



annual report

2010 · 11 your voice...

...our vision



About Queensland Law Society

Queensland Law Society is the professional association representing Queensland's legal practitioners.

This year, our membership has grown to more than 11,400 members – comprising lawyers, future lawyers and those with an abiding interest in our profession.

The Society is incorporated under an Act of Parliament – the *Legal Profession Act 2007* (Qld) – and is governed by a Council, which is elected by the membership.

While the Society is defined as a statutory body in the *Financial Accountability Act 2009* (Qld), it remains an independent professional body, subject to the governance of its elected Council. The Attorney-General is represented by a nominee who is a Queensland solicitor in private practice.

The Society is funded by a number of sources, including annual fees paid by members.

In addition to specific statutory responsibilities relating to the regulation of solicitors in Queensland, the Society leads the profession's knowledge development and exchange through its extensive professional development offering. It guides legislation through advocacy, and provides comprehensive services and support to its members and the community.

OUR VISION

To be the leading legal professional membership association in Australia.

OUR MISSION

To provide leadership in law to our membership, stakeholders and the community through the provision of relevant, high quality services, products and information, and through effective advocacy on issues affecting the profession.

OUR VALUES

Respect we will value people and acknowledge their contributions.

Integrity we will be honest and fair in all our actions.

Service we will work together to anticipate needs, exceed expectations and honour commitments.

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Your Ref:

Our Ref: BD.NG:jrd/25003107

23 September 2011

The Hon Paul Lucas MP
Deputy Premier and Attorney-General,
Minister for Local Government and Special Minister of State
PO Box 15009
CITY EAST QLD 4002

Dear Mr Lucas

ANNUAL REPORT 2010-2011 FOR QUEENSLAND LAW SOCIETY

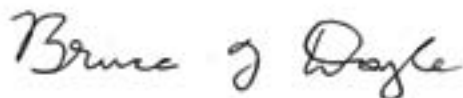
I am pleased to present the Annual Report 2010-2011 for Queensland Law Society.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and
- the detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be accessed at qls.com.au > Knowledge Centre > Corporate documents > Annual Reports.

Yours sincerely



Bruce Doyle
President
Queensland Law Society

Our highlights 2010/11

Financial highlights

Our consolidated results include the Society's membership activities, insurance activities (through Lexon Insurance Pte Ltd and Law Claims Levy Fund) and the regulatory responsibilities Queensland Law Society carries out under legislative requirements.

Parent entity, Queensland Law Society Incorporated

Queensland Law Society (the parent entity) reported an operating surplus of \$1.158m compared to the prior year's adjusted operating surplus of \$1.059m.

Overall revenues were in line or ahead of the prior year after adjusting for the one-off 'capital' payment received from the Law Foundation of Queensland last year (approx. \$2.4m) relating to the refurbishment of Law Society House. Overall attendance and revenue at seminars and events increased during the year, despite the difficult conditions.

We continued our emphasis on managing controllable costs, which in the main were maintained or reduced from the prior year.

Net assets of the parent entity are \$49.7m, up from \$48.6m the prior year. Excluding the value of the building and investment in Lexon, adjusted net assets are approximately \$4.7m. These retained surpluses are being utilised to deliver major strategic projects for members, for example implementation of a new member relationship management system which will enable the Society to deliver tailored information to members. We also need to have appropriate reserves to deal with any changes which may flow from the National Legal Profession Reform implementation.

Insurance scheme (comprising Lexon Insurance Pte Ltd and Law Claims Levy Fund)

- The insurance scheme reported a surplus of \$7.9m compared to \$10.1m for 2009/10. This is attributed to a reduction in collected insurance levies as a result of the reduced levy rates.
- The QLS levies are at their lowest since the introduction of the Gross Fee Income model in 2007/08.
- The first half of the year saw an increase in the number of claims reported, however this was offset by a slower second half. The overall claims and notifications were broadly in line with the last four years' numbers.
- The insurance scheme has in place an investment policy statement which provides a framework for managing the investment portfolio. Throughout the year the scheme maintained more than 70percent of investments in income securities, with the balance in equities, credit and property.
- The scheme reported returns of 6.3percent from income securities and 8.4percent from equities, credit and property, giving a combined result of 6.9percent. The results were dampened due to the fourth quarter results which generated a return of 0.1percent, largely due to the global downturn in the equity markets.
- While we hold a largely defensive portfolio, our equity funds have not been immune to the falling markets. A large portion of our non-equity portfolio is income-based and moves favourably when there are expectations of interest rate decreases, and our portfolio has benefited from this this year. Other elements of our portfolio do not directly move with interest rate expectations or equity market movements. The overall impact is a decline in the value of our investment portfolio of approximately two percent since 30 June 2010.

Highlights 2010-11

Queensland Law Society represents the majority of Queensland's solicitors, providing the State with leadership in law through support of the legal profession, advocacy of legal issues and commitment to building the profile of solicitors and the law. The 2010/11 financial year was a year of preparation for several major strategic initiatives, ongoing membership growth and leveraging our advocacy strength on issues affecting members. Our financial results reflect this consolidation with revenue marginally higher than last year and expenditure focused on providing a platform for enhanced member services.



Our member services and operational highlights

In 2010/11 Queensland Law Society surpassed the previous year's results in a number of areas. These results are due to careful planning, building staff capability, focusing on member benefits and maintaining a determination to succeed. This year:

- Membership reached a record number of 11,351 comprising 8,501 full members, 546 associate members and 2,304 student members
- Student membership has increased by almost 14percent bringing it to a total of 2,304 as of 30 June 2011 which represents 20percent of all QLS members
- Female legal practitioners represent 45.7percent of membership at the end of the year. In 2001 QLS membership consisted of only 28percent of female members and 15 years ago only 24.4percent
- 11percent of all full members are sole practitioners, 43percent are employed in a legal firm, nine percent work in corporate and 2.6percent are Government lawyers
- 713 new legal practitioners have been admitted to practice this financial year
- More than half the Society's full members are under 39 years of age
- 9,021 practising certificates were issued, up from 8,590 in 2009/10, a five percent increase year on year
- We advocated on major issues for members, including Moynihan reforms, e-conveyancing, elder abuse, workers compensation reforms and franchising law
- Professional development included 14 major conferences, 65 seminars and workshops and nine regional workshops with a total of 6,425 people in attendance, up nine percent on last year. Our flagship event, the Vincents' 49th Annual Symposium, attracted 757 attendees
- The Call Centre and Records department answered 79,447 member and public inquiries
- We supported 2,992 ethics inquiries
- Our electricity usage reduced by 53percent since 2008/09 as a result of our refurbishment
- Saw our online renewals results radically increase with 3,929 members taking advantage of the convenient, easy-to-use process
- We secured keynote presentations by leading world expert on pro bono practice, Ms Esther Lardent, (President and CEO of the Pro Bono Institute, Washington DC) and The Hon Michael Kirby AC CMG at the 4th Annual Gold Coast Symposium
- 23 practitioners completed specialist accreditation in the areas of Business Law, Criminal Law, Commercial Litigation, Workplace Relations and Immigration Law. 88 candidates were accepted into the Family Law, Personal Injuries Law, Property Law, Succession and Taxation Law specialist accreditation programs
- 4,700 members (over 1,100 practices) signed up to the Queensland Law Society Limitation of Liability scheme in its first full year.



President's review

Lessons of testing times

In 2010/2011 a summer of natural disasters saw many members and legal practices bearing the brunt of unprecedented flooding and cyclonic devastation. However, careful organisation and planning, professional resilience and the provision of assistance to those in need helped us overcome adversity.

Queensland's solicitors rose to the challenge to help their colleagues and their community when major flooding and Cyclone Yasi left people without homes, transport or a place to work. A number of law firms across the State were significantly affected, either because of physical damage or impacts to the surrounding community preventing the normal functioning of their businesses. Queensland Law Society was central to rallying support for disaster-affected practitioners and residents. I particularly thank the many members who gave generously of their time and money to support disaster-affected residents and colleagues.

These natural disasters were a double blow for some practices serving the slower part of Queensland's 'two speed economy'. I heard from many practitioners about the difficulties of sustaining practice, particularly in the tourism-dependent areas of our State.

The Society is committed to ensuring that members do not have to bear the burdens of tough times alone. A major focus of our conferences and regional workshops has been to assist members to recognise and deal with depression. Queensland Law Foundation has sponsored regional sessions and provided financial assistance to members in need through the Queensland Solicitors Benevolent Fund.

Our professional indemnity insurer, Lexon, has also visited most Queensland legal practices, helping members to manage their practice risk.

Listening and leading

Recent member research told us how much members value Queensland Law Society's ethical support and policy advocacy.

The voice of the Queensland Law Society was heard clearly and often this year. We have been forceful contributors to the National Legal Profession Reform process, particularly showing leadership in the development of the *Australian Solicitors Conduct Rules*.

Our respected voice regularly benefits members and the community. For example, Queensland Law Society successfully sought concessions by the Office of State Revenue that benefited stamp duty self-assessors in the aftermath of the summer of natural disasters. Another example of our effective advocacy is the fair objection process that landholders now enjoy under land valuation legislation.

The publication of our first *Advocacy Annual* highlights the effective work of our policy lawyers and committees with 193 submissions produced this year.

Our policy focus is not limited to this State. We were part of a national campaign that resulted in the largest increase in Commonwealth legal assistance funding in 15 years in 2010/2011. We also hosted the successful third National Access to Justice Pro Bono Conference in August 2010 which supported this important focus of the profession.

Although we are Queensland based, Council recognises the impact of globalisation, and the need to engage in our region, both to develop trade and promote human rights. The Society takes a leading role in this arena by hosting and supporting the LAWASIA secretariat at Law Society House.

Enhanced corporate governance

We have made substantial progress in building a strong and robust corporate governance framework for the Society. As a result of the hard work of Council, the Society is, for the first time, able to report against the ASX Corporate Governance guidelines. These guidelines set the national standard for corporate governance, providing a principle-based framework that has practical application for organisations like Queensland Law Society. It enables us to assess our professional performance in terms of corporate direction and management, setting and achieving strategic objectives, risk management and ongoing performance improvements.

Over the last 12 months, Council focused on continuing to strengthen the governance framework of the Society. These initiatives allow Council, committees and staff to measure our performance against these guidelines. For the first time, Council and Committee Charters give clarity and focus to these essential elements of our Society's governance.

Following Premier Anna Bligh's new ministerial appointments in March 2011, we farewelled our former Attorney-General Cameron Dick and welcomed the new Attorney-General Paul Lucas, who is also Deputy Premier, Minister for Local Government and Special Minister of State. We have established a positive and productive working relationship with Mr Lucas who, as a former solicitor, is well-versed with the challenges facing our profession.

I have been fortunate to travel widely across our State and enjoyed the opportunity of talking with many of our members at conferences, workshops and Court ceremonies. I have had the privilege of representing the profession in ceremonies and meetings with heads of all jurisdictions, State and Federal. The Supreme Court of Queensland celebrated its sesquicentenary in 2011 under the energetic leadership of Chief Justice Paul de Jersey with many legal practitioners celebrating this great milestone.

This year's achievements would not have been possible without my fellow Council members, particularly immediate past President Peter Eardley. I sincerely thank them for their commitment and support. On behalf of Council I also thank Chief Executive Officer Noela L'Estrange, the management team and all QLS staff for their hard work and dedication. Finally, I express my appreciation to members for the opportunity of leading a Society of which we can all be proud.



Bruce Doyle
President

The 2010/11 financial year has been a year of achievements, despite natural disasters and tough economic conditions. This year, Queensland Law Society has sought out and put in place plans to address what members need from their Society. This followed extensive statewide research, heeding 'Your voice' as we look ahead to the National Legal Profession Reform to determine and work towards 'Our vision'. The Society has consolidated a firm foundation to prepare for the changes ahead. Members can be confident that their Society will not only assist them with the business of law, but help them deliver quality legal services to their clients.

Chief Executive Officer's review

The beginning of 2011 certainly took everyone by surprise with floods and cyclones crashing through our State leaving a wake of destruction. However the profession responded in an outstanding manner with the establishment of Queensland Flood and Cyclone Legal Help, to coordinate pro bono referral services. For much of last year the impact of the GFC continued to be felt with a flat Queensland economy struggling to recover. After conducting member research to hear 'Your voice', 'Our vision' was to put strategies in place in 2010/11 to make access to our services easier and more convenient and ensure they delivered superior value. This year we were delighted that our member floor at Law Society House was in continuous use, particularly the mediation and member meeting rooms.

Our financial performance

In 2010/11 we aimed to maximise our financial performance and ensure enhanced member value by increasing process efficiencies. We achieved this by accomplishing key strategic objectives such as establishing a corporate governance framework that provides a 'best fit' compliance regime for the Society, reviewing and enhancing business processes and reporting throughout the organisation, and establishing metrics and price points to ensure we offer the best value products and services to members.

Queensland Law Society achieved \$1.158m in surplus, which will be invested into future services that reflect members' needs as identified from recent research. This result was achieved with a modest membership fee increase, maintaining 2009/10 pricing for the first half of the year for conference and seminars, and effectively managing costs. While there was a modest increase in staff costs, this was largely driven by a small increase in full-time staff and investment in professional development in keeping with building our capability.

Queensland Law Society Incorporated, as a group, reported a comprehensive income for the year of \$9m, comprising \$1.1m from the Society and \$7.9m from insurance activities (which includes the Law Claims Levy Fund). The insurance scheme reported a strong result achieved while reducing premiums and introducing an enhanced management review discount. The rates were again the lowest since the introduction of the Gross Fee Income model in 2007/08. This demonstrates the commitment of the insurance scheme to keeping rates as low as possible while maintaining appropriate solvency ratios.

Resilience in the profession

After the devastation of the January floods and Cyclone Yasi, the Society was central to coordinating Flood and Cyclone Legal Help.

This service helped thousands of Queenslanders with initial post-flood legal information and we saw first-hand the value of the profession's pro bono work, when non-profit and government organisations worked together on one of the biggest legal aid campaigns ever mounted in Queensland. Hundreds of legal volunteers joined pro bono panels operating at community recovery centres throughout Queensland with many firms volunteering pro bono referral services. A number of practices sustained damage themselves but continued to operate from borrowed space at other practices, Law Society House, or makeshift offices in their homes. It was heartening to see members across the State pulling together to support each other and their communities and my sincere gratitude goes out to everyone involved.

National Legal Profession Reform

Keeping our members up to date and fully informed on the National Legal Profession Reform has been a major priority for the Society. The reform aims to provide consistency in the law governing the profession and promote national ethical and professional standards.

Representing the Queensland legal profession as part of the national Consultative Group, I have been a keen proponent of ensuring the change to a national system benefits our members and that there is a smooth transition with minimal administrative and financial impacts to practitioners.

The National Legal Profession Reform Taskforce submitted the revised Bill to the Federal Attorney-General in December and we await the form the legislation will take. Queensland Law Society will continue to work to ensure that the full implications of the new system are made public, so that the profession is fully aware of what the change means.

National reform took a step forward in June when the *Australian Solicitors' Conduct Rules* were endorsed by the Law Council of Australia. These rules provide a common set of professional obligations and ethical principles and Queensland Law Society's Ethics Centre was a primary contributor to their development. Our involvement has helped ensure the new rules are practical, relevant and support our members in the honourable practice of law.

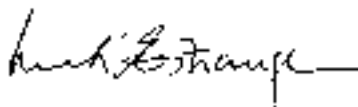
Members drive our strategy

With the imminent national reforms, and as Queensland Law Society changes its profile to become a more member-focused organisation, we undertook extensive research to determine member needs. This has placed us in a strong position to plan confidently for the future with a responsive, informed strategy that supports key business decisions. We will continue to ask for your views and listen to what you say.

Based on your feedback, we have started an extensive review of our products and services, with plans in place to build those that hold member value such as advocacy, practice support and ethics advice, and enhanced support for regional practices. We conducted extensive planning and preparation for Project Connect that will enable members to service more of their needs online and receive tailored information services. We also laid the groundwork for a competency-based learning and development framework, a national first for a law society. This complements our intensive professional development offerings.

I would like to sincerely thank current QLS President Bruce Doyle, our Council and Immediate Past President Peter Eardley for their encouragement and support during what proved to be a very challenging and busy year.

My deep thanks also to my team and all QLS staff for their enthusiasm and willingness to learn new skills and apply them to enhance our member service offerings.



Noela L'Estrange
Chief Executive Officer



A work in progress

The 2010/11 Strategic Plan prescribes four key strategies based on a balanced scorecard approach that aims to enhance member service, gain efficiencies in our systems and processes, maximise the potential of our people and ensure we deliver value in our services and products.

A key strategic focus for this year was to gather the right business intelligence to make sure we understand and effectively deliver services to meet members' needs. The Society undertook extensive member research during the year, and we thank all members for their participation and feedback. This process has helped inform and guide the Society as we focus our activities and look towards the future.

This year we strengthened our advocacy profile by increasing member involvement and improving member awareness of advocacy activities.

Informed by member focus groups, we are developing a new competency-based Learning and Development Framework that will support law firms with staff retention and identifying appropriate professional development needs. This is a national first for a law society – supporting solicitors and support staff to undertake competency-based training to build their generic and practice area skills similarly to certified accountants and engineers.

In 2010/11, we progressed Project Connect by completing the tender process for selection of a new member relationship system, and identifying technical and business requirements for the new web offering and finance system. As in any large business project, we are carefully scoping our business needs and processes to ensure that we can implement the system on time and within the agreed budget.

Members will start to see the benefits of these new systems in 2012, enabling them to service more of their needs online and allowing Queensland Law Society to better tailor our communication about services and products to meet members' professional needs and interests.

We are building our internal capability by strengthening the professional skills of staff to ensure a great client service experience for all members, empowering them with ability to suggest and improve product and service enhancements and implementing a Member Service Charter.

Overlaying these strategic activities is preparation for change resulting from the upcoming National Legal Profession Reform. As we keep members informed of its progress and implications, we will need to ensure that we deal with the effects on our current regulatory responsibilities and manage the transition effectively and efficiently both for our staff and for our members.

Queensland Law Society's 2010/11 Strategic Plan provides a clear roadmap for the Society and our stakeholders. The plan outlines the Society's goals, how we intend to achieve them and how we will gauge success. The plan was developed to ensure the Society meets member needs and is in a strong position to support the vision of our members by striving:

“To be the leading legal professional membership association in Australia.”

Our members

A snapshot of our members

Comparing the Society of 2011 to that of 20 years ago, we have issued 9,021 practising certificates, three times the number in 1991 (3,626 as at 30 April 1991). There is also a notable trend towards employment in legal firms as opposed to being a sole practitioner. While there were 17percent sole practitioners in 2001, now only 11percent work alone in their own practice.

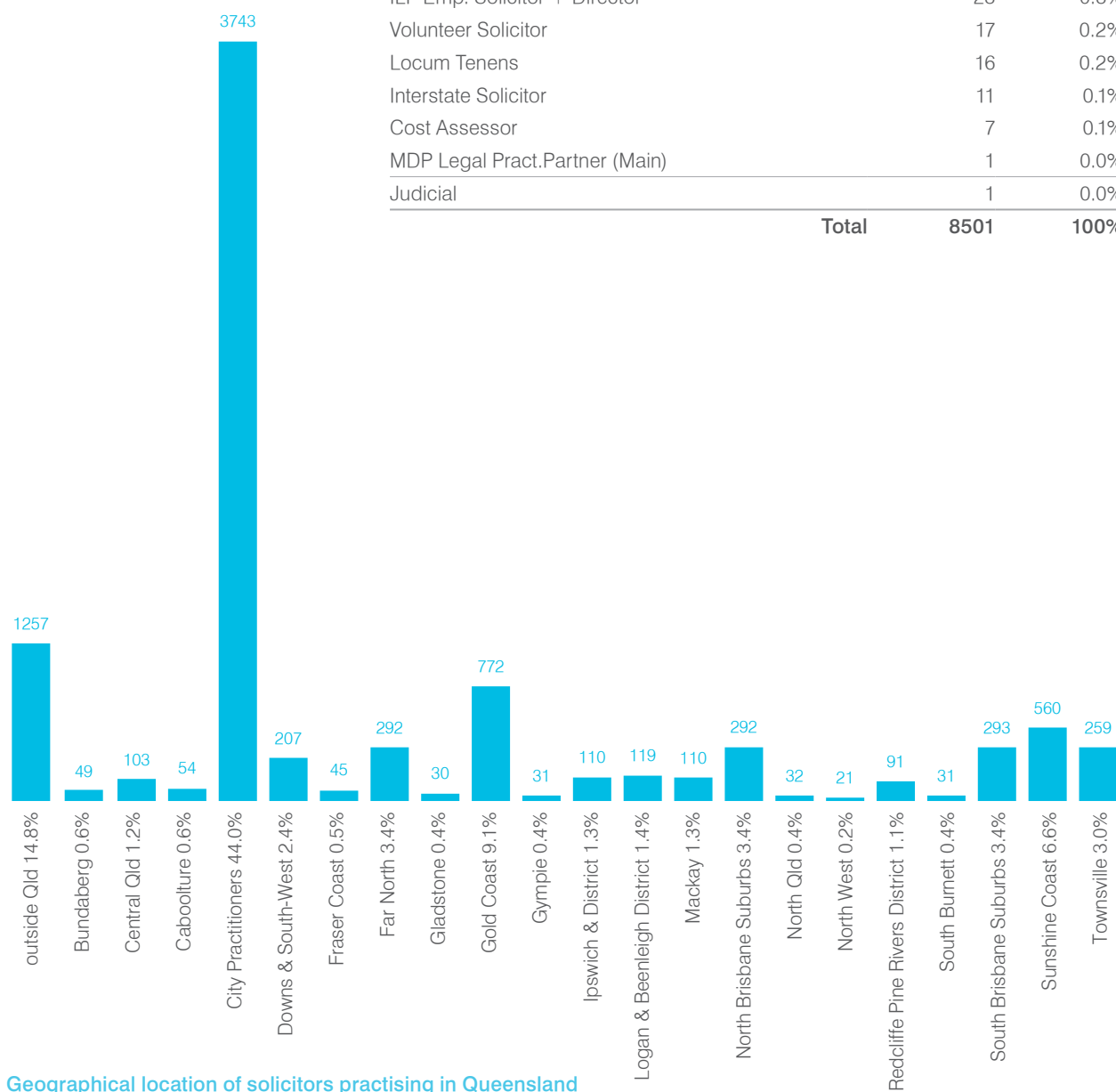
*Queensland
Law Society
membership
grew by
5.8percent
last year to
a record
11,413
members.*

*This figure
includes
8,501
full members,
2,304
student
members
(up 14percent
from last year)
and **608**
associate
members.*

Highlights of the year include:

- 9,021 practising certificates were issued, up from 8,590 in 2009/10, an increase of five percent. There are 151 more principals (restricted and unrestricted) than last year and 369 more practitioners have obtained an unrestricted employee practising certificate.
- Female legal practitioners represent 45.7percent of membership with a total 4,060 female QLS members (excluding student membership).
- 11percent of all full members are sole practitioners, 43percent are employed in a legal firm, nine percent work in corporate, while 2.6percent are government lawyers.
- Student membership has increased by almost 14percent with 2,304 student members as of 30 June 2011, representing about 20.2percent of total Queensland Law Society membership. This reflects the Society's initiative to ensure students are engaged and realise the benefits of membership, providing a direct connection between them and future employers in the profession.
- New and early career lawyers now represent 39percent of all full members – 3,336 members fulfil the criteria of having been admitted to practice for five years or less or are under 36 years of age. This membership group has decreased by 10percent from 2009/10 reflecting the reduction in the number of new legal practitioners being admitted to practice during the year.
- More than half the Society's full members are under 39 years of age, although the overwhelming majority of associate members are older than 40 years.
- 3,743 members practise in Brisbane city. There are now almost 300 fewer practitioners in the city than in the previous year, which represents a proportional decline of 2.3percent. At the same time solicitors in North Brisbane suburbs have decreased by 20.2percent and South Brisbane suburbs have reduced by 52.2percent from 2009/10 numbers. This is counterbalanced by the significant 56.9percent increase in practitioners outside Brisbane CBD and a 74.5percent growth on the Sunshine Coast. Overall, however, there has only been a marginal increase in the number of regional Queensland practitioners – up from 44percent in 2009/10 to 46.7percent in 2010/11.

Status of solicitors practising in Queensland	Number	Percent
Employed Solicitor	3659	43.0%
Sole Practitioner	933	11.0%
Partner	893	10.5%
Corporate	774	9.1%
Not Practising	529	6.2%
ILP Leg.Pract.Director (Main)	325	3.8%
Managing Partner	247	2.9%
Government	219	2.6%
Consultant	210	2.5%
Legal Aid	146	1.7%
Community Legal	131	1.5%
ILP Leg. Practitioner Director	128	1.5%
Local Government	59	0.7%
ILP Non Director Principal	47	0.6%
Government Agency/Commission	45	0.5%
MDP Legal Pract.Partner	44	0.5%
Academic	36	0.4%
ILP Emp. Solicitor + Director	23	0.3%
Volunteer Solicitor	17	0.2%
Locum Tenens	16	0.2%
Interstate Solicitor	11	0.1%
Cost Assessor	7	0.1%
MDP Legal Pract.Partner (Main)	1	0.0%
Judicial	1	0.0%
Total	8501	100%



Representing our members

Advocacy is one of the most important services Queensland Law Society offers the legal profession and general community. At its core, the Society's advocacy is about bringing our members' opinions to the attention of government, the judiciary and the public.

Producing 193 submissions is a major increase on the 166 submissions in the 2009/10 financial year, resulting from increased consultation with government and advocacy activity. Our submission output was an equal mix of reactive (ie responding to government action) and proactive (ie identifying an issue and its impacts, and proposing a way forward) activity. Our 26 Sections and Committees are vital to ensuring we keep our finger on the pulse of current issues and that government and other influential stakeholders hear the voice of our members. The clear rationale, vigorous activity and good judgement of submissions are reinforced by the 118 mentions our advocacy efforts received in Queensland Parliament in relation to legislation before government.

This year we published the inaugural *Advocacy Annual 2010/11*. The Annual provides an overview of the most important advocacy issues tackled by the Society this financial year, organised into areas of legal practice and broader concerns. It was designed to help members readily access details of recent legal issues on which the Society has advocated on their behalf. It covers the issues' backgrounds, our advocacy actions and the outcomes achieved. Free copies can be downloaded from qls.com.au

Queensland Law Society had an active and rewarding year advocating for law reform and issues of concern on behalf of our members. In 2010/11, we produced a record breaking 193 submissions on proposed legislation, highlighting issues and proposing changes based on expert advice received from QLS committees and members.

National Legal Profession Reform

One of the most important issues in recent years has been the shift to a national profession through National Legal Profession Reform. We have kept a watching brief on reform developments to ensure members are fully informed regarding its progress and potential changes and outcomes.

This reform represents the most comprehensive change to the legal profession in recent years and aims to provide practitioners with simple, uniform, Australia-wide regulations. It is hoped this will benefit practitioners by reducing the complexity and inconsistencies that apply to State-based regulation and will support the profession's role in an increasingly seamless national economy.

Queensland Law Society has been an active and vocal stakeholder throughout the reform process to ensure proposed changes benefit our members and the practice of law in Queensland. CEO Noela L'Estrange was one of two Queensland members of the Consultative Group prior to its being disbanded at the end of the consultation process in November 2010. The Society was keen to identify possible negative financial, regulatory or business impacts to members while maximising the potential benefits of nationalising the profession, such as easier practice between states and national consistency regarding costs disclosure and billing, admissions and practising certificates and complaints handling and professional discipline.

This year, the reform has advanced with the National Legal Profession Reform Bill presented to the Federal Attorney-General for review (to which Queensland Law Society provided significant input) and a determination by the Council of Australian Governments in early-2011 to review the reforms. The Law Council of Australia also endorsed the *Australian Solicitors' Conduct Rules*, on which QLS conducted its public consultation in November 2010.

Keeping members informed of developments and achieving the best possible outcomes in this major restructure of the profession are high priorities and we are committed to supporting members through the change process.

Membership categories

Honorary	23
Complimentary	58
Full	8501
Associate	546
Student	2304
Total	11413

Office of State Revenue

We successfully negotiated with the Office of State Revenue (OSR) during the period of natural disasters to obtain an extension for legal practitioners who are self-assessors for State duties purposes to make returns and meet their reporting obligations. This actively assisted and relieved some of the compliance burden on law firms disrupted by flood and cyclone damage.

The Society has also maintained a close liaison with OSR to deal with a number of issues arising in our members' practices. We continued to press OSR to ensure self-assessed duties transactions containing errors are identified and remedied at an early stage. We successfully lobbied OSR to change its verification and attestation wording for information entered into its OSR Connect system to be a reasonable level of undertaking for our members.

Legal Services Award 2010

A major change to legal practice management this year was the move to the *Fair Work Act 2009* with the *Legal Services Award 2010* covering specifically, for the first time, all employees in law firms. Legal practice staff covered by a Division 2B State Award, such as the old Queensland Clerical Employees Award, transitioned to the *Legal Services Award 2010* during the year. To assist our members with the transition, we published two updated versions of the comprehensive Queensland Law Society Introductory Guide to the Legal Services Award 2010 that contained information for employers, employees and detailed changes to obligations. The guide has been shared with other Australian law societies and appears on their websites with an acknowledgement of QLS.

