

Good law
Good lawyers
Public good

ANNUAL REPORT 2019-20

**We acknowledge the First Nations peoples
as the original inhabitants of Australia.**

**We recognise, respect and celebrate
the cultural distinctions of First Nations
peoples and value their rich and positive
contribution to not only Queensland but
also to the broader Australian society.**

About this report

Queensland Law Society's 2019-20 Annual Report presents our corporate performance information for the period 1 July 2019 to 30 June 2020.

This report records our activities, achievements and challenges for the 2019-20 financial year and evaluates them against our strategic and corporate planning goals and targets. It also provides a summary of our corporate performance, our planning around the next strategic plan, and priorities for initiatives in 2020-21 and beyond.

2019-20 has been a year of significant achievement amid challenging times for QLS. Across our organisation, we have delivered on some of QLS's long-held goals, implemented significant projects and realised bold plans as an effective and cohesive team. We are excited to share our progress here.

QLS is incorporated under the *Legal Profession Act 2007* and is defined as a statutory body under the *Financial Accountability Act 2009*. The QLS Council is responsible for overseeing the Society's governance and setting the strategic direction.

QLS's Annual Report complies with Queensland Government reporting requirements. This report aligns with QLS's current operational plan and corporate performance against our strategic focus areas of Advocate, Educate, Connect, Guide, Protect, Culture, Sustain and Improve.

Our commitment to accessibility

This Annual Report can be accessed at qls.com.au/annual-reports, via the Queensland Parliament website or in print form by contacting us (see below).

Our website qls.com.au also contains the required reporting in relation to the Council of Queensland Law Society as a government body. Recent Annual Reports can be accessed via our website.

Please contact us if you require assistance in understanding the Annual Report or for referral to interpreter services. Our open data reports can be accessed via data.qld.gov.au.

Feedback

If you have feedback or questions about content in this Annual report, please contact:

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7 September 2020

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice
Leader of the House
1 William Street
Brisbane QLD 4000

Dear Attorney

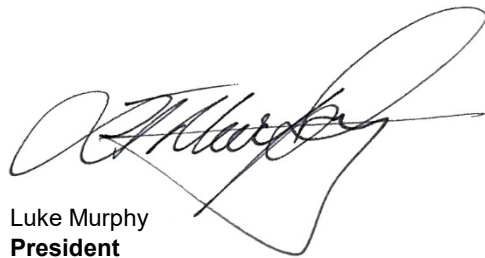
I am pleased to submit for presentation to the Parliament the Annual Report 2019-20 and financial statements for Queensland Law Society.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- the detailed requirements set out in the Annual report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be found on pages 201-202 of this document.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Luke Murphy', with a large, stylized flourish extending from the end of the signature.

Luke Murphy
President

Email: president@qls.com.au

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About us

Queensland Law Society (QLS) is the peak representative body for the legal profession in Queensland, providing leadership, guidance and support for more than 13,000 members, across all categories.

QLS empowers good lawyers, advocates for good law and serves the public good by providing a clear and passionate voice for solicitors and the legal profession in Queensland. We engage with government, the public and the legal community on issues of importance to the profession.

QLS is a versatile, responsive and collegiate representative body which supports and advocates on behalf of the Queensland legal profession. We represent the profession with courage, fidelity and service in an ethically sound, calm and professional manner.

Across many platforms and in conjunction with our members, QLS provides:

- high-quality, ethical support and guidance to Queensland solicitors, including direct ethical consulting, bespoke educational sessions and published guidance statements
- calm, clear and courageous advocacy on matters of importance to the legal profession and the broader community
- accessible, high-quality, ongoing professional development and specialist accreditations
- practical resources and opportunities for the profession to maintain and develop professional skills
- referrals via our Find a Solicitor web search and promotion of solicitors' role in the community
- support for practitioners' mental health, directly and via our member EAP, LawCare
- support and guidance on trust account issues and trust account compliance
- direct practice support consultancy services to new and developing law firms throughout the State
- regulation of trust account provisions of the *Legal Profession Act 2007*, external administration of law practices and management of the Legal Practitioners' Fidelity Guarantee Fund
- records administration for the issuing of practising certificates
- professional indemnity insurance to the members of the Queensland legal profession through Lexon Insurance Pte Limited.

Year in review

2019

1 July	<i>Proctor</i> July edition special feature: Inside the Office of the Independent Assessor
2 July	QLS calls for immediate ban on children 14 and under being held in watch houses
4 July	QLS welcomes appointment of Queensland Chief Magistrate and new Mt Isa magistrate
10 July	QLS backs review of consent laws by Queensland Law Reform Commission
10 July	Queensland loses the State of Origin series, leaving QLS President Bill Potts to honour an annual bet by wearing a Blues jersey. NSW calls foul and demands “specific performance” when President Potts adds a Maroons scarf.
12 July	QLS joins the NAIDOC Week family fun day in Brisbane’s Musgrave Park with a stall promoting the QLS RAP and services offered by QLS.
17 July	More than 100 leading Queensland lawyers enjoy the QLS Best Lawyers Breakfast at Brisbane’s Blackbird Private Dining and Event.
22 July	QLS extends its NAIDOC celebrations with a First Nations lunch, recognising its journey through the Innovate RAP, beginning its journey towards the Stretch RAP, and kicking off its inaugural First Nations in Conversations.
24 July	Launch of the QLS Aspire Leadership Lecture Series, featuring Isabelle Reinecke of the Grata Fund.
1 August	<i>Proctor</i> August edition special feature: Life after death – Providing hope for shattered lives or creating a lifetime of unintended consequences?
1 August	QLS Conveyancing Conference, at the Brisbane Convention & Exhibition Centre, offers a practical program, including how to navigate the minefield of retirement village structures.
2 August	The annual QLS Criminal Law Conference, at the Brisbane Convention & Exhibition Centre.
6 August	First Nations students visit Law Society House for a LawLink event on the role of the in-house solicitor.
8 August	Lecture three of the 2019 Modern Advocate Lecture Series features Judge Felicity Hampel SC of the County Court of Victoria.
10 August	The Brisbane Magistrates Court team takes top place in the 2019 QLS Touch Football Tournament.
16 August	Hervey Bay CPD Intensive
23 August	Kingaroy CPD Intensive
30 August	Solicitor Advocate Course: Building on foundations, a joint offering from the QLS Ethics and Practice Centre and the Australian Advocacy Institute
1 September	<i>Proctor</i> September edition special feature: Innovation in law – preparing for the new normal
3 September	QLS opposes change to 120-year-old sexual consent laws
9 September	Nominations open for the QLS Council election 2019
11-12 September	Property Law Conference, at the Brisbane Convention & Exhibition Centre, offers varied sessions, including navigating trust structures in property transactions and verification of identity in the digital era
13 September	Government Lawyers Conference at the Brisbane Convention & Exhibition Centre
19 September	14 members lead the guest list to receive their 25-year membership pins at a Brisbane Celebrate, Recognise and Socialise event held at Blackbird Private Dining and Events

1 October	<i>Proctor</i> October edition special feature: Navigating the complexities of implementing voluntary assisted dying laws in Queensland. In a <i>Proctor</i> first, the magazine is printed with two covers – each symbolising one side of the life and death debate.
1 October	QLS welcomes appointment of two solicitors to the state's magistracy
9 October	Voting opens in the QLS Council election
10 October	QLS teams up with the Bar Association of Queensland to present the Minds Count Lecture at Law Society House, presented by King & Wood Mallesons partner John Canning
10 October	Lecture Four of the 2019 Modern Advocate Lecture Series features Justice Soraya Ryan of the Supreme Court of Queensland
11 October	More than 130 people attend the Personal Injuries Conference at the Brisbane Convention & Exhibition Centre
23 October	Legal professionals from Pride in Law, The Legal Forecast and members of Chartered Accountants Australia and New Zealand join colleagues for a relaxed evening of networking at this Young Professionals Networking Evening
25 October	The successful candidates for seats on QLS Council are announced
1 November	The cover story in this month's <i>Proctor</i> is an interview with Family Court and Federal Circuit Court Chief Justice Will Alstergren QC
1-2 November	With its dual themes of life and death, the Succession and Elder Law Conference at Surfers Paradise Marriott Resort & Spa attracts 150 attendees enjoy sessions from estate litigation basics to complex ethical matters
12 November	Toowoomba CPD Intensive plus a Celebrate, Recognise and Socialise event
13 November	As the bushfire emergency continues throughout much of Queensland and New South Wales, QLS urges practitioners to put safety first
14 November	The 2019 Legal Profession Breakfast, at Brisbane City Hall, attracts a capacity crowd who listen to passionate anti-DV advocate Arman Abrahimzadeh OAM, co-founder of the Zahra Foundation Australia
26 November	QLS welcomes new law to stop insidious practice of claims farming
1 December	This month's <i>Proctor</i> cover story welcomes Queensland's first Human Rights Commissioner, Scott McDougall
4 December	Around 160 people gather at The Grove, Brisbane, for the QLS Appreciation Evening 2019 an event that acknowledges and thanks regular professional development presenters, committee members and other contributors to QLS for their support and participation
5 December	Thirteen past, present and future QLS Presidents come together at the Brisbane Club to share recollections over dinner
5 December	Around 85 early career lawyers attend Brisbane's Bar Pacino for the QLS Early Career Lawyers Christmas Party
11 December	QLS annual general meeting
12 December	The Chief Justice congratulates specialist accreditation graduates at the Brisbane Specialist Accreditation Christmas Breakfast, while other events celebrate the occasion in Cairns and Townsville

2020

1 January	President Luke Murphy and Deputy President Elizabeth Shearer take up their posts for 2020, along with new QLS Council members
1 February	Proctor begins 2020 with a cover feature on 2020 QLS President Luke Murphy
6 February	President Murphy is officially welcomed at the New Year Profession Drinks in the Banco Court at the Queensland Elizabeth II Courts of Law
26 February	Some 125 young professionals descend on City Winery Brisbane for the first (and possibly last) Young Professionals Networking Evening of 2020
1 March	The special feature in the March <i>Proctor</i> is: The diversity journey – The challenge for the profession and those who navigate it
9 March	QLS celebrates International Women's Day 2020 with an evening function
13-14 March	QLS Symposium 2020 draws more than 650 attendees
13 March	The profession celebrates its shining stars at the QLS Legal Profession Dinner & Awards
27 March	President Luke Murphy and CEO Rolf Moses address the profession via video on measures QLS is taking in response to COVID-19
1 April	The April <i>Proctor</i> special feature is: On parole – Not just a 'get-out-of-jail-free' card
15 April	President Luke Murphy and CEO Rolf Moses announce a \$9 million QLS support package for Queensland's legal profession as it operates through the COVID-19 pandemic
22 April	QLS launches three new COVID-19 support services – the Employment Law Advice Service, QLS General Manager Support Service and the QLS Government Financial Assistance Service
1 May	The May <i>Proctor</i> special feature is: Creating your new normal – Navigating COVID-19 induced practice challenges. To overcome the distribution challenges associated with most of the workforce working from home, <i>Proctor</i> is distributed electronically.
15 May	QLS applauds new laws paving the way for electronic signing of legal documents
22 May	QLS applauds new regulations to allow for virtual document witnessing
28 May	President Luke Murphy and CEO Rolf Moses announces the QLS Phase 2 support package for members, based on a \$750,000 grant from Law Foundation Queensland
1 June	The June <i>Proctor</i> special feature is: COVID-19's legacy for justice – What will be worth keeping? This edition marks an historic milestone, as the last <i>Proctor</i> to be published in standard monthly magazine format.
22 June	QLS welcomes the appointment of new Queensland Director of Public Prosecutions, Carl Heaton QC

Performance overview

Strategic and operational performance overview

The 2019-20 financial year marks the third year of the QLS's four-year strategic plan. Our Strategic Plan 2017-21 sets out our vision for good law, good lawyers and the public good and our purpose. Our four-year strategic plan particularises five strategic goals, two strategic objectives and six measures of success (key performance indicators [KPIs]). Measurement of the third year of our strategic plan has been embedded in our Operating Plan 2019-20, with our operating plan categorised by strategic goals and objectives, as well as setting out our key actions, our strategic KPIs and operational targets for the financial year. Measures include both qualitative and quantitative assessments to gauge engagement across the membership, staff and key stakeholders.

In late April 2020, the QLS's Strategic Plan was updated taking into account the impact of COVID-19 on QLS's strategic direction and operations as well as QLS's strategic risks and challenges.

QLS's performance in continuing the Strategic Plan 2017-21 and the annual Operating Plan 2019-20 is outlined in this report, with special consideration on if COVID-19 had adversely affected and/or strengthened QLS's activities.

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
Advocate Goal					
1. Position QLS as a trusted advisor of law reform in Queensland by engaging with Government in areas of legislative reform important to our members and the community	1.1	KPI4	1.1.1	Green	1.1.1 Achieved – (76%) 256 submissions, 336 requests for comment
					1.1.2 Achieved – 23 public hearing appearances
			1.1.2		1.2.1 Achieved – Ratio of 1 to 3 achieved, (98 successes)
					1.2.2 Achieved – 147 mentions in Hansard
2. Advocate and engage with our members in Anti-Money Laundering (AML) law reform, judicial commission, claims farming and Elder Abuse	1.2	KPI5	1.2.1	Green	
			1.2.2		
	2.1		2.1.1		2.1.1 Achieved – Fortnightly vignettes published on AML work from 3 July to 4 December 2019. Update featurette published in November 2019 Proctor. AML advocacy page created and refined.
			2.2.1		2.2.1 Achieved – December 2019 updates to profession on passage and commencement of claims farming laws. February 2020 Proctor Update. 13 March 2020 major LPD session on Claims Farming reforms in action.
	2.2		2.2.2		Update on Federal Judicial Commission: 21 August 2019 in President's Update and arising from interview with Chief Justice of both the Family Court and Federal Circuit Courts – 31 October 2019
					2.2.2 Achieved – Published in proctor June 2020

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
3. Demonstrate a position of credibility and authority to the profession and the community by positively and strategically engaging the media and the community on issues affecting the law.	3.1 Enhance reputation as the go to for comment on issues affecting the law in Queensland 3.2 Engage with members on issues in the media relating to the law	KPI5	3.1.1 Monthly reporting of media inquiries to QLS seeking comment or assistance 3.2.1 Publication of weekly newsworthy item to members through social media, QLS Update and other channels	Green	3.1.1 Achieved - monthly reporting of media inquiries 3.2.1 22 Achieved – weekly publication of items through QLS Update, social media and other channels. In the month of June, the Legal Policy team also published 12 items to the QLS website on the 'Courts, Commissions, Tribunals', 'Criminal Law', and 'Property Law' webpages, which are dedicated to COVID-19 related updates for the profession. Several of these updates were included or summarised for the QLS Update and also go towards the total number of publications for the QLS update. The legal policy team has also continued to produce the Parliamentary Update blog on First Reading, detailing legislative updates following the sitting weeks of Queensland State Parliament, and has assisted with a newsletter update, which has been specifically targeted to criminal law practitioners.
Regulate Goal					
4. To review and implement a new Limitation of Liability Scheme	4.1 Council approval of the new draft Scheme 4.2 Submit for approval of Scheme to PSC	KPI5	4.1.1 Council approval of the draft new Scheme 4.1.2 PSC approval and gazettal of the new Scheme	Green – yellow	4.1.1 Achieved – Draft Scheme completed, approved by Council and submitted to PSC 4.1.2 On track – awaiting PSC approval and gazettal of the new Scheme
5. Support small practices in Queensland with trust accounting compliance, services and training	5.1 Roll out the Trust Accounting Courses	KPI5	5.1.1 Bi-annual Trust Accounting Courses held	Green	5.1.1 Achieved – 11 Trust Account Consultancies conducted, 3 Trust Account Remedial course conducted, 2 CPD half day Trust Account Essentials course conducted, 1 Seminar on trust Accounting to ALPMA, 3 Seminar to students at QUT, 5 PMC courses conducted, 1 Seminar for Shine Lawyers, 1 Seminar to IPA
Guide and Protect Goal					
6. Facilitate first party cyber insurance offerings to the Lexon insured membership by launching the Cyber Essentials	6.1 Finalise the offering of the Cyber Essentials Lexon insured membership based first party cyber insurance policy package 6.2 Undertake a survey of members in the scheme and their satisfaction with the Scheme	KPI1, 2, 3	6.1.1 Launch the Cyber Essentials Lexon insured membership based first party cyber insurance policy package 6.2.1 Report to Council on the number in the Scheme and satisfaction levels by 30 June 2020	Green	6.1.1 Achieved – Launched the Cyber Essentials Lexon insured membership based first party cyber insurance policy package 6.2.1 Achieved – Reported to Council on the number in the Scheme and satisfaction levels by 30 June 2020

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
7. Best position the Society to offer guidance and counselling services for ethics and practice management, and also deliver associated bespoke educational programs.	7.1 Establish as part of the QLS Ethics and Practice Centre an Incorporated Legal Practice (ILP)	KPI4, 5	7.1.1 Council to approve an application and supporting material for Treasury for approval of a QLS owned ILP by end of July 2019. 7.1.2 The commencement of the ILP by 1 October 2019.	Green	7.1.1 Achieved – Council approved an application and supporting material for Treasury for approval of a QLS owned ILP by end of July 2019. 7.1.2 Achieved – The commencement of the ILP by 1 October 2019. Reporting of the ILP is contained at page 56 of this Annual Report
8. Guide the profession in emerging issues, in particular running a successful business, and cyber security	8.1 Develop a syllabus to deliver practice management skills to sole, small and micro practices to equip solicitors with business skills, financial literacy and corporate governance understanding so as to improve performance. 8.2 Develop an administrative structure and syllabus Project Plan for a Solicitor Advocate Qualifying Scheme for the Higher Courts.	KPI5	8.1.1 Syllabus developed 8.2.1 Project Plan for Solicitor Advocate Qualifying Scheme for the Higher Courts developed and approved by Council	Green – yellow	8.1.1 Achieved – Project plan has been prepared and finalised. 8.2.1 Deferred COVID-19 challenges As a result of COVID-19 there are challenges to deliver the Solicitor Advocate Qualifying Scheme for Higher Courts. It is recommended that this proposal be to deferred to 2021 so that focus can be on the delivery of online PMC and the Specialist Accreditation programs Services have been changed with COVID-19. Implemented 3 extension services: • Employment • Practice support • Government assistance Extended services of support visits to firms with up to 5 PCs
Connect Goal					
9. Undertake an annual public marketing campaign to raise the profile of solicitors in the legal profession and the community	9.1 Launch membership campaign 9.2 Prepare a report on the membership campaign	KPI2, 3, 5	9.1.1 Membership campaign launched 9.1.2 Report to Council on the membership campaign by 30 June 2020	Green	9.1.1 Achieved – membership campaign launched. Google tracking codes inserted on corporate site but cannot be inserted on 'myQLS' until migration to the new site. 9.1.2 Achieved – reported to Council on the membership campaign through the CEO Report.
10. Enhance our knowledge and news hub and thought leadership by connecting practitioners through a digital platform	10.1 Submit Proposal to Council on the new Proctor platform 10.2 Launch the new Proctor platform	KPI5	10.1.1 Proposal is submitted to Council 10.2.1 New Proctor Platform is launched	Green – yellow	10.1.1 Achieved – proposal submitted to Council. 10.2.1 On track – new Proctor Platform to be launched in July

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
11. Position QLS to service and respond to the needs of generational demographic changes including establishing a Young Lawyers Council and making provision for retirement and succession planning	11.1 Engage with Queensland Young Lawyer practitioners	KPI2	11.1.1 Survey and engagement undertaken with Queensland Young Lawyer practitioners	Green – yellow	11.1.1 On track – The two segments; that being, practitioners under the age of 36 and with 0-5 years PAE will collectively be referred to as the ‘next generation’ (of legal practitioners). This branding will have three sub-categories; early career lawyers (0-5 years PAE), career builders (5-12 years PAE or under 36) and future lawyers (students, or graduates from law school who have yet to be admitted). This decision has been formulated based on feedback from QLS working group, QLS staff members who form the ‘next generation’ and existing ECL committee. Following consultation with existing ECL committee, a decision has been made to transition the existing committee from a membership committee to a policy committee. Existing ECL committee has already been liaising with QLS Industrial Relations committee on submissions to the Law Council of Australia on the establishment of a Modern Award for early career lawyers. This submission currently sits with the Law Council of Australia and is a shared initiative with the Law Council of Australia and all young lawyer/next generation councils across the Law Societies of Australia
	11.2 Prepare strategy and governance documents		11.1.2 Report on survey and engagement to Council		11.1.2 On track – A preliminary project timeline has been drafted with relevant departments to further contribute the resourcing (time and financials) required to action their deliverables.
			11.2.1 Strategy and governance documents approved by Council		11.2.1 Achieved – governance documents approved by Council in June 2020
12. Create a platform for and engage with Queensland Corporate Counsel practitioners	12.1 Engage with Queensland Corporate Counsel practitioners	KPI2	12.1.1 Meaningful engagement undertaken with Queensland Corporate Counsel practitioners in areas of training, education and networking	Green – yellow	12.1.1 Achieved – Very successful focus group event held in February 2020. Much meaningful feedback and ideas generated.
	12.2 Prepare strategy		12.1.2 Report on engagement to Council		COVID Impact
			12.2.1 Present strategy to Council for approval		12.1.2 Deferred – Report is in development, impacted by COVID-19
13. Support education and guidance to regional practitioners and provide support and services to DLAs	13.1 Roll out the DLA Workshops	KP2	13.1.1 DLA Presidents Workshop held	Green – yellow	13.1.1 Achieved – DLA Workshop successfully rolled out for 12 March with Cultural Tour and QLS DLA Pack prepared and presented
	13.2 Provide reconciliation presentations to DLAs and their members		13.1.2 An 80% satisfaction rate for the DLA President’s Workshop		13.1.2 On track – Overall rating of the DLA Workshop is 4.2/5
			13.2.1 Quarterly presentations held to DLA members		13.2.1 On track – TDLA took place on 12 Sept 2019, CQLA took place October 2019; monthly reconciliation presentations to QLS membership in August 2019, September 2019, October 2019, November 2019 and 24 Feb 2020
Educate Goal					

Initiative	Key Action		KPI	Performance target/KPI		Status	1 July 2019 to 30 June 2020 report	
14. Guide the profession with respect to cybersecurity and anti-money laundering best practice and client protocols	14.1	Publish anti-money laundering FAQs and other resources in QLS update	KPI2	14.1.1	Publication of 6 updates to the profession on ethics including one AML FAQ resource	Green	14.1.1	Achieved – Publication of 11 updates to the profession on ethics including one AML FAQ resource
	14.2	Publish advisory notes with respect to cybersecurity		14.1.2	Publication of at least 2 cybersecurity advisory notes to the Profession		14.1.2	Achieved – Publication of 9 cybersecurity articles to the Profession including substantial additional material made available to certain firms who engaged in our pilot cyber security program. Publication took place across a number of different channels (eg QLS Update and the QLS website).
15. Educate on innovation, new technologies and the future of the legal profession	15.1	Prepare a report from the deliberations of the Innovation Committee on key areas of disruption and advancement with practical guidance for members	KPI2, 5	15.1.1	Publish report from the transactions of the Innovation Committee to members on key areas of disruption	Green – yellow	COVID Impact	
							15.1.1	On track – Draft Report of the Innovation Committee published to Committee by 30 June 2020. Affected by COVID-19.
16. Undertake academic research projects on the capability of the Queensland profession to succeed in a changed legal services market and the job readiness of law graduates and newly admitted solicitors	16.1	Submit proposal for funding to QLF and/or QLS Council	KPI5	16.1.1	Proposal is submitted to QLF and/or QLS Council	Green	16.1.1	Achieved – Research projects raised with QLF and QLS Council.
	16.2	Engage academics for the research consultancies on both projects		16.2.1	Academics are engaged		16.2.1	Achieved – Correspondence issued at all law Schools and responses provided. Short form ITO issued to all Law Schools for response and contracting. Evaluation process being undertaken but disrupted but COVID-19.
				16.2.2	Report to Council by 30 June 2020		16.2.2	Achieved – Council updated on progress and developments.
17. Review and reform the Compulsory Professional Development Scheme	17.1	Consult with stakeholders	KPI5	17.1.1	Stakeholders are consulted	Green – yellow	17.1.1	Achieved – CEO consulted with COLS resulting in feedback of minimal appetite for national reform. Submission being made by QLS in response to VLSB +C review.
	17.2	Submit proposal to Council on Compulsory Professional Development Scheme		17.2.2	Proposal and approval by Council to reform the Compulsory Professional Development Scheme		COVID-19 impact	
							17.2.2	Deferred to be reassessed as to appetite for national or state reform post Covid-19
18. Lead culture change in the profession towards a healthy and sustainable profession, particularly in dealing with sexual harassment, bullying and discrimination in the legal profession	18.1	Convene a steering committee of a joint representative taskforce for culture change18.2 Engage with stakeholders including law schools	KPI2, 5	18.1.1	Steering Committee convened with terms of reference approved by Council	Green – yellow	18.1.1	On track. – Steering committee convened.
				18.2.1	Report to Council on the Terms of Reference/work of the Steering Committee by 30 June 2020		18.2.1	Achieved – Reported to Council through CEO Update

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
Culture goal					
19. Roll out the Stretch RAP 2019-22	19.1 Identify and implement staff initiatives in the roll out of the stretch RAP	KPI2, 5, 6	19.1.1 Achieved action items set out in the RAP (first year)	Green	19.1.1 On track – YTD reporting at page 63 of this Annual Report
			19.1.2 QLS teams report back to the RAP team in their area of responsibility		COVID-19 Reviewing initiatives to adjust to COVID-19 social distancing requirements
			19.1.3 Reported on achievements to Council, the Annual Report and the QLS website		19.1.2 Achieved – QLS Teams have reported in their area of responsibility.
			19.1.4 Annual financial targets for RAP project achieved		19.1.3 Achieved – Reported 2018-19 to Council in August 2019 and in Annual Report 2018-19 19.1.4 Achieved – annual financial targets achieved
20. Implement an internal QLS graduate solicitor program	20.1 Launch the 2020 QLS graduate program	KPI2, 3, 5	20.1.1 Two graduates selected, on-boarded, and actively participating in the 2020 graduate plan by 30 June 2020	Green	20.1.1 Achieved – QLC Graduates program commenced and going well.
			20.2.2 Positive feedback received during scheduled survey check-ins with graduates regarding their experience with the program.		20.2.2 Achieved – QLC Graduates program feedback positive to date.
21. Continue work towards becoming a citation holder as an Employer of Choice for Gender equity and application for the WGEA and Employer of Choice for Women Award in 2021.	21.1 Implement recommendations and action items from project plan and strategy in preparation of Society nomination by 30 September 2020* (note 2 year project)	KPI5	21.1.1 Recommendations and action items from the project plan completed	Green – yellow	21.1.1 On track – with current plan. Project meetings being conducted regularly to capture progress. Current focus on continuing work on drafting policy revisions, finalising submission requirements and providing recommended improvements. Gender Equality Strategy endorsed by Council in April.
			21.1.2 QLS submitted nomination by 30 September 2020		21.1.2 On track – goes over two financial years
Improve Goal					
22. Launch the new website and improved digital platform to members and the public	22.1 Launch of public website (phase 1) by end Q3 FY20.	KPI2, 5, 6	22.1 – 4. 1 Pages adhere to industry best practice including: no missing metadata, last date modified less than agreed maximum, response times less than agreed maximum, no duplicate content, reading ages at acceptable levels	Green – yellow	22.1 – 4. 1 On track – Standards are embedded in the requirements. Project tracking to budget. 80% of the website built by end of Q4 FY20. Launch of website likely to be Sept/Oct 2020.
	22.2 Public website delivered under budget.				22.1 – 4. 2 On track – Baseline taken for user satisfaction in October 2019 and will be retaken three months after the launch of the new website.
	22.3 Website Governance in place by end Q3 FY20				22.3 Achieved – Website Governance Framework completed
	22.4 Phase 2 and 3 of the website project planned and costed by end Q2 FY20.		22.1 – 4. 2 User satisfaction reaches over 75%		22.4 On track – Costs have been obtained for Phase 3 of the website project. Many functions of Phase 2 will be delivered in Phase 1. Website Roadmap drafted for first 12 months of the website post Go-Live.

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
23. Implementing new technologies to support our Learning and Development offering	23.1 Launch first phase of LMS by Q4 2019	KPI2, 3, 5	23.1.1 75% or above level of satisfaction with new LMS from users	Green – yellow	<p>23.1.1 Achieved – First round of evaluation completed. Demonstrations completed. Contract negotiation completed. Contract signed. Project implementation underway and project handed over to the business owner – Learning and Professional Development. System live by Q4 2020</p> <p>COVID-19 impact</p> <p>This work has been accelerated as a QLS imperative</p>
24. Continue to implement our internal information management and business processes system including completion of ISO27001 certification for a strong cybersecurity and compliance stance	24.1 ISO27001 certification completed 24.2 Cybersecurity maturity assessment undertaken 24.3 Business process improvement undertaken for 20% of QLS's business processes 24.4 Automation of five QLS business processes	KPI5	24.1.1 Obtaining ISO 27001 certification 24.2.1 Successful completion of cybersecurity assessment 24.3, 4. 1. 5 FTE Records resource freed up to do more meaningful work 24.3, 4. 2. 5 FTE Finance resource freed up to do more meaningful work 24.3, 4. 3. 5 FTE Events resource freed up to do more meaningful work	Green – yellow	<p>24.1.1 On track – Policies signed off. Procedures developed and implemented in readiness of certification.</p> <p>COVID-19 impact</p> <p>This work is on hold as an audit for certification can't be conducted. Auditor must be onsite.</p> <p>24.2.1 Achieved – Vendor has completed assessment and action plan has been completed.</p> <p>24.3, 4. 1. Achieved – Process mapping has been completed. The following improvement have taken place: Automation has been completed for</p> <ol style="list-style-type: none"> 1) Student Membership (fully online process), 2) Supreme Court Data Transfer, 3) Email address updates are automatically transferred to Mailchimp from IMIS 4) Credit card payment taken over the phone so transactions are completed in real time. <p>24.3, 4. 2 Achieved – Process mapping has been completed and efficiencies identified. The following improvements have taken place:</p> <ol style="list-style-type: none"> 1) reduction in processing credit cards, 2) improvement to the GLINT file transfer to Navision and 3) commenced dashboard reporting for the CFO. <p>24.3, 4. 3 Achieved – Process mapping has been completed. Improvements have been:</p> <ol style="list-style-type: none"> 1) Automation of the events reporting and 2) Automation of the events attendee monitoring.

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
25. Commence building our key member management system to improve our members' digital experience	25.1 Project has commenced with the first phase completed by Q2 FY20.	KPI5, 6	25.1.1 First phase of the project delivered on time and within budget.	Green – yellow	25.1.1 Achieved/On track – The business process maps are completed. Phase 1 delivered slightly delayed but under budget. Replacement system identified is MSDynamics.
	25.2 Procurement underway for replacement system by Q2 FY20				
26. Work towards implementing the data strategy and roadmap	26.1 Horizon One activities completed by Q3 2019	KPI2, 3, 5, 6	26.A Data Quality	Green	26. Achieved – Data Strategy and Roadmap version 2.0 completed with refreshed horizon activities. A work plan has been developed and the activities allocated to those responsible. Most phase one activities have been completed. Data warehouse beta is completed. Power BI licencing has been sourced. Planning for phase two underway. Australian Public Service Commission have granted permission for QLS to use their Data Literacy training modules.
	26.2 Workshop conducted to update and prioritise horizons by end of June 2019		a) Reduce percentage of active individuals/ companies with missing data by 25%		
	26.3 Update of roadmap by end of July 2019		b) Reduction of duplicate records by 25%		
	26.4 Completion of all second horizon activities by Q1 2020		c) Incorporate data cleansing activities into core activity of key areas		
		26.B	Business Intelligence		
			a) The creation of control panels that are set up and designed for use by management staff that are actively accessed and used		
			b) Time taken from management for a new business report, gather the relevant information, and generate a report within a fortnight		
		26.C	Data literacy		
			a) Completion of data training assessment by 50% of all staff		
			b) 90% attendance of staff required for training and User Groups		
27. Maintain a high level of member engagement in the QLS election	27.1 Offer members an easy to access online portal for engagement in the QLS election	KPI2	27.1 Achieve a voluntary voting member turnout rate of 25% in the QLS election in any contested positions	Green – yellow	27.1 On track – Election successfully completed. Voluntary voter turnout was likely reduced as there were only two contested polls rather than the usual four contested polls. Voter turnout in 2019 for two contested polls was 13.29%. Learnings to take away for KPIs is that the voter turnout percentages should take into account the number of polls and the number of presidential polls to non-presidential polls, as voter turnout will likely be higher for contested presidential positions. Complete Election Report to be presented to Council in December 2020

Initiative	Key Action	KPI	Performance target/KPI	Status	1 July 2019 to 30 June 2020 report
Sustain goal					
28. Progress to Stage 2 of the QLS House Premises Refurbishment Strategy	28.1 Collaborate with Body Corporate on redevelopment of foyer/forecourt area of Law Society House	KPI5	28.1.1 Foyer/forecourt redevelopment completed	Yellow	28.1.1 Deferred – Proposed refurbishment going through detailed costing design phase for presentation to Council. COVID-19 impact As a result of COVID-19, presentation to Council will take place in the next financial year. This may change depending on any further developments or impacts of the ongoing pandemic. Further, it is anticipated that the building refurbishment is unlikely to progress at this time due to the Member Support Package in response to COVID-19 taking precedence.
	28.2 Develop plans for ongoing redevelopment of Law Society House as an integrated member/staff space		28.2.1 Plans completed and endorsed by QLS Council		
29. Enhance financial management practices to maximise efficiency and effectiveness	29.1 Undertake costing analysis exercise in relation to revenue generating activities	KPI5	29.1.1 Prepare report for CEO	Green – yellow	29.1.1 Achieved – Events costing model rolled out in February 29.2 On track – Requirements discussed with IM due to data warehouse solution they have identified. Initial discussions and draft dashboard provided in February – to be further progressed in April COVID-19 impact As a result of COVID-19, it is anticipated the development of the BI dashboard will be slowed as IM resources are redirected to business critical matters.
	29.2 Develop and implement finance business intelligence dashboard		29.2.2 Finance BI dashboard implemented		
30. Review our Business Continuity and Disaster Recovery plans	30.1 Review and revise the Business Continuity and Disaster Recovery Plans where appropriate	KPI5	30.1.1 Business Continuity and Disaster Recovery Plan reviewed with amendments for approval to the CEO as appropriate	Green – yellow	30.1.1 On track – Leadership Team undertook mock review of BCP, with feedback provided; extensive review required for a number of attachments; BCP enacted with learnings to continue into the new financial year. COVID-19 impact Note Coronavirus considerations has enacted early planning and consideration of business continuity over the next 6 months
31. Enhance ICT by developing the network architecture to provide highly-accessible, redundant and reliable server and storage infrastructure	31.1 Re-architect data centre operations across on-premises and offsite locations	KPI5	31.1.1 Develop project plan for redundant data centre capability by 31 December 2019 31.1.2 Implement the project plan by 30 June 2020	Green	31.1.1 Achieved – Planning completed. 31.1.2 Achieved – Implementation completed and hardware procured.

Strategic KPI

KPI1. Members express high levels of satisfaction with our products and services

KPI2. Membership and Practising Certificates are retained in accordance with budgeted forecasts including the conversion rate

KPI3. Measurable evidence of stakeholders' increased engagement with Queensland Law Society

KPI4. We are listened to by government and members of parliament

KPI5. Staff are engaged, collaborative and productive

KPI6. Annual financial targets are achieved

Green	Achieved
Green - yellow	On track
Yellow	Deferred
Yellow - red	Delayed
Red	Not started

President's review

"It was the best of times, it was the worst of times..."

Somehow Charles Dickens' memorable words in *A Tale of Two Cities* come to mind when I look back over the past year.

March and April 2020 were indeed amongst the worst of times faced not just by our Queensland legal profession but for many worldwide, however they were also the best of times in the way that Queensland Law Society responded to the COVID-19 pandemic and how it worked in collaboration with Lexon Inc, Queensland Law Foundation, Government, the Courts and other legal profession associations and service entities to support not only its members but the whole legal profession and the Queensland community through the initial pandemic lockdown and beyond.

QLS's newly elected Council and the QLS management team worked together to identify resources that could be re-allocated and utilised to support all QLS members during the pandemic crisis. With assistance from the board of Lexon, Council constructed a \$9 million support package to assist members in managing their practices in what are uncertain and challenging times.

The other great positive from this period is the way the whole legal profession, the courts and judicial officers, and other legal service entities all worked together to ensure that justice could continue to be delivered, with many of the innovative solutions that were developed set to continue beyond COVID-19.

At the time of writing, it is obvious that the hard times aren't over yet, but I have no doubt that the Queensland legal profession will survive and continue to prosper, and that QLS will continue to support our members and the whole legal community. What Queensland Law Society Council has recognised is that the challenges confronted during adversity also provide opportunities and Queensland Law Society wants to seize those opportunities and assist its members to also, so that it continues to develop.

