



MEDIA RELEASE

Hon. John Hatzistergos MLC
Attorney General
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NSW SET TO REFORM CLASS ACTION LAWS

The NSW Government today announced it plans to introduce new laws to clarify rules surrounding class actions.

Class actions, also known as representative proceedings, are lawsuits involving a large number of people with similar legal claims who join together to sue a person or organisation.

NSW Attorney General, John Hatzistergos said existing court rules in this State do not provide clear guidelines as to who may commence a class action, in what circumstances, and other issues such as settlement of proceedings, costs, and appeals.

“The NSW Government intends to model the draft legislation on Federal and Victorian laws which provide a comprehensive set of rules on these issues and for each step of a class action,” Mr Hatzistergos said.

“This approach will have a number of benefits for the NSW justice system.

“Firstly, it will eliminate the lack of clarity in current NSW court rules which may be discouraging potential litigants from pursuing legitimate class actions.

“Reducing uncertainty may also cut legal costs and court time currently involved in pursuing a class action in NSW.

“Secondly, the Federal and Victorian laws have proven to be a successful model and NSW courts will be able to draw on that experience.

“Finally, having uniform procedures within the major commercial courts in Australia will minimise confusion among litigants,” he said.

Mr Hatzistergos also said the laws would make improvements recommended in the Victorian Law Reform Commission’s 2008 Civil Justice Review and the Commonwealth Attorney-General’s Department’s 2009 Access to Justice Report.

“Taking these reviews into account, the NSW legislation will give the Supreme Court the power to order that unclaimed damages from a successful class action be distributed to a charity of public interest beneficiary,” Mr Hatzistergos said.

“It may not always be possible to locate all members of a class action and in these circumstances the funds could be put to their next best use, rather than being returned to the party or company that was sued in the class action.”

Mr Hatzistergos said the NSW Government continues to encourage alternative dispute resolution instead of court proceedings.

‘However as class actions are an important vehicle for improving access to justice, particularly for people who cannot afford to pursue a case on their own, it is also important to have clarity in the law when class actions do proceed,’ he said.

The Government will release a draft of the Bill along with a discussion paper for public consultation later this year.