

Rates and charges checklist

For Queensland councils governed by the *Local Government Act 2009* (LGA) and *Local Government Regulation 2012* (LGR)

This checklist simply lists the requirements of the LGA and LGR, relating to levying rates and charges, in one handy reference document. It does not refer to relevant case law, replace legal advice, or cover other important aspects of rating such as equity and fairness, serving rates notices and the collection of debts.

Part 1: Rating decisions that must be made, by resolution, at a council meeting		
Requirement	Reference	✓
At the budget meeting (and any meeting where an extraordinary decision ¹ is made) council must adopt a budget that includes the following information relating to rates and charges:	LGR s170	
<ul style="list-style-type: none"> Budgeted income from rates and utility charges excluding discounts and rebates. 	LGR s169 (3)(a)	
<ul style="list-style-type: none"> The percentage change in rates and utility charges levied for the financial year compared with the previous budget: <ul style="list-style-type: none"> any discounts and rebates must be excluded from this calculation. 	LGR s169 (6)	
<ul style="list-style-type: none"> A revenue policy which must state: <ul style="list-style-type: none"> the principles that the local government intends to apply in the financial year for: <ul style="list-style-type: none"> levying rates and charges granting concessions for rates and charges recovering overdue rates and charges cost-recovery methods if the local government intends to grant concessions for rates and charges, the purpose for the concessions. 	LGR s169 (2)(c), s193	
<ul style="list-style-type: none"> A revenue statement which must state: <ul style="list-style-type: none"> an outline and explanation of the measures that the local government has adopted for raising revenue, including: <ul style="list-style-type: none"> the rates and charges to be levied in the financial year; and the concessions for rates and charges to be granted in the financial year; whether the local government has made a resolution limiting an increase of rates and charges if the local government levies differential general rates: <ul style="list-style-type: none"> the rating categories for rateable land in the local government area; and a description of each rating category if the local government levies special rates or charges for a joint government activity, a summary of the terms of the joint government activity. <p>Full details of requirements for the budget, revenue policy and revenue statement are included in the Budget checklist</p>	LGR s169(2)(b) s172	

¹ For the 2021-22 financial year council may make an extraordinary decision, during the year, to change the rates and charges levied for the remainder of the financial year.



Part 1 continued: Rating decisions that must be made, by resolution, at a council meeting

Requirement	Reference	✓
<p>At the budget meeting, in addition to adopting the budget, the council must pass the following resolutions:</p>		
<ul style="list-style-type: none"> • A resolution deciding what rates and charges are to be levied for the financial year: <ul style="list-style-type: none"> ○ the resolution may limit the increase in rates or charges subject to certain conditions (see ‘Limiting the increase in rates and charges’ on page 10 of this checklist) ○ if the council is levying special rates and charges the resolution must identify: <ul style="list-style-type: none"> ▪ the rateable land to which the special rates or charges apply; and ▪ the overall plan for the service, facility or activity to which the special rates or charges apply. 	<p>LGA s94 (2) LGR s116 LGR s94</p>	
<ul style="list-style-type: none"> • The date by which, or the period within which, rates or charges must be paid, which must be: <ul style="list-style-type: none"> ○ at least 30 days after the rate notice for the rates or charges is issued; and ○ subject to any concessions, the same date or period for each person liable to pay the rates or charges. 	<p>LGR s118</p>	
<ul style="list-style-type: none"> • If the council is to levy differential general rates, a resolution to decide the different categories (each a rating category) of rateable land in the local government area. The resolution must state: <ul style="list-style-type: none"> ○ the rating categories of rateable land in the local government area; and ○ a description of each of the rating categories. 	<p>LGR s81(2) & (3)</p>	
<ul style="list-style-type: none"> • If the local government is to allow ratepayers to pay rates or charges by instalments, a resolution for that decision stating: <ul style="list-style-type: none"> ○ the periods for payment of each instalment of the rates or charges; and ○ any other requirements for paying the rates or charges by instalments ○ the requirements may include a requirement for the ratepayer to pay an additional charge in return for paying the rates or charges by instalments ○ the resolution may state a discount for paying an instalment of the rates or charges within the period for paying the instalment. 	<p>LGR s129</p>	
<ul style="list-style-type: none"> • If the local government decides to allow a discount for payment of rates or charges before the end of a discount period, a resolution for that decision stating: <ul style="list-style-type: none"> ○ whether the discount is to be: <ul style="list-style-type: none"> ▪ a fixed amount; or ▪ a percentage of the rates or charges; and ○ if the discount is to be a fixed amount—the amount; and ○ if the discount is to be a percentage of the rates or charges—the percentage; and ○ whether the discount applies only if: <ul style="list-style-type: none"> ▪ other rates or charges are paid; or ▪ an amount, including any interest on the amount, is paid for work that was performed by the local government under a remedial notice issued under the LGA; and ○ the discount period. 	<p>LGR s130</p>	
<ul style="list-style-type: none"> • If interest is to be charged on overdue rates and charges, a resolution deciding the amount of interest that will be charged for the financial year (the interest rate cannot exceed a maximum rate. The maximum rate changes each year and is published on the department’s website – for the 2021-22 budget year the rate is 8.03%). <ul style="list-style-type: none"> ○ Interest is payable on overdue rates or charges from: <ul style="list-style-type: none"> ▪ the day the rates or charges become overdue; or ▪ a later day decided by the local government. ○ Interest must be calculated on daily rests and as compound interest; or in another way the local government decides, if an equal or lower amount will be payable. ○ The decision about interest on overdue rates and charges must apply equally to all ratepayers. 	<p>LGR s133</p>	

