

On GST, legal aid & the cost of justice

Legal aid was a major topic of concern at the Conference of Law Societies and the Law Council of Australia meetings, both held in Canberra last week.

Without exception, each state expressed grave concerns about the effect of the Coalition's Goods and Services Tax (GST) on the provision of legal aid in Australia.

The proposed rate of 15 per cent on all work briefed out will, in effect, reduce the provision of legal aid by 15 per cent.

The Coalition is also proposing to reduce the legal aid budget by \$10 million nationwide. The Leader of the Opposition, John Hewson, claimed the \$10m would be an administrative saving and would not affect the provision of services.

The Minister for Justice, Michael Tate, said the GST and the cut of \$10 million would represent a loss of \$31.5 million in Commonwealth legal aid funding.

Senator Tate's figures indicate that the average cost per legally-aided case is \$1,236.

He said the Coalition's package would mean a reduction in legally-aided cases of 14,633 per year.

There has been some talk of legal aid being exempt from the GST, although there has been no official confirmation.

The Law Council has written to the Shadow Attorney-General, Andrew Peacock, seeking clarification of a number of points but has had no response to date.

I have written to Senator Tambling and urge any firms who undertake legal aid work to do likewise.

The issue was also discussed at length at a legal aid conference held in Sydney.

On the issue of Legal Aid, the Law Council is considering a national *pro bono* scheme to alleviate cost of justice problems and the delivery of legal aid.

Victoria's legal aid budget for this financial year is almost exhausted, and the 2,000 Victorian solicitors involved in the Legal Aid Panel have agreed to donate \$500 of free work each to assist the flagging legal aid system in that state.

The cost of justice remains an issue on the agenda at these meetings, particularly schemes whereby middle Australia can afford to get cases into court.

South Australia's trial legal insurance scheme (whereby the Public Sector Union pays a premium of \$10 per annum per member into a fund and members can pay an additional \$15 per annum to extend the cover to their immediate family) appears to be operating well although there are no hard figures at present.

That Society should have a good idea of the scheme's success or otherwise within three months.

If the scheme is working, other states will move towards legal insurance, too.

Our own Society has a sub-committee looking into the feasibility and mechanics of a Legal Aid Contingency Fund. That committee is made up of Richard Coates, Garry Schneider and Alan Lindsay.

Barry O'Keefe from the NSW Bar has been elected to the Law Council of Australia.

Barry replaced Geoff Davies who has gone to the bench in the Court of Appeal in Queensland.

Closer to home, Dinny Barritt has retired (see story page 2). He has earned the reputation for being quite a character in the NT and he will be missed. I take this opportunity of wishing Dinny, his wife Shiela and their family well for the future.

We are soon to lose Justice Nader, too. Farewell functions are being planned for Darwin and Alice Springs. There will be a ceremonial sitting in Darwin on the occasion of Justice Nader's retirement at 10.00am on Friday March 27 in the Supreme Court complex.