Integrity Act

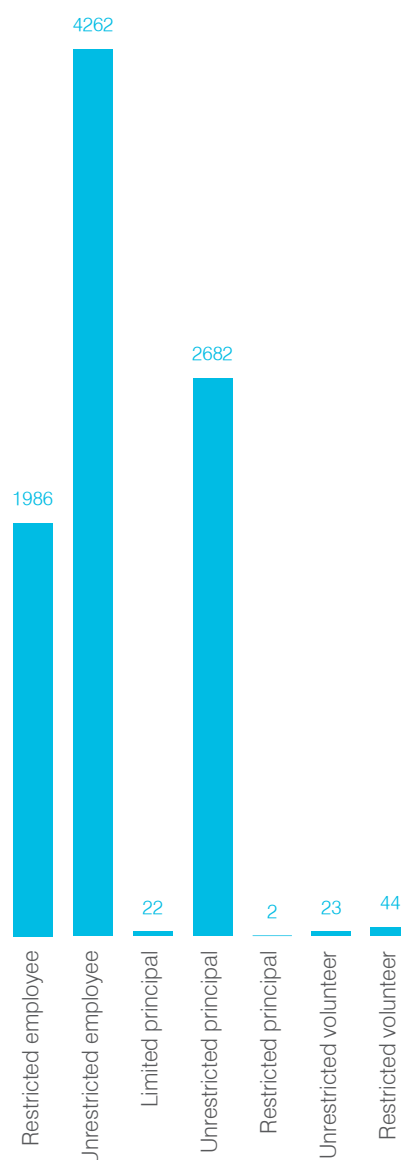
We successfully lobbied State Government in response to member concerns relating to the proposal that legal practitioners needed to register as lobbyists under the *Integrity Act 2009* when they spoke to public servants in the course of legal practice. The government made amendments to the Act to clarify the exclusion of legal practitioners from the lobbying provisions as well as clearly stipulating which activities were not considered lobbying under the Act such as contacting government officers when making a statutory application.

Moynihan Reforms of Civil and Criminal Jurisdictions

The *Criminal and Civil Jurisdiction Reform and Modernisation Amendment Bill 2010* introduced wide-ranging reforms to Queensland's justice system following a comprehensive review undertaken by the Honourable Martin Moynihan AO QC.

The Society wrote several submissions to the Department of Justice and Attorney-General on Stages 1 and 2 of the Moynihan Report Reforms. We attended roundtable discussions with the judiciary and meetings with the Attorney-General where we advocated on behalf of our members. The Queensland Government accommodated Society concerns with the Bill, especially in relation to pursuing disclosure by the police in criminal matters and in aspects of bail matters. Criminal Reforms Stage 1 passed through Parliament included Queensland Law Society recommended amendments.

The Queensland Police Service (QPS) agreed to an amendment of clause 21 of the Moynihan administrative arrangements for Society contact details to be included on the Notice to Seek Legal Advice form. QPS also plans to work with the Society to develop a list of independent legal advisors for use by people in police custody.



Practising certificates issued 2010/11



Gender of solicitors practising in Queensland

Penalties and sentences (Sentencing Advisory Council) reforms

Queensland Law Society's submission regarding the *Penalties and Sentences (Sentencing Advisory Council) Amendment Bill 2010* achieved some significant changes including:

1. That a person with a demonstrated background in the area of civil liberties should be included on the Queensland Sentencing Advisory Council.
2. An amendment to the *Appeal Cost Fund Act 1973* in line with the Society's concern for convicted persons whose appeal becomes part of or related to a guideline proceeding under the *Penalties and Sentences Act 1992*.
3. Amendment to the *Penalties and Sentences Act 1992* relating to child sexual offenders, so that in deciding whether there are exceptional circumstances, a court may have regard to the closeness in age between the offender and child. This amendment acknowledges that a lack of age disparity will be particularly relevant, for example, where the conduct involved consensual sexual contact between a young offender aged 17 years and a child aged 15 years.

Scrutiny of Legislation Committee

The Society made a number of submissions to the Queensland Parliamentary Scrutiny of Legislation Committee about whether Bills complied with fundamental legislative principles. The Society's submissions were welcomed by the Committee which tabled all QLS submissions in Parliament and quoted extensively from them in Committee Reports to Parliament.

In particular the Society's submission to the Committee about amendments to notice provisions for environmental harm under the *Environmental Protection Act 1994* caused the Minister to revisit the changes and make significant alterations to the proposals acknowledging they were in response to Society concerns. The Society's submission with respect to the *North Stradbroke Island Protection and Sustainability Bill 2011* was quoted by the Committee in its report to Parliament and was also reported in the media.

The Committee gave its full support to our recommendations about the *Transport and Other Legislation Amendment Bill 2011*. The recommendations called for the immediate suspension of drivers with a blood alcohol limit to remain at 0.15percent rather than the proposed 0.10percent, that there be no removal of the requirement that a police officer operating a breath analysing instrument must not be the police officer who arrested or detained the person and that the maximum time allowed to obtain a blood or saliva test for drink driving offences should remain at three hours rather than the proposed two hours.

Conveyancers

In response to QLS advocacy, we received confirmation from the State Government that it was not pursuing registration or practice of conveyancers in Queensland. This ensures that consumers of conveyancing services in Queensland have only the highest level of consumer protection.

Land valuations

We strongly opposed introducing legislation to restrict rights to object to statutory land valuations and to include the value of goodwill and commercial leases in the assessment of 'unimproved' value. In response to our and other stakeholders' concerns the Government consulted widely, scrapping previous laws and passing the *Land Valuation Bill 2010*. The new site valuation system implemented by the Bill contained many of the suggestions of the Society and brought a fair and balanced objections and appeal process for land owners.

Conveyancing and swimming pool legislation

The Queensland Government accepted the Society's recommendation that parties in a sale transaction have 90 days after settlement to obtain a swimming pool safety certificate. There was also agreement with Society proposals for a single pre-contractual disclosure form to be given to discharge disclosure obligations for swimming pool safety certificates at both pre-contract and pre-settlement stages.

The Real Estate Institute of Queensland accepted Society proposals for amendments to the standard conveyancing contracts to adequately protect buyers where sellers were not providing swimming pool safety certificates prior to settlement.

We successfully negotiated for updates to the standard House and Land Sale Contract and Residential Lots in a Community Titles Scheme Contract which took effect on 1 July 2010, taking into account the Commonwealth unfair contracts laws and the decision in *Rignall v Thompson* in relation to penalty clauses.

The Society also lobbied strenuously for changes to the body corporate lot entitlement reforms proposed by the Minister for Tourism and Fair Trading. We were successful in removing unimproved land value as a method of setting body corporate lot entitlements in the proposals.

Retail shop leases

The Attorney-General tabled in Parliament amendments to the *Retail Shop Leases Act 1994* advocated for by Queensland Law Society. The Minister acknowledged in a letter that he had taken account of and specifically addressed our concerns in the amendments.

Elder law

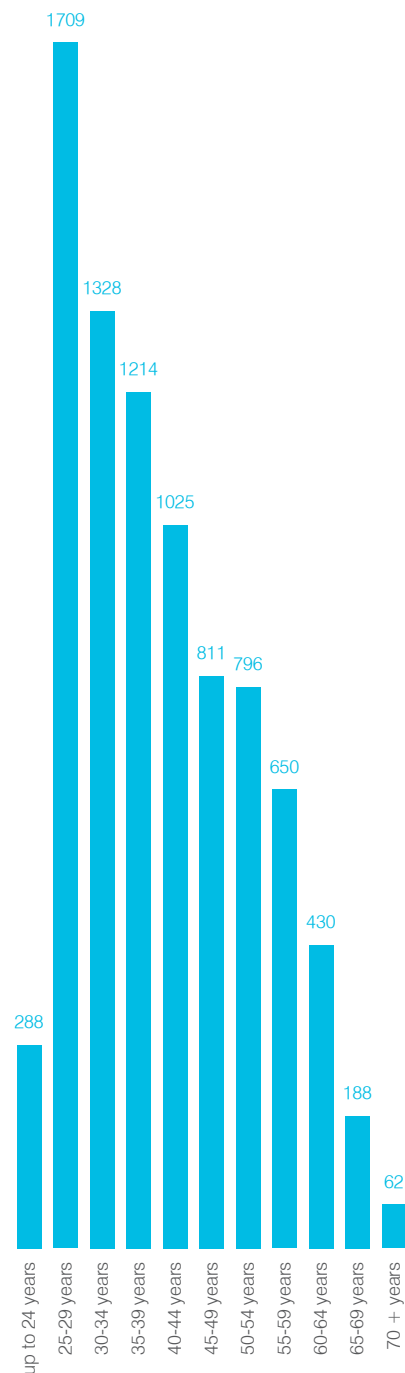
After public consultation, the *Joint Issues Paper on Elder Abuse* was launched by the Society in association with the Office of the Public Advocate. Significant feedback received from both the public and government agencies informed the report that responded to the Joint Issues Paper. This was prepared and will be provided to the Department of Attorney-General for consideration in July. The report makes a number of specific recommendations relating to the need to strengthen the laws affecting elderly Queenslanders, particularly in the areas of guardianship, tort law, workplace health and safety, criminal law and civil procedure. It is available at qls.com.au

The Office of Fair Trading adopted the Society's recommendations for considerations for the registration of retirement village schemes as well as the Society's recommendations on cooling off periods. Currently, prescribed cooling off periods for lots and residential properties in retirement villages are different, causing confusion. The Society sought complementary cooling off periods for both. This recommendation is under consideration by the Government.

We also successfully advocated to the Productivity Commission for better access to interpreters in aged care with the Law Society of NSW endorsing our submission.

Succession law

The Supreme Court adopted Queensland Law Society recommendations regarding removing the requirement of testamentary capacity for probate applications and the wording for the new *Uniform Civil Procedure Rules (UCPR)* probate affidavits. The Chief Justice acknowledged the Society as an important stakeholder with respect to Chapter 15 amendments to the UCPR.



Age of practising solicitors
(full members only)

Children's Court

As a result of our extensive advocacy on this issue, the Department of Justice and Attorney-General has recognised the Society as a relevant stakeholder and agreed to engage us in their continuing work on the amendment of the *Children's Court Rules*. Being considered a stakeholder is a major step forward for the Society as we have strongly advocated for change in the area of children's law.

Advocacy with the Law Council of Australia

The Law Council of Australia adopted the Society's recommendations with respect to amending the *Commonwealth Acts Interpretation Act* definition of "de facto partner" in order to eliminate discrimination on the basis of sexual orientation and sex and gender identity.

The Council agreed with our position and quoted Society submissions regarding turnaround times for the scrutiny of legislation in its response to the *Human Rights Parliamentary Scrutiny Bill*.

The Law Council of Australia also adopted the Society's call for greater clarity and certainty for the obligations of parties to litigation under the *Civil Dispute Resolution Bill*.

Migration Amendment Bill

Queensland Law Society's policy positions were adopted and extensively quoted in the Law Council of Australia's submission on the *Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011*.

The Society had serious concerns about the ability of a Minister to refuse, grant or cancel a visa on character grounds. We suggested that the Federal Government of Australia investigate why offences are being committed instead of criminalising behaviour that occurs in detention facilities and deeming failure of the character test. We note that individuals in immigration detention have been deprived of their liberty in the absence of any offence and believe when detaining asylum seekers, it is essential the conditions of their detention be humane and promote respect for their inherent dignity. We also expressed concerns about the retrospective effect of key amendments in the Bill and believe that retrospective application of legislation may have negative implications for the rule of law in Australia and for Australia's human rights obligations internationally.

Trafficking of people

The Law Society made submissions to the Federal Attorney-General and the Law Council of Australia regarding the guidelines for non-government organisations working with trafficked people and to the Senate Standing Committee on Legal and Constitutional Affairs regarding the *Anti-People Smuggling and Other Measures Bill 2010*. We were also involved in a University of Queensland public awareness raising campaign, *Be Careful What You Pay For*.

The Society's comments on mandatory minimum sentences for this crime were quoted in the Senate Legal and Constitutional Affairs Legislation Committee's Report on the Bill.

New Federal Court Rules

Justice Lander of the Federal Court adopted the Society's recommendations in relation to the draft Federal Court Rules, in particular the Society's recommendation that the rules allow a solicitor to file a notice of change of solicitor.

Franchising

The *Franchising Bill 2010* (WA) was referred to the Lower House Standing Committee following strong advocacy from the Society with a submission circulated to all WA MPs and the Franchise Advisory Centre. The WA Standing Committee invited the Society to participate in a public hearing on discussion of the *WA Franchising Bill*. The committee adopted the Society's recommendations in relation to the Bill and extensively quoted the Society in its report.

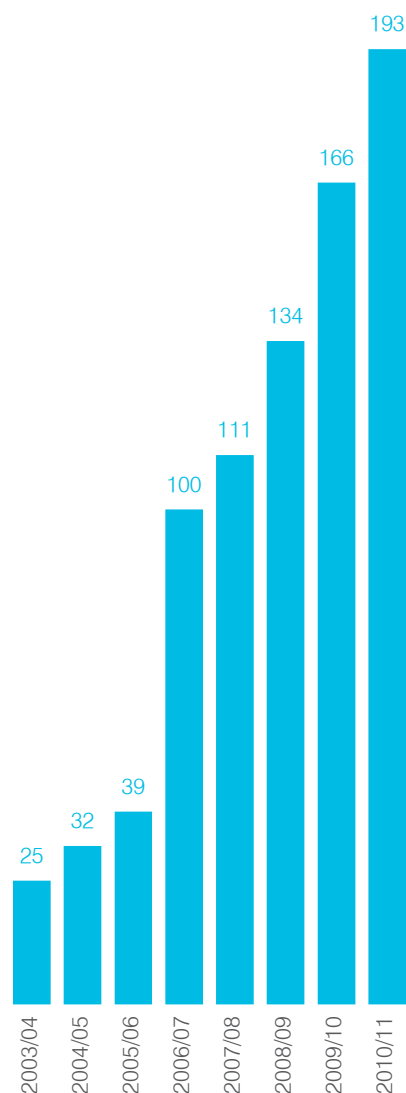
NSW Criminal Procedure Act

The NSW Legislative Council Standing Committee on Law and Justice adopted our recommendations in their inquiry into judge-alone trials under section 132 of the *Criminal Procedure Act 1986*. The inquiry led to the adoption of the recommendations as part of the *Courts and Crimes Legislation Further Amendment Act 2010*. The amendments commenced on 14 January 2011, and have significantly changed the operation of judge-alone trials in NSW.

More information on advocacy and other activities of our Sections and Committees can be found on page 51.

Comparative results for 2010/2011

	2010/2011	2009/2010
Submissions	193	166
– Proactive	98 (51%)	78 (47%)
– Responsive	95 (49%)	88 (53%)
Requests for Comment	155	141
Articles, Notices & Publications	256	213
Consultative Events	116	108
Policy Section/Committee meetings	130	135



Our advocacy 2003-2011
(number of submissions)

Queensland Law Society is the dynamic hub of Queensland's legal community, providing members with leadership in law. Member services include access to a network of peers and specialists in areas such as practice support and ethics and provide a range of events and opportunities at which members can share ideas and learnings. The Society aims to provide members with a sense of collegiality and foster supportive industry and professional networks.

Professional guidance on ethics

Our Ethics Centre supported both membership and Council by representing the legal profession at legal professional bodies during 2010/11. These included the Law Council of Australia's Professional Ethics Committee and the Joint Law Societies' Ethics Forum hosted by the Law Institute of Victoria. We played a major role in the development of the Australian Solicitors' Conduct Rules which will be introduced in 2011/12 in the majority of Australian jurisdictions as part of the National Legal Profession Reform. We continued dialogue with ethics departments in other Australian jurisdictions, regulators and academics.

The Centre answered nearly 3,000 calls this financial year, in line with last year's demand. Many inquiries to the Society's Ethics Centre related to the 2011 floods and how to deal with issues arising out of the disaster as well as inquiries relating to wills, costs and litigation.

The Ethics Centre has continued its ethics training in university law schools and provided learning ethics seminars in regional Queensland and Brisbane, as well as Victoria and the Northern Territory, continuing its role as a leader in legal ethics, information and support.

Following last year's successful launch of the Australian Lawyers' Ethics website, we had an increase in the use by members of the profession and the public, nationally and internationally. Extending this program is an innovative online ethics training facility available through the QLS learning seat training resource.

There were 20,026 visitors to our Ethics website during 2010/11, comprising 72.77percent new visitors and 27.23percent return visitors.

The Society's Senior Counsellors service continued to provide confidential advice to members, specifically on professional or ethical problems during the year. This included providing advice in situations where matters may need to be reported to the Society and where notification should be made to a professional indemnity insurer.

Senior counsellors continue to be an invaluable resource in providing a sounding board for members on employment matters and managing conflicts. We would like to thank all senior counsellors for their ongoing support of the profession.

Senior counsellors and their locations for 2010/11 as at 30 June 2011.

Brisbane

J R Byrne	James Byrne & Rudz	BRISBANE
P D Carne	Public Trust Office	BRISBANE
P L Cooper	Cooper Grace Ward	BRISBANE
G M Cranny	Gilshenan & Luton Legal Practice	BRISBANE
J P Kelly	Corrs Chambers Westgarth	BRISBANE
M O Klug	Clayton Utz	BRISBANE
J G Mann AM	McCullough Robertson	BRISBANE
M A Miller	Quinlan Miller & Treston	BRISBANE
G A Murphy AM	MurphySchmidt	BRISBANE
T A Nulty	DLA Piper Australia	BRISBANE
T P O'Gorman AM	Robertson O'Gorman	BRISBANE
R G Perrett	Clayton Utz	BRISBANE
W T Purcell	Purcell Chadwick & Skelly	BRISBANE
G J Vickery AM	Norton Rose Australia	BRISBANE
G J Hutchinson	Cooke & Hutchinson	REDCLIFFE
M B Conroy	Conroy & Associates	TOOWONG
G C Fox	Fox Bradfield Lawyers	SOUTH BRISBANE
A MacGillivray AM	QPILCH	SOUTH BRISBANE
R V Forgione	Forgione Lawyers	ALGESTER
J A Nagel	John Nagel & Co	MOUNT GRAVATT

Gold Coast

W G Jones	Jones Mitchell Lawyers	SOUTHPORT
W M Potts	Potts Lawyers	SOUTHPORT
R B Attwood	Richard Attwood	BILINGA
P M Fallu	Dales & Fallu	IPSWICH
J S Rees	ReesLaw	TOOWOOMBA
T M Sullivan	Davidson & Sullivan	TOOWOOMBA
K M Walker	Walker Lawyers	TOOWOOMBA
N D Maxwell	Maxwell Solicitors	WARWICK

Sunshine Coast

G W Ferguson	Ferguson Cannon	MAROOCHYDORE
M D Bray	Bradley & Bray	NAMBOUR

Atherton

F J Liston	Lilley Grose & Long	ATHERTON
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Ayr

B J Baxter	Ruddy Tomlins & Baxter	AYR
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Bundaberg

T W Young	Young T.W.	BUNDABERG
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Cairns

R J Beer	MacDonnells Law	CAIRNS
A L English	Bottoms English	CAIRNS
R J Reaston	Reaston Lawyers	CAIRNS
G R Smith	Mellick Smith & Associates	CAIRNS

Cannonvale

J C Ryan	Whitsunday Law	CANNONVALE
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Douglas

R C Barnes	JCU – Division of Finance and Resource Planning	DOUGLAS
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Gympie

G R Neilson	Neilson Stanton & Parkinson	GYMPIE
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Gladstone

C A Trevor	Chris Trevor and Associates	GLADSTONE
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Innisfail

V J Vandeleur	Vandeleur & Todd	INNISFAIL
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Mackay

A P F Ghusn	Macrossan & Amiet	MACKAY
G C Paterson	Macrossan & Amiet	MACKAY
J C Taylor	Taylors Solicitors	MACKAY

Rockhampton

A R Batts	Connolly Schirmer & Batts	ROCKHAMPTON
V N Jackson	South & Geldard	ROCKHAMPTON
J L Shaw	Swanwick Murray Roche	ROCKHAMPTON

Townsville

P R H Elliott	Giudes & Elliott	TOWNSVILLE
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*Our Ethics
Centre
answered
nearly
3,000
calls.*

Using technology to enhance our member offering

Project Connect

This strategic project began this year and is all about connections, in particular connecting us with our members and connecting members. It will help us transform our business processes and practices, improving their efficiency and our ability to deliver exceptional service to our members.

The project includes three components:

- Integrated Management Information System (iMIS): the core component of the member relationship management (MRM) system that will upgrade systems we use to assist our members (such as our records and event management systems)
- A new web offering comprising a new-look website, a new Content Management System (CMS) – central to upgrading our website and improving internet-based services for our members – and supporting an improved ability to search for content
- Finance system: key to modernising our processes for external transactions and internal business management so they are quicker and easier to perform.

Incorporating these three major elements of service delivery in an integrated system will provide members with an improved online experience and enable the Society to deliver information that is tailored to each individual member while also helping us respond quickly to meet member needs.

Significant planning and initiation activities were undertaken this year in preparation for 2011/12 delivery. These included:

- identifying and documenting business requirements
- selecting a vendor for the MRM system through a tender process – which saw a contract awarded to Advanced Solutions International (ASI)
- commencing the selection process for replacement Web Content Management and Finance systems
- progressively replacing core hardware where required, such as servers.

Online practising certificates and membership renewals

Positive member response to online renewals of practising certificates and membership was evidenced in a 34percent increase in take up.

Members provided direct feedback that the process was quick and easy to complete. Electronic practising certificates were again offered to practitioners with a 12percent increase in delivery.

In the 2010/11 financial year, Queensland Law Society implemented and undertook significant activity on a range of major technology and business improvement projects to make it easier and more convenient for members to interact with the Society and meet their information needs.

Website enhancements and usage

The site provides a rich environment from which members can keep up to date with the latest professional news, standards, regulations and legislative changes, manage and develop their career and access a comprehensive range of practising resources. Highlight website enhancements in 2010/11 included:

- providing the ability to search and filter event information according to interests and locations into the Conferences and Seminars Calendar.
- creating new website sections in response to emerging needs and service enhancements such as Queensland Flood Disaster Support and planning and development of the e-elections section.
- adding 'Find a Solicitor' functionality that enabled users to do geographic searches and have the results displayed with Google Maps.

The use of the Find a Solicitor referral page increased by 2.26percent in 2010/11 with people accessing this valuable function more than 264,000 times, a total of 1.2m search results.

Find a Solicitor search results (by search type)

Find a Solicitor by online referral*	Find a Solicitor by name or location
Pageviews 19,810 % of total: 1.61% (1,224,716)	Pageviews 579,276 % of total: 47.29% (1,224,716)
<small>*QLS' referral list assists members of the public to identify practitioners who may be able to assist them with their specific legal requirements in a particular area of law.</small>	
Find a law firm	Find an Accredited Specialist
Pageviews 595,833 % of total: 48.65% (1,224,716)	Pageviews 20,537 % of total: 1.67% (1,224,716)
Find an approved mediator	Find an arbitrator
Pageviews 3,860 % of total: 0.31% (1,224,716)	Pageviews 316 % of total: 0.02% (1,224,716)

	Visits	Pages/visit	Avg. time on site	% new visits
1 Jul 10 – 30 Jun 11	642,550	6.43	00:03:10	26.56%
1 Jun 09 – 30 Jun 10	573,050	4.80	00:02:39	26.89%
% increase/decrease	12.12%	39.95%	19.49%	-0.01%

Queensland Law Society is continually looking for ways to improve its current website to increase its usability and information accessibility. During the year a significant review of the current website was undertaken that considered member feedback and usability testing results, with the website identified by members as an important, highly valued information channel. The review included website information architecture and ease of navigation. These findings will be fed into our web improvements as part of Project Connect.

Our commitment to continuous development and enhancement of the site saw more than

half a million

visitors access qls.com.au this year, with more than 12percent growth in new site visitors.

Dispute Management Centre/Authorised Nominating Authority

Queensland Law Society's Dispute Management Centre represents the Society and its members by liaising with the national mediators' body, the Mediator Standards Board, on issues of accreditation, promotion and funding.

The centre promoted its nationally accredited mediators by forwarding its list to a range of financial and government departments and organisations. The centre continues to promote the Society's Authorised Nominating Authority and forwarded a referral list of legal practitioners specialising in the *Building and Construction Industry Payment Act* to 29 trade organisations.

We
answered
850
practice
support
inquiries.

Practice support

We extended our member practice support in 2010/11, through initiatives such as the Limitation of Liability Scheme and Legal Business Monitor service, and individualised, hands-on assistance from Society staff.

We answered more than 850 inquiries in relation to practice structures, cost issues and a range of other practice management issues. As a result of those inquiries we now incorporate a regular practice management section in *Proctor* to answer more common inquiries and educate a wider audience.

Our commitment to provide practical support to all our members resulted in the publication of new resources, such as the *Starting Practice Checklist*, the *Legal Practice Management Software Solutions Review*, the *Business Development and Marketing Guide* and the *Guide to Working with Self-represented Litigants*. We launched the Legal Business Monitor service to help firms assess their performance against benchmarking data. The monitor delivers a report and evaluation on increasing profitability and improving cash flow. This year 38 practices signed up for this service.

The QLS IR Assist Service, which was set up to assist QLS members with industrial relations, human resources and occupational health and safety advice, answered more than 200 calls during the financial year. Members are able to ensure they are complying with IR/HR & OHS Employer obligations, be updated on changes and have an industry specialist partner help them address issues as they arise.

We actively participated in the Law Council of Australia Working Group on Recruitment and Retention that developed the RRRLaw initiative and website that highlights the benefits of practising law in rural, regional and remote (RRR) areas of Australia. The aim of the initiative is to attract and retain solicitors in these areas.

Other services providing professional guidance included free and confidential counselling for members through independent organisation, LawCare, and access to the Society's network of senior counsellors.

LawCare is a fully funded service for members, their immediate family members and their support staff. During the year, 379 people used the service for various work-related and personal reasons, which was a 25percent increase on the previous financial year, of 282.

Professional development

During 2010/11 we supported practitioners to improve their legal practice business skills through extensive offerings in our practice management course. The course materials and tutorials were further tailored to ensure a high level of practical relevancy for law firms by providing additional value resources such as articles and DVDs. Course materials were also supplied on USB sticks for portability, office use and sharing resources. Feedback from the 175 candidates who successfully completed the course stated a high satisfaction rate with both the program and resources.

Our professional development team works in close collaboration with Queensland Law Society Sections and Committees, Specialist Accreditation Committees, District Law Associations, event partners such as the Australian Insurance Lawyers Association (AILA) and Family Law Practitioners' Association of Queensland (FLPAQ) and other stakeholders including the judiciary, Lexon Insurance, the Office of State Revenue and Work Cover to provide a range of events, seminars and conferences for the legal profession.

Our professional development program attracted 6,425 attendees in the financial year. This program included:

- 14 major conferences including annual conferences on alternative dispute resolution, elder law, personal injuries, conveyancing, succession law, property law and business law as well as the annual Government Lawyers' Conference. We hosted the Vincents' 49th Annual Symposium, the annual Insurance Intensive (developed in partnership with AILA), the Third National Access to Justice and Pro Bono Conference and the Calabro SV Consulting 25th anniversary Family Law Residential (developed in partnership with FLPAQ).
- 65 short seminars and workshops held in Brisbane and made available throughout the State via our videoconference network in Airlie Beach, Atherton, Beenleigh, Bundaberg, Cairns, Cannonvale, Dalby, Emerald, Gladstone, Gold Coast, Gympie, Goondiwindi, Hervey Bay, Ipswich, Mackay, Mount Isa, Redcliffe, Rockhampton, St George, Sunshine Coast, Surfers Paradise, Toowoomba and Townsville (the network is supported by the Queensland Law Foundation).

Attendance at seminars and conferences was up 9percent on the previous year. Those unable to attend could gain CPD points through the purchase and viewing of DVD resources.

A highlight of our professional development program was the third National Access to Justice and Pro Bono Conference, delivered in partnership with the Law Council of Australia and the National Pro Bono Institute. More than 300 delegates and speakers attended this conference which was held in Brisbane on 27-28 August 2010 where themes of resourcing, funding and partnerships were explored. The four concurrent streams on offer over the two days addressed current issues in criminal justice, pro bono, civil/family law and partnerships/emerging needs. The Society successfully secured keynote presentations by leading world expert on pro bono practice, Ms Esther Lardent, (President and CEO of the Pro Bono Institute, Washington DC), along with the American Ambassador to Australia, Jeffrey L Bleich.

Another well-received event, held in partnership with Legal Aid Queensland and the Aboriginal and Torres Strait Islander Legal Service, was a free member seminar: *Communication skills and cultural considerations*. This event was specifically designed to support practitioners who represent Aboriginal and Torres Strait Islander clients. Nearly 100 people from partner agencies, Community Legal Centres and the private profession across Queensland attended the seminar that focused on indigenous languages and cultures in Queensland, a linguistics exercise for translating into Standard Australian English, an exploration of intercultural communication issues, and practical techniques for communicating when representing Indigenous clients.

Top right: Member seminar – Communication Skills and Cultural Considerations **Middle:** American Ambassador to Australia Jeffrey L Bleich **Bottom right:** Ambassador Bleich; Glenn Ferguson, Managing Director Ferguson Cannon Lawyers and Immediate Past President, Law Council of Australia; The Honourable Justice Margaret A McMurdo AC, Supreme Court; Peter Eardley, Eardley Motteram and Immediate Past President, Queensland Law Society and Bruce Doyle, Queensland Law Society President.



6,425
attendees
at PD events.

14
major
conferences
held.

65
short seminars
and workshops
held in Brisbane
and made
available to
regional areas
on DVD.

Regional workshops

Approximately
1000
regional and
rural members
reached via
these workshops.

Supported by the Queensland Law Foundation, nine full-day regional workshop programs were held throughout the State. These canvassed legislative and case updates in key practice areas such as family law, wills and estates, criminal law and property law, as well as practice support topics on ethics, costs and practice profitability. We included special resilience sessions open for members and support staff on awareness of stress and depression. These sessions, delivered by professionals from LawCare and focused on building personal wellbeing, received positive member feedback.

Approximately 1,000 regional and rural members attended these workshops in Rockhampton, Townsville, Mackay, Hervey Bay, Sunshine Coast, Toowoomba, Kingaroy, Mount Isa and Emerald.