Part 1 continued: Rating decisions that must be made, by resolution, at a council meeting

Requirement	Reference	✓
<p>If council wants to make any of the following rating decisions they must be made by council resolution, which could be the annual budget meeting.</p>		
<ul style="list-style-type: none"> • A decision to use the value of land averaged over a number of financial years as the rateable value of land: <ul style="list-style-type: none"> ○ the resolution must state whether the local government will use: <ul style="list-style-type: none"> ▪ the 2-year averaged value of the land; or ▪ the 3-year averaged value of the land ○ if the value of the land averaged over a number of financial years is more than the value of the land for the financial year, the rates must be calculated using the value of the land for the financial year. 	LGR s74 (3) & (4)	
<ul style="list-style-type: none"> • A decision to exempt land primarily used for showgrounds or horseracing from being rateable land. 	LGA s93(3)(h)	
<ul style="list-style-type: none"> • A decision to exempt other land from being rateable land, for charitable purposes. 	LGA s93(3)(i)	
<ul style="list-style-type: none"> • If a local government wishes to levy special rates and charges: <ul style="list-style-type: none"> ○ it must adopt an overall plan for the service, facility or activity to which the special rates or charges apply before, or at the same time as, it first resolves to levy the special rates or charges ○ if an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan for each year before or at the budget meeting ○ the local government may at any time, by resolution, amend: <ul style="list-style-type: none"> ▪ an overall plan; or ▪ an annual implementation plan. 	LGR s94(4) LGR s94(6) LGR s94(9)	
<p>To grant a concession for rates and charges, council must pass a resolution or resolutions:</p> <ul style="list-style-type: none"> • granting the concession to a stated ratepayer: <ul style="list-style-type: none"> ○ the ratepayer must have applied for the concession in a way accepted by the local government <p>or</p> <ul style="list-style-type: none"> • granting the concession to a ratepayer who is a member of a stated class of ratepayers: <ul style="list-style-type: none"> ○ concessions can only be granted to a class of ratepayers: <ul style="list-style-type: none"> ▪ if the concession is a rebate of all or part of the rates or charges, or ▪ an agreement to defer payment of the rates or charges. <p>The resolution may include conditions for granting the concession to a ratepayer. For example, a condition requiring the ratepayer to produce a health care card or pensioner concession card to show the ratepayer's eligibility for the concession.</p>	LGR s122	

