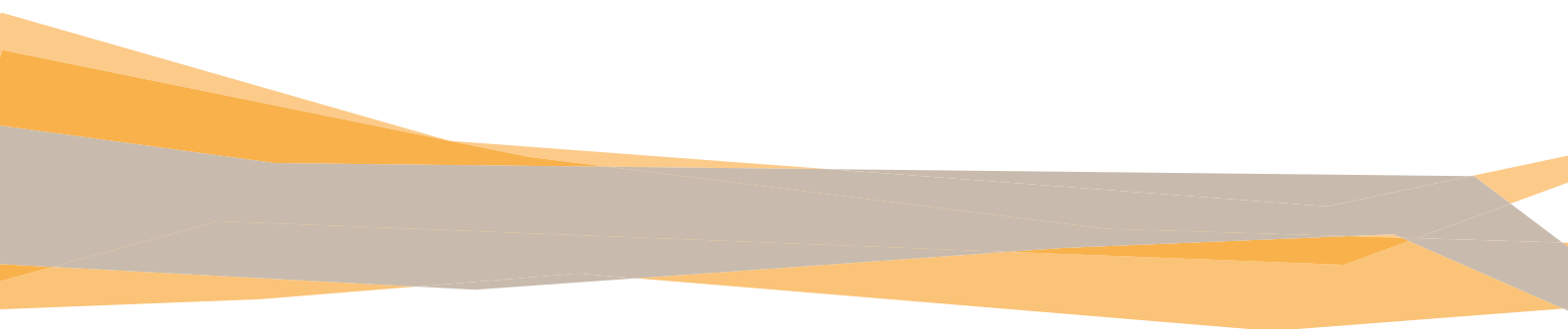


actlawsociety

Annual Report

2014-15



Law Society of the Australian Capital Territory

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Vice President — Greg Brackenreg
Vice President — Chris Donohue
Secretary — Louise Vardanega
Treasurer — Vik Sundar
Council-appointed Member — Angus Bucknell
Immediate Past President — Noor Blumer

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David Chen
Catherine Coles
Gavin Lee
George Marques
Bronwyn McNeil
Alison Osmand
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Phil Schubert
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Secretariat Staff

Chief Executive Officer — Dianne O'Hara
Professional Standards Manager — Rob Reis
Finance & Business Services Manager — Lea McLean
Executive Secretary — Debbie Sims
Professional Development Officer — Margaret Ryan
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Communications Officer — Nicole Karman
Committee Administrator — Heather Jackson
Complaints Committee Secretary — Linda Mackay
Bookkeeper — Kathleen Lui
Receptionist/LAB Administrator — Robyn Guilfoyle

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President's Report



Events

The Society's annual dinner dance was held at Old Parliament House. We now acknowledge those people who have been in practice for 40 years with a pin to mark the achievement. Their contribution to the profession over a sustained period of time is to be congratulated. Justice John Burns presented the Young Lawyer of the Year Award to Dr Jessica Kennedy, and I was pleased to present the President's Medal to Richard Faulks, managing partner at Sneddon Hall & Gallop.

At the September members' lunch we applauded the ongoing assistance provided to the Society by our Secretary Louise Vardanega by giving her honorary membership. Louise's contribution to the Law Society has been outstanding over a long period, beginning in 1976. She was a member of the Complaints Committee and the Administrative Law Committee. She has been a member of the Council continuously since October 1991 — more than 22 years. During that time, she has served as Secretary of the Society for 20 years. Through a combination of calm good sense and expert advice, she has played a central role in the stability of the Society and its effectiveness as a regulator of the professional conduct of its members, to the benefit of the profession and the community in general.

In conjunction with ACLA (now ACC), the Law Society hosted the annual Richardson Oration at the National Portrait Gallery. We were fortunate to hear Justice Steven Gageler of the High Court speak on the topic of impact of technology, particularly the availability of judgements and information on the development of the law in Australia.

Opening of the legal year

The new legal year was welcomed on Monday 2 February with the annual commencement ceremony, held this year at the ACT Supreme Court. It is important to mark the commencement of the legal year. It is an opportunity to reconfirm the principles we uphold as a profession, to reflect on the rule of law, and on our ethical obligations.

We are grateful that Simon Corbell MLA, Deputy Chief Minister and Attorney-General, was in attendance. He spoke concerning the administration of justice and focussed in particular on the declining level of Commonwealth funding for legal assistance services.

The Chief Justice reminded us all of the importance of the rule of law against a backdrop of horrible events such as the Sydney Lindt Cafe siege and the Charlie Hebdo massacre in Paris.

Glenn Keys, ACT Australian of the Year, was our guest speaker. Glenn is the co-founder and managing director of Aspen Medical. He is a leader in business and in philanthropy. He is passionate about assisting people with a disability and the theme of his address was how the legal profession could assist people with a disability when they are confronted with legal problems.

The St Thomas More Forum again organised and hosted a Mass for lawyers at St Christopher's Cathedral on Sunday 8 February.

National Golden Gavel

Congratulations to the Young Lawyers Committee who organised the National Young Lawyers Conference and the National Golden Gavel competition at Parliament House. Both events were well attended and successful. When the dust settled at the Golden Gavel, the grand prize was claimed by Jamie Cooke from Norton Rose Fulbright, a Scotsman masquerading as a West Australian, but our own champion Soraya Saikal won the people's choice by acclamation.

Law Week

The theme for Law Week 2015 was "Magna Carta: Commemorating 800 years of democracy". 2015 is the 800th anniversary of the sealing of the Magna Carta, and just as that document was the catalyst for social change in England, this year our focus for Law Week was on social change: past, present, and future. The Blackburn Lecture touched on issues such as freedom of speech and of the press, the Alternative Law Journal hosted a public lecture that explored why music is a critical part of social change, and Australian of the Year Rosie Batty headlined two sold-out events discussing changes that would improve the legal system's capacity to respond to domestic violence.

Law Week raises funds for the Law Society Foundation, which is an enduring fund administered by GreaterGood. GreaterGood has advised that the Foundation currently holds \$55,691. The total rises to \$72,453 when the funds

raised from Law Week this year and the Society's matched donation are included. Later this year, Council will nominate a local charity to receive funds over the 2016-17 financial year.

Lawcover were the major sponsor for Law Week 2015, which has been an ongoing relationship since 2007. We would also like to thank Farrar Gesini Dunn, who paid for the luncheon at the Women & Justice Forum, and the Women's Legal Section of Maurice Blackburn Lawyers, who sponsored the Law Week Dinner. Several local businesses also donated prizes to the Quiz Night. They were Cholos Peruvian Restaurant, Waves Car Wash, Blackfire Restaurant, Tennis Canberra, and Pixelis.

New appointments

Jon Stanhope has been appointed the new president of the Legal Aid Commission (ACT). Mr Stanhope is enthusiastic about this role and agreed to be nominated by the Society to be part of a Law Council of Australia working group seeking increased funding for the legal assistance sector at the federal level.

Vicki Parker is the new Deputy Director General of JACS. We welcome Vicky to that position and anticipate maintaining the good working relationship we have with the department. Aside from a meet and greet opportunity we have discussed continuing the exchange of information and views, and the Chief Executive Officer now meets with Vicky and other departmental staff on a regular basis.

I met John McKenzie the new NSW Legal Services Commissioner. We had a useful exchange regarding the role of the Commissioner and how the process works.

National Legal Profession — Uniform law

The Uniform Law as enacted in Victoria and NSW became operational on 1 July 2015. The law regulates the legal profession in both States, including as concerns the issue of practising certificates, complaints process, discipline, auditing of trust accounts and billing matters.

Former Chief Justice of the Federal Court Michael Black has been named as the inaugural chair of the Legal Services Council. The Council will oversee the implementation of the Uniform Law to ensure consistency across participating jurisdictions. Dale Boucher is the Commissioner for Uniform Legal Services Regulation and CEO of the Legal Services Council.

Locally, the Society has expressed our support for a national profession but continues to have concern regarding the cost of joining. The ACT Government has advised that any expense will not be met out of general revenue but rather by the profession. This effectively means increased practising certificate fees.

Solicitor's Conduct Rules

Council has resolved to adopt the *Australian Solicitor's Conduct Rules* (ASCR). This follows much debate over many years, and several iterations of the Rules. The Law Council of Australia established a national committee to develop national Rules that were then debated and finally agreed to by constituent bodies.

A commentary in regard to the Rules prepared by the national committee will be included with the Rules, and we will also publish local guidelines. Those guidelines will maintain some current Rules that are not specifically contained in the ASCR, and will reflect the ACT Law Society's views in regard to how we believe some of the national Rules are to be interpreted.

The Rules have recently been refined, mainly in respect to layout and minor amendment as to language, prior to their coming into force as part of the National Profession Model Law in New South Wales and Victoria on 1 July 2015. The Rules in the ACT will be consistent with the Rules that apply in NSW.

I have notified the Attorney-General of the proposal to have the national Rules replace the current ACT Rules. Before the Council can formally make the Rules we are required under the Legal Profession Act to ensure that a notice is published in a daily newspaper explaining the object of the proposed Rules. We must make the Rules available for inspection and allow a 21 day period for comment and submission.

New Law Society office

With an element of "back to the future" about it, the Law Society has moved to a building we last occupied ten years ago. As of 1 March we are at Level 4, 1 Farrell Place. The offices include a better conference room, training rooms, and interview facilities.

Volunteer Practising Certificates

I am pleased to advise that Council has resolved to make practising certificates available free of charge to lawyers who will be undertaking specified pro bono legal work.

The Society supports pro bono initiatives. Making provision for volunteer practising certificates will help facilitate that work and hopefully contribute to increased access to justice in the ACT.

We have devised a protocol for determining applications for volunteer certificates. That protocol is available on the Law Society website. It must be noted that the Council will need to be satisfied that appropriate professional indemnity insurance arrangements are in place, and that only work of a pro bono nature will be undertaken by the applicant, before approving a certificate.

ACT Budget

The Society is pleased that funding for a fifth judge was announced in the ACT budget.

We have for some years highlighted the need for another judge to manage the caseload of the Supreme Court. The additional capacity is good news and will increase the courts ability to quickly provide just outcomes.

The fifth Judge is due to commence on 1 July 2016 and the government has made provision for extra resources to clear the backlog in the meantime.

We have expressed concern that lodgement fees in civil proceedings in the Magistrates Court and Supreme Court have been significantly increased. Increased fees impact most on people who are least able to pay, and in our view provides an impediment to accessing the justice system.

Justice Reform project

The ACT government has begun work on the Justice Reform Strategy (JRS). The key drivers of the JRS are the increase in prisoner numbers despite a decrease in the crime rate, the Attorney-General's personal interest in framing sentencing policy, and Corrective Services work regarding administration of sentences and new options that are available in other jurisdictions. The first order of business has been to consider a replacement for periodic detention.

Sentencing reform

The Legislative Assembly Standing Committee on Justice and Community Safety issued an Inquiry into Sentencing Report in March. The report contains 55 recommendations that the Society will review. The Law Society made an extensive submission to the inquiry and appeared at a public hearing. We also attended a private hearing to provide an overview of criminal procedure with particular reference to sentence matters. The government has advised that a response will come toward the end of the year given the importance of the topic and the work currently being undertaken through the Justice Reform Strategy.

Changes to the law regarding domestic violence

Following recent events in Canberra and nationally there has been a focus on domestic violence. Australian of the Year Rosie Batty also helped to heighten media interest when attending Law Week functions.

The Society has been involved in discussions with the Department of Justice & Community Safety regarding proposals for changes to the domestic violence legislation. Some uncontroversial proposals — such as aligning

civil protection order proceedings with related criminal proceedings and extending the definition of domestic violence to include children witnessing violent acts — we supported.

There are further changes proposed in the criminal justice area and the criminal law committee has been actively providing feedback. The Society will continue to engage on these issues and provide comment.

Pro Bono Clearing House

The Pro Bono Clearing House continues to provide legal help to disadvantaged people and we are grateful for the assistance provided by our members in this regard.

At a recent management committee meeting we confirmed guidelines to assist secondees and staff in the event a client threatens self-harm. We also agreed on guidelines for the operational secondee. A copy can be obtained from Debbie Sims.

We also looked at the issue of aligning where possible the pro bono policy of the PBCH as against the individual policies of the larger law firms.

NARS

We are continuing to develop practical measures to address the issues raised by the National Attrition and Re-engagement Study (NARS).

Our Project Officer, Jacqueline Gartland, attended a workshop, organised by the Law Council, which examined initiatives that Law Societies and law firms could use to effect real change. The workshop focused on five key areas: leadership, parental leave and flexible work practices, equitable briefing, unconscious bias, and workplace culture and policies.

A Diversity and Equality Charter was adopted by the workshop and is available on the Law Council website.

We are working with the Women Lawyers Association of the ACT, the ACT Bar Association and the Women's Legal Centre (ACT & Region) to identify policies, activities and courses of professional development that the Society can provide to assist members and their firms develop diverse and inclusive working environments.

Workers Compensation

The ACT government has decided to withdraw from Comcare. It has indicated an intention to set up a new system to cover the public sector. In response to the announcement the Law Society in conjunction with the Bar Association and the Australian Lawyers Alliance has established a Workers Compensation Group to make submissions on this important issue.

The Society has indicated that whilst we support moving away from Comcare we do not want any new arrangement to result in a reduction of rights and services for injured workers. The proposal put forward by the government would in our opinion adversely impact on clients. We suggest that the public sector workers move into the existing private scheme.

History of the Law Society

Our previous Chief Executive Officer, Larry King, has agreed to update the history of the ACT Law Society. The most recent book is now 20 years old, so it is high time we create a new volume.

Mr King has suggested that the principal matters of professional and public interest are likely to include the national regulation project including the nationalisation of practising certificates, the introduction of the *Legal Profession Act 2006*, compulsory CPD, the refinement of the Society's committee system, moves forward regarding access to justice, and demographic changes within the profession.

Human Rights Commission restructure

The Society has submitted a response to the discussion paper released by the ACT government concerning designing a model for the effective protection of human rights. The Access to Justice & Human Rights Committee considered our position.

