

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: ASIC

Question: BET 1814

Topic: Legal Costs

Reference: Written, 12 June 2014

Senator: Ludwig

Question:

1814. List all legal costs incurred by the department or agency since Additional Estimates in February 2014
- a. List the total cost for these items, broken down by source of legal advice, hours retained or taken to prepare the advice and the level of counsel used in preparing the advice, whether the advice was internal or external
 - b. List cost spend briefing Counsel, broken down by hours spend briefing, whether it was direct or indirect briefing, the gender ratio of Counsel, how each Counsel was engaged (departmental, ministerial)
 - c. How was each piece of advice procured? Detail the method of identifying legal advice

Answer:

1814. ASIC's legal costs from are as follows:

Counsel's fees	1,541,897 (31 March to 31 May 2014)
External solicitors	892,654 (31 March to 31 May 2014)
Internal legal	12,795,617 (see note 1) (26 February to 12 June 2014)
TOTAL	15,230,168

- a. See above. In order to provide details of the hours retained or taken to prepare the advice, we would need to review all the memorandum of costs provided to ASIC in each matter, which would involve significant resources.
- b. See above. There were 62 briefs to counsel, 19 of which were to female counsel. All of the briefs were direct and were engagements by ASIC. ASIC does not operate on a fully integrated time costing basis, and accordingly to obtain details of the time spent by staff, and therefore the cost of, briefing counsel were involve significant resources.
- c. All engagements of counsel are conducted pursuant to the requirements of the Legal Services Directions and the *Financial Management and Accountability Act 1997*. These include the requirement to make proper use of the Commonwealth resources (s.44 FMA Act) and to engage counsel at their Commonwealth Approved Rates set by the Office of Legal Services Co-ordination within the Attorney General's Department.

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Engagements of external solicitors after 1 July 2013 were procured in accordance with the requirements of the Legal Services Multi-use list – a Commonwealth Government-wide panel of legal services providers which all Commonwealth agencies are required to use. Engagements prior to 1 July 2013 were either undertaken pursuant to the requirements of a panel of solicitors established by ASIC, and in accordance with the requirements of the FMA Act.

Notes

- i. Internal legal costs are, consistent with our reporting to the Office of Legal Services, based on a head count of employees deemed to be providing legal services to ASIC as at 28 February 2014 and their average salary and overhead costs.