Part 2 Requirements for rates and charges		
Requirement	Reference	✓
<p>Rates and charges are levies that a local government imposes:</p> <ul style="list-style-type: none"> on land; and for a service, facility or activity that is supplied or undertaken by the local government; or someone on behalf of the local government (e.g. garbage collection contractor). 	LGA S 91(2)	
<p>Local governments:</p> <ul style="list-style-type: none"> must calculate the rates for land by using the rateable value of the land may resolve to limit the increase in rates or charges (see limiting increases in rates and charges) may grant a concession to a ratepayer or class of ratepayer (see concessions) may decide to allow ratepayers to pay rates or charges by instalments may decide to allow a discount or other benefit for payment of rates or charges before the due date for payment. 	LGR S74 (1) LGR S 116 LGR Chapter 4, Part 10, LGR S129 (1) LGR s130 & 131	
<p>Local governments levy rates and charges by:</p> <ul style="list-style-type: none"> deciding, by resolution, at the council's budget meeting for the financial year, what rates and charges are to be levied for that year (see part 1 of this checklist); and issuing rate notices in accordance with the requirements in the LGR. 	LGA s94 (2), LGR Chapter 4, Part 9, Division 1	
Types of rates and charges that can be levied		
<p>General rates (including differential general rates):</p> <ul style="list-style-type: none"> are levied for services, facilities and activities supplied or undertaken for the benefit of community. <p>Local governments:</p> <ul style="list-style-type: none"> must levy general rates on all rateable land within the local government area may levy differential general rates, in which case the local government must decide the different categories (each a rating category) of rateable land in the local government area: <ul style="list-style-type: none"> after the rating categories and descriptions have been decided, the local government must identify the rating category to which each parcel of rateable land in the local government area belongs may identify parcels of rateable land to which a minimum amount of general rates applies in any way the local government considers appropriate. 	LGA S92 & 94, LGA S 92(2) LGA S94(1) LGR S80 & 81 LGR S 77(1) & (2)	

Types of rates and charges that can be levied		
Requirement	Reference	✓
Special rates and charges		
<ul style="list-style-type: none"> Are levied for services, facilities and activities that have a special association with particular land because: <ul style="list-style-type: none"> the land or its occupier: <ul style="list-style-type: none"> specially benefits from the service, facility or activity; or has or will have special access to the service, facility or activity; or the land is or will be used in a way that specially contributes to the need for the service, facility or activity; or the occupier of the land specially contributes to the need for the service, facility or activity. 	LGA S 92(3)	
<ul style="list-style-type: none"> The amount of the special rates or charges may differ for each identified rateable land in certain circumstances. 	LGR S 94(12)	
<ul style="list-style-type: none"> If a local government decides to levy special rates and charges it must adopt an overall plan for the service, facility or activity to which the special rates or charges apply: <ul style="list-style-type: none"> before, or at the same time as, the local government first resolves to levy the special rates or charges the special rates or charges may be levied for 1 or more years before any of the special rates or charges are spent in carrying out the overall plan. 	LGR S94(3)(4) & (5)	
<ul style="list-style-type: none"> If an overall plan is for more than 1 year, the local government must also adopt an annual implementation plan each year. 	LGR S 94(6)	
<ul style="list-style-type: none"> If council does not spend all the special rates or charges in implementing the overall plan the unspent amount must be paid to the current owners of the land. 	LGR S 96 & 97	
<ul style="list-style-type: none"> The local government may fix a minimum amount of the special rates or charges. 	LGR S 94 (10)	
Utility charges		
<ul style="list-style-type: none"> Are levied for a service, facility or activity for waste management, gas, sewerage or water. 	LGA S 92(4)	
<ul style="list-style-type: none"> Can be levied on any basis, or combination of bases, the council considers appropriate including: <ul style="list-style-type: none"> the rateable value of the land the use made of particular land or structures other circumstances peculiar to the supply of the utility to particular land or structures. 	LGR S 99	
<ul style="list-style-type: none"> Can only be levied for services supplied in the current, last or next financial years. 	LGR S 99(4)	
<ul style="list-style-type: none"> Charges for supplying water or sewerage services may be levied before the service has been constructed, in certain circumstances. 	LGR S 100	
<ul style="list-style-type: none"> There are rules for working out utility charges for water, which must be charged wholly according to the water used or using a 2-part charge. 	LGR S101 & 102	
Separate rates and charges		
<ul style="list-style-type: none"> Are levied for any other service, facility or activity. 	LGA S 92(5)	
<ul style="list-style-type: none"> The local government may fix a minimum amount of separate rates or charges. 	LGR S 103(2)	

Identifying rateable land		
Requirement	Reference	✓
A local government: <ul style="list-style-type: none"> • must levy general rates on all rateable land within the local government area, • may levy other types of rates and charges on that rateable land; and • must keep a land record that contains specific information for each parcel of rateable land in its area. 	LGA S94 LGR S154	
Rateable land is: <ul style="list-style-type: none"> • any land or building unit, in the local government area, that is not exempted from rates. 	LGA s93	

