

About Queensland Law Society

We represent more than 10,600 members – comprising lawyers, future lawyers and those with an abiding interest in our profession.

The Society is funded by a number of sources, including annual membership 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 supports good 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.



Queensland
Law Society

Law Society House, 179 Ann Street, Brisbane Qld 4000

1300 FOR QLS (1300 367 757)

info@qls.com.au

>> qls.com.au

© Queensland Law Society Incorporated 2012



Queensland Law Society aims to provide accessible services to all Queenslanders. If you require assistance in understanding the Annual Report, please contact us on 07 3842 5842 for assistance or referral to interpreter services.



Queensland
Law Society

27 September 2012

The Honourable Jarrod Bleijie MP
Attorney-General and Minister for Justice
Level 18, State Law Building
50 Anne Street
Brisbane Qld 4000

Dear Attorney

Annual report 2011/12 for Queensland Law Society

I am pleased to present the Annual Report 2011/2012 and financial statements 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.

Yours sincerely

John de Groot
President
Queensland Law Society

Contents

1	About Queensland Law Society
3	Introduction
4	Our highlights 2011/12
6	President's review
7	CEO's review
8	Helping us make the connection...
12	Delivering on our commitments – our performance in 2011/12
13	2011/12 major projects
15	Providing valued services and products to members
30	Enhancing our connections
36	Connecting the dots – ensuring our business fitness
37	Connecting with our people
39	Our leadership team
41	Our Council
45	Corporate governance

Financial statements

51	Queensland Law Society Incorporated
89	Law Claims Levy Fund
103	Legal Practitioners' Fidelity Guarantee Fund

Introduction

Queensland Law Society is the forward-thinking, dynamic hub of Queensland's legal community and we are committed to becoming the leading legal professional membership association in Australia.

Our 2011/12 Annual Report provides an overview of our progress towards achieving this vision. This report outlines the key activities undertaken by the Society which demonstrate our progress against the Society's Strategic Plan 2011/12, our strategic planning document which forms the basis for our operational plan and budget. Key to this year, our primary objectives in supporting our members were to:

- position members to benefit from the National Legal Profession Reform
- advance member interests through advocacy, ethics, learning and development and practice support services

Additionally, we had a major focus on strengthening our organisational capability, our internal systems and processes and our financial management work to support the realisation of our vision.

Purpose of the report

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.

The Society is defined as a statutory body in the *Financial Accountability Act 2009* (Qld), and is therefore required to prepare an Annual Report each financial year. The Society however, 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.

This report highlights our commitment to transparency and accountability and to effective corporate governance. We are singularly member focussed. We aim to provide the best possible advice, support, services and products to provide value for our members.

This report outlines:

- how we have achieved against our strategic plan
- our priorities for the year ahead; and
- our revenue and how we have used member funds.

Our highlights 2011/12

Queensland Law Society proudly represents Queensland's solicitors, providing leadership in law through support of the legal profession, advocacy of legal issues and a commitment to build the profile of solicitors and the law. The 2011/12 financial year was a year dedicated to advancing member interests through advocacy, ethics, learning and development and practice support services and delivering several strategic initiatives.

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 that the 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 \$722k compared to the prior year's surplus of \$1.158m.

