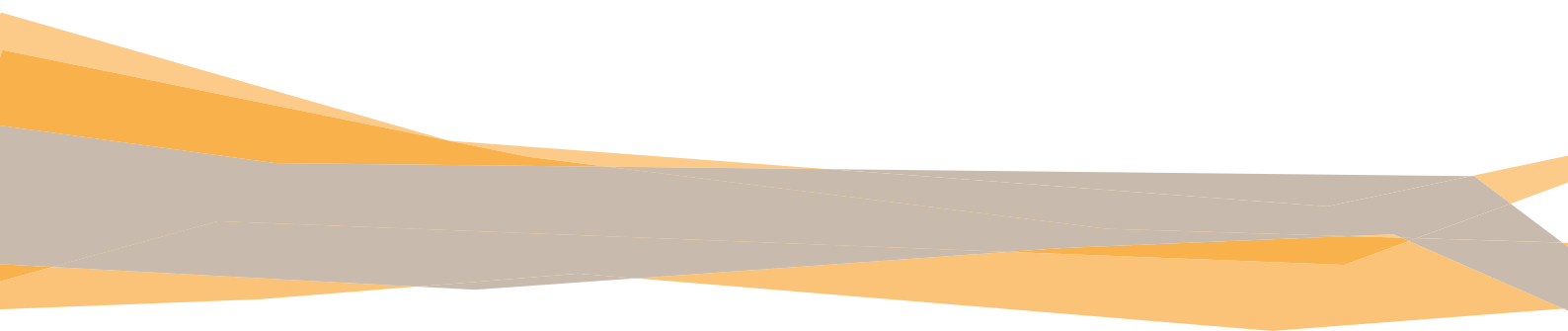


actlawsociety

Annual Report

2012-13



Law Society of the Australian Capital Territory

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Executive

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Vice President Martin Hockridge
Vice President Greg Brackenreg
Secretary..... Louise Vardanega
Treasurer Mark Tigwell
Council-appointed Member vacant
Immediate Past President Athol Opas

Councillors

Kay Barralet
Angus Bucknell
John Carroll
Chris Donohue
Thena Kyprianou
Matt O'Brien
Alison Osmand
Paul Vane-Tempest
vacant
vacant

Secretariat Staff

Chief Executive Officer Larry King
Professional Standards Manager..... Rob Reis
Finance & Business Services Manager .Lea McLean
Professional Development Officer ..Margaret Ryan
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

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President's Report



The Supreme Court and reserved judgments

The level of reserved judgments in the ACT Supreme Court continues to be a serious problem.

The Attorney-General appointed acting Justice Nield for six months to allow Justice Refshauge time off the bench.

Master David Harper was hoping to write his outstanding judgments by not hearing any matters in 2013 prior to his May retirement date but was unable to do so due to unexpected illness.

Master Harper is a past President and life member of this Society, and his contribution to the ACT legal community is enormous. We wish him all the best for a full recovery. It was good to see him in fine form at his retirement dinner on 20 June 2013 and he is continuing to write and deliver outstanding judgments.

Justice Penfold no longer has any outstanding judgments from 2011 and is working on cases heard in 2012 as well as continuing to hear new matters.

Members now have access to the list of Supreme Court reserved judgments on the members only part of the website.

The issue of whether or not we need a fifth Supreme Court judge continues to be raised on a regular basis.

Judicial complaints process

Last year, the Society wrote to the Attorney-General raising the need for a mechanism by which complaints could be made about the judiciary. At the moment, apart from informal methods, the only tool available is the calling of a Judicial Commission. This is inappropriate for less serious complaints.

We are delighted that the Attorney-General has released a discussion paper for public consultation on creating a statutory framework to manage complaints about judicial officers (judges, master, magistrates and tribunal members), and to clearly set out responsibility for arranging court business in ACT Courts.

The discussion paper *Judicial Complaints and Arrangement of Court Business* examines options for reform in the ACT, with a focus on models used in NSW and recently legislated in the Commonwealth. It also examines

Commonwealth legislation providing express powers to heads of jurisdictions to manage the workload of judicial officers and ensure appropriate access to health assessments, counselling services and judicial education.

Appointment of Master David Mossop

The announcement of Magistrate David Mossop as our new Master of the Supreme Court was well received.

It was also pleasing that there was no gap in time and Master Mossop was on the bench at the ceremonial sitting for the retirement of Master Harper.

At the time of writing the position of Magistrate left vacant by Master Mossop had not been filled, but additional special magistrates Maria Doogan and Ken Cush had been appointed to assist with the business of the course in the interim.

Dock and Courtroom Design

Chief Magistrate Lorraine Walker and Director of Public Prosecutions Jon White raised concerns early last year about safety in the Courts. The style of the first designs for docks that were provided in May 2012 triggered major concerns from our members and also with members of the Bar Association.

Since then, the Chief Magistrate has consulted with Professor David Tait of the Justice Research Group at the University of Western Sydney and Diane Jones, the Principle Director at PTW Architecture, Interior Design and Planning, both of whom are experts in the design of court buildings.

At the time of writing, we have not been shown the design of the proposed dock, but are hopeful that the design will comply with the *Human Rights Act*.

I was also pleased to see that proper clothing is now being provided to accused persons whose clothes have been taken from them for forensic examination, rather than the thin jumpsuits that were previously being used. This was also an initiative of Chief Magistrate Walker and the solution was worked out in consultation with the AFP.

Industrial Court

In the light of a spike in industrial accidents in the ACT, the Government made an election promise to introduce an Industrial Court with a special Industrial Magistrate to hear all matters with respect to work safety breaches in line with most other jurisdictions.

Regrettably, when the Exposure Draft was issued for discussion, the jurisdiction was far more wide-reaching than initially mooted and includes the workers compensation arbitration jurisdiction of the Magistrates Court and common law claims arising out of work accidents, with unlimited jurisdiction.

The Society fully supports the efficient prosecution of workplace accidents. There is no precedent in any other jurisdiction for including compensation and workplace common law claims in the Industrial Court as contained in the ACT bill.

As the purpose of the bill is to enable expertise in workplace safety prosecutions, it is difficult to see the logic in expanding the work to be solely done by the Industrial Magistrate to matters that do not sit well together in the one division and involve a broad range of legal and evidentiary jurisdictions.

We await the enactment of the legislation and the appointment of the first Industrial Magistrate.

Legal Profession National Law

The project appears to have stalled. Only two jurisdictions — NSW and Victoria — have expressed public support for the draft national law and have agreed to enact it in their states, subject to significant amendment.

Former Attorney-General Nicola Roxon had written to the Law Council of Australia advising them of the Commonwealth's decision to withdraw the funding for the national bodies which would administer the national law.

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. However, we still harbour our own concerns about the costs of the proposal versus its benefits.

CTP

This was an important issue for Common Law lawyers and their clients. If it were not for the strong stance taken by the ACT Liberals and the ACT Greens, the Government would have legislated in 2012 to reduce the rights of those injured in motor vehicle accidents in the ACT.

We are aware that the insurance regulator holds data on the effect on claims of the 2008 amendments to the *Road Transport (Third Party Insurance) Act*. We are endeavouring to obtain that information to inform our submission to the Minister.

Working with the ACT Government

We continue to work amicably and effectively with our Attorney General Simon Corbell. There is no doubt that initiatives such as 'the Blitz' have shown foresight and an ability to deal with urgent problems.

During the 2012 election process, ACT Labor undertook to implement several legislative reforms, including:

- Reform arrangements for judicial officer complaints handling (discussed above);
- Expand the ACT's human rights legislation to include the right to housing;
- Legislate to remove discrimination and improve recognition in the area of sex and gender identity;
- Introduce legislation to provide for an industrial magistrates court; and
- A community legal hub.

I think it is important that we are proactive in considering the relative merits of those proposed reforms.

Review of the Society's complaints and disciplinary powers and procedures

Last year the Law Society reviewed its process for handling complaints and disciplinary matters. The proposed changes of delegations and procedures were provided to the Attorney-General. The new procedures started on 1 March 2013.

Many thanks to our hard working Complaints Committee who will continue their work, but with expanded numbers. This may include some lay members — we have written to the Attorney-General seeking two nominations.

Commencement of the Legal Year Ceremony

On Monday 4 February I had the privilege to open the Celebration Ceremony to welcome the 2013 Legal Year, held at University House on the grounds of the Australian National University.

This ceremony is an old tradition of the legal community, but in 2013, the year of Canberra's Centenary as well as the 80th anniversary of the ACT Law Society, it was an appropriate time to find a new expression for the

event. Reflecting the diverse backgrounds of members of the legal profession, the 2013 ceremony was designed with a secular focus. It is an opportunity for the legal community to re-dedicate themselves to the principles of the profession, and to reflect on their roles in the justice system.

Robyn Archer AO, Creative Director of The Centenary of Canberra, delivered the address, speaking about the relevance of Centenary events to the legal profession. ACT Attorney-General Simon Corbell MLA spoke about the administration of justice in the ACT, and the Chief Justice of the ACT Supreme Court, the Hon Terence Higgins AO, delivered a thoughtful speech on legal ethics.

A highlight of the event was the soaring choral interludes provided by the Toe Talatalano Choir. The acoustics of University House's Great Hall made it a very special event indeed.

Law Week 2013: Eighty Years of Law and Justice

Law Week is the biggest event on the Society's calendar, covering six days of community legal outreach, public lectures, and social gatherings. It is sponsored by LawCover Insurance Pty Ltd.

Law Week 2013 raised over \$13,000 for The ACT Law Society Foundation. The major contribution came from the Quiz Night, again ably organised by the Young Lawyers Committee. Other events included:

- In a standout performance at the ACT Golden Gavel, Emilija Beljic took home the trophy with "How to succeed in the law with minimum effort", while the People's Choice Award went to John Salinas for his speech on "Alternative dispute resolution, e.g. trial by combat."
- The annual lecture in honour of the late Sir Richard Blackburn OBE, the first Chief Justice of the Supreme Court of the ACT, was presented by Lieutenant Colonel Dan Mori (Ret), on the topic "Reflections on the War on Terror."
- The Women & Justice Forum, where Simon Rice and Zoe Rathus discussed the role Community Legal Centres play in delivering justice in our community.
- The Annual Law Week Dinner, hosted by the Women Lawyers Association of the ACT, where Anne Summers PhD AO, gave an address on "The misogyny factor."
- And at a new event on the Law Week calendar, the Alternative Law Journal presented Professor Diane Bell looking back over four decades of entanglements of anthropology and social justice.

International Lawyers Committee

Chief Justice of Australia, the Hon Robert French AC, and the Dean of the Diplomatic Corps, His Excellency Pedro Villagra Delgado, launched the International Lawyers Forum on 13 February. Guests included lawyers from many of the embassies and high commissions as well as representatives of many aspects of the local legal profession. Arising out of this a committee of the Law Society has been formed and is already active.

Law Society Foundation

As a Centenary of Canberra project, the ACT Law Society established a charitable fund called the ACT Law Society Foundation to support Canberra's charities and other worthy causes.

The Hon Justice Patrick Keane of the High Court of Australia formally launched the Foundation at a ceremony held on Wednesday 29 May at the ACT Legislative Assembly.

ACT Attorney-General Simon Corbell MLA noted that the Society has a long tradition of charitable fundraising through functions such as Law Week, and in previous years a different charity has been chosen each year to receive the funds from Law Week. The Law Society has established the Foundation to provide a more substantial and enduring expression of the ACT legal profession's connection with, and concern and support for, Canberra and its charities. While it will begin modestly it will over time become something of which the members of the Society can be proud and which will contribute meaningfully to the welfare of our community.

The Foundation's initial capital will come from the proceeds of Law Week over the next three years, matched by funds from the Society.