Land exempted from rates		
Requirement	Reference	✓
<ul style="list-style-type: none"> • Unallocated state land within the meaning of the Land Act • land that is occupied by the state or a government entity, unless: <ul style="list-style-type: none"> ○ the government entity is a GOC or its subsidiary (within the meaning of the Government Owned Corporations Act 1993) and the government entity is not exempt from paying rates; or ○ the land is leased to the state or a government entity by someone who is not the state or a government entity • land in a state forest or timber reserve, other than land occupied under: <ul style="list-style-type: none"> ○ an occupation permit or stock grazing permit under the Forestry Act; or ○ a lease under the Land Act • Aboriginal land under the Aboriginal Land Act 1991, or Torres Strait Islander land under the Torres Strait Islander Land Act 1991, other than a part of the land that is used for commercial or residential purposes • the following land under the Transport Infrastructure Act: <ul style="list-style-type: none"> ○ strategic port land that is occupied by a port authority, the state, or a government entity ○ strategic port land that is occupied by a wholly owned subsidiary of a port authority, and is used in connection with the Cairns International Airport or Mackay Airport ○ existing or new rail corridor land ○ commercial corridor land that is not subject to a lease • airport land, within the meaning of the Airport Assets (Restructuring and Disposal) Act 2008, that is used for a runway, taxiway, apron, road, vacant land, buffer zone or grass verge • land that is owned or held by a local government unless the land is leased by the local government to someone other than another local government • land that is: <ul style="list-style-type: none"> ○ primarily used for showgrounds or horseracing; and ○ exempted from rating by resolution of a local government • land that is exempted from rating, by resolution of a local government, for charitable purposes • land that is exempted from rating under: <ul style="list-style-type: none"> ○ another Act; or ○ a regulation, for religious, charitable, educational or other public purposes 	LGA s93	

<ul style="list-style-type: none"> • land owned by a religious entity if the land is less than 20ha and is used for 1 or more of the following purposes: <ul style="list-style-type: none"> ○ religious purposes, including, for example, public worship ○ the provision of education, health or community services, including facilities for aged persons and persons with disabilities ○ the administration of the religious entity ○ housing incidental to those purposes • land vested in, or placed under the management and control of, a person under an Act for: <ul style="list-style-type: none"> ○ a public purpose that is a recreational or sporting purpose; or ○ a charitable purpose • land used for the purposes of a public hospital if: <ul style="list-style-type: none"> ○ the public hospital is: <ul style="list-style-type: none"> ▪ part of a private hospital complex; or ▪ a private and public hospital complex; and ○ the land used for the purposes is more than 2ha and is separated from the rest of the complex • land owned by a community organisation if the land is less than 20ha and is used for providing the following: <ul style="list-style-type: none"> ○ accommodation associated with the protection of children ○ accommodation for students ○ educational, training or information services aimed at improving labour market participation or leisure opportunities • land used for a cemetery. 	<p>LGR S 73</p>	
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Rateable value of land		
Requirement	Reference	✓
Rates for land must be calculated using the rateable value of the land.	LGR s74(1)	
The rateable value of land for a financial year is:		
<ul style="list-style-type: none"> • its value under the Land Valuation Act for the financial year or • that value averaged over a number of years: <ul style="list-style-type: none"> ○ a decision to use the value of land averaged over a number of financial years must state whether the local government will use: <ul style="list-style-type: none"> ▪ the 2-year averaged value of the land; or ▪ the 3-year averaged value of the land ○ the 2-year and 3-year averaged values of the land must be worked out using the formulas in the LGR s 75 & 76 ○ if the value of the land averaged over a number of financial years is more than the value of the land for the financial year, the rates must be calculated using the value of the land for the financial year. 	<p>LGR s72 & 74(2)</p> <p>LGR s75 & s76</p> <p>LGR s 74(5)</p>	
Minimum general rates		
<p>Council can decide to fix a minimum amount of general rates.</p> <p>The same minimum amount of general rates must apply to all land in the local government area, except for:</p> <ul style="list-style-type: none"> • differential rating categories, where a different minimum amount of general rates may be fixed for each category • timeshare property, where the minimum amount may be calculated according to the formula in the LGR s78(2) • a mining lease granted for mining for minerals over land that is not larger than 2ha • a mining lease granted for a purpose that is associated with mining for minerals over land that is not larger than 4ha • land that is subject to a mining claim, which must be calculated in accordance with the LGR s79. 	LGR S 77-79	
Minimum general rates cannot be fixed for land that is subdivided land, not yet developed, and subject to a discounted valuation under the Land Valuation Act, chapter 2, part 2, division 5, subdivision 3.	LGR s77(3)	

