

ENSURING OUR SUSTAINABILITY

Queensland Law Society is committed to taking steps each year to ensure it conducts business in the most sustainable way possible and protects the environment through internal processes.

Energy

Source and consumption of energy are changing and energy management solutions have become paramount as pricing in the energy wholesale market has been at an all-time high, driving up energy costs.

Contributory factors have been higher than average temperatures during summer and autumn, market uncertainty around bidding behaviour of generators and rises in gas prices due to tightness in supply and demand.

QLS sources electricity through the Queensland Government Procurement Standing Offer Arrangement. In this volatile electricity market, the whole of Government approach for large sites has been to purchase under progressive purchasing arrangements on a quarterly basis, taking advantage of shifts and dips in the market.

While pricing during this period, especially network charges, remained high and largely out of the Society's control, there have been good results from QLS's efforts to decrease usage in lighting and air conditioning (HVAC) – both areas of high consumption.

During the 2009-2010 refurbishment, lighting across QLS-occupied floors changed to sensor-controlled, efficient T5 lighting.

However Level 3, owned and leased by QLS, is fitted with inefficient T8 fluorescent lighting. Currently, general repairs and maintenance replaces any failed lights with LEDs with a complete changeover to LED lighting planned for December 2017, while between leases.

In addition, progressive changeover of HVAC compressor units across QLS continues. Completed upgrades on Level 6 and Level 3 have reduced energy consumption for air conditioning on these levels by 19% and 22% respectively.

Procurement has commenced for the Level 4 upgrade during 2017-18.

QLS-occupied floors, controlled by a central Building Management System, have managed air temperature control. Setting room temperatures between 24-25°C provided further efficiencies. On average, consumption reduction of up to 5% has been recorded on staff occupied floors.

Paper recycling

White office paper recycling has declined in the last 12 months while paper recycling through secure destruction services has almost doubled from 4.43 tonnes in 2015-2016 to 8.838 tonnes in 2016-17. This trend is due, in part, to increased privacy awareness and the archival review of QLS holdings in storage identifying files due for destruction.

A HOME FOR OUR MEMBERS

Queensland Law Society offers a range of professional conference and meeting rooms conveniently located in the heart of Brisbane's CBD.

With room use ranging between 40% and 85%, there remains an opportunity to increase usage across auditoriums, mediation and meeting rooms. To mitigate downtime, growing awareness of the discounted member offering will be a focus for 2017-18.

Mediation and meeting room usage	2016-17	2015-16
Bookings	2,871	2,366
Reserved hours	16,436	15,348.40
Total attendees	18,603	21,044
Auditorium usage	2015-16	2015-16
Bookings	444	321
Reserved hours	2,615	2,248.23
Total attendees	9,749	18,606

Wastage reduction

Reducing wastage across all catering items was a focus in 2016-17. The Society's goal was to reduce overall wastage to 20%. In July 2016, wastage rates were at 29%. Between October 2016 and February 2017, monthly wastage rose to between 33% and 39% with a peak of 50% in December. By June 2017, wastage had been reduced to 22.3%.

Unfortunately, five months of high percentages kept the overall average for 2016-17 high at 32.12%. This remains an area for focussed improvement in 2017-18.

OUR PLANS FOR THE FUTURE

Queensland Law Society's corporate and strategic plans form its short- and longer-term roadmaps. These plans are influenced by member feedback, previous corporate results and other factors, both and internal.

Corporate plan

Queensland Law Society's corporate plan for 2016-17 continues our strong trajectory of embracing innovation and change.

A substantial investment in information management to support more innovative delivery of services both internally and to our members are at the core of much of the Society's planned activity in order to meet the challenges of our evolving digital work environments. QLS will invest resources into reviewing its learning and professional development strategy and continuing educational diversion programs. Thought leadership, raising the profile and reputation of the profession and connecting the profession and the community will be key areas of focus into the 2017-18 financial year.

2017-18 goals and strategic objectives

In 2017, QLS Council approved a new four year Strategic Plan 2017-21 (see page 28) and the 2017-18 Corporate Plan. The Society's 2017-18 goals and strategic objectives in advancing the 2017-21 Strategic Plan are as follows:

Advocate

Advocate for the role of solicitors in the community and speak out for justice and the rule of law

- Undertake a public campaign to advocate for justice and the rule of law
- Promote the role of solicitors in the community.