Refurbishment of the Settlements Office

The Law Society undertook a major refurbishment of the Settlements this financial year. Our design consultant met with users early in October 2012, part of the process to ensure that the refurbishment fitted in with the requirements of the practitioners, agents and other users.

The office was repainted, recarpeted, and refurnished. The antediluvian computer was replaced and a new printer/scanner/fax installed. New high-tech blinds designed to cut glare and heat while still admitting some natural light have been installed. We have already received a number of complimentary comments about the room's new look and feel. Our thanks go to Sonia Byrnes of ACT Settlements for providing her premises for use during the refurbishment.

Council Priorities

The Council met in February 2013 to work out priorities for 2013 and beyond with the assistance of facilitator, David Marshall. The priorities for 2012-13 are:

- A more professional CPD program
- Greater engagement by the committee system
- A more active public presence, particularly to explain what we and our members do
- To continue to increase the efficiency of our complaints and disciplinary procedures
- A revised social program featuring broader engagement with members including those with families

CPD Program

In pursuit of the first priority listed above, a major change has been made to the seminar format. In response to member requests we are presenting a series of themed afternoons.

The backbone of our CPD program continues to be seminars and workshops presented by competent local lawyers who are across developments in the law and practice in their particular fields. Where it would enhance the program, we are happy to arrange special presentations by interstate experts.

As the program is a service to our members we charge very modest registration fees. We are confident that our new online registration system will prove to be efficient and effective for members once the few initial glitches are ironed out.

Our constant aim is to provide CPD that is relevant, timely and of a high standard. We welcome members' suggestions to help us achieve this.

Submissions and representations

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

- *Victims of Crime (Financial Assistance) Act 1983*
- Parentage under the *Family Law Act 1975* (Cth)
- *Magistrates Court (Industrial Proceedings) Amendment Bill 2013*
- *Adoption Act 1993*
- *Administrative Decisions (Judicial Review) Amendment Bill 2013*
- Alcohol Interlock Legislation
- Australia in the Asian Century

- *Sex Discrimination Amendment (Sexual Orientation, Gender Identity and Intersex Status) Bill 2013* and Draft Guidelines on the Recognition of Sex and Gender
- Response to the Judicial Complaints and Arrangement of Court Business Discussion Paper
- Senate inquiry into the impact of Federal Court fee increases on access to justice
- *Road Transport (Third Party Insurance) Act 2008*
- *Crimes Legislation Amendment Bill 2012* (No 2)
- Mediation in *Family Provision Act 1969* matters
- *Legal Profession Act 2006* – Disclosure of costs to clients – Threshold amount
- Consultation on early intervention process in parenting matters when allegations of risk are raised
- Proposed Government amendments to the *Bail Act 1992* (ACT)
- Response to the Standing Committee on Public Accounts Inquiry into the *Road Transport (Third Party Insurance) Amendment Bill 2011*

In conclusion

The 80th year has been busy and productive for the ACT Law Society. The Society has increasing membership, mainly from the government sector, who now represent just over 50 per cent of members. The new Council will include additional government lawyers who can assist the Society in looking after the interests of those members.

This is my final year as President and I have found the last two years a challenge as well as a pleasure. The Society is well served by its staff, Council and Executive who work hard for the profession and for the health of the law and legal institutions in the Territory.

Later this year will also see the retirement of CEO Larry King who has given the Society 17 years of steady, productive and dare I say, entertaining service.

My best wishes to the new Council and incoming President, Martin Hockridge, who will bring extensive experience and impeccable judgment to the role.



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 2012-13 are:

President	Noor Blumer
Vice Presidents	Martin Hockridge Kay Barralet (<i>to 20/9/2012</i>) Greg Brackenreg (<i>from 20/9/2012</i>)
Secretary	Louise Vardanega
Treasurer	Ian Campbell (<i>to 4/5/2013</i>) Mark Tigwell (<i>from 20/5/2013</i>)
Council-Appointed Member	Mark Tigwell (<i>to 20/5/2013</i>)
Immediate Past President	Athol Opas
Councillors	Sarah Avery (<i>to 20/9/2012</i>) Kay Barralet (<i>from 20/9/2012</i>) Greg Brackenreg (<i>to 20/9/2012</i>) Natalie Bruno (<i>to 20/9/2012</i>) Angus Bucknell (<i>from 20/9/2012</i>) John Carroll Chris Donohue (<i>from 20/9/2012</i>) Brian Hatch Thena Kyprianou (<i>from 20/9/2012</i>) Don Malcolmson (<i>to 20/9/2012</i>) Matt O'Brien Robert Routh (<i>to 20/9/2012</i>) Alison Osmand (<i>from 20/9/2012</i>) Mark Tigwell (<i>to 20/5/2013</i>) Paul Vane-Tempest

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

Family Law	Pam Lyndon
Functions & Law Week	Bill Redpath
Government Lawyers	Chris Behrens
Human Rights	Greg Walker
Industrial Relations	John Wilson
Legal Professional Act & Ethics	Michael Phelps
Military Law	Don Malcolmson
Practice Management	Bill Baker
Property Law	John Chamberlain
Young Lawyers	Mitchell Strachan

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	Walter Hawkins
ACT Legal Executives (ALEC)	Juliet Reeves
ADR	Kim Lackenby
Civil Litigation	Richard Faulks
Commercial and Business Law	John Irvine
Complaints	Ross Reid
Criminal Law	Michael Kukulies-Smith
Elder Law and Succession Law Committee	Judy Morris
Equalising Opportunities in the Law	Allyson Hogan

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.

Chief Executive Officer	Larry King
Professional Standards Director	Rob Reis
Finance & Business Services Director	Lea McLean
Professional Development Officer	Margaret Ryan
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 31 July 2013, 47 applications had been received, which is on par with the same time last year. 42 were from individuals and five were from organisations. Of the 47 applications, 23 were successfully referred out to firms; 18 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 Clearing House is waiting on further information from six applicants to enable consideration of their matter.

The Management Committee made the decision to drop family law matters because of the difficulty in obtaining referees.

Since November 2004 the Clearing House has received 578 applications and has been able to refer 330 cases for pro bono assistance.

The Secondee System

The panel is assisted by a rotating 'operational secondee', a lawyer from a Canberra law firm or government agency who spends approximately 3 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. A revised Application Form is in preparation. Many applicants

suffer from 'application fatigue' and feel daunted when faced with the prospect of completing yet another application form.

2013 Snapshot

During 2013, the Management Committee considered:

- Revision of the PBCH means test.
- Revision of the application form.
- Check list for the Operational Secondee.
- Results from a telephone survey of applicants. The majority of those surveyed were happy with the service provided by the Clearing House. Some were disappointed that they did not get the result they were seeking.
- The general day-to-day operation and management of the PBCH.

— *Debbie Sims, PBCH Administrator*

Management Committee

- Larry King (Chair)
- Genevieve Bolton
- Andrew Crockett
- Robert Dearn
- Amanda Graham
- Katy Grimes
- Laura Jones
- Gavan MacKenzie
- Michael Palfrey
- Chris Pitson
- Svetlana Todoroski
- Peter Woulfe
- Debbie Sims (Administrator)

Legal Advice Bureau

The Law Society has been operating its Legal Advice Bureau (LAB) at lunchtimes for more than 40 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 in the reporting period was 1168, a small increase on last financial year. The main areas of law clients seek advice on are property and tenancy, family law, contracts, and employment.

Month	No. of clients
July	120
August	118
September	100
October	119
November	96
December	46
January	73
February	113
March	70
April	107
May	116
June	90
Total	1168

Topic	No. of clients
Assault	7
ACAT	11
Builder	32
Business	23
Contract	156
Criminal	68
Debt / Finance	74
Employment	149
Family	160
Medical	11
Migration	1
Motor vehicle accident	36
Personal injury	22
Property and tenancy	218
Wills / Power of Attorney	45
Workers compensation	4
Other	151
Total	1168

Prizes for Academic Excellence

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

At the University of Canberra

Prize	2012 Winner
ACT Law Society Prize for the Highest Achieving Student in Contract Law	Luke Frankcome
ACT Law Society Prize for the Highest Achieving Student in Equity Law	Viviana Celestino and Brook West
ACT Law Society <i>Canberra Law Review</i> Prize	Skye Masters and Kim Soukieh

At the Australian National University

Prize	2012 Winner
Law Society of the Australian Capital Territory Prize for Contracts	Natalie Graf
BC Meagher Prize for Commonwealth Constitutional Law	Allen Wang
Liz and Bill Allen Prize for Practical Legal Training	Rob Bentley and Wendy Green

Donations

The Law Society makes contributions to charity through donations and entry fees paid by members during social functions.

In the 2012-13 financial year the Society established the ACT Law Society Foundation.

Committee Reports

Access to Justice

The Society's Access to Justice Committee carried out a survey on pro bono legal assistance in the ACT. The results of this survey were shared with the Society's Pro-Bono Clearing House Management Committee. It was agreed that it would not necessarily be beneficial to release all the data from this initial survey, but to use it as a basis to consider how best to do another survey and the most appropriate timing for this to be conducted.

The launch of *National Pro-Bono Guidelines* in March 2014 will highlight pro-bono assistance and encourage firms to use the Guidelines to set up more comprehensive reporting mechanisms. This could pave the way to re-run the survey in July 2015, with the possibility of running the survey annually if the Guidelines are operating effectively.

In conjunction with this, the Committee is developing local pro-bono guidelines to supplement the National Guidelines. It is hoped that these local guidelines will incorporate information on best practice record keeping and other ACT specific information.

The Committee has also been working with the Law Council of Australia to obtain further information regarding the funding allocations for Community Legal Centres (CLCs) in the Commonwealth Budget.

There has been a funding allocation by the Territory for a move to other premises and process is ongoing. The Committee has also kept under review reserved judgements.

The Committee continues to provide representation on the Legal Aid Commission; ACTLAF; and the Law Council's Access to Justice Committee.

— *Walter Hawkins*

Members: Access to Justice Committee

- Walter Hawkins (Chair)
- Andrew Crockett
- Natalie Cujes
- Simon Henderson (from March 2013)
- Martin Hockridge
- Jaleh Johannessen
- Amy Kilpatrick

- Don Malcolmson
- Athol Opas
- Peter Quinton
- Simon Rice
- Gary Tamsitt
- Greg Walker
- Heidi Yates
- Heather Jackson (Administrator)

ACT Legal Executives (ALEC)

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

Over the 2012/2013 period ALEC's main focus has been to promote best practice within the legal industry. In conjunction with the Australian Law Management Group and Law Council of Australia, ALEC assisted with the organising of the *Supercharging your Practice Seminar*. This special event was tailored for small and mid-sized law firms. The seminar covered essential elements of law firm management, including: strategy/business planning; finding and retaining talent; developing client base and maximising profits.

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

— *Tanya Berlis*

Members: ACT Legal Executive Committee

- Tanya Berlis (Chair)
- Sonya Amey
- Jacqui Bettio
- Sue Hayes
- Magda Kaczmarek
- Fiona Lewis
- Jason McMaster
- Jo Main (to December 2012)
- Rosemary Orr
- Juliet Reeve
- Gayle Sillis

- Joanne Swindley
- Lyzette Tantala
- Pauline Thorn
- Emily Wannan
- Heather Jackson (Administrator)

ADR

ADR continues to be a growth area in the ACT. There is increasing acknowledgment of the need to provide cost-effective alternatives to court hearings to achieve appropriate outcomes to disputes. The Committee this year has corresponded with the ACT Rules Advisory Committee to request the consideration of court-based mediation, particularly in relation to Family Provision Act proceedings. As a result, the President has convened a sub-committee to explore the options for increasing the use and accessibility of court-ordered mediations in the ACT jurisdiction, particularly in the Supreme Court.

