Background to Guidelines:
Unless otherwise stated, these guidelines operate under s258 of the Local Government Act (NT) 2008 which provides that the Minister may make, amend or revoke guidelines for the purposes of the Act.

Councils must comply with these guidelines unless they have approval from the Minister to do otherwise.

Queries:
Any queries in relation to these guidelines should be directed to the Manager, Legislation Policy, Department of Local Government.
1. Allowances for Council Members

Objectives
To ensure that Council Members are paid a fair and reasonable allowance for the work they perform in the course of their role as elected representatives.

Background
Section 71(1) of the *Local Government Act (NT)* 2008 provides that, “A member of council is entitled to be paid an allowance by the council.” Section 71(2) qualifies this by providing that, “The allowance is to be at a rate fixed by council (subject to guidelines issued by the Minister) for the relevant financial year.”

Council Member Allowances for 2008/09
Where the budget for a council for the 2008/2009 year has been approved by Council prior to the commencement of the 2008/2009 year and where that budget has made provision for councillor allowances, that provision, provided it is consistent with these guidelines, is taken to be a provision in accordance within s71 of the Act.

GUIDELINES

1. Definitions and Abbreviations

*Additional Allowance (AA)*
- a. In regards to the Principal Member and Deputy Principal Member, this allowance is automatically paid in addition to the Base Allowance and Electoral Allowance.
- b. In regards to Council Members other than the Principal Member, the Deputy Principal Member and the Acting Principal Member, this allowance is paid only after a claim has been made and is comprised of the Extra Meeting Allowance and Personal and Professional Development Allowance. This allowance is capped (see below for calculations).

*Acting Principal Member (APM)*
In the event that the Principal Member is absent from official duties and the Deputy Principal Member is not available to act as the Principal Member, the Council may, through a resolution, appoint some other Council Member to act in the Principal Member’s position for a specified period of time. See s43(3) of the Act.

*Base Allowance*
The base allowance covers those activities required of a Council Member in the performance of his or her role as an elected representative. Without limiting the generality of the preceding sentence, the base allowance covers:
- i. Agenda study and preparation,
- ii. Attendance at regular Council and Committee Meetings,
- iii. Attendance at social functions as a Council representative,
- iv. Constituency responsibilities, and
- v. Council representation outside the municipality, including delegations interstate and overseas, unless such representation is approved by the CEO as one which attracts an Extra Meeting Allowance.
**DPM**
Deputy Principal Member

**Electoral Allowance**
An allowance which is provided to assist Council Members perform their role as an elected representative and may be used at the discretion of individual Council Members.

**Extra Meeting Allowance (EMA)**
An allowance which may be payable through application to Council Members other than the Principal Member, Deputy Principal Member and Acting Principal Member, for attendance at:

i. Special Meetings of Council and Special Meetings of Council Committees,

ii. Meetings of external agencies or organisations to which the Council has formally appointed, or nominated through LGANT, a representative,

iii. Personal and Professional Development courses/conferences that have CEO approval and are in line with Council Policy.

Note that meetings of sub-committees to the above committees, agencies or organisations do not attract Extra Meeting Allowance unless specifically authorised by CEO approval.

The Extra Meeting Allowance is counted towards the Additional Allowance of Council Members other than the Principal Member, Deputy Principal Member and the Acting Principal Member.

**MLA**
Member of Northern Territory Legislative Assembly

**NTLA**
Northern Territory Legislative Assembly

**Personal and Professional Development Allowance (PPDA)**
An allowance payable for Council Members other than the Principal Member, the Deputy Principal Member and the Acting Principal Member to attend appropriate and relevant conferences or training courses which sustain a Member’s professional competence by keeping the Member informed of, and able to comply with, developments of professional standards applicable to their role as a Council Member. Any such course/conference must have prior CEO approval and be in line with Council Policy in order to attract this allowance.

This allowance is counted towards the Additional Allowance of Council Members other than the Principal Member, the Deputy Principal Member and the Acting Principal Member.

