

# **COSTS DISCLOSURE STATEMENT-**

**TO:**

**Part 3.3 of the *Legal Profession Act 2006* requires that the following matters related to costs be disclosed to you:** This document provides you with important information about the cost of our legal services, and your rights, as required by the *Legal Profession Act 2006* (the Act).

## **PART 1 – YOUR RIGHTS**

### **1.1 Right to negotiate a Costs Agreement with us**

You have a right to negotiate a Costs Agreement with us.

### **1.2 Right to receive a bill of costs**

You have a right to receive a bill of costs for the legal services provided by us to you within 21 days. We will send you a bill of costs containing information of our professional charges and disbursements, including GST, after completion of the work, **or** at intervals of at least one month, **or** at other times as agreed with you, when the work is in progress, excepting that disbursements may be billed to you as they arise

### **1.3 Right to request an itemised bill**

If a lump sum bill is given to you for more than the threshold amount of \$1,500 (excluding disbursements), you have the right to ask for an itemised bill.

### **1.4 Right to progress reports**

You have a right to request written progress reports on your matter. Our normal charge-out rates will apply for this service. If we have agreed a fixed fee with you for our professional charges, we may at our discretion charge you extra for such reports. You have a right to request a written report on the legal costs incurred to date or since the last bill of costs was given to you, free of charge. We must give you these reports where your request is reasonable.

## **1.5 Your rights if you dispute our legal costs**

Part 3.3 of the Act gives you the right to apply to a Costs Assessor to have all or any part of our legal costs assessed for fairness and reasonableness, including whether or not it was reasonable to carry out the work to which the legal costs relate and whether or not the work was carried out in a reasonable way.

Any such application must be made not later than 12 months after the day the bill was given to you, the request for payment was made, or, if neither a bill was given nor a request made, not later than 12 months after the day the costs were paid. Applications may be made out of time in certain circumstances.

The Act gives you the right to apply under Section 332 to have any Costs Agreement entered into between us varied or set aside on the basis that it is not fair or reasonable.

## **1.6 Right concerning a corresponding law.**

You have the right to accept our offer to enter into a Costs Agreement with us on the basis that the corresponding law of another State or Territory is applicable, such as where the legal services are or will be provided completely or primarily in that State or Territory or where the matter has a **substantial connection** with that State or Territory.

In some circumstances you have the right to enter in an agreement providing for, or to notify us that you require the corresponding provisions of a corresponding law of another State or Territory to apply to the costs disclosure and assessment for your matter. These rights are set out in S 298 of the Act.

## **PART 2 – COSTS**

### **2.1 The Basis on which our costs will be calculated**

The law of the Northern Territory of Australia applies to legal costs in this matter.

However, if you enter into an agreement or give notification that a corresponding law will apply, we will disclose costs as they are applicable in that State or Territory. In those circumstances, you have the right to contract with us that the costs assessment scheme in the Northern Territory is applicable, in the event of any dispute as to costs arising with us.

### 2.1.1 Professional Charges

2.1.1 We will charge you professional fees for the work we do as follows:

- |     |                        |          |
|-----|------------------------|----------|
| (a) | the fee of:            | \$ _____ |
| (b) | plus GST of 10%:       | \$ _____ |
| (c) | TOTAL (GST inclusive): | \$ _____ |

These fees may change over time, in which case we will make a further costs disclosure to you.

OR

- (a) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for a partner.
- (b) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for a senior solicitor.
- (c) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for a junior solicitor.
- (d) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for a paralegal.
- (e) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for a clerk.
- (f) an hourly rate of :\$\_\_\_\_\_ (inclusive of 10% GST) for secretarial services (excluding typing).
- (g) travelling time at the rate of: \$\_\_\_\_\_ (inclusive of 10% GST).

Our charges are made in 6 minutes units. For example, the time charged for an attendance of up to 6 minutes will be 6 minutes and the time charged for an attendance between 6 and 12 minutes will be 12 minutes. A scale of costs does not apply to this matter.

These fees may change over time, in which case we will make a further costs disclosure to you.

OR

#### 2.1.1 Scale costs are applicable to this matter.

- (a) The costs will be calculated in accordance with the scale known as *[insert scale]*. A current copy is **attached and marked annexure A**. This scale may increase over time.

### 2.1.2 Disbursements

We will charge you for outlays which are services we use or supply. Our rates are:

Photocopying : \$\_\_\_\_ per page (incl 10% GST)  
Incoming faxes : \$\_\_\_\_ per page (incl 10% GST)  
Outgoing faxes: \$\_\_\_\_ per page (incl 10% GST)

We will incur disbursements (which means money which this firm pays or is liable to pay) to others on your behalf. Disbursements may include, but are not limited to, filing and other Court fees, registration fees, Counsel's fees, medical or other report fees, document production fees, experts' fees, travel and accommodation expenses, courier fees, long distance telephone or other communication charges, bank charges, postage, enquiry fees, search fees, process servers' fees, transcript fees, agents' fees, witnesses' fees and expenses, externally incurred photocopying fees, printing and binding fees, investigators' fees, and government charges, taxes or duties (including any GST that may be payable on disbursements).

We will inform you of these expenses and disbursements as well as any other payments required to be made, as soon as is reasonably practicable. Disbursements are payable by you even if you have entered into a Conditional Costs Agreement with us, unless such Conditional Costs Agreement specifically provides otherwise.