In Cairns and the Gold Coast we delivered a 'best of' the Brisbane Symposium program while we supported both the North Queensland Law Association and Central Queensland Law Association in the delivery of their respective annual regional conferences in 2010 and 2011 (see Supporting our regional members on page 34).

More than 100 regional members also took the opportunity to join the four Specialist Accreditation Assessment Briefing Evenings via teleconference in addition to receiving free DVDs of the evening.

2011 Emerald regional workshop feedback

I would like to thank the Queensland Law Society for the presentation of the workshop. I found it relevant and helpful and thank the Society for bringing it to Central Queensland. In order to practice in rural and remote locations, solicitors need this sort of support and dispensation of fees, for the conference is integral to offsetting the hardships of remote practice. Thank you. Do it again.

Delegate feedback from the AILA and QLS Insurance Law Intensive 2011

Good program, well organised, good venue especially for families with small children.

I really enjoyed hearing from the re-insurer and underwriter perspectives about the underlying market forces that drive the industry.

Delegate feedback from the Vincents' 49th Annual Symposium 2011

I can only rate all aspects highly; congratulations on a professional and well managed Symposium.

It was a great networking experience particularly for newly admitted solicitors.

Exceptional content, well organised.



1



2



3



4

Family Law residential dinner

1. Robyn & Peter Duffield, Gemma Busch
2. Chris & Brooke Neville
3. Szu-Ting Hu, Katheryn Smith, Amecia Trotman, Katherine Ross, Amy Honan, Claire McCormack, Belinda Jeffery and Linda Cannings

4th Annual Gold Coast Symposium 2011

4. Paul Lucas, Arlette Giudes, Raoul Giudes, Wendy Mulcahy
5. Derek Cronin, Nick Hatcher, Penny Riasschou, Mary Atallach
6. The Honourable Michael Kirby AC CMG



5



6



7

Specialist accreditation graduates with The Honourable Paul de Jersey AC, Chief Justice of Queensland, Dr Norbury Rogers AO (Chairman of the Board of UniQuest) and Peter Eardley (2010 President of the Queensland Law Society)

7. **Back row:** Michael Cridland, Sarah Davies, John Faulkner, Peter Arthur, Graham Dietz, David Adolphe, Charles Massy, Alicia Hill

Front row: Peter Eardley (2010 QLS President), Nicholas Dore, Darrell Kake, Chief Justice Paul de Jersey AC, Megan Driscoll, Benjamin Willis, Mitchell Devine, Nigel Inglis, Dr Norbury Rogers AO (Chairman of the Board of UniQuest)

National Access to Justice and Pro Bono Conference 2010

8. Natasha Mokrij, Megan Lane, Kerry Davis



8

The Vincents' 49th Annual Symposium 2011

9. Attorney-General Paul Lucas

10. Platinum sponsors Vincents' Chartered Accountants

11. **From left:** Matthew Stutsel, Cash Thomson, Bruce Doyle, Damien Carrick and via video-conferencing, John McShane

12. Phil Eldridge OAM



9



10



11



12

Specialist accreditation

In 2010, 23 candidates took part in specialist accreditation programs in business law, criminal law, commercial litigation, workplace relations and immigration law. 15 of these 23 candidates achieved accreditation – a five percent increase on when these programs were last offered.

2010 graduates attended the annual Christmas Breakfast with the Chief Justice/Specialist Accreditation Graduation which drew a record 224 attendees.

We introduced new initiatives to promote the areas of accreditation offered by the Society. These included restructuring the annual Specialist Accreditation Information Evening to provide potential candidates with first-hand information from a panel of newly accredited specialists, and holding discussion groups with members of the Advisory Committees. The level of interest resulted in 91 practitioners, 3.5 percent more than last year, applying for accreditation in 2011 and 88 being formally accepted into the program. We now have more than 200 expressions of interest for the 2011 programs.

To improve support offered to the 2011 candidates, Detailed Assessment Briefing Evenings were held to provide valuable information on how to prepare and sit assessment. Candidates had access to a 'mentor bank' of newly accredited specialists.

For current accredited specialists, we developed a new seminar to help them promote their qualifications to the profession and the public. 'Marketing your Specialisation' was the first of an expected quarterly additional offering.

Learning and development

The development of a competency-based Learning and Development Strategy acknowledges the intent of the Society to form a professional partnership with its members to ensure a flexible and integrated approach to current and future member skill development as well as develop professional competencies.

As a result of member feedback requesting a conveyancing course for paralegal staff, we offered a new course in conveyancing for the first time in 2011. 19 students took part in the first paralegal training course with 11 students successfully completing the assessment.

91
*practitioners
applied for
accreditation.*

200
*expressions
of interest
for 2011
programs.*

4,100

*calls from
law practices
seeking trust
accounting
advice.*

210

*audits were
undertaken
this year –
an increase
of 5%.*

Lexon Insurance

Through our wholly owned subsidiary, Lexon Insurance Pte Ltd, we provide comprehensive professional indemnity insurance for our members at competitive rates.

Lexon also provides in-house risk management consultations to improve member risk management practices and reduce forward claims. During the year, Lexon's risk management team conducted 531 risk workshops and conference sessions attended by more than 2,862 members and employees.

In 2010/11 Lexon paid out \$23.2m in claims (after claim recoveries and excesses but before reinsurance recoveries). Claim volumes were steady with the last five years showing a continuing downward trend from the initial years of the scheme. These figures provide clear evidence of the benefits of a more proactive approach to risk management for members.

Supporting the maintenance of professional standards

This year we experienced a 22percent increase in demand for trust accounting guidance, with 4,100 inquiries received from law practices and external examiners. This year's member research highlighted trust accounting advisory assistance as being a core service of the Society.

The Society undertook 210 audits in 2010/11. We continued to provide guidance on the implementation of best practices and procedures for keeping trust accounting records.

During the year, we investigated 399 complaints about practitioners from the Legal Services Commissioner – down from 421 in 2009/10 – of which 256 were finalised. The Legal Services Commissioner made decisions on 214 of the complaints we investigated and in more than 96percent of the cases, agreed with the Society's recommendations.

The Society continues to administer the Fidelity Guarantee Fund (FGF) scheme, a fund established to reimburse individuals who have suffered financial losses as the result of dishonest or fraudulent trust account dealings of a law practice. 12 notification files were opened for potential FGF claims in the last financial year, with estimated payments totalling \$75,000. The balance of the fund as at 30 June 2011 (after providing for all known and anticipated claim payments) was \$12.9m, up from \$9.6m as at 30 June 2010, reflecting a 34percent increase during the 2010/11 year. Total income for the FGF was \$3.7m, comprising practitioner contributions of \$2.8m, interest on investments of \$800,000 and recoveries of \$100,000.

Publications and communications

Our flagship monthly magazine *Proctor* continued to raise awareness of legal issues and the Society's advocacy work during 2010/11, as well as keeping members informed about professional development opportunities, practice support advice and the latest legal profession news.

Proctor remains one of the most valued and highly regarded services Queensland Law Society offers. Last year circulation grew by six percent to 9,283 subscribers and the magazine underwent a major redesign which received positive member feedback. Each monthly edition in 2011 had a particular theme with all practitioners encouraged to submit articles. In addition, the regular travel and dining columns now highlight a different region of Queensland in each edition.

QLS Update, our weekly wrap up of the latest legislative news, events and professional advice has 8,560 practitioner subscribers, an increase of seven percent from 2010/11. Released fortnightly, *Legislation Update* provides information on the latest changes to Queensland legislation and has approximately 9,400 subscribers, a 1.4percent increase from last year. *PD News* continued to keep practitioners abreast of the Society's extensive professional development.

More than 118 law firms subscribed to the *Newsletter of the Law* service, providing those firms with a convenient business development tool to distribute to their current and potential clients. The newsletter enables firms to tailor articles to suit their practice and build their reputation as a service provider with their finger on the pulse of the latest legal issues. Subscription to this service increased by almost seven percent from the previous year.

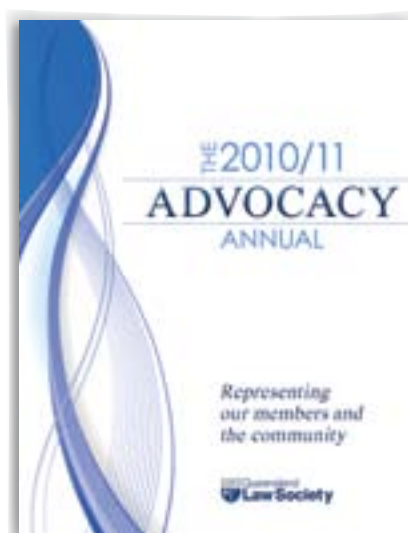
As part of the new focus of our community engagement strategy, we have refreshed and renamed the former *SCES Update* newsletter, changing it to *Q-mmunity Legal News* which is received by 462 members of the broader community. It provides comprehensive updates on legislative developments, links to resources and community events and activities. The Society's former community publication, *The Verdict*, was published for the last time in April 2011 but all past editions are available on the Society's website.



Professional guides and directories

This year, Queensland Law Society added to its extensive publications portfolio designed to support members' practice of law and build their practice management skills. These publications were developed in response to legislative changes and to promote the profession to key stakeholders. In addition, the combined *Queensland Law Society Diary* and *Legal Directory* continued.

Resource title	Release
Swimming pool legislation information	November 2010
Starting your practice checklist (Practice Support Series)	March 2011
Self-represented litigants guide (Practice Support Series)	February 2011
Legal practice management software solutions review (Practice Support Series)	June 2011
Body corporate legislation information	April 2011
The 2010/11 Advocacy Annual	June 2011
Guide to marketing and business development (Practice Support Series)	June 2011
Elder abuse report	June 2011



A major annual event for Queensland Law Society publications is the *Queensland Legal Salary Survey Report*. For the third consecutive year, we worked with recruitment specialist Hays Legal to produce the report, which provides a guide to salaries and recruitment trends for the Queensland legal profession. This report is an essential resource for law practices – helping members determine where they are positioned in the market and supporting employer decisions on appropriate remuneration packages for potential candidates and remuneration reviews. The success of the report is due in large part to the participation of employers and employees from every level within the legal profession, ensuring data and findings accurately reflect the current status of the profession and we thank all those members who contributed.

Library and research services

Queensland Law Society continued its valued comprehensive information and research service for members with the Supreme Court of Queensland Library. Member requests are treated with priority and requests this year took an average of just 9.1 minutes to process – 1.2 minutes faster than last year's average. A total of 2,701 research requests were processed by the library, equating to 1,378 hours of research time saved by members.

Members visiting the Supreme Court Library took advantage of up to 50 pages worth of free photocopying or printing a day with the library receiving 585 requests, totalling 20,389 pages.

The library continues to provide round-the-clock access to online collections via the library catalogue, as well as updater services for members through its free *Queensland Legal Updater* bulletin and makes regular contributions to *Proctor*.

A consolidated record of the year's legal developments is published by the Supreme Court Library in its annual *Supreme Court History Program Yearbook* series.

Business supporters

Throughout the year, Queensland Law Society continued our Business Supporters Scheme that links members with quality products and services from select companies and organisations. We thank all our business supporters for this year.

At 30 June 2011 these were:

Area of business	Company
Accounting	Calabro SV Consulting
	BDO
	Vincent's
Broadcast Hire	Pro-Cam
Archive and document management	Total Records Management
Expert opinion	Mitchell Brandtman
Financial institution	Ask Funding
Information services	CITEC Confirm
Investigation/risk management	Phoenix Global
Investigators/process serving	IDS Group
Legal publishing	Smokeball
Legal software	LEAP Legal Software
	Law Support
Printing services	LAW IN ORDER
Property advisers	Herron Todd White

Recognising achievement

During 2010/11 the Society acknowledged outstanding contributions to the legal profession in Queensland with the Queensland Law Society Agnes McWhinney Award presented to Judge Fleur Kingham at the Women Lawyers Association of Queensland's 2010 Award Dinner in October. Judge Kingham received the award for her significant contribution to making justice more accessible to the community, bridging the gap between land and resources issues and Indigenous communities and contributing to the establishment of the Queensland Civil and Administrative Tribunal.

Queensland Law Society acknowledged 197 practitioners throughout the year for their 25 or 50 years of service to the legal profession. These long-standing members were presented with a commemorative pin by either the Society's President or CEO at a number of different events during the year around the State in Brisbane, Rockhampton, Toowoomba, Townsville, Gladstone and the Gold Coast.



Above: Members recognised for 25 and 50 years of Queensland Law Society membership at the 2011 New Year event

Left: Agnes McWhinney Award winner Judge Fleur Kingham with Queensland Law Society President Peter Eardley



Supporting our regional members

This year Queensland Law Society provided significant support to regional Queensland practitioners including delivering symposia and workshops and helping with social and networking events by providing speakers, promotion and funding. We were active in supporting flood-affected practitioners and ensuring the success of the Flood and Cyclone Legal Help initiative, which provided communities with access to legal advice by facilitating the pro bono efforts of practitioners across Queensland.

Our support for District Law Associations (DLAs) this year varied depending on the need of each DLA. We provided event program development and advertising, speakers and funding for local professional development and DLA symposia. The Honourable Chief Justice Paul de Jersey, Society President Bruce Doyle and Chief Executive Officer Noela L'Estrange were regularly invited as guests and speakers. The quality of regional functions was of as a high standard as those held in larger centres. These events provided the opportunity to acknowledge and celebrate regional practitioners who achieved the remarkable milestone of 25 or 50 years of membership with the Society.

DLAs play an integral role in mentoring younger practitioners and local university students. They are active in regional legal affairs, and will play an important role over the coming year in the preparation for the National Legal Profession Reform.

Highlights from the regions

Downs and South West District Law Association

Members of the Downs and South West District Law Association located in and around Toowoomba were heavily affected by the floods. President Andrew Crooke appreciated QLS' support for practitioners, helping them pick up the pieces after the extraordinary devastation that wreaked havoc in the region. Despite this, there is a bright future ahead for the Downs and South West area with law students studying at the University of Southern Queensland nearing graduation, and the hope of retaining them in practice in the region.

Central Queensland Law Association

While the bad flooding news continued from the Central Queensland Law Association (CQLA) around Rockhampton, the good news in 2011 was that their expert legal advice resulted in the launch of a new Bachelor of Law degree at the Central Queensland University in May. The CQLA is also aiming to retain graduates to practice locally.

Far North Queensland Law Association

Disruptions from Cyclone Yasi in Far North Queensland did not keep their law association (FNQLA) from hosting the annual Stanley Jones QC Cup during Law Week in which practitioners battled against law students at the local campus of James Cook University. Neither did it prevent them from holding a well-received reception for the Court of Appeal.

A Law Ball organised jointly by the Townsville District Law Association and James Cook University Law Students' Society in August 2010 was well supported by legal practitioners and law students. As part of Law Week, more than three quarters of the DLA's members participated in a Trivia Night and the second Townsville Walk for Justice raised \$500 for the QPILCH Disbursement Fund.

We are committed to supporting our regional members through practice support, the provision of professional development and assistance for local networking and social events in regional areas, together with access to videoconferencing options. This involved working closely with District Law Associations (DLAs), who have active networks of local legal practitioners across Queensland.

North Queensland Law Association

The North Queensland Law Association supported a moot competition for James Cook University students, provided funding and donations to the Premier's Disaster Relief Appeal and prepared submissions on the National Legal Profession Reform to various politicians. A major two-day conference in May supported by James Cook University attracted high quality speakers who focused on commercial and family law and litigation.

Gold Coast District Law Association

The largest regional branch of legal practitioners with more than 800 members, the Gold Coast District Law Association, celebrated their 11th year as an incorporated association at Surfers Paradise on 3 June 2011. In addition to holding regular breakfast seminars and networking functions, this active branch also hosted a successful annual Symposium, a drawcard of which was featured speaker the Hon. Michael Kirby AC CMG. The association also advocated the need for more court resources and funding support for legal aid and police prosecutions.



From left: North Queensland Law Association president Heather Graham, James Cook University Law Students' Society 2010 president Boyd Johnstone and Townsville District Law Association president Angela Lowe

Picture by: Bryan Lynch, Townsville Bulletin

Redcliffe Pine Rivers District Law Association

Personal contact has been the core goal of the Redcliffe and Pine Rivers Association's member approach in the past year with initiatives introduced that aim to promote a collegiate environment. Quarterly lunches engaged attendees in conversations about ethics, practice management and risk and insurance where they shared their knowledge and ideas.

Mackay District Law Association

Mackay District Law Association offered members a social golf day, end of year Christmas drinks and a profession dinner with judicial and community representatives attended by almost all of the 119 Mackay DLA members.

South Burnett Law Association

Following a successful inaugural professional development day in Kingaroy in 2010, the South Burnett Law Association invited local practitioners and others from adjoining areas to participate in their next event. DLA President Deborah Frecklington acknowledged the support Queensland Law Society provided in the continuing education in the regions.

Gladstone Law Association

Solicitors in Gladstone experienced a remarkable increase in property transactions since the announcement of the Liquefied Natural Gas (LNG) project and Council has since been preparing for the new LNG infrastructure at the port. The legal profession is anticipating an increase in family law and criminal matters in the near future due to the exponential population growth that is expected in the region. Gladstone Law Association President Anton Bierman also noted that the rental market has been booming and legal practitioners have to deal with an increased number of rental disputes.

District Law Association

President

Bundaberg Law Association	Sharon Ferguson
Central Queensland Law Association	David Lipke
Caboolture Law Association	Kurt Fowler
Downs & South-West Law Association	Andrew Crooke
Fraser Coast Law Association	Murray Nielsen
Far North Queensland Law Association	Julian Brown
Gladstone Law Association	Anton Bierman
Gold Coast Law Association	Brian Carey
Gympie Law Association	Chris Anderson
Ipswich & District Law Association	Anthony Malone
Mackay District Law Association	Stephen Byrne
North Brisbane Lawyers' Association	Michael Coe
North Queensland Law Association	Roland Taylor
North West Law Association	Kyle Barram
Redcliffe Pine Rivers District Law Association	Daniel Hutchinson
South Burnett Law Association	Deborah Frecklington
Sunshine Coast Law Association	Peta Yujnovich
Southern District Law Association	Bryan Mitchell
Townsville District Law Association	Angela Lowe

The 2010/11 floods

Fraser District Law Association



By Murray Nielsen, President

2010/11 will be a year that few in the Fraser District will forget.

Our region was inundated by some of the largest rains witnessed in generations and was ravaged by subsequent flooding. There was significant property damage and sadly, there was also loss of life. Hervey Bay, Maryborough, Gympie, Bundaberg and surrounds were all cut off and food and fuel supplies dwindled. Electricity was disconnected as was telecommunications.

Yet out of adversity grows community spirit and the resolve to rebuild. The floods highlighted the ideals of strength of character, determination, and mateship that run deep in our community. In particular the emergency personnel of the district performed valiantly and are to be commended.

The Courts and practitioners dealt with the difficulties admirably, and Queensland Law Society was exceptionally supportive of district members offering assistance and support to those in need.

The past year has been a challenge not only as a result of the floods but also the lingering fragility of economic conditions. Nevertheless, the practitioners of the district have embraced that challenge and look forward to the year ahead.



Pictures by: Alistair Brightman of the Fraser Coast Chronicle



The 2010/11 floods

Downs & South-West Law Association

By Andrew Crooke, President

It is a very difficult task to put into words the events which have come to pass in our area over the last 12 months.

While we are not alone, and many others have experienced just as much if not more, I think it is fair to say that all of our members and those in the community have been impacted in one way or another by the events that mother nature unleashed upon us this year. For some it has been more than once and a great number of firms and members within our area suffered interruptions caused by the continuing adverse weather impacting their business.

The outcome of the flood inquiry in the near future might provide some answers, but it cannot of course bring back those in the community who are lost forever. These events have certainly brought family and neighbours together as well as strangers and others offering assistance and support to people less fortunate. The financial and emotional impact will last for some time.

It was pleasing to see the members of our profession offering assistance not just of a legal nature via the Flood and Cyclone Legal Help but also physically helping others with clean up and providing emotional support to help those in need get back on track.

The support of Queensland Law Society for members during this time has been greatly appreciated, and the Society's ongoing support is vital to the future of many firms in the region.



Above: Toowoomba – Kitchener Street looking from Shine Lawyers' office





Queensland Law Society Prize winner
Justin Cook and Townsville District Law
Association president Angela Lowe

The future of the profession: Students and new and early career lawyers

Students of law

Queensland Law Society's initiatives support law students in meeting their academic goals and bridging the gap between study and career. The Society now has a record 2,304 student members – an increase of 14percent on last year. The Society helps students make important career decisions by providing information about available job options in the profession and the procedures for gaining admission to the Supreme Court of Queensland and obtaining a practising certificate. Our relationship with law students is an important one. We can help guide students' career directions, as well as build career opportunities by linking them with prospective employers.

Law students who intend to become solicitors can apply for complimentary student membership with the Society which provides a range of discounts, resources, information and publications and career advice. They are also offered special student rates to events such as our flagship professional development event, the Vincents' Annual Symposium.

In 2010/11, the Society sponsored university awards at Queensland University of Technology and James Cook University. Two QUT law students, Louise Kruger and Stephanie Parkin, were publicly recognised for their hard work and commitment to studying law, taking out the prestigious Queensland Law Society Final Year Student Prize and the Prize for Indigenous Students. In Townsville, law student Justin Cook won the Queensland Law Society Prize.

To support students' entry to the profession and member firms with their recruitment strategies, QLS hosted the annual Legal Careers Expo in March. This event, held at the Brisbane Convention and Exhibition Centre, provided a selection of career opportunities and connected more than 700 registered students with 45 exhibitors including potential employers, postgraduate educators and other service providers. The expo was an outstanding success with students eager to learn about their legal career options.

The Society has actively sponsored student-facing networking events and conferences, including the Griffith University 2011 Queensland Law Student Association Conference, Central Queensland Law Association conference, North Queensland Law Association conference, University of the Sunshine Coast (Business insights forum) and Australasian Legal Conference.

New and early career lawyers

New and early career lawyers (NAECLs) are the future leaders of our profession. The Society understands the importance of supporting NAECLs through the early years of their legal career to help them apply their university learnings to practice, adjust to their new working life and support them in developing their professional networks.

Queensland Law Society aims to provide NAECLs with a sense of professional community and foster industry networks. We have established a NAECL Committee comprising four active sub-committees, each chaired by a member of the section's executive committee. They include:

- CLE and Events Sub-Committee which has oversight of professional development and social events for NAECLs
- Regional Lawyers Sub-Committee that ensures NAECLs across the State have a forum to raise issues and take action
- Submissions and Pro Bono Sub-Committee which provides an opportunity to work with other Queensland Law Society Sections and Committees on submissions and promotes pro bono work
- *Proctor* Sub-Committee that decides proposed NAECL editorial for each edition of *Proctor*.

2010/11 student
membership
numbers now
total more than
2,300, an
increase of almost
14% on 2009/10.

More than **700**
students attended
the annual Legal
Careers Expo.

New and early career lawyers continued

The NAECL Committee and sub-committees give new and early career lawyers a way in which they can raise issues and have their voice heard and introduces them to the strategic aspects of working with, and for, Queensland Law Society.

Reinforcing networks within this important member group, the Society worked with the NAECLs Committee to offer a range of successful events this year.

- A Christmas party was held in conjunction with Queensland Young Lawyers with presents donated to The Smith Family charity annual Toy and Book appeal in lieu of entry fee
- NAECLs showed their support for the Women's Legal Service by attending the 'From the heART' art exhibition at the Riverside Centre
- A movie night at the Palace Cinemas in Brisbane was a sell-out success and included pre-movie drinks and canapés.

In April 2011, the Society established the Hub newsletter which now has more than 2,800 subscribers. This newsletter is tailored to inform NAECLs about events and initiatives to support fledgling legal careers.



Top left and right – NAECL Christmas party

From the left: Phillipa Last, Nicole Murdoch, Angela Dahlke, Stephen Mackie, Danielle Keyes and Adam Harvey



Bottom left and right – NAECL movie night: Oranges and Sunshine

From the left: Michelle Borzillo, Giselle Kilvert, Kara Cook, Rachel De Luchi and Adele Llewellyn

*The NAECLs
Hub Newsletter
launched in
April 2011 and
has more than
2,800
new and early
career lawyer
subscribers.*

Of the
more than
56,000
calls to our
call centre,
30,303
calls were from
members.

26,345
calls were
from the public
seeking a
solicitor referral
or asking for
other assistance.

Supporting the community

Referral list

One of the key ways in which we support the community and benefit members is through the referral list, connecting members with new clients seeking assistance. This has continued to be popular with just under 30,000 referrals issued during the 2010/11 financial year. As in previous years, civil litigation was the most sought after area of expertise.

A profile of the areas of law required by callers is detailed below

Area of law	Referrals	Percent
Building/construction	836	2.8%
Civil litigation	6322	21.3%
Criminal law	2079	7%
Family law	4263	14.3%
Insurance law	1264	4.3%
IR/employment law	2724	9.2%
Personal injury law	2299	7.7%
Professional/medical negligence	891	3%
Residential conveyancing	1074	3.6%
Succession law	1465	4.9%
Various – other	6511	21.9%

We refreshed our public information brochures, to ensure they meet the needs of practitioners and support community access to legal information. Our key objective is to ensure we can assist by providing essential information to consumers and enhance community understanding of the law. During 2010/11 more than 30,000 brochures were distributed to members, community groups and the public. We will monitor feedback to guide future distribution and development of new material.

Public information brochures distributed

Brochure	Issued	Percent
Alternative dispute resolution	2035	6.7%
Buying or selling a residential property	4092	13.4%
Buying or setting up a small business	3033	10%
Enduring power of attorney	7952	26.1%
Injured at work	1225	4%
Leasing premises for a business	2677	8.8%
Making your will	8212	27%
Motor vehicle accidents	1230	4%

Supporting the community continued

During 2010/11 we successfully contributed to the public's understanding of legal issues by advocating on a number of high profile concerns in the media such as the practical implications of the new Australian Consumer Laws, minimum standards for law graduates, Flood and Cyclone Legal Help and the lack of a whole-of-government approach to legal aid and corrections as evidenced in the State Budget.

We had great success participating in this year's Law Week, run by the Department of Justice and Attorney General (JAG). JAG and the Society supported pro bono work referral coordinator Queensland Public Interest Law Clearing House's (QPILCH) fourth Walk for Justice with 600 walkers stepping out to promote access to justice issues. Three QLS criminal history bus tours were booked to capacity with an extensive wait list and the Society was a popular feature at the Brisbane Magistrates Court Open Day. A packed Trivia Night saw nearly 120 members participate.

We have reviewed and created new public information brochures with subjects including wills and estates, property and family law, alternative dispute resolution and questions to ask your solicitor.

The Schools and Community Education Services (SCES) program, targeted to legal studies teachers and students, made way for a new community relations approach focusing on building strategic relationships across a broader spectrum of stakeholders. The Society will continue its successful statewide initiatives with key parties such as the Department of Communities, Caxton Legal Centre and the Queensland Law Foundation. We continue to extend our community relations reach to include legal industry, government, related non-profit and other member organisations, and the wider community.

This change in approach arises from QLS' strategy to build our community profile, consolidate relationships with specific stakeholder groups and promote solicitors' services.

Community initiatives planned for the coming year include regional roadshows, working closely with District Law Associations to promote solicitors' services and statewide and regional issues, and expanding community-directed content on the website. During 2010/11 we also undertook substantial investigations into other opportunities to better reach regional communities in Queensland, with a view to rolling these initiatives out in 2011/12.

Charity of Choice

Queensland Law Society chose the Heart Foundation as its Charity of Choice for 2010/11. This charity has universal relevance with cardiovascular disease the biggest killer of Australian men and women, responsible for 34percent of deaths a year and affecting one in five Australians.

During the year we worked closely with the Heart Foundation to provide regular health information to members through *QLS Update* and promoted the importance of the foundation's message at major conferences. Our staff also supported the charity with information sessions and participation in events such as the 'Go Red for Women' campaign.

Our focus – the environment

Our focus on encouraging members to renew online this year resulted in 3,929 members taking advantage of the paperless, eco-friendly system. We committed to using recycled paper and certified CO₂ neutral materials for our popular public information brochures, which significantly reduced our carbon footprint.

The planning of technology upgrades has included consideration of further reductions in carbon emissions through enhanced process efficiencies and reduced paper-based processes:

- The new Membership Relationship Management system that will be launched in 2011/12 is being designed to enable members to better service their needs online.
- The planned switch to e-voting in 2011 considered not only the need to make the process easier for members but also the potential for energy savings resulting from reduced reliance on a paper-and-post-based service.

We reduced paper usage and waste last year by maintaining our default double-sided or two sheets per paper printing policy, providing professional development materials online and via USB memory sticks and recycling waste paper. Our paper-saving initiatives, including our efforts recycling 7.92 tonnes of waste paper, equates to 186 trees.

Recycling other materials such as cardboard, plastics and metal saved an additional 31.68 litres of waste last year.

The Society's electricity usage was further decreased as a result of a switch to green power at the beginning of 2010/11. The Society purchased some of its power needs from government-accredited 'Green Power' generators that draw on renewable sources like wind, hydro or biomass. By selecting this source of power we play an important part in reducing greenhouse emissions equating to a saving of 53.27 tonnes of emissions in one year alone.

We are proud to have reduced our electricity usage by 53percent on 2008/09 usage. Some of this decrease is also attributable to the new lighting and air conditioning which was part of our refurbishment.

Environmental responsibility and sustainability is a priority for Queensland Law Society and is factored into all our business processes and projects. The online renewals process allowed us to reduce paperwork and decrease our carbon emissions and effect on the environment, as well as offering greater ease of use for our members.