Broadly, we have said that our primary concern is that there is an effective, operating and sufficiently funded Human Rights Commission in the ACT. While the exact internal structure is of less relevance to us we see benefits in having a hierarchical structure, that is, a structure with a president having overall administrative responsibility. We are concerned that the HRC remain independent.

Judicial Commissions Amendment Act

The *Judicial Commissions Amendment Act 2015* has been passed. The Society had recommended the development of legislation to ensure that complaints against judicial officers, particularly those of a less serious nature, could be appropriately dealt with. Under the current law there is no mechanism short of establishing an expensive Judicial Commission.

Electronic Document Management

JACS are working on a feasibility study to look at potential system options for the implementation of Electronic Document Management (EDM) and e-Trial systems to meet ACT Law Court and Tribunal

needs. The purpose of the study is to investigate, make recommendations and present options for consideration as a System Options Report. The Law Society has been invited to provide input to the study.

CPD Overview

The Society aims to provide relevant, timely and high quality CPD to assist practitioners to fulfil their CPD obligations productively and efficiently. During the 2014-15 financial year, the Society offered the following CPD events.

CPD activity	No.	Total attendees
Seminars (1-1.5 hours)	23	717
Workshops (3+ hours)	10	216
Themed afternoons	4	265
Two day intensive	1	148
Webinars	2	52

The Society welcomes member feedback on the program and is always interested to receive suggestions for future topics and speakers. We acknowledge the contribution our Committees make to shaping the CPD program.

The Society reviewed the ACT CPD Guidelines in 2014, for the first time since mandatory CPD was introduced in 2010. The revised Guidelines, which clarify and improve the CPD scheme, came into effect on 1 April 2015. The most significant changes include the introduction of a fourth core area (substantive law and procedural law), a minimum of five CPD units where a partial exemption is granted, and the removal of an automatic exemption for part time work and working overseas.

In addition to interstate and international speakers, our CPD program relies heavily on the voluntary contributions of local practitioners with expertise in particular areas of law. The Society greatly appreciates the time and effort our speakers devote to the preparation and presentation of seminars. We thank everyone who contributed to our program during 2014-15.

Speakers in 2014-15 were:

- Mathew Bock, Clayton Utz
- Malcolm Brennan, King & Wood Mallesons
- Graeme Blank, Henry Parkes Chambers
- Dr John Boersig, Legal Aid ACT
- Genevieve Bolton, Canberra Community Law
- John Buxton, DibbsBarker
- John Carroll, Clayton Utz
- Brendan Cockerill, DDCS Lawyers
- Sean Costello, ACT Human Rights Commission
- Phil Davey, DDCS Lawyers
- Michael Deasey, ACT Government Solicitor
- Brendan Ding, ACT Government Solicitor
- Paul Edmonds, Canberra Criminal Lawyers
- Vanessa Faulder, Tenants' Union

Table 1: Submissions and representations

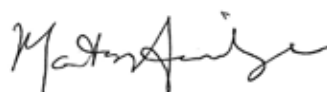
Date	Subject of Submission	Made to
16/7/2014, 9/12/2014	Omnibus Justice and Community Safety Legislation Amendment Bills	Justice & Community Safety Directorate
7/8/2014	Discussion paper: Judicial and Tribunal Member Complaints, <i>Judicial Commissions Amendment Bill 2014</i>	Justice & Community Safety Directorate
13/11/2014	<i>Family Law Regulations 1984</i>	Justice & Community Safety Directorate
20/11/2014	<i>Retirement Villages Act 2012</i>	Justice & Community Safety Directorate
21/11/2014	Submission to Red Tape Committee	Chief Minister, Treasury & Economic Development Directorate
27/11/2014	Inquiry into the Proposed <i>Appropriation (Loose-Fill Asbestos Eradication) Bill 2014-15</i>	Standing Committee on Public Accounts, ACT Legislative Assembly
19/12/2014	Review of section 16A of the <i>Parentage Act 2004</i>	Justice & Community Safety Directorate
21/1/2015	<i>Courts Legislation Amendment Bill 2015</i>	Justice & Community Safety Directorate
16/1/2015	Comment on proposed Uniform General Rules	Justice & Community Safety Directorate
22/1/2015	Comment on proposed CPD Rules (Solicitors)	Justice & Community Safety Directorate
16/2/2015	National Electronic Conveyancing System	ACT Attorney-General
27/3/2015	<i>Crimes (Child Sex Offenders) Act 2005</i> reforms	Justice & Community Safety Directorate
8/5/2015	Comments on the ACT Government's Proposed Workers' Compensation Scheme for Public Sector Workers	Chief Minister, Treasury and Economic Development Directorate
13/5/2015	Unit Titles Publications	Commissioner for Fair Trading
25/5/2015	Provision of Traffic Accident Reports	Australian Federal Police
12/6/2015	Proposed model for the effective protection of human rights	Justice & Community Safety Directorate
16/6/2015	<i>Powers of Attorney Act 2006</i>	Justice & Community Safety Directorate
22/6/2015	Appeals with ACAT	Justice & Community Safety Directorate
23/6/2015	Reality Check – A Real Estate Guide for Buyers and Sellers in the ACT	Commissioner for Fair Trading

- David Fintan, National Disability Insurance Agency
- Karen Fogarty, Colquhoun Murphy Lawyers
- Juliette Ford, Farrar Gesini Dunn
- Cally Hannah, Cally Hannah & Associates
- Mitchell Herrett, RSM Bird Cameron
- Vivien Holmes, ANU College of Law
- Lauren Honcope, ANU College of Law
- Michael James, Trinity Law
- Thena Kyprianou, Australian Government Solicitor
- Dr Angeline Lewis, Australian Defence Force
- Prof Dennis Pearce, HWL Ebsworth Lawyers
- Anthony Reilly, HWL Ebsworth
- Ben Salmon, QC Metropolitan Chambers
- Cain Sibley, Clayton Utz
- Gabrielle Sullivan, Bradley Allen Love
- Camilla Taylor, Environmental Defenders Office, ACT
- Rebecca Tetlow, DDCS
- Adam Thompson, Consumer Law Centre of the ACT
- Jo Twible, KJB Law
- John Wilson, Bradley Allen Love
- Heidi Yates, Women's Legal Centre
- Gillian Yeend, Yeend & Associates

We also take this opportunity to thank our sponsor, legalsuper, for its ongoing support of our CPD program. Without this support we would not be able to offer quality CPD at such affordable rates.

Submissions and representations

During the year the Society prepared submissions and made representations on many subjects, including those noted in Table 1 above. Please note consultation-in-confidence submissions are not listed.



Martin Hockridge, President

Corporate Overview

Role

The Law Society exists to:

- Represent, advance, and defend the interests of an independent legal profession in the ACT.
- Protect the public interest in the ACT system of justice through the efficient regulation of the profession in accordance with the Legal Profession Act and the Society's Rules for Solicitors.

The Council

The Council is the governing body of the ACT Law Society. It comprises 15 elected members and the Immediate Past President. In addition there are five Council-appointed observers. Councillors are elected by the membership of the Society.

Council convenes once a month. The Constitution of the Society vests the Council with the responsibility for the management of the Society's affairs, including income and property.

Executive Committee

The Executive consists of five elected members, the Immediate Past President and a member appointed by the Council.

The Council has delegated to the Executive Committee the responsibility of overseeing the administration of the Society's activities and the implementation of Council policies. The Committee also considers applications for practising certificates and membership. Many of the matters considered by the Executive Committee require Council consideration and approval.

Council membership

The Council members for 2014-15 are:

President	Martin Hockridge
Vice Presidents	Greg Brackenreg Chris Donohue
Secretary	Louise Vardanega
Treasurer	Vik Sundar
Council-Appointed Member	Angus Bucknell
Immediate Past President	Noor Blumer
Councillors	Angus Bucknell David Chen Catherine Coles Gavin Lee George Marques Bronwyn McNeil Alison Osmand Craig Painter Phil Schubert Peter Woodhouse
Council-appointed observers	Justice & Community Safety Directorate Women Lawyers Association of the ACT ACT Young Lawyers Committee School of Law, Australian National University School of Law, University of Canberra Association of Corporate Counsel

Committees

Through its committees, the Society is able to look in detail at proposed legislation and its impact, not only on legal practice in the ACT, but the community's access to justice and the fairness and efficiency of the administration of justice.

The Society has sometimes taken strong stances either opposing or in support of proposed legislation, sometimes as a lone voice or with the support of other bodies.

The Society's Committees are governed by the *Committee Charter*.

The Law Society operates the following Committees:

Committee	Chair
Access to Justice & Human Rights	Walter Hawkins
ACT Legal Executives (ALEC)	Juliet Reeve
ADR	Kim Lackenby
Civil Litigation	Richard Faulks
Commercial & Business Law	Dianne O'Hara
Complaints	Ross Reid
Criminal Law	Michael Kukulies-Smith
Elder Law & Succession Law	Rebecca Tetlow
Equalising Opportunities in the Law	Allyson Hogan
Family Law	Di Simpson
Functions & Law Week	Bill Redpath
Government Law	Peter Cain
International Lawyers	Greg Waddoups
Industrial Relations	John Wilson
Legal Profession Act & Ethics	Michael Phelps
Military Law	Ben Biddington
Practice Management	Bill Baker
Property Law	John Chamberlain
Young Lawyers	Cindy Lim

Secretariat

The role of the Secretariat is to assist the Executive Committee in the daily running of the Society, and to implement the resolutions of Council.

The secretariat consists of the following staff:

Chief Executive Officer	Dianne O'Hara
Professional Standards Manager	Rob Reis
Finance & Business Services Manager	Lea McLean
Executive Secretary	Debbie Sims
Professional Development Officer	Margaret Ryan
Project Officer	Jacqueline Gartland
Communications Officer	Nicole Karman
Committee Administrator	Heather Jackson
Complaints Committee Secretary	Linda Mackay
Bookkeeper	Kathleen Lui
Receptionist & LAB Administrator	Robyn Guilfoyle
Administrative Support	Elaine Gray
CPD Support	Tim Dingwall
CPD Support	Ashlea Archer

Contributions to the Community

Pro Bono Clearing House

The ACT Pro Bono Clearing House (PBCH) was established in November 2004 to improve access to justice through the simple aim of trying to match people and organisations who are in genuine need of pro bono legal assistance with legal practitioners who are able to provide that assistance. In November 2014, the PBCH celebrated its 10th anniversary of operation.

Applications are received from organisations and individuals and are assessed by the PBCH Assessment Panel, a changing panel of ACT legal practitioners, which meets weekly.

As at 30 June 2015, 49 applications had been received, five more than this time last year. 48 were from individuals and one from an organisation. Of the 49 applications, 19 were successfully referred out to firms; 27 were unsuccessful because they did not have reasonable prospects of success, did not meet the means test eligibility criteria or did not have a legal issue. One had their grant of legal aid extended, and further information is being sought from another two.

Since its establishment in 2004, the Clearing House has received 736 applications and has been able to refer 408 cases for pro bono assistance.

Due to the reduction in funding to Legal Aid and the Community Legal Centres, the Clearing House expects to receive more and more applications over time which will definitely stretch its resources.

The Secondee System

The panel is assisted by a rotating 'operational secondee', a lawyer from a Canberra law firm or government agency who spends approximately three months working with the PBCH. Their primary role is to meet with potential applicants, assist them with preparing their PBCH application, provide a summary report to the panel and attend panel meetings.

Operational Secondees have been provided by Clayton Utz, the Australian Government Solicitors Office, DLA Piper, King & Wood Mallesons, Minter Ellison, Meyer Vandenberg, Sparke Helmore, Bradley Allen Love and Dibbs Barker.

The PBCH also benefits from a 'Policy Secondee' whose role is to focus on developing the strategic and policy side of the PBCH. King & Wood Mallesons has provided the Policy secondee on a long term secondment (6-12 months).

2015 — a snapshot

During the course of the year the PBCH has been averaging three to four applications per week.

A simplified application form has been approved and is in use. As the PBCH is a 'last resort' for legal assistance, the form requires only essential information as all other information is gathered at the time of the interview conducted by the Operational Secondee.

The PBCH has now put in place guidelines for dealing with applicants threatening self-harm. This benefits not only the Operational Secondee but also Law Society staff. In addition, Canberra Community Law run two information and training sessions per year (February and July) about dealing with vulnerable clients.

During the course of the year, the secondees have reported experiencing some difficulty in obtaining referees for matters which have been approved by the Assessment Panel for assistance. Small firms or sole practitioner firms are generally happy to accept matters. However with the large firms, there is an issue which relates to their in-house pro bono guidelines. In many cases, matters that are successful at the Clearing House cannot be referred to the large firms because the matter does not meet that firm's pro bono guidelines. The Policy Secondee was tasked to see if the guidelines from the PBCH and the large firms could be brought closer together.

The PBCH is always looking for more firms to accept referrals in all areas of law, but particularly in the area of criminal law, employment law and debt as these appear to be the growing areas.

This year the following firms accepted referrals from the Clearing House:

- Ashurst
- Bradley Allen Love
- Campbell & Co
- Clayton Utz

- Darryl Perkins Solicitor
- Frank Wilson Solicitor
- Jaleh Johannesson
- King & Wood Mallesons
- Matt O'Brien
- Maurice Blackburn
- Mills Oakley
- Minter Ellison

A big thank you to all those firms.

The PBCH Management Committee also approved the updated Operational Secondee Manual.

Thank you to all the secondees, panel members and firms who have provided their assistance over the past year.

Assessment Panel Members

- Martin Hockridge (Chair)
- Cindy Lim
- John Boersig
- Genevieve Bolton
- Katy Grimes
- Amanda Graham
- Kim Verma
- Peter McNulty
- Emma Bolton
- Michael Palfrey
- Debbie Sims (Clearing House Administrator)

Martin Hockridge, Chair, Pro Bono Clearing House Management Committee

Legal Advice Bureau

The Law Society has been operating its Legal Advice Bureau (LAB) at lunchtimes since 1972. Members of the Society volunteer on our LAB roster at the Society's offices to give 15 minutes of free legal advice to any member of the public who wishes to call and make an appointment.

The LAB is supported by more than over 100 generous Society members, who freely volunteer their time.

In the 2014-15 financial year, our LAB volunteers saw more than 1,100 clients. The main areas of law on which

advice is sought are family, criminal, debt, personal injury, tenancy, motor vehicle accident, employment, workers compensation, migration and contract law.

