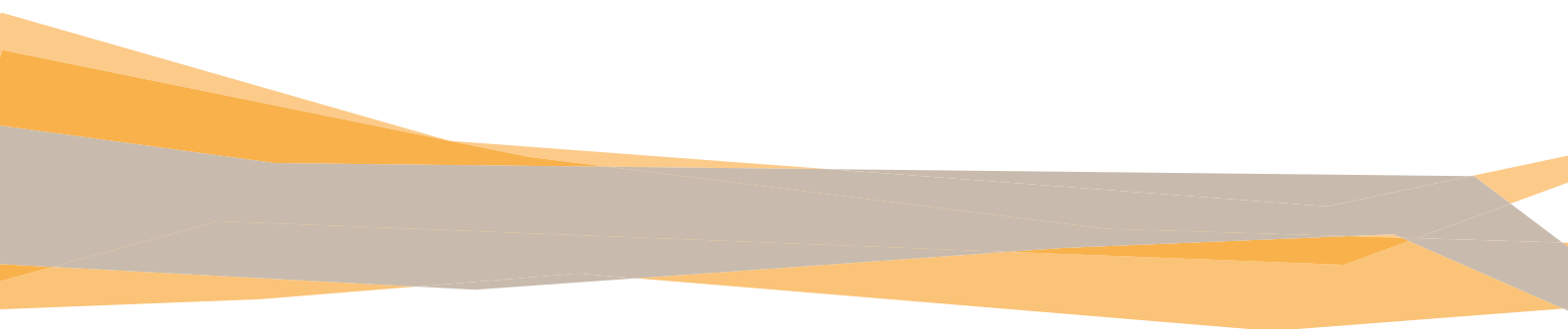


actlawsociety

Annual Report

2011-12



Law Society of the Australian Capital Territory

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Communications Officer..... Nicole Karman
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President's Report



2011-12 was an exceptionally busy year. Apart from monitoring the Government's legislative program and machinery, the Society has been occupied in reviewing some of its own internal administrative procedures and keeping track of national developments affecting our members.

The Blitz

One of the most pressing of the concerns raised by members as my term as President commenced was the long waiting times for hearings in the ACT Supreme Court.

Working together with the ACT Government, the Supreme Court, the Bar Association, the DPP and Legal Aid, what came to be known as the 'Blitz' was devised, financed and executed between October 2011 and July 2012. There is no doubt that this was a fantastic example of what can be achieved with lateral thinking, cooperation and a positive attitude, in an impressively short period of time.

The Blitz brought hope for our colleagues and their clients reliant on the Supreme Court. It was of course a short term measure but I am confident that its success will have many long term benefits. I take this opportunity to express the profession's appreciation to the resident Blitz judges, Justice Burns (criminal cases) and Master Harper (civil matters) who were mightily assisted by the addition of acting Justice's John Nield and Margaret Sidis, formerly judges of the New South Wales District Court. The thinning of the backlog should provide more opportunity for judicial officers to be allocated more time for writing judgments. What was most impressive was the ability of the profession to adapt to new ways, and I believe we have achieved some real cultural change in the way we approach litigation in the ACT.

A brief statistical review of the criminal and civil blitzes is set out below.

- During the 12 week blitz period 99 criminal matters were listed for hearing, and 90 were dealt with.
- 50 defendants changed their pleas and the Director of Public Prosecutions has declined to proceed in 13, meaning that a total of 63 of the 99 matters, or 73 per cent, were resolved without a hearing.
- Seven criminal judgments were reserved during the blitz, all of which have now been delivered.

- Of the 115 civil matters listed for the blitz period, all have been dealt with (apart from some adjournments for unrelated reasons). 85 of these resolved by way of settlement, which is a settlement rate of 74 per cent.
- There have been 25 reserved civil judgments with 16 of those delivered.

Supreme Court docket system

The Supreme Court docket system has now commenced. The Society arranged an information session for the whole profession with Justices Penfold and Refshauge on 23 August which was well attended.

The impetus for the docket system arose from the Justice and Community Safety Directorate and the Supreme Court and has been largely designed by Justice Penfold and the Registry, with some input from the profession, including the Law Society. Overall, the system will only work as well as the judicial officer with control of the particular matter and their ability to communicate effectively with the various legal representatives while ensuring prompt and efficient attention to preparation. The attitude and commitment of the profession will also be crucial.

There is a good prospect that docketing of complex and larger matters will greatly assist in overcoming the problem of one party 'dragging the chain', either due to inefficient work practices or by a desire to delay bringing the matter to hearing by whatever means available.

I am acutely aware that there is a concern in the profession, that while properly managing matters at an earlier stage is a great idea, if it is not linked to prompt hearing dates and short times between hearing and judgment, the commitment of the profession will soon wane.

We have been assured that one of the main advantages of a docket system is that it allows judicial officers to manage their own lists and time. It is envisaged that this will enable judicial officers to roster sufficient time to write judgments immediately or soon after the hearing.

There is a great deal of detail in the procedures already, but I am sure that the strengths and weaknesses will start to appear at an early stage, and I encourage members to provide constructive feedback when matters arise.

Reserved Judgments

The length and number of reserved judgments in the Supreme Court remains a serious issue of concern to the Canberra community. Any members concerned about delayed judgments are welcome to contact me directly to discuss where their matter lies in the scheme of things.

I am acutely aware of the hardship being faced by the Canberra community arising from these delays.

While I am optimistic that the reduced pressure on the number of matters listed for hearing and the docket system will improve the situation with respect to the number of reserved judgments, there are no guarantees or solutions at this stage that will magically fix the problem in the near future.

CPD program rolls on

Over the past two years the Society has substantially increased the offerings through its CPD program.

We have employed a part-time Professional Development Officer (Yvette Luketic has taken over from Abigail Meadows) who is responsible for drawing up a six-month forward program based on members' needs as interpreted by our specialist committees and on the advice of members themselves. We are more than happy to bring in the presenters from interstate and have done so.

The backbone of our successful CPD program is our series of seminars presented by competent local lawyers who are across developments in the law and practice in their particular fields. We also see the program as a service to our members and therefore charge very modest registration fees. I believe this has also had the salutary effect of placing downward pressure on fees charged by other providers.

We are constantly looking to improve the program and rely on your advice, views and constructive criticism.

Committee Charter

Working with the chairs of the committees, we looked at ways to improve the efficiency of our excellent network of practice area committees.

More than other professional associations, we rely on our committee system to provide us with the advice and materials that help the Society lobby for good law in the interests of the community, our clients and the profession itself. This is because unlike other professional and industry associations, we need to closely examine much of the Government's legislative program.

The commencement of the Committee Charter should ensure that more of our expert and dedicated practitioners have the opportunity to contribute to that task.

All lawyers should consider service on one or more of the committees and lend their expertise to the ongoing development of better laws.

Associate members

The Society has been looking at ways to strengthen its relationship with law students, particularly those undergraduates who will go on to practice in the ACT.

The Council has therefore resolved to offer Associate Membership *gratis* to the members of the Isaacs Law Society at the University of Canberra and the ANU Law Students Association. This move will benefit the student law societies which will now be able to offer the added attraction of Associate Membership of the Law Society.

Meanwhile plans are well advanced to establish a forum for the large number of international lawyers in Canberra's diplomatic corps, international organisations and corporations. The profession of law is a footloose and unifying global service. I am sure that a forum where international lawyers can interact with each other and the ACT legal profession will be a valuable contribution to international legal harmony.

Third Party Insurance Bill

The Society welcomes the amendments to the *Road Transport (Third-Party Insurance) Act 2008* on 25 August 2012. All three political parties tabled amendments.

The Government had sought to introduce steep thresholds to claims for non-economic loss and an increase to the discount rate. If passed in its original form, the Government's Bill would have prevented most people injured in motor vehicle accidents from receiving compensation for pain and suffering and would have seriously reduced their entitlement to compensation for future care and loss of income. Thankfully, the Liberals and the Greens amended the Government's Bill to remove the repugnant provisions.

The Society was disappointed that the Government chose to ignore the findings of the Standing Committee on Public Accounts Inquiry into the Bill. However, we were pleased to see that the Assembly examined the issues and made sensible amendments. All parties contributed useful amendments to the 2008 Act, righting some wrongs and injustices, providing some added protections for children and the disadvantaged and fine tuning procedures.

The Society has been engaged in this campaign for a number of years and we are pleased that the legal profession's concerns have been heeded. The Society is continuing in its effort to improve the provision of third-party insurance in the ACT and we are committed to working with the Government and other key stakeholders to that end.

Many thanks to our hard-working and committed working group (you know who you are), and to those many members of the Canberra community who were willing to speak out.

Legal help following a disaster

The ACT Legal Aid Forum has developed an *Emergency Legal Help Plan* which would be triggered by a disaster of the kind experienced in 2003 when devastating fires tore through the South Western perimeter of the city. The Law Society's principal role in the event of an emergency would be to marshal a force of lawyers who are prepared to volunteer their services to help disaster victims.

Members will have already seen the call for expressions of interest in *Hearsay*. I encourage members to get behind this excellent initiative, which will be formally launched on 11 September 2012. Many thanks to Immediate Past President Athol Opas who contributed substantially to this work.

Major streamlining of complaints handling procedures

Over recent months the Society has carefully reviewed in detail its procedures in handling complaints from members of the public in respect of the professional conduct of solicitors. We have done so in order to respond to changing circumstances occasioned by the growth of the Society's membership over the past 15 years. The possible introduction in 2013 of the Legal Profession National Law is also expected to bring new responsibilities for the Society.

It is proposed to delegate greater responsibility to an augmented Complaints Committee backed up by a rigorous review process by the Council where appropriate.

If members have views on how to improve the transparency and efficiency of our complaints handling system I would be very glad to hear them. We will shortly be in a position to discuss our proposals with the ACT Attorney-General to whom we are responsible for the statutory powers which we exercise.

Legal profession national law

There is still a chance that this may become effective from 1 July 2013 but with only two states solidly supporting it there may not be time enough to establish the national administering body before that date.

Two states have publicly come out in support of the project — New South Wales and Victoria. Western Australian, South Australia and Tasmania have expressed opposition to it for various reasons. Queensland's position is as yet unclear.

The ACT Attorney-General has reserved his position on the basis of costs concerns for the Territory and for the profession.

The Society has written to the Attorney expressing its support for the national law.

Judicial complaints

On 2 August 2012 I wrote to the ACT Attorney-General recommending the establishment in the Territory of a Judicial Complaints Commission of the kind which exists in New South Wales.

In the alternative I have recommended that the ACT come to an arrangement with the New South Wales Government to permit such complaints to be made to the New South Wales Judicial Commission. The issue is simply this: there is no procedure within the Territory for making complaints about judicial conduct and efficiency, without establishing an inquiry of the kind that would normally consider more serious issues of judicial behaviour.

I am optimistic that the Government is looking for ideas of this nature and that the subject will remain firmly on the agenda.

Court fees

The Society strongly protested the dramatic increase in court fees brought in by the Territory's Budget in May.

As a result of our representations some changes were made including exemptions from paying corporation rates for low income and not-for-profit associations (a category that includes the Law Society).

Richard Faulks (Chair of the Civil Litigation Committee) and I have met with the Justice and Community Safety Directorate to discuss other changes which the Society believes would promote both fairness and efficiency.

I am concerned that we would be the only jurisdiction in Australia to have hearing fees in workers compensation matters.

I am also concerned that the design for the hearing fees and the limited scope for refunds will have a counterproductive effect on earlier settlements and have asked the government to review those parts. I have been assured that work is being done on providing clear and effective guidelines for waiver applications, which would be a major improvement.

Wanted — Temporary Judge to replace Master Harper first part of next year

The Society has called for the appointment of a temporary judge to hear civil cases in the Supreme Court next year before the retirement of Master David Harper. Master Harper will not be sitting next year while he completes reserved judgments before his retirement in May.