Our people

Our diverse workforce comprises just over 100 team members with the experience, knowledge and commitment necessary to ensure Queensland Law Society is an outstanding membership association. This year continued the journey of developing organisational capability and fostering a member centric culture. In 2010/11, member research indicated that the Society rated highly (good, very good or excellent) for being friendly and approachable (83percent), responsive to inquiries (78percent) and providing quality information (81percent). While these outcomes are pleasing, in 2011/12 we will strive to exceed them to move closer towards achieving our vision of being Australia's leading legal profession membership association.

To help us on this journey, we implemented a number of strategies in 2010/11 including:

- ongoing development of a service charter that will act as an agreement between Queensland Law Society, our members and the community regarding our commitment to providing an exceptional level of service
- weaving our values into core activities such as performance appraisals, considering them during recruitment processes and making them an essential part of inductions
- development and implementation of a recruitment and selection policy to strengthen our recruitment practices and to ensure the recruitment of people with the right skills, knowledge and cultural fit are appointed
- strengthening our 'right people, right roles' strategy – the Society developed and implemented a strategic remuneration reward strategy which for the first time implemented reward integrated with the performance management program, Link Success.

This year we continued our commitment to Zero Harm. We also offered sessions on resilience, supported the 'no leave, no life' campaign to encourage staff to take holidays, developed a monthly social calendar of events and offered personal fitness sessions.

Our staff numbers remained consistent with 103 full-time equivalents at year end in comparison to 97 in the previous year. Staff turnover during the year was 23percent and was in line with the previous years' percentage of 22.6. This included retirement and retrenchment and was in line with general staffing expectations.

In 2010/11 there were six workplace health and safety incidents and two hazards reported. The incidents were managed in accordance with our Workplace Health and Safety policy, the hazards assessed by the Society's Workplace Health and Safety Officer and control measures put in place. No Lost Time Injuries occurred.

To maintain the effectiveness of our system, a Workplace Health and Safety Queensland inspector conducted a risk assessment in August. The inspector reviewed a number of aspects within our safety management system finding that we have implemented everything we could reasonably be expected to do given the size, industry and scope of operations of our business.

In 2010/11 we replaced an ageing fleet of workstations and laptops and upgraded to a standard operating system essential for the roll out of Project Connect in 2011/12 – specifically the new member relationship management (MRM) system. Moving to a more up-to-date environment supported better compatibility between the Society's and members' systems. It improved the security and stability of the technology platform on which members interact with the Society. The upgrade and roll out was managed by our in-house IT team with virtually no lost business time.

Queensland Law Society staff, sections and committees are the engine room of your Society. Our staff are committed to being business fit – at the heart of our activities and projects is a focus on being efficient, cost-effective and service-oriented. Queensland Law Society's Council provides the strategic vision on which these activities and projects are based.

Key executive management personnel are “those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly”. These personnel are represented by the Council members and the CEO of Queensland Law Society. They are responsible for their individual areas but have less scope to plan, direct and control the activities of the entity as a whole.

The strategic plan that is endorsed by Council drives our activities.

Chief Executive Officer

Noela L'Estrange

BA (Hons) LLB MAdmin FAICD FAIM

Noela was appointed as Chief Executive Officer of Queensland Law Society on 11 May 2009.

She is a director of Lexon Insurance Pte Ltd and is also a member of its Audit and Investment Committee. Noela is a director of the Camerata of St John's and a Fellow of both the Australian Institute of Company Directors and the Australian Institute of Management. She is a member of the management committee for the Queensland Public Interest Law Clearing House (QPILCH), which operates the Society's pro bono legal program, and is also a member of the Supreme Court of Queensland Library Committee.

She has extensive experience in the legal profession, as a practitioner in both private and public practice, an academic, human resources lawyer, strategic consultant and, immediately prior to her appointment, as the Director of Legal Practice Support for the Australian Government Solicitor in Canberra. She has been a director of public and private companies, and has been a national Director of the Australian Corporate Lawyers Association and a councillor for the ACT for the Australian Institute of Company Directors. She is actively interested in the Society's Government Lawyers Committee, the New and Early Career Lawyers Committee and the Women Lawyers Association of Queensland.

Since February 2011, she has also been the Society's representative on the Queensland Flood and Cyclone Legal Help Committee, which was established after the Queensland floods, and then Cyclone Yasi, to assist members of the public seeking legal information and support.

Our management team

Anthony Walduck CA

Group Chief Financial Officer

As Group Chief Financial Officer, with responsibility for both Queensland Law Society and Lexon Insurance, Anthony Walduck ensures that financial controls are in place so that both operate with fiscal responsibility.

Anthony Walduck completed a Bachelor of Commerce at the University of Queensland and has been a member of the Institute of Chartered Accountants since 1994. Prior to joining the Society, he spent seven years working for a chartered accounting firm and six years in commerce, holding senior finance roles for various insurers. Anthony has been at the Society since November 2005.

Celia Casey

BA, AMIM

Corporate Communication and Marketing

Celia Casey joined Queensland Law Society in November 2009 to lead the Society's Corporate Communication and Marketing team, supporting the organisation's key business areas to achieve against agreed strategic imperatives. Celia is responsible for member engagement, communication and development of member products and services, and working to improve the Society's ability to deliver quality outcomes for our members and stakeholders.

With more than 15 years' experience in the marketing and communication field, Celia is a former general manager with Queensland Motorways, and has held key strategic senior roles within private and public sector organisations.

Our management team continued

Dianne Firman

BA (Psychology), Grad Dip
(Organisational Psychology)

Human Resources

Dianne Firman looks after the people at Queensland Law Society, ensuring that the Society has the organisational development and capabilities necessary to deliver on its strategic goals. Her role encompasses recruitment, staff and leadership development, and support of the executive management team.

Dianne has an extensive background in human resource management, with particular interest in organisational psychology. She began her career in teaching, before moving to human resources where she has worked across a number of sectors including hospitality, airlines, finance and tertiary education. With a strong belief in professional and personal development, Dianne is completing a masters degree in organisational development and strategic human resource management.

Katrina North

GAICD, ACIS

Corporate Secretary

Katrina North ensures that Queensland Law Society meets its obligations as a statutory authority. She takes responsibility for corporate governance, risk management and relationships between Queensland Law Society and its governing Council, including keeping Council fully informed on how strategic planning decisions are being implemented.

Katrina joined the Society in May 2010 and has a background in strategy, corporate administration and governance, and brings experience from a variety of industries including professional services, government-owned corporations, small-to-medium enterprises and financial institutions.

She is a Chartered Company Secretary, a Graduate Member of the Australian Institute of Company Directors, a Non-Executive Director of Museum and Gallery Services Queensland and is currently studying her MBA at the Australian Graduate School of Management.

Malcolm Hinton

LLB (Hons) LLM GradCertAppMgt

General Counsel; Advocacy & Accountability

Malcolm Hinton holds two positions with Queensland Law Society. As General Counsel, he heads up a small team of solicitors who provide in-house legal services to the Society. As leader of the Director of Advocacy and Accountability team, he oversees the operations of the Advocacy Team, the Professional Standards section, the Dispute Management Centre and the administrative support to the Legal Practitioners Admissions Board.

Malcolm holds a Bachelor of Laws and Masters of Laws from QUT and has been admitted to the Supreme Courts of Queensland, New South Wales and the Australian Capital Territory. He has worked as a solicitor in private practice, a government legal officer and a corporate lawyer and has served as a police officer in Queensland and East Timor.

Peter Lyons

LLB LLM MA (Justice Studies) MBus

Member Central; Operations

Peter Lyons leads Queensland Law Society's member relations operations, incorporating records and membership management, professional development and overseeing the Society's corporate services team.

Peter has more than 30 years' experience within the legal services industry, both within the private and public sector. He began in his current position with the Society in 2008 and has previously been Deputy General Counsel and Manager, Investigations. He has held positions with the Crime and Misconduct Commission and was a practitioner for ten years in private practice.

In his current position, he has developed a keen interest in the activities and values of professional associations particularly in the areas of governance, strategic planning and membership motivation and engagement. These interests have led to him successfully completing a Master of Business in philanthropic and not-for-profit studies at QUT.

Scott Rowan

BCom CA

Information Systems

Scott Rowan looks after Queensland Law Society's many technology needs, ensuring its systems are capable of supporting the Society's strategic goals.

Scott is a graduate of the University of Queensland and leads a dedicated team of information technology specialists. With more than 13 years' experience in information systems, along with a background in accounting, he brings a strong drive to deliver on strategic objectives through the selection, implementation and ongoing use of appropriate information systems and processes for the Society.



Our Council

The Society is governed, under the *Legal Profession Act 2007*, by an elected Council of 12 members including:

- the President, Deputy President and Vice President
- the Immediate Past President following that person's presidency
- eight elected Council members (of the Society, elected or appointed under a Society rule).
- And the State Attorney-General also appoints a representative for Council, making the number of Council members 13.

Council is responsible for the governance of Queensland Law Society including the continual review of the strategic plan and the Society's performance as reported through the CEO. This incorporates, in conjunction with management, reviewing the organisational goals, endorsing the strategies to achieve these goals and setting performance indicators to measure the Society's performance. Council is also responsible for approving the annual budget and overseeing the financial management of the Society's affairs.

Elections for Council are held in October every second year, with all full Society members eligible to vote. Elections for Council were held in October 2009 and resulted in a new Council being appointed for a two-year term, with the President elected for a one-year term and the then Deputy President assuming the role of President for the second year of the term.

Significant progress towards formalising and consolidating the Society's governance framework was achieved during 2010/11. These achievements included the successful:

- Development and adoption of a whole of Council review and self-evaluation in December 2010 – which for the first time provided Councillors with the opportunity to reflect on their collective contributions and effectiveness and to come together specifically to recognise the aspects of Council process that are strengths and to discuss and highlight opportunities for further professional development and education
- Development, adoption and implementation of Councillors' continuing education policy, including the opportunity, and expectation, for the President and Deputy President to complete the Australian Institute of Company Directors Graduate Diploma
- Adoption of risk register and continual refinement of risk management within the Society
- Development, adoption and implementation of an annual corporate strategic planning process
- Development, adoption and implementation of quarterly strategic plan reporting
- Development, adoption and implementation of nomination process in accordance with ASX governance guidelines for nominee appointments
- Development, adoption and implementation of a Council Charter, clearly outlining the role of the Council, its powers and responsibilities and CEO delegations, providing clarity
- Development, adoption and implementation of role description of the President
- Development and adoption of online voting proposal
- Development, adoption and implementation of annual Council plan
- Development of Council strategy day.

Front row from left: Bruce Doyle, Noela L'Estrange, Joanne Parisi

Back row from left: Lynette Galvin, Deborah Awyzio, Ian Brown, Annette Bradfield, Peter Eardley, Raoul Giudes, Genevieve Dee, Rowena McNally

Absent: Don Armit, Michael Fitzgerald

Our Council continued

These improvements and formalisation of 'best fit' governance processes and procedures have enabled the Society to report against the ASX Good Governance Guidelines for the first time in this report.

Audit and Investment Committee

The Audit and Investment Committee is responsible for overseeing the financial reporting process to ensure the balance, transparency and integrity of published financial information and investment of surplus funds in accordance with the approved Investment Policy. This committee met three times during the year.

The Society is a 'public authority' for the purposes of the *Public Records Act 2002* and maintains its records in accordance with the requirements under that Act. The Society also maintains its own Queensland Disposal Authority Number which has been approved by the State Archivist for the destruction of records. The Office of General Counsel manages the Society's destruction records and logs in accordance with the obligations under the Act.

Bruce Doyle – Family Law Doyle Keyworth & Harris (President)

Bruce Doyle is a partner in the specialist family law firm Family Law Doyle Keyworth & Harris in Brisbane and is the Society's nominated director on the Law Council of Australia. He was accredited as a family law specialist in 1996. Since 1983, he has experienced a spectrum of legal practice in large and small firms, in a legal aid commission and in government tribunal work in Brisbane and Darwin as an employee and a partner. His service to the profession includes the Law Council of Australia's Family Law Section Executive Access to Justice Committee, Family Law Practitioners' Association (as secretary and president) and on the Queensland Law Society Family Law and Access to Justice Committees. Bruce has served the community in welfare organisations, children's contact centres, a school board, and as a volunteer at community legal centres. He has trained in mediation, arbitration and collaborative law. Bruce supports a profession that is innovative and strongly advocates the community's access to justice.

Raoul Giudes – Giudes & Elliott (Vice President)

Raoul Giudes is a partner of Giudes & Elliott Solicitors in Townsville. He is Chair of the Queensland Law Foundation, a past president of Queensland Law Society, past president of North Queensland Law Association, and an ex-officio committee member of the North Queensland Law Association and Townsville District Law Association. Raoul is also a member of the Society's Professional Standards Committee, was a member of the 2007 LAWASIA Observer Mission to Fiji reporting on Rule of Law, and a part-time member of the Mental Health Review Tribunal.

Peter Eardley – Eardley Motteram (Immediate Past President)

Peter Eardley practises in insurance litigation and is a partner of Eardley Motteram in Brisbane. He has been a Council member since 2005, a member of the Executive Committee since 2006 and President in 2010. Peter is a member of the Litigation and Rules Section, a former member of the Accident Compensation Committee, the Fidelity Fund Claims Committee and the Organising Committee for Personal Injury CLE seminars. He is a director of Lexon Insurance Pte Ltd and was a director of College of Law Queensland Pty Ltd. Peter is a delegate to the Law Council of Australia Sub-Committee on Privacy and Privilege and a member of the Supreme Court Library Committee.

Council Members 1 July – 31 Dec 2010

Peter Eardley
(President)

Bruce Doyle
(Deputy President)

Raoul Giudes
(Vice President)

Ian Berry
(Immediate Past President)

Don Armit

Annette Bradfield

Ian Brown

Jeremy Chenoweth
(Attorney-General's appointed
Member – resigned 21 June 2010)

Genevieve Dee

Michael Fitzgerald

Lynette Galvin

Rowena McNally

Joanne Parisi

Donald Armit – Lee Turnbull & Co.

Don Armit is a partner of Lee Turnbull & Co. in Townsville. He obtained a Bachelor of Economics (Commerce) degree at James Cook University in 1975 and worked in London as an accountant and rugby player in Italy until 1979 when he returned to Australia. He worked as a company secretary in Townsville and was admitted as a barrister of the Supreme Court of Queensland and unconditionally as a solicitor in June 1989. Don is a past member of the Lifeline Community Board (eight years) and Community Legal Welfare Centre, giving pro bono advice for 19 years. He is a Rotarian of 14 years' service, a life member of Brothers Rugby Union, Townsville, and Picnic Bay Surf Life Saving Club, a member of the Queensland Law Society Management Committee and chair of the Practice Management Course Sub-Committee. Don practises in general law in a small firm.

Annette Bradfield – Fox Bradfield Lawyers

Annette Bradfield is a partner of Fox Bradfield Lawyers in Brisbane, practising primarily in property and commercial law. She obtained her Bachelor of Laws, Graduate Diploma in Legal Practice and Masters of Law from QUT. After admission in 1992, Annette worked as a solicitor in general practice at Groom & Lavers in Toowoomba for four years, before specialising in property law with Minter Ellison, Brisbane. She has also worked as a property and commercial lawyer with Barwicks Wisewoulds and Porter Davies Lawyers in Brisbane. Annette has a keen interest in the training and development of junior lawyers and worked for four years lecturing and mentoring students in the Legal Practice Course at QUT before returning to practice a few years ago.

Ian Brown – Slater and Gordon

Ian Brown was admitted as a solicitor in 1990 and was a principal at Slater and Gordon's Southport office. Ian is a member of the QLS Council Executive, the Professional Conduct Committee and the Accident Compensation Committee. He is an accredited personal injuries law specialist and a past national and Queensland president of the Australian Lawyers Alliance. He has been actively involved in many campaigns to protect and promote the rights of individuals and has undertaken extensive lobbying of government and stakeholders on issues affecting solicitors and their clients. Ian has actively campaigned for law reform on behalf of the injured and disadvantaged and has worked on a pro bono basis for numerous community organisations. He strongly advocates the Society's role in supporting and promoting the interests of Queensland's solicitors and their clients and the delivery of member support services, particularly to suburban and regional practitioners.

Deborah Awyzio – DA Family Lawyers (Attorney-General's appointed member)

Deborah is the principal of DA Family Lawyers situated in the Brisbane CBD. She is a Queensland Law Society accredited family law specialist and has been working exclusively in family law for the last 10 years. Deborah is also the president of the Family Law Practitioners Association (Qld). She is on the panel of independent children's lawyers and separate representatives for children, maintained by Legal Aid Queensland. Deborah graduated with a double degree in Law and Information Technology from QUT.

Genevieve Dee – Cooper Grace Ward

Genevieve Dee was admitted to practice in 2005, is a senior associate at Cooper Grace Ward and an accredited specialist in family law. She was the chair of the Queensland Law Society New and Early Career Lawyers Section and is a volunteer solicitor at the Women's Legal Service. She has written articles for *Proctor* and is a contributing author to the CCH *Australian Master Family Law Guide*. In 2009, Genevieve was awarded the Women Lawyers Association of Queensland Emergent Woman Lawyer of the Year Award.

Council Members

1 January – 30 June 2011

Bruce Doyle
(President)

Raoul Giudes
(Vice President)

Peter Eardley
(Immediate Past President)

Don Armit

Deborah Awyzio
(Attorney-General's nominee –
appointed 1 December 2010)

Annette Bradfield

Ian Brown

Genevieve Dee

Michael Fitzgerald

Lynette Galvin

Rowena McNally

Joanne Parisi

Our Council continued

Michael Fitzgerald – Blake Dawson

Michael Fitzgerald was admitted as a solicitor in Queensland in 1981 and is a partner in Blake Dawson, where he has worked since 1982. His area of legal practice is banking and finance law. Michael advises banks, listed companies and statutory corporations and is a member of the Law Council of Australia Financial Services Committee and the Banking and Financial Services Law Association.

Lynette Galvin – Journey Family Lawyers

Lynette Galvin has been a solicitor for 19 years and previously served on the Council in 2006-2007. She was one of only two women on Council at that time. She is the founder of Journey Family Lawyers, which has offices in south-east Queensland and Rockhampton. Lynette holds a degree in Law as well as a Bachelor of Education. She was the winner of the service industry Women in Business award conducted by the Queensland Business Review in 2009.

Rowena McNally

Rowena McNally was admitted in 1980 and became a corporate lawyer in 1996. She is a member of AICD, AIM, ACLA, IAMA and LEADR, a mediator, arbitrator and adjudicator, chair of the ACLA Legal Professional Issues Committee and contributing author to the ACLA Practice Manual. Rowena is a member of the Queensland Law Society Proctor Committee and of the Law Council of Australia E-commerce Committee and Queensland Law Society/Law Council of Australia Corporations Law Committee (former chair/deputy chair). She is a former ACLA state/national chair and regular lecturer on risk management, ethics and corporate governance issues.

Her community/public service includes positions as chair of the Cerebral Palsy League Queensland, Mount Isa Water, Chicken Meat Industry Committee and as deputy chair of Cerebral Palsy Australia. She is a director of Catholic Health Australia, a trustee of Mary Aikenhead Ministries and a former director of WorkCover Queensland.

Joanne Parisi – MacDonnells Law, Cairns

Joanne was admitted to practice in 2006. She is keen to develop the legal profession in the Cairns area, having been a lecturer and tutor at James Cook University, regularly assisting local high schools with mooting and legal essay competitions. She is a former president of the Far North Queensland Law Association and Cairns Community Legal Centre, and former committee member of the North Queensland Law Association.

Joanne is a current member of the Queensland Law Society Litigation Rules Committee. She is a senior associate in commercial litigation at MacDonnells Law in Cairns, where she has worked since finishing her law degree and commencing articles of clerkship. She regularly appears in both the state and federal courts.



Our Sections and Committees

The Sections and Committees of Queensland Law Society are the policy backbone of the Society, providing specialised advice through Council in all areas of advocacy and helping shape our professional development content.

Comprising of members who work with specific areas of law on a daily basis, our Sections and Committees achieved many significant successes during the year, with their recommendations and suggestions being adopted by government in a number of important pieces of legislation.

The Sections and Committees provide a forum in which members can raise and discuss issues that affect their practice areas. They are active in contributing to professional development through articles, notices, seminars and conferences.

Council approved a new Committee Charter, which includes changes to the term of chair. As a result of implementing the new Charter, a number of long-standing chairs have concluded their term, and new chairs have been approved by Council. We sincerely thank retiring chairs for their dedication, time and leadership.

As at 30 June 2011, the sections and committees included:

Access to Justice/Pro Bono Law Section

The Access to Justice/Pro Bono Law Section is chaired by Mr Bruce Doyle, Family Law – Doyle Keyworth & Harris.

Highlights:

- Organised volunteer legal practitioners to assist with the Flood and Cyclone Legal Help initiative and provided guidance in the ensuing months. The section published relevant and timely information to the profession and public about legal issues, rights and services available during and after the flood and cyclone periods in late 2010 and early 2011.
- Coordinated planning for the highly successful National Access to Justice Conference held in Brisbane in August 2010.
- Made three submissions including advocacy on Legal Aid Queensland issues, the Australian Law Reform Commission's consultation on e-discovery and on the Inquiry into the *Federal Judicial Review Act*.

Accident Compensation/Tort Law Section

The Accident Compensation/Tort Law Section is chaired by Mr Gerry Murphy AM of Murphy Schmidt Lawyers whose tenure as chair concluded on 30 June 2011, after more than 30 years. The incoming chair from 1 July 2011 is Mr Michael Garbett of Sciacca's Lawyers.

Highlights:

- Contributed extensively to the ongoing reviews of WorkCover undertaken by government, including the *Independent Institutional and Working Arrangements Report* prepared by Mr Robin Stewart-Crompton as well as the working group on third-party damages claims assessment.
- Appeared before the Productivity Commission Inquiry into Disability Care and Support in Brisbane, providing a detailed and persuasive submission to the Inquiry on the inherent strengths of common law-based injury compensation schemes and the dangers in moving to a wholly no-fault model and contributed extensively to the work of the Law Council of Australia in its national submission on the subject.
- Made nine submissions, covering a range of personal injuries practice including:
 - the nature of apologies under the *Civil Liability Act*
 - seeking reform and harmonisation of pre-court procedures for the varying streams of personal injury claims
 - opposing the introduction of whole person impairment thresholds for access to non-economic loss and damages in the ACT motor vehicles accident insurance scheme.

Alternative Dispute Resolution Section

The Alternative Dispute Resolution (ADR) Section is chaired by Mr Phil Scott of Crouch & Lyndon whose tenure as chair concluded on 30 June 2011, after five years. The incoming chair from 1 July 2011 is Mr Khory McCormick of Minter Ellison.

Highlights:

- Promoted list of nationally accredited mediators to various government departments and financial institutions.
- Continued dialogue with the Queensland Civil and Administrative Tribunal (QCAT) on the issue of external mediations.
- Supported the national Mediator Standards Board (MSB) with the introduction of an MSB levy.
- Extensive support and participation in ADR full day conference and *Building and Construction Industry Payments Act* (BCIPA) seminar.
- Made seven submissions, including to the Law Council of Australia on the *Civil Dispute Resolution Bill* and *Collaborative Guidelines for Lawyers*, to the Federal Court on Rule 28 of the new Federal Court Rules, to the Standing Committee of Attorneys-General (SCAG) on the proposed section 27D of the *Model Commercial Arbitration Bill 2010* and to the Minister for Small Business on the Options Paper for resolution of small business disputes.

Banking and Finance Law Section

The Banking and Finance Law Section is chaired by Mr Randal Dennings of Clayton Utz whose tenure as chair concluded on 30 June 2011, after six years. The incoming chair from 1 July 2011 is Mr Ian Lockhart of Minter Ellison assisted by Mr Michael Anastas of Corrs Chambers Westgarth.

Highlights:

- Undertook a significant role in coordinating and facilitating legal pro bono assistance for Flood and Cyclone Legal Help and also helped to prepare assistance materials and fact sheets.
- Provided continued national leadership of the profession in anti-money laundering/counter terrorism financing regulation advocacy as well as contributing significantly to the work of the profession in preparing for eventual regulation and highlighting to Government that the profession presently already possesses many analogous professional obligations.
- Maintained a close and productive liaison with key regulatory stakeholders including individuals being invited to participate directly on proposed reforms as a part of targeted confidential consultation undertaken by Government.
- Presented widely to the profession on the commencement of the national unfair contracts laws and their impact on business agreements.

Business Law Section

The Business Law Section is chaired by Mr David Grace of Cooper Grace Ward Lawyers whose tenure as chair concluded on 30 June 2011, after six years. The incoming chair from 1 July 2011 is Mr Peter Bolam of Bolam Legal.

Highlights:

- Prepared consumer and business law fact sheets to assist persons affected by the Queensland floods for Flood and Cyclone Legal Help.
- Established a Queensland Law Society Competition and Consumer Law Committee to create a formal liaison between the Society and the competition regulator.
- With the Banking and Financial Services Committee, continued national leadership of the profession in anti-money laundering/counter terrorism financing regulation advocacy.
- Oversaw the updating and re-publication of the Society's *Introductory Guide to the Legal Services Award*.
- Made submissions to the:
 - Commonwealth Minister for Small Business in relation to the *Small Business Disputes Issues Paper*
 - the South Australian Project team on the draft *Small Business Commissioner Bill 2011* (SA) and its implications for Queensland consumers.

Children's Law Section

The Children's Law Section is chaired by Mr Graham Quinlivan of the College of Law whose tenure as chair concluded on 30 June 2011, after nine years. The incoming chair from 1 July 2011 is Ms Catherine Moynihan of Legal Aid Queensland.

Highlights:

- Made strong submissions against the treatment of 17-year-old young people as adults in Queensland's criminal justice system.
- Secured a guarantee from the Attorney-General that the department would consult with Queensland Law Society on the amendment of the Children's Court Rules, when the Society was not previously considered a stakeholder.
- Formed a dialogue with the government regarding the appointment of more Queensland Magistrates with specialist knowledge of children's issues.
- Maintained a dialogue with the Chief Magistrate and the Children's Court Magistrate on how to improve the operation of the Children's Court of Queensland and the practise of Children's Law in Queensland.
- Made nine submissions including advocacy on national standards for out-of-home care and the importance of lawyer-client privilege in the Children's Court.
- Facilitated professional development seminars for children's law practitioners.

Company Law Section

The Company Law Section is chaired by Mr Bruce Cowley of Minter Ellison.

Highlights:

- Sits as both Law Council Queensland Corporations Committee and Queensland Law Society Company Law Section.
- Actively participated in the organisation and running of the successful QLS Company Law and In-House Counsel conference.
- Contributed to numerous national submissions at the Law Council level.
- Facilitated a nationally consistent approach to the imposition of personal criminal liability for directors and other corporate officers in circumstances of corporate fault agreed by all States at COAG as a part of the deregulation priorities in the *Revised National Partnership to Deliver a Seamless National Economy*.
- Maintained excellent relationships with the Australia Securities Exchange (ASX) and Australian Securities and Investments Commission (ASIC).

Construction and Infrastructure Law Committee

The Construction and Infrastructure Law Committee is chaired by Mr Ross Williams of HWL Ebsworth.

Highlights:

- The Committee continues to liaise with the State Government's Industry Consult Committee and other State Landscape Construction Award Construction Committees.
- Maintained ongoing dialogue with the Registrar of *Building & Construction Industry Payments Act* (BCIPA) on future reforms.
- Conducted dialogue with the Housing Industry Association on member representation.
- Provided extensive support for Queensland Law Society BCIPA and construction full-day seminar.
- Made two submissions on BCIPA discussion paper and proposed amendments to the *Building Act*.

Competition and Consumer Law Section

The Competition and Consumer Law Committee is chaired by Mr David Grace of Cooper Grace Ward.

Highlights:

- Prepared consumer law fact sheets to assist persons affected by the Queensland floods.
- *Proctor* publication on s155 *Competition and Consumer Act 2010* (Cth) "oral examinations".
- Participation in Symposium 2011 and a half day workshop on the new *Australian Consumer Law*.

Criminal Law Section

The Criminal Law Section is chaired by Mr Glen Cranny of Gilshenan & Luton Legal Practice.

Highlights:

- Drafted 58 submissions throughout the year, being 30percent of the total submissions produced by the Society's Sections and Committees.
- The committee's submissions included:
 - Various aspects of the Moynihan reforms
 - Joint submissions with the Bar Association of Queensland regarding the Queensland Law Reform Commission's consultation paper *A review of jury selection and the harmonisation of criminal appeals*
 - Supreme Court Criminal Listings
 - Amendments to the *Criminal Code* on the defence of provocation and excuse of accident
 - The Queensland Murri Court
 - The implementation of a regional lawyer list by the Queensland Police Service
 - Review of the *Police Powers and Responsibilities Act 2000* and *Forensic Disability Bill 2010*
 - Review of the *Weapons Amendment Bill 2011*
 - Review of the *Transport and Other Legislation Amendment Bill 2011*
 - Review of the *Penalties and Sentences (Sentencing Advisory Council) Amendment Bill 2010*
 - Review of the *Proceeds Confiscation (Serious and Organised Crime Unexplained Wealth) Amendment Bill 2010*.

Elder Law Section

The Elder Law Section is chaired by Mr Brian Herd of Carne Reidy Herd Lawyers.

Highlights:

- Launched a *Joint Issues Paper on Elder Abuse* with the Public Advocate.
- Released the QLS Report to government calling for action to prevent Elder Abuse.
- Continued advocacy to the Minister for Tourism and Fair Trading regarding amendments to the *Retirement Villages Act 1999*.
- Made five submissions including submissions to the Productivity Commission on aged care, proposing further amendments to update the Department of Communities' Seniors and the Law publication, commenting on amendments to the *Fair Trading Bill* and concerning issues with legal representation in QCAT hearings generally and in guardianship matters in particular.

Equalising Opportunities in the Law Committee

The Equalising Opportunities in the Law Committee (EOL) is chaired by Ms Terry Hutchinson of the Queensland University of Technology whose tenure as chair concluded on 30 June 2011, after six years. The incoming chair from 1 July 2011 is Ms Amanda Bull of Thynne & McCartney.

