

# Victoria Government Gazette

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## Subordinate Legislation Act 1994

# NOTICE OF PREPARATION OF REGULATORY IMPACT STATEMENT

Proposed Legal Profession Uniform Law Application (Practising Certificate Fees) Regulations 2017

In accordance with section 11 of the **Subordinate Legislation Act 1994**, I, Martin Pakula, Attorney-General, give notice of the preparation of a Regulatory Impact Statement (RIS) in relation to the proposed Legal Profession Uniform Law Application (Practising Certificate Fees) Regulations 2017 (the proposed Regulations).

### Reasons for and objectives of the proposed Regulations

A lawyer is required to hold an Australian practising certificate to engage in legal practice in Victoria. Practising certificates are issued by the Victorian Legal Services Board (the Board), and anyone applying for a practising certificate is required to pay a prescribed fee as part of the application or renewal process.

The current fees are set in the Legal Profession Uniform Law Application (Practising Certificate Fees) Interim Regulations 2017 which are due to expire on 28 February 2018.

The proposed Regulations set new fees for Australian practising certificates issued under the **Legal Profession Uniform Law Application Act 2014** (the Act). The proposed Regulations would enable fees to be charged for practising certificates issued for the 2018–19 financial year and the following nine financial years. The proposed Regulations would also include transitional arrangements that would enable current fees for practising certificates granted for the 2017–18 year to continue to be charged from 1 March 2018 until 30 June 2018.

In setting the level of fees, the policy objectives are to fund the regulation of the legal profession in an efficient and equitable way that aligns with government policy, and which:

- minimises administrative costs;
- does not deter legal practitioners from running trust accounts; and
- promotes community legal sector practice.

Based on stakeholder feedback, in assessing options to meet the objectives, the Board also considered it a priority that 40 per cent of the costs of regulation be recovered from fees.

Consideration was also given to ensuring that the fees do not create a barrier to entry to the legal profession.

#### Summary of the results of the RIS

The RIS assesses the costs and benefits of four options and explains why the proposed Regulations are the preferred option. The preferred option reflected in the proposed Regulations is Option 3 in the RIS. Option 3 involves moving to a stratified fee structure that would recover 40 per cent of the costs of regulation from fees. Under a stratified fee structure, fees reflect the costs of regulating the different classes of legal practitioners, which is a factor the Board is required to consider under the Act. The stratified fee structure in Option 3 would result in fee increases for some classes of legal practitioners, and fee reductions for others. Under Option 3, the costs of regulating principals, employees and community sector practitioners would be partially subsidised by the interest stream (the Public Purpose Fund). The fees for each class of practitioner would be:

- 43.04 fee units for principals with trust account authorisation;
- 30.03 fee units for principals without trust account authorisation;
- 28.06 fee units for employees;
- 24.34 fee units for barristers;
- 16.88 fee units for corporate practitioners; and
- 15.48 fee units for government practitioners and community sector practitioners.

# **SPECIAL**

# **Invitation for public comment**

Submissions on the RIS and the proposed Regulations are invited, and must be received by no later than 5 pm on 30 November 2017. Submissions will be considered before the decision to make or not make the proposed Regulations is made. All submissions will be treated as public documents subject to the **Freedom of Information Act 1982** and copies will be provided to the Scrutiny of Acts and Regulations Committee of Parliament under the **Subordinate Legislation Act 1994**.

Submissions can be received by:

email at pcfees@lsbc.vic.gov.au or

post, marked Practising Certificate Fees Regulations 2017 and addressed to:

Manager, Policy and Regulation

Victorian Legal Services Board and Commissioner

GPO Box 492

Melbourne, Victoria 3001

## Availability of RIS and proposed Regulations

A copy of the RIS and proposed Regulations may be obtained:

at http://www.lsbc.vic.gov.au

by emailing: pcfees@lsbc.vic.gov.au

by phoning the Victorian Legal Services Board and Commissioner on 1300 796 344.

THE HON. MARTIN PAKULA MP Attorney-General

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