Concessions		
Requirement	Reference	✓
<p>Councils can grant concessions for rates or charges, where satisfied:</p> <ul style="list-style-type: none"> • the land is owned or occupied by a pensioner: <ul style="list-style-type: none"> ○ note any rebate granted for land occupied by a pensioner must have the landowner's agreement to pass the benefit of the rebate on to the pensioner ○ where land is occupied by pensioners and other persons the rebate can only apply to the part of the land where pensioners have a right to exclusive occupancy <p>or</p> <ul style="list-style-type: none"> • the land is owned by: <ul style="list-style-type: none"> ○ an entity whose objects do not include making a profit; or ○ an entity that provides assistance or encouragement for arts or cultural development; or • the payment of the rates or charges will cause hardship to the landowner; or • the concession will encourage the economic development of all or part of the local government area; or • the concession will encourage land that is of cultural, environmental, historic, heritage or scientific significance to the local government area to be preserved, restored or maintained; or • the land is used exclusively for the purpose of a single dwelling house or farming and could be used for another purpose, including, for example, a commercial or industrial purpose; or • the land is subject to a GHG tenure, mining tenement or petroleum tenure; or • the land is part of a parcel of land (a parcel) that has been subdivided and: <ul style="list-style-type: none"> ○ the person who subdivided the parcel is the owner of the land; and ○ the land is not developed land. 	<p>LGR s 120</p> <p>LGR s 123</p>	
<p>The only types of concession for rates and charges that a council can grant are:</p> <ul style="list-style-type: none"> • a rebate of all or part of the rates or charges • an agreement to defer payment of the rates or charges • an agreement to accept a transfer of unencumbered land in full or part payment of the rates or charges. 	LGR s 121	
<p>To grant a concession for rates and charges council must pass a resolution or resolutions:</p> <ul style="list-style-type: none"> • granting the concession to a stated ratepayer: <ul style="list-style-type: none"> ○ the ratepayer must have applied for the concession in a way accepted by the local government <p>or</p> <ul style="list-style-type: none"> • granting the concession to a ratepayer who is a member of a stated class of ratepayers: <ul style="list-style-type: none"> ○ concessions can only be granted to a class of ratepayers: <ul style="list-style-type: none"> ▪ if the concession is a rebate of all or part of the rates or charges, or ▪ an agreement to defer payment of the rates or charges. <p>The resolution may include conditions for granting the concession to a ratepayer. For example, a condition requiring the ratepayer to produce a health care card or pensioner concession card to show the ratepayer's eligibility for the concession.</p>	LGR s122	

Limiting the increase in rates and charges

Requirement	Reference	✓
When a local government resolves to levy rates or charges, it also may resolve to limit the increase in the rates or charges.	LGR S 116	
<p>The rates or charges may be limited to not more than:</p> <ul style="list-style-type: none"> • if the rates or charges for the last financial year were for a full year: <ul style="list-style-type: none"> ○ the rates or charges for the last financial year; or ○ the rates or charges for the last financial year, increased by a stated percentage; or • if the rates or charges levied for the last financial year were not for a full year: <ul style="list-style-type: none"> ○ the corresponding annual amount for the rates or charges for the last financial year; or ○ the corresponding annual amount for the rates or charges for the last financial year, increased by a stated percentage. <p>The corresponding annual amount is the daily amount of the rates or charges levied for the last financial year multiplied by 365.</p>		
<p>The limit applied to the percentage increase in rates or charges can be different for:</p> <ul style="list-style-type: none"> • different land or classes of land; or • different rates or charges. 	LGR S116 (4)	

Useful links

The department's publication **[Guideline on equity and fairness in rating for Queensland local governments.](#)**

The *Local Government Act 2009* and Local Government Regulation 2012 can be found on the Queensland legislation website **www.legislation.qld.gov.au**.