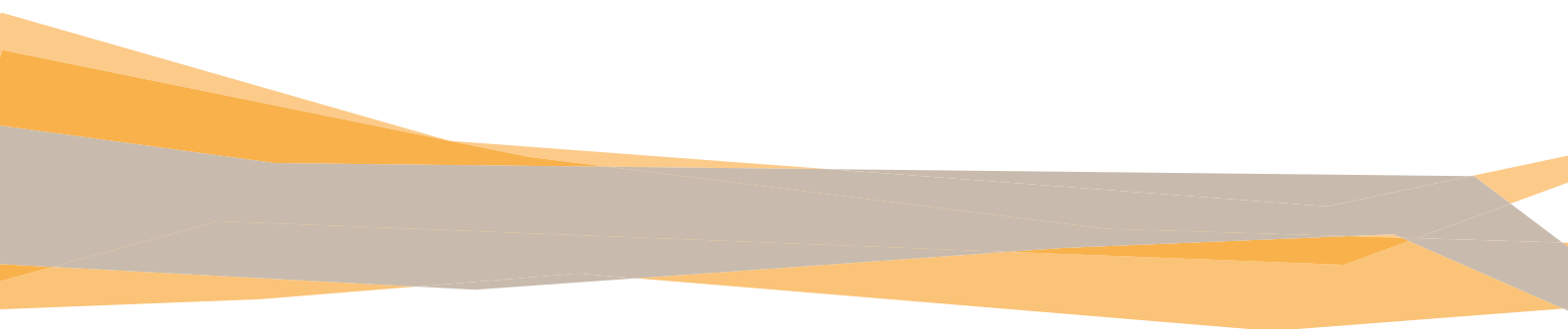


**actlawsociety**

# **Annual Report**

## **2015-16**



# Law Society of the Australian Capital Territory

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## Executive

President — Martin Hockridge  
Vice President — Sarah Avery  
Vice President — Elizabeth Lee  
Secretary — Louise Vardanega  
Treasurer — Vik Sundar  
Council-appointed Member — Chris Donohue  
Immediate Past President — Noor Blumer

## Councillors

Angus Bucknell  
Catherine Coles  
Chris Donohue  
Gavin Lee  
George Marques  
Bronwyn McNeil  
Craig Painter  
Phil Schubert  
Philippa Spence  
Peter Woodhouse

## 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  
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

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# President's Report



## Conduct Rules

After debate, the Council adopted new conduct Rules. They are essentially the same as the Rules currently in place under the national law that applies in New South Wales and Victoria.

The new *Legal Profession (Solicitors) Conduct Rules 2015* came into effect on 1 January 2016. I encourage you to be aware of the Rules.

The Society has prepared an information pack to help legal practitioners understand the new Conduct Rules. It is available on the website. The kit contains a comparison table of the previous and new rules, and an “at a glance” summary of the new rules not previously covered in the *Legal Profession (Solicitors) Rules 2007*.

## Justice and Community Safety Directorate and ACT government matters

I have participated in meetings, forums and round tables in regard to the ACT government's commitment to establishing a restorative community. This included a meeting with Judge Peggy Hora from the USA who is an acknowledged expert in alternative sentencing. Judge Hora was visiting to discuss therapeutic jurisprudence.

Work on the new Supreme Court complex has started. The design team has consulted the Society and continues to keep us advised as to progress.

The Society has responded to law reform proposals and made submission in regard to many issues during the past year. These have included:

- The structure of ACAT.
- The restructure of the Human Rights Commission to merge with the Office of the Public Trustee.
- The introduction of Intensive Corrections orders — a new sentencing option enacted following the abolition of Periodic Detention.
- Changes to the law regarding the long standing principle of double jeopardy.

- Proposals to amend the bail laws to permit the DPP to immediately appeal a decision of a Magistrate simply by announcing an intention to do so.
- The proposed introduction of anti consorting laws.
- Developments in regard to proposed changes to compensation law in the Territory. We have made submissions to government and met with various politicians concerning the withdrawal of ACT government workers from Comcare and the plan to create a new insurance scheme for the public sector. Our position is that those employees should be transferred to the existing private scheme.
- We have also criticised the recent change to the catastrophic injury arrangements that does not allow an opt-out position for injured workers.

## Judge's Meetings

The Society has long appreciated being able to meet with the Chief Justice, the other Judges and the Associate Judge of the Supreme Court on a monthly basis. These meetings allow the opportunity for issues to be raised and changes to procedure to be discussed.

The meetings have been restyled as ‘Meeting with the Profession’. There is now an agenda for the meeting with standing items including reserved judgments.

Some of the matters discussed this past year have included:

- Reserved judgments, in particular concern regarding delay.
- New court design and building.
- Criminal procedure, particularly changes regarding empanelling juries.
- Court of Appeal processes.
- Management of Court lists.
- Joint promotion of mental health issues through the Tristan Jepson lecture.
- Adoption of the national equitable briefing policy.

## Arrivals

The Law Society welcomed the announcement that New South Wales District Court Judge Michael Elkaim was to be appointed as a fifth resident Judge to the ACT Supreme Court. The Society has over several years highlighted the need for a fifth Supreme Court judge to manage the Court's caseload, and this additional capacity will increase the court's ability to handle matters in a timely manner.

Justice Elkaim has extensive experience as a District Court judge, and before that as a respected senior counsel. I spoke on behalf of the Society at His Honour's swearing in on 4 July.

Shane Gill, a well-known and popular member of the Canberra legal community, and the immediate past president of the ACT Bar Association, has been appointed a judge of the Family Court of Australia. His Honour will be based primarily in the Canberra Registry of the court.

The Law Society warmly congratulates Justice Gill on his appointment and wishes him well in his new role. I was privileged to speak on behalf of the Society at his swearing in ceremony. It has been my pleasure to work with His Honour over many years and particularly during his time as president of the Bar. He will be a vibrant addition to the Family Court bench.

Glenn Theakston, a respected local barrister with considerable experience, particularly in the criminal law jurisdiction, has been appointed to the bench of the ACT Magistrates Court. Mr Theakston comes to the role with a military background, and the Society has benefited from his expertise during his time as the Chair of the Military Law Committee. We congratulate His Honour and wish him well.

## Departures

The Society notes the retirement of four long serving Judicial officers this year. The quartet are Deputy Chief Justice Faulks and Justice Mary Finn of the Family Court, Judge Brewster of the Federal Circuit Court, and Magistrate Peter Dingwall.

We have had opportunity to say farewell at functions. We thank each for their contributions and wish them well in their retirement. Hopefully we will continue to see them at various Society events.

## Norfolk Island practitioners

The Chief Executive and I met with representatives from government to discuss the Society possibly becoming involved in the discipline of practitioners on Norfolk Island. This would involve the investigation and prosecution of complaints. It is likely that we would be

interested in being involved providing there is some form of indemnity for the cost of doing so. We spoke about options and it is anticipated that further discussion will take place.

We have maintained that the issue of practicing certificates should remain with the Registrar of the Supreme Court of Norfolk Island.

## Committees

### Inclusion and Diversity Committee

I was pleased to convene the first meeting of our new Inclusion and Diversity Committee. The committee will contribute to the work of the Society by reviewing policy in areas where considerations of gender, ethnicity and cultural background, disability, sexuality, age or any other issue that may give rise to discrimination are relevant. The committee plans to be proactive, and promote diversity both within the legal profession and in the community more generally. It is anticipated the committee will contribute to the continuing legal education program and to general debate on matters of interest. I am sure members will also organise networking and social events.

One of the first projects is to develop an inclusion and diversity resource on the Society's website. A subcommittee has been formed to finalise a Reconciliation Action Plan for the Law Society.

### Chairs lunch

I hosted the first Chairs lunch. Most of the committee Chairs were able to attend and it provided an excellent opportunity for networking and discussion of issues of mutual interest. It was agreed that we should hold a Chairs Lunch annually, as well as a formal meeting around the conference table. Di explained how submissions and comments are being prepared and what the committees can do to help in that regard, and I mentioned that it would be particularly useful if committees can let me know about any issues that should be raised at the monthly meeting with the judges.

### Charter

The Society is reviewing the Committee Charter. The Charter has been operating successfully for over three years.

## New complaints process

We have commenced the process to obtain the services of a solicitor to conduct investigations and prosecution of complaints. The preferred option is to contract with a local firm to provide that service. We are seeking a "lead" senior lawyer and anticipate that when that lawyer is not

available the firm will have another lawyer who is in a position to run the cases.

The purpose of the change is to speed up resolution of complaints and to ensure the process is fair and transparent. We plan to update the processes to include more use of modern technology.

## Access to Justice

### Legal Aid Matters

The Law Society has joined with the Law Council of Australia and other Societies and Bar Associations in calling on the Federal Government to reverse the reduction in legal aid funding. The year-long campaign coincides with both the federal and local elections. This was a theme of Law Week in May.

The walk for legal aid wound its way from the CLC Hub to Legal Aid ACT and on to the Supreme Court. Genevieve Bolton and Dr John Boersig spoke outside their offices and at the Supreme Court. Mike Brett Young (CEO Law Council) and Warren Mundy (Productivity Commission report) addressed a crowd of over 100 (on a chilly Canberra morning).

### Pro bono clearing house and Legal Advice Bureau

We continue to provide legal assistance to disadvantaged people who are otherwise unable to secure a lawyer through our Pro Bono Clearinghouse. The lunchtime advice service offered through the LAB also continues to be popular. We are very grateful for the help provided by many firms and individuals. There is always room for more volunteers!

### Volunteer Practising Certificates

I am pleased to report that there has been an excellent take up of volunteer practising certificates. This is another contribution by the Society to increase access to justice in the ACT, by reducing costs where a lawyer will be undertaking work of a pro bono nature. The criteria for granting volunteer practising certificates is available on request.

The Society has adopted a Pro Bono Policy. Copies of the policy are available and individuals and firms are encouraged to review the policy.

### ACT Legal Assistance Forum

Along with Walter Hawkins who is the Chair of the Access to Justice and Human Rights Committee, I attend meetings of the ACT Legal Assistance Forum.

Participation in ACTLAF reflects the contribution members of the Law Society make in this area through the lunch time Legal Advice Bureau and the Pro Bono

Clearing House in particular, and gives us an opportunity to discuss what is happening in the legal assistance sector. Other organisations represented on ACTLAF are Legal Aid ACT, the various community legal centres, the Aboriginal Legal Service, and the Department of Justice and Community Safety. Twice a year representatives from the Commonwealth Attorney-General's Department also come along.

The forum developed the ACT Emergency Legal Help arrangements where lawyers can indicate their preparedness to assist in the provision of free legal advice in the event of a disaster such as the 2003 bush fires. The Society has agreed to host the ELH information on our website.

## Confederation of Law Societies (COLS)

Dianne O'Hara and I represent the Law Society of the ACT on COLS. The organisation meets quarterly to look at issues of mutual interest and national importance. COLS is looking toward the future for the solicitor branch of the profession and we are now involved in surveys of students and recent graduates.

## Law Council of Australia

The most controversial topic debated at the Law Council this year has been whether contingency fees should or should not be permitted. There is significant divergence of opinion. The vote went against allowing contingency fees. The Council did however recognise the divergence of views and that it may not be the last of this debate, particularly if there is a move at the federal government level to review the position.

I'm pleased to announce that the ACT Law Society has adopted the *Diversity & Equality Charter*, an initiative of the Law Council of Australia. The Charter was drafted in response to the National Attrition and Reengagement Study. You can find out more about the Charter on our website.

## Tristan Jepson Lecture

In conjunction with the Supreme Court a talk and panel discussion on the topic of mental health in the profession was presented. Marie Jepson, Co-founder of the Tristan Jepson Memorial Foundation, introduced their new *Best Practice Guidelines on Psychological Wellbeing*. A panel consisting of myself, Ms Jepson, then President of the ACT Bar Association Shane Gill, and our new Young Lawyer of the Year Kavina Mistry, then took questions from the audience about this important issue.

It has been agreed that the Society will again organise a mental health lecture — in conjunction with the Supreme Court — later in 2016.

