's current petroleum royalty scheme are:

- Royalties under the *Petroleum Act* are charged at a rate of 10 per cent on the petroleum's gross value at the wellhead (the point of extraction).
- Petroleum royalty is calculated on a project basis and does not aggregate income and expenses from operations carried out by the same producer in relation to other fields.
- Negotiations between the Territory and licensees are required to establish an agreement for each individual project. Administrative arrangements are also set by way of agreement rather than legislation.
- Exploration, drilling, capital and other costs incurred upstream of the wellhead are not recognised. Similarly, abandonment or decommissioning costs (including mothballing and rehabilitation expenditure) are not specifically deductible.
- Petroleum royalty calculations are not directly affected by the profitability of the field. As a result, royalty is payable as soon as production commences, regardless of the quality, size and location of the field.

The Territory imposes a 10 per cent royalty on onshore petroleum production based on the petroleum's gross value at the wellhead (the point of extraction). Royalties are imposed as petroleum passes the wellhead, being the point in production where ownership of the natural resource passes from the Territory to the producer.

As petroleum is not actually sold at the wellhead (instead, it is subject to further processing and refinement), it can be difficult to value petroleum at the wellhead for royalty purposes.

The most common method of obtaining the value of the petroleum at the wellhead is to observe the first sale price of the refined petroleum and deduct production costs incurred between the wellhead and the first point of sale. This is known as a 'net-back' method. Applying the net-back method can be administratively complex, and requires guidelines and agreements between the Territory and the producer. The need to enter into individual agreements can create uncertainty, questions about transparency and has led to protracted negotiations.

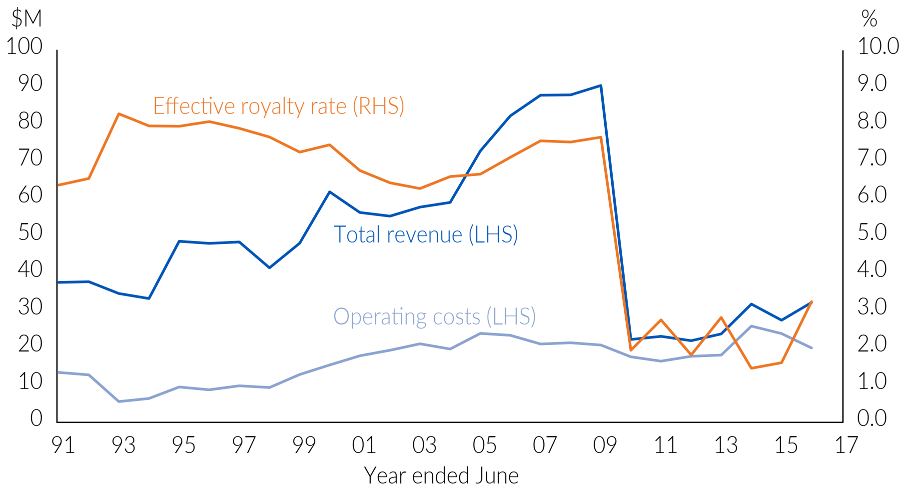
Under current arrangements, producers are able to deduct a range of costs from the final sales price to arrive at the wellhead value. This may include field gathering costs (the costs of running the petroleum from the well into processing facilities), processing, storage and pipeline tariffs or transportation costs (the costs of transporting the petroleum to the refinery or the first point of sale), and depreciation of field production assets.

A key drawback of the net-back approach arises if the scope of deductible costs is too broad as it can technically result in a negative value of the petroleum. This is at odds with a value-based scheme and the concept that petroleum has an inherent value.

The impact of net-back deductions is demonstrated by Chart 13.1. Although the Territory imposes a 10 per cent royalty, the actual petroleum royalty received by the Territory since 2010 is less than 4 per cent on the value of the petroleum at its first point of sale, and has averaged about 2 per cent (that is, the wellhead value is calculated to be significantly lower than the first sales value). In comparison, the historical average effective royalty rate is 6.5 per cent of the first sale value.

This fall in total revenue is attributable to lower prices and consequential reductions in production volumes but no reduction in ongoing costs and depreciation, which remain reasonably fixed regardless of production volume. In a value-based scheme that does not rely on a net-back method to determine value, the effective rate would be a consistent percentage of the value, regardless of production volumes, price changes or costs.

Chart 13.1 Total Northern Territory petroleum revenue and effective royalty rate



Source: Department of Treasury and Finance

13.3 Administration frameworks and current issues

The Department of Primary Industry and Resources issues titles under the *Petroleum Act* for the right to produce petroleum within the Territory. When a person obtains a title or licence they must undertake to pay royalties. The Territory Revenue Office is responsible for administering petroleum royalties.

The *Petroleum Act* currently contains limited administrative and compliance provisions to support the collection of petroleum royalties. For example, in comparison with the Territory's *Taxation Administration Act* or *Mineral Royalty Act*, the petroleum royalty legislation does not detail the requirements for making payment and lodgement of returns and has no administrative review provisions if disputes arise. There is also no guidance for determining post–wellhead deductible costs.

This lack of legislative detail creates uncertainty for producers and the Territory Revenue Office as to how and when royalty liabilities are to be met. The current project-by-project approach to settling petroleum royalty arrangements has significant compliance limitations, may be less attractive to investors due to the uncertainty for prospective producers and is less transparent than a more comprehensive, modern scheme.

13.4 Potential reform options

The Government is interested in discussing potential reforms that would ensure the petroleum royalty scheme is more effective and supportive of businesses while ensuring an appropriate return to the community for the extraction of a non-renewable resource. Potential reform options are:

Converting the current scheme to a profit-based royalty scheme

The recent Callaghan Report on the Commonwealth's Petroleum Resource Rent Tax Review noted a profit-based royalty remains "the preferred way to achieve a fair return to the community for the extraction of petroleum resources without discouraging investment" and with "the range of uncertainties involved in large long-term petroleum investments, stability in fiscal settings is an important factor influencing a [jurisdiction's] investment attractiveness". Details about the characteristics of a profit-based royalty are discussed in the previous chapter.

A profit-based royalty may be less distortionary and able to better promote exploration and development. Given the additional complexity of a profit-based scheme and associated uncertainties, Government is interested in gauging the desire for such a major reform in the current economic environment.

Bolster legislation in respect of petroleum royalty calculation and administration

To reduce uncertainty and avoid the need to negotiate royalty arrangements for individual projects, another option is to introduce legislation setting out the calculation of royalty, including determining gross value and allowable deductions, as well as detailed administrative provisions.

This option would have the primary benefits of providing greater legislative certainty to producers in assessing the economic viability of future projects, remove the need for lengthy royalty calculation negotiations between the Territory and producers, and simplify compliance.

Alternative methods of determining the value of petroleum

In order to reduce or eliminate the requirement to deduct production costs to calculate the gross value of the petroleum, one option could be to extend the royalty valuation point downstream from the wellhead to the boundary of the production licence, where the petroleum is better able to be valued. Another could be to determine value by reference to an objective or published price based on production volumes.

The value of the petroleum could then be determined at the time of its removal from the production unit based on the actual or comparable arm's length sale prices achieved or the open market price established by a reliable commodities exchange. This is similar to the valuation approach under the Territory's mineral royalty legislation and may overcome the shortcomings of the net-back method.

Government is interested in whether it is appropriate to consider alternative methodologies for determining the value of the petroleum. Any such alternative would need to ensure the Territory receives a fair and relatively stable return, while providing industry with adequate profits. An alternative valuation method should not result in a negative value of petroleum. Principles of transparency, certainty and simplicity are also important.

Discussion questions

Q13.1 Are the current broad policy settings for petroleum royalties, based on value-based royalty assessed at the wellhead, appropriate?

Q13.2 Is the net-back approach for determining petroleum royalty appropriate?

Q13.3 Are there alternative methods for determining the value of petroleum that should be considered? For example, moving the point of valuation downstream or ascertaining value by reference to objective or published price based on production volumes?

14 Other own-source revenue bases

- Significant revenue is also provided from various other own-source revenue bases including a wide range of fees and charges, pastoral lease rents, and mineral and petroleum title rents.
- Fees and charges could be reviewed to ensure they better reflect cost recovery principles, except where subsidies are preferred.
- Consideration could also be given to whether Territorians are receiving an appropriate return from leasing land for pastoral and mining purposes.

14.1 Other revenue sources overview

Although taxes and royalties are the main own-source revenue base for the Territory, the Territory also raises revenue through fees and charges, rent and tenancy income (such as mineral tenements or pastoral lease rent), interest and dividend income, and profit and loss on the disposal of government assets.

In 2016-17, the Territory general government sector raised about $452 million from own-source revenue other than taxes and mineral and petroleum royalties, with about $333 million of that from goods and services revenue, $33 million from regulatory fees and charges, $18 million from fines, $14 million from rental income, and $4.7 million from petroleum and mining rents.

14.2 Fees and charges

The Territory raises about $33 million from regulatory fees and charges. Most fees and charges are expressed in revenue units, which are indexed to the Darwin consumer price index (CPI). This means over time the fees raise as the costs of delivering those regulatory services increase.

However, CPI may not be the best basis for indexing fees and charges because the cost of delivering services tends to increase with wage costs and other costs that increase differently to CPI.

Ideally, regulatory fees and charges should reflect the cost of delivering the regulatory service and should reflect similar fees in other states and territories.

14.3 Pastoral lease rents

Pastoral leases are a title to land issued for the lease of an area of Crown land to use for the purposes of grazing stock and associated activities. Pastoral leases are issued for these pastoral purposes, including some supplementary or ancillary uses.

Pastoral lease rents are currently set on the basis of the unimproved capital value of the pastoral lease land, and raise about $5 million per annum. Government has consulted with industry about moving to a process of assessing pastoral leases based on the estimated carrying capacity of the land, which is the number of cattle that can graze on that land given its natural features such as climate, land types, plant species and water sources.

Under recent changes to the *Pastoral Land Act*, lessees can now apply for non-pastoral use diversification permits, allowing other activities on pastoral leases such as horticulture, aquaculture, tourism and forestry activities, allowing pastoralists to diversify their income. These permits are subject to modest annual fees.

14.4 Mineral and petroleum title rents

Mineral and petroleum titles are licences and leases of land that allow for the exploration for and extraction of mineral and petroleum resources in the Territory. In 2011, a new *Mineral Titles Act* commenced with the aim of introducing a scheme to encourage active exploration, land turn over, and the active development of mineral deposits.

Mineral titles are subject to annual rent and administration fees that must be paid for the title to remain valid. The fees and rent depend on the nature of the title, such as exploration licences, mineral leases, extractive mineral permits or licences. These fees and rent are expressed in revenue units and are detailed at nt.gov.au/industry/mining-and-petroleum/mineral-titles/mineral-title-fees-and-rents. Currently, the Territory receives about $4.7 million per annum from mineral and petroleum title rents and fees.

Discussion questions

Q14.1 Are the current broad policy settings for fees and charges correct? Should fees and charges be reviewed to better reflect cost recovery principles?

Q14.2 Does the Territory receive appropriate returns from leasing land for pastoral and mining purposes?

15 Recent state taxation reforms

- Governments regularly review their taxation laws and make amendments to the design of their taxation schemes.
- This chapter provides a summary of state tax reforms in the last five years, including significant reforms in the Australia Capital Territory and also in South Australia following their state tax reviews.
- Numerous minor reforms have also occurred in other states.

Governments regularly review their taxation laws and make amendments to influence the design of their taxation schemes. Some of the amendments can have large financial impacts on the community (such as changes to the tax rate or the scope of a tax-free threshold or exemptions) but only a relatively small change to the overall design of the tax scheme.

Numerous state taxes were abolished following the introduction of the GST, pursuant to the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.* This chapter provides a summary of more recent state tax reforms in the last five years.

15.1 Major reforms

15.1.1 Australian Capital Territory major reforms

The Australian Capital Territory (ACT) commenced large-scale tax reform in 2012, following a detailed tax review completed in that year. The key outcomes of the reforms include:

- abolishing stamp duty on insurance over five years by reducing the rates each year (with general insurance reduced from a rate of 10 per cent by 2 per cent per year and life insurance duty reduced from a rate of 5 per cent by 1 per cent per year)
- abolishing stamp duty on property over 20 years by reducing the rate each year, with the amount of the reduction decided in each year's Budget process
- abolishing commercial land tax and combining it with commercial general rates
- increasing general rates and land tax each year to compensate for the insurance duty and stamp duty forgone.

Following four years of reducing insurance duty rates, on 1 July 2016, the ACT completed its abolition of stamp duty on insurance.

Stamp duty on property is continuing to be phased out, with stamp duty on commercial property transfers valued at less than $1.5 million abolished from 1 July 2018 and the rates applying to residential stamp duty reduced annually. For property sales up to $500 000, conveyance duty reduced by at least 30 per cent, although the decrease for higher valued properties is less pronounced.

For example, duty on a $500 000 property reduced from $20 500 to $13 460 (a 34 per cent reduction), whereas duty on a $1.2 million property reduced from $62 750 to $56 210 (a 10 per cent reduction).

These reforms were offset by increases to general rates, which are easier for the ACT Government to implement because it imposes local government rates and there is no separate local government.

Up to 2016-17, residential rates in the ACT have risen 63 per cent for houses (from an average of $1406 to $2295) and 60 per cent for units (from an average of $847 to $1352).

The ACT forecasts rate increases over the next five years of 6 per cent per year for commercial properties and 7 per cent per year for residential properties.

These reforms substantially change the tax mix in the ACT by shifting the reliance from stamp duties to recurrent taxes on unimproved land values.

By staging the abolition of stamp duty (and increases in general rates) over a 20-year period, the ACT has attempted to minimise the transitional issues associated with such large reforms, although it makes the process more complicated. Furthermore, the economic benefits of the reforms will not be fully achieved until the reforms are completed.

As the amount of the reduction in stamp duty and consequent increase in property taxes is decided each year (although broad directions for reform are announced each five years), there is a risk reform can be delayed or aborted with a change of government or as a result of community opposition. Recently, there has been increasing community opposition to the increases in recurrent property taxes, even though insurance duty has already been abolished and property stamp duties continue to reduce.

The proposed 20-year transitional period means completion of the tax reform process is reliant on successive governments continuing the program of reform.

15.1.2 South Australian major reforms

Stamp duty

South Australia (SA) commenced stamp duty reforms in 2015-16, following the release of a tax review discussion paper early in 2015, reducing its taxes on commercial properties. The SA stamp duty reforms focused on reducing the total tax burden on businesses in that state to facilitate economic development and investment.

The key outcome of the reforms, which do not apply to primary production or residential property, is the abolition of stamp duty on commercial property over three years (through reduction in rates), with abolition to occur on 1 July 2018. Stamp duty on non-real business property (intellectual property, licences and mechanical plant) was established from 18 June 2015.

The reforms are stated to cost about $200 million per annum ongoing from 2018-19, compared to an estimated $853 million property stamp duty revenue in 2016-17. Unlike the ACT, the SA reforms were not planned to be offset by increases in other kinds of taxation.

However, subsequent reforms, detailed below, have or plan to put in place two new types of taxation that may partially offset the revenue forgone through the stamp duty reforms.

Betting taxes

From 1 July 2017, SA has introduced a 'place of consumption' tax on online betting products. Essentially, the tax requires corporate bookmakers to pay a tax based on the amount of bets placed by consumers in SA. This differs from the usual method of taxing corporate bookmakers, which typically charged a tax based on the location of the bookmaker rather than the customer. While the Territory continues to maintain its existing taxes on bookmakers, other states have expressed interest in following SA's model for bookmaker's taxes.

The place of consumption tax on wagering is expected to raise $10 million per annum in SA.

Banking taxes

The 2017-18 Commonwealth Budget introduced a tax on deposits held by large banking institutions. SA has subsequently introduced legislation to apply a similar tax at the state level.

SA has proposed a major bank levy calculated on the same basis as the Commonwealth tax, but reflecting SA's share of Australia's economic activity.

At this stage, the legislation has not yet been passed by the SA Parliament. The major bank levy is expected to raise $417 million over the next four years.

15.1.3 Western Australia major reforms

Payroll tax

From 1 July 2018, a five-year increase in payroll tax for very large employers will be put in place for five years. The payroll tax rate will increase to 6 per cent on employers with taxable payrolls exceeding $100 million but less than $1.5 billion, and increase to 6.5 per cent on employers with taxable payrolls exceeding $1.5 billion.

It is estimated that 8 per cent of all employers will be effected by this and the increase will collect $435 million over the forward estimates.

Point of consumption wagering tax

From 1 January 2019, a consumption wagering tax at a rate of 15 per cent of net wagering revenue will be introduced to replace current arrangements. Essentially similar to the tax recently introduced by SA, corporate bookmakers will pay a tax based on the amount of bets placed by consumers in Western Australia (WA). This is expected to raise $52 million over the forward estimates.

State-based major bank levy

WA has announced it will continue to consider alternative revenue measures such as the bank levy in the absence of major GST reform or if the WA Parliament does not pass any other revenue measures.

15.1.4 Foreign owner surcharges across states

Recently, a number of states have introduced stamp duty and land tax surcharges on foreign buyers or owners of residential land. This type of tax reform increases the overall tax burden, but can achieve multiple policy goals, including as a tool to manage demand in local property markets.

In some respects, these reforms represent a new kind of state taxation, as state taxes typically do not take into account the characteristics of the taxpayer in setting the tax rate, other than when providing concessional treatment.

From 1 July 2015, Victoria introduced a 3 per cent stamp duty surcharge on foreign buyers of residential property, and this surcharge was increased to 7 per cent on 1 July 2016. For the 2016 land tax year, Victoria also introduced a 0.5 per cent absentee owner surcharge on land tax rates. The land tax surcharge was increased from 0.5 to 1.5 per cent for the 2017 land tax year.

New South Wales introduced a similar 4 per cent stamp duty surcharge on foreign buyers on 21 June 2016, and a 0.75 per cent land tax surcharge on foreign landholders. The stamp duty surcharge was increased to 8 per cent on 1 July 2017.

Queensland also introduced a similar 3 per cent stamp duty surcharge on foreign buyers on 1 October 2016. SA will introduce a 4 per cent foreign buyer stamp duty surcharge on 1 January 2018 and WA will introduce a 4 per cent foreign buyer stamp duty surcharge on 1 January 2019.

15.2 Other reforms

15.2.1 New South Wales reforms

A summary of key reforms in the past five years includes:

Payroll tax

- Increased the tax-free threshold to $750 000 and removed indexation of the threshold from 2013-14.
- Introduced a Jobs Action Plan rebate (2011-12), with progressive increases to provide up to $6000 for the hiring of additional employees. The scheme was also targeted at recently retrenched employees (2014-15) and limited to businesses with less than 50 employees (2016-17).

Stamp duty

- Introduced a 4 per cent surcharge on foreign buyers on (2016-17), increasing to 8 per cent on 1 July 2017 (2017-18).
- Abolished stamp duty on non-land business assets, unquoted marketable securities, and mortgage duty (2016-17).
- Introduced exemptions and concessions for first home buyers of new and existing homes (up to an $800 000 home value threshold).
- Introduced (2012-13) and amended (2017-18) the New Home Grant, which from 1 July 2017 provides a $10 000 grant for building or purchasing a a new home up to $750 000.

Land tax

- Introduced a surcharge of 0.75 per cent on foreign owners in 2016, increasing to 2 per cent in 2018.
- Introduced, but deferred the introduction of an Emergency Services Levy (and deferred the corresponding abolition of insurance duty).

Insurance duty

- Abolished lenders mortgage, crop and livestock insurance duty (2017-18).
- Exempted business vehicle, aviation, occupational indemnity, and product and public liability insurance for small businesses.
- Introduced, but deferred, amendments to the Emergency Services Levy on insurance.

