

COSTS DISCLOSURE THRESHOLDS REVIEW

TERMS OF REFERENCE

SEPTEMBER 2022

BACKGROUND

The Legal Services Council (**Council**) has resolved to review the costs disclosure thresholds referred to in section 174(4) and (5) of the Legal Profession Uniform Law (**Uniform Law**) (**the Review**).

TERMS OF REFERENCE

The Review will consider and report on the effectiveness and regulatory impact of the costs disclosure thresholds referred to in section 174(4) and (5) of the Uniform Law including whether they meet the objectives of:

1. providing and promoting interjurisdictional consistency in the law applying to the Australian legal profession
2. enhancing the protection of clients of law practices and the protection of the public generally
3. empowering clients of law practices to make informed choices about the services they access and the costs involved
4. promoting regulation of the legal profession that is efficient, effective, targeted and proportionate.

The Review will have particular regard to:

1. the effectiveness and regulatory impact of the threshold for non-disclosure currently set at \$750 by clause 18(3) of Schedule 4 to the Uniform Law
2. the effectiveness and regulatory impact of the threshold for disclosure currently set at \$3,000 by clause 18(4) of Schedule 4 to the Uniform Law
3. the effectiveness and regulatory impact of the short form costs disclosure forms currently prescribed by rule 72 of the Legal Profession Uniform General Rules 2015 (**Uniform General Rules**)
4. the relevant costs disclosure thresholds in the jurisdictions that have not adopted the Uniform Law
5. the effectiveness of the cost disclosure form information sheets for legal practitioners and consumers currently published on the Council website
6. the effectiveness of the Guidelines and Directions issued by the Council and the Commissioner for Uniform Legal Services Regulation pursuant to section 407 of the Uniform Law on costs estimates dated 11 March 2016 and currently published on the Council website
7. whether a person or a class should be specified in the Uniform General Rules for the purposes of the definition of “commercial and government client” currently set out in section 170(2) of the Uniform Law
8. any other related matters.

The Review will take an evidenced-based approach and will:

1. make recommendations for amendments to the Uniform General Rules, the short form cost disclosure forms, the cost disclosure form information sheets and the guidelines and directions on costs estimates, if considered necessary
2. not consider or make recommendations for amendments to the Uniform Law.¹

¹ Proposals to amend the Uniform Law can be considered in the five year review of the Uniform Law.

CONSULTATION

The Review will consult widely with relevant bodies, including regulatory authorities, law societies, bar associations and consumer and business groups.

REPORTING DATE

The Review will regularly report to the Council on its progress.