But let's go back to the beginning of the 2019-20 year. The end of 2019 saw a number of long serving senior Council members leave Council. On behalf of our Council and members, I thank Bill Potts for his leadership of the Profession during his 2019 Presidency and also Ken Taylor, Chris Coyne and Paul Tully for their significant contributions to the work of Queensland Law Society over many years on Council.

In the last six months of 2019 under Bill's guidance we saw the successful launch of the Aspire leadership series and the continuation of key events in the QLS calendar, including more in the Modern Advocate Lecture series and several of our most popular conferences.

Our ongoing balanced and considered advocacy, not only maintained our relationship with government but it was an investment that ensured, when confronted by the COVID-19 challenges, Queensland Law Society was the entity that government worked extremely closely with to develop appropriate functional responses. This was an acknowledgement of the role Queensland Law Society can often play in assisting government and you can read more about these details in this report.

The newly elected 2020-21 Council entered 2020 confident and ready, looking forward to a year in which we consolidated many of Queensland Law Society recent initiatives.

By mid-March we were delighted to have successfully produced another great Symposium and to have recognised those in our profession whose accomplishments deserve the widest praise, including QLS President's Medal winner Denis McMahon and Agnes McWhinney Award winner Jo-Anne Bragg.

After the first of the pandemic restrictions were announced in March, we immediately began working to how best to meet the challenges this would bring.

The Finance and Risk Committee began its deliberations on how we could assist our members on Monday 23 March. Subsequent committee and Council meetings focused on developing an equitable and sustainable package that provided meaningful benefits to those members who had contributed to each resource.

Our public COVID-19 response was launched with the first of several video updates to the profession on 27 March, and on 15 April we announced the details of the \$9 million support package, including a 26% subsidy in the annual cost of individual practising certificates, a 20% subsidy on the base professional indemnity insurance levy rates for practitioners insured through Lexon and a 50% subsidy on the full membership fee for more than 11,000 members.

Other assistance included 10 free CPD points and free full membership for any practitioner stood down as a result of the pandemic.

Our objective was to ensure as many Queensland law practices remained open for our members, their families and the communities they serve. Central to achieving this was assisting members to make considered informed practice decisions and so on 22 April we launched three new COVID-19 support services – the Employment Law Advice Service, QLS General Manager Support Service and the QLS Government Financial Assistance Service. These advice services have been able to continue with the assistance of \$750,000 funding from the Queensland Law Foundation for which I am very thankful and which will also enable us to provide even greater outreach to support our members

In addition we have provided extensive COVID-19 resources for members online and in *Proctor*, and many of these will remain available in a form that will assist our members in coping with any future disasters.

I am proud of the QLS response to the COVID-19 challenge in the first six months of 2020 and I thank our Council, our committees and our staff for their extraordinary work in meeting the demands that the pandemic placed upon us.

I thank our members for their collegiality and resilience, and for the determination that has seen them work through COVID. I also thank our policy committee volunteers and District Law Associations for their contributions to our work. Finally, I would like to thank the Government and the courts for their willingness to work so cooperatively and to implement innovative solutions aimed at assisting the delivery of justice.

QLS Council and I are looking forward to continuing to work with the profession for our members and the community and to seizing the many opportunities that the changes in the daily practice of our profession have created.

Luke Murphy

President

CEO's review

This is a year we will not forget for many reasons. Not only for the grief, loss and disruption that occurred across the globe and our communities as a result of the COVID-19 pandemic, but also because of the opportunities, the shift in thinking and possibilities that the pandemic brought.

It was definitely a year of two halves. The year commenced much like any other financial year. We led into the Christmas period with a round of regional engagements, which I again attended and presented at, including Gold Coast, Hervey Bay, Toowoomba, Rockhampton and Townsville, with the President making an additional trip to Cairns and Kingaroy.

The regional CPD events are a highlight of the QLS calendar and present an opportunity for myself, the President as well as some senior QLS staff, to spend quality time with our many regional practitioners.

It was also a pleasure during the course of the first six months to participate in numerous pin ceremonies where members were recognised for achieving 50 and 25 year milestones as members of QLS. These members are listed within the report.

We launched many important initiatives during the year including the QLS Cyber Essentials First Party Insurance cover for all QLS member firms and Lexon insureds. Little did we know when we launched this product how important it would become.

This initiative provides high quality insurance cover to well over 2000 Queensland firms against losses from hacking, email compromise, ransomware and loss of data. We also commenced many other successful initiatives during FY19-20 and they are detailed throughout this Annual Report.

Highlights included QLS incorporating its own legal practice, QLS Solicitor Support, which allowed our solicitors to provide individual members and member firms with confidential practice and ethical guidance support and counsel and for our members to exercise when relevant legal professional privilege with respect to the guidance, support and counsel provided.

We also commenced the digital transformation of our printed magazine Proctor with the development of qlsproctor.com.au—an online daily legal news and knowledge sharing platform for the legal profession. This was launched in July 2020 and I look forward to reporting on this in next year's Annual Report.

A new Council was heralded in 2020 and as such, we farewelled a number of senior Council members at the end of 2019 who had served the legal profession in Queensland with great competence and commitment. We introduced and welcomed a number of new Council members to QLS following a smooth election process.

In March 2020, QLS hosted the Legal Profession Dinner and Awards and Symposium where again we experienced a significant turnout of delegates who participated in an outstanding learning opportunity with quality speakers. We also acknowledged success, significant achievement and contribution to the profession through the awards dinner. We detail our award winners on page 43 of this report.

This event would be the last face-to-face event that the QLS would hold in the financial year. The following Monday the country went into the first of a series of lockdowns and restrictions as a result of COVID-19. This period has been a significant challenge for the Australian economy and community and it was also a challenge for the Queensland legal profession.

QLS staff changed gears to respond to the profession's needs during COVID-19 and I was pleased by and proud of our teams' significant work and efforts which delivered enhanced services, communications and innovative solutions to our members. That work went a long way to help keep people in jobs and legal practice doors open.

There are a number of significant 'firsts' that occurred as a result of our work. This included the significant financial support package that was provided to members. No other Society offered the suite of discounts on practising certificates, PI insurance and membership that QLS provided. We also extended the CPD year, offered free CPD options for the balance of the 2019-20 compliance year, and launched more free CPD offerings in the new CPD year. These we moved to an online delivery platform and we also, for the first time, delivered the Practice Management Course online with tremendous success. We also prepared to run the specialist accreditation program for criminal and personal injury through on-line models.

Other firsts included QLS offering the following services:

- **Employment Law Advice Service**

A free advice service to individuals impacted by COVID-19

- **General Manager Support Service**

This was available to practices to assist them to navigate decision making in business operations as a result of the pandemic, and

- **Government Funding Advice Service**

To help practices access critical government funding available to support businesses through the pandemic.

As we helped the profession navigate through challenging times, there was significant communication with the membership and the profession more broadly. We recorded our highest ever rates of engagement on social media, website and electronic communications. During the entire period of the pandemic, QLS House remained open for mediations under physical distancing and hygiene protocols. Many matters were managed and continued to operate as a result of Law Society House being available on this conditional basis. The staff worked largely remotely apart from a core who remained onsite.

Our hard work to give back to the profession during the challenging COVID-19 period with our online courses and resources, free advice services and the work of our Ethics and Practice Centre, advocacy teams and policy committees resulted in record membership and external engagement numbers. These statistics are highlighted within this Annual Report.

Another highlight included the launch of our Practice Management Consulting Service using Senior Counsellors and practitioners to engage with practices right across Queensland. This will be a significant initiative that will move into the next financial year.

As the year came to an end we were still in restricted and flexible work modes but productivity was high. Like many businesses, we were not able to offer bonuses or salary reviews, we had a recruitment freeze and operated on a smaller headcount. In spite of this, we were able to continue to play our role in the profession – through efficiencies and technology introductions.

Again, it has been an honour and a pleasure to have served in the role of CEO this year and I have never been more proud of the work we do at QLS to advocate for Good Law, Good Lawyers, and the Public Good.

Rolf Moses

Chief Executive Officer

Membership snapshot

Total Members

12,857

Total membership by Category

2019-20

	Total
Full member	10823
Associate Member	456
Honorary Member	144
Student Member	1434
Total	12857

Full members by Law Firm[#]

	Total
Sole	969
Micro	2176
Small	1842
Medium	831
Large	1708
Other*	2559

[#] Not all entities are categorised

* Other includes Legal Aid, Community Legal Centres and other types of government and corporate entities

Full member by generation

year	Generation	Total
1925 1945	Builders	40
1946 1964	Baby boomers	1917
1965 1979	X	3349
1980 1994	Y	5064
1995 2010	Z	450
Total		10820*

* NB. Three members did not provide a date of birth

Gender balance

	Male	Female	Total
Full member	5282	5531	10823 [#]
Associate Member	204	252	456
Honorary Member	119	25	144
Student Member	561	865	1434*
Total	6166	6673	12857

[#] 10 full members did not specify a gender

* 8 student members did not specify a gender

Here for our members

Queensland Law Society is committed to supporting the Queensland legal profession by advocating, regulating, guiding, protecting and connecting our members. This is central to our vision of Good Law, Good Lawyers, for the Public Good.

At the heart of our purpose are our professional values of Fidelity, Service and Courage. Our professional values are reflected through the provision of services and initiatives that support our members to have more satisfying and rewarding legal careers and businesses. The value of solicitors in the community should never be underestimated and so we promote and support the profession in our areas of work such as advocacy, education and regulation.

In 2019-20, we continued the good work of previous years by increasing our engagement with regional practitioners, putting an even stronger focus on our early career lawyers, working harder to advocate on behalf of our members and provide more support and education initiatives to keep our members fully informed.

Our commitment to diversity increased with continued focus on First Nations practitioners and communities with our RAP strategy and a dedication to raise awareness and advocate for representation of marginalised groups within the legal profession.

We also continue to engage with the profession via our policy and membership committees and working groups. We have over 350 volunteers who comprise committees and working groups who assist us strengthen our vision of Good Law, Good Lawyers, for the Public Good. These committees and groups are important to the work QLS does and the contributions of the members, who have graciously volunteered their time, invaluable. Equally important is the work our Legal Policy team and the QLS Ethics and Practice Centre does to engage and connect our legal community.

Recognising and celebrating our members and their contributions to the profession is a core component of our vision. We have an array of events and services that acknowledge our members and show that we hold them in high esteem. Examples of this are our Honorary QLS Membership and 25 –year and 50-year Member Pins.

Congratulations to the following individuals awarded Honorary QLS Membership during 2019:

Donald Palmer

Peta Stilgoe

Michael Hart

Gerald Murphy, AM

Congratulations to the following individuals who were awarded 25-year and 50-year Member Pins during the 2019-20 year:

50-year Pin

2019

Mr Donald Palmer

Mr Neil Douglas Maxwell

Mr Michael Hart

Mr Gregory John Vickery, AO

Mr Paul Francis Hopgood

Mr William Patrick Cusack

2020

Mr Joseph Michael Ganim

Mr Paul Adrian Martinez

Mr Noel Ronald Barbi

Mr Peter Joseph McNally

Mr Andrew Edward Knott

Mr Ross Kennedy McTaggart

25-year Pin

2019

Mr Duane Russell Sewell	Mr Richard John Hanel	Mr Michael John Emerson
Miss Lisa Darelle O'Neill	Mr Robert Anthony Denaro	Mr Michael Robert Garbett
Mrs Vinita Khushal	Mr Joseph George Welch	Mr Trevor Neil Spicer
Mr Dean Francis Spanner	Mr Mark John Tomasoni	Mr Patrick Paul McGrath
Mrs Amanda Jane Boyce	Harold Martin Dignan	Ms Natalie Barton
Ms Toni Ellen Bell	Mr Lloyd Norman Parker	Mr Gavin John Mills
Mr Craig Mitchell Hall	Mr Matthew James Broderick	Mr Andrew Thomas Edward Peters
Ms Samantha Jane Dillon	Ms Julianne Mary Shearer	Mr Peter David Kane
Ms Frances Millicent Williams	Mr Sean Magee Fitzgerald	Ms Stephanie Jane Daveson
Mr Andrew Robertson Forbes	Mr Michael Douglas Neal	Ms Leesa Ann Beresford
Mr Paul Wayne Evans	Mrs Allison Margaret Warburton	Mr John Gregory Cartwright
Dr Lucy Margaret Craddock	Mr Robin Andrew Lyons	Mr Andrew George Hay
Mr Bruce John Affleck	Mr Matthew Patrick Weaver	Ms Katharine Patricia Philp
Mr Mark Frederick Williams	Mr Jon Derek Cronin	Mrs Linda Elizabeth Blowers
Mr Stephen Andrew White	Mr Malcolm Selwyn Jones	Mr Nigel Walter Hales
Mr Donald Andrew McGinness	Mr Stephen Ross Devenish	Alf Ross Gerard Mangano
Mr Michael Paul Pearson	Mr Robert Kieran Samut	Anita Chand
Mr Glenn William McFarlane	Ms Renee Louise Eglinton	Mr James Robert O'Brien
Mr John Peter Vandeleur	Mrs Laura Anna-Maria O'Hare	Mr Shane Bruce Roberts
Mrs Angela Beth Cornford-Scott	Ms Kerrie Anne Hughes	Mr Nicholas Charles George Robson
Mrs Andrea Maree Newton	Ms Maxine Edith Tills	Mr Cameron Ian Graham
Mr Shane Barry McLean	Ms Denise Margaret Kelly	Ms Sally Anne Frazer
Mr Narendra Kumar Sharma	Ms Gail Rowena Tarditi	Mr Craig Anthony Ryan
Mr Geoffrey Hunter Senior	Mr Nicholas John Burkett	Mr Charles Cameron Ross Henry Lumsden
Mrs Susanne Jane Hobbs	Mr Peter Trevallian McCormack	Mr Ross Nicholas Moschella
Mr Frank Nicholas Cop	Ms Susan Forrest	Mr John Paul Butt
Mr Cameron Jon Hall	Mr Peter Roderick Seymour	Mr Andrew Gordon Nicholson
Ms Teresa Rachel Lloyd	Mrs Lisa Maree Kinder	Mr Ian David Stafford Collie
Mrs Suzanne Maree Greenwood	Pamela Anne Roberts	Ms Julie Anita Bligh
Ms Kristine Selina Palm	Mr Simon Michael Morrison	Mr Anthony Derek Bligh
Mr Michael Patrick Donnelly Green	Mr Scott Bruce Wedgwood	Mr Jonathan Peter Meadmore
Mr Andrew John Crooke	Mr Robert David Martin	Mr Ian Matheson Lockhart
Mr Robert James Stevenson	Mr Simon David Guy Newcomb	Mr Craig Richard Sawford
Mr Michael Robert Fisher	Mr Robert William Jeffrey King	Mr Paul William Venus
Mr Ian Wakeham Bartels	Mr Mark Lawrence Lacy	Mr Jason Martyn Jacobson
Mr Damian Charles Mohr	Mr Simon Gordon Bennett	

2019 continued

Mr Rodney Graeme Besley	Mr Troy Ronald Hawthorn	Mr Travis Schultz
Mr Craig Graham William Thompson	Mr Michael John Adamson	Mr Andrew John List
Mr Langton John Clarke	Mr Scott Peter Hay-Bartlem	Mrs Muriel Marcel Sullivan
Mr Dan Alvan Howard	Mr Michael Teck Leong Lew	Ms Dorothy Eileen Switala
Mr Richard John Clayton	Mr Gerard William Batt	Mr Mitchell Cain John Devine
Mr Ian Grant Humphreys	Mr David Peter Jasinski	Mrs Leslee Reed-Sabine
Mr Timothy David Williams	Mrs Leslie Anne Wood	Mr Matthew Peter Busby
Mr Paul Michael O'Dea	Ms Judy Joy Crompton	Miss Bronwyn Margaret Evans
Mr Andrew Sylvan Leis	Mr John Clifford Joyce	Mr Peter Trevallian McCormack
Mr Terence Anthony Fanning	Mr Rohan Campbell Coburn	Mr Michael William Callow
Mr Glen Michael Cranny	Mr Darren Lee Lewis	
Ms Michelle Marie Taylor	Mr Christopher James Colwill	
Ms Daniela Parlapiano	Mr Damien George Cogill	
Alexandra May Coleman		

2020

Mr Michael Anthony Leech	Mr Shane Bruce Roberts	Mr Patrick Charles Hall
Mr Michael Anthony Graham	Mrs Helen Margaret Spain	Mrs Linda Maree Adcock
Mr Mark William Hallett	Mr Geoffrey William Provest	Miss Frances Mary Julius
Mr Maurice Hannan	Mr Peter John Scanlan	Ms Sandra Leigh Lettsome Enever
Mr Mark William Frampton	Mr Patrick Leslie George Sefton	Mrs Catherine Mary Bint
Ms Justine Woods	Mr Mark Stewart Boge	Ms Katrina Jane Newell
Mr Murray Lester Cass	Mr Jamie Gordon McAlister	Mr Peter Matus
Mrs Zinta Jana Harris	Mr Glen Stephen Krebs	Ms Elizabeth Anne Gore-Jones
Mr Adam Charles Welch	Mr Grantley John Wilson	Mr Warwick Pryce Jones
Mr Peter Thomas Waller	Mr Vincent John Kartelo	Mr Roland Charles Pianta
Ms Fionna Jeannine Fairbrother	Ms Rosalind Mary Byrne	Mr Lloyd Norman Parker
Mr Anilkumar Vallabh Patel	Mr Scott David Guthrie	
Ms Tricia Edith Price	Mr Justin James Mathews	

ADVOCATE – advocating for our profession, justice and the rule of law

Advocating for good law

Queensland Law Society's 29 standing policy committees comprise over 350 volunteer committee members who contribute their expertise, knowledge and valuable time to advocating for good law for the public good. Their dedication enables QLS to develop sound and balanced submissions to government when seeking legislative and policy reform which will have a positive impact for both the legal profession and the Queensland community. Our committee members come from a range of professional backgrounds, ensuring that our advocacy is truly representative on key issues affecting practitioners in Queensland and the areas in which they practise.

QLS values its relationship with the Queensland Government and the Opposition, and is regularly consulted on the development of policy positions and proposed legislative amendments, leading to better outcomes and responsive legislation. QLS also engages with the courts on procedural reform and practical issues affecting court users, including consultation on draft practice directions. We also appreciate the ongoing opportunities to be involved in a number of other Queensland Government consultative groups as outlined below.

A year of achievement

Legal policy statistics	
Total committee, subcommittee and working group meetings	157
Total submissions	256
Mentions in Hansard	147
Public hearings	23
Requests for comment	331
Positive outcomes	50
Stakeholder consultations	171

Legal Policy work during the COVID-19 Emergency

The Legal Policy team, together with members of QLS legal policy committees, undertook considerable work to respond to issues faced by the legal profession and wider community as a result of the COVID-19 emergency. This work included advocating to the State Government regarding measures that should be addressed in the emergency legislation passed in April. We provided Government with information to assist drafting several regulations flowing from this legislation including:

- *Retail Shop Leases and Other Commercial Leases (COVID-19 Emergency Response) Regulation 2020*
- *Justice Legislation (COVID-19 Emergency Response—Documents and Oaths) Regulation 2020, and*
- *Justice Legislation (COVID-19 Emergency Response—Proceedings and Other Matters) Regulation 2020.*

QLS has attended both regular and ad hoc meetings with various Courts and Government Departments, Agencies and other stakeholders since March, including with the Queensland Courts (regular meetings included members of the judiciary and court staff, Legal Aid Queensland, the Director of Public Prosecutions (DPP), Commonwealth DPP, Department of Justice and Attorney-General, Prosecutions Services QPS and the Bar Association) with a view to determining how matters could proceed in compliance with health directives. This included altering arrangements for appearances in court and attending registries, and providing appropriate information to parties about these changes. Other stakeholders consulted included DJAG, the Small Business Commissioner, parties attending the Domestic and Family Violence COVID-19 Virtual Summit, WorkCover Queensland, Motor Accident Insurance Commission as well as with the Public Advocate, Public Trustee and Public Guardian.

QLS published information from these consultations to members and the community via various platforms including our website and through social media. QLS has dedicated update webpages for Courts, Commissions and Tribunals and pages for property and criminal law matters. Industry and other relevant notices were also published such as “Notice to the profession regarding the provision of Law Practice Certificates under the *Motor Accident Insurance Act 1994* (Qld) by supervising principals during the COVID-19 pandemic”, to which QLS contributed.

The Legal Policy Team and Committees also assisted our Ethics Centre in responding to member enquiries and assisted in providing education and advice to members, including in professional development resources. These resources included the *Practice Note for Queensland practitioners taking Will and Enduring Power of Attorney Instructions during COVID-19*.

A number of written submissions also raised issues relevant to the emergency including the submission regarding the Senate Inquiry into Australian Government Response to COVID-19, the Inquiry into the Queensland Government's economic response to COVID-19 and the Inquiry into family domestic and sexual violence which included COVID-19 as one of the terms of reference. Other submissions were also provided to State Government ministers on a range of issues and to the Law Council of Australia.

Access to Justice and Pro Bono Law Committee

The Committee published the 2019 Access to Justice Scorecard data analysis and report which assessed the views of the Queensland legal profession about Queenslanders' access to justice. Now in its seventh year, the report assessed the workings of our legal system through the lens of the profession, including the fairness of our laws, dispute resolution and Queenslanders' access to legal help. The Committee also published to several Proctor articles with an access to justice focus and relevant legal policy submissions.

Accident Compensation/Tort Law Committee

This Committee contributed to 24 written submissions to governments and other stakeholders throughout this financial year. Members of the Committee attended 2 public hearings on the Motor Accident Insurance Amendment Bill and the Workers' Compensation and Rehabilitation and Other Legislation Amendment Bill 2019. Its members have also attended meetings with key stakeholders including the Motor Accident Insurance Commission and the Office of Industrial Relations. These engagements allowed the committee to contribute to proposed law reforms and advance the interests of QLS members and the development of good law. Committee members have also contributed to the education of the profession by contributing content to Proctor and presenting at the 2019 QLS Personal Injuries Conference and 2020 QLS symposium.

Alternative Dispute Resolution (ADR) Committee

During the 2020 financial year the Committee has undertaken significant work directed towards the establishment of a dispute resolution hub in Queensland. This work has included convening a working group comprised of members of the judiciary, government departments and the profession. This advocacy work has continued throughout the COVID-19 pandemic with the committee providing advice on resolving the increased number of disputes arising from this emergency.

The Committee has also engaged with courts to assist with ADR within litigation, such as with the Family and Federal Circuit Courts. Members of the Committee have also contributed to QLS publications such as *Proctor* and assisted to update member resources.

Banking and Financial Services Law Committee

The committee has contributed to a range of submissions this year, including collaborating with other QLS policy committees. The committee has commented on the review of the ePayments Code and contributed to the Senate's consideration of the National Consumer Credit Protection Amendment (Small Amount Credit Contract and Consumer Lease Reforms) Bill 2019 (No. 2). Other advocacy work includes commenting on the unsolicited telephone sales of direct life insurance and consumer credit insurance and working with the Competition and Consumer Law Committee and the Franchising Law Committee to respond to the Treasury's inquiry on the Enhancements to Unfair Contract Term Protections. The committee also continued its ongoing review of the Independent Solicitor's Certificate, seeking feedback from the membership about potential improvements and updates required.

Children's Law Committee

The committee had an exceptionally busy year which involved contributing to 21 policy submissions and numerous consultation processes. Of note is the Committee's strong and sustained advocacy in relation to raising the minimum age of criminal responsibility and the removal of children and young people from watch houses. Committee members also participated in a number of stakeholder groups including the Heads of Jurisdiction stakeholder group, Childrens Court Committee, Court Case Management Committee and Legal Child Protection Stakeholder.

Competition and Consumer Law Committee

This committee contributed to 5 written submission over the past financial year in response to important federal inquiries and consultations. Of note, the Committee (with the assistance of the QLS Franchising Law Committee and Banking and Finance Law Committees) contributed a key submission to Treasury's Enhancements to Unfair Contract Term Protections consultation. The Committee's members contributed to law reform balancing both competition and consumer perspectives, advancing the interests of QLS members and the development of good law.

Criminal Law Committee

The committee contributed to 52 written submissions and were consulted on a number of confidential proposals and public inquiries. Committee representatives gave evidence at eight public hearings on the following bills: Weapons and Other Legislation (Firearms Offences) Amendment Bill 2019; Criminal Code (Trespass Offences) Amendment Bill 2019; Community Based Sentences (Interstate Transfer) Bill 2019; Police Powers and Responsibilities and Other Legislation Amendment Bill 2019; Summary Offences and Other Legislation Amendment Bill 2019; Agriculture and Other Legislation Amendment Bill 2019; Criminal Code (Child Sexual Offences Reform) and Other Legislation Amendment Bill 2019 and Justice and Other Legislation Amendment Bill 2019. The committee contributed significantly to QLS media and Proctor and participated heavily in several stakeholder groups, notably, the streamlining criminal justice forum and Queensland Sentencing Advisory Council roundtables.

Domestic and Family Violence Committee

The Domestic and Family Violence Committee worked closely with the Family Law Committee in engaging with the Joint Select Committee on Australia's Family Law System. The Committee contributed to the submission and committee members appeared at the public hearing before the Joint Select Committee.

The committee were consulted by Brisbane City Council in its development of a Domestic and Family Violence Prevention Strategy and provided comprehensive feedback to assist with this work. The committee also contributed significantly to the submission on *Options for improving the family violence competency of legal practitioners*.

The committee have continued its important work on revising the Domestic and Family Violence Best Practice Guidelines, originally published in 2016.

The committee have contributed to a range of other submissions in other areas of law where people experiencing domestic and family violence may be affected, including property law, industrial law, elder law, human rights law and criminal law.

Elder Law Committee

The Elder Law Committee has provided several standalone submissions at both a state and federal level, as well as working collaboratively with other policy committees. In particular, the committee worked with the Health and Disability Law Committee as participants in the Department of Justice and Attorney-General's Guardianship implementation reference group. The committee also assisted the Law Council of Australia in providing submissions as well as input to the LCA development of national guidelines for best practice when engaged by clients at risk of elder abuse, and has established communication pathways with major banks to consider systemic issues relating to domestic financial abuse.

The committee has an active participant in assisting the QLS response to the government's COVID-related emergency Act and regulations, often providing comprehensive feedback with very short notice.

Family Law Committee

The Family Law Committee actively engaged in important systemic reviews, including with the Joint Select Committee Inquiry into Australia's Family Law System. The committee produced a comprehensive submission to the Law Council of Australia and to the Joint Select Committee and was subsequently invited to appear at the public hearing.

The Family Law Committee also continued to work collaboratively with the Family Law Section of the Law Council of Australia in its advocacy on the Federal Circuit and Family Court of Australia Bill 2019 and the Federal Circuit and Family Court of Australia (Consequential Amendments and Transitional Provisions) Bill 2019.

The Family Law Committee also contributed its expertise to the Council of Attorneys-General Family Violence Working Group Consultation Paper *Options for improving the family violence competency of legal practitioners*.

First Nations Legal Policy Committee

The First Nations Legal Policy Committee, formerly the Reconciliation and First Nations Advancement Committee, contributed to 15 written submission over the past financial year in response to important state and federal inquiries and consultations. Of note, the Committee (with members of the Planning and Environment and Mining and Resources Law Committees), contributed to the Law Council of Australia's response to the Independent Review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). The Committee's members contributed to key advocacy around law reform and policy in Queensland and nationally. Committee members have also contributed to the work of QLS in relation to the QLS 2020 state election call to parties.

Human Rights and Public Law Committee

The Committee was established in 2020 in anticipation of the implementation of the *Human Rights Act 2019* and to consider issues pertaining to public law in the political system and administrative decision-making and legislative review processes. The Committee held three committee meetings and contributed to nine legal policy submissions. Of note are the Committee's submissions in relation to prisoners in solitary confinement, raising the minimum age of criminal responsibility and the proposed convention on the Rights of Older Persons.

Health and Disability Law Committee

The Health and Disability Law Committee has been actively involved in systemic reviews at both a state and federal level, including with the Qld Department of Health and via comprehensive submissions to the Law Council of Australia.

The committee worked closely with the Elder Law committee as a member of the Department of Justice and Attorney-General's Guardianship implementation reference group, providing feedback to the department in the development of key forms, policies and other documents associated with changes to the *Guardianship and Administration Act*.

The committee has been at the forefront of regulatory change and advocating in relation to the human impact of COVID-19, providing a submission in response to the Qld Government's health-related response to the pandemic, assisting the Qld Health Taskforce in reviewing the Ethical Framework for Decision-making during COVID-19, and assisting QLS in developing responses in relation to the development of COVID-emergency regulations.

The committee is also engaged in federal inquiries including the Senate Select Committee's inquiry into autism, and the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

The committee has worked collaboratively with other policy committees to provide feedback in relation to several submissions.

Industrial Law Committee

This committee has responded to state and federal law reform issues concerning a number of industrial/employment law issues including underpayment of wages and entitlements, discrimination and work health and safety issues. Members of the committee have contributed to submissions to inquiries and appeared at public hearings for these inquiries as well as engaged with stakeholders from government departments and courts and commissions.

The committee has also raised a number of issues to be reviewed by governments with respect to measures taken during the COVID-19 pandemic for example relating to JobKeeper and JobSeeker. Throughout this period, committee members have assisted QLS with professional development and member support.

Innovation Law Committee

The Innovation Committee engaged on a program to prepare draft report for the profession exploring a number of key issues associated with innovation in the legal profession. The Committee held a number of sessions that focused on putting innovation and disruption into context, the knowledge and skills required of good lawyers today and for tomorrow, the challenges and hallmarks of successful use of tools and technology in legal practice, identifying attributes of successful law practices for the future and how innovation can improve access to justice.

Litigation Rules Committee

The Litigation Rules Committee has responded to a number of difficulties faced by the legal profession and its clients resulting from the COVID-19 pandemic including barriers to parties physically attending court and signing and filing documents.

In addition, the committee has submitted on inquiries into litigation funding and issues concerning interest on legal costs and legal costs generally, both in relation to Queensland's legislative framework, but also with respect to the *Legal Profession Uniform Law*. Members of the committee have engaged with the State Courts to improve processes including the Civil Case Management System and recording and transcription services.

Mining and Resources Law Committee

The committee is a trusted source that has fostered a strong relationship with the Department of Natural Resources, Mines and Energy, who often provide confidential consultation drafts of proposed legislation and related policy documents. This is particularly useful for our members who operate in Queensland's complex and highly regulated energy and resources industries.

In addition to the committee's submissions and appearance at public hearings over the 2019-20 financial year, the committee has worked collaboratively with other policy committees to provide submissions to state and federal inquiries, has assisted the Land Court with various procedural queries, and is working with the QLS First Nations Law Committee on issues including cultural heritage, land rights and native title issues.

Not For Profit Law Committee

The committee continues to engage regularly with Commonwealth and State agencies responsible for the regulation of charities, including the Australian Charities and Not for profits Commission. With the assistance of the committee, QLS was pleased to host a meeting with the ACNC Advisory Board in February 2020 and the ATO Assistant Commissioner for Not for Profits in December 2019. Key areas of advocacy this year included commenting on significant amendments proposed to the *Associations Incorporation Act 1981*, the first major review since it was enacted, and on proposed amendments to Queensland's electoral laws which would adversely affect the engagement of charities and not for profits in political debate. The committee appeared at the parliamentary hearings for both bills. During the pandemic, the committee has advocated in relation to the application of the JobKeeper Payment to charities, regulatory and procedural relief for associations and the impact of the commercial leasing reforms on charities.

Occupational Discipline Law Committee

This committee has contributed to a diverse range of QLS submissions and appeared at public hearings including on bills introducing disciplinary and integrity changes for ministers in State Government and local government councillors and in respect of changes to health legislation to prohibit conversion therapy. The committee has also engaged with the President of QCAT in relation to improving procedures and processes in the Tribunal.

Planning and Environment Law Committee

The committee continued to engage with the Planning and Environment Court this year in relation to the Court's response to COVID-19 and on the new practice directions of 2019. With the assistance of the Court and the committee, QLS hosted a webinar in October 2019, presented by their Honours Judges Kefford and Williamson QC, in relation to the new 2019 practice directions. The chair of the committee, Michael Connor, published an article in *Proctor* (August 2019) to update the profession about the new practice directions. The committee also contributed to the submission to the Law Council of Australia on the review of the *Environment Protection and Biodiversity Conservation Act 1999*.

Privacy and Data Law Committee

The Privacy and Data Law Committee has been established in 2020 to bolster QLS's ability to advocate in relation to privacy and data law reform and policy – issues of significant importance to State and Federal governments and the broader community. Committee members have contributed to 6 submissions at State and Federal inquiries. The committee has also appeared at a public hearing on the Transport and Other Legislation (Road Safety, Technology and Other Matters) Amendment Bill 2020 and provided key submissions around privacy impacts and transparency. Committee members have also contributed to *Proctor* and the QLS 2020 state election call to parties.

Property and Development Law Committee

The committee continues to provide valuable support to the profession. During the development of the COVID-19 pandemic, the committee prepared guidance materials about the regulatory changes affecting residential and commercial leases in Queensland and the impacts of social distancing requirements on transactions. Committee members also assisted with urgent consultations on regulatory reforms arising from the pandemic. In August 2019, the committee prepared amendments to the joint Real Estate Institute of Queensland /QLS sale of land contracts to update e-conveyancing clauses and the 'natural disaster' clauses. The committee continues its work on the implementation of e-conveyancing in Queensland, including advocating to the Office of State Revenue for the inclusion of paying duty within the e-conveyancing platforms, responding to inquiries about the Intergovernmental Agreement for E-conveyancing and providing input to working groups about the features of an interoperable e-conveyancing market in Australia. The committee also commented on the draft Body Corporate and Community Management Regulation modules released for comment and the proposed residential tenancy reforms released by the Department of Housing and Public Works.

Revenue Law Committee

The committee continued to engage with the Office of State Revenue through the Taxation Consultative Committee, raising issues of concern to the profession. The committee also contributed to consultations regarding the review of the Tax Practitioners Board and the Royalty Administration Modernisation Program. During the pandemic, the committee sought clarification from the Office of State Revenue about the operation of the JobKeeper package with respect to wages and to advocate for the electronic delivery of correspondence and documents to legal practitioners during 'working from home' arrangements.

Succession Law Committee

The Succession Law Committee has had another busy year, preparing numerous submissions, including in relation to court practice, succession law amendments and the ATO's processes regarding deceased estates. Together with the Elder Law Committee and Health and Disability Law Committee, the committee has also undertaken a large amount of work relating to enduring documents.

Members of the committee regularly present at QLS professional development events. The committee also contributed significantly to QLS's advocacy regarding COVID-19 response measures.

Water and Agribusiness Law Committee

The Water and Agribusiness Law Committee has been established in 2020 to bolster QLS's ability to advocate in relation to legal policy issues impacting agribusiness and water – issues of significant importance to the Queensland economy and community. Committee members have been drawn from a broad range of geographical locations, firm types and practice backgrounds. Committee members have contributed to the work of QLS in relation to climate change; issues affecting rural, regional and remote lawyers; and the QLS 2020 state election call to parties.

Construction and Infrastructure Law Committee

The Construction and Infrastructure Law Committee has continued to monitor legal issues relevant to the construction and infrastructure sector. The Committee made a submission to the inquiry into the *Building Industry Fairness (Security of Payment) and Other Legislation Amendment Bill 2020* and responded to questions on notice after the committee chair appeared at the public hearing for that bill.

Franchising Law Committee

The Franchising Law Committee has contributed to submissions including to the Australian Competition and Consumer Commission, the Franchising Inquiry Taskforce and the Treasury. Members of the committee have presented professional development activities for QLS and the chair of the committee has been instrumental in assisting QLS with its advocacy around commercial leasing issues during the COVID-19 pandemic.

Technology and Intellectual Property Law Committee

The Technology and Intellectual Property Law Committee has continued to monitor developments relevant to its committee remit. It has advocated for the interests of the profession by making submissions to IP Australia regarding its processes and advocated for good law through its submission to the Designs System Review.