15.2.2 Victoria reforms

A summary of key reforms in the past five years includes:

Payroll tax

- Tax-free threshold will progressively increase from $550 000 to $650 000 by 2018-19.
- Payroll tax rate reduced from 4.9 to 4.85 per cent (2014-15).
- Introduced a 'back to work' payroll tax rebate (2015-16) and rebate for displaced trainees and apprentices (2016-17).
- Introduced a 25 per cent tax concession for regional business where at least 85 per cent of their payroll goes to regional employees (2017-18).

Stamp duty

- Introduced a foreign buyer surcharge of 3 per cent in 2015-16, increasing to 7 per cent in 2016-17.
- Increased first home buyer concessions and exemptions progressively, with exemptions and concessions offered for properties valued up to $750 000.
- Limited first home buyer grants to new homes only and increase the grant to $10 000, or $20 000 for regional home buyers (2017-18).

Land tax

- Introduced a Fire Services Levy (with a fixed and variable charge) on land to replace charges on insurance products (2013-14).
- Introduced an absentee owner land tax surcharge of 0.5 per cent in the 2016 land tax year, increasing to 1.5 per cent in 2017.
- Introduced surcharges on vacant residential properties (2018 land tax year).
- Expanded congestion levies on parking spaces in the inner city and surrounding areas (2013-14 and 2014-15).
- Introduced surcharges on development applications for construction projects over $1 million.

Insurance duty

- Abolished life insurance duty (2014-15).
- Abolished insurance duty on crops, livestock and agricultural machinery (2017-18).

Motor vehicle taxes

- Increased duty rates by 0.2 per cent (2014-15).
- Increased registration fees by $35 (above indexation; 2014-15).

Gambling taxes

- Reduced wagering taxes in line with a renegotiated wagering licence.
- Gaming machine tax rates and structure redesigned in 2012-13 and increased in 2014-15. Player return reduced in 2014-15 from 87 to 85 per cent.
- Casino taxes progressively increased to 32.57 per cent in 2014-15. Casino super tax thresholds are indexed and increase over time.

15.2.3 Queensland reforms

A summary of key reforms in the past five years includes:

Payroll tax

- Tax-free threshold increased to $1.1 million (2012-13).
- Introduced and increased rebates for apprentices and trainees (2015-16).
- Introduced a rebate for new companies that set up in Queensland as part of Advance Queensland research programs (2015-16).

Stamp duty

- Introduced a foreign buyer surcharge of 3 per cent (2016-17).
- Retargeted first home owner grant to new homes only, increased to $20 000 until 2018.

Land tax

- Introduced a 1.5 per cent absentee owner surcharge (2017-18).
- Expanded the urban fire levy to fund emergency services through an emergency services levy (2014).

Insurance duty

- Increased insurance duty for class 1 and 2 insurance products to 9 per cent, from 7.5 and 5 per cent respectively (2013-14).

Gambling taxes

- Various increases to gaming machine, casino and health services taxes (2012-13).
- Renegotiated wagering tax agreement, with a general decrease in tax rates.

Motor vehicles taxes

- Registration fees initially frozen for one year (2012-13) but later increased by 3.5 per cent (2017-18) and indexed.

15.2.4 Tasmania reforms

A summary of key reforms in the past five years includes:

Payroll tax

- Tax-free threshold increased to $1.25 million (2013-14).
- Employment incentive schemes progressively implemented, providing concessions to employers who create and maintain new employment positions.
- Introduced a rebate for apprentices, trainees and youth employees between 2017 and 2019.

Stamp duty

- Conveyance duty rates and thresholds increased (2012-13).
- First home owner grant increased and retargeted to new homes only. Temporary boost grants introduced and extended progressively to a combined total of $15 000.

Insurance duty

- Insurance duty rates increased from 8 to 10 per cent (2012-13).

Motor vehicle taxes

- Motor vehicle tax increased by 20 per cent (2012-13).

15.2.5 Other ACT reforms

Other reforms in the ACT include:

Payroll tax

- Increased the payroll tax-free threshold from $1.75 million (2011-12) to $2 million (2016-17).

Stamp duty

- Introduced a deferred stamp duty scheme to allow stamp duty to be paid after a property is transferred.
- Retargeted stamp duty concessions, including increasing the threshold for the Home Buyer Concession and Pensioner Duty Concession Scheme.
- Temporary increases to the First Home Owner Grant (returning to $7000 in 2017-18) and retargeted to new homes only.
- Introduced a stamp duty discount for low-emission vehicles (2015-16).

15.2.6 Other SA reforms

Other reforms in SA include:

Payroll tax

- Introduced a temporary payroll tax rebate for small businesses (2013-14), followed by a reduction in the tax rate for small businesses to 2.5 per cent (2017-18).
- Removed payroll tax exemptions for apprentices and trainees, replaced with direct assistance schemes.
- Introduced a Job Accelerator Grant Scheme to businesses that employ additional staff.

Stamp duty

- Provided stamp duty concessions for inner city off-the-plan developments (2013-14).
- First home owner grant scheme limited to new homes and increased to $15 000, with additional temporary home purchase grants provided.
- Introduced an $8500 senior housing grant (2014).

Land tax

- Introduced a land tax exemption for off-the-plan purchases.

Gaming taxes

- Casino licence renegotiated and tax rates adjusted (2014).

15.2.7 Other WA reforms

Other reforms in WA include:

Payroll tax

- Tax-free threshold progressively increased to $850 000 and a tapering threshold up to $7.5 million was introduced (2015-16).
- One-off rebate for employers with Australia-wide group wages of up to $1.5 million (2013-14) provided to offset previous year's payroll tax liabilities. Rebate phases out for employers with wages between $1.5 million and $3 million.
- Exemptions provided for wages paid to new employees with a disability or Aboriginal employees (2012-13).

Stamp duty

- Increased home buyer stamp duty concessions.
- First home buyer grant increased to $10 000 and progressively limited to new homes (2015-16).

Land tax

- Progressively increased, with various changes made to value scales and tax rates.
- Parking levy increased incrementally.
- Expanded the Metropolitan Region Improvement Tax to regional areas (2016-17).

Gaming taxes

- Various changes to racing bets levy, subject to operator turnover.
- Gaming machine taxes progressively increased to 21.5 per cent by 2015.

Motor vehicles

- Private vehicle registration concession progressively reduced, and abolished by 2014.

Local Government Association of the Northern Territory

LGANT Submission to **Northern Territory Revenue Discussion Paper**

Via email to: **RevenuePaper.dtf@nt.gov.au**

8 February 2018

About this submission

The Local Government Association of the Northern Territory (LGANT) makes this submission in response to the government's invitation to provide submissions on its discussion paper *Northern Territory Revenue.*

The submission is divided into two parts, namely:

1. LGANT policies on revenue
2. LGANT responses to the discussion paper.

With Part 2, commentary is confined to the issue of property taxes which LGANT strongly opposes.

In terms of all the other taxes LGANT does not support any of them. LGANT considers that in the context of the Northern Territory Budget the small amounts of revenue raised from the taxes proposed makes them not worth pursuing. LGANT considers that efficiency gains from operations within the Northern Territory public service offer better options for the government.

LGANT also contends that local government needs the support of the Northern Territory Government to assist it raise its own revenue which it achieves primarily through the imposition of property rates. Having conditionally rateable land in the Northern Territory inhibits local government's revenue raising capacity and makes local government more reliant on Northern Territory Revenue. Easing this reliance could be achieved if the legislative constraints relating to conditionally rateable land were removed as policy 1.2 (b) below requests.

1. LGANT policies on revenue

LGANT's policies are approved at either:

- general meetings which are held biannually and attended by most of its 17 member councils
- monthly Executive meetings of LGANT's Board.

LGANT's policies reflect its revenue policies some of which have application to the discussion paper.

1.1. *Access to Taxation Receipts*

(a) LGANT supports access by Local Government to an equitable share of the general taxation revenue to meet its roles and functions within the Australian Federal system. (Amendment approved at Executive meeting 31 July 2009 - Agenda item 6.2)

(b) LGANT believes that problems resulting from the vertical fiscal imbalance in the Australian system of government must be addressed cooperatively by all three spheres of government.

1.2. ***Revenue Sources***

(a) LGANT supports councils having autonomy and flexibility in determining sources of local revenue.

(b) **LGANT calls on the Territory Government to amend the *Local Government Act* so that the provisions *relating to conditionally rateable land are removed*."**

(c) LGANT supports councils having the power to undertake their own business enterprises and commercial activities and using the profits from these as supplementary sources of revenue.

(d) LGANT supports the entitlement of Local Government to make a charge for the use of council owned and controlled land where utilities (eg gas, electricity, and telecommunications) carry on their business with a view to making a surplus or profit.

(e) LGANT supports councils having access to revenue growth, from own-source revenues and government grant revenues to enable them to fulfil their obligations to communities. (Adopted at the AGM October 2006)

1.3. ***Commonwealth Revenue Sharing***

(a) LGANT supports 1% of Commonwealth general taxation revenue being allocated to Local Government.

(b) LGANT supports general revenue sharing grants remaining untied.

(c) LGANT supports the Northern Territory Local Government Grants Commission as the most appropriate mechanism to distribute revenue sharing funds to councils.

(d) LGANT supports the allocation of Federal Assistance Grants (FAG's) to Local Government in the NT on the same basis as the Commonwealth provides funds to the Northern Territory Government.

1.4. ***Specific Purpose Grants***

(a) LGANT supports the Commonwealth and Territory Governments continuing to provide specific purpose grants to councils in order to achieve particular national or Territory objectives. These grants must not be at the expense of untied revenue sharing.

(b) LGANT supports the Local Government Accounting Advisory Committee, in collaboration with Commonwealth and Territory agencies, having carriage of the task of rationalising and harmonising financial reporting and acquittal processes for special purpose grants paid to local governments in the Northern Territory. (Adopted at GM November 2007)

1.5. ***Inter Government Concessions***

(a) LGANT seeks the abolition of the unreasonable Fringe Benefits Tax rate impositions on Local Government.

(b) LGANT calls on the Commonwealth and Territory Governments to ensure that funds available for disaster relief flow to those in need without delay.

(c) LGANT believes that Commonwealth and Territory Government business enterprises should pay normal Local Government rates and charges directly to the council(s) concerned.

(d) LGANT supports councils not having to subsidise Commonwealth and Territory concessions to pensioners or other beneficiaries.

1.6. ***Service Provision for Other Governments***

(a) LGANT does not support councils collecting revenue or providing services for other spheres of government unless all the costs (including on costs) involved are fully reimbursed.

1.7. ***Financial Accountability***

(a) LGANT recognises the responsibility of Local Government to be fully accountable to the community.

(b) LGANT supports stern action being taken against any person misappropriating council funds.

(c) LGANT recognises that it has a leadership role in promoting reforms which benefit Local Government.

(d) LGANT supports cooperation and resource sharing between councils to improve the efficiency of service delivery.

1.8. ***Financial Reporting and Grant Acquittals***

(a) LGANT calls on the Territory and Australian Government's to agree on a standardised report format for acquitting data applicable to their grants so that:

- standardised templates (encompassing common periodic reporting) for grant acquittals can be accepted across agencies;
- council personnel can access templates online to generate reports;
- data transfer is possible between council business systems and agreed templates;
- the costs of acquitting grants for all spheres of government is reduced;
- there are common audit procedures for acquitting grants, and
- the terms, conditions and definitions to do with grants are standardised.

(Policy adopted at Executive meeting 31 July 2009 - Agenda item 6.2)

1.9. ***Electronic Commerce***

(a) LGANT supports the use of electronic commerce to increase the efficiency of council business transactions. This should include arrangements for accessing Commonwealth grants and lodging returns or audit statements.

(b) LGANT supports audit reports required under the Local Government Accounting Regulations being the primary document for satisfying the acquittal and audit of all funding. (Policy adopted at Executive meeting 7 June 2006 Item 10.1.1)

(c) LGANT supports IT infrastructure in local government being configured and supported to meet the requirements of the Australian Government. (Policy adopted at Executive meeting 19 May 2008 Item 10.2.2)

2. Responses to the discussion draft

LGANT agrees with the objectives of the discussion paper.

LGANT (as mentioned) is strongly opposed to the introduction of property taxes because they:

- duplicate and 'crowd out' local government from the only tax it can impose, that is rates
- limits the capacity of local government to raise rate revenue
- confuse the public as to why there needs to be virtually the same taxes from two spheres of government.

Yours sincerely

T Tapsell

Tony Tapsell
Chief Executive Officer

Telephone
(08) 8935 9922

Facsimile
(08) 8935 9900

Email
palmerston@palmerston.nt.gov.au

Civic Plaza
1 Chung Wah Terrace

www.palmerston.nt.gov.au

Please include the following reference in all correspondence

*ID: CK*ab 21/02/2018*

21/02/2018

Department of Treasury and Finance
Revenue Discussion Paper
GPO Box 154
DARWIN NT 0801

To Whom It May Concern

Response to the Northern Territory Government's Revenue Discussion Paper

Council appreciates the opportunity to respond to the Northern Territory (NT) Department of Treasury and Finance Discussion Paper.

Council supports the overall objective to *"maintain a competitive tax environment that encourages investment, creates jobs and attracts business to the Territory, while raising sufficient revenue to contribute to funding government service delivery"*. Ensuring that the NT's taxation regime is competitive and sustainable will help continue steady population growth in Palmerston which in turn will support the continued growth of the local economy. A sustainable funding model for essential services such as education, healthcare and public safety will assist in growing and retaining residents in Palmerston.

The City of Palmerston supports the response lodged by the Local Government Association of the Northern Territory (LGANT) on behalf of Northern Territory local governments, however would like to directly submit further comments on several issues raised in the discussion paper.

Economic Sustainability

The *Northern Territory Economy Quick Facts September 2017* provided by the NT Department of Business states that the two largest contributors to the NT economy are construction and mining. Not only do these two sectors provide significant revenue to the Northern Territory Government (NTG) through payroll taxes and mining royalties ($478 million in 16/17) they also provide employment for a significant number of NT residents and entice out of region workers to relocate. Irrespective of where construction and mining activities are occurring, increased demand for goods and services, including housing, are spread across communities such as Palmerston. The NTG needs to ensure that the regulatory framework around approval of mining and construction activities and taxation reform are efficient and timely to ensure the continued sustainable growth of these sectors, not discourage investment and reduce competitiveness both domestically and internationally.

Also, recent development in Palmerston has shown that sustainable economic growth leads to increased variety in the provision of goods and services, making NT communities more attractive as lifestyle options for potential residents. Therefore, the Government needs to seriously consider the consequences of increasing the tax burden for communities like Palmerston that are reliant on growth in these industries.

Please address all correspondence to
Chief Executive Officer
PO Box 1
Palmerston NT 0831

ABN 42 050 176 900

The Department acknowledges on page 7 of the Discussion Paper that the decrease in GST revenues, forecast to be $2 billion over the forward estimates is due in part to the decline in the NT's share of national population. The NTG needs to be more aggressive in investing in promoting the Northern Territory as a place of opportunity for investment and to live and work, not just as a tourism destination. Council notes that the NTG has announced it is reviewing the marketing strategy of the NT and encourages the government to consider this as part of that work.

By actively working to address the decline in relative population, the NTG can mitigate the loss in Commonwealth revenue and potentially stamp duty.

Property Taxes

Council has significant concerns about introducing an annual property tax, known as a "land tax". The proposed land tax would be caculated in the same way as local government rates (rates) and property owners would view it as additional rates. Even a tax of 0.1% on the average residental Unimproved Capital Value (UCV) in Palmerston of $228,212 would result in an additional payment of $228 per year. As 65% of Palmerston ratepayers are on the minimum rate of $1,177, this would result in a general rates increase of almost 20% (excluding waste management charges) for almost two thirds of Palmerston property owners. This level of rates increase for no discernible increase in services is not supported by Council nor does Council believe that it would be supported by the Palmerston Community.

Council recognises that Stamp Duty is a barrier to home ownership, especially for first home buyers. Council encourages the NTG to consider alternative models of stamp duty collection including deferred stamp duty, over 5 or 10 years as an example. If a land tax was introduced to replace Stamp Duty completely, this would result in a land tax liability that would effectively double the general rates of 65% of property owners in Palmerston. It would also mean that property owners who had paid their stamp duty at time of purchase would effectively be taxed again over an indefinite period which would be unjust.

Motor Vehicle Taxes

Council acknowledges that NT motor vehicle registration costs are the lowest in Australia, however it is important to note than when considering the impact on the consumer this analysis does not include compulsory insurance payments nor the costs of compliance with the the compulsory vehicle inspection scheme which does not occur in every state. If the NTG was to consider changes, Council encourages it to consider basing additional charges on environmental impacts of the vehicles. This would have a corrective impact on consumer behaviour by encouraging individuals and fleet purchasers to consider environmentally friendly vehicles.

General Comments

Council acknowledges the consultation that has been undertaken in relation to this discussion paper including public information sessions. Any changes that result from this discussion paper are likely to have a significant impact on residents, businesses and property owners, so Council encourages further consultation on proposed changes prior to implementatio. Once a final decision on reform has been made Council recommends an extensive information campaign to inform the community of the impacts changes will have.

Whilst Council supports a review of revenue options, no review of fiscal policy is complete without an examination of government expenditure. Council encourages the Government to also review its approach to expenditure including spending priorities, service provision, collaboration with other members of the Federation, opportunities to deliver services and infrastructure in a more cost effective manner and continuous improvement.

In conclusion Council would like to thank the Department for the opportunity to comment on this discussion paper and looks forward to further engagement during this review.

If you would like any further information, please contact Mr Chris Kelly, Director of Corporate Services on 08 8935 9922 or by email chris.kelly@palmerston.nt.gov.au

Yours Sincerely

Luccio Cercarelli
Chief Executive Officer

ITEM NUMBER:	13.1.6	Call for Nominations – Local Government Accounting Advisory Committee
FROM:		Chief Executive Officer
REPORT NUMBER:		8/1419
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.3 People

4.3 We value our people, and the culture of our organisation. We are committed to continuous improvement and innovation whilst seeking to reduce the costs of Council services through increased efficiency

Summary:

The purpose of this report is to seek a nomination to the Local Government Accounting Advisory Committee as the Local Government Association of the Northern Territory (LGANT) representative.

RECOMMENDATION

1. THAT Report Number 8/1419 entitled Call for Nominations – Local Government Accounting Advisory Committee be received and noted.

2. THAT Council nominate ________ as the Local Government Association of the Northern Territory representative to the Local Government Authority Committee.

General:

Under regulation 5(2)(e) of the Local Government (Accounting) Regulations the Local Government Association of the Northern Territory is calling for nominations to represent LGANT on the Local Government Authority Advisory Committee (LGAAC).

The Committee Terms of Reference and LGANT nomination form are provided as ***Attachment A*** and ***Attachment B***.

LGANT have advised due to the technical nature of the Committee, this position would best suit an officer.

Should Council wish to nominate an officer it would be recommended that Council nominate the Director Corporate Services/Finance Manager.

Financial Implications:

There are no direct financial implications identified.

Legislation/Policy:

Nil.

Recommending Officer: Luccio Cercarelli, Chief Executive Officer

Any queries on this report may be directed to Luccio Cercarelli, Chief Executive Officer on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Luccio Cercarelli, Chief Executive Officer

Schedule of Attachments:

Attachment A: Local Government Accounting Committee Terms of Reference
Attachment B: Local Government Association of the Northern Territory Nomination Form, Local Government Accounting Advisory Committee.