**PM**
Principal Member

**Sub-committee**
A subordinate group established by either (i) a Council Committee, or (ii) an external committee, organisation or agency on which Council has a representative, that performs specific functions delegated to it by that committee, organisation or agency. Meetings of such a group are not special meetings and as such do not attract an Extra Meeting Allowance.
2. Categories of Council
   a. Councillor allowances will apply differently according to the category of the Council.

   b. Categories for these initial guidelines are based on the Australian Bureau of Statistics population data for the Council area. Categories are not automatic according to population but the information is provided as a general guide.

   c. Councils must apply to the Minister in order to move between categories.

2.1 Category 1
Population over 50,000:
   • Darwin City Council

2.2 Category 2
Population between 20,000 and 50,000:
   • City of Palmerston
   • Alice Springs Town Council

2.3 Category 3
Population between 10,000 and 20,000:
   • Litchfield Shire Council

2.4 Category 4
Population between 8,000 and 10,000:
   • Katherine Town Council
   • East Arnhem Shire Council

2.5 Category 5
Population between 2,000 and 8,000:
   • Barkly Shire Council
   • Roper Gulf Shire Council
   • Macdonnell Shire Council
   • West Arnhem Shire Council
   • Victoria-Daly Shire Council
   • Central Desert Shire Council
   • Tiwi Islands Shire Council

2.6 Category 6
Population under 2,000:
   • Belyuen Community Government Council
   • Coomalie Community Government Council
   • Cox Peninsula Community Government Council
3. Maximum Rates of Allowance
   a. The formulas below are to be used to calculate the maximum payable to Council Members; Councils may elect to pay Members less.
   
   b. See Attachment A (p.8) for conversion of formulae into dollar amounts as at 1 January 2008.

3.1 Allowances for Category 1
3.1.1 Principal Member (PM)
   Base Allowance
   \[\text{Salary payable to Darwin based MLA} \times 25\%

   Electoral Allowance
   \[\text{Electorate Allowance payable to Darwin based MLA} \times 100\%

   Additional Allowance
   \[\text{Additional Salary payable to Leader of Government Business in NTLA} \times 100\%

3.1.2 Deputy Principal Member (DPM)
   Base Allowance
   \[\text{Salary payable to Darwin based MLA} \times 25\%

   Electoral Allowance
   \[\text{Electorate Allowance payable to Darwin based MLA} \times 25\%

   Additional Allowance
   \[\text{Additional Allowance of Principal Member} \times 10\%

3.1.3 Acting Principal Member (APM)
   Daily Rate
   \[\text{Total allowance of Principal Member} \div 365

   Maximum Payable
   \[\text{Daily rate payable to Acting Principal Member} \times 90

3.1.4 Council Member other than PM, DPM OR APM
   Base Allowance
   \[\text{Salary payable to Darwin based MLA} \times 15\%

   Electoral Allowance
   \[\text{Electorate Allowance payable to Darwin based MLA} \times 25\%

   Additional Allowance (AA)
   \[\text{Maximum payable per year} = \text{Salary payable to Darwin based MLA} \times 10\%

   Extra Meeting Allowance
   \[\text{Maximum AA claimable by Council Members other than the PM, DPM and APM} \times 1.25\%

   Maximum Personal and Professional Development Allowance Claimed per Financial Year
   \[\text{Maximum AA claimable by Council Members other than the PM, DPM and APM} \times 25\%
3.2 Allowances for Category 2
The maximum allowances payable are equal to 70% of the allowances payable to Category 1 Councils.

3.3 Allowances for Category 3
The maximum allowances payable are equal to 60% of the allowances payable to Category 1 Councils.

3.4 Allowances for Category 4
The maximum allowances payable are equal to 50% of the allowances payable to Category 1 Councils.

3.5 Allowances for Category 5
The maximum allowances payable are equal to 40% of the allowances payable to Category 1 Councils.

3.6 Allowances for Category 6
The maximum allowances payable are equal to 20% of the allowances payable to Category 1 Councils.

4. Rules regarding Allowances
4.1 Base Allowance Claims
The base allowance is automatically paid to Council Members each month in arrears.

4.2 Electoral Allowance Claims
The electoral allowance is automatically paid to Council Members each month in arrears.

4.3 Additional Allowance Claims for PM and DPM
The additional allowance for the Principal Member and the Deputy Principal Member is automatically paid to these members each month in arrears.