Legal policy stakeholders

- Courts/Commissions/Tribunals
 - Administrative Appeals Tribunal—Migration Review Tribunal
 - Chief Justice Alstergren
 - Chief Justice Holmes
 - Chief Magistrate Terry Gardiner
 - Children's Court Committee
 - Court Case Management Committee meeting
 - Court Users Reference Group
 - Court Services Queensland
 - Family Court of Australia
 - Federal Circuit Court
 - Fmr Justice John Byrne
 - Industrial Court of Queensland/Queensland Industrial Relations Commission
 - Fair Work Commission
 - Land Court
 - Land Court Resource Users Groups
 - Magistrates Court of Queensland
 - Mental Health Tribunal
 - Queensland Civil and Administrative Tribunal
 - Queensland Courts
 - Queensland Courts Safety and Risk Committee
 - Supreme and District Courts
 - Supreme Court consultative group
 - Supreme District and Land Courts Service, Queensland

- Government Departments
 - Australian Securities and Investments Commission
 - Australian Taxation Office
 - Attorney-General
 - Attorney-General and Minister for Justice Leader of the House
 - Attorney-General's Department
 - Department of Communities, Disability Services and Seniors
 - Department of Housing and Public Works
 - Department of Justice and Attorney-General
 - Department of Natural Resources Mines and Energy
 - Department of Premier and Cabinet
 - Department of Transport and Main Roads
 - Department of Youth Justice
 - Dispute Resolution Branch
 - Fair Work Ombudsman
 - Motor Accident Insurance Commission
 - Minister for Police and Minister for Corrective Services
 - Office of Industrial Relations
 - Office of State Revenue
 - Office of the Chief Psychiatrist – Department of Health
 - Office of the Child and Family Official Solicitor
 - Office of the Public Advocate, Public Trustee, Office of the Public Guardian
 - Office of the Work Health and Safety Prosecutor
 - Representatives from Liberal National Party of Queensland
 - Queensland Corrective Services
 - Queensland Building and Construction Commission
 - Queensland Sentencing Advisory Council
 - Queensland Family and Child Commission
 - Queensland Health
 - Queensland Human Rights Commission
 - Queensland Legal Assistance Forum
 - Queensland Police Service
 - Registrar of Titles
 - Senator Kim Pate
 - Shadow Attorney-General
 - Valuer-General
- University/Academic
 - Professor Nadja Alexander, University of Queensland

- Industry Groups
 - AMA Queensland
 - Advanced Care Planning
 - Asian Australian Lawyers Association
 - Aboriginal and Torres Strait Islander Legal Service
 - Australian Charities and Not for Profits Commission
 - Bar Association of Queensland
 - Chartered Accountants
 - Coal Workers' Pneumoconiosis Stakeholders Reference Group
 - Environmental Defenders Office
 - Firearms Advisory Forum
 - First Mortgage Services
 - Guardianship Implementation Reference Group
 - Law Council – National Electronic Conveyancing Committee
 - Law Council of Australia
 - LawRight Management Committee
 - NSW Independent Chair of Interoperability Working Group
 - Legal Affairs and Community Safety Committee
 - Legal Aid Queensland
 - Legal Aid Child Protection Stakeholder Forum
 - Lexon Stakeholder Meetings
 - Mediator Standards Board
 - McKell Institute
 - National DV Policy Solicitors Network
 - Probate Liaison Group
 - Property Exchange Australia
 - Property Council of Australia, QLD
 - Queensland Legal Assistance Forum
 - Real Estate Institute of Queensland
 - RespectInc and DecrimQLD
 - Sheep and Wool Policy Director – AgForce Queensland
 - Streamlining Criminal Justice Stakeholder Group
 - Suncorp
 - Sympli
 - Taxation Consultative Committee

Media

Queensland Law Society improved its media reach and activity during the past year to guarantee a stronger and clearer voice both nationally and throughout Queensland. We highlighted key legal topics that will have lasting impacts on the profession and wider community.

We also successfully negotiated the many hurdles and issues raised in responding to the global Coronavirus pandemic via messaging across diverse platforms. This included social media or direct engagement with established commercial and state-run media outlets. We ensured access to justice and access to courts and tribunals was maintained during trying times of social distancing.

The Media External Affairs division, created in February 2016, continued and extended its role during 2019-20. This meant we were able to provide even greater expert commentary, myriad policy views and education on the law from QLS's key office holders, its committee heads and members.

The External Affairs team has been proactive to engage and encourage mainstream media to utilise QLS's more than 11,000 members when seeking authoritative and insightful comment on various complex legal issues and publicly debated topics.

This strategy is designed to guarantee media will make QLS its first point of contact for expert commentary on legal matters. Issues on which QLS led commentary and insight included:

- the impacts of the COVID-19 virus on the law and maintaining access to justice and the courts during widespread community lockdown
- legal explanation on various issues such as Child Safety surrounding on-going discussions around systemic flaws leading to the death of Mason Jet Lee and other young children, and
- impacts of legislative change to Youth Justice Laws.

QLS increased its reputation as the first touch point for building positive relationships between the media, the profession and, in particular, the judiciary. With an ever increasing decline in specialist legal affairs and court reporters across all sections of the mainstream media, as well as steep decreases in newsroom teams and leadership – QLS became the main conduit between stakeholders in both the legal profession and media.

That success culminated in QLS hosting a breakfast event in November 2019 aimed at building relationships between senior judges of the Federal Circuit and Family Courts, the Queensland Supreme and District Courts, senior members of the magistracy (including Queensland's Chief and two Deputy Chief Magistrates) with senior executives and reporters from Brisbane-based newspaper, television, radio and on-line newsrooms.

The event culminated in the launch of a court reporting guide produced in collaboration with QLS and the Queensland Sentencing Advisory Council.

Supplying expert media to QLS membership and profession

The Media/External Affairs division has been active in supplying and inviting members to benefit from the team's advice and ideas on how to best engage with the media across Queensland and Australia.

Members of the team have spoken in various forums and meetings with key stakeholders, QLS committees and members to discuss and provide advice on how to best secure positive and substantial media coverage and relationships.

Extending our outstanding reputation and reach

The increased activity has netted very positive results with **3421** mentions of Queensland Law Society in media reports.

QLS coverage maintained the now well established presence as Queensland's peak legal body and maintained last year's record-breaking result.

During 2019-20, QLS had mentions across the following channels:

- Radio – 182 mentions
- Newspaper – 203 mentions
- Online news – 3080 mentions
- TV – 94 mentions

Leading established media outlets to publish content or comment mentioning QLS included:

- **Print:** *The Courier-Mail, The Australian, Quest Community Newspapers, Australian Regional Newspapers.*
- **Broadcast:** National, Metro and Regional – *Channel 9, Channel 7, Channel 10, ABC TV, 4BC* and regional radio.
- **Online:** *ABC, Brisbane Times, The Courier-Mail, The Australian and News Limited and Fairfax national mastheads.*

The total number of inquiries, interviews and assistance QLS provided:

- Inquiries – 892
- Interviews – 320
- Queries, assistance and background – 428

Advocating through COVID-19

- QLS advocated on behalf of the profession and wider community to the State Government, Government departments, Agencies and various Courts on emergency legislation as well as how to proceed matters in compliance with health directives
- Ensured the profession was kept abreast of information via QLS channels, in particular through the dedicated COVID-19 resource pages on our website
- Led commentary and insight in the media on the impacts of COVID-19 on the law and maintaining access to justice and the courts.

EDUCATE – educating our members to improve expertise

Professional development at any stage of a solicitor's career

QLS is committed to supporting, strengthening, and inspiring the way our members practise law. We do this by curating a comprehensive calendar of market-leading continuing professional development (CPD) education events.

We focus on ensuring that at whatever stage a person is within their legal career, we have events and resources to support them to meet their CPD compliance obligations as well as their career and business goals.

Live events

This financial year QLS delivered 46 live CPD events by way of livecasts, panel discussions, livestreams, workshops, conferences, lectures and local conferences. These events were run to address practitioners' needs across every level and stage of their career and included *Essential Training*, *Masterclasses*, *Introduction Courses* and *Hot Topics*. The conferences included our annual flagship event, *QLS Symposium*, which attracted over 450 delegates.

Criminal law, personal injuries, conveyancing, government lawyers, property, succession and elder law were again features of the QLS CPD conference calendar. QLS provided 17 livecasts which attracted over 1000 delegates. Livecasts covered a range of topics including substantive law as well as ethics, practice management and business skills and professional skills.

Local events

QLS worked with the District Law Associations to deliver successful, local CPD events in regional centres including Hervey Bay, Kingaroy, Rockhampton, Gold Coast and Toowoomba. We also provided specific subject matter experts for locally run events, on topics such as ethics, trust accounting, innovation, cyber security and wellbeing.

Education and COVID-19

Our response to the COVID-19 pandemic involved pivoting our CPD education from face to face events to a range of on-demand resources available through our online QLS shop.

As part of QLS's COVID-19 support package to the legal profession, 11 CPD points of fresh on demand content was made available on a complimentary basis to members over April to June 2020. The content covered all core areas as well as updates to practice as a result of COVID-19. This equated to over \$350,000 worth of complimentary CPD education for our members and consisted of members accessing over 4,400 hours of CPD content.

During the COVID-19 period, of March to June, we also ran 15 short weekly social media education pieces delivered via Facebook and LinkedIn, dealing with COVID-19 legislative and court updates, working from home tips and wellbeing guidance.

Complimentary events

In addition to the complimentary COVID-19 on demand resources, QLS offered four streamed complimentary CPD lecture events in 2019-20 as part of our popular *Modern Advocate Lecture* and *Aspire Leadership* series. Throughout the year we also provided four other complimentary CPD events to members on mental wellbeing, performance reviews and cyber security.

Practice Management Course

All solicitors who aspire to be Principals in Queensland must successfully complete the Practice Management Course (PMC).

QLS's PMC is the premium pathway to achieving a principal practising certificate and prepares practitioners to be successful practice managers. QLS's PMC is divided into two practice focus streams (sole practitioner to small practice focus and the medium to large practice focus) to ensure each workshop delivers tailored and cutting-edge practical knowledge and skills.

Workshops are delivered by facilitators with expert knowledge and insights into important facets of practice management – including modules tailored for business, regulatory, and people management.

In particular, participants are educated by QLS's in-house experts in the areas of legal ethics and appropriate management systems and law practice trust accounting. Participants also receive unrivalled access to, and support from, the regulatory and compliance arms of QLS through the Practice Support and Trust Accounting Consultancies.

A total of six PMCs were delivered in the 2019-20 financial year, with the final workshop being successfully conducted entirely online in response to the impacts of COVID-19 pandemic.

These six workshops saw a combined 131 successful graduates; 23 graduates from the medium to large practice focus and 108 graduates from the sole practitioner to small practice focus.

Specialist Accreditation

The Specialist Accreditation Scheme is part of a national framework of peer-reviewed and practically-based competency accreditation programs.

The rigour of QLS's Specialist Accreditation programs ensures that each accreditation conferred upon a successful candidate is meaningful and a reliable marker of expertise. The title of Accredited Specialist remains the benchmark for excellence in the individual areas of accreditation.

Accreditation programs are run on an annual basis and on alternate years. In the 2019 calendar year, QLS ran three accreditation programs in the practice areas of Family Law, Property Law and Succession Law. A total of 10 graduates joined QLS's community of over 500 Accredited Specialists in 2019.

However, due to the impacts of the COVID-19 pandemic, QLS was only able to run a reduced schedule of 2 accreditation programs for the 2020 calendar year, being the Criminal Law and Personal Injuries programs.

Bespoke ethics sessions

Through the QLS Ethics and Practice Centre, QLS is committed to ensuring solicitors are equipped with a comprehensive and working knowledge of their ethical duties and the *Australian Solicitors Conduct Rules 2012* and an understanding of how to resolve ethical dilemmas. We engage with law firms, community legal centres, District Law Associations, government departments, in-house counsel, universities and practical legal trainers.

Our Bespoke Ethics and Practice Support sessions are delivered, at no cost, to qualifying firms (those with at least 80% of practitioners with QLS membership) and in response to the individual firm's specified needs. This year we delivered 163 sessions comprised of:

- 25 – bespoke ethics sessions – firms
- 20 – universities including PLT
- 76 – internal professional development sessions (including PMC)
- 2 – District Law Associations
- 12 – Cybersecurity
- 1 – Government
- 8 – pro bono
- 8 – In-house etc.
- 2 – Solicitor Advocate Course
- 2 – Modern Advocate Lecture Series
- 3 – Aspire Leadership Lecture Series
- 2 – QLS Legal Ethics Course
- 1 – QLS Senior Counsellors' Conference
- 1 – Legal Matter Management.

Due to the COVID-19 lockdown, many sessions were cancelled and the pandemic had a continued impact on engagement. As a result, we adapted by shifting several sessions into an online format.

In addition to the presentations and seminars, the Centre develops material for the ethical edification and practical guidance of practitioners. A total of 25 ethics notes have been produced this year, together with a monthly ethics article in *Proctor*. In addition, the QLS Ethics Committee also produced 2 guidance statements.

Trust account consultancy

The Trust Account Consultancy provides a one to one consultation with one of the QLS's trust account investigators to assist law practices in Queensland. It is a complimentary service for newly established practices to assist compliance with trust accounting obligations.

In the 2019-20 year, 17 law firms undertook this one-on-one session.

In addition, QLS also provides a Trust Account Remedial Course and Trust Account Information Service. QLS conducted 3 Trust Account Remedial Course attended by 10 practitioners.

The Trust Account Information Service answered 5,074 requests for assistance this year down from 6,319 last year but 200 more calls than in 2017-18. We achieved a same day request response of 95.78%.

Our publications

The vast array of publications that QLS produces means our members have ready access to legal news and information through a variety of mediums.

Every week, members can receive legal news via our electronic newsletter, QLS Update, or read more in depth legal commentary in *Proctor*, our iconic monthly magazine. For those looking for more online, LawTalk - QLS's blog - offers insightful articles and reasoned opinion pieces and First Reading allows us to share news and updates on our legal policy and advocacy work with members and others within the legal community.

First Reading

First Reading (medium.com/legal-policy) is our legal policy blog, where members of the legal profession can access up-to-date information on the progress of Queensland Law Society's legal policy and advocacy work. Our bite-sized updates succinctly summarise the changes proposed to Bills and Acts and outline QLS's position on behalf of Queensland's legal profession. This allows greater visibility of our advocacy work for all Queenslanders. In this financial year, First Reading published 20 posts and attracted 1801 views.

LawTalk

In 2019-20, we continued our work to share long-form thought pieces via our blog LawTalk (medium.com/qldlawsociety). The blog provides contributors, including staff and key committee members, with the opportunity to share opinion pieces and speak to the core topics QLS has been focusing on throughout the year. These include diversity in the profession, encouraging members of the public to seek advice from a solicitor, changing attitudes within the profession and access to justice.

Blog posts on both First Reading and LawTalk are shared via our social channels, especially LinkedIn. In this financial year, LawTalk published 7 posts, and attracted 1675 views.

QLS Update

QLS Update remained an integral part of QLS's communication with members and the community. QLS Update's mix of professional information, QLS news and events, ethical guidance and feature articles is delivered to around 10,600 members and associate members.

Our weekly e-newsletter remains an important information source for many in the legal profession. QLS Update had an average open rate of 34.55% in this financial year, with a click-through rate of 9.95%. This is well above the average legal profession open rate of 22%, and legal click-through rate of 2.8%.

Emerge

Emerge is our e-newsletter dedicated to law students and early career lawyers. It shares information of particular interest to this audience, including upcoming professional development and networking events ideal for those early in their legal career. During this financial year, we changed the name of ECL News to Emerge to ensure we related to both segments (law students and early career lawyers) with reference to them 'emerging' either into law careers or developing and growing their careers within the legal profession. Emerge had an average open rate of 37.66% in this financial year, with a click-through rate of 7%.

Proctor

Proctor continued its primary focus on the law, with features examining new legislation and significant judicial decisions. Our 'themed' issues have focused on issues important to the legal profession such as child protection reform and elder abuse awareness. We have continued to highlight issues impacting the legal profession including diversity and inclusion, mental health and wellness and the importance of embracing ever-evolving technology on practise.

This year, we bought our readers a special on COVID-19 and its impacts on the legal profession. To ensure Proctor remains relevant to the legal community, we also commenced a digital transformation of Proctor to bring the magazine to an online format. This online format will continue Proctor's unique mix of legal news, opinion and legislation updates but ensures our members' access to it at any time. Online Proctor was launched in July 2020 and will be reported on next year.

Proctor's audited circulation of 11,698 as of 31 March 2020, comprised of 10,776 print and 922 digital copies.

Educating through COVID-19

- Complimentary continuing professional development education worth \$350,000 was provided to our members
- We pivoted our face-to-face education programs to a range of on demand resources available online
- Many of our educational courses such as the Specialist Accreditation courses were shifted to an online format
- We ran an array of short weekly social media education pieces delivered via Facebook and LinkedIn, dealing with COVID-19 legislative and court updates, working from home tips and wellbeing guidance.
- We delivered a COVID-19 special feature in Proctor, covering the impacts of COVID-19 on the legal profession and providing tips to continue practise during the pandemic

CONNECT – connecting our profession

Recognising and celebrating our members

QLS is proud to recognise the work and contribution of members across the state. Through our annual awards program we honour those members who serve as role models to the profession. This year, we expanded our categories to recognise the significant contributions of regional practitioners, emerging leaders, Accredited Specialists and practitioners dedicated to the prevention of domestic violence.

Winners were announced at various prestigious events throughout the year, including, the Legal Profession Dinner & Awards (LPDA), held on Friday 14 March 2020. The dinner coincided with the conclusion of day one of QLS Symposium 2020, thus allowing our regional members who attended Symposium to also attend this outstanding event.

President's Medal, awarded to Denis McMahon

Presented at the LPDA, our annual President's Medal is awarded in the spirit of Queensland's rich legal tradition, recognising commitment, contribution and outstanding performance in the profession. The 2020 medal was awarded to Denis McMahon. Denis is a Senior Lawyer employed with Legal Aid Queensland's Farm and Rural Legal Service (FRLS). He is recognised as the expert in Queensland for assisting clients with farm debt and farm debt mediation issues in Queensland. Denis, has been at the forefront of the legal developments in this area of law both in Queensland and nationally. Most recently, this is highlighted by his appearance at the Financial Services Royal Commission on 25 June 2018 to give oral evidence on these issues and his appointment to the Code of Banking Practice Expert Panel on Farm debt issues. Denis travels throughout Queensland including to remote locations to give legal advice and assistance to rural producers.

QLS Agnes McWhinney Award, awarded to Jo-Anne Bragg

The QLS Agnes McWhinney Award, named after Queensland's first admitted female solicitor, recognises the contributions of outstanding women in the legal profession. In 2020, this award was presented to Jo-Anne Bragg. Jo-Anne is the longest serving Environmental Defenders Office (EDO) solicitor in Australia. She joined EDO Queensland in 1992 after working with Minter Ellison in Sydney. Jo-Anne was the CEO of EDO Queensland for many years and now leads the Queensland office in the newly merged national EDO. For over 25 years, Jo-Anne has been dedicated to providing legal advice and education to Queensland communities. She has been instrumental in the reformation of Queensland's environmental laws, including successfully advocating for expanded third party enforcement rights. Jo-Anne has worked on over 20 successful test cases concerning Commonwealth and State environmental laws.

First Nations Solicitor of the Year, awarded to Keryn Ruska

Presented to an Aboriginal or Torres Strait Islander individual for outstanding achievements in the law and for pursuing justice outcomes in the legal profession for First Nations People in Queensland. In 2020, this award was presented to Keryn Ruska. Keryn is a traditional owner from the Nunukul tribe of Minjerribah (North Stradbroke Island). She has a keen interest in social justice and legal issues affecting First Nations people and has pursued a career in law to advance those rights. She was admitted in 1998 and is currently employed as an in-house lawyer in Child Safety contributing to policy and projects and reviewing complex cases involving Aboriginal and Torres Strait Islander families. She has worked for various boards to advocate for the rights and interests of First Nations people. Keryn is a member of the QLS First Nations Advancement Committee.

First Nations Student Award, awarded to Kathryn Dorante

Highlighting exceptional results in study and contribution to improved justice outcomes for First Nations communities, the First Nations Student Award recognises a law student with passion, dedication and positivity. In 2020, this award was presented to Kathryn Dorante. Kathryn is a proud Torres Strait Islander woman who has completed her fourth year studying a Bachelor of Laws (Honours)/Bachelor of Business (Economics) at Queensland University of Technology (QUT). Since commencing her studies at QUT, Kathryn has secured an internship with Gadens Lawyers through CareerTrackers, and worked as a Student Ambassador for Explore Uni and the Oodgeroo Unit. Kathryn has participated in the National Indigenous Youth Parliament and IBA's Futures Forum. She has also volunteered her time with the RSPCA, QUT Law Society, Indigiso, Indigenous Lawyers Association of Queensland, First Hike Project and multiple student boards at QUT.

Access to Justice Award—individual from legal assistance, Government or not-for-profit sector, awarded to Jo-Anne Bragg

Presented to a practitioner who has made outstanding contributions to improving fair and equal access to justice for all through advocacy, leadership, innovation and influence. In 2020, this award was presented to Jo-Anne Bragg. This was the second honour for Jo-Anne who was also awarded the QLS Agnes McWhinney Award.

Proctor—Best Feature Article Award, awarded to Monica Taylor

This award recognises the wide range of topics and excellence of stand-alone feature articles written and published in the Society's Proctor Magazine during the year. In 2020, this award was presented to Monica Taylor. Monica is the Director of the Pro Bono Centre at The University of Queensland. In this role, she oversees the School's Clinical Legal Education programme and drives pro bono legal opportunities for law students. Previously, she worked in the community legal sector advising clients across housing, disability, mental health and public space law. She has had a long association with community legal centres and has worked at LawRight, Queensland Advocacy Centre Inc., Tenants Queensland and with Caxton Legal Centre as an evening volunteer. Monica is an active member of QLS's Access to Justice and Pro Bono Law Committee.

Workplace Culture and Health Award, awarded to Kiley Hodges (individual category) and to Clayton Utz (organisation category)

Recognising a commitment to equity, diversity and wellness initiatives in the legal profession, the Workplace Culture and Health Award, is presented to one legal practice of any size and one individual, who promotes sustainable, healthy workplace cultures in the profession and embraces workplace diversity and inclusion in a meaningful way. In 2020, the individual award was presented to Kiley Hodges. Kiley is a specialist insurance and construction lawyer with 20 years' experience resolving disputes on behalf of local and UK-based insurers and private companies as well as front-end contract negotiation. She is passionate about driving positive change at all levels. In addition to her practice, she is a member of Sparke Helmore's Diversity and Inclusion Advisory Committee. She is an advocate for bringing your "whole self" to work and has a long history working with the disability community and is an active ally for LGBTIQ+ inclusion.

The organisation award was presented to Clayton Utz. Clayton Utz has adopted a suite of workplace policies and initiatives that have positive impact on workplace culture. Demonstrated through their diversity and inclusion strategy and inclusion program that spans LGBTI inclusion, mental health and wellbeing, flexible working, Reconciliation Action Plan amongst other initiatives.

Regional Practitioner of the Year Award, awarded to Kellie Walker

Presented to a regional practitioner for their outstanding commitment to their local profession and community. An individual who's professional excellence and fidelity to their profession and region inspires others. In 2020, the award was presented to Kellie Walker. Kellie has over a decade of litigation experience in criminal law. Kellie was involved in the Drug Court representing and assisting clients with their rehabilitation, resulting in long term positive outcomes for many. Kellie is an advocate for youth justice and has participated in the Youth Services Group for five years providing valuable input into matters affecting young people in the Youth Justice system in the Cairns region. Kellie directly mentors students and junior practitioners. Kellie made the Women's Lawyers Association of Queensland Inspo List in 2019 receiving this acknowledgement: "She has an unwavering dedication to her clients and gives them incomparable representation".

QLS Emerging Leader Award, awarded to Paloma Cole

This award encourages and supports emerging lawyers on their journey in the field of law. It recognises a high-performing practitioner with outstanding leadership attributes and a thirst for knowledge and improvement. The winner of this award was Paloma Cole. Paloma is a lawyer in Maurice Blackburn's employment law team in Brisbane. Paloma represents clients across a range of complex employment issues. Paloma is a passionate and strategic lawyer. She is highly skilled in negotiating early settlements so clients can move on with their lives, but doesn't shy away from taking matters to court when necessary. Paloma is particularly passionate about legal issues that uniquely or disproportionately impact women and the LGBTIQ+ community. Paloma is Co-Convenor of Maurice Blackburn's Pride Network and Women's Network in Queensland.

Dame Quentin Bryce Domestic Violence Prevention Advocate Award, awarded to Sharell O'Brien

Presented to an individual who demonstrates commitment to addressing domestic violence and advocating for change within workplaces, through fundraising, academia, the legal and/or social systems. In 2019, this award was presented to Sharell O'Brien. Sharell is the coordinator of the Mackay Domestic and Family Violence High Risk Team. She is a passionate advocate for ending violence against women, with a particular long term focus on domestic violence having previously been the acting principal solicitor of NQWLS. Sharell looks for innovative ways to assist women who are affected by domestic violence and prevent the continuation of violence into the next generation. Sharell has worked on several projects to empower those who are most vulnerable, and promote ending domestic violence, by reaching out to schools, sporting groups and the wider community.

Outstanding Accredited Specialist Award, awarded to Anne-Marie Rice

This award recognises the outstanding contribution, commitment and professionalism of an Accredited Specialist in the Queensland legal profession. In 2019, this award was presented to Anne-Marie Rice. Anne-Marie Rice is an Accredited Specialist (Family Law) and the director of Rice Dispute Resolution. She is regarded as one of the State's best family lawyers and mediators. Adopting a philosophy that "conflict can be resolved without combat" Anne-Marie brings to her work technical excellence and learnings from psychology and neuroscience to find lasting solutions following family breakdowns. Anne-Marie presents at local, national and international conferences, writes for industry and academic publications, teaches the Family Law subject at the University of Queensland and is an executive member of the Family Law Section of The Law Council of Australia.

The future of our profession

At QLS, we recognise that the future leaders of the profession—that is, lawyers with 0–5 years of post-admission experience (PAE) and lawyers aged under 36, have their own unique needs. That's why we provide a range of services and products to encourage them to get a solid foothold in the formative years of practice by building their professional networks and providing valuable education and experience opportunities.

We are increasing our focus on these emerging lawyers to not only prepare the next generation of lawyers and leaders, but also prepare ourselves for the generational change that comes with them.

The ECL segment alone make up just under 40% of our membership and we expect this to continue. We continue to listen to this emerging demographic of members about their wants and needs and we plan to continue building our offerings over the coming years.

Our current services specific to our future leaders include:

- A dedicated contact at QLS - Relationship Manager, Future Lawyers, Future Leaders.
- An Early Career Lawyers committee comprised of 17 members, which acts as a consulting group for professional development, social and legal-culture events.
- An allocated place on the Working Wellbeing Group, a member-based group working to develop initiatives to improve the condition of the legal profession.
- Dedicated business development events within the legal profession and across industries including our Young Professional Networking Event drinks series and feature content pieces through Emerge newsletter like "In Conversation With" and Behind the Beverage".
- A dedicated award - QLS Emerging Leader Award to recognise and celebrate the outstanding achievement in the legal profession.

- A dedicated monthly newsletter, Emerge, with curated content relevant to your practice and career trajectory
- At Symposium 2020 we programmed a dedicated 'essentials' pathway to cater to the changing needs of the next generation of legal practice, taking them through six substantive areas of law and core practice and business skills over two days. This was offered at a discounted price to remove financial barriers for junior solicitors to accessing quality professional development.
- A Mental Health First Aid (MHFA) Officer Course delivered in conjunction with Mental Health First Aid (MHFA) Australia, which assists legal professionals to recognise, identify and respond to mental health concerns in the workplace. This course is available to all members but QLS offers the course to Early Career Lawyers at a reduced rate to encourage early detection and prevention
- Various personal and wellness development events - we offer several livecasts or face-to-face sessions incorporated into bigger conferences and seminars throughout the year on wellbeing in the legal profession, often offered at a discounted rate.
- LawCare - all members have access to LawCare, an exclusive member benefit offering a range of confidential, personal and professional support services to help proactively clarify problems, identify options and develop plans to manage issues.
- The MindsCount Lecture - QLS, in partnership with the Bar Association of Queensland, holds an annual MindsCount (formerly known as the Tristan Jepson Memorial Foundation) Lecture. This important event shines a spotlight on mental health in the legal profession and encourages lawyers in their formative years to take a proactive approach to their mental health and wellbeing.
- Access to Supreme Court Library resources – available to QLS members who are sole practitioners or from a firm with 5 or less practising certificates, which is of particular benefit to junior solicitors at regional or boutique firms.

In equipping QLS for generational change, we are also looking ahead to 2021, and are pleased to increase our offerings to support the next generation and future of the Queensland legal profession.

- A Future Leaders Committee - a democratically elected group of peers who have nominated to take a proactive role in shaping the future for this cohort.
- A Later Lawyers network - for those joining the profession later in their career, offering a voice to this unique segment within the wider early career network.
- Expanding business development opportunities through "In conversation" feature pieces in Proctor (online).
- Working with other associations in the legal sector to support a more wholesome approach to a career in law; for example, special interest groups, creative arts associations, wellness support associations, etc.

Queensland law students

QLS recognises that the future lawyers of Queensland demand more from their membership organisation. Our future lawyers value convenience, quality and collaboration. That's why in FY19/20, we worked with the law schools of Australia and their respective Law Student Associations (LSA's) to revolutionise our membership offering and engagement with our future lawyers.

This included:

- Connecting our student members to mentors or other associations which may suit their particular interests or pathways in law through their dedicated contact at QLS - the Relationship Manager - Future Lawyers, Future Leaders.
- Updating our student webpages to centralise information and make accessing relevant content more convenient.
- Changing our relationship from a 'financial sponsor' to that of a Partner/Supporter for Law student associations and associations aimed at supporting law students by providing more than monetary support and engaging in meaningful discussions to truly understand what they seek from us as a Society – and then working with them to deliver.
- Creating educational and engaging modules to bridge the gap 'from law school to lawyer,' help our future lawyers 'find their right fit' in law and debunk the myth that a conventional pathway in law exists.

- Collaborating with 21 mid to top-tier law firms and the 8 law schools in Queensland to re-assess the Queensland legal recruitment cycle and ultimately amend it to better support students and firms by:
 - introducing an Autumn clerkship for the 2020 program in light of missed clerkship cycles due to COVID-19
 - replacing the 2021 Spring clerkship with an Autumn clerkship in 2022 (on an ongoing basis) in consideration of the increasing trimester model and semester breaks
 - moving Queensland clerkship recruitment activity from Mar/May to July/August from 2021 onwards to allow students more time to consider their options and research career pathways
 - keeping priority graduate offer dates in July/August each year, with Graduate open market following immediately afterwards (Aug/Sept) to reduce deferrals.

These changes were captured in the updated QLS Seasonal Clerkship and Graduate Guidelines which 19 of the 21 firms adopted. These changes also aligned Queensland's recruitment cycle closer to that of other States recognising the national market.

And to make accessing all of the above easier, we established QLS's first online membership application form so students could sign up online for a reduced fee of \$10/year.

Next year will see our engagement with future lawyers become stronger still as we work with our members and stakeholders to formalise a mentorship program, improve membership offerings (including discounted membership to partner organisations) and develop the Future Lawyers Program, an initiative to involve more student engagement and contribution to QLS strategy.

Staying connected during COVID-19

With the cancellation of our popular networking and collegiality events, QLS strived to connect with our members in a safe, social-distanced way. We increased our digital approach to reach our members.

As members' priorities changed, what we connected with them about changed too—our focus was to reach members quickly via social media, website and email with important updates and reminders of relevant and new member services to support them both professionally and personally through the pandemic.

Through our COVID-19 communication webpage hub and QLS Update weekly newsletter, we collated our support and guidance services to make it easy for members to connect with the right service, like the LawCare Assist programs, Employment Law Advice Service, Government Funding Assistance Service and General Manager Support Service.

Unable to connect with members face-to-face at local and regional events, QLS CEO Rolf Moses and President Luke Murphy created a series of joint videos to reach members during restrictions. While our Ethics and Practice Centre solicitors phoned 411 practitioners in sole to micro firms during May to hear their experience during the pandemic.

As the new normal unfolded, QLS focused on blending the traditional approach of events with personalised and digital connection. Social events will reappear, however QLS understands that connecting with and keeping members connected to each other requires an inclusive approach—spanning the tyranny of distance or restriction.

GUIDE – guidance to encourage the professional values of fidelity, service and courage

Guiding through leadership, education, guidance and professionalism

At the heart of QLS's role is the guidance provided individually to the profession via the QLS Ethics and Practice Centre. The Centre provides a variety of services to the profession and the wider community under four key pillars: leadership, education, guidance and professionalism.

The duties of solicitors are accepted from the moment of admission as officers of the court, meaning that these factors are an integral part of a solicitor's career right from the beginning. The Centre's (now through QLS Solicitor Support as from 1 October 2019) main and well-respected service is to provide confidential ethical guidance and practice support assistance from the Centre's experienced solicitors to QLS members. Calls to the Centre range from billing enquiries and issues around conflict and confidentiality to more sensitive matters such as clients (or practitioners) struggling with mental health issues, threatening self-harm or harassment. A total of 4,200 calls were received for the FY 2019-20 which was an increase of 8.30% from the previous year.

We provide ethical guidance and leadership in different ways:

- **Modern Advocate Lecture Series:** This series is directed at early career lawyers and combines ethical and practical education from leading members of the judiciary with the opportunity to develop the professional networks so vital to a successful practice in the law. The series also seeks to bring junior members of the bar together with those who might brief them, to address briefing inequities. It has become one of QLS's signature series.
- **Aspire Leadership Series:** This series began in 2019 and was designed to satisfy the desire among career-building practitioners to enhance their leadership skills. This series challenges practitioners to build on their foundations, to understand the qualities, values and aspirations from those who lead both within and outside the legal profession.
- **Cybersecurity:** QLS produces an array of tools, presentations and products designed to protect firms from cybersecurity breaches, and to assist in managing them when they do occur.
- **National Ethics Solicitors Forum:** This group consists of ethics solicitors from law societies from various jurisdictions across the country and is facilitated by QLS. The group holds bi-monthly teleconferences throughout the year, and meets annually to discuss ethical issues faced by practitioners across Australia.
- **Professional Ethics Committee:** Stafford Shepherd, Director of QLS Solicitor Support, is a member of this national committee and provides QLS and our members with a persuasive voice in the national ethics conversation and an influential role in the development and review of the *Australian Solicitor Conduct Rules 2012* (ASCR) and serves as executive editor of the ASCR Commentary.
- **QLS Ethics Committee:** This committee provides expert ethical input to QLS and our members and also produces guidance statements on common ethical dilemmas as well as non-binding rulings on specific matters referred to by member firms. The Centre manages this committee and its sub-committees (Guidance Statement Sub-committee, Non-binding Ethics Ruling Sub-committee and Rules Review Sub-committee). The committee has continuing oversight of the ASCR and the commentary associated with those Rules and has been heavily involved in the review of the Rules over the past financial year.

Mental health, wellbeing and resilience

QLS's Wellbeing Working Group is the primary group for leading wellbeing initiatives, with a focus on providing the legal profession with guidance, education, events and publications on mental health and wellbeing.

As part of its yearly professional development program, QLS offers a range of sessions on wellbeing, resilience and mental health with the following delivered in 2019-20:

- Local Workshop—Kingaroy: Leading wellbeing in the legal profession (August 2019)
- Local Workshop—Hervey Bay: Wellness in the Law: Creating and sustaining health within the legal profession (August 2019)
- Creating and sustaining mind fitness (August 2019)
- Managing Vicarious Trauma in the workplace (August 2019)
- Rockhampton Local Workshop – Wellness in the Law: Creating and sustaining health within the legal profession (October 2019)
- Toowoomba Intensive: Wellness in the Law: Creating and sustaining health within the legal profession (November 2018)
- MHFA Australia Mental Health First Aid (MHFA) Course for Australian Legal Professionals (November 2019)
- Minds Count Lecture (November 2019)
- Creating culture change in the legal profession (March 2020)
- Managing psychological risks of vicarious trauma in the legal profession (March 2020)
- Wellbeing: Isolation, implications and solutions (April 2020)
- "Leading wellbeing in the legal profession" program as part of QLS's Practice Management Course (six dates throughout 2019-20)
- Four bespoke wellbeing sessions to Queensland member firms.

We continue to support Minds Count and its objectives to decrease work-related distress, depression and anxiety in the legal community and promote workplace psychological wellbeing. QLS is a signatory to the Minds Count Psychological Wellbeing Best Practice Guidelines and welcomes its adoption by law firms.

Our online resilience and wellbeing portal on the website provides information and support tools for individuals and organisations within the legal profession to manage the pressures of work and life. Tools include factsheets, videos, publications, the Minds Count guidelines and information about the LawCare program. There is also a dedicated section for wellbeing and resilience resources for organisations to further assist in the development of healthy and supportive legal workplaces of varying sizes.

LawCare

LawCare is a QLS member benefit that provides a confidential, personal assistance program available to all full and associate members, their staff and immediate family.

Externally provided by Converge International, the service offers up to six hours of free counselling per year, along with access to EAP Connect online portal and their mobile app, allowing instant access to wellbeing resources and online counselling appointments.

During the 2019-20 financial year, approximately 399 members, their staff or immediate family accessed LawCare, which is an increase from the previous financial year.

- The top five presenting personal issues were either mental health related or to do with partner relationships.
- Work issues centred around job or time pressure, work life balance, bullying and harassment, job satisfaction and challenging personalities or behaviours.

Senior Counsellors

QLS continues to provide access to the QLS Senior Counsellors service, which is a confidential, free service offered to practitioners on a broad range of practice areas.

Our counsellors offer their knowledge and expertise to their colleagues in a private, confidential setting. This year, our counsellors took over 257 calls from colleagues.

