

BALANCE

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TPC release riles Law Council

The Law Council of Australia reacted angrily to the Trade Practices Commission's release of its paper on the legal profession to the media before providing copies to legal bodies.

The paper, *The Legal Profession, Conveyancing Agents and the Trade Practices Act*, made the front page of *The Australian* and the *Financial Review* (which claimed it as an exclusive) on Monday 16 November.

In a letter to the Chairman of the TPC, Professor Alan Fels, the President of the Law Council, Robert Meadows, said that the LCA requested an embargoed copy of the report on 13 November, but had not received one.

"Today, [16/11/92] we find to our astonishment that not only is the Issues Paper in the hands of journalists but it is now the subject of front page reports...and is receiving wide coverage in the electronic media.

"Your failure to provide us with a copy, even on an embargoed basis, has placed us in an intolerable position and amounts to a gross discourtesy," Mr Meadows said.

"Equally astonishing, on my reading of the report in *The Australian*, is that what has been released is more than just an Issues Paper; it seems to be a report containing firm recommendations and conclusions," he said.

"How can that be when the legal profession has not even been consulted or asked to comment prior to the release of the report?

"It seems that the TPC is more interested in a splash of publicity

than a serious debate of the issues," Mr Meadows said.

In a media release issued by the TPC with the paper, said the Commission had recommended that existing conveyancing regulations be scrutinised and, where appropriate, scrapped.

The paper seeks comment on proposed reforms which include:

- * non-lawyers being permitted to offer conveyancing services (not the case in Victoria, Qld, Tasmania and the ACT)

- * the introduction of less restrictive licensing requirements with consideration of replacing licensing with certification

- * removal of regulations which restrict or prevent fee advertising (applicable to Qld)

- * review of conveyancing fee scales to determine whether they should be abolished or significantly changed.

The TPC paper argues that fee scales and fee advertising restrictions are two principal areas of regulation unnecessarily limiting competition in the conveyancing market.

"When combined with fee advertising restrictions, fee scales may be falsely interpreted by consumers as the ruling market price," the media release said.

"Both work together to deny consumers information on the availability of providers willing to charge below the recommended maximum price."

The recommended scale fee in the Northern Territory on a \$100,000

freehold residential purchase is \$779.00.

A ring-around of Darwin and Alice Springs firms revealed the following prices (excluding disbursements):

In Darwin, prices varied between \$300 and \$770; in Alice Springs they varied between \$350 and \$750.

One of the Territory's licensed conveyancing agents, based in Darwin, is understood to charge \$300 for a simple conveyance.

Associated fees include \$85 registration, up to \$12 search fees at the Land Titles Office, \$2700 stamp duty (or a concessional \$2160 for a first home buyer), \$5 stamp duty transfer, \$25 Council search fee, \$10 Power and Water Authority final water meter reading fee, and \$100 Building Board search, totalling \$2927.

The vendor could pay anything between \$3,600 and \$4000, or possibly more, in agents fees.

The Real Estate Institute has abolished its recommended scale and agents are at liberty to charge what they wish.

Some operate on a scale, other have a flat percentage fee.

Council of the Law Society resolved to allow fee advertising at its October meeting.

An amendment to the advertising section of the *Professional Conduct Rules* has been sent to the Chief Justice for his approval.

The TPC is seeking comment by 14 December and intends to release its final report on the legal profession by mid-1993.