

1993

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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MAGISTRATES COURT (CIVIL JURISDICTION) REGULATIONS (AMENDMENT)

Explanatory Statement

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. This rate provides a relevant and 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 Regulations amend the Principal Regulations to reflect the current movement in interest rate figures from 11.50% to a mean of 10%.

REVENUE/COST 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*.

Substitution

Regulation 2 amends Table 2 in the Schedule to the Principal Regulations by omitting Item 10 and substituting a new Item 10 and a new Item 11. The effect is to provide for an interest rate of 10% from 15 January 1993.