Month	No. of clients
July	97
August	119
September	87
October	85
November	94
December	42 (<i>only 2 weeks</i>)
January	86 (<i>only 2 weeks</i>)
February	113
March	100
April	99
May	109
June	89
Total	1120

Topic	No. of clients
ACAT	22
Builder	53
Business	37
Contract	156
Criminal	78
Debt / Finance	68
Employment	110
Family	142
Medical	15
Migration	4
Motor vehicle accident	25
Personal injury	18
Property and tenancy	217
Wills / Power of Attorney	84
Workers compensation	22
Other	69
Total	1120

Prizes for Academic Excellence

The ACT Law Society funds prizes for academic excellence at the University of Canberra and the Australian National University.

This year's winners are listed below.

At the University of Canberra

Prize	2014 Winner
ACT Law Society Prize for the Highest Achieving Student in Contract Law	Ritu Kumari
ACT Law Society Prize for the Highest Achieving Student in Equity Law	Tim Dingwall
ACT Law Society <i>Canberra Law Review</i> Prize	Belinda Chapman

At the Australian National University

Prize	2014 Winner
Law Society of the Australian Capital Territory Prize for Contracts	Matthew Staraj
BC Meagher Prize for Commonwealth Constitutional Law	Erin Priestly
Liz and Bill Allen Prize for Practical Legal Training	Maurice Lynn

Donations

In the 2012-13 financial year the Society established the ACT Law Society Foundation as a Centenary of Canberra project. The foundation is a charitable fund which will support Canberra's charities and other worthy causes. The Foundation's initial capital has come from the proceeds of Law Week over three years, matched by funds from the Society.

In the 2014-15 financial year the Society donated a total of \$15,754 to the Foundation (consisting of Law Week proceeds and a matched donation by the Society).

The total amount in the Foundation is now \$71,445.

Committee Reports

Access to Justice & Human Rights

The Access to Justice and Human Rights Committee has had some significant membership changes over the last year and the committee is indebted to those retiring members, and welcomes the appointment of new members and the strengths they bring.

The *Pro Bono Guidelines* with some final tweaking will be referred to the Pro Bono Management Committee and then to Council for approval and in turn availability to members, with the opportunity of a launch later this year.

The Productivity Commission released its report into Access to Justice and the committee has actively considered the recommendations and the scope it affords the Society to instigate change with government.

Commonwealth funding security and levels to Legal Aid and Community Legal Centres continue to present challenges to those organisations and their clients and the committee has continued to explore ways in which the Society and its members might be able to assist and individual relationships strengthened.

The committee continues to provide representation to the Legal Aid, ACT Legal Assistance Forum and the Law Council Access to Justice Committee.

— *Walter Hawkins*

Committee Members

- Walter Hawkins (Chair)
- Dr John Boersig
- Sean Costello
- Dr Natalie Cujes (to December 2014)
- Simon Henderson
- Pam Jenkins
- Amy Kilpatrick (to June 2015)
- Don Malcolmson (to June 2015)
- Athol Opas (to December 2014)
- Deb Phippen (from June 2015)
- Simon Rice
- Gary Tamsitt
- Heidi Yates (to May 2015)

ACT Legal Executives (ALEC)

The ACT Legal Executive Committee (ALEC) meets monthly from 1-2pm. The committee consists of practice managers, office managers, human resource managers, IT professionals and other Business Services staff.

Over the 2014-15 period, ALEC's main focus has been to source quality training and information for local region legal managers, through training sessions and our electronic newsletter, as well as having information available on our web page. One well-received training session on Conveyancing was so popular that we sold out and a second session aimed more particularly at support staff is planned. We have plans to make available a practice management manual via the web page, as well as a fresh newsletter before the end of the year.

ALEC continues to write/source interesting articles, which we publish in the ALEC newsletter. The ALEC newsletter aims to provide topical articles, information on upcoming seminars and general tips on best practice.

— *Juliet Reeve*

Committee Members

- Juliet Reeve (Chair)
- Sonya Amey
- Linda Bennett (from January 2015)
- Tanya Berlis (to December 2014)
- Alanna Davis (to September 2014)
- Amanda Francis
- Sue Hayes
- Magda Kaczmarek
- Luke Smee
- Corinne Smith
- Joanne Swindley
- Simon Thompson
- Pauline Thorn (to October 2014)
- Emily Wannan

ADR

ADR has continued to thrive in the ACT this year, with the ACT Magistrates Court in the process of developing a new set of procedures to promote ADR and the Supreme Court maintaining its listing of mediation blocks.

The committee has maintained its commitment to promoting the use and understanding of ADR in the legal profession. In particular, members of the committee have spoken about ADR at various conferences throughout the year, including a talk on “The Role of the Mediator” at the Law Society’s two day intensive seminar program in February 2015 and a presentation by Greg Brackenreg on “Resolving Commercial Issues through Effective Negotiations” through Legalwise seminars.

This year we have farewelled Nithya Sambasivam and Claudia Maclean and recently welcomed Steven Lancken into the fold. I wish to thank all members for their dedication and assistance throughout the year.

— *Kim Lackenby*

Committee Members

- Kim Lackenby (Chair)
- Rod Badgery
- Graeme Blank
- Greg Brackenreg
- Annie Glover
- Stephen Herrick
- Harry Kay
- Steve Lancken (from March 2015)
- Claudia Maclean (to December 2014)
- Bryan Meagher
- Nithya Sambasivam (to December 2014)
- Caterina Salsone
- Emma White
- Jane Woodward

Civil Litigation

2014-15 has seen an ongoing and strong commitment from members of this committee. There has been a wide variety of issues relating to the conduct of civil litigation in the ACT, which have come before the committee and received attention.

One of the major matters that has been under consideration is the proposal by the ACT government to exit the Commonwealth compensation scheme for ACT government employees (the *Safety, Rehabilitation and Compensation Act 1988*) and to set up its own ACT government employees workers’ compensation scheme. In response to the fairly limited information released by the ACT government, the committee’s members contributed to a joint working party with Australian Lawyers Alliance and the ACT Bar Association in preparing a detailed submission about what appeared to be an unsatisfactory

model which was proposed by the ACT government. The working party has suggested that such workers should be brought under the *Workers Compensation Act 1951*, which already provides for workers’ compensation cover for private employees. This is an ongoing matter and will be the subject of further consideration in the months ahead.

In a related matter, the committee had to consider changes in the way that ACT workers’ compensation matters were dealt with by the Magistrates Court. This is an issue that was raised in our report last year. I am pleased to say that the Court adopted some of the recommendations put forward by the committee and the ACT Bar Association, which led to the enactment of new Rules under the Court Procedures Rules to deal with workers’ compensation matters. The committee will monitor the ongoing implementation of those Rules and provide further feedback.

The last 12 months has also seen the commencement of a new Civil Practice Direction which extends to all civil matters in the Magistrates Court and Supreme Court. The committee was able to provide some input to Associate Judge Mossop in relation to the contents of the Practice Direction and will monitor the ongoing implementation of the Practice Direction and seek to have positive input in terms of any issues that might arise.

I also have continued in my role as the Law Society’s representative on the Joint Rules Advisory Committee, which deals with all amendments to the Court Rules and other related matters. From time to time, members of the Civil Litigation Committee have raised issues concerning civil practice which have been relayed to the Rules Committee and led to changes or guidance in terms of civil practice. This has been of great benefit to those practising in the area.

We have continued to liaise with our committee member representatives from the Courts and ACAT and we find it of great value to have first-hand information about what is happening in the Courts.

Once again, the members of the Civil Litigation Committee have been ready, willing and able to contribute on various issues and I thank them for their efforts in that regard. I also express our gratitude to Heather Jackson for her excellent support of the committee.

— *Richard Faulks*

Committee Members

- Richard Faulks (Chair)
- Graeme Blank (to December 2014)
- Angus Bucknell
- Richard Garnett (from August 2014)
- Annie Glover
- Steve Hausfeld
- Walter Hawkins

- John Henry
- Harry Kay
- John Little
- Sarah McJannett
- Athol Morris (to September 2014)
- Matthew Needham
- Amanda Nuttall
- Phil Schubert
- Kristy Soper (from January 2015)

Commercial & Business Law

The Commercial & Business Law Committee continued to enjoy strong support from the profession this year and was pleased to welcome a number of new members. Committee members are drawn from both private and government sectors and, of those practising within the private sector, firms ranging from large to sole practitioner. The committee therefore has a significant range of skills and experience.

A number of interesting issues have been considered or discussed at committee meetings this year. These include:

- issues associated with the Mr Fluffy buyback scheme and its implications for legal practitioners;
- notice provisions in contracts and revised service levels muted by Australia Post;
- continued efforts to seek amendments to the *Powers of Attorney Act*;
- proposed anti-money laundering legislation (tranche 2) and the significant impact the legislation (if enacted) will have for legal practitioners; and
- a more focussed attempt to scrutinise the ACT legislative program.

In the coming months, the committee has earmarked a number of matters for attention including the *Duties Act* and the *Associations Incorporation Act*.

The committee was pleased to benefit from a number of presentations this year, including business insurance and the federal anti-money laundering legislation.

I would like to thank committee members for their time and effort over the past year in participating in and contributing to the activities of the committee. In particular, I would like to thank John Irvine, who was Chair of the committee until January 2015 and continues to be actively involved in the committee.

— Dianne O'Hara

Committee Members

- Dianne O'Hara (Chair) (from January 2015)
- Allan Bedford
- Edward Campbell (from March 2015)
- Harin Chandradeva (from March 2015)

- Brendan Cockerill (from March 2015)
- Michelle Finegan (to September 2014)
- Emilie Franklin (from May 2015)
- Doug Gillespie (to December 2014)
- Lauren Gray (to May 2015)
- David Hanstein (to December 2014)
- John Irvine
- Andrea Jamieson (from March 2015)
- Richard Lewis
- Chris Macphillamy
- Geoff Nicoll (to December 2014)
- Lora Shaw
- Brian Tetlow (to December 2014)
- Vik Sundar (from March 2015)
- Jason Wenning
- Amanda Wescombe

Complaints

The Complaints Committee has completed another busy year which has included a number of changes in membership. After four years of valued contribution, Tracey Mylecharane stepped down from the committee. The committee welcomed Julie Dobinson, Craig Lynch, Scott Pearsall and Darryl Perkins this year.

The committee dealt with 98 formal complaints received during the reporting year, two less than the previous year. In addition to the handling of formal complaints received, our Professional Standards Manager, Robert Reis, and Complaints Secretary, Linda Mackay, have dealt with approximately 500 enquiries received from practitioners and 900 from members of the public.

Many enquiries have the potential of becoming formal complaints. However through the cooperation of the enquirer and the practitioner facilitated by Mr Reis and Ms Mackay, the issues of concern are successfully addressed in most cases without engaging in the formal complaint process.

To assist practitioners, an analysis of the complaints received has been carried out. This analysis indicates the type of conduct raised in the complaints. In relation to the type of the complaints, the major areas of law and concern were:

Area of Law	Complaints
Family Law	25
Conveyancing	18
Civil Litigation	21
Criminal Law	16
Personal Injuries/Medical Negligence/ Workers Compensation	5
Wills & Probate	7
Employment	4
Other	6

Type of matter	Complaints
Costs	11
Communication and services (failure to carry out instructions, acting without instructions, bullying, delay, discourtesy, lack of competence and diligence, lack of communication)	55
Trust account matters	1
Personal conduct (negligence, misleading behaviour, conflict of interest)	20
Non-compliance	11
Other (general conduct)	8

Of note, there has been an increase in practitioners complaining about fellow practitioners.

The Complaints Committee is well placed to gauge any escalation in complaints received about specific types of conduct over a given period. To assist members the committee refers such conduct to the CPD program and/or through articles by the Professional Standards Manager.

Complaints that could result in disciplinary action are referred to the Council of the Law Society for further consideration. The Council has the discretion to either summarily conclude or prosecute the complaint. Prosecution of complaints under section 419 of the *Legal Profession Act 2006* are referred to the ACT Civil and Administrative Tribunal (ACAT).

During the reporting period, 19 complaints were dismissed pursuant to section 399 without requiring an investigation, 55 were dismissed pursuant to section 399 following an investigation and 17 were dismissed pursuant to section 412 following the completion of an investigation. Three complaints were summarily dealt with pursuant to section 413 and nine matters were filed with the ACAT. Of these matters the ACAT recommended the removal of two practitioners from the ACT Supreme Court Roll.

There are currently 18 disciplinary matters filed in ACAT or the Supreme Court. Furthermore there are 13 matters before the Council of the Law Society for consideration whether disciplinary action through the ACAT is required.

My gratitude is extended to Robert Reis and Linda Mackay and all members of the committee for their hard work and dedication over the past year.

— *Ross Reid*

Committee Members

- Ross Reid (Chair)
- Allan Bedford
- Mary Burgess
- Amy Burr

- Sally Campbell
- Michael Deasey
- Julie Dobinson
- Jim Dunn
- Maurice Falcetta
- Bridie Harders
- Vivien Holmes
- Gavin Howard
- Ken Hubert
- Craig Lynch
- Scott Pearsall
- Darryl Perkins
- John Solomon
- Alisa Taylor
- Mark Tigwell
- Gillian Yeend

Criminal Law

The last year has been busy for the Criminal Law Committee. This was the first full twelve month period of the new meeting structure. Under the new structure the committee alternated the meeting type each month. In the first meeting members of the society meet to discuss and formulate responses to legislative reform, changes to court procedures and the like. In the other month stakeholders from other organisations in the ACT criminal justice system are invited and provide updates to the committee. The stakeholders include the Courts, the Office of the Director of Public Prosecutions, the Justice & Community Safety Directorate and Corrective Services. The combination of these two separate types of meeting offers a continuation of the long standing role of the committee as a stakeholder forum whilst also freeing up time for discussion of matters that have particular significance to members and allow private consultation for the purpose of preparing responses to proposals advanced by other stakeholders in the criminal justice system.

I wish to publicly thank all those who have contributed to both meeting groups over the last twelve months. The discussions that have been fostered in these meetings have allowed the Society to comment on a large range of issues impacting upon the administration of justice in the Territory. It is certain that into the future the pace of reform and revision of the criminal law will not slow and the Criminal Law Committee members will continue to be called upon to read and comment upon extensive legislative proposals. I am sure they will continue to do so for the betterment not only of the Law Society but also for the betterment of the laws of the ACT.

