

1989

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

WATER RATES (AMENDMENT) BILL 1989

EXPLANATORY MEMORANDUM

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Ms Rosemary Follett, MLA

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## **WATER RATES (AMENDMENT) BILL 1989**

### **OUTLINE OF AMENDMENTS**

The Water Rates Act 1959 provides for the imposition of water rates.

Under the Act, rates are payable to A.C.T. Electricity and Water. When the water and sewerage functions were transferred to A.C.T. Electricity and Water on 1 July 1988, it was intended that the Territory would be responsible for the recovery of rates debts which related to periods prior to 1 July 1988. However, legislation does not give effect to this intention.

The Bill provides that rates from 1 July 1988 are payable to the Authority, and that rates before that date are payable to the Territory.

To protect land owners who have made payments to the Authority in respect of pre-July 1988 rates, the Bill provides that such payments discharges the debt.

In addition to imposing a penalty on rates and land tax arrears, the Government has decided to impose a similar penalty on water and sewerage rates arrears owing to the Territory.

### **FINANCIAL IMPLICATIONS**

The imposition of a penalty is expected to provide incentive for ratepayers to pay their outstanding accounts and should lead to a substantial reduction of arrears in 1989/90.

Details of the proposed Bill are attached.

DETAILS OF THE WATER RATES (AMENDMENT) BILL 1989

**Short title**

**Clause 1** - Provides the short title for the amendment.

**Principal Act**

**Clause 2** - Makes reference to the Principal Act being amended, the Water Rates Act 1959.

**Recovery of rates**

**Clause 3** - Amends the "Recovery of rates" section of the Water Rates Act (which provides that Water Rates are payable to A.C.T. Electricity and Water) by:

.making pre-1 July 1988 Water Rates payable to the Territory, and

.imposing a penalty on arrears of these rates if they are not paid before 16 October 1989.

The rate of penalty, to be determined, will be applied monthly, on and from 16 October 1989 until the whole debt is satisfied - that is, the penalty is compounded.

Additionally, Clause 3 provides protection for land owners against having to pay to the Territory a pre-1 July 1988 debt which has been paid to A.C.T. Electricity and Water in the period 1 July 1988 until now.

The final part of Clause 3 advises that the determination of the penalty rate is disallowable under the Subordinate Laws Act.