**Table 1: Law Society Functions 2015-16**

Date	Event	Location	Attend.
Thursday, 16 July 2015	July Members' Lunch (sponsored by Arthur J Gallagher and Nexia Australia)	Chairman & Yip	62
Friday, 28 August 2015	Annual Dinner Dance & Awards Night (sponsored by Arthur J Gallagher and Vincents)	Boathouse	120
Thursday, 3 September 2015	TJMF Lecture: Is being a lawyer a health hazard? (sponsored by Ben Aulich & Associates, Infinity Legal, and Russell Kennedy Lawyers)	ACT Supreme Court	80
Tuesday, 15 September 2015	Prof Jack Richardson Memorial Oration (sponsored by Clayton Utz)	National Portrait Gallery	40
Thursday, 24 September 2015	September Members' Lunch & AGM (sponsored by Arthur J Gallagher and Vincents)	Briscola	57
Sunday, 8 November 2015	Family Zoo Day (sponsored by EY)	National Zoo & Aquarium	
Tuesday, 1 December 2015	Christmas Debate: Should Santa Claus be declared an international criminal?	ACT Law Society	
Friday, 4 December 2015	Christmas Members' Lunch (sponsored by Arthur J Gallagher and Vincents)	Soju Girl	56
Monday, 1 February 2016	Ceremony to Welcome the 2016 New Legal Year	ACT Supreme Court	90
Monday, 1 February 2016	Drinks to Celebrate the 2016 New Legal Year	ACT Law Society	40
Thursday, 10 March 2016	March 2016 Members' Lunch (sponsored by Arthur J Gallagher and Vincents)	Les Bistronomes	38
Wednesday, 27 April 2016	Judicial Farewell Dinner for Brewster, Faulks, and Finn	The Boathouse By The Lake	145
Monday, 16 May 2016	A change in culture: The new Mental Health Act 2015	Legal Aid ACT	57
Monday, 16 May 2016	Law Week Launch, featuring the ACT Golden Gavel	University House	107
Tuesday, 17 May 2016	Sir Richard Blackburn lecture (The Hon John Faulks)	Pilgrim House	57
Tuesday, 17 May 2016	Law Week Netball	Lyneham Netball Centre	12
Tuesday, 17 May 2016	Animals & the Law	ACT Law Society	37
Wednesday, 18 May 2016	Walk for Legal Assistance Funding	CLC Hub, via Legal Aid ACT, to ACT Supreme Court	110
Wednesday, 18 May 2016	Developments in Human Rights	ACT Law Society	29
Wednesday, 18 May 2016	Law Week dinner	The Boathouse By The Lake	96
Thursday, 19 May 2016	Lessons for the Legal Profession: Challenging sexual harassment in the workplace	Meyer Vandenberg	43
Friday, 20 May 2016	Law Week breakfast	Meyer Vandenberg	46
Friday, 20 May 2016	Law Week quiz night	National Press Club	279



## Social

As usual the Functions Committee together with Nicole Karman and the team organised a series of pleasant and successful Members lunches throughout the year.

I was pleased to be able to attend several of the regular Government Law drinks. These occasions provide an excellent opportunity for networking and the Chair of the committee does a great job arranging interesting speakers.

The first Christmas debate was held at the Society. A very entertaining affair pitted a team from the International Law Committee against the clever young things from the Young Lawyers. Ably moderated by Vice President Avery and judged by Treasurer Sundar, the event was much fun and the youngsters prevailed in the end.

The Society hosted a Judicial Farewell Dinner for Justice Finn, Judge Brewster and Deputy Chief Justice Faulks. A large crowd gathered at the Boathouse by the Lake for a very successful evening of wining, dining and reminiscing. Excellent speeches were made by David Harper and Di Simpson and a response from Justice Faulks.

A full list of Law Society Functions can be seen at Table 1.

## Awards

The Law Society present three awards at our Annual Dinner each year.

The President's Medal recognises significant personal and professional contributions to the betterment of law and justice in the community by an ACT solicitor and member of the ACT Law Society.

The Young Lawyer Award promotes the professional and community involvement of the Territory's young lawyers.

The Government Law Award provides recognition of the outstanding achievements of practitioners working in or for government.

Award	2015 Winner
President's Medal	Janean Richards
Young Lawyer Award	Kavina Mistry
Government Law Award	John Henry

## Law Week 2016

The Attorney General, Simon Corbell MLA, formally launched Law Week at the Great Hall of University House at the ANU on 16 May. The launch was followed by the ACT Golden Gavel speaking competition, won this year by Josie Dempster of Sparke Helmore, with her musical rendition of *The incredible superpower of ADR... how to kick it like a Kung Fu Panda* (check out the Young Lawyers Facebook page for a video of her performance).

Josie will go on to represent the ACT in the National Golden Gavel Awards.

The People's Choice Award went to Rebecca Wheeler from the Department of Immigration and Border Protection, with her subversive take on *Closing deals, kicking goals, suiting up like Harvey Spector... it's just like on TV, right?*

## Blackburn lecture

Deputy Chief Justice Faulks delivered the 31<sup>st</sup> Annual Blackburn Lecture, speaking on the topic "Brave New World" and raising concerns about time costing by the profession, and looking at the use to which computers can be put in the practice of law. He also touched on issues of gender equality.

## Law Week Dinner

The Law Week Dinner, hosted again (as it is each year) by the Women Lawyers Association ACT, featured Catherine McGregor AM as the guest speaker. Her story, equal parts pathos, humour, and cricket, had us all enthralled. The Society is particularly grateful to dinner sponsor, the Maurice Blackburn Women's Network, for their support.

## Law week seminars

Our Law Week partners held a series of fascinating seminars and speaking events this year.

Legal Aid ACT hosted "A change in culture: The new *Mental Health Act 2015*", with Simon Viereck of the Mental Health Community Coalition giving an overview of the changes brought in by the new Act, and Linda Crebbin, General President of the ACT Civil and Administrative Tribunal, explaining how the roles of lawyers and the ACAT have changed under the new regime.

The Alternative Law Journal joined forces with the Animal Defenders Office ACT to present a thought-provoking seminar on animals and the law, with a panel of experts discussing the legal status of animals in Australia.

The ACT Human Rights Commission and Canberra Community Law examined developments in human rights in the ACT, asking if, twelve years after the passing of the Human Rights Act, it has lived up to its overarching goal of "bringing rights home" to Canberrans.

In a confronting session, the Women's Legal Centre presented "Lessons for the Legal Profession: Challenging sexual harassment in the workplace". Former Fair Work Commissioner, Barbara Deegan chaired a panel that reflected on what affects women's decisions to complain when working in small, professional communities such as law and media.

In a new and immensely popular event, the ACT Bar Association hosted a Law Week Breakfast. Alicia Irving, recipient of the 2015 Bar Reader's Scholarship, spoke about her experiences in child protection law. She also shared the story of her own unique route to the Bar.

## Sport, quiz, and moot

On the sporting front, the Law Week Netball was sold out again this year. Farrar Gesini Dunn beat Legal Aid ACT in the final to take home the trophy. The regular Law Week Soccer, that has run for more than ten years unfortunately had to be cancelled this year due to there being an insufficient number of teams. We will be seeking some feedback on the format and hope to run a smaller competition when the weather warms up.

The ever-popular Law Week Quiz Night was won by the Department of Human Services (aka DH-Yes!). Second place went to Blumers, and our own ACT Law Society team took out third — as a result of a “heads and tails” play off against Henry Parkes Chambers.

The final event on the Law Week calendar was the annual DPP Plate Mock Trial Competition. ANU law students Olivia Sparrow, Adrian Lee, and Nathaniel Smith won the day, beating UC law students Grace McIntosh, Claire Marron, and Natalie Wells. Well done to all six participants.

## Sponsor and charity

We are especially grateful to sponsor Lawcover for their continuing support of Law Week.

Overall, we raised \$11,101 during Law Week 2016. This is an enormous effort, and great news for our charity this year, Communities@Work's Food Rescue service (formerly known as the Yellow Van).

## ACT Election

With assistance from our committees the Society has sent questionnaires to the major parties contesting the upcoming ACT elections, targeting the issues of importance to our members.

## Continuing Professional Development

The Society aims to provide relevant, timely and high quality CPD to assist practitioners to fulfil their CPD obligations productively and efficiently. During the 2015-16 financial year, the Society offered the following CPD.

CPD activity	No.	Total attendees
Seminars (1-1.5 hours)	19	605
Workshops (3+ hours)	8	262
Themed afternoons	7	293
Two day intensive	1	192
Webinars	3	112
<b>Total</b>	<b>38</b>	<b>1464</b>

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's move to new premises provided the opportunity for an in-house training room. Since July 2015 many CPD seminars have been, and continue to be, held on-site.

This year saw the introduction of the Access to Justice CPD Series — a twice-yearly free CPD seminar on a topic of relevance to practitioners who work with the most vulnerable in the community. Topics addressed to date include assessing capacity, breaching confidentiality and credit and debt.

I also note that the Society does undertake random audits in regard to compliance with CPD obligations and remind practitioners of the need to keep adequate records of attendance.

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 2015-16.

Members who presented in 2015-16 were:

- Andrew Allan (HWL Ebsworth Lawyers)
- Paul Armarego (Mills Oakley Lawyers)
- Tanya Berlis (Meyer Vandenberg)
- Graeme Blank (Henry Parkes Chambers)
- Stephen Bourke (Farrar Gesini Dunn)
- Rosemary Budavari (Disability Discrimination Legal Services)
- John Chamberlain (Lexmerca)
- Kim Chapman (Travers & Co)
- Peter Dascarolis (Mills Oakley Lawyers)
- Phil Davey (DDCS Lawyers)
- Alfonso del Rio (Clayton Utz)
- Julie Dobinson (DDCS Lawyers)
- Amy Eager (Legal Aid ACT)
- Chris Erskine (Blackburn Chambers)
- Marcus Hassall (Henry Parkes Chambers)
- Steven Hausfeld (Blackburn Chambers)
- Vivien Holmes (ANU Legal Workshop)
- Gavin Howard (Henry Parkes Chambers)
- Michael James (Trinity Law)
- Andrew Klein (Russell Kennedy Lawyers)
- Jon Lovell (Ashurst)
- Geoffrey Mazengarb (Mazengarb Family Lawyers)
- Geoffrey McCarthy (Blackburn Chambers)
- Jason Moffet (Blackburn Chambers)



**Table 2: Submissions and representations**

Date	Subject of Submission	Made to
1/07/2015	<i>Crimes Legislation Amendment Bill 2015</i>	ACT Justice & Community Safety Directorate
17/07/2015	Foreign Investment Reforms draft legislation	The Treasury
22/07/2015	Court appointed mediations	ACT Magistrates Court
28/07/2015	<i>Human Rights Amendment Bill 2015</i>	Standing Committee on Human Rights and Safety, ACT Legislative Assembly
29/07/2015	<i>Guardianship and Management of Property Act 1991</i>	ACT Law Reform Advisory Council
11/08/2015	<i>Powers of Attorney Act 2006</i> (ACT) — Proposed amendment for medical research purposes	ACT Justice & Community Safety Directorate
27/08/2015	Spent Convictions	ACT Justice & Community Safety Directorate
2/09/2015	Proposed amendments to the <i>Civil Law (Wrongs) Act 2002</i>	ACT Health
25/09/2015	De novo appeals from Magistrates Court	ACT Justice & Community Safety Directorate
30/09/2015	DPP tenure and terms	ACT Attorney General
14/10/2015	2016-17 Budget Submission	Chief Minister, Treasury and Economic Development Directorate
3/11/2015	Reality Check — A Real Estate Guide for Buyers and Sellers in the ACT	ACT Justice & Community Safety Directorate
3/12/2015	<i>Crimes Legislation Amendment Bill 2016</i>	ACT Justice & Community Safety Directorate
8/12/2015	Proposed changes to double jeopardy	ACT Justice & Community Safety Directorate
8/12/2015	Review of Retirement Villages Act	ACT Justice & Community Safety Directorate
11/12/2015	Lifetime Care and Support Guidelines	Lifetime Care and Support Commissioner for the ACT
11/02/2016	Reforms to the <i>Discrimination Act 1991</i>	ACT Attorney General, ACT Justice & Community Safety Directorate, Law Reform Advisory Council
19/02/2016	Building Regulatory Reforms	Environment and Planning Directorate
22/02/2016	ACAT Structure and Jurisdiction — discussion paper	ACT Attorney General, ACT Justice & Community Safety Directorate
10/03/2016	Expanding the use of criminal infringement notices	ACT Justice & Community Safety Directorate

- Tim Morton (Bradley Allen Love)
- Amanda Nuttall (ACT Magistrates Court)
- Athol Opas (Meyer Vandenberg)
- Pria O’Sullivan (King & Wood Mallesons)
- Adam Peppinck (Mills Oakley Lawyers)
- Michael Phelps (Phelps Reid)
- Jamie Ronald (Colquhoun Murphy)
- Mike Rosalky (Animal Defenders Office )
- Liz Samra (Consumer Law Centre of the ACT )
- Michael Sassella (National Disability Insurance Agency)
- Hugh Selby (Barrister)
- Di Simpson (DDCS Lawyers)
- Rebekah Smith (ACT Government Solicitor)
- Ron Travers (Travers & Co)
- Rodney Lee Walsh (ACT Ombudsman)

- Chris Wheeler (King & Wood Mallesons)
- John Wilson (Bradley Allen Love)

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 2 above. Please note that 23 consultation-in-confidence correspondence and 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 2015-16 are:

President	Martin Hockridge
Vice Presidents	Sarah Avery Elizabeth Lee
Secretary	Louise Vardanega
Treasurer	Vik Sundar
Council-Appointed Member	Chris Donohue
Immediate Past President	Noor Blumer
Councillors	Angus Bucknell Catherine Coles Chris Donohue Gavin Lee George Marques Bronwyn McNeil Craig Painter Phil Schubert Philippa Spence 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
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
Family Law	Di Simpson
Functions & Law Week	Bill Redpath
Government Law	Peter Cain
Inclusion & Diversity	Ranjini Nayager
Industrial Relations	John Wilson
International Lawyers	Gregory Waddoups
Legal Professional Act & Ethics	Michael Phelps
Military Law	James King
Practice Management	Bill Baker
Property Law	John Chamberlain
Young Lawyers	Kavina Mistry

## 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	Ashlea Archer Tim Dingwall Emma Griffis Amy Pyett

# Contributions to the Community

## Pro Bono Clearing House

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 22 August 2016, 52 applications had been received, compared to 59 this time last year. 50 were from individuals and two from organisations. Of the 52 applications, 25 were successfully referred out to firms; 21 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. Four are awaiting consideration; two require further information.

