

1994

**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

**MAGISTRATES COURT (CIVIL JURISDICTION) REGULATIONS  
(AMENDMENT)****OUTLINE**

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 227B of the *Magistrates Court (Civil Jurisdiction) Act 1982* (the Principal Act).

Section 308 of the Principal Act provides that the Executive may make rules or regulations, not inconsistent with the Principal Act, prescribing matters necessary or convenient to be prescribed for carrying out or giving effect to the Principal Act. Section 227B of the Principal Act provides that pre-judgement interest, calculated as prescribed, may be included in the amount for which judgement is entered by default, confession or agreement.

The Principal Regulations prescribe the rate of interest for the purposes of section 227B of the Principal Act 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.

The prescribed interest rates are derived from figures published in the Reserve Bank Bulletin: F3 Interest Rates - Business Indicator: Large Business. This rate 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. The new rate prescribed has applied, in previous years, from 15 January or from 15 July. These dates are a convention only. The most recent monthly figure for the January review of the rates issued by the Reserve Bank is published in the December issue of the Reserve Bank Bulletin of the previous year and meeting the application date of 15 January can be administratively difficult. For this reason, starting with these Regulations, it is intended that, where an amendment is made in the future, the date of the application of the new rate is to be 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 227B of the Principal Act from 10% to 9%.

**FINANCIAL IMPLICATIONS**

The Regulations will have no effect on revenue.

**DETAILS****Commencement**

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 February 1994.

**Substitution**

Regulation 2 amends Table 2 in the Schedule to the Principal Regulations by omitting Item 11 and substituting a new Item 11 and a new Item 12. The effect is to prescribe, for the purpose of section 227B of the Principal Act, an interest rate of 9% from 1 February 1994.