The Committee continues to work on the educational aspects of its function. Committee members have presented on topics relevant to ADR at a number of seminars throughout the year, including seminars offered by private organisations as well as by the Law Society. The ADR Committee co-hosted with the Law Council's Advisory Committee on ADR and the Federal Court a seminar presented on 9 October 2012 in Canberra by the Hon Justice PA Bergin on Mediation and Case Management. Justice Bergin spoke with authority about the history of mediation in New South Wales, including the success of compulsory court-annexed mediation in *Family Provision Act* cases.

My thanks go to all members of the Committee who have devoted their valuable time and efforts to its work throughout the year.

— *Kim Lackenby*

Members: ADR Committee

- Kim Lackenby (Chair)
- Graeme Blank
- Greg Brackenreg
- Michael Flynn
- Annie Glover
- Stephen Herrick
- Harry Kay
- Claudia Mclean
- Kate Maloney
- Bryan Meagher
- Nithya Sambasivam
- Caterina Salsone
- Heather Jackson (Administrator)

Civil Litigation

The Civil Litigation Committee has continued to meet every month and focus on issues affecting civil litigation in the courts and tribunals of the ACT.

The Committee has continued to consider issues relating to law changes and possible reforms of laws in the ACT or, more correctly, in some cases, the removal of rights for those injured in some circumstances. Although the previously suggested changes to the CTP and workers' compensation schemes did not proceed in 2012, it has become apparent that reform, particularly in the CTP area, is still much on the agenda for the current government. The Committee is continuing to monitor that, particularly with the advent of the NDIS and NIIS changes. The government has recently announced the introduction of new insurers to the market, and the Committee will continue to liaise with all stakeholders in a bid to ensure the efficient processing of civil claims for those injured in car accidents and otherwise, and the prevention of the removal of rights where at all possible.

In my role as the Law Society's representative on the Joint Rules Advisory Committee, I have been able to liaise with the court about changes to the *Court Procedures Rules 2006*. We have suggested some changes to the rules, which have been implemented. We also facilitated the increase in the schedule of costs referred to in the rules, and those changes came into effect on 1 July 2013. We have encouraged the profession generally to advise of problems with the rules and to suggest ways in which they can be improved.

There have been problems associated with the processing of requests for information and charges by Centrelink and Medicare. In association with the President, Noor Blumer, we have arranged meetings with management of the Department of Human Services, with a bid to improve efficiency and avoid what had become unnecessary and costly delays. That process is ongoing.

The Committee has overseen the redrafting of a claim form for use in claims under the *Civil Law (Wrongs) Act 2002*, and it is hoped that that form can be posted on the Law Society website shortly.

We have been monitoring the situation with the court and endeavouring to assist, where possible, with the transition to a docket system. We have provided feedback to the registrars of the Supreme Court and the Magistrates Court, who are members of the Committee. It is hoped that there will be ongoing consultation in a bid to unify the docket system across the court. The government has also announced the proposal for the establishment of an industrial court. The initial proposal suggested that one magistrate would handle all work safety prosecutions, as well as workers' compensation and common law claims arising out of work injuries. The Society has been lobbying the government, in

conjunction with the Bar Association, in a bid to avoid what would seem to be a backward step, as the workload for the new industrial court would seem to be far too great. This is an ongoing issue.

In addition to these matters, we have regularly considered new legislation and provided input to the Council about those matters, as well as dealing with everyday issues connected with the more efficient processing of matters through the court and through alternative dispute resolution.

It has been a very busy year, and I again thank the members of my committee for their excellent contributions.

— *Richard Faulks*

Members: Civil Litigation Committee

- Richard Faulks (Chair)
- Graeme Blank
- Angus Bucknell
- Annie Glover
- Steve Hausfeld
- Walter Hawkins
- John Henry
- Hugh Jorgensen (to February 2013)
- Harry Kay
- John Little
- Sarah McJannett
- Athol Morris
- Matthew Needham
- Russell Patrick
- Amanda Nuttall (from March 2013)
- Phil Schubert (from September 2012)
- Heather Jackson (Administrator)

Commercial and Business Law

At the centre of the Commercial and Business Law Committee's program this year is the *Personal Property Securities Act* regime and raising practitioners' general awareness of its many implications. In this regard, the committee has assisted the society both in relation to CPD and committee seminars on specific aspects of this subject and also disseminated information to practitioners via *Hearsay*.

The committee has set itself the task of developing a standard sale of business contract that members can purchase from the society. The objective is to assist particularly smaller firms, practitioners from interstate and sole practitioners in appropriate transactions. The Committee has contacted the NSW Law Society who is rewriting their own document and which is to be used as a guide.

Recent legislative changes on a federal level have had a significant impact on the work of commercial

practitioners generally. For example, the referral of business name registrations to the Australian Securities and Investments Commission has vastly complicated the transfer process. The Committee is presently preparing submissions to the Law Council of Australia on this and other similar issues to see what can be done.

In addition to these new items of work, the Committee has also continued to build on the work of previous committees in relation to particular problems with the legislative framework for powers of attorney in the ACT. Given recent staffing changes within the ACT Government the Committee feels it is now appropriate and timely to continue its dialogue on this important issue.

— *John Irvine*

Members: Commercial & Business Law Committee

- John Irvine (Chair)
- Allan Bedford
- Michelle Finegan (from October 2012)
- Steve Gavagna
- Doug Gillespie
- Lauren Gray (from June 2013)
- David Hanstein
- Richard Lewis
- Chris Macphillamy
- Geoff Nicoll
- Peter Quinton
- Lora Shaw (from October 2012)
- Brian Tetlow
- Jason Wenning
- Amanda Wescombe (from October 2012)
- Heather Jackson (Administrator)

Complaints

During the course of the reporting year, the Society conducted a review of the complaints handling process and procedures. The review identified, and recommended, improvements which were approved by the Council of the Law Society. These changes came into effect on 1 March 2013. To assist the Committee to cope with its additional responsibilities, an advertisement was placed in *Hearsay* calling for Expressions of Interest from the membership. The Committee welcomed Mary Burgess, Amy Burr, Maurice Falcetta, Bridie Harders and Gavin Howard to its ranks.

The Committee dealt with 71 formal complaints received during the reporting year, 14 fewer than the previous year. In addition to the handling of the formal complaints received, our Professional Standards Manager, Robert Reis, and Complaints Secretary, Linda Mackay, have dealt with approximately 230 enquiries received from practitioners and 360 from members of the public.

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

During the reporting period, 51 complaints were dismissed pursuant to section 399, nine complaints were dismissed pursuant to section 412; five were summarily dealt with pursuant to section 413 and eight matters were filed with the ACAT.

There are currently nine disciplinary matters filed in ACAT of which one has been heard and is the subject of appeal. In this matter there was one finding of professional misconduct and two findings of unsatisfactory professional misconduct.

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.

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

Area of law	Complaints
Family Law	20
Conveyancing	19
Civil Litigation	8
Criminal Law	11
Personal Injuries/Medical Negligence/WC	4
Wills & Probate	2
Other	7

Type of matter	Complaints
Costs	14
Failure to communicate	19
Failure to follow instructions and/or acting without instructions	9
Possible negligence	2
Discourtesy and/or bullying and intimidatory behaviour	7
Conflict of interest	3
Delay	8
Trust account irregularities	2
Quality of service and/or lack of competence and diligence	21
General conduct	11

— *Ross Reid*

Members: Complaints Committee

- Ross Reid (Chair)
- Allan Bedford
- Mary Burgess
- Amy Burr
- Sally Campbell
- Michael Deasey
- Jim Dunn
- Maurice Falcetta
- Bridie Harders
- Vivien Holmes
- Gavin Howard
- Ken Hubert
- Tracey Mylecharane
- John Solomon
- Alisa Taylor
- Mark Tigwell
- Gillian Yeend
- Robert Reis (Secretariat)
- Linda Mackay (Administrator)

Criminal Law

The last year has seen many changes to the criminal justice system in the ACT. Procedurally the Supreme Court docket system has been implemented, whilst legislative change has amended a number of key definitions in respect of offences of a sexual nature and affray. Inevitably there are more changes on the horizon including the introduction of alcohol interlock licenses and the continued amendments to the taking of evidence in sexual and violent offences.

The Criminal Law Committee has continued to engage with the legislative and court listing reform process providing submissions on a number of bills and discussion papers. The Society, through the President and members of the Criminal Law Committee, continues to work toward listing reform in the ACT Magistrates Court. Changes to case management including the abolition of the current case management hearings, reduction in the frequency of A-lists and the implementation of a separate bail list each day are key objectives the Committee will continue to advocate into 2014.

The Criminal Law Committee has also undergone reform itself. In the last four months the committee meeting structure was changed. The traditional large group forum meeting including society members and guests now occur bimonthly. In the alternate months smaller society member only meetings take place to enable more time for members to discuss views and formulate policy positions for the Executive. This change is in its infancy but the initial meetings have been encouraging in terms of the quantity and quality of submissions that have been drafted.

Thanks as always to all members of the Committee for their involvement and support. Special thanks to Richard Davies for stepping in as chair on occasions I have been absent and to Heather Jackson for all the work she does to keep the committee functioning.

— *Michael Kukulies-Smith*

Members: Criminal Law Committee

- Michael Kukulies-Smith (Chair)
- Sarah Avery (to August 2012)
- Lorana Bartels (from November 2012)
- Helen Cory
- Richard Davies
- Paul Edmonds
- Andrew Fraser
- Shane Gill
- Annie Glover
- Hugh Jorgensen (to February 2013)
- Michael Lalor
- James Lawton (from November 2012)
- Brian Liddy
- John Lundy
- Craig Lynch
- Victor Martin
- Amanda Nuttall (from April 2013)
- Matt O'Brien (to November 2012)
- Michael Ryan (to November 2012)
- Jon White (to April 2013)
- Peter Woodhouse
- Steve Whybrow (to November 2012)
- Anthony Williamson (to June 2013)
- Heather Jackson (Administrator)

Elder Law and Succession Law

The Elder Law & Succession Law Committee has been quite active over the past 12 months.

We are fortunate in that we have a wonderful mix of Committee members, comprising private practitioners; 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 and the ANU Law Faculty.

We have tried over the past 12 months to make each meeting worthy of attendance by arranging for speakers to come and meet with us to speak not only about the legislative changes in the ACT, but also changes within our community and matters of interest on topical issues to keep us informed so that we can assist and advise our clients and the general community of the ACT.

Our meetings are always open to other legal practitioners in the ACT — advertised through *Hearsay* — some of which have been:

- Rebecca Tetlow from the Estate Planning Group — a group who meet once a month at the offices of Bradley Allen Love — she spoke to us on the topic of *Elder Law Disputes: A Menu of Options to Combat Financial Abuse*.
- Marlene Hall, Special Counsel, Aged Care Law from the Legal Services Branch of the Department of Health & Ageing gave freely of her time to speak to us about the pending Government's aged care reforms *Living Longer, Living Better: what the aged care reforms mean for service providers and consumers*. This legislation is due to take effect from 1 July 2014, however, there are many "steps" to be taken beforehand — a copy of her paper can be obtained from the Committee Administrator.
- Karl Jordt from the Financial Information Service within the Department of Human Services spoke to us about *Assessment of trusts for Social Security purpose: how does this work?* This discussion was very well attended, particularly by those persons interested in special disability trusts.
- Trina Wood from Green & Associates spoke to us about the use of *Bonds as a means of entering into aged care* and how best to plan financially when considering your options and form of care required.

Representatives from the ACT Law Society attended the "Seniors Week Expo" at Exhibition Park in March, which was a great success providing advice on a range of issues to the community.

