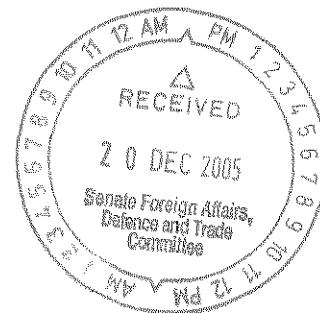




The Hon De-Anne Kelly BE MP

Federal Member for Dawson
Minister for Veterans' Affairs
Minister Assisting the Minister for Defence



Dr Kathleen Dermody
Secretary
Senate Foreign Affairs, Defence
and Trade Legislation Committee
Parliament House
CANBERRA ACT 2600

Attention: Pamela Corrigan

Dear Dr Dermody

Please find attached the Department of Veterans' Affairs response to question on notice no 31 from the Budget Estimates Hearing 30 May 2005.

Yours sincerely

De-Anne Kelly MP

Encl

Question 31

Outcome 1 - Legal Services

Topic : Legal service expenditure

Senator Ludwig asked :

1. What amount did the Department/agency spend during the financial year 2004/2005 on outsourced legal practitioners (including private firms, individuals, the Australian Government Solicitor, and any others)?
2. What was the budgeted amount for outsourced legal practitioners in 2004/2005?
3. What amount did the Department/agency spend on internal legal services? (Provide an estimate if exact amount is unavailable.)
4. Does the Department/agency have an in-house legal section? If so, what was the 2004/2005 actual cost of this section? What was the budgeted amount for this section in 2004/2005? What is the budget amount for this section in 2005/2006?
5. What is the total projected expenditure on legal services for 2005/2006 for the Department/agency?
6. Which organisations or individuals were contracted to provide legal services to the Department/agency in 2004/2005?
7. In each instance, how much was each organisation or individual paid for these services?
8. Does the Department/agency use an open tendering or select tendering process (as described in the Commonwealth Procurement Guidelines, p 42) when procuring legal services?
9. If a select tendering process is used: (a) which method of select tendering is used and (b) which firms or individuals are currently eligible to tender for legal services?
10. If a multi-use list is used: (a) which firms or individuals are currently on that list and (b) when was the list last opened for applications?
11. In 2004/2005 did the Department/agency obtain any legal services using a direct sourcing procurement process? If so, provide details including the name of the provider, the work involved and the cost?
12. In 2004/2005 did the Department/agency procure any legal services under the thresholds required for 'covered procurements' (within the meaning of 8.6 of the Commonwealth Procurement Guidelines)? If so, provide details including the name of the provider, the work involved and the cost.
13. In 2004/05 did the Department/agency contract any legal firms to provide services other than legal services (such as consulting, conduct of policy reviews etc)? If so, provide details including the name of the firm, the project involved and the cost of the contract.

The answers from the Department of Veterans' Affairs are:

1. During the 2004/05 financial year DVA spent \$8.062m on "outsourced legal practitioners".
2. For 2004-05 DVA budgeted \$8.350m for outsourced legal activities.
3. For 2004-05 DVA spent \$2.346m on internal legal services.
4. DVA has an internal legal service area. In 2004-05 its total costs were \$2.346m as was its budget. Its budget for 2005-06 is \$2.420m.
5. The total projected legal services expenditure projected for DVA for 2005-06 is \$11.5m.

6. The following firms were contracted to provide legal services in 2004-05:
 - Australian Government Solicitor
 - Blake Dawson Waldron
 - Dibbs Barker Gosling
 - Phillips Fox
 - Sparke Helmore
7. The total amounts paid to each of the above were:
 - Australian Government Solicitor - \$3,827,145
 - Blake Dawson Waldron - \$115,445
 - Dibbs Barker Gosling - \$945,619
 - Phillips Fox - \$1,511,914
 - Sparke Helmore - \$1,662,210
8. 9 and 10. The Department has differing arrangements for the purchase of external legal services. For matters arising under the *Veterans' Entitlements Act 1986* in 2004/05 the Australian Government Solicitor provided services particularly in relation to the conduct of litigation on a direct sourcing procurement process. This practice is under review. For matters arising under the *Safety, Rehabilitation and Compensation Act 1988* and the *Military Rehabilitation and Compensation Act 2004* the Department uses the Comcare legal panel.
11. DVA acquired some legal services using a direct sourcing process when a DVA advocate is unexpectedly unavailable and the case could be vacated. Primarily the Australian Government Solicitor is used as the preferred provider due to their expertise with government related work. The total amount paid to the Australian Government Solicitor during 2004-05 was \$3.827m.
12. No.
13. No.