Brisbane

Katharine Atkins	Terence O’Gorman AM
Deborah Awyzio	Ross Perrett
Suzanne Cleary	Bill Potts
Glen Cranny	Bill Purcell
Guy Dunstan	Elizabeth Shearer
Glenn Ferguson AM	Rob Stevenson
Peter Jolly	Dr Matthew Turnour
Peter Kenny	Phillip Ware
Dr Jeff Mann AM	Belinda Winter
Justin McDonnell	Martin Conroy
Wendy Miller	George Fox

Redcliffe

Gary Hutchinson

Gold Coast

Ross Lee	Christine Smyth
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Toowoomba

Stephen Rees	Thomas Sullivan
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Chinchilla

Michele Sheehan

Sunshine Coast

Pippa Colman	Peter Eardley
Michael Beirne	Travis Schultz

Nambour

Mark Bray

Bundaberg

Anthony Ryan

Gladstone

Bernadette Le Grand

Chris Trevor

Rockhampton

Vicki Jackson

Paula Phelan

Mackay

Brad Shanahan

Peter McLachlan

Jennifer Hamilton

Cannonvale

John Ryan

Townsville

Chris Bowrey

Lucia Taylor

Peter Elliott

Cairns /Far North Queensland

Russell Beer

Peter Apel

John Hayward

Anne English

Jim Reaston

Mark Peters

Garth Smith

Guiding the profession through COVID-19

Services

The QLS Ethics and Practice Centre established 3 services in the wake of the pandemic:

- Employment Law Advice Service
- General Manager Support Service
- Government Financial Assistance Service.

These services offered 2-3 hours of free advice to QLS members who were in sole to micro practices which were been impacted by COVID-19. The Centre referred 131 practitioners to these referral services for the period from the beginning of the pandemic to 30 June 2020. The Government Financial Assistance Service was particularly useful in assisting practitioners in accessing JobKeeper and other government grants.

Calls

The Centre also fielded COVID enquiries on a range of issues including land transactions, witnessing and executing documents, running of practices and employment matters. A total of 226 COVID matters were dealt with during this period.

Outreach program

During the last two months of the FY19-20, the Centre was tasked with contacting all managing partners/principal ILP directors of sole to micro firms by telephone to ascertain whether they were “ok” and to determine whether QLS could be of any assistance to them. The Centre’s solicitors made 817 calls. Universally, those practitioners who we were able to speak with were very grateful for the call and had the opportunity to discuss any specific issues that they felt the Society could assist them with and it was a wonderful opportunity to engage with the profession in a supportive, positive environment. This program will continue in FY2020-21.

Resources

The Centre drafted and published over 30 articles /notes to practitioners specifically addressing issues that they were grappling with during this time including:

- Mental health and well-being
- Working from home protocols
- Video-conferencing
- Taking will and enduring power of attorney instructions during lockdown
- Business continuity and succession planning.

Wellbeing

During March to June, 28.94% of presenting issues to our LawCare service were related to or exacerbated by the COVID-19 pandemic.

PROTECT – regulation that upholds the good standing of all solicitors

Protecting through regulation and support

Refinements to QLS systems undertaken over the previous two years provided for the smoothest renewal in a number of years. With further refinements of QLS systems underway, in particular, a new CRM system, we are looking forward to an even better renewals periods in the years to come. Excitingly, the new system will not only allow a better renewals process but also provide us with information that will help us understand our members even better.

Practising Certificates

A snapshot of our practising certificates for 2019-20 are set out below:

Type	Number
PCs	13351

PC Types

PC Type	Count
C – Restricted Employee	2663
E- Employee	6739
G – Foreign Law	9
I – Intestate PC	372
L – Limited Principal (CLC)	36
P – Principal	3392
R – Restricted Principal	1
V – Unrestricted Volunteer	48
Z – Restricted Volunteer	91
Grand Total	13351

The introduction of a new CRM system for 2020-21 is the impetus behind a redraft of the Practising Certificate sections of the *Queensland Law Society (Administration) Rule 2005*. The aims of this redraft are to simplify statements of eligibility for and the entitlements that come with each Practising Certificate and to align the Practising Certificates issued by QLS with forms of Practising Certificates issued under the Uniform Law.

There were 12 Show Cause matters reported by practitioners this year, down from 17 in 2018-19 and 22 in 2017-18. As always, the highest proportion of these events was a practitioner's bankruptcy. In respect of those 12 matters, two practitioners surrendered their Practising Certificates and a third did not renew their Practising Certificate while under investigation. One practitioner was found not fit and proper to continue to hold a Practising Certificate, two were found fit and proper to continue to hold a Practising Certificate without conditions and the other six were found fit and proper to hold Practising Certificates upon undertakings or conditions.

QLS also issued 11 Show Cause Notices down from 15 the previous year.

Of these matters, two practitioners surrendered their Practising Certificate, three were found not to be fit and proper to continue to hold a Practising Certificate, three were found fit and proper to continue to hold a Practising Certificate upon condition and three matters remain outstanding. One of the surrendering practitioners continued in legal practice and we obtained an injunction under s703 of the *Legal Profession Act 2007* ordering that the practitioner cease.

QLS also conducted a number of enquiries regarding the fitness of practitioners upon their applications for grant or renewal of a Practising Certificate. QLS made 16 such determinations in the course of the year. Upon those determinations, five were found fit and proper upon conditions or undertakings, seven were found not to be fit and proper to hold a Practising Certificate, one was found to be ineligible to hold a Practising Certificate and 12 were found to be fit and proper to hold a Practising Certificate without condition or undertaking. There are five such matters awaiting final determination and 10 under investigation at 30 June 2020.

QLS also had cause this year to immediately suspend the Practising Certificates of three practitioners. Two of these practitioners were later found to be unfit to hold a Certificate. The other surrendered their Certificate.

QLS received five notifications that practitioners had been charged with serious offences this year, down from 11 last year and 17 the year before. Of those notifications, one practitioner was convicted and dealt with as a Show Cause matter. A second practitioner charged with a serious offence surrendered his Practising Certificate shortly thereafter. There are currently nine practitioners awaiting the determination of charges of serious offences.

Section 56(3) of the *Legal Profession Act 2007* allows QLS to give an exemption or reduction in the requirement of two years supervised legal practice. This provision means that a condition is attached to Practising Certificates given not only to newly admitted practitioners but also to any experienced practitioner obtaining a Practising Certificate from QLS for the first time. Exemptions or reductions were given this year in 41 instances. This is the same number as 2018-19 and four less than the number in 2017-18. The number of exemptions and reductions granted each year is remarkably consistent.

External Intervention

QLS intervenes in a law practice when the property of clients is at risk. During 2019-20, QLS intervened in 16 law practices. This is the highest number of external interventions undertaken in one year. One of those interventions has since been terminated. Seven of the interventions were receiverships and nine were supervisions. Of the receiverships, five were for a reason other than dishonesty. The other two were because of dishonesty. The supervisions were imposed because the Trust Accounting of the law practice was substandard. This year, QLS commenced charging fees to practices in external intervention.

QLS is currently responsible for 36 Trust Accounts with the number varying monthly with new appointments and the closure of old Trust Accounts. During the 2019-20 Financial Year, Trust Ledger balances totalling \$2,068,793.89 were cleared from practices in receivership. The supervisors approve 1378 distributions from Trust Accounts under supervision.

Trust Account Investigations

Our Trust Account Investigations were affected by COVID-19 restrictions. COVID-19 forced QLS to reconsider how it conducted those investigations, which have always involved visits to law practices.

We reconfigured our Trust Account Reviews so that they could be conducted remotely with electronic submission of relevant documents. From mid-March to 30 June we asked 347 practices to participate in this way - 276 agreed, 23 asked that we come back later and the others did not reply. They will be visited early in the new Financial Year. These reviews were of practices with previous good records of Trust Accounting. Our more intensive investigations had to be put on hold over the COVID-19 period. We recommenced them in mid-June.

These changes are reflected in the numbers of investigations conducted during the year. We completed 174 investigations, i.e. the more intensive investigations compared to 233 last year. However we completed 565 Trust Account Reviews compared with 409 last year.

We continue to receive favourable reviews from the profession for the quality of our Trust Account Investigations and Reviews, scoring an average team rating of 4 out of 5 in relation to Trust Account Investigations and 4 out of 5 in relation to Trust Account Reviews.

Limitation of Liability

At 30 April 2020, 5,953 practitioners were participants in the Queensland Law Society's Limitation of Liability Scheme. A number of practitioners (3,306) had elected to be exempted from that Scheme. The Scheme, conducted pursuant to the provisions of the *Professional Standards Act 2004 (Qld)* caps damages that can be awarded against a participating member to caps of \$1.5 million and \$10 million or any higher amount approved by QLS. To participate in the Scheme, a practitioner must be a full member of the Queensland Law Society with the benefit of professional indemnity insurance. To be a full member of QLS a practitioner must hold a current Australian Practising Certificate.

QLS's current Scheme expires on 1 July 2021. In January 2020, QLS made application for a successor scheme to the Professional Standards Councils, the administrator of all Limitation Liability Schemes throughout Australia. We had a one one-hour consultation with the Councils since submitting that new Scheme. This was in May 2020. At that meeting requisitions upon the Scheme were foreshadowed. These requisitions have not been received at the time of writing.

Legal Practitioners Fidelity Guarantee Fund

Practitioners contribute each year to this fund. It exists to compensate members of the public who lose trust property or trust money because of the dishonest acts or omissions of associates of law practices. It is a rare and very good thing that the profession makes good on the dishonesty of its own. This year the fund paid to members of the public \$1,168,359.72 on 67 claims. All of those claims were paid in full with interest.

Protecting through QLS Solicitor Support Pty Ltd

On 1 October 2019, the incorporated legal practice, QLS Solicitor Support Pty Ltd (a wholly owned subsidiary of Queensland Law Society) commenced operations and essentially took over the QLS Ethics and Practice Centre's role of providing ethical and practice support and guidance to practitioners. The purpose of QLS Solicitor Support is to advance Queensland Law Society's strategic goal to guide the profession and to advance the objectives of providing legal services for the delivery of guidance, support and counsel, education and publications on legal ethics and practice management to members of QLS, legal practitioners and the legal profession.

This included the development of a complete practice management consultancy service designed to assist the practitioner in financial, management and organisational culture issues which commenced early on 15 June 2020 due to COVID-19. During this 2 week period from 15 June to 30 June 2020, 23 visits were scheduled with practitioners.

As from 1 October 2019 to 30 June 2020, QLS Solicitor Support dealt with 3,097 matters which was an 8.30% increase in matters from the previous financial year and over 90 education presentations both for external and internal stakeholders.

QLS Solicitor Support also extended its services to providing advisory services on a range of practice support guidance arising out of the pandemic. 129 matters opened dealt with COVID-19 issues.

The ILP is a wholly owned subsidiary of QLS and is governed by its Constitution. In April 2020, QLS, as the ILP's sole shareholder, approved the ILP's inaugural annual Strategic Plan, which outlines the ILP's authority, vision, purpose, annual initiatives and KPIs for the 2020-21 financial year.

QLS Solicitor Support Pty Ltd – Annual Strategic Plan 2020-21

1. Authority

Article 69 of the Constitution of QLS Solicitor Support Pty Ltd sets out the requirements for an annual Strategic Plan:

69. Strategic Plan

- a. *The Company must have a strategic plan approved by the Board and the Shareholders (Strategic Plan).*
- b. *The Shareholders may, from time to time, provide to the Company a written notice setting out the Shareholders' expectations in relation the Company's Strategic Plan, and the Board must have regard to that notice in formulating its Strategic Plan.*
- c. *The Board must prepare and submit to the Shareholders for their approval a draft Strategic Plan for the next financial year not later than 2 months before the start of each financial year.*
- d. *The Shareholders must review the draft Strategic Plan and provide any comments on it promptly to the Board after receipt. The Board must have reasonable regard to any such comments and must, to the extent reasonably practicable, incorporate those changes into the draft Strategic Plan.*
- e. *The Board and the Shareholders must endeavour to reach agreement on the Strategic Plan as soon as possible and, in any event, not later than the start of the relevant financial year.*
- f. *If the Strategic Plan is not approved by the Shareholders by the start of the relevant financial year, the existing Strategic Plan will continue to apply until the new Strategic Plan is approved.*
- g. *The Board must direct the management of the Company in accordance with the approved Strategic Plan.*
- h. *The Board may modify the Company's approved Strategic Plan only with the approval of the Shareholders.*
- i. *The Shareholders may, from time to time, request that the approved Strategic Plan be reviewed and/or modified. The Board must comply, promptly, with any request by the Shareholders to review or modify the Strategic Plan or a draft Strategic Plan*

2. Annual Strategic Plan 2020-21

2.1 Corporate Values

QLS Solicitor Support Pty Ltd's corporate values are:

- Fidelity
- Service
- Courage

2.2 Vision

The vision for QLS Solicitor Support Pty Ltd is to support Queensland Law Society in advancing good lawyers and good law for the public good

2.3 Purpose

The purpose of QLS Solicitor Support Pty Ltd is two-fold:

1. To advance Queensland Law Society's strategic goal to **Guide** the profession; and
2. To advance the objectives of the Company, set out in article 5 of the Constitution, to provide:
 - a. legal services for the delivery of guidance, support and counsel to members of the Queensland Law Society and other legal practitioners on ethical and legal practice management issues;
 - b. education and publications on legal ethics to the legal profession and practice management to members of the Queensland Law Society and other legal practitioners; and
 - c. all that is incidental, necessary or convenient to facilitate or support the provision of the Objects.

3. Annual initiatives and KPIs

The annual initiatives and KPIs for QLS Solicitor Support Pty Ltd are set out below:

Initiative	KPI
1. To continue to respond to and provide a high quality ethics advisory service to the profession including practice support guidance due to COVID-19.	To continue to respond within two hours of receipt of the enquiry (if possible) and close a matter on the same day – provide an 80% response rate.
2. To develop a complete practice management consultancy service which includes and assists the practitioner in financial, management, and organisational culture issues.	To commence preparation of interventions in finance, governance and business management to sole and micro firms by 30 June 2021.

Financial reporting is set out at page 168 of this Report.

Protecting through professionalism

The QLS Ethics and Practice Centre provides initiatives and services to help our members increase their professionalism to protect from the pitfalls of practice. By providing these services, QLS helps practices assist their clients in a more efficient and effective manner and achieve better client relationships.

Professionalism is fostered through:

- The Practice Support Consultancy Service which enables our solicitors to conduct on-site visits to new and existing sole to micro law firms to discuss issues which often affect professionalism and productivity such as management systems, billing practices and marketing. These services are also available to established or merging practices, and QLS proactively contacts firms if there is a concern that the firm or practitioner may benefit from this service. QLS visited 70 firms during the FY19-20. Due to the pandemic, an increase in engagement with regard to this service has occurred. Our solicitors have doubled the number of visits to firms over the last month in the FY19-20 in response to practitioners seeking assistance due to the economic impacts of COVID-19.
- The Solicitor Advocate Course provides an intensive workshop on advocacy to all levels of the profession both in Brisbane and in regional centres. This is one of the premier offerings to member practitioners that is always oversubscribed.
- Cybersecurity tools and products are designed to protect firms from cybersecurity breaches and help them manage the breaches when they do occur.
- Applying project management principles to legal matter management is the focus of QLS's Legal Matter Management workshops which is in the process of being refined. This provides practitioners with the skills to efficiently manage workflow, ensure clients are fully informed of progress and costs issues, and increase client satisfaction and communication.

Cybersecurity

Data, digital assets and funds in the hands of solicitors are targeted by an ever increasing number of specialist criminal groups.¹ Every successful attack feeds the problem, and an attack aimed at diverting funds in transit will often lead loss of confidential client information, usually incidental to the criminal's purpose but increasingly as a primary objective as well.

Increased vertical integration and cooperation between criminal groups provides an easy route for such data to be sold, aggregated and monetised even if the primary objective was unsuccessful. The disruption arising from remote working and emergency conditions during the COVID-19 Emergency has exacerbated the risk to client data. In addition, human error and poor data handling practices risk breaching client confidentiality.

As a critical service provider in the digital economy, it is essential that legal practices can manage and defend ever increasing volumes of high-value data. While no organisation can guarantee data security, the importance of confidentiality in the solicitor-client relationship places a heavy onus on law firms of all sizes.

Professional bodies have a critical role in assisting members to resist such attacks and defend client interests, especially for SME practices without internal information security staff. Consequently, in 2019-20 the QLS has again devoted significant resources to this issue. The QLS information security strategy rests on three limbs:

- Responding to incidents
- Preventing incidents
- Working towards consistent national standards for law firms.

To implement this strategy QLS has delivered over twenty conference and bespoke education sessions:

- ensuring solicitors understand the threat, and the continual evolution of the criminal groups that attack them
- articulating data protection standards, and
- providing practical tools to achieve these.

QLS has also provided 32 published items, including information guides, advisory updates and policy templates to assist firms to establish and implement information security programs.

A significant new initiative has been providing every *QLS Member Firm*² \$50,000 free cyber incident cover underwritten by Chubb. The cover has been tailored to complement the Lexon third party professional indemnity policy. The main feature is access to expert assistance:

- Urgent incident assessment and claims management
- Forensic investigation
- Ransom negotiations (and ransom payments if necessary)
- Data loss assessment and tracking
- Network and database repair
- Regulatory compliance assistance.

Prior to the cover being made available, many smaller firms were overwhelmed by serious data loss incidents, unable to fund an adequate response and faced significant risks in putting a compromised network back into service.

During the first year the policy has been in operation, 30 incidents were notified and 14 claims lodged.

COVID-19 specific issues

During the COVID-19 lockdown many legal practices were forced to rapidly transition to remote working and client service delivery. Cybercriminals sought to exploit this increased vulnerability with COVID-19 themed phishing campaigns and an increase in ransomware and malware attacks. In response, QLS provided:

- advice and support to firms in safely implementing remote working, and
- specific education and guidance sessions alerting practitioners to the emerging threats and practical measures to lower their risk profile.

¹ The UK Government estimates that over 1400 criminal organisations specialising in fraud on law firms were active as at December 2019, <https://www.legalfutures.co.uk/blog/safeguarding-your-law-firm-against-cyber-criminals>; <https://www.ncsc.gov.uk/report/the-cyber-threat-to-uk-legal-sector-2018-report>

² These are Lexon-Insured law practices in which all "Principals" are full QLS members at the date of loss.

Lexon Insurance Pte Ltd

Our Purpose

Lexon Insurance Pte Ltd is a wholly owned subsidiary of the Queensland Law Society and is a captive insurer providing professional indemnity insurance to members of the legal profession in accordance with the QLS Indemnity Rule 2005.

Low Rates

Despite the levy rates for 2019-20 already being at all-time low levels, with the onset of COVID-19 Lexon (with the support of QLS) delivered an additional “one off” 20% reduction in base levy rates for 2020-21 to assist insured practices to navigate the financial challenges posed by the pandemic.

The ability to provide a reduction in these challenging times was in no small part due to the careful and prudent management of insurance reserves held to meet future claims and the profession's strong commitment to risk management which has lowered overall claim values in recent years.

Risk Management

In addition to the financial aid mentioned above, Lexon has been responding to the numerous new risk issues that have arisen out of COVID-19 with risk releases covering areas including conveyancing, wills, EPAs, solicitors' certificates, commercial negotiations, leasing, verification of identity and cyber remote working risks, to name a few. We know practitioners found this information of value as we received the greatest number of weekly “hits” ever to our website during the early period of the pandemic.

Claims Performance

Overall file numbers were slightly up for the 2019-20 insurance period over the prior year however, case estimate for claim values diminished substantially year on year – by over \$2.4M (to \$10.6M). This improved claims performance, which came despite the continuing exposure to cyber fraud, partially offset lower than expected returns in our investment portfolio resulting from COVID-19. Overall, the scheme position remains strong.

Conveyancing continues to be the most frequent type of matter (26.4% of all files) and contributed 22.2% to overall portfolio cost. Commercial matters contributed the largest proportion of the claim value (representing 33.1% of the portfolio cost) whilst only contributing 17.0% of the file numbers. This reflects the larger average value of commercial claims.

Types of Law practiced by the Insured Profession

Lexon insured practices now generate around \$2.25B of annual Gross Fee Income (GFI), having grown over 3% year on year. This is in line with the average growth rate we have seen since 2010 and suggests that, pre-pandemic, the profession was in a relatively healthy state. We expect there will be a substantial retreat from this growth rate going forward due to COVID-19.

Personal injuries work remains the largest area of activity – consistently at or about 19%. Some interesting trends are starting to emerge in other areas, with residential conveyancing continuing to diminish – dropping almost 1% from last year to 10.6% – and commercial conveyancing remaining at long term lows. This reflects the more subdued property market. On the other hand, we have seen an increased trend of activity in litigation. Going forward, the data we collect will continue to reflect the ever-changing economic conditions.

Protecting through COVID-19

- QLS re-designed Trust Account investigations to be conducted remotely during COVID-19.
- QLS Solicitor Support Pty Ltd assisted the legal profession through the early commencement of a complete practice management consultancy service.
- Ethics solicitors doubled the number of visits to firms in response to practitioners seeking assistance due to the economic impacts of COVID-19.
- QLS provided additional support to firms including advice, support and education regarding the increase of cybersecurity threats during COVID-19.
- Lexon (with the support of QLS) delivered an additional “one off” 20% reduction in base levy rates for 2020-21 to assist insured practices to navigate the financial challenges posed by COVID-19.
- Lexon also responded to the numerous new risk issues that arose out of COVID-19 with risk releases.

CULTURE – building our corporate culture

Our people, their skills and commitment contribute to a leading professional society, valued by our members

QLS employs people across diverse areas, including law, accountancy, membership services, events management, human resources, ethics, policy and administration. Our people, their range of skills and their commitment to our values of *Respect*, *Service* and *Integrity* ensure we are a leading professional society valued by our members.

Diversity and inclusion

In 2019-20 we remained compliant with the *Workplace Gender Equality Act 2012* and continued to work towards being accredited by the Workplace Gender Equality Agency (WGEA) as an employer of choice. A key milestone was achieved via the development of a Gender Equality Strategy that was endorsed by our Leadership Team and Council.

The QLS Diversity and Inclusion Committee (D&I Committee) has continued to flourish this year and is working together to promote and achieve diversity and inclusion both within and outside the workplace.

In the past year, the D&I Committee has undertaken a review of the QLS Flexibility Policy and QLS Parental Leave Policy and reviewed the QLS Gender Equality Strategy. Additionally, it has provided staff with the opportunity to gain a deeper understanding through education and awareness in the areas of Disability and Accessibility, LGBTIQ+ and rainbow community, Aboriginal and Torres Strait Islander Peoples and Flexibility.

The People and Culture team support our cultural initiatives. See page 63 for further information on the QLS First Nations cultural initiatives.

QLS Charity Committee

The QLS Charity and Volunteering Committee had another successful year fund raising for many worthy causes and continues to encourage staff to participate in volunteering opportunities where appropriate despite being hampered by the COVID-19 Pandemic.

During the 2019-20 financial year the Committee raised \$1,767.30 through a number of events and other initiatives which were supported well by QLS staff. A highlight being an afternoon tea with Debbie Kilroy who spoke about the important work her community organisation Sisters Inside does to support disadvantaged girls and women to be part of a brighter future, with funds raised by QLS dedicated to First Nations girls and women. Some of the funds and other donations the Committee contributed to included: The BushFire Appeal, LawRight, Share The Dignity, Movember, The Brisbane Youth Detention Centre, The Cancer Council of Australia, Wine for Water, Rosies and Sisters Inside.

The Committee is looking at new ways QLS can continue to support the important work many of these organisation undertake and is working with the internal QLS Cultural Champions and Stakeholders Committee on a number of joint initiatives.

Graduate program

In 2019-20 we implemented our first Graduate Program. The program saw two graduate solicitors commence work at QLS in 2020. The program will continue again in 2021 and offers an exciting opportunity for new graduates to gain experience under the guidance of senior QLS solicitors.

Workplace wellness

We continued to build on our commitment to workplace wellness. Our "Wellness Room" offers a quiet space where staff can meditate, pray or simply seek a quiet moment for reflection. We actively engage and encourage staff to be involved in initiatives such as R U OK day, International Day of Happiness, Queensland Legal Walk and Queensland Mental Health Week.

QLS staff have access to LawCare counselling services and are encouraged to seek help if they need it at any time. We have continued our Gold accreditation with Mental Health First Aid Australia with 27 staff trained in Mental Health First Aid who are there to lend a helping hand to staff in need of support.

Flexible working arrangements and support

QLS is committed to a diverse and inclusive culture that recognises the benefits of including flexibility into our working lives. Over the last year QLS has updated our Flexible Work policy and developed a business case and strategy to support flexible work across the organisation. We also rolled out Flexible Working Training to enable our managers to support various ways of working across QLS.

Prior to COVID-19, QLS had over 42% (2018: 37%) of our team working flexibly, including working from home, working part time, compressed working weeks and flexible start and finish times. During the period from March 2020 to June 2020, QLS had over 80% of employees working successfully from home.

We have a dedicated “bub hub” for working parents and encourage a family friendly atmosphere with morning teas for employees to bring in their babies and young children. We continue to be a Breastfeeding Friendly Accredited Workplace.

Attraction and retention

QLS is committed to attracting and retaining quality staff. We continue to have a remuneration policy and strategy aimed at achieving internal parity for “like-for-like” roles, addressing gender inequity and working towards market parity, as well as ensuring a strong link between on-job performance and remuneration. In addition to this, QLS undertook a substantial gender pay gap analysis with key metrics reported to our governing body and staff.

Policy and Guideline reviews

Over the past year we continued to review human resource policies and guidelines to ensure they remain current and promote staff wellbeing, gender equality, diversity and inclusion. The Public Interest Disclosure (PID) policy was updated and a review of the QLS Code of Conduct has also commenced.

QLS continues to recognise and support Human Rights and the principles they are based on including dignity, equality and mutual respect. QLS had arranged Human Rights training to be conducted for employees however this required postponement due to COVID-19 and is now planned for the new financial year. QLS has had no human rights or public interest disclosure complaints during the financial year.

Staff learning and development

Learning and development opportunities for staff included:

- Mental Health First Aid training. QLS continues to be Gold Accredited with Mental Health First Aid Australia
- one-hour lunch and learn sessions with topics including Wellbeing, Nutrition, Diversity and Inclusion, and Flexible working
- appropriate workplace behaviour training sessions including how to address bullying, sexual harassment and discrimination were held for all staff
- cultural awareness training including the “Share our Pride” online course for all new starters
- study assistance for team members
- annual refresher of our work health and safety compliance requirements
- procurement Training
- attendance at external workshops and conferences
- continued support for individual learning and development including leadership, change management, innovation and technical training opportunities.

Our individual training investment was \$37,844 (average of \$353 per full-time equivalent (FTE)).

Welcomes and farewells

QLS welcomed 41 new team members this year, all of whom took part in a comprehensive on-boarding program. Employee headcount at 30 June 2020 was 126 people with 107 FTE. The majority of staff (56%) are employed on a permanent full-time basis with the remainder being permanent part-time (26%), short term contracts (11%), casual (3%) and those on parental leave (3%). We farewelled 37 staff over the same timeframe and our turnover rate at 30 June 2019 was 29.6% comprising:

Voluntary turnover 22%
Involuntary turnover 1.6%
End of contract 6%

No redundancy-related payments or early retirement packages were made.

Gender composition

The gender composition of QLS workforce at June 30, 2020 was 75% female and 25% male.

Outlook for 2020-21

Key people initiatives for 2020-21 include ongoing work towards citation with WGEA as an Employer of Choice for Gender Equity with plans to submit our application in October 2020. We will undertake a review of current human resource systems and alignment with our operating and strategic plans. The QLS graduate program will continue with two new graduates commencing in February 2021. We will continue to support wellness initiatives such as Mental Health First Aid and access to counselling services through our LawCare provider. We will also continue to review our range of policies and guidelines, including the QLS Code of Conduct.

Our working environment

Sustainability

The table below shows the significant increase in positive effect of our secure document destruction:

Savings to the environment

Calculated where 1 tonne of recycled paper equals:	FY20 QLS Saved
13 trees	540,532 trees
4 metres ³ landfill	103,337 metres ³
18.0 gig of energy	572,328 gig
31,780 litres of water	753,565.2 L
0.40 CO ₂ of greenhouse gases	12,718.4 CO ₂

Room hire

Room reservations for 2019-20:

- 1075 reservations for level 2
- 101 reservations for level 3

Of these reservations, 1096 were made by members. The total revenue from room hire for the 2019-20 year was \$154, 099.

Reconciliation and First Nations Culture

Our Innovate Reconciliation Action Plan (RAP) concluded on 30 June 2019 and the 2019-20 financial year saw a transition from the RAP framework to developing a five year First Nations Cultural Outreach Strategy and annual First Nations Plan.

The financial year began with holding a staff launch of the (yet to be endorsed by Reconciliation Australia) Stretch RAP. There have been many positives from the last twelve months, despite COVID-19. It is rewarding to report on the progress of QLS's reconciliation journey and reflect on the aim of our plan, as set out in the operating plan, to identify and implement staff initiatives in the roll out of the plan.

Internal staff contribution to RAP

The first half of the financial year QLS staff engaged in a cultural awareness session, delivered by Deanella Mack and Ruth Link from EY. The delivery of cultural awareness is the basis of how we can meet our targets of being culturally inclusive and responsive.

QLS held its annual stall at Musgrave Park, in its third year running during NAIDOC week 2019, which community members were engaging and curious of what QLS provides to the community as a whole. The July 2019 NAIDOC theme of Voice, Treaty and Truth paved the way for reflection and ongoing discussions, in particular a Treaty making between First Nations people and the Queensland parliament.

QLS also attended and participated in the flag raising ceremony at the Brisbane Court House with delegates of the judicial system in attendance.

Broaden services to QLS members

The pilot consultancy program to expand the reach of reconciliation in regional Queensland set a bench mark for engaging with members of the profession who otherwise may not have had many opportunities to take part in presentations of cultural comprehension.

The consultancy pilot program engaged with members of DLA and the wider Queensland legal profession in the roll out of online reconciliation presentations, which were undertaken regionally in Townsville and accessed throughout Queensland. The presentations provided culturally responsive mechanisms of reconciliation for members who were keen to increase their awareness and understanding of First Nations culture.

Inaugural Lawlink 2020 Art competition

In May 2020 QLS held its inaugural Lawlink 2020 Art competition where First Nations students were invited to provide an artwork and story on its connection and symbolism to the Lawlink Programme. The two winners, Bethany Allen and Kiri Fabia, will have their artwork and story showcased in the Lawlink Program over the next four years starting 1 July 2020. To see the artwork and learn more see:

[https://www.qls.com.au/For the profession/Practice support/Resources/Diversity and inclusion in the workplace/Cultural diversity Aboriginal Torres Strait Islander lawyers](https://www.qls.com.au/For_the_profession/Practice_support/Resources/Diversity_and_inclusion_in_the_workplace/Cultural_diversity_Aboriginal_Torres_Strait_Islander_lawyers)

Beyond 2020

QLS's First Nations Cultural Outreach Strategy sets out five strategic goals and its key performance indicators, one of which is to quadruple the number of First Nations solicitors in Queensland by 2025.³ QLS will be reaching out to all stakeholders to assist with this ambitious aim.

Acknowledge and thanks

The roll out and support of QLS's reconciliation initiatives could not be done without the work, support and dedication of the QLS's RAP Working Group (RAPWG) and our internal RAPCIS Committee. We would also like to acknowledge current and past staff and committee members who contributed to the work to the work and development of our current plan and future Strategy. To that end it is important to recognise the work and support of Reconciliation Australia who provided QLS with a cultural foundation to set reconciliation commitments and actions and contribute to closing the gap.

We look forward to working with all members and stakeholders in achieving these laudable initiatives. The annual reporting of our reconciliation commitments is set out below.

Goal	Grade	1 July 2019 to 30 June 2020
1. Establish and maintain mutually beneficial relationships with Aboriginal and Torres Strait Islander stakeholders and organisations.	On the way to deadly	<ul style="list-style-type: none">• Connection with a couple of aunties and uncles with respect to the Deaths in Custody Forum, the Strategy and NRW.• Engagement with ILAQ and IBA for NAIDOC and partnership engagements.• Engaged with JCU for opportunities to support First Nations university students.• Connection with Reconciliation Queensland. <p>COVID-19 impact:</p> <p>As a result of COVID-19, QLS has been unable to progress plans to hold a face to face NRW morning tea.</p> <p>Following the RAPWG Chair's recommendation at Symposium at the closing plenary for an Elder to provide cultural training to the legal profession and PLT, QLS is progressing and investigating this initiative with engagement of a Cultural Consultant.</p>
2. Promote reconciliation through our sphere of influence.	Deadly	<ul style="list-style-type: none">• There have been a number of Reconciliation presentation in the regions (latest February 2020), together with DLA Presidents presentation in March 2020 and BlackCard tours – walking cultural tour for DLA Presidents took place in mid-March 2020.• There has been internal consideration and exploration of a Culture Code for Law Firms, which was brought to the RAPWG and RAPCIS for consideration.• See reporting at items 5, 9, 11 and 12.
3. Promote positive race relations through anti-discrimination strategies.	Deadly	<ul style="list-style-type: none">• QLS has rolled out a Workplace Bullying, Sexual Harassment and Discrimination, unconscious bias training.• Equity and Diversity Committee have formulated a webinar series to widen the scope of Lawlink across Queensland.• QLS Council, supported by the ELT, supported anti-discrimination campaigns and stances against discrimination through submissions, media releases and media communications.• D&I Committee supported and rolled out initiatives, events and fund raisers to support inclusion, understanding and diversity.

³ Based on the number of First Nations solicitors in Queensland reported in "2018 National Profile Of Solicitors" Table 4, page 10 accessible <https://www.lawsociety.com.au/sites/default/files/2019-07/2018%20National%20Profile%20of%20Solicitors.pdf>

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| 4. Increase understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights through cultural learning. | On the way to deadly | <ul style="list-style-type: none">• Onboarding of new staff involved discussion about individual awareness and involvement.• 24 present staff attended the July cultural awareness event. All new staff complete cultural awareness training as part of the onboarding program.• A review of cultural learning needs is earmarked for review following cultural awareness training and feedback from staff. |
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COVID-19 impact

We invited Ruth Link and Deanella Mack to return to run further detailed sessions, however due to social distancing requirements they were unable to attend for Symposium and COVID-19 presents challenges for the traditional face to face cultural awareness training which needs to be factored into for future sessions and meaningful engagement.

With the majority of staff working from home, the first online RAP Onboarding took place on 20 April 2020 and continued in May 2020 and June 2020.

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| 5. Demonstrate respect to Aboriginal and Torres Strait Islander peoples by observing cultural protocols. | Deadly | <ul style="list-style-type: none">• Traditional Owners opened the QLS 2020 Symposium with a powerful Welcome to Country.• QLS continues to explain the importance with this initiative taking a further step to support the profession with custom made generic Acknowledgement of Country business cards which enable people to recognise traditional owners on the lands they conduct business. This is a very new resource, it has been distributed at presentations and conferences.• Cultural Protocols, as considered by the RAPWG, have been published on the web. Acknowledgment of Country is said at committees and important functions and is a focus in RAP onboarding. Staff are encouraged to connect with Community and personalise Acknowledgment of Country.• During the course of the year we have received queries from members of the public regarding wording of Acknowledgments at non-work events such as weddings, of which we have assisted with wording and further inquiry. We have also encouraged members of the public to reach out to Elders as a part of their journey.• As a result of COVID-19 the Council Acknowledgment of Country has been updated for the 27 April Council meeting and onwards to highlight the Country the Councillors are dialling in from and the importance of Acknowledging Elders and the Community, seeking safe passage and also care for the Land and its People. |
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COVID-19 impact

All face-to-face QLS events have been cancelled or postponed later into the next financial year. The mid-March 2020 Welcome to Country was the last face to face Welcome to Country for this financial year due to the impact of COVID-19 and government requirements for social distancing. There has been an increase of direct to video, webcasts and social media and we have asked that Acknowledgement of Country be included in these publications. For CPD webcasts and other events, an Acknowledgment of Country has been included at the start of the online events.

An item for further learning is a reminder at the start of multi-team meetings in discussing Cultural matters is to take a moment, reflect and set out the Acknowledgment of Country.

