



RATING STRATEGY

Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Corporate Administration		
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Legislation Reference:	Chapter 11 of the <i>Local Government Act 2019</i>		

1 PURPOSE

This policy outlines Katherine Town Council's approach to setting general rates and waste collection charges, in line with principles of sound financial management. These principles include responsible risk management, long-term financial stability, intergenerational equity, and transparency through the publication of annual financial statements.

2 SCOPE

The policy applies to all Elected Members and Council employees with responsibility for making and implementing decisions on Council rates and waste collection charges.

3 DEFINITIONS

Northern Territory Planning Scheme means the scheme adopted in 2020 (and updated periodically) under the *Planning Act 1999* and published by the Northern Territory Government.

Overriding statutory charge means the same as Chapter 11, Part 11.9, Division 4 of the *Local Government Act 2019*.

Unimproved Capital Value (UCV) means the valuation of a land without any above ground improvements such as a home, shed, pool, carport or other structures. It is assessed every three years by the NT Valuer-General based on the property market and analysing sales in the relevant local area to determine how much the land alone would be worth.

Rate in the dollar means the amount levied per dollar of a property's Unimproved Capital Value (UCV) for the purpose of calculating rates. It serves as a multiplier applied to the UCV to determine the total amount of rates payable. The rate in the dollar may vary based on differential rating categories set by the council.

Differential rate (or rating) means a policy mechanism used by Council to apply different rates in the dollar to different categories of properties. These categories are typically defined based on factors such as property type, location, zoning, use, or planning designation.

The Local Government Act 2019 (Chapter 11) sets out the methods by which Council may impose rates as a source of revenue. Council will review the approach to setting rates annually as part of the development of the Municipal Plan and Budget, and during reviews of the Long-Term Financial Plan.

Under the Act, Council may adopt one of three approaches which include:

- a fixed amount for each allotment; or
- a valuation-based amount calculated as a percentage of the assessed value of each allotment; or
- a combination of both a fixed amount and a valuation-based amount.

Council is currently using a combination of fixed amounts and a valuation-based amounts.

Rates are assessed based on either a fixed amount for each identified allotment or a valuation-based amount calculated as a proportion of the assessed value of the allotment. Any allotments subject to a valuation-based amount are subject to a specified minimum (the **minimum amount**). This method allows Council to ensure that all properties contribute a basic amount while also aligning contributions with property values.

Consideration is given to the broader social and economic impacts on the community, particularly in supporting equitable access to essential services, infrastructure, and community facilities.

Council aims to raise sufficient general rate revenue to cover its operating expenses, including depreciation, and to contribute to the capital works program that supports the municipality's long-term growth and sustainability.

This dual approach balances the following principles:

- **Equity** - an appropriate balance of the principles of user pays versus capacity to pay
- **Effectiveness/Efficiency** – meeting the financial, social, economic, environmental, or other corporate objectives of Council as stated in the Long-Term Financial Plan
- **Simplicity** – to ensure widespread community or stakeholder understanding and to minimise perceived biases and hidden costs
- **Sustainability** – revenue decisions support the financial strategies for the delivery of infrastructure and services identified in Council's Municipal Plan.

Council remains committed to exploring and securing alternative funding sources to help reduce the reliance on rates and lessen the financial burden on the community.

BASIS OF RATES

Council carries out the following processes to help determine what level of rates should be charged:

- evaluate and determine the range of services it needs to support the community as a whole; for example, waste management and local road maintenance
- decide how much money is needed to fund services and infrastructure
- establish how much funding it can expect to receive from the Commonwealth and Northern Territory governments and other income sources
- determine how much money is required from rates and charges to cover the balance of expenditures, and
- decide on the best mix of rates and charges to provide services to the community.

Council adopts the Unimproved Capital Value (UCV) as it appears on the valuation roll prepared by the NT Valuer-General under the *Valuation of Land Act 1963* as the basis of the assessed value of allotments in the Katherine municipality.

A **Fixed amount** is a predetermined amount applied uniformly across rateable properties with specific uses regardless of their unimproved capital value.

A **Valuation-Based amount** is a rate calculated by applying a specified percentage (known as the **rate-in-the-dollar**) to the **Unimproved Capital Value (UCV)** of a property.

Council then determines how much each property would need to pay by multiplying the ‘cents in the dollar’ by the Unimproved Capital Value (UCV) of each property. If the rates are lower than a certain amount, a minimum rate would apply.

The purpose of valuation-based amounts is to align the contribution each property owner makes to council revenue with the relative value of the land.

In recognition of the variation in the level of services provided or available to occupiers of the different zones throughout Katherine municipality, Council is mindful to apply consistency across all properties and to ensure that the rate burden does not shift significantly from one zone to another.