We are calling for some replacement for the Master for that part of next year so that by the time a new Master is appointed in May (at the earliest) there won't be a huge build-up of cases again. The cost of an acting judge would be relatively inexpensive compared to the cost to the community of having no one dedicated to hearing civil cases in that four month period.

The government could also consider appointing a criminal master for the Supreme Court, potentially for a set period of two years. This would be a compromise, as there are a lot of people who will still say we still need another full time permanent judge. A criminal master could take some of the bail work and sentencing work and also some judge-alone trials similar to the civil master, who runs civil trials.

The Attorney-General Mr Corbell said there appeared to be no need for the position, noting that part of both the criminal and civil workloads of the Supreme Court has been transferred to the Magistrates Court by the *Courts Legislation Amendment Act 2011*.

However, the two-year tenure of the criminal master would allow time to see if the position should be ongoing, or if more resources were needed in the Magistrates Court.

New honorary life members

At the Society's annual dinner on 16 August I had the very great honour of presenting certificates of honorary life membership to two prominent members of Canberra's legal community.

Chief Justice Terence Higgins AO was admitted to practice in 1967, appointed as a judge in July 1990, and was elevated to the position of Chief Justice of the ACT Supreme Court in January 2003. He was elected to Council in 1973 and was Vice President from 1984-87. He has also been a member of the Society's Criminal Law Committee, Legal Aid Policy Committee, Law Reform and Review Committee and the Disciplinary Committee, and was the Society's representative on the ACT Criminal Law Consultative Committee. He has also been a Deputy Member of the Legal Aid Committee, Member of the Legal Aid Commission Committee and Member of the Legal Aid Commission. He is also heavily involved in numerous ACT charities.

Christopher Chenoweth OAM was admitted to practice in 1970, and has been a member of the Society since May 1978. He was a partner with Macphillamy, Cummins &

Gibson, then with Mallesons Stephen Jaques, and became a sole practitioner in 1996. He was elected to Council in 1986, was Treasurer from 1988-89, Vice President from 1989-9, and was President from 1999-2001. He was Chair of the Complaints Committee and was a member of the Society's Business Law and Taxation & Stamp Duties committees. Chris retired from practice on 30 June 2012, but will retain his links to the profession through his appointments as a Special Magistrate, a Presidential Member of ACAT, and a member of the ACT Admissions Board.

Chief Justice Higgins and Christopher Chenoweth join a very exclusive group — only four honorary life memberships have been awarded in the Society's history. The others are:

- Sir Clarrie Harders OBE,
- The Hon Kevin O'Leary QC,
- Mr David Crossin OBE, and
- Master David Harper OAM.

Reconciliation Action Plan

At its August meeting the Council resolved to press ahead with the development of a Reconciliation Action Plan (RAP) based on modest and achievable goals with the Territory's indigenous Australians.

Councillor Martin Hockridge has agreed to be our representative on the RAP Development Committee. Society member Sara Wedgwood will be doing much of the development work.

Law Society Foundation

Members attending the Annual General Meeting will be asked to approve the establishment of a Law Society Foundation as an enduring charitable entity.

The proposal is a Centenary of Canberra project of the Law Society. The Foundation will be a visible and enduring expression of the ACT legal profession's concern and support for Canberra's charities which care for the disadvantaged or the less well supported cultural causes. It is proposed that the Foundation be set up under the Capital Region Community Foundation (GreaterGood) as an endowment or accumulation fund.

While it will begin modestly we are confident that over time the Foundation will become something of which the members of the Society will be proud and which will contribute meaningfully to bridging gaps in the community.

Council elections

Members will be impressed, I am sure, with the large field contesting the Council elections for 2012. This is the largest number of candidates for some years and indicates a very healthy interest in the affairs of the Society and the willingness of members to become involved.

On behalf of the members I thank those who have been willing to be nominated to serve the Society and through it the community and I wish them well.

Absent friends

During the year the profession lost a number of its former shining lights.

They include:

- Graeme Finlayson, a member of our 40 year club, who served the profession long and well as a member and then Chair of the Complaints Committee and a member of the Professional Conduct Board and Legal Practitioner's Act & Ethics Committee;
- former Magistrate John Button (father of current practitioner Christine Harvey, partner of McSpedden Harvey);
- Rupert Vance "Mick" Cater who was among the first five solicitors to practice in Canberra. He was the Cater of Davies, Bailey and Cater one of the city's first law firms and which became today's King & Wood Mallesons; and
- Charles Kilduff, who was the first Chief Magistrate of the Australian Capital Territory.

Submissions and representations

During the year the Society prepared submissions and made representations on many subjects, including:

- Review of the *Australian Capital Territory (Self-Government) Act 1988* (Cth)
- Proposal to install glass docks in the Magistrates Court
- *Evidence Amendment Bill 2011* – journalist privilege provisions
- Standing Committee on Public Accounts Inquiry into the *Road Transport Amendment (Third Party Insurance) Bill 2010*
- Proposed amendments to the *Births, Deaths and Marriages Registrations Act 1997*
- Suspended Sentences
- Retirement Villages Bill 2011

- Response to the Attorney-General's Department options paper *Improving the interface between the child protection systems and the family law system* (to the Law Council of Australia)
- Legislative Review under section 275 of the ACT Compulsory Third Party Insurance Scheme Review of the *Road Transport (Third Party Insurance) Act 2008*
- *Assisting Victims of Overseas Terrorism Bill 2012* and *Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011* (to the Law Council of Australia)
- Disbursements Scheme for Pro Bono work
- Accommodation for Community Legal Centres
- Changes to jurisdictional limits of the Magistrates Court
- Case management in the Supreme Court
- Efficiency of Centrelink and Medicare procedures

In Conclusion

Much is yet to be done. Meanwhile, for my own part and on behalf of members I thank the motivated and hard-working members of the Council, Executive Committee and Secretariat staff for their support throughout the year.



Noor Blumer

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. Council meetings settle the policies of the Society, approve major Society submissions and lobbying activities, and decide all disciplinary matters.

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 2011-12 are:

President	Noor Blumer (<i>Blumers Personal Injury Lawyers</i>)
Vice President	Kay Barralet (<i>Campbell & Co</i>)
Vice President	Martin Hockridge (<i>Legal Aid ACT</i>)
Secretary	Louise Vardanega (<i>Australian Government Solicitor</i>)
Treasurer	Commander Ian Campbell (<i>Department of Defence</i>)
Council-Appointed Member	Mark Tigwell (<i>Tetlow Tigwell Watch</i>)
Immediate Past President	Athol Opas (<i>Meyer Vandenberg</i>)
Councillors	Sarah Avery (<i>DibbsBarker</i>) John Carroll (<i>Clayton Utz</i>) Greg Brackenreg (<i>Meyer Vandenberg</i>) Natalie Bruno (<i>Moray & Agnew</i>) Matt O'Brien (<i>Legal Aid ACT</i>) Brian Hatch (<i>Brian Hatch</i>) Don Malcolmson (<i>Malcolmson Lawyers</i>) Paul Vane-Tempest (<i>Ashurst</i>) Robert Routh (<i>Farrer Gesini & Dunn</i>)
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 Australian Corporate Lawyers Association

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	Greg Walker
ACT Legal Executives	Tanya Berlis
ADR	Kim Lackenby
Administrative Law	John Buxton
Church	Ken Hubert
Civil Litigation	Richard Faulks
Commercial & Business Law	Brian Tetlow
Complaints	Karen Fogarty
Criminal Law	Michael Kukulies-Smith
Elder Law	Judy Morris
Equalising Opportunities in the Law	Allyson Hogan
Family Law	Pam Lyndon
Functions & Law Week	Bill Redpath
Government Lawyers	Chris Behrens
Human Rights	Greg Walker
Industrial Relations	John Wilson
Legal Profession Act & Ethics	Michael Phelps
Military Law	Don Malcolmson
Practice Management	Bill Baker
Property Law	Michael James
Young Lawyers	John Salinas

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 Society has eleven employees.

Executive Director	Larry King
Professional Standards Director	Rob Reis
Finance & Business Services Director	Lea McLean
Professional Development Officer	Yvette Luketic
Executive Secretary	Debbie Sims
Communications Officer	Nicole Karman
Committee Administrator	Heather Jackson
Bookkeeper	Kathleen Lui
Complaints Committee Secretary	Linda Mackay
Project Officer	Chase Deans
Receptionist & LAB Administrator	Robyn Guilfoyle

Contributions to the Community

Pro Bono Clearing House

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

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 8 August 2012, 47 applications had been received compared to 56 received at the same time in 2011. 44 were from individuals and three were from organisations. Of the 47 applications, 29 were successfully referred out to firms; the Clearing House was unable to find a referee for three matters. Three applications were referred to the Clearing House directly from the ACT Supreme Court, two of which were successfully referred out. 15 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. The Management Committee made the decision to drop family law matters because of the difficulty in obtaining referees.

The Secondee System

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

The PBCH also benefits from a 'policy secondee' whose role is to focus on developing the strategic and policy side of the PBCH. The Policy secondee has prepared an *Operational Secondee Manual*, a feedback questionnaire for applicants and referees and draft protocol for what an Operational Secondee can and cannot do.

2012 Snapshot

During 2012, the Management Committee considered:

- Direct referrals from the ACT Supreme Court including any administrative costs associated with the those referrals;

- Conflicts of interest where both plaintiff and defendant seek or have sought assistance from the Clearing House;
- How the Welfare Rights and Legal Centre and the PBCH could better work together; and
- The general day-to-day operation and management of the PBCH.

— *Debbie Sims, PBCH Administrator*

Membership

- Genevieve Bolton
- Andrew Crockett
- Amanda Graham
- Katy Grimes
- Larry King — Chair
- Andrew Lu
- Gavan MacKenzie
- Chris Pitson
- Svetlana Todoroski
- Angela Weber
- Steve Whybrow

Legal Advice Bureau

The Law Society has been operating its Legal Advice Bureau (LAB) at lunchtimes for more than 30 years. Members of the Society man our LAB roster at the Society's Civic office to give initial advice to any member of the public who wishes to call and make an appointment.

The LAB is supported by more than 70 lawyers who volunteer their time.

The total number of clients seen by the LAB at this point in 2012 represents a 19 per cent increase in comparison to the same point in 2011. Indeed, the number of clients attending the LAB in 2012 is up in every month, with the exception of May, in respect of 2011.

The main areas of law clients seek advice on are:

- Property and tenancy (including some commercial leasing and shop fitting);
- Contracts (including retail and on-line purchases, travel and maintenance);
- Family;

- Employment (contracts and dismissal); and
- Criminal (DUI).

The biggest decrease in consultation has appeared in the area of family law.

Please note that the Society changed its reporting strategy at the beginning of 2012.

LAB clients: 2011 breakdown

Month	No. of clients
July	89
August	103
September	101
October	88
November	109
December	46
Total	536

LAB clients: 2012 breakdown

Topic	Jan	Feb	Mar	Apr	May	Jun
Assault	2	0	1	1	1	0
Builder	3	6	7	6	1	0
Criminal	9	6	6	6	9	9
Contract	1	12	9	3	17	10
Debt	1	4	3	0	2	3
Employment	2	18	16	6	14	15
Family	12	22	14	10	9	13
Finance	5	7	7	2	4	5
MVA	2	9	3	5	2	0
Personal injury	0	0	2	0	4	7
POA / Wills	2	1	2	5	7	4
Property / Tenancy	14	20	25	24	26	22
Other	9	9	19	18	8	22
Total Clients	53	105	95	68	96	88

Prizes

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	2011 Winner
Prize for the Highest Achieving Student in Contract Law	Noni Nelson
Prize for the Highest Achieving Student in Equity Law	Kelly Adamcewicz
Canberra Law Review Prize	Skye Masters and Kim Soukieh

At the Australian National University

Prize	2011 Winner
Prize for Contracts	Sage Leslie-McCarthy
BC Meagher Prize for Commonwealth Constitutional Law	Emily Kerr
Liz and Bill Allen Prize for Practical Legal Training	Jane Diedricks

Donations

The Law Society makes contributions to several charities through donations and entry fees paid by members during social functions. In the 2011-12 financial year the Society supported the following charities:

- YouthCare Canberra, supported at the Annual ACT Professions' Shotgun Golf Challenge
- Pegasus Riding for the Disabled, supported during ACT Law Week

Committee Reports

Access to Justice Committee

During the year the Access to Justice Committee settled a survey to be forwarded to local practitioners to determine the amount of otherwise unacknowledged pro bono work being done by the profession, as well as issues such as impediments to practitioners doing pro bono work. Athol Opas provided significant contribution to the draft, which was vetted and given a “thumbs up” by the National Pro Bono Legal Resource Centre coordinator John Corker and is now ready for distribution.