## 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, DLA Piper, King & Wood Mallesons, Minter Ellison, Meyer Vandenberg and Sparke Helmore, Bradley Allen Love and McInnes Wilson.

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).

## 2016 — a snapshot.

During the course of the year the PBCH has been averaging three applications per week. The PBCH is a ‘last resort’ for legal assistance after all other avenues for legal assistance have been exhausted.

The PBCH sought feedback from applicants and referees on their experience with the PBCH. The little feedback received from applicants was positive with all very happy with the service they received from the firms who accepted their matter. The feedback from firms was also positive, although there were concerns that potential applicants should be more thoroughly vetted for their financial circumstances. This year the following firms accepted referrals from the Clearing House: Ashurst

Australia, Bradley Allen Love, Clayton Utz, Darryl Perkins Solicitor, Jaleh Johannesson, Matt O’Brien, Maurice Blackburn, Mills Oakley, Minter Ellison, Russell Kennedy, McInnes Wilson, Lexicon Lawyers, Harris Wake, Blackburn Chambers, Meyer Vandenberg, Colquhoun Murphy, Sharman Robertson Lawyers and HWL Ebsworth. A big thank you to all those firms. McInnes Wilson and John O’Keefe are two new firms who have agreed to accept referrals from the PBCH.

Thank you to all the Operational Secondees for the 2015/16 year: Josie Dempster (DLA Piper/Sparke Helmore), Emily Davies (Sparke Helmore), Shirley Chung/Rachel Noronha (Clayton Utz) and Katie Binstock (McInnes Wilson) and Emma Boland (King Wood Mallesons) as the Policy Secondee. In addition, a thank you to all the Assessment Panel Members for volunteering their time to the PBCH.

— Martin Hockridge

## Members

- Martin Hockridge (Chair)
- John Boersig
- Genevieve Bolton
- Katy Grimes
- Amanda Graham
- Peter McNulty
- Emma Boland
- Debbie Sims

## 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 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 2015-16 financial year, our LAB volunteers saw more than 1100 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 including consumer law.

Month	No. of clients
July	120
August	101
September	91
October	79
November	87
December	43 ( <i>only 2 weeks</i> )
January	67 ( <i>only 2 weeks</i> )
February	106
March	72
April	75
May	115
June	76
<b>Total</b>	<b>1032</b>

Topic	No. of clients
ACAT	36
Builder	81
Business	25
Contract	137
Criminal	81
Debt / Finance	56
Employment	106
Family	123
Medical	12
Migration	1
Motor vehicle accident	23
Personal injury	15
Property and tenancy	165
Wills / Power of Attorney	70
Workers compensation	14
Other	87
<b>Total</b>	<b>1032</b>

## Prizes for Academic Excellence

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

### At the University of Canberra

Prize	2015 Winner
ACT Law Society Prize for the Highest Achieving Student in Contract Law	Renee Mastrolembo
ACT Law Society Prize for the Highest Achieving Student in Equity Law	Dr Ritu Kumari
ACT Law Society <i>Canberra Law Review</i> Prize	Alyssa Dunn

### At the Australian National University

Prize	2015 Winner
Law Society of the Australian Capital Territory Prize for Contracts	Helen Whalan
BC Meagher Prize for Commonwealth Constitutional Law	Sascha Kouvelis
Liz and Bill Allen Prize for Practical Legal Training	Erin-Jura Turner Manners

## Donations

In 2012 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 came from the proceeds of Law Week over three years, matched by funds from the Society. The total amount in the Foundation is now \$74,062.

In this financial year, the Law Society donated \$1,300 to YouthCare, representing the first disbursement from the Foundation. The Society also donated \$5,000 to Austlii.



# Committee Reports

## Access to Justice & Human Rights

The *Pro Bono Guidelines* were launched in February this year and are available on the ACT Law Society Website.

The Committee has actively considered the Productivity Commission Report into Access to Justice and particularly the recommendations and has monitored the Law Council's response as well as that of NSW and Victoria.

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 strengthen individual relationships. The Committee continues to play a very active role in the Legal Aid Matters Campaign including the early morning march and rally held during Law Week. The Committee is grateful for the support of the President and CEO for their ongoing assistance in the campaign.

The Committee continues to provide representation to the Legal Aid, ACT Legal Assistance Forum and the Law Council Access to Justice Committee and looks forward to working with other Law Society committees especially the newly formed Inclusion and Diversity Committee.

— Walter Hawkins

## Members

- Walter Hawkins (Chair)
- Anya Aidman
- Allison Ballard
- John Boersig
- Sarah Byrne
- Sean Costello
- Douglas Hassall (from April 2016)
- Simon Henderson
- Geetha Nair (from November 2015)
- Tich Pasipanodya
- Deb Phippen
- Simon Rice (to September 2015)
- Amy Sydney
- Gary Tamsitt
- Heather Jackson (Committee Administrator)

## ADR

The use of ADR in the ACT continues to grow. This year saw the use of ADR blocs in the Magistrates Court, similar to those successfully introduced in the Supreme Court, in the context of a review being conducted into ADR at the Magistrates Court and ACAT. The Committee continues to monitor these developments with interest, making appropriate inputs to amendments to the *Court Procedures Act* and Rules relating to ADR.

The Committee has fulfilled its obligation to promote the use and understanding of ADR in the legal community, with member presentations this year including seminars at the Australian National University and University of Canberra and Graeme Blank's well-received presentation on "Making the Most of Mediations" at a Government Law afternoon. In addition, Steve Lancken wrote an article for *Ethos* entitled "Ahead of the Curve; ACT Government endorses National Mediation Accreditation Scheme".

The ADR Committee is a useful mix of private and government lawyers, mediators and legal representatives, ACT court registrars and Federal court registrars, not to mention young and not-so-young lawyers. I thank all members for their contributions throughout the year, with special mention going to our wonderful committee secretary, Heather Jackson.

— Kim Lackenby

## Members

- Kim Lackenby (Chair)
- Rod Badgery
- Graeme Blank
- Greg Brackenreg
- Annie Glover
- Stephen Herrick
- Harry Kay
- Steve Lancken
- Bryan Meagher
- Caterina Salsone
- Jane Temby
- Emma White
- Heather Jackson (Committee Administrator)

## Civil Litigation

The Civil Litigation Committee has been active again in the past twelve months and has met monthly, usually with a full agenda. The Committee has been focused on monitoring various changes to legislation that may impact on civil litigation in the Territory, as well as dealing with other practical issues affecting the Society's members in dealing with such litigation.

The proposed changes to the Workers Compensation Scheme affecting ACT public servants has continued to be on the agenda throughout the year and is expected to again become prominent following the ACT election later this year. Members of the Committee are actively involved in monitoring that.

In relation to the *Road Transport (Third Party Insurance) Act 2008*, which is the law dealing with motor vehicle accidents in the Territory, the Committee was involved in liaising with the Joint Rules Advisory Committee about changes required to accommodate the issuing of urgent proceedings where, for example, limitation issues arise. It took some time to effect the relevant changes but they are now in place and will assist practitioners in dealing with those urgent matters.

The past year has seen ongoing liaison with the Australian Federal Police particularly relating to issues concerning the delay in producing police reports following accidents, but also in dealing with the ongoing interaction between the profession and the police. It is anticipated that further meetings will be held on a regular basis.

Further, Committee members were involved in meetings with senior representatives of the NRMA, which have led to some improved procedures, and the identification of other matters that can be the subject of discussion going forward. It is expected that there will be ongoing liaison meetings. The Committee is also seeking to engage the other CTP insurers in the Territory. In a related matter, the ACT Government has proposed changes to the CTP claim forms (following representations by the Society), and although it has been a slow process, it is hoped that new forms will be available shortly.

I have continued as the Society's representative on the Joint Rules Advisory Committee which has been involved in making changes to the Court Rules throughout the year. The Committee has been able to provide some input into proposed changes, and continues to be an important channel of communication between the Law Society and the Court concerning those types of matters.

The Committee includes representatives from the Supreme Court, Magistrates Court and ACAT and this enables Committee members to be updated on a monthly basis about events in those Courts and the Tribunal, as well as proposed changes.

Overall it has been another very busy year and it is expected that the year ahead will be the same. Once again

I express gratitude to Heather Jackson for her ongoing support as Committee Administrator.

— Richard Faulks

## Members

- Richard Faulks (Chair)
- Angus Bucknell
- Richard Garnett
- Annie Glover
- Steven Hausfeld
- Walter Hawkins
- John Henry
- Harry Kay
- John Little
- Sarah McJannett
- Matthew Needham
- Amanda Nuttal
- Phil Schubert
- Kristy Soper
- Heather Jackson (Committee Administrator)

## Commercial & Business Law

The Commercial & Business Law Committee continued to enjoy support from the profession throughout the year. The Committee retains representation from the private and government sectors and both large and small firms.

Issues discussed or considered at Committee meetings this year include:

- Proposed anti-money laundering legislation (tranche 2) and the significant impact the legislation could have for legal practitioners;
- Development of a business sale checklist;
- The need for a review of the Associations Incorporation Act; and
- A number of proposals put forward by JACS including the ACAT review.

In the coming months, the Committee will be pleased to host the initial Business Law CPD afternoon.

I would like to thank Committee members for their time and effort over the past year in contributing to the activities of the committee. In addition, I thank Heather Jackson for her assistance as committee administrator.

— Dianne O'Hara

## Members

- Dianne O'Hara (Chair)
- Allan Bedford
- Edward Campbell
- Brendan Cockerill (to May 2016)
- Emilie Franklin
- John Irvine (to January 2016)

- Andrea Jamieson
- Richard Lewis
- Chris Macphillamy
- Lora Shaw
- Vik Sundar (to October 2015)
- Jason Wenning
- Amanda Wescombe
- Heather Jackson (Committee Administrator)

## Complaints

The Complaints Committee farewelled Craig Lynch in December and welcomed Sarah Boxall to the Committee in April this year.

The Committee dealt with 114 formal complaints received during the reporting year, 16 more than the previous year. In addition to the handling of formal complaints received, our Professional Standards Manager, Robert Reis, and Complaints Secretary, Linda Mackay, deal with numerous complaints from practitioners and member of the public. Where possible, they seek to address complainant's concerns without engaging members in the formal complaints 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	35
Conveyancing	11
Civil Litigation	22
Criminal Law	9
Personal Injuries/Medical Negligence/ Workers Compensation	17
Wills & Probate	13
Employment	4
Other	5

Type of matter	Complaints
Costs	28
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	2
Personal conduct (negligence, misleading behaviour, conflict of interest)	15
Non-compliance	3
Other (general conduct)	21

Of note, there has been a significant increase in complaints in Family Law, Wills & Probate and Personal Injuries with a decrease in Conveyancing and Property matters.

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 written by the Professional Standards Manager in *Ethos*. Members are encouraged to read these articles which regularly highlight how practitioners can avoid the complaints process.

Complaints that could result in disciplinary action are referred to 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, 37 (18 more than last year) were dismissed pursuant to section 399 without requiring an investigation, 25 were dismissed pursuant to section 399 following an investigation and 14 were dismissed pursuant to section 412 following the completion of an investigation. 12 complaints were summarily dealt with pursuant to section 413 and eight 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 21 disciplinary matters filed in ACAT or the Supreme Court. Furthermore there are five matters before the Council of the Law Society for consideration whether disciplinary action through the ACAT is required. 10 matters are currently on referral to panel solicitors awaiting advice as to whether disciplinary proceedings should commence.

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

## Members

- Ross Reid (Chair)
- Allan Bedford
- Sarah Boxall (from April 2016)
- Mary Burgess
- Amy Burr
- Sally Campbell
- Michael Deasey
- Julie Dobinson
- Jim Dunn
- Maurice Falcetta
- Bridie Harders
- Vivien Holmes
- Gavin Howard

- Ken Hubert
- Craig Lynch (to December 2015)
- Scott Pearsall
- Darryl Perkins
- John Solomon
- Alisa Taylor
- Mark Tigwell
- Gillian Yeend
- Linda MacKay (Committee Administrator)

## Criminal Law

Over the last 12 months the Criminal Law Committee has continued to serve the dual roles of advice to the executive on issues of law reform whilst remaining a forum for stakeholders in the ACT justice system to exchange information. These functions have been met by the alternate monthly meetings. One month includes stakeholders whilst in the alternate month it does not.

