

FIRST PRINT

PUBLIC WORKS (INTEREST) AMENDMENT BILL 1986

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Public Works Act 1912 to remove the provision which restricts the interest rate on land resumption compensation to 4 per cent for the first 12 months after resumption. The Act will now provide for the rate to be fixed by the Treasurer from time to time, as is currently the case for periods after that first 12 months.

Clause 1 specifies the short title of the proposed Act.

Clause 2 is a formal provision that gives effect to the Schedule of amendments.

Schedule 1 (1) inserts a provision into the Principal Act which gives effect to the Schedule of savings and transitional provisions inserted by Schedule 1 (3).

Schedule 1 (2) (a) substitutes a provision of the Principal Act which deals with the interest rate applicable to unpaid compensation for land resumed under the Principal Act. Currently, the rate is fixed by the provision at 4 per cent for the first 12 months after resumption and thereafter is fixed by the Treasurer. Under the provision as proposed to be substituted, the rate for that first 12 months will also be fixed by the Treasurer. Certain historical provisions are also repealed with any current operation that they may have being saved by Schedule 1 (3).

Schedule 1 (2) (b) repeals a spent provision of the Principal Act which fixed the rate of interest payable after the first 12 months following resumption until determination of the rate by the Treasurer.

Schedule 1 (3) inserts a Schedule of savings and transitional provisions into the Principal Act. Clause 1 of the Schedule makes it clear that the new interest rate arrangements only apply to periods after the commencement of the proposed Act with the previous arrangements continuing to apply to periods before that commencement. Clause 2 of the Schedule sets the rate applicable under the new arrangements (pending determination of the rate by the Treasurer) at 12 per cent per annum for amounts of less than \$50,000 and 12.5 per cent per annum for amounts of \$50,000 or more. Those rates are the rates currently set by the Treasurer for a period commencing more than 12 months after resumption.
