

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

14 February 2013

Question: AET 950-953

Topic: Legal costs (ATO)

Hansard Page: Written

Senator BUSHBY asked:

950. What sum did each portfolio department and agency spend on legal services for this financial year to date (22 February 2013) within the department/agency? Please provide a list of each service and costs.

951. What sum did each portfolio department and agency spend on legal services this financial year to date (22 February 2013) from the Australian Government Solicitor? Please provide a list of each service and costs.

952. What sum did each portfolio department and agency spend on legal services this financial year to date (22 February 2013) from private firms? Please provide a list of each service and costs.

953. What sum did each portfolio department and agency spend on legal services this financial year to date (22 February 2013) from other sources? Please provide a list of each service and costs.

Answer:

950. The ATO's (including Tax Practitioners Board) legal services expenditure in 2012-13 to 28 February 2013 was:

Expenditure	Total value (ex GST)
External legal services expenditure	
Professional fees	\$ 15,610,623
Counsel Fees	\$ 10,506,555
Disbursements	\$ 10,646,148
Total external legal services expenditure	\$ 36,763,326
Internal legal services expenditure	
Total direct staff costs and salaries	\$ 18,431,727
Total overhead costs (including direct and indirect overheads)	\$ 7,498,295
Total internal legal services expenditure	\$ 25,930,022
Total legal services expenditure	\$ 62,693,348

- external legal expenditure excludes costs awarded against the ATO, external expenditure on compensation and the ATO's Test Case Program legal costs
- professional fees include fees charged by external legal services providers for the work undertaken by their solicitors
- counsel expenditure includes panel counsel briefings and direct briefings (ATO and the Tax Practitioners Board)

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- expenditure on disbursements includes court filing fees, summons fees, expert witness costs, indemnity fees (payments of costs incurred by lawyers or other professionals where the ATO has agreed to provide an indemnity), legal costs for settlements of cases (payments of third party legal costs where a case has been settled) and fees associated with mediating legal disputes
- direct staff costs includes direct salary costs, superannuation costs, leave entitlement costs and other salary related staff costs to the Legal Services Branch and Tax Practitioners Board legal unit
- overhead costs include direct overhead costs such as Legal Services Branch and the Tax Practitioners Board staff travel costs, training and development costs, stationery and other miscellaneous costs such as electronic and hard copy legal information (online database and journals) and indirect overhead costs such as desktop services, accommodation, recruitment services and communication technology services costs.

951. The ATO's (including Tax Practitioners Board) total legal expenditure in 2012-13 to 28 February for services from the Australian Government Solicitor was:

Legal Expenditure	Total value (ex GST)
Professional Fees	\$ 8,249,150
Counsel Fees	\$ 5,046,560
Disbursements	\$ 1,829,643
Total	\$ 15,125,353

- figures include payments, refunds and accruals
- expenditure on disbursements includes court filing fees, summons fees, expert witness costs, indemnity fees (payments of costs incurred by lawyers or other professionals where the ATO has agreed to provide an indemnity), legal costs for settlements of cases (payments of third party legal costs where a case has been settled) and fees associated with mediating legal disputes.

952. The ATO's (including Tax Practitioners Board) total legal expenditure in 2012-13 to 28 February 2013 for services from private firms was:

Legal Expenditure	Total value (ex GST)
Professional Fees	\$ 7,241,958
Counsel Fees	\$ 1,589,580
Disbursements	\$ 3,612,513
Total	\$ 12,444,051

- the ATO has three separate panels for external legal services providers offering debt recovery, tax technical and commercial and general law types of legal services
- excludes panel expenditure to the Australian Government Solicitor. Detailed list of expenditure for the Australian Government Solicitor is included in AET 951
- expenditure on disbursements includes court filing fees, summons fees, expert witness costs, indemnity fees (payments of costs incurred by lawyers or other professionals where the ATO has agreed to provide an indemnity), legal costs for settlements of cases (payments of third party legal costs where a case has been settled) and fees associated with mediating legal disputes.

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953. The ATO's (including the Tax Practitioners Board) total legal services expenditure in 2012-13 to 28 February 2013 for other sources was:

Legal Expenditure	Total value (ex GST)
Professional Fees	\$ 119,515
Counsel Fees	\$ 3,870,415
Disbursements	\$ 5,203,992
Total	\$ 9,193,922

- Disbursements of \$5,203,992 includes:
 - summons fees - \$2,991,477
 - court filing fees - \$854,987; and
 - other disbursements - \$1,357,528 such as indemnity fees (payments of costs incurred by lawyers or other professionals where the ATO has agreed to provide an indemnity), expert witness costs, legal costs for settlements of cases (payments of third party legal costs where a case has been settled) and fees associated with mediating legal disputes.
- figures exclude panel expenditure to the Australian Government Solicitors (as detailed in AET 951) and panel expenditure for external legal services providers (as detailed in AET 952);
- other professional fees include legal professional fee payments to legal firms and professional services for example forensic services and valuations.