6. Demonstrate respect to Aboriginal and Torres Strait Islander peoples by observing cultural protocols.	Deadly	<ul style="list-style-type: none"> A beautiful 5m + Acknowledgment of Country has been permanently affixed on level 2 at Law Society House. Chair and Deputy Chair RAPWG presented the closing plenary of Day 1 of Symposium raising important issues of First Nations regarding domestic violence and the criminal justice system. QLS as has been proactive in encouraging others in the industry to get involved in reconciliatory initiatives. The promotion of truth and justice in the work to advance rights and interests of Aboriginal and Torres Strait Islanders will continue as one of the main focus goals. <p>COVID-19 impact</p> <p>We looked at innovative ways to observe cultural protocols (where events could not be held face to face). COVID and reconciliation article was prepared and subsequently published in the next financial year. More articles and awareness pieces are being prepared and First Nations have been invited to submit articles.</p>
7. Improve employment outcomes by increasing Aboriginal and Torres Strait Islander recruitment, retention and professional development.	On the way to deadly	<p>Roles continue to be advertised through a variety of channels, some specifically targeted to attract First Nations candidates. P&C team attended a First Nations business expo in October 2019 to explore what recruitment options may be available.</p>
8. Increase Aboriginal and Torres Strait Islander supplier diversity and procurement to support improved economic and social outcomes.	On the way to deadly	<p>Staff have received communication on First Nations Procurement and ways in which to find First Nations suppliers. The Team often gets approached by First Nations businesses which have been passed on to relevant staff. Procurement Policy was updated in February 2020, including QLS commitment to First Nations procurement.</p> <p>New staff are advised of First Nations procurement in onboarding.</p> <p>COVID-19 impact</p> <p>Many legal and commercial businesses are facing many challenges. Where possible, QLS is promoting through its networks First Nations catering businesses to support through the pandemic.</p> <p>More work will take place in the new financial year to investigate investment in First Nations artwork and develop a strategy to support high school and university students in raising awareness.</p>
9. Recognise, celebrate and foster opportunities for First Nations Solicitors and Legal Students	Proper deadly	<p>Completed – First Nations Awards conferred for 2019 (in March 2020) for the third year in row. Student prize winner received \$2000 in prize money.</p>
10. Support and encourage opportunities for the broader legal profession to engage in cultural education	On the way to deadly	<p>In September 2019, QLS partnered with Deloitte to run a session entitled 'Inclusive Leadership: What will your impact be?' focusing on creating inclusive cultures through leadership. See also item 12.</p> <p>COVID-19 impact</p> <p>Ruth Link and Deanella Mack were unable to present cultural awareness training at Symposium 2020 due to COVID-19.</p>
11. Support First Nations community through policy advocacy	Deadly	<p>The First Nations Legal Policy Committee published 15 submissions.</p>

12. To create a RAP hub by engaging staff and members in cultural events and activities	On the way to deadly	<p>Cultural events and activities engaging staff and members included:</p> <ul style="list-style-type: none"> • 2020 Cultural Calendar published • QLS's celebration of NAIDOC in July 2019 • QLS's celebration of NRW with an inaugural yarn and screening of <i>In my blood it runs</i> • Attending Meaanjin markets • Debbie Kilroy came and presented an awareness regarding First Nations women in the prison systems • QLS supported Sisters Inside with monies raised being provided to First Nations women • QLS donated \$500 to the Indigenous Literacy Foundation and \$500 to the Aboriginal Health Justice Project within the National Justice Project for QLS as a part of the Lawlink Art Competition 2020 • At the beginning of the calendar year, an annual roster was set up for publication internally and externally of initiatives, key cultural events and other issues and advocacy. Publication internally and externally includes NRW, NAIDOC, Indigenous Business Month, Meeanjin markets, First Nations books and other items relating to First Nations Procurement and First Nations advocacy • There has been publication of our 2018 First Nations Legal Student of the Year in Proctor (her journey since the award) and updates in Proctor and QLS Update on QLS initiatives for reconciliation and events • A further roster has been prepared and implemented for 2020. Deaths in Custody article penned by Joshua Apanui published in Proctor at the end of the financial year • Staff have published on yammer regarding Closing the Gap day for March and NRW. Former Deputy Chair Linda Ryle, published an article on First Nations. <p>COVID-19 impact</p> <p>Prior to COVID-19, QLS had earmarked two additional events for 2020 – forum on Death in Custody and First Nations Forum. The Deaths in Custody Forum has been recommended for April 2021 and the First Nations Forum is presently in abeyance. With social restrictions in place, many museums, art galleries, theatres and cultural tours have closed, presenting challenges to get involved.</p>
13. To implement a consultancy offering to members and students	On the way to deadly	<p>The consultancy pilot provided an offering to members through reconciliation in the regions with a number of events rolled out including:</p> <ul style="list-style-type: none"> • online reconciliation presentations • partnering with Townsville District Law Association on reconciliation offerings and business support • a joint reconciliation presentation with Lincoln Crowley QC • a joint CLQA event on Communicating with a diverse client base • 2020 DLA Presidents Workshop Culture resource pack and Cultural tour. <p>COVID-19 impact</p> <p>As a result of COVID-19, the Cultural MALS event planned for June 2020 was postponed and student mentoring has been placed in abeyance. The Townsville based Lawlink in the regions (support for First Nations students) was also cancelled due to COVID-19.</p>

14. Establish and maintain an effective internal RAP Working group (RAPCIS) to drive governance of the RAP.	Deadly	An active RAPCIS is in place to drive internal governance of RAP and has a RAPCIS Terms of Reference in place (December 2018). RAPCIS Committee met in August 2019, December 2019 and March 2020 and in June 2020 met and participated in the inaugural yarning circle.
15. Establish and maintain an effective external RAP advisory Working Group (RAPWG)	Deadly	There is First Nations representation on RAPWG and the RAPWG has been in operation since 2016. Terms of Reference approved by RAPWG in August 2019. RAPWG has met in August 2019, December 2019 and March 2020 and in June 2020 met and participated in the inaugural yarning circle.
16. Provide appropriate support for effective implementation of RAP commitments.	Deadly	There are staff resources for RAP implementation. RAP accountability set out in annual Operating Plan. Wide consultation for updating our cultural initiatives takes place and reporting is provided to RAPWG and Council on a quarterly basis. At last 4 members of the ELT are on the RAPCIS.
17. Build accountability and transparency through reporting RAP achievements, challenges and learnings both internally and externally.	Deadly	Reporting of 2018-19 and 2019-20 has been undertaken in the Annual Report, to Council, RPACIS and RAPWG. In the 2019-20 year QLS participated in the RAP impact measurement report.
18. Continue our reconciliation journey by developing our next RAP.		N/A

Key

Proper Deadly (Exceeded Target)

Deadly (Target Achieved)

On the way to deadly (On track)

Which Way? (Target not achieved)

The public good: Our corporate citizenship

Our continued focus on contributing to the public good has seen us deliver significant financial and in-kind support to a number of legal not-for-profit organisations throughout the state, helping Queensland practitioners to experience more fulfilling legal careers—and all Queenslanders access to justice:

Organisation	QLS contribution	Benefit
District Law Associations throughout Queensland	Financial and in-kind support across various events and initiatives, both Brisbane and regional based	Additional support of Queensland practitioners
LawRight	In-kind support and fundraising for the 2020 virtual Queensland Legal Walk (19 May 2020)	Support for LawRight's mission to improve the lives of vulnerable people by increasing access to justice through strategic partnerships with pro bono lawyers
Minds Count (formerly Tristan Jepson Memorial Foundation)	Financial and in-kind support	Supporting the mental health of Queensland legal practitioners
Pride in Law	Financial and in-kind support	Encourages diversity and inclusion in the profession
The Legal Forecast and TLF Creative initiative	Financial and in-kind support	Supporting lawyers at an early stage of their careers and encouraging lawyers' creativity
QLS First Nations Student of the Year Award	Financial prize of \$2000 for the QLS First Nations Student of the Year	Demonstrating our commitment to reconciliation and advancement of First Nations practitioners
Various charities	Financial support on behalf of our speakers and presenters in lieu of payment	Support of a range of community-based not-for-profit organisations
Various not-for-profit organisations	Use of Law Society House for no cost or significantly reduced fees	\$23,000 of foregone revenue contributed to a range of not-for-profit organisations
Various Queensland law schools and their respective law schools and student law societies	Financial and in-kind support including prize money, judges for competitions and speakers for events	Supporting the next generation of legal practitioners
Women's Legal Service Queensland	In-kind support	Helps WLSQ to continue to provide free legal assistance to women in need in Queensland
The Aboriginal Health Justice Project within the National Justice Project	QLS made a \$500 donation as a part of the Lawlink Artwork prize, as nominated by Bethany Allen	Advocates for the development of law and a justice system which is fair, just and equitable, taking on the most challenging cases that will advance human rights. The Aboriginal Health Justice Project is a targeted health-law service for First Nations peoples and communities who have experienced discrimination in healthcare or medical negligence.
Indigenous Literacy Foundation	QLS made a \$500 donation as a part of the Lawlink Artwork prize, as nominated by Kiri Fabila	Supports First Nations Communities in improving literacy with a focus on early literacy and first language - but also by running programs to inspire the communities to tell and publish their own stories

Continuing to build our culture through COVID-19

When COVID-19 began to impact the Queensland community in March 2020, QLS immediately responded. All staff that were identified as being able to work in a location outside of the office were provided with equipment and information to safely set up a work station in their homes. For staff where this was not possible due to the nature of their roles, stringent health and safety protocols were put in place to ensure their safety.

During the period from March 2020 to June 2020, QLS had over 80% of employees working successfully from home.

QLS also recognised the importance of continuing to provide a safe space for mediations to take place. To facilitate this, strict hygiene and cleaning protocols were implemented and regularly reviewed to ensure they were in line with Queensland and Federal Government guidelines. This is ongoing.

SUSTAIN – sustain our good corporate performance via the QLS Council, subcommittees, corporate structure and business plans

Deliver results that balance the value provided to members and the public with our financial viability, risks and challenges

Our Council

In accordance with *the Legal Profession Act 2007* (LPA), Queensland Law Society Council is comprised of 12 elected members: four office bearers (President, Deputy President, Vice President and Immediate Past President) and eight members. In addition, the Attorney-General nominates a Council representative. The Council is elected for a two-year term, and the President is elected for a term of one year. In the second year of the Council's term, the elected Deputy President succeeds to the office of President. This means there are no more than 13 Council members in the first year and 12 Council members in the second year of a Council term. During the 2019-20 year, an election was held for the 2020 and 2021 Council (see 2019 election at page 73 below).

Our Council is responsible for leadership and governance of QLS, including the setting and review of the strategic plan and operating performance as reported via the CEO. The Council is also responsible for approving the annual budget and overseeing the financial management of QLS's affairs. Our Council ensures QLS meets the needs of, and represents, our legal profession.

The Council is committed to excellence in corporate governance and believes good corporate governance is consistent with respect, integrity and service—QLS's core values. Our Council uses the Australian Institute of Company Directors' Good Governance Principles and Guidance for Not-for-profit Organisations and the ASX Corporate Governance Principles and Recommendations as its benchmarks and as key guidance resources for QLS's corporate governance, with the Governance Committee considering and reviewing the updated 4th edition of the ASX Corporate Governance Principles and Recommendations in the discharge of its work.

The Council has delegated responsibility for management and day to-day operations to QLS's CEO, and the CEO has the authority to carry out these responsibilities in accordance with the directions and policies established by the Council. The CEO supports the Council in carrying out its governance functions and ensures that QLS operates in compliance with all statutory obligations.

Council subcommittees

The QLS Council has delegated a range of its powers to committees to ensure the efficient management of QLS's responsibilities. It operates three well-established subcommittees to help it carry out its core business:

1. *Executive Committee*: Makes decisions on practising certificate matters and related occupational matters arising under the LPA, and considers operational matters, including QLS committee appointments and resignations where required.
2. *Finance and Risk Committee (FRC)*: Responsible for overseeing and ensuring the integrity of the financial reporting process, monitoring the QLS's risk management framework, and overseeing the responsible investment of surplus funds in accordance with QLS's investment policies as well as overseeing the QLS's insurances.
3. *Governance Committee*: Responsible for reviewing and providing recommendations to Council on corporate governance policies, processes and practices in accordance with the ASX Corporate Governance Principles and Recommendations.

During the year, following review and recommendations of the Governance Committee, the Council reviewed and approved amendments to the Code of Conduct, Governance Charter, Policy Committee Charter and Constitution for Legal Ethics and Trust Accounting. It also approved the delegations manual and accepted the audit recommendations and performance audit recommendations by Queensland Audit Office (QAO). The Council has been kept up to date and noted interim audit reports and progress.

Our FRC is led by an independent chair, who is not a member of the Council but was originally appointed by the Council, based on a selection and recruitment process in February 2012. The Chair was reappointed in June 2019 by the Council for a two-year term. The Chair provides leadership to the FRC in fulfilling its duties and responsibilities, with the benefit of having current accountancy qualifications and other financial expertise and experience. Our current FRC Chair is Grant Wallace, Director at Libertate Family Office. Mr Wallace is a qualified Chartered Accountant and advisor with more than 30 years' industry experience spanning all facets of accounting and financial services.

During the financial year, the FRC Chair received remuneration of \$2100 per month plus GST from 1 July 2019 to 30 June 2020. Mr Wallace was paid an additional \$10,321 plus GST for further consultancy work. QLS does not operate an internal audit function. Sufficiency of controls is assessed through the external audit process conducted by the Queensland Auditor-General.

During the year, the FRC—in observing its charter—addressed matters relating to financial management and strategy, considered financial statements, investments, retained earnings, cyber risk, fraud and risk management, workplace health and safety reports and insurance and made recommendations to the Council.

QLS Election 2019

Our biennial Council election was held in October 2019. The conduct of the election was governed by the LPA and the Legal Profession (Society) Rules 2007, and for the second time running was conducted via an online e-elections platform supported by BigPulse. There were 10,164 QLS members eligible to participate in the election, and of that number, 114 members received manual ballots in the post as a result of their written request or failure to confirm a unique or valid email address.

By the close of the election, 1331 voted online and 20 voted via paper ballot. In contrast to previous election years, the roles of President and Deputy President was uncontested, with the contested roles for the 2019 election being the office of the vice-president and ordinary members of Council. The voting participation rate for the two contested positions in the 2019 Council election was 13.29% (in 2017 the voting turnout for the four contested positions was 26.95%). Our website received considerable traffic throughout the election, with 10,727 page views of election pages, with 4,511 of these page views being unique.

Other committees

Our Council has a number of long standing committees that have been established to assist it in discharging its statutory responsibilities and to carry out other business of QLS. These include:

- Committee of Management for the Fidelity Guarantee Fund: Established under s366 of the LPA to exercise delegated powers of the Council in managing the Legal Practitioners' Fidelity Guarantee Fund.
- Practice Management Course Committee: Established under Part 5 of the *Queensland Law Society Administration Rule 2005* to oversee the conduct and management of the Practice Management Course conducted by QLS.
- Continuing Professional Development Committee: Established under Part 6 of the *Queensland Law Society Administration Rule 2005* to assist Council in managing and monitoring the obligations of legal practitioners to complete Continuing Professional Development units each year.
- Ethics Committee: Established by the Council to assist, advise and report on matters relating to lawyers' professional ethics (For more information, see page 48).

All committee chairs, deputy chairs and members are appointed by the Council. Each committee is supported by an appropriately qualified and experienced QLS staff.

Council and Finance Risk Committee Meetings

During the financial year thirteen Council meetings and six Finance and Risk Committee (FRC) meetings were held. The attendance list for these Council and FRC meetings is set out below. 2018-19 Council and 2019-20 Council photos can be accessed on the website – qls.com.au –

Meetings held 2019-20

Name, firm	Role	QLS Council 2019-20		FRC 2019-20	
		Eligible to attend	Attended	Eligible to attend	Attended
Luke Murphy Accredited Specialist (Personal Injury), Succession Law Partner, MurphySchmidt Lawyers	Councillor 2019 President 2020 FRC Committee member 2020	13	13	5*	4
Elizabeth Shearer Doyle Family Law	Deputy President 2020 FRC Committee member 2020	7	7	5*	5
Kara Thomson Accredited Specialist – Personal Injury Law (Qld) Hughes and Lewis Legal	Councillor 2019 Vice president (appointed 23.01.2020) FRC Committee member 2020	13	13	4	3
Bill Potts Director, Criminal Lawyer, Potts Lawyers	President 2019 Immediate Past President 2020 FRC Committee member 2019 and 2020	13	10	6	4
Allison Caputo Special Counsel, Accredited Family Law Specialist Barry.Nilsson.Lawyers	Councillor 2020	7	6	-	-
Chloe Kopilovic Associate Director, FC Lawyers	Councillor 2019 and 2020	13	9	-	-
Justin McDonnell Partner, King & Wood Mallesons	Councillor 2020 (appointed 19.06.2020)	-	-	-	-
Kirstie Mackie Solicitor/Lecturer in Law, University of Sunshine Coast – Clinical Law	Councillor 2019 and 2020	13	9	-	-
Michael Brennan Trustee in Bankruptcy and Official Liquidator, Principal, Offermans Partners	Councillor 2019 and 2020 FRC Committee member 2019 and 2020	13	12	6	5
Philip Ware General Counsel, Stanwell Corporation Limited	Councillor 2020 FRC Committee member 2020	7	7	4	4
Rebecca Pezzutti Senior Associate, Wotton Kearney	Councillor 2020	7	7	-	-
William (Bill) Munro Director, Accredited Specialist – Personal Injury Munro Legal	Councillor 2020	7	7	-	-

Christopher Coyne Accredited Specialist Commercial Litigation	Vice President 2019 FRC Committee member 2020	6	6	2	2
Ken Taylor Accredited Specialist (Personal Injuries), Director, Purcell Taylor Lawyers	Immediate Past President 2019 FRC Committee member 2020	6	6	2	1
Peter Lyons	Councillor 2019 Vice President 2020 (resignation effective 22.01.2020)	8	4	1*	-
Travis Schultz Accredited Specialist (personal Injuries), Director, Travis Schultz Law	Councillor 2019	6	4	-	-
Paul Tully Accredited Specialist (Personal Injuries) Director, McInnes Wilson Lawyers	Councillor 2019 FRC Committee member 2020	6	3	2	1
Karen Simpson Director, Legal Services, Office of the Health Ombudsman	Attorney-General's nominee (concluded 12.02.2020)	8	6	-	-
Grant Wallace 2019-20 Director, Libertate Family Office	FRC Chair	1	1	6	6

*Invited guest to November 2019 FRC meeting

Ensuring risk management

QLS's risk is overseen by the FRC and Council, with a risk management and compliance framework that includes clear accountabilities for managing areas of risk and compliance, quarterly monitoring and updating of a centralised risk register and centralised fraud risk register and oversight of the framework and key risks. We perform risk assessments routinely when developing and reviewing policies, Council submissions and in the normal course of business. We also supply the FRC and Council with quarterly reports on QLS's risk register and fraud risk register. QLS's in-house legal team provides advice on risk and compliance issues and delivers regular compliance training to staff.

We have a well-established risk register that has improved accessibility and efficiency and assists executive staff to identify, classify, assess and monitor current risk and also seamlessly review archived risks. During the 2019-20 financial year, QLS continued to use the risk register to mitigate current risks, analyse residual risk trends as well as to identify, assess, monitor and report new organisational risks and fraud risks to the FRC and Council, in line with good governance practice.

Our ethics

QLS is a public sector entity under the *Public Sector Ethics Act 1994*, and in May 2016 approved the Queensland Law Society's code of conduct, which applies to all staff. During the financial year, we undertook an extensive review with QLS staff and stakeholders of the current code of conduct, with the final code of conduct anticipated to be presented to the Attorney-General for approval in the next financial year. QLS continues to encourage its Council, committee members, and business colleagues to partner with us in implementing our current code and to assist in the transitioning to the new code, once approved. New staff are made aware and educated in the importance of the code, requirements to ensure adherence and potential impacts if the code is breached. This training is included in on-boarding of all new staff. Complementing the Code of Conduct, is QLS's Gift Policy and Public Interest Disclosure (PID) policy, in which QLS staff, Councillors and stakeholders are asked to report any disclosures and for the latter, the Council are updated on any reported PIDs.

Our staff values of respect, integrity and service are reinforced in our people and culture policies and procedures and staff awards as well as staff performance agreements.

Right to information (RTI)

The RTI Act allows members of the public access to certain information controlled by government and government agencies. QLS supports RTI principles by operating in an open, transparent and accountable manner, while endeavouring to protect the privacy of members, the public and staff. QLS is required to report the number of applications made to it for access to documents under the RTI Act and submits these figures to the Department of Justice and Attorney-General for inclusion in its Right to Information and Information Privacy Annual Report. This report can be found on the Queensland RTI website. Our publication scheme is designed to release information we routinely make available to the public, without people having to apply through the formal RTI Act or the IP Act application processes. The publication scheme and its information are currently being reviewed and updated.

Information systems and record keeping

During 2018-19, QLS completed the Electronic Document and Records Management System (EDRMS) Project and moved the system to business as usual function. QLS is starting to realise the benefits of this system, with a number of business units already reducing paper usage. The system can also produce real time reporting, using the data within the system. This has resulted in business units increasing staff productivity by reducing the amount of time they spend on compiling information from a number of sources. The Information Management team developed a new section within this system to support the work of the Solicitor Support Services team. This part of the system has been secured in a way to ensure communications between the Support Services team and practitioners remains confidential. This has resulted in QLS being shortlisted for a coveted Records and Information Management Professionals Australasia (RIMPA) Award, to be announced in July 2020.

QLS has implemented a number of new internal policies relating to Information Management, including the Recordkeeping Policy, IP and Copyright Compliance Policy and Information Security Policy.

Work is continuing on the Queensland Law Society's Retention and Disposal Schedule: QDAN 674, with the objective for it to be completed by June 2021. Until then, the existing retention and disposal schedule along with the General Retention and Disposal Schedule will continue to be used to destroy public records of QLS.

Information privacy

QLS is committed to ensuring that personal information collected is dealt with in accordance with the Information Privacy Principles contained in the *Information Privacy Act 2009* (Qld) and the Australian Privacy Principles contained in the *Privacy Act 1988* (Cth). We continually review the procedures in place to prevent unauthorised access to, and use of, the personal information we collect and have raised awareness with Society staff regarding Privacy Awareness Week which took place in May 2020. QLS members and the public have the right to request access to any personal information which relates to them, and the right to request that the information be corrected should it be inaccurate.

QLS's Privacy Policy and Privacy Code of Practice can be found on our website: qls.com.au.

Our Corporate Structure

There are six departments and three teams that report to QLS's Chief Executive Officer:

- **Legal:** Provides in-house legal advice.
- **Membership and Engagement:** Provides marketing and communications services (excluding media releases) with an in-house design team, business development and events team.
- **Regulation:** Oversees QLS's regulatory arm in trust account investigations, external interventions, management of the Legal Practitioners' Fidelity Guarantee Fund, Records and Member Services as well as supporting the Legal Practitioners Admissions Board.
- **Finance and Facilities:** Oversees finances and in-house facilities.
- **Information Management:** Oversees the management of information, databases, information systems, associated business processes and IT.
- **QLS Ethics and Practice Centre:** Provides legal ethics and practice support guidance and education to QLS members as well as overseeing professional advancement with the roll out of Specialist Accreditation and Practice Management courses.
- **Policy, Public Affairs and Governance:** Advocates for QLS and the profession through submissions, public hearings, consultation and updates to the profession, oversees the QLS's reach in mainstream media through public comment, speeches and media releases and includes the office of the secretariat which oversees the governance of QLS, including risk management, insurance and implementation of QLS's reconciliation commitments.
- **Professional Development:** Oversees QLS's provision of continuing professional development, seminars, conferences, Symposium, and masterclasses.
- **People and Culture:** Oversees recruitment, staff performance and evaluation and people and culture policies and education.

Our leadership team

Rolf Moses

Chief Executive Officer
BCom, Dip Corporate Director, Post Grad Dip Counselling

Rolf joined Queensland Law Society in March 2018 as CEO having previously been a founding member and chair of the Queensland Law Society Wellbeing Working Group and a faculty member of the QLS Practice Management Course. Rolf has over 20 years' executive and leadership experience in the legal sector having occupied senior leadership roles in large, international legal firms throughout Australia and Asia. Rolf is an active facilitator and trainer, particularly in the areas of workplace culture and behaviour and is a Director of Lexon Pte Ltd and member of the Bond University Law Advisory Board.

Matt Dunn

General Manager, Policy, Public Affairs and Governance
BSc LLB (Hons) GAICD

Matt started at QLS in a policy and in-house legal role in 2005, establishing a successful policy team. He led that team until he took on the role of first Director of Policy at the Law Council of Australia in 2014. Matt returned to QLS in late 2015 to take on the role of Government Relations Principal Advisor, growing and maintaining QLS's vital relationships with government at both state and federal levels. Matt served as QLS's Acting CEO between February 2017 and March 2018 when he returned to a General Manager position with its heart in legal policy, public affairs and media engagement and corporate governance.

Matt shares his love of fine wine in a long-running and popular column in QLS's publication, *Proctor*.

Tony Keim

Media Manager
BA (Journalism)

Tony joined Queensland Law Society in early 2016 as the Media Manager of the newly created External Affairs division. He is responsible for promoting QLS's image with members, stakeholders and the general public, as well as representing its interests in external publications. Tony came to QLS after more than 25 years as a newspaper journalist, the last 17 years of which he worked as a senior crime and court reporter for Queensland's only metropolitan daily newspaper The Courier-Mail.

Lisa McKern

People and Culture Manager
Bachelor of Business Administration (Major Human Resources)

Lisa joined QLS in May 2019 as the People and Culture Manager and has experience working in a variety of industries including prominent not for profit and membership organisations. Lisa provides strategic and operational HR leadership and management to support QLS and its employees. Lisa has a strong working knowledge of contemporary HR and IR legislation and practices. Lisa's areas of expertise include providing guidance, coaching and support and partnering with stakeholders to build leadership competency. Lisa is also an active volunteer outside of QLS in her local community.

Megan O'Brien

Director, Information Management
BSocSc LLB GradCertProfLegalPrac GradDipDInfoM

Megan has nearly twenty years of experience working with information technology, projects and implementing change in the legal sector. She has held positions responsible for providing expert advice on strategy, policy, legislation and systems regarding all information management matters as well as leading digital transformation projects. Megan is a Churchill Fellow.

Jason Olsson-Seeto

General Manager, Membership and Engagement

Jason joined Queensland Law Society in October 2015 before taking on his current role in February 2016 and is responsible for driving its membership experience, marketing, communications, events, partnerships and sponsorships, QLS publications, social media channels, advertising and branding to ensure a commercially viable and relevant membership organisation. With more than 20 years' experience across marketing, sales, creative, advertising and digital industries, Jason has forged a career out of managing clients' advertising, branding, design, digital and business growth needs in a variety of industries. Prior to working with QLS, Jason worked with many renowned brands, including University of Queensland Business School, UnitingCare Queensland, BDO, Tritium, North Queensland Bulk Ports and Queensland Theatre Company.

Louise Pennisi

Corporate Secretary, Manager, Corporate Governance and RAP
BA/LLB LLM GIA (Cert) GAICD

Louise is tasked with overseeing corporate governance for Queensland Law Society as well as managing and monitoring QLS's reconciliation commitments, risk management and corporate statutory functions. Louise is also responsible for working with Council and the Executive Leadership Team to develop, implement and report on strategy. Louise joined QLS in 2010 and commenced in this role in March 2017.

Louise was admitted to practise as a solicitor in the Supreme Court of Queensland in 2006 and has extensive experience in succession and commercial law private practice as well as governance, risk management and policy law reform. Louise completed the AICD course in 2014, is a member of the Star of the Sea Parish Finance Council, Chair of the Star of the Sea Parish Workplace Health and Safety Committee and 2016-2018 Vice President of the Australian Breastfeeding Association.

Sandra Pepper

Head of Education
BA LLB

Sandra is a senior lawyer with over 20 years' experience in the legal profession. Sandra practised property and finance law before moving in to the legal Knowledge Management and Learning and Development fields. Her experience spans all stages of adult learning including strategy development, content creation and training delivery. She has a strong track record in implementing digital technology solutions to improve efficiencies and is a member of the QLS Innovation Committee.

Sandra is passionate about enabling lawyers, through continued education, to develop their professional skills and build successful careers, while maintaining wellbeing in a positive and inclusive cultural environment.

Leanne Perry

Chief Financial Officer
BComm (Accounting); CPA

Leanne joined QLS in September 2019 from a national not-for-profit organisation. She is responsible for all aspects of finance, facilities and administration functions. Leanne has more than 20 years' experience in various industries with a passion for values based organisations. Leanne brings strong experience in finance, facilities and governance.

Stafford Shepherd

Principal Ethics and Practice Counsel, QLS Ethics and Practice Centre
LLB LLM TEP J.P. (Qual) (Qld)

Stafford is the Principal Ethics and Practice Counsel of the Queensland Law Society and leads the QLS's delivery of leadership, ethical guidance and practice management support to the profession by direct engagement with solicitors and the broader legal community. Providing education and an ethical grounding to practitioners at every level of the profession, from law students to senior practitioners, is Stafford's passion. Stafford had a long and successful career in private practice (including running his own firm for many years) before joining QLS as an ethics guidance officer. He contributes significantly to several QLS Committees, including serving as secretary to the Ethics Committee, and serves as Executive Editor of the Australian Solicitors Conduct Rules 2012 in Practice: A Commentary for Australian Legal Practitioners.

Maree Westbrook

General Counsel, Office of General Counsel
LLB, LL.M, Grad. Dip. LP.

Maree's experience is predominantly with Queensland Government. She has been with the Queensland Law Society for a period of 12 years, commencing as a Solicitor in the Office of General Counsel in 2008 and is now General Counsel for the Queensland Law Society.

Craig Smiley

General Manager, Regulation
LLB (Hons)

Craig joined Queensland Law Society in June 2004 and heads our Regulation division. Craig's leadership spans Trust Account Investigations, the Legal Practitioners' Fidelity Guarantee Fund and External Interventions. Craig also leads QLS's Records and Member Services team and also works with the Legal Practitioners Admissions Board, the body responsible for making recommendations to the Supreme Court in respect of applications for admission to the legal profession in Queensland, to ensure QLS provides smooth-running and efficient secretariat services. He has practised as a solicitor and barrister, as well as a government lawyer.

Committees

Recognising member contributions

We thank all QLS policy committee Chairs, Deputy Chairs and members for applying their expertise and supplying their time throughout the year. In particular, we are grateful for the dedicated efforts of the Chairs and Deputy Chairs who are central to coordinating research and submissions, and engaging with priority stakeholders.

QLS would like to acknowledge the outgoing Chairs and Deputy Chairs:

- Shane Duffy – Chair RAP Working Group
- David Grace – Chair, Competition and Consumer Law Committee
- Anthony Haly – Deputy Chair, Competition and Consumer Law Committee
- Michele Sheehan – Chair, Succession Law Committee
- Angeline Behan – Chair, Technology and Intellectual Property Law Committee
- Peter Lyons – Chair, Innovation Committee
- Kim Walters – Deputy Chair, Technology and Intellectual Property Law Committee
- Kirsty Mackie – Chair, Elder Law Committee
- Simon Brown – Chair, Health and Disability Law Committee
- Lynda Ryle – Chair, First Nations Legal Policy Committee
- Justice Frances Williams – Deputy Chair, Litigation Rules Committee

Committees, Chairs and Deputy Chairs

Committee	Chair and deputy chair
Access to Justice /Pro Bono Law Committee	Chair: Elizabeth Shearer Deputy Chair: Stephen Herd
Accident Compensation /Tort Law Committee	Chair: Michael Garbett Deputy Chair: Luke Murphy
Alternative Dispute Resolution Committee	Chair: Toby Boys Deputy Chair: Paul Coves
Banking and Financial Services Law Committee	Chair: Michael Anastas Deputy Chair: Karla Fraser
Children's Law Committee	Chair: Damian Bartholomew Deputy Chair: Kate Grant
Competition and Consumer Law Committee	Chair: Kathryn Finlayson Deputy Chair: Tanja Mitic
Criminal Law Committee	Chair: Rebecca Fogerty Deputy Chair: Ken MacKenzie
Domestic and Family Violence Committee	Chair: Deborah Awyzio Deputy Chair: Tracey de Simone
Elder Law Committee	Chair: Rebecca Anderson Deputy Chair: Madeline Walsh
Family Law Committee	Chair: Kathy Atkins Deputy Chair: Margie Kruger
First Nations Legal Policy Committee	Chair: Ivan Ingram
Human Rights and Public Law Committee	Chair: Dan Rogers Deputy Chair: Emma Phillips
Health and Disability Law Committee	Chair: Margaret Arthur Deputy Chair: Karen Williams

Industrial Law Committee	Chair: Kristin Ramsey Deputy Chair: Giri Sivaraman
Innovation Committee	Chair: Peter Lyons
Insolvency and Reconstruction Law Committee	Chair: Scott Butler
Litigation Rules Committee	Chair: Andrew Shute Deputy Chair: Andrew Smyth
Mining and Resources Law Committee	Chair: James Plumb Deputy Chair: James Minchinton
Not for Profit Law Committee	Chair: Andrew Lind Deputy Chair: Paul Paxton-Hall
Occupational Discipline Law Committee	Chair: Calvin Gnech Deputy Chair: Andrew Forbes
Planning and Environment Law Committee	Chair: Michael Connor
Privacy and Data Law Committee	Chair: Anna Sharpe Deputy Chair: Adrian McCullagh
Property and Development Law Committee	Chair: Matthew Raven Deputy Chair: Kim Teague
Revenue Law Committee	Chair: Duncan Bedford Deputy Chair: David Stitt
Succession Law Committee	Chair: Angela Cornford-Scott Deputy Chair: Chris Herrald
Water and Agribusiness Law Committee	Chair: Brian Healey Deputy Chair: Alex Ramsey
Construction and Infrastructure Law Committee	Chair: Ross Williams Deputy Chair: Samantha Cohen
Franchising Law Committee	Chair: Derek Sutherland Deputy Chair: Simone Pentis
Technology and Intellectual Property Law Committee	Chair: Ben Thorn Deputy Chair: Ben Coogan
Committee of Management	Chair: Patricia Schmidt
Corporations Law Committee	Chair: Derek Pocock
CPD Committee	Chair: Rachael Miller
Early Career Lawyers Committee#	Chair: Clare McDonald Deputy Chair: Nick Knowlman
Equity and Diversity Committee	Chair: Ann-Maree David
Ethics Committee	Chair: Ben Cohen Deputy Chair: Joe Siracusa
Government Lawyers Committee#	Chair: Andrew Harris Deputy Chair: Natasha Camphorst
In-House Counsel Committee#	Chair: Philip Ware Deputy Chair: Eve Fraser

Practice Management Course Committee	Chair: Greg Spinda Deputy Chair: Natasha Hood
Professional Conduct Committee	Chair: Patricia Schmidt Deputy Chair: Deborah Awyzio
Specialist Accreditation Board	Chair: Peter Jolly Deputy Chair: Kathy Atkins
Specialist Accreditation Advisory Committee: Commercial Litigation	Chair: Paul Betros – for 2020 only
Specialist Accreditation Advisory Committee: Criminal Law	Chair: Nick Dore
Specialist Accreditation Advisory Committee: Succession Law	Chair: Angela Cornford-Scott
Specialist Accreditation Advisory Committee: Property Law	Chair: Anthony Boge
Specialist Accreditation Advisory Committee: Family Law	Chair: Kara Best
Specialist Accreditation Advisory Committee: Immigration Law	Chair: Glenn Ferguson
Specialist Accreditation Advisory Committee: Business Law	Chair: Vicki Comino
Specialist Accreditation Advisory Committee: Personal Injuries	Chair: Brady Cockburn
Specialist Accreditation Advisory Committee: Workplace Relations	Chair: Mitchell Devine

Many QLS members also volunteer their time and expertise to participate in Working Groups convened by QLS to address important topical issues. We thank all those members who do so.

Working groups, chairs and deputy chairs

Reconciliation Action Plan Working Group	Chair: Terry Stedman Deputy Chair: Magistrate Jacqui Payne
Wellbeing Working group	Chair: Phil Ware
QLS Cybersecurity and Scam Prevention Working Group	

#Membership committee

Sustaining through COVID-19

The Committee and Council carefully considered QLS's financial response to COVID-19 and held two extra Council meetings and one extra FRC meeting to consider budget scenarios and the member support package. The 2019-20 Council approved a support package for the membership of QLS which, in summary, provided a:

- **26% subsidy in the annual cost of individual practising certificates**
- **20% subsidy on the base professional indemnity insurance levy rates** for practitioners insured through Lexon Insurance Pte Ltd as a result of funding QLS released from its Law Claims Levy Fund. This was supported by the Lexon Board and reviewed by Lexon's actuaries.
- **50% subsidy on the full membership fee** for QLS's more than 11,000 members.

QLS secured a premium funding arrangement with Westpac bank, which allowed the costs of renewals to be funded by the bank at 2.95% interest and payable over 12 equal monthly instalments.

Additionally for FY2020-21, QLS offered its full members:

- A minimum of 10 free continuing professional development points
- Free full membership of QLS for any practitioner who was stood down or made redundant between 1 March 2020 and 30 June 2020 as a result of the COVID-19 situation.

We ensured an extensive financial response in supporting QLS members and the solicitor's branch of the Queensland legal profession, with more details regarding our support accessible at

[https://www.qls.com.au/For the profession/COVID-](https://www.qls.com.au/For_the_profession/COVID-)

19 LEGAL PROFESSION RESOURCES/Support package for Queensland's legal profession

IMPROVE – improving the QLS member experience

Continuing our efforts to offer value for our members with a focus on technology, service, connectedness, convenience, accessibility and collegiality

The value of membership

Our eight key pillars form the basis of our membership value proposition. Working with our members and the legal profession, we continue to review and refine these values to ensure they meet the needs of our membership base.

First to know

We ensure our members are the first to know about changes in the law. Knowing first helps identify opportunities, manage risks and provide better advice for clients.

Members can choose from the various channels we use to keep informed of topical issues and changes in the law.

We have provided the following resources for our members in 2019-20 to ensure they are first to know:

- Comprehensive COVID-19 resource hub for the legal profession
- Free and discounted face-to-face, livecast and on-demand informative events
- Practitioner resources through our Knowledge Centre
- Facebook Live events
- Emerge Newsletter- curated content for practitioners in their formative years of practice
- QLS Update, our weekly e-newsletter
- Proctor, our monthly magazine
- QLS blogs LawTalk and First Reading
- Dedicated Relationship Manager for early career lawyers.

