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18/12/2006

Our Reference:/Liz Harris

VIA E-MAIL

Mr Richard Leder  
Corrs Chambers Westgarth  
Level 34  
Bourke Place  
600 Bourke Street  
MELBOURNE, VIC 3000

Dear Richard

**Anthony Foster & Ors v Noreen Harrison & Ors**

I have now had the opportunity to discuss the five bills of costs with Graeme Arnold, the cost lawyer for the Fosters.

There are various areas where I believe costs are likely to be reduced on taxation, but generally there is no duplication between the bills, with all claims being appropriately apportioned. Also, given costs are to be paid on a solicitor/client basis, the Taxing Master will take a more liberal view of what should be allowed.

The principle areas where a reduction is likely are:

1. Senior counsel's fees. The rate of \$6600/day and \$660/hour is likely to be reduced to closer to \$5000/day and \$500/hour, save for the mediation where the higher rate is likely to be allowed.
2. Junior counsel's rates are likely to be reduced to \$2500/day and \$250/hour.
3. The loading on instructions for brief will be reduced from present claims of in excess of 90% to around 75%.
4. All costs relating to the amendment to the statement of claim will be disallowed.

There will also be additional minor reductions on the bills.

The costs claimed in the five bills total \$140,759.38. I consider the likely range of recovery on taxation to be \$113,000 to \$123,000, depending on the position taken by the Taxing Master on various discretionary items.

I therefore recommend seeking instructions to settle the matter in this range. I am on leave from 22 December to 24 January, but Debra Paver of this office is familiar with the

- 2 -

matter and will be handling it in my absence. Graeme Arnold is on leave from 22 December to 10 January.

Objections are not due until 15 March and the matter is fixed for taxation on 30 April and 1 May 2007, but it would be obviously be wise to try and settle the matter without incurring the costs of preparing objections.

If settlement discussions do not resolve the matter, I recommend serving offers of compromise well prior to the due date for objections, to protect our client on the question of costs.

I await your instructions.

Kind regards,

Liz Harris  
**Harris Cost Lawyers Pty Ltd**