Local Government Accounting Advisory Committee (LGAAC)

Terms of Reference

ROLE AND PURPOSE OF THE COMMITTEE

To provide advice to the Minister of Local Government and the Department of Local Government, Housing and Regional Services on:

(a) contemporary financial management and accounting practices relevant and appropriate to local government; and

(b) appropriate legislative changes necessary to improve standards of local government financial management and accounting.

MEMBERSHIP

The Committee is constituted of the members (not exceeding 10) appointed by the Minister.

The members will consist of:

(a) up to 2 nominees of the Agency with experience in local government; and

(b) 2 nominees of ICA/CPA Australia, 1 of whom must be a registered company auditor and the other a professional provider of financial management services to local government; and

(c) up to 2 nominees of Local Government Managers Australia; and

(d) up to 2 representatives of the NT Finance Reference Group; and

(e) up to 2 nominees of LGANT.

A member of the Committee is to be appointed by the Minister for a term (not exceeding 3 years) specified in the member's instrument of appointment.

The terms and conditions of membership are to be as determined by the Minister.

The Minister must appoint 1 member to be the Chair, and another to be Deputy Chair, of the Committee.

TERMS OF APPOINTMENT

Members of the Committee shall be appointed to the Committee for fixed terms not exceeding three years in the first instance. Rotation of members shall apply with Members being eligible for immediate appointment for a maximum of three years.

COMMITTEE MEETINGS

The Committee is to meet at least once in each quarter.

A meeting may be convened by the Chair of the Committee, or the Minister.

A quorum for a meeting of the Committee consists of 4 members attending by any means.

The meeting may be chaired by the Chair, the Deputy Chair or the Minister and, in the absence of both the Chair and the Deputy Chair, a member chosen to preside by the members present.

Decisions are to be made by majority vote of the members present and, if the votes are equal, the person presiding may exercise a second or casting vote.

The validity of proceedings of the Committee is unaffected by a vacancy or vacancies in its membership.

ADMINISTRATIVE SUPPORT

The Department's Local Government division will provide secretariat and administrative support for the Committee to exercise its statutory functions. All such resources must be used only for Committee related business.

The Department shall be responsible for:

- distributing agendas and papers to Committee members no later than five (5) working days prior to meeting
- recording minutes of meetings
- preparing the minutes and decision register from all meetings and distributing them within three (3) weeks of a meeting to Committee members for final comment for the accuracy of discussion.
- preparing and distributing correspondence as requested by the Committee Chair.

The Committee Chair shall be responsible for:

- preparing or organising agendas for Committee meetings
- presiding at Committee meetings
- performing other duties as recorded in this Charter.

RESPONSIBILITIES

The Committee shall consider as much technical or practical content of Australian Accounting Standards, the Code and relevant financial management concepts that could or should apply to Northern Territory local government with a view to providing substantive advice to the Minister and/or Department on contemporary financial management and accounting practices and recommendations for legislative change necessary to improve standards of financial management and accounting within Northern Territory local government.

ADDENDUM TO THE TERMS OF REFERENCE

Please see next page attached.

MEETING TRAVEL AND ACCOMMODATION ARRANGEMENTS

At the Local Government Accounting (Advisory) Committee's (LGAAC's) meeting of 22 September 2011, it was unanimously agreed that:

1. LGAAC members will meet face to face once a year;

2. when this happens, *Secretariat will assume responsibility for booking flights and accommodation for committee members and arrange for the Department to cover travel and accommodation expenses only;*

3. *prior to each meeting, the Secretariat must be given a minimum of five working days notice to arrange travel and accommodation;*

4. *The Department will pay transport and accommodation costs directly to the establishment concerned. This process allows the Department to be GST compliant and to claim reimbursement of the GST.*

5. *Where taxi fares are anticipated in connection with official travel, arrangements can be made with Secretariat for the issue of Cab charge dockets.*

There is no change for members claiming a mileage allowance. A Claim for Kilometre Allowance (By-Law 32) must be submitted with receipts, as per usual.

LOCAL GOVERNMENT ASSOCIATION OF THE NORTHERN TERRITORY

NOMINATION FORM

LOCAL GOVERNMENT ACCOUNTING ADVISORY COMMITTEE

COUNCIL NAME:

---

1. Agreement to be nominated

I,____agree to be nominated as a
(name in full)

member of the **Local Government Accounting Advisory Committee**.

Signature: ____ Date: _______________

2. Council Confirmation of Nomination

I,____the Chief Executive Officer

hereby confirm that ____

was approved by resolution of Council to be nominated as a member of the **Local Government Accounting Advisory Committee** at a meeting held on
/ /2018 .

Signature: ____ Date: _______________

3. Nominee's Contact Details

Email address: ____

Phone No: ____

4. Nominee Information

The following information is required to enable the Executive to make an informed decision. A current curriculum vitae can be submitted in lieu of section 3 of the nomination form.

4.1 What is your current council position? ________________________________

4.2 How long have you held your current council position? __________________

4.3 How long have you been involved in local government? _________________

4.4 Please list your educational qualifications:

____

____

____

____

4.5 What experience do you have that is relevant to this committee?

____

____

____

____

4.6 Apart from your current position what other roles have you had in the local government sector?

____

____

____

____

5. You agree to supply the Executive with a report on the committee meetings you attend?

I agree ☐ I Disagree ☐

6. Have you read and agree to the Outside Committee procedures

Yes ☐

ITEM NUMBER:	13.1.7	Hog's Breath Café – Alfresco Dining
FROM:		Acting Director of Technical Services
REPORT NUMBER:		8/1414
MEETING DATE:		20 February 2018

Municipal Plan:

2. Economic Development

2.3 City Planning

2.3 We are committed to effective and responsible city planning which balances and meets both residential and commercial needs in our community

Summary:

The purpose of this report is to seek Council approval to rescind outstanding alfresco fees associated with Lot 10028 (18) The Boulevard, Palmerston City, (Hog's Breath Café) due to a change to permit type.

RECOMMENDATION

1. THAT Council receives Report Number 8/1414 entitled Hog's Breath Café – Alfresco Dining be received and noted.

2. THAT Council rescind outstanding alfresco fees issued to Hog's Breath Café being for the Class 2 permit from the period of 1 July 2017 on the basis of a Class 1 permit being issued.

General:

Council's Outdoor Dining Policy contains two (2) types of verge dining permit.

The intent of the classes of permit is to differentiate between applications which result in low or high impacts on the verge. A Class 1 permit will allow for a small extension to the dining area of a café or shop without competing against City Centre developers who are attempting to lease restaurant/dining floor space at a reasonable cost. A Class 2 permit is offered at a much higher cost and is designed to offer the ambiance of alfresco dining at a market rental rate.

Hog's Breath Café has had a Class 2 permit for its outdoor dining area on The Boulevard verge for 5 years. Hog's Breath Café have maintained payment and maintenance responsibility over the alfresco area.

In April 2017 the proprietor requested that their existing Class 2 permit be rescinded for the period commencing 1 July 2017, and the area permitted under the conditions of a Class 1 permit. The reasoning given is primarily due to a downturn in patronage at the restaurant. The reduced patronage has meant that the alfresco area has not been utilised to the full extent. The proprietor wishes to maintain the current infrastructure such that when patronage increase in the future, the alfresco section can be utilised again. The proprietor has indicated that they will continue to maintain the cleanliness around the alfresco area.

Council's intent in its City Centre is to use outdoor dining as a tool to increase vibrancy and opportunities for the community to attend. Council should strive to create spaces for people that are connected, that offer a variety of experiences which enhance the local economy, environment and community.

A Class 1 permit has been issued as this is an operational determination and within delegations. The permit includes all relevant normal amenities utilising the requirement that no alcohol is to be consumed in the area. In this case the applicant will be required to install appropriate signage regarding the non-consumption of alcohol.

The applicant made their application for change of permit type in April 2017 and due to a variety of factors the matter was not resolved by Council. As a result, despite the request Council has issued an invoice for fees associated with a Class 2 permit being $10,288.83. Had this issue been addressed in a timely manner, the invoice would not have been issued. Council staff are satisfied that there has not been a significant level of Class 2 trading by the applicant over this time.

Council could retain its fees up to the period of the issue date of the new permit class being February 2018, or alternatively rescind the 2017/2018 for the site and associated Class 2 permit.

It is being recommended that Council rescind the fees for a Class 2 permit for Lot 10028 (18) The Boulevard, Palmerston City (Hog's Breath Café) on the basis that the applicant sought approval for change in April 2017 and in good faith has withheld the area as if it was a Class 1 permit.

Financial Implications:

In July 2017 an invoice for continuation of the existing Class 2 permit was issued for the period of July 2017 – June 2018 in accordance with the fees and charges applicable to the permitted area associated with the Hog's Breath Alfresco Dining area. The waiver would be $10,228.83 (excluding GST).

The reclassification of the area would require Council to waive the existing fees and then charge the area under the revised Class 1 permit fees and charges. Revised permit fees would be $25 per annum in accordance with Council's adopted 2017/2018 Fees and Charges.

Legislation/Policy:

REG01 Outdoor Dining Policy

A new permit being Class 1 will be issued under delegation, Council direction is being sought regarding waiving of fees.

Recommending Officer: Malcolm Jones, Acting Director of City Growth and Operation

Any queries on this report may be directed to Malcolm Jones, Acting Director of City Growth and Operation on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Schedule of Attachments:

Nil

ITEM NUMBER:	13.1.8	Adoption of Reviewed Council Policies
FROM:		Director of Corporate Services
REPORT NUMBER:		8/1415
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report to adopt Council Policies relating to Elected Members, Meetings, Open Data and Financial Management that have undergone review and public consultation.

RECOMMENDATION

1. THAT Report Number 8/1415 entitled Adoption of Reviewed Council Policies be received and noted.

2. THAT Council rescinds the following policies:

   - AD02 Media Policy
   - EM01 Elected Members Policy
   - EM05 Political Involvement in Council Events Policy
   - MEE01 Access to Council and Committee Meetings and Confidential Minutes Policy
   - FIN19 Financial Reserve Policy

3. THAT Council adopts the reviewed Policy numbered AD02 Media being ***Attachment A*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

4. THAT Council adopts the reviewed Policy numbered EM01 Elected Members being ***Attachment B*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

5. THAT Council adopts the reviewed Policy numbered EM05 Political Involvement in Council Events being ***Attachment C*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

6. THAT Council adopts the reviewed Policy numbered MEE01 Access to Council and Committee Meetings and Confidential Minutes being ***Attachment D*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

7. THAT Council adopts the reviewed Policy numbered AD06 Open Data being ***Attachment E*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

8. THAT Council adopts the reviewed Policy numbered FIN19 Financial Reserve being ***Attachment F*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

9. THAT Council adopts the reviewed Policy numbered FIN29 Security Payments being ***Attachment G*** of Report Number 8/1415 entitled Adoption of Reviewed Council Policies.

10. THAT Council write to submitters thanking them for their submission and advising them of Council's response to this submission.

Background:

On 21 November 2017 Council resolved in Decision 8/2962 to publicly advertise AD02 Media Policy, EM01 Elected Members Policy, EM05 Political Involvement in Council Events Policy and MEE01 Access to Council and Committee Meetings and Confidential Minutes Policy for 21 days in accordance with COMM03 Community Consultation Policy.

On 12 December 2017 Council resolved to publicly advertise AD06 Open Data Policy (Decision 8/2974), FIN19 Financial Reserve Policy (Decision 8/2977) and FIN29 Security Payments Policy (8/2980) Policy for 21 days in accordance with COMM03 Community Consultation Policy.

Submissions have closed, and these policies are now presented as amended in response to community input, for adoption.

General:

During the public consultation periods Council received total of 7 submissions. Following a review of community input and internal consultation, along with minor formatting and editing, the following changes have been made:

Submission No.	***Policy***	***Matters Raised***	***Changes***
1	AD02-Media Policy	• The purpose should be expanded to include social media • Negative onus should be changed to a positive onus • Clear definitions should be inserted for other forms of media, not just social media • Policy should be split into 3 parts-media releases, media enquiries and requests and personal social media • Changes "requested" to "encouraged"	• Amended purpose of policy to note guidance around use of social media • Amended principles to place a positive onus on Elected Members • Inserted definitions of Elected Members and Media • Amended headings and structure of policy to more clearly reflect the different responsibilities of staff and Elected Members • Changed references to encourage Elected Members to contact the Communications Team

		• In relation to media issues, Elected Members should not use the CEO except to confirm factual matters • Elected Members should be able to acknowledge they are Elected Members and be contacted by social media • Insert statement saying Elected Members can issue their own media releases • City of Darwin has a protocol regarding pre-election media releases. This is something that the City of Palmerston should also consider.	• Inserted "solely" to reflect that Elected Members can only contact the CEO to utilise the Communications team for limited purposes • Inserted statement recognising role of social media for Elected Members and encouraging them to consider public and private social media accounts. • Inserted statement outlining right of Elected Members to issue media releases in their own name. • Referenced Council's *EM04 Caretaker Policy* that provides guidance on use of Council media and resources during pre-election caretaker period.
2	AD02-Media Policy	• The Mayor is the community representative and should decide who speaks, with advice from the CEO • The Mayor can distribute media releases on behalf of Council.	• No changes recommended. Section 35 of the Local Government Act clearly states that the Mayor has no power to direct or control staff. This would include how they respond to a media request to the organisation. The decision will be made the CEO in conjunction with the Mayor, acknowledging his/her role as Principal Member under section 43. • No changes recommended. Section 101(d) says that the CEO is responsible for communicating with the community. The Mayor is entitled to issue press releases as an individual as per section 4.4.3 of the Media Policy.
3	AD06-Open Data	• Open Data Principles should be amended so Council does not release data unless it has the potential to identify an individual • Council needs to be aware that third party data may be restricted from release. • Council needs to ensure data cannot be used to identify individuals/Privacy needs to be assessed when releasing data.	• Amended first principle to restrict release of data where it has the potential to identify an individual • Noted • Increased privacy measures and added a commitment to draft an Open Data Procedure in conjunction with the Office of the Northern Territory Information Commissioner. • Moved Open Data Principles into the Principles section of the Policy

4	AD06-Open Data	• Council needs to ensure data cannot be used to identify individuals/Privacy needs to be assessed when releasing data. • Council should wait until new Council has been sworn in.	• Increased privacy measures and added a commitment to draft an Open Data Procedure in conjunction with the Office of the Northern Territory Information Commissioner. • Council has publicly committed to introducing this policy and is meeting that commitment. Future Councils can also amend or rescind the policy.
5	AD06-Open Data	• Provided more context and links to other policies	• Council has reviewed the other policies and the rationale for this policy is consistent with other local governments. Also, as this policy is a recommendation of the Digital Strategy 2021, there is more context within that document.
6	FIN19-Financial Reserve Policy	• Council should wait until new Council has been sworn in.	• Council has publicly committed to amending this policy and is meeting that commitment. Future Councils can also amend or rescind the policy.
7	FIN29-Security Payments Policy	• Council should wait until new Council has been sworn in.	• Regarding the Security Payments Policy, Council is formalising its practices and them into line with the Northern Territory Government. Future Councils can also amend or rescind the policy.

In relation to concerns about the privacy of data being released as part of Council's Open Data Policy, Council has made a commitment to drafting a procedure which will ensure that any information with the potential to identify individuals has been removed prior to release. This will include unique identifiers and data that can be combined with other datasets to identify individuals. This procedure will be drafted in consultation with the Office of the Northern Territory Information Commissioner and no data sets will be released until that process is complete.

Council will write to all submitters outlining how the draft policies were amended in response to community input. Each submitter will be informed of all changes and the content of all submissions, however all personally identifiable information of each submitter will not be provided.

Financial Implications:

Nil

Legislation/Policy:

Information Act
Local Government Act
Local Government (Accounting) Regulations
Banking Act 1959 (Cth)
Corporations Act 2001 (Cth)

Northern Territory Government Treasurer's Direction M2.2 Surety Bonds and Bank Guarantees
City of Palmerston Development Guideline
Australian Accounting Standards Board
Digital Strategy 2021

Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services

Schedule of Attachments:

Attachment A: AD02 Media Policy
Attachment B: EM01 Elected Members Policy
Attachment C: EM05 Political Involvement in Council Events Policy
Attachment D: MEE01 Access to Council and Committee Meetings and Confidential Minutes Policy
Attachment E: AD06 Open Data Policy
Attachment F: FIN19 Financial Reserve Policy
Attachment G: FIN29 Security Payments Policy

AD02

Name:	Media		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	AD02

1 *PURPOSE*

This policy outlines the protocols and procedures governing and guiding City of Palmerston staff and elected members' interaction with media agencies and use of social media. The policy is designed to establish a framework across Council governing interaction with media to best ensure consistent messaging and brand recognition and reputation.

2 *PRINCIPLES*

The purpose of any media interaction is to inform and/or educate City of Palmerston stakeholders and the community about Council policies, positions on issues, decisions, upcoming and unfolding events. At all times media interaction should be utilised to positively enhance the Council's reputation and public standing.

The Mayor is the principal spokesperson for the City of Palmerston. Other Elected Members or staff may be spokespersons as appropriate. Views expressed by Elected Members should be clearly identified as either personal or professional and must always endeavour to promote the interests of the municipality and raise awareness and understanding of community issues.

3 *DEFINITIONS*

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Elected Members	All Elected officials including the Mayor.
Media	Various means of communication through which news, entertainment, education, data or promotional messages are disseminated. These platforms can include television, radio, newspapers and magazines but are distinct from social media.
Personal Social Media Communications	Exchange of user generated content on social media platforms held by individuals including employees for private purposes. Social media may include but is not limited to social networking sites, chatrooms, media sharing sites, blogs, forum and online collaboration. This can also include accounts not titled with the name of the individual.

4 *POLICY STATEMENT*

4.1 Council Media Protocol

The Communications Officer will be, in so far as possible, the first contact point to liaise with media, provide information and arrange for the preparation of media releases and briefings prior to interviews.

4.1.1 A decision on whether the issue should be addressed by an Elected Member or Staff would be made in the first instance by the CEO in conjunction with the Mayor.

4.2 Staff Dealing with Media

4.2.1 No City of Palmerston staff member is authorised to speak to the media on any Council issue without the prior approval of the Chief Executive Officer. This includes personal social media communications which directly relate to issues arising from operations at the City of Palmerston.
4.2.2 Any personal use of social media should not imply the user is an authorised representative of City of Palmerston, contain use of a City of Palmerston email address, any City of Palmerston logos or insignia or use or disclose Council information that is confidential or private.
4.2.3 On occasions it is appropriate for staff to talk to the media instead of an Elected Member, the Chief Executive Officer will have the authority to designate City of Palmerston staff to become a spokesperson.
4.2.4 City of Palmerston Council staff, including those in the Communications Team, must not engage in any media activity which is deemed by the Chief Executive Officer to be specifically for the personal advantage of any Elected Member.

4.3 Elected Members Dealing with Media

4.3.1 Elected Members are entitled at any time to attract media attention for themselves. They are encouraged to inform the Chief Executive Officer out of professional courtesy solely to confirm any factual matters concerning the City of Palmerston as they may relate to the media opportunity.
4.3.2 Elected Members should also ensure that when they are seeking to gain media attention for themselves that they make it clear that they are speaking for themselves and not on behalf of the City of Palmerston Council.
4.3.3 When Elected Members are approached directly by media to comment on any issue to do with City of Palmerston operations they are encouraged in the first instance to contact the Chief Executive Officer solely to ensure that they are briefed with all relevant and accurate information before releasing any details to the media.
4.3.4 Elected Members are entitled to indicate that they are Elected Members of the City of Palmerston Council and are encouraged to use social media to communicate with the community. To ensure distinction between personal and Council use, Elected Members are encouraged to establish pages that identify them as Elected Members separate from private accounts, however it should be clear that the opinions expressed are those of the Elected Member and not those of Council.
4.3.5 It is not suggested that Elected Members who post on personal pages should contact the Chief Executive Officer, however, if posts relate to operational matters or decisions of Council, it should be clear that the opinions expressed are those of the Elected Member and the comments are not being made on behalf of Council.
4.3.6 When Elected Members are posting on social media regarding Council matters they are encouraged to contact the Chief Executive Officer prior. This will help ensure that all information going out regarding both operational matters and Council decisions is correct at the time of posting.