The Committee finalised its review into a government funded disbursements scheme for pro bono work as exists in all other States and Territories. That was put on hold for a time pending the “release” of the new Commonwealth Scheme for disbursement funding in federal matters. The Committee also provided input into the Law Council of Australia’s Submission on the Commonwealth Scheme.

The Committee also kept under review the issues of housing for Community Legal Centres and reserved judgments.

The Committee also provided representation on the ACT Legal Assistance Forum (ACTLAF) and its working groups and the Access to Justice Committee of the Law Council of Australia.

— Greg Walker (Chair)

Membership

- Carol Benda (to March 2012)
- Andrew Crockett
- Natalie Cujes
- Tony Foley (to April 2012)
- Martin Hockridge
- Jaleh Johannessen
- Amy Kilpatrick
- Don Malcolmson
- Athol Opas
- Peter Quinton
- Simon Rice
- Gary Tamsitt
- Greg Walker — Chair
- Heidi Yates (from April 2012)

ACT Legal Executives (ALEC) Committee

The ACT Legal Executive Committee (ALEC) meets quarterly. The Committee consists of practice managers, office managers, human resource managers, IT professional and other Business Services staff.

Over the 2011-12 period ALEC has focused on working out ways to promote best practice within the legal industry. We are currently in the process of finalising a series of workshops that will assist in the up-skilling of staff within law firms.

ALEC has designed, produced and distributed its very own newsletter, with the second edition going out recently. The *ALEC Newsletter* aims to provide topical articles, information on up-coming seminars and general tips on best practice.

— Tanya Berlis (Chair)

Membership

- Sonya Amey
- Tanya Berlis — Chair
- Jacqui Bettio
- Annette Gleeson (from November 2011 to June 2012)
- Sue Hayes
- Magda Kaczmarek
- Fiona Lewis
- Jason McMaster
- Jo Main (from February 2012)
- Fran Nicols
- Rosemary Orr
- Juliet Reeve
- Gayle Sillis
- Joanne Swindley
- Lyzette Tantara
- Pauline Thorn (from August 2011)
- Emily Wannan

ADR Committee

There has been some change in the membership of the ADR committee over the past twelve months. Uwe Boettcher and Robert Clynes have resigned and the Committee has welcomed Annie Glover (Registrar of the Supreme Court of the ACT) and Caterina Salsone (Senior Deputy Registrar of the ACT Magistrates Court).

The involvement of court registrars on the Committee has aided our discussions about court-referred and court-annexed mediation, which is well-established at the Federal Court, for instance, and which the Committee hopes to encourage further in the ACT courts.

ADR continues to grow as an integral part of the work of legal practitioners. The Committee maintains a watching brief of developments in this area, including publications from National Alternative Dispute Resolution Advisory Council (NADRAC), the Law Council of Australia, and research bodies. It may be no surprise to Law Society members to learn that research suggests that the participation of legal representatives in ADR processes may increase the likelihood of disputes resolving. Legal assistance can also improve the ability of people experiencing disadvantage to effectively participate in ADR.

The Committee has recognised the importance of its educational function and Committee members have spoken at two seminars on mediation that have been held by the Law Society over the past twelve months. The profession has responded enthusiastically to the opportunity to hear more about the practice of ADR.

During the year, the Committee has considered many other issues which are relevant to ADR in the ACT and I am grateful for the input and efforts provided by the membership.

— *Kim Lackenby (Chair)*

Membership

- Graeme Blank
- Uwe Boettcher — Chair (*to August 2011*)
- Greg Brackenreg
- Robert Clynes (*to June 2012*)
- Michael Flynn
- Annie Glover
- Stephen Herrick
- Harry Kay
- Kim Lackenby — Chair (*from November 2011*)
- Claudia Maclean
- Kate Maloney
- Bryan Meagher
- Nithya Sambasivam
- Caterina Salsone (*from December 2011*)

Church Committee

The Church Committee is a task orientated committee that meets between July and December, to organise the Opening of the Law Year Ecumenical Church Service in January.

The service this year was held at the Church of St John the Baptist in Reid. Dr Ian Jagelman, who delivered the address entitled ‘What is Truth?’ (taken from the trial of Jesus before Pilate), and Mal Prior, who sang the musical interlude.

We wish to thank all those who participated in the service including the speaker, those clergy who have assisted, the

organist and choir, and the various members of the Courts, profession and the ACT Legislative Assembly for attending.

— *Ken Hubert (Chair)*

Membership

- Douglas Hassell
- Ken Hubert — Chair
- Gerald Santucci

Civil Litigation Committee

The past twelve months have been dominated by a number of issues affecting the conduct of civil litigation in the ACT.

Members of the Committee have served on a sub-committee dealing with proposed changes to workers’ compensation and compulsory third party entitlements. That sub-committee has not only prepared submissions to government, but liaised with the cross-benchers and had involvement directly with the Legislative Assembly Public Accounts Committee by providing a submission and appearing to give evidence. The Civil Litigation Committee has been fully advised of that process.

I have continued in my role as the Law Society’s representative on the Joint Rules Advisory Committee. This has involved monthly meetings with the Committee at the Court and a monitoring of changes to the rules. The Committee has provided input about some changes to the rules and been proactive in seeking an alteration to some provisions. One of the major considerations for the Committee has been the impact of the change of the jurisdictional limit of the Magistrates Court and rules which have been introduced imposing significant penalties on legal costs recoverable in circumstances where matters could have been commenced in the Magistrates Court, but nonetheless proceeded in the Supreme Court. This is an ongoing issue which is being monitored.

A further issue for the Committee has been the case management system and the “blitz” introduced into the Supreme Court to try to clear up the backlog of hearings and cut the delay in obtaining hearing dates. The new case management system is an ongoing issue which will require further input.

The Committee regularly receives updates about matters arising in the Supreme Court, Magistrates Court and ACAT and it is helpful having the Registrars of the Courts and the Tribunal being part of the Committee.

I have been fortunate indeed to have excellent representation from across the profession in the Committee membership and I thank them for their significant work during the past twelve months.

In accordance with the new Committee Charter, there will, in the future, be a likely greater turnover in terms of committee membership and also the succession to a new committee chair. I would also like to extend my thanks to

Heather Jackson for her excellent secretarial support to the Committee and to me in particular.

— *Richard Faulks (Chair)*

Membership

- Graeme Blank
- Mary Brennan (*to March 2012*)
- Jessica Bristol
- Angus Bucknell
- Richard Faulks — Chair
- Annie Glover
- Steve Hausfeld
- Walter Hawkins
- John Henry
- Hugh Jorgensen
- Harry Kay
- John Little
- Sarah McJannett
- Athol Morris
- Matthew Needham (*from March 2012*)
- Russell Patrick
- Karl Pattenden

Commercial & Business Law Committee

The Commercial & Business Law Committee meets monthly and has tried to act pro-actively in relation to issues of significance to the profession.

This year the Committee has:

- made continuing representations to the ACT Government regarding reforms to the *Power of Attorney Act* and the revision of the approved forms;
- liaised with the Business Law Section of the Law Council of Australia;
- considered the reforms that have been introduced in the area of personal property security and arranged CPD Seminars;
- reviewed the brochures issued by the Law Society;
- considered the Government's policies regarding the issue of death certificates;
- considered issues associated with registration of leases where the existence of a trust is disclosed; and
- arranged for a CPD session relating to the staff entitlements on the sale of a business, which was given by John Wilson.

As well as these issues a broad range of matters have come before the Committee and my thanks go to the Committee members for the time and effort they have put into the Committee's work.

— *Brian Tetlow (Chair)*

Membership

- Allan Bedford
- Peter Garrison (*to September 2011*)
- Steve Gavagna
- Doug Gillespie
- David Hanstein
- John Irvine
- Richard Lewis
- Chris Macphillamy
- Geoff Nicoll
- Peter Quinton
- Paul Salinas (*to February 2012*)
- Brian Tetlow — Chair
- Jason Wenning

Complaints Committee

The Complaints Committee has completed another busy year which has included a number of changes in membership. After many years of valued contribution, Karen Fogarty stepped down from the Committee. Ms Fogarty served as Chair of the Committee for two years and has now taken on another role with the Society. Tony Foley also left the Committee after five years to take up a position with ACAT. Karen and Tony provided excellent service to the Committee and their wealth of experience in conduct matters, coupled with their ability to identify the issues, will be missed. Vivien Holmes (ANU Law School) has taken over from Tony.

The Committee dealt with 95 formal complaints received during the reporting year, 29 fewer than the previous year. In addition to the handling of the formal complaints received, our Professional Standards Director, Robert Reis, and Complaints Secretary, Linda Mackay, have dealt with approximately 230 enquiries received from practitioners and 360 from members of the public.

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 complaints, the major areas of law and concern were:

Area of law	Complaints
Family Law	20
Conveyancing	20
Civil Litigation	23
Criminal Law	10
Personal Injuries/Medical Negligence/WC	6
Wills & Probate	5
Other	11

Criminal Law Committee

It has been a busy twelve months for the Criminal Law Committee that saw the Supreme Court Blitz move from an idea to practice. Whilst juggling their own increased practice requirements resulting from the blitz, members of the Committee have also continued to grapple with a number of significant reforms to practice and procedure as well as substantive changes to the criminal law.

With the run toward a Territory election there has been the usual turn toward 'law and order' issues by the Assembly. The Committee has considered and made submissions or appeared at Legislative Assembly inquiries in relation to a range of issues including:

- proposed reform to self-defence limiting its availability against police;
- sentencing reform regarding offences against police and serious traffic matter involving death and grievous bodily harm;
- consideration of the place and nature of suspended sentences of imprisonment;
- the limitation of the matters that can be heard by Judge alone trial;
- the availability and quantum of cost orders in criminal matters; and
- the increased criminal jurisdiction of the Magistrates Court.

In addition to these substantive legal proposals the Committee has also remained actively involved in the review of court security procedures. The Committee continues to press for improved access procedures for practitioners particularly in relation to facilitating easier movement between the Children's Court, Magistrates Court and Supreme Court. The Committee was also vocal in relation to the proposed introduction of glass docks within the Courts. These issues are likely to remain live for some time particularly with the consideration of renovation of the Supreme Court. There also will need to be consideration over the next twelve months of the requirements and expectations of practitioners in respect of the Court's new case management system.

The blitz and the associated focus of attention upon court listings resulted in a lot of discussion both within the Committee and between the Committee and the Courts about better ways to manage listing. With these changes to listing procedure recently introduced via the docket system in the Supreme Court, and with soon to be introduced changes to case management and listing procedures in the Magistrates Court, the Committee looks forward to working with the Territory's judicial officers in working to improve court practice and procedure.

As this report goes to print the Committee is enjoying the short respite from legislative change occasioned by the upcoming election. No doubt regardless of outcome 'law and order' will remain a focus of the new Assembly's policy agenda and the work for the Committee will resume in

Type of matter	Complaints
Costs	12
Failure to communicate	8
Failure to follow instructions and/or acting without instructions	13
Possible negligence	3
Discourtesy and/or bullying and intimidatory behaviour	10
Conflict of interest	10
Breach of confidentiality	2
Delay	10
Trust account irregularities	19
Quality of service and/or lack of competence and diligence	18
General conduct	21

Complaints warranting further investigation are referred to the Council of the Law Society which has the discretion to either dismiss, 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).