The output of the Committee has increased over the last twelve months in response to the large amount of criminal law reform in an election year. In recent months the Committee responded to government discussion papers relating to reforms to bail, sentencing, liquor laws, criminal investigation procedures and anti-association/consorting laws. We have seen success both in terms of amelioration of proposed laws and notable back downs by Government including in respect of the anti-consorting laws. The Committee will continue to work hard over the next twelve months to comment upon and respond to proposed reforms.

Within the ACT the criminal law has also undergone both substantive and procedural reform aimed at addressing Family and Domestic Violence. The reforms have already affected the way that the Magistrates Court handles Domestic Violence Order matters and it is anticipated that reform is imminent in respect to case management of criminal charges within the Family Violence Court. Legislative changes have also changed the way evidence is taken from complainants and these changes are now filtering through to improved timeframes for disclosure of evidence which will assist lawyers at both ends of the bar table to resolve family violence charges more quickly.

Finally, I would like to thank all members of the Committee for their input and support over the last twelve months. Also on behalf of the Committee I wish to publicly thank Justice Shane Gill and Helen Corey who both resigned from the committee this year after many years of service. We wish them both well with their future endeavours.

— Michael Kukulies-Smith

## Members

- Michael Kukulies-Smith (Chair)
- Lorana Bartels

- Sarah Boxall
- Jane Campbell
- Helen Cory (to February 2016)
- Richard Davies
- Paul Edmonds
- Andrew Fraser
- Shane Gill (to May 2016)
- Annie Glover
- Janet-Lee Hibberd
- Michael Lalor
- James Lawton
- Adrian McKenna (from September 2015)
- Victor Martin
- Amanda Nuttall
- Jacob Robertson
- Peter Woodhouse (to September 2015)
- Heather Jackson (Committee Administrator)

## Elder Law & Succession Law

The Elder Law and Succession Law Committee had a very productive year — making a huge contribution to law reform projects, community engagement and practitioner education.

Due to the ambitious number of projects on the Committee's agenda, I identified a need for new members. Additional members on the Committee would help share the workload, so current members were not overloaded, and also had the benefit of new members bringing fresh energy and insight.

We sought expressions of interest to join the Committee and received responses from a number of enthusiastic and talented practitioners. Erin Bedford, Emma Bragg, Michelle Gold and Elizabeth Samra joined the Committee in late 2015. The Committee continues to be well-represented, with members from private practice, Commonwealth and ACT Government, the ACT Supreme Court, the Public Trustee & Guardian, the community legal sector, the ANU College of Law and COTA (ACT).

The Committee has actively contributed to a number of significant law reform projects over the past year. In addition to the substantial law reform projects outlined below, the Committee also provided input into the Society's response to the jurisdictional review of ACAT.

## Enduring Powers of Attorney — medical research

The Committee has played a key role in engaging with JACS regarding amendments to the *Powers of Attorney Act 2006* (ACT) to enable attorneys to consent to medical research matters on behalf of a person with impaired decision making capacity. We have provided submissions in response to the initial consultation, provided feedback on proposed legislation and the prescribed form, and worked together with JACS in regards to practitioner awareness through *Hearsay*.



## Review of Guardianship and Management of Property Act 1991

The Committee made submissions to the Law Reform Advisory Council and attended a consultation session in relation to the review of guardianship law in the ACT.

The report has not yet been released but the Committee will continue to monitor this review and respond to any further developments.

## Intestacy

The Committee has advocated a substantial review of current intestacy laws under the *Administration and Probate Act 1929* (ACT). To assist the Attorney-General in considering the need for a review, the Committee prepared a substantial issues paper. The brief identifies potential problems with the current intestacy provisions and contrasting approaches adopted in other Australian jurisdictions and the recommendations of the Uniform Succession Law Reform Report.

The Committee looks forward to receiving a response from the Attorney-General and would welcome a review of these laws.

## Retirement Villages

The Committee has had a representative on the Working Group for review of the *Retirement Villages Act*. Amendments to the Act were recently passed and the Committee will continue to have a presence in the Working Group through the implementation stages.

## Family Provision

Following a handful of amendments to the *Family Provision Act 1969* (ACT) in 2014, the Committee identified that a more thorough review of family provision legislation is desirable. To this end, we are in the process of preparing an issues paper identifying particular areas for review.

## Community Engagement

The Committee has welcomed opportunities to engage with and provide education to members of the general public on matters related to elder law and succession law.

Once again, during Law Week, members of the Committee volunteered at four different community seminars on Wills and Estates hosted by Communities@Work. Attendance at the seminars was modest, but we have communicated the Committee's willingness to participate in similar events in the future.

Members of the Committee were also invited to speak to a local Probus Club on Wills and Estates Law and received glowing feedback afterwards.

I have also contacted Council on the Ageing (ACT) to express our willingness to participate in any future education events on relevant topics.

## Practitioner Education

One of my aims for the Committee is to continue to raise the profile of Elder Law and Succession Law within the profession and community. In the context of an ageing Australian population, it is an important and growing practice area that requires a high degree of skill and diligence from practitioners. With this aim in mind, I have emphasised the importance of continuing professional development for ACT practitioners in this area.

Members of the Committee worked together with Margaret Ryan to organise the ACT Law Society's 2nd Wills & Estates One Day Conference in October 2015 (the first having been held in 2013). The Conference involved four interstate speakers and one local speaker, all of whom are considered experts in their area. The Conference was fully subscribed with approximately 100 attendees and the feedback was generally very positive. The success of the ACT Conference has even prompted the Blue Mountains Regional Law Society to organise a similar event.

The 3rd Wills & Estates One Day Conference has been scheduled for 16 September 2016 and will again involve five highly regarded speakers. Of note, there will be a dedicated ethics-based session focusing on professional negligence in will-drafting and the key-note speaker, Dr Carmel Pesiah, will speak on testamentary capacity. These two topics have been chosen to address significant and increasingly prevalent challenges faced by practitioners in this area.

Throughout the year, the Committee has made an effort to keep practitioners informed about changes to the law through notices in Hearsay and articles in Ethos.

Members of the Committee are participating in a project co-ordinated by Legal Aid ACT in relation to the drafting of an ACT toolkit for practitioners for when a client's capacity is in doubt. Although there are similar publications in NSW and QLD, there is currently no guide or practice manual specifically for ACT practitioners.

As Chair, I continue to be grateful for and impressed by the commitment and enthusiasm demonstrated by my Committee members, who genuinely care about this area of the law. I also owe many thanks to Heather Jackson for her support and assistance.

— Rebecca Tetlow

## Members

- Rebecca Tetlow (Chair)
- Ashley Arthur (to January 2016)
- Julie Beddoe
- Erin Bedford (from October 2015)



- Katie Binstock
- Glenda Bloomfield
- Emma Bragg (from October 2015)
- Michelle Gold (from October 2015)
- Hamish Kerr (from March 2016)
- Stephen Kellett
- Grant Kennealy
- Judy Morris (to May 2016)
- Tim Morton
- Mark Phillips (to December 2015)
- Peter Prince (from March 2016)
- Paul Salinas (to August 2015)
- Elizabeth Samra (from October 2015)
- Sue Schreiner (to February 2016)
- Loretta Zamprogno
- Heather Jackson (Committee Administrator)

## Family Law

The Family Law Committee continues to be engaged in a range of matters relevant to ACT family lawyers. A diverse range of issues impacting local practitioners have been explored by the Committee and monthly meetings continue to be essential. The Committee has recently called for expressions of interest for additional members to ensure its membership is representative of the broader profession and to ensure it is able to manage its work load.

The Committee is embarking upon a review of best practice initiatives for those practitioners working in the child welfare jurisdiction (including for the representation of children) and to identify other opportunities for improved engagement between service providers and legal advisors in the care jurisdiction.

Canberra has seen the retirement this year of Judge James Brewster from the Federal Circuit Court and Deputy Chief Justice John Faulks and Justice Mary Finn from the Family Court. While the Committee has welcomed the appointment of Justice Shane Gill to the Family Court, it is likely that family law clients will experience further delays as a consequence of having only two (very busy) Judges in the Federal Circuit Court.

The Committee continues to engage regularly with representatives from the Family and Federal Circuit Courts and works co-operatively to improve service delivery — with an appreciation of the challenges faced by the Courts in managing increasing filing numbers, consequential delays in listing times and in the provision of court reports in parenting matters.

The Committee promotes and supports continuing legal education in our community. It expects to host an arbitration forum later this year, in conjunction with AIFLAM. A number of other seminars are under consideration and development.

The Committee has commented on a number of reports being considered by the ACT Government and engages

with matters under consideration by the Family Law Section of the Law Council.

The Committee considers a range of standing items at each meeting or as required, including social justice issues, collaborative law, the Canberra Region Family Law Practitioners' Association, alternate dispute resolution and case watch.

The Committee has organised a number of well attended social functions, creating relaxed opportunities for family lawyers, Court personnel, counsellors and psychologists to come together. Special functions included an informal farewell for Deputy Chief Justice Faulks and a dinner for Justice Benjamin.

In the busy second half of this year the committee will host an informal farewell for Judge Brewster and a welcome for Justice Gill.

I thank the members of the Committee for their continuing commitment, hard work and generous support — and a special thanks to our friend, Heather Jackson for her support, grace and good humour.

— Di Simpson

## Members

- Di Simpson (Chair)
- Mary Burgess
- Amanda Di Placido
- Andrea Evans
- Denis Farrar
- Gavin Howard
- Cristina Huesch
- Brooke Johnson
- Liz Keogh (to November 2015)
- Philippa Spence (to December 2015)
- Carlos Turini
- Heather Jackson (Committee Administrator)

## Functions & Law Week

We continue to attract some good attendances to our members lunches with favourites in the Chairman & Yip (July 2015), Soju Girl (December 2015), something different in Briscola (September 2015), and something new in Les Bistronomes (March 2015). The latter was brilliant but the long trek to Braddon led to a poor turnout. For those who didn't attend — your loss.

Sadly, we will not be returning to Soju Girl or Chairman & Yip, as both restaurants have ceased trading.

The annual dinner at the Boathouse honoured Janean Richards with a President's Medal, John Henry with the Government Lawyer Award and Kavina Mistry was Young Lawyer of the Year.

We at last had family friendly day at the National Zoo and Aquarium. We all learned a lot about how to do it

better next time but it was a roaring success for those who attended. Special thanks to Rod Barnett and Nicole.

Our “civil” opening of the Legal Year attracted its biggest crowd to date but we cannot persuade practitioners that an evening drink is a handy start as well.

As predicted in my last report, the demographic and the time sheet finally caught up with the Golf Day that had to be cancelled for a lack of interest. All is not lost — we will be looking for a new format for next year.

The theme for Law Week in 2016 was “Law for All” emphasising how cuts to Legal Aid including Community Legal Centres has reduced access to Justice. Disappointingly, the soccer competition didn’t run but a vibrant netball competition was a feature of the week, won by Farrer Gesini and Dunn, beating Legal Aid.

Otherwise there were the usual favourites such as the launch of Law Week/Golden Gavel (winner Josie Dempster, People’s Choice Rebecca Wheeler), the hugely successful Young Lawyers Quiz Night (Human Services first, then Blumers Lawyers and ACT Law Society respectively), the Women Lawyers Dinner (a fabulous speech by Cate MacGregor) and a heartfelt warning of the “Brave New Legal World” from Deputy Chief Justice Faulks of the Family Court.

There were various other important educational sessions during Law Week and the ACT Bar Association hosted a successful breakfast event. Overall, Law Week was educational, fun and raised over \$11,000.

Finally, we organise a successful farewell dinner for Justices Faulks, Brewster and Finn (thanks to the family lawyers) and for long-serving Magistrate Peter Dingwall.

Thanks to our sponsors through the year:

- Arthur J Gallagher
- Ben Aulich & Associates
- Clayton Utz
- EY
- Infinity Legal
- Maurice Blackburn
- Minter Ellison
- Nexia Australia
- Russell Kennedy Lawyers
- Vincents.

Succession planning is still on the agenda so now is the time to join our hard-working committee.

— Bill Redpath

## Members

- Bill Redpath (Chair)
- Paul Armarego
- Sarah Avery (from October 2015)
- Adam Bak
- Rod Barnett

- Cristina Huesch (to January 2016)
- David Metcalf
- Jennifer Newman (to June 2016)
- Jamie Ronald (to August 2015)
- Young Lawyers Committee representative
- Women Lawyers Association ACT representative
- Nicole Karman (Communications Officer)

## 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 six times during 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.

The Committee held CPD afternoons covering each of the four CPD areas on 11 November 2015 and 2 March 2016. As in previous years these were very well attended, with about 90 different practitioners at the November afternoon and just over 60 in March. 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:

- Tim Matthews, National Practice Manager, Defence Legal, on 20 August 2015;
- John Henry, Special Counsel, Litigation, ACT Government Solicitor, and 2015 Government Law Award recipient, on 17 November 2015;
- Janean Richards, Chief Legal Counsel and Group Manager, DSS, on 25 February 2016; and
- Tom Howe, PSM QC, Chief Counsel Dispute Resolution, AGS, on 12 May 2016.