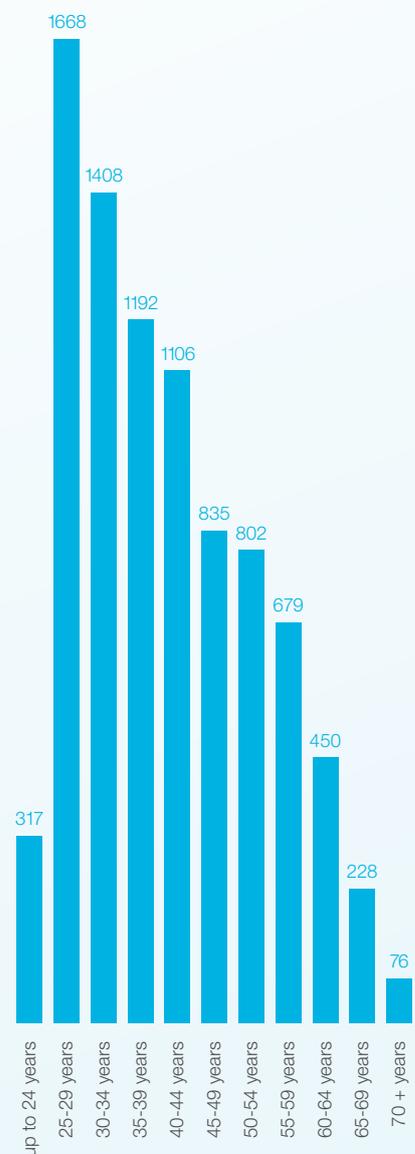
Overall revenue was favourable compared to last year with growth in the profession and resulting membership fee income. Our event revenue was slightly ahead of last year which was a good result in difficult economic conditions. This was offset by some falls in advertising revenues. Overall sponsorship revenue increased. Despite falling cash rates, our interest returns increased.

We continued our emphasis on managing controllable costs, and the majority of costs increased by less than CPI. The number of full-time equivalent employees remained stable throughout the year. Net assets of the parent entity are \$50.8m, up from \$49.7m the prior year (which includes a \$400k increase in the building valuation). We use these retained surpluses to deliver major strategic projects for members, for example the development and implementation of a new member relationship management system, which will enhance the delivery of 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)

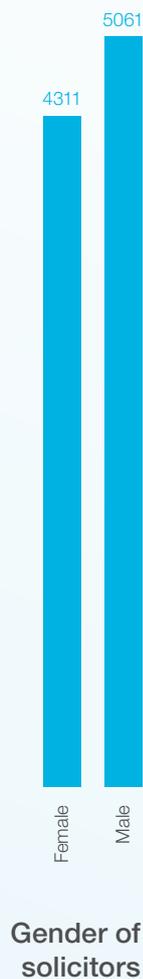
- The insurance scheme reported a surplus of \$881k compared to \$7.9m for 2010/11. This result is attributed to a reduction in collected insurance levies as a result of the reduced levy rates (overall levies collected reduced \$1.2m), the decline in the weighted average risk free rate from 4.9 percent to 2.61 percent which increased the prior year claims discount by approximately \$3m, and negative investment returns of 1.9 percent in the equity portion of the portfolio
- The QLS levies are at their lowest since the introduction of the Gross Fee Income model in 2007/08
- Overall predicted claim numbers for 2011/12 are the lowest they have been since 2002/03 (Lexon commencement)
- 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 70 percent of investments in income securities, with the balance in equities, credit and property
- The scheme reported returns of six percent from income securities and 1.9 percent from equities, credit and property, giving a combined result of 3.7 percent
- 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. Only a small element of our portfolio does not directly move with interest rate expectations or equity market movements



Age of solicitors
(full members only)

Operational highlights

- Full membership grew three percent to 8,761
- 9,372 practising certificates were issued, up from 9,021 in 2010/11
- Held 14 major conferences, 48 seminars and workshops and eight regional workshops with a total of 5,514 people in attendance
- Held our 50th Symposium in March 2012. This flagship event, the Vincents' 50th Annual Symposium, attracted 694 attendees
- Managed 1,100 inquiries relating to practice management and support issues – an increase of 22 percent on the previous year
- Significantly progressed Project Connect, which will support improved service delivery to our members
- Developed and implemented a new learning and development strategy, which included the launch of a legal support staff offering and a skills accelerator series for early career lawyers
- Offered e-voting for the first time to support the Council election process – this resulted in a 22.2 percent increase in member participation in the election
- Implemented a new finance system on time and under budget to support the 2012 renewal cycle
- Undertook significant advocacy during the year completing 244 submissions – a 21 percent increase on last year. This activity positively contributed to the public debate with 119 mentions of the Society and its submissions in parliamentary records
- Received more than 3,500 requests for trust accounting guidance
- Supported 2,800 ethics inquiries, and saw a 38 percent increase in users to our ethics website
- 2012 online renewals achieved a 99.9 percent take-up rate by members taking advantage of the convenient, easy-to-use process
- Twenty-six practitioners completed specialist accreditation in the areas of family, personal injuries, property and taxation law in 2011. In 2012, we offered accreditation in business, criminal, and immigration law as well as commercial litigation and workplace relations to thirty-three candidates