As part of Law Week, members of the Committee addressed various local community groups to discuss the importance of having a "current" Will and Enduring Power of Attorney — these discussions were well attended and will be a feature next year as well.

Other legal issues which are often discussed are: Powers of Attorney; trying to legalise elder abuse (financial, physical and emotional) by initiating legislation to follow the changes made in the past few years in Victoria and New South Wales.

I attended the National Law Council's Succession and Elder Law Committee annual meeting in Brisbane in July this year. It was interesting as always to hear what is happening in other jurisdictions and we all agreed that it is hard to believe we live in the same country with such diverse and differing legislative requirements. I am proud to say, however, that our Probate processing at the ACT Supreme Court Probate Division is the "quickest" in the country.

I encourage members of the Law Society to attend our meetings and our speakers are always advertised in *Hearsay* — I extend an open invitation to you to attend — please contact the Law Society to confirm our timetable.

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*

Members: Elder Law & Succession Law Committee

- Judy Morris (Chair)
- Glenda Bloomfield
- Dwayne Currie
- Verity Hanks (from October 2012)
- Grant Kennealy (from April 2013)
- Sue La Peyre
- Toni Leiper
- Jill McSpedden
- Barbara Maguire
- Tim Morton
- Shelley Mulherin
- Mark Phillips (from April 2013)
- Paul Salinas
- Vivienne Sinderberry (from November 2012)
- Phillip Thompson
- Loretta Zamprogno
- Heather Jackson (Administrator)

Equalising Opportunities in the Law

In late 2011, the EOL Committee became an *ad hoc* committee.

EOL Course Module

On 20 February 2013 the Committee conducted a CPD course, entitled *Equal Opportunities Law for Lawyers in Management*.

The course was a slightly revised re-run of a similar seminar run as part of the Practice Management Course in June 2011.

Mrs Hogan presented the course, with the assistance of Amanda Gilkes. Topics covered included bullying, harassment, discrimination, victimisation, adverse action and strategies for ensuring equal opportunity in the workplace.

The Committee was pleased with attendance numbers, and hopes that the course will become a regular inclusion on the CPD calendar. It is intended that the format / content will be further refined prior to the next re-run.

If you would like to be involved in this initiative, either as speaker or committee member, please contact the Chair.

Indigenous Legal Professional of the Year Award

In 2010 the Attorney-General announced the Indigenous Legal Professional of the Year Award. Nominations are open to any Indigenous person who is currently admitted as a solicitor or barrister within Australia. Nominees

must demonstrate their claims against a number of criteria including: championing the rights of Indigenous persons in a legal environment, exceptional commitment to providing legal representation, advice or assistance and demonstrated commitment to, and pursuit of, professional development. The award recipient receives \$5,000 for further professional development.

In 2012 the award went to Terri Janke, of the Murri people of Cairns, Queensland, and family connections to family connections to both the Torres Strait Islands (Meriam) and Cape York Peninsula (Wuthathi). Ms Janke is a Sydney-based intellectual property lawyer, international speaker and author, known for her work representing indigenous artists and creators.

Nominations for the 2013 award have now closed. The committee encourages Indigenous members of the local profession to consider nomination for the 2014 award, when announced. More information is available through the Cth Attorney-General's website, or by contacting the EOL Committee Chair.

National Indigenous Legal Conference and Ball

This year, the Central Australian Aboriginal Legal Aid Service Inc (CAALAS) is hosting the 8th Annual National Indigenous Legal Conference and Ball from Wednesday 23 October 2013 to Saturday 26 October 2013.

The conference will be held in Alice Springs, Northern Territory, on land traditionally owned by the Arrernte people.

The Committee encourages members of the local profession to consider attendance at this event, entitled *Apmereke-artweye of Mparntwe* (two laws together) and notes that CAALAS is currently calling for papers, and a limited number of scholarships are available for indigenous law students. Sponsorship opportunities are also available for any firms interested in supporting the initiative.

More information is available from the CAALAS website at www.caalas.com.au.

Plan for 2013-14

The Committee has a very busy agenda for the year ahead, with a strong focus on several initiatives aimed at:

- encouraging and growing diversity within the profession; and
- providing practical assistance to employers in the complex field of equal opportunities in the workplace.

We are looking to bring on board up to two more members, and would be particularly interested in hearing from anyone with a strong background in employment / workplace relations and young lawyers wanting to develop their professional skills through committee involvement.

If you feel this Committee's work may be of interest to you, please contact the Chair for a confidential discussion.

Thank you to all Committee members for their contribution throughout the year, and also to the Law Society for its continued support. The Committee looks forward to a productive 2013-14.

— *Allyson Hogan*

Members: EOL Committee

- Allyson Hogan (Chair)
- Lisa Barlin
- Alice Crawford
- Julia Heinze
- Helen Rodriguez
- James Sabharwal
- Heather Jackson (Administrator)

Family Law

The Family Law Committee has worked diligently throughout the year considering and responding to, where appropriate, a range of legislative changes and requests for submissions on various subjects. Submissions were made in relation to the following:

- the early intervention process in parenting matters when allegations of risk are raised;
- Senate Inquiry into the impact of Federal Court fees on access to justice; and
- the Family Law Council Terms of Reference for parentage under the *Family Law Act 1975*.

An important role of the Committee is liaison with the Judges of the Federal Circuit Court of Australia to ensure that there is an exchange of information between the Judges and the Committee and thence the profession.

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

The Committee reviewed, and reported to Justice Refshauge on, the ACT adoption legislation, including the Rules, forms and procedures, to identify areas of concern to practitioners.

The Chair or a nominated Committee member attends the Canberra Registry Consultative Committee meetings when they are scheduled by the Court.

Various Committee members update the Committee each month on recent important cases, including in relation to superannuation. Mr Farrar reports regularly to the Committee on the work of the Family Law Section of the Law Council of Australia.

An observer from the Legal Workshop at the Australian National University attends each Committee meeting,

in order that teachers of family law may keep abreast of developments.

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

— *Pam Lyndon*

Members: Family Law Committee

- Pam Lyndon (Chair)
- Adam Bak
- Stephen Bourke
- Mary Burgess
- Barbara Campbell (to October 2012)
- Brooke Crompton (from October 2012)
- Andrea Evans (from October 2012)
- Denis Farrar (observer)
- Olivia Gesini (to October 2012)
- Gavin Howard
- Alison Osmand (to August 2012)
- Rhonda Payget
- Margaret Reid (to October 2012)
- David Ridge
- Di Simpson (from October 2012)
- Lessli Strong (to October 2012)
- Carlos Turini
- Heather Jackson (Administrator)

Functions and Law Week

Good recruitment to the Committee has seen a burst of energy and enthusiasm in our work.

Under the direction of the Council we organised the first secular Opening of the Law Year. An excellent address on legal ethics was delivered by Chief Justice The Hon Terence Higgins AO at the Great Hall in University House, ANU.

Our Members' lunch program has continued to be successful and this year we have or will try new venues (Soju Giri, Blue Ginger, Thirst) as well as have our usual Christmas lunch at the Chairman & Yip.

The farewell function for Magistrate Harper was well attended, befitting his contribution to the profession and the law over the years, and enjoyable.

We still have a farewell to Chief Justice Higgins and a welcome to the new Chief Justice and the Eightieth birthday of the Law Society to go.

The last year has seen us embark on two golf days — a team "Ambrose" event that was well attended and our usual individual Calloway event which, although enjoyable and satisfactory, was less well attended.

The best team in the Ambrose competition consisted of Denis Farrar, Adam Bak, Robert Rouch and Craig Lynch.

Mark Poretti took out the best lawyer award at the Shotgun Challenge with Adam Bak as runner-up and Sharon Watt as best woman entrant. Kazar Slaven/Silk Chambers took out the team prize.

In these days of time pressures and the changes to the profession we need to look at Golf Days as an ongoing activity. Do we have one or two? Should we have special programs to encourage more participants?

Law Week was a great success with good attendances at the Blackburn lecture where we benefitted from the reflections of (former Major) Dan Mori.

Anne Summers was fantastic at the Women Lawyers Dinner and the Young Lawyers Quiz Night was a great success with HWL Ebsworth emerging as the winners.

This year we combined the Golden Gavel with the Law Week launch which proved successful (although I was a bit disappointed with the numbers). The winner was Emilija Beljic from ACT DPP.

In a thrilling finish Kazar Slaven beat the mighty Dibbs Barker to win the Law Week soccer trophy.

Thanks also to the courts for their tours, the Elder Law Committee for its will presentations, the ACT Bar Association for putting on drinks and for the Women and Justice Forum. Together we raised a significant sum for the ACT Law Society Foundation.

As a result of the Law Society Membership Survey we are looking to hold at least one “family friendly” event next year.

Although not yet retired as Chair I can now comfortably take that step knowing you will be well served by the Committee.

— *Bill Redpath*

Members: Functions & Law Week Committee

- Bill Redpath (Chair)
- Adam Bak
- Rod Barnett
- Laura Hamilton
- Chris Harris
- Cristina Huesch
- Kelly Irvine
- Larry King
- Cindy Lim
- David Metcalf
- Jamie Ronald
- Svetlana Todoroski
- Charmaine Tunn
- Chamil Wanigaratne
- Nicole Karman (Administrator)

Government Lawyers

The Government Lawyers’ Committee provides services to the more than 800 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. We have an active committee of more than 14 members. I thank all Committee members for their attendance at meetings and general contributions.

During the year the committee arranged two very successful *Government Lawyers’ Afternoons*. Each were attended by more than 100 government lawyers and set a very high standard with presentations on a range of subjects including ethics, privacy, administrative law, career development, drafting legislative instruments, ACT Government legal services and a range of commercial subjects. The seminars represent excellent value in a crowded continuing legal education market.

The committee also held several *Government Lawyers’ Drinks* functions at the ever popular Muddle Bar. Special guests included Gai Brodtmann MP and Senator George Brandis SC. These functions were well attended and enjoyed by all.

The Committee is developing its own section of the Law Society website which is to be launched later in 2013.

I thank committee coordinator, Chase Deans (ACT Law Society) for his continued excellent support.

— *Christopher Behrens*

Members: Government Lawyers’ Committee

- Christopher Behrens (Chair)
- Lindsay Aquilina
- Sasha Bellamy
- Alex Brook
- Caroline Bush
- Peter Cain
- Elissa Clarke
- David Fintan
- Rohan Goyne (from April 2013)
- Brian Kildea
- Athol Opas
- Christine Plevey
- Anne Saunderson
- Lora Shaw
- Tetyana Wotton
- Andrew Yuile
- Chase Deans (Administrator)

Human Rights

The Human Rights Committee is an *ad hoc* committee of the Law Society, which considers issues as they arise. The Committee has not been required to meet during the past financial year.

Industrial Relations

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

This year, issues that the Committee has considered included preparation of brochures on general employment issues, the issue of non-legal professionals preparing instruments such as enterprise agreements for a fee, CPD seminars for inclusion in the Society's Program, joint project with the EOL Committee on possible Equal Opportunity Handbook, and the draft exposure bill on the proposed Industrial Court.

— *John Wilson*

Members: Industrial Relations Committee

- John Wilson (Chair)
- Alan Campbell
- Deborah Mackenzie
- Don Malcolmson
- Jamie Ronald
- Giri Sivaraman
- Heather Jackson (Administrator)

International Lawyers

The International Lawyers' Committee was formed and held its inaugural meeting on 16 April 2013. The creation of the Committee is a reflection of the number of lawyers with international experience working or residing within the ACT, whether practicing or working as part of an international or domestic practice, in-house for a company or government department, as a member of staff within an embassy or trade delegation, or as an academic at one of our universities.