The Committee, on behalf of the Society, continues to administer the Government Law Award, which recognises the outstanding contributions by a practitioner working for or with 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 Jacqueline Gartland, the Society’s policy officer, for supporting the Committee with all of its administration.

— Peter Cain

## Members

- Peter Cain (Chair)
- Sasha Bellamy (to 16 September 2015)
- Peter Brooks (from 15 February 2016)
- Caroline Bush
- David Fintan (to 23 December 2015)
- Louise Futol
- Rohan Goyne
- Vicky Hogarth (from 2 February 2016)
- Brian Kildea
- Katrina Leach
- Timothy Matthews
- Liz Murphy (from 13 November 2015)
- Athol Opas
- Christine Plevey
- Anne Saunderson (to 23 December 2015)
- Lora Shaw
- Tetyana Wotton
- Andrew Yuile (to 6 July 2015)
- Jacqueline Gartland (Committee Administrator)

## Inclusion & Diversity

The Inclusion and Diversity Committee was established in financial year 2015-16 in an environment where challenges to inclusion and diversity in society were experienced in its most violent form. The Committee was established to reflect the Society's and the profession's commitment to inclusion and diversity through advising and developing policy and to advise on practical tools to translate policy into action in the legal profession through a variety of professional and social engagement activities such as the provision of online resources, CPD opportunities and social activities.

The Committee convened three times in the reporting period, and began work on the Reconciliation Action Plan, identified a structural gap in the legislative framework relating to migration and asylum seekers that had real impact on a vulnerable and marginalised group in society and began to identify core areas of inclusion and diversity to which the Committee's resources will be applied to. Whilst the Committee was established in the last quarter of 2015-16, the Committee will officially be launched in 2016-17.

The Committee approved the establishment of a sub-committee to progress the Reconciliation Action Plan (RAP) for the profession which will be put before the Society's Executive for consideration in 2016-17.

The Committee noted that there was a gap in how refugees can access to advocacy and the law relating to settlement of asylum seekers in the ACT. Committee members began work in 2015-16 to provide briefings on the changes in this area to the Society with a view to providing CPD sessions when changes in this area anticipated in 2016-17 are expected to be finalised. The

Committee noted that issues relating to migration in the ACT (including asylum seekers) relates to a vulnerable and marginalised group and the Committee began in 2015-16 to harness the expertise of its members to provide policy advice to the Society as well as raising awareness amongst the profession of the challenges (structural and financial) faced by both asylum seekers in seeking and obtaining legal advice and members of the profession providing advice to this marginalised group.

The Committee discussed tools available to understand the demographics of the profession in the ACT with a view to harnessing its resources to target specific areas of inclusion and diversity. The Committee noted the work undertaken by the Society and national bodies in survey's of the profession and will be working with the Society in the development of surveys.

The Committee worked with the Society to identify resources on inclusion and diversity for the Society's website.

I thank the Society for the establishment of the Committee and Jacqueline Gartland for providing administrative support. Much of the success of any committee is attributable to the ideas, dedication and support of its members. The Committee's members represent a wide section of the profession and have demonstrated keen motivation, passion, commitment and energy to the addressing areas where inclusion and diversity are at its weakest in our profession.

— Ranjini Nayager

## Members

- Ranjini Nayager (Chair)
- Jan Baker
- Veena Bedekar
- Avinesh Chand
- Lauren Gray
- Walter Hawkins
- Liz Hughes-Brown
- Kahlia Jenkins
- Angela Lauman
- Timothy Nicholls
- Tamara Sullivan
- Stephanie Triefus
- Annie Visser
- Sara Wedgwood
- Senzeni Zambezi
- Jacqueline Gartland (Committee Administrator)

## 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 and work that it has done includes the impact of significant cases such as *Bartlett v ANZ Banking Group* (implied term of good faith in employment contracts) and *Richardson v Oracle* (discrimination and sexual harassment general damages), CPD seminars for inclusion in the Society's Program (including employee restraints and workplace rights of entry and inspections), making a submission to the ACT government on proposed amendments to the *Public Sector Management Act 1994* and generally informing practitioners of recent changes in employment and industrial law.

— John Wilson

## Members

- John Wilson (Chair)
- Allison Ballard
- Andrew Klein
- Deborah Mackenzie
- Don Malcolmson
- Jamie Ronald
- Rebekah Smith
- Heather Jackson (Committee Administrator)

## International Lawyers

In the first part of 2016, the International Lawyers Committee focused on supporting the Jessup International Moot Court Competition at the Australian National University by finding and providing judges from the Law Society membership. The Jessup director was very appreciative of the support provided by the Committee. We also provided two CPD courses at the February Intensive, namely "International Contracting and Alternative Dispute Resolution (ADR)" and "Influencing International Legal Standards for Aviation Safety: MH370 and Australia's Participation in the International Response".

In the second part of 2016, we are sponsoring a CPD course on "Investor State Dispute Settlement and Tobacco Plain Packaging" on 1 September. We will also have one or two articles on international topics submitted for use in *Ethos*.

We are excited to have several new members who joined us in April 2016 and look forward to their meaningful participation on the Committee. I will be ending my tenure as Committee Chair in 2016 as my assignment in Australia is ending and I am returning to the US.

The Committee established a presence on Linked In to communicate international law items of interest and have published articles in *Hearsay* encouraging Society members to join.

The Committee hosted representatives from the Law Council of Australia at a meeting and enjoyed a discussion of their international strategy and focus.

— Gregory Waddoups

## Members

- Gregory Waddoups (Chair)
- Paul Armarego
- Alistair Bridges
- Dalma Demeter
- Nilanka Goonetillake (from April 2016)
- Mark Goyne (from April 2016)
- Suzanne Howarth (from April 2016)
- Zoe Hutchison (from April 2016)
- Ilona Krolukowska
- Angeline Lewis (to July 2015)
- Briony Martin (from April 2016)
- Barbara Pearson
- Rebecca Pickford (to October 2015)
- Jason Soderblom
- Lucy Turonek (from April 2016)
- Kai Zhang (to November 2015)

## Legal Professional Act & Ethics

The Committee met bi-monthly throughout the year to address a range of matters, either referred by the Executive or otherwise brought to the Committee for consideration.

A significant proportion of the issues were of direct relevance and importance to the practising profession and, where appropriate, they have been, or will be, communicated to members through *Ethos*, *Hearsay* or the Society's website.

Issues considered included:

- A guidance note for members regarding Disputed Wills in Contested Probate Matters which addresses a practitioner's ethical position where a will prepared by the practitioner is disputed in contested probate proceedings.
- Ethical Use of Social Media and the linkage through the Society's website to guidelines issued by the Law Institute of Victoria.
- File Ownership — Retention and Destruction of Files — guidance for practitioners based on guidelines prepared by the Law Institute of Victoria.
- Submissions to the Department of Justice and Community Service (JACS) which secured an amendment to section 304 of the *Legal Profession Act 2006* which had previously precluded a practitioner from having costs assessed against a client if the client lodged a complaint with the Society.
- Consideration of possible Legal Profession Act amendments to ensure that all lawyers practising



in the ACT should be subject to the professional conduct rules irrespective of whether or not they held a practising certificate or were members of the Society or Bar Association. This anomaly would affect lawyers who are not required to hold practising certificates such as DPP, government or other in-house lawyers who are nonetheless subject to the complaint and disciplinary process but are presently not bound by the rules.

- Input into the submissions made in response to the discussion paper issued by the ACT Civil & Administrative Tribunal concerning the Reform of the Jurisdiction and Structure of the Tribunal.
- The role of the ACT Law Society in the oversight of the Norfolk Island legal profession following the removal of self-government for Norfolk in June 2015.

Finally, I again extend my thanks and gratitude to our Committee Administrator, Ms Heather Jackson, and to my fellow Committee members who continue to give generously of their time and expertise.

— Michael Phelps

## Members

- Michael Phelps (Chair)
- Paul Armarego
- Madelin Bayer (on extended leave)
- John Buxton
- Jennifer Crawley (on extended leave)
- Bryan Meagher SC
- Mark Love
- Athol Opas
- Rob Reis
- Gerald Santucci
- Di Simpson
- Ross Watch
- Heather Jackson (Committee Administrator)

## Military Law

The Military Law Committee had a productive and eventful year.

The former Chair, Glenn Theakston, resigned from the Committee in May following the announcement of his appointment as an ACT Magistrate. His contribution to the Committee's work was highly valued and his presence on the Committee will be missed.

An injection of new Committee members brought a diversified range of skills and experience. The Military Law Committee members now include Australian Defence Force Legal Officers, both regular and reserve, private practitioners, academics and Government lawyers.

A key event this year was the well-attended presentation from a representative of the Australian Red Cross on the

role of the Red Cross/Red Crescent Movement, which was arranged by members of the Committee.

The Committee continues to work on identifying a range of military-specific legal topics 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. An Issues Paper on the topic of ADF Legal Officers Providing Legal Services to Individuals: Supervision, Indemnification and Insurance was released to the Council on 29 April 2016.

— James King

## Members

- Glenn Theakston (Chair) (to May 2016)
- James King (Chair from July 2016)
- Jackson Balme
- Genevieve Butler (from February 2016)
- Alexandra Collins (from February 2016)
- Richard Crane
- Natalie Cujes (to October 2015)
- Rod Hellebuyck (to September 2015)
- David Letts AM CSM (from January 2016)
- Eva Logan (from February 2016)
- Don Malcolmson
- Ben Mason (from February 2016)
- Tristan Skousgaard (from February 2016)
- Peter Sutherland
- Sally Teale (from February 2016)
- Michael Webster (from February 2016)
- Heather Jackson (Committee Administrator)

## Practice Management

The ACT Law Society again conducted two excellent Practice Management Courses, with 41 full-time participants and six part-time attendees. The first course ran over a single long weekend, and the second ran in a new format over three successive Fridays. There was enthusiastic participation from all of those in attendance.

I thank all the Course presenters, who again delivered excellent papers.

The Committee will meet prior to the next Course to evaluate content, and to ensure that the content remains relevant to the needs of the participants.

As you all know none of this would be possible without the energetic and enthusiastic organisational skills of Linda Mackay, and I thank her for that.

— Bill Baker

## Members

- Bill Baker (Chair)
- Graeme Blank



- Paul Crawford
- Phillip Davey
- Gary Tamsitt
- Robert Reis
- Paul Vane-Tempest
- Linda MacKay (Committee Administrator)

## Property Law

The Property Law Committee had a very busy 2015/2016 year. We continue to meet monthly, and have some subcommittees that meet in addition to the monthly meetings.

We have representatives on a number of Working Groups, including:

- ACT Revenue (Conveyancing Working Group) — working on the integration of a new IT system and Barrier Free payment of duty.
- Land Titles — working on integration of a new IT system, ATO third party reporting and potential plug-in for e-Conveyancing (PEXA).

A proposed amendment to the *Duties Act 1999* was successfully revoked after a strong submission by the Committee. Had the proposed amendment been put to the Assembly and passed it would have had dramatic detrimental consequences on many builders. The proposed legislation was an attempt to close a loophole created by the Araghi and Dorsett decision.

A proposed amendment to the *Civil Law (Sale of Residential Property) Act 2003* was successfully revoked after a strong submission by the Committee. Had the proposed amendment been put to the Assembly and passed it would have had detrimental consequences on members and sellers of residential property. An additional proposed amendment went through relating to building reports in Contracts for Sale, however this was amended by Government prior to being tabled in the Assembly, after submissions were made by the Committee.

## Other items of note

Unit Titles Reform — we have made written submissions to Government and attended the stakeholders meeting.

Foreign Resident Capital Gains Withholding Tax — we made written submissions on this new tax measure, redrafted the standard form Contract for Sale to accommodate the measure and ran a CPD seminar for the benefit of members.

Building Quality Forum — we made written submissions on the discussion paper.

Mr Fluffy — the Chair made published comments to a journalist on issues relating to the documents required by the Asbestos Taskforce.

We ran a Property Law Afternoon CPD on 16 June 2016 that was very well attended.

We publish *Hearsay* articles on a regular basis on changes to legislation, case law and Government policy.

We regularly answer questions from members about property law matters.

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

## Members

- John Chamberlain (Chair)
- Maggie Chapman
- Alfonso del Rio
- Ruth Harris
- Geoff Hay
- Mussa Hijazi
- Michael James
- Bronwyn Leslie
- Roberta McRae
- Adam Peppinck
- Mark Poretti (to November 2015)
- Murray Raff
- Helen Rodriguez
- Peter Romano
- David Toole
- Peter Waight
- Chris Wheeler
- Heather Jackson (Committee Administrator)

## Young Lawyers

The ACT Young Lawyers Committee presently has 19 members and meets once a month with a view to facilitating a positive young lawyer community. The Committee achieves this by regularly hosting social, networking and professional development events.

The Committee has grown considerably and each member has an active role in the running of one or more events. Our events range from 20 people to 300 people and Lisa Sherman, our Secretary, is presently looking into liability insurance to provide additional protection for the Committee and Law Society in running the events given that our events have grown considerably in size.