— *Michael Kukulies-Smith*

Committee Members

- Michael Kukulies-Smith (Chair)
- Lorana Bartels
- Sarah Boxall (from January 2015)

- Jane Campbell (from January 2015)
- Helen Cory
- Richard Davies
- Paul Edmonds
- Andrew Fraser
- Shane Gill
- Annie Glover
- Janet-Lee Hibberd
- Michael Lalor
- James Lawton
- Brian Liddy (to December 2014)
- Cindy Lim (to December 2014)
- Craig Lynch (to December 2014)
- Victor Martin
- Amanda Nuttall
- Jacob Robertson
- Peter Woodhouse

Elder Law & Succession Law

Judy Morris stepped down as Chair of the committee at the end of 2014. I am grateful for Judy's leadership of the committee over the past few years and that she has continued to contribute as a committee member in 2015.

The committee has seen some changes to membership over the past 12 months, but continues to be well represented by members from private practice, Commonwealth and ACT Government, the ACT Supreme Court, the ACT Public Trustee, the ANU College of Law, and COTA (ACT).

The committee has been actively engaged in reviewing relevant law reform proposals and considering potential areas for change.

Following amendments to the limitation period in the *Family Provision Act 1969* (ACT) in May 2014, the committee made recommendations for further amendments to the *Administration and Probate Act 1929* (ACT), including:

- ss 126 and 127 to create a statutory right for certain persons to have access to a deceased person's Will; and
- provision for a prescribed Notice of Intended Distribution.

The committee is also currently preparing submissions or feedback on a number of law reform proposals:

- Review of the *Guardianship and Management of Property Act 1991* (ACT) undertaken by the Law Reform Advisory Committee.

My thanks to Tim Morton and Glenda Bloomfield in regards to the preparation of the draft submission and participating in an ACAT Roundtable.

- Review of the *Powers of Attorney Act 2006* undertaken by the Justice & Community Safety Directorate with regard to participation in medical research of people with impaired decision making capacity.

My thanks to Katie Binstock in regards to the preparation of the draft submission.

- Review of the *Retirement Villages Act 2012* (ACT) undertaken by the Justice & Community Safety Directorate.

My thanks to Judy Morris for representing the Committee on the Review Advisory Group.

- Ongoing consideration of how to address elder abuse and whether specific legislation is warranted

In this regard, the committee has considered the current state of law in the ACT regarding elder abuse, spoken to AFP Liaison Officers regarding elder abuse from a police perspective, and participated in a forum convened by COTA (ACT). The committee continues to consider whether specific legislative reform is necessary and what further steps we can take to enhance non-legal support and services to tackle elder abuse.

The committee has enjoyed hearing from and gained valuable insights from a number of guest speakers including:

- Linda Crebbin, President of ACAT;
- Lina Webber, Senior Liaison Officer, and Jason Thurgar, Team Leader of the Australian Federal Police; and
- Andrew Taylor, the ACT Public Trustee.

The committee has taken a number of opportunities to engage with the Canberra community on issues relating to elder law and succession law.

In March 2015, several members of the committee volunteered at the ACT Law Society stall at the Seniors' Expo at Thoroughbred Park.

In May 2015, as part of Law Week, members of the committee provided free seminars on Wills and Powers of Attorney at various community groups throughout Canberra.

In June 2015, a number of members of the committee participated in a forum on Challenging Elder Abuse in the ACT which was convened by COTA (ACT).

These have been wonderful opportunities for the committee to connect with the public and promote the Law Society and the important issues of elder law and succession law in the community.

The committee has sought to have greater engagement with practitioners for the purpose of educating practitioners and raising the profile of elder law and succession law as important and relevant areas of practice.

We have tried to achieve this through educative articles in *Ethos* and notices in *Hearsay* of changes to legislation, rules or practice.

As Chair, I am grateful for the enthusiasm and dedication of my committee members and look forward to another productive year ahead.

— *Rebecca Tetlow*

Committee Members

- Rebecca Tetlow (Chair from January 2015)
- Judy Morris (Chair to December 2014)
- Ashley Arthur (from June 2015)
- Katie Binstock
- Glenda Bloomfield
- Sarah Cramond (from January 2015 to May 2015)
- Geoff Gunton (to February 2015)
- Pam Jenkins
- Stephen Kellett (from May 2015)
- Grant Kennealy
- Jill McSpedden (to December 2014)
- Barbara Maguire (to December 2014)
- Tim Morton
- Shelley Mulherin (to August 2014)
- Mark Phillips
- Peter Prince (to May 2015)
- Paul Salinas
- Sue Schreiner (from March 2015)
- Loretta Zamprogno

Equalising Opportunities in the Law

The Committee met on one occasion during the year and discussed a range of issues of interest to the members. Reports were received on activities of the Law Council of Australia' EOL Committee, the Bar Association and the Women Lawyers Association.

Committee Members

- Allyson Hogan (Chair)
- Juliet Behrens
- Pru Bindon (from October 2014)
- Amanda Gilkes
- Justine Harper
- Julia Heinze
- Helen Rodriguez
- James Sabharwal

Family Law

The Family Law Committee continues to meet on a monthly basis and addresses issues arising in the often changing world of family law. Issues relating to law reform, client experiences and challenges facing the profession are regularly explored.

In the last twelve months, the committee has continued consider, address, report and advocate around a number of key matters, including:

- changes to the Rules of Court (in both the Family Court and the Federal Circuit Court) and ensuring information is shared within our community about these;
- developing a list of key family law authorities for inclusion on the Law Society's website to assist practitioners in their day to day engagement in family law;
- engagement with the Justice & Community Safety Directorate around reform to the ACT Parentage Act in light of certain jurisdictional anomalies;
- consideration and exploration of the development of free legal advice outreach programmes in ACT hospitals, to support patients experiencing family violence;
- the creation of a sub-committee to consider and review the *Guidelines for Lawyers* for practitioners engaged in Children's Court proceedings;
- creation and publication on the website of a list of qualified and experienced family law mediators; and
- considering and reporting on matters under consideration by the Family Law Council.

The committee has a range of standing items that are considered either at each meeting or as circumstances may indicate including:

- matters being considered by the Family Law Section of the Law Council of Australia (with regular reports from Denis Farrar);
- social justice issues;
- opportunities for continuing legal education;
- collaborative law;
- the Canberra Region Family Law Practitioners' Association;
- alternate dispute resolution;
- case watch; and
- aspects of practice including relating to acting for children.

The committee has organised a number of social functions this year, attended by members of the Courts, the profession and the family law community more widely.

We are continuing to develop a programme for continuing legal education with a range of topics under consideration including:

- binding financial agreements (BFAs);
- Notices of Risk and the work of Independent Children's Lawyers (ICLs);
- advocacy training;
- guidance for younger practitioners; and

- coping with failure, maintaining good mental health and other personal challenges for practitioners.

The committee continues to be fortunate in our strong relationship with the Courts and through regular liaison with our Judges, important issues for the profession can be shared and explored.

We have welcomed two new members to the committee this year (Amanda Di Placido and Cristina Huesch) and we continue to look forward to further dynamic engagement on behalf of our members.

— *Di Simpson*

Committee Members

- Di Simpson (Chair) (from January 2015)
- Rhonda Payget (Chair) (to December 2014)
- Adam Bak (to December 2014)
- Stephen Bourke (to December 2014)
- Mary Burgess
- Brooke Crompton
- Amanda Di Placido (from May 2015)
- Andrea Evans
- Denis Farrar
- Gavin Howard
- Cristina Huesch (from May 2015)
- Liz Keogh
- Pam Lyndon (to December 2014)
- Philippa Spence (from October 2014)
- Carlos Turini

Functions & Law Week

The weather was kind (at last) to our annual golf day. A variety of demographic and social factors mean that the attendance keeps diminishing so we need to find ways to acquaint our newer members with this gentle art.

The venue change worked wonders for the celebration/ Welcome to the New Legal Year with a large attendance at the Supreme Court.

We continue to attract good crowds to our members lunches with a good mixture of the old (Jewel of India), the tried and true (The Chairman and Yip) and a new star (Akiba).

Law Week had an obvious national theme with “Magna Carta: Commemorating 800 Years”, with an emphasis on rights and social change.

Professor George Williams gave a fascinating paper for the Blackburn lecture noting the bi-partisan trend of legislation over the last five years to remove traditional rights. A disturbing trend indeed!

Australian of the Year, Rosie Batty, headlined the Women Lawyers Dinner at the Lobby and she also gave her time to the Women and Justice forum on “Domestic Violence”.

The Young Lawyers Quiz experimented with a new venue at the Press Club (The Canberra Club being a hole in the ground) with great success. It was a well organised night with Mills Oakley the winners.

This year we rang soccer and netball competitions, both of which were a success. The winners were Kazar Slaven (soccer) and DLA Piper (netball). A big thanks to ANU Sport and Jennifer Newman (Blumers Personal Injury Lawyers) respectively for organising these events.

The wills day is gradually getting traction and with the Supreme Court tours is a means of directly educating the community in Law Week.

Slow progress is being made on a family friendly event.

In the meantime conviviality has survived another year despite timesheets and the encroachment of work on our social life.

Thanks to our sponsors through the year:

- Arthur J Gallagher and Nexia Australia (members’ lunches)
- Vincents Chartered Accountants (Ambrose Golf Day main sponsor)
- Moray & Agnew Lawyers (Ambrose Golf Day supporter)
- Arthur J Gallagher and Vero Insurance (Ambrose Golf Day prize support)
- Lawcover (Law Week main sponsor)
- Farrar Gesini Dunn (Law Week Women & Justice Forum supporter)
- Women’s Legal Section of Maurice Blackburn Lawyers (Law Week Dinner supporter)

Finally, succession remains an issue but watch this space!

— *Bill Redpath*

Committee Members

- Bill Redpath (Chair)
- Paul Armarego (from November 2014)
- Adam Bak
- Rod Barnett
- Chris Harris (to November 2014)
- Cristina Huesch
- David Metcalf
- Jennifer Newman (from November 2014)
- Jamie Ronald
- Cindy Lim (Young Lawyers representative)
- Jacquelyn Curtis (Women Lawyers representative)
- Svetlana Todoroski (ACT Bar representative)

Table 2: Law Society Functions 2014-15

Date	Event	Location	Attend.
Friday, 18 July 2014	July Members' Lunch	Lemon Grass Thai	60
Friday, 29 August 2014	Annual Dinner	Old Parliament House	137
Tuesday, 16 September 2014	Prof Jack Richardson Memorial Oration	National Portrait Gallery	50
Thursday, 25 September 2014	September Members' Lunch & AGM	Jewel of India	50
Saturday, 8 November 2014	Meditation & Self-defence course	Lennox Gardens	7
Thursday, 4 December 2014	Christmas Members' Lunch	Chairman & Yip	75
Monday, 2 February 2015	Procession and Celebration Ceremony to welcome the New Legal year	Courtroom 1, ACT Supreme Court	80
Thursday, 12 February 2015	Government Law Drinks	Kremlin Bar	40
Thursday, 5 March 2015	March Member's Lunch	Akiba	59
Thursday, 19 March 2015	Ambrose Golf Day	Gold Creek Country Club	40
Thursday, 7 May 2015	Law Week Netball	Lyneham Netball Centre	13 teams
Monday, 11 May 2015	Law Week Launch and ACT Golden Gavel	Centre on China in the World	105
Tuesday, 12 May 2015	Sir Richard Blackburn lecture	Pilgrim House	160
Wednesday, 13 May 2015	Women and Justice Forum	ANU Commons	160
Wednesday, 13 May 2015	Law Week dinner	The Lobby Restaurant	142
Thursday, 14 May 2015	Alternative Law Journal public lecture	ANU Commons	33
Thursday, 14 May 2015	Law Week quiz night	National Press Club	288
Friday, 15 May 2015	Law Week Soccer Semi Finals & Grand Final	Willows Oval, ANU	20 teams
Friday, 15 May 2015	ACT Bar Association Drinks	Treehouse Bar	46
Saturday, 16 May 2015	ACT DPP Mock Trial	ACT Supreme Court	15

Government Law

The Government Law Committee has a focus on government lawyers and private practitioners involved with government law, both Commonwealth and ACT. The committee is comprised of lawyers from the Commonwealth, the ACT and private practice and has met five times over the last financial year. Committee members have contributed to the presentation of two CPD afternoons, four evening drinks functions and to the Society's consideration of a number of issues concerning government law.

Following approval by the President on 9 September 2014, the committee's name was changed from Government Lawyers' Committee to Government Law Committee. The original name suggested that the committee was limited to government lawyers, whereas

the reality is that the committee was comprised of both public and private practitioners who practise in the area of government law. The committee recommended the new name as more reflective of the work and composition of the committee, and in recognition that many private practitioners are engaged by government agencies to provide advice, engage in litigation and perform statutory functions.

The committee held CPD afternoons covering each of the three CPD areas on 12 November 2014 and 17 March 2015. These attracted a high number of attendees with 76 practitioners attending during the November afternoon and 71 practitioners in March. The committee has determined that its CPD afternoon in November 2015 will cover all four CPD areas following changes this year to the professional training scheme.

The committee also organised four evening drinks functions at which an invited guest spoke about the relevance of their work within the government law arena.

These guests were:

- Chris Reid, General Counsel, Department of Health (Cwlth), on 7 August 2014;
- Alison Playford, Director-General, Justice & Community Safety Directorate (ACT), on 21 October 2014;
- John Reid, First Assistant Secretary, International Law and Human Rights Division, Attorney-General's Department (Cwlth), on 12 February 2015; and
- Gary Tamsitt, Associate Professor and Director, ANU Legal Workshop, on 30 April 2015.

The committee was pleased to co-host the drinks function on 21 October 2014 with the Young Lawyers' Committee.

The committee is proud to announce the creation of a new award, the Government Law Award. Beginning this year, this award will recognise the outstanding contributions by a practitioner working for or within government. It is hoped that this award will raise the awareness of the substantial contribution that government law practitioners make to the legal profession and to the community.