4.4 Acting Principal Member Claims
a. When the Deputy Principal Member carries out the functions of the Principal Member as outlined in ss43(2)(b) and (c) of the Act, the Deputy Principal Member is entitled to be paid an allowance as the Acting Principal Member.

b. If the Deputy Principal Member is unavailable to act as the Acting Principal Member, some other Council Member may, in accordance with s43(3) of the Act, fill that position. Such a Council Member is entitled to be paid an allowance as the Acting Principal Member for the duration that he or she remains in that position.

c. The Acting Principal Member is entitled to be paid the daily rate of the Principal Member (see 3.1.3 of these Guidelines).

d. The maximum number of days that a Council Member may be paid as the Acting Principal Member is 90 days.

e. The Acting Principal Member allowance (i.e. the daily rate of the Principal Member) is paid to the exclusion of all other allowances. In other words, the Acting Principal
Member forfeits any allowance (i.e. base allowance, additional allowance and electoral allowance) that he or she is normally paid for the duration that he or she is Acting Principal Member.

f. The Acting Principal Member cannot claim Extra Meeting Allowances.

**4.5 Extra Meeting Allowance (EMA) Claims**

a. Council Members may only claim an EMA for meetings/events referred to under the definition of EMA after the meeting has been approved by the CEO as an extra meeting.

b. An EMA can be claimed for up to a maximum of two meetings per day.

c. Council Members must not claim for an EMA more than once for the same meeting.

d. When a Council Member is required to travel in order to attend an approved meeting, the Council Member may also claim a further EMA for each full day of travel unless that travel falls on the same day on which the meeting is held. In this context, a full day of travelling means at least four hours of travelling, which may include time in transit.

e. Claims must be made using the appropriate forms.

f. Forms must include the date on which the meeting was held and indicate the period of time the Member was present at the meeting.

g. The Member must have attended at least 75% of the duration of the meeting to claim an EMA.

h. Payment of EMA is monthly and for this purpose claims must be made by the second working day in the month following the claim period.

i. Claims for EMA not made in accordance with (h) will be regarded as a late claim and paid with the next monthly payment. However, if the claim is not made within two months of the meeting for which the EMA is claimed, the right to an EMA for that claim is forfeited.

j. Claims forms may be submitted in person and by regular post as well as via email or facsimile.

**4.6 Personal and Professional Development Allowances Claims (PPDA)**

a. This allowance can only be claimed by Council Members other than the Principal Member, the Deputy Principal Member and the Acting Principal Member.

b. The PPDA may be claimed multiple times each year, but the total value of those claims must not exceed the amount calculated under 3.1.4.

c. The PPDA is to be used to cover the cost of travel to the course/conference, course/conference fees, meals and accommodation for the duration of the course/conference.
d. The PPDA is counted towards the Additional Allowance of Council Members other than the Principal Member, the Deputy Principal Member and the Acting Principal Member.

e. An EMA may be claimed for each day of attendance at a Personal and Professional Development course/conference.

f. Claims must be made using the appropriate forms.

g. Only courses/conferences that are in line with Council Policy and have been approved by the CEO attract PPDA.

4.7 Payment of Allowances
Payment shall be lodged with the Council’s Bank for transfer to Council Members by no later than the fifth working day in each month.
### Attachment A
Calculated Allowances under Guidelines as at 1 January 2008

#### Principal Member

<table>
<thead>
<tr>
<th>Category</th>
<th>DCC</th>
<th>CP &amp; ASTC</th>
<th>LSC</th>
<th>KTC &amp; EASC</th>
<th>Barkly, Roper Gulf, Macdonnell West Arnhem, Victoria-Daly, Central Desert, Tiwi Islands</th>
<th>Belyuen, Coomalie, Cox Peninsula Community Government Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Allowance</td>
<td>$31,015</td>
<td>$21,710.50</td>
<td>$18,609</td>
<td>$15,507.50</td>
<td>$12,406</td>
<td>$6,203.00</td>
</tr>
<tr>
<td>Electoral Allowance</td>
<td>$26,285</td>
<td>$18,399.50</td>
<td>$15,771</td>
<td>$13,142.50</td>
<td>$10,514</td>
<td>$5,257.00</td>
</tr>
<tr>
<td>Additional Allowance</td>
<td>$68,298</td>
<td>$47,808.60</td>
<td>$40,978.80</td>
<td>$34,149</td>
<td>$27,319.20</td>
<td>$13,659.60</td>
</tr>
<tr>
<td>Total Payable</td>
<td>$125,598</td>
<td>$87,918.60</td>
<td>$75,358.80</td>
<td>$62,799</td>
<td>$50,239.20</td>
<td>$25,119.60</td>
</tr>
</tbody>
</table>