4.4 Media Releases

4.4.1 All Council media releases must only be released to the media from the Communications Team or Chief Executive Officer's office.
4.4.2 All media releases will be provided to Elected Members when being released to the media.
4.4.3 Elected Members are entitled to distribute their own media releases; however they must

clearly indicate these releases are the opinions or beliefs of the individual Elected Member and are not being made on behalf of Council.

5 *ASSOCIATED DOCUMENTS*

5.1 EM04 Caretaker Policy

6 *REFERENCES AND RELATED LEGISLATION*

EM01

Name:	Elected Members		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	EM01

1 PURPOSE

The City of Palmerston recognises the roles and responsibilities of Elected Members under the *Local Government Act 2008* (NT). This policy expands and clarifies these roles and responsibilities.

2 PRINCIPLES

Policies of the City of Palmerston are guided by principles of sustainability, good governance, advocacy, regulation and service provision. More guidance is provided in Council and Administrative policies, procedures and guidelines, the Municipal Plan, Asset Management Plans and other relevant documents.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Elected Member	Individuals elected to Council, including Alderman and Mayor

4 POLICY STATEMENT

4.1 Use of the Common Seal of the City of Palmerston

4.1.1 The Common Seal will be applied in accordance with section 26(2) *Local Government Act 2008* (NT) "The Act".

4.1.2 The Common Seal will be kept in the safe, and shall not be removed from Council's Administration Building without the authority of the CEO.

4.1.3 A register shall be maintained by the Office of the CEO detailing the use of the Common Seal, including a description of the document, date the seal was affixed, the date Council resolved to affix the seal, and the name of the person affixing the seal.

4.2 Role of Mayor and Other Elected Members

4.2.1 The role of the Mayor of the City of Palmerston shall not conflict with s 35 and s 43 of the Act.

4.2.2 The Mayor shall not commit material, resources, and finances or otherwise obligate Council to a course of action or policy decision outside of those powers provided for under legislation or Council policy.

4.2.3 The Deputy Mayor shall be appointed for a period of one year, with the appointment being conducted at the first meeting of Council to be held after each general election and again at each 12-month anniversary thereafter. The method of appointment is to be determined by Council, and voting is to be by a show of hands unless otherwise determined by Council.

4.3 Appointments to Committees and Outside Organisations

4.3.1 Appointments to Committees of Council and outside organisations where membership is directly related to their position in Council shall be conducted within 3 months of each general election, and where deemed necessary thereafter. The method of appointment is to be determined by Council, and voting is to be by a show of hands unless otherwise determined by Council.

4.3.2 The Office of the CEO shall be responsible for maintaining a register of committee and outside organisation membership.

4.3.3 All Council appointments to committees and outside organisations terminate upon the resignation from Council of the appointee.

5 *ASSOCIATED DOCUMENTS*

5.1 City of Palmerston *Elected Members Benefits and Support Policy*

5.2 City of Palmerston *Code of Conduct for Elected Members*

6 *REFERENCES AND RELATED LEGISLATION*

6.1 *Local Government Act 2008* (NT)

6.2 *Local Government (Accounting) Regulations 2008* (NT)

6.3 *Local Government (Administration) Regulations 2008* (NT)

6.4 *Local Government (Electoral) Regulations 2008* (NT)

6.5 Guidelines made by the Minister pursuant to s258 *Local Government Act 2008* (NT):

- Guideline 1: Employees Disqualified from Council Membership
- Guideline 2: Allowances for Council Members
- Guideline 3: Appointing a CEO
- Guideline 4: Investments
- Guideline 5: Borrowings
- Guideline 6: Conditionally Rateable Land
- Guideline 7: Disposal of Property

EM05

Name:	Political Involvement in Council Events		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	EM05

1 PURPOSE

This Policy sets out the manner and protocols in which Northern Territory and Commonwealth politicians are able to participate in Council events.

2 PRINCIPLES

Policies of the City of Palmerston are guided by principles of sustainability, good governance, advocacy, regulation and service provision. More guidance is provided in Council and Administrative policies, procedures and guidelines, the Municipal Plan, Asset Management Plans and other relevant documents.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Local Politician	- Federal Member for Solomon - Members of Northern Territory Legislative Assembly (MLA) where the electoral division is wholly or partly within the City of Palmerston

4 POLICY STATEMENT

4.1 Where the event is wholly or partially funded by the Northern Territory or Commonwealth Government.

4.1.1 Local politicians are invited to attend, and when appropriate to the event, seating is provided.
4.1.2 The presence of local politicians is recognised at the beginning of the event by the Master of Ceremonies where appropriate.
4.1.3 Local politicians are thanked and recognised for the funding they have provided for the event.
4.1.4 Where appropriate, the relevant local politician will be invited to make a short speech.
4.1.5 Local politicians are invited when appropriate to erect a stall.

4.2 Where the event is not funded by the Northern Territory or Commonwealth Government.

4.2.1 Local politicians are invited to attend, and when appropriate to the event, seating is provided.
4.2.2 The presence of local politicians is recognised at the beginning of the event by the Master of Ceremonies where appropriate.
4.2.3 Where appropriate, the relevant local politician will be invited to make a short speech.
4.2.4 Local politicians are not to erect a stall.

5 *ASSOCIATED DOCUMENTS*

6 *REFERENCES AND RELATED LEGISLATION*

Name:	Access to Council and Committee Meetings and Confidential Minutes		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	MEE01

1 *PURPOSE*

The City of Palmerston is committed to transparent and accountable decision making. As per Section 8 of the Local Government (Administration) Regulations 2008 (NT) "the Regulations", there are some situations where Council is empowered to classify items as confidential. This policy defines the use of provisions in the Local Government Act 2008 (NT) by which public access to Council and Committee Meetings can be restricted.

2 *PRINCIPLES*

Policies of the City of Palmerston are guided by principles of sustainability, good governance, advocacy, regulation and service provision. More guidance is provided in Council and Administrative policies, procedures and guidelines, the Municipal Plan, Asset Management Plans and other relevant documents.

3 *DEFINITIONS*

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
"move into confidence"	resolve to exclude members of the public from access to a matter raised in a Council or Committee meeting, as well as to agenda items and reports pertaining to that matter.

4 *POLICY STATEMENT*

4.1 Public Notice and Access to Meeting Agendas

4.1.1 At least three days prior to a Council or Committee meeting (unless it is a Special Meeting), the Chief Executive Officer must give written notice of the meeting to all Council and Committee members setting out the date, time and venue. The notice must be accompanied by the agenda.

4.1.2 At least 3 days prior to a Council or Committee meeting, the notice and agenda must be available to the public on Council's website, as well as a public copy provided at the front desk at the Civic Centre on public display.

4.1.3 Items on the agenda are to be described accurately and in reasonable detail.

4.1.4 Three (3) copies of the agenda documents and non-confidential reports that are to be considered at the meeting will be available to the public at the meeting.

4.2 Public Access to Meetings

4.2.1 Council encourages public attendance at Council and Committee meetings, and all Council and Committee meetings will be held at venues accessible to the public.

4.2.2 Where Council or a Council Committee believes it is necessary in the broader community interest to exclude the public from the discussion and or decision of a particular matter, Council will exclude the public for that agenda item, report or discussion only.

4.2.3 Before the public can be excluded in order to receive, discuss and consider a particular matter in confidence, a Council or Committee must in public formally determine if this is necessary and appropriate, and then pass a resolution to move into confidence, thereby excluding the public while dealing with the particular matter. Once resolved, all members of the public (including staff but not including Elected Members), unless exempted by being named in the resolution as entitled to remain, are required to exit the room.

4.2.4 Once Council has resolved to move into confidence, it is an offence for a person, who knowing that an order is in force, enters or remains in a room in which such a meeting is being held.

4.2.5 Once discussion on that particular matter is concluded, the public are then permitted to re-enter the meeting.

4.3 Grounds for Exclusion

4.3.1 The grounds for moving into confidence allowed to Council are provided in Section 8 of the Regulations. All resolutions of Council to move into confidence must stipulate grounds for doing so, making specific reference to the subsection of the Regulations upon which the decision is based, and be compliant with the *Information Act 2002* (NT). Embarrassment, discomfort, or unwanted media attention towards Elected members as a whole or individually, or towards Council as an organisation, are therefore insufficient grounds for moving into confidence in and of themselves.

4.3.2 All resolutions of Council to move into confidence must stipulate the time period of the confidence. Once the time period of exclusion has expired, the matter will be included in the next Council meeting minutes appropriately identified as *a matter coming out of confidence*.

4.3.3 While a matter is attended to in confidence, Council may resolve to extend or shorten the period of time it remain in confidence, subject to 4.3.1 above.

4.3.4 All resolutions of Council to move into confidence must comply with the *Information Act 2002* (NT).

4.4 Register of Excluded Items

4.4.1 Maintaining in electronic form a register of those instances in Council and Committee meetings where the public has been excluded, the reason for exclusion, and the expiration date of the exclusion.

4.4.2 Ensuring that Council is notified in a timely manner of those items coming out of exclusion.

4.43 Reporting in Council's Annual Report the number of instances of confidence has been used in Council or Committee meetings, and the grounds for the resolution, the number of matters to have moved out of confidence, and the number of matters remaining in confidence over the course of the preceding year.

5 *ASSOCIATED DOCUMENTS*

5.1 City of Palmerston *Code of Conduct for Elected Members*

5.2 City of Palmerston *Records Management Policy*

6 *REFERENCES AND RELATED LEGISLATION*

6.1 *Local Government Act 2008* (NT)
6.2 *Local Government (Administration) Regulations 2008* (NT)
6.3 *Information Act 2002* (NT)

Name:	Open Data		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	AD06

HISTORY					
Records Number:		Approval Date:		Council Decision:	

1 PURPOSE

Council is committed to open government and transparency. This policy outlines how Council will manage the release of data.

2 PRINCIPLES

The Open Data principles that Council supports are:

- Council recognises that all data is "public" and made available for release, unless it has the potential to identify individuals or is otherwise restricted under legislation, including the *Information Act*.
- Wherever possible, Council will provide information at no cost using www.data.gov.au as the preferred platform for online release.
- Council will not pre-define the value of data and withhold data that it does not believe would be of use to others. The public, industry and businesses may value Council's data differently, so Council will provide as much data as possible.
- Council will share information with other government or open data agencies unless otherwise restricted under legislation.
- Council commits to maintaining accurate and reliable datasets and repairing errors when identified, however notes that some information may have been provided by third parties and therefore Council cannot not guarantee its accuracy.
- Council will seek Open Data partnerships that have a direct benefit for the community of Palmerston

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Open Data	Open data is data which is: ▪ freely available to anyone to be used, reused and redistributed; ▪ available in a machine readable format, such as a CSV or an API; and ▪ available under an open licence, such as Creative Commons.

4 POLICY STATEMENT

4.1 Rationale

As part of Council's *Digital Strategy 2018-2021*, Council commits to making available datasets to provide residents, developers, the ICT industry, government bodies and business associations with an easy way to find; access and reuse Council's public data. Embracing the use of, and a policy around, open data is an essential element to building transparency and providing opportunities for the use of Council held data to make the Palmerston community more self-sufficient by creating local jobs. Open data can also support Council in the cost-effective delivery of services, its ability to be responsive to the needs of the community and to build awareness and engagement with industry.

Council will identify ways to publicly share and promote opportunities for the use of Council data. This will be done in a way that respects the privacy of individuals. Council values the privacy of individuals and will honour its legislative obligations under the *Information Act* by removing identifiable categories, appropriately aggregating data and ensuring that data is approved and checked before release. Council will also draft an Open Data Procedure in conjunction with the Office of the Northern Territory Information Commissioner.

4.2 Identification of Data

Council will identify ways to publicly share data and promote opportunities for the use of Council data. All staff are committed to actively seeking and recommending opportunities for releasing data. Data sets will be made available externally, however as recommended in the *Digital Strategy 2018-2021*, Council will also maintain and update a central internal data repository as the source of datasets.

Potential datasets could cover areas such as:

- Park management
- Stormwater Network
- Community facilities
- Road network
- Library management
- Carparking
- Public wi-fi analytics; and
- Administrative

This is not a restrictive list and Council invites potential users of data to make a request for datasets not yet available.

4.3 Engagement with Dataset Users

Council will make data available through its preferred platform www.data.gov.au and geospatial datasets will also be available through the National Maps Service at www.nationalmap.gov.au. Each dataset release will contain details on licensing, publication date, update frequency and provide a contact point within Council for further enquiries. Council commits to updating all data at least annually, however will consider updating datasets more regularly upon request.

Council invites residents, developers, the ICT industry, government bodies and business associations to make requests for dataset release and update. These requests should be made to Council's Chief Executive Officer in writing or by email, detailing the information requested, relevant time periods, update frequency and any other information that Council may need to fully respond.

5 ASSOCIATED DOCUMENTS

5.1 City of Palmerston *Digital Strategy 2018-2021*

6 REFERENCES AND RELATED LEGISLATION

6.1 *Information Act*

FIN19

Name:	Financial Reserve Policy		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Finance Manager		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Policy Code:	FIN19

HISTORY					
Records Number:		Approval Date:		Council Decision:	

1 PURPOSE

To ensure sustainable and responsible financial management of City of Palmerston, through consistent identification, administration and usage of externally and internally restricted reserves.

2 PRINCIPLES

City of Palmerston follows the requirements in content and timing stipulated by the *Local Government Act*, Local Government (Accounting) Regulations, Local Government (Administration) Regulations and the principals of the Australian Accounting Standards.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Financial Reserves	The term includes Asset Revaluation Reserves under Australian Accounting Standards and other reserves as described in this policy.
Asset Revaluation Reserves	Are reserves required by the Australian Accounting Standards for the movement in fair value of assets. These are not cash backed reserves.
Internally Restricted Reserves	Are reserves established by Council to ensure that sufficient funds are available when required for a specific purpose. These reserves are cash backed.
Externally Restricted Reserves	Are reserves that are subject to external restrictions in their purpose. These reserves are cash backed.
Internal Borrowing	The transfer of reserve funds from one reserve to another, as an alternative to external borrowing, to be repaid at a future date as determined by council.

4 POLICY STATEMENT

4.1 Classification of Financial Reserves

4.1.1 Asset Revaluation Reserves

This reserve is established under the requirements of the Australian Accounting Standards. It reflects the increments or decrements of fixed asset values due to asset revaluations.

4.1.2 Externally Restricted Reserves

The following criteria apply to externally restricted reserves:

- The reserve is subject to legal requirements that govern the use of the funds; or
- The reserve includes funds that have not been utilised for the purpose for which they were received, and an obligation or requirement to return funds to its contributor exist.

The following Council reserves are externally restricted reserves:

Unexpended Grants and Contributions	This reserve holds the balance of unexpended grants and contributions received from external contributors. The funds are held in this reserve until expensed in line with the funding conditions. External restrictions apply in line with the individual funding agreements.
Developer Funds Reserve	This reserve holds the balance of unexpended funds in lieu of construction received by developers. Restrictions to these funds may apply in line with individual developer agreements.

4.1.3 Internally Restricted Reserves

The following criteria apply to internally restricted reserves:

- The reserve is not subject to legal requirements governing the use of the funds or;
- The reserve has been established for a specific internal purpose, however, if that purpose does not eventuate or Council changes its priorities the funding can be diverted to other purposes.

City of Palmerston distinguishes between two categories of internally restricted reserves:

- Asset related reserves that are related to fixed assets and are established for the funding of renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan, Long-Term Financial Plan, Municipal Plan and other strategic plans.
- Other reserves that are not related to fixed assets and are established by Council for a specific purpose. Individual internal restrictions are placed on these reserves.

The following Council reserves are internally restricted reserves:

Asset Related Reserves	
Property Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Property.
Plant and Equipment Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the

	establishment of new assets in line with Council's Asset Management Plan for Plant and Equipment.
Infrastructure Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Infrastructure.
Street Lighting Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets related to street lighting, and/or the establishment of new streetlighting assets in line with Council's Asset Management Plan for Infrastructure.
Other Reserves	
Election Expense Reserve	The reserve will fund expenses related to Local Government elections and By-Elections.
Disaster Recovery Reserve	This reserve will fund expenses occurred due to storms, storm surges, floods or any other natural disaster. The fund will enable City of Palmerston to recover from these disasters and return to operations.
Strategic Initiatives Reserve	This reserve will fund strategic initiatives for the future development of the City of Palmerston in line with the Municipal Plan and the Long-Term Financial Plan. Specific initiatives must be identified, and funds have to be allocated to those.
Community Grants Reserve	This reserve is in line with the Grants, Scholarship and Sponsorship Policy (FIN18) and holds funds that have been committed to initiatives in line with that policy and have not been expensed at the End of Financial Year.
Unexpended Capital Works Reserve	This reserve holds the balance of unexpended capital works funds that are requested to be carried forward to the following financial year.
Waste Management Reserve	This reserve holds funds for the direct and indirect expenditures for the rehabilitation of the Archer landfill and for development of the Archer transfer station to accommodate expected future requirements.
City Centre Improvement Reserve	The reserve holds funds for the provision, operation and maintenance of land, facilities, services and enhancements for and in connection with the City Centre.

4.2 Establishment of Financial Reserves

Asset Revaluation Reserves	Establishment of reserves follows the Australian Accounting Standards.
Externally Restricted Reserves	A reserve will be established for any value if there is a legal requirement or a requirement under the Australian Accounting Standards.

Internally Restricted Reserves	An establishment of a new reserve must be authorised by Council and shall not be established for an amount less than $100,000.

4.3 Transfer of Funds In/ Out of Financial Reserves

Asset Revaluation Reserves	Transfer of funds will follow the Australian Accounting Standards.
Externally Restricted Reserves	Transfer of funds are restricted to the terms and conditions of individual funding agreements. Council must authorise transfers by Council resolution.
Internally Restricted Reserves	Transfer of funds are restricted by the internal purpose of the reserve. All transfers must be authorised by Council resolution.

Appropriate records and sufficient detail must accompany any reserve transfer.

All future transfers for reserves shall be assessed at least annually during the preparation of the budget and the Long-term Financial Plan. Budgeted reserve movements will also be reviewed during the budget review process.

<u>The following internal fund transfers shall not require Council resolution:</u>
Surplus funds of the waste service charge under Section 157 *Local Government Act* are to be transferred to the Waste Management Reserve. Surpluses are calculated as income from waste charges less waste management related expenditure.

Operational Surplus funds shall be utilised to secure minimum balances on reserves in the first instance. Left over funds or deficit shall be distributed to/drawn from the following reserves:
- 75% Infrastructure Reserve
- 20% Property Reserve
- 5% Plant & equipment Reserve

The total of all reserves shall not exceed current assets less current liabilities held by Council. Required adjustments at the end of the financial year will be made in line with the surplus distribution mentioned above and do not need authorisation by Council resolution.

4.4 Balances for Financial Reserves

Reserve balances at the end of a financial year shall be:

Election Expense Reserve	This reserve shall be maintained at no more than $150,000.
Disaster Recovery Reserve	This reserve shall be maintained at or near $500,000. External funds received after the event for the purpose of disaster recovery shall be used to maintain the reserve on its ideal level of funds.
Strategic Initiatives	This reserve shall be maintained at no more than $500,000 where initiatives are identified in the annual budget.
Community Grants Reserve	This reserve shall be maintained at the balance of any current commitments.