I'd like to thank the committee members for their enthusiastic support for the committee's agenda and for providing input into Law Society submissions as requested. Special thanks must go to Chase Deans, the Society's policy officer, for supporting the committee with all of its administration until his departure from the Law Society late 2014 to enter private practice. Jacqueline Gartland has admirably occupied this role since then and on behalf of the committee I'd like to thank her for her valuable contributions.

— *Peter Cain*

Committee Members

- Peter Cain (Chair)
- Sasha Bellamy
- Alex Brook (to 14 November 2014)
- Caroline Bush
- David Fintan
- Louise Futol (from 9 January 2015)
- Rohan Goyne
- Tess Hemming (to 30 June 2015)
- Brian Kildea
- Katrina Leach (from 12 January 2015)
- Timothy Matthews (from 9 June 2015)
- Athol Opas
- Christine Plevy
- Anne Saunderson
- Lora Shaw
- Tetyana Wotton
- Andrew Yuile (to 6 July 2015)

Industrial Relations

The Society's Industrial Relations Committee meets to consider industrial relations and employment issues relevant to the profession in the ACT and, through the Society, to advise members of developments in this area where appropriate.

This year, issues that the committee has considered include:

- ensuring access to justice in employment law areas (including promotion of educative material on the Society's website for employers and employees and consideration of the impact of costs),
- the issue of non-legal professionals preparing instruments such as enterprise agreements for a fee,
- CPD seminars for inclusion in the Society's Program (including employee restraints and workplace investigations),
- preparation of an article for *Ethos* on the engagement of nannies, housekeepers and au pairs, and
- generally informing practitioners of recent changes in employment and industrial law.

— *John Wilson*

Committee Members

- John Wilson (Chair)
- Allison Ballard
- Alan Campbell (to May 2015)
- Susan Dalliston (to December 2014)
- Jessica Hughes (from June 2015)
- Andrew Klein (from June 2015)
- Deborah Mackenzie
- Don Malcolmson
- Jamie Ronald
- Rebekah Smith (from May 2015)

Legal Profession Act & Ethics

The committee met face to face on six occasions throughout the year to deal with a whole raft of issues and matters referred to it by the Executive, a great number of which were thought provoking and the subject of considerable discussion.

In addition, the committee also dealt with a substantial number of referrals out of session, many of which were no less stimulating.

Some of those issues were:

- a significant report to the Working Group of the Law Council of Australia on Percentage Based Contingency Fee Agreements;
- a recommendation to amend the *Legal Profession Act 2006* (Act) to enable the Society to remove the name of a deceased practitioner from the Disciplinary Register,

as well as to remove a practitioner's name and details from the Register after five years;

- a recommendation to amend the Act empowering the ACT Civil & Administrative Tribunal (ACAT) at its discretion to award costs in matters involving an unsuccessful appeal by a complainant from a decision of the Council dismissing a complaint;
- principles surrounding the offsite storage of files;
- ethical issues including duty of confidentiality when confronted with a client threatening suicide or imminent self-harm;
- the *Legal Profession (Solicitors) Rules* having no application to government lawyers who do not hold practising certificates;
- recognising the actual client when instructions to a practitioner emanate from a debt collection agency;
- a review of the layers of appeal available to a practitioner following a recommendation by ACAT that the practitioner's name be removed from the Roll;
- ACT practitioners conducting NSW estate matters not being entitled to charge more than the NSW cost scale in relation to the probate grant itself, but able to rely on a costs agreement for administration costs; and
- the ethical position of practitioners with a former retainer from a husband and wife or two partners in relation to mirror wills and subsequently instructed by one party to amend his or her will.

The majority of the above matters have been dealt with and, where appropriate, have or will be reported to members of the profession through *Ethos*, *Hearsay* or the Society's website. Other matters remain a work in progress.

Finally, I again extend my thanks to our Committee administrator, Heather Jackson, and to fellow members of the committee who have given generously of their time and expertise.

— *Michael Phelps*

Committee Members

- Michael Phelps (Chair)
- Paul Armarego
- Madelin Bayer
- John Buxton
- Jennifer Crawley
- Bryan Meagher SC
- Mark Love (from May 2015)
- Athol Opas
- Rob Reis
- Gerald Santucci
- Di Simpson
- Ross Watch
- Mark Love

Military Law

Members of the Military Law Committee include Australian Defence Force Legal Officers, both regular and reserve, private practitioners and academics with an interest in military law, and Government lawyers, including those working in the area of Defence.

This year the committee met on three occasions and considered a range of matters.

The committee continues to work on identifying a range of military-specific topics that overlap with broader practice areas within the ACT that would be suitable for seminars to be included in the Society's CPD program.

The committee also continues to monitor and consider matters of relevance to military law, military service and government and private practice in the ACT.

The Committee is continuing to develop its agenda and welcomes membership from all areas of the profession.

— *Military Law Committee*

Committee Members

- Ben Biddington (Chair from January 2015 to April 2015)
- Don Malcolmson (Chair to December 2014)
- Jackson Balme (from June 2015)
- Barbara Campbell (to December 2014)
- Richard Cawte (to December 2014)
- Richard Crane
- Paul Crabb (to December 2014)
- Natalie Cujes
- Rod Hellebuyck (from January 2015)
- Kelly James (to December 2014)
- Josh Kelly (to June 2015)
- James King
- Peter Sutherland
- Glenn Theakston

Practice Management

With outstanding guidance from Linda Mackay and Robert Reis, the committee has run two more successful courses for members aspiring to obtain their first unrestricted practicing certificates.

A total of 47 attendees reported enthusiastically on the calibre of the courses which were each run over a single long weekend.

The committee is continuing to evaluate the course content to ensure its relevance to members, both from the private profession and the Government sector.

I thank the other members of the committee for their insight and input into the committee.

— *Bill Baker*

Committee Members

- Bill Baker (Chair)
- Graeme Blank
- Paul Crawford
- Phillip Davey
- Gary Tamsitt
- Robert Reis
- Paul Vane-Tempest

Property Law

The Property Law Committee had a busy 2014-15 year. We continue to meet monthly, and have some subcommittees that meet in addition to the monthly meetings.

Our red-tape reduction subcommittee submitted a comprehensive report on various areas of Government red tape that could be reviewed. In the short term we were successful in legislative amendment to remove the requirement of signatories of a power of attorney to sign a statutory declaration attesting to due execution of the power of attorney.

The Conveyancing Working Group (subcommittee) in conjunction with Chris Donoghue was created, and continues to meet with members of the ACT Government (specifically the ACT Revenue Office) in relation the designing, creating and integrating new software and processes for lodgement, assessment and payment of stamp duty.

On eConveyancing, we continue to push Government to finance the Office of Regulatory Services for an overhaul of its systems, to allow for inclusion in eConveyancing.

In the wake of discovery of ‘scams’ operating in the ACT we met with the Registrar General to discuss options for avoidance of registration of fraudulent transactions (due to identity theft).

On the topic of Asbestos Remediation (Mr Fluffy), the committee has been on the front foot of negotiations with the Asbestos Taskforce, most notably in relation the documents used under the Buyback Scheme. We also made written and verbal submissions to the Legislative Assembly in relation to the appropriation bill.

We have been busy trying to rectify logistical problems with the relocation of the ACT Revenue Office. This includes an interim solution of online lodgements, assessments and payments of duty, however is an ongoing issue. We have been unable to find a solution to allow parties to pay duty ‘on settlement’.

The Shopping Centre Council sought a review of the Agents Act to carve out some commercial agents from various requirements. The committee made a written submission on this issue.

We ran our always popular Property Law Afternoon, which was extremely well attended, most notably for the

Asbestos Taskforce presentation, but also for FIRB issues, e-Conveyancing update, and representatives of ACTPLA attended to present on s.298 consents and land rent payout applications.

Other items of note:

- Uniform Torrens Title Act — the committee affirmed the position of Law Council;
- *Anaghi and Dorsett* — we continued to alert members to the position taken by the ACT Revenue Office following this decision;
- long term lease duty has been removed and replaced with ‘lease with premium’ duty;
- *Cassegrain* case — *Hearsay* article published;
- Unit Titles Review — the committee has made a detailed submission on areas within Unit Titles that should be reviewed by Government.

I sincerely thank the members of the committee who generously give of their time and expertise, many of whom have done so for a long time. Their hard work and efforts provide a great benefit to all members of the profession and ultimately to the community we all serve.

— *John Chamberlain*

Committee Members

- John Chamberlain (Chair)
- Maggie Chapman
- Alfonso del Rio
- Ruth Harris
- Geoff Hay
- Mussa Hijazi
- Michael James
- Pam Jenkins
- Roberta McRae
- Adam Peppinck
- Mark Poretti
- Murray Raff
- Helen Rodriguez
- Peter Romano
- David Toole
- Peter Waight
- Chris Wheeler

Young Lawyers

The ACT Young Lawyers Committee meets once a month with the aim of advancing the interests of young lawyers within the ACT through various means, including regular social, networking and professional development events.

In 2014-15, the Young Lawyers LinkedIn page was launched to circulate information. We are hopeful the page will continue to gather momentum and can be more widely utilised in the years to come to facilitate discussion across our membership.

The LinkedIn page follows the successful launch of our Facebook page during the 2013-14 year. Our Facebook page continues to grow and, as at the time of writing, had 580 'likes'. The committee is pleased with the ongoing success of our Facebook page and continues to use it to disseminate information to members about our events and professional development opportunities. In recent months, the page has also been used to share information about the personal endeavours and successes of individual members.

The committee's calendar continues to be filled with a large number of well-attended social events. We are pleased to have hosted the following events during the 2014-15 year:

- Commencement of Legal Year Lawn Bowls;
- Young Lawyers Drinks (every two months);
- Young Lawyers Ball;
- Wine Tasting Day at Long Rail Gully in Murrumbateman; and
- Christmas Garden Party at the Gardens of Old Parliament House.

I extend particular thanks to Amanda Di Placido and Sarah Boxall who have been coordinating our Young Lawyers Drinks and have successfully raised the profile and popularity of the event in recent months. These drinks continue to coincide with admission ceremony dates and provide an opportunity for us to welcome and build relationships with newly admitted solicitors in a relaxed environment. I also thank James Lawton of the ACT Bar who has assisted the committee in moving a significant number of admissions over the last year.

Of note in this year's social calendar is our Casino Royale themed ball. This year saw the committee venture outside of the legal sphere by hosting a young professionals event at the National Museum of Australia, extending invitations to all young professional groups in the ACT. The event was nothing short of a success, seeing more than 260 guests attend (more than twice that of the previous year). I extend thanks to all of the committee members involved in organising what was our most onerous event in recent years, as well as our generous sponsors, Vincents Chartered Accountants and Maurice Blackburn.

In addition to an extensive social calendar, the committee continues to facilitate engagement of our membership in the community. This year, the committee organised a team for the Canberra Mega Swim, raising funds for Multiple Sclerosis Australia. The team successfully attained the position of First Runner Up, having fundraised the second highest amount overall in the Territory. Congratulations to all who participated on the team.

The committee also continues to organise two major CPD events a year, supported by smaller professional development opportunities intermittently. This year saw the launch of our New Lawyers Workshop held in conjunction with the Australian National University to assist newly admitted solicitors to 'hit the ground running'. My thanks to Senior Deputy Registrar Kennealy of the Supreme Court, Registrar Nuttall of the Magistrates Court, Dan Crowe of the ACT Bar, Jon White SC and Rachel Bird for facilitating interactive presentations for this Workshop. The committee hopes to continue to provide this opportunity to newly admitted lawyers on an annual basis.

In support of the efforts of our professional development programs, the committee also continues to run its Mentor Program. The program pairs mentees with mentors with a view to providing an external point of contact for professional and personal support and advice. The committee continues to review the program on a six-monthly basis so that it can be improved with each new intake.

The first five years of practise for a solicitor can be a daunting time and the committee endeavours to provide a wide range of social, networking and professional development events which ensure new solicitors are provided avenues for support. Our calendar is incredibly busy and only functions due to the dedication and commitment of its volunteer executive and members. For this, each and every one deserve recognition, appreciation and thanks.

— *Cindy Lim*

Committee Members

- Cindy Lim (Chair)
- Kim Back
- Jackson Balme (from May 2015)
- Sarah Boxall
- Lara Deards (to January 2015)
- Amanda Di Placido
- Hassan Ehsan (from November 2014)
- Tess Hemming
- Emma Hlubucek (from December 2014)
- Caroline Hickey
- Kahlia Jenkins
- Joshua Kelly (to May 2015)
- Angela Li (from November 2014)
- Kavina Mistry
- Liz Murphy (from November 2014)
- Melita Parker (from February 2015)
- Patrick Polis (from November 2014)
- Ken Powell (from November 2014)
- Lisa Sherman (from November 2014)
- Mark Smith
- Mitchell Strachan (to September 2014)
- Adam Vilaca (from November 2014)

Non-Reporting Committees

The following committees did not submit reports. They are still active committees of the Society and have met during the past financial year.

- International Lawyers

Treasurer's Report

I am pleased to present the Annual Report on the Society's Accounts for 2014-15.

Overview of accounts

General Account

This account covers the income and expenditure relating to the general operations of the Society.

Statutory Deposits Trust Account

This account comprises deposits of solicitors' trust moneys lodged with the Society to earn interest which is paid into the Statutory Interest Account.

Statutory Interest Account

This account accumulates the interest earned on funds deposited in the Statutory Deposits Trust Account together with interest earned on the balances in solicitors' trust accounts. The Society makes grants from this account to the Legal Aid Commission and other community legal aid centres. The costs of disciplinary proceedings and general legal costs related to legal practitioners are also funded from this account.

Solicitors' Fidelity Fund

The Fidelity Fund exists to meet any claims by clients for compensation in respect of loss arising from a solicitor's failure to account for trust funds or other valuable property. The costs of random inspections, investigations and the appointment of managers are met from this Fund.

General Account

The General Account recorded a surplus of \$120,763 which increased the Society's accumulated funds to \$1,455,295 as at 30 June 2015.

The Society had budgeted for a surplus of approximately \$41,500. The favourable result was predominantly due to higher than budgeted revenue from the income lines of practising certificate fees, CPD seminars, practice

management course income and sales of residential contracts and tenancy forms.