Snapshot

Female legal practitioners represent 46 percent of the profession in Queensland.



John de Groot
President

President's review

2011/12 has been a year that has seen the Society progress some significant strategic initiatives, particularly in relation to policy, and define the future of the organisation in terms of how we can best represent and support our members.

Advocacy in action

Influencing policy is key to what we do – and we do this to ensure laws are fair and workable for members and the community. In 2011/12 we have effectively advocated on many significant issues to address a number of critical social and practice concerns. To do this we rely on the knowledge and calibre of the members of our 27 committees, in addition to the strong skills of our advocacy team.

We led an extensive state election issues campaign which aimed to inspire political parties' commitment to change on 11 key issues including legal aid funding, improving people's right to legal representation before the Queensland Civil and Administrative Tribunal and better resourcing for courts and tribunals. This was a first for the Society and it is satisfying to know both major parties heard the voice of the profession.

With the new LNP Government in Queensland, we continue to keep a watch on statements particularly on key issues such as mandatory sentencing, funding for legal assistance programs and directors' liability.

I thank Paul Lucas, retiring Attorney-General for the professional relationship he maintained with the Society during his time in office, and I welcome our new Attorney-General, Jarrod Bleijie. We look forward to working closely with the offices of the Attorney-General and other relevant ministers and the heads of jurisdictions to ensure our members are informed of statutory and common law changes and court procedural issues.

The business of reform

During the year we continued to represent members in relation to the National Legal Profession Reform to ensure Queensland practitioners are not detrimentally affected by the intended reforms. The Council supports the national reform as important, sensible and well overdue and is committed to working towards achieving harmonisation.

We highlighted our concerns about the draft legislation and have raised these with the Attorney-General for his consideration and worked with our counterparts in both New South Wales and Victoria to seek improvements and modifications for the benefit of the profession.

We also worked closely with our interstate law society colleagues and provided expert assistance to develop the first set of uniform professional conduct rules for solicitors in Australia, the Australian Solicitors' Conduct Rules (ASCR), which commenced in Queensland on 1 June 2012. These rules, which replace the Legal Profession (Solicitors) Rule 2007, provide a common set of professional obligations and ethical principles. Our Ethics Centre was a primary contributor to their development and this has helped to ensure the new rules are practical, relevant and support our members in the professional practice of law. We are only the second State to implement the ASCR part of our commitment to a nationally consistent regime.

We move into 2012/13 committed to being the trusted adviser to the profession and the community. We will continue to refine and enhance our service to members to ensure quality and timeliness of our advocacy, ethics and practice advice and learning and development.

Substantial change occurred within Council with the Council elections held in late 2011. I would like to thank outgoing Councillors Don Armit, Peter Eardley, Lynette Galvin, Raoul Giudes and Rowena McNally for their extensive contributions to the Society.

I also thank my current fellow Councillors, and particularly Immediate Past President Bruce Doyle, for their efforts and support during the year. I also acknowledge and thank the CEO, management and staff of QLS for their continued commitment to the Society and their hard work on its behalf.

CEO's review

Queensland Law Society achieved \$722k in surplus, which can be invested into our services and developing an offer that best meets members' needs. This was achieved with a modest membership fee increase and minimal changes to event registration fees and managing our costs, key to which was our use of technology rather than traditional paper processes for the Council election and renewals processes.