There are currently 16 disciplinary matters filed in ACAT of which 9 have been heard. Five of these decisions are still reserved and the balance are subject to appeal. In the matters decided there were six findings of professional misconduct and three findings of unsatisfactory conduct. Some of those decisions have been appealed.

The Council of the Law Society summarily concluded complaints against practitioners under the provisions of section 413 of the *Legal Profession Act 2006*.

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 (*Chair*)

Membership

- Allan Bedford
- Michael Deasey
- Jim Dunn
- Sally Fleming
- Karen Fogarty (*until May 2012*)
- Tony Foley (*until April 2012*)
- Vivien Holmes (*since June 2012*)
- Ken Hubert
- Tracey Mylecharane
- Ross Reid — Chair (*from May 2012*)
- John Solomon
- Alisa Taylor
- Mark Tigwell
- Gillian Yeend

earnest after the election and continue into 2013. Finally, I would like to take this opportunity to thank all committee members for their support, input and hard work over the last twelve months.

— *Michael Kukulies-Smith (Chair)*

Membership

- Sarah Avery
- Lorana Bartels (*from February 2012*)
- Helen Cory
- Richard Davies
- Paul Edmonds
- Andrew Fraser
- Shane Gill
- Annie Glover
- Hugh Jorgensen
- Michael Kukulies-Smith — Chair
- Michael Lalor
- Jerry Leyland
- Brian Liddy
- John Lundy
- Craig Lynch
- Victor Martin
- Matt O'Brien (*from November 2011*)
- Darryl Perkins (*to October 2011*)
- Michael Ryan
- Jon White
- Steve Whybrow
- Anthony Williamson

Elder Law & Succession Law Committee

I believe the Elder Law Committee — now known as the Elder Law & Succession Law Committee — has had an interesting and busy year. Our Committee is made up of representatives from the ACT Government Solicitor's Office, the Aged Care Law Practice Group of the Department of Health and Ageing, Department of Defence, two representatives from the ACT Public Trustee's Office, the ANU Law Faculty, and private practices such as Certus Law and Judy Morris & Associates.

Some of the speakers who came and spent time with us at our monthly meetings and spoke to us about what they do and letting us know of their concerns, were:

- Jo-Ann Wells, the Project Coordinator representing Anglicare ACT, who spoke to us about the Anglicare Elder Abuse Hotline;
- Emma Awizen, a representative from the Canberra Hospitals Patient Safety and Quality Unit;
- Jacinta Evans and Anna Johns from the ACT Government Office for Ageing & Concessions provided an outline of the services provided by the office; and
- Dwayne Currie, Practice Groups Leader, Aged Care Law, Legal Services Branch, Department of Health & Ageing, and member of the Committee, provided information

about the Government response to the Productivity Commission Report on Aged Care.

As a “baby boomer” myself, I am becoming more conscious of this issue (perhaps because I myself am getting older), but particularly by more reports seen and heard in the media highlighting the vulnerable section of the community — the elderly. Like it or not, we will all be personally affected by the ageing population — whether it is our parents in trying to find appropriate care for them, our friends or even ourselves in the years to come.

There has been a move within Australia to criminalise acts of abuse, which can include:

- financial and physical abuse;
- withdrawal of care; and
- isolation — not being connected with services in the community.

An example of this is that I received a call one day from a representative of *The Chronicle* who had been contacted by an elderly lady who had been asked if she wanted her house number painted on the driveway, which she thought was a good idea as she had seen it elsewhere and it made sense to clearly identify her house number. The number had been properly painted as paid for, however, the same gentleman came back to visit her and said that he urgently needed change of a \$100, the lady trusted him and gave him the change after the gentleman assured her he would be back to return the \$100 — of course, this never happened.

The elderly lady felted “cheated” — she had trusted this man and now realises her trust had been sorely misplaced. She of course contacted the police who rightly advised her that there was nothing they could do, she could not identify him and did not know of his whereabouts. The police too are frustrated because their hands are tied and there is nothing they can do to protect victims of crime such as this.

Law Week in May saw members of the Law Society speak at four sessions at community centres in Canberra on the importance of having a properly drafted Will and an equally important Enduring Power of Attorney. These sessions were very well received and I personally thank those who provided their time — John Nicholl, Nick Tebbey and Barbara Maguire.

I attended the Law Council of Australia's Succession and Elder Law Committee annual meeting in Sydney in March this year. It was incredibly interesting to hear what is happening around the country — particularly in the area of “guardianship” where unfortunately today more and more people are affected by mental illness.

With the changes to the Committee Charter, I am looking forward to an exciting year ahead and with such a diverse group of members on the Committee, it augers well for stimulating monthly meetings.

I welcome other members of the Law Society to attend any of our meetings and our speakers are always advertised in *Hearsay*. I extend an open invitation to you to attend any of

our meetings — please contact the Law Society to confirm our timetable — and perhaps you might find us stimulating enough to join!

I want to personally thank my Committee members for their time, support and enthusiasm in assisting our ageing population and elderly folk in the ACT.

— *Judy Morris (Chair)*

Membership

- Glenda Bloomfield
- Cliff Carey (*to December 2011*)
- Dwayne Currie (*from February 2012*)
- Marlene Hall (*to December 2011*)
- Sue La Peyre
- Toni Leiper
- Barbara Maguire
- Judy Morris — Chair
- Tim Morton (*from April 2012*)
- Paul Salinas
- Phillip Thompson
- Loretta Zamprogno

Family Law Committee

The Family Law Committee has worked diligently throughout the year considering and responding to, where appropriate, a range of legislative changes and submissions.

An important role of the Committee is liaison with the Federal Magistrates Court to ensure that Federal Magistrates are able to have matters brought to the attention of the Committee and thence the profession.

The Committee has done a lot of work in relation to a proposed Independent Children's Lawyers panel and has met with the Legal Aid Office a number of times in this regard.

A sub-committee has been convened, following a request by Justice Refshauge that the Committee review the ACT adoption legislation, including the Rules, forms and procedures, to identify areas of concern to practitioners.

Various Committee members update the Committee each month on recent important cases, including in relation to superannuation.

The Chair and some members of the Committee attend the Canberra Registry Consultative Committee meetings when they are scheduled by the Court.

The Committee keeps the profession informed of procedural matters and conferences and seminars through *Hearsay*.

— *Pam Lyndon (Chair)*

Membership

- Adam Bak (*from January 2012*)
- Stephen Bourke
- George Brzostowski (*to April 2012*)

- Mary Burgess
- Barbara Campbell
- Olivia Gesini
- Gavin Howard
- Pam Lyndon — Chair
- Alison Osmand
- Rhonda Payget
- Margaret Reid
- David Ridge
- Lessli Strong
- Carlos Turini
- Gillian Yeend (*to February 2012*)

Functions & Law Week Committee

Either the membership took to heart last year's report or better economic times have seen an improvement in attendances at Law Society social activities.

My pessimism about the 2011 Annual Dinner and Golden Gavel proved justified as the wine was appalling (and the food average) marring an entertaining evening. We have terminated our relationship with the Lobby.

The good news is that the 2012 Annual Dinner at the Boathouse by the Lake was a raging success, attracting 140 members and guests.

Thanks to the generosity of the Legal Aid Office we were able to make economies in the costs of the AGM and some synergy with an Indian restaurant nearby.

The Functions Committee developed a Protocol for farewells and welcomes for ACT Judicial Officers which was adopted by Council. Our first opportunity to employ the protocol was the very successful welcome to the new Chief Magistrate, Lorraine Walker, at the Ottoman.

I don't understand why some of the large national legal firms don't attend these functions — do they consider themselves to be above the rest of the profession, or are they indifferent to the personnel changes in the Courts in which they practice?

There was a better attendance at this year's commencement of the Legal Year drinks but the question remains as to the best means to celebrate the beginning of the Legal Year in a secular manner.

Despite the gloomy, overcast conditions the tenacious golfers in our profession teed off at Gungahlin Lakes. The Prize for the best lawyer on the day went to John Buxton and the team prize was won by RSM Bird Cameron. We hope to add a teams Ambrose event in 2012 to complement this individual challenge.

The first members' lunch was a little chaotic in a new venue but everyone reported they enjoyed it.

Law Week remains a quandary. We have managed to get it on the same week throughout the country but the very different organisational arrangements make it difficult to find a unifying theme with traction.

The trial of a breakfast launch did not prove a success, the Women's Lawyers Dinner was over-subscribed and other events went well but the main fundraiser remains the Young Lawyers Quiz Night.

If the point is to raise money then we need to restructure the launch and the dinner to a revenue raiser or find some other revenue stream.

I was personally disappointed in the attendance at the Blackburn Lecture. Surely the collected wisdom of the former Chief Justice of the Federal Court, Michael Black, rated greater interest within the profession.

It would be remiss not to advise that Kazar Slaven won the soccer competition from the "City Kickers" (Howes Kaye Halpin and Phelps Reid) and that the team from Blumers Lawyers ("Noor Week") won in a "penalty shootout" against the Law Society squad at the Quiz Night.

The experiment with Will Awareness Day was a success and we hope to expand this as part of Law Week next year.

Thanks to the Courts (for the Court tours), the Bar Association for a packed end-of-law-week drinks and the Community Legal Centres for the always informative Women and Justice Forum.

The new Society Committee Charter means that it is time for the Committee to look for a new Chair, so watch this space for the author of next year's report.

— *Bill Redpath (Chair)*

Membership

- Adam Bak (*from August 2011*)
- Chanaka Bandarage
- Bradley Beasley
- Carol Benda (*to December 2011*)
- Natalie Bruno (*to August 2011*)
- Clare Butterfield (*to September 2011*)
- Ben Carmody
- Theresa Dowling (*to December 2011*)
- Eric Goonetilleke (*from August 2011 to March 2012*)
- Thanuja Gunasekera (*from December 2011*)
- Chris Harris (*from May 2012*)
- Joel Hiscox
- Larry King
- Jennifer Newman (*to September 2011*)
- Kim Nguyen (*to April 2012*)
- Janukshi Perera (*from September 2011*)
- Bill Redpath — Chair
- Jamie Ronald
- John Salinas (*from August 2011*)
- Geoff Stewart
- Svetlana Todoroski

Government Lawyers Committee

The Government Lawyers' Committee provides services to the more than 600 government lawyer members of the

ACT Law Society and provides a forum for government lawyers to exchange ideas and information. As well as lawyers employed by the Commonwealth and Territory governments the Committee receives good support from practitioners in private practice who have an interest in government legal issues.

In March 2012 the Committee presented the inaugural "Government Lawyers' Afternoon" attended by more than 100 government lawyers, with presentations on legal ethics, defective administration, compensation, workplace health and safety, freedom of information and the Commonwealth multi-use list for legal services. A second forum with an equally diverse range of topics is planned for November.

Over the last year the Committee has hosted several popular drinks functions, with special guests including ACT Chief Minister, Katy Gallagher MLA and Secretary of the Commonwealth Attorney-General's Department, Roger Wilkins AO.

The Committee also continues to publish the Government Lawyers Update containing a mix of social and informative legal discussion.

I thank all Committee members for their attendance at meetings and general contributions. I also thank committee coordinator, Chase Deans (ACT Law Society) for his continued excellent support.

— *Christopher Behrens (Chair)*

Membership

- Lindsay Aquilina
- Christopher Behrens — Chair
- Sasha Bellamy
- Alex Brook
- Caroline Bush
- Peter Cain
- Elissa Clarke
- David Fintan
- Brian Kildea
- Tim Lawson (*to May 2012*)
- Ondina Matera (*to June 2012*)
- Athol Opas (*to June 2012*)
- Christine Plevy
- Anne Saunderson
- Tina Webster (*to June 2012*)
- Andrew Yuile

Human Rights Committee

The Human Rights Committee is an ad hoc committee which meets on an "as required" basis to report to the Executive Committee on matters referred. It has not been required to meet during the past year as the Human Rights issues which have arisen have predominantly involved a more National focus.