Council applies the following differential rating strategies, according to principal use of the land:

- the assumption that residential properties represent the majority number of properties
- acknowledgement that businesses can generate a greater relative consumption of Council’s infrastructure and services, therefore being a greater draw on Council’s resources
- acknowledgement that land owned by community groups and sporting associations are often eligible to receive rate concessions from Council, and
- acknowledgement of the economic and social importance of primary production to the Katherine municipality and the need to support its long-term viability.

Rating Categories by Zone

For the purpose of rating, Council may apply all or any of the following rating categories to differentiate properties by planning zones as set under the NT Planning Scheme.

RATING CATEGORY (ZONE)	PLANNING DESCRIPTION
Low Density Residential (LR)	Predominantly for low rise urban residential development comprising individual houses and uses compatible with residential amenity, in locations where full reticulated services are available.
Low-Medium Density Residential (LMR)	A range of low-rise housing options that contribute to the streetscape and residential amenity in locations supported by community services and facilities, and where full reticulated services are available.
Medium Density Residential (MR)	A range of mid-rise housing options close to community facilities, commercial uses, public transport, or open space, where reticulated services can support medium density residential development.
Specific Use	As outlined in Schedule 4 of the NT Planning Scheme.
Agriculture (A)	Land with productive capability for a diverse range of agriculture.
Horticulture (H)	Provide and protect land with productive capability for commercial horticulture.
Water Management (WM)	Restricted development within a water catchment area or other area providing surface or ground water for protection of public water supply.
Rural (R)	Residential, horticultural, agricultural and other rural activities on large lots to provide separation between potentially incompatible uses and restrict closer settlement in areas where access to reticulated water and sewerage may not be available.
Rural Living (RL)	A range of rural lifestyle choices and rural activities, in areas where access to reticulated water and sewerage may not be available.
Community Living (CL)	Provides for community living that provides temporary and permanent

RATING CATEGORY (ZONE)	PLANNING DESCRIPTION
	accommodation, and non-residential facilities for the social, cultural and recreational needs of residents.
Community Purpose (CP)	Provide for community services and facilities, whether publicly or privately owned or operated, in locations that are accessible to the community.
Central Business (CB)	An active and attractive mixed-use environment that maximises its function as the commercial, cultural, administrative, tourist and civic centre for the surrounding region that is integrated with high density residential development.
Commercial (C)	Mix of activities and services well connected to a surrounding community at varying scales including retail, entertainment, community, and business activities that serve the broader community and residential development commensurate to the scale of the commercial precinct.
Service Commercial (SC)	Destination retailing, commercial and other activities that individually require a large floor area for the handling, display and storage of bulky goods, or activities, in locations that enable convenient access by the broader regional population.
Future Development (FD)	Area intended for future rezoning and development in accordance with the Strategic Framework. Development is limited to a level that will not prejudice future development or is compatible with planned future purposes.
Railway (RW)	Restricted development on land that is reserved for current or future development of a railway or railway corridor.
Caravan Parks (CV)	Development of caravan parks that cater for short term tourist accommodation and long-term residents and their needs.
Tourist Commercial (TC)	Facilitates commercial and residential development that cater for the needs of visitors, supports tourism activities, and is of a scale and character compatible with surrounding development.
Light Industry (LI)	Provides for low impact industrial and compatible non-industrial developments that will not by the nature of their operations, detrimentally affect adjoining or nearby land.
General Industry (GI)	Provides for industrial developments that require separation from more sensitive uses as the nature of activities may detrimentally impact on the amenity of the locality, in locations with access to services and transport networks capable of supporting heavy industry.
Organised Recreation (OR)	Provides for the development of community and commercial facilities for organised recreation activities.
Highway Control Plan (HCP)	Provides for the development of agriculture, detached dwellings, forestry or sports and recreation.
Multi Zones (MZ)	Provides for land commonly used to describe land areas that are subject to multiple zoning classifications. This situation arises when a parcel of land falls within more than one zone, each with its own set of land use and development controls.

Rating Categories by Use

- Royal Australian Air Force (RAAF) Base Tindal
- Binjari Community
- Major Cattle Facility
- Central Business (Residential)
- Major Shopping Centre
- Solar Farms

- Cotton Gin
- Workers Accommodation less than 30 rooms
- Workers Accommodation more than 30 rooms less than 60 rooms
- Workers Accommodation more than 60 rooms less than 120 rooms
- Workers Accommodation more than 120 rooms and less than 240 rooms
- Workers Accommodation more than 240 rooms
- Quarries, and
- Allotments not covered by the NT Planning Scheme.