Our Facebook page continues to grow and has gone from 580 'likes' last year, to 967 this year. This page is successfully run by Caroline Hickey, our Vice-Chair. Our Facebook page is the predominant method used to advertise and provide information about our events. Due to the success of the page, we are also frequently approached by other professional groups (such as the

Young Accountants or the Young Engineers) or employers who wish to advertise on our page. These requests are reviewed from time to time by the Committee before being posted on the page.

We hold a significant number of events each year and all of our events are very well attended and often tickets are sold out. We have approximately two events per month and due to the amount of work required to successfully run our events, the Committee has put methods in place to ensure that each member is and has the opportunity to take on significant responsibilities. Due to the hard work and time volunteered by our Committee members, the Committee is able to successfully provide regular, and extremely well received, events for the young lawyer community.

The mentor program, presently run by Ken Powell, was first implemented in 2014 and continues to grow. Due to the demand and support for the program, we are running a second intake this year with the goal of running two intakes each year. The CPD events also continue to grow. Angela Li and Amanda Di Placido have been responsible for organising two CPD events per year to allow our young lawyers to obtain CPD points directly relevant to their role as a young lawyer.

Sarah Boxall, our Treasurer, and Amanda Di Placido are responsible for coordinating our Young Lawyers Drinks, which take place after each admission during the calendar year. These drinks provide an opportunity for us to welcome and build relationships with newly admitted solicitors and due to the success of these events, Sarah Boxall is liaising with legal recruitment firms to obtain sponsorship to enable the committee to meet the increasing demand for these events.

The Committee also held our annual 'Young Professionals Ball' at the War Memorial. Over 250 guests attended the ball which was kindly sponsored (yet again) by Vincents Chartered Accountants and Maurice Blackburn. Without the sponsorship of both those firms, we would not be able to hold these type of events for young professionals and we are thankful for their ongoing and generous support.

Furthermore, the monies raised from last year's nominated charity, Time for Justice, was provided to the International Justice Mission early this year. With the generous support of our young lawyers throughout 2015, we were able to raise \$2,000 for them. They have since advised that these monies coupled with their other donations throughout last year went towards funding the salaries of two lawyers, two social workers, and a caseworker coordinator in Cebu for a full year. Given the generous support of young lawyers this year, we hope to raise a similar amount of monies for this year's nominated charity Grow. Grow is a community based organisation that has assisted thousands of Australians recover from mental illness. Their uniquely tailored program was designed by the founders, all of whom have

had first-hand experience of mental illness. The program is free to participate in and in the ACT there are weekly meetings that people can participate in to find support, understanding and friendship.

The definition of 'young lawyer' has been expanded this past year to include lawyers under of the age of 35 and/or in their first five years of practice, and this change has welcomed a new wave of lawyers at our events. Our calendar remains full and functions with great success thanks to the dedication and commitment of the Committee's volunteer executive and members. Each Committee member deserves recognition, appreciation and thanks, because due to their donated time, we have been able to develop a positive and supportive environment for young lawyers.

— Kavina Mistry

## Members

- Kavina Mistry (Chair)
- Caroline Hickey (Vice Chair)
- Lisa Sherman (Secretary)
- Sarah Boxall (Treasurer)
- Kim Back
- Jackson Balme
- Rahul Bedi
- Emily Bowler
- Clarissa Campbell
- Amanda Di Placido
- Emma Hlubucek
- Kahlia Jenkins
- Angela Li
- Liz Murphy
- Bronti Ness
- Melita Parker
- Ken Powell
- Rebecca Wheeler
- Georgina Vallance

## Committees no longer operating

The following committees ceased to operate during the past financial year.

- ACT Legal Executives (ALEC)

# Treasurer's Report

I am pleased to present the Annual Report on the Society's Accounts for 2015/16.

## 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 \$291,950 which increased the Society's accumulated funds to \$1,747,245 as at 30 June 2016.

The favourable result was higher than budgeted predominantly due to the Society's increasing membership numbers and higher than budgeted revenue

from 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 2016-17 financial year.

## Statutory Deposits Trust Account

Total deposits at 30 June 2016 amounted to \$26,914,592 which is an approximately 28.5 per cent 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 2015-16. The Society continues to pursue attractive investment rates where possible.

## 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 \$2,223,798 was an increase of approximately 5 per cent on the previous year. Although interest rates remain low, balances held in solicitor trust accounts from which the Society earns interest continue to remain at higher levels than previous years which resulted in an increase of interest received.

Higher interest revenue along with an increase in recovered disciplinary costs, helped offset the 45% increase in disciplinary costs. The Society continues to pursue the recovery of costs incurred and further streamline the disciplinary process.

For the 2015-16 financial year Council agreed that an amount of \$823,000 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 \$49,508 to a total of \$5,217,102 as at 30 June 2016.

This year's result included slightly lower revenue on investments; however the recovery of previous investigation/management costs assisted with the higher overall result.

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.



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**Vik Sundar, Treasurer**



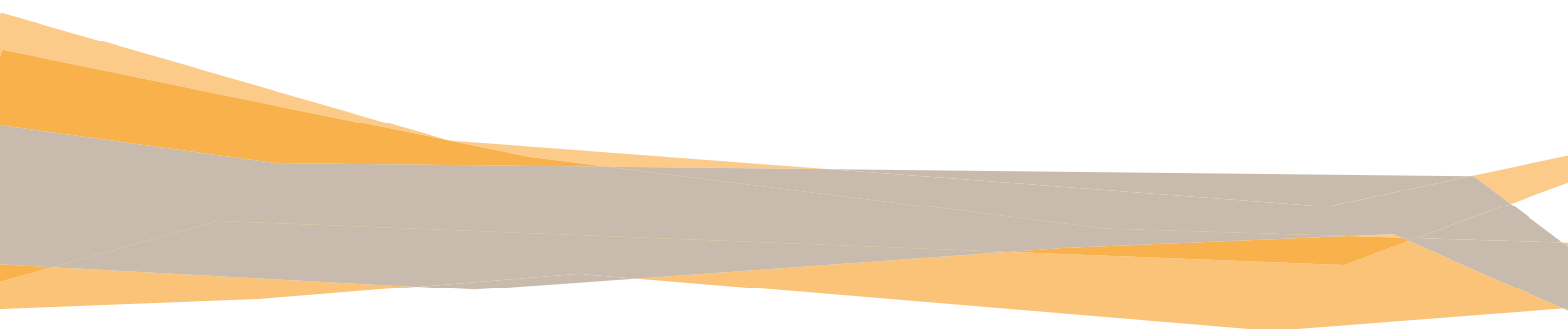


**actlawsociety**

# Financial Statements

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

**Financial Statements 30 June 2016**





# 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 2016**

	Notes	2016 \$	2015 \$
Revenue	2	2,513,854	2,297,512
Audit fees		(15,150)	(14,775)
Capitation fees		(220,601)	(198,116)
Committee and executive working lunches		(19,235)	(18,625)
Consultancy fees		(11,762)	(20,110)
Depreciation expense	8	(68,579)	(65,751)
Employee benefits expense		(1,121,782)	(1,083,253)
Ethos magazine expenses		(27,924)	(27,074)
Functions and seminars		(221,227)	(207,942)
Gifts & Donations		(5,000)	(7,877)
Insurances		(27,772)	(28,899)
Membership services		(10,960)	(5,480)
Postage and couriers		(29,934)	(26,378)
President's allowance		(106,426)	(100,802)
Printing and stationery		(17,095)	(18,971)
Rent and related expense		(198,006)	(179,652)
Travel and accommodation		(5,630)	(8,665)
Other expenses		<u>(114,821)</u>	<u>(164,379)</u>
Profit for the year		<u>291,950</u>	<u>120,763</u>
<b>Total comprehensive income</b>		<u>291,950</u>	<u>120,763</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	4	2,402,926	1,928,363
Investments	5	713,614	455,000
Trade and other receivables	6	343,669	351,772
Inventory	7	205	552
Prepayments		<u>17,973</u>	<u>29,629</u>
<b>Total current assets</b>		<u>3,478,387</u>	<u>2,765,316</u>
<b>Non-current assets</b>			
Office furniture and equipment	8	495,709	554,495
Rental bond		<u>54,287</u>	<u>54,287</u>
<b>Total non-current assets</b>		<u>549,996</u>	<u>608,782</u>
<b>Total assets</b>		<u>4,028,383</u>	<u>3,374,098</u>
<b>Current liabilities</b>			
Trade and other payables	9	2,080,289	1,750,845
Provisions	10	<u>184,418</u>	<u>160,975</u>
<b>Total current liabilities</b>		<u>2,264,707</u>	<u>1,911,820</u>
<b>Non-current liabilities</b>			
Provisions	10	<u>16,431</u>	<u>6,983</u>
<b>Total non-current liabilities</b>		<u>16,431</u>	<u>6,983</u>
<b>Total liabilities</b>		<u>2,281,138</u>	<u>1,918,803</u>
<b>Net assets</b>		<u>1,747,245</u>	<u>1,455,295</u>
<b>Equity</b>			
Accumulated funds		<u>1,747,245</u>	<u>1,455,295</u>
<b>Total equity</b>		<u>1,747,245</u>	<u>1,455,295</u>



LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>Accumulated Funds</b>		
Balance at the beginning of the financial year	1,455,295	1,334,532
Total comprehensive income for the year	<u>291,950</u>	<u>120,763</u>
Balance at the end of the financial year	<u>1,747,245</u>	<u>1,455,295</u>

**LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from members and others		2,703,704	2,511,889
Payments to suppliers and employees		(1,999,613)	(2,089,236)
Interest received		<u>38,879</u>	<u>53,887</u>
Net cash inflow/(outflow) from operating activities		<u>742,970</u>	<u>476,540</u>
<b>Cash flows from investing activities</b>			
Receipts/(Payments) for investments		(258,614)	271,774
Proceeds from office furniture and equipment		-	629
Payments for office furniture and equipment		<u>(9,793)</u>	<u>(493,421)</u>
Net cash inflow/(outflow) from investing activities		<u>(268,407)</u>	<u>(221,018)</u>
<b>Net increase/(decrease) in cash held</b>		474,563	255,522
Cash at the beginning of the financial year		<u>1,928,363</u>	<u>1,672,841</u>
<b>Cash at the end of the financial year</b>	4	<u><u>2,402,926</u></u>	<u><u>1,928,363</u></u>

# THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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 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 2016

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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 2016

**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 2016**

**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.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2 REVENUE</b>		
<b>Revenue from operating activities</b>		
Practising certificate fees	1,274,373	1,166,875
Members' subscriptions	19,214	17,110
Capitation fees	217,451	202,433
Reimbursement of expenses		
- Statutory Interest Account – administration*	77,113	75,165
- Statutory Interest Account – Legal Advice Bureau*	38,972	39,186
- Statutory Interest Account – professional standards*	121,638	121,808
- Solicitors' Fidelity Fund of the Australian Capital Territory – administration*	43,146	39,867
Profit on standard forms	77,133	78,692
Income from functions	129,152	107,293
Ethos advertising and subscriptions	14,009	16,437
CPD Seminars	209,120	159,681
Project Officer contributions	48,246	45,583
Certificates of good standing	11,241	18,300
Settlements Office contributions	61,542	59,904
Practice management courses	66,557	57,014
	<u>2,408,907</u>	<u>2,205,348</u>
<b>Revenue from outside the operating activities</b>		
Sponsorship	35,637	27,676
Interest	42,625	48,694
Miscellaneous income	26,685	15,794
	<u>104,947</u>	<u>92,164</u>
	<u><u>2,513,854</u></u>	<u><u>2,297,512</u></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 2016

	2016 \$	2015 \$
<b>NOTE 3 PROFIT FOR THE YEAR</b>		
Included in the profit for the year are the following specific items of expenditure:		
Rental payments on operating lease	(179,791)	(167,481)
Depreciation	(68,579)	(65,751)
Superannuation contributions	(99,845)	(94,303)
Relocation expenses	-	(49,154)
Loss on disposal of assets	-	(6,478)
	<u>                    </u>	<u>                    </u>
<b>NOTE 4 CASH AND CASH EQUIVALENTS</b>		
Cash on hand	300	300
Cash at bank – Law Society General Acc	2,359,738	1,884,719
Undeposited funds	826	782
	<u>2,360,864</u>	<u>1,885,801</u>
Cash at bank – Compensation Rights Acc	<u>42,062</u>	<u>42,562</u>
	<u>2,402,926</u>	<u>1,928,363</u>
<b>NOTE 5 INVESTMENTS</b>		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	<u>713,614</u>	<u>455,000</u>
	<u>713,614</u>	<u>455,000</u>
These deposits have maturities of 6 months from the date of their deposit.		
<b>NOTE 6 TRADE AND OTHER RECEIVABLES</b>		
Trade debtors	225,094	257,381
Deposits paid	3,020	19,096
Accrued interest receivable	8,415	4,669
Other accrued income	106,200	69,593
GST refund receivable	940	1,033
	<u>343,669</u>	<u>351,772</u>
<b>NOTE 7 INVENTORY</b>		
Contracts for sale	143	434
Tenancy agreements	<u>62</u>	<u>118</u>
	<u>205</u>	<u>552</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>NOTE 8 OFFICE FURNITURE AND EQUIPMENT</b>		
<b>Office furniture and equipment</b>		
At cost	680,152	715,025
Less: accumulated depreciation	<u>(184,443)</u>	<u>(160,530)</u>
Total office furniture and equipment	<u>495,709</u>	<u>554,495</u>
<b>Reconciliation</b>		
A reconciliation of the carrying amount at the beginning and end of the current financial year is set out below.		
	<b>Office furniture and equipment</b>	
Carrying amount at the beginning of the year	554,495	133,932
Additions	9,793	493,421
Disposals	-	(7,107)
Depreciation expense	<u>(68,579)</u>	<u>(65,751)</u>
Carrying amount at the end of the year	<u>495,709</u>	<u>554,495</u>
<b>NOTE 9 TRADE AND OTHER PAYABLES</b>		
Other liabilities		
Subscriptions and other income in advance	1,566,129	1,411,100
Accruals	43,776	31,628
Payable – Solicitors’ Fidelity Fund of the Australian Capital Territory	54,924	47,117
Fair Comp Compensation Rights account	42,062	42,562
Lease Incentive Liability	319,294	143,322
Young Lawyers Funds	<u>14,098</u>	<u>12,832</u>
Total other liabilities	2,040,283	1,688,561
Trade creditors	<u>40,006</u>	<u>62,284</u>
	<u>2,080,289</u>	<u>1,750,845</u>
<b>NOTE 10 PROVISIONS</b>		
<i>Current</i>		
Provision for annual leave	85,734	79,127
Provision for long service leave	<u>98,684</u>	<u>81,848</u>
	<u>184,418</u>	<u>160,975</u>
<i>Non-Current</i>		
Provision for long service leave	<u>16,431</u>	<u>6,983</u>

The amount of current long service leave expected to be settled within 12 months of the end of the financial year is nil (2015: nil).