The Committee has recently been involved in advising the Society on becoming a formal partner in the ACT Human

Rights Commission “Wiki Project” which gives online access to commentary on Human Rights issues and permits formal partners to add material without editorial control similar to *Wikipedia*.

The Committee is also currently considering a referral from Brett Walker SC, the Independent National Security Legislation Monitor, on questioning and detention warrants under the ASIO Act and Control and preventative detention orders under the *Criminal Code Act 1995*.

— *Greg Walker (Chair)*

Membership

- Mark Barrow
- Hilary Charlesworth
- Nathan Hancock
- Martin Hockridge
- Jaleh Johannessen
- Gabrielle McKinnon
- David Matthews
- Greg Walker — Chair
- Meredith Whitten

Legal Profession Act & Ethics Committee

Throughout the year, the Legal Profession Act & Ethics Committee met as required to consider matters referred to it and, otherwise, dealt with matters out of session.

Matters considered and ongoing matters include:

- A review of the *Australian Solicitors Conduct Rules* developed by the Law Council of Australia’s Professional Ethics Committee (upon which I am a member as the Law Society representative), and the drafting of a commentary in relation to those rules which are yet to be adopted.
- The obligation of a practitioner in the ACT undertaking a probate application in NSW to disclose the applicable NSW scale of costs in circumstances where the ACT practitioner seeks to charge a greater amount supported by a costs agreement. This matter has been referred to the Council for consideration.
- Whether guidelines should be developed for the benefit of members presented with suicidal clients. This issue remains under review.
- Whether it is appropriate for an unsuccessful complainant who has appealed to ACAT the Society’s decision to dismiss a complaint against a practitioner should be ordered to pay the practitioners costs in circumstances where the practitioner is joined as a party and likewise any appeal by the complainant from a decision of ACAT to uphold the Society’s decision to dismiss the complaint. The matter is to be considered by Council which will also decide whether an amendment is required to the Act.
- Whether guidelines should be developed for the issue of sexual relations between practitioners and clients.

Again, I extend my thanks to all members of the Committee and the support of our Committee Administrator, Heather Jackson.

— *Michael Phelps (Chair)*

Membership

- Paul Armarego
- Trevor Barker
- Madelin Bayer
- Jennifer Crawley (*from December 2011*)
- Christine Harvey
- Tom Howe QC
- Michael Phelps — Chair
- Gerald Santucci
- Gloria Wong

Military Law Committee

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

Major issues that the Committee discussed and progressed included the current Defence Law Review and the issue of the interdependence of legal ethics for Lawyers who are serving and also acting in the public domain, and the question of separating command influence from the practice of military law.

The Committee also supported the recognition of ADF Legal Officers’ training to be acceptable for CPD points for the Law Society.

The Committee has an ongoing interest in the establishment of the proposed Military Court of Australia, and continues to provide comment and input to the Law Council of Australia’s submissions to Government on this issue.

— *Don Malcolmson (Chair)*

Membership

- Anthony Blucher
- Barbara Campbell — Secretary
- Richard Cawte (*from June 2012*)
- Natalie Cujes
- Chris Coles
- Max Emanuel
- Emmanuel Ezekiel-Hart
- Mark Fitzpatrick
- James King
- John Lundy
- Lynette McDade
- Don Malcolmson — Chair
- Darryn Mullins
- Matt O’Brien
- Susan Penn
- Peter Sutherland

- Glenn Theakston
- Catherine Wallis (*to June 2012*)
- Lee Warren
- Paul Wilkinson
- John Wilson

Practice Management Committee

In response to feedback from previous participants, the Practice Management Committee decided to change the structure of the Practice Management Course this year to a three-day intensive model. 20 practitioners attended the first course in March. Again there was a good mixture of representatives from both the private sector and Government. The course was very well received with positive feedback from attendees. The awarding of ten CPD points was especially welcomed by participants. Demand for the course has resulted in a second course being run in October. It is hoped that we will continue to be able to offer two courses per year.

In addition to the Practice Management Course, the committee again organised seminars covering Risk Management for solicitors, Risk Management for support staff, and Trust Accounting seminars for support staff. The presenters were Rob Reis, Maureen Miller, Phil Davey, Tanya Berlis and myself. I thank all of those folk for their efforts and particularly those of my colleagues who have given up their time on a voluntary basis.

I also thank the other members of my committee, namely Graeme Blank, Phil Davey, Robert Reis, Gary Tamsitt and Paul Vane-Tempest.

— *Bill Baker (Chair)*

Membership

- Bill Baker — Chair
- Graeme Blank
- Phillip Davey
- Gary Tamsitt
- Paul Vane-Tempest

Property Law Committee

The Property Law Committee continues to be one of the larger and more active Committees of the Law Society. It met monthly over 2011-12 and has continued to actively promote the interests of members and the wider community, and to provide policy submissions and technical expertise to Government in the broad areas of property and planning law.

Members undertook throughout the year regular meetings with the Land Titles Office, Justice and Community Services, ACT Revenue Office and the Environment and Sustainable Development Directorate. Issues considered included matters as diverse as native title, the development of the national electronic conveyancing system and stamp

duty payable on assignments of subleases in a sale of business (now the subject of legislative amendment).

John Chamberlain and Geoff Hay expertly updated the standard *Contract for Sale* to produce a “patch” to incorporate the changes of the *Unit Titles (Management) Act*, Peter Waight produced the outstanding Law Society brochures on buying and selling property, Chris Wheeler continued his work on the Lease Variation Charge (LVC), and a number of members attended a variety of forums, including the Building Quality Forum and other meetings on behalf of the Society. Richard Nesbitt continued to meet with the ACT Revenue Office and has continued to constructively suggest possible methods of allowing in house or electronic stamping.

A number of professional development presentations occurred, including a joint presentation with the REIACT chaired by Richard Nesbitt, at which Geoff Hay and I also spoke. Further CPD activities are underway for early next year as part of the Society’s Professional Development Program.

The Committee continues to provide comment on draft legislation, and is involved in current dialogue in respect of matters both relating to Unit Titles, and to notation of trusts on the Lands Titles Office (LTO) register.

I thank sincerely 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.

— *Michael James (Chair)*

Membership

- John Chamberlain
- Maggie Chapman
- Tony Cibiras (*to August 2011*)
- Alfonso del Rio
- Michael Flynn
- Ruth Harris
- Geoff Hay
- Jayson Hinder
- John Irvine
- Michael James — Chair
- Susan McCarthy
- Roberta McCrae
- Jill McSpedden
- Richard Nesbitt
- Mark Poretti
- Tony Thew
- Mark Tigwell
- David Toole
- Peter Waight
- Chris Wheeler

Young Lawyers Committee

The Young Lawyers Committee (YLC) meets once a month with an aim to provide services and assistance to other young (and young at heart) lawyers through various volunteer work, networking and social events.

The YLC continued to volunteer its members to move the admissions of newly admitted solicitors, and are developing a mentoring program to assist solicitors make that jump from legal studies to legal practice. To further assist in the transition, we have increased ties with the Law Societies of the Australian National University and the University of Canberra, a relationship that is sure to develop in the coming years.

We have run a number of networking sessions at various firms across the Territory and the Committee hosts a once a month informal session at the Uni Pub. These sessions have provided Young Lawyers in the ACT an invaluable chance to meet other young lawyers and socialise outside the adversarial environments inherent with legal practice which should lead to increased harmony and professionalism by the members of the society in the years to come.

As always, the YLC hosted many social events that were well attended Law Society members. The Long Rail Gully once again was the venue for the annual "Spring Affair" (thanks again Gary and Barbara Parker!) and the infamous Christmas Cruise had a big turn out with no-one falling overboard. Early in the year the ACT Young Engineers challenged the YLC to a debate, with team members Rory Markham, Sarah Avery and myself making sure the Society was well represented and came home with the prize.

Law Week saw the return of the annual Young Lawyers Quiz Night. Once again, this event was sold out and we managed to raise around \$6,000 for the Law Week Charity, Pegasus. The battle for top spot came down to a tie breaker between the Blumers table and the Law Society Table, with the Blumers table getting the nod.

The social event of the year, the annual Winter Ball, was held at Rydges Lakeside. President Blumer attended as the guest of honour and the night was a great success. I must extend my thanks to Chris Gribble and other YLC members for their fantastic efforts.

Shortly after the Ball, the Golden Gavel was held at the Annual Dinner and with the assistance of Larry King and Nicole Karman it was a great night with Hamish McNair from Norton Rose winning with his topic "I'm Batman": *The Bruce Wayne guide to successful ADR*. Robert Guest from Maurice Blackburn received the people's choice award.

The coming year promises to once again be a busy year for the Young Lawyers Committee with many fresh ideas in the pipeline. I would like to take this opportunity to thank all the members of the Committee without whose hard work the many events and programs of the YLC would not be possible, especially Chris Gribble (Vice-Chair), Dean Thompson (Treasurer), Sophie Knipe and Phil Schubert (Secretary) and to our past chair Natalie Bruno who has been

a great help and leaves the YLC this year as one of its longest serving members. Also a big thank you to Nicole, Robyn and Kathleen at the Law Society for their help this year.

— *John Salinas (Chair)*

Membership

- Lucinda Bordignon
- Alex Brook
- Natalie Bruno
- Jennifer Crawley
- Amy Eager
- Chris Gribble — Vice-Chair
- Josephine Hampton
- Patrick Harding
- Kelly Irvine
- Julius Ismael
- Ben Jullienne
- Sophie Knipe
- Numira Kuruppu
- Cindy Lim
- Claudia MacLean
- Rory Markham
- Shelly Miller
- Jennifer Newman
- Lynn Nguyen
- Thuy Nguyen
- Janukshi Perera
- Michael Reardon
- John Salinas — Chair
- Phil Schubert — Secretary
- Mitchell Strachan
- Andrew Thompson
- Dean Thompson — Treasurer
- Sam Tierney
- Duncan Webber

Ad-Hoc Committees

The Society also has a number of *ad hoc* committees, which consider issues as they arise. The following committees have not been required to meet during the past financial year.

- Administrative Law Committee
- Equalising Opportunities in the Law Committee

Non-Reporting Committees

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

- Industrial Relations Committee

Treasurer's Report

I am pleased to present the Annual Report on the Society's Accounts for 2011/12.

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 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 \$54,617 which increased the Society's accumulated funds to \$1,070,506 as at 30 June 2012.

The Society had budgeted for a surplus, however only in the amount of \$22,900 for 2011/12 and so the higher amount was a pleasing result. The favourable result was predominantly due to higher than budgeted revenue, made up of a combination of various income lines, including Practising Certificate fees and sponsorship income.

The Council will continue to closely monitor all expenditure. At this stage it appears that the Society is likely to record a surplus for the 2012/13 financial year.

Statutory Deposits Trust Account

Total deposits at 30 June 2012 amounted to over \$15 million; this was a decrease of eight per cent on the previous year.

It will be noted from the statement of cash flows that this decrease was due a greater amount of repayments being made from the Society back to law firms.

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 \$2,912,843 was an increase of 3.92 per cent on the previous year. The increase is mainly due to additional Statutory Deposit funds being invested in term deposits to ensure maximum interest earnings. Included in the revenue is approximately \$164,000 which was recovered from one of the major banks. This amount represented the interest earned in a number of solicitors' statutory deposits over the past six years which should have been, but was not, paid to the Society. This amount

was recovered following a reconciliation conducted by the Society's Finance & Business Services Director. The Society continues to negotiate favourable interest rates we receive on balances held in solicitors' trust accounts.

There has been a large increase in disciplinary legal costs incurred by the Society however the recovery of those costs continues to be pursued diligently.

Noting the current uncertainty in global financial markets and expectations that further decreases in the Reserve Bank cash rate in the next 12 months there is still the need for a cautious approach with regard to grants to the Community legal aid organisations. For the 2011/12 financial year Council has agreed that an amount of \$1,700,000 will be allocated for grants to the Legal Aid Commission and other community legal aid organisations. This is the same amount as disbursed last year.