#### Deputy Principal Member

<table>
<thead>
<tr>
<th>Category</th>
<th>DCC</th>
<th>CP &amp; ASTC</th>
<th>LSC</th>
<th>KTC &amp; EASC</th>
<th>Barkly, Roper Gulf, Macdonnell West Arnhem, Victoria-Daly, Central Desert, Tiwi Islands</th>
<th>Belyuen, Coomalie, Cox Peninsula Community Government Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Allowance</td>
<td>$31,015</td>
<td>$21,710.50</td>
<td>$18,609</td>
<td>$15,507.50</td>
<td>$12,406</td>
<td>$6,203.00</td>
</tr>
<tr>
<td>Electoral Allowance</td>
<td>$6,571.25</td>
<td>$4,599.86</td>
<td>$3,942.75</td>
<td>$3,285.63</td>
<td>$2,628.50</td>
<td>$1,314.25</td>
</tr>
<tr>
<td>Additional Allowance</td>
<td>$6,829.80</td>
<td>$4,780.86</td>
<td>$4,097.88</td>
<td>$3,414.90</td>
<td>$2,731.92</td>
<td>$1,365.96</td>
</tr>
<tr>
<td>Total Payable</td>
<td>$44,416.05</td>
<td>$31,091.22</td>
<td>$26,649.63</td>
<td>$22,208.03</td>
<td>$17,766.42</td>
<td>$8,883.21</td>
</tr>
</tbody>
</table>

#### Deputy Principal Member acting as Principal Member

<table>
<thead>
<tr>
<th>Category</th>
<th>DCC</th>
<th>CP &amp; ASTC</th>
<th>LSC</th>
<th>KTC &amp; EASC</th>
<th>Barkly, Roper Gulf, Macdonnell West Arnhem, Victoria-Daly, Central Desert, Tiwi Islands</th>
<th>Belyuen, Coomalie, Cox Peninsula Community Government Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Rate</td>
<td>$344.10</td>
<td>$240.87</td>
<td>$206.46</td>
<td>$172.05</td>
<td>$137.64</td>
<td>$68.82</td>
</tr>
<tr>
<td>Maximum Payable (90 days)</td>
<td>$30,969.00</td>
<td>$21,678.30</td>
<td>$18,581.40</td>
<td>$15,484.50</td>
<td>$12,387.60</td>
<td>$6,193.80</td>
</tr>
</tbody>
</table>

