

AUSTRALIAN CAPITAL TERRITORY

RATES AND LAND RENT (RELIEF) ACT 1970

NOTICE FIXING RATES OF INTEREST

DETERMINATION NO. 162 OF 1997

EXPLANATORY STATEMENT

This Notice Fixing Rates of Interest revokes the Notice Fixing Rates of Interest published in the Australian Capital Territory Gazette No S268 on 25 October 1995, 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the interest rates to be charged on amounts deferred by determination and amounts unpaid after a determination has been revoked, for the purpose of subsection 23(1) of the *Rates and Land Rent (Relief) Act 1970 (the Act)*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 July 1997, the interest rate for the purpose of subsection 23(1)(a) of *the Act*, in relation to amounts deferred by determination, is fixed at 6.0 percent per annum and for subsection 23(1)(b) of *the Act*, in relation to amounts unpaid after a determination has been revoked, the interest is fixed at 17.0 percent per annum

The previous rates were 7.5 percent and 19.5 percent per annum, respectively.

The rates have been determined on the following basis:

- the rate for the purpose of paragraph 23(1)(a) of the Act is determined on the basis of the 90 day Bank Bill rate for May 1997 which was 5.63 percent per annum, rounded up to the nearest half of one percent, and
- the rate for the purpose of paragraph 23(1)(b) of the Act is determined on the basis of the ACT Government's overdraft rate for May 1997 which was 9.25 percent per annum, rounded down to the nearest half of one percent. To this is added a fixed penalty rate of 8 percent per annum 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
Kate Carnell MLA