

10 January 2018

Ms Misty L Royce
Principal Solicitor
Misty Royce Law Practice

Via email: [REDACTED]

Dear Ms Royce

Practising Certificate Fees Review: Response to Submission

Thank you for your email of 29 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 note that you hold a practising certificate with trust authorisation solely for the purpose of handling transit cheques and ask whether it is possible to distinguish between practitioners with trust authorisation who operate trust accounts and those who do not when setting fees. You propose that there should be a lower fee for practitioners with trust authorisation who do not operate a trust account on the basis that you believe these practitioners pose a lower risk than practitioners who operate trust accounts.

As a key part of the review of the existing fee settings, the Board engaged an independent consultant to undertake an activity-based costing (ABC) exercise of the Victorian Legal Services Board and Commissioner's (VLSB+C's) regulatory costs. An examination of that analysis (which was published alongside the RIS) shows that, of all the practising certificate types, practitioners with trust authorisation are the most costly to regulate.

Practitioners with trust authorisation attract a greater degree of scrutiny through additional regulatory measures such as trust account investigations and monitoring to mitigate the higher level of risk associated with allowing practitioners to receive trust money from their clients. This additional level of regulatory oversight is not limited to practitioners who operate trust accounts only but extends to all practitioners with authority to receive trust money.

In addition, the practising certificate with trust authorisation class does not differentiate between those practitioners who only receive transit money and those who have an active trust account. Therefore, it was not possible or desirable to distinguish between practitioners who operate trust accounts and those who do not when setting stratified fees.

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