Regulate

Regulate to uphold the good standing of all solicitors

- Modernise the Queensland Law Society Rules in the administration of practising certificate and membership records, including how they are accessed and updated through our systems.

Guide

Guidance to encourage the professional values of fidelity, service and courage

- Continue to deliver and expand the QLS Ethics Centre offerings
- Provide Ethics and Practice Support guidance.

Connect

Connecting the profession with each other and the public

- Implement our Reconciliation Action Plan
- Improve our member and public online solicitor search facilities.

Educate

Educate to develop the reputation and expertise of members and their businesses

- Review our Learning and Professional Development strategy to identify the best options for QLS to meet solicitors' needs into the future
- Further our key education offerings
- Provide solicitors with guidance on the emerging issues of cyber security and new technologies which may potentially affect the profession
- Provide Ethics and Practice Support education services.

Continuous improvement

Continuously improve our member experience, with a focus on technology, service, connectedness, convenience, accessibility and collegiality

- Assessing, evaluating and improving our information management and business processes
- Leveraging technology to facilitate better member engagement with the Society
- Enhancing our member orientated culture service initiative.

Sustainability

Deliver results that balance the value provided to members and the public with the need to ensure ongoing financial viability while managing our risks and challenges

- Review our asset management strategy
- Finalise and promote our member service value proposition.

OUR FINANCIAL PERFORMANCE

Queensland Law Society’s Group consolidated financial results comprise the financial results of Queensland Law Society Incorporated (parent entity), the Law Claims Levy Fund (LCLF) and the Society’s wholly-owned subsidiary, Lexon Insurance Pte Ltd (Lexon).

The Group results include membership activities, insurance activity through Lexon and LCLF, and the regulatory responsibilities the Society carries out under legislative requirements.

Group results

In 2016-17, the Group made an operating surplus before tax of \$4.3 million and net assets at 30 June 2017 were \$143.1m. The retained surplus supports the Group’s sustainability and ability to deliver strategic improvements for members.

Revenue from fees and membership services grew due to an increase in the number of practising lawyers. Insurance levies decreased due to the reduction in base levies offered to practitioners. Investment income increased and investment activity resulted in \$2.7m unrealised gains recognised as fair value at the end of the financial year. This is due to overall growth in performance of the investment portfolio held by the Group.

Employee expenses are higher in the current year due to changes in the parent entity over the course of the financial year. An overall increase in Group expenses was recognised mainly from increase in provision for outstanding claims.

Queensland Law Society Incorporated (parent)

Queensland Law Society Incorporated (parent entity) achieved its overall financial targets from ordinary operations and remained consistent in its delivery of final net operating results. QLS made an operating loss of (\$489k) which includes expenditure approved from retained earnings on a major information technology project. An increase in employee expenses was due to salary increments, termination payouts, movement in the timing of maternity leave, transition payments to allow for staff handover in changing roles (including temporary backfill while recruiting), positions commencing earlier than budget predictions and an increase in provision for annual leave.

Parent net assets at 30 June 2017 is \$53.6m, up from \$53.3m in the previous year.

Independent valuation of Law Society House to align to current open market value resulted in a revaluation increase of \$0.8m. While this is not recognised in the final operating result, it is reported as Other Comprehensive Income and impacts the net asset position via an increase in the asset revaluation surplus carried forward.

Insurance scheme

The insurance scheme results comprise those of Lexon and the LCLF. The scheme reported an operating surplus before tax of \$4.3m.

Insurance levies collected decreased due to a reduction in base levies offered to practitioners.

Investment income was positive and there was good overall growth in the investment portfolio held by the Group, which included \$2.7m unrealised gains recognised as fair value at the end of the financial year. An overall increase in Group expenses was recognised mainly from increase in provision for outstanding claims.

Revenue

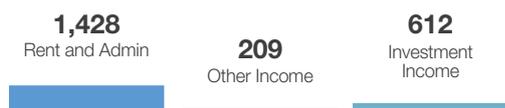
Membership and practitioner fees were \$12.6m (up 5%, or \$0.7k from \$11.9m).

