

Senate Finance and Public Administration Legislation Committee

Answer to Question on Notice (PM 76)

Prime Minister and Cabinet Portfolio

Commonwealth Ombudsman

Budget Estimates 2005-06 – May 2005

Question on Notice from Senator Ludwig:

Legal services expenditure

1. What amount did the Agency spend during the financial year 2004/05 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 2004/05?
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 2004/05 actual cost of this section? What was the budgeted amount for this section in 2004/05? What is the budget amount for this section in 2005/06?
5. What is the total projected expenditure on legal services for 2005/06 for the Agency?
6. Which organisations or individuals were contracted to provide legal services to the Agency in 2004/05?
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, p42) 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 2004/05, 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 2004/05 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.
13. In 2004/05 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:

All figures exclude GST.

1. The estimated expenditure in 2004/05 on outsourced legal practitioners (including private firms, individuals, the Australian Government Solicitor, and any others) was \$61,700.
2. The budgeted amount for outsourced legal practitioners in 2004/05 was \$44,000.
3. The estimated spend on internal legal services in 2004/05 was \$136,600.
4. The agency has an in-house legal section. The estimated actual cost of the legal section in 2004/05 was \$136,600. The budgeted amount for the legal section in 2004/05 was \$207,200. The budgeted amount for the legal section in 2005/06 is \$272,200.
5. The total projected expenditure on legal services for 2005/06 for the Agency is \$296,200.
6. The Australian Government Solicitor was contracted to provide legal services to the Agency in 2004/05.
 - a. Federal Court/ Administrative Appeals Tribunal cases (3 discrete cases) \$9,400
 - b. Development of contracts/tendering (7 discrete tasks) \$52,300
7. The Agency uses neither an open tendering or select tendering process as all transactions with the Australian Government Solicitor are generally discrete and low value, and direct sourcing appears to be the most efficient and reasonable method of procurement under these circumstances. For legal services requiring appearances at the Administrative Appeals Tribunal or Federal Court, Appendix B of the Commonwealth Procurement Guidelines (Exemptions from Mandatory Procurement Procedures) allows an exemption to engage an expert or neutral person for any current or anticipated litigation or dispute.
8. Not applicable.
9. Not applicable.
10. See answer to question 6.

11. All external legal services were procured under the 'covered procurement' threshold (within the meaning of 8.6 of the Commonwealth Procurement Guidelines).
12. Not applicable.