#### Council Members other than PM and the DPM

<table>
<thead>
<tr>
<th>Category</th>
<th>DCC</th>
<th>CP &amp; ASTC</th>
<th>LSC</th>
<th>KTC &amp; EASC</th>
<th>Barkly, Roper Gulf, Macdonnell West Arnhem, Victoria-Daly, Central Desert, Tiwi Islands</th>
<th>Belyuen, Coomalie, Cox Peninsula Community Government Councils</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Allowance</td>
<td>$18,609</td>
<td>$13,026.30</td>
<td>$11,165.40</td>
<td>$9,304.50</td>
<td>$7,443.60</td>
<td>$3,721.80</td>
</tr>
<tr>
<td>Electoral Allowance</td>
<td>$6,571.25</td>
<td>$4,599.88</td>
<td>$3,942.75</td>
<td>$3,285.63</td>
<td>$2,628.50</td>
<td>$1,314.25</td>
</tr>
<tr>
<td>Sub Total (excludes any AA claimed)</td>
<td>$25,180.25</td>
<td>$17,626.18</td>
<td>$15,108.15</td>
<td>$12,590.13</td>
<td>$10,072.10</td>
<td>$5,036.05</td>
</tr>
<tr>
<td>Extra Meeting Allowance (per meeting)</td>
<td>$155</td>
<td>$108.55</td>
<td>$93.05</td>
<td>$77.54</td>
<td>$62.03</td>
<td>$31.00</td>
</tr>
<tr>
<td>Personal and Professional Development Allowance</td>
<td>$3,101.50</td>
<td>$2,171</td>
<td>$1,860.90</td>
<td>$1,550.75</td>
<td>$1,240.06</td>
<td>$620.30</td>
</tr>
<tr>
<td>Sub Total (Max AA Claimable)</td>
<td>$12,406</td>
<td>$8,684.20</td>
<td>$7,443.60</td>
<td>$6,203</td>
<td>$4,962.40</td>
<td>$2,481.20</td>
</tr>
<tr>
<td>Total Claimable</td>
<td>$37,586.25</td>
<td>$26,310.38</td>
<td>$22,551.75</td>
<td>$18,793.13</td>
<td>$15,034.50</td>
<td>$7,517.25</td>
</tr>
</tbody>
</table>
2. Appointing a CEO

Objectives
- To facilitate the Council in appointing high quality and appropriately skilled CEOs;
- To ensure the ongoing viability of the Council by appointing a CEO with financial management experience; and
- To maintain the integrity of the Council by ensuring that they are aware of any conflicts of interest that the CEO might have.

Background to Guidelines
Section 100(4) of the Local Government Act 2008 (NT) provides that, “Appointments to the office of CEO are to be made, as occasion requires, by the council in accordance with the relevant Ministerial guidelines.”

The CEO is responsible, among other things, for: the implementation of Council policy; the day-to-day management of the Council, which includes the appointment and management of Council staff; providing advice and information to the Council to facilitate Council decision-making; communication between the Council and its constituency; management and maintenance of Council assets and resources; and ensuring the proper financial management of the Council. (See s101 of the LGA 2008 (NT) for the full outline of these responsibilities).

As such, selecting and appointing a CEO is one of the most important tasks elected members may undertake during their term of office. In light of this, it is essential that the recruitment process ensures that only appropriately qualified and suitable persons are appointed to the positions of CEO as this will facilitate the smooth and efficient running of Council. Choosing the right CEO is paramount in ensuring that the Council is both functional and progressive.

GUIDELINES

1. Recruitment Agency
Councils are strongly encouraged to use a professional recruitment agency when appointing a CEO.

2. Considerations
When appointing a CEO, as well as following the requirements of the Local Government Act in relation to Human Resource Management and any Council employment policies, the Council or recruitment agency must also consider the following:
   i. CEO Skills and Attributes
   ii. Any relevant criminal history
   iii. Conflicts of interest

2.1 CEO Skills and Attributes
The CEO must have:
   i. A tertiary qualification in a related field, such as: law, economics, business, finance, or politics; or commensurate work experience which demonstrates capacity at an equivalent level;
   ii. Proven high level leadership and management capabilities;
   iii. High level financial governance experience.
2.2 Any Relevant Criminal History
   a. The Council must take into account the criminal history of the applicant to avoid the recruitment of an inappropriate person. However, Councils must not discriminate on the basis of an irrelevant criminal record (Anti-Discrimination Act 2007 (NT)).

   b. The definition of ‘relevant criminal history’ may be based on Council policy but should include in the least:
      i. Offences of dishonesty; and
      ii. Fraud and/or forgery related offences.

2.3 Conflicts of Interest
All conflicts of interest, whether perceived, potential or actual, must be identified and given due consideration.
3. Investments

Objectives
These Guidelines establish a decision framework to ensure that:

- funds are available as required to support approved outlays;
- interest rate and other risks (e.g. liquidity risks and investment credit risks) are acknowledged and responsibly managed;
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term; and
- outstanding debt is repaid as quickly as possible and therefore that the gross level of debt held by the Shire at anytime is minimised.