The Council continues to closely monitor all expenditure. At this stage it appears that the Society is likely to record a surplus for the 2015/16 financial year.

Statutory Deposits Trust Account

Total deposits at 30 June 2015 amounted to \$20,940,978 which is approximately a 7% increase on deposits held in the previous year.

Interest earned on statutory deposit funds invested in term deposits continues to be an important revenue component for the Statutory Interest Account, however returns remained low in the financial year 2014/15 and continuing low interest rates are expected to affect future earnings.

Statutory Interest Account

The Statutory Interest Account derives its income from interest on solicitors' statutory deposits, interest on the balance in solicitors' trust accounts, and from the investment of the funds held in the Statutory Interest Account itself.

The revenue received of \$2,116,121 was an increase of approximately 21% on the previous year. Although interest rates remain low, balances held in solicitor trust accounts from which the Society earns interest were at higher levels than previous years which resulted in an increase of interest received. Also the larger amount of balances held in the Statutory Deposits Account meant that there was a greater amount which could be invested in term deposits, in turn providing a higher amount of interest.

Higher interest revenue along with an increase in recovered disciplinary costs, helped offset the 39% increase in disciplinary costs. It is important to note that a large amount of the disciplinary costs are made up of ongoing complaints from previous years. The Society continues to pursue the recovery of costs incurred and further streamline the disciplinary process.

In recent years the Council has drawn on retained earnings to supplement the funds available for disbursement of grant funding however had noted that these draw-downs could not continue. For the 2014/15 financial year Council has agreed that an amount of \$1,079,530 will be allocated for grants to the Legal Aid Commission and other community legal aid organisations. This leaves the Statutory Interest Account in a break-even position.

Solicitors' Fidelity Fund

The accumulated funds of the Fidelity Fund increased by \$37,209 to a total of \$5,167,594 as at 30 June 2015.

This year's result included slightly less revenue due to lower interest rates but there was only a small claim on the Fidelity Fund which contributed to a higher overall result compared to the previous year.

The last actuarial assessment of the Fidelity Fund was completed in December 2013 and in that report \$5,000,000 was assessed as an appropriate level of net assets to cover potential claims on the fund. The next assessment is due in 2017.



Vik Sundar, Treasurer

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
ABN 60 181 327 029**

Financial Statements 30 June 2015



THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

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LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue	2	2,297,512	2,146,455
Audit fees		(14,775)	(14,000)
Capitation fees		(198,116)	(187,040)
Committee and executive working lunches		(18,625)	(19,154)
Consultancy fees		(20,110)	(1,620)
Depreciation expense	8	(65,751)	(65,584)
Employee benefits expense		(1,083,253)	(1,046,599)
Ethos magazine expenses		(27,074)	(23,477)
Functions and seminars		(207,942)	(185,045)
Gifts & Donations		(7,877)	(11,518)
Insurances		(28,899)	(24,781)
Membership services		(2,340)	(900)
Postage and couriers		(26,378)	(22,023)
President's allowance		(100,802)	(99,705)
Printing and stationery		(18,971)	(10,848)
Rent and related expense		(179,652)	(148,485)
Travel and accommodation		(8,665)	(9,380)
Other expenses		<u>(167,519)</u>	<u>(138,440)</u>
Profit for the year		<u>120,763</u>	<u>137,856</u>
Total comprehensive income		<u>120,763</u>	<u>137,856</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	4	1,928,363	1,672,841
Investments	5	455,000	726,774
Trade and other receivables	6	351,772	320,389
Inventory	7	552	205
Prepayments		<u>29,629</u>	<u>43,438</u>
Total current assets		<u>2,765,316</u>	<u>2,763,647</u>
Non-current assets			
Office furniture and equipment	8	554,495	133,932
Rental bond		<u>54,287</u>	<u>41,629</u>
Total non-current assets		<u>608,782</u>	<u>175,561</u>
Total assets		<u>3,374,098</u>	<u>2,939,208</u>
Current liabilities			
Trade and other payables	9	1,750,845	1,461,450
Provisions	10	<u>160,975</u>	<u>137,490</u>
Total current liabilities		<u>1,911,820</u>	<u>1,598,940</u>
Non-current liabilities			
Provisions	10	<u>6,983</u>	<u>5,736</u>
Total non-current liabilities		<u>6,983</u>	<u>5,736</u>
Total liabilities		<u>1,918,803</u>	<u>1,604,676</u>
Net assets		<u>1,455,295</u>	<u>1,334,532</u>
Equity			
Accumulated funds		<u>1,455,295</u>	<u>1,334,532</u>
Total equity		<u>1,455,295</u>	<u>1,334,532</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	1,334,532	1,196,676
Total comprehensive income for the year	<u>120,763</u>	<u>137,856</u>
Balance at the end of the financial year	<u>1,455,295</u>	<u>1,334,532</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from members and others		2,511,889	2,190,897
Payments to suppliers and employees		(2,089,236)	(2,092,512)
Interest received		<u>53,887</u>	<u>54,500</u>
Net cash inflow/(outflow) from operating activities		<u>476,540</u>	<u>152,885</u>
Cash flows from investing activities			
Receipts/(Payments) for investments		271,774	(10,033)
Proceeds from office furniture and equipment		629	-
Payments for office furniture and equipment		<u>(493,421)</u>	<u>(16,633)</u>
Net cash inflow/(outflow) from investing activities		<u>(221,018)</u>	<u>(26,666)</u>
Net increase/(decrease) in cash held		255,522	126,219
Cash at the beginning of the financial year		<u>1,672,841</u>	<u>1,546,622</u>
Cash at the end of the financial year	4	<u><u>1,928,363</u></u>	<u><u>1,672,841</u></u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Law Society of the Australian Capital Territory (the Society) is a statutory body incorporated in the Australian Capital Territory under the Legal Profession Act 2006.

These financial statements cover the Society as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 1 Farrell Place, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Society has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

The Society is exempt from income tax under section 50-25 of the Income Tax Assessment Act.

(b) Inventory

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any. Costs are assigned on the basis of the First In First Out (FIFO) Method.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Office Furniture and Equipment

Each class of office furniture and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The carrying amount of office furniture and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other costs (eg. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Society commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The expected useful lives are as follows:

Office furniture and equipment	3-10 years.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(f) **Investments**

Investments in bank bills and deposits are brought to account at cost and interest income is recognised in the statement of comprehensive income when receivable.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Trade and Other Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 120 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis.

(i) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Society prior to the end of the financial year and which were unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue from practicing certificates is recognised in the year to which the fees relate.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. The benefits due to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

(m) Provisions

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

(n) Comparative Figures

Comparative figures have been adjusted, where necessary, to conform to changes in presentation for the current financial year.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Society.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2015	2014
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Practising certificate fees	1,166,875	1,061,752
Members' subscriptions	17,110	15,606
Capitation fees	202,433	193,272
Reimbursement of expenses		
- Statutory Interest Account – administration*	75,165	70,712
- Statutory Interest Account – Legal Advice Bureau*	39,186	38,521
- Statutory Interest Account – professional standards*	121,808	121,780
- Solicitors' Fidelity Fund of the Australian Capital Territory – administration*	39,867	38,714
Profit on standard forms	78,692	78,884
Income from functions	107,293	100,628
Ethos advertising and subscriptions	16,437	9,914
CPD Seminars	159,681	138,145
Project Officer contributions	45,583	49,287
Certificates of good standing	18,300	15,191
Settlements Office contributions	59,904	57,371
Practice management courses	57,014	52,709
	<u>2,205,348</u>	<u>2,042,486</u>
Revenue from outside the operating activities		
Sponsorship	27,676	35,047
Interest	48,694	51,704
Miscellaneous income	15,794	17,218
	<u>92,164</u>	<u>103,969</u>
	<u>2,297,512</u>	<u>2,146,455</u>

* These amounts are received from entities managed and administered by the Society under the Legal Profession Act 2006.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 3 PROFIT FOR THE YEAR		
Included in the profit for the year are the following specific items of expenditure:		
Rental payments on operating lease	(167,481)	(136,193)
Depreciation	(65,751)	(65,584)
Superannuation contributions	(94,303)	(84,698)
Relocation expenses	(49,154)	-
Loss on disposal of assets	<u>(6,478)</u>	<u>-</u>
NOTE 4 CASH AND CASH EQUIVALENTS		
Cash on hand	300	300
Cash at bank – Law Society General Acc	1,884,719	1,629,217
Undeposited funds	<u>782</u>	<u>2,571</u>
	1,885,801	1,632,088
Cash at bank – Compensation Rights Acc	<u>42,562</u>	<u>40,753</u>
	<u>1,928,363</u>	<u>1,672,841</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	455,000	455,000
St George Bank term deposits	<u>-</u>	<u>271,774</u>
	<u>455,000</u>	<u>726,774</u>
These deposits have maturities of 6 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER RECEIVABLES		
Trade debtors	257,381	187,079
Deposits paid	19,096	6,400
Accrued interest receivable	4,669	9,862
Other accrued income	69,593	107,724
GST refund receivable	<u>1,033</u>	<u>9,324</u>
	<u>351,772</u>	<u>320,389</u>
NOTE 7 INVENTORY		
Contracts for sale	434	153
Tenancy agreements	<u>118</u>	<u>52</u>
	<u>552</u>	<u>205</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 8 OFFICE FURNITURE AND EQUIPMENT		
Office furniture and equipment		
At cost	715,025	615,055
Less: accumulated depreciation	<u>(160,530)</u>	<u>(481,123)</u>
Total office furniture and equipment	<u>554,495</u>	<u>133,932</u>
Reconciliation		
A reconciliation of the carrying amount at the beginning and end of the current financial year is set out below.		
	Office furniture and equipment	
Carrying amount at the beginning of the year	133,932	182,883
Additions	493,421	16,633
Disposals	(7,107)	-
Depreciation expense	<u>(65,751)</u>	<u>(65,584)</u>
Carrying amount at the end of the year	<u>554,495</u>	<u>133,932</u>
NOTE 9 TRADE AND OTHER PAYABLES		
Other liabilities		
Subscriptions and other income in advance	1,411,100	1,270,535
Accruals	31,628	42,748
Payable – Solicitors’ Fidelity Fund of the Australian Capital Territory	47,117	43,540
Fair Comp Compensation Rights account	42,562	50,362
Lease Incentive Liability	143,322	-
Young Lawyers Funds	<u>12,832</u>	<u>-</u>
Total other liabilities	1,688,561	1,407,185
Trade creditors	<u>62,284</u>	<u>54,265</u>
	<u>1,750,845</u>	<u>1,461,450</u>
NOTE 10 PROVISIONS		
<i>Current</i>		
Provision for annual leave	79,127	64,124
Provision for long service leave	<u>81,848</u>	<u>73,366</u>
	<u>160,975</u>	<u>137,490</u>
<i>Non-Current</i>		
Provision for long service leave	<u>6,983</u>	<u>5,736</u>

The amount of current long service leave expected to be settled within 12 months of the end of the financial year is nil (2014: nil).

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 11 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Society's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity, credit or interest rate risk.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	4	1,928,363	1,672,841
Held-to-maturity investments	5	455,000	726,774
Loans and receivables	6	<u>350,739</u>	<u>311,065</u>
Total Financial Assets		<u><u>2,734,102</u></u>	<u><u>2,710,680</u></u>
Financial Liabilities			
Trade and other payables	9	<u>1,750,845</u>	<u>1,461,450</u>
Total Financial Liabilities		<u><u>1,750,845</u></u>	<u><u>1,461,450</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

NOTE 12 REMUNERATION OF AUDITORS

Audit of the Society's financial statements	10,250	9,900
Audit of Statutory Deposits Trust Account	1,675	1,625
Audit of Statutory Interest Account	2,850	2,750
Audit of Solicitors' Fidelity Fund	2,850	2,750
Provision of other assistance and advice	<u>3,110</u>	<u>250</u>
	<u><u>20,735</u></u>	<u><u>17,275</u></u>

No other benefits were received by the auditors.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 13 LEASING COMMITMENTS		
<i>Lease commitments</i>		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date, payable:		
Within one year*	-	88,484
Later than one year but not later than 5 years*	707,891	-
Later than 5 years	<u>1,119,823</u>	<u> </u>
	<u>1,827,714</u>	<u>218,529</u>

The total amount of rental expense recognised in the reporting period was \$167,481 (2014: \$136,193). The Society's previous lease expired 28 February 2015 and the office of the Secretariat moved to new premises. The new lease was signed for 10 years effective 1 February 2015 expiring 31 January 2025 with an option for another 5 years.

*The new 10 year lease agreement includes a rent-free period and cash incentive. Although no payment is required initially, the overall cost of the lease will be accounted for on a straight-line basis for the term of the lease.

NOTE 14 LEGISLATION

The Society is constituted under the Legal Profession Act 2006. Pursuant to that Act the Society is responsible for operating and maintaining the following fund and accounts:

- The Solicitors' Fidelity Fund of the Australian Capital Territory;
- The Statutory Deposits Trust Account; and
- The Statutory Interest Account.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 15 COMPENSATION RIGHTS ACCOUNT

Funds are held in a separate cheque account. These funds are held by the Society on behalf of the contributing legal practices and disbursed under the direction of the CTP Committee. The Society does not separately record revenues or expenses in its statement of comprehensive income in relation to these funds. Funds received are held as a liability to meet future expenses.

Assets and liabilities relating to the Fair Comp Campaign are as follows:

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	4		
Law Society General Account*		-	9,609
Compensation Rights Account		<u>42,562</u>	<u>40,753</u>
Total Financial Assets		<u><u>42,562</u></u>	<u><u>50,362</u></u>
Financial Liabilities			
Trade and other payables	9	<u>42,562</u>	<u>50,362</u>
Total Financial Liabilities		<u><u>42,562</u></u>	<u><u>50,362</u></u>

*Funds held in the General Account as at year end to be transferred to the Compensation Rights Account.

Receipts and payments relating to the Fair Comp Campaign during the year were as follows:

Receipts		10	70,059
Payments		<u>(7,810)</u>	<u>(30,816)</u>
Net receipts/(payments)		<u><u>(7,800)</u></u>	<u><u>39,423</u></u>

Reconciliation

A reconciliation of the unexpended funds held at the beginning and end of the current financial year is set out below.