These fees may change over time, in which case we will make a further costs disclosure to you.

### 2.2 Estimate of Costs

The following estimate is based on the information available to us at the time of this disclosure. It is an **estimate, not a quotation** and subject to change.

#### 2.2.1 We estimate the total legal costs to be inclusive of GST:

<b>Professional Charges</b>	\$ _____
<b>Disbursements</b>	\$ _____
<b>TOTAL</b>	\$ _____

OR

2.2.1 It is not reasonably practicable at this time to provide an accurate estimate of the total legal costs. Instead a **range of estimates** is provided inclusive of GST.

<b>Preparation and investigation</b>	\$ _____
<b>Interlocutory applications</b>	\$ _____
<b>Mediation &amp; Settlement</b>	\$ _____
<b>Preparation and Hearing</b>	\$ _____

These estimates are made on the information available to us at this time. They may, and probably will, change when more information is available to us. Some of the major variables which will affect the estimates could be:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

### 2.3 Costs in court proceedings – litigious matters

**2.3.1** When court proceedings are taken on your behalf, the court may order the other party to pay your costs of the proceedings. The sum recoverable from the other party is unlikely to cover the professional charges and disbursements that you must pay to this firm. It is also possible that the court may make an order that you pay the other party's costs (if, for example, you lose the case). These costs are payable by you to the other party in addition to the legal costs payable to us.

**2.3.2** If you are **successful** in the litigation the following is an estimate of the range of costs that may be recovered from the other party. Note that the sums given below are **estimates** inclusive of GST.

- (a) prior to hearing : \$ \_\_\_\_\_
- (b) up to and including a single day's hearing : \$ \_\_\_\_\_
- (c) up to and including three days' hearing : \$ \_\_\_\_\_
- (d) etc : \$ \_\_\_\_\_

**2.3.3** If you are **unsuccessful** in the litigation you may be ordered to pay the other party's costs. The sums given below are merely **estimates**, and based on our estimate of what the other party's law practice may charge inclusive of GST.

- (a) prior to hearing \$ \_\_\_\_\_
- (b) up to and including a single day's final hearing: \$ \_\_\_\_\_
- (c) up to and including three days' hearing: \$ \_\_\_\_\_
- (d) etc: \$ \_\_\_\_\_

**2.3.4** If **settlement** of your claim is being negotiated, we will provide you before settlement with:

- 2.3.4.1** a reasonable estimate of our costs payable by you to us on settlement;

**AND**

**2.3.4.2** a reasonable estimate of the costs likely to be received from the other party on settlement if the settlement is favourable to you;

**OR**

**2.3.4.1** a reasonable estimate of the costs you may have to pay the other party and reasons why these costs may be incurred

## **PART 3 – BILLING**

### **Our billing arrangements**

**3.1.1** We will send you a bill of costs containing information of our professional charges and disbursements and expenses, including GST, **at intervals of at least one month, excepting that disbursements may be billed to you as they arise.**

If we give you an interim bill, it may not include all of our costs which have accrued up until the date of that interim bill. You also have a right to seek an assessment of the interim bill by the Supreme Court under Part 3.3, Division 8 of the Act, either at the time the interim bill is given or at the time the final bill is given, whether or not the interim bills have been paid.

**OR**

We will send you a bill of costs containing information of our professional charges and disbursements and expenses, including GST, **after completion of the work, excepting that disbursements may be billed to you as they arise.**

**OR**

We will send you a bill of costs containing information of our professional fees and charges, disbursements and expenses, including GST, **at other times as agreed with you, when the work is in progress, excepting that disbursements may be billed to you as they arise.**

If we give you an interim bill, it may not include all of our costs which have accrued up until the date of that interim bill. You also have a right to seek an assessment of the interim bill by the Costs Assessor under Part 3.3, Division 8 of the Act, either at the time the interim bill is given or at the time the final bill is given, whether or not the interim bills have been paid.

### **3.2. Interest on unpaid costs**

If our costs are not paid within 30 days of receipt by you of our bill of costs, we may charge you interest on the unpaid amount at the rate prescribed under Regulation 80D of the Legal Profession Regulations. As at 9 November 2007, the cost target rate is 6.75% plus 2%. The rate may vary at the time the Bill of Costs is issued.

## **PART 4 – OTHER MATTERS RELEVANT TO YOUR COSTS**

### **4.1 Right to be notified of any substantial changes**

You have a right to be notified under SS 303 (b) (iv) and 310 of the Act, of any substantial change to anything contained in this disclosure document.

### **4.2 Persons responsible for your matter and legal costs**

The person responsible for your matter is Mr/Ms \_\_\_\_\_ under the supervision of Mr/Ms \_\_\_\_\_. You may contact either one of them regarding your matter and your legal costs.

**OR**

You may contact me, \_\_\_\_\_, regarding your matter and your legal costs.

### **4.3 Engagement of another law practice**

In certain circumstances, we may be required to engage, on your behalf, the services of another law practice to provide specialist advice or services, including, but not limited to, the advocacy services of Counsel, or the services of another solicitor in another State to act as our agent. We will consult you as to the terms of that law practice's engagement and you may be made an offer to enter into a costs agreement directly with that law practice. Any law practice engaged by us will disclose costs in a similar manner and we will disclose those costs to you.

### **4.4 Goods and Services Tax (GST)**

All professional charges and disbursements in this document are GST inclusive unless otherwise stated.