Background
The Local Government Act (NT) 2008 at Part 10.2, section 121(2) states that, “the Minister may, after consultation with the Treasurer, issue investment guidelines from time to time”, and Section 121(3), “an investment must be consistent with guidelines in force at the time the investment is made”.

GUIDELINES

1. Investments policy
A council must have a policy concerning investments which should include that:

a. council should give consideration to the affordability of proposals having regard to the council’s long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council’s Net Financial Liabilities and Interest Cover ratios).

b. council should apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

c. council should invest funds in a manner which allows them to earn interest for as long as possible but retains flexibility in accessing those for council purposes.

d. it is important that a buffer of funds is retained in an interest bearing at call account to ensure funds are available to meet the council’s commitments.

e. council should not unnecessarily increase its cash reserves at the expense of residents.

f. regular reporting to council of the portfolio value using market value methodology and including:
   i. reporting of investment category (e.g., cash, bonds) and issuer exposure by market value, par value and maturity dates;
   ii. a note of compliance with investment policy or explaining breaches; and
   iii. where applicable, comparing performance against benchmarks.
Note that the reporting frequency should reflect the assessed level of risk and/or overall importance of the investments to Council. Performance reporting, for an investment portfolio, should occur monthly and a more detailed report provided on a quarterly basis.

2. Council Investments
A Council may invest money surplus to its immediate requirements, in the following ways:
   i. At interest with the Territory Insurance Office, with an ADI or with a financial institution guaranteed by the Commonwealth or Territory;
   ii. In debentures or securities guaranteed by the Commonwealth or of a State or Territory of the Commonwealth;
   iii. At interest with a person approved by the Reserve Bank of Australia as a dealer in the short-term money market.

3. Investments in unlisted companies or trusts
   a. Unless the Minister approves, the Shire must not acquire shares in an unlisted company, or contribute capital to an unlisted trust. An approval may be given:
      i. on conditions requiring the Council to report regularly to the Minister on the financial position of the company or trust; and
      ii. on other conditions the Minister considers appropriate.
   b. A company is unlisted unless its shares are listed on a recognised stock exchange.
   c. A trust is unlisted unless it is a unit trust with units listed on a recognised stock exchange.
4. Borrowings

Objectives
These Guidelines establish a decision framework to help councils ensure that:
- funds are available as required to support approved outlays
- interest rate and other risks (e.g. liquidity risks and investment credit risks) are acknowledged and responsibly managed;
- the net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term; and
- outstanding debt is repaid as quickly as possible and therefore that the gross level of debt held by the Shire at anytime is minimised.

Background
The Local Government Act (NT) 2008 at Part 10.3, section 123(2) states that “the Minister’s approval is not required for a transaction classified as a minor transaction under guidelines issued by the Minister.”

GUIDELINES

1. Borrowing Policy
A council should have a policy with regard to borrowing before any borrowing takes place which could include:

a. the particular circumstances in which the Council will consider borrowing;

b. an imperative to consider the impact of and alternatives to borrowings, including separate rates and charges
   i. where the borrowings are for commercial purposes, whether the return on the investment can service the debt redemption, including consideration of community service obligations
   ii. items council intends to acquire must have been included in the adopted municipal/shire plan
   iii. consideration should be given to the structure of any proposed or current borrowings (the greater the funds required to service debt, the less funds are available for the other activities of the council) and to the term and nature of borrowings (e.g. overdraft, fixed, inflation-linked or variable interest rates, interest rate re-setting arrangements and short or long term borrowings) to match the term of the use of the borrowed funds
   iv. any funds that are not immediately required to meet approved expenditure should be used to reduce the level of borrowings including internal cash reserves or investments
   v. the affordability of proposals having regard to the Shire’s long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council’s Net Financial Liabilities and Interest Cover ratios).

C. appropriate types of financial institutions

d. the maintenance of adequate records regarding debt.
e. mandatory reporting requirements to the council. The reporting frequency should reflect the assessed level of risk and/or overall importance of the borrowings to Council. Minor transactions should be reported on monthly advising debt levels and proposed debt redemption.