Unexpended Funds

Carrying amount at the beginning of the year		50,362	11,119
Net receipts/(payments) during the year		<u>(7,800)</u>	<u>39,243</u>
Carrying amount at the end of the year		<u><u>42,562</u></u>	<u><u>50,362</u></u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16 RELATED PARTIES

The names of persons who were members of the Council of the Law Society of the Australian Capital Territory for any part of the year are as follow:

Mr M Hockridge	President
Ms N Blumer	Immediate Past President
Ms L E Vardanega PSM	Secretary
Mr V Sundar	Treasurer from 15 December 2014
Mr M Tigwell	Treasurer to 14 November 2014
Mr G Brackenreg	Vice President
Mr C Donohue	Vice President from 26 September 2014 General Councillor to 25 September 2014
Ms K Barralet	Vice President to 25 September 2014
Mr A Bucknell	
Mr D Chen	From 26 September 2014
Ms C Coles	
Mr G Lee	From 26 September 2014
Mr G Marques	
Ms B McNeil	From 26 September 2014
Ms A Osmand	
Mr M O'Brien	To 25 September 2014
Mr C Painter	From 26 September 2014
Mr P Schubert	From 26 September 2014
Mr P Woodhouse	From 26 September 2014
Ms J Newman	To 25 September 2014
Mr R Salpeter	To 25 September 2014
Mr D Spendelove	To 25 September 2014
Ms A Hogan	To 3 July 2014

Councillors and their related entities transact with the Society from time to time on normal terms and conditions that are no more favourable than those available to others. The types of transactions include practicing certificate fees, capitation fees, subscriptions, functions, seminars, courses and the sale of standard forms.

During the year the Society paid professional fees to Councillors or their Councillor-related entities within a normal client-solicitor relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the Councillors or their Councillor-related entities at arm's length in the same circumstances.

The president receives an allowance for the services provided to the Society. This allowance is included in key management personnel compensation below. No other member of council receives any remuneration from the Law Society of the Australian Capital Territory or a related entity.

During the year the Society paid \$3,150 (2014: \$2,631) in premiums for Councillors and Officers liability insurance.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 17 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly, including any Councillor (whether executive or otherwise) of the Society.

	2015	2014
	\$	\$
Total key management personnel compensation	<u>301,167</u>	<u>384,321</u>

NOTE 18 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

NOTE 19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015**

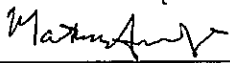
The Councillors declare that the financial statements and notes set out on pages 1 to 16:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Society's financial position as at 30 June 2015 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

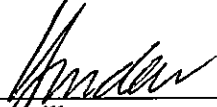
In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Councillors.



Councillor
17 August 2015



Councillor
17 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory (the Society) which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.


Duesburys Nexia
Canberra, 17 August 2015

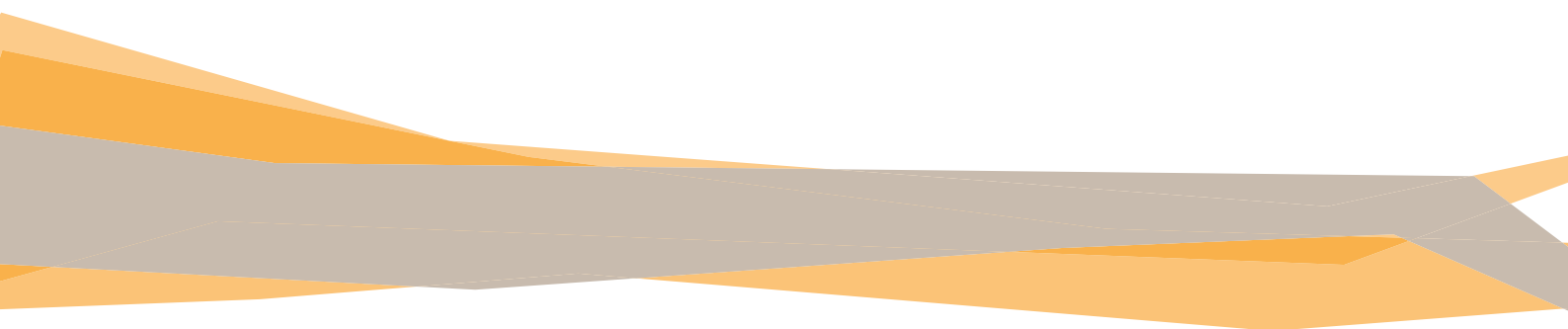

G J Murphy
Partner

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
Statutory Interest Account**

Financial Statements 30 June 2015



**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

FINANCIAL STATEMENTS – 30 JUNE 2015

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**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue	2	2,116,121	1,736,982
Expenses			
Law Society of the Australian Capital Territory - reimbursement of administration expenses		(75,165)	(70,712)
Disciplinary legal costs and other legal costs		(798,009)	(572,934)
Legal Advice Bureau operating costs	8	(40,511)	(39,602)
Professional Standards Office costs		<u>(122,875)</u>	<u>(122,826)</u>
Surplus before disbursements		1,079,561	930,908
Proposed disbursements s253		<u>(1,079,530)</u>	<u>(1,200,000)</u>
Surplus/(deficit) for the year		<u>31</u>	<u>(269,092)</u>
Total comprehensive income		<u><u>31</u></u>	<u><u>(269,092)</u></u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	3	1,175,650	794,102
Investments	4	1,440,714	1,890,714
Trade and other receivables	5	<u>289,509</u>	<u>277,555</u>
Total current assets		<u>2,905,873</u>	<u>2,962,371</u>
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>2,905,873</u>	<u>2,962,371</u>
Current liabilities			
Trade and other payables	6	150,078	86,137
Provisions	7	<u>1,079,530</u>	<u>1,200,000</u>
Total current liabilities		<u>1,229,608</u>	<u>1,286,137</u>
Total liabilities		<u>1,229,608</u>	<u>1,286,137</u>
Net assets		<u>1,676,265</u>	<u>1,676,234</u>
Equity			
Accumulated funds		<u>1,676,265</u>	<u>1,676,234</u>
Total equity		<u>1,676,265</u>	<u>1,676,234</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
Accumulated funds		
Balance at the beginning of the financial year	1,676,234	1,945,326
Surplus/(deficit) for the year	<u>31</u>	<u>(269,092)</u>
Balance at the end of the financial year	<u><u>1,676,265</u></u>	<u><u>1,676,234</u></u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Recovered disciplinary legal costs and fines imposed		80,719	13,500
Miscellaneous receipts & GST refunds		174,622	233,306
Disbursements and other operating payments		(1,166,421)	(1,029,318)
Interest		<u>2,042,628</u>	<u>1,698,311</u>
Net cash inflow/(outflow) from operating activities		<u>1,131,548</u>	<u>915,799</u>
Cash flows from investing activities			
Proceeds from investments		<u>450,000</u>	<u>60,873</u>
Net cash inflow/(outflow) from investing activities		<u>450,000</u>	<u>60,873</u>
Cash flows from financing activities			
Section 253 disbursements	10	<u>(1,200,000)</u>	<u>(1,700,000)</u>
Net cash inflow/(outflow) from financing activities		<u>(1,200,000)</u>	<u>(1,700,000)</u>
Net increase (decrease) in cash held		381,548	(723,328)
Cash at the beginning of the financial year		<u>794,102</u>	<u>1,517,430</u>
Cash at the end of the financial year	3	<u>1,175,650</u>	<u>794,102</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Interest Account (the Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 1 Farrell Place, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Account has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

- (a) **Income Tax**
The Account is exempt from income tax under relevant provisions of the Income Tax Assessment Act.
- (b) **Cash and Cash Equivalents**
Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.
- (c) **Investments**
Investments in term deposits are brought to account at cost and interest income is recognised in the statement of comprehensive income when receivable.
- (d) **Revenue Recognition**
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Account.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2015	2014
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments by the Statutory Interest Account	77,682	96,703
Interest on investments by the Statutory Deposits Account	583,986	519,211
Interest on Solicitors' Trust Accounts	<u>1,373,734</u>	<u>1,107,568</u>
	2,035,402	1,723,482
Revenue from outside the operating activities		
Miscellaneous income	<u>80,719</u>	<u>13,500</u>
	<u>2,116,121</u>	<u>1,736,982</u>
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>1,175,650</u>	<u>794,102</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 4 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	-	600,000
National Australia Bank	1,440,714	1,040,714
Westpac	-	250,000
	<u>1,440,714</u>	<u>1,890,714</u>
<p>These deposits have maturities of 6 months from the date of their deposit.</p>		
NOTE 5 TRADE AND OTHER RECEIVABLES		
Accrued interest		
-Investments	129,374	139,085
-Solicitors' Trust Accounts	121,276	118,791
	<u>250,650</u>	<u>257,876</u>
Debtors	16,744	-
Prepayments	795	758
GST paid to suppliers	21,320	18,921
	<u>289,509</u>	<u>277,555</u>
NOTE 6 TRADE AND OTHER PAYABLES		
Sundry creditors and accruals	<u>150,078</u>	<u>86,137</u>
NOTE 7 PROVISIONS – CURRENT		
Proposed disbursements	<u>1,079,530</u>	<u>1,200,000</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 8 LEGAL ADVICE BUREAU OPERATING COSTS		
Cleaning	693	811
Depreciation	1,315	1,359
Electricity	310	463
Insurance	368	373
Publications and subscriptions	1,325	1,081
Rental of premises	9,009	8,989
Salaries and superannuation	<u>27,491</u>	<u>26,526</u>
	<u>40,511</u>	<u>39,602</u>

NOTE 9 PROPOSED DISBURSEMENTS

The Account will invite submissions for disbursements from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006:

Proposed disbursements	<u>1,079,530</u>	<u>1,200,000</u>
------------------------	------------------	------------------

NOTE 10 DISBURSEMENTS

Disbursements made from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006 were:

Environmental Defender's Office	21,600	31,278
Legal Aid Commission (ACT)	997,200	1,411,543
Welfare Rights and Legal Centre	117,600	166,771
Women's Legal Centre	<u>63,600</u>	<u>90,408</u>
	<u>1,200,000</u>	<u>1,700,000</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 11 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Account's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity or credit risk. Interest rate risk is managed by the Account reviewing the interest rate profile, current interest rates and the market outlook, and taking action as necessary to ensure that risk levels are maintained at a satisfactory level for its own cash and investments. A 1% movement in interest rates across the Account's cash and investments, and the cash and investments of the Statutory Deposits Accounts and Solicitors' trust accounts would have a significant impact on profit and equity, however it is not practical to quantify the impact given the variables involved. Movements in the amounts held by Solicitors in their trust accounts can also have a significant impact on interest received by the Account. A number of the variables associated with interest risk are not able to be influenced by the Account.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	3	1,175,650	794,102
Held-to-maturity investments	4	1,440,714	1,890,714
Loans and receivables	5	<u>289,509</u>	<u>277,555</u>
Total Financial Assets		<u><u>2,905,873</u></u>	<u><u>2,962,371</u></u>
Financial Liabilities			
Trade and other payables	6	<u>150,078</u>	<u>86,137</u>
Total Financial Liabilities		<u><u>150,078</u></u>	<u><u>86,137</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 12 CONTINGENT ASSETS

The Account is seeking to recover certain disciplinary costs. At the present time the amount of the recovery is uncertain.

NOTE 13 CONTINGENT LIABILITIES

There are no contingent liabilities at the end of the financial year.

NOTE 14 LEGISLATION

The Statutory Interest Account is maintained by the Law Society of the Australian Capital Territory, a related party, in accordance with s253 of the Legal Profession Act 2006. Under the Act, interest on Solicitors' Trust Accounts and investments by the Statutory Deposits Trust Account are deposited into the Statutory Interest Account.

NOTE 15 REMUNERATION OF AUDITORS

Audit fees of \$2,850 (2014: \$2,750) were ultimately paid by the Statutory Interest Account.

NOTE 16 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY INTEREST ACCOUNT**

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015**

The Councillors declare that the financial statements and notes set out on pages 1 to 11:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Account's financial position as at 30 June 2015 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Account will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Councillors.