Solicitors' Fidelity Fund

The accumulated funds of the Fidelity Fund increased by \$291,921 to a total of \$5,074,073 as at 30 June 2012.

This was a pleasing turnaround from last year's deficit. This year's result was brought about by increased revenue due mainly to a recovery of inspection and management costs incurred in previous years along with a slight increase in interest earned and contributions.



Ian Campbell

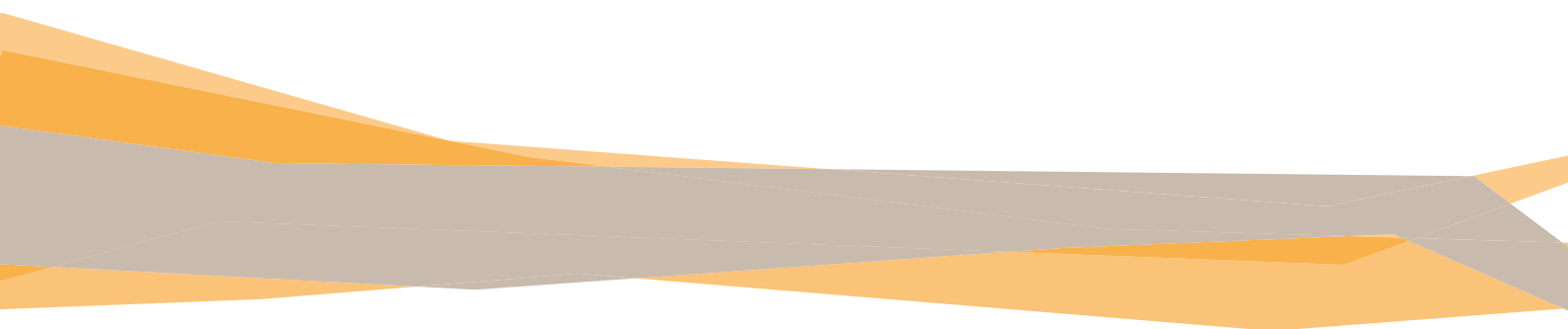
Treasurer

actlawsociety

Financial Statements

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

Financial Statements 30 June 2012



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 2012**

	Notes	2012 \$	2011 \$
Revenue	2	1,837,889	1,894,914
Audit fees		(13,325)	(12,757)
Capitation fees		(157,735)	(145,045)
Committee and executive working lunches		(17,817)	(18,752)
Consultancy fees		(5,100)	(18,833)
Depreciation expense	8	(64,680)	(62,122)
Employee benefits expense		(901,277)	(875,871)
Ethos magazine expenses		(19,681)	(20,780)
Fair Comp Campaign		(20,000)	(131,221)
Functions and seminars		(144,097)	(139,515)
Insurances		(23,017)	(20,805)
Membership services		(24,156)	-
Postage and couriers		(35,204)	(36,424)
President's allowance		(91,388)	(87,487)
Printing and stationery		(14,022)	(19,484)
Rent and related expense		(138,592)	(135,839)
Travel and accommodation		(5,109)	(4,804)
Other expenses		<u>(108,072)</u>	<u>(105,863)</u>
Profit for the year		<u>54,617</u>	<u>59,312</u>
Total comprehensive income		<u><u>54,617</u></u>	<u><u>59,312</u></u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	4	1,370,565	1,182,449
Investments	5	679,304	642,549
Trade and other receivables	6	233,165	241,211
Inventory	7	8,008	8,505
Prepayments		<u>25,715</u>	<u>37,757</u>
Total current assets		<u>2,316,757</u>	<u>2,112,471</u>
Non-current assets			
Office furniture and equipment	8	149,252	176,803
Rental bond		<u>37,664</u>	<u>35,532</u>
Total non-current assets		<u>186,916</u>	<u>212,335</u>
Total assets		<u>2,503,673</u>	<u>2,324,806</u>
Current liabilities			
Trade and other payables	9	1,228,912	1,100,951
Provisions	10	<u>193,188</u>	<u>207,966</u>
Total current liabilities		<u>1,422,100</u>	<u>1,308,917</u>
Non-current liabilities			
Provisions		<u>11,067</u>	<u>-</u>
Total non-current liabilities		<u>11,067</u>	<u>-</u>
Total liabilities		<u>1,433,167</u>	<u>1,308,917</u>
Net assets		<u>1,070,506</u>	<u>1,015,889</u>
Equity			
Accumulated funds		<u>1,070,506</u>	<u>1,015,889</u>
Total equity		<u>1,070,506</u>	<u>1,015,889</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	1,015,889	956,577
Total comprehensive income for the year	<u>54,617</u>	<u>59,312</u>
Balance at the end of the financial year	<u>1,070,506</u>	<u>1,015,889</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from members and others		1,959,347	2,022,004
Payments to suppliers and employees		(1,769,374)	(1,887,372)
Interest received		<u>72,027</u>	<u>69,636</u>
Net cash inflow/(outflow) from operating activities		<u>262,000</u>	<u>204,268</u>
Cash flows from investing activities			
Payments for investments		(36,755)	(37,000)
Payments for office furniture and equipment		<u>(37,129)</u>	<u>(17,247)</u>
Net cash inflow/(outflow) from investing activities		<u>(73,884)</u>	<u>(54,247)</u>
Net increase/(decrease) in cash held		188,116	150,021
Cash at the beginning of the financial year		<u>1,182,449</u>	<u>1,032,428</u>
Cash at the end of the financial year	4	<u>1,370,565</u>	<u>1,182,449</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

The Society has elected to early adopt AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' from the annual reporting period beginning 1 July 2010. As a consequence, the entity has also early adopted the following Amending Standards containing reduced disclosure requirements:

- AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; and
- AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.

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

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

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

Accounting Policies

(a) Income Tax

The 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 2012

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	3-15 years.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 2012

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 2012**

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.

	2012	2011
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Practising certificate fees	880,178	811,862
Members' subscriptions	14,834	15,809
Capitation fees	158,308	144,250
Reimbursement of expenses		
- Statutory Interest Account – administration*	68,623	63,229
- Statutory Interest Account – Legal Advice Bureau*	34,334	32,558
- Statutory Interest Account – professional standards*	121,003	120,581
- Solicitors' Fidelity Fund of the Australian Capital Territory – administration*	36,265	34,539
Profit on standard forms	58,931	64,311
Income from functions	56,295	49,553
Ethos advertising and subscriptions	15,799	16,903
Subscriptions from seminars	128,699	156,549
Project Officer contributions	44,873	43,246
Certificates of good standing	12,391	12,780
Settlements Office contributions	59,808	59,072
Practice management courses	21,782	21,060
	<u>1,712,123</u>	<u>1,646,302</u>
Revenue from outside the operating activities		
Sponsorship	47,118	36,335
Interest	73,407	71,069
Miscellaneous income	5,241	10,448
Fair Comp Campaign	-	130,760
	<u>125,766</u>	<u>248,612</u>
	<u>1,837,889</u>	<u>1,894,914</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 2012**

	2012	2011
	\$	\$
NOTE 3 PROFIT FOR THE YEAR		
Included in the profit for the year are the following specific items of expenditure:		
Rental payments on operating lease	(128,627)	(124,290)
Depreciation	(64,680)	(62,122)
Superannuation contributions	(72,558)	(68,972)
Loss on disposal of assets	<u>-</u>	<u>(2,649)</u>
NOTE 4 CASH AND CASH EQUIVALENTS		
Cash on hand	300	300
Cash at bank	1,357,943	1,182,149
Undeposited funds	<u>12,322</u>	<u>-</u>
	<u>1,370,565</u>	<u>1,182,449</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
St George Bank term deposits	<u>679,304</u>	<u>642,549</u>
These deposits have an average maturity of 6 – 7 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER RECEIVABLES		
Trade debtors	163,887	116,162
Deposits paid	2,875	5,378
Accrued interest receivable	17,072	15,692
Other accrued income	45,687	99,309
GST refund receivable	<u>3,644</u>	<u>4,670</u>
	<u>233,165</u>	<u>241,211</u>
NOTE 7 INVENTORY		
Contracts for sale	7,874	8,459
Tenancy agreements	<u>134</u>	<u>46</u>
	<u>8,008</u>	<u>8,505</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 8 OFFICE FURNITURE AND EQUIPMENT		
Office furniture and equipment		
At cost	534,357	525,238
Less: accumulated depreciation	<u>(385,105)</u>	<u>(348,435)</u>
Total office furniture and equipment	<u>149,252</u>	<u>176,803</u>
Reconciliation		
A reconciliation of the carrying amount at the beginning and end of the current financial year is set out below.		
	Office furniture and equipment	
Carrying amount at the beginning of the year	176,803	224,327
Additions	37,129	17,247
Disposals	-	(2,649)
Depreciation expense	<u>(64,680)</u>	<u>(62,122)</u>
Carrying amount at the end of the year	<u>149,252</u>	<u>176,803</u>
NOTE 9 TRADE AND OTHER PAYABLES		
Other liabilities		
Subscriptions in advance	1,096,702	985,255
Accruals	30,534	18,704
Payable – Solicitors’ Fidelity Fund of the Australian Capital Territory	38,317	38,046
Fair Comp Campaign Fund	<u>31,691</u>	<u>12,877</u>
Total other liabilities	1,197,244	1,054,882
Trade creditors	<u>31,668</u>	<u>46,069</u>
	<u>1,228,912</u>	<u>1,100,951</u>
NOTE 10 PROVISIONS		
<i>Current</i>		
Provision for annual leave	108,695	132,821
Provision for long service leave	<u>84,493</u>	<u>75,145</u>
	<u>193,188</u>	<u>207,966</u>
<i>Non-Current</i>		
Provision for long service leave	<u>11,067</u>	<u>-</u>

The amount of current long service leave expected to be settled within 12 months of the end of the financial year is nil (2011: nil).

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	4	1,370,565	1,182,449
Held-to-maturity investments	5	679,304	642,549
Loans and receivables	6	<u>229,521</u>	<u>236,541</u>
Total Financial Assets		<u>2,279,390</u>	<u>2,061,539</u>
Financial Liabilities			
Trade and other payables	9	<u>1,228,912</u>	<u>1,100,951</u>
Total Financial Liabilities		<u>1,228,912</u>	<u>1,100,951</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	9,000	8,500
Audit of Statutory Deposits Trust Account	1,450	1,330
Audit of Statutory Interest Account	2,475	2,335
Audit of Solicitors' Fidelity Fund	2,475	2,335
Accounting assistance and advice	<u>400</u>	<u>591</u>
	<u>15,800</u>	<u>15,091</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 2012**

	2012	2011
	\$	\$
NOTE 13 LEASING COMMITMENTS		
<i>Lease commitments</i>		
Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	128,737	124,719
Later than one year but not later than 5 years	<u>221,654</u>	<u>354,426</u>
	<u>350,391</u>	<u>479,145</u>

The total amount of rental expense recognised in the reporting period was \$128,627 (2011: \$124,290).

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.

NOTE 15 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:

Ms N Blumer	President from 22 September 2011
Mr A Opas	President to 22 September 2011
	Immediate Past President from 22 September 2011
Ms K Barralet	Vice President
Mr M Hockridge	Vice President
Mr I Campbell	Treasurer
Ms L E Vardanega PSM	Secretary
Ms S Avery	
Mr G Brackenreg	
Mr J Carroll	
Ms N Bruno	From 22 September 2011
Ms E Lee	Up to 22 September 2011
Ms C Harvey	Up to 22 September 2011
Mr D Malcolmson	
Mr M Tigwell	
Mr P Vane-Tempest	
Mr M Blumer	Up to 22 September 2011
Mr RJ Barnett	Immediate Past President to 22 September 2011
Mr C Donohue	Up to 22 September 2011
Mr M O'Brien	From 22 September 2011
Mr B Hatch	From 22 September 2011
Mr R Routh	From 22 September 2011

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 15 RELATED PARTIES (CONT'D)

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 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 \$2,558 (2011: \$1,996) in premiums for Councillors and Officers liability insurance.

