



Australian Government

Department of the Prime Minister and Cabinet

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Mr Alistair Sands
Committee Secretary
Senate Standing Committee on Finance and Public Administration
Parliament House
CANBERRA ACT 2600



Budget Estimates Hearings 22-23 May 2006: correction of evidence

Dear Mr Sands

I wish to correct the answer to a question direct on notice from Senator Ludwig, from the last Budget Estimates Hearings of the Senate Standing Committee on Finance and Administration on 22-23 May 2006 (PM 37), regarding legal services expenditure.

The Department of the Prime Minister and Cabinet provided an answer to PM 37 to the Committee on 25 October 2006. The question related to external and internal legal services expenditure for the financial year.

We noted in our response to question two, that our total for internal legal services included an allowance for corporate overhead expenses, in accordance with the guidelines on Legal Services Directions expenditure reporting. The answer we provided, however, failed to accurately include this amount in the total. The revised answer corrects this oversight.

I have attached a copy of the revised answer to PM 37 and would appreciate your bringing this matter to the attention of the Committee. For ease of comparison the original answer is also attached.

Should you have any questions or require clarification please do not hesitate to contact me on 6271 5828.

Yours sincerely

Greg Williams
First Assistant Secretary
People, Resources and Communications Division
19 January 2007

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearings 2006-2007, 22-23 May 2006

Question: PM 37

Outcome 1, All Outputs

Topic: Legal services expenses

Direct on Notice

Senator Ludwig asked:

(1) What sum did the department or agency spend during 2005-2006 on external legal services (including private firms, the Australian Government Solicitor and any others)?

(2) What sum did the department or agency spend on internal legal services?

(3) What is the department or agency's projected expenditure on legal services for 2006-2007?

Answer:

1. The department incurred \$1,638,175 in expenses on external legal services for 2005-06 financial year.
2. The department estimates that it incurred approximately \$300,000 in expenses on internal legal services for 2005-06 financial year.

This answer has been prepared on the basis of the definition of 'internal legal services' used by the Australian National Audit Office in Audit Report No. 52 2004095, Legal Services Arrangements in the Australian Public Service, ie 'the procurement of legal services from within agencies through the employment of APS personnel with appropriate professional legal qualifications, or such persons collectively'.

Activities of the department coming within the ANAO definition of 'internal legal services', may also involve the provision of policy advice, so internal legal services are not necessarily directly comparable with, or able to be substituted by, external legal services.

In determining the department's internal legal services expenditure, relevant managers estimated the percentage of time spent by legally qualified staff on legal work. Approximate totals were derived using mid-range salaries, and include an estimate of entitlements and corporate overheads. Final amounts are rounded to the nearest \$10,000.

3. The department's indicative budget for external legal services for 2006-07 is \$1,151,000.

Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Budget Estimates Hearings 2006-2007, 22-23 May 2006

Question: PM 37

Outcome 1, All Outputs

Topic: Legal services expenses

Direct on Notice

Senator Ludwig asked:

- (1) What sum did the department or agency spend during 2005-2006 on external legal services (including private firms, the Australian Government Solicitor and any others).
- (2) What sum did the department or agency spend on internal legal services.
- (3) What is the department or agency's projected expenditure on legal services for 2006-2007.

Answer:

1. The department incurred \$1,638,175 in expenses on external legal services for 2005-06 financial year.
2. The department estimates that it incurred approximately \$230,000 in expenses on internal legal services for 2005-06 financial year.

This answer has been prepared on the basis of the definition of 'internal legal services' used by the Australian National Audit Office in Audit Report No. 52 2004095, Legal Services Arrangements in the Australian Public Service, ie 'the procurement of legal services from within agencies through the employment of APS personnel with appropriate professional legal qualifications, or such persons collectively'.

Activities of the department coming within the ANAO definition of 'internal legal services' may also involve the provision of policy advice, so internal legal services are not necessarily directly comparable with, or able to be substituted by, external legal services.

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Senate Finance and Public Administration Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Prime Minister and Cabinet Portfolio

Department of the Prime Minister and Cabinet

Additional Estimates Hearings 2004-2005, 14 February 2005

3. The department's indicative budget for external legal services for 2006-07 is \$1,151,000.