

Chief Magistrate concerned about court correspondence

Chief Magistrate for the Northern Territory, Hugh Bradley, has reminded practitioners that they should not communicate directly with the Magistrate concerning a matter yet to be decided by him/her.

Mr Bradley stressed that correspondence to the court should be limited to formal matters and not contain any submissions or assertions on contentious issues.

His call follows occasions when practitioners addressing correspondence to Magistrates concerning contentious matters yet to be determined by the court.

In a recent case a letter was on the court file and the opposing party objected to the Magistrate having access to it, regarding the letter as prejudicial to their client's interests.

Bills passed and introduced

Legislative Assembly Sittings June 1999

Passed and Introduced Legislation

Bills Passed

- Pay-roll Tax Amendment Bill 1999 (Serial 156)
- Batchelor Institute of Indigenous Tertiary Education Bill (Serial 152)
- Financial Sector Reform (NT) Bill 1999 (Serial 161)
- Anti-Discrimination Amendment Bill 1999 (Serial 164)
- Sentencing Amendment Bill 1999 (Serial 163)
- Juvenile Justice Amendment Bill 1999 (Serial 163)

- Statute Law Revision Bill 1999 (Serial 155)

- Legal Practitioners Amendment Bill 1999 (Serial 153)

- Lands and Mining (Miscellaneous) Amendments Bill (Serial 165)

- Appropriation Bill 1999 (Serial 154)

Bills Introduced

- Electricity Amendment Bill 1999 (Serial 159)

- Power and Water Authority Amendment Bill 1999 (Serial 160)

- Domestic Violence Amendment Bill 1999 (Serial 158)

- Interpretation Amendment Bill (Serial 157)

Treasury response to the GST

The Northern Territory Treasury was given the opportunity to comment on the GST article printed in the last edition of *Balance*.

Mr Ken Clarke, Under Treasurer, claimed the article "appears to provide an overly pessimistic view of the impact of a GST."

He makes the following comments:

In the article, it is stated that the Law Council of Australia's analysis indicates that legal fees, on average, will have to increase 8% to counter the effects of a GST. However, in Table 1 the price of all practice expenses is assumed to rise by the full 10%, contradicting the initial, and more correct, assertion.

The final statement of Slater QC's cameo 'As the figures reveal, barristers will have

to increase their fees by the full 10% also contradicts the Law Council of Australia's assertion.

It is true that little wholesale sales tax is built into the direct costs of a legal practice. However, Table 1 ignores the 22% wholesale sales tax that applies to stationery.

The \$750 bank fees listed in the table may have included FID and BAD taxes which are to be abolished on July 1, 2001 and July 1, 2005 respectively.

Contrary to the assertion of Slater QC, input taxation of banks does not mean that bank costs will increase by GST. The cost to banks, and therefore bank customers (including barristers), will increase by significantly less than 10% due to:

- a) the abolition of WST and associated embedded costs; and
- b) the abolition of FID and BAD relieving the banks compliance costs associated with these taxes.

While the embedded costs of WST in equipment will not be removed immediately; it will gradually be removed as purchases of new cheaper equipment are made after July 1, 2000.

The second scenario (Durack SC) serves to highlight the benefits of a value added tax. That is, a system of taxable supplies and input tax credits ensures that the tax does not cascade and that the final amount of tax payable is not dependent on the number of stages in the production process. In this instance, there is tax neutrality between a legal practice funded through a trust and one that is not.