Highlights:

- Reinvigorated, refocused and launched the EOL Committee award as the Queensland Law Society Equity and Diversity Award.
- Continued the committee's headline Lawlink program to facilitate better connections between the legal profession and Aboriginal and Torres Strait Islander law students through law firm visits and in-house Society events.
- Welcomed the resolution of the Directors of the Law Council of Australia to include an anti-discrimination rule in the *National Model Rules of Professional Conduct and Practice*.
- Made a submission to the Law Council of Australia on the *Australian Human Rights Commission Discussion Paper* on Federal protection from discrimination for same sex orientation, sex and indeterminate gender persons.

Family Law Section

The Family Law Section is chaired by Ms Julie Harrington of Harrington Family Lawyers whose tenure as chair concluded on 30 June 2011, after nine years. The incoming chair from 1 July 2011 is Ms Alison Ross of Hopgood Ganim Lawyers.

Highlights:

- Maintained a continued liaison on behalf of members with the Family and Magistrates Courts to identify and resolve systemic issues faced by practitioners.
- Planned the 2011 Family Law Residential conference.
- Made submissions on:
 - the *Collaborative Practice Guidelines for Lawyers*
 - draft amendments to the *Federal Magistrate Court Rules*
 - amendments to the *Acts Interpretations Act* (Cth) on the meaning of “de facto”
 - the *Contact Centre Review*
 - the copying of subpoenaed documents in the Family Law Courts.

Franchising Law Committee

The Franchising Law Committee is chaired by Mr Derek Sutherland of Icon Law whose tenure as chair concluded on 30 June 2011, after 10 years. The incoming chair from 1 July 2011 is Ms Janice Bywaters of Bywaters Timms.

Highlights:

- Submitted two detailed submissions and one supplementary submission to Western Australian MPs and the Western Australian Standing Committee for Economics and Industry on the *Franchising Bill 2010* (WA) and its implications for Queensland and national franchising parties.
- Invited and participated in a public hearing conducted by the Western Australian Standing Committee for Economics and Industry in relation to the *Franchising Bill 2010* (WA).
- Extensively quoted by the Western Australian Standing Committee for Economics and Industry in their report on the *Franchising Bill 2010* (WA), with the Standing Committee adopting many of the recommendations made by the QLS Franchising Law Committee.
- Maintained a liaison with the Australian Competition & Consumer Commission (ACCC) and Federal Government with respect to franchising matters.
- Developed and published on the Society website and in *Proctor* materials for the profession to assist solicitors in complying with the technicalities of the franchising code of conduct.
- Made 10 submissions including:
 - submissions to the Federal Minister for small business regarding the implications of the *Franchising Bill 2010* (WA)
 - submissions to David Gibson MP regarding franchising in Queensland
 - submissions to the South Australian Minister for Small Business regarding his media release to enhance franchise laws in South Australia
 - submissions to the WA Premier, WA Members of Parliament and the WA Standing Committee for Economics and Industry on the *Franchising Bill 2010* (WA).

Government Lawyers Committee

The Government Lawyers Committee was chaired by Mr Barry Cosgrove of the Australian Government Solicitor, who resigned recently when he was appointed to the magistracy. Mr Glen Carthew is chair pro tem until a new chair is appointed by Council.

Highlights:

- Continued to assist with the planning, development and participation in the Annual Government Lawyers' Conference 2011 and the government lawyers' half day event. These events attracted more than 100 attendees.
- Engaged in discussions with interstate law societies' government lawyers' sections to explore opportunities, share ideas and work towards initiatives for government lawyers.

All government lawyers who are members of the Society are eligible to join the committee.

Industrial Law Committee

The Industrial Law Committee is chaired by Ms Anne Milner of Milner Lawyers whose tenure as chair concluded on 30 June 2011, after 10 years.

Highlights:

- Contributed to several updates of the Society's *Introductory Guide to the Legal Services Award 2010* prepared during the year.
- Closely monitored the continuing implementation of the *Fair Work Act 2009* and the Modern Awards.
- Made a submission to the Australian Law Reform Commission in response to *Information Paper 36 relating to Family Violence, Employment and Superannuation*.

Insolvency Law Committee

The Insolvency Law Committee is chaired Mr Richard Cowen of Tucker Cowen Lawyers and is part of the Law Council of Australia.

Highlights:

- Sits jointly as both Law Council Queensland Insolvency Committee and Society insolvency committee.
- Continued to respond to numerous government inquiries and proposals for the reform of insolvency law.
- Supported changes to insolvency laws with respect to the rights of creditors and shareholders who claim to be creditors (the "sons of Gwalia" case reforms).
- Supported reform of Australia's stringent insolvent trading rules.
- Participated in the continuous reviews of bankruptcy and insolvency laws.

Intellectual Property and IT Law Committee

The Intellectual Property and IT Law Committee is chaired by Mr Peter Bolam of Bolam Legal.

Highlights:

- Implemented strategies identified in the action planning process undertaken by the committee.
- Designed content and sourced speakers for a well-attended session at QLS Symposium 2011 as part of the Business Law stream.
- Made eight submissions including:
 - to IP Australia on the draft *IP Amendment Bill* and collaborations between the public and private sectors
 - on the Federal Court Rules and the *Federal Judicial Review Act*
 - to the Minister for Innovation, Industry, Science and Research and Advisory Council on Intellectual Property in relation to concerns about the post-grant patent enforcement strategies
 - to the Internet Corporation for Assigned Names and Numbers (ICANN) in relation to concerns with introducing single character Internationalised Domain Names Top Level Domains (ILN TLDs).

International Law/Relations Section

The International Law/Relations Section is chaired by Mr Russell Thirgood of McCullough Robertson Lawyers whose tenure as chair concluded on 30 June 2011, after four years. The incoming chair from 1 July 2011 is Ms Teresa Kearney of Teresa Kearney Lawyers.

Highlights:

- Provided the South Pacific Lawyers' Association with extensive and relevant professional development resources and DVDs for distribution to legal professionals in countries throughout the South Pacific.
- Successfully facilitated the sponsorship of the University of Queensland Human Trafficking Campaign *Be careful what you pay for*.
- Made strong submissions regarding the *Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011* that was adopted by the Law Council of Australia.

- Developed a relationship with the office of the Minister for Foreign Affairs, the Honourable Kevin Rudd MP, regarding Australia's implementation of the Millennium Development Goals.
- Made 16 submissions on various issues including:
 - *Autonomous Sanctions Bill 2010*
 - *Human Rights (Parliamentary Scrutiny) Bill 2010*
 - *Human Rights (Parliamentary Scrutiny) (Consequential Provisions) Bill 2010*
 - *Migration Amendment (Detention Reform and Procedural Fairness) Bill 2010*
 - United Nations Convention against Corruption and the treatment of legal practitioners in other jurisdictions.

Litigation Rules Section

The Litigation Rules Section is chaired by Mr Justin McDonnell of Mallesons Stephen Jaques.

Highlights:

- Liaised with the Supreme and District Courts of Queensland (Brisbane registry) for the production and implementation of the very successful courts access card for legal practitioners.
- The Federal Court Rules Committee adopted the Society's recommendations in relation to the draft *Federal Court Rules*, in particular the Society's recommendation that the rules allow a solicitor to file a notice of change of solicitor.
- The Law Council of Australia adopted and agreed with the Society's recommendations that the *Civil Dispute Resolution Bill* have consideration to applications subject to the *Jurisdiction of the Courts (Cross-vesting) Act 1987* (Qld) as well as to remove the personal cost implications on solicitors in relation to the parties' obligations under the Bill.
- Made 18 submissions including:
 - to the Director-General, Department of the Premier and Cabinet regarding the *Civil Liabilities Act*
 - to the Law Council of Australia for joint submissions regarding the *Civil Dispute Resolution Bill 2010*
 - to the Parliamentary Secretary to the Treasurer advising that the Council of Consumer Affairs appears to be inconsistent with practitioners' obligations under the *Legal Profession Act* (Qld) and requesting it be placed as an agenda item for the next Ministerial Council of Consumer Affairs meeting
 - to the Director of the District and Supreme Courts on the *Civil Proceedings Bill*
 - to the Australian Law Reform Commission on e-discovery
 - on the *Federal Court Rules*
 - to the Federal Attorney-General regarding amendments to the *Acts Interpretations Act*
 - in relation to the Inquiry into the *Federal Judicial Review Act*.

New and Early Career Lawyers Section

The New and Early Career Lawyers Section was chaired by Ms Genevieve Dee of Cooper Grace Ward who was succeeded by Ms Kathryn Smith of Carne Reidy Herd at the end of 2010. Kathryn's tenure as chair concluded on 30 June 2011. The incoming chair from 1 July 2011 is Mr William Barsby of Shine Lawyers.

Highlights:

- Successfully facilitated the involvement of QLS members in the Salvation Army Wills Days.
- Continued the successful and informative series of 'Thursday session' events providing young lawyers with informative speakers and great networking opportunities.
- Developed networking opportunities for young lawyers in regional areas.
- Publication of a variety of articles in *Proctor* providing practical advice to young lawyers in practice.

Planning and Environment Law Committee

The Planning and Environment Law Committee is chaired by Ms Leanne Bowie of Leanne Bowie Lawyers.

Highlights:

- Government agreed to a new valuations system and fair objections and appeal processes after advocacy by QLS and other property law stakeholders to scrap the system introduced in the 2010 amendments to the *Valuations of Land Act*.
- *Land Valuation Bill 2010* passed by Government having adopted numerous suggestions of QLS to facilitate a transparent and more accessible objections process.
- The Scrutiny of Legislation Committee tabled a QLS submission on amendments to the *Environmental Protection Act 1994* with respect to notice provisions for environmental harm. The Minister amended the section of concern in Parliament in response.
- Made 11 submissions, including:
 - relating to the protection system proposed for strategic cropping land
 - infrastructure charges and their capping and delayed payment in the Infrastructure Charges Taskforce review and report
 - Greentape reduction
 - fundamental legislative principles issues in the *North Stradbroke Island Protection and Sustainability Bill 2011*
 - amendments to the *Planning and Environment Court Rules*
 - alterations to the role of the Planning and Environment Court proposed in the *Infrastructure Charges Taskforce Final Report*.

Practice Management and Development Law Section

The Practice Management and Development Law Section is chaired by Mr Raoul Giudes of Giudes & Elliott.

Highlights:

- Supported the ongoing development of practice management guides by the Society's legal practice consultant.
- Investigated models of legal practice and support systems available to small and regional practices to address the significant demands on these practitioners including virtual offices and outsourcing of administrative work.
- Closely monitored developments in the *Legal Services Award* application to legal practices in Queensland and participated in the updating of the QLS *Introductory Guide*.
- Commenced work on a QLS guide on litigation file transfers and sought permission to reproduce a tripartite deed from the Law Society of New South Wales for the benefit of members.

Property and Development Law Section

The Property and Development Law Section is chaired by Mr Paul Newman of Allens Arthur Robinson whose tenure as chair concluded on 30 June 2011, after 11 years. The incoming chair from 1 July 2011 is Mr Matthew Raven of Gadens Lawyers.

Highlights:

- Contributed to 31 submissions or 16percent of total Queensland Law Society policy submissions during the year.
- Received confirmation from Government that it was not pursuing registration or practice of conveyancers in Queensland as a part of national occupational licensing laws.
- The Queensland Government adopted the Society's recommendation that parties in a sale transaction have until 90 days after settlement to obtain a swimming pool safety certificate; and also agreed to the Society's proposals for a single pre-contractual disclosure form to be given to discharge disclosure obligations for swimming pool safety certificates at both pre-contract and pre-settlement stages.

- Real Estate Institute of Queensland accepted Society proposals for amendments to the standard conveyancing contracts to adequately protect buyers with non-compliant swimming pools on properties and also made updates to the standard contracts to comply with national contract laws.
- Attorney-General tabled in Parliament amendments to the *Retail Shop Leases Act 1994* which included commencement and transitional provisions advocated for by Queensland Law Society.
- Successful in obtaining a six-week implementation period for the commencement of reforms to residential sales contracts under the *Property Agents and Motor Dealers Act 2000* to provide members with time to assess their files and processes.
- Several submissions were made with respect to the National Electronic Conveyancing System development regarding who could be certifiers in the system and the level and standard of identification verification required by the system.
- Made numerous submissions on the amendments to lot entitlements in the *Body Corporate and Community Management Act 1997* raising concerns with the proposals.

Revenue Law Committee

The Revenue Law Committee is chaired by Mr Scott Hay-Bartlem of Cooper Grace Ward.

Highlights:

- The committee made a submission and negotiated with Office of State Revenue (OSR) during the periods of natural disasters in Queensland in late 2010, early 2011 to obtain an extension for legal practitioners who are self-assessors for State duties purposes to make returns and meet their reporting obligations. This actively assisted and relieved some of the compliance burden on law firms disrupted by the floods and Cyclone Yasi.
- OSR adopted verification and attestation wording proposed by the Society in its OSR Connect system to set an appropriate standard of undertaking by members with respect to content entered into the system.
- OSR amended its OSRConnect system in response to Society advocacy to appropriately accommodate fractional ownership in duties calculations.
- The committee had continued ongoing communication with OSR, raising issues on behalf of members.

Succession Law Section

The Succession Law Section is chaired by Dr John de Groot of de Groot's Wills & Estate Lawyers whose tenure as chair concluded on 30 June 2011, after 13 years. The incoming chair from 1 July 2011 is Mr Peter Wilson of M.P.N. Lawyers.

Highlights:

- Maintained a dialogue with the Supreme Court of Queensland in relation to a review of the Probate rules within the *Uniform Civil Procedure Rules (UCPR)*.
- Liaised with the Court in relation to reducing the turnaround time for processing probate applications.
- Provided the Supreme Court of Queensland with a commentary on UCPR provisions for estate accounts.
- Liaised with the OSR about duties concerns.
- Advocated to shareholding registries to desist their practice in requiring solicitors to sign solicitor indemnities for the administration of deceased estates.
- Made eight submissions including submissions on the treatment of testamentary trusts and family provision claim settlements under the *Duties Act*, and submissions to the Supreme Court supporting the proposal to discontinue the practice of requisitioning probate applications due to cause of death or testamentary capacity.

Our corporate governance

Meetings attended:	2010	2011
Bruce Doyle President 2011 (Deputy President 2010)	6/6	6/6
Raoul Giudes (Vice President 2010/11)	5/6	6/6
Peter Eardley (Immediate Past President 2011)	6/6	5/6
Ian Berry (Immediate Past President 2010)	2/6	n/a
Donald Armit	6/6	4/6
Deborah Awyzio (Attorney-General's nominee – appointed 1 December 2010)		2/6
Annette Bradfield	6/6	6/6
Ian Brown	6/6	6/6
Genevieve Dee	5/6	4/6
Michael Fitzgerald	5/6	5/6
Lynette Galvin	6/6	4/6
Rowena McNally	6/6	6/6
Joanne Parisi	5/6	6/6

Council meets regularly throughout the year in order to appropriately discharge its duties and monitor the performance of the Society.

The Executive Committee for 2010 consisted of

Peter Eardley (President)
 Bruce Doyle (Deputy President)
 Ian Berry (Immediate Past President)
 Raoul Giudes (Vice President)
 Annette Bradfield
 Donald Armit

The Executive Committee for 2011 consists of

Bruce Doyle (President)
 Raoul Giudes (Vice President)
 Peter Eardley (Immediate Past President)
 Annette Bradfield
 Donald Armit
 Ian Brown

Consultancies

Consultancies undertaken for Queensland Law Society during the 2010/11 financial year were:

Category	Cost (ex GST)
Legal Fees	\$4,781.04
Member Research	\$42,563.00
Professional Fees	\$78,208.53
Projects	\$8,000.00
Marketing	\$36,015.00
Grand Total	\$169,567.57

International travel

Purpose	Cost
Bruce Doyle, as Deputy President, attended the LAWASIA Conference in New Delhi, India	\$4,834.85
Bruce Doyle, as President, attended the American Bar Association Family Law Conference in Las Vegas, USA	\$3,563.54
Raoul Guides, as Vice President attended the LAWASIA Conference in New Delhi, India	\$5,465.76

Carers (Recognition) Act 2008

The Society recognises the effort and dedication of carers in our community and acknowledges the vital service that carers provide to those in their care. Although the Society does not provide direct services to carers or the people they care for, the Society actively advocates for the protection of rights for individuals including carers and those in their care.

Strategies and activities undertaken that reflect the principles of the Carers Charter

The Society has contributed to the objectives of the Queensland Carers Charter as required by s9 of the *Carers (Recognition) Act 2008* in the following ways:

- appearing before the Productivity Commission in connection with an inquiry into disability care and support, and subsequently advocating to the Commission in response to a draft report about the proposals for a National Injury Insurance Scheme (NIIS) and a National Disability Support Scheme (NDIS), which assisted carers by contributing to the debate for reform of disability care and support, and support arrangements that would see the scope of care services increased for those Queenslanders suffering disability, thereby reducing the unpaid burden on their carers (s9(1)(b)).
- ensuring the Society's policies provide flexible work and leave arrangements to assist carers to meet their commitments, including part-time work, and other agreed strategies. Our policies are located on the Society's intranet and discussed with all new staff as part of the induction program (s9(1)(a)).
- recognition of carers leave for staff and the option to apply for it paid or unpaid based on leave accrued (s9(2)).
- availability of counselling services for staff, including carers, who have access to the employee assistance program, LawCare (a complimentary, independent and confidential counselling service).

Future actions

The Society will continue to:

- address the requirements of s9 of the *Carers (Recognition) Act 2008* in 2011/12 by raising staff awareness and understanding of the Carers Charter and reviewing existing relevant policies annually, to ensure we meet our obligations under the Act
- provide an advocacy service and make submissions as and when appropriate in relation to the Carers Charter and matters affecting carers.

ASX Corporate Governance Principles and Recommendations

Principle 1 – Lay solid foundations for management and oversight

1.1 Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions

Queensland Law Society (QLS, the Society) has established a Council Charter that clearly outlines the role and functions the Council reserves for itself as the governing body of the organisation and those which may be delegated to management. These functions include:

- a) setting the strategic direction of the Society, ensuring appropriate resources are available and monitoring management's implementation of agreed strategy
- b) monitoring the performance of the Society's business activities by measuring that performance against the Society's strategic plan
- c) selection and appointment of the Chief Executive Officer, determining his/her conditions of service and monitoring his/her performance against agreed objectives
- d) monitoring the financial outcomes and the integrity of reporting, ensuring the preparation of accurate financial reports and statements and approving the annual budget
- e) appointing such committees of the Council as may be appropriate to assist in the discharge of its responsibilities and determining the responsibilities and charter of these committees
- f) ensuring the Society has appropriate corporate governance structures in place including standards of ethical behavior and promoting a culture of corporate and social responsibility
- g) oversight of the Society's wholly owned subsidiaries, including but not limited to Lexon Insurance Pte

In addition to matters expressly required by law to be approved by the Council, Council has specifically reserved the following functions for itself:

- h) appointing and removing the Chief Executive Officer and determining his or her terms and conditions of employment (including remuneration)
- i) reviewing and ratifying each of the following:
 - i. systems of risk management and internal control and compliance, codes of conduct and legal compliance
 - ii. financial and other reporting
 - iii. major capital expenditure, capital management, the Investment Policy for the Society, its statutory accounts (ie the LCLF and FGF) and all of its entities, and acquisitions and divestitures
- j) approving, on the recommendation of the chief executive officer, each of the following:
 - i. the strategic plan, at least annually
 - ii. the budget, at least annually
 - iii. the appointment and, where required, the removal of the group chief financial officer, corporate secretary, and general counsel
 - iv. significant changes to organisational structure
 - v. the acquisition, establishment, disposal or cessation of any significant business of the Society or its entities.

The Council Charter is published on the Society's website.

This year Queensland Law Society is in a position to, for the first time, report against the ASX Corporate Good Governance Principles and Recommendations.

These guidelines set the national standard for corporate governance.

Continual professional development – the Society recognises the importance continual professional development and has an approved policy and funding for the President or Deputy President to undertake the Graduate Diploma with the Australian Institute of Company Directors each year and for all Councillors to attend relevant workshops, seminars and conferences to update and maintain their skills and knowledge to perform their role effectively.

1.2 Companies should disclose the process for evaluating the performance of senior executives

The performance of the Society's senior management is evaluated by the Chief Executive Officer at least half yearly in reviewing progress against stated objectives of the Society's strategic plan.

The Society has adopted a remuneration policy that supports the Society's values, is transparent, fair and consistent and aims to attract, retain and motivate employees to achieve the Society's strategic objectives by encouraging accountability and teamwork.

Principle 2 – Structure the board to add value

Board Meetings – There were six Council meetings during the year. An attendance table is provided on page 60. The President, CEO and Corporate Secretary discuss and finalise the agenda for each meeting which routinely includes monthly financial reports, quarterly progress to strategic objectives and update and exception reports to major projects and undertakings. Council Papers are distributed a week prior to the meeting to allow Councillors to be fully conversant with issues for discussion.

2.1 A majority of the board should be independent directors

12 of the current 13 positions of the Council of the Society are determined by member vote every two years. The 13th position is an independent Councillor nominated by the Attorney-General.

2.2 The Chair should be an independent director

The President (Chair) and Deputy President of the Society are determined by member vote every two years. The President holds the position for one year and the Deputy President then becomes the President for the following year. Both positions are independent.

2.3 The roles of the chair and chief executive should not be exercised by the same individual

The Society separates the role of the President (Chair) and the CEO. The CEO is appointed for a three-year renewable term.

2.4 The board should establish a nomination committee

Given the nature of the organisation and the manner in which members of the Council are selected, the Society has determined it is not practicable or necessary for the Society to establish a nomination committee.

The Council has adopted a policy for nominee appointments to be made with due consideration of: nominee appointments to external organisations; the complexity of the business to which the appointment is made; the necessary and desired skill set of the board/committee to which the appointment is made; the level of experience required; the appropriateness of the appointment; any real or perceived conflicts of interests for a term of two years, after which the incumbent may seek reappointment for a maximum of three consecutive terms.

2.5 Companies should disclose the process for evaluating the board, its committees and individual directors

The Council undertakes a bi-annual performance evaluation of itself that compares the performance of the Council with the requirements of its charter; and effects any improvements to the Council charter deemed necessary or desirable.

Principle 3 – Promote ethical and responsible decision making

3.1 Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- 3.1.1 The practices to maintain confidence in the company's integrity
- 3.1.1 The practices necessary to take into account their legal obligations and the reasonable expectations of stakeholders
- 3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practice

The Society has developed and implemented a Code of Conduct that applies to all staff and we encourage our Council, committee members, members and business colleagues to partner with us in implementing our Code. Staff are educated in the importance of the Code, requirements to ensure adherence and potential impacts if the Code is breached.

3.2 Companies should establish a policy concerning diversity and disclose the policy of summary of that policy. The policy should include requirements for the board to establish measureable objectives of achieving gender diversity for the board to annually assess both the objectives and the progress in achieving them

The Society has developed and adopted a variety of policies and practices that encourage a diverse workforce and promote flexible working arrangements. These policies include the Society's reward and remuneration policy, carer's policy, study assistance and learning and development policies.

3.3 Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them

The Society endeavours to encourage and maintain diversity in all forms throughout its workforce. To date this has been successfully addressed and achieved by the Society's recruitment and selection processes, which seeks to employ the best candidate to meet the ongoing needs of the Society at the time. The Society is mindful of its size, the industry in which it operates and the likely candidate pool for vacancies at any time. While the Society provides a flexible work environment, opportunities for individual development and a supportive learning and development policy which encourages continual professional development to enable an individual's career progression; it does not currently have, or consider it necessary to have, a specific policy, or to promote gender diversity.

3.4 Companies should disclose in each annual report the proportion of women employees, women in senior executive positions and women on the board

65percent of the Society's workforce is female. Females represent 58percent of middle management, 50percent of senior management and 50percent of the Society's Council (Board).

3.5 Companies should provide the information indicated in the guide to reporting on Principle 3

Principle 4 – Safeguard integrity in financial reporting

4.1 The board should establish an audit committee

4.2 The audit committee should be structured so that it

- 4.2.1 Consists only of non-executive directors
- 4.2.2 Consists of a majority of independent directors
- 4.2.3 Is chaired by an independent chair, who is not chair of the board
- 4.2.4 Has at least three members

4.3 The audit committee should have a formal charter

The Society has an Audit and Investment Committee that meets not less than three times per year. The Audit and Investment Committee has an independent Chair who is not the President and the committee currently consists of nine independent Councillors and the Chief Executive Officer. The Audit and Investment Committee operates under a Terms of Reference document which is approved by Council and reviewed annually.

Principle 5 – Make timely and balanced disclosure

The Society is not a public entity and therefore does not have any continuous disclosure obligations. A copy of the Society's Annual Report is made available to all members and stakeholders and publicly published on the Society's website.

Principle 6 – Respect the rights of shareholders

6.1 Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or summary of that policy

6.2 Using electronic communications effectively

The Society regularly utilises video and teleconferencing facilities to overcome geographical challenges of providing services across Queensland and to ensure regional participation. The Society has developed a communication strategy to foster a high level of engagement with our members, stakeholders and the broader public.

Principle 7 – Recognise and manage risk

Companies should establish a sound system of risk oversight and management of internal control.

7.1 Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies

The Society has established an Audit and Investment Committee with an independent chair that oversees the financial activities, investments, risk management and reporting of the Society. The Audit and Investment committee has its own Terms of Reference and meets at least three times per year. The Society is a Statutory Body and as such meets the obligations and requirements of the *Financial Management Reporting Act Qld 2010*.

7.2 The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being effectively managed. The board should disclose that management has reported to it on effectiveness of the company's management of its material risks

The Society has adopted an integrated risk management approach, with risk assessments performed routinely in the development of business cases and the normal course of business. Material risks are identified, assessed and captured on a centralised risk register. The register is reviewed and updated whenever new risks are identified, and at least annually, by management and is then submitted to both the Audit and Investment Committee and the Council for their respective consideration and review.

7.3 The board should disclose whether it has received assurance from the chief executive officer or equivalent and the chief financial officer or equivalent that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks

Council, via the Audit and Investment Committee receives written assurance from both the Chief Executive Officer and the Group Financial Officer in accordance with the *Financial Management Reporting Act (Qld) 2010*. This Act contains similar provisions to section 295A of the *Corporations Act 2001*.

7.4 Companies should provide the information indicated in the guide to reporting principal 7

Principle 8 – Remunerate fairly and responsibly

The board should establish a remuneration committee

Given the size and nature of the Society and that Council is elected by Society members, the Society does not consider it necessary or practical to establish a remuneration committee.

8.1 Companies should clearly distinguish the structure of the non-executive directors remuneration from that of executive directors and senior executives

The President and Vice President are the only non-executive directors (Councillors) who receive an Honorarium for their services to the Society. The Honorarium is determined by the Society at a General Meeting.

The non-executive and independent chair of the Audit and Investment Committee is paid a nominal hourly rate.

Queensland Law Society Incorporated

FINANCIAL STATEMENTS



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* All amounts are denoted in Australian currency.



Statement of Comprehensive Income

For the year ended 30 June 2011

	NOTE	Consolidated		Parent Entity	
		2011	2010	2011	2010
		\$	\$	\$	\$
Revenue					
Membership and practitioner fees	6	8,103,292	7,140,473	8,103,292	7,140,473
Department of Justice and Attorney-General grants	1e	1,736,313	2,125,324	1,736,313	2,125,324
Rent and administration revenue	7	845,426	914,408	1,225,216	1,261,908
Membership services and events	8	4,144,113	4,113,470	4,144,113	4,113,470
Commissions and funding	1e	396,376	2,841,220	396,376	2,841,220
Insurance premiums, levies and deductibles		29,077,206	31,719,544	-	-
Investment income	5(a)	9,093,482	5,564,350	642,933	400,733
Realised gains (losses) on financial assets – fair value through profit or loss	5(b)	49,349	(3,374,834)	-	-
Fair value gains on financial assets – fair value through profit or loss	5(b)	(540,999)	5,698,547	-	-
Other income		105,814	125,584	105,814	125,584
Total revenue		53,010,372	56,868,086	16,354,057	18,008,712
Expenses					
Membership services and events	8	2,214,882	2,049,982	2,214,882	2,049,982
Administration expenses	9	5,254,373	5,276,621	3,139,005	3,112,188
Employee benefit expense		9,576,238	9,200,247	7,663,604	7,425,405
Council and committee costs	10	383,366	425,911	383,366	425,911
Depreciation	14	938,229	755,798	917,537	722,066
Law council capitation fees		877,493	796,577	877,493	796,577
Reinsurance costs		4,336,789	3,694,787	-	-
Insurance claims		22,525,326	20,897,962	-	-
Insurance recoveries		(2,953,727)	(1,748,250)	-	-
Claims handling expense		(303,000)	(139,000)	-	-
Brokerage fees		160,000	160,000	-	-
Total expenses		43,009,969	41,370,635	15,195,887	14,532,129
Operating surplus before income tax		10,000,403	15,497,451	1,158,170	3,476,583
Income tax expense	21	886,718	1,871,380	-	-
Operating surplus after income tax		9,113,685	13,626,071	1,158,170	3,476,583
Other comprehensive income, net of tax	15	(105,756)	(1,287,468)	(105,756)	(1,287,468)
Total comprehensive income		9,007,929	12,338,603	1,052,414	2,189,115

The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2011

		Consolidated		Parent Entity	
	NOTE	2011	2010	2011	2010
		\$	\$	\$	\$
Current assets					
Cash and cash equivalents	20(a)	45,364,288	46,565,043	16,630,621	14,620,329
Receivables	12	4,240,308	2,595,868	1,162,529	1,417,280
Insurance contract liabilities ceded	11	4,326,000	2,191,000	-	-
Total current assets		53,930,596	51,351,911	17,793,150	16,037,609
Non-current assets					
Investment in Lexon Insurance Pte Ltd	4	-	-	19,000,000	19,000,000
Financial assets, fair value through profit or loss	5(b)	107,369,886	102,879,243	-	-
Property, plant and equipment	14	26,093,846	26,511,098	26,035,811	26,480,994
Deferred tax assets	23	5,352,333	5,553,686	-	-
Insurance contract liabilities ceded	11	13,387,000	15,475,857	-	-
Total non-current assets		152,203,065	150,419,884	45,035,811	45,480,994
TOTAL ASSETS		206,133,661	201,771,795	62,828,961	61,518,603
Current liabilities					
Payables	13	34,247,480	37,567,701	11,932,338	11,717,208
Income tax payable	22	662,218	836,105	-	-
Accrued employee benefits	16	704,055	688,551	581,686	585,020
Provision for outstanding claims	11	19,050,000	20,598,000	-	-
Total current liabilities		54,663,753	59,690,357	12,514,024	12,302,228
Non-current liabilities					
Provisions	16	708,826	647,806	663,796	617,647
Deferred income tax liability	23	139,312	118,791	-	-
Provision for outstanding claims	11	55,588,000	55,289,000	-	-
Total non-current liabilities		56,436,138	56,055,597	663,796	617,647
TOTAL LIABILITIES		111,099,891	115,745,954	13,177,820	12,919,875
NET ASSETS		95,033,770	86,025,841	49,651,141	48,598,728
EQUITY					
Retained surplus	15	79,554,111	70,440,426	34,171,482	33,013,313
Other comprehensive income, net of tax	15	15,479,659	15,585,415	15,479,659	15,585,415
TOTAL EQUITY		95,033,770	86,025,841	49,651,141	48,598,728

The accompanying notes form part of these statements.