Queensland Law Society Incorporated, as a group, reported a comprehensive income for the year of \$1.6m, comprising \$0.7m from the Society and \$0.9m from insurance activities (including the Law Claims Levy Fund). The insurance scheme reported a small profit due to reducing premiums and the impact of the falling discount rates. These were again the lowest since the introduction of the Gross Fee Income model in 2007/08, demonstrating the commitment of the scheme to keeping rates as low as possible while maintaining appropriate solvency ratios.

During the year we have been singularly focused on providing quality advice, services and products for members.

Delivering results

We have effectively and comprehensively represented our members with substantial advocacy which importantly proved influential – with 119 mentions of our work in parliamentary debates. We enhanced our learning and development offer in 2011/12, establishing a new strategy that focuses on competency based training, that takes a 'whole of legal career' approach.

We undertook a comprehensive product and service review, which considered member research that asked us to 'do less, better', and member uptake and value of products and services against the cost to deliver them. The outcomes of this review will be implemented in the year ahead.

Making connections

Elements of Project Connect, which delivers systems and processes that will better equip us to connect with members, were implemented during the year with full delivery early next year (2012/13) when the new membership system and website go live. The project this year provided e-voting capability to support the 2011 Council elections which saw the highest member participation rate for Council elections to date. We successfully implemented a new finance system, on time and under budget. An online renewals campaign was successfully implemented this year with 99.99 percent of members renewing online – a 56 percent increase on last year. We have also entered into the sphere of social media which, based on the level of member engagement with these channels, has proven successful and valued.

We reached out to key member segments that have unique needs, such as early career lawyers and regional lawyers to ensure we provide appropriate and sufficient information, products and services to our diverse membership. We held our inaugural District Law Association Presidents' (DLA) workshop to exchange ideas on how the Society could best support regions and to share experiences. Following its success, it will be an annual event. We worked hard to enhance quality member engagement and foster knowledge sharing and collegiality during the year, hosting many successful events with two highlights – holding the milestone 50th Symposium and the inaugural QLS ball, attended by 240 guests.

Building resilience

Acknowledging lawyers' work in demanding environments dealing with stressful situations, it is crucial that we ensure there are support services to help them maintain good mental health in times of crisis. A major focus of our conferences and regional workshops has been a series of resilience presentations, which include practitioners and counsellors from LawCare. These sessions helped members recognise and manage symptoms of depression.

2011/12 has been a big year, and looking ahead, 2012/13 will see much of the hard work from this year come to fruition. In closing, I thank our members for the support and faith you have in us. I also thank our industrious committees who assist us daily in providing member value. I would also like to thank Immediate Past President Bruce Doyle, current President Dr John de Groot, Council, the management team and importantly our staff for their energy, creativity and dedication.



Noela L'Estrange

Chief Executive Officer

Helping us make the connection...

Queensland law Society thanks our 10, 638 members for their ongoing support.

We also thank the many members who volunteer their time to represent the interests of the profession, and those who provide support services to members.

The Society acknowledges and thanks our many business partners and sponsors that have provided support during the year.

Our Committees

Comprising members who work with specific areas of law on a daily basis, our 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 Committees provide a forum in which members can raise and discuss issues that affect their practice areas. They are also active in contributing to professional development through articles, notices, seminars and conferences. The Society thanks the members of our committees for their valuable contributions to the Society and to the legal profession.

Sadly, Peter Wilson, a long standing member of the Succession Law Committee, and more recently Chair of that Committee, passed away during the year. We take this opportunity to acknowledge the significant contributions he made to the profession.

