

Review of Billing Procedures: The Way Forward

The President of the Law Society publicly stated at the beginning of this year that he did not find general criticisms of time billing persuasive because they ignored certain relevant factors, viz, that the majority of solicitors understand the responsibility to charge reasonable fees; that most of them want repeat business from the same clients or new referred clients; and many sophisticated clients prefer time billing. However, he accepted that any justifiable criticism needed attention by the Law Society and appropriate measures should be taken as required.

A symposium on billing practices was held at the Law Society as a first step on this project on 5 July 2011. A Discussion Paper prepared by the Law Society was considered at this symposium by about 30 solicitors representing a cross-section of the profession. In summary, there appeared to be consensus on the following major issues: (1) Guidance of the profession on sensible billing procedures was supported, but compulsory educational courses were not. (2) The compulsory educational course for applicants for a principal's unrestricted practising certificate should include a segment emphasising the fiduciary relationship between solicitor and client and the necessity for ethical and sensible billing methods. It should also include the necessity to clearly advise the client of the fee charging procedure agreed upon between them to prevent any misunderstanding arising subsequently. (3) The costs assessment system is an enigma and there is an imperative need for clear guidelines as to how a costs assessor will deal with a costs assessment, both on a solicitor/client basis as well as costs between parties to litigation.

The Law Society wishes to canvass the views of the profession in general on these issues as well as the other issues raised in the Discussion Paper to enable it to consider appropriate measures. The Discussion Paper is published on the Society's website at

<http://www.lawsociety.com.au/ForSolicitors/professionalstandards/Costs/>

Comments from practitioners by 12 August 2011 will be greatly appreciated. Please mark them for the attention of Raja Balachandran at the Law Society or email: raja.balachandran@lawsociety.com.au.