

EXPLANATORY MEMORANDUM.

AUSTRALIAN CAPITAL TERRITORY.

Courts (Hire Purchase Agreements) Ordinance 1963.

No. 7 of 1963

There have been a number of actions commenced in the Courts in the Australian Capital Territory arising out of hire purchase agreements in circumstances where neither the hirer nor the dealer have resided or carried on business in the Territory and the goods have not been delivered from the Territory. The actions have been based on the acceptance of hire purchase offers in the Territory by the company which has financed the agreement and the application of Australian Capital Territory laws to such an agreement.

Whilst there is nothing illegal in applying the laws of the Australian Capital Territory in such circumstances or in commencing actions in the Courts of the Territory based on such agreements it has the result of causing people who wish to contest the action to appear in the Territory Courts which are far removed from their residence or from the place where the dealer, who arranged the transaction, carried on business.

The object of this legislation is to restrict the right to sue in the Territory Courts concerning a matter arising out of a hire-purchase agreement unless

- (a) the hirer resides or carries on business in the Territory when the action is commenced,
- (b) the hirer was resident or carrying on business in the Territory when he offered to hire the goods or entered into the agreement, or
- (c) the hirer was in the Territory when he offered to hire the goods or accepted an offer to hire goods.

The legislation will not restrict the normal activities of traders in the Territory or restrict the right to sue people who come to the Territory to conduct business with local traders. The legislation will not prevent an action being commenced in the Territory against a Territory resident who enters into a hire-purchase agreement out of the Territory. In respect of each of the three categories mentioned above there is a real connection with the Territory.