At 30 June 2012, our committees included:

Access to Justice/Pro Bono Law Committee, chaired by **Bruce Doyle**, Family Law Doyle Keyworth & Harris

Accident Compensation/Tort Law Committee, chaired by **Michael Garbett** of Sciacca's Lawyers

Banking and Finance Law Committee, chaired by **Ian Lockhart** of Minter Ellison and deputy chaired by **Michael Anastas** of Corrs Chambers Westgarth

Business Law Committee, chaired by **Peter Bolam** of Bolam Legal

Children's Law Committee, chaired by **Catherine Moynihan** of Legal Aid Queensland

Company Law Committee, chaired by **Bruce Cowley** of Minter Ellison

Competition and Consumer Law Committee, chaired by **David Grace** of Cooper Grace Ward

Criminal Law Committee, chaired by **Glen Cranny** of Gilshenan & Luton Pty Ltd

Early Career Lawyers Committee, chaired by **Will Barsby** of Shine Lawyers

Elder Law Committee, chaired by **Brian Herd** of Carne Reidy Herd

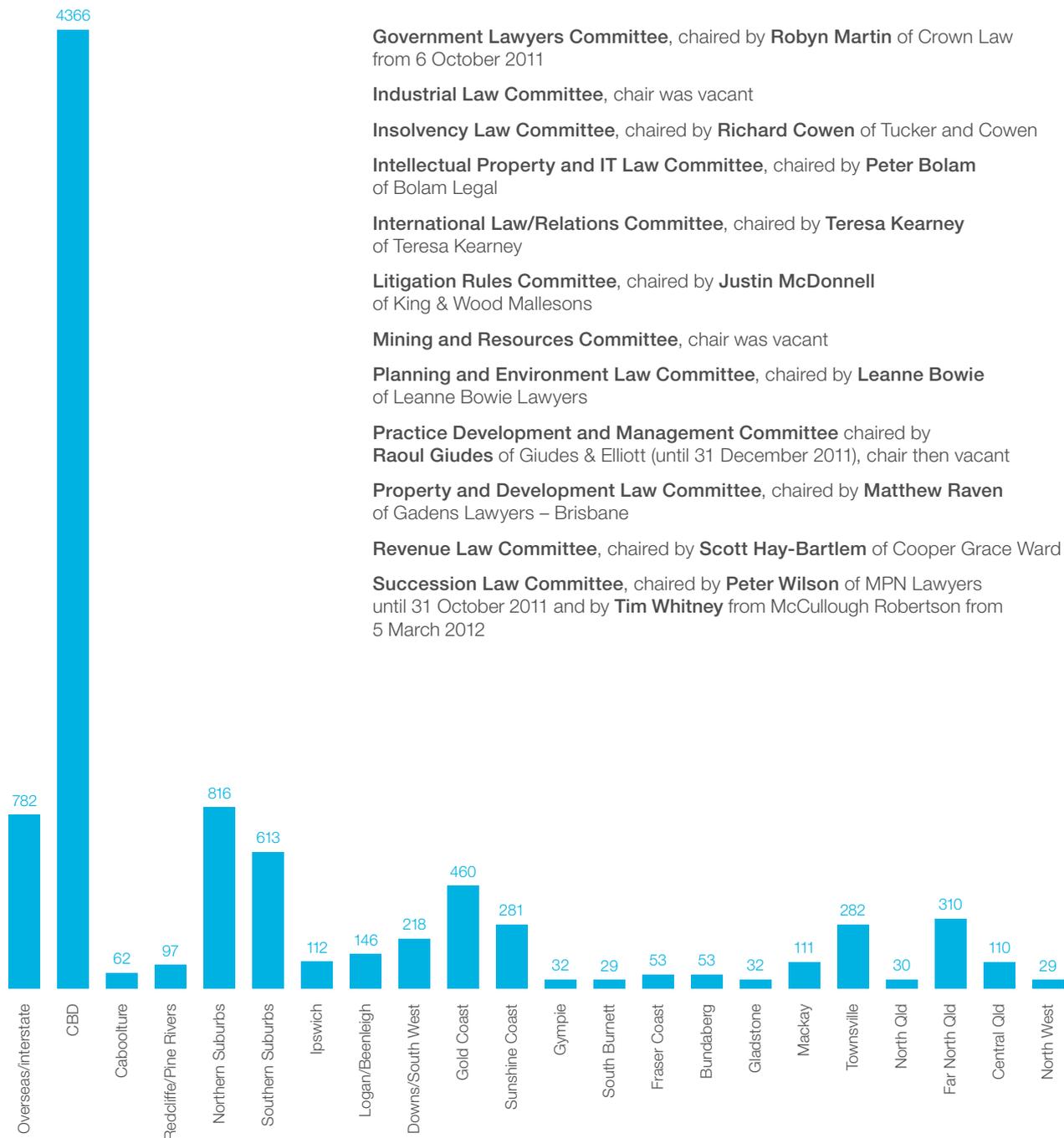
EOL Committee, chaired by **Amanda Bull** of Thynne & Macartney