4.5 Internal Borrowing from Reserves

Any internal borrowings require disclosure in Council's annual financial statements and Municipal Plan and are to be repaid at a future date as determined by council.

4.6 Reporting on Finance Reserves

In line with Part 7 (15) (2) (c) of the Local Government (Accounting) Regulations, Council is required to disclose all reserves set aside for a specific purpose in its annual financial statements. In addition, these reserves are reported on as follows:

- A detailed statement with expected movements as part of the annual budget.
- A detailed statement with expected performance compared to current approved annual budget as part of the budget review reports.
- A statement of approved budgeted balances as part of the monthly finance report.

5 *ASSOCIATED DOCUMENTS*

5.1 City of Palmerston Policies
5.2 City of Palmerston Municipal Plan
5.3 City of Palmerston Long-term Financial Plan
5.4 City of Palmerston Asset Management Plans
5.5 City of Palmerston Asset Management Policy
5.6 City of Palmerston Subdivisional Guidelines

6 *REFERENCES AND RELATED LEGISLATION*

6.1 *Local Government Act* (NT)
6.2 Local Government (Administration) Regulations
6.3 Local Government (Accounting) Regulations
6.4 Australian Accounting Standards
6.5 Ministerial Guidelines
6.6 Local Government General Instructions

Name:	Security Payments		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Director of Corporate Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]
Records Number:		Council Decision:	FIN29

HISTORY					
Records Number:		Approval Date:		Council Decision:	

1 PURPOSE

To outline the requirements for the issuing of surety bonds and bank guarantees acceptable to the City of Palmerston.

2 PRINCIPLES

Cash, bank guarantees and surety bonds are acceptable forms of security for the City of Palmerston. City of Palmerston does not have a preference so long as the terms and conditions meet Council's requirements. Council will draft seek legal and financial advice to draft a procedure and relevant templates to ensure Council's interests are protected.

3 DEFINITIONS

For the purposes of this Policy, the following definitions apply:

Term	***Definition***
Bank Guarantee	An unconditional undertaking given by a bank, on behalf of a customer (developer, contractor or other), to pay the recipient or beneficiary (Council) the contracted amount or part thereof on demand. Bank guarantees usually require security held in the form on cash on deposit with the bank.
Surety Bond	An undertaking or guarantee to pay an amount or part thereof determined as determined or agreed by Council The developer, contractor or other requests the issuer to issue a bond in favour of the City of Palmerston (Council) and the bond premium is paid by the contractor.

4 POLICY STATEMENT

4.1 Cash Security

Council will accept, at its discretion, cash as security for works in accordance with City of Palmerston Development Guideline (the guideline).

4.2 Bank Guarantees

The only type of bank guarantee that should be accepted is an unconditional bank guarantee issued by an Authorised Deposit-taking Institution (ADI) that is regulated by the Australian Prudential Regulation Authority (APRA) in accordance with the *Banking Act 1959*.

4.2.1 Council may accept bank guarantees from Australian-owned banks, foreign subsidiary banks, branches of foreign banks, building societies and credit unions, which are operating in Australia as ADIs in accordance with *Banking Act 1959.*

4.2.2 Bank Guarantees must meet the minimum requirements of being unconditional, irrevocable, payable on demand and without reference to the contractor and not have an expiry date as well as satisfy Council's requirements in accordance with the guideline.

4.2.3 Council must be the only beneficiary of the guarantee.

4.2.4 Upon claim by Council, the contractor is responsible for all reasonable legal expenses incurred by Council in administering the bank guarantee.

4.2.5 The governing law must be that of the Northern Territory.

4.3 Surety Bonds

The only types of surety bonds that should be accepted are performance bonds, which offer a nominated monetary amount as surety. Surety bonds must be able to be called upon immediately by Council in the event that a customer fails to fulfil its obligations or otherwise breaches its obligations.

4.3.1 Surety Bonds must meet the minimum requirements of being unconditional, irrevocable, payable on demand and without reference to the contractor and not have an expiry date as well as satisfy Council's requirements in accordance with the guideline.

4.3.2 Council must the only beneficiary of the bond.

4.3.3 The issuer of a surety bond must:

4.3.3.1 Be registered with the Australian Securities and Investments Commission (ASIC). It is acceptable for the ultimate parent company to be registered and located outside Australia, but the subsidiary that issues the surety bond itself must be located in Australia and registered with ASIC.

4.3.3.2 Be authorised by APRA and fully comply with Australia's regulatory and legal requirements, including holding an Australian financial services licence under the *Corporations Act 2001*, and

4.3.3.3 Have a minimum long-term credit rating of A- by Standard and Poor's or A3 by Moody's Investor Service or A- by Fitch Ratings.

4.3.4 Council will only accept surety bonds from companies on the Northern Territory Department of Treasury and Finance list of approved surety bond providers listed in Appendix A of the Treasurer's Direction M2.2 Surety Bonds and Bank Guarantees.

4.3.5 Where a surety bond provider has been removed from the Treasurer's Direction M2.2, a surety bond must be replaced.

4.3.6 The customer is responsible for ensuring that the surety bond provider remains on the approved list and for informing Council that the surety bond needs to be replaced.

4.3.7 The governing law must be that of the Northern Territory.

5 ASSOCIATED DOCUMENTS

5.1 *Northern Territory Government Treasurer's Direction M2.2 Surety Bonds and Bank Guarantees*

5.2 *City of Palmerston Development Guideline*

6 REFERENCES AND RELATED LEGISLATION

6.1 *Banking Act 1959*

6.2 *Corporations Act 2001*

ITEM NUMBER:	13.1.9	Local Government Association of the Northern Territory Call for Policy and Action Motions
FROM:		Chief Executive Officer
REPORT NUMBER:		8/1416
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.3 People

4.3 We value our people, and the culture of our organisation. We are committed to continuous improvement and innovation whilst seeking to reduce the costs of Council services through increased efficiency

Summary:

The Local Government Association of the Northern Territory (LGANT) are calling for Policy and Action Motions to be put forward at their General Meeting being held on 13 April 2018.

RECOMMENDATION

1. THAT Report Number 8/1416 entitled Local Government Association of the Northern Territory Call for Policy and Action Motions be received and noted.

2. THAT Council determines whether a motion or motions be put forward to the Local Government Association of the Northern Territory for the General Meeting on 13 April 2018.

Background:

LGANT encourages Councils to submit motions on issues so they can be considered for adoption as LGANT Policy or as actions for LGANT to do at either the April or November General Meetings held each year or the monthly Executive meetings.

General:

Council has been requested by LGANT to put forward for the April General Meeting, any motions they feel relevant, to be considered for adoption as either a LGANT Policy or as an action.

LGANT will research and assess each policy or action proposal and if necessary discuss it with the proponent member council and the Executive will then later decide at one of its meetings whether to adopt the policy or not, or take the action or not, or to put it to a general meeting for decision.

A template for submitting a motion is provided at ***Attachment A.***

Direction is being sought from Council to whether it wishes to put forward a motion and if no, the nature of the motion. Motions must be submitted six (6) weeks prior to the meeting in order to be considered at the General Meeting.

Financial Implications:

There are no financial implications to submit a motion to LGANT.

Legislation/Policy:

Nil.

Recommending Officer: Luccio Cercarelli, Chief Executive Officer

Any queries on this report may be directed to Luccio Cercarelli, Chief Executive Officer on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Luccio Cercarelli, Chief Executive Officer

Schedule of Attachments:

Attachment A: LGANT Call for Motions Template

LGANT CALL FOR POLICY AND 'ACTION' MOTIONS

About this document

The purpose of this document is for it to be used as a template for member councils to submit motions to LGANT on issues so they can be considered for adoption as LGANT policy or as actions for LGANT to do at either the April or November General meetings each year or the monthly Executive meetings. The timeframes for submitting motions are ten days before an Executive meeting and six weeks for a General meeting (General meeting agenda has to be submitted 28 days before a meeting and Executive meeting agenda six days before a meeting). Motions can be submitted at any time and will be put to the first available meeting depending on when they are received.

LGANT will research and assess each policy or action proposal and if necessary discuss it with the proponent member council and the Executive will then later decide at one of its meetings whether to adopt the policy or not, or take the action or not, or to put it to a general meeting for decision.

1. ***What is your Motion?***

   Include the text of the motion (short paragraph or paragraphs – see LGANT policies as examples of how you could structure a motion at www.lgant.asn.au).

2. ***How is the motion relevant to Northern Territory Local Government?***

   Please provide comment here if the motion is proposed as a LGANT policy and explain why it should be and how it is relevant to the Northern Territory Local Government sector.

3. ***What are your key points in support of your motion?***

   Here you should provide some background about the issue, some evidence to support the motion and your text should be no more than 600 words.

4. ***Is there a Council Resolution in support of this motion?*** ☐ Yes ☐ No
5. ***Should the motion be LGANT policy?*** ☐ Yes ☐ No
6. ***Contact Information***

   Council:

   Name:

   Telephone:

   Fax:

   Email:

ITEM NUMBER:	13.1.10	Disability Permit Parking – Palmerston City Centre
FROM:		Director of Community Services
REPORT NUMBER:		8/1417
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

This report seeks Council approval to permit vehicles displaying a valid disability permit to park in any charged bay managed by Council, for twice the allocated time free of charge.

RECOMMENDATION

1. THAT Report Number 8/1417 entitled Disability Permit Parking – Palmerston City Centre be received and noted.

2. THAT Council approve vehicles displaying a valid disability permit be permitted to park in Council managed on and off-street parking for twice the maximum time zone free of charge without penalty and that Policy Number REG03 City Centre Parking be updated to reflect this amendment.

Background:

Council Policy Number REG03, City Centre Parking Policy state:

> ***Disability Permit Holder Charges:***
> Vehicles displaying a valid disability permit will be permitted to park in charged bays for twice the period shown on the purchased parking ticket without penalty.

Disability permit holders are able to park without charge in disability bays however are required to purchase a ticket to park in the charged bay and are then permitted to stay for twice the period shown on the ticket.

At a meeting of the Palmerston Seniors Advisory Committee on Monday 29 January 2018, members requested that Council consider introducing free parking for disability permit holders in any charged bay for twice the allowed time.

General:

To support a connected community for all, it is recommended that Council approve the proposed amendment to the Council Policy REG03 City Centre Parking as below:

Vehicles to which a Charge Applies:
Charges for on and off-street parking are applicable to all vehicles with the following exceptions:

1. Emergency services vehicle (ESV) undertaking an emergency service. An ESV is not exempt if that vehicle is not actively attending an emergency at the time of parking.
2. Service Authority vehicles holding a valid temporary parking permit.
3. Vehicles displaying a valid disability permit.

Disability Permit Holder Charges:
Vehicles displaying a valid disability permit will be permitted to park in charged bays for twice the maximum time at no charge without penalty.

This amendment will provide an immediate benefit as well as align parking infringement penalties within the region. The City of Darwin currently applies a similar philosophy.

Due to this being a minor amendment community consultation is not being recommended however Council will be undertaking a communication campaign to promote the change within the community including writing to our current disability permit holders.

Financial Implications:

The financial implications to Council are considered minor and able to be accommodated within existing budget.

Legislation/Policy:

REG03 City Centre Parking Policy

Recommending Officer: Jan Peters, Director of Community Services

Any queries on this report may be directed to Jan Peters, Director of Community Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Jan Peters, Director of Community Services

Schedule of Attachments:

Nil

ITEM NUMBER:	13.1.11	Proposed Lease of Part of Lot 9543
FROM:		Director of Corporate Services
REPORT NUMBER:		8/1418
MEETING DATE:		20 February 2018

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

4.1 We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

The purpose of this report is for Council to accept the proposed lease to the Northern Territory Government for Part of Lot 9543.

RECOMMENDATION

1. THAT Report Number 8/1418 entitled Proposed Lease of Part of Lot 9543 be received and noted.

2. THAT pursuant to Section 26(2) of the Local Government Act, Council authorises the affixing of the common seal to all documents associated with the lease of that part of Lot 9543 which includes a single-story building with a lettable area of approximately 274 square metres with a yard contained within a fenced area in the plan in Schedule 3 of the proposed lease and this be attested by the signatures of the Official Manager and Chief Executive Officer.

Background:

Council has received a proposal from the Northern Territory Government to lease Part of Lot 9543 in Yarrawonga. Council recently adopted AD04 Lease of Council Property which says that as a general rule Council will use an open market format for long term leases, however one of the accepted reasons for an alternative approach is a long-term lease to the Northern Territory Government to facilitate a strategic project.

General:

Council owns Lot 9543 in Yarrawonga which consists of Council's depot facility as well as a separate fenced area which contains an unoccupied building and yard.

Council has received a proposal from the Northern Territory Government to lease the unoccupied building and surrounding handstand area as outlined in ***Attachment A*** for education purposes. The neighbouring Council depot and men's Shed are unaffected by this proposal. In response, Council commissioned an independent Rent Assessment from McGees Property which recommended a rent range of between $45,210 and $50,690 with a rent-free incentive period of 3-6 months.

The lease proposes a rental income of $45,210 per annum for 3 years with a rent-free incentive period of 3 months. Whilst this represents the lower end of the recommended range, the Northern Territory Government has assumed the cost of building certification, internal floor covering and internal painting over the life of the lease and will also be responsible for maintenance of the yard area. The rent-free incentive period is also at the lower end of the recommended range.

Both Council and the Northern Territory Government have undertaken works consistent with their obligations in the lease and the building will soon be ready for use.

Financial Implications:

Council will receive rental income of $45,210 per annum for a facility that is not currently required for Council purposes and is unoccupied.

Budgets will be amended to reflect the additional income.

Legislation/Policy:

AD04 Lease of Council Property
Local Government Act

The lease is based on a standard lease provided by the Northern Territory Government. It has been reviewed by Council staff and it contains standard terms and conditions that reflect the agreed responsibilities between the parties.

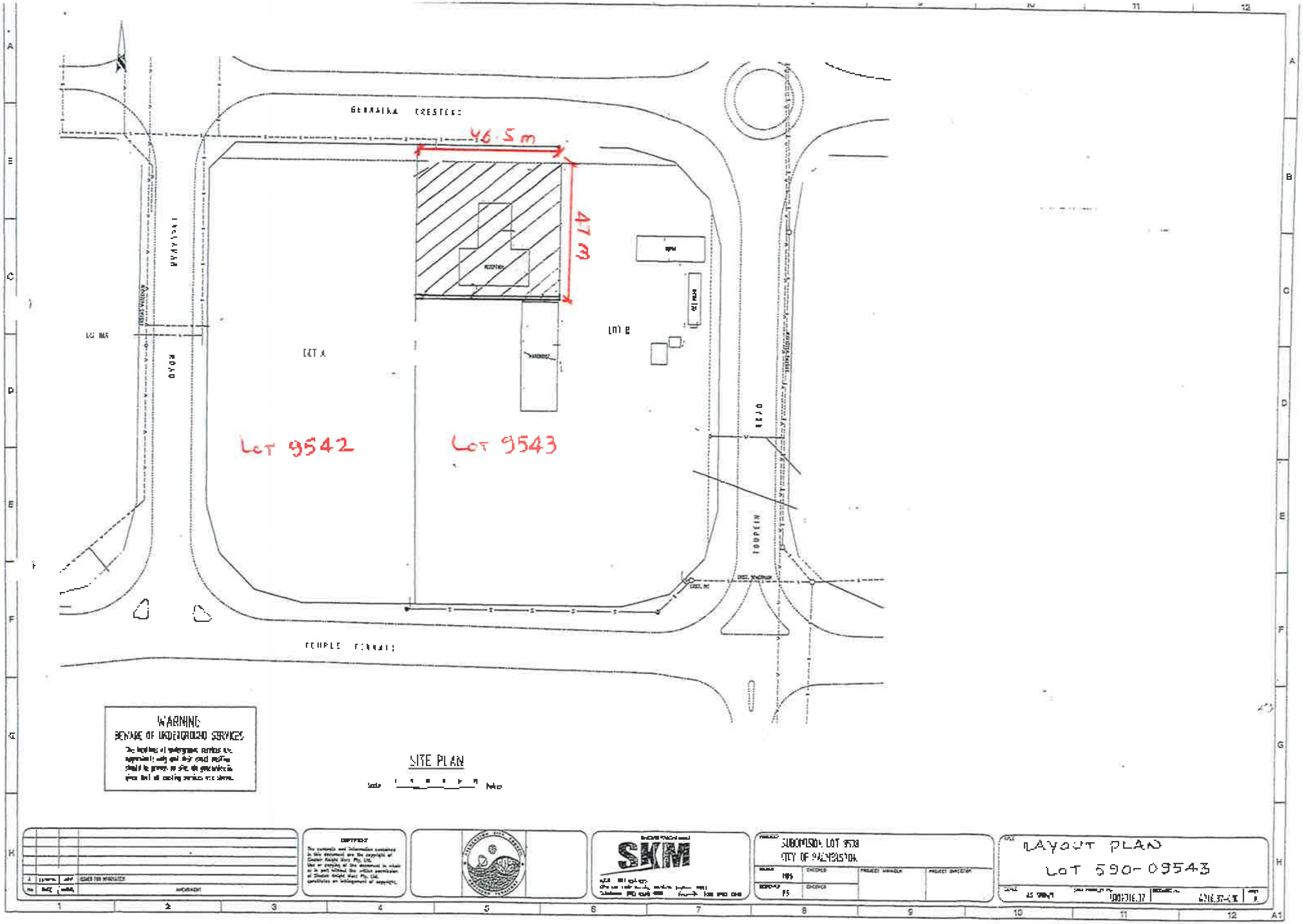
Recommending Officer: Chris Kelly, Director of Corporate Services

Any queries on this report may be directed to Chris Kelly, Director of Corporate Services on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Chris Kelly, Director of Corporate Services

Schedule of Attachments:

Attachment A: Plan of Proposed Lease Area



Attachment A

ITEM NUMBER:	13.1.12	Strategic Initiatives
FROM:		Acting Director City Growth and Operations
REPORT NUMBER:		8/1421
MEETING DATE:		20 February 2018

Municipal Plan:

3. Environment & Infrastructure

3.1 Environment Sustainability

3.1 We are committed to actively protecting and enhancing the environmental assets and infrastructure of the City of Palmerston, while supporting local businesses and industry in sustainable land use

Summary:

The purpose of this report is to seek Council endorsement to utilise the Strategic Initiatives Reserve to undertake several new initiatives in 2017/2018, relating to Photovoltaic Systems, Smart Cities and transition of public lighting to smart ready LED technology.

RECOMMENDATION

1. THAT Report Number 8/1421 entitled Strategic Initiatives is received and noted.

2. THAT Council endorses the installation of a Photovoltaic System on the City of Palmerston Library in 2017/18, to be funded from the Strategic Initiatives Reserve to a value of $200,000 (GST exclusive).

3. THAT Council endorses the development of a City of Palmerston Smart Cities Strategy and program to inform future implementation options add a basis to such estimated funding opportunities, and that:

   i. This work be funded from the Strategic Initiatives Reserve to the value of $80,000.
   ii. A further report on the outcomes be presented to Council in June 2018.

4. THAT Council endorses the development of a strategy and program for street and public lighting transition to Smart LED lighting including a funding model to be funded from the Strategic Initiatives Reserve to a value of $60,000, with a further report on the outcomes to Council in May 2018.

General:

In reviewing potential initiatives for Council, the following opportunities were identified:

1. Renewable Energy Photovoltaic Systems – City of Palmerston Library;
2. Smart Cities Strategy; and
3. Street and Public Smart ready LED's.

In identifying those projects, consideration was given to various factors including but not limited to financial and environmental sustainability and Council's vision and objectives. The initiative is described in detail:

<u>Renewable Energy – Photovoltaic (PV) System</u>

Council should be considering implementation of renewable energy initiatives as part of its sustainability strategy. This will have both financial and environmental benefits for the Palmerston Community.