Expenses

Membership services and events costs were \$3.1m (up 6%, or \$0.2k from \$2.9m).

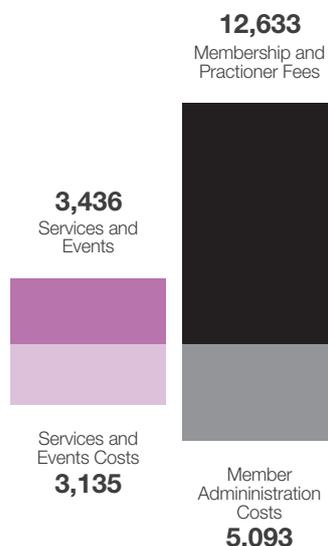
Revenue (Parent)

18.9m

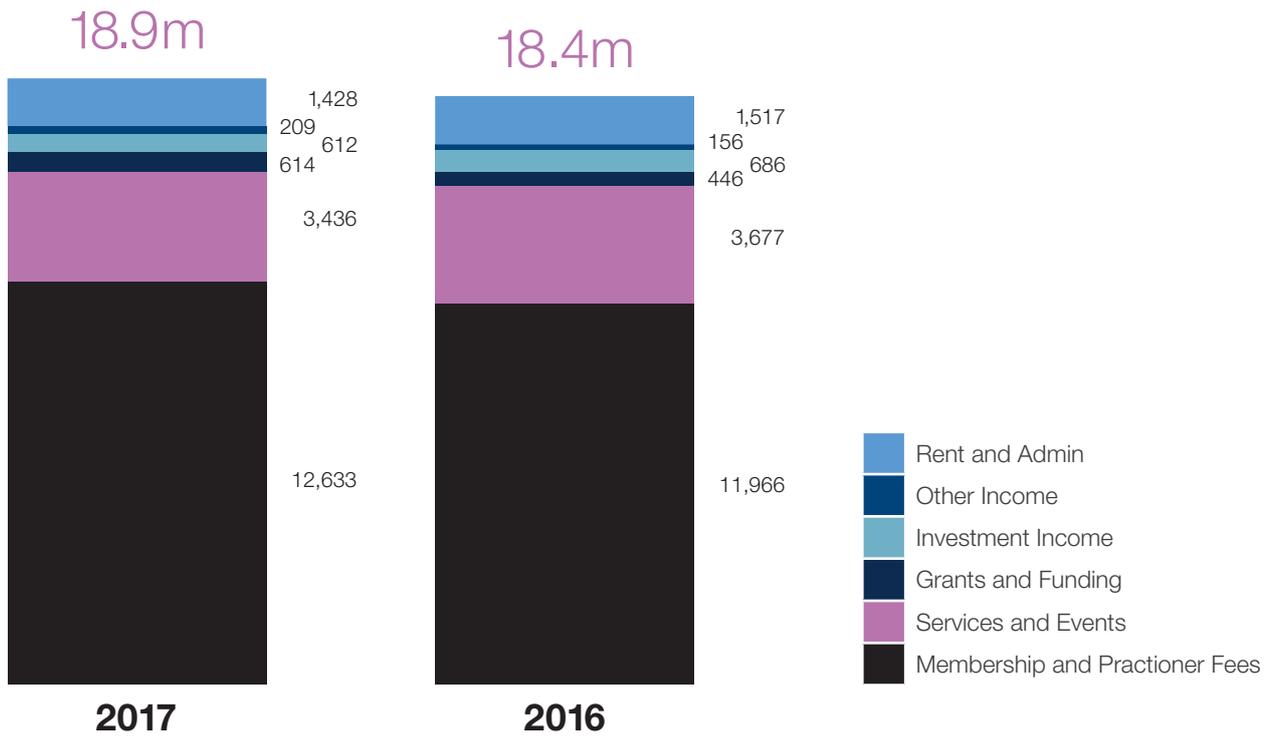


Expenses (Parent)

19.4m



Revenue (Parent)



Expenses (Parent)