Councillor
17 August 2015



Councillor
17 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY STATUTORY INTEREST ACCOUNT

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory Statutory Interest Account which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Interest Account as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 17 August 2015



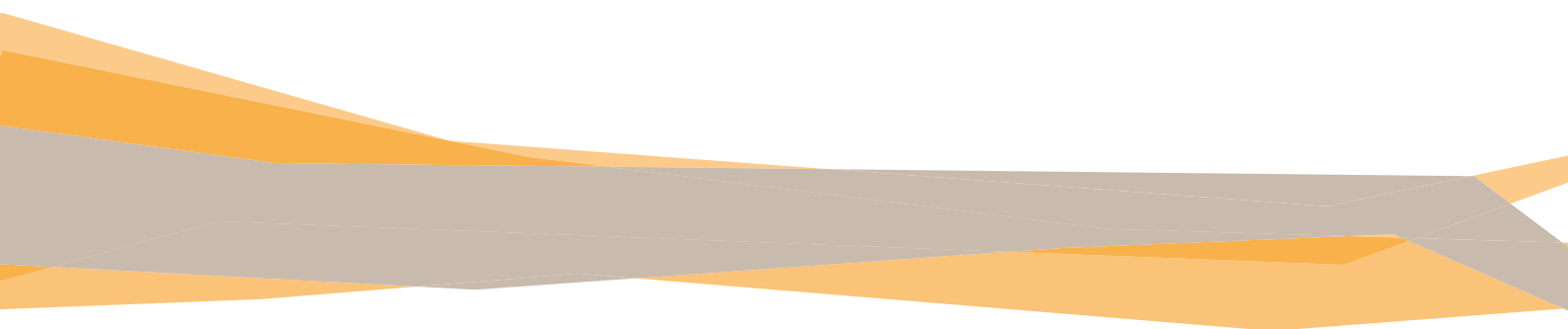
G J Murphy
Partner

actlawsociety

Financial Statements

**The Law Society of the Australian Capital Territory
Statutory Deposits Trust Account**

Financial Statements 30 June 2015



**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

FINANCIAL STATEMENTS – 30 JUNE 2015

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**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue		<u>-</u>	<u>-</u>
Net surplus/ (deficit)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	2	5,796,573	7,706,006
Investments	3	<u>15,144,405</u>	<u>11,833,500</u>
Total current assets		<u>20,940,978</u>	<u>19,539,506</u>
Total assets		<u>20,940,978</u>	<u>19,539,506</u>
Current liabilities			
Trade and other payables	4	<u>20,940,978</u>	<u>19,539,506</u>
Total current liabilities		<u>20,940,978</u>	<u>19,539,506</u>
Total liabilities		<u>20,940,978</u>	<u>19,539,506</u>
Net assets		<u> -</u>	<u> -</u>
Equity			
Accumulated Funds		<u> -</u>	<u> -</u>
Total equity		<u> -</u>	<u> -</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Balance at the beginning of the year		-	-
Changes during the year		<u> -</u>	<u> -</u>
Balance at the end of the year		<u> -</u>	<u> -</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Cash flows from investing activities			
Net interest received and transferred to Statutory Interest Account		(11,484)	(79,401)
Proceeds from investments		9,820,579	6,674,128
Payments for investments		<u>(13,120,000)</u>	<u>(6,820,000)</u>
Net cash inflow (outflow) from investing activities		<u>(3,310,905)</u>	<u>(225,273)</u>
Cash flows from financing activities			
Proceeds from deposits		5,852,340	7,260,223
Repayments of deposits		<u>(4,450,868)</u>	<u>(3,252,186)</u>
Net cash inflow (outflow) from financing activities		<u>1,401,472</u>	<u>4,008,037</u>
Net increase (decrease) in cash held		(1,909,433)	3,782,764
Cash at the beginning of the financial year		<u>7,706,006</u>	<u>3,923,242</u>
Cash at the end of the financial year	2	<u>5,796,573</u>	<u>7,706,006</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Deposits Trust Account (the Trust Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 1 Farrell Place, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Trust Account has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Income Tax

The Trust Account is exempt from income tax under relevant provisions of the Income Tax Assessment Act.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(c) Investments

Investments in term deposits are brought to account at cost. Interest income is transferred to the Statutory Interest Account in accordance with the Legal Profession Act 2006.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Monies Deposited by Solicitors

Monies deposited by solicitors are recognised upon receipt. Amounts are repayable in accordance with the Legal Profession Act 2006.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Comparatives

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Trust Account.

The Councillors do not believe that there were any key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	2015	2014
	\$	\$
NOTE 2 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>5,796,573</u>	<u>7,706,006</u>
NOTE 3 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	5,520,000	1,600,000
National Australia Bank	9,624,405	6,012,921
St George Bank	-	2,200,000
Westpac	<u>-</u>	<u>2,020,579</u>
	<u>15,144,405</u>	<u>11,833,500</u>

These deposits have maturities of 4 to 8 months from the date of their deposit.

NOTE 4 TRADE AND OTHER PAYABLES

Monies deposited by solicitors	<u>20,940,978</u>	<u>19,539,506</u>
	<u>20,940,978</u>	<u>19,539,506</u>

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 5 LEGISLATION

The Statutory Deposits Trust Account is maintained by the Law Society of the Australian Capital Territory, a related entity, in accordance with section 253 of the Legal Profession Act 2006. Interest income earned on interest bearing deposits held by the Statutory Deposits Trust Account is credited as income of the Statutory Interest Account. The Trust Account has no employees.

NOTE 6 REMUNERATION OF AUDITORS

Audit fees of \$1,675 (2014:\$1,625) were ultimately paid by the Statutory Interest Account on behalf of the Statutory Deposits Trust Account.

NOTE 7 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Society's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

The entity is not subject to any significant liquidity, credit or interest rate risk.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	2	5,796,573	7,706,006
Held-to-maturity investments	3	<u>15,144,405</u>	<u>11,833,500</u>
Total Financial Assets		<u><u>20,940,978</u></u>	<u><u>19,539,506</u></u>
Financial Liabilities			
Trade and other payables	4	<u>20,940,978</u>	<u>19,539,506</u>
Total Financial Liabilities		<u><u>20,940,978</u></u>	<u><u>19,539,506</u></u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 8 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

NOTE 9 EVENTS AFTER THE BALANCE DATE

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the balance date which require amendment of, or further disclosure in, the financial statements.

**THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY
STATUTORY DEPOSITS TRUST ACCOUNT**

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015**

The Councillors declare that the financial statements and notes set out on pages 1 to 8:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Trust Account's financial position as at 30 June 2015 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Trust Account will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Councillors.



Councillor
17 August 2015



Councillor
17 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY STATUTORY DEPOSITS TRUST ACCOUNT

We have audited the accompanying financial statements of the Law Society of the Australian Capital Territory Statutory Deposits Trust Account which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Deposits Trust Account as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 17 August 2015



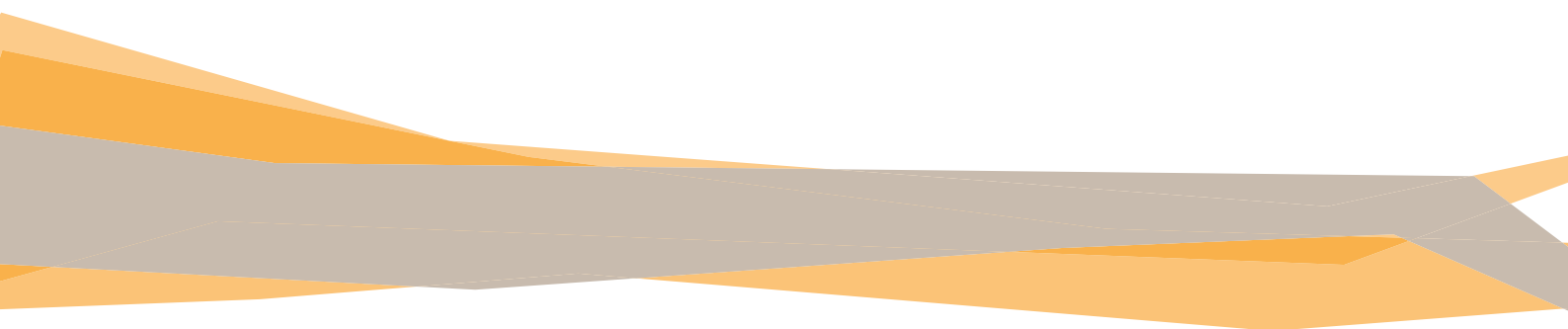
G J Murphy
Partner

actlawsociety

Financial Statements

**The Solicitors' Fidelity Fund of the
Australian Capital Territory**

Financial Statements 30 June 2015



THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

FINANCIAL STATEMENTS – 30 JUNE 2015

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THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Revenue	2	219,131	238,915
Audit fees		(2,850)	(2,750)
Administration expenses		(39,867)	(38,714)
Claim on fidelity fund		(2,325)	(116,528)
Consultancy/Professional advice		-	(19,377)
Investigations, examinations, legal and managers' costs		(30,520)	(33,923)
Random inspections expenses		<u>(106,360)</u>	<u>(74,095)</u>
Surplus/(deficit) for the year		<u>37,209</u>	<u>(46,472)</u>
Total comprehensive income for the year		<u>37,209</u>	<u>(46,472)</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	3	497,908	289,066
Trade and other receivables	4	<u>88,316</u>	<u>105,764</u>
Total current assets		<u>586,224</u>	<u>394,830</u>
Non-current assets			
Investments	5	<u>4,648,196</u>	<u>4,913,971</u>
Total non-current assets		<u>4,648,196</u>	<u>4,913,971</u>
Total assets		<u>5,234,420</u>	<u>5,308,801</u>
Current liabilities			
Trade and other payables	6	<u>66,826</u>	<u>178,416</u>
Total current liabilities		<u>66,826</u>	<u>178,416</u>
Total liabilities		<u>66,826</u>	<u>178,416</u>
Net assets		<u>5,167,594</u>	<u>5,130,385</u>
Equity			
Accumulated funds		<u>5,167,594</u>	<u>5,130,385</u>
Total equity		<u>5,167,594</u>	<u>5,130,385</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	5,130,385	5,176,857
Total comprehensive income for the year	<u>37,209</u>	<u>(46,472)</u>
Balance at the end of the financial year	<u><u>5,167,594</u></u>	<u><u>5,130,385</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from contributions		46,354	40,108
Recoveries & GST refunds		15,726	12,075
Payments		(311,483)	(165,885)
Interest received		<u>192,470</u>	<u>199,707</u>
Net cash inflow (outflow) from operating activities		<u>(56,933)</u>	<u>86,005</u>
Cash flows from investing activities			
Proceeds from investments		<u>265,775</u>	<u>50,600</u>
Net cash inflow (outflow) from investing activities		<u>265,775</u>	<u>50,600</u>
Net increase/ (decrease) in cash held		208,842	136,605
Cash at the beginning of the financial year		<u>289,066</u>	<u>152,461</u>
Cash at the end of the financial year	3	<u><u>497,908</u></u>	<u><u>289,066</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Solicitor's Fidelity Fund (the Fund) of the Australian Capital Territory is a statutory body incorporated in the Australian Capital Territory under the Legal Profession Act 2006. The financial statements cover the Fund as an individual not-for-profit entity. Its registered office and principal place of business is 1 Farrell Place, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Fund has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 Application of Tiers of Australian Accounting Standards, and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements).

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board), including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Legal Profession Act 2006.

A number of new or revised Australian Accounting Standards are effective for the first time in the current financial year. These standards have had no material impact on the entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) **Income Tax**

The entity is exempt from income tax under relevant provisions of the Income Tax Assessment Act.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(c) **Revenue Recognition**

Contributions and recovered investigation/management costs are recognised upon the receipt of funds or when they become recoverable if earlier.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) **Investments**

Investments in bank bills and deposits are brought to account at cost and interest income is recognised in the profit or loss when receivable. The investments are classified as non-current assets as they are held for longer terms and the deposits are expected to be rolled over upon maturity.

(e) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At the end of the reporting period, an assessment is made of whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) **Comparatives**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical Accounting Estimates and Judgements

The Councillors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Fund.

The Councillors do not believe that there were any key estimates or key judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments	170,777	198,806
Contributions	46,354	40,109
Recovery of investigations/management costs	<u>2,000</u>	<u>-</u>
	<u>219,131</u>	<u>238,915</u>
 NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>497,908</u>	<u>289,066</u>
 NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade debtors – The Law Society of the Australian Capital Territory	47,785	43,540
Accrued interest	<u>40,531</u>	<u>62,224</u>
	<u>88,316</u>	<u>105,764</u>
 NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	4,048,196	3,263,971
Westpac	<u>600,000</u>	<u>1,650,000</u>
	<u>4,648,196</u>	<u>4,913,971</u>
These deposits have maturities of 3 - 8 months from the date of their deposit.		
 NOTE 6 TRADE AND OTHER PAYABLES		
Claims on Fund for financial loss	-	116,528
Trade creditors and accruals	19,041	18,348
Contributions received in advance	<u>47,785</u>	<u>43,540</u>
	<u>66,826</u>	<u>178,416</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$

NOTE 7 LEGISLATION

The Solicitors' Fidelity Fund of the Australian Capital Territory is maintained by the Law Society of the Australian Capital Territory, a related party, in accordance with s320 of the Legal Profession Act 2006. The Fund has no employees.

NOTE 8 AUDITORS' REMUNERATION

Audit of the Fund's financial statements	2,850	2,750
Conduct of random inspections	<u>49,665</u>	<u>35,830</u>
	<u>52,515</u>	<u>38,580</u>

NOTE 9 FINANCIAL RISK MANAGEMENT

The accounting policies and terms and conditions of each class of financial asset and financial liability at the end of the reporting period are consistent with those regularly adopted by businesses in Australia.

The Fund is not subject to any significant liquidity or credit risk. Interest rate risk is managed by the Fund reviewing the interest rate profile, current rates and the market outlook and taking actions as necessary to ensure that risk levels are maintained at a satisfactory level. A 1% movement in interest rates on term deposits held at year end would have an annual effect of \$46,482 on profit and equity.

An actuarial assessment of the Fund was made in December 2013 and it assessed \$5,000,000 as an appropriate level of net assets to cover potential claims on the fund. The current Fund balance is appropriate at this time with a further assessment of the Fund expected in 2017.

The totals for each category of financial instrument, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note		
Financial Assets			
Cash and cash equivalents	3	497,908	289,066
Held-to-maturity investments	5	4,648,196	4,913,971
Loans and receivables	4	<u>88,316</u>	<u>105,764</u>
Total Financial Assets		<u>5,234,420</u>	<u>5,308,801</u>
Financial Liabilities			
Trade and other payables	6	<u>66,826</u>	<u>178,416</u>
Total Financial Liabilities		<u>66,826</u>	<u>178,416</u>

Net Fair Values

Financial assets and liabilities are carried at their net fair value at the end of the reporting period. The carrying values of financial assets and financial liabilities approximate their net fair values due to their short terms of maturity or market interest rates. No financial assets or financial liabilities are traded on organised markets in standard form.

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities or contingent assets at the end of the financial year.

NOTE 11 EVENTS AFTER THE REPORTING PERIOD

These financial statements were authorised for issue by the Councillors on the date of signing the attached Councillors' Declaration. The Councillors have the power to amend the financial statements after they are issued.

There are no other events after the end of the reporting period which require amendment of, or further disclosure in, the financial statements.

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2015**

The Councillors declare that the financial statements and notes set out on pages 1 to 10:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and other mandatory professional reporting requirements; and
- (b) present fairly the Fund's financial position as at 30 June 2015 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Councillors' opinion:

- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Councillors.



Councillor
17 August 2015



Councillor
17 August 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

We have audited the accompanying financial statements of the Solicitors' Fidelity Fund of the Australian Capital Territory which comprises the statement of financial position as at 30 June 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as the Council determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

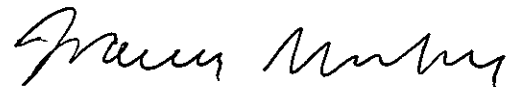
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Solicitors' Fidelity Fund of the Australian Capital Territory as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.



Duesburys Nexia
Canberra, 17 August 2015



G J Murphy
Partner

actlawsociety

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a member of the law council of australia

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