The NT Government has committed to adopt a target of 50% renewable energy by 2030 and as a result has developed a "Roadmap to Renewables" report.

Rooftop PV Systems are a proven technology in reducing costs and improving environmental outcomes. Currently the City of Palmerston has no systems in its assets register, nor does it have an easily identifiable strategy or program.

It is being recommended that Council commence installing PV Systems on its infrastructure as a priority and that a strategy and program be developed moving forward.

A review of major Council assets has been undertaken to determine suitability of a PV system taking into consideration various factors including but not limited to power consumption, condition of asset, and installation considerations.

The City of Palmerston Library has been identified as the preferred first PV Project for Council despite it not being Council's largest consumer of power.

The building currently consumes approximately 420MWH per year.

The project would aim to install a 99kVA system in accordance with Power Water Class 3 – Medium Commercial PV Systems. The expected production is anticipated to decrease energy costs in the order of 33% per annum. At an estimated cost of $200,000 the expected payback period will be less than 5 years with a life expectancy of the overall system of around 10 years.

It is estimated that the system will offset an average of 50,000kg of carbon dioxide annually over the life of the asset.

It is being recommended that Council immediately proceed with installing a PV System on the Library with the cost to be funded from the Strategic Initiatives Reserve.

<u>Smart Cities</u>

The Australian Government has established a $50 million competitive Smart Cities and Suburbs Program to support projects that apply innovative technology-based solutions to urban challenges. Funding is based on a dollar for dollar financial contribution up to a maximum of $5 million from the Australian Government.

The Australian Government has stated that, "*Smart Cities are created by and for people with the held of smart technology. For the purposes of this program, smart technologies generate, store, communicate and process data. Smart technologies enable local governments and their communities to work together and make better decisions about designing, delivering and using public assets, services and spaces. Smart technology can help local governments to:*

- *Actively engage the community in planning and policy decisions*
- *Address economic, social and environmental challenges*
- *Increase the efficiency and effectiveness of urban service delivery*

Local governments are at the frontline of smart city innovation. The program will foster smart cities capability through collaborative projects involving one or more communities."

The first round of opportunities closed in June 2017 and was highly competitive with 176 applications received. Two projects were successful in the Northern Territory being Darwin ($10 million) and Alice Springs ($502,821).

A second round of funding is expected to open for applications in the first half of 2018.

In November 2017 following public consultation, Council adopted its Digital Strategy. The Strategy identifies that enabling social value through technology is critical for the future of Palmerston. It further identifies three key principles:

- Safe and Sound
- Connected and Enabled
- Interact and Engage

The Smart Cities Program aligns with and would assist with the delivery of Council's Digital Strategy. Unlike many Australian cities, City of Palmerston is in the unique position of owning and controlling streetlights. Smart streetlights form a good foundation and are part of the implementation of a future Smart City.

Given the competitiveness of funding rounds, the unique position of the Council and Council's Digital Strategy, it is being recommended that Council develops a Smart Cities Initiative that will guide the Council in future years and be suitable to be utilised as an application to the Australian Government for funding to expediate implementation.

Any application or strategy would be developed in close collaboration with the NT Government, our neighbouring Council's and key industry stakeholders.

It is anticipated given the specialised and highly technical nature of this work Council officers would engage external expertise to assist. The estimate cost is $80,000 to be funded from the Strategic Initiatives Reserve. The work will include funding models.

This investment could see Council attract significant external funding and community benefits if successful.

<u>Street and Public Smart Lighting and LED's</u>

As of 1 January 2018, Council has operational control and ownership of street lights in its road reserves and public places. This represents approximately 4600 lights.

The estimated 2017/2018 cost of operating the lights is as follows:

Energy	$830,000
Repairs and Maintenance	$1,000,000
Total	$1,830,000

The above figures do not include costs associated with depreciation.

Council's current operating model is based on Business As Usual (BAU) many street lights are being monitored and renewed in a similar way to that when Power Water managed the asset.

With advancement in technology it is possible that by moving to an operational model of smart lighting and LED that Council could increase service levels, decrease long term costs, operating costs and improve environmental and community outcomes.

Council currently has a capital program of $50,000 to replace park lighting with LED lights however there is no long-term strategy in place for all Council lighting.

Use of Smart LED's can result in the following benefits:

- Significant cost savings in energy and operational costs
- Reduction in green house gas omissions
- Improved amenity and safety
- Lower levels of light pollution
- Smart Lights seen as platform for future Smart Cities technology

Based on available data and experiences it is estimated that a conversion of all lights and LED's could achieve an annual saving in energy costs of 50% representing $415,000 to the Palmerston Community.

There is an increasing use of LED and smart ready lights globally and nationally, it is becoming the norm.

It is proposed that Council assess benefits and develop a strategy for a transition of lighting. This will include financial models, design considerations, implementation plan and assessment of benefits and sustainability issues.

The strategy and implementation plan will be developed in a form to guide future budget considerations as well as be able to be utilised to seek external funding opportunities to deliver for the Palmerston community.

The strategy will be developed with consideration of Darwin and Litchfield and their initiatives and where possible to work in a collaborative manner to improve outcomes.

It is being recommended that Council allocate $60,000 from the Strategic Initiatives Reserve to allow this project to commence immediately.

Financial Implications:

The Strategic Initiatives Reserve contains $500,000.

It is being recommended that Council draw $340,000 from the reserves to deliver:

- PV System – City of Palmerston Library
- Smart Cities Strategy and Program
- Smart ready LED – Street and Public lighting transition strategy

The work on Smart Cities and lighting will allow Council to position itself to competitively seek external funding for delivery which would reduce the cost burden to the Palmerston community.

The project s implemented will result in long term financial savings to the community.

Legislation/Policy:

The projects will deliver on Council's vision, strategies and objectives including the recently adopted City of Palmerston Digital Strategy.

Recommending Officer: Malcolm Jones, Acting Director of City Growth and Operations

Any queries on this report may be directed to Malcolm Jones, Acting Director of City Growth and Operations on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Schedule of Attachments:

Nil.

ITEM NUMBER:	13.1.13	Northern Territory Government - "Planning for a Vibrant Future"
FROM:		Director of Technical Services
REPORT NUMBER:		8/1420
MEETING DATE:		20 February 2018

Municipal Plan:

2. Economic Development

2.3 City Planning

2.3 We are committed to effective and responsible city planning which balances and meets both residential and commercial needs in our community

Summary:

The following report presents Council's response to the first discussion stage of the Northern Territory Government's Economic Development Framework and 10 Year Infrastructure Strategy about how to plan for a vibrant future and in particular, Palmerston.

RECOMMENDATION

1. THAT Report Number 8/1420 entitled Northern Territory Government "Planning for a Vibrant Future" be received and noted.

2. THAT Council endorse the submission to the Northern Territory Government discussion document "Planning for a Vibrant Future" being ***Attachment B*** to Report Number 8/1420 entitled Northern Territory Government "Planning for a Vibrant Future".

Background:

The Northern Territory Government (NTG) has released its Economic Development Framework and 10 Year Infrastructure Strategy and is working to ensure business and industry are able to plan for future growth.

NTG are seeking public submissions on its document entitled "Planning for a Vibrant Future" at ***Attachment A***.

The City of Palmerston has been identified as a key growth area in the NTG's discussion document "Planning for a Vibrant Future".

General:

The Planning for a Vibrant Future discussion draft describes Palmerston as "The Family City" and it is considered that this aligns with Council visions of a "Place for People". The document recognises the residential focus placed on Palmerston and the resultant past and future population growth which has made Palmerston the fastest growing city in the Northern Territory.

Council is keen to be part of the discussion and as such has a provided a letter of response to the Department of Infrastructure, Planning and Logistics ***(Attachment B)*** that outlines key areas that directly impact the City of Palmerston and relate to the discussion document.

1. The Vision for Palmerston
2. City Centre Master Plan
3. Community Infrastructure Plan
4. Housing
5. Open Space and Recreation Opportunities
6. Employment
7. Smart Cities and Digital Strategies

These criteria have been elaborated on in the letter of response.

Financial Implications:

There are no direct financial implications.

Legislation/Policy:

Nil

Recommending Officer: Malcolm Jones, Acting Director of City Growth and Operations

Any queries on this report may be directed to Malcolm Jones, Acting Director of City Growth and Operations on telephone (08) 8935 9922 or email palmerston@palmerston.nt.gov.au

Author: Malcolm Jones, Acting Director City Growth and Operations.

Schedule of Attachments:

Attachment A: NTG “Planning for a Vibrant Future” Discussion Paper
Attachment B: Letter of response to Andrew Kirkman, Chief Executive, Department of Infrastructure, Planning and Logistics.

DISCUSSION DRAFT //

Attachment A

Planning for a vibrant future

NORTHERN TERRITORY GOVERNMENT

The NT Government wants to refresh the Territory's vision for the future and restore community confidence in the planning system. Alongside **'Planning for a vibrant future'**, the Government is also seeking your feedback on **'Building Confidence through Better Planning in the Northern Territory'**.

'Building Confidence through Better Planning in the Northern Territory' provides an overview of the current planning and development system and seeks your ideas on how to improve the NT planning system to provide better transparency, community involvement and development outcomes. To view and comment on this discussion paper please visit www.haveyoursay.nt.gov.au

what will the Northern Territory look like as its population grows?

The Northern Territory Government is actively planning for the future. The Government has now released its Economic Development Framework and Ten Year Infrastructure Strategy and is working to ensure that business and industry are able to plan for future growth and the community can be confident that infrastructure will be available to support a growing population.

The Government can enable and support both economic and population growth by ensuring sufficient land is made available at the right time to cater for this growth. Across our regions, smart Government investment in land use planning will help catalyse the private sector investment that is essential to securing real economic growth and prosperity.

The vision outlined in this discussion paper aims to harmonise land use planning across the Northern Territory with the Government's overall strategy for developing the Northern Territory.

This vision explores just what a confident, thriving and vibrant place our Territory could become if we approached population growth thoughtfully. This means progress and development needs to conserve and protect what Territorians love most, our lifestyle and unique character.

Land development allows industries and local firms to invest and develop, creates jobs to ensure a growing, vibrant and energetic community, and enables diverse urban environments.

This vision has been created to help us plan ahead and provide a framework for infrastructure investment in all towns and cities of the Territory. Strategic land-use planning plays a central role in managing sustainable and orderly growth. It harnesses economic opportunities and establishes the location and scale of future infrastructure requirements to support communities.

Prioritising expansion and urban redevelopment opportunities close to existing urban centres will mean development can occur in an orderly sequence and at a scale which generates the required economic viability for services, local jobs and supporting infrastructure. This will bring a bustling vitality to our communities and local economies while maintaining neighbourhood character, increasing housing options and choice and protecting valued heritage, culture and natural assets.

The vision is intended to guide future planning so that development continues sequentially and builds on, and is supported by, sound planning principles and the NT Planning Scheme.

By working together, industry, government and community will lead the rejuvenation of the Darwin CBD and Territory towns.

The underlying focus is on building an interconnected network of functioning centres to create practical, safe, welcoming, flourishing and well-serviced places to live, work, play and visit.

While our population is young, enterprising and focussed, our future must be inclusive and plan for seniors to have a vibrant retirement. Proactive, intelligent growth will enable us to take the necessary steps to securing a bright and successful future for all Territorians.

Planning for a Vibrant Future focusses on key growth areas, creating individual visions for key towns and cities including:

- Darwin, Australia's Northern Capital
- Palmerston, The Family City
- Darwin's Rural Areas, Unique Rural Lifestyle
- Weddell, A New Tropical City
- Cox Peninsula, Saltwater Living
- Katherine, A Logistics and Agribusiness Hub
- Tennant Creek, A Mining Services Centre
- Alice Springs, Australia's Inland Capital
- Nhulunbuy, Arnhem's Peninsula Paradise
- Regional and Remote, Our Cultural Landscape

The release of this discussion draft is the first stage in seeking your ideas about how to plan for a vibrant future for our Territory. But this vision for the Territory is only the beginning.

On the back page of this document are details about how to reach us by email, phone or post.

What are your thoughts on the Government's vision for the Territory?

What are creative ways we could enliven our cities and towns?

Are we on the right track to maximise economic development opportunities while maintaining and enhancing our valued Territory lifestyle?

DARWIN

Australia's northern capital

As Australia's tropical capital and capital of the Northern Territory, Darwin is positioned to take advantage of its close ties to Asia with its deep-water harbour, strong transport links, proximity to agricultural centres and a young, skilled and adventurous population.

Drawing on Darwin's status as northern Australia's commercial, cultural, administrative, tourist and civic capital, we are transforming our retail and living space to attract people to live, work and play here.

Open avenues of cooling trees, refreshing water features, sanctuaries of greenery and over-arching tree canopies will create a cooling energy that will make our city more vibrant and liveable.

Smart transport and walking connections will draw people from the harbour and the new luxury hotel through the city to the old Hospital site and Myilly Point, an ideal location for the new Museum of the Northern Territory.

Our city's heart, State Square, will reflect our tropical character with beautiful open space reminiscent of the elegance of other great capitals of the world. The Square will feature a new fine arts gallery with undergrounding of car parking serving to reduce heat generation.

The areas circling the CBD – Frances Bay, the former tank farm and the Parap and Woolner ridge – provide opportunities to refresh historic areas in parallel with growth in the CBD.

Revitalising these precincts will provide a growing number of residents, city workers and tourists with a diverse offering of mixed-use developments. Better access to public transport will provide connections between the city, these urban precincts and other main centres in the region like Nightcliff.

Outside of the city peninsula, greenfield land releases at Muirhead and Lyons will cater for our population growth and create new tourism precincts strategically located to capitalise on the magnificent features of the Casuarina Coastal Reserve. The Northcrest development at Berrimah Farm will create a landmark centre with panoramic views of the city. At completion, it will house 7500 people close to the heart of Darwin. Casuarina is our premier retail centre and has the internationally recognised Charles Darwin University and Royal Darwin Hospital close by.

Darwin Port is the gateway to Asia that gives our industries the opportunity to develop, grow and connect with our trading partners. Developing marine industry at East Arm complements the growing port and business park and will support ship maintenance for our recreational and commercial fishing industries, as well as for defence and marine logistics.

The availability of land across Darwin is finite so thoughtful planning is needed to offer adequate and affordable residential and commercial options while preserving the lifestyle we value.

Our future planning identifies suitable locations for residential, commercial and industrial growth. It also plans for a range of strong and successful local and regional centres to sustain vibrant, well-serviced and connected communities. These centres will diversify housing options, boost employment opportunities and make effective use of infrastructure.

Accessible community hubs such as the Darwin CBD, Casuarina and Berrimah will be focal points for employment, energised by higher density residential development, education facilities, public transport, professional services, shopping and recreation opportunities.

What ideas do you have for Darwin as Australia's Northern Capital?

What do you see as the best opportunities to revitalise our CBD?

1. **Nightcliff Activity Centre**
   mixed commercial and residential development
2. **Woolner**
   mixed residential development
3. **Old Tank Farm & Frances Bay**
   residential and mixed-use development
4. **Barneson Boulevard**
   road construction
5. **Muirhead & Lyons**
   future residential growth
6. **Berrimah Farm**
   mixed-use residential development


Future growth
1
2
3
4
5
6
NEW RESIDENTIAL & TOURISM //
New residential and tourism opportunities at Muirhead, Lyons and Lee Point.
SPORTING FACILITIES //
Developing new homes for rugby league, netball and tennis.
BUILDING BETTER SCHOOLS //
New and improved education facilities at Bullocky Point.
CELEBRATING ARTS AND CULTURE //
Developing a major new Museum of the Northern Territory.
LUXURY HOTEL OFFERING //
Soon to be constructed on the Waterfront.
NEW INDUSTRIAL DEVELOPMENT AT EAST ARM //
Supporting port and marine and infrastructure developments.
CBD REVITALISATION //
Revitalising Darwin's CBD, including a new fine arts gallery in State Square, undergrounding carparking and moving students into the CBD.
A NEW SHIP LIFT FACILITY //
Supporting the defence and maritime industries with construction of a common user facility.

PALMERSTON

the family city

Palmerston is our fastest growing city and will ultimately provide homes, family and community space and facilities for more than 70 000 people.

Palmerston's modern housing reflects a contemporary and diverse mix of living options for young and old, shaping its own identity as a family city focussing on friendly open space and dynamic recreational, retail and commercial facilities.

Fast becoming a regional hub for health, education, police and defence services, the services and facilities of Palmerston Regional Hospital, a university campus and the close proximity to the major defence establishment at Robertson Barracks are promoting further growth in the region. This growth drives demand for social infrastructure, including community facilities, health services, police services and aged care.

The allure of the brand-new Gateway Shopping Centre and the reassuring presence of the Palmerston Regional Hospital will attract people to live in Palmerston's growing CBD. Higher density housing, a new commercial boulevard and modern offices will establish the city as the core activity hub and create a bustling, vibrant and energised city centre.

Our planning identifies future growth for greenfield release areas on the fringe of Palmerston, including Farrar West, Holtze, Kowandi and Mitchell. A network of walking and cycling tracks will link the new suburbs to enhance Palmerston's emerging identity as active, green and spacious. Holtze and Kowandi will build on existing infrastructure to create a diverse, urban environment with new schools, health facilities and neighbourhood shopping centres.

Upgrades to regional boat ramps will provide better facilities for recreational users.

The south and west of Palmerston, central to the key transport and connection lines, enable industrial development to take advantage of areas where natural and man-made constraints prevent the potential for residential development. Both Wishart Road and Pinelands are strategically located adjacent to Darwin's East Arm Port, only minutes away from the city centre and other industrial areas in Darwin.

Developing land at Elrundie and Middle Arm Peninsula will create opportunities for strategic light and general industrial development to provide a vital employment node for the growing city.

How do you think we could make Palmerston more family friendly?

Holtze and Kowandi have been identified as our next residential infill development locations in the Darwin Regional Land Use Plan. What do you think is important to consider in developing these areas?

1. **Palmerston CBD**
   future commercial and residential infill
2. **Farrar West**
   future residential expansion
3. **Holtze/Kowandi**
   future residential development
4. **Zuccoli**
   residential suburb


DEFENCE //
A strengthened defence presence at Robertson Barracks.
BETTER HEALTH //
Providing a new 116-bed hospital for the residents of Palmerston and the Rural Area.
1
2
3
4
HOUSING INVESTMENT //
Private-sector development supported by investment in infrastructure.
SAFER COMMUNITIES //
Improving community safety with a new Palmerston Police Station and community youth centre.
BUILDING BETTER SCHOOLS //
Supporting our children with new pre-school and primary school at Zuccoli.
Future growth

PRESERVING ENVIRONMENT //

Minimising the impact on groundwater through investment in water reticulation and sewerage.

BUILDING BETTER SCHOOLS //

New and improved education facilities at Taminmin College.

MAINTAINING LIFESTYLE //

Potential increased housing choice and services for rural residents while maintain rural lifestyle amenity with rural centre planning for Howard Springs, Coolalinga, Humpty Doo and Hughes-Noonamah.

DARWIN'S RURAL AREAS

unique rural lifestyle

Preserving the character and amenity of the rural area is vitally important. This requires a delicate balance between the competing demands to provide housing choice and services for a growing population, protecting the environment and avoiding the uncertainty of ad-hoc development.

