

10 January 2018

Mr James M Woods  
CEO and Legal Director  
EC Legal  
Level 9, 461 Bourke Street  
Melbourne VIC 3000

Via email: [REDACTED]

Dear Mr Woods

### **Practising Certificate Fees Review: Response to Submission**

Thank you for your email of 26 October 2017 setting out your submission to the formal public consultation stage of the Practising Certificate Fees Review (the review) and the Regulatory Impact Statement (RIS) process.

The Victorian Legal Services Board (the Board) appreciates the time you have taken to make a written submission to the review and contribute your thoughts on the proposed options.

In your submission, you express support for a stratified fee structure but assert that the issue of cost control within the Victorian Legal Services Board and Commissioner (VLSB+C) is not mentioned and outline that your personal experience with the VLSB+C is that a large amount of staff time may be spent for little gain. You suggest that the VLSB+C conduct a cost-benefit analysis on a particular open complaint file, and comment that an independent regulator can only work effectively if it feels the same pressure as those it is regulating.

As part of the review the Board engaged an independent economic consultant, Rivers Economic Consulting, who undertook an Activity Based Costing (ABC) exercise on all of the regulatory functions of the VLSB+C including complaint handling. Although I am not able to comment on particular individual complaints, the ABC exercise has shown that our complaint handling in general is efficient and compares favourably with other Victorian consumer complaint handling regulators. You will find in section 4.6 of the RIS details of the 'per unit' cost per certificate type for all of our complaint handling services including disciplinary investigations, the type to which you have referred me.

With respect to the efficiency of our disciplinary investigations, the RIS in section 4.14, shows an average of 70.75 hours of work per investigation which when benchmarked to equivalent regulatory environments was not viewed as either containing unnecessary work or being onerous in terms of the amount of work required to bring a disciplinary investigation to an appropriate conclusion. Further detail of the economic analysis behind these figures, including the time taken in relation to each step in the complaint process may be found in the Appendices to the RIS as prepared by Rivers Economic Consulting.

Should you have particular concerns about the management of the individual complaint you mentioned, I would encourage you to discuss your concerns with the contact officer noted on the complaint correspondence.

The Board has now had the opportunity to consider all of the submissions received and is not proposing to make any adjustments to the proposed fee settings in Option 3 in light of those submissions.

# Victorian Legal Services **BOARD**

The Board has decided to formally recommend new fees for practising certificates for the 2018-19 financial year and beyond, in line with Option 3 as outlined in the RIS, to the Attorney-General and the Governor-in-Council. It is intended that new regulations prescribing those fees will be in place to replace the current regulations which are due to expire in late February 2018.

Once again I would like to thank you for contributing to the formal consultation stage of the review. Your submission and our response will be published, together with all other submissions and responses, on the VLSB+C website.

Yours sincerely



Fiona R Bennett  
**Chairperson**