

1995

AUSTRALIAN CAPITAL TERRITORY LEGISLATIVE ASSEMBLY

MAGISTRATES COURT (CIVIL JURISDICTION) ACT 1982

MAGISTRATES COURT (CIVIL JURISDICTION) REGULATIONS (AMENDMENT)

EXPLANATORY STATEMENT

Circulated by authority of

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EXPLANATORY STATEMENT

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OUTLINE

Section 422 of the Principal Act provides that the Executive may make rules or regulations, not inconsistent with the Principal Act, prescribing matters necessary or convenient for the carrying out of, or giving effect to, the Principal Act.

The Magistrates Court (Civil Jurisdiction) Regulations (Amendment) (the Regulations) amend the Magistrates Court (Civil Jurisdiction) Regulations (the Principal Regulations) to provide for a change in the prescribed rate of interest for the purposes of section 231 of the *Magistrates Court (Civil Jurisdiction) Act 1982* (the Principal Act). Section 231 of the Principal Act provides that pre-judgement interest calculated as prescribed for the period between the date on which a cause of action arises and the date when judgement is entered in cases where interest has been claimed and judgement is entered by default, confession or agreement may be included in the amount for which judgement is entered. The Principal Regulations prescribe the rate of interest for the purposes of section 231 of the Principal Act.

This rate is derived from the rates published in the Reserve Bank Bulletin table 'F3 Interest Rates - Business Indicator: Large Business' which provides an objective base from which to derive an appropriate interest rate. The interest rate is based on the mean interest rate for a particular month or months. The rate prescribed by the Principal Regulations is reviewed twice a year and an amendment made when there is a movement of 1% or more. Where there is such a movement a revised rate is set, rounded to the nearest quarter percentage point. The date of the application of the new rate is from 1 February or from 1 August.

The Regulations amend the Principal Regulations to reflect the movement in interest rates and change the rate of interest prescribed for the purposes of section 231 of the Principal Act from the current rate of 9% to a new rate of 10.75%. The Regulations are to commence on 1 August 1995.

FINANCIAL IMPLICATIONS

The Regulations will have no effect on revenue.

DETAILS

Regulation 1 provides that the Regulations are to commence on the day on which they are notified in the *Gazette*. It is intended that the Regulations be notified in the *Gazette* on 1 August 1995.

Regulation 2 provides that, for the purpose of the regulations, the "Principal Regulations" are to mean the Magistrates Court (Civil Jurisdiction) Regulations.

Regulations 3, 4 and 5 provide for changes in the references to sections in the Principal Act which were not made consequent to the re-numbering of the Principal Act in 1994.

Regulation 6 amends Table 2 in the Schedule to the Principal Regulations by omitting Item 12 and substituting a new Item 12 and a new Item 13. The effect is to prescribe an interest rate of 10.75% effective from 1 August 1995 for the purpose of section 231 of the Principal Act.