Statement of Changes in Equity For the year ended 30 June 2011

Parent Entity	NOTE	Revaluation Surplus \$	Retained Surplus \$	TOTAL \$
Opening Balance – 1 July 2009		16,872,883	29,536,730	46,409,613
Operating surplus for the period		-	3,476,583	3,476,583
Other comprehensive income		(1,287,468)	-	(1,287,468)
Closing balance – 30 June 2010	15	15,585,415	33,013,313	48,598,728
Operating surplus for the period		-	1,158,170	1,158,170
Other comprehensive income		(105,756)	-	(105,756)
Closing balance – 30 June 2011	15	15,479,659	34,171,483	49,651,142

Consolidated	NOTE	Asset Revaluation Reserve \$	Retained Surplus \$	TOTAL \$
Opening Balance – 1 July 2009		16,872,883	56,814,355	73,687,238
Operating surplus for the period		-	13,626,071	13,626,071
Other comprehensive income		(1,287,468)	-	(1,287,468)
Closing balance – 30 June 2010	15	15,585,415	70,440,426	86,025,841
Operating surplus for the period		-	9,113,685	9,113,685
Other comprehensive income		(105,756)	-	(105,756)
Closing balance – 30 June 2011	15	15,479,659	79,554,111	95,033,770

Statement of Cash Flows

For the year ended 30 June 2011

		Consolidated		Parent Entity	
	NOTE	2011	2010	2011	2010
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from the profession		43,262,711	48,211,304	14,696,394	16,328,468
Receipts from Department of Justice		2,584,153	2,657,892	2,584,153	2,657,892
Payments to suppliers and employees		(21,172,118)	(20,685,937)	(15,319,071)	(16,468,673)
Receipts collected for Society entities		-	-	29,073,106	32,079,836
Payments to Society entities		-	-	(26,003,206)	(28,898,487)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund		2,822,575	2,681,546	2,822,575	2,681,546
Payments to Legal Practitioners' Fidelity Guarantee Fund		(2,822,575)	(2,681,546)	(2,822,575)	(2,681,546)
Reinsurance recoveries		355,107	358,310	-	-
Reinsurance payments		(3,086,789)	(3,694,787)	-	-
Claims & claims related payments		(21,321,157)	(22,067,338)	-	-
Interest received		1,524,674	1,452,648	629,799	349,131
Interest paid		-	-	-	-
GST refunded from ATO		1,409,049	1,756,073	682,628	941,617
GST paid to ATO		(3,755,400)	(3,519,456)	(3,755,400)	(3,473,221)
Income tax refund/(paid)	22	(838,731)	791,001	-	-
Net cash provided by/(used in) operating activities	20(c)	(1,038,501)	5,259,710	2,588,403	3,516,563
Cash flows from investing activities					
Net term deposits		(6,550,000)	14,000,000	(6,550,000)	3,000,000
Purchase of investments		(5,340,650)	(52,977,006)	-	-
Proceeds from investment redemptions		5,805,130	13,545,528	-	-
Distribution from LCLF for purchase of Lexon shares				-	-
Purchase of Lexon shares				-	-
Payments for property, plant and equipment	14	(626,734)	(4,353,837)	(578,111)	(4,353,837)
Net cash provided by/(used in) investing activities		(6,712,254)	(29,785,315)	(7,128,111)	(1,353,837)
Net increase/(decrease) in cash held					
		(7,750,755)	(24,525,605)	(4,539,708)	2,162,726
Cash at the beginning of the period	20(a)	44,565,043	69,090,648	14,620,329	12,457,603
Cash at the end of the period	20(a)	36,814,288	44,565,043	10,080,621	14,620,329

The accompanying notes form part of these statements.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

NOTES

Objectives and principal activities

The Queensland Law Society Incorporated (the Society) is the professional association for solicitors in Queensland and continues in existence under the *Legal Profession Act 2007* (the Act). While the Society is defined as a statutory body under the *Financial Accountability Act 2009*, it remains an independent professional body, subject to the governance of its elected Council.

These accounts include the Society, other funds and subsidiaries and when combined are referred to as "the Group".

The Group is responsible for issuing of practising certificates, providing continuing legal education, investigating complaints of unsatisfactory professional conduct against solicitors, administering funds under the control of the Group, providing services and support to members and the general public and providing general insurance and services as licensed under the Singapore Insurance Act. Major sources of income for the Society include annual fees paid by its members, contributions from the Department of Justice and Attorney-General, continuing legal education to the profession, investment income, and insurance premiums.

1. Summary of significant accounting policies

The significant accounting policies which have been adopted in the preparation of the Group's financial statements are:

a. Statement of compliance

The Society has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian accounting standards and interpretations. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ended 30 June 2011 and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

b. The reporting entity

The financial statements include the values of all revenues, expenses, assets, liabilities and equity of the Society and the entities that it controls where they are material.

The Society controlled the following entities at reporting date:

- Law Claims Levy Fund (this Fund was wholly controlled for the whole period).
- Lexon Insurance Pte Ltd (formerly QLS Insurance Pte Ltd). This Company was established on 23 June 2001 in Singapore and is 100percent owned by the Society. This Company was wholly controlled for the whole period.

c. Principles of consolidation

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences to the date control ceases. In the process of reporting the Society as a single economic entity, unrealised gains and losses, inter-entity balances resulting from transactions with or between controlled entities are eliminated on consolidation where material. The accounting policies have been consistently applied by each entity in the consolidated entity.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

d. Taxation

Income tax is recognised on consolidation.

The Queensland Law Society Inc (parent entity) is exempt from income tax by virtue of Section 50-25 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT) and the 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Performance. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Lexon Insurance Pte Ltd (formerly QLS Insurance Pte Ltd) is registered in Australia for income tax. The company has dual tax residency in Australia and Singapore. In relation to offshore insurance business, the Company has been granted tax exempt status for a period of 10 years from 17 February 2006 to 16 February 2016 under the tax exemption scheme for captive insurers by the Monetary Authority of Singapore.

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Performance date, and are recognised as income or expenses in the Statement of Comprehensive Income, except to the extent that the tax arises from a transaction which is recognised directly in equity.

e. Revenue recognition

i. Premium income

Premium income is recognised as revenue at the commencement of the risk period covered by the policy and accrued proportionally over the period of coverage.

ii. Interest income

Interest income is accrued on a time-proportion basis using the effective interest method.

iii. Distribution on assets

Income from distribution on assets is recognised when declared by fund managers.

iv. Other income

Revenues are recognised at fair value of the consideration received net of any amount of GST payable to the ATO. Practitioner fees are recognised when payment is received. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges. Premium revenue is recognised in the financial statements at the commencement of the risk period covered by the policies.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

e. Revenue recognition continued

v. Commissions and funding

Grants, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Society obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangement.

The Society receives grants from the Department of Justice and Attorney-General through the Legal Practitioners' Interest on Trust Account Fund. These funds are used for regulatory functions only and any funds not spent during the year are included as a payable in Note 13.

Commissions and funding in the Statement of Comprehensive Income in the prior year includes a donation received from the Law Foundation – Queensland being a contribution of \$2,417,726 towards the refurbishment of Law Society House. While the cost of the refurbishment has been capitalised and will be expensed via depreciation in accordance with our depreciation policy (Note 1 j (ii)), the full contribution has been recorded in the Statement of Comprehensive Income given it was a non-reciprocal grant.

vi. Recovery of expenditure

Under the rules of the Act, certain operating expenses of the Society are recoverable from the Legal Practitioners' Fidelity Guarantee Fund. The gross amounts recovered are disclosed as income. Expenses incurred on behalf of the Fund form part of the administration expenses incurred by the Society.

vii. Insurance contracts

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiaries are classified as insurance contracts.

f. Operating leases

Payments made under operating leases (net of any incentives received from the lessor) are taken to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

g. Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits on call with financial institutions. The Cash Deposit Account is an interest bearing account which is readily convertible to cash on hand at the Group's option.

h. Reinsurance contracts

Contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more contracts issued by the Group where significant insurance risk is transferred are classified as reinsurance contracts.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

h. Reinsurance contracts continued

The benefits to which the Group is entitled under its reinsurance contracts are recognised as reinsurer's share of insurance liabilities. These assets consist of short-term balances due from reinsurers as well as longer term receivables that are dependent on the expected recovery. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as expenses when due.

The Group assesses its reinsurance assets for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Group may not recover all amounts due and that the event has a reliably measurable impact on the amount that the Group will receive from the reinsurer.

The Group ceded reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Group from its direct obligations to its policyholders.

i. Financial assets

The Group classifies its financial assets at 'fair value through profit or loss' and 'loans and receivables'. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification at initial recognition and re-evaluates this designation at every reporting date.

i. Receivables

Receivables include trade and other receivables in the Statement of Financial Performance.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets.

The Group assesses at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Allowance for impairment is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

ii. Financial assets, fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

j. Property, plant and equipment

i. Acquisition of assets

All assets acquired are recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Plant and equipment acquired are expensed unless the initial cost exceeds \$5,000. Buildings and additions are recognised upon acquisition if the initial cost exceeds \$10,000.

The Society has followed the Queensland Treasury guidelines in relation to intangible assets and as such expenses all software purchases less than \$100,000.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

j. Property, plant and equipment continued

ii. Depreciation

All assets including strata title buildings have limited useful lives and are depreciated using the straight line method over their estimated useful lives, taking into account estimated residual values.

Assets are depreciated from the date of acquisition. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount depreciated over the remaining useful life of the asset. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods.

The depreciation rates used for each class of asset are as follows:

	2011	2010
Asset Class		
Strata title building	2.5%	2.5%
Plant and equipment	4% - 33%	4% - 33%
Computer equipment	33% - 100%	33% - 100%

iii. Impairment of non-financial assets

Plant and equipment are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired or annually.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

iv. Revaluations

The strata title building is measured at fair value and is independently revalued every five years to ensure the carrying amount does not materially differ from the fair value at reporting date. In between independent valuations, the Society uses the Implicit Price Deflator for non-residential buildings indices to index the carrying amount of the building where there has been a material variation in the index. Revaluation increments are recognised in the asset revaluation reserve except where amounts reversing a decrement previously recognised as an expense are recognised as revenues. Revaluation decrements are only offset against revaluation increments and any excess is recognised as an expense.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

k. Insurance liabilities

Insurance liabilities comprise of outstanding claims provision and unearned premiums provision.

i. Outstanding claims provision

Full provision is made for the estimated cost of all claims admitted or intimated but not settled at the reporting date, less reinsurance recoveries, using the best information available at that time.

In addition, provision is made for claims incurred but not reported (IBNR) at the date of the reporting based on claims experience and industry statistics.

ii. Unearned premiums provision

The portion of premiums that relates to unexpired risk at the reporting date is reported as the unearned premium liability. Unearned premiums are calculated based on the 1/365 method applied to the net premiums written for the financial year.

iii. Liability adequacy test

At reporting date, liability adequacy test is performed to ensure the adequacy of the contract liability. In performing this test, current estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from assets backing such liabilities, are used. Any deficiency is immediately charged to general insurance revenue account by establishing a provision for losses arising from liability adequacy tests.

l. Payables

Trade creditors are recognised on receipt of the goods or services and are carried at actual amounts, gross of applicable trade and other discounts. Amounts are unsecured and are generally settled on 30 day terms.

m. Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

n. Employee benefits

i. Annual leave

Current annual leave entitlements represent present obligations resulting from services provided by employees up to balance date, calculated at undiscounted amounts based on remuneration rates that the entity expects to pay as at reporting date including related on-costs, such as, employer superannuation contributions, workers compensation insurance and payroll tax.

ii. Sick leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods and therefore it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

n. Employee benefits continued

iii. Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in remuneration rates including related on-costs and is based on experience of employee departure per year of service. Long service leave expected to be paid in the next 12 months is recorded as a current liability in the Statement of Financial Position. Long service leave expected to be paid later than one year is recorded as a non-current liability and is discounted using the Commonwealth Bond rate at the reporting date which most closely matches the terms of maturity of the related liabilities.

iv. Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with the section 5 Addendum (issued in May 2011) to the *Financial Reporting Requirements (FRR) for Queensland Government Agencies* issued by Queensland Treasury. Refer to note 18 (b) for the disclosures on key executive management personnel and remuneration.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Following consideration, the Society has decided that the Council, sub-committees and the CEO are the only employees with the authority and responsibility for these activities for the entire agency. This is supported through the council charter which is available on the Society's website.

o. Foreign currency

Foreign currency transactions are translated to Australian currency at the rate of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

p. Legal Profession Act 2007

The *Legal Profession Act 2007* (Qld) came into effect on 1 July 2007. The provisions contained within the Act cover a range of matters including the establishment of the Legal Services Commission, Legal Practice Tribunal and Committee and the Legal Practitioners' Admissions Board, together with a number of technical measures including those relating to transitional provisions to facilitate the transfer to the new legislation.

q. Issuance of financial statements

The financial statements are authorised for issue by the Council of the Queensland Law Society Inc. at the date of signing the management certificate.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

r. New and revised accounting standards

The Group did not voluntarily change any of its accounting policies during 2010-11.

AASB 2009 – 5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* included certain amendments to AASB 117 *Leases* that revised the criteria for classifying leases involving land and buildings. This amendment does not affect the Group.

The Group is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Group has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Group applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, significant impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1, AASB 7, AASB 101 & AASB 134 and *Interpretation 13*] becomes effective from reporting periods beginning on or after 1 January 2011. The Group will then need to make changes to its disclosures about credit risk on financial instruments in note 22(c). No longer will the Group need to disclose amounts that best represent an entity's maximum exposure to credit risk where the carrying amount of the instruments reflects this. If the Group holds collateral or other credit enhancements in respect of any financial instrument, it will need to disclose – by class of instrument – the financial extent to which those arrangements mitigate the credit risk. There will be no need to disclose the carrying amount of financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired.

AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and *Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052*] apply to reporting periods beginning on or after 1 July 2013.

AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “tier 2”).

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1. AASB 2010-2 sets out the details of which disclosures in standards and interpretations are not required under tier 2 reporting.

Treasury Department has advised that its policy decision is to require all entities captured within the whole-of-government financial reports to adopt tier 1 reporting requirements. In compliance with Treasury's policy which prohibits the early adoption of new or revised accounting standards unless Treasury approval is granted, the Group has not early adopted AASB 1053.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Group's activities, or have no material impact on the Group.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Management discussed with the directors the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. Certain critical accounting judgements in applying the Group's accounting policies are related to the policyholder claims.

(a) Actuarial methodology for estimate for policyholder claims

The Group's estimates for reported and unreported losses, establishing resulting provisions and related reinsurance recoverables are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss. The process relies upon the use of external advisors (lawyers, actuaries and loss adjustors) and the assumption that past experience is an appropriate basis for predicting future events.

In estimating the outstanding claims liability, projected future claims payments are discounted to the calculation date for each claim year.

The projected future claims payments for each claim year are based on the claim estimates and an allowance for the development of claims (Incurred But Not Enough Reported – IBNER) especially for the recent claim years in respect of which limited claims information is available and estimates are therefore the most subjective; and an allowance for accident cases, which had incurred but have not yet been reported (Incurred But Not Reported – IBNR).

The IBNER and IBNR estimate has been calculated using a combination of the Incurred Claims Development ("ICD") and Bornhuetter-Ferguson ("BF") methods.

(b) Key assumptions

The following key valuation assumptions have been used to estimate future projected payments and outstanding claims liabilities:

- The ICD basis allows for 10percent development beyond the 9th development half-year.
- The average cost per solicitor (used in the BF method) adopted is \$4,100.
- We have assumed reinsurance recoveries will be fully recoverable on a prompt basis.
- We have applied the zero-coupon yield for Commonwealth Government bonds to the expected future cashflows. This has resulted in a uniform discount rate of 4.9percent.
- We have assumed future inflation will be the same as past inflation, to the extent that it has been captured by the claims development data.
- We have used market benchmarks to include an allowance for Claims Handling Expenses ("CHE").
- While we have calculated a central estimate, we have applied a risk margin at a 90percent level of sufficiency to gain comfort with the adequacy of reserves.
- While claim numbers are not directly used in determining our estimates, they are a good lead indicator. Claim numbers are assumed to be fully developed by development half year 7.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

2. Critical accounting estimates and judgements continued

(b) Key assumptions continued

There have been no significant changes in the business underwritten by the Group or the way the insurance liabilities are estimated. Hence, no significant amendments have been made to the assumptions.

The assumptions have been determined by management and the actuarial team by taking into account: claim development experience, statistical analysis and market trends.

(c) Sensitivity analysis of key estimates

While the gross ultimate costs are sensitive to valuation assumptions, the net results are much less sensitive due to the aggregate limits that apply which reduce the net exposure.

The impacts on our estimated total provision due to changes in assumptions are:

- Reserve underestimation: The gross undiscounted unused exposure for all years totals \$14.9m. A 10percent reserve under estimation results in an additional gross undiscounted reserve of \$7.2m and net discounted reserve (after risk margins) of \$3.3m or 5.9percent of the discounted net central estimate plus risk margins.
- Reserve overestimation: If our estimated reserves on all years improved by 10percent then it would result in a decrease in gross undiscounted reserve of \$7.2m and the total net provision (after risk margins) would decrease by \$3.0m or 5.4percent of the discounted net central estimate plus risk margins.
- Discount rate: A half a percentage point increase in discount rate (from 4.9percent to 5.4percent) would reduce our provision by \$0.5m or one percent of the discounted net central estimate plus risk margins.
- Claims handling provision: A one percentage point increase in the claims handling rate applied would increase our provision by \$0.7m or 1.3percent of the discounted net central estimate plus risk margins.

3. Management of insurance and financial risk

Lexon Insurance Pte Ltd is a captive insurer and issues a single insurance contract to its holding corporation that transfers insurance risks of its holding corporation to itself. This section summarises these risks and the way the Group manages them.

3.1 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

The primary insurance activity carried out by the Group assumes the risk of loss from persons that are directly subject to the risk – professional indemnity liability. Such risk may relate to liability that may arise from an insurable event. As such, the Group is exposed to the uncertainty surrounding the timing and severity of claims under the contract.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.1 Insurance risk continued

The Group manages its insurance risk through underwriting guidelines, centralised management of reinsurance and monitoring of emerging issues.

(a) Underwriting strategy

The Group is unable to provide a diversified portfolio of similar risks due to its licensing arrangement. The Group currently only underwrites the risk of its holding corporation. Such a focus on one "insured" group does create a wider variability of outcome than a balanced portfolio.

(b) Reinsurance strategy

In considering the purchase of reinsurance protection, the Group's philosophy is twofold, namely:

- to reduce risk, and
- to stabilise solvency.

To achieve such objectives, the Group will consider the placing of reinsurance protection at appropriate levels with reinsurance carriers of a proven financial record. Specific reinsurance placements should reflect the appropriate balance between retention and reinsurance commensurate with the nature and complexity of the risk, all within acceptable exposure limits to the Group.

Ceded reinsurance contains credit risk, and such reinsurance recoverables are reported after known deductions for insolvencies and uncollectable items. The Group monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Board of Directors is responsible for setting the minimum security criteria for acceptable reinsurance.

(c) Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below.

The following gives an assessment of Lexon Insurance Pte Ltd main product – professional indemnity liability and the ways in which it manages the associated risks.

(i) Product features

Lexon Insurance Pte Ltd writes professional indemnity liability and under these contracts, monetary compensation awards are paid for any description of civil liability whatsoever incurred in connection with the Law Practice.

Professional indemnity liability is generally considered a long tail line, as it takes a relatively long period of time to finalise and settle claims for a given accident year. The speed of claim reporting and claim settlement is a function of the specific coverage provided, the jurisdiction and specific policy provisions.

This line is typically the largest source of uncertainty regarding claims provisions. Major contributors to this provision estimate uncertainty include the reporting lag, the number of parties involved in the underlying action, the potential amounts involved and whether such claims were reasonably foreseeable and intended to be covered at the time the contracts were written. Claims with longer reporting lag will result in greater inherent risk.

(ii) Management of risks

The key risks associated with this product are underwriting risk and claims experience risk.

Underwriting risk includes the risk of higher claims costs than expected owing to the random nature of claims and their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting reinsurance pricing and conditions of reinsurance cover. This may result in the Group having either too little premium for the risks it has agreed to underwrite and hence, has not enough funds to invest and pay claims, or that claims are in excess of those expected.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.1 Insurance risk continued

(c) Terms and conditions of insurance contracts continued

(ii) Management of risks continued

Claims development history

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Underwriting year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Gross							
Estimate of ultimate claims							
Costs:							
- at end of reporting year	22,783	22,378	21,278	27,820	21,695	25,310	
- one year later	23,490	23,028	16,045	32,056	15,572		
- two years later	18,695	21,684	13,811	31,274			
- three years later	17,332	18,766	15,722				
- four years later	17,605	18,261					
- five years later	18,527						
Cumulative payments to date	(14,237)	(14,414)	(7,538)	(16,390)	(2,706)	(1,551)	
Estimate of claims reserve	4,290	3,847	8,184	14,884	12,866	23,759	67,830
Effect of discounting	(405)	(378)	(795)	(1,526)	(1,470)	(3,217)	(7,791)
Best estimate of claims liability	3,885	3,469	7,389	13,358	11,396	20,542	60,039
Liability in respect of years prior to 2005/06							4,701
Risk margin							6,136
Provision for claims handling							3,762
Total outstanding claims included in the balance sheet							74,638

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.1 Insurance risk continued

(c) Terms and conditions of insurance contracts continued

(ii) Management of risks continued

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Net							
Estimate of ultimate claims							
Costs:							
- at end of reporting year	18,000	18,000	18,000	18,000	21,695	22,500	
- one year later	18,000	18,000	16,045	18,000	15,572		
- two years later	18,000	18,000	13,811	18,000			
- three years later	17,332	18,000	15,722				
- four years later	17,605	18,000					
- five years later	18,000						
Cumulative payments to date	(14,237)	(14,414)	(7,538)	(16,390)	(2,706)	(1,551)	
Estimate of claims reserve	3,763	3,586	8,184	1,610	12,866	20,949	50,958
Effect of discounting	(273)	(300)	(795)	(19)	(1,470)	(2,327)	(5,184)
Best estimate of claims liability	3,490	3,286	7,389	1,591	11,396	18,622	45,774
Liability in respect of years prior to 2005/06							1,253
Risk margin							6,136
Provision for claims handling							3,762
Total outstanding claims included in the balance sheet							56,925

Insurance risk is managed primarily through sensible pricing, product design, appropriate investment strategy and reinsurance. The Group therefore monitors and reacts to changes in the general economic and commercial environment in which it operates. The Group also assesses the need to minimise its underwriting risks by retaining part of the risks underwritten for its own account and reinsuring the remainder.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.2 Reinsurance risk

The Group cedes insurance risk to limit exposure to underwriting losses under agreements that cover risks or group risks on yearly renewable terms. These reinsurance agreements spread the risk and minimise the effect of losses. The amount of risk retained depends on the Group's evaluation of the risk. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is agreed and paid. However, the Group remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

When selecting a reinsurer, the Group considers their relative security. The security of the reinsurer is assessed from public rating information.

3.3 Concentration of risk

The concentration of insurance risk before and after reinsurance is solely in Australia and from a single line of business, Professional Indemnity insurance.

3.4 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (currency risk, price risk and interest rate risk), credit risk and liquidity risk.

(a) Currency risk

The Group is not exposed to significant foreign currency risk in relation to its functional currency as the majority of the Group's transactions, assets and liabilities are denominated in Australian Dollar.

The Group holds minor cash balances in Singapore Dollar, and units in unit trusts which hold some minor unhedged positions.

The Group outsources its investment activities to respected fund managers who use defined risk management techniques as part of the funds mandates.

All investments in income securities are predominately hedged where a currency exposure exists.

As part of the Group's investment mandate it holds units in one fund which holds unhedged international securities. Any unhedged position is in accordance with the strategic asset allocation, and is monitored regularly by management and the Board.

(b) Price and interest rate risk

The Group is exposed to equity securities price risk arising from the investments classified as fair value through profit or loss. These securities are held with Australian fund managers.

The Group seeks to reduce risk by diversifying across a range of securities, maturities and counterparties. Investment of the funds is subject to risk control limits and constraints:

Duration and Tracking Error Limits (interest rate management)

- The Modified Duration of the funds are constrained within a specified period either side of the Modified Duration of the Benchmark.
- Rolling year ex post tracking error will be limited to a specified number of basis points. The ex-ante tracking error of the funds is not expected to exceed a specified number of basis points.

Sector Exposure Bands

- The weighting of each sector (eg domestic, international – government, non-government) within the funds will be maintained in specified limits.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.4 Financial risk continued

(b) Price and interest rate risk continued

Credit Limits

- The funds will be invested in a broad and diversified range of securities across the credit spectrum.

Credit Risk Limits for Individual Security Investments

- Individual security limits apply for direct physical holdings based on their credit rating and inclusion in the benchmark.

Management and the Board regularly review the performance and ensure all investments held are within the approved mandate.

Interest Rate sensitivity

The following interest rate sensitivity depicts the outcome to the profit or loss if the interest rates were to increase by one percent linearly from the year end yield curve applicable to the Group's financial assets and liabilities which are subject to interest movements. With all other variables held constant, the profit after tax for the year would have been lower by \$832,069 (2010: \$902,199). A linear decrease of interest rates by one percent would result in an increase of \$832,069 (2010: \$902,199).

Price sensitivity

The following price sensitivity depicts the outcome to the profit or loss if all investments moved an average of five percent from the year end values. With all other variables held constant, the Group would record an increase in profit after tax of \$1,199,811 (2010: \$1,054,114) for a five percent increase in market values and a decrease in profit after tax of \$1,199,811 (2010: \$1,054,114) for a five percent decrease in market values.

(c) Credit risk

There is no significant credit risk with respect to the collectability of premiums as the Group only underwrites risks from its holding corporation. All premiums are paid up front at the commencement of the period covered under the insurance policy.

Credit risk arising on funds placed with external fund managers and on reinsurance activities is managed by established policies to ensure that the counter-parties have adequate financial ratings and appropriate credit history.

(i) Financial assets that are neither past due or impaired

At the balance sheet date no financial assets are past due or impaired other than trade receivables noted below.

Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets, fair value through profit or loss are redeemable on demand. These are placed with reputable fund managers. The Group holds units in one fund which is currently unable to pay redemptions as a result of the Global Financial Crisis (this is detailed below).

No insurance recoveries are past due. All reinsurance contracts are placed in accordance with the Group's reinsurance policy which ensure appropriate credit rating of individual reinsurers and concentration risk is reduced to acceptable levels.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.4 Financial risk continued

(c) Credit risk continued

(ii) Financial assets that are past due and/or impaired

Trade debtors relate to excesses which are due in relation to claims.

Trade debtors include a balance of \$624,889 which are more than one month past due. There is a provision of \$483,639 on these outstanding balances.

While provisions have been raised, the Queensland Law Society Indemnity Rules gives power to the Queensland Law Society Inc to take action against insureds where any balances are outstanding. These matters have been referred to the Queensland Law Society for follow up.

(iii) Credit ratings

The following table shows the investment grades of balances due:

	Investment grade (AAA to BBB)	Not rated	Total
	\$	\$	\$
At 30 June 2011			
Cash and cash equivalents	2,729,927	534	2,730,461
Insurance contract liabilities ceded	17,713,000	-	17,713,000
Trade and other receivables	166,911	2,514,421	2,681,332
Financial assets	-	76,177,216	76,177,216
	20,609,838	78,692,171	99,302,009
At 30 June 2010			
Cash and cash equivalents	3,265,908	534	3,266,442
Insurance contract liabilities ceded	17,666,857	-	17,666,857
Trade and other receivables	400,083	537,464	937,547
Financial assets	-	75,991,297	75,991,297
	21,332,848	76,529,295	97,862,143

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.4 Financial risk continued

(c) Credit risk continued

(iii) Credit ratings continued

Financial asset investments are placed with the following fund managers:

- Queensland Investment Corporation
- UBS Global Asset Management
- AMP Capital Investors
- BNP Paribas Investment Partners
- BlackRock Investment Management
- Russell Investments
- Tasman Asset Management (Tyndall)
- Platinum Investment Management
- Zurich Investment Management

(d) Liquidity risk

In the management of liquidity risks, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group also constantly reviews its investments to ensure that there are sufficient cash and liquid deposits to meet its estimated outflows from its insurance contract.

