

Whole of Australian Government Legal Services Panel

Panel Fee Factsheet

What is the Panel Fee?

The Attorney-General's Department (AGD) will administer the whole of Australian government Legal Services Panel (Panel) for the benefit of participating Agencies. In accordance with the government decision, a Panel Fee will be payable by all participating Agencies to fund AGD's Panel administration costs on a cost-recovery basis.

This document will provide you with the framework within which AGD determines the Panel Fee that is payable by participating Agencies.

What does your Panel Fee fund?

The Panel Fee will fund AGD's costs of administering the Panel which include four staff, hosting and enhancing the information technology platform known as the Legal Services Panel Portal, delivering training in various locations and consultancy and professional services expenses as required. It also included the costs of reviewing the effectiveness of the Panel and refreshing the Panel on the expiry of its initial term. These costs have been averaged over the five year life of the Panel, and the cost recovery model as reviewed by the Department of Finance. The Panel will provide a range of benefits to Agencies, as set out below.

Competitive pricing and benefits

AGD will enable access to pricing information including Panel Rates and bundling arrangements established by other Agencies. This will improve transparency in pricing across the Commonwealth and encourage more favourable rates for volume services, fixed fee arrangements, or bundling.

Legal Services Panel Portal

AGD will manage the Legal Services Panel Portal (the Panel Portal), which is a web based information technology system available to Agencies to streamline the use of the Panel. Functions of the Panel Portal include searching for LSPs (including their Practice Areas, rates, locations, and key personnel), issuing Requests for Quote and Orders, reporting, access to performance ratings and the display of Value Add Services.

Flexibility Framework

AGD will administer the Flexibility Framework, including the granting of exemptions, to ensure that the most appropriate services are available to all Agencies.

Access to AGD support

AGD will provide a range of services to support the successful implementation and use of the Panel by Agencies, including:

- Managing the Head Agreements between AGD on behalf of the Commonwealth and Legal Services Providers (LSPs).
- Monitoring the Panel to implement efficiencies for the Commonwealth.
- Hosting the information technology platform known as the Legal Services Panel Portal.
- Overseeing a performance management framework for LSPs and addressing systemic performance issues.
- Coordinating access to value-add services offered by LSPs.
- Providing high level analysis, reporting and strategic advice to support legal services decision making, planning and delivery across the Commonwealth.
- Reviewing and refreshing the Panel.

Reduction in Reporting Requirements

After the first year of the Panel's operation, AGD will manage the overall reporting obligations such that Agencies will not be required to directly report Panel related expenditure. LSPs will report Panel related legal services expenditure directly to AGD on a quarterly basis. Agencies will have access to the quarterly legal services expenditure reports from LSPs and will be responsible for ensuring the data is consistent with the legal services they have received.

This will reduce duplication and reporting requirements for Agencies and ensure that the correct Panel Fee is charged. LSPs will continue to invoice and report to Agencies in accordance with any Agency specific requirements.

Agencies will remain responsible for reporting off-Panel and internal legal expenditure annually to AGD, in a similar manner to the current reporting requirements.

How is your Panel Fee calculated?

The forecast costs of administering the Panel have been averaged across the first five years of the Panel. This is intended to give greater certainty to Agencies about the approximate Panel Fee payable.

In accordance with the government decision, the Panel Fee will be set by AGD at a rate of between 0.4% and 1% of an Agency's *external professional legal fee* expenditure. In any given year, the same percentage rate will be applied in the calculation of the Panel Fee for all agencies. The percentage rate will be adjusted by AGD annually within the range to ensure that the total Panel Fee collected from all agencies covers AGD's forecast costs of administering the Panel.

For the purposes of calculating the Panel Fee, *external professional legal fees* include all external legal services expenditure, excluding: GST, disbursements, counsel, AGS and work performed through the Australian Competition and Consumer Commission's and the Australian Taxation Office's Specialised Stream Panels. The Agency invoiced by a LSP on the Panel for the legal services will be responsible for the Panel Fee associated with that expenditure.

The Panel Fee in each year will be calculated on the basis of each Agency's expenditure on external professional legal fees as reported to AGD in the most recently reported financial year. The table below sets out the basis for calculation of the Panel Fee:

Panel Year	For financial year commencing	Panel Fee basis	Panel Fee Rate	Due Date
Year 1 2019/20	1 July 2019	2017/18 <i>external professional legal fees</i> as reported to AGD by Agencies	0.53%	30 September 2019
Year 2 2020/21	1 July 2020	2018/19 <i>external professional legal fees</i> as reported to AGD by Agencies	TBA	30 September 2020
Year 3 2021/22	1 July 2021	2019/20 <i>external professional legal fees</i> as reported to AGD by Agencies	TBA	30 September 2021
Year 4 2022/23	1 July 2022	2020/21 <i>external professional legal fees</i> as reported (or confirmed) to AGD by Agencies	TBA	30 September 2022

The Panel Fee will not be charged to an Agency if the Panel Fee for that Agency is calculated to be less than \$500.

AGD will invoice agencies in June of each year for the following financial year, and agencies must pay the Panel Fee to AGD no later than 30 September of each year.

Your First Panel Fee

The Panel Fee for the first year has been set at 0.53% of your Agency's 2017/18 *external professional legal fees* as reported to AGD (being the latest published expenditure data).

The first Panel Fee has been charged on a pro-rata basis to reflect the scheduled Panel commencement date of 15 August 2019 for costs through to 30 June 2020. AGD will meet the costs associated with the Panel from 1 July 2019 to 14 August 2019.

This first Panel Fee invoice may be paid in advance before the end of this financial year if that suits your Agency, or at any time until the due date of 30 September 2019. It should be noted that the Panel Fee cannot be prepaid in subsequent years.

Contact

For more information contact the Office of Legal Services Coordination on **02 6141 3642** or email **LSpPanel@ag.gov.au**.