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LawTalk Blog



Party/party costs, solicitor/client costs, court scale. What does it all mean?

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So you're involved in legal proceedings and you don't really know how all the legal costs are going to be dealt with in the end. Who is going to pay what? What am I going to have to pay?

There are three terms which are often used when lawyers talk about legal costs, which are:

- Solicitor/client costs – the costs the lawyer charges for the work they do
- Party/party costs – the costs a court may make the losing party pay the winning party
- Court scale – Supreme Court (Civil) Rules 2006 Schedule 2 – Scale of Costs

If I win, the other side pays my costs, right?

Generally, people think if they win their case then the other side will pay what the court orders by way of settlement and all of their legal costs. Unfortunately, this is not so.

In most cases even if you win you will still have to pay some of your legal costs. If you win you will normally still have to pay the difference between the solicitor/client costs and the party/party costs.

So for example:

- You have a case and your solicitor/client costs are \$3,000

- You win
- The court orders the other side to pay \$2,000 of your costs, called party/party costs
- You are now responsible for the remaining \$1,000 of your solicitor/client costs

Sometimes the court will order the losing side to pay almost all the costs of the winning side. This is not the usual course by any stretch of the imagination. But if it happens the losing side may end up virtually paying the solicitor/client costs. The court can do this when the losing side has run a case inappropriately, for example:

- Where there is no real chance of success and the case was hopeless;
- Where proceedings were an abuse of process that is where they were commenced without good faith or with an ulterior motive;
- There was unreasonable conduct or misuse of process;
- There was fraud and/or misconduct;
- Offers of compromise and Calderbank letters were not accepted – an offer of compromise or Calderbank letter is an offer to settle a matter from one side to the other in the hope of avoiding further legal proceedings. If the side who wins made an offer of compromise earlier and the court judgement is for an amount equal to or greater than the offer of compromise the losing side could be ordered to pay more of the winning side's costs than they otherwise would have.

What is the “Supreme Court Scale”?

The court scale is a general term for the Supreme Court Scale of Costs, which I like to call the recommended retail price for legal costs. You can have a look at the scale [here](#) and then click on Supreme Court (Civil) Rules 2006 Schedule 2. The scale is usually updated every year.

If you have had an offer of compromise made or been given a Calderbank letter it is important to get expert legal advice before dismissing them outright because of the costs implications.

Just so you are fully informed about your rights in relation to legal costs you can access the Law Society of South Australia fact sheet called [Legal Costs: Your Right to Know](#)

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