Support

Being a lawyer can present unique challenges and pressures. Our services help members find balance, manage workplace challenges and lead a healthy life.

Through our LawCare services members can access financial and career advice support, wellbeing and nutritional support, and personal counselling (including individual counselling for your family members).

QLS's Wellbeing Working Group leads the organisation's wellbeing initiatives focusing on guidance, education, events and publications on health and wellbeing. More information on our Wellbeing initiatives can be found on page 49.

Education

Whether our members are early career lawyers or a leader who is ready to take the leap into a business management role, we offer a continuous learning journey. Our tailored programs suit all members at whatever stage of their career. Our educational events also help to ensure members achieve all of their CPD points.

In 2019-20, we offered a complete learning package to legal practitioners including:

- Bespoke practice support and firm-based ethics workshops
- Conferences and events such as our annual Symposium
- Face-to-face continuing professional development programs, livecast sessions and on-demand resources
- Modern Advocate Lecture Series
- Practice Management Course
- Specialist Accreditation.

Guidance

QLS offers ethical guidance, practice support and information for the profession and the public. Whatever the issue, we're here to help our members navigate their way to a solution.

During 2019-20, QLS offered our members:

- Phone Hotline – a first point of contact to help members understand and address ethical concerns
- Guidance statements – discrete wisdom on ethical issues
- Non-binding ethics rulings – to help reduce ethics disputes with other members
- QLS Senior Counsellors – confidential, free advice and support service
- The QLS Ethics and Practice Centre established 3 services in the wake of the COVID-19 pandemic: Employment Law Advice Service, General Manager Support Service and the Government Financial Assistance Service
- Law Foundation support services
- A large suite of legal profession forms and legislation and cyber security resources
- Trust accounting training
- Supreme Court Library of Queensland's free* online resources (LexisNexis, Thomas Reuters, Oxford University Press, Federation Press and CCH), training and education and sentencing information.

* If your firm holds ten or less practising certificates until at least 10 July 2020.

Connection

QLS offers opportunities to network and connect throughout the year. This helps our members socialise, stay anchored to the profession, build contacts, their practice and learn from others.

Unfortunately, a number of events had to be cancelled or postponed due to the COVID-19 pandemic, but on the road of recovery from COVID-19 we are planning a calendar of online and face-to-face events that will keep our members connected to their peers and the profession.

Some of the opportunities offered to our members in 2019-20 included:

- Our annual member New Year celebration
- Regional roadshows, workshops and events
- Symposium 2020
- Our annual ball.

A voice for all

With an ever-changing political, social and legal landscape, QLS offers a professional voice in the media, community and with government on matters of legal policy and reform. We also champion diversity and reconciliation.

Some of the ways we worked for good law and the public good in 2019-20 includes:

- Media engagement which was very positive this year with 3421 mentions of Queensland Law Society in media reports
- 29 policy committees and working groups
- QLS made 256 submissions on draft legislation
- 2019 Access to Justice scorecard data analysis and report which assessed the views of the Queensland legal profession about Queenslanders' access to justice
- Law Council of Australia (LCA) representation.
- Supported diversity-promoting associations and other initiatives, such as First Nations cultural initiatives and Pride in Law.

Protection

QLS offers protection to its members, their practices and the profession in general via professionals' financial, legal profession insurance and regulation of the profession.

In 2019-20, we offered our members protection through:

- the Professional Indemnity Insurance Scheme
- Free QLS Cyber Essentials Insurance for those practices protected by our Professional Indemnity Insurance Scheme
- Advisory services to support the profession in meeting required standards
- Issuing Practising Certificates to set standards and auditing practices to ensure those standards are met.

Recognition

QLS recognises hard work, sacrifice and commitment – both in our members and in the community through:

- A robust Member Rewards program
- Pin ceremony and honorary membership for those celebrating 25 and 50 years in the profession – see page 25 for our 25 and 50 year members in 2019-20
- Our annual legal profession dinner and awards
- Member profiles and judiciary appointments published across our social media channels and publications
- Specialist Accreditation mark of excellence – recognition for our members high level of competence and knowledge in their particular area of expertise
- The professional use of the QLS Member Logo

Information management strategic objectives

The strategic objectives for QLS's Information Management and Technology program support the broader QLS strategic objectives and include:

1. Driving information governance across the organisation to ensure compliance and management of our information assets through:
 - oversight provided by the Information Management and Technologies Governance (IMTG) Board
 - continuous improvement by developing, implementing and educating about our governing processes, policies and procedures, and
 - establishment of a rolling business systems improvement roadmap.
2. Extracting the best value from information management investments at QLS to exploit opportunities and avoid waste through:
 - successful delivery of information capability supported by integrated line of business systems
 - strategic alignment for delivery of services, and
 - improved member and public satisfaction with a focus on efficient, effective, informed and timely service provision.

Initiatives

The following activities under the IMBI (Information Management Business Initiatives) Program of Works were accomplished in the report year:

- Completion of the electronic document and record management system (EDRMS) project and transferring this project to business as usual. This platform allowed QLS to build a matter management system for the Solicitor Support Service. QLS continues to add enhancements to this system to leverage its capabilities and progress its digital agenda.
- Building a new QLS website. The expectation that this project will be finalised by the end of 2020. The new website will improve the navigation, accessibility and usability of QLS's online presence. It will offer personalisation to deliver relevant content to users.
- Implementation of ISO27001 policies and procedures to increase QLS's information security. Ongoing information security awareness and education as well as system hardening to strengthen our security posture.
- Commencement of the membership management system replacement project. A scope of work and procurement process was completed in this reporting year. QLS expects that the 2021 Practising Certificate Renewal process will use this new system.
- Procurement of an online learning management system. This is a new platform for QLS to expand its digital online learning and deliver education in a suitable way during this COVID-19 environment.

The overarching goal for the program of work is to firmly establish QLS's information management governance and service delivery. This will allow QLS to continue to grow its level of digital maturity, ensuring we can improve what we do for members, the broader Queensland legal sector and further, the Queensland community.

The legal landscape and plans for the future

The start of the new decade has brought about unprecedented change at a global, macro and micro level of which QLS has quickly adapted, by providing financial membership support for the profession, creating and rolling out COVID-19 professional assistance and services, being at the forefront of emergency legislation response and establishing QLS as the go to for breaking news in the Queensland legal profession. It is timely that QLS's Strategic Plan is almost at an end with the new 2020-21 financial year with plans to roll out a number of Strategic Planning Days and consultation for the new QLS 2021-25 Strategic Plan.

Operating plan 2019-20

Our new operating plan, effective 1 July 2020, will be the last plan under the 2017-21 Strategic Plan, which sees a continuation of QLS's strategic goals, objectives and key performance indicators, with a focus on COVID-19 operations during Q1 and Q2.

Our operating plan 2020-21 at a glance

Approved by Council on 19 June 2020

COVID-19

On 11 March 2020, the World Health Organisation (WHO) declared the coronavirus (COVID-19) a pandemic. This Operating Plan 2020-21 represents a balance of initiatives the Society will undertake to support members through the pandemic, with a specific focus on Q1 and Q2, as well as key activities the Society will roll out by Q4.

Our vision

Good Law. Good Lawyers. Public good.

Our purpose

Supporting our members and the profession to navigate through the challenges of and recovery from COVID-19 and to ensure members and the profession have more satisfying, balanced and rewarding legal careers and businesses. Promoting the value of solicitors in the community and supporting the professional values of fidelity, service and courage. Be the authoritative voice of solicitors in Queensland, speaking out for justice and the rule of law.

Strategic objectives for 2020-21

- Be at the forefront of identifying issues and market trends that may affect solicitors, helping them to prepare for the future by actively producing resources to assist them in the practice of law, with specific focus on COVID-19
- Promote the benefits of solicitors and positively differentiating the services of solicitors from other providers of legal services, with specific focus on COVID-19
- Actively represent Queensland solicitors with lawmakers and law enforcers, promoting laws that are necessary, just and workable, with specific focus on COVID-19
- Better connect and engage with our members and promote collegiality
- Continue to promote our professional values of fidelity, service and courage as a basis for active public involvement
- Continue to support good corporate governance and best practice governance arrangements

Success measures 2020-21

- We achieve our annual financial targets
- Membership and PC numbers are retained in accordance with budgeted forecasts including the conversion rate
- Measurable evidence of being listened to by government and members of Parliament
- Measurable evidence of stakeholders' increased engagement with Queensland Law Society
- Members express high levels of satisfaction with our website resources, facilities, events, guidance and committees
- Staff are engaged, collaborative and productive
- Benefits are realised and reported for QLS's projects

Advocate

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

- **** Priority **** Position QLS as a trusted advisor of law reform in Queensland by engaging with Government in areas of legislative reform important to supporting the profession and the community generally and navigating through the challenges of and recovering from COVID-19
- **** Priority **** Coordinating with Government, the Courts and key stakeholders to support and advocate for the continuation of legal work throughout the COVID-19 pandemic and in the recovery stages in supporting and upholding the administration of justice
- **** Priority **** Leading COVID-19 communications to the profession and the community by positioning QLS as a key conduit and stakeholder for legal notices to the profession
- Demonstrate a position of credibility and authority to the profession and the community by positively and strategically engaging the media and the community on issues affecting the law particularly as where impacted by COVID-19

Educate

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

- Introduce leading online CPD and conference delivery
- Lift the competence of the profession in cybersecurity, trust accounting and practice management
- Educate on innovation, new technologies and the future of the legal profession
- Continue the academic research project on the profession of the future and job readiness of graduate solicitors
- Review and reform the Practice Management Course and offer online delivery
- Develop online content delivery of Criminal Law and Personal Injury Accredited Specialist programs
- Implement the early career lawyers education syllabus
- Develop an online free CPD syllabus for members
- Continue to lead culture change in the profession towards a healthy and sustainable profession, particularly in dealing with sexual harassment, bullying and discrimination in the legal profession
- Develop and implement product lines of educational services to the profession and related industries which offer quality and value with economic intention

Connect

Connect the profession with each other and the public

- Roll out a further public marketing campaign to raise the profile of solicitors in the legal profession and the community, with a specific focus on COVID-19 legal services and support
- Enhance our knowledge and news hub and thought leadership by connecting practitioners through a digital platform
- Support education and guidance to regional practitioners and provide support and services to District Law Associations, with a specific focus on COVID-19 resources

Guide and protect

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

- **** Priority **** Publishing COVID-19 related guidance notes and resources to reflect and assist rapid changes and new practice developments with the profession as a result of the COVID-19 pandemic
- Development and implementation of a syllabus for Practice Support Interventions for sole, micro and small practices to equip those solicitors with business skills, financial literacy and corporate governance, including COVID-19 resources support
- Continue development of a syllabus for the Solicitor Advocate Qualifying Scheme for higher courts
- As required, provide the following additional member services during the COVID-19 period:
 - Employment Law Advice Service
 - General Manager Support Service
 - Government Grants Access Service
 - Financial planning and budgeting support

Sustain

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, with specific reference to COVID-19

- Membership recruitment and retention with a focus on future lawyers, suburban practitioners and in-house counsel
- Prepare, where possible, for the next stage of the QLS House Premises Refurbishment Strategy.
- Implement automation into finance processes where possible to achieve efficiencies
- Review and reform cost and process efficiencies
- Increase financial literacy within QLS
- Set revenue KPI targets and stretch targets, and provide support and analysis to achieve them
- Develop audio/visual production capability to enable QLS to produce high quality podcasts, video presentations and content streaming
- Develop new advertising model to replace one based on printed Proctor

QLS Culture

**** Priority ** To be diverse and inclusive and continue to strengthen our culture of member centricity and value through collaboration, collegiality, commerciality, efficiency and service.**

- Roll out a First Nations Cultural Outreach Strategy and First Nations Plan with a focus on profession Cultural support and education
- Apply for and be awarded the WGEA Employer of Choice for Gender Equality citation

Regulate

Regulate to uphold the good standing of all solicitors

- Finalise the LOL Scheme
- Preparations made for complimentary membership for eligible ILP members for a period of one year
- Implement a new trust account procedure

Improve

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

- **** Priority **** Implement technologies such as a Learning Management System to support our Learning and Development offering and provide learning support alternatives to overcome the challenges of COVID-19
- Strengthen our internal information management processes and systems for a robust cybersecurity and compliance stance
- Replace our key member management system with a contemporary portal to improve our members' digital experience
- Mature our use of data to develop relevant services, improve outcomes and inform decision making
- Offer eligible members an easy to access online portal for engagement in the inaugural QLS Future Leaders election

FINANCES

Comprising the results of Queensland Law Society Incorporated (parent entity), the Law Claims Levy Fund (LCLF) and QLS's wholly owned subsidiary, Lexon Insurance Pte Ltd (Lexon) and QLS Solicitor Support Pty Ltd

Our financial performance

Group results

In 2019-20, the Group made an operating deficit of \$10.2m after tax and net assets at 30 June 2020 were 148.7m, a decrease of \$10.2m from the previous year.

There was a \$7m impact in the group financial statements due to the COVID-19 relief package provided to the legal profession in Queensland which included a 20% subsidy on Professional Indemnity Insurance for Lexon insureds for the 2020-21 financial year. Due to the inter-relationship between the LCLF and Lexon, this is reflected in the unearned premium in LCLF and the unearned premium reserve in Lexon. This is a unique situation in the 2019-20 financial year.

Increased retained surpluses over a number of years has supported the Group's ability to take advantage of opportunities to deliver strategic improvements for members, including major projects in information management. These are ongoing and on track to deliver benefits within the 2020-21 year.

The impact of COVID-19 was felt across the Group in the March to June 2020 period of 2019-20. This saw most revenue lines remain static with the exception of investments which were negatively impacted. Insurance levies increased by \$1.4m which offset the increase in Insurance Claim expenses of \$1.5m.

Investment returns (distributions plus fair value movements through profit or loss) reduced from \$6.8m in 2018-19 to negative \$0.4m. This was caused by the significant volatility in the market caused by COVID-19. Investment income reduced by \$2.9m compared with the previous year.

Employee expenses for the Group increased by \$0.6m or 4% while overall group expenses increased by \$6.5m due to the \$7m impact of the Insurance subsidy provided to the profession as noted above.

Insurance scheme

Insurance scheme results are from Lexon and the LCLF. The scheme recorded an operating deficit before tax of \$9.5m (2019: \$5.3m). While levy rates remained unchanged at their lowest rates, the increased gross fee income of the profession combined with greater take up in top up contributed to a growth of \$1.4m in levies being collected. Claims expenses increased to \$21.2m (2019: \$19.3m).

Queensland Law Society Incorporated (parent)

Queensland Law Society Incorporated exceeded its overall financial targets, with a surplus of \$0.7m achieved against a budgeted deficit of \$1.1m including spend on projects. \$0.5m of the savings against budget related to the Information Management program of works (see below). QLS's results were significantly impacted by the COVID-19 pandemic with various conferences and events not being able to be held, reducing both revenue and costs. There was also underspend in employee costs of \$0.5m compared to budget.

Information Management (IM) program of works

The Council have previously approved \$3.8m to be drawn down from the Society's accumulated surpluses in order to fund major information management programs that will improve QLS's core systems and processes, thus providing benefits to our members. The key initiatives are a new membership database, website, learning management system and electronic document and records management system. During 2019-20 Council approved an additional \$0.4m to ensure adequate completion of these programs of work. At the end of the 2019-20 financial year, there is a remaining \$2.0m to be spent in the 2020-21 financial year.

Assets

Parent net assets at 30 June 2020 were \$66.5m, an increase of \$0.7m, due to the year's operating surplus.

Revenue

All revenue lines remained relatively static in 2019-20 compared to 2018-19. It should be noted though that COVID-19 impacted QLS's learning and member events in the last quarter of the financial year, reducing revenue.

Expenses

All expense lines also remained relatively static in 2019-20 compared to the prior year. COVID-19 significantly impacted expenses in the last quarter of the year due to the events planned that were unable to go ahead. These savings were offset by the additional expenditure on the Information Management programs in the 2019-20 year compared to 2018-19.

QUEENSLAND LAW SOCIETY INCORPORATED

Consolidated Financial Report
For the year ended 30 June 2020

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Queensland Law Society Incorporated
Consolidated Financial Report

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Queensland Law Society Incorporated

Statement of Comprehensive Income for the year ended 30 June 2020

		Consolidated		Parent Entity	
		2020	2019	2020	2019
		Actual	Actual	Actual	Actual
	NOTE	\$'000	\$'000	\$'000	\$'000
Revenue					
Fees and membership services	B1-1	17,278	17,282	17,297	17,299
Rent and administration revenue	B1-2	481	461	1,016	983
Grants and funding	B1-3	123	209	851	731
Insurance levies	B1-4	24,425	23,019	-	-
Investment income	B1-5	4,468	7,329	522	725
Realised gains/(losses) on investments	C4	-	320	-	-
Fair value gains/(losses) on investments	C4	(4,835)	(566)	-	-
Other income		316	231	282	272
Total revenue		42,256	48,285	19,968	20,010
Expenses					
Membership services and events	B2-1	2,711	2,607	2,682	2,547
Administration expenses	B2-2	7,510	7,120	4,859	4,290
Employee expenses	B2-3	14,569	13,940	10,541	10,873
Depreciation and amortisation	C5	1,478	1,241	1,253	1,189
Insurance claims	B1-4	19,477	17,930	-	-
Unearned premium reserves	C8-2(b)	4,593	1,178	-	-
Reinsurance costs	B1-4	1,422	1,265	-	-
Stamp duty	B1-4	1,922	1,855	-	-
Brokerage fees		130	130	-	-
Total expenses		53,812	47,266	19,335	18,899
Operating (deficit)/surplus before income tax		(11,556)	1,019	633	1,111
Income tax credit	F1-1	1,314	804	-	-
Operating (deficit)/surplus after income tax		(10,242)	1,823	633	1,111
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to operating result					
Increase/(decrease) in asset revaluation surplus	C5	79	106	79	106
Total comprehensive income		(10,163)	1,929	712	1,217

The accompanying notes form part of these statements.

Queensland Law Society Incorporated
Statement of Financial Position as at 30 June 2020

	NOTE	Consolidated		Parent Entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	59,773	67,970	34,742	33,398
Receivables	C2	1,550	882	666	564
Income tax receivable	F1-2	291	271	-	-
Reinsurers' share of unearned premiums	C8-2(b)	1,674	1,366	-	-
Insurance contract liabilities ceded	C8-2(a)	250	93	-	-
Total current assets		63,538	70,582	35,408	33,962
Non-current assets					
Investment in controlled entities	C3	-	-	19,000	19,000
Investments	C4	179,478	180,559	-	-
Property, plant and equipment	C5	29,632	30,128	29,330	30,011
Deferred tax assets	F1-3	6,313	4,986	-	-
Insurance contract liabilities ceded	C8-2(a)	451	638	-	-
Total non-current assets		215,874	216,311	48,330	49,011
TOTAL ASSETS		279,412	286,893	83,738	82,973
Current liabilities					
Payables	C6	32,587	40,965	15,886	16,018
Accrued employee benefits	C7	1,688	1,457	1,154	970
Unearned premium reserves	C8-2(b)	11,131	6,538	-	-
Income tax payable	F1-2	-	-	-	-
Provision for outstanding claims	C8-2(a)	17,022	15,635	-	-
Total current liabilities		62,428	64,595	17,040	16,988
Non-current liabilities					
Accrued employee benefits	C7	252	208	187	186
Provision for outstanding claims	C8-2(a)	68,016	63,179	-	-
Total non-current liabilities		68,268	63,387	187	186
TOTAL LIABILITIES		130,696	127,982	17,227	17,174
NET ASSETS		148,716	158,911	66,511	65,799
EQUITY					
Share capital		-	-	-	-
Accumulated surplus		123,154	133,428	40,949	40,316
Asset revaluation surplus		25,562	25,483	25,562	25,483
TOTAL EQUITY		148,716	158,911	66,511	65,799

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Statement of Changes in Equity for the year ended 30 June 2020

Consolidated	NOTE	Asset Revaluation Surplus \$'000	Accumulated Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2018		25,377	131,605	156,982
Operating result				
Operating surplus after income tax		-	1,823	1,823
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	106	-	106
Balance as at 30 June 2019		25,483	133,428	158,911
Adoption of AASB16	E3		(32)	(32)
Restated 1 July 2019			133,396	158,879
Operating result				
Operating surplus after income tax		-	(10,242)	(10,242)
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	79	-	79
Balance as at 30 June 2020		25,562	123,154	148,716

Parent Entity	NOTE	Asset Revaluation Surplus \$'000	Accumulated Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2018		25,377	39,205	64,582
Operating result				
Operating surplus after income tax		-	1,111	1,111
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	106	-	106
Balance as at 30 June 2019		25,483	40,316	65,799
Operating result				
Operating surplus after income tax		-	633	633
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	79	-	79
Balance as at 30 June 2020		25,562	40,949	66,511

The accompanying notes form part of these statements.

Queensland Law Society Incorporated
Statement of Cash Flows for the year ended 30 June 2020

	NOTE	Consolidated		Parent Entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts from the profession		36,442	39,984	18,522	18,559
Receipts from commissions and funding		274	371	1,026	893
Payments to suppliers and employees		(31,184)	(24,547)	(21,729)	(16,999)
Receipts collected for Society entities		-	-	24,424	23,019
Payments to Society entities		-	-	(20,030)	(23,954)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund		261	379	261	379
Payments to Legal Practitioners' Fidelity Guarantee Fund		(261)	(379)	(261)	(379)
Reinsurance payments		(1,423)	(1,266)	-	-
Claims and claims related payments		(14,114)	(10,609)	-	-
Interest received		714	1,071	522	725
GST receipts		2,799	3,419	747	995
GST paid to ATO		(1,044)	(2,102)	(1,645)	(2,046)
Income tax paid	F1-2	(19)	769	-	-
Net cash (used in)/generated from operating activities	C1	(7,555)	7,090	1,837	1,192
Cash flows from investing activities					
Purchase of investments	C4	(2,840)	(36,027)	-	-
Proceeds from investment redemptions	C4	-	36,027	-	-
Cash distributions received		2,775	-	-	-
Proceeds from disposal of property, plant and equipment		-	-	-	-
Payments for property, plant and equipment	C5	(577)	(524)	(493)	(468)
Net cash generated from/(used in) investing activities		(642)	(524)	(493)	(468)
Net increase/(decrease) in cash and cash equivalents held		(8,197)	6,566	1,344	724
Cash and cash equivalents at the beginning of the year		67,970	61,404	33,398	32,674
Cash and cash equivalents at the end of the year	C1	59,773	67,970	34,742	33,398

The accompanying notes form part of these statements.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

Queensland Law Society Incorporated ("QLS", or 'the Society') is the professional association for solicitors in Queensland constituted under the *Legal Profession Act 2007 (Qld)* (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.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Society and its controlled entities (the Group) has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with the Queensland Treasury's minimum Financial Reporting Requirements (FRR) for reporting periods beginning on or after 1 July 2019.

The Society is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note E3.

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

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.

Comparatives

Comparative information reflects the audited 2018-19 financial statements.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within twelve (12) months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within twelve (12) months after the reporting date, or the Group does not have an unconditional right to defer settlement to beyond twelve (12) months after the reporting date.

All other assets and liabilities are classified as 'non-current'.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the President and Chief Executive Officer of the Society at the date of signing the management certificate.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- strata title building which is measured at fair value;
- investments which are measured at fair value; and
- accrued employee benefits expected to be settled 12 or more months after reporting date, which are measured at their present value.

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Society include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Society include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Society's assets/liabilities and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

All assets and liabilities of the Society for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair market value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The portfolio of financial instruments held consists of collective investment schemes. The fair value of the financial instruments is determined using the closing unit price quoted by the investment manager adjusted for fees.

There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Society's investments and strata title building is outlined in Notes C4 and C5, respectively.

Present value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future cash outflows expected to settle (in respect of liabilities) in the normal course of business.

A1-6 THE REPORTING ENTITY

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the Society ("Parent Entity") and the entities it controls where these entities are material (refer to Note A3). The controlled entities are QLS Solicitor Support Pty Ltd (QSS), the Law Claims Levy Fund (LCLF) and Lexon Insurance Pte Ltd (Lexon). The Parent Entity and the controlled entities are referred to as "the Group". All transactions and balances internal to the Group have been eliminated in full.

The Parent Entity financial statements include all income, expenses, assets, liabilities and equity of the Society only.

A2 THE SOCIETY'S OBJECTIVES

The Society is responsible for specific statutory obligations under the *Legal Profession Act 2007* (Qld) which includes the issuance of practising certificates, maintenance of solicitors' records, and regulating the operation of solicitors' trust account records. The Society also provides membership services and events, continuing professional education, advisory support to members and the general public, and administers funds under the control of the Group, which extends to providing general insurance and services as licensed under the *Singapore Insurance Act*.

Major sources of income for the Group include annual fees for practising certificates and membership, continuing professional education to the legal profession, investment income, and insurance levies.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

A3 CONTROLLED ENTITIES

The Society wholly controlled the following entities at the reporting date:

- QLS Solicitor Support Pty Ltd (QSS): QSS commenced in October 2019 and provides legal services for the delivery of guidance, support and counsel to members of the Society and other legal practitioners on ethical and legal practice management issues. QSS also provides education and publications on legal ethics to the legal profession and practice management members of the Society and other legal practitioners.
- Law Claims Levy Fund (LCLF): LCLF is responsible for the management of professional indemnity claims of practitioners for the years 1987 to 1995, and the administration of insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the Queensland Law Society Indemnity Rule 2005. LCLF was wholly controlled for the whole year.
- Lexon Insurance Pte Ltd (Lexon): This Company was established on 23 June 2001 in Singapore and is 100% owned by the Society. The principal activity of Lexon is that of a captive insurer providing professional indemnity insurance to members of the Queensland legal profession via a Master Policy with the Society. Lexon was wholly controlled for the whole year.

Details of controlled entities are outlined below:

2019-20

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	78.1	19.0	24.2	(1.0)
Lexon Insurance Pte Ltd	100	166.2	116.8	22.0	(2.7)
QLS Solicitor Support	100	0.0	0.0	1.3	0.0

2018-19

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	83.1	23.0	25.7	2.2
Lexon Insurance Pte Ltd	100	162.0	109.9	21.7	(1.5)

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 Group 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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B1 REVENUE

B1-1 FEES AND MEMBERSHIP SERVICES

Memberships and practitioner fees are recognised as revenue within the period. Prepayment of fees is recognised as income in advance.

Membership services and events income is recognised as revenue when the service or event occurs. Prepayment of membership services and events is recognised as income in advance.

The adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* in 2019-20 did not change the timing of revenue recognition for Fees and Membership Services.

COVID-19 has not materially impacted the fees and membership services revenue in 2019-20, it will have a material impact in 2020-21. The Society provided significant discounts to membership fees and practising certificates for 2020-21, and courses and conferences will be impacted in 2020-21 due to the inability to deliver face to face events for at least a portion of the year.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Membership and practitioner fees				
Practising certificate fees	7,989	7,526	7,994	7,532
Member fees	5,460	5,330	5,467	5,336
Limitation of liability scheme	789	799	789	799
Specialist accreditation fee	209	264	209	264
Certificate of fitness	68	76	68	76
Late application levy	-	8	-	8
	14,515	14,003	14,527	14,015
Membership services and events				
Courses, conferences and events	1,725	2,160	1,732	2,165
Membership services and products	523	491	523	491
Advertising and subscriptions	219	256	219	256
Marketing and sponsorship	296	372	296	372
	2,763	3,279	2,770	3,284
Total fees and membership services	17,278	17,282	17,297	17,299

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B1-2 RENT AND ADMINISTRATION REVENUE

Rental revenue is recognised as income as it is received. Under the rules of the Act, certain operating expenses of the Society are recoverable from the Legal Practitioners' Fidelity Guarantee Fund (LPFGF) and the Legal Practitioners Admissions Board (LPAB).

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Rent	271	266	277	271
Body corporate administration fee	15	15	15	15
Management fees				
Lexon Insurance Pte Ltd	-	-	480	465
Law Claims Levy Fund	-	-	49	52
Legal Practitioners' Fidelity Guarantee Fund	159	134	159	134
Legal Practitioners Admissions Board	36	46	36	46
Total rent and administration revenue	481	461	1,016	983

B1-3 GRANTS AND FUNDING

Grants, donations and gifts are non-reciprocal in nature and are recognised as revenue in the year in which the Society obtains control over them.

The adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* in 2019-20 did not change the timing of revenue recognition for Grants and Funding.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Queensland Law Foundation	123	209	123	209
Law Claims Levy Fund	-	-	728	522
Total grants and funding	123	209	851	731

Queensland Law Foundation (QLF) provided grants for a number of projects and initiatives to benefit members, including LawCare services, the annual Symposium, webinars, and regional workshops.

The Law Claims Levy Fund (LCLF) is reimbursing costs incurred by the Society for execution of discrete projects relating to risk management in the profession. This includes the development of resources and educational units designed to reduce the exposure of solicitors with respect to compensation and/or damages claims. These resources include legal project management, the QLS Legal Ethics Course and Solicitor Advocates Course, and publications for practice support and risk management.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B1-4 INSURANCE LEVIES

Insurance levies are recognised as revenue at the commencement of the risk period covered by the policy and accrued proportionally over the period of coverage.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Insurance levies	24,425	23,019	-	-
Unearned premium reserve (Note C8-2(b))	(4,593)	(1,178)	-	-
Reinsurance costs	(1,422)	(1,265)	-	-
Net premium revenue	18,410	20,576	-	-
Claims expense	(21,161)	(19,258)	-	-
Reinsurance and other recoveries	1,684	1,328	-	-
Net claims incurred (Note C8-2(a))	(19,477)	(17,930)	-	-
Stamp duty	(1,922)	(1,855)	-	-
Underwriting expenses (Lexon administrative and operating expenses)	(6,480)	(6,099)	-	-
Underwriting result	(9,469)	(5,308)	-	-

B1-5 INVESTMENT INCOME

Distributions from investment income are recognised when declared by fund managers.

Realised gains/losses represent the net gains/losses on the sale of investments and are recognised when investments are sold during the course of the year. Fair value gains/losses are recognised monthly based on fluctuations in market prices of investments.

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.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Distributions from investments	3,754	6,258	-	-
Interest income	714	1,071	522	725
Total investment income	4,468	7,329	522	725

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B2 EXPENSES

B2-1 MEMBERSHIP SERVICES AND EVENTS EXPENDITURE

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Direct membership services and events expenditure				
Courses, conferences and events	523	692	523	692
Membership products and services	764	534	764	534
Printing and publications	250	310	221	250
Law Council capitation fees	1,174	1,071	1,174	1,071
Total membership services and events expenditure	2,711	2,607	2,682	2,547

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B2-2 ADMINISTRATION EXPENSES

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Indirect administration expenses				
Office administration and insurance	863	1,032	1,281	781
Actuarial fees	153	100	-	-
Audit fees * #	203	197	82	84
Bad debts (recovery)	(17)	17	-	5
Body corporate, electricity, rates and taxes	547	446	543	441
Captive managers fee	100	99	-	-
Catering, functions and entertainment	144	171	107	113
Regulatory audits and investigations	65	23	65	23
Directors' fees	328	373	-	-
Bank fees and finance costs	136	126	109	135
Information technology and related costs	1,271	1,021	762	605
Investment management fees	707	514	-	-
Office rent	9	167	-	-
Presentations, donations and gifts	76	120	72	120
Professional and consulting fees	1,177	1,162	689	756
Repairs and maintenance	250	248	248	246
Travel and vehicle costs	279	485	126	162
Liability capping scheme	311	321	311	321
	6,602	6,622	4,395	3,792
Council and committee costs				
Honorarium	414	432	414	432
Travel and accommodation	37	44	37	44
Catering and functions	13	22	13	22
	464	498	464	498
Total administration expenses	7,066	7,120	4,859	4,290

*Total audit fees paid to Queensland Audit Office for the Society relating to the 2019-20 financial year are estimated to be \$81,100 (2018-19: \$79,500). There are no non-audit services included in this amount.

#PricewaterhouseCoopers (PWC) Singapore performs audit and taxation services for Lexon while PricewaterhouseCoopers Brisbane provides taxation services to the Group. Audit fees payable to PWC Singapore relating to the 2019-20 financial year are estimated to be \$95,968 (2018-19: \$92,732). Taxation fees paid to PWC Brisbane are disclosed in the professional and consulting fee line above and in the 2019-20 financial year amount to \$31,080 (2018-19: \$36,563). In addition in 2019-20 there was \$17,340 paid to PWC Legal Brisbane (2018-19 \$0).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

B2-3 EMPLOYEE EXPENSES

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	12,519	12,138	9,088	9,514
Employer superannuation contributions	1,151	1,090	850	864
Movement in annual leave provision	158	(109)	93	(121)
Movement in long service leave provision	48	61	19	17
Staff training and development	31	40	38	42
Employee related expenses				
Workers' compensation premiums	46	42	37	37
Payroll taxes	578	637	385	484
Other employee benefits	38	41	31	36
Total employee expenses	14,569	13,940	10,541	10,873

Employee numbers

	Consolidated		Parent	
	2020	2019	2020	2019
Number of employees at year end	150	139	118	123
Number of full time equivalent employees at year end	124	122	96	107

Accounting policy – wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As the Group expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy – superannuation

Superannuation contributions are made to eligible complying superannuation funds based on the rates specified in the relevant conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period. Any contributions due but unpaid at reporting date are recognised in the Statement of Financial Position at current rates. As the Group expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy – workers' compensation premiums

The Group pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing staff, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note E1.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

C1 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 and banked at 30 June as well as deposits on call with financial institutions. The cash deposit accounts are interest bearing accounts which are readily convertible to cash at the Group's option. 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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Cash at bank	3,790	1,739	654	422
Cash deposit accounts	40,693	48,189	18,798	17,934
Term deposits	15,290	18,042	15,290	15,042
Total cash and cash equivalents	59,773	67,970	34,742	33,398

Reconciliation of operating result to net cash (used in)/generated from operating activities

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating (deficit) surplus after income tax	(10,242)	1,823	633	1,111
Adjustments for:				
Investment income	1,130	(5,947)	-	-
Adoption of AASB16 (including tax)	(340)	-	-	-
Add/(less) non-cash items:				
Depreciation and amortisation	1,478	1,241	1,253	1,189
Change in assets and liabilities:				
(Increase)/decrease in assets:				
Receivables	(650)	1,056	(102)	115
Movement in provision for bad debts	(18)	13	-	-
Increase/(decrease) in liabilities:				
Payables	(8,378)	1,467	(132)	(1,117)
Accrued employee benefits	275	(51)	185	(106)
Provision for outstanding claims	10,537	7,523	-	-
Tax related balances	(1,347)	(35)	-	-
Net cash (used in)/generated from operating activities	(7,555)	7,090	1,837	1,192

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

C2 RECEIVABLES

Receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is generally required within 30 days from invoice date. The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events.

A further allowance for impairment is calculated by applying the simplified approach to the calculation of lifetime expected credit losses. The percentage applied is calculated based on historical default rates with a forward-looking estimate adjustment which incorporates various risk factors appropriate for the class of receivable being assessed.

Other receivables generally arise from transactions outside the usual operating activities of the Group and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	239	345	8	117
Reinsurance recoverable	-	(7)	-	-
Less: provision for doubtful debts	(30)	(48)	-	-
	209	290	8	117
Prepaid expenses and other receivables	1,341	592	658	447
Total receivables	1,550	882	666	564

C3 INVESTMENT IN CONTROLLED ENTITIES

In June 2001, Lexon 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.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Investment in Controlled Entities	-	-	19,000	19,000

C4 INVESTMENTS

Investments held 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 documented investment strategies. 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. At 30 June 2020, investments are classified as non-current assets as they are kept long term and the full value will not be realised within the accounting year.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Investment in listed funds				
Opening balance	180,559	174,612	-	-
Additions	2,840	36,027	-	-
Additions via reinvestment	914	6,193	-	-
Disposal proceeds	-	(36,027)	-	-
Gain / (loss) on disposal	-	320	-	-
Fair value movements	(4,835)	(566)	-	-
Closing balance	179,478	180,559	-	-

Fair value measurements

Categorisation of fair values recognised as at 30 June 2020 are as follows:

		Consolidated		Parent Entity	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Fair Value Input	Type				
Level 1	None	-	-	-	-
Level 2	Investments	179,478	180,559	-	-
Level 3	None	-	-	-	-
		179,478	180,559	-	-

The portfolio of investments held consists of collective investment schemes. The fair value of the investments is determined by the market approach using the closing unit price quoted by the investment manager adjusted for fees.