Family Law Committee, chaired by **Alison Ross** of HopgoodGanim Lawyers

Franchising Law Committee, chaired by **Janice Bywaters** of Bywaters Timms

Snapshot

9.5 percent of all the practitioners are sole practitioners, 42.7 percent are employed in a legal firm, and 11.4 percent work in corporate and 6.4 percent are government lawyers.



Geographical location of solicitors practising in Queensland

Government Lawyers Committee, chaired by **Robyn Martin** of Crown Law from 6 October 2011

Industrial Law Committee, chair was vacant

Insolvency Law Committee, chaired by **Richard Cowen** of Tucker and Cowen

Intellectual Property and IT Law Committee, chaired by **Peter Bolam** of Bolam Legal

International Law/Relations Committee, chaired by **Teresa Kearney** of Teresa Kearney

Litigation Rules Committee, chaired by **Justin McDonnell** of King & Wood Mallesons

Mining and Resources Committee, chair was vacant

Planning and Environment Law Committee, chaired by **Leanne Bowie** of Leanne Bowie Lawyers

Practice Development and Management Committee chaired by **Raoul Giudes** of Giudes & Elliott (until 31 December 2011), chair then vacant

Property and Development Law Committee, chaired by **Matthew Raven** of Gadens Lawyers – Brisbane

Revenue Law Committee, chaired by **Scott Hay-Bartlem** of Cooper Grace Ward

Succession Law Committee, chaired by **Peter Wilson** of MPN Lawyers until 31 October 2011 and by **Tim Whitney** from McCullough Robertson from 5 March 2012

Senior Counsellors

The Society's Senior Counsellors provide confidential advice to members, specifically on professional or ethical problems during the year. Senior Counsellors are 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 2011/12 as at 30 June 2012:

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
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	Algeria
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
------------	---------------------	----------

Ayr

B J Baxter	Ruddy Tomlins & Baxter	Ayr
------------	------------------------	-----

Bundaberg

T W Young	Young T.W.	Bundaberg
-----------	------------	-----------

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
----------	----------------	------------

Douglas

R C Barnes	JCU – Division of Finance and Resource Planning	Douglas
------------	--	---------

Gympie

G R Neilson	Neilson Stanton & Parkinson	Gympie
-------------	--------------------------------	--------

Gladstone

C A Trevor	Chris Trevor and Associates	Gladstone
------------	--------------------------------	-----------

Innisfail

V J Vandeleur	Vandeleur & Todd	Innisfail
---------------	------------------	-----------

Mackay

G C Paterson	Macrossan & Amiet	Mackay
J C Taylor	Taylor Solicitors	Mackay

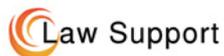
Rockhampton

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
---------------	------------------	------------

CALABRO SVCONSULTING



Our 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 2012 these were:

Area of business	Company
Accounting	Calabro SV Consulting
	BDO
	Vincent's
Broadcast hire	Pro-Cam
Archive and document management	Total Records Management
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