

AUSTRALIAN CAPITAL TERRITORY

RATES AND LAND RENT (RELIEF) ACT 1970

NOTICE FIXING RATES OF INTEREST

NO: 125 OF 1993

EXPLANATORY STATEMENT

This Notice Fixing Rates of Interest revokes the Notice Fixing Rates of Interest published in the Commonwealth of Australia Gazette No. S281 of 22 July 1985, and fixes the interest rates to be charged on amounts deferred by determination and amounts unpaid after a determination has been revoked, for the purpose of subsection 23(1) of the Rates and Land Rent (Relief) Act 1970 (the Act).

From 16 September 1993 the interest rate for the purpose of paragraph 23(1)(a), in relation to amounts deferred by determination, is fixed at 9 percent per annum and for paragraph 23(1)(b), in relation to amounts unpaid after a determination has been revoked, the interest rate is fixed at 17 percent per annum.

The previous rates were 12 percent and 13.589 percent per annum, respectively.

The rates have been determined on the following bases:

- the rate for the purpose of paragraph 23(1)(a) of the Act is based on a close approximation of the prime lending rate of financial institutions; and
- the rate for the purpose of paragraph 23(1)(b) of the Act is determined on the basis of the weighted average yield of the 13 week Treasury note tenders at the end of April 1993 which was 5 percent (rounded to 1 decimal place). This is further adjusted by adding a fixed rate of 4 percent to approximate the Prime Bank Rate. To this is added a fixed penalty rate of 8 percent to increase the interest rate to the point where it is uneconomical to use the Government as a source of finance.

Circulated by authority of the Chief Minister and Treasurer
Rosemary Follett, MLA