NOTE 16 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.

	2012	2011
	\$	\$
Total key management personnel compensation	<u>243,476</u>	<u>233,305</u>

NOTE 17 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 18 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 2012**

The Councillors declare that the financial statements and notes set out on pages 1 to 14:

- (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 2012 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:

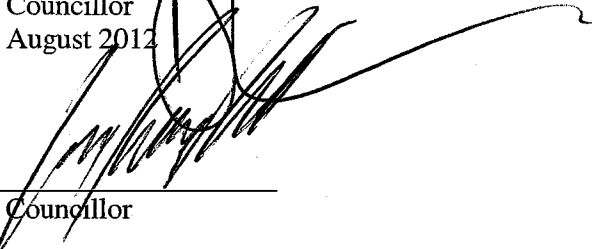
- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

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



Councillor

20 August 2012



Councillor

20 August 2012

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 2012, 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

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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 2012 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, 20 August 2012



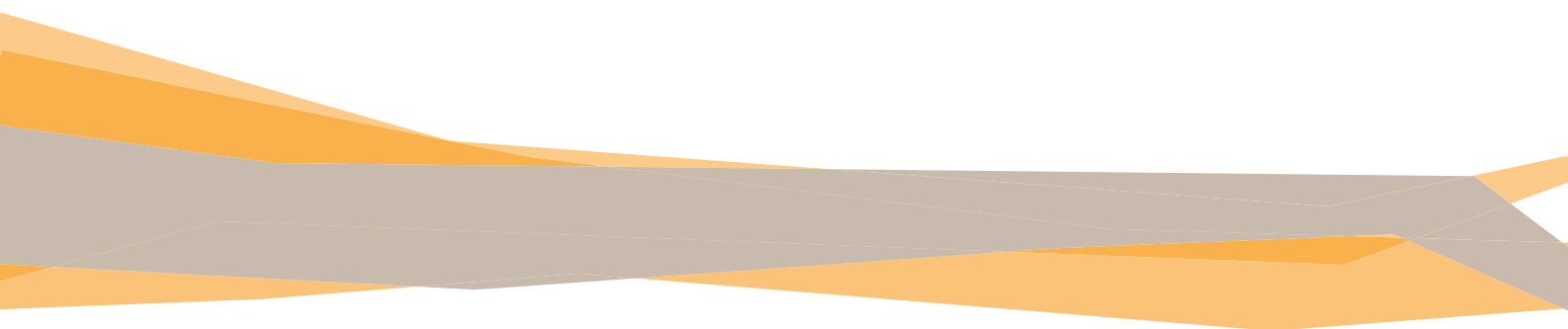
G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2012



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

FINANCIAL STATEMENTS – 30 JUNE 2012

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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 2012**

	Notes	2012 \$	2011 \$
Revenue	2	2,912,843	2,802,985
Expenses			
Law Society of the Australian Capital Territory - reimbursement of administration expenses		(68,623)	(63,229)
Disciplinary legal costs		(847,196)	(526,826)
Legal Advice Bureau operating costs	9	(35,005)	(32,709)
Professional Standards Office costs		<u>(121,994)</u>	<u>(121,546)</u>
Surplus before disbursements		1,840,025	2,058,675
Proposed disbursements s253		(1,700,000)	(1,700,000)
Additional disbursement s253		<u>-</u>	<u>(165,000)</u>
Surplus/(deficit) for the year		<u>140,025</u>	<u>193,675</u>
Total comprehensive income		<u><u>140,025</u></u>	<u><u>193,675</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	3	1,645,427	1,833,523
Investments	4	1,920,027	1,626,135
Trade and other receivables	5	<u>389,876</u>	<u>469,469</u>
Total current assets		<u>3,955,330</u>	<u>3,929,127</u>
Non-current assets			
Legal advice bureau furniture and fittings	6	<u>-</u>	<u>-</u>
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>3,955,330</u>	<u>3,929,127</u>
Current liabilities			
Trade and other payables	7	5,883	119,705
Provisions	8	<u>1,700,000</u>	<u>1,700,000</u>
Total current liabilities		<u>1,705,883</u>	<u>1,819,705</u>
Total liabilities		<u>1,705,883</u>	<u>1,819,705</u>
Net assets		<u>2,249,447</u>	<u>2,109,422</u>
Equity			
Accumulated funds		<u>2,249,447</u>	<u>2,109,422</u>
Total equity		<u>2,249,447</u>	<u>2,109,422</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Accumulated funds		
Balance at the beginning of the financial year	2,109,422	1,915,747
Surplus for the year	<u>140,025</u>	<u>193,675</u>
Balance at the end of the financial year	<u><u>2,249,447</u></u>	<u><u>2,109,422</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012	2011 \$
Cash flows from operating activities			
Recovered disciplinary legal costs		156,625	127,464
Miscellaneous receipts & GST refunds		258,553	274,221
Disbursements and other operating payments		(1,443,691)	(876,586)
Interest		<u>2,834,309</u>	<u>2,561,842</u>
Net cash inflow/(outflow) from operating activities		<u>1,805,796</u>	<u>2,086,941</u>
Cash flows from investing activities			
Payments for investments		<u>(293,892)</u>	<u>(38,217)</u>
Net cash inflow/(outflow) from investing activities		<u>(293,892)</u>	<u>(38,217)</u>
Cash flows from financing activities			
Section 253 disbursements	11	<u>(1,700,000)</u>	<u>(1,503,000)</u>
Net cash inflow/(outflow) from financing activities		<u>(1,700,000)</u>	<u>(1,503,000)</u>
Net increase (decrease) in cash held		(188,096)	545,724
Cash at the beginning of the financial year		<u>1,833,523</u>	<u>1,287,799</u>
Cash at the end of the financial year	3	<u>1,645,427</u>	<u>1,833,523</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Account has elected to early adopt AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' from the annual reporting period beginning 1 July 2010. As a consequence, the entity has also early adopted the following Amending Standards containing reduced disclosure requirements:

- AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; and
- AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.

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

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

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

Accounting Policies

(a) Income Tax

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

(b) Cash and Cash Equivalents

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

(c) Investments

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

(d) Revenue Recognition

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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 2012**

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

		2012		2011
		\$		\$
NOTE 2	REVENUE			
	Revenue from operating activities			
	Interest on investments by the Statutory Interest Account	171,564		149,021
	Interest on investments by the Statutory Deposits Account	815,258		662,627
	Interest on Solicitors' Trust Accounts	1,769,396		1,863,872
		<u>2,756,218</u>		<u>2,675,520</u>
	Revenue from outside the operating activities			
	Miscellaneous income	156,625		127,465
		<u>2,912,843</u>		<u>2,802,985</u>
NOTE 3	CASH AND CASH EQUIVALENTS			
	Cash at bank	<u>1,645,427</u>		<u>1,833,523</u>
NOTE 4	INVESTMENTS			
	<i>Held-to-Maturity Investments</i>			
	Commonwealth Bank of Australia	-		1,000,000
	National Australia Bank	1,000,000		-
	St George Bank Australia	670,027		626,135
	Westpac	250,000		-
		<u>1,920,027</u>		<u>1,626,135</u>
	These deposits have an average maturity of 6 months from the date of their deposit.			
NOTE 5	TRADE AND OTHER RECEIVABLES			
	Accrued interest			
	-Investments	206,153		161,356
	-Solicitors' Trust Accounts	165,127		288,015
		<u>371,280</u>		<u>449,371</u>
	Debtors	4,288		5,667
	Prepayments	1,529		1,493
	GST paid to suppliers	12,779		12,938
		<u>389,876</u>		<u>469,469</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 6 LEGAL ADVICE BUREAU FURNITURE AND FITTINGS		
Legal advice bureau furniture and fittings		
At cost	6,507	6,507
Less: accumulated depreciation	<u>(6,507)</u>	<u>(6,507)</u>
	<u>-</u>	<u>-</u>
NOTE 7 TRADE AND OTHER PAYABLES		
Sundry creditors and accruals	<u>5,883</u>	<u>119,705</u>
NOTE 8 PROVISIONS – CURRENT		
Proposed disbursements for this year	<u>1,700,000</u>	<u>1,700,000</u>
NOTE 9 LEGAL ADVICE BUREAU OPERATING COSTS		
Cleaning	658	639
Depreciation	1,359	1,359
Electricity	363	315
Insurance	359	307
Publications and subscriptions	671	151
Rental of premises	8,489	8,193
Salaries and superannuation	<u>23,106</u>	<u>21,745</u>
	<u>35,005</u>	<u>32,709</u>
NOTE 10 PROPOSED DISBURSEMENTS		
The Account will invite submissions for disbursements from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006:		
Proposed disbursements	<u>1,700,000</u>	<u>1,700,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 11 DISBURSEMENTS PAID		
Disbursements approved and paid from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006 in this year were:		
Environmental Defender's Office	30,293	28,931
Legal Aid Commission (ACT)	1,420,623	1,244,069
Welfare Rights and Legal Centre	161,522	150,000
Women's Legal Centre	<u>87,562</u>	<u>80,000</u>
	<u>1,700,000</u>	<u>1,503,000</u>

NOTE 12 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		
Financial Assets			
Cash and cash equivalents	3	1,645,427	1,833,523
Held-to-maturity investments	4	1,920,027	1,626,135
Loans and receivables	5	<u>389,876</u>	<u>455,038</u>
Total Financial Assets		<u>3,955,330</u>	<u>3,914,696</u>
Financial Liabilities			
Trade and other payables	7	<u>5,883</u>	<u>119,705</u>
Total Financial Liabilities		<u>5,883</u>	<u>119,705</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 12 FINANCIAL RISK MANAGEMENT (CONT'D)

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 13 CONTINGENT ASSETS

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

NOTE 14 CONTINGENT LIABILITIES

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

NOTE 15 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 16 REMUNERATION OF AUDITOR

Audit fee of \$2,475 (2011: \$2,335) were ultimately paid by the Statutory Interest Account.

NOTE 17 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 2012**


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 2012 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

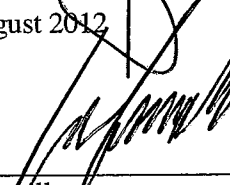
In the Councillors' opinion:

- (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
20 August 2012



Councillor
20 August 2012

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 2012, 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

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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 2012 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, 20 August 2012



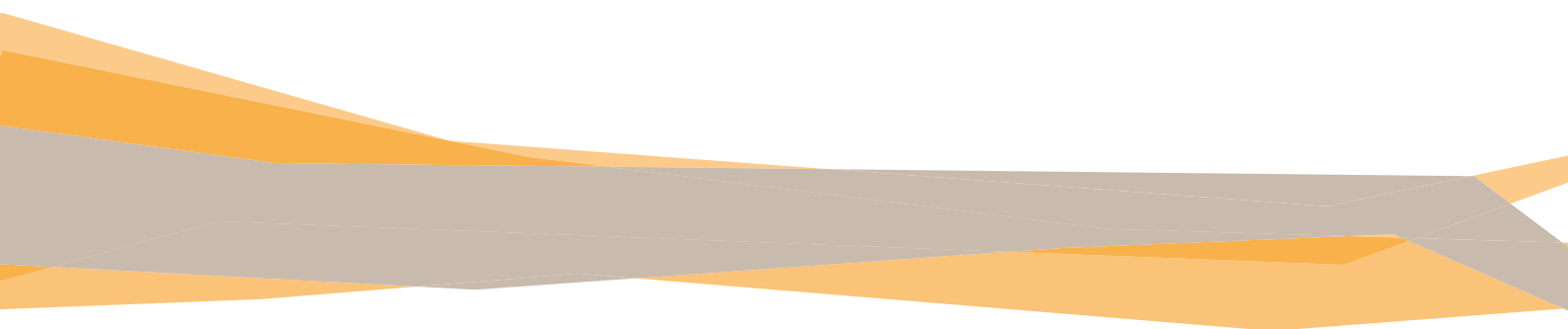
G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2012