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**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	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	2,402,926	1,928,363
Held-to-maturity investments	5	713,614	455,000
Loans and receivables	6	<u>342,729</u>	<u>350,739</u>
<b>Total Financial Assets</b>		<u><u>3,459,269</u></u>	<u><u>2,734,102</u></u>
<b>Financial Liabilities</b>			
Trade and other payables	9	<u>2,080,289</u>	<u>1,750,845</u>
<b>Total Financial Liabilities</b>		<u><u>2,080,289</u></u>	<u><u>1,750,845</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	10,500	10,250
Audit of Statutory Deposits Trust Account	1,725	1,675
Audit of Statutory Interest Account	2,925	2,850
Audit of Solicitors' Fidelity Fund	2,925	2,850
Provision of other assistance and advice	<u>-</u>	<u>3,110</u>
	<u><u>18,075</u></u>	<u><u>20,735</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 2016

	2016 \$	2015 \$
<b>NOTE 13 LEASING COMMITMENTS</b>		
<i>Lease commitments</i>		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date, payable:		
Within one year*	52,366	-
Later than one year but not later than 5 years*	887,273	707,891
Later than 5 years	<u>888,075</u>	<u>1,119,823</u>
	<u>1,827,714</u>	<u>1,827,714</u>

The total amount of rental expense recognised in the reporting period was \$179,791 (2015: \$167,481). The Society's current 10 year lease was signed effective 1 February 2015 expiring 31 January 2025, with an option for another 5 years.

\*The new 10 year lease agreement included a cash incentive and a rent-free period which ends 31 March 2017. Although no payment is currently being made, the overall cost of the lease is 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 2016

**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	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4		
Compensation Rights Account		<u>42,062</u>	<u>42,562</u>
<b>Total Financial Assets</b>		<u><u>42,062</u></u>	<u><u>42,562</u></u>
<b>Financial Liabilities</b>			
Trade and other payables	9	<u>42,062</u>	<u>42,562</u>
<b>Total Financial Liabilities</b>		<u><u>42,062</u></u>	<u><u>42,562</u></u>

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

<b>Receipts</b>	710	10
<b>Payments</b>	<u>(1,210)</u>	<u>(7,810)</u>
<b>Net receipts/(payments)</b>	<u><u>(500)</u></u>	<u><u>(7,800)</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	42,562	50,362
Net receipts/(payments) during the year	<u>(500)</u>	<u>(7,800)</u>
Carrying amount at the end of the year	<u><u>42,062</u></u>	<u><u>42,562</u></u>



# THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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
Ms S Avery	Vice President from 24 September 2015
Ms E Lee	Vice President from 24 September 2015
Mr G Brackenreg	Vice President to 24 September 2015
Mr C Donohue	Vice President to 24 September 2015
	General Councillor from 24 September 2015
Mr A Bucknell	
Ms C Coles	
Mr G Lee	
Mr G Marques	
Ms B McNeil	
Mr C Painter	
Mr P Schubert	
Mr P Woodhouse	
Ms P Spence	From 24 September 2015
Ms A Osmand	To 24 September 2015
Mr D Chen	To 24 September 2015

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 \$3,089 (2015: \$3,150) 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 2016

**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.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Total key management personnel compensation	<u>311,227</u>	<u>301,167</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 2016


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 2016 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

15 August 2016



Councillor

15 August 2016

## **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 2016, 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.

#### **Duesburys Nexia**

Level 7, St George Centre, 60 Marcus Clarke Street  
GPO Box 500, Canberra ACT 2601  
p +61 2 6279 5400, f +61 2 6279 5444  
mail@dnexia.com.au, www.nexia.com.au

**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 2016 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, 15 August 2016



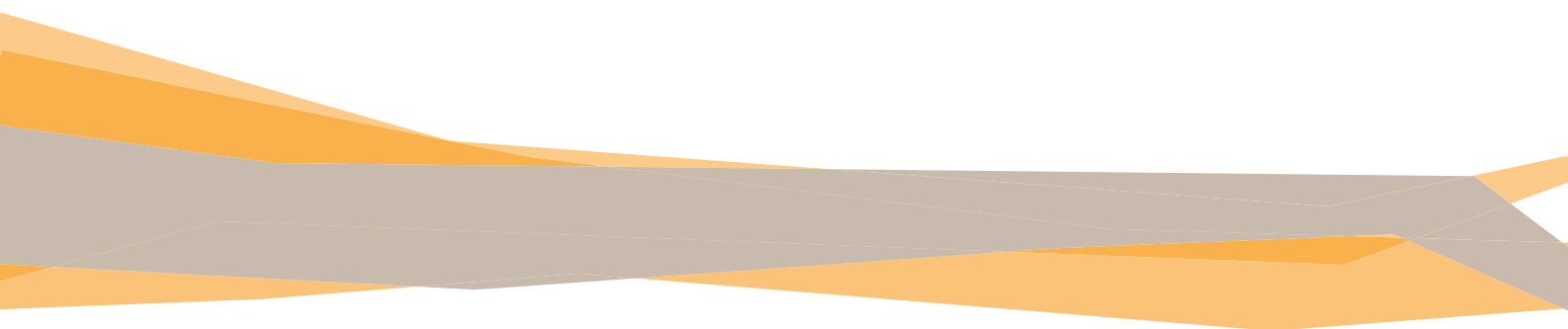
**G J Murphy**  
Partner

**actlawsociety**

# **Financial Statements**

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

**Financial Statements 30 June 2016**







THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY  
STATUTORY INTEREST ACCOUNT

FINANCIAL STATEMENTS – 30 JUNE 2016

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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 2016**

	Notes	2016 \$	2015 \$
Revenue	2	2,223,798	2,116,121
Expenses			
Law Society of the Australian Capital Territory - reimbursement of administration expenses		(77,113)	(75,165)
Disciplinary legal costs and other legal costs		(1,161,224)	(798,009)
Legal Advice Bureau operating costs	8	(39,729)	(40,511)
Professional Standards Office costs		<u>(122,721)</u>	<u>(122,875)</u>
<b>Surplus before disbursements</b>		823,011	1,079,561
Proposed disbursements s253		<u>(823,000)</u>	<u>(1,079,530)</u>
<b>Surplus/(deficit) for the year</b>		<u>11</u>	<u>31</u>
<b>Total comprehensive income</b>		<u><u>11</u></u>	<u><u>31</u></u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	3	1,053,097	1,175,650
Investments	4	1,300,000	1,440,714
Trade and other receivables	5	<u>346,303</u>	<u>289,509</u>
<b>Total current assets</b>		<u>2,699,400</u>	<u>2,905,873</u>
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>2,699,400</u>	<u>2,905,873</u>
<b>Current liabilities</b>			
Trade and other payables	6	200,124	150,078
Provisions	7	<u>823,000</u>	<u>1,079,530</u>
<b>Total current liabilities</b>		<u>1,023,124</u>	<u>1,229,608</u>
<b>Total liabilities</b>		<u>1,023,124</u>	<u>1,229,608</u>
<b>Net assets</b>		<u>1,676,276</u>	<u>1,676,265</u>
<b>Equity</b>			
Accumulated funds		<u>1,676,276</u>	<u>1,676,265</u>
<b>Total equity</b>		<u>1,676,276</u>	<u>1,676,265</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY  
STATUTORY INTEREST ACCOUNT

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>Accumulated funds</b>		
Balance at the beginning of the financial year	1,676,265	1,676,234
Surplus/(deficit) for the year	<u>11</u>	<u>31</u>
Balance at the end of the financial year	<u>1,676,276</u>	<u>1,676,265</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Recovered disciplinary legal costs and fines imposed		132,906	80,719
Miscellaneous receipts & GST refunds		215,203	174,622
Disbursements and other operating payments		(1,579,219)	(1,166,421)
Interest		<u>2,047,373</u>	<u>2,042,628</u>
Net cash inflow/(outflow) from operating activities		<u>816,263</u>	<u>1,131,548</u>
<b>Cash flows from investing activities</b>			
Proceeds from investments		<u>140,714</u>	<u>450,000</u>
Net cash inflow/(outflow) from investing activities		<u>140,714</u>	<u>450,000</u>
<b>Cash flows from financing activities</b>			
Section 253 disbursements	10	<u>(1,079,530)</u>	<u>(1,200,000)</u>
Net cash inflow/(outflow) from financing activities		<u>(1,079,530)</u>	<u>(1,200,000)</u>
<b>Net increase (decrease) in cash held</b>		(122,553)	381,548
Cash at the beginning of the financial year		<u>1,175,650</u>	<u>794,102</u>
<b>Cash at the end of the financial year</b>	3	<u>1,053,097</u>	<u>1,175,650</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**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 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 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 2016**

**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 2016**

**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.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2 REVENUE</b>		
<b>Revenue from operating activities</b>		
Interest on investments by the Statutory Interest Account	57,494	77,682
Interest on investments by the Statutory Deposits Account	566,704	583,986
Interest on Solicitors' Trust Accounts	<u>1,477,746</u>	<u>1,373,734</u>
	2,101,944	2,035,402
<b>Revenue from outside the operating activities</b>		
Recovered disciplinary costs and fines	<u>121,854</u>	<u>80,719</u>
	<u>2,223,798</u>	<u>2,116,121</u>
 <b>NOTE 3 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>1,053,097</u>	<u>1,175,650</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4 INVESTMENTS</b>		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	<u>1,300,000</u>	<u>1,440,714</u>
	<u>1,300,000</u>	<u>1,440,714</u>
<p>These deposits have maturities of 6 months from the date of their deposit.</p>		
<b>NOTE 5 TRADE AND OTHER RECEIVABLES</b>		
Accrued interest		
-Investments	167,194	129,374
-Solicitors' Trust Accounts	<u>138,027</u>	<u>121,276</u>
	305,221	250,650
Debtors	5,692	16,744
Prepayments	841	795
GST paid to suppliers	<u>34,549</u>	<u>21,320</u>
	<u>346,303</u>	<u>289,509</u>
<b>NOTE 6 TRADE AND OTHER PAYABLES</b>		
Sundry creditors and accruals	<u>200,124</u>	<u>150,078</u>
<b>NOTE 7 PROVISIONS – CURRENT</b>		
Proposed disbursements	<u>823,000</u>	<u>1,079,530</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>NOTE 8 LEGAL ADVICE BUREAU OPERATING COSTS</b>		
Cleaning	856	693
Depreciation	1,155	1,315
Electricity	172	310
Insurance	243	368
Publications and subscriptions	1,396	1,325
Rental of premises	8,450	9,009
Salaries and superannuation	<u>27,457</u>	<u>27,491</u>
	<u>39,729</u>	<u>40,511</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>823,000</u>	<u>1,079,530</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	19,432	21,600
Legal Aid Commission (ACT)	897,089	997,200
Canberra Community Law	105,794	117,600
Women's Legal Centre	<u>57,215</u>	<u>63,600</u>
	<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 2016**

**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	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	3	1,053,097	1,175,650
Held-to-maturity investments	4	1,300,000	1,440,714
Receivables	5	<u>311,754</u>	<u>268,189</u>
<b>Total Financial Assets</b>		<u><u>2,664,851</u></u>	<u><u>2,884,553</u></u>
<b>Financial Liabilities</b>			
Trade and other payables	6	<u>200,124</u>	<u>150,078</u>
<b>Total Financial Liabilities</b>		<u><u>200,124</u></u>	<u><u>150,078</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 2016**