2. Minor Transactions
   a. A “minor transaction” for the purposes of section 123(2) is an amount of $200,000 or less for a Schedule 1 council or $50,000 or less for a Schedule 2 council. This amount is a total amount inclusive of all borrowings that have not been approved by the Minister.

   b. This means that a Schedule 1 council must not borrow in total more than $200,000 without Ministerial approval and a Schedule 2 council must not borrow more than $50,000 without Ministerial approval.

2.1 Exception
   A “minor transaction” includes all credit card transactions. If a credit card statement is not paid in full against a monthly statement, the Council must be advised.

Schedule 1 Councils
   • Darwin City Council
   • City of Palmerston
   • Alice Springs Town Council
   • Litchfield Shire Council
   • Katherine Town Council
   • East Arnhem Shire Council
   • Barkly Shire Council
   • Roper Gulf Shire Council
   • MacDonnell Shire Council
   • West Arnhem Shire Council
   • Victoria-Daly Shire Council
   • Central Desert Shire Council
   • Tiwi Islands Shire Council

Schedule 2 Councils
   • Belyuen Community Government Council
   • Coomalie Community Government Council
   • Cox Peninsula Community Government Council
5. Conditionally Rateable Land – Rating Proposal

Objectives
To provide guidance to Councils in framing rating proposals pursuant to Chapter 11 of the Local Government Act 2008.

Background
Under s142 of the Local Government Act 2008, land held under a pastoral lease and land occupied under a mining tenement is conditionally rateable land.

In order to rate such land, councils must submit a rating proposal to the Minister and the Minister will consider the proposal in consultation with relevant Ministers such as Ministers for Primary Industry and Fisheries, Mines and Energy and Business and Economic Development, or similar titles in accordance with the Administrative Arrangements Order.

A proposal must be submitted by a council at least four months before the relevant financial year.

A proposal must contain the information required by these guidelines and the Minister must respond within 20 business days. The Minister may:
  i. approve the rating proposal in the form submitted by the council: or
  ii. approve the rating proposal with amendments the Minister considers appropriate; or
  iii. reject the rating proposal.

An approved rating proposal must be published on the Department of Local Government, Housing and Sport website and on the council's website.


These guidelines relate to the content which must be contained in a council proposal to the Minister to rate conditionally rateable land.

GUIDELINES

1. 2008/2009 Financial Year
   a. Conditional rates in relation to Shire Councils will be in accordance with the rating policy approved by the Minister and contained in the Shire Plan.

   b. Conditional rates in relation to municipal councils will be as approved by the Minister.

2. 2009/2010 Financial Year and Beyond
Subject to any limitation already imposed by the Minister under s267 of the Local Government Act 2008, the information to be submitted to the Minister should include:
   i. A list of services provided to the class of prescribed properties;
ii. A report on relevant consultation;
iii. Comment on whether there is likely to be significant detrimental financial impact to the relevant ratepayers;
iv. How and if hardship provisions will be applied;
v. A table showing all rate categories and anticipated revenue; and
vi. Possible financial impact of the Minister’s decision on the council

These requirements are detailed further below.

(i) The local government services provided to the class of prescribed properties:
This should be a list of any services provided by the council. The list should include:
i. services which the residents of conditionally rated land have the opportunity to take advantage of
ii. services which the residents are known to take advantage of
iii. services which are funded by conditionally rateable land revenue
iv. services which are provided but not funded by conditionally rateable land revenue

(ii) The extent of consultation with organisations representing the class of prescribed properties and individual property owners or lessees of classes of prescribed properties in relation to the rating proposal.
a. Before the rating proposal is put to the Minister, Councils should write to organisations such as the Cattlemen’s Association and Mining Industry Organisations in the council area as well as to ratepayers who currently pay rates as well as those who will, in future, pay rates on land classed as “conditionally rateable”. Another way to consult would be by advertisements in local media directed at ratepayers and organisations related to conditionally rateable land.
b. Letters and/or media advertisements and/or the website should advise the levels of rates to be proposed to the Minister in relation to conditionally rateable land (or refer to the information being available on the council website) and provide a deadline for comments to be received by council.
c. Comments received by Council should be taken into account before the final proposal is submitted to the Minister.