Investments are placed as follows:

Lexon Insurance Pte Ltd

- Queensland Investment Corporation

Law Claims Levy Fund

- Queensland Investment Corporation

Legal Practitioners Fidelity Guarantee Fund

- Colonial First State

C5 PROPERTY, PLANT AND EQUIPMENT

C5-1 CONSOLIDATED

	Buildings	Plant and Equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Cost or valuation				
At the beginning of the year	27,359	8,910	-	36,269
Additions	-	405	172	577
Adoption of AASB16	-	326	-	326
Revaluations	82	-	-	82
At the end of the year	27,441	9,641	172	37,254
Depreciation				
At the beginning of the year	(684)	(5,457)	-	(6,141)
Charge for the year	(683)	(795)	-	(1,478)
Revaluations	(3)	-	-	(3)
At the end of the year	(1,370)	(6,252)	-	(7,622)
Net book value at 30 June 2020	26,071	3,389	172	29,632
2019				
Cost or valuation				
At the beginning of the year	27,250	8,539	-	35,789
Additions	-	524	-	524
Disposals	-	(153)	-	(153)
Revaluations	109	-	-	109
At the end of the year	27,359	8,910	-	36,269
Depreciation				
At the beginning of the year	-	(5,050)	-	(5,050)
Charge for the year	(681)	(560)	-	(1,241)
Disposals	-	153	-	153
Revaluations	(3)	-	-	(3)
At the end of the year	(684)	(5,457)	-	(6,141)
Net book value at 30 June 2019	26,675	3,453	-	30,128
Property, plant and equipment is stated as follows:				
30 June 2020				
At valuation	27,441	-	-	27,441
At cost	-	9,641	172	9,813
	27,441	9,641	172	37,254
Depreciation	(1,370)	(6,252)	-	(7,622)
	26,071	3,389	172	29,632
30 June 2019				
At valuation	27,359	-	-	27,359
At cost	-	8,910	-	8,910
	27,359	8,910		36,269
Depreciation	(684)	(5,457)	-	(6,141)
	26,675	3,453	-	30,128

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-2 PARENT ENTITY

	Buildings	Plant and Equipment	Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Cost or valuation				
At the beginning of the year	27,359	8,109	-	35,468
Additions	-	321	172	493
Revaluations	82	-	-	82
At the end of the year	27,441	8,430	172	36,043
Depreciation				
At the beginning of the year	(684)	(4,773)	-	(5,457)
Charge for the year	(683)	(570)	-	(1,253)
Revaluations	(3)	-	-	(3)
At the end of the year	(1,370)	(5,343)	-	(6,713)
Net book value at 30 June 2020	26,071	3,087	172	29,330
2019				
Cost or valuation				
At the beginning of the year	27,250	7,794	-	35,044
Additions	-	468	-	468
Disposals	-	(153)	-	(153)
Revaluations	109	-	-	109
At the end of the year	27,359	8,109	-	35,468
Depreciation				
At the beginning of the year	-	(4,417)	-	(4,417)
Charge for the year	(681)	(508)	-	(1,189)
Disposals	-	152	-	152
Revaluations	(3)	-	-	(3)
At the end of the year	(684)	(4,773)	-	(5,457)
Net book value at 30 June 2019	26,675	3,336	-	30,011
Property, plant and equipment is stated as follows:				
30 June 2020				
At valuation	27,441	-	-	27,441
At cost	-	8,430	172	8,602
	27,441	8,430	172	36,043
Depreciation	(1,370)	(5,343)	-	(6,713)
	26,071	3,087	172	29,330
30 June 2019				
At valuation	27,359	-	-	27,359
At cost	-	8,109	-	8,109
	27,359	8,109	-	35,468
Depreciation	(684)	(4,773)	-	(5,457)
	26,675	3,336	-	30,011

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-3 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 \$2,000 excluding GST. Plant and Equipment also includes Right of Use Assets under AASB16, refer to note E3. Buildings and leasehold improvements are recognised upon acquisition if the initial cost exceeds \$10,000 excluding GST.

C5-4 DEPRECIATION AND AMORTISATION

All assets including strata title building have limited useful lives and are depreciated or amortised using the straight line method over their estimated useful lives.

Assets are depreciated or amortised 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 or adjusted useful life of the asset. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods.

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

	2020	2019
<i>Asset Class</i>		
Buildings	2.5%	2.5%
Plant and Equipment	10% - 33%	10% - 33%

C5-5 IMPAIRMENT OF PLANT AND EQUIPMENT

All plant and equipment assets are assessed for indicators of impairment on an annual basis, or when the asset is measured at fair value, for indicators of a change in fair value or service potential since the last valuation was completed.

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 the Statement of Comprehensive Income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's 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 asset in prior years. A reversal of impairment loss for an asset is recognised in the Statement of Comprehensive Income.

C5-6 MEASUREMENT USING FAIR VALUE

The strata title building is measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. The building is reported at its revalued amount, being the fair value at the date of valuation using the market approach, less any subsequent accumulated

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-6 MEASUREMENT USING FAIR VALUE (continued)

depreciation. The building is independently revalued at least every three years to ensure the carrying amount does not materially differ from the fair value at reporting date.

A valuation of the strata title building was carried out as at 30 June 2020 using the Implicit Price Deflator for non-residential buildings indices to index the carrying amount of the building. Where there has been a material change in the index, revaluation increments are recognised in the asset revaluation surplus except where amounts reversing a decrement previously recognised as an expense are recognised as revenues. Consideration was given to the impacts of the COVID-19 pandemic, with all advice indicating minimal if any impact on building values. Revaluation decrements are only offset against revaluation increments for the same class of assets and any excess is recognised as an expense.

The fair values as at 30 June 2020 are all Level 2 – Strata Title Building.

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that assets class.

For assets revalued using indices, accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the “gross method”.

C6 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.

Income in advance relates primarily to receipts for insurance, membership fees and practising certificates for the upcoming year received during the renewal period prior to 30 June.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Income in advance	9,637	13,691	9,613	13,691
Unearned insurance levies	18,992	22,994	-	-
Trade creditors	350	132	227	169
Legal Practitioners' Fidelity Guarantee Fund	59	1	59	1
Law Claims Levy Fund	-	-	4,739	344
Lease Liability	250	-	-	-
Other payables and accruals	3,299	4,147	1,249	1,813
Total payables	32,587	40,965	15,887	16,018

C7 ACCRUED EMPLOYEE BENEFITS

Annual leave and long service leave

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in accrued employee benefits and measured as the present value of expected future cash outflows to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels and experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments are recognised in the Statement of Comprehensive Income.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	866	643	654	492
Long service leave	822	814	500	478
Total current accrued employee benefits	1,688	1,457	1,154	970
Non-current				
Long service leave	252	208	187	186
Total non-current accrued employee benefits	252	208	187	186
Current long service leave	822	814	500	478
Non-current long service leave	252	208	187	186
Total accrued long service leave	1,074	1,022	687	664

C8 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.

C8-1 INSURANCE CONTRACTS

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 beneficiary are classified as insurance contracts.

C8 PROVISIONS (continued)

C8-1 INSURANCE CONTRACTS (continued)

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.

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 measureable 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.

C8-2 INSURANCE LIABILITIES

Insurance liabilities comprise provision for outstanding claims and unearned premium reserves.

(a) Provision for outstanding claims

Central estimate

Full provision is made for the estimated cost of all claims admitted or intimated but not settled at balance 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 balance date. The central estimates are determined by reference to a variety of estimation techniques, generally based on statistical analysis of historical experience which assumes an underlying pattern of claims development and payments.

Central estimates are calculated gross of reinsurance with separate estimates made in relation to reinsurance recoveries based on the gross central estimate.

The net central estimate is discounted at the risk free rate of return to reflect present value.

Risk margin

Risk margins are determined by the Lexon Board and are held to mitigate the potential for uncertainty in the central estimate. The risk margin is determined by reference to industry analysis, historical experience and the judgement of experienced and qualified actuaries.

The probability of sufficiency is a statistical measure of the relative adequacy of the outstanding claims provision and is derived from a comparison of the risk margin with the net discounted central estimate. A 90% probability of sufficiency indicates that the outstanding claims provision is expected to be adequate 9 times out of 10. The Board aims to include risk margins such that the probability of sufficiency is in the range of 90%.

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Discount rates

The outstanding claims provision is discounted for the time value of money using risk free rates that are based on current observable, objective rates that relate to the nature, structure and terms of the future obligations.

The relevant discount rate is applied to the anticipated cash flow profile of the central estimate, including related reinsurance recoveries, determined by reference to a combination of historical analysis and current expectations of when claims and recoveries will be settled.

Outstanding claims

Outstanding claims reserves comprise outstanding claims, including provisions for claims incurred but not reported and reserves for case claims.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Opening provision for outstanding claims	78,814	72,549	-	-
Claims incurred	20,513	18,590	-	-
Claims paid during the year	(14,939)	(12,993)	-	-
Movement in claims handling provision	649	668	-	-
Closing provision for outstanding claims	85,038	78,814	-	-
Opening insurance contract liabilities ceded	(731)	(977)	-	-
Movement in reinsurance recoveries	30	274	-	-
Reinsurance receivables invoiced	-	(28)	-	-
Closing insurance contract liabilities ceded	(701)	(731)	-	-
Net outstanding claims	84,337	78,083	-	-
Law Claims Levy Fund	-	-	-	-
Lexon Insurance Pte Ltd	84,337	78,083	-	-
Net outstanding claims	84,337	78,083	-	-

Disclosed in the Statement of Financial Position as:	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current insurance contract liabilities ceded	(250)	(93)	-	-
Non-current contract liabilities ceded	(451)	(638)	-	-
Insurance contract liabilities ceded	(701)	(731)	-	-
Current provision for outstanding claims	17,022	15,635	-	-
Non-current provision for outstanding claims	68,016	63,179	-	-
Provision for outstanding claims	85,038	78,814	-	-
Net claims outstanding	84,337	78,083	-	-

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Outstanding claims (continued)

Maturity analysis

	<1 year	1 to 5 years	>5 years	Total
2020	\$'000	\$'000	\$'000	\$'000
Gross central estimate	17,022	33,960	7,926	58,908
Reinsurance recoveries	(250)	(421)	(34)	(705)
Net central estimate	16,772	33,539	7,892	58,203
Discount				(616)
Risk margins				19,977
Claims handling				6,773
Net claims outstanding				84,337

	<1 year	1 to 5 years	>5 years	Total
2019	\$'000	\$'000	\$'000	\$'000
Gross central estimate	15,635	33,528	4,740	53,903
Reinsurance recoveries	(93)	(638)	(14)	(745)
Net central estimate	15,542	32,890	4,726	53,158
Discount				(1,185)
Risk margins				19,986
Claims handling				6,124
Net claims outstanding				78,083

Risk margin

The risk margin (after allowance for CHE) included in the net outstanding claims is 33.0% (2018-19: 36.4%) of the central estimate, with a probability of sufficiency of approximately 90% (2018-19: 90%).

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Claims incurred development

Current year claims relate to risks borne in the current reporting year. Prior year claims relate to a reassessment of the risks borne in all previous reporting years and include releases of risk margins as claims are paid.

	For the year ended 30 June 2020			For the year ended 30 June 2019		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred						
Undiscounted	16,236	1,994	18,230	17,195	(954)	16,241
Discount	(218)	796	578	(463)	1,358	895
	16,018	2,790	18,808	16,732	404	17,135
Reinsurance recoveries						
Undiscounted	(94)	134	40	(60)	341	281
Discount	1	(11)	(10)	2	(9)	(7)
	(93)	123	30	(58)	332	274
Net claims						
Undiscounted	16,142	2,128	18,270	17,135	(613)	16,522
Discount	(217)	785	568	(462)	1,349	887
	15,925	2,913	18,838	16,673	736	17,409
Risk margins	6,687	(6,697)	(10)	6,479	(6,626)	(147)
Claims handling expenses	1,790	(1,141)	649	1,800	(1,132)	668
Net claims incurred	24,402	(4,925)	19,477	24,952	(7,022)	17,930

The Law Claims Levy Fund has stop loss insurance that caps the fund's liability at \$5,000,000 for payments made after 1 July 2001.

Lexon and the Law Claims Levy Fund have assessed the provisions for outstanding claims based upon an independent actuarial assessment as at 30 June 2020 by Mr Andrew Cohen (FIAA) and Mr Collin Wang (FIAA) of Finity Consulting Pty Ltd. The key assumptions are detailed in Note D1.

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned Premium and Reserves

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.

Where necessary, premium deficiency reserves calculated using actuarial methods on loss statistics are included in unearned premium reserves.

The unearned premium reserve has increased in 2019-20 due to the discount of 20% provided on the insurance premium for 2020-21 due to COVID-19.

Unearned premium and premium reserves

	2020	2019
	\$'000	\$'000
Opening unearned premiums	22,994	21,736
Movement in unearned premiums during the year	(4,002)	1,258
Closing unearned premiums	18,992	22,994
Opening unearned premium reserves	6,538	5,360
Movement in unearned premium reserves	4,593	1,178
Closing unearned premium reserves	11,131	6,538
To be earned within 12 months	30,123	29,532
To be earned in greater than 12 months	-	-
Total unearned premiums and reserves	30,123	29,532

Premiums have been recognised in accordance with the attachment of risk. As such, the premiums relating to the next financial year are recorded as unearned.

Net premium liabilities

	2020	2019
	\$'000	\$'000
Unearned premium	18,992	22,994
Unearned premium reserves	11,131	6,538
Total unearned premium and reserves	30,123	29,532
Reinsurers' share of unearned premium reserves	(1,674)	(1,366)
Net unearned premiums and reserves	28,449	28,166

Expected present value of future cash flows for future claims including risk margin

	2020	2019
	\$'000	\$'000
Undiscounted central estimate	20,122	20,692
Discount to present value	(361)	(749)
Discounted central estimate	19,761	19,943
Reinsurance and other costs	3,018	2,685
Claims handling costs	2,009	2,022
Risk margin	5,335	4,882
Expected present value of future cash flows for future claims including risk margin	30,123	29,532
Unearned premiums	18,992	22,994
Deficiency	11,131	6,538

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned Premium Reserves (continued)

Liability adequacy test

At reporting date, a liability adequacy test was 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 the Statement of Comprehensive Income by establishing a provision for losses arising from the liability adequacy test.

The probability of adequacy of the unearned premium reserves differs from the probability on the outstanding claims provision. The reason for the difference is that the former is a benchmark used only to test the sufficiency of the net unearned premium liability whereas the latter is a measure of the adequacy of the outstanding claims provision actually carried.

Accounting standards require the inclusion of a risk margin in insurance liabilities, but do not prescribe a minimum level of margin. Whilst there are established practices in the calculation of the probability of adequacy of the outstanding claims provision, no such guidance exists in relation to the level of risk margin to be used in determining the adequacy of net premium liabilities. The Group has adopted a risk margin of 24.5% (2018-19: 22.2%) to produce a 75% level of sufficiency on a net basis. This is the minimum level recognised in Australia as an industry benchmark for liability adequacy tests, in accordance with the Australian Prudential Regulatory Authority (APRA).

The application of the liability adequacy test in respect of the net unearned premium liabilities identified a deficiency in both years.

Maturity analysis

	<1 year	1 to 5 years	>5 years	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,792	12,205	6,004	22,001
Unexpired risk reserves - reinsurance	(37)	(202)	(99)	(338)
Net central estimate	3,755	12,003	5,905	21,663
Discount				(362)
Risk margins				5,335
Duty and other costs				1,478
Claims handling				2,009
Total unearned premium and reserves				30,123
2019				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,785	13,508	5,057	22,350
Unexpired risk reserves - reinsurance	(34)	(188)	(70)	(292)
Net central estimate	3,751	13,320	4,987	22,058
Discount				(752)
Risk margins				4,882
Duty and other costs				1,322
Claims handling				2,022
Total unearned premium and reserves				29,532

C9 LEASES

C9-1 LEASES AS LESSEE

A new accounting standard AASB116 *Leases* came into effect in 2019-20 resulting in changes to the Groups accounting for leases for which it is lessee. The transitional impacts of the new standard are disclosed in note E3.

Lexon leases office premises and motor vehicles under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The following table sets out the maturity analysis of future minimum lease payable under non-cancellable operating leases contracted for at 30 June 2020 but not recognised as liabilities.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	-	192	-	-
1 to 5 years	-	200	-	-
More than 5 years	-	-	-	-
Total	-	392	-	-

As disclosed in note E3, the Group has adopted AASB16 on 1 July 2019. These lease payments have been recognised as plant and equipment and lease liabilities on the balance sheet at 30 June 2020.

C9-2 LEASES AS LESSOR

Accounting policies – Leases as lessor

The Society recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Disclosures – Leases as lessor

(i) Details of leasing arrangements as lessor

The Society leases office space under 1 to 5 year operating lease arrangements.

Lease income from operating leases is reported as 'Rent' in Note B1-2. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

The Society does not have any finance leases.

(ii) Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the Society's operating leases.

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	152	142	152	142
1 to 5 years	102	202	102	202
More than 5 years	-	-	-	-
Total	254	344	254	344

D1 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.

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.

Certain critical accounting judgements in applying the Group's accounting policies are related to policyholder claims.

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 the Statement of Comprehensive Income. 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 claim payments are discounted to the calculation date for each claim year.

The projected future claims payments for each 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 losses, which were 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.

Key assumptions

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

- The ICD basis allows for the following development:

	Development Year						
Development Factor	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
Current Year	20.4%	20.4%	16.4%	7.0%	5.1%	3.5%	2.3%
Prior Year	20.4%	20.4%	16.4%	7.0%	5.1%	3.5%	2.3%

- The average cost per solicitor (used in the BF method) adopted is \$2,900 (2019: \$3,000).
- The Group has assumed reinsurance recoveries will be fully recoverable on a prompt basis.
- The Group has applied the zero-coupon yield for Government issued bonds to the expected future cash flows. This has resulted in a uniform discount rate of 0.40% (2019: 1.02%) per annum.
- The Group has assumed future inflation will be the same as average rate of past inflation, to the extent that it has been captured by the claims development data.
- The Group has included an allowance for claims handling expenses ("CHE") based on historical experience and projected expenses.

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key assumptions (continued)

- While the Group has calculated a central estimate, a risk margin at a 90th percent probability of sufficiency has been applied and the Group has adopted reserves at this level to maintain a higher level of adequacy.
- While claim numbers are not directly used in determining estimates, they are a good lead indicator. Given the policy is based on claims made, there is an assumption of minimal development post the end of the year.

The following key valuation assumptions have been used to estimate the unexpired risk reserve:

- The average cost per solicitor adopted is \$2,900 (2019: \$3,000)
- The estimated growth in solicitor numbers is 0% (2019: 3.5%)

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 valuation methodology.

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

Sensitivity analysis of key estimates

While the gross ultimate costs are sensitive to valuation assumptions, the net results are less sensitive due to the aggregate limits that apply which reduce the net exposure. The gross undiscounted unused exposure for all years totals \$102.2 million (2019: \$102.4 million) before risk margins; and \$82.2 million (2019: \$82.1 million) after allowing risk margins to the 90th probability of sufficiency. The unused net exposure per policy year ranges from \$0 to \$13.7 million (2019: \$0 to \$11.9 million) with an average of \$4.6 million (2019: \$4.8 million); however this increases to \$6.6 million (2019: \$6.6 million) in relation to years that have an outstanding balance.

The Group's results and Statement of Financial Position have been determined with a probability of sufficiency of 90%. As such, the sensitivity analysis shows the impact using this same measure before tax.

In relation to outstanding claim liabilities, the impacts on our estimated total provision due to changes in assumptions are:

- Reserve under estimation: A 10% (2019: 10%) reserve under estimation results in an additional gross undiscounted reserve of \$5.9 million (2019: \$5.4 million) and net discounted reserve (after risk margins) of \$8.4 million (2019: \$7.8 million) or 10% (2019: 10%) of the discounted net central estimate plus risk margins.
- Reserve over estimation: If estimated reserves on all years improved by 10% (2019: 10%) then it would result in a decrease in gross undiscounted reserve of \$5.9 million (2019: \$5.4 million) and the total net provision (after risk margins) would decrease by \$8.4 million (2019: \$7.8 million) or 10% (2019: 10%) of the discounted net central estimate plus risk margins.
- Discount rate: A half a percentage point decrease in discount rate from 0.4% (2019: 1.02%) to -0.10% (2019: 0.52%) would increase the provision by \$1.1 million (2019: \$0.9 million) or 1.3% (2019: 1.1%) 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 the provision by \$0.7 million (2019: \$0.6 million) or 0.9% (2019: 0.8%) of the discounted net central estimate plus risk margins.
- Cost per solicitor under estimation: An increase in the cost per solicitor from \$2,900 to \$3,400 (2019: \$3,000 to \$3,500) increases the provision by \$2.9 million (2019: \$2.4 million) or 3.4% (2019: 3.0%) of the discounted net central estimate plus risk margins.

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key assumptions (continued)

Sensitivity analysis of key estimates (continued)

- Cost per solicitor over estimation: A reduction in the cost per solicitor from \$2,900 to \$2,400 (2019: \$3,000 to \$2,500) reduces the provision by \$2.9 million (2019: \$2.4 million) or 3.4% (2019: 3.0%) of the discounted net central estimate plus risk margins.

The Group identified a premium deficiency. Sensitivity analysis in relation to the unearned premium reserves and premium deficiency is as follows:

- Solicitor number under estimation: A 10% (2019: 10%) under estimation results in an additional gross undiscounted reserve of \$2.7 million (2019: \$2.7 million) and net discounted reserve (after risk margins) of \$2.7 million (2019: \$2.7 million) or 9.4% (2019: 9.5%) of the discounted net unearned premium reserve estimate including risk margins.
- Solicitor number over estimation: A 10% (2019: 10%) over estimation results in a decrease in gross undiscounted reserve of \$2.7 million (2019: \$2.7 million) and net discounted reserve (after risk margins) of \$2.7 million (2019: \$2.7 million) or 9.4% (2019: 9.5%) of the discounted net unearned premium reserve estimate including risk margins.
- Cost per solicitor under estimation: An increase in the cost per solicitor from A\$2,900 to \$3,400 (2019: \$3,000 to \$3,500) increases the provision by \$4.7 million (2019: \$4.5 million) or 16.3% (2019: 15.8%) of the discounted net unearned premium reserve estimate including risk margins.
- Cost per solicitor over estimation: A reduction in the cost per solicitor from \$2,900 to \$2,400 (2019: \$3,000 to \$2,500) reduces the provision by \$4.7 million (2019: \$4.5 million) or 16.3% (2019: 15.8%) of the discounted net unearned premium reserve estimate including risk margins.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

D2-1 INSURANCE RISK

Lexon is a captive insurer and issues a single insurance contract to the parent (the Society) that transfers insurance risks of its parent to itself. This section summarises these risks and the way the Group manages them.

The risk in 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 a 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.

The Group manages its insurance risk through underwriting strategy, reinsurance strategy and amendment to the terms and conditions of insurance contracts.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

(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 the Society. Such a focus on one “insured” group does create a wider variability of outcomes 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
- 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 of Lexon 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 the Group’s main product – professional indemnity liability and the ways in which it manages the associated risks.

Product features

The Group 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 provision of legal services by the insured 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 claim 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 reserves. 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.

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 cost 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.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

(c) Terms and conditions of insurance contracts (continued)

Claims development history

	2013/14 & prior \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'001	Total \$'000
Gross								
Estimate of ultimate claims								
Costs:								
- at end of reporting year		16,447	15,869	18,184	19,879	17,363	16,411	
- one year later		15,340	15,247	16,475	18,895	18,051		
- two years later		13,196	13,390	14,290	18,680			
- three years later		15,878	14,842	12,859				
- four years later		15,941	14,710					
- five years later		16,257						
Cumulative payments to date		(13,001)	(9,879)	(8,570)	(8,315)	(4,811)	(800)	
Estimate of claims reserve		3,256	4,831	4,289	10,365	13,240	15,611	
Effect of discounting		(22)	(34)	(38)	(106)	(167)	(218)	
Best estimate of claims liability	7,281	3,234	4,797	4,251	10,259	13,073	15,393	58,288
Risk margin								19,976
Provision for claims handling								6,733
Total gross outstanding claims included in the Statement of Financial Position								85,038
Movement in accident year estimate before discounting and margins	2,553	317	(132)	(1,431)	(215)	688	16,410	18,190
Movement in excess receivable								40
Gross claims incurred								18,230
Net								
Estimate of ultimate claims								
Costs:								
- at end of reporting year		16,447	15,869	18,181	19,834	17,303	16,316	
- one year later		15,340	15,247	16,454	18,852	17,991		
- two years later		13,196	13,390	14,271	18,645			
- three years later		15,878	14,842	12,850				
- four years later		15,941	14,710					
- five years later		16,257						
Cumulative payments to date		(13,001)	(9,879)	(8,570)	(8,315)	(4,811)	(800)	
Estimate of claims reserve		3,256	4,831	4,280	10,330	13,180	15,516	
Effect of discounting		(22)	(34)	(38)	(106)	(167)	(218)	
Best estimate of claims liability	6,779	3,234	4,797	4,242	10,224	13,013	15,298	57,587
Risk margin								19,976
Provision for claims handling								6,733
Total net outstanding claims included in the Statement of Financial Position								84,336
Movement in accident year estimate before discounting and margins	2,669	317	(132)	(1,421)	(207)	688	16,316	18,230
Movement in excess receivable								40
Gross claims incurred								18,270

The Group 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.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-2 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 insurer is assessed from public rating information.

D2-3 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 (for the provision of legal services).

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the financial instrument.

Classification of financial instruments

Financial instruments are classified and measured as follows:

- Cash and cash equivalents
- Investments – held at fair value through profit or loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Group does not enter into transactions for speculative purposes, nor for hedging.

Financial risk management

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.

Management and the Council regularly review the Group's performance and ensure all investments held are within the approved mandate.

(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 Dollars.

The Group holds minor cash balances in Singapore Dollars.

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

Investments in income securities are predominantly hedged where a currency exposure exists.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(a) Currency risk (continued)

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

(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 an Australian fund manager.

The Group manages its exposure to interest rate risk through the setting of investment durations by the fund managers.

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

Duration and Tracking Error Limits (interest rate management)

The Modified Duration of the funds is constrained within a specified period either side of the Modified Duration of the Benchmark as contained in the relevant funds product disclosure statements.

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 (e.g. 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.

(c) Credit risk

There is no significant credit risk with respect to the collectability of premiums as the Group only underwrites risks from members. 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 nor impaired

At balance date no financial assets are past due nor 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.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired (continued)

Investments at fair value through profit or loss are redeemable on demand. These are placed with reputable fund managers.

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

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

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

Trade and other receivables include excess balances of \$61,353 (2018-19: \$77,500) which are more than one month past due. There is a provision of \$30,111 (2018-19: \$47,500) on these outstanding balances.

There were no reinsurance recoveries (2018-19: \$Nil) outstanding more than one month.

While provisions have been raised against outstanding excesses, the *Queensland Law Society Indemnity Rule 2005* gives power to the Society to take action against insured parties where any balances are outstanding.

(iii) Credit ratings

The following table shows the investment grades of balances due:

	Investment Grade (AAA to BBB) \$'000	Not rated \$'000	Total \$'000
At 30 June 2020			
Cash and cash equivalents	59,772	1	59,773
Reinsurers' share of outstanding claims reserves	701	-	701
Trade and other receivables	-	1,550	1,550
Financial assets at fair value through profit or loss	-	179,478	179,478
Total	60,473	181,029	241,502
At 30 June 2019			
Cash and cash equivalents	67,969	1	67,970
Reinsurers' share of outstanding claims reserves	731	-	731
Receivables	-	882	882
Financial assets at fair value through profit or loss	-	180,559	180,559
Total	68,700	181,442	250,142

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

In the management of liquidity risk, 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. A maturity analysis of unearned risk and premium reserves and outstanding claims reserves is provided in Note C8-2.

(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. Capital is calculated in accordance with Australian Prudential Regulatory Authority's guidelines.

Lexon 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 date, Lexon has met the fund solvency requirement for its Offshore Insurance Fund and the minimum capital adequacy requirement.

Management monitors the capital position using a risk based capital model.

(f) Sensitivity Analysis

Investments at fair value through profit or loss have had the following sensitivity analyses applied, which are based on the Australian Prudential Regulatory Authority's (APRA) General Insurance Prudential Standard GPS 114.

Interest rate sensitivity

Interest rate sensitivity measures the changes on the capital base from changes in real interest rates. The sensitivity has been determined by multiplying the nominal risk-free interest rate by -0.20 (downward stress) and 0.25 (upward stress), with a maximum stress adjustment of 200 basis points in either direction.

Inflation risk sensitivity

Expected inflation sensitivity measures the changes on the capital base from changes to expensed consumer price index inflation rates. The sensitivity has been determined by adjusting the expected inflation rates by adding 125 basis points (upward movement) and subtracting 100 basis points (downward movement).

Currency sensitivity

Currency sensitivity measures the changes in the capital base due to changes in foreign currency exchange rates. The sensitivity has been determined by applying a 25% increase and 25% decrease in exchange rates. An increase in the Australian Dollar is divided by 1.25 (or multiplied by 0.8) while a decrease is divided by 0.75 (or multiplied by 1.333). Only negative results are included in the calculation.

Equity sensitivity

Equity sensitivity measures the change on the capital base of a fall in equity and other asset values. For listed equities, the fall is determined by increasing the dividend yield on the ASX 200 index by 2.5%. For unlisted equities, the fall is determined by increasing the dividend yield on the ASX 200 index by 3.0%.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

(f) Sensitivity Analysis (continued)

Property stress

Property sensitivity measures the change on the capital base of a fall in property and infrastructure asset values. The fall is determined by increasing the rental yield (for property assets) or earnings yield (for infrastructure assets) by 2.75%.

Credit spread stress

Credit spread sensitivity measures the change on the capital base of an increase in credit spreads and the risk of default. The sensitivity has been determined by adding a spread (based on APRA credit spread and default factors) to the current yield on the asset and multiplying the reduced value of the asset by (1 – default factor).

In relation to currency stress test, APRA requires each fund to calculate the upward and downward impact for each foreign currency. For each foreign currency, if the stress test results in a profit, the impact is adjusted to zero. Only stress test resulting in losses are included in the calculations.

The below details the impact to investments at fair value through profit or loss before tax and before any aggregation benefits.

	2020	2019
	\$'000	\$'000
Stress Test		Upward impact
Interest rate	(296)	(266)
Inflation	(2,713)	(2,112)
Currency	(4,239)	(5,195)
		Downward impact
Interest rate	214	138
Inflation	2,312	1,839
Currency	(664)	(4,559)
Stress Test		Impact
Equity	(26,006)	(28,666)
Property	(2,610)	(2,193)
Credit spread	(6,138)	(4,616)

D3 COMMITMENTS

D3-1 CAPITAL EXPENDITURE COMMITMENTS

There was no capital expenditure contracted for 30 June 2020 but not provided for (2018-19: Nil).

D4 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

Lexon has a bank guarantee for \$108,031 (2018-19: \$108,031) in favour of the lessor of 307 Queen Street, Brisbane QLD 4000 which can be drawn upon in the event of a default in accordance with the rental agreement.

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

AASB 17 Insurance Contracts

AASB 17 will come into effect for financial periods beginning on or after 1 January 2021.

AASB 17 measures insurance contracts either under the general model or a simplified version of this called the 'premium allocation approach'. The general model is defined such that at initial recognition an entity measures a group of contracts at the total of (a) the amount of fulfilment cash flows, which comprise probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with those future cash flows and a risk adjustment for non-financial risk; and (b) the contractual service margin.

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date. The liability for incurred claims is measured as the fulfilment cash flows related to past services allocated to the group at that date.

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach on the condition that, at initial recognition, the entity reasonably expects that doing so would produce a reasonable approximation of the general model, or the coverage period of each contract in the group is one year or less.

The Group has yet to determine to what extent the changes will have on the measurement of outstanding claim liabilities and how this will affect the Group's profit and classification of cash flows. Based on our preliminary assessment, given the Group only has short term insurance contracts we are not expecting a material impact to the balances reported in these financial statements.

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel (KMP) and remuneration disclosures are made in accordance with the FRR, consistent with additional guidance included in AASB 124 *Related Party Disclosures*.

The following details for KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Society during 2019-20 and 2018-19. This is supported through the Council Charter which is available on the Society's website. Further information on these positions can be found in the body of the Annual Report.

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

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

(continued)

Position	Position Responsibility
President	Lead the Council in setting the corporate direction and goals and monitoring the performance of the Society. Each President is elected for a term of one calendar year. Supported by elected Council Members.
Deputy President	To provide direct support to President. The Deputy President succeeds to the office of President at the beginning of the second term.
Vice President	Supporting the President and Deputy President in the discharge of their duties. The Vice President holds office for a two year term.
Chief Executive Officer	To lead 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.

Position	Person	Start of Term	End of Term
President	Luke Murphy	1/01/2020	31/12/2020
President	William Potts	1/01/2019	31/12/2019
President	Ken Taylor	1/01/2018	31/12/2018
Deputy President	Elizabeth Shearer	1/01/2020	31/12/2020
Deputy President	William Potts	1/01/2018	31/12/2018
Vice President	Kara Thomson	23/01/2020	31/12/2020
Vice President	Peter Lyons	1/01/2020	22/01/2020
Vice President	Christopher Coyne	1/09/2017	31/12/2019

KMP Remuneration Policy

Remuneration entitlements are set by the Council. The Society does not bear any cost of remuneration for its Councillors. Remuneration packages for key management personnel comprise the following components:

Short term employee expenses which include:

- base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specific position;
- performance payments recognised as an expense during the year; and
- non-monetary benefits – consisting of provision of car parking, travel reimbursement (kilometres travelled) and accommodation (including fringe benefits tax where applicable).

Long term employee benefits include long service leave entitlements accrued during the period. There were no long term employee benefits paid in the reporting period.

Post-employment benefits include amounts in respect of employer superannuation contributions.

Termination benefits include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Policy (continued)

KMP remuneration

1 July 2019 – 30 June 2020

Position	Short Term Employee Expenses		Post Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits			
	\$'000	\$'000			
President					
1 January 2020 - 30 June 2020	131	3	11	-	145
President					
1 July 2019 - 31 December 2019	151	3	11	-	165
Deputy President					
1 January 2020 - 30 June 2020	43	3	4	-	50
Vice President					
1 January 2020 - 30 June 2020	43	3	4	-	50
Chief Executive Officer					
1 July 2019 - 30 June 2020	309	9	21	-	339

1 July 2018 – 30 June 2019

Position	Short Term Employee Expenses		Post Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits			
	\$'000	\$'000			
President					
1 January 2019 - 30 June 2019	150	3	10	-	163
President					
1 July 2018 - 31 December 2018	159	7	10	-	177
Deputy President					
1 July 2018 - 31 December 2018	43	3	4	-	50
Vice President					
1 January 2019 - 30 June 2019	43	3	4	-	50
Chief Executive Officer					
1 July 2018 - 30 June 2019	330	9	21	-	359

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Policy (continued)

Performance payments

The remuneration package for the Chief Executive Officer provides for performance payments to be made conditional on the achievement of key performance indicators (KPIs) specified in the CEO's employment contract and subject to discretionary approval by the Council.

Achievement of each KPI is measured on an annual basis. The Council retains discretion as to whether performance payments are made.

There was nil expensed in 2019-20 (2018-19: \$30,000) for bonus paid to the Chief Executive Officer.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

E2 RELATED PARTY TRANSACTIONS

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

	2020 \$	2019 \$
Management fees and recovery expenditure paid to the parent entity by:		
Lexon Insurance Pte Ltd	480,200	465,000
Law Claims Levy Fund	49,102	51,613
Legal Practitioners' Fidelity Guarantee Fund	159,881	134,511
Legal Practitioners Admissions Board	36,144	46,120
Grant funding paid by parent entity to QLS Solicitors Support	1,263,627	-
Gross premium paid by Law Claims Levy Fund to Lexon	21,736,533	20,849,159
Grant paid by LCLF to parent entity	727,985	522,235
Professional fees paid to a firm of which a councillor of QLS is a member:		
McInnes Wilson Lawyers	990	1,536
Potts Lawyers	14,940	12,450
Professional fees paid to a firm of which a director of Lexon is a member:		
McInnes Wilson Lawyers	615,461	610,436
Potts Lawyers	37,922	18,649
Other non-claim professional advice provided:		
McInnes Wilson	25,300	-
Management fees paid to a firm which a director of Lexon is a member:		
AON Insurance Managers (Singapore) Pte Ltd	100,000	98,538
Key management personnel compensation for Lexon:		
Directors' fees*	442,276	428,891
Other officers:		
Salaried and other short term employee benefits	1,210,885	1,066,007
Employer's contribution to defined contribution plans	83,802	75,795

* Includes \$57,300 of Directors' fees in relation to Mr Rolf Moses which were paid to QLS.

E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time – AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The Group applied AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. Comparative information for 2018-19 has not been restated and continues to be reported under AASB 1004 *Contributions* and AASB 118 *Revenue*. The nature and effect of the adoption of these new accounting standards are described below.

Special purpose grants

Grants and funding are received from the Queensland Law Foundation (QLF) and the Law Claims Levy Fund (LCLF). LCLF grants relate to the reimbursement of costs incurred by the parent entity for the execution of specific projects related to risk management in the profession. These grants are eliminated on consolidation. QLF grants relate to support for specific projects and events that directly benefit the Society's members. Under AASB 1058, these special purpose grants are recognised as liabilities (income in advance) and subsequently recognised as revenue progressively as the events to which they relate occur. This treatment is the same as previous accounting policy.