1. **Murrumujuk**
   residential supporting strategic industrial development
2. **Howard Springs**
   rural centre
3. **Coolalinga/Freds Pass**
   rural centre
4. **Humpty Doo**
   rural centre
5. **Hughes-Noonamah**
   potential rural centres & rural lifestyle
6. **Berry Springs**
   rural centre

Darwin's rural area provides for a unique lifestyle, with large lot sizes and extensive ribbons of native bushland that are enjoyed by residents and provide corridors for native fauna. The rural lifestyle allows for individuality to be expressed with ample space to pursue a wide range of activities, such as market gardens, raising animals or artistic endeavours, which can't be accommodated in the urban environment. The spacious reserve at Freds Pass provides a diversity of recreational opportunities, including equestrian, football, athletics, paintball, archery and arts and crafts.

Howard Springs, Coolalinga, Humpty Doo and Berry Springs provide rural centres for local residents. These centres safeguard the unique lifestyle and longstanding character of the rural area by focussing population growth close to commercial centres and offering housing choices that preserve the feeling of freedom and space for rural residents.

Planning for each rural centre will focus on development of these centres into hubs for local employment and community services that can be accessed by the broader rural area.

Growing the rural area will also see improved transport links to the main employment nodes in Darwin and Palmerston, and connect the rural area itself.

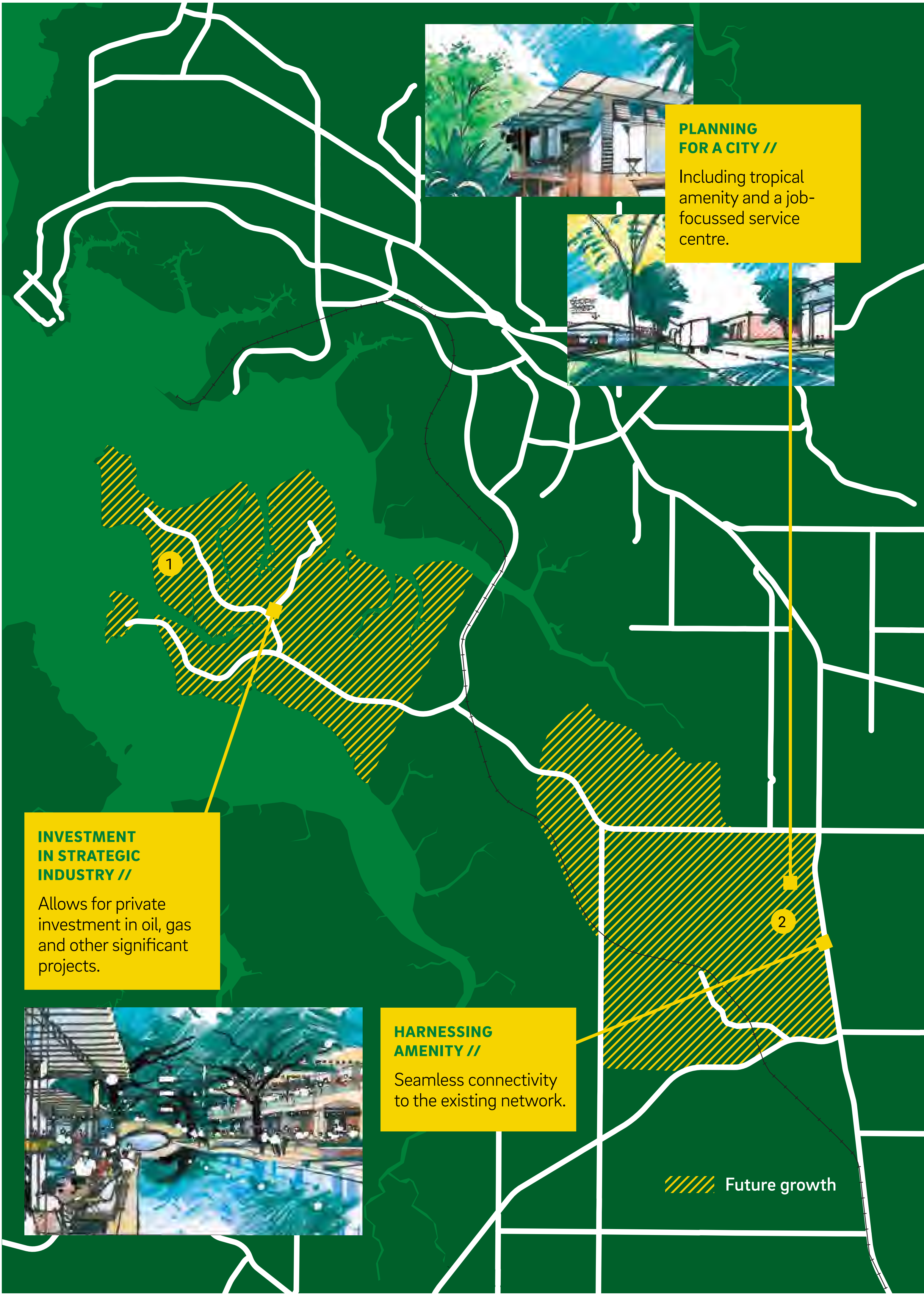
Private developers have identified land for potential new centres at Noonamah Ridge, Weddell East and Elizabeth Valley for future growth of the rural area. These centres could extend the rural area south and contribute to housing choice, infrastructure and community services.

The extraction of sand, gravel and rock materials in the Darwin rural area supplies the construction industry of the region. Access to extractive mineral sites must be maintained, but with greater consideration of the impacts on the environment and growth of the region.

Potential industrial land sites, such as Glyde Point, have been earmarked and protected for future development. Glyde Point is suitable for a deep-water port, further major gas-based industrial development and general industry. The proposed urban area at Murrumujuk will give employees a chance to live locally with transport and infrastructure corridors set aside to provide access to the broader region.

Noonamah Ridge, Weddell East and Elizabeth Valley are identified in the Planning Scheme as areas that could accommodate population growth. What do you think is important to consider in any future development of these rural areas?

Do you think there should be more housing options and a greater variety of lot sizes in the rural area?



PLANNING FOR A CITY //

Including tropical amenity and a job-focussed service centre.

INVESTMENT IN STRATEGIC INDUSTRY //

Allows for private investment in oil, gas and other significant projects.

HARNESSING AMENITY //

Seamless connectivity to the existing network.

WEDDELL

a new tropical city

Fifteen minutes out of Palmerston and with water connections to Darwin, Weddell is a blank canvas for a new tropical city to support our urban growth as Palmerston reaches capacity.

The Weddell vision is to accommodate future population growth within a viable new town centre that offers convenient and walkable access to local employment, education, shopping, recreational and community facilities.

The future city of Weddell is a key component of plans to accommodate long-term urban growth in the Darwin region following the development of Holtze, Kowandi and areas more proximate to Darwin. The cost of infrastructure means that the timing of Weddell must coincide with periods of high and sustained population growth. At the appropriate time, Weddell will be developed as an exemplary, sustainable primary activity centre offering smart technology, regional accessibility and convenience.

Over time, Weddell will service the broader region and anchor the activity triangle between Palmerston, Darwin and the rural area.

Planning for Weddell will be inspired by the open beauty of the surrounding landscape. The new city will provide environmentally attractive living areas that connect seamlessly to the existing urban network. Weddell's development will be sensitive to the balance between the need for extractive industries, protecting the natural environment and providing a variety of housing options.

Creating this city requires smart planning, along with investigative studies, to ensure the enabling infrastructure is cost-efficient and meets environmental standards. Planning for a new city will also need to provide for social infrastructure to cater for future families.

Investigations for the city of Weddell are underway and will build on the land-capability studies and community input already provided. These investigations will focus on existing power and water connections along Jenkins Road to create a framework for services.

As the western areas of Weddell are ideally situated close to Middle Arm, these areas will provide future growth for the region's major industry.

What ideas do you have for the new city of Weddell?

What do you consider to be important in planning for Weddell ?

1 **Middle Arm**
strategic industry development

2 **Wedddell**
future city

COX PENINSULA

saltwater living

The Cox Peninsula is embraced by Darwin and Bynoe Harbours and will emerge as a saltwater city with water-based public transport connecting to the Darwin CBD and Palmerston. Boasting ready access to the beach and fishing opportunities, Cox Peninsula offers the lifestyle Territorians hold dear.

The recent resolution of the longstanding Kenbi land claim provides a rare and exciting opportunity for long-term development of the sparsely populated Cox Peninsula. Ensuring the creation of a special harbour place will involve working in partnership with the Traditional Owners to respect cultural values which connect people to the sea.

With its key strategic location, Cox Peninsula has the potential to cater for a diversity of land uses ranging from residential and commercial, with associated community facilities and services, to industrial uses with access to deep water.

Largely free from environmentally sensitive mangroves and other wetlands, Cox Peninsula could host a coastal living style that rivals any other Australian beachside. With attractive amenities like rural seclusion and natural recreation opportunities, combined with ease of water travel to central Darwin, Cox Peninsula has the potential to become a highly-sought-after residential address.

Once established, Cox Peninsula would form the “north shore” of Darwin, framing the harbour for a unique saltwater lifestyle and focussing development to the west to create a wealth of housing opportunities.

In partnership with Weddell and Palmerston, the three locations would minimise commuter car use to Darwin and position themselves as strategic centres for the region.

Although developing Cox Peninsula alone would drive growth, the formulation of development concepts would require comprehensive investigations into land capability and options for provision of transport and essential services. Due to limited local freshwater resources and the high cost of infrastructure to support urban scale development, substantial development of Cox Peninsula will be dependent on a period of high growth. Land and infrastructure planning is critical to ensuring the Northern Territory is prepared for population demand that would support development of Cox Peninsula.

What do you think about planning for future development around the Harbour?

What type of development should we support at Cox Peninsula?

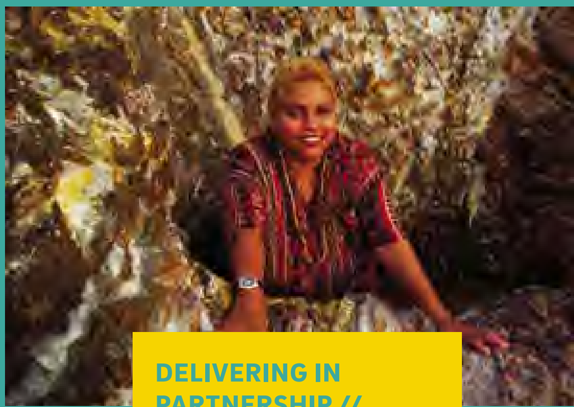
1 **Cox Peninsula**
future development

FRAMING THE HARBOUR //

Emerging as a water centre for saltwater living.

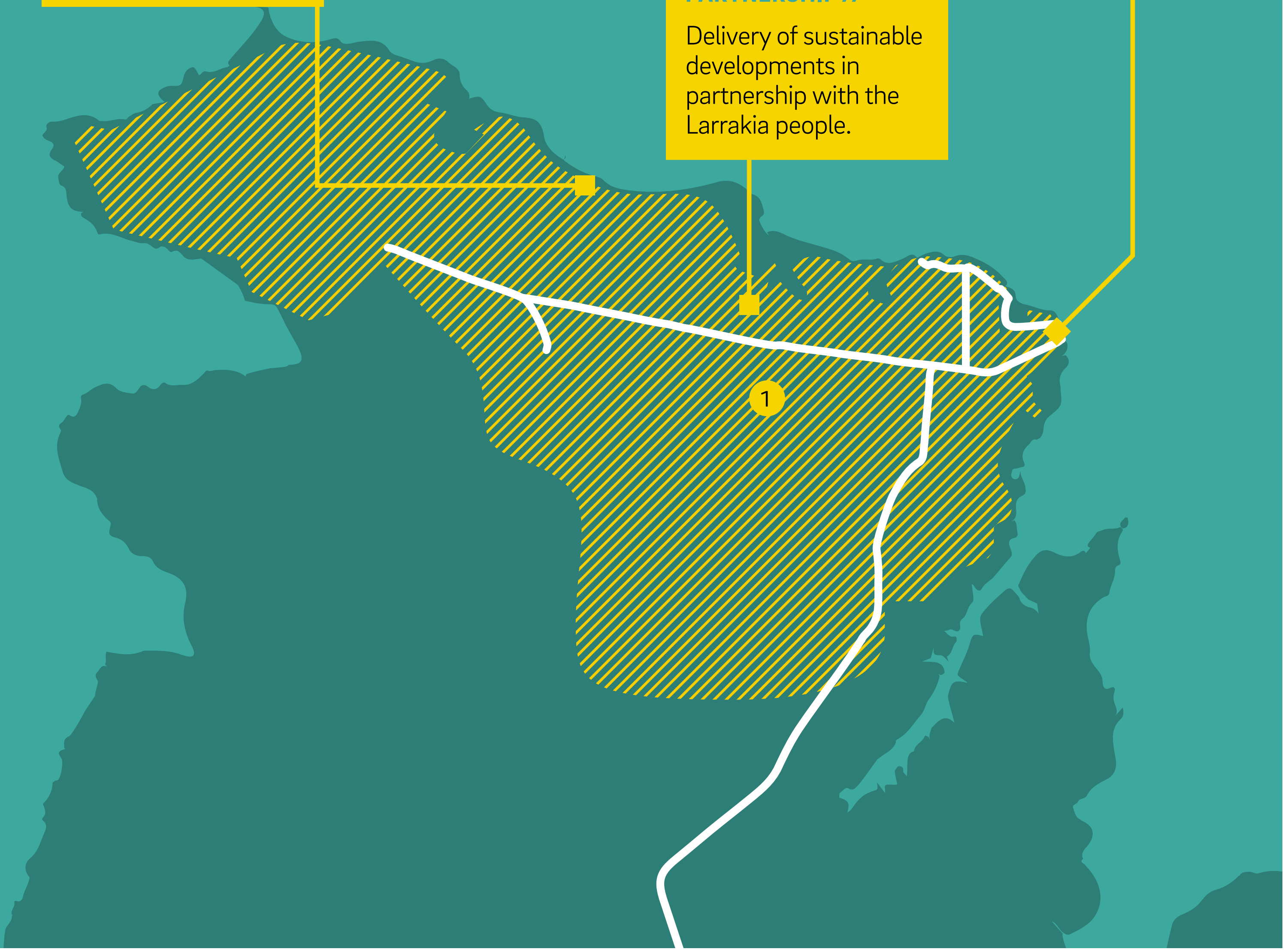
LIFESTYLE //

Offering a way of life Territorians hold dear.



DELIVERING IN PARTNERSHIP //

Delivery of sustainable developments in partnership with the Larrakia people.



KATHERINE

a logistics & agribusiness hub

Natural opportunities for Katherine to grow into a significant logistics and agribusiness hub are buoyed by the town's position at the junction of the two major highways and rail line surrounded by productive pastoral and horticultural land.

Katherine is a resilient town with a fighting spirit and a unique character from its pioneering days. Blessed with the wet climate of the north and good transport links to our interstate neighbours, the Katherine region is enhanced by diverse industries including defence, mining, transport, health and tourism.

The Katherine urban centre services the immediate local population, regional towns and communities and many seasonal visitors who explore the surrounding river systems, rich cultural heritage and broader natural resources.

The main business centre on Katherine Terrace has a bustling pace and a mix of retail outlets. Services and facilities for residents and business include a shopping centre, restaurants and bars, financial institutions, medical professionals and commercial office space.

With improvements to Nitmiluk National Park, the natural treasures of the region are emerging as international attractions and Katherine is making its own mark in the tourism industry. Upgrades to the Savannah Way will link the Territory, through Katherine, to Broome in the west and Cairns in the east. An arts trail snaking up from Central Australia through Katherine to Darwin will showcase new and deeper Aboriginal and cultural experiences for visitors.

Developing agricultural and horticultural industries and upgrading local and regional freight infrastructure will boost future employment in the region. Creating a new logistics hub and industrial park will align road and rail transport with developing industries. Along with a new heavy-vehicle transport route, the logistics hub will strengthen this inland port as a central point between Western Australia and Queensland. The heavy-vehicle transport route will give Katherine greater flood immunity with a crucial second river crossing.

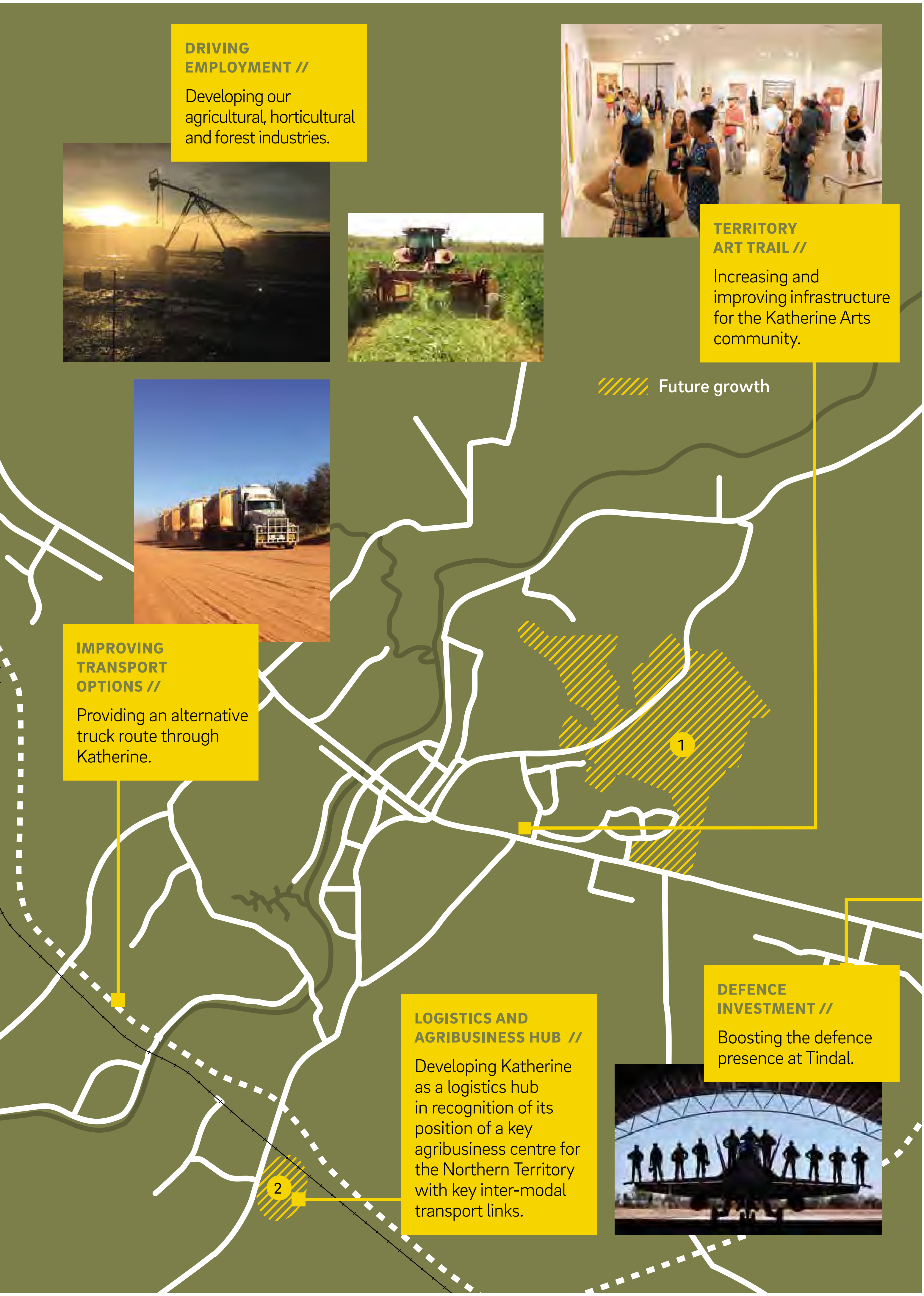
Our plan for Katherine supports future growth of the town. Greenfield land in Katherine East, which is free from flooding, is available for further residential development to extend the existing urban area that hugs the mighty Katherine River. Our plan also identifies a possible new hospital site, a new neighbourhood centre to support Katherine's growing population, and opportunities for rural lifestyle lots close to the town centre.