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

FINANCIAL STATEMENTS – 30 JUNE 2012

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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 2012**

	Notes	2012 \$	2011 \$
Revenue		<u>-</u>	<u>-</u>
Net surplus/ (deficit)		<u>-</u>	<u>-</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	2	2,964,872	9,693,158
Investments	3	<u>12,639,359</u>	<u>7,399,815</u>
Total current assets		<u>15,604,231</u>	<u>17,092,973</u>
Total assets		<u>15,604,231</u>	<u>17,092,973</u>
Current liabilities			
Trade and other payables	4	<u>15,604,231</u>	<u>17,092,973</u>
Total current liabilities		<u>15,604,231</u>	<u>17,092,973</u>
Total liabilities		<u>15,604,231</u>	<u>17,092,973</u>
Net assets		<u> -</u>	<u> -</u>
Equity			
Accumulated Funds		<u> -</u>	<u> -</u>
Total equity		<u> -</u>	<u> -</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012 \$	2011 \$
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 2012**

	Notes	2012 \$	2011 \$
Cash flows from investing activities			
Interest received for (transferred to) Statutory Interest Account	4	(20,696)	20,696
Payments for investments		<u>(5,239,544)</u>	<u>(2,671,604)</u>
Net cash (outflow) from investing activities		<u>(5,260,240)</u>	<u>(2,650,908)</u>
Cash flows from financing activities			
Proceeds from deposits		3,379,381	6,201,315
Repayments of deposits		<u>(4,847,427)</u>	<u>(2,369,808)</u>
Net cash inflow (outflow) from financing activities		<u>(1,468,046)</u>	<u>3,831,507</u>
Net increase (decrease) in cash held		(6,728,286)	1,180,599
Cash at the beginning of the financial year		<u>9,693,158</u>	<u>8,512,559</u>
Cash at the end of the financial year	2	<u>2,964,872</u>	<u>9,693,158</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Deposits Trust Account (the Trust Account) as an individual entity, domiciled in Australia. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Trust Account has elected to early adopt AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' from the annual reporting period beginning 1 July 2010. As a consequence, the entity has also early adopted the following Amending Standards containing reduced disclosure requirements:

- AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; and
- AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.

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

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

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

Accounting Policies

(a) Income Tax

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

(b) Cash and Cash Equivalents

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

(c) Investments

Investments in term deposits are brought to account at cost. Interest income is transferred to the Statutory Interest Account in accordance with the Legal Professional 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 2012**

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 2012**

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 AUDITOR

Audit fee of \$1,450 (2011:\$1,330) 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 Trust Account'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	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	2	2,964,872	9,693,158
Held-to-maturity investments	3	<u>12,639,359</u>	<u>7,399,815</u>
Total Financial Assets		<u><u>15,604,231</u></u>	<u><u>17,092,973</u></u>
Financial Liabilities			
Trade and other payables	4	<u>15,604,231</u>	<u>17,072,277</u>
Total Financial Liabilities		<u><u>15,604,231</u></u>	<u><u>17,072,277</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 2012**

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 2012**

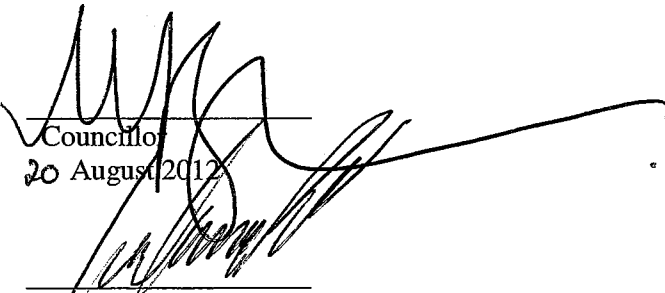
The Councillors declare that the financial statements and notes set out on pages 1 to 8:

- (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 2012 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
20 August 2012



Councillor
20 August 2012

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 2012, 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.

Duesburys Nexia

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Independent member of Nexia International



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 2012 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, 20 August 2012



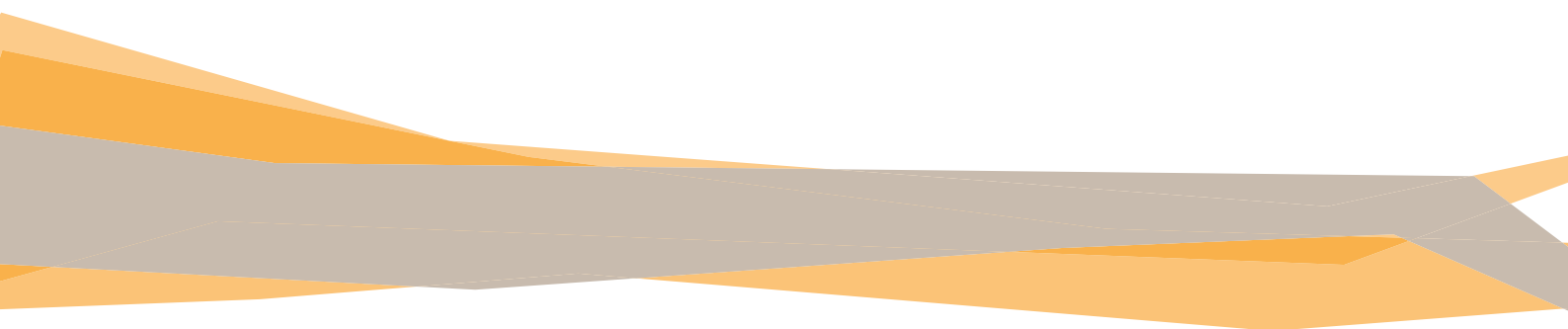
G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2012



THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

FINANCIAL STATEMENTS – 30 JUNE 2012

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THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012**

	Notes	2012	2011
		\$	\$
Revenue	2	438,323	312,527
Audit fees		(2,475)	(2,335)
Administration expenses		(36,265)	(34,539)
Claim on fidelity fund		(2,200)	-
Investigations, examinations and managers' costs		(10,707)	(195,495)
Random inspections expenses		<u>(94,755)</u>	<u>(97,510)</u>
Surplus/(deficit) for the year		<u>291,921</u>	<u>(17,352)</u>
Total comprehensive income for the year		<u>291,921</u>	<u>(17,352)</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
Current assets			
Cash and cash equivalents	3	84,391	59,880
Trade and other receivables	4	<u>220,710</u>	<u>87,278</u>
Total current assets		<u>305,101</u>	<u>147,158</u>
Non-current assets			
Investments	5	<u>4,810,989</u>	<u>4,695,190</u>
Total non-current assets		<u>4,810,989</u>	<u>4,695,190</u>
Total assets		<u>5,116,090</u>	<u>4,842,348</u>
Current liabilities			
Trade and other payables	6	<u>42,017</u>	<u>60,196</u>
Total current liabilities		<u>42,017</u>	<u>60,196</u>
Total liabilities		<u>42,017</u>	<u>60,196</u>
Net assets		<u>5,074,073</u>	<u>4,782,152</u>
Equity			
Accumulated funds		<u>5,074,073</u>	<u>4,782,152</u>
Total equity		<u>5,074,073</u>	<u>4,782,152</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	4,782,152	4,799,504
Total comprehensive income for the year	<u>291,921</u>	<u>(17,352)</u>
Balance at the end of the financial year	<u><u>5,074,073</u></u>	<u><u>4,782,152</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from contributions		40,530	4,539
Recoveries & GST refunds		12,164	27,151
Payments		(176,402)	(342,155)
Interest received		<u>264,018</u>	<u>251,872</u>
Net cash inflow (outflow) from operating activities		<u>140,310</u>	<u>(58,593)</u>
Cash flows from investing activities			
Payments for investments		<u>(115,799)</u>	<u>(77,811)</u>
Net cash (outflow) from investing activities		<u>(115,799)</u>	<u>(77,811)</u>
Net increase/ (decrease) in cash held		24,511	(136,404)
Cash at the beginning of the financial year		<u>59,880</u>	<u>196,284</u>
Cash at the end of the financial year	3	<u><u>84,391</u></u>	<u><u>59,880</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 entity. Its registered office and principal place of business is 11 London Circuit, Canberra City, ACT, 2601.

Basis of Preparation

Reporting Basis and Conventions

The Fund has elected to early adopt AASB 1053: 'Application of Tiers of Australian Accounting Standards' and AASB 2010-2: 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' from the annual reporting period beginning 1 July 2010. As a consequence, the entity has also early adopted the following Amending Standards containing reduced disclosure requirements:

- AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; and
- AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements.

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

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

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

Accounting Policies

(a) Income Tax

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

(b) Cash and Cash Equivalents

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

(c) Revenue Recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

(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 2012

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 2012**

	2012	2011
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments	281,069	273,842
Contributions	39,404	38,685
Recovery of investigations/management costs	117,850	-
	<u>438,323</u>	<u>312,527</u>
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>84,391</u>	<u>59,880</u>
NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade debtors – The Law Society of the Australian Capital Territory	38,317	38,046
Accrued interest	63,960	46,909
Other receivables	<u>118,433</u>	<u>2,323</u>
	<u>220,710</u>	<u>87,278</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	1,000,000	1,000,000
St George Bank	657,208	635,000
National Australia Bank	<u>3,153,781</u>	<u>3,060,190</u>
	<u>4,810,989</u>	<u>4,695,190</u>
These deposits have a maturity of 5 or 6 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER PAYABLES		
Trade creditors and accruals	3,700	23,276
Contributions received in advance	<u>38,317</u>	<u>36,920</u>
	<u>42,017</u>	<u>60,196</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	\$	\$
NOTE 7 LEGISLATION		
<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>		
NOTE 8 AUDITORS' REMUNERATION		
Audit of the Fund's financial statements	2,475	2,335
Other services - Conduct of random inspections	52,445	45,630
	<u>54,920</u>	<u>47,965</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's financial instruments consist mainly of deposits with banks, accounts receivable and payables.

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 \$48,110 on profit and equity.

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

	Note		
Financial Assets			
Cash and cash equivalents	3	84,391	59,880
Held-to-maturity investments	5	4,810,989	4,695,190
Loans and receivables	4	<u>220,710</u>	<u>87,278</u>
Total Financial Assets		<u>5,116,090</u>	<u>4,842,348</u>
Financial Liabilities			
Trade and other payables	6	<u>3,700</u>	<u>23,276</u>
Total Financial Liabilities		<u>3,700</u>	<u>23,276</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 2012**

NOTE 10 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

NOTE 11 EVENTS AFTER THE REPORTING PERIOD

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

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

**COUNCILLORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012**

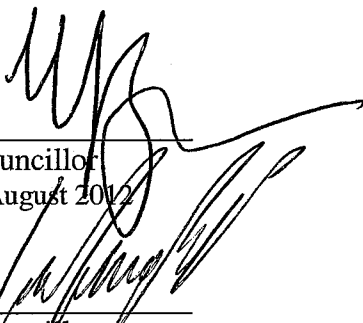
The Councillors declare that the financial statements and notes set out on pages 1 to 10:

- (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 2012 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

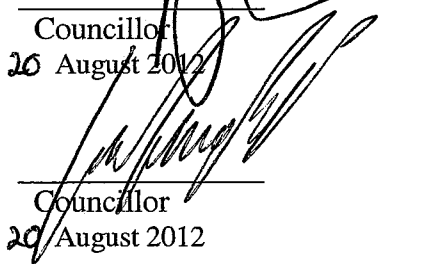
In the Councillors' opinion:

- (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
20 August 2012



Councillor
20 August 2012

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 2012, 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.

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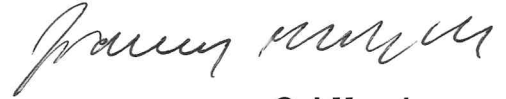


Auditor's Opinion

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 2012 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, 20 August 2012



G J Murphy
Partner

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