

QUESTION TAKEN ON NOTICE

BUDGET ESTIMATES HEARING: 24 MAY 2011

IMMIGRATION AND CITIZENSHIP PORTFOLIO

(BE11/0063) Program: Internal Product

Senator Cash asked:

I refer to the answer given to QON 31 from the February Additional Estimates, which says "In the 2009-10 financial year the department paid \$17 843 358 for external legal services" and "for the current financial year to 28 February 2011 the department has paid \$11 957 364". Please provide a breakdown of who this money was paid to, the individual amounts paid to each firm/company/individual and details of the services rendered.

Answer:

The external legal services expenditure quoted above is compiled on the basis of accrual accounting principles and is exclusive of GST¹. The department's financial report, from which the above figures were extracted, does not allow for this figure to be broken down into the amounts paid to the firms. However, these figures do allow a breakdown of external legal services by Professional Fees, Counsel and Disbursements:

2009-10 financial year reported expenses (excluding GST)

Professional fees	\$15,212,124
Counsel	\$ 2,120,443
Disbursements	\$ 510,792

2010-11 financial year expenses to 28 February 2011 (excluding GST)

Professional fees	\$9,620,237
Counsel	\$1,771,298
Disbursements	\$ 565,829

The department is separately required to report details of amounts paid to law firms, including GST, to the Office of Legal Services Coordination in the Attorney-General's Department on a cash payment basis. The amount paid to each law firm on a cash payment basis for the 2009-10 financial year is provided below²:

¹ This includes expenses incurred during the financial year for which we are yet to receive an invoice for services rendered.

² This is actual payments made to the firms, including GST and does not include expenses for invoices not yet received for services rendered.

2009-10 financial year total cash payments (including GST)

• Australian Government Solicitor	\$5,949,785
• Blake Dawson	\$ 893,588
• Clayton Utz	\$5,655,101
• DLA Phillips Fox	\$5,037,471
• Sparke Helmore	\$2,681,460 ³

We have not yet reported figures for the 2010-11 financial year as the reporting period has not yet closed.

³ There are two reasons why total of payments made to firms in the 2009-10 financial year is higher than the \$17 843 358 total costs for external legal services 2009-10 financial year. First, the payments made to law firms are inclusive of GST, whereas the total expenditure figure is exclusive of GST. Secondly, the figures have been recorded using different accounting methods (cash versus accrual). These different accounting methods are required so that the department may meet its different financial reporting obligations.