(iii) The potential for detrimental impact on the financial viability of businesses operating on or in connection with the class or classes of prescribed properties.
If the proposal involves a large increase in rates, then the financial impact on businesses should be ascertained through the consultation process. If the level of rating is within the range of the previous year with the addition of CPI, it is reasonable to assume that there is no substantial detrimental impact unless submissions have been received to the contrary.

(iv) The way in which the council will implement hardship provisions under the Local Government Act in relation to the classes of prescribed properties.
a. If the council intends to apply a rate concession under s165 of the Act, or if such a concession has been applied in the preceding financial year, the proposal should briefly detail the concession, the reason for it and whether and how it is proposed to apply it.
b. The proposal does not need to include information on hardship provisions if it is not intending to apply them in the relevant financial year.

(v) A comparative analysis of the amounts contributed to the council revenue by other constituents of the council.
A table showing rating categories and the anticipated rates for the relevant financial year should be included in the proposal. A total anticipated revenue for each rating category should be shown in the table – together with total anticipated rate revenue.

(vi) The impact that a decision of the Minister to approve, or not to approve, the rating proposal is expected to have on the financial viability of the council.
The proposal should indicate how the revenue collected from the rates on conditionally rated land is likely to be expended and the effect on the Council and its budget and service provision if the revenue is not obtained.
6. Disposal of Property

Objectives
The process for the sale and disposal of land and other assets should be considered, fair and transparent to ensure Council obtains the best outcomes and price.

Background
Section 182(1) of the Local Government Act (NT) 2008 provides that, “Subject to the Minister's guidelines, a council may deal with or dispose of property of which the council is the owner.”

GUIDELINES

1. General
   a. Sale and disposal of land and other assets should be consistent with Council’s economic, social and/or environmental objectives.
   b. When considering options for the sale and disposal of land and other assets, Council should look for opportunities to advance the objectives of the Council’s Strategic Plan.
   c. Commercial confidentiality should apply to negotiations for sale and disposal of land and other asset transactions unless Council decides otherwise.
   d. In circumstances where there is a sale or disposal other than by tender process, as may be considered and determined by Council on individual case merits, the reasons for entering into such contracts should be documented.

2. Authority to dispose of property
   a. Property which has been purchased or the purchase of which has been contributed to by a funding source may not be disposed of unless the terms of the funding agreement have been met including any requirement to gain approval from the funding body to dispose of property.
   b. Decisions for sale or disposal of real property must be made by Council resolution unless Council has delegated this authority.
   c. Council may delegate authority under s32 of the Local Government Act 2008. For example, the CEO may be given a delegation to approve the sale or disposal of personal property.
   d. Where council delegates such authority the delegation should be limited. For example, the CEO may have a delegation to dispose of property that fits certain criteria.

3. Method to be used
Generally, Council will sell or dispose of land and other assets through adoption of the following practices:
   i. Direct sale – advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc;
   ii. Quotation – seeking quotations for the sale of land and other assets;
iii. Selected tender – seeking tenders from a selected group of persons, companies, organisations, or other interested parties;
iv. Open tender – openly seeking, through advertisement, tenders, or buyers for Council, land and other assets; or
v. Other means as deemed appropriate by Council or the CEO (provided disposal has been authorised by Council).

4. Consideration
a. In considering the method of disposal of an asset, Council will consider a number of issues, for example:
   i. The potential for the Council to obtain the best price.
   ii. The number of known potential purchasers of the land or assets.
   iii. The current and possible preferred future use of the land or assets.
   iv. The existence of local purchasers of the land or asset.
   v. The opportunity to promote local economic growth and development.
   vi. The total estimated value of the sale.
   vii. Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale.
   viii. Compliance with statutory and other obligations

b. Council or its officers with delegated authority will, when making decisions, act in accordance with the Council’s budget, relevant policies, plans, resolutions, and all relevant statutory or common law requirements.

5. Proceeds from Sale of Assets
Proceeds from the sale of assets (Capital Revenue) should be applied to one of the following:
   i. To the reduction of any debt associated with the Asset acquisition or upgrade since the original purchase or construction or;
   ii. To offset the cost of replacement assets required for operations arising from identified asset sale or;
   iii. Transferred to a specific Reserve Fund if appropriate or to the Asset Replacement Reserve