

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE  
AUSTRALIAN GOVERNMENT SOLICITOR

**Question No. 168**

**Senator Fierravanti-Wells asked the following question at the hearing on 14 February 2006:**

Tongue Report into legal services: Please provide an update of those statistics contained within the report, particularly in relation to market share.

**The answer to the honourable senator's question is as follows:**

In September 2003, the Government released the "*Report of a Review of the Impact of the Judiciary Amendment Act 1999 on the Capacity of Government Departments and Agencies to Obtain Legal Services and on the Office of Legal Services Coordination*" (the Tongue Report). The Tongue Report estimated that the total amount spent on external legal service providers in 2001-02 by 103 responding departments and agencies was \$180.1m.

The Tongue Report did not estimate the market share for individual legal services providers but commented that AGS was a clear leader in attracting government work. It also found that a wide range of private firms, as well as AGS, had a strong presence in the government legal services market.

In June 2005, the Australian National Audit Office (ANAO) released the report of its performance audit of "*Legal Services Arrangements in the Australian Public Service*" (Audit Report No. 52 2004-05). In the report, the ANAO estimates that the total cost for external legal services of the 40 departments and agencies it surveyed, for the years 2001-02 to 2003-04, were \$184.9m, \$205.3m and \$216.2m respectively (in June 2004 prices). The ANAO report made no general or specific comment about the market position of AGS or private sector legal firms.

As its published revenue and profit results indicate, AGS continues to perform strongly in a highly competitive market with revenue in the period 2001-2 to 2003-04 of \$94.53m, \$98.61m and \$101.52m respectively.