**NOTE 12 CONTINGENT ASSETS**

The Account continues to seek recovery of 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 \$2,925 (2015: \$2,850) 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 2016


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 2016 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

15 August 2016



Councillor

15 August 2016

**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 2016, 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 2016 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, 15 August 2016



**G J Murphy**  
Partner



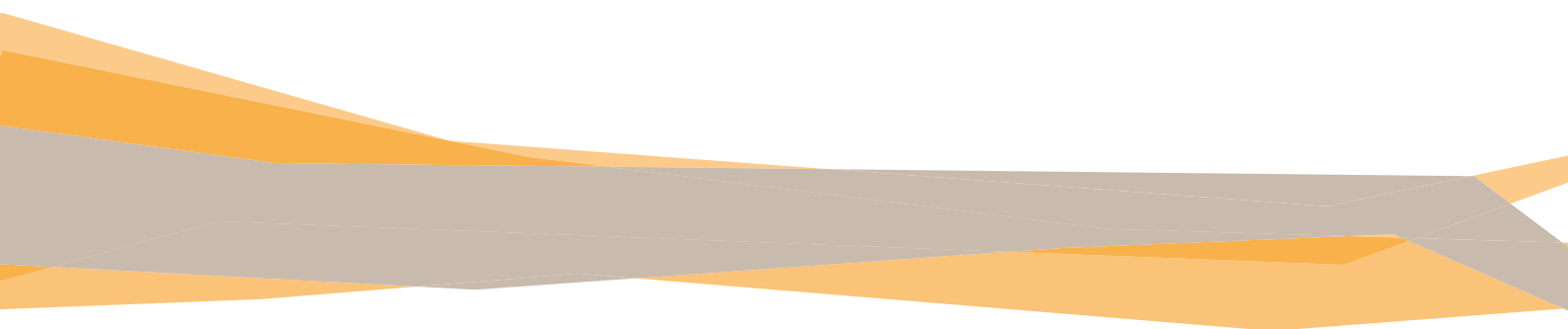


**actlawsociety**

# **Financial Statements**

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

**Financial Statements 30 June 2016**





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

**FINANCIAL STATEMENTS – 30 JUNE 2016**

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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 2016**

	<b>Notes</b>	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Revenue		<u>-</u>	<u>-</u>
<b>Net surplus/ (deficit)</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	2	6,514,592	5,796,573
Investments	3	<u>20,400,000</u>	<u>15,144,405</u>
<b>Total current assets</b>		<u>26,914,592</u>	<u>20,940,978</u>
<b>Total assets</b>		<u>26,914,592</u>	<u>20,940,978</u>
<b>Current liabilities</b>			
Trade and other payables	4	<u>26,914,592</u>	<u>20,940,978</u>
<b>Total current liabilities</b>		<u>26,914,592</u>	<u>20,940,978</u>
<b>Total liabilities</b>		<u>26,914,592</u>	<u>20,940,978</u>
<b>Net assets</b>		<u>                  -</u>	<u>                  -</u>
<b>Equity</b>			
Accumulated Funds		<u>                  -</u>	<u>                  -</u>
<b>Total equity</b>		<u>                  -</u>	<u>                  -</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
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 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from investing activities</b>			
Net interest received and transferred to Statutory Interest Account		18,080	(11,484)
Proceeds from investments		13,444,405	9,820,579
Payments for investments		<u>(18,700,000)</u>	<u>(13,120,000)</u>
Net cash inflow (outflow) from investing activities		<u>(5,237,515)</u>	<u>(3,310,905)</u>
<b>Cash flows from financing activities</b>			
Proceeds from deposits		10,630,830	5,852,340
Repayments of deposits		<u>(4,675,296)</u>	<u>(4,450,868)</u>
Net cash inflow (outflow) from financing activities		<u>5,955,534</u>	<u>1,401,472</u>
<b>Net increase (decrease) in cash held</b>		718,019	(1,909,433)
Cash at the beginning of the financial year		<u>5,796,573</u>	<u>7,706,006</u>
<b>Cash at the end of the financial year</b>	2	<u>6,514,592</u>	<u>5,796,573</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 1      SUMMARY OF SIGNIFCANT 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 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 Equivalentents**

Cash and cash equivalentents 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 2016**

**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 2016**

**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 judgements used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	5,514,592	5,796,573
Cash at bank – AMP Saver Account	1,000,000	-
	<u>6,514,592</u>	<u>5,796,573</u>
<b>NOTE 3 INVESTMENTS</b>		
<i>Held-to-Maturity Investments*</i>		
AMP Bank	3,400,000	-
Commonwealth Bank	-	5,520,000
Heritage Bank	1,000,000	-
ING	500,000	-
National Australia Bank	10,850,000	9,624,405
Rural Bank	1,800,000	-
Westpac	2,850,000	-
	<u>20,400,000</u>	<u>15,144,405</u>

\*These deposits have maturities of 4 to 12 months from the date of their deposit.

**NOTE 4 TRADE AND OTHER PAYABLES**

Monies deposited by solicitors	26,896,512	20,940,978
Other liability*	18,080	-
	<u>26,914,592</u>	<u>20,940,978</u>

\*This represents interest to be transferred to the Statutory Interest Account

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**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 \$1,725 (2015:\$1,675) 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	2016 \$	2015 \$
<b>Financial Assets</b>			
Cash and cash equivalents	2	6,514,592	5,796,573
Held-to-maturity investments	3	<u>20,400,000</u>	<u>15,144,405</u>
<b>Total Financial Assets</b>		<u><u>26,914,592</u></u>	<u><u>20,940,978</u></u>
<b>Financial Liabilities</b>			
Trade and other payables	4	<u>26,914,592</u>	<u>20,940,978</u>
<b>Total Financial Liabilities</b>		<u><u>26,914,592</u></u>	<u><u>20,940,978</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 2016**

**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 2016**

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 2016 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  
15 August 2016



\_\_\_\_\_  
Councillor  
15 August 2016

**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 2016, 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 2016 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, 15 August 2016



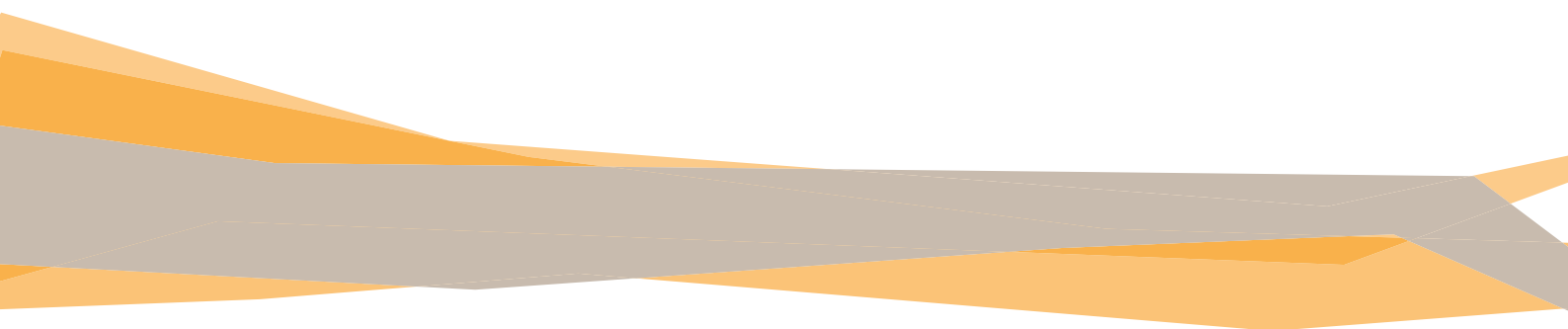
**G J Murphy**  
Partner

**actlawsociety**

# **Financial Statements**

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

**Financial Statements 30 June 2016**







# THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

## FINANCIAL STATEMENTS – 30 JUNE 2016

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# THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Revenue	2	218,629	219,131
Audit fees		(2,925)	(2,850)
Administration expenses		(43,146)	(39,867)
Claim on fidelity fund		-	(2,325)
Investigations, examinations, legal and managers' costs		-	(30,520)
Random inspections expenses		<u>(123,050)</u>	<u>(106,360)</u>
<b>Surplus/(deficit) for the year</b>		<u>49,508</u>	<u>37,209</u>
<b>Total comprehensive income for the year</b>		<u>49,508</u>	<u>37,209</u>

**THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	3	267,815	497,908
Trade and other receivables	4	<u>107,051</u>	<u>88,316</u>
<b>Total current assets</b>		<u>374,866</u>	<u>586,224</u>
<b>Non-current assets</b>			
Investments	5	<u>4,907,395</u>	<u>4,648,196</u>
<b>Total non-current assets</b>		<u>4,907,395</u>	<u>4,648,196</u>
<b>Total assets</b>		<u>5,282,261</u>	<u>5,234,420</u>
<b>Current liabilities</b>			
Trade and other payables	6	<u>65,159</u>	<u>66,826</u>
<b>Total current liabilities</b>		<u>65,159</u>	<u>66,826</u>
<b>Total liabilities</b>		<u>65,159</u>	<u>66,826</u>
<b>Net assets</b>		<u>5,217,102</u>	<u>5,167,594</u>
<b>Equity</b>			
Accumulated funds		<u>5,217,102</u>	<u>5,167,594</u>
<b>Total equity</b>		<u>5,217,102</u>	<u>5,167,594</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>Accumulated Funds</b>		
Balance at the beginning of the financial year	5,167,594	5,130,385
Total comprehensive income for the year	<u>49,508</u>	<u>37,209</u>
Balance at the end of the financial year	<u>5,217,102</u>	<u>5,167,594</u>

**THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from contributions		47,117	46,354
Recoveries & GST refunds		30,576	15,726
Payments		(188,172)	(311,483)
Interest received		<u>139,585</u>	<u>192,470</u>
Net cash inflow (outflow) from operating activities		<u>29,106</u>	<u>(56,933)</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(259,199)	-
Proceeds from investments		<u>-</u>	<u>265,775</u>
Net cash inflow (outflow) from investing activities		<u>(259,199)</u>	<u>265,775</u>
<b>Net increase/ (decrease) in cash held</b>		<b>(230,093)</b>	<b>208,842</b>
Cash at the beginning of the financial year		<u>497,908</u>	<u>289,066</u>
<b>Cash at the end of the financial year</b>	<b>3</b>	<u><u>267,815</u></u>	<u><u>497,908</u></u>

# THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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 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 are recognised in the year to which the contributions relate.

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 2016

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 2016

**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 2016

	2016 \$	2015 \$
<b>NOTE 2 REVENUE</b>		
<b>Revenue from operating activities</b>		
Interest on investments	151,326	170,777
Contributions	50,211	46,354
Recovery of investigations/management costs	<u>17,092</u>	<u>2,000</u>
	<u>218,629</u>	<u>219,131</u>
<b>NOTE 3 CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>267,815</u>	<u>497,908</u>
<b>NOTE 4 TRADE AND OTHER RECEIVABLES</b>		
Trade debtors – The Law Society of the Australian Capital Territory	54,779	47,785
Accrued interest	<u>52,272</u>	<u>40,531</u>
	<u>107,051</u>	<u>88,316</u>
<b>NOTE 5 INVESTMENTS</b>		
<i>Held-to-Maturity Investments*</i>		
Bank of Queensland	1,307,395	-
National Australia Bank	2,000,000	4,048,196
Rural Bank	1,000,000	-
Westpac	<u>600,000</u>	<u>600,000</u>
	<u>4,907,395</u>	<u>4,648,196</u>
*These deposits have maturities of 6 - 8 months from the date of their deposit.		
<b>NOTE 6 TRADE AND OTHER PAYABLES</b>		
Trade creditors and accruals	13,475	19,041
Contributions received in advance	<u>51,684</u>	<u>47,785</u>
	<u>65,159</u>	<u>66,826</u>

**THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 7 LEGISLATION</b>		
<p>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.</p>		
<b>NOTE 8 AUDITORS' REMUNERATION</b>		
Audit of the Fund's financial statements	2,925	2,850
Conduct of random inspections	<u>60,455</u>	<u>49,665</u>
	<u>63,380</u>	<u>52,515</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 \$49,074 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:

	<b>Note</b>		
<b>Financial Assets</b>			
Cash and cash equivalents	3	267,815	497,908
Held-to-maturity investments	5	4,907,395	4,648,196
Loans and receivables	4	<u>107,051</u>	<u>88,316</u>
<b>Total Financial Assets</b>		<u>5,282,261</u>	<u>5,234,420</u>
<b>Financial Liabilities</b>			
Trade and other payables	6	<u>65,159</u>	<u>66,826</u>
<b>Total Financial Liabilities</b>		<u>65,159</u>	<u>66,826</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 2016**

**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.

**THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY**

**COUNCILLORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2016**

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 2016 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

15 August 2016



Councillor

15 August 2016

## **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 2016, 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 2016 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, 15 August 2016



**G J Murphy**  
Partner





## **act**lawsociety

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