The Group manages its expected cash flow requirements using the latest actuarial valuations detailing projected cash flows. These are monitored in conjunction with available cash and investments readily convertible to cash.

As at balance sheet date, the Group's financial assets and financial liabilities are all current.

The Group holds units in one fund which has frozen redemptions as a result of the Global Financial Crisis. This is a property fund and redemptions would require disposal of real property which may be to the detriment of remaining unit holders. The fund is accounted for at fair value. This fund is not required for liquidity purposes.

A maturity analysis of insurance liabilities is provided in Note 11.

(e) Capital risk

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised, and assessing shortfalls between reported and required capital levels on a regular basis. The Group will issue or redeem additional equity and debt instruments when necessary.

Lexon Insurance is required under the *Singapore Insurance Act*, Cap.142 and the relevant Regulations made thereunder to meet and maintain at all times during the course of each financial year that it carries on insurance business, minimum fund solvency and capital solvency requirements. As at balance sheet date, Lexon Insurance has met the funds solvency requirement for its Offshore Insurance Fund and the minimum capital adequacy requirement of SGD400,000.

Management and the Board monitor the capital position using a risk based capital model.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Management of insurance and financial risk continued

3.4 Financial risk continued

(f) Fair value measurements

Effective 1 July 2009 the Group adopted the amendment to FRS 107 which requires disclosure of fair value measurements by levels of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

4. Critical accounting estimates and judgements in applying accounting policies

In June 2001, Lexon Insurance Pte Ltd was incorporated in Singapore as the captive insurer of the Society. The company was capitalised with \$9,000,000 via surplus funds from the Society controlled Law Claims Levy Fund. A further \$10,000,000 was issued in May 2009. The \$19,000,000 share capital of the company is fully owned by the Society and the company is a controlled entity of the Society. Share capital is eliminated on consolidation.

5. Investments

a. Investment income

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Distributions from financial assets, fair value through profit or loss (net of fees)	7,561,544	4,124,535	-	-
Interest Income	1,531,938	1,439,815	642,933	400,733
	9,093,482	5,564,350	642,933	400,733

b. Financial assets, at fair value through profit or loss

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Collective investment schemes				
Opening balance	102,879,243	57,042,667	-	-
Additions	6,000,000	53,330,000	-	-
Additions via reinvestment	6,780,971	3,728,392	-	-
Disposals proceeds	(7,798,678)	(13,545,529)	-	-
Gain/loss on disposal	49,349	(3,374,834)	-	-
Fair value movements	(540,999)	5,698,547	-	-
Closing balance	107,369,886	102,879,243	-	-

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

5. Investments continued

b. Financial assets, at fair value through profit or loss continued

The portfolio of financial instruments held consists of collective investment schemes. The fair value of the financial instruments is determined using net asset value of the collective investment schemes.

6. Membership and practitioner fees

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Practising certificate fees	4,148,875	3,827,970	4,148,875	3,827,970
Member fees	3,274,842	2,989,597	3,274,842	2,989,597
PSC Capping Fee	331,590	-	331,590	-
Certificate of fitness	18,391	17,211	18,391	17,211
Late application levy	9,450	9,000	9,450	9,000
Corporate marketing levy	320,144	296,695	320,144	296,695
	8,103,292	7,140,473	8,103,292	7,140,473

7. Rent and administration revenue

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Management fees	6,028	25,000	365,818	352,500
Law Claims Levy Fund	-	-	20,000	20,000
Legal Practitioners' Fidelity Guarantee Fund	48,000	48,000	48,000	48,000
Legal Practitioners' Admissions Board	264,744	240,829	264,744	240,829
Body Corporate Admin Fee	37,000	-	37,000	-
Rent	393,611	438,156	393,611	438,156
Car parking	96,043	162,423	96,043	162,423
	845,426	914,408	1,225,216	1,261,908

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

8. Membership services and events

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Income				
Practice management course	379,300	439,894	379,300	439,894
Publications	47,998	41,076	47,998	41,076
QLS diary	190,234	200,994	190,234	200,994
Seminars	2,041,444	1,861,499	2,041,444	1,861,499
College of Law commission	106,463	234,001	106,463	234,001
Specialist Accreditation	151,819	186,814	151,819	186,814
Resources, texts and course material	459,327	392,562	459,327	392,562
School and student services	24,160	30,979	24,160	30,979
Events and functions	44,053	92,894	44,053	92,894
Proctor advertising and subscription	418,817	419,638	418,817	419,638
Marketing and sponsorship	280,498	213,119	280,498	213,119
	4,144,113	4,113,470	4,144,113	4,113,470
Direct expenditure (exclude staff costs)				
Practice management course	54,192	78,553	54,192	78,553
QLS diary	111,445	107,909	111,445	107,909
Seminars	1,028,764	913,529	1,028,764	913,529
Specialist Accreditation	9,227	17,669	9,227	17,669
Resources, texts and course material	225,931	175,568	225,931	175,568
School and student services	10,058	32,194	10,058	32,194
Events and functions	83,095	102,605	83,095	102,605
Membership product and services	357,105	300,394	357,105	300,394
Proctor expenses	329,487	316,587	329,487	316,587
Marketing and sponsorship	5,578	4,974	5,578	4,974
	2,214,882	2,049,982	2,214,882	2,049,982

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

9. Administration expenses

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Advertising	16,096	45,633	16,096	45,633
Actuarial fees	93,696	131,080	-	-
Audit fees	138,293	127,597	72,652	72,812
Bad debts	153	-	153	-
Body corporate levies	243,380	217,130	243,380	217,130
Captive managers fee	85,000	85,000	-	-
Catering, functions and entertainment	59,309	44,598	46,882	36,796
Complaint investigations	9,205	3,387	9,205	3,387
Directors fees	309,797	279,600	-	-
District law association sponsorships	3,500	9,000	3,500	9,000
Electricity	44,308	83,533	44,308	83,533
Fringe benefits tax	95,443	86,752	64,698	61,289
Fees and charges	128,124	98,817	114,641	91,032
Foreign exchange	25,729	3,329	-	-
Insurance	285,792	275,524	174,942	172,999
Information technology and related costs	302,719	527,291	302,719	527,291
Interest Expense	(63,574)	220,000	-	-
Investment managers fees	145,772	122,027	-	-
Law Asia	100,000	125,000	100,000	125,000
Lease payments	189,382	181,684	-	-
Liability Capping Scheme	236,100	-	236,100	-
Motor vehicle expense	9,863	8,819	9,863	8,819
Offsite storage	45,185	70,956	45,185	70,956
Payroll tax	461,198	447,193	363,236	353,839
Postage	78,023	89,486	72,474	81,103
Presentations, donations and gifts	45,454	63,847	45,454	63,847
Provision for doubtful debts	171,711	163,053	-	-
Printing and stationery	138,967	154,427	107,579	119,178
Professional and consulting fees	709,618	567,997	273,358	230,988
Rates and taxes	120,149	112,953	120,149	112,953
Registrations and subscriptions	57,004	67,260	39,433	54,905
Regulatory audits	62,173	54,788	62,173	54,788
Repairs and maintenance	224,422	259,412	224,422	259,412
Secretarial fees	21,009	32,801	-	-
Solicitors complaints tribunal	-	9,022	-	9,022
Staff – other costs	30,326	20,521	25,081	20,521

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

9. Administration expenses continued

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Staff advertising	-	6,281	-	6,281
Staff amenities	28,495	22,533	22,831	17,098
Staff training	152,428	77,121	123,173	51,348
Sundry expenses	25,045	13,164	18,203	8,465
Tax consulting	28,901	21,371	-	-
Taxis and couriers	24,287	22,140	23,234	20,994
Telephone	95,052	108,721	68,357	80,256
Travelling expenses	276,839	215,773	65,524	41,513
	5,254,373	5,276,621	3,139,005	3,112,188

10. Council and committee costs

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Travel and accommodation	67,939	70,638	67,939	70,638
Honorarium	290,667	290,667	290,667	290,667
Convocation	-	5,680	-	5,680
Catering and functions	24,760	58,926	24,760	58,926
	383,366	425,911	383,366	425,911

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

11. Provision for outstanding claims

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Opening gross outstanding claims	75,887,000	76,482,350	-	-
Claims incurred	24,098,957	23,997,486	-	-
Claims paid during the year	(25,044,957)	(24,453,836)	-	-
Movement in claims handling provision	(303,000)	(139,000)	-	-
Closing gross outstanding claims	74,638,000	75,887,000	-	-
Opening reinsurance recoveries	(17,666,857)	(16,677,000)	-	-
Movement in reinsurance recoveries	(2,598,620)	(1,582,000)	-	-
Reinsurance receivable	2,552,477	592,143	-	-
Closing reinsurance recoveries	(17,713,000)	(17,666,857)	-	-
Net outstanding items	56,925,000	58,220,143	-	-
Law Claims Levy Fund	484,000	899,000	-	-
Lexon Insurance Pte Ltd	56,441,000	57,321,143	-	-
	56,925,000	58,220,143	-	-

The Law Claims Levy Fund has stop loss insurance that capped the fund's liability at \$5m for payments made after 1 July 2002.

Lexon Insurance Pte Ltd and the Law Claims Levy Fund have assessed the provisions for outstanding claims based upon an independent actuarial assessment as at 30 June 2011 by Mr Andrew Cohen (FIAA) and Mr Kane Bolton (FIAA), of Finity Consulting Pty Ltd. The key assumptions are detailed in Note 2.

Net discounted maturity analysis

2011	Less than 1 year	1 to 5 years	Over 5 years	Total
Gross central estimate	19,050,000	38,540,000	7,150,000	64,740,000
Reinsurance recoveries	(4,326,000)	(9,491,000)	(3,896,000)	(17,713,000)
Net central estimate	14,724,000	29,049,000	3,254,000	47,027,000
Risk margins				6,136,000
Claims handling				3,762,000
Net claims outstanding				56,925,000

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

11. Provision for outstanding claims continued

2010	Less than 1 year	1 to 5 years	Over 5 years	Total
Gross central estimate	20,598,000	38,072,000	9,546,000	68,216,000
Reinsurance recoveries	(2,191,000)	(11,075,000)	(4,400,857)	(17,666,857)
Net central estimate	18,407,000	26,997,000	5,145,143	50,549,143
Risk margins				3,606,000
Claims handling				4,065,000
Net claims outstanding				58,220,143

12. Receivables

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Accounts receivables	1,190,297	986,963	393,908	209,861
Reinsurance Recoverable	166,911	400,083	-	-
Less: provision for impairment	(483,639)	(316,928)	-	-
	873,569	1,070,118	393,908	209,861
Prepaid expenses and other receivables	3,366,739	1,525,750	768,621	1,207,419
	4,240,308	2,595,868	1,162,529	1,417,280

13. Payables

	Consolidated		Parent	
	2011	2010	2011	2010
	\$	\$	\$	\$
Creditors	139,173	433,297	139,173	433,297
Income in advance	29,181,157	32,516,844	7,122,284	7,252,182
Other payments & accruals	4,927,150	4,617,560	4,670,881	4,031,729
	34,247,480	37,567,701	11,932,338	11,717,208

Income in advance relates primarily to receipts for insurance, membership fees and practising certificates received prior to year end during the renewal period for the upcoming year.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

14. Property plant and equipment

Parent Entity

	Strata Title Building \$	Plant and Equipment \$	Computer Equipment \$	Software \$	Total
2009/10					
Cost or valuation					
At the beginning of the year	23,840,445	1,178,007	414,735	-	25,433,187
Additions	1,247,224	3,008,855	97,758	-	4,353,837
Revaluations/other	(1,320,480)	-	-	-	(1,320,480)
At the end of the year	23,767,189	4,186,862	512,493	-	28,466,544
Depreciation					
At the beginning of the year	-	(920,567)	(375,929)	-	(1,296,496)
Charge for the year	(594,691)	(114,139)	(13,236)	-	(722,066)
Revaluations/other	33,012	-	-	-	33,012
At the end of the year	(561,679)	(1,034,706)	(389,165)	-	(1,985,550)
Net book value at 30 June 2010	23,205,510	3,152,156	123,328	-	26,480,994

2010/11

Cost or valuation					
At the beginning of the year	23,767,189	4,186,862	512,493	-	28,466,544
Additions	126,840	51,758	29,475	370,038	578,111
Revaluations/other	(111,322)	-	-	-	(111,322)
At the end of the year	23,782,707	4,238,620	541,968	370,038	28,933,333
Depreciation					
At the beginning of the year	(561,679)	(1,034,706)	(389,165)	-	(1,985,550)
Charge for the year	(590,831)	(297,245)	(29,461)	-	(917,537)
Revaluations/other	5,565	-	-	-	5,565
At the end of the year	(1,146,945)	(1,331,951)	(418,626)	-	(2,897,522)
Net book value at 30 June 2011	22,635,762	2,906,669	123,342	370,038	26,035,811

Property, plant and equipment is stated as follows:

30 June 2010

At valuation	22,519,965	-	-	-	22,519,965
At cost	1,247,224	4,186,862	512,493	-	5,946,579
	23,767,189	4,186,862	512,493	-	28,466,544
Depreciation	(561,679)	(1,034,706)	(389,165)	-	(1,985,550)
	23,205,510	3,152,156	123,328	-	26,480,994

30 June 2011

At valuation	23,655,867	-	-	-	23,655,867
At cost	126,840	4,238,620	541,968	370,038	5,277,466
	23,782,707	4,238,620	541,968	370,038	28,933,333
Depreciation	(1,146,945)	(1,331,951)	(418,626)	-	(2,897,522)
	22,635,762	2,906,669	123,342	370,038	26,035,811

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

14. Property plant and equipment continued

Consolidated

	Strata Title Building \$	Plant and Equipment \$	Computer Equipment \$	Software \$	Total
2009/10					
Cost or valuation					
At the beginning of the year	23,840,445	1,308,689	490,710	-	25,639,844
Additions	1,247,224	3,010,328	110,386	-	4,367,938
Revaluations/other	(1,320,480)	-	-	-	(1,320,480)
At the end of the year	23,767,189	4,319,017	601,096	-	28,687,302
Depreciation					
At the beginning of the year	-	(1,004,051)	(449,367)	-	(1,453,418)
Additions	(594,691)	(135,243)	(25,864)	-	(755,798)
Revaluations/other	33,012	-	-	-	33,012
At the end of the year	(561,679)	(1,139,294)	(475,231)	-	(2,176,204)
Net book value at 30 June 2010	23,205,510	3,179,723	125,865	-	26,511,098

2010/11

Cost or valuation					
At the beginning of the year	23,767,189	4,319,017	601,096	-	28,687,302
Additions	126,840	51,758	46,651	401,485	626,734
Revaluations/other	(111,322)	-	-	-	(111,322)
At the end of the year	23,782,707	4,370,775	647,747	401,485	29,202,714
Depreciation					
At the beginning of the year	(561,679)	(1,139,294)	(475,231)	-	(2,176,204)
Additions	(590,831)	(317,380)	(30,018)	-	(938,229)
Revaluations/other	5,565	-	-	-	5,565
At the end of the year	(1,146,945)	(1,456,674)	(505,249)	-	(3,108,868)
Net book value at 30 June 2011	22,635,762	2,914,101	142,498	401,485	26,093,846

Property, plant and equipment is stated as follows:

30 June 2010

At valuation	22,519,965	-	-	-	22,519,965
At cost	1,247,224	4,319,017	601,096	-	6,167,337
	23,767,189	4,319,017	601,096	-	28,687,302
Depreciation	(561,679)	(1,139,294)	(475,231)	-	(2,176,204)
	23,205,510	3,179,723	125,865	-	26,511,098

30 June 2011

At valuation	23,655,867	-	-	-	23,655,867
At cost	126,840	4,370,775	647,747	401,485	5,546,847
	23,782,707	4,370,775	647,747	401,485	29,202,714
Depreciation	(1,146,945)	(1,456,674)	(505,249)	-	(3,108,868)
	22,635,762	2,914,101	142,498	401,485	26,093,846

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

14. Property plant and equipment continued

An independent valuation of the strata title building was carried out as at 30 June 2009 by Mr S Fox AAPI and was on the basis of the open market value of Law Society House in vacant possession with all units combined. The building has been indexed from 30 June 2009 to 30 June 2011 using the Queensland non-residential construction Index. The Council is of the opinion that this basis provides a reasonable estimate of recoverable amount.

The Society has plant and equipment with an original cost of \$1,234,996 written down value of zero still being used in the provision of services.

15. Reserves

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revaluation surplus	15,479,659	15,585,415	15,479,659	15,585,415
Retained surplus	79,554,111	70,440,426	34,171,483	33,013,313
Closing balance at end of year	95,033,770	86,025,841	49,651,142	48,598,728

During the year the strata title building was revalued in accordance with Note 14. The revaluation deficit of \$105,756 (2010: \$1,287,468) is reflected as other comprehensive income in the Statement of Comprehensive Income. It is shown as the net movement in Note 14 under revaluations/other under Cost and Depreciation.

16. Accrued employee benefits

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Current				
Annual leave – opening balance	688,551	657,253	585,020	573,649
Leave taken	(658,821)	(686,718)	(547,595)	(574,917)
Leave accrued	674,325	718,016	544,261	586,288
Annual leave – closing balance	704,055	688,551	581,686	585,020
Non-current				
Provision for long service leave	647,806	619,495	617,647	604,030
Leave taken	(55,251)	(18,389)	(55,251)	(18,389)
Leave accrued	116,271	46,700	101,400	32,006
Long service leave – closing balance	708,826	647,806	663,796	617,647
Number of parent entity employees at year end			103	97
Number of full time equivalent employees at year end			92	88

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

17. Commitments

a. Operating leases

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Within one year	181,361	162,387	7,909	1,255
One to five years	717,422	-	9,228	-
	898,783	162,387	17,137	1,255

The Society maintains a motor vehicle under an operating lease. The Group commitments include motor vehicles and a tenancy agreement.

b. Capital expenditure commitments

Capital expenditure contracted for at 30 June 2011 but not provided for was nil (2010 – nil).

18. Related party transactions

a. The following significant transactions took place between the Consolidated Group and related parties during the financial period on commercial terms agreed by the parties concerned.

	2011	2010
	\$	\$
Management fees paid by Lexon Insurance Pte Ltd to parent entity	285,000	260,000
Management fees paid by Law Claims Levy Fund to parent entity	20,000	20,000
Directors fees paid by Lexon Insurance Pte Ltd to parent entity	74,790	67,500
Gross premiums received by Lexon Insurance Pte Ltd from Law Claims Levy Fund	25,000,000	28,000,000
Professional fees paid to a firm of which a director is a member		
Legal fees in the provision of claim defence costs:		
- Coyne & Associates	855,307	879,764
- Flower & Hart	16,605	54,149
- Ferguson Cannon	-	2,040
Other non claim professional advice provided:		
- Coyne & Associates	37,208	23,488
- Flower & Hart	111,615	37,935
Management fees paid to a firm of which a director is a member – AON Insurance Managers (Singapore) Pte Ltd	85,000	85,000
Brokerage fees paid to a firm of which a director is a member – AON Re Australia Limited	160,000	160,000
Commissions derived from renewal of insurance policies – Marsh (Qld) Pty Ltd	10,994	10,000

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

18. Related party transactions continued

b. Key executive management personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Society during 2010-11. Further information on these positions can be found in the body of the Annual Report.

Position	Person	Appointment date	Resignation date	Responsibility
President	Ian Berry	1/1/2009	31/12/2009	The role of the President is to lead the Council in setting the corporate direction and goals and monitoring the performance of the Society.
	Peter Eardley	1/1/2010	31/12/2010	
	Bruce Doyle	1/1/2011		
Vice-President	Peter Eardley	1/1/ 2009	31/12/2009	
	Raoul Guides	1/1/2010		
Deputy President	Bruce Doyle	1/1/2010	31/12/2010	
Chief Executive Officer	Noela L'Estrange	11/5/2009		The Chief Executive Officer is responsible for the day to day operations of the Society and is charged with implementing and managing best practice standards and processes in risk management, compliance and governance of the Society. The Chief Executive Officer is accountable to the governing body of elected Council members.

The roles of President, Vice-President and Deputy President are supported by the elected Council members.

Remuneration policy for the agency's key executive management personnel is set by the Council.

Remuneration packages for key executive management personnel comprise the following components:

- Short-term employee benefits which include:
 - Base – consisting of base salary, allowances and leave entitlements paid and provided for in the entire year or for that part of the year during which the employee occupied the specific position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits – consisting of provision of car parking with fringe benefits tax applicable to the benefit.
- Long-term employee benefits include long service leave accrued.
- Post-employment benefits include superannuation contributions.
- No redundancy payments were made during the year requiring disclosure.
- No performance bonuses were made during the year requiring disclosure.
- Other than disclosed below, council members do not receive any remuneration.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

18. Related party transactions continued

b. Key executive management personnel continued

1 July 2010 – 30 June 2011

Position (dates if applicable)	Short-Term Employee Benefits		Long-Term Employee Benefits	Post- Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non- Monetary Benefits				
President (1 July 2010 – 31 December 2010)	109,000	-	-	-	-	109,000
President (1 January 2011 – 30 June 2011)	109,000	-	-	-	-	109,000
Deputy President (1 July 2010 – 31 December 2010)	36,333	-	-	-	-	36,333
Vice President (1 January 2011 – 30 June 2011)	36,333	-	-	-	-	36,333
Chief Executive Officer	321,291	10,840	1,876	29,043	-	363,050

1 July 2009 – 30 June 2010

Position (dates if applicable)	Short-Term Employee Benefits		Long-Term Employee Benefits	Post- Employment Benefits	Termination Benefits	Total Remuneration
	Base	Non- Monetary Benefits				
President (1 July 2009 – 31 December 2009)	100,000	-	-	9,000	-	109,000
President (1 January 2010 – 30 June 2010)	109,000	-	-	-	-	109,000
Deputy President (1 January 2010 – 30 June 2010)	36,333	-	-	-	-	36,333
Vice President (1 July 2009 – 31 December 2009)	36,333	-	-	-	-	36,333
Chief Executive Officer	324,591	10,840	851	14,487	-	350,770

19. Contingent liabilities

All known insurance claims have been actuarially assessed and expected liabilities have been brought to account as Provision for Outstanding Claims.

There are no other known contingent liabilities of a significant nature at balance date.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

20. Notes to the statement of cash flows

a. Reconciliation of cash

For the purposes of the Statement of Cash Flow, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Cash at bank	1,452,019	27,567,882	760,764	(214,165)
Cash deposit accounts	35,362,269	16,997,161	9,319,857	14,834,494
Cash included in cash flow statement	36,814,288	44,565,043	10,080,621	14,620,329
Term deposit	8,550,000	2,000,000	6,550,000	-
Total cash & cash equivalents	45,364,288	46,565,043	16,630,621	14,620,329

b. Financing facilities

The Society has no credit facility with any financial institution to meet any financing requirements.

c. Reconciliation of net cash provided by operating activities to the surplus/(deficit) for the year

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Surplus/(deficiency) for the year	9,113,685	13,626,071	1,158,170	3,476,583
Adjustments for:				
Investment income	(7,038,335)	(6,552,557)	-	-
Add/(less) non-cash items				
Depreciation	938,229	755,798	917,537	722,066
<i>Change in assets and liabilities</i>				
(Increase)/decrease in assets				
Accounts receivables	497,413	(687,310)	254,751	(342,652)
Increase/(decrease) in liabilities				
Accounts payables & unearned income	(3,378,861)	(3,016,133)	215,130	(361,480)
Employee benefits	76,524	56,667	42,815	22,046
Collections for society entities	-	-	-	-
Provision for outstanding claims	(1,295,143)	(1,585,207)	-	-
Tax related balances	47,987	2,662,381	-	-
Net cash provided by/(used in) operating activities	(1,038,501)	5,259,710	2,588,403	3,516,563

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

21. Income tax expense

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Tax expense attributable to profit is made up of:				
Current income tax	662,218	59,162	-	-
Deferred income tax (Note 23)	221,874	829,423	-	-
	884,092	888,585	-	-
(Over)/Under Provision in preceding financial years				
Current income tax	2,626	982,795	-	-
	886,718	1,871,380	-	-

Lexon Insurance Pte Ltd has dual tax residency in Australia and Singapore. In relation to offshore insurance business, the Company has been granted tax exempt status for a period of 10 years from 17 Feb 2006 to 16 Feb 2016 under the tax exemption scheme for captive insurers by the Monetary Authority of Singapore.

The tax expense on profit differs from the amount that would arise using the standard tax rate due to the following:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Profit/(loss) before tax	10,000,403	15,497,451	-	-
Tax calculated at a tax rate of 30% (2010: 30%)	3,000,121	4,649,235	-	-
Effects of:				
Income not subject to tax	(1,931,104)	(2,746,259)	-	-
Prior years expenses brought to tax	-	(956,425)	-	-
Tax free distributions on investments (Note 23)	20,521	37,275	-	-
Utilisation of tax losses previously unrecognised	-	-	-	-
Franking credits available	(205,446)	(95,241)	-	-
	884,092	888,585	-	-

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

22. Current income tax liability

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Income tax at the beginning of the financial year	836,105	(996,853)	-	-
Income tax refunded/(paid)	(838,731)	791,001	-	-
Prior year under/(over) provision			-	-
- current year income tax	662,218	59,162	-	-
- deferred tax asset	2,626	982,795		
Income tax at the end of the financial year	662,218	836,105	-	-

23. Deferred income tax balances

The movement in the deferred income tax accounts are as follows:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Net balance at beginning of the financial year	5,434,895	6,264,318	-	-
Current year tax charge to profit or loss	(221,874)	(829,423)	-	-
Net balance at end of the financial year	5,213,021	5,434,895	-	-

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

23. Deferred income tax balances continued

The balance comprises temporary differences attributable to:

	Consolidated		Parent Entity	
	2011	2010	2011	2010
	\$	\$	\$	\$
Deferred tax assets				
- Balance at beginning of the financial year	5,553,686	6,345,834	-	-
Charge to profit or loss				
- Claims handling provision	(74,705)	1,169,428	-	-
- Other timing differences	(46,616)	80,144	-	-
- Income losses carried forward	-	(1,431,163)	-	-
- Capital losses carried forward	(4,470)	404,678	-	-
- Unrealised investment losses	(125,575)	(1,064,151)	-	-
- Allowance for impairment of receivables	50,013	48,916	-	-
	5,352,333	5,553,686	-	-
Deferred tax liabilities				
- Balance at beginning of the financial year	(118,791)	(81,516)	-	-
Charge to equity				
- Gain/(loss) in fair value reserve	-	-	-	-
Charge to income statement				
- Tax-free distribution on Investments	(20,521)	(37,275)	-	-
	(139,312)	(118,791)	-	-
Net balance at end of the financial year	5,213,021	5,434,895	-	-

24. Events occurring after balance date

The Group has in place an investment policy statement that details its investment strategies. These strategies are put in place with a long-term time horizon in place and do not change as a result of short-term market movements. The current instability in the global financial markets has meant that the Group's investments have also been subjected to increased volatility. While management are of the view that the investment mandate shelters our investments from the full impact of the current volatility, our investments are nonetheless subject to current market movements.

The ASX has fluctuated significantly from 30 June 2011 and as such our equity holdings have also been negatively impacted. A large portion of our non-equity portfolio is income based and moves favourably when there are expectations of interest rate decreases, and our portfolio has benefited given current movements. Other elements of our portfolio do not directly move with interest rate expectations or equity market movements.

While our portfolio fluctuates daily (refer Note 5 Investments), the overall value has declined by approximately two percent (after tax benefits) since 30 June 2011.

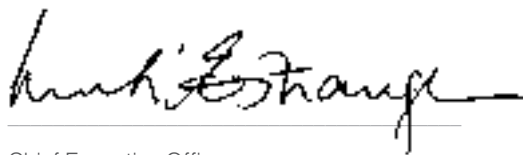
Declaration of Queensland Law Society Incorporated

The general-purpose financial report has been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:

- a. the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Queensland Law Society Incorporated and its controlled entities; and
- b. in our opinion –
 - i. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - ii. the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Queensland Law Society Incorporated and its controlled entities for the financial year ended 30 June 2011 and of the financial position as at the close of that year.



President
Bruce Doyle



Chief Executive Officer
Noela L'Estrange

8 September 2011

Independent Auditor's Report

To the Council of Queensland Law Society Incorporated

Report on the Financial Report

I have audited the accompanying financial report of Queensland Law Society Incorporated, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the President and accountable officer of the entity.

The Council's responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. 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 report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Independent Auditor's Report

To the Council of Queensland Law Society Incorporated

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Queensland Law Society Incorporated for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other matters – electronic presentation of the audited financial report

This auditor's report relates to the financial report of Queensland Law Society Incorporated for the year ended 30 June 2011. Where the financial report is included on Queensland Law Society Incorporated's website the Council is responsible for the integrity of Queensland Law Society Incorporated's website and I have not been engaged to report on the integrity of Queensland Law Society Incorporated's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD.