The aim of the Committee is to represent and support the interests of lawyers with regard to the practice, knowledge and understanding of law in the context of an international community, whether the members do, will or have worked or practiced in the ACT or who have an interest in doing so. The Committee will meet quarterly, though during its initial developmental phase it is meeting on a bi-monthly basis. The Committee will publish a rolling programme of events to encourage member interest and participation — please look out for these events and participate.

The Committee has already managed to make an impact. Almost immediately following its formation the Committee was asked to submit a contribution to the Law Council's response to the development of Department of Foreign Affairs and Trade's (DFAT) strategies towards Japan, China, Indonesia, India and South Korea as part of the *Asian Century White Paper*. The submission developed on behalf of the Law Society went on to form a material contribution to the Law Council's response. The Committee has subsequently commented on a further submission by the Law Council to DFAT on the international Trade in Services Negotiations (TiSA) recently held in Geneva.

— *Stewart James*

Members: International Lawyers' Committee

- Stewart James (Chair)
- Paul Armarego
- Nicola Knackstredt
- Derya Koc-McDonald
- Angeline Lewis
- Don Malcolmson
- Barbara person
- Felicity Molan
- Tracy Reid
- Jason Soderblom
- Gregory Waddoups
- Kai Zhang

Legal Professional Act and Ethics

Throughout the year, the Committee had occasion to meet on five occasions to consider matters referred to it and, otherwise, dealt with matters out of session.

Matters considered and ongoing matters include:

- A recommendation that the "threshold amount" specified in the *Legal Profession Act 2006* (Act) be increased from the present level of \$1,500 set in 2006 to \$3,000 prior to invoking the costs disclosure requirements of the Act with a further amendment that this amount be indexed.
- Guidelines for practitioners when a client's capacity is in doubt. A guide issued by the Law Society of NSW was considered to be a useful guide and its existence will be drawn to the attention of practitioners via a notice in *Hearsay* and a link on the Society's website.
- An issue was raised by a practitioner concerning the execution of contractual documentation and, in the relevant case, a Real Property Act Transfer, pursuant to a Power of Attorney which authorised any "partner" of the firm to sign the document. The problem arose where the particular firm was an incorporated legal practice and therefore the Power of Attorney could not extend to the term "partner". A notice will be

published in *Hearsay* alerting members to the issue and the need to ensure that powers of attorney are appropriately framed.

- Following the approval of the *Australian Solicitors Conduct Rules* by the Law Council of Australia, the Society is considering adoption of those Rules in the ACT and for this purpose is engaged in consultation with the Attorney-General. The Law Council has recently approved an expansive Commentary to those Rules which has been referred to our Committee for consideration.

The Committee will monitor issues which warrant exposure in either *Hearsay* or *Ethos* as well as topics to be included in the Society's CPD program.

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

— *Michael Phelps*

Members: Legal Professional Act & Ethics Committee

- Michael Phelps (Chair)
- Paul Armarego
- Trevor Barker
- Madelin Bayer
- Jennifer Crawley
- Christine Harvey
- Tom Howe QC
- Rob Reis
- Gerald Santucci
- Gloria Wong
- Heather Jackson (Administrator)

Military Law

The Military Law Committee 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.

The Committee meets on an *ad hoc* basis and met twice during the year.

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 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.

The Committee is currently reviewing its membership and is developing its agenda. Membership is not restricted to military lawyers and practitioners from all areas of the Profession are welcome to join us.

— *Don Malcolmson*

Members: Military Law Committee

- Don Malcolmson (Chair)
- Anthony Blucher
- Barbara Campbell (Secretary)
- Richard Cawte
- Natalie Cujes
- Chris Coles
- Max Emanuel
- Emmanuel Ezekiel-Hart
- Mark Fitzpatrick
- James King
- John Lundy
- Lynette McDade
- Matt O'Brien
- Susan Penn
- Peter Sutherland
- Glenn Theakston
- Christopher Ward
- Paul Wilkinson
- John Wilson

Practice Management

In the last twelve months the Practice Management Committee has overseen the running of two very successful Practice Management Courses for members wishing to obtain their first unrestricted practising certificate. Interest from members has been high, with the unfortunate consequence that some prospective participants have had to be encouraged to attend the next course. A total of 42 participants attended the two courses.

A survey of the participants at the conclusion of each of the courses reveals that participants continue to enjoy and reap significant benefits from modules in ethical dilemmas, tax effectiveness, managing and maintaining staff, trust accounting, and employment issues.

The Committee continues to meet to improve the content of the course to maintain up to date information and relevancy for participants, and to provide an excellent course that equips participants with some initial and important understanding of the requirements and responsibilities of holding an unrestricted practising certificate.

My thanks are extended the Members of the Committee who give freely of their time in the service of members. A special thanks goes to Linda Mackay of the Secretariat, whose hard work and dedication to the organisation of the Course ensures the smooth and efficient manner in which the three days Course is conducted.

— *Bill Baker*

Members: Practice Management Committee

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

Property Law

The Property Law Committee continues as one of the larger and more active committees of the Society. It met monthly over 2012/2013 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, land rent leases and stamp duty payable on various transactions.

The Contract for Sale subcommittee made up of John Chamberlain, Michael James, Alfonso Del Rio and Geoff Hay have drafted a new edition of the standard Contract for Sale to incorporate 'Annexure C', make various amendments to the standard terms, and include terms dealing with community title and land rent. This is to be finalised in the coming weeks. Annexure B has also been redrafted, as it was previously removed from print due to case law suggesting that the intention of the document would not be upheld if challenged in the Supreme Court.

Following the meeting of Chairs and addition of the Charter, the Committee has been looking to set three goals. One goal was to finalise the standard Contract for Sale, which is nearing completion. The second goal is to codify the required documents in the Contract for Sale, as currently various pieces of legislation require various documents, some of which are payable by the buyer, some by the seller. There appears to be no overarching policy to this, which the Committee is pushing to resolve for the benefit of practitioners. We will push this issue with Justice and Community Services, however the retirement of Peter Quinton has resulted in our having to obtain new contacts.

This year saw a private entity seek to set up a 'settlements room' in competition with the Law Society Settlements Office, currently provided for the benefit of members. The upgrades to the Law Society Settlements Office has resulted in the continued support of practitioners and stakeholders to retain the Law Society Settlements Office

as the primary venue for exchanges and settlements in the ACT.

The Committee has successfully lobbied to have the issue of 'trusts on the register' rectified through legislative amendment, for the benefit of practitioners.

The Committee continues to provide comment on draft legislation, and is involved in current dialogue in respect of matters relating to stamp duty on long term leases and electronic stamping.

The Committee ran a CPD seminar titled *Update on Property Law and Contracts for Sale*, and this calendar year we will be running a property afternoon of CPD presentations. We will also be running a CPD seminar once the new Contract for Sale has been finalised and is issued by the Society.

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.

— John Chamberlain

Members: Property Law Committee

- John Chamberlain (Chair)
- Maggie Chapman
- Alfonso del Rio
- Michael Flynn
- Ruth Harris
- Geoff Hay
- Michael James
- Roberta McRae
- Richard Nesbit (to December 2012)
- Mark Poretti
- Murray Raff
- David Toole
- Peter Waight
- Chris Wheeler
- Heather Jackson (Administrator)

Young Lawyers

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

In the 2012-13 year, long-serving Committee member, Sam Tierney, continued to volunteer his time to move the admissions of newly admitted solicitors. In support of this initiative, we moved our regular Young Lawyers Drinks to coincide with the admission ceremony dates, providing an opportunity for newly admitted solicitors to meet and form supportive relationships with other young lawyers. These regular social drinks have also provided an

opportunity for young lawyers in the ACT to meet and get to know each other in a social environment.

The Committee continued to host a large number of well-attended social events throughout the year.

The annual wine tasting day was a great success with a full busload of young lawyers enjoying a spring afternoon of good food and wine amongst the vines at Long Rail Gully. Thank you to Gary and Barbara Parker for their continued assistance with this event.

The Committee then welcomed in the new legal year with a barmy summer's night of lawn bowls and a BBQ feast at the Braddon Bowls Club with over 90 young and young at heart members of the profession joining in. Thanks must go to Norton Rose for their generous assistance and sponsorship of the event.

April saw young lawyers get dressed up in style for the 2013 'New York, New York' Ball held at the National Portrait Gallery. All that attended had a great night and many featured in Canberra's social pages in the weeks following. Mark Thompson and his wife, Caroline, of Vincent's Chartered Accountants were our guests of honour as principal sponsor for the evening. The Committee also extend gratitude to Maurice Blackburn which kindly sponsored the private viewing of the Gallery's extensive portrait collection.

Law Week saw the profession as a whole giving back to the local community. The Committee hosted its annual quiz night which raised almost \$6,000 for the ACT Law Society Foundation. The Committee is proud of their continuing contribution to the Society's gift to the ACT as part of the centenary celebrations.

Law Week also saw the annual local Golden Gavel competition and we extend our congratulations to the local winner Emilija Beljic of the ACT Office of the Director of Public Prosecutions. We are proud to be sending Emilija to represent the ACT at the national competition in Brisbane this September.

More recently, the Committee held its inaugural Ski and CPD weekend at Thredbo. The weekend was enjoyed by all who attended and we are pleased to report no broken limbs! A very informative CPD seminar was presented by Mr Purnell SC of Jeffrey Miles Chambers on running a murder trial and cross-examination and the weekend was overall a great opportunity to network and build positive relationships with other young lawyers in the Territory. To that extent, it was excellent to see a real cross-section of young lawyers in attendance from private practice, larger and smaller firms, as well as from the local and federal government departments.

Going forward, the Committee has been working with the Society on a number of other projects including the finalisation of a mentor program for young lawyers in the ACT and a program to ensure the representation

of young lawyers on the various subcommittees of the Society.

The coming year again promises to be busy for the Committee with numerous new ideas and projects underway.

I would like to take the opportunity to thank all of the members of the Committee, without whom our many events and programs would simply not be possible. In particular, I extend thanks to the outgoing Committee, Lucinda Bordignon (Chair), Kelly Irvine (Vice-Chair) Claudia Maclean (Treasurer), and to Josie Hampton who has remained on as Secretary. Thanks also to long serving Committee members, Natalie Bruno, Rory Markham, John Salinas and Phil Schubert who have contributed a wealth of experience and dedication over their years on the Committee. Finally, special mention and thanks to Nicole, Robyn and Kathleen at the Law Society for the significant amount of administrative support they provide to the organisation of our various events throughout the year.

— *Mitchell Strachan*

Members: ACT Young Lawyers Committee

- Mitchell Strachan (Chair)
- Lucinda Bordignon
- Alex Brook
- Chris Gribble
- Josephine Hampton
- Kelly Irvine
- Ben Julienne
- Ismaeel Julius
- Cindy Lim
- Claudia Maclean
- Rory Markham
- Shelley Miller
- Lynn Nguyen
- Janukshi Perera
- Michael Reardon
- John Salinas
- Phil Schubert
- Sam Tierney
- Duncan Webber

Treasurer's Report

I am pleased to present the Annual Report on the Society's Accounts for the 2012-13 financial year.

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 \$126,170 which increased the Society's accumulated funds to \$1,196,676 as at 30 June 2013.

The Society had budgeted for a surplus of approximately \$45,000. The favourable result was predominantly due to higher than budgeted revenue, which was made up of a combination of various income lines, such as Practising Certificate fees and Practice Management Course income,

along with expenditure lines less than budgeted for, including stationery, postage and couriers.

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 2013-14 financial year.

Statutory Deposits Trust Account

Total deposits at 30 June 2013 amounted to \$15,531,469 which is a very similar figure to the previous year's deposits.