Rates are levied as one, or the amount of rates multiplied by the separate parts or units that are adapted for separate occupation on each such allotment of rateable land, for each applicable zone.

There may be other rates, charges or levies that apply to a particular property. These could include waste collection charges. These costs are applied on top of the general rates charge and are only applied to affected ratepayers.

Conditional Rating

Conditionally rateable land is only rateable in accordance with a Gazette notice made by the minister, at least 2 months before the commencement of the financial year in which the rates are to be collected.

Prior to setting the rates, the minister consults with the ministers responsible for the mining and pastoral matters.

The rates are collected each year by the council for the area where the mining tenement or pastoral lease is located.

Conditionally rateable land is defined as:

- land held under a pastoral lease
- land occupied under a mining tenement (mineral and petroleum titles), or
- other land prescribed by regulation as conditionally rateable.

Interest and penalty for late payment

If rate payments are not received by the due date, the assessment will be in arrears. Assessments in arrears will incur a penalty (the 'relevant interest rate') calculated daily on the outstanding amount, from the date on which the missed instalment was due until the date the payment is made in full.

If a ratepayer defaults in payment, all remaining instalments become due and payable. Interest therefore accrues on the total amount of the unpaid rates and not merely the amount of the instalment.

The interest rate is determined through Council resolution and published in the annual Rates and Charges Declaration.

Recovery of outstanding rates and charges

A ratepayer who fails to pay rates and charges on the due date for payment may face legal action for recovery of the principal amount of the rates and charges, interest accrued on the late payment and costs reasonably incurred by Council in recovering or attempting to recover rates and charges.

Under section 258 of the *Local Government Act 2019*, if rates and charges have been in arrears for at least three (3) years, and an overriding statutory charge securing liability for the rates and charges has been registered for at least six (6) months, Council may sell the land.

Ratepayers experiencing financial difficulty

Council acknowledges that some individuals may face genuine financial difficulty in meeting their rate payment obligations. Where financial hardship is demonstrated, it may be appropriate to grant a concession. Concessions may also be applied in circumstances that serve the public interest or to address inconsistencies within the rating system.

While Council strongly encourages all ratepayers to meet their payment responsibilities in full and on time, it recognises the need for flexibility in exceptional cases. Ratepayers experiencing financial hardship may apply for a special payment arrangement or a rate concession, which may include:

1. A deferment, in whole or in part, of rates or specific rate components
2. A waiver, in whole or in part, of rates or specific rate components
3. A Public Benefit Concession, available to eligible community organisations

For full details, please refer to the **Rates Concession Policy**.

WASTE MANAGEMENT CHARGES

Council levies charges for its waste management services. These charges are published in the annual Rates and Charges Declaration.

Residents can access the waste management facility at no charge, except for excluded items as outlined in the Fees and Charges Schedule.

All residential properties receive a full waste collection charge where the property receives a weekly kerbside collection service. The waste collection charge will be applied to each separate part or unit within an allotment.

There is a minimum charge for vacant residential land or land outside of the kerbside collection service boundary.

There is also a minimum charge per allotment for the provision for waste management services within the Katherine Municipality that are not residential land and including allotments on commercial land whether Council provides a kerbside collection.

If the ratepayer requests an additional kerbside collection, there is an additional charge per annum for each additional bin. The additional charge amount is outlined in the annual Fees and Charges and will be invoiced separately to the ratepayers' annual notice as it is considered a 'fee for service' charge.

5 ASSOCIATED POLICIES/DOCUMENTS

Rates and Charges Declaration (published annually)
Sufficient Interest in the Assessment Record Policy
Rates Concession Policy
Fees and Charges (published annually)
Katherine Town Council Municipal Plan (published annually)

6 REFERENCES AND RELATED LEGISLATION

Local Government Act 2019
Valuation of Land Act 1963
Local Government (General) Regulations 2021
Planning Act 1999
Northern Territory Planning Scheme 2020
Pastoral Land Act 1992

Revision History

Version	Approval date	Details of change	Responsible officer
1	27/06/2017	Created	CEO
2	26/06/2018	Revised	CEO
3	08/07/2019	Revised	CEO
4	25/06/2020	Revised	CEO
5	22/06/2021	Revised	CEO
6	14/04/2023	Revision for compliance with new <i>Local Government Act 2019</i>	CEO
7	29/06/2023	Revision for compliance with the Rates and Charges Declaration 2023/24	CEO
8	27/06/2024	Revision for compliance with the Rates and Charges Declaration 2024/2025	CEO
9	17/06/2025	Revision for compliance with the Rates and Charges Declaration 2025/2026	Manager Corporate Administration