

BALANCE

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Contingency fee call from NSW president

The President of the New South Wales Law Society, John Marsden, has called for serious consideration of contingency fees for lawyers.

Mr Marsden said such a system was a "vital step in reducing court delays and promoting wider access to justice."

A spokesman for the NSW Law Society, Michael Bach, said there had been no contemplation of the size of contingency fees common in the USA. There it is not unusual for a lawyer to receive 25-30 per cent of an award.

"This is not a percentage of the award," Mr Bach said.

"It is a premium over and above what would normally be charged," he said. Council of the NSW Law Society approved the concept in principle.

It is now open to wider debate and would require amendments to the *Legal Profession Act* which prohibits contingency fee arrangements.

"Lawyers will be far less inclined to take a frivolous or vexatious case that has little or no chance of success because they will not collect a fee."

"They will also be more inclined to conclude matters quickly," Mr Marsden said and added that the concept required rigorous examination. "It is an area that needs a great deal of attention and study."

"We have to look closely at how the concept will affect the justice system and particularly at the impact on court delays," Mr Marsden said.

Mr Marsden is understood to be planning a summit for later in the year to address issues such as court delays and the cost of justice.

GST will affect legal costs: Tate

The Minister for Justice and Consumer Affairs, Michael Tate, has described the Coalition's goods and services tax as "a very bitter blow." Senator Tate said the GST would add 15 per cent to the provision of legal services and would result in people of limited means being left without legal representation.

He said the estimated total annual cost of legal services supplied in Australia, based on ABS figures, exceeds \$3 billion.

"Because of the GST, hundreds of

millions of dollars would be added to the cost.

"At a time when the community is crying out for a reduction in the costs of legal services, the Hewson package will markedly increase the costs.

"It will apply to every legal matter, regardless of size, content or merit throughout the entire Australian community," he said.

Senator Tate said legal aid would be very hard hit under the GST package. He said the package included a cut of
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