Interest earned on statutory deposit funds invested in term deposits continues to be an important revenue component for the Statutory Interest Account, however returns have been considerably lower in the financial year 2012-13 and lower interest rates are expected to affect future earnings.

Statutory Interest Account

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

The revenue received of \$2,212,927 was a decrease of approximately 24 per cent on the previous year. The decrease is due to the lower interest rates which affect all revenue streams, whether from term deposit investments or interest received on balances held in solicitor trust accounts.

Included in the revenue is approximately \$98,000 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 Manager. It is important to note that over the past three years a total of \$407,554 has been collected by the Society due to the solicitor trust account reconciliation being completed. There are no further outstanding amounts due to be

received in the future. Procedures are in place to check all bank records with trust account details monthly and a full reconciliation is completed at the end of each trust accounting year.

It is pleasing to note that disciplinary legal costs have decreased due to a restructure of the complaints processes. The Society continues to pursue the recovery of costs incurred.

Noting the current uncertainty in global financial markets and expectations of 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 2012-13 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 will result in a drawing down on retained earnings for this financial year. Whilst the amount allocated is similar to that disbursed in the previous two years, this level of funding will not be able to continue unless revenue received improves.

Solicitors' Fidelity Fund

The accumulated funds of the Fidelity Fund increased by \$102,784 to a total of \$5,176,857 as at 30 June 2013.

This year's result included a claim on the Fidelity Fund of approximately \$34,000 and lower earnings from investments of the Fidelity Fund in term deposits have contributed to a lower overall result.



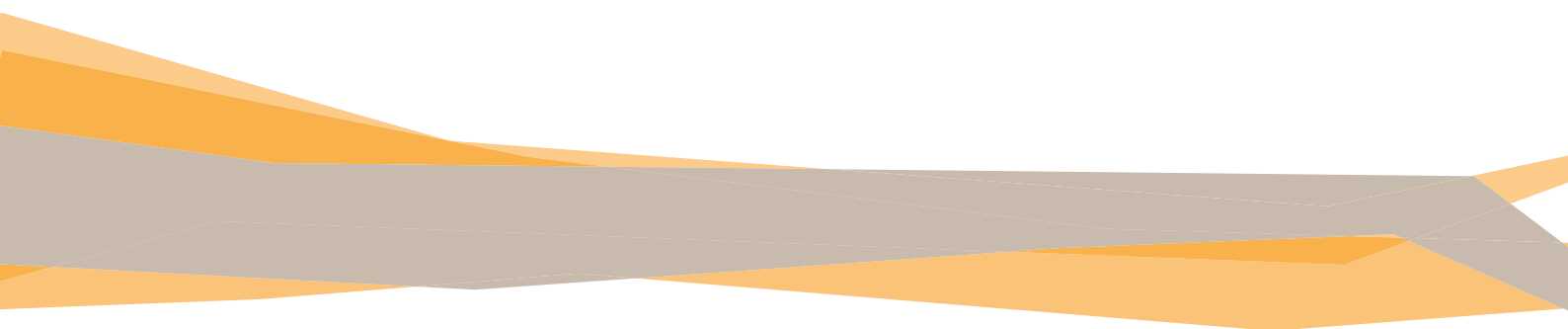
Mark Tigwell
Treasurer

actlawsociety

Financial Statements

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

Financial Statements 30 June 2013



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 2013**

	Notes	2013 \$	2012 \$
Revenue	2	2,039,627	1,837,889
Audit fees		(13,600)	(13,325)
Capitation fees		(176,721)	(157,735)
Committee and executive working lunches		(20,622)	(17,817)
Consultancy fees		(11,038)	(5,100)
Depreciation expense	8	(68,210)	(64,680)
Employee benefits expense		(951,652)	(901,277)
Ethos magazine expenses		(18,023)	(19,681)
Fair Comp Campaign		(37,273)	(20,000)
Functions and seminars		(173,285)	(144,097)
Insurances		(24,583)	(23,017)
Membership services		(1,388)	(24,156)
Postage and couriers		(26,735)	(35,204)
President's allowance		(92,966)	(91,388)
Printing and stationery		(11,351)	(14,022)
Rent and related expense		(142,362)	(138,592)
Travel and accommodation		(2,567)	(5,109)
Other expenses		<u>(141,081)</u>	<u>(108,072)</u>
Profit for the year		<u>126,170</u>	<u>54,617</u>
Total comprehensive income		<u>126,170</u>	<u>54,617</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	4	1,546,622	1,370,565
Investments	5	716,741	679,304
Trade and other receivables	6	259,109	233,165
Inventory	7	1,963	8,008
Prepayments		<u>43,230</u>	<u>25,715</u>
Total current assets		<u>2,567,665</u>	<u>2,316,757</u>
Non-current assets			
Office furniture and equipment	8	182,883	149,252
Rental bond		<u>39,798</u>	<u>37,664</u>
Total non-current assets		<u>222,681</u>	<u>186,916</u>
Total assets		<u>2,790,346</u>	<u>2,503,673</u>
Current liabilities			
Trade and other payables	9	1,380,506	1,228,912
Provisions	10	<u>199,464</u>	<u>193,188</u>
Total current liabilities		<u>1,579,970</u>	<u>1,422,100</u>
Non-current liabilities			
Provisions	10	<u>13,700</u>	<u>11,067</u>
Total non-current liabilities		<u>13,700</u>	<u>11,067</u>
Total liabilities		<u>1,593,670</u>	<u>1,433,167</u>
Net assets		<u>1,196,676</u>	<u>1,070,506</u>
Equity			
Accumulated funds		<u>1,196,676</u>	<u>1,070,506</u>
Total equity		<u>1,196,676</u>	<u>1,070,506</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
Accumulated Funds		
Balance at the beginning of the financial year	1,070,506	1,015,889
Total comprehensive income for the year	<u>126,170</u>	<u>54,617</u>
Balance at the end of the financial year	<u>1,196,676</u>	<u>1,070,506</u>

LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from members and others		2,146,734	1,959,347
Payments to suppliers and employees		(1,891,098)	(1,769,374)
Interest received		<u>65,416</u>	<u>72,027</u>
Net cash inflow/(outflow) from operating activities		<u>321,052</u>	<u>262,000</u>
Cash flows from investing activities			
Payments for investments		(37,437)	(36,755)
Payments for office furniture and equipment		<u>(107,558)</u>	<u>(37,129)</u>
Net cash inflow/(outflow) from investing activities		<u>(144,995)</u>	<u>(73,884)</u>
Net increase/(decrease) in cash held		176,057	188,116
Cash at the beginning of the financial year		<u>1,370,565</u>	<u>1,182,449</u>
Cash at the end of the financial year	4	<u><u>1,546,622</u></u>	<u><u>1,370,565</u></u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013

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 2013

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 2013**

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.

	2013	2012
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Practising certificate fees	974,164	880,178
Members' subscriptions	15,054	14,834
Capitation fees	176,712	158,308
Reimbursement of expenses		
- Statutory Interest Account – administration*	64,929	68,623
- Statutory Interest Account – Legal Advice Bureau*	36,808	34,334
- Statutory Interest Account – professional standards*	121,355	121,003
- Solicitors' Fidelity Fund of the Australian Capital Territory – administration*	35,407	36,265
Profit on standard forms	52,951	58,931
Income from functions	90,841	56,295
Ethos advertising and subscriptions	22,786	15,799
Subscriptions from seminars	136,019	128,699
Project Officer contributions	47,016	44,873
Certificates of good standing	14,291	12,391
Settlements Office contributions	60,118	59,808
Practice management courses	48,500	21,782
	<u>1,896,951</u>	<u>1,712,123</u>
Revenue from outside the operating activities		
Sponsorship	31,598	47,118
Interest	61,002	73,407
Miscellaneous income	12,803	5,241
Fair Comp Campaign	37,273	-
	<u>142,676</u>	<u>125,766</u>
	<u>2,039,627</u>	<u>1,837,889</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 2013**

	2013	2012
	\$	\$
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	(132,294)	(128,627)
Depreciation	(68,210)	(64,680)
Superannuation contributions	(76,632)	(72,558)
Loss on disposal of assets	<u>(5,717)</u>	<u>-</u>
NOTE 4 CASH AND CASH EQUIVALENTS		
Cash on hand	300	300
Cash at bank	1,544,385	1,357,943
Undeposited funds	<u>1,937</u>	<u>12,322</u>
	<u>1,546,622</u>	<u>1,370,565</u>
NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
St George Bank term deposits	<u>716,741</u>	<u>679,304</u>
These deposits have maturities of 6 months from the date of their deposit.		
NOTE 6 TRADE AND OTHER RECEIVABLES		
Trade debtors	192,582	163,887
Deposits paid	750	2,875
Accrued interest receivable	12,658	17,072
Other accrued income	47,596	45,687
GST refund receivable	<u>5,523</u>	<u>3,644</u>
	<u>259,109</u>	<u>233,165</u>
NOTE 7 INVENTORY		
Contracts for sale	1,943	7,874
Tenancy agreements	<u>20</u>	<u>134</u>
	<u>1,963</u>	<u>8,008</u>

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 8 OFFICE FURNITURE AND EQUIPMENT		
Office furniture and equipment		
At cost	633,111	534,357
Less: accumulated depreciation	<u>(450,228)</u>	<u>(385,105)</u>
Total office furniture and equipment	<u>182,883</u>	<u>149,252</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	149,252	176,803
Additions	107,558	37,129
Disposals	(5,717)	-
Depreciation expense	<u>(68,210)</u>	<u>(64,680)</u>
Carrying amount at the end of the year	<u>182,883</u>	<u>149,252</u>
NOTE 9 TRADE AND OTHER PAYABLES		
Other liabilities		
Subscriptions and other income in advance	1,208,838	1,096,702
Accruals	43,414	30,534
Payable – Solicitors’ Fidelity Fund of the Australian Capital Territory	38,870	38,317
Fair Comp Campaign Fund	<u>11,119</u>	<u>31,691</u>
Total other liabilities	1,302,241	1,197,244
Trade creditors	<u>78,265</u>	<u>31,668</u>
	<u>1,380,506</u>	<u>1,228,912</u>
NOTE 10 PROVISIONS		
<i>Current</i>		
Provision for annual leave	105,795	108,695
Provision for long service leave	<u>93,669</u>	<u>84,493</u>
	<u>199,464</u>	<u>193,188</u>
<i>Non-Current</i>		
Provision for long service leave	<u>13,700</u>	<u>11,067</u>

The amount of current long service leave expected to be settled within 12 months of the end of the financial year is nil (2012: nil).

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	4	1,546,622	1,370,565
Held-to-maturity investments	5	716,741	679,304
Loans and receivables	6	<u>253,586</u>	<u>229,521</u>
Total Financial Assets		<u><u>2,516,949</u></u>	<u><u>2,279,390</u></u>
Financial Liabilities			
Trade and other payables	9	<u>1,380,506</u>	<u>1,228,912</u>
Total Financial Liabilities		<u><u>1,380,506</u></u>	<u><u>1,228,912</u></u>

Net Fair Values

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

NOTE 12 REMUNERATION OF AUDITORS

Audit of the Society's financial statements	9,450	9,000
Audit of Statutory Deposits Trust Account	1,550	1,450
Audit of Statutory Interest Account	2,600	2,475
Audit of Solicitors' Fidelity Fund	2,600	2,475
Accounting assistance and advice	<u>-</u>	<u>400</u>
	<u><u>16,200</u></u>	<u><u>15,800</u></u>

No other benefits were received by the auditors.

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
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	130,529	128,737
Later than one year but not later than 5 years	<u>88,000</u>	<u>221,654</u>
	<u>218,529</u>	<u>350,391</u>

The total amount of rental expense recognised in the reporting period was \$132,294 (2012: \$128,627).