How would you like to see Katherine further develop to achieve its tourism and defence potential?

Does the vision of Katherine as a logistics and agribusiness hub fit with how you would like to see the town develop?

1 **Katherine East**
future residential expansion

2 **Manbulloo**
future logistics and agribusiness hub


DRIVING EMPLOYMENT //
Developing our agricultural, horticultural and forest industries.
TERRITORY ART TRAIL //
Increasing and improving infrastructure for the Katherine Arts community.
Future growth
IMPROVING TRANSPORT OPTIONS //
Providing an alternative truck route through Katherine.
1
2
LOGISTICS AND AGRIBUSINESS HUB //
Developing Katherine as a logistics hub in recognition of its position of a key agribusiness centre for the Northern Territory with key inter-modal transport links.
DEFENCE INVESTMENT //
Boosting the defence presence at Tindal.

TENNANT CREEK

a mining services centre

Central to many of the Territory's mineral deposits, Tennant Creek is strategically positioned to become an important services hub in support of our mining and pastoral industries.

Tennant Creek cultivates a relaxed lifestyle in the Barkly through a range of recreational reserves, art and craft galleries, a town pool and Lake Mary Ann.

Untapped resources are expected to unlock the next phase of economic growth in the Barkly region. A current collaborative partnership with Geoscience Australia to map a 500-kilometre seismic line in the north-east of the Barkly will break open opportunities in the minerals sector. The Jemena Northern Gas Pipeline will link Tennant Creek to Mt Isa and create more than 900 jobs during construction.

Legacy mines will provide opportunities to promote local employment and tourism.

The Barkly Tableland is the engine room of the Territory's pastoral industry and is unique, with natural treeless plains stretching from horizon to horizon with abundant natural pastures.

Joint investment from the Australian and Territory Governments to improve beef roads in the Barkly will reinvigorate our vital livestock industry. Work will also continue with the Queensland and Australian Governments to realise the vision of a railway to Mt Isa and the east coast of Australia.

Residential land releases in Peko Road provide for new housing development. This will complement urban infill that takes advantage of fully serviced existing lots in order to accommodate future workforce and population growth. The Udall Road Industrial Estate will give businesses the foundation to support the town as it transforms into a logistics hub.

As another stepping stone along the Aboriginal arts trail from Alice Springs to Darwin, the region's Aboriginal art and culture will be showcased.

How could Tennant Creek be further developed, what would attract people to the town as a destination?

Does the vision of Tennant Creek as a mining and services hub fit with how you would like to see the town develop?

1 **Udall Road**
industrial expansion

2 **Peko Road**
residential expansion

GROWING OUR TERRITORY //

Residential land release to accommodate population growth.

SUPPORTING INDUSTRY //

Provision of industrial land to support mining related business.

BUILDING BETTER SCHOOLS //

Early childhood integrated learning centre and upgraded sports facilities.

FUTURE ENERGY SECURITY //

Investing in the future with the construction of a 623km Northern Gas Pipeline from Tennant Creek to Mt Isa to access eastern state markets.

TERRITORY ART TRAIL //

Extending the Tennant Creek art gallery.

UPGRADING BEEF ROADS //

Supporting the beef industry through improving Tablelands Highway and Barkly Stock Route.


Future growth
1
2
3
4
5
BETTER HEALTH //
Investing in upgrades to the Alice Springs Hospital.
REVITALISING THE CBD //
Injecting new life into the town centre.
ENHANCING TOURISM OPPORTUNITIES //
Supporting tourism investment throughout the Centre.
INFRASTRUCTURE IMPROVEMENTS //
Building resilient communities through flood mitigation measures
CELEBRATING CULTURE //
Building a cultural centre in Alice Springs to tell the story of Aboriginal Australia before and after European contact. Developing an iconic National Aboriginal Art Gallery.
TERRITORY ART TRAIL //
Creating a world class art trail linking Aboriginal art centres and activity across the Northern Territory.

ALICE SPRINGS

Australia's inland capital

Alice Springs is the inland capital of Australia. The town has a strong heritage and is the epicentre for Aboriginal arts and culture.

The rich cultural heritage of Alice Springs, also known as Mparntwe, derives from the Arrernte Aboriginal people's spiritual and physical association with this place since the altyerre or dreamtime. The stunning landscape is imbued with the stories of the Dreamtime including those of the Yeperenye, Ntyarlke and Utnerrengatye caterpillars who converged on Mparntwe and gave the landscape form and meaning. This wealth of cultural knowledge combined with the spectacular landscape of Alice Springs and surrounds inspires local and regional Aboriginal artists and lends a logic to Alice Springs being the epicenter for Aboriginal art and culture.

Our vision for Alice Springs is for it to emerge as a thriving and energetic business hub in the centre of Australia and to acknowledge the significance of its cultural heritage.

1. **Larapinta Valley**
   future residential potential
2. **Mt Johns**
   future residential potential
3. **Emily Hills**
   future residential potential
4. **Arumbera**
   future industrial development
5. **Kilgariff**
   residential development

Rejuvenating the town's CBD and expanding its tourism potential will create a sound economic foundation for Alice Springs as the gateway to Central Australia and its iconic tourist destinations. Exploring strategic partnerships focussed around Central Australia's natural advantages – geography, climate, resources, culture and landscape – will highlight opportunities to grow.

Building a National Aboriginal Art Gallery is a catalyst to revitalising Alice Springs and confirming it as the cultural centre of Aboriginal Australia. The new facility will be the springboard to an arts trail linking galleries across the Territory, including those in Tennant Creek, Katherine, East Arnhem and Darwin.

Laneways and underused linkages throughout the town present opportunities to inject colour and life into the CBD with new retail and commercial offerings and amenities.

A love of sport sits deep within the psyche of Alice Springs. Iconic sporting events such as the Masters Games, netball, football, rugby league, the Finke Desert Race and mountain biking are increasing the town's reputation as a world-class sporting destination.

The hidden gems of our central capital and its picturesque surrounds will be revealed to the world through niche and mainstream tourism marketing supported by improved road infrastructure including the Mereenie Loop, Namatjira Drive, Lasseter Highway and duplication of the Stuart Highway through Heavitree Gap. These improved roads will attract more travellers to the region and stimulate private business ventures.

Alice Springs Airport is one of the largest in land area in Australia. The airport is the doorway to Central Australia's rich tourism offerings, including our iconic Uluru, and has diversified to include a range of mixed-use business activities.

The profile of Alice Springs' city centre is changing as the city matures. Our plan is to support the city to mature and grow by infill residential development and enabling taller buildings that cement the town as a landmark. New greenfield residential land developments at Kilgariff, Mt Johns, South Edge, Emily Hills and Larapinta will provide housing opportunities for new Territorians, while ensuring sustainable use of scarce water resources.

Alice Springs has appropriately zoned land to support industry and business in servicing the region and growing the local economy. Development of solar energy has the potential to boost economic growth while preserving the environment.

The cattle industry is the heart and soul of agribusiness in the region and there is potential for horticultural and other agricultural development identified through land-capability studies.

What ideas do you have for the vision of Alice Springs as Australia's Inland Capital?

What do you see as the best opportunities to revitalise our CBD?

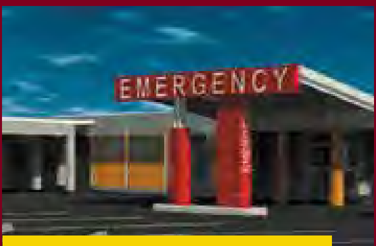
How do we build on Alice Springs as a business and services centre for the region?

PORT DEVELOPMENT OPPORTUNITIES //

Port infrastructure will act as a catalyst for new industry.

UNRIVALLED LANDSCAPES //

Unspoilt natural and cultural setting.



BETTER HEALTH //

Supporting East Arnhem health services with additional works at Gove District Hospital.

BUILDING BETTER SCHOOLS //

Nhulunbuy High School enhanced with new marine, hospitality and construction training centres.

TERRITORY ART TRAIL //

Including East Arnhem art galleries in the Aboriginal art trail.

NHULUNBUY

Arnhem's peninsula paradise

Surrounded by white sandy beaches and the deep blue Arafura Sea, Nhulunbuy, the capital of the East Arnhem region, offers a unique opportunity for all to make the most of the rich cultural and natural advantages of the region.

The Gove Peninsula offers a lifestyle like no other place in the Territory. Residents take advantage of the natural and cultural setting and enjoy the benefits of facilities, services and infrastructure that are commensurate with bigger towns and provide for future growth.

The rich Yolngu culture attracts people from all over Australia and beyond, and the Nhulunbuy community has committed to living in harmony and partnership with the Yolngu land owners.

The relaxed community spirit is reflected in the town's popular sport and recreation clubs and facilities, with three public boat ramps, an Olympic-sized public swimming pool, golf course, tennis courts, ovals, motorsports complex, BMX track and motocross track.

Nhulunbuy boasts an airport and runway able to accommodate large aircraft, with connections to other centres in the Territory and Queensland. Capitalising on the region's port infrastructure will catalyse new industry and opportunities for job creation.

Major upgrades to the Gove District Hospital will support health provision across the region. A new boarding facility and trade-training facilities will contribute to the development of an education hub servicing the region.

Developing East Arnhem Ltd is working with land owners, investors and business to explore the region's significant growth potential in tourism, arts, fisheries and aquaculture, and primary industries and resources. These efforts will promote investment and development that respects the rich Yolngu culture and supports land-owner aspirations.

Supporting our peninsula paradise is important to us, what do you think the residents and visitors in Nhulunbuy would benefit from?

How do we leverage off the strategic location and deep water port at Nhulunbuy?

REGIONAL & REMOTE AREAS

our cultural landscape

Remote and regional areas make the Territory special and different from other parts of Australia. From the red and distinct desert of central Australia through to the lush tropical north, spectacular coastline and picturesque sunsets, the Territory has it all. The hugely diverse characteristics of each area and region of the Territory provide unique opportunities to celebrate art, culture and tourism.

The Territory's geographic remoteness, sense of frontier and outback adventure spirit give an experience unmatched by other states. The Territory is vast, covering over 1.3 million square kilometres with most of its 245,000 people concentrated in its main urban centres. There are also 73 remote communities, 43 town camps and over 500 homelands and outstations across the Territory.

Aboriginal people are significant land owners and custodians of our land and coastline and we recognise their spiritual and cultural connection with this land. Aboriginal people make up a third of the Territory's population, giving the Territory distinct character and appeal because of the unique qualities Aboriginal culture brings.

Spectacular natural and unique cultural assets are important elements for consumers in choosing a holiday destination and the Territory has them in spades. With two World Heritage-listed national parks and over 40 other national parks, nature reserves, conservation areas and marine parks, the Territory offers a wide variety of tourism experiences.

Remote regions possess a unique culture and beauty which have as yet untapped potential for economic development.

As Territorians, we are proud of our identity our cultural diversity and willingness to work together to achieve great things. Our vast distances present challenges in servicing, providing infrastructure and access to support our remote communities which are located across the Territory.

Remote and regional areas throughout the Territory are continuing to grow and develop. The Government is committed to working and engaging with local communities to undertake planning that ensures people have access to services and housing that are available in comparable towns across Australia. This is essential to providing Territorians with a healthy start to life, a good education and opportunities for employment.

Our strength will be working together to grow our remote and regional areas for future Territorians.

How do we better work with our regions and remote communities to deliver greater opportunities for residents, land owners and visitors?

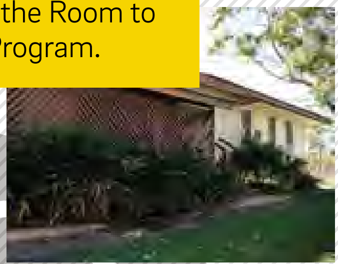
What are the most important areas of investment to create the best opportunities for people in the bush?

ON THE TRAIL OF ARTS & CULTURE //

Investing in our art, culture and tourism. The Government will work with established galleries in Aboriginal communities to ensure they are linked to form an Aboriginal arts trail beginning in Alice Springs and connecting to upgraded or new galleries across the Territory.

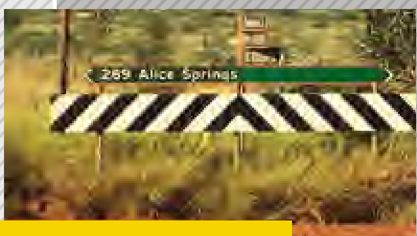
IMPROVED AND NEW HOUSING //

Delivering $1.1billion to the remote housing program over ten years, including the Room to Breathe Program.



BUILDING BETTER SCHOOLS //

Investing in education through new and upgraded schools to create a safe, healthy and quality learning environment as a pathway to skills and jobs to build our economy.



IMPROVING ACCESS //

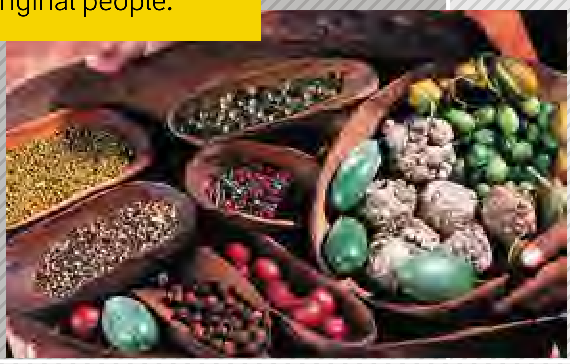
Improving and upgrading our roads to assist in connecting communities.

INVESTING IN INFRASTRUCTURE //

Providing new and improved power, water and sewerage services to communities.

IMPROVING HEALTH SERVICES //

Investing in renal facilities, new facilities and outreach patient services for improved health outcomes for Aboriginal people.



PLEASE SHARE YOUR VIEWS ON PLANNING FOR A VIBRANT FUTURE //

Have your say at by filling out the online survey
https://haveyoursay.nt.gov.au/vibrantfuture

Detailed written submissions can be lodged up until 15 December by email: planningreform@nt.gov.au
or by post to:

Department of Infrastructure, Planning and Logistics

Review, Reframe, Renew

Lands Planning

GPO Box 1680

Darwin NT 0801

Please include the following reference in all correspondence

ID: LC:mj 13/02/2018

13/02/2018

Mr Andrew Kirkman
Chief Executive
Department of Infrastructure, Planning and Logistics
GPO Box 1680
DARWIN NT 0800

Dear Mr Kirkman

Planning for a Vibrant Future

Palmerston is experiencing unprecedented growth and over the next 20 years will become the largest regional centre in the Northern Territory.

As a young city with an exciting future, Council is keen to be part of the ongoing planning for the future of the region. Council is cognisant of the challenges that lie ahead and applaud the Northern Territory Government for their work in “Planning for a Vibrant Future”. Our comments contained herein are focused on the Palmerston region.

The Vision for Palmerston

Council’s vision for Palmerston is fostering and delivering the city as a “Place for People”. It seeks to do this by delivering to the community high quality value for money services that meets the diverse needs of its residents. The Planning for a Vibrant Future document describes the Palmerston area as “the family city”. This is true to the extent that Palmerston is a young, family orientated and growing population, however Council sees that the city has a much greater offering. Council would strongly encourage Government to align their vision with Councils vision of the city as a “Place for People”.

City Centre Master Plan

Council recognises its strategic role within a broader area experiencing high growth and investment. In order to place Palmerston to benefit from its strategic location and to grow in a sustainable and efficient manner Council has developed its City Centre Master Plan and Community Infrastructure Plan.

The City Centre Master Plan and its associated documents provide a vision and framework to achieve better planning and urban design outcomes for the city centre. Council considers this a central document to provide guidance and confidence to residents, developers, businesses and investors that the Palmerston City Centre is positioned to be a vibrant and resilient destination. The Planning for a Vibrant Future document captures the key projects that are underway and influencing the City of

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Chief Executive Officer
PO Box 1
Palmerston NT 0831

ABN 42 050 176 900

Palmerston and its city centre. Councils vision for the city centre is critical to complementing and sustaining growth in the broader area. Council would like to see a greater emphasis on the need and desire to direct the right investment and growth in the city centre as part of the Planning for a Vibrant Future document.

Community Infrastructure Plan

The development of a Community Infrastructure Plan was undertaken by Council in response to changes in urban housing density that occurred in the Palmerston region as a direct result of Government's commitment to provide affordable housing opportunities. The Plan considers community infrastructure requirements to accommodate the municipalities growth which Council has a responsibility to deliver through its programs and services. It is a strategic planning tool to assist not only Council but Government and private developers to ensure that the community's needs are met both now and into the future.

As the Territory's second largest and fastest growing city, Council and Government need to be in a position to provide the required community infrastructure which cohabitate with district centres. Land needs to be set aside for community infrastructure such as local libraries, meeting rooms, community gardens. Council has invested heavily in understanding what these requirements are over the next 10 years and beyond. The consequence of not adequately planning for and providing these requirements will adversely impact on the desirability of Palmerston as a place to live, work and play. Council would like to see greater emphasis on coordinating a long-term delivery plan across Government for the provision of community infrastructure as part of the Planning for a Vibrant Future document.

Housing

A family friendly city means "choice". Choice for people of different family structures, demographics and cultures to pursue their dreams of living in a friendly, safe and sustainable community.

Council believes that a range of land and housing sizes as well as the appropriate integration of residential land with open space and services is needed to provide adequate choice and for people to feel part of the community. Land should be close to transport options, shops, schools and other facilities.

The City of Palmerston municipal area will reach build out in the not too distant future. Holtze and Kowandi are the next infill developments and will impact the broader area and specifically, the City of Palmerston municipality. Infill and densification opportunities are important to the City of Palmerston as part of sustaining its economic development and continuing to foster a lively and resilient community. A residential densification and infill strategy, specifically for Palmerston will ensure the city continues to strengthen. Council would encourage this rationale to be part of the Planning for a Vibrant Future document.

Open Space and Recreation Opportunities

Open space encourages active and passive recreation both of which foster a healthy community. Open space needs to be appropriately designed so that it is safe and usable. Drainage and other service corridors can provide great connectivity in open space areas when designed and integrated appropriately. Water Sensitive Urban Design components like lakes and wetlands can form focal points for people and animals to meet. An emphasis on the recreation and open space opportunities in Palmerston would add to the vision that Palmerston is a growing family city.

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Employment

Council believes strengthening Palmerston requires increased employment opportunities for its residents. Appropriately located industrial and commercial precincts reduce travel time and cost and encourage residential growth in the area. Palmerston has land available to its north and west that is inappropriate for residential development constraints but is ideally positioned to utilise the rail link between East Arm and Alice Springs. Development of this land would certainly assist in providing employment to residents and reduce living expenses. Council encourages the promotion of these areas for an employment node in the Planning for a Vibrant Future document.

Smart Cities and Digital Strategies

Council is committed to sustainability, self-sufficiency, quality services, innovation and opportunity. Council intends to improve the lives of residents and business by delivering services in better ways and improving the effectiveness of Council in areas such as cost efficiencies, improved data for decision making, more enhanced asset management and business process efficiencies. Council considers that the Planning for a Vibrant Future document should reflect the vision of Councils Smart Cities and Digital Strategies.

This letter may be placed before Council at its next meeting. Should this letter be varied or not endorsed by Council, you will be advised accordingly.

If the Department of Infrastructure, Planning and Logistics requires further discussion at this stage on any comments contained in this correspondence please feel free to call me on 8935 9958.

Yours sincerely

Luccio Cercarelli
Chief Executive Officer

Please address all
correspondence to
Chief Executive Officer
PO Box 1
Palmerston NT 0831

ABN 42 050 176 900