

Regulatory Fees for Practices and Individuals

Purpose: Approval

Author: Director of Finance and Operations

Approver: Chief Executive

Summary

The CLC consults annually and seeks approval from the LSB for the Practice Fee, Compensation Fund contribution OLC Levy and application fees charged.

Council reviewed the most recently notified practice turnovers, the forecast for the remainder of the 2025 financial year and estimate for the 2026 financial year at a Council workshop held on 1 July 2025.

After considering the strategy, stakeholder and operational requirements of the organisation the Council agreed the appropriate fee rates to provide sufficient resources to fund operations.

This paper summarises the information provided to Council to make those decisions.

Recommendations

Council is asked to ratify the decisions made at the Council workshop:

1. That the fee bandings remain unchanged
2. That the Practice Fee rates are increased by 3% to adjust for inflation
3. That the Compensation Fund contribution rates are increased by 6%
4. That the OLC Levy allocation for 2024-25 remains unchanged at 50% of the cost allocated to the availability of the service and 50% of the cost allocated to practices with cases accepted for investigation
5. That individual license fees remain unchanged
6. That Licensing administration fee on applications is adjusted for inflation (3-4% dependent on rounding)

Risk management

Insufficient revenue would result in the CLC running a deficit budget which would lower reserve levels and potentially require expenditure cuts which could hamper the organisations ability to deliver effective regulation.

Financial impact

Any changes (or lack thereof) to the fee rates can have an impact on the financial viability of the CLC. The CLC needs to take a prudent approach to fee setting to ensure that there are sufficient resources available to execute its regulatory obligations.

Regulatory Objectives

The following regulatory objectives are served by the decisions requested in the paper:

- RO1 - protect and promote the public interest
- RO3 - improve access to justice
- RO4 - protect and promote the interests of consumers
- RO5 - promote competition in the provision of legal services
- RO6 - encourage an independent, strong, diverse and effective legal profession
- RO7 - increase public understanding of the citizen's legal rights and duties
- RO8 - promote and maintain adherence to the professional principles

Diversity and inclusion impact

In putting this proposal forward we understand that in line with the normal fee setting process the calculation of the fee will be done on a historic basis which may not be aligned to current practice revenue. There is no reason to believe that this will impact regulated individuals with protected characteristics differently than others.

The Consultation document includes diversity and inclusion questions to help understand any impact on individuals with protected characteristics.

Communications requirements

The regulated community is being consulted on the proposed fee rates before an application is made to the LSB. The fee rates and charges will be communicated to all practices at license renewal.

Publication

This paper is not for publication as the proposals agreed by the Council will be published in a consultation and the CLC's submission to the LSB for approval.