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
Mr A Opas	Immediate Past President
Ms K Barralet	Vice President to 20 September 2012
	General Council member from 20 September 2012
Mr M Hockridge	Vice President
Mr G Brackenreg	General Council member to 20 September 2012
	Vice President from 20 September 2012
Ms L E Vardanega PSM	Secretary
Mr I Campbell	Treasurer up to 4 May 2013
Mr M Tigwell	General Council member to 20 May 2013
	Treasurer from 20 May 2013
Mr J Carroll	
Mr P Vane-Tempest	
Mr M O'Brien	
Mr B Hatch	
Mr C Donohue	From 20 September 2012
Mr A Bucknell	From 20 September 2012
Ms T Kyprianou	From 20 September 2012
Ms A Osmand	From 20 September 2012
Ms S Avery	Up to 20 September 2012
Ms N Bruno	Up to 20 September 2012
Mr D Malcolmson	Up to 20 September 2012
Mr R Routh	Up to 20 September 2012

THE LAW SOCIETY OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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

During the year the Society paid \$2,562 (2012: \$2,558) 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.

	2013	2012
	\$	\$
Total key management personnel compensation	<u>250,754</u>	<u>243,476</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 2013

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 2013 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.


19 Councillor
August 2013


Councillor
19 August 2013

**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 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

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

Auditor's Responsibility

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

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


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

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory as at 30 June 2013 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, 19 August 2013



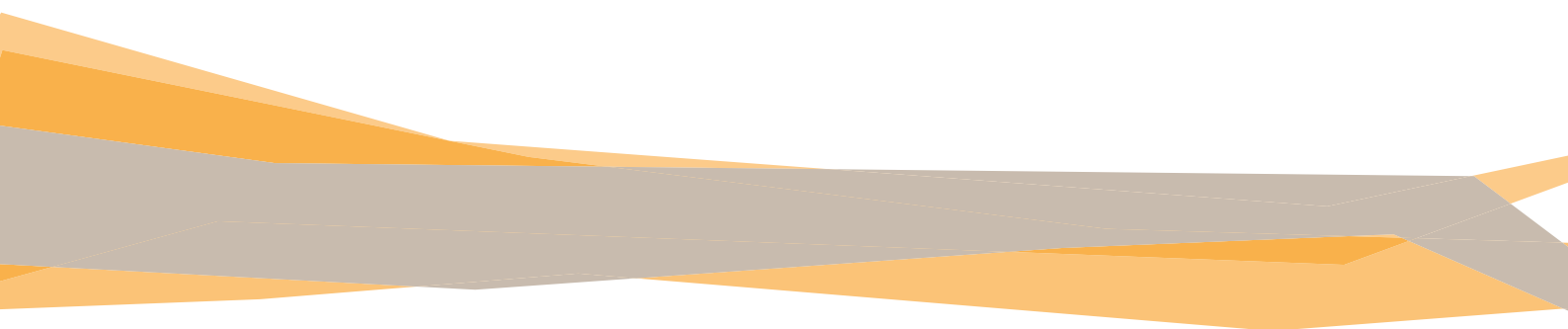
G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2013



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

FINANCIAL STATEMENTS – 30 JUNE 2013

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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 2013**

	Notes	2013 \$	2012 \$
Revenue	2	2,212,927	2,912,843
Expenses			
Law Society of the Australian Capital Territory - reimbursement of administration expenses		(64,929)	(68,623)
Disciplinary legal costs and other legal costs		(592,244)	(847,196)
Legal Advice Bureau operating costs	9	(37,496)	(35,005)
Professional Standards Office costs		<u>(122,379)</u>	<u>(121,994)</u>
Surplus before disbursements		1,395,879	1,840,025
Proposed disbursements s253		<u>(1,700,000)</u>	<u>(1,700,000)</u>
Surplus/(deficit) for the year		<u>(304,121)</u>	<u>140,025</u>
Total comprehensive income		<u><u>(304,121)</u></u>	<u><u>140,025</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	3	1,517,430	1,645,427
Investments	4	1,951,587	1,920,027
Trade and other receivables	5	<u>260,793</u>	<u>389,876</u>
Total current assets		<u>3,729,810</u>	<u>3,955,330</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>3,729,810</u>	<u>3,955,330</u>
Current liabilities			
Trade and other payables	7	84,484	5,883
Provisions	8	<u>1,700,000</u>	<u>1,700,000</u>
Total current liabilities		<u>1,784,484</u>	<u>1,705,883</u>
Total liabilities		<u>1,784,484</u>	<u>1,705,883</u>
Net assets		<u>1,945,326</u>	<u>2,249,447</u>
Equity			
Accumulated funds		<u>1,945,326</u>	<u>2,249,447</u>
Total equity		<u>1,945,326</u>	<u>2,249,447</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
Accumulated funds		
Balance at the beginning of the financial year	2,249,447	2,109,422
Surplus/(deficit) for the year	<u>(304,121)</u>	<u>140,025</u>
Balance at the end of the financial year	<u>1,945,326</u>	<u>2,249,447</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013	2012 \$
Cash flows from operating activities			
Recovered disciplinary legal costs		68,682	156,625
Miscellaneous receipts & GST refunds		219,829	258,553
Disbursements and other operating payments		(967,768)	(1,443,691)
Interest		<u>2,282,820</u>	<u>2,834,309</u>
Net cash inflow/(outflow) from operating activities		<u>1,603,563</u>	<u>1,805,796</u>
Cash flows from investing activities			
Payments for investments		<u>(31,560)</u>	<u>(293,892)</u>
Net cash inflow/(outflow) from investing activities		<u>(31,560)</u>	<u>(293,892)</u>
Cash flows from financing activities			
Section 253 disbursements	11	<u>(1,700,000)</u>	<u>(1,700,000)</u>
Net cash inflow/(outflow) from financing activities		<u>(1,700,000)</u>	<u>(1,700,000)</u>
Net increase (decrease) in cash held		(127,997)	(188,096)
Cash at the beginning of the financial year		<u>1,645,427</u>	<u>1,833,523</u>
Cash at the end of the financial year	3	<u>1,517,430</u>	<u>1,645,427</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Interest Account (the Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 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 2013**

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 2013**

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 2013**

	2013	2012
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments by the Statutory Interest Account	134,975	171,564
Interest on investments by the Statutory Deposits Account	636,762	815,258
Interest on Solicitors' Trust Accounts	<u>1,372,508</u>	<u>1,769,396</u>
	2,144,245	2,756,218
Revenue from outside the operating activities		
Miscellaneous income	<u>68,682</u>	<u>156,625</u>
	<u>2,212,927</u>	<u>2,912,843</u>
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>1,517,430</u>	<u>1,645,427</u>
NOTE 4 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
National Australia Bank	1,019,386	1,000,000
St George Bank Australia	682,201	670,027
Westpac	<u>250,000</u>	<u>250,000</u>
	<u>1,951,587</u>	<u>1,920,027</u>
These deposits have maturities of 3 to 6 months from the date of their deposit.		
NOTE 5 TRADE AND OTHER RECEIVABLES		
Accrued interest		
-Investments	128,191	206,153
-Solicitors' Trust Accounts	<u>104,514</u>	<u>165,127</u>
	232,705	371,280
Debtors	6,182	4,288
Prepayments	1,599	1,529
GST paid to suppliers	<u>20,307</u>	<u>12,779</u>
	<u>260,793</u>	<u>389,876</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
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>84,484</u>	<u>5,883</u>
NOTE 8 PROVISIONS – CURRENT		
Proposed disbursements	<u>1,700,000</u>	<u>1,700,000</u>
NOTE 9 LEGAL ADVICE BUREAU OPERATING COSTS		
Cleaning	664	658
Depreciation	1,359	1,359
Electricity	445	363
Insurance	376	359
Publications and subscriptions	688	671
Rental of premises	8,731	8,489
Salaries and superannuation	<u>25,233</u>	<u>23,106</u>
	<u>37,496</u>	<u>35,005</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>
NOTE 11 DISBURSEMENTS		
Disbursements made from the Statutory Interest Account under s253(4) of the Legal Profession Act 2006 were:		
Environmental Defender's Office	31,278	30,293
Legal Aid Commission (ACT)	1,411,543	1,420,623
Welfare Rights and Legal Centre	166,771	161,522
Women's Legal Centre	<u>90,408</u>	<u>87,562</u>
	<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 2013**

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	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	3	1,517,430	1,645,427
Held-to-maturity investments	4	1,951,587	1,920,027
Loans and receivables	5	<u>260,793</u>	<u>389,876</u>
Total Financial Assets		<u><u>3,729,810</u></u>	<u><u>3,955,330</u></u>
Financial Liabilities			
Trade and other payables	7	<u>84,484</u>	<u>5,883</u>
Total Financial Liabilities		<u><u>84,484</u></u>	<u><u>5,883</u></u>

Net Fair Values

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 AUDITORS

Audit fees of \$2,600 (2012: \$2,475) 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 2013**

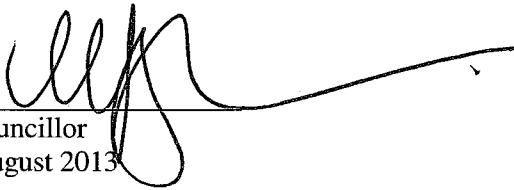
The Councillors declare that the financial statements and notes set out on pages 1 to 11:

- (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 2013 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
19 August 2013



Councillor
19 August 2013

**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 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

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

Auditor's Responsibility

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

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

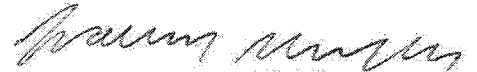
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Interest Account as at 30 June 2013 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, 19 August 2013



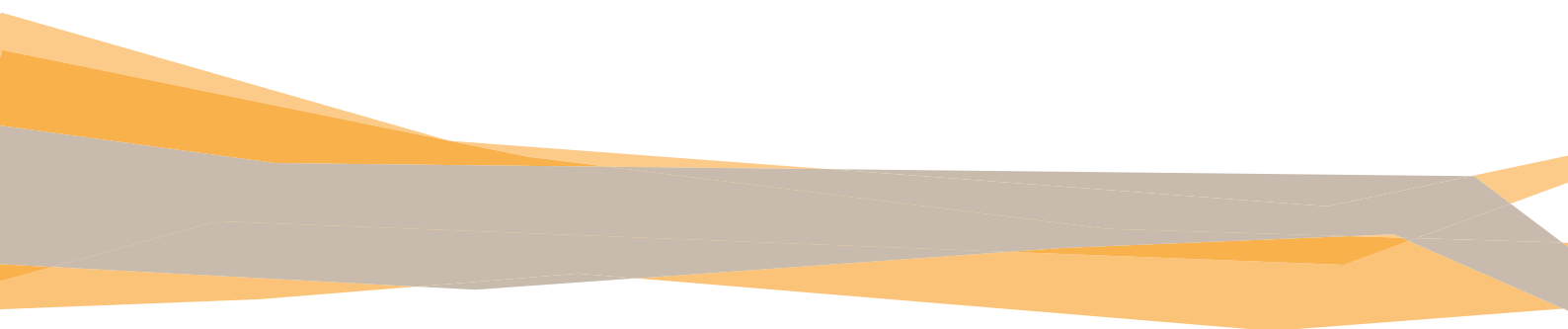
G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2013



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

FINANCIAL STATEMENTS – 30 JUNE 2013

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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 2013**