Gary Paul SMITH, FCPA
(as Delegate of the Auditor-General of Queensland)

14 September 2011

Brisbane

Queensland Law Society Incorporated
Law Claims Levy Fund

FINANCIAL STATEMENTS



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Statement of Comprehensive Income For the year ended 30 June 2011

	NOTES	2011 \$	2010 \$
Revenue			
Insurance levies	2	29,019,706	31,604,544
Additional levies		57,500	115,000
Total levies		29,077,206	31,719,544
Other income			
Investment income		3,058,474	1,604,569
Realised gains (losses) on financial assets – fair value through profit or loss		40,443	(1,924,076)
Fair value gains (losses) on financial assets – fair value through profit or loss		(959,583)	2,151,246
Total other income		2,139,334	1,831,739
Total revenue		31,216,540	33,551,283
Expenses			
Administration expenses		92,574	85,979
Audit fees		18,100	17,061
Insurance expense	2	26,250,000	28,000,000
Insurance claims	4	(167,395)	19,205
Reinsurance recoveries		(355,107)	(166,250)
Total expenses		25,838,172	27,955,995
Operating surplus		5,378,368	5,595,288
Total comprehensive income		5,378,368	5,595,288

Statement of Financial Position As at 30 June 2011

	NOTES	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	7(a)	26,003,206	28,678,272
Receivables	5	294,879	140,630
Total current assets		26,298,085	28,818,902
Non-current assets			
Financial assets of fair value through profit or loss	7(b)	31,192,670	26,887,946
Total non-current assets		31,192,670	26,887,946
Total assets		57,490,755	55,706,848
Current liabilities			
Income in advance	3	22,058,873	25,264,662
Payables		64,765	38,437
Provision for outstanding claims	4	484,000	899,000
Total current liabilities		22,607,638	26,202,099
Net assets		34,883,117	29,504,749
Equity			
Retained surplus		34,883,117	29,504,749
Total equity		34,883,117	29,504,749

Statement of Changes in Equity For the year ended 30 June 2011

	2011 \$	2010 \$
Balance at 1 July	29,504,749	23,909,461
Operating surplus for the period	5,378,368	5,595,288
Balance at 30 June	34,883,117	29,504,749

Statement of Cash Flows

For the year ended 30 June 2011

	NOTES	2011 \$ Inflows (Outflows)	2010 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from the profession		25,871,417	28,898,487
Claim payments		(247,605)	(15,205)
Reinsurance recoveries		355,107	166,250
Payments to suppliers		(26,334,307)	(28,108,809)
Interest receipts		414,063	237,236
Net cash provided by/(used in) operating activities	6(c)	58,675	1,177,959
Cash flows from investing activities			
Proceeds from disposal of Investments		106,909	4,800,933
Proceeds from term deposits matured		-	2,000,000
Purchase of Investments		(3,500,000)	(13,100,000)
Cash distributions received		659,350	299,957
Transfer to QLS for purchase of Lexon Shares		-	-
Net cash flows from investing activities		(2,733,741)	(5,999,110)
Net increase/(decrease) in cash held		(2,675,066)	(4,821,151)
Cash at the beginning of the financial year		26,678,272	31,499,423
Cash at the end of the financial year	7(a)	24,003,206	26,678,272

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

NOTES

Objectives and principal activities

The Queensland Law Society Incorporated ('the Society'), pursuant to s232 of the *Legal Profession Act 2007* ('the Act') is authorised to establish and maintain a fund for the purposes of providing insurance to the legal profession of Queensland.

The Law Claims Levy Fund ('The Fund') was created in 1987 to provide professional indemnity insurance to Queensland solicitors. The Fund is responsible for the management of professional indemnity claims of practitioners for the years 1987 to 1995, and the administration insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the *Queensland Law Society Indemnity Rule 2005*.

1. Summary of significant accounting policies

(a) Statement of compliance

The Fund has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian accounting standards and interpretations. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2011 and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

(b) Revenue

Additional levies may be imposed in accordance with the indemnity rules and are accounted for separately and disclosed as income of the Fund. Investment revenue is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

(c) Taxation

The Fund is exempt from income tax by virtue of Section 50-25 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT) and the 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing activities and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(d) Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits on call with financial institutions. Short-term deposits are an interest bearing account which is readily convertible to cash on hand at the Society's option and is subject to a low risk of change in value. Investments are brought to account at fair value as indicated in Note 6(a).

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

(e) Other receivables

Interest receivable represents interest earned on funds held up to balance date which has not yet been received.

The Fund has brought to account solicitors' deductibles and penalties receivable from practitioners. These receivables have been recognised on an accrual basis and are carried at actual amounts. The collectability of trade debtors is assessed at reporting date with provision being made for impairment. All known bad debts were written-off as at 30 June.

(f) Provision for outstanding claims

Claims are actuarially assessed and the movement in the actuarial assessment is disclosed in the Statement of Comprehensive Income as movement in outstanding claims. Actual claim payments are separately disclosed.

(g) Financial assets, at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Funds investment strategy. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date.

(h) Income in advance

Income in advance relates to insurance levies collected from the profession in relation to the upcoming insurance year (ie current year levies in advance relate to collections for the insurance year 1 July 2011 to 30 June 2012).

(i) Payables

Trade creditors are recognised on receipt of the goods or services and are carried at actual amounts, gross of applicable trade and other discounts. Amounts are unsecured and are generally settled on 30 day terms.

(j) Employee benefits

The fund has no employees and as such no benefits outstanding.

(k) Professional indemnity insurance

The Queensland Law Society Incorporated entered into a master policy agreement with Professional Indemnity Insurers to limit the maximum liability of the Fund for both individual claims and aggregate amounts. The Fund incurs all expenses up to a prescribed amount per individual claim until such time as the aggregate amount has been reached at which time the Professional Indemnity Insurers incur all future costs. The respective individual liability per claim is listed in Note 8.

(l) Judgements and assumptions

Full provision is made for the estimated cost of all claims admitted or intimated but not settled at the reporting date, less reinsurance recoveries, using the best information available at that time.

The Fund has made no other judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

(m) New and revised accounting standards

The Fund did not voluntarily change any of its accounting policies during 2010-11.

AASB 2009 – 5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* included certain amendments to AASB 117 Leases that revised the criteria for classifying leases involving land and buildings. This amendment does not affect the Fund.

The Fund is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Fund has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Fund applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, significant impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] becomes effective from reporting periods beginning on or after 1 January 2011. The Fund will then need to make changes to its disclosures about credit risk on financial instruments in note 22(c). No longer will the Fund need to disclose amounts that best represent an entity's maximum exposure to credit risk where the carrying amount of the instruments reflects this. If the Fund holds collateral or other credit enhancements in respect of any financial instrument, it will need to disclose – by class of instrument – the financial extent to which those arrangements mitigate the credit risk. There will be no need to disclose the carrying amount of financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired.

AASB 1053 *Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052] apply to reporting periods beginning on or after 1 July 2013.

AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “tier 2”).

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1. AASB 2010-2 sets out the details of which disclosures in standards and interpretations are not required under tier 2 reporting.

Treasury Department has advised that its policy decision is to require all entities captured within the whole-of-government financial reports to adopt tier 1 reporting requirements. In compliance with Treasury's policy which prohibits the early adoption of new or revised accounting standards unless Treasury approval is granted, the Fund has not early adopted AASB 1053.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Fund's activities, or have no material impact on the Fund.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

2. Insurance levies and premium

All insurance levies collected via the Queensland Law Society (QLS) renewal process were transferred to the Law Claims Levy Fund. The surplus collection can only be used in accordance with the Indemnity Rules for insurance purposes.

The fund continues to accumulate reserves in accordance with actuarial assessments for the benefit of all practitioners.

The insurance expense represents the amount payable under the master policy in accordance with the Indemnity Rules.

3. Income in advance

Income in advance relates to insurance levies collected from the profession during the renewals cycle which relate to insurance cover to be provided post the end of the financial year.

Income in advance	2011	2010
	\$	\$
Levies received in advance	22,058,873	25,264,662

4. Provision for outstanding claims

	2011	2010
	\$	\$
Opening balance at start of reporting period	899,000	895,000
Claims incurred	(167,395)	19,205
Claims paid	(247,605)	(15,205)
Closing balance at end of reporting period	484,000	899,000

	2011	2010
	\$	\$
Current liability	484,000	899,000
Non-current liability	-	-
	484,000	899,000

The Fund has a stop loss policy with Lexon Insurance Pte Ltd (formerly QLS Insurance Pte Ltd) which initially capped its liability for future payments at \$5,000,000 at 1 July 2002.

5. Receivables

	2011	2010
	\$	\$
Current		
Interest receivable	292,622	138,334
GST receivable	2,257	2,296
	294,879	140,630

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

6. Notes to the cash flow statement

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments on money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position. Refer to Note 7a.

(b) Financing facilities

The Fund has no external non-cash financing or any standby credit facilities or any other loan facilities.

(c) Reconciliation of net cash provided by operating activities to the operating surplus/(deficit) for the year

	2011 \$	2010 \$
Surplus/(deficit) for the period	5,378,368	5,595,288
<i>Adjustments for:</i>		
Net investment income	(1,570,983)	(1,594,356)
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in accounts receivables	(154,249)	(1,803)
Increase/(decrease) in provision for outstanding claims	(415,000)	4,000
Increase/(decrease) in accounts payables	26,328	(4,113)
Increase/(decrease) in income in advance	(3,205,789)	(2,821,057)
Increase/(decrease) in solicitors' deductibles	-	-
Net cash provided by/(used in) operating activities	58,675	1,177,959

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

7. Cash and financial assets

	2011	2010
	\$	\$
7(a) Current Assets:		
Cash at bank	187,677	25,892,034
Short term deposits at cost	23,815,529	786,238
Cash included in cash flow	24,003,206	26,678,272
Term deposit	2,000,000	2,000,000
Total cash and cash equivalent	26,003,206	28,678,272

7(b) Financial assets, at fair value through profit or loss:

Collective investment schemes	31,192,670	26,887,946
-------------------------------	------------	------------

The portfolio of financial instruments held consists of collective investment schemes. The fair value of the financial instruments is determined using net asset value of the collective investment schemes.

Managed funds include units in various funds with the following managers:

- Queensland Investment Corporation
- UBS Global Asset Management
- AMP Capital Investors
- BNP Paribas Investment Partners
- BlackRock Investment Management
- Russell Investments
- Tasman Asset Management (Tyndall)
- Zurich Investments Management

8. Contingent liabilities

Under the present insurance agreements the total liability of the Fund for the respective years of insurance is limited to \$100,000 (1987-1994) and \$500,000 (1995) per individual claim and this amount is reduced by the amount of the solicitors' deductible. Also an aggregate limit per respective year of insurance applies and this limits the total liability of the Fund.

Based on the actuarial advice in respect of the position of the Fund as at 30 June 2011 (Finity – August 2011), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2011, the Society is of the opinion that the funds on hand together with future investment income and deductibles, and in conjunction with stop loss cover (see note 4) will ensure that all future claims will be met as and when they fall due.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

9. Financial risk

The Fund's activities expose it to a variety of financial risks: market risk (currency risk, price risk and interest rate risk), credit risk and liquidity risk.

(a) Currency risk

The Fund is not exposed to significant foreign currency risk as the majority of the Fund's transactions, assets and liabilities are denominated in Australian dollars.

The Fund outsources its investment activities to respected fund managers who use defined risk management techniques as part of the Fund's mandates.

All investments in income securities are predominately hedged where a currency exposure exists.

As part of the Fund's investment mandate it may hold units in funds which hold unhedged international securities. Any unhedged position will be in accordance with the strategic asset allocation, and is monitored regularly by management.

(b) Price and interest rate risk

The Fund is exposed to equity securities price risk arising from the investments classified as other financial assets. These securities are held with Australian fund managers.

The Fund seeks to reduce risk by diversifying across a range of securities, maturities and counterparties. Investments of funds are subject to risk control limits and constraints:

Duration and Tracking Error Limits (interest rate management)

- The Modified Duration of the funds are constrained within a specified period either side of the Modified Duration of the Benchmark.
- Rolling year ex post tracking error will be limited to a specified number of basis points. The ex-ante tracking error of the funds are not expected to exceed a specified number of basis points.

Sector Exposure Bands

- The weighting of each sector (eg domestic, international – government, non-government) within the funds will be maintained in specified limits.

Credit Limits

- The funds will be invested in a broad and diversified range of securities across the credit spectrum.

Credit Risk Limits for Individual Security Investments

- Individual security limits apply for direct physical holdings based on their credit rating and inclusion in the benchmark.

Management regularly review the performance and ensure all investments held are within the approved mandate.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

9. Financial risk continued

(c) Credit risk

There is no significant credit risk with respect to the collectability of levies as the levy is compulsory. All levies are paid up front at the commencement of the period covered under the insurance policy.

Credit risk arising on funds placed with external fund managers is managed by established policies to ensure that the counter-parties have adequate financial ratings and appropriate credit history.

(i) Financial assets that are neither past due or impaired

At the reporting date no financial assets are past due or impaired.

Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Other financial assets are redeemable on demand. These are placed with reputable fund managers. The Fund holds units in two funds which have frozen redemptions as a result of the Global Financial Crisis (refer to Note 9(d)).

(ii) Financial assets that are past due and/or impaired

No financial assets are past due.

(d) Liquidity risk

In the management of liquidity risks, the Fund monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Fund's operations and mitigate the effects of fluctuations in cash flows. The Fund also constantly reviews its investment to ensure that there are sufficient cash and liquid deposits to meet its estimated outflows.

The Fund manages its expected cash flow requirements using the latest actuarial valuations detailing projected cash flows. These are monitored in conjunction with available cash and investments readily convertible to cash.

As at reporting date, the Fund's financial liabilities are all current.

The Fund holds units in two funds with fair values of \$3,656,608 (2010: \$3,526,057) which have limited redemptions as a result of the Global Financial Crisis. These are property funds and redemptions would require disposal of real property which may be to the detriment of remaining unit holders. The funds are accounted for at fair value. These funds are not required for liquidity purposes.

(e) Interest rate and price sensitivity

The following interest rate sensitivity depicts the outcome to the profit and loss if the interest rates were to increase by one percent linearly from the year end yield curve applicable to the Fund's financial assets and liabilities which are subject to interest movements. With all other variables held constant, the Fund would have a decrease of \$305,233 (2010: \$301,345). A linear decrease of interest rates by one percent would result in an increase of \$305,233 (2010: \$301,345).

The following price sensitivity depicts the outcome to the profit and loss if all equity investments moved an average of five percent from the year end values. With all other variables held constant, the company would record an unrealised gain of \$437,364 (2010: \$367,694) for a five percent increase in market values and an unrealised loss of \$437,364 (2010: \$367,694) for a five percent decrease in market values.

(f) Fair value

The carrying amount of cash and cash equivalent, receivables, payables and lease liabilities approximate their fair value and are not disclosed separately.

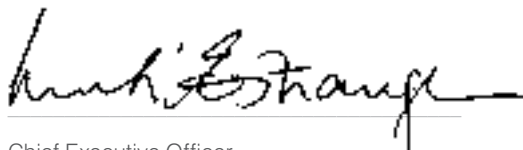
Declaration of Law Claims Levy Fund

The general purpose financial report has been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* ('the Act'), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion: –

- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Law Claims Levy Fund; and
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Law Claims Levy Fund for the financial year ended 30 June 2011 and of the financial position as at the close of that year.



President
Bruce Doyle



Chief Executive Officer
Noela L'Estrange

31 August 2011

Independent Auditor's Report

To the Law Claims Levy Fund

Report on the Financial Report

I have audited the accompanying financial report of the Law Claims Levy Fund, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the President and accountable officer of the entity.

The Council's responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. 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 report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Independent Auditor's Report

To the Law Claims Levy Fund

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Law Claims Levy Fund for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters – electronic presentation of the audited Financial Report

This auditor's report relates to the financial report of the Law Claims Levy Fund for the year ended 30 June 2011. Where the financial report is included on Queensland Law Society Incorporated's website the Council is responsible for the integrity of Queensland Law Society Incorporated's website and I have not been engaged to report on the integrity of Queensland Law Society Incorporated's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD.



Gary Paul SMITH, FCPA
(as Delegate of the Auditor-General of Queensland)

31 August 2011

Brisbane

Queensland Law Society Incorporated
Legal Practitioners' Fidelity Guarantee Fund

FINANCIAL STATEMENTS



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Statement of Comprehensive Income For the year ended 30 June 2011

	NOTES	2011 \$	2010 \$
Revenue			
Practitioner fees	2	2,771,814	2,584,234
Interest on investments		796,007	482,882
Costs recovered	3	103,625	-
Total revenue		3,671,446	3,067,116
Expenses			
Administration expenses	4	28,968	28,233
Claims approved for payment		(24,046)	150,593
Notified claims		(5,286)	(332,314)
Claim costs		175,410	69,953
Expenses reimbursed to the Queensland Law Society	5	145,059	140,978
Receivership costs		20,022	5,701
Total expenses		340,127	63,144
Operating surplus		3,331,319	3,003,972
Other comprehensive income, net of tax		-	-
Total comprehensive income		3,331,319	3,003,972

Statement of Financial Position As at 30 June 2011

	NOTES	2011 \$	2010 \$
Current assets			
Cash and cash equivalents	11(a)	17,252,608	13,852,219
Receivables	6	92,125	121,884
Total current assets		17,344,733	13,974,103
Total assets		17,344,733	13,974,103
Current liabilities			
Payables	7	38,916	47,874
Income in advance	8	2,355,240	2,304,479
Provision for notified claims	9	1,995,030	2,000,316
Total current liabilities		4,389,186	4,352,669
Non-current liabilities			
Provisions	10	34,540	31,746
Total non-current liabilities		34,540	31,746
Total liabilities		4,423,726	4,384,415
Net assets		12,921,007	9,589,688
Equity			
Retained surplus		12,921,007	9,589,688
Total equity		12,921,007	9,589,688

Statement of Changes In Equity For the year ended 30 June 2011

	2011 \$	2010 \$
Balance at 1 July 2010	9,589,688	6,585,716
Operating surplus for the period	3,331,319	3,003,972
Balance at 30 June 2011	12,921,007	9,589,688

Statement of Cash Flows For the year ended 30 June 2011

	NOTES	2011 \$ Inflows (Outflows)	2010 \$ Inflows (Outflows)
Cash flows from operating activities			
Contributions by practitioners and cost recoveries		2,822,575	2,681,546
Claim payments and administration expenses		(249,759)	(1,145,911)
Interest received		827,573	414,998
Net cash provided by/(used in) operating activities	11(c)	3,400,389	1,950,633
Net increase/(decrease) in cash held		3,400,389	1,950,633
Cash at the beginning of the financial year		13,852,219	11,901,586
Cash at the end of the financial year	11(a)	17,252,608	13,852,219

The accompanying notes form part of these statements.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

NOTES

Objectives and principal activities

The Queensland Law Society Incorporated ('the Society'), pursuant to s359 of the *Legal Profession Act 2007* ('the Act') is required to continue the existence of a fund called the Legal Practitioners' Fidelity Guarantee Fund (the 'Fund') as was required under s12 of the *Queensland Law Society Act 1952*.

The Fund has been established for the purposes of providing a source of compensation for defaults by law practices arising from acts or omissions of associates of the law practices. The major source of income for the Fund is contributions from legal practitioners.

1. Summary of significant accounting policies

(a) Statement of compliance

The Fund has prepared these financial statements in compliance with section 43 of the Financial and Performance Management Standard 2009.

These financial statements are general purpose financial statements and have been prepared on an accrual basis in accordance with Australian accounting standards and interpretations. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2011 and other authoritative pronouncements.

Except where stated, the historical cost convention is used.

(b) Taxation

The Fund is exempt from income tax by virtue of Section 50-25 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT) and the 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 Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing activities and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(c) Revenue

Revenues are recognised at fair value of the consideration received net of any amount of GST payable to the ATO. Practitioner fees are recognised when payment is received. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

(d) Use and revision of accounting estimates

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

(e) Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits on call with financial institutions. The Cash Deposit Account and Term Deposit Account are interest bearing accounts which are readily convertible to cash on hand at the Society's option. These investments are brought to account at fair value as indicated in Note 11(a).

(f) Receivables

Interest receivable represents interest accruals for amounts received in the month after balance date.

The Fund has brought to account Fines and Cost Recoveries receivable from practitioners. These receivables have been recognised on an accrual basis and are carried at actual amounts and the collectability of trade debtors is assessed at reporting date and with provision being made for impairment.

(g) Payables

Trade creditors are recognised on receipt of the goods or services and are carried at actual amounts, gross of applicable trade and other discounts. Amounts are unsecured and are generally settled on 30 day terms.

(h) Employee benefits

The Fund has no employees and as such there are no employee entitlements outstanding.

All employees are employed by the Queensland Law Society Incorporated and salary costs are reimbursed based on actual expenditure.

(i) Provision for notified claims

Claims are brought to account in the year they are notified.

(j) Income in advance

Income in advance relates to Fidelity Fund Levies collected from the profession in relation to the upcoming financial year (ie current year levies in advance relate to collections for the financial year 1 July 2011 to 30 June 2012).

(k) Judgements and assumptions

The entity has made no judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(l) New and Revised Accounting Standards

The Fund did not voluntarily change any of its accounting policies during 2010-11.

AASB 2009 – 5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* included certain amendments to AASB 117 *Leases* that revised the criteria for classifying leases involving land and buildings. This amendment does not affect the Fund.

The Fund is not permitted to early adopt a new accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Fund has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Fund applies standards and interpretations in accordance with their respective commencement dates.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

1. Summary of significant accounting policies continued

(l) New and Revised Accounting Standards continued

At the date of authorisation of the financial report, significant impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] becomes effective from reporting periods beginning on or after 1 January 2011. The Fund will then need to make changes to its disclosures about credit risk on financial instruments in note 22(c). No longer will the Fund need to disclose amounts that best represent an entity's maximum exposure to credit risk where the carrying amount of the instruments reflects this. If the Fund holds collateral or other credit enhancements in respect of any financial instrument, it will need to disclose – by class of instrument – the financial extent to which those arrangements mitigate the credit risk. There will be no need to disclose the carrying amount of financial assets for which the terms have been renegotiated, which would otherwise be past due or impaired.

AASB 1053 *Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052] apply to reporting periods beginning on or after 1 July 2013.

AASB1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as “tier 1”), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as “tier 2”).

Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier one. AASB 2010-2 sets out the details of which disclosures in standards and interpretations are not required under tier 2 reporting.

Treasury Department has advised that its policy decision is to require all entities captured within the whole-of-government financial reports to adopt tier 1 reporting requirements. In compliance with Treasury's policy which prohibits the early adoption of new or revised accounting standards unless Treasury approval is granted, the Fund has not early adopted AASB 1053.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Fund's activities, or have no material impact on the Fund.

2. Practitioner fees

With a view to ensuring that the Fund is able to meet its financial commitments when they fall due, the Council of the Queensland Law Society Incorporated resolved to levy each practitioner \$355 (2010 – \$345) in accordance with s156 of the Act.

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

3. Costs recovered

	2011	2010
	\$	\$
Recoveries from practitioners	103,625	-
	103,625	-

4. Administration expenses

	2011	2010
	\$	\$
Audit fees – Fidelity Fund	11,000	10,419
Bank charges	260	189
Payroll tax	4,964	4,847
Rent and electricity	12,000	12,000
Telephone	744	778
	28,968	28,233

5. Expenses reimbursed to the Queensland Law Society Incorporated

The Fund, pursuant to s152 of the Act, is required to reimburse the Society for all costs and expenses incurred in the administration of the Fund. The Society performs all managerial and administrative tasks on behalf of the Fund.

	2011	2010
	\$	\$
Administration fees – fixed fee	36,000	36,000
Administration fees – reimbursement of costs	109,059	104,978
	145,059	140,978

6. Receivables

	2011	2010
	\$	\$
Interest receivable	88,370	117,070
GST receivable	1,249	1,948
Other receivables	2,506	2,866
	92,125	121,884

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

7. Payables

	2011	2010
	\$	\$
Approved claims	4,330	28,376
Other payables and accruals	19,403	5,814
Payables to Queensland Law Society	15,183	13,684
	38,916	47,874

8. Income in advance

	2011	2010
	\$	\$
Fidelity guarantee fee for upcoming year	2,355,240	2,304,479
	2,355,240	2,304,479

Levies are collected by the Queensland Law Society Incorporated on behalf of the Fund. The levies collected in May and June 2011 relating to the 2011/12 year were paid to the Fund in June 2011. As a result, this is shown as income in advance.

9. Provision for notified claims

	2011	2010
	\$	\$
Notified claims	1,995,030	2,000,316
	1,995,030	2,000,316

Notified claims represent the estimated liability in relation to claims which have been notified but not yet admitted as a claim. Once the claim has been admitted, they are disclosed as approved claims included in Note 7.

10. Provisions

	2011	2010
	\$	\$
Non-current		
Payable to Queensland Law Society	34,540	31,746
	34,540	31,746

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

11. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2011	2010
	\$	\$
Cash assets	1,766,885	2,311,080
Cash deposit account	1,935,723	3,965,865
Term deposit account	13,550,000	7,575,274
	17,252,608	13,852,219

(b) Financing facilities

The Fund has no external non-cash financing or any standby credit facilities or any other loan facilities.

(c) Reconciliation of net cash provided by/(used in) operating activities to the operating surplus/(deficit) for the year

	2011	2010
	\$	\$
Operations surplus/(deficit)	3,331,319	3,003,972
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	29,759	(69,213)
(Decrease)/increase in creditors & claims	39,311	(984,126)
Net cash provided by/(used in) operating activities	3,400,389	1,950,633

12. Contingent liabilities

There are no known contingencies at balance date. (2010 – nil)

13. Operating lease expense commitments

The Fund has no operating lease commitments. (2010 – nil)

Notes to and forming part of the Financial Statements For the year ended 30 June 2011

14. Financial risk

The Fund's activities expose it to a variety of financial risks: market risk (currency risk, price risk and interest rate risk), credit risk and liquidity risk.

(a) Currency risk

The Fund is not exposed to any foreign currency risk.

(b) Price and interest rate risk

The funds are invested in reputable Australian banks. Investments include fixed term deposits which are not subject to interest rate or price risk.

(c) Credit risk

There is no significant credit risk with respect to the collectability of levies as the levy is compulsory. All levies are paid up front at the commencement of the period.

Credit risk arising on funds placed on term deposit is managed by ensuring funds are only placed with reputable institutions.

(i) Financial assets that are neither past due or impaired

At the Statement of Financial Position date no financial assets are past due or impaired.

(ii) Financial assets that are past due and/or impaired

No financial assets are past due.

(d) Liquidity risk

In the management of liquidity risks, the Fund monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Fund's operations and mitigate the effects of fluctuations in cash flows. The Fund also constantly reviews its investments to ensure that there are sufficient cash and liquid deposits to meet its estimated outflows.

As at Statement of Financial Position date, the Fund's financial liabilities are all current.

(e) Interest rate sensitivity

The Fund does not hold any financial instruments subject to interest rate variability.

(f) Fair value

The carrying amount of cash and cash equivalents, receivables, payables and lease liabilities approximate their fair value and are not disclosed separately.

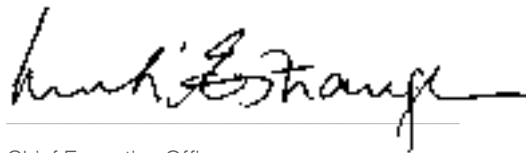
Declaration of Legal Practitioners' Fidelity Guarantee Fund

The foregoing financial statements have been prepared pursuant to s365 of the *Queensland Legal Profession Act 2007*, section 62(1) of the *Financial Accountability Act 2009* ('the Act'), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with Section 62(1)(b) of the Act we certify that in our opinion:-

- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Legal Practitioners' Fidelity Guarantee Fund; and
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Legal Practitioners' Fidelity Guarantee Fund for the financial year ended 30 June 2011 and of the financial position as at the close of that year.



President
Bruce Doyle



Chief Executive Officer
Noela L'Estrange

31 August 2011

Independent Auditor's Report

To the Legal Practitioners' Fidelity Guarantee Fund

Report on the Financial Report

I have audited the accompanying financial report of the Legal Practitioners' Fidelity Guarantee Fund, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the President and accountable officer of the entity.

The Council's responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. 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 report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Independent Auditor's Report

To the Legal Practitioners' Fidelity Guarantee Fund

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Legal Practitioners' Fidelity Guarantee Fund for the financial year 1 July 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters – electronic presentation of the audited Financial Report

This auditor's report relates to the financial report of the Legal Practitioners' Fidelity Guarantee Fund for the year ended 30 June 2011. Where the financial report is included on Queensland Law Society Incorporated's website the Council is responsible for the integrity of Queensland Law Society Incorporated's website and I have not been engaged to report on the integrity of Queensland Law Society Incorporated's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD.



Gary Paul SMITH, FCPA
(as Delegate of the Auditor-General of Queensland)

31 August 2011

Brisbane

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solicitor enquiries**
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Corporate Reports > Annual Report

Glossary

ACCC: Australian Competition and Consumer Commission

ADR: Alternative Dispute Resolution

AICD: Australian Institute of Company Directors

AILA: Australian Insurance Lawyers Association

AIM: Australian Institute of Management

ACLA: Australian Corporate Lawyers Association

ASIC: Australian Securities and Investments Commission

ASX: Australian Securities Exchange

BCIPA: *Building and Construction Industry Payments Act 2004*

CLE: Continuing legal education

COAG: Council of Australian Governments

DLA: District Law Association

EOL: Queensland Law Society Equalising Opportunities in the Law Committee

FLPAQ: Family Law Practitioners' Association of Queensland

HIA: Housing Industry Australia

IAMA: Institute of Arbitrators and Mediators Australia

ILN TLD: Internationalised Domain Names Top Level Domains

IP: Intellectual Property

JAG: Department of Justice and Attorney-General

LCA: Law Council of Australia

LEADR: Association of Dispute Resolvers

MSB: Mediator Standards Board

NADRAC: National Alternative Dispute Resolution Advisory Council

NGO: Non-Government Organisation

OSR: Office of State Revenue

QCAT: Queensland Civil and Administrative Tribunal

QPILCH: Queensland Public Interest Law Clearing House

QPS: Queensland Police Service

QUT: Queensland University of Technology

REIQ: Real Estate Institute of Queensland

SCAG: Standing Committee of Attorneys-General

UCPR: Uniform Civil Procedure Rules

...our vision

