

Our Ref: DF:KT

24 February 2003

Chief Executive Officer  
Legal Aid Office (ACT)  
DX 5638  
CANBERRA

Dear Chris

### LEGAL AID REFERRALS

We recently met to discuss problems that our firm has been having with payment for legal aid work.

As you know in the financial year to date we have written off more than \$24,000 in unpaid accounts rendered to your office.

We believe in legal aid. We believe that the delivery of legal aid should be a partnership between the salary and private profession.

Unfortunately we also believe that at the moment the scales which have been imposed on the Legal Aid Commission by the Commonwealth Government are inadequate to properly finance Legal Aid work.

FMRC has calculated that the average overhead charges in a family law practice are about \$140 per hour. Therefore, unless the work is being done by the most junior lawyer in the firm, legal aid is a losing proposition for most firms with an average overhead base.

Our firm has been prepared to undertake the work notwithstanding that there was no profit, indeed it was a losing proposition. However, we are not prepared to continue to work under scales which arbitrarily determine the volume of work encompassed in each stage of a matter without any reference to the actual work involved in individual cases.

The private legal profession has an overall objection to event based scales, and I will not bother you by regaling you with all those objections. However experience with event-based legal aid scales bears out one of the principal objections, namely that the scale is pitched at too low a figure. Event-based scales are supposed to

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operate on a "swings-and-roundabouts" basis. In some matters the practitioner will be under-remunerated but in others he/she will get more than justified for the work done. It is supposed to even out over a range of matters. In practice there is inevitably more work required for each stage than the level of remuneration assumes. The practice of family law is not easily amenable to event-based scales. It is not transactional work. The volume and content of work for each matter differs.

In July 2001 the Federal Attorney General announced that he was taking measures to make legal aid work more attractive to experienced practitioners. He has done nothing to fulfil that promise.

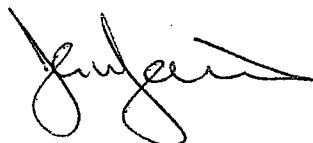
We accept that legal aid work is remunerated at a lower rate than private work. Over the years the relativity between legal aid scales and the rates of charge to private clients has diminished to the point where legal aid rates are now less than 50% of average charges to non legally aided clients.

Therefore, I advise that our firm will no longer accept referrals from your office in relation to family law matters.

We will complete the matters which we currently have on referral from you, but will decline to continue to act in those matters once the commitment level has been reached, unless your office, upon request, agrees to increase the ceiling.

You are welcome to disseminate this letter as you see fit.

Yours faithfully  
**FARRAR GESINI & DUNN**



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