	Notes	2013 \$	2012 \$
Revenue		<u>-</u>	<u>-</u>
Net surplus/ (deficit)		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	2	3,923,242	2,964,872
Investments	3	<u>11,608,227</u>	<u>12,639,359</u>
Total current assets		<u>15,531,469</u>	<u>15,604,231</u>
Total assets		<u>15,531,469</u>	<u>15,604,231</u>
Current liabilities			
Trade and other payables	4	<u>15,531,469</u>	<u>15,604,231</u>
Total current liabilities		<u>15,531,469</u>	<u>15,604,231</u>
Total liabilities		<u>15,531,469</u>	<u>15,604,231</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 2013**

	Notes	2013 \$	2012 \$
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 2013**

	Notes	2013 \$	2012 \$
Cash flows from investing activities			
Interest received and transferred to Statutory Interest Account		(70,169)	(20,696)
Proceeds from investments		4,801,302	-
Payments for investments		<u>(3,700,000)</u>	<u>(5,239,544)</u>
Net cash inflow (outflow) from investing activities		<u>1,031,132</u>	<u>(5,260,240)</u>
Cash flows from financing activities			
Proceeds from deposits		4,530,992	3,379,381
Repayments of deposits		<u>(4,603,755)</u>	<u>(4,847,427)</u>
Net cash inflow (outflow) from financing activities		<u>(72,763)</u>	<u>(1,468,046)</u>
Net increase (decrease) in cash held		958,370	(6,728,286)
Cash at the beginning of the financial year		<u>2,964,872</u>	<u>9,693,158</u>
Cash at the end of the financial year	2	<u><u>3,923,242</u></u>	<u><u>2,964,872</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover The Law Society of the Australian Capital Territory Statutory Deposits Trust Account (the Trust Account) as an individual not-for-profit entity, domiciled in Australia. Its registered office and principal place of business is 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 Profession Act 2006.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 2013**

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

(f) Comparatives

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

Critical Accounting Estimates and Judgements

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

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

	2013	2012
	\$	\$
NOTE 2 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>3,923,242</u>	<u>2,964,872</u>
NOTE 3 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	5,000,000	3,900,000
National Australia Bank	3,968,765	2,849,769
St George Bank	1,639,462	3,389,590
Westpac	<u>1,000,000</u>	<u>2,500,000</u>
	<u>11,608,227</u>	<u>12,639,359</u>

These deposits have maturities of 3 to 7 months from the date of their deposit.

NOTE 4 TRADE AND OTHER PAYABLES

Monies deposited by solicitors	<u>15,531,469</u>	<u>15,604,231</u>
	<u>15,531,469</u>	<u>15,604,231</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 5 LEGISLATION

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

NOTE 6 REMUNERATION OF AUDITORS

Audit fees of \$1,550 (2012:\$1,450) were ultimately paid by the Statutory Interest Account on behalf of the Statutory Deposits Trust Account.

NOTE 7 FINANCIAL RISK MANAGEMENT

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

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

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

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

	Note	2013 \$	2012 \$
Financial Assets			
Cash and cash equivalents	2	3,923,242	2,964,872
Held-to-maturity investments	3	<u>11,608,227</u>	<u>12,639,359</u>
Total Financial Assets		<u>15,531,469</u>	<u>15,604,231</u>
Financial Liabilities			
Trade and other payables	4	<u>15,531,469</u>	<u>15,604,231</u>
Total Financial Liabilities		<u>15,531,469</u>	<u>15,604,231</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 2013**

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 2013**

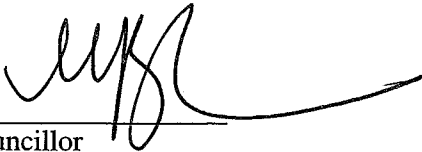
The Councillors declare that the financial statements and notes set out on pages 1 to 8:

- (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 2013 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:

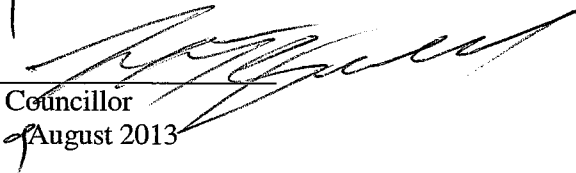
- (a) the financial statements and notes are in accordance with the requirements of the Legal Profession Act 2006; and
- (b) there are reasonable grounds to believe that the Trust Account will be able to pay its debts as and when they become due and payable.

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



Councillor
19 August 2013

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Councillor
19 August 2013

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**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 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

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

Auditor's Responsibility


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

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

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

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Law Society of the Australian Capital Territory Statutory Deposits Trust Account as at 30 June 2013 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, 19 August 2013

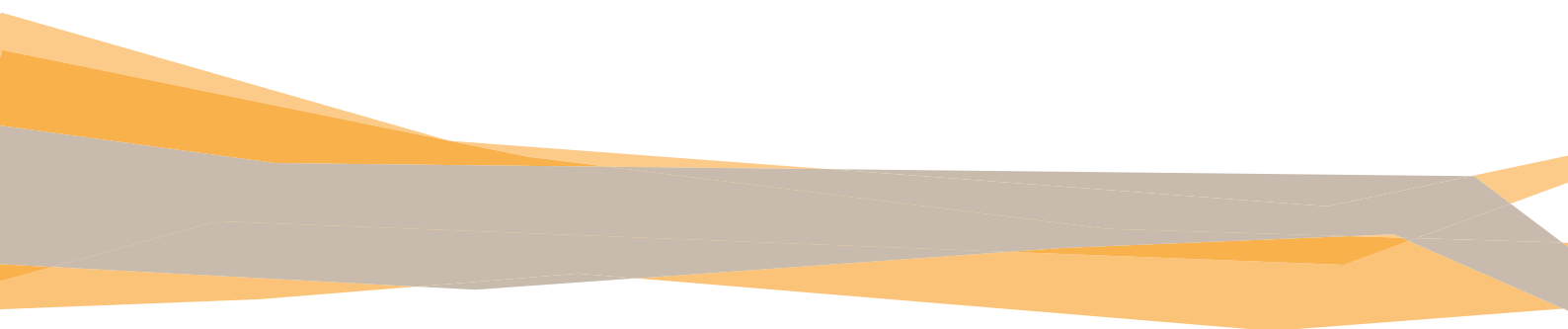

G J Murphy
Partner

actlawsociety

Financial Statements

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

Financial Statements 30 June 2013



THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

FINANCIAL STATEMENTS – 30 JUNE 2013

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THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Revenue	2	277,638	438,323
Audit fees		(2,600)	(2,475)
Administration expenses		(35,407)	(36,265)
Claim on fidelity fund		(33,962)	(2,200)
Investigations, examinations, legal and managers' costs		(14,525)	(10,707)
Random inspections expenses		<u>(88,360)</u>	<u>(94,755)</u>
Surplus/(deficit) for the year		<u>102,784</u>	<u>291,921</u>
Total comprehensive income for the year		<u>102,784</u>	<u>291,921</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	3	152,461	84,391
Trade and other receivables	4	<u>101,994</u>	<u>220,710</u>
Total current assets		<u>254,455</u>	<u>305,101</u>
Non-current assets			
Investments	5	<u>4,964,571</u>	<u>4,810,989</u>
Total non-current assets		<u>4,964,571</u>	<u>4,810,989</u>
Total assets		<u>5,219,026</u>	<u>5,116,090</u>
Current liabilities			
Trade and other payables	6	<u>42,169</u>	<u>42,017</u>
Total current liabilities		<u>42,169</u>	<u>42,017</u>
Total liabilities		<u>42,169</u>	<u>42,017</u>
Net assets		<u>5,176,857</u>	<u>5,074,073</u>
Equity			
Accumulated funds		<u>5,176,857</u>	<u>5,074,073</u>
Total equity		<u>5,176,857</u>	<u>5,074,073</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
Accumulated Funds		
Balance at the beginning of the financial year	5,074,073	4,782,152
Total comprehensive income for the year	<u>102,784</u>	<u>291,921</u>
Balance at the end of the financial year	<u>5,176,857</u>	<u>5,074,073</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013	2012
		\$	\$
Cash flows from operating activities			
Receipts from contributions		38,980	40,530
Recoveries & GST refunds		127,701	12,164
Payments		(184,523)	(176,402)
Interest received		<u>239,494</u>	<u>264,018</u>
Net cash inflow (outflow) from operating activities		<u>221,652</u>	<u>140,310</u>
Cash flows from investing activities			
Payments for investments		<u>(153,582)</u>	<u>(115,799)</u>
Net cash inflow (outflow) from investing activities		<u>(153,582)</u>	<u>(115,799)</u>
Net increase/ (decrease) in cash held		68,070	24,511
Cash at the beginning of the financial year		<u>84,391</u>	<u>59,880</u>
Cash at the end of the financial year	3	<u><u>152,461</u></u>	<u><u>84,391</u></u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Solicitor's Fidelity Fund (the Fund) of the Australian Capital Territory is a statutory body incorporated in the Australian Capital Territory under the Legal Profession Act 2006. The financial statements cover the Fund as an individual not-for-profit entity. Its registered office and principal place of business is 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 2013

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

(d) **Investments**

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

(e) **Financial Instruments**

Recognition

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Financial liabilities

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

Impairment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 2013**

	2013	2012
	\$	\$
NOTE 2 REVENUE		
Revenue from operating activities		
Interest on investments	238,658	281,069
Contributions	38,980	39,404
Recovery of investigations/management costs	<u>-</u>	<u>117,850</u>
	<u>277,638</u>	<u>438,323</u>
 NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	<u>152,461</u>	<u>84,391</u>
 NOTE 4 TRADE AND OTHER RECEIVABLES		
Trade debtors – The Law Society of the Australian Capital Territory	38,870	38,317
Accrued interest	63,124	63,960
Other receivables	<u>-</u>	<u>118,433</u>
	<u>101,994</u>	<u>220,710</u>
 NOTE 5 INVESTMENTS		
<i>Held-to-Maturity Investments</i>		
Commonwealth Bank	1,024,918	1,000,000
St George Bank	675,682	657,208
National Australia Bank	<u>3,263,971</u>	<u>3,153,781</u>
	<u>4,964,571</u>	<u>4,810,989</u>
These deposits have maturities of 6 to 7 months from the date of their deposit.		
 NOTE 6 TRADE AND OTHER PAYABLES		
Trade creditors and accruals	3,299	3,700
Contributions received in advance	<u>38,870</u>	<u>38,317</u>
	<u>42,169</u>	<u>42,017</u>

THE SOLICITORS' FIDELITY FUND OF THE AUSTRALIAN CAPITAL TERRITORY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013	2012
	\$	\$
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	2,600	2,475
Conduct of random inspections	<u>48,600</u>	<u>52,445</u>
	<u>51,200</u>	<u>54,920</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 Society'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 \$49,646 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	152,461	84,391
Held-to-maturity investments	5	4,964,571	4,810,989
Loans and receivables	4	<u>101,994</u>	<u>220,710</u>
Total Financial Assets		<u>5,219,026</u>	<u>5,116,090</u>
Financial Liabilities			
Trade and other payables	6	<u>3,299</u>	<u>3,700</u>
Total Financial Liabilities		<u>3,299</u>	<u>3,700</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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 2013**


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 2013 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
19 August 2013



Councillor
19 August 2013

**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 2013, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council for the Financial Statements

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

Auditor's Responsibility

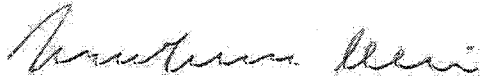
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to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

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

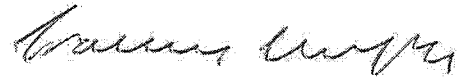
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Solicitors' Fidelity Fund of the Australian Capital Territory as at 30 June 2013 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, 19 August 2013



G J Murphy
Partner

actlawsociety

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