

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Finance and Administration Portfolio

Department of Human Services and agencies

Budget Estimates 2005-2006, 26 May 2005

Question: HS47

Outcome 1, Output Group 1.1

Topic: Health Insurance Commission – Legal services expenditure

Hansard Page/Written Question on Notice: Written

SENATOR LUDWIG asked:

1. What amount did the 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 Agency spend on internal legal services? (Provide an estimate if exact amount is unavailable.)
4. Does the 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 Agency?
6. Which organisations or individuals were contracted to provide legal services to the Agency in 2004/2005?
7. In each instance, how much was each organisation or individual paid for these services?
8. Does the 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 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 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.

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13. In 2004/2005 did the 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.

Answer:

1. Total expenditure for 2004-05 on outsourced legal practitioners (but only including invoices processed on or before 21 June 2005) for HIC was \$2,057,812.
2. Budgeted amount for 2004-05 was \$1,825,802.
- 3./4. The HIC does have an in-house Legal Branch (Office of Legal Counsel).
Estimated expenditure for 2004-05 for internal legal services provision (including salaries and all related costs, other than indirect allocated overheads such as IT and accommodation) is \$830,000.
Budgeted amount for 2004-05 was \$1,031,832.
Current estimated budget for 2005-06 is \$1,413,483.
5. Total projected expenditure on legal services for 2005-06 is \$2,741,351.
- 6./7. The HIC has a panel of legal services providers, comprising Clayton Utz, Minter Ellison, Phillips Fox and Sparke Helmore. In limited circumstances the HIC also procures legal services outside the panel.

Total expenditure on legal services during 2004-05 by organisation or individual (but only including invoices processed on or before 21 June 2005):

Clayton Utz	\$312,931
Minter Ellison	\$371,476
Phillips Fox	\$1,010,571
Sparke Helmore	\$237,061
Australian Government Solicitor	\$19,891
Mallesons Stephen Jaques	\$10,814
Gadens	\$26,669
Crown	\$6,321
Deacons	\$1,419
Stephenson	\$38,164
Seward	\$8,326
Kunc	\$7,509
Horan	\$1,862
Kell	\$1,590
Others (<\$1,000 each)	\$3,208

8. The HIC predominantly procures legal services under its existing legal panel. This panel expires at the end of December 2005 and intends to replace it through an open tender process.
9. See answer to question 6 above.

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10. See answer to question 6 above.
- 11./12. See answer to question 6 above. All providers other than the HIC's 4 panel firms were engaged directly. The services provided were under the thresholds required. The work covered specialist or locally-sourced legal advice across a range of areas and counsels' advising and services associated with litigation.
13. No.

(Note: figures exclude GST, where it is applicable)