Volunteer services

The Group considered the application of AASB 1058 to any of the services provided to the parent entity by the members of the Society's committees. These committees are established under various charters and the Society's rules.

Whilst the committees provide a valuable means of engagement with members and enhance the value the Society brings to broader society, and their value could most likely be measured reliably, these services would not be purchased if they were not donated.

These services have therefore not been recognised under this new Standard.

Revenue recognition under AASB 15

The Group has reviewed the impact of AASB 15 and determined that the timing of revenue recognition for all revenue items remains unchanged under this new standard. The implementation of the new standard has therefore not had a material impact on the Group.

The Group considered two specific revenue items in more detail in reaching the determination that the timing of revenue recognition remains unchanged following the assessment of the impact of this new standard.

Firstly, whether a practising certificate constitutes a licence and that therefore revenue for that revenue type should be recognised on the date the contract to issue the licence is formed, which would be a change from previous accounting policy.

The Group concluded from its assessment that practising certificates constitute licences. As such, under this new standard, revenue would be recognised at the time the contract is formed. However, a practising certificate is a short term licence (because it is issued for a single year) and has no variable consideration as the fee is the same for all participants in the class of licence for which they are eligible.

The Group has therefore elected to adopt the exemption allowed under the standard and recognise the revenue over the full financial year or part year to which the certificate relates. This is the same outcome as under the previous applicable standard AASB 118: *Revenue*.

Secondly, whether the provision of membership of the Queensland Law Society constitutes a contract with accompanying performance obligations.

E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY (continued)

The Group concluded that membership is a contract because all the elements of a contract are present and that therefore the revenue falls under AASB 15; and further, that the provision of membership contains performance obligations that continue throughout the period of membership. Revenue for membership fees have therefore been recognised over the full financial year or part year to which the membership relates. This is the same outcome as under the previous applicable standard AASB 118: *Revenue*.

AASB 16 Leases

The Group applied AASB 16 *Leases* for the first time in 2019-20. Comparative information for 2018-19 has not been restated and continues to be reported under AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The nature and effect of the adoption of these new accounting standards are described below.

Impact for lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117) are reported on the Statement of Financial Position as right-of-use assets and lease liabilities. Right-of-use assets are disclosed as part of plant and equipment (note C5) and lease liability disclosed as part of payables (note C6).

The right-of-use asset is initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset gives rise to a depreciation expense.

The lease liability is initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Operating lease rental payments are no longer expensed in the Statement of Comprehensive Income. They are apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost is recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the Group has applied the "cumulative approach", and does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

Outcome of review as lessee

The Group completed its review of the impact of adoption of AASB 16 on the Statement of Financial Position and Statement of Comprehensive Income and identified the major impacts which are outlined below.

	\$'000
Right-of-use asset	326
Lease liability	(372)
Deferred tax assets	14
Decrease in opening accumulated surplus	(32)

E3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY (continued)

Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019

	\$'000
Operating lease commitments disclosed as at 30 June 2019	392
Discounted using the incremental borrowing rate	(20)
Lease Liabilities recognised as at 1 July 2019	372

Impact for Lessors

The parent entity acts as a lessor for parts of Law Society House. Lessor accounting under AASB 16 remains largely unchanged from AASB 117. Lease receipts from operating leases are recognised as income either on a straight-line basis or other systematic basis where appropriate.

Accounting Standards Early Adopted

No other Australian Accounting Standards have been early adopted for 2019-20.

Change in Accounting Policy

Other than AASB 1058 *Income of Not-for-profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*, which are detailed above, no accounting standards that apply to the Group for the first time in 2019-20 have any material impact on the financial statements.

F1 TAXATION

Income tax is recognised on consolidation.

Queensland Law Society Incorporated (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 Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 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.

Lexon is registered in Australia for income tax and has dual tax residency in Australia and Singapore. In relation to offshore insurance business, Lexon was extended for a period of 10 years from 17 February 2016 under the tax exemption scheme for captive insurers for Singapore taxation (exempt from tax). Lexon has met the requirements for continued qualification for the tax incentive scheme. Lexon is still liable to be taxed in Australia at a rate of 30% on its profits.

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 which affects neither accounting nor taxable profit nor loss at the time of the transaction.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2020

F1 TAXATION (continued)

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by balance 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.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

F1-1 INCOME TAX EXPENSE

	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:				
Current income tax	-	-	-	-
Deferred income tax (Note F1-3)	(1,315)	(803)	-	-
	(1,315)	(803)	-	-
(Over)/under provision in preceding financial years	-	-	-	-
Current income tax	-	(1)	-	-
Deferred income tax (Note F1-3)	1	-	-	-
Total income tax (credit)/expense	(1,314)	(804)	-	-

The tax expense on the Statement of Comprehensive Income differs from the amount that would arise using the standard tax rate due to the following:

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Operating surplus before income tax	(11,556)	1,019	-	-
Tax calculated at a tax rate of 30% (2018: 30%)	(3,467)	306	-	-
Effects of:				
Income not subject to tax	2,278	(992)	-	-
Prior year adjustments	(1)	(1)	-	-
Franking and other credits available	(124)	(117)	-	-
	(1,314)	(804)	-	-

F1 TAXATION (continued)

F1-2 INCOME TAX RECEIVABLE

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Income tax at the beginning of the financial year	(272)	(1,039)	-	-
Income tax refunded/(paid)	(19)	769	-	-
Current year income tax	-	-	-	-
(Over)/under provision in preceding financial years	-	(1)	-	-
Income tax receivable at the end of the financial year	(291)	(271)	-	-

F1-3 DEFERRED INCOME TAX BALANCES

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

	Consolidated		Parent	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Balance at the beginning of the financial year	4,986	4,183	-	-
Charge to profit or loss:				
- Adoption of AASB16	13	-	-	-
- Prior year adjustment	(1)	-	-	-
- Claims handling provision	195	200	-	-
- Allowance for impairment of receivables	(5)	4	-	-
- Unearned premium deficiency	(801)	353	-	-
- Unrealised investment movements	157	45	-	-
- Non-assessable distributions on investments	(306)	(67)	-	-
- Income losses	2,045	248	-	-
- Other timing differences	30	20	-	-
Total deferred tax assets	6,313	4,986	-	-
Net deferred tax asset at end of the financial year	6,313	4,986	-	-

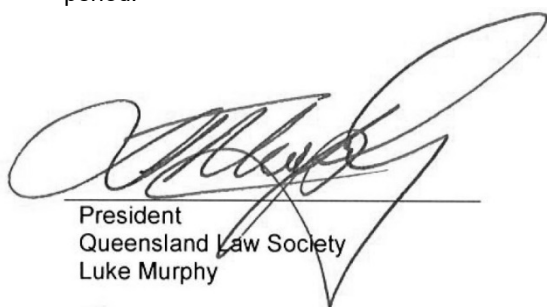
Queensland Law Society Incorporated

Management Certificate for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- b. 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 Queensland Law Society Incorporated and its controlled entities for the financial year ended 30 June 2020 and of the financial position of the Group as at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



President
Queensland Law Society
Luke Murphy

27/08/2020



Chief Executive Officer
Queensland Law Society
Rolf Moses

27/08/2020

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Law Society (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2020, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the Council 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for 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.

The Council is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



28 August 2020

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

LAW CLAIMS LEVY FUND

Financial Report

For the year ended 30 June 2020

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Law Claims Levy Fund

Statement of Comprehensive Income for the year ended 30 June 2020

	NOTES	2020 \$'000	2019 \$'000
Revenue			
Insurance levies	B1-1	24,425	23,019
Total levies		24,425	23,019
Other income			
Interest income		43	74
Investment income		914	2,719
Realised gains/(losses) on investments		-	320
Fair value gains/(losses) on investments		(1,228)	(416)
Other income		71	-
Total other income	B1-2	(200)	2,697
Total revenue		24,225	25,716
Expenses			
Administration expenses	B2-1	1,042	792
Audit fees	B2-2	21	20
Insurance premiums	B2-3	22,193	20,845
Stamp duty	B2-3	1,923	1,855
Total expenses		25,179	23,512
Operating result for the year		(954)	2,204
Other comprehensive income		-	-
Total comprehensive income for the year		(954)	2,204

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Financial Position as at 30 June 2020

	NOTES	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	C1	15,908	25,430
Receivables	C2	5,237	367
Total current assets		21,145	25,797
Non-current assets			
Investments	C3	56,990	57,304
Total non-current assets		56,990	57,304
Total assets		78,135	83,101
Current liabilities			
Income in advance	C4	18,992	22,994
Payables	C5	43	53
Total current liabilities		19,035	23,047
Total liabilities		19,035	23,047
Net assets		59,100	60,054
Equity			
Accumulated surplus		59,100	60,054
Total equity		59,100	60,054

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Changes in Equity for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Accumulated surplus		
Balance at 1 July	60,054	57,850
Total comprehensive income for the year	(954)	2,204
Balance at 30 June	59,100	60,054

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Cash Flows for the year ended 30 June 2020

	NOTES	2020 \$'000 Inflows (Outflows)	2019 \$'000 Inflows (Outflows)
Cash flows from operating activities			
Receipts from the profession and reinsurers		16,099	24,933
Payments to suppliers		(25,664)	(23,451)
Interest received		43	71
Net cash (used in)/generated from operating activities	C1	(9,522)	1,553
Cash flows from investing activities			
Proceeds from investments		-	36,027
Payments for investments		-	(36,027)
Net cash generated from investing activities		-	-
Net increase in cash and cash equivalents held		(9,522)	1,553
Cash and cash equivalents at the beginning of the financial year		25,430	23,877
Cash and cash equivalents at the end of the financial year	C1	15,908	25,430

The accompanying notes form part of these statements.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2020

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

Queensland Law Society Incorporated ('the Society' or 'QLS'), 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 of insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the *Queensland Law Society Indemnity Rule 2005*.

The Fund was wholly controlled by the Society for the whole reporting period.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Fund has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with the Queensland Treasury's minimum Financial Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The Fund is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within twelve (12) months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within twelve (12) months after the reporting date, or the Fund does not have an unconditional right to defer settlement to beyond twelve (12) months after the reporting date.

Investments are classified as 'non-current' as they are kept as long term and the full value will not be realised within the accounting year.

All other assets and liabilities are classified as 'non-current'.

A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except where stated otherwise.

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement costs methodology.
- The *income approach* converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Fund include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Fund's assets/liabilities. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Fund for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair market value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The fair value of investments is determined using the market approach and categorised into level 2 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

A1-5 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Queensland Law Society Incorporated's President and Chief Executive Officer at the date of signing the Management Certificate.

A2 THE FUND'S OBJECTIVES

The Fund administers insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the *Queensland Law Society Indemnity Rule 2005*. The main source of income is the collection of Professional Indemnity insurance levies for payment of insurance premiums to Lexon under the Master Policy in accordance with the Indemnity Rule.

The Fund continues to accumulate reserves in accordance with actuarial assessments for the benefit of all practitioners who have contributed to the Fund.

The fund is responsible for individual claims costs up to a predefined amount which varied per insurance year for the periods 1987 to 1995. In 2001, the fund entered into an aggregate policy with Lexon Insurance Pte Ltd to cap the sum of the individual claims that remained outstanding. This aggregate amount has not been exceeded and given the fund currently has no outstanding claims it is unlikely further claims expenses will be incurred.

B1 REVENUE

B1-1 INSURANCE LEVIES

Insurance levies are recognised as revenue at the commencement of the risk period covered by the policy and accrued proportionally over the period of coverage.

Additional levies may be imposed in accordance with the indemnity rules and are accounted for separately and disclosed as income of the Fund.

All insurance levies collected via the Queensland Law Society Incorporated renewal process were transferred to the Law Claims Levy Fund. The levies collected and any surpluses of the Fund can only be used in accordance with the Indemnity Rules for insurance purposes.

B1-2 OTHER INCOME

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.

Distributions from investments are recognised in profit and loss when declared by fund managers.

Realised gains/losses represent the net gains/losses on the sale of investments and are recognised when investments are sold during the course of the year. Fair value gains/losses are recognised monthly based on fluctuations in market prices of investments.

Other revenue of \$71k was received in 2019-20 as a distribution from the Liquidation Scheme of HIH (\$2k) and FAI (\$69k).

Law Claims Levy Fund

Notes to the Financial Statements for the year ended 30 June 2020

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

The Fund reimburses costs incurred by the Society for execution of discrete projects relating to risk management in the profession. This includes the development of resources and educational units designed to reduce the exposure of solicitors with respect to compensation and/or damages claims. These resources include legal project management, the QLS Legal Ethics Course and Solicitor Advocates Course and publications for practice support and risk management.

	2020 \$'000	2019 \$'000
Management fees paid to the Society	41	52
Projects relating to risk management in the profession - grant to the Society	739	522
	780	574
Investment managers' fees	249	173
Sundry expenses	13	45
Total administration expenses	1,042	792

B2-2 AUDIT FEES

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statement for 2019-20 are \$20,300 (2019: \$19,900). There are no non-audit services included in this amount.

B2-3 INSURANCE PREMIUMS

Insurance premiums are paid to Lexon Insurance Pte Ltd, a wholly owned entity of Queensland Law Society, under the Master Policy in accordance with the Indemnity Rules.

C1 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. 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:

	2020 \$'000	2019 \$'000
Current assets:		
Cash at bank	2,622	12
Short term deposits	13,286	25,418
Total cash and cash equivalents	15,908	25,430

C1 CASH AND CASH EQUIVALENTS (continued)

Reconciliation of the operating result for the year to net cash (used in)/generated from operating activities

	2020 \$'000	2019 \$'000
Operating result for the year	(954)	2,204
<i>Adjustments for:</i>		
Net investment income	314	(2,558)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(4,870)	642
Increase/(decrease) in payables	(10)	7
Increase/(decrease) in income in advance	(4,002)	1,258
Net cash (used in)/generated from operating activities	(9,522)	1,553

C2 RECEIVABLES

Receivables represent investment redemption, levies, GST, interest and distributions earned on funds held up to balance date which have not yet been received.

These financial assets are initially recognised at fair value plus transaction costs 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 Fund 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. A further allowance for impairment is calculated by applying the simplified approach to the calculation of lifetime expected credit losses. The percentage applied is calculated based on historical default rates with a forward-looking estimate adjustment which incorporates various risk factors appropriate for the class of receivable being assessed.

	2020 \$'000	2019 \$'000
Interest and distributions receivable	457	18
Levies receivable from the Society	4,739	344
GST receivable	41	5
Total receivables	5,237	367

C3 INVESTMENTS

Investments are held at fair value through profit or loss. The investments are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy.

	2020 \$'000	2019 \$'000
Investment in collective investment schemes	56,990	57,304

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

Law Claims Levy Fund

Notes to the Financial Statements for the year ended 30 June 2020

C4 INCOME IN ADVANCE

Income in advance relates to insurance levies collected from the profession during the renewals cycle in May in relation to the upcoming insurance year. Current year levies in advance relate to collections for the insurance year 1 July 2020 to 30 June 2021.

	2020	2019
	\$'000	\$'000
Levies received in advance for next financial year	18,992	22,994

C5 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.

	2020	2019
	\$'000	\$'000
Amounts payable to the Society	4	37
Investment management fees	-	-
Other payables and accruals	39	16
Total payables	43	53

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Fund 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.

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Fund becomes party to the contractual provisions of the financial instrument.

Classification of Financial Instruments

Financial instruments are classified as follows:

- Cash and cash equivalents (see note C1)
- Receivables – held at amortised cost (see note C2)
- Investments – fair value through profit or loss (see note C3)
- Payables – held at amortised cost (see notes C5)

The Fund does not enter into transactions for speculative purposes, nor for hedging.

Financial risk

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

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 investment mandate.

Law Claims Levy Fund

Notes to the Financial Statements for the year ended 30 June 2020

Management regularly reviews the performance and ensures all investments held are within the approved mandate.

All investments in income securities are predominantly 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.

Price and interest rate risk

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

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

Duration and tracking error limits (interest rate management)

- The Modified Duration of the funds is 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 (e.g. 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.

Sensitivity analysis

Financial assets at fair value through profit or loss have had the following sensitivity analysis applied, which are based on the Australian Prudential Regulatory Authority's (APRA) General Insurance Prudential Standard GPS 114.

Interest rate sensitivity

Interest rate sensitivity measures the changes on the capital base from changes in real interest rates. The sensitivity has been determined by multiplying the nominal risk-free interest rate by -0.20 (downward stress) and 0.25 (upward stress), with a maximum stress adjustment of 200 basis points in either direction.

Inflation risk sensitivity

Expected inflation sensitivity measures the changes on the capital base from changes to expensed consumer price index inflation rates. The sensitivity has been determined by adjusting the expected inflation rates by adding 125 basis points (upward movement) and subtracting 100 basis points (downward movement).

Currency sensitivity

Currency sensitivity measures the changes in the capital base due to changes in foreign currency exchange rates. The sensitivity has been determined by applying a 25% increase and 25% decrease in exchange rates. An increase in the Australian Dollar is divided by 1.25 (or multiplied by 0.8) while a decrease is divided by 0.75 (or multiplied by 1.333).

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis – continued

Equity sensitivity

Equity sensitivity measures the change on the capital base of a fall in equity and other asset values. For listed equities, the fall is determined by increasing the dividend yield on the ASX 200 index by 2.5 percent. For unlisted equities, the fall is determined by increasing the dividend yield on the ASX 200 index by 3.0 percent.

Property stress

Property sensitivity measures the change on the capital base of a fall in property and infrastructure asset values. The fall is determined by increasing the rental yield (for property assets) or earnings yield (for infrastructure assets) by 2.75 percent.

Credit spread stress

Credit spread sensitivity measures the change on the capital base of an increase in credit spreads and the risk of default. The sensitivity has been determined by adding a spread (based on APRA credit spread and default factors) to the current yield on the asset and multiplying the reduced value of the asset by (1 – default factor).

The below details the impact to investments at fair value through profit or loss before tax and before any aggregation benefits.

	2020	2019
	\$'000	\$'000
Stress Test	Upward impact	
Interest rate	(96)	(132)
Inflation	(867)	(620)
Currency	(1,371)	(1,087)
	Downward impact	
Interest rate	69	96
Inflation	752	535
Currency	(214)	(492)
Stress Test	Impact	
Equity	(8,432)	(8,911)
Property	(846)	(766)
Credit spread	(1,830)	(1,644)

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.

D3 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

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. As at 30 June 2020, there are no claims against the Fund.

From 1 July 2001, the Fund has a policy with Lexon Insurance Pte Ltd (Lexon) which capped its liability at \$5,000,000 for future claim payments up to and including the 1995-1996 insurance year. The Fund ceased to provide cover following the end of the 1995-1996 insurance year. Given the length of time it is unlikely that any further claims against the Fund will arise.

Based on actuarial advice in respect of the position of the Fund as at 30 June 2020 (Finity – August 2020), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2020, the Council is of the opinion that the funds on hand together with future investment income and deductibles, and in conjunction with Stop Loss cover with Lexon will ensure that all future claims will be met as and when they fall due.

There are no events subsequent to reporting date requiring disclosure in the financial report.

E1 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time – AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The Fund applied AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. Comparative information for 2018-19 has not been restated and continues to be reported under AASB 1004 *Contributions* and AASB 118 *Revenue*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

AASB 1058 Income of Not-for-profit Entities

AASB1058 has not had a material impact on the Fund as revenue continues to be recognised in the period to which it relates. This approach has not changed with the introduction of AASB 1058.

AASB 15 Revenue from Contracts with Customers

Whilst the Fund is not an insurer, the Fund has revenue from insurance levies. These levies continue to be recognised as revenue at the commencement of the risk period covered by the insurance policy and allocated proportionally over the period of coverage (a single financial year or less depending on the date the practitioner takes out coverage). This approach has not changed with the introduction of AASB 15.

The Fund has revenue from investment distributions, realised gains (which occur when an asset is sold) and interest. The types of revenue arise from contracts with the institutions with which the funds are invested. These continue to be recognised investment distributions when they are declared by fund managers, realised gains/(losses) when they are sold during the course of the year and interest as it accrues. This approach has not changed with the introduction of AASB 15.

AASB 15 had not had a material impact on the Fund.

No other accounting standards that apply to the Fund for the first time in 2019-20 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2019-20.

E2 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 Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 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.


Law Claims Levy Fund

Management Certificate for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- b. the financial statements have been drawn up so as to present 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 ended 30 June 2020 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



President
Queensland Law Society
Luke Murphy

27.08.2020.



Chief Executive Officer
Queensland Law Society
Rolf Moses

27.08.2020

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Law Claims Levy Fund.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity 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 the Australian Accounting Standards, and for 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.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Melissa Fletcher
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office
Brisbane

QLS SOLICITOR SUPPORT PTY LTD

Financial Report
For the period 10 September 2019
to 30 June 2020

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QLS Solicitor Support Pty Ltd

Statement of Comprehensive Income
for the period 10 September 2019 to 30 June 2020

NOTES		2020	2019
		\$	\$
Revenue			
Grant Funding	B1	1,263,627	-
Total revenue		1,263,627	-
Expenses			
Administration expenses	B2-1	34,930	-
Employee expenses	B2-2	671,169	-
Management Fees	B2-3	557,528	-
Total expenses		1,263,627	-
Profit before tax		-	-
Income tax		-	-
Profit after tax		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Statement of Financial Position as at 30 June 2020

	NOTES	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	C1	49	-
Receivables	C3	28,877	-
Total current assets		28,926	-
Total assets		28,926	-
Current liabilities			
Payables	C4	28,806	-
Total current liabilities		28,806	-
Total liabilities		28,806	-
Net assets		120	-
Equity			
Share capital		120	-
Accumulated surplus		-	-
Total equity		120	-

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Statement of Changes in Equity for the period 10 September 2019 to 30 June 2020

	2020	2019
	\$	\$
Accumulated surplus		
Balance at 1 July	-	-
Share capital issued	120	-
Total comprehensive income for the year	-	-
Balance at 30 June	120	-

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Statement of Cash Flows for the period 10 September 2019 to 30 June 2020

	2020	2019
	\$	\$
NOTES	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities		
Grant funding and share capital	1,284,316	-
Administration and employee expenses and other payments	(1,284,387)	-
Net cash used by operating activities	(71)	-
Cash flows from financing activities		
Share capital issued	120	-
Net cash from financing activities	120	-
Net increase in cash and cash equivalents held	49	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	49	-

The accompanying notes form part of these statements.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

QLS Solicitor Support Pty Ltd (QSS) was incorporated on 10 September 2019 and commenced operating on 1 October 2019.

QSS is an incorporated legal practice under the *Legal Profession Act 2007* and is a wholly owned subsidiary of Queensland Law Society Incorporated (the Society).

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

QSS has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

QSS is a private company and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to private entities.

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest dollar.

Comparatives

QSS commenced operating during the 2019-20 financial year. As such there is no comparative information.

A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except where stated otherwise.

A2 QSS'S OBJECTIVES

QSS's objectives are to provide legal services for the delivery of guidance, support and counsel to members of the Society and other legal practitioners on ethical and legal practice management issues. They also provide education and publications on legal ethics to the legal profession and practice management members of the Society and other legal practitioners.

A3 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by QSS's Chairperson and Public Officer at the date of signing the Management Certificate.

B1 REVENUE

QSS receives grant funding from the Society to contribute toward the cost of operating. Grants are recognised as revenue within the period they are received.

	2020	2019
	\$	\$
Grant funding		
Grant funding	1,263,627	-
Total revenue	1,263,627	-

B2 EXPENSES**B2-1 ADMINISTRATION EXPENSES**

	2020	2019
	\$	\$
Insurance	17,235	-
Professional and consulting fees	6,117	-
Travel and accommodation	3,535	-
Audit fees	5,100	-
Other administration expenses	2,943	-
Total administration expenses	34,930	-

B2-2 EMPLOYEE EXPENSES

	2020	2019
	\$	\$
Wages and salaries	586,315	-
Employer superannuation contributions	55,699	-
Movement in annual leave provision	3,954	-
Payroll tax	22,651	-
Workers compensation premiums	2,550	-
Total employee expenses	671,169	-

Accounting policy – wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at current salary rates. As QSS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy – superannuation

Superannuation contributions are made to eligible complying superannuation funds based on the rates specified in the relevant conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period. Any contributions due but unpaid at reporting date are recognised in the Statement of Financial Position at current rates. As QSS expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy – workers' compensation premiums

QSS pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing staff, but is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note E1.

B2 EXPENSES (continued)

B2-3 MANAGEMENT FEES PAID TO THE QUEENSLAND LAW SOCIETY INCORPORATED

	2020	2019
	\$	\$
Management fees	557,528	-
Total management fees paid to the Queensland Law Society Incorporated	557,528	-

QSS pays management fees to the Queensland Law Society Incorporated for services and resources used in the management and operating of the QSS business.

C1 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 and banked at 30 June as well as deposits on call with financial institutions.

	2020	2019
	\$	\$
Cash on hand	49	-
Total cash and cash equivalents	49	-

Reconciliation of the operating result for the year to net cash used in operating activities

	2020	2019
	\$	\$
Operating result for the year	-	-
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(28,877)	-
(Decrease)/increase in payables	28,806	-
Net cash used by operating activities	(71)	-

C2 FINANCIAL INSTRUMENTS

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when QSS becomes party to a contractual provision of a financial instrument.

Classification

Financial instruments are classified as follows:

- Receivables – held at amortised cost
- Payables – held at amortised cost
- Cash and cash equivalents

QSS does not hold any other financial instruments.

Liquidity risk

In the management of liquidity risks, QSS monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance QSS's operations and mitigate effects of fluctuations in cash flows.

QSS manages its expected cash flow requirements against the budget.

C3 RECEIVABLES

All receivables are recognised on an accrual basis and are carried at actual amounts. Receivables are measured at amortised cost which approximates their fair value at reporting date.

	2020	2019
	\$	\$
Prepayments and other receivables	28,877	-
Total receivables	28,877	-

C4 PAYABLES

Trade creditors are recognised on receipt of 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.

	2020	2019
	\$	\$
Funds received in advance	28,806	-
Total payables	28,806	-

D1 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There were no known contingent liabilities at 30 June 2020. There are no events subsequent to reporting date requiring disclosure in the financial report.

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel and remuneration disclosures are made in accordance with the *Financial Reporting Requirements of Queensland Government Agencies for Reporting Periods beginning on or after 1 July 2019* (FRR) (Queensland Treasury, April 2020), consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*.

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Board during 2019-20. The role of Chair is supported by the appointed board members.

Position	Position Responsibility
Chairperson	Responsible for chairing QSS Board meetings, chairing an QSS Shareholder meetings, overseeing functions performed by board members, leading the board, authorising operational matters and complying with its obligations under the <i>Corporations Act 2001</i> (Cth) and as an ILP director under the <i>Legal Professional Act 2007</i> (Qld).
Director	Responsible for governing QSS to ensure it is appropriately run – including overseeing proper financial accounts, insurance and risk, providing strategic guidance, decision making with due care and consideration and complying with its obligations under the <i>Corporations Act 2001</i> (Cth).

Position	Person	Start of Term	End of Term
Chairperson and Director	Mr Stafford Shepherd	10/09/2019	Current
Director	Mr Matthew Dunn	10/09/2019	Current
Director	Ms Leanne Perry	10/09/2019	Current

KMP Remuneration Policy

The board of directors of QSS is constituted by three (voluntary) directors under clause 50 of its Constitution.

The directors are not remunerated for their services to QSS.

E2 RELATED PARTY TRANSACTIONS

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

	2020 \$	2019 \$
Grant funding paid by parent entity to QSS	1,263,627	-

E3 TAXATION

QSS is a taxable entity and therefore subject to tax on any taxable income.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 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.

QLS Solicitor Support Pty Ltd


Management Certificate for the period 10 September 2019 to 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act I certify that in my opinion:

- a. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects;
- b. the financial statements have been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of QLS Solicitor Support Pty Ltd for the financial year ended 30 June 2020 and of the financial position of QSS as at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the Financial and Performance Management Standard 2019 for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Chairperson & Director
Stafford Shepherd

Public Officer & Director
Leanne Perry

24th 108, 2020.

27 108, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of QLS Solicitor Support Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of QLS Solicitor Support Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2020, and its financial performance and cash flows for the period 10 September 2019 to 30 June 2020.
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 10 September 2019 to 30 June 2020, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Melissa Fletcher
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office
Brisbane

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Financial Report
For the year ended 30 June 2020

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Legal Practitioners' Fidelity Guarantee Fund

Statement of Comprehensive Income for the year ended 30 June 2020

		2020	2019
	NOTES	\$'000	\$'000
Revenue			
Practitioner levies	B1-1	308	296
Investment income	B1-2	1,119	1,282
Realised gains/(losses) on investments	B1-3	-	19
Fair value gains/(losses) on investments	B1-3	(1,344)	889
Total revenue		83	2,486
Expenses			
Administration expenses	B2-1	231	168
Notified claims (net of reversals)	C6	569	2,064
Investment fees		53	62
Management fees paid to the Queensland Law Society	B2-2	158	134
Total expenses		1,011	2,428
Operating result for the year		(928)	58
Other comprehensive income		-	-
Total comprehensive income for the year		(928)	58

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Financial Position as at 30 June 2020

	NOTES	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	C1	375	735
Receivables	C2	59	3
Investments	C3	29,961	31,151
Total current assets		30,395	31,889
Total assets		30,395	31,889
Current liabilities			
Payables	C4	44	13
Income in advance	C5	287	279
Provision for notified claims	C6	286	891
Total current liabilities		617	1,183
Total liabilities		617	1,183
Net assets		29,778	30,706
Equity			
Accumulated surplus		29,778	30,706
Total equity		29,778	30,706

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Changes in Equity for the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	30,706	30,648
Total comprehensive income for the year	(928)	58
Balance at 30 June	29,778	30,706

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund
Statement of Cash Flows for the year ended 30 June 2020

		2020	2019
		\$'000	\$'000
	NOTES	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Contributions by practitioners and cost recoveries		261	379
Claim payments and administration expenses		(1,587)	(1,899)
Interest received		23	34
Net cash used in operating activities	C1	(1,303)	(1,486)
Cash flows from investing activities			
Proceeds from investments		943	1,732
Net cash generated from investing activities		943	1,732
Net increase/(decrease) in cash and cash equivalents held		(360)	246
Cash and cash equivalents at the beginning of the financial year		735	489
Cash and cash equivalents at the end of the financial year	C1	375	735

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2020

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

Queensland Law Society Incorporated ('the Society'), pursuant to s359 of the *Legal Profession Act 2007* (the Act) is required to maintain the Legal Practitioners' Fidelity Guarantee Fund (the Fund).

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Fund has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The Fund is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

A1-3 PRESENTATION

Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements.

Current/non-current classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within twelve (12) months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within twelve (12) months after the reporting date, or the Fund does not have an unconditional right to defer settlement to beyond twelve (12) months after the reporting date.

All other assets and liabilities are classified as 'non-current'.

A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except where stated otherwise.

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-4 BASIS OF MEASUREMENT (continued)

Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement costs methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Fund include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Fund's assets/liabilities. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Fund for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair market value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

The fair value of investments is determined using the market approach and categorised into level 2 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

A2 THE FUND'S OBJECTIVES

The Fund has been established for the purpose of providing a source of compensation for defaults by law practices arising from acts or omissions of associates of the law practices. A major source of income for the Fund is levies from legal practitioners.

A3 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Queensland Law Society Incorporated's President and Chief Executive Officer at the date of signing the Management Certificate.

B1 REVENUE

B1-1 PRACTITIONER LEVIES

Revenues are recognised at the consideration received net of any amount of GST payable to the ATO. Practitioner levies are recognised as revenue in the applicable membership year.

B1-2 INVESTMENT INCOME

Distribution from investments income is recognised when declared by fund managers.

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

	2020	2019
	\$'000	\$'000
Distributions from investments	1,097	1,248
Interest income	22	34
Total investment income	1,119	1,282

B1-3 GAINS/(LOSSES) ON INVESTMENTS

Realised gains/losses represent the net gains/losses on the sale of investments and are recognised when investments are sold during the course of the year. Fair value gains/losses are recognised monthly based on fluctuations in market prices of investments.

	2020	2019
	\$'000	\$'000
Realised gains/(losses)	-	19
Unrealised gains/(losses)	(1,344)	889
Total gains/(losses) on investments	(1,344)	908

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2020	2019
	\$'000	\$'000
Employee expenses	178	118
Audit fees	11	11
Legal fees	37	8
Sundry expenses	5	31
Total administration expenses	231	168

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2019-20 are \$10,800 (2019: \$10,600). There are no non-audit services included in this amount.

B2-2 MANAGEMENT FEES PAID TO THE QUEENSLAND LAW SOCIETY

	2020	2019
	\$'000	\$'000
Management fees	158	134
Total management fees paid to the Queensland Law Society	158	134

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2020

C1 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 Fund's option.

	2020	2019
	\$'000	\$'000
Cash assets	11	67
Cash deposit account	364	668
Total cash and cash equivalents	375	735

Reconciliation of operating result for the year to net cash (used in) operating activities

	2020	2019
	\$'000	\$'000
Operating result for the year	(928)	58
<i>Adjustments for:</i>		
Net investment income	247	(2,137)
(Gain)/loss on disposal of investments	-	(19)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(56)	70
Increase/(decrease) in payables	31	(74)
Increase/(decrease) in income in advance	8	12
increase/(decrease) in provision for notified claims	(605)	604
Net cash (used in) operating activities	(1,303)	(1,486)

C2 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 accruals basis and are carried at actual amounts less a provision for impairment.

The Fund 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. A further allowance for impairment is calculated by applying the simplified approach to the calculation of lifetime expected credit losses. The percentage applied is calculated based on historical default rates with a forward-looking estimate adjustment which incorporates various risk factors appropriate for the class of receivable being assessed. The table below is presented net of impairment.

	2020	2019
	\$'000	\$'000
Interest receivable	-	1
Practitioner levies receivable from the Society	59	1
GST receivable	-	1
Total receivables	59	3

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2020

C3 INVESTMENTS

Investments are held at fair value through profit or loss. The investments are managed and their performances are evaluated on a fair value basis, in accordance with a documented investment strategy.

	2020	2019
	\$'000	\$'000
Investment in managed funds	28,615	31,151

The portfolio of investments held consists of collective investment schemes. The fair value of the investments is determined using net asset value of the collective investment schemes. See Note B1-3 for details of gains/(losses) on investments.

Fair value measurements

All financial assets at fair value are classified as Level 2.

C4 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.

	2020	2019
	\$'000	\$'000
Payable to the Society for annual leave entitlements	11	1
Payable to the Society for long service leave entitlements	4	2
Other payables and accruals	29	10
Total payables	44	13

C5 INCOME IN ADVANCE

Income in advance relates to Fidelity Fund levies collected from the profession in relation to the upcoming insurance year. Levies are collected by the Society on behalf of the Fund. Current year levies in advance relate to collections in May and June 2020 paid to the Fund by the Society for the financial year 1 July 2020 to 30 June 2021.

	2020	2019
	\$'000	\$'000
Fidelity Guarantee Fund levies for upcoming year	287	279

C6 PROVISION FOR NOTIFIED CLAIMS

A provision is recognised when there is a present legal, equitable or constructive obligation as a result of a past event. It is recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

Key estimates

Notified claims represent the estimated liability in relation to claims which have been notified but not yet admitted as a claim. Claims are brought to account in the year they are notified.

	2020	2019
	\$'000	\$'000
Opening notified claims	891	287
Add notified claims (net of reversals)	569	2,064
Less payment of notified claims	(1,174)	(1,460)
Total provision for notified claims	286	891

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of claims liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including likely assessments of each claim based on facts present. 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.

Other than provision for notified claims disclosed in Note C6, 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.

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Fund becomes party to the contractual provisions of the financial instrument.

Classification of Financial Instruments

Financial instruments are classified as follows:

- Cash and cash equivalents (see note C1)
- Receivables – held at amortised cost (see note C2)
- Investments – fair value through profit or loss (see note C3)
- Payables – held at amortised cost (see note C4)

The Fund does not enter into transaction for speculative purposes, nor for hedging. The Fund's financial instruments consist mainly of deposits with banks and investment in managed funds

Financial risk

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

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price and interest rate risk

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

The Fund seeks to reduce risk by diversifying across a range of securities, maturities and counterparties.

Management regularly reviews the performance and ensures all investments held are within the approved mandate.

The Fund manages interest rate and price risks through sensitivity analysis. The sensitivity analysis is performed relating to the Fund's exposure to interest rate risk and price risk at the end of the reporting period. The sensitivity analysis demonstrates the effect on the current year profit which could result from a change in interest rate and price as follows:

	2020	2019
	\$'000	\$'000
Interest rate sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in interest rate by 1%	4	7
Decrease in interest rate by 1%	(4)	(7)

	2020	2019
	\$'000	\$'000
Price sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the unit price of managed funds, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in managed funds unit price by 5%	1,498	1,558
Decrease in managed funds unit price by 5%	(1,498)	(1,558)

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 against the budget. 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.

D3 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There are three contingent liabilities at 30 June 2020 (30 June 2019: Nil). Three claims have been received by the Fund (\$16.6m, \$0.4m and \$0.06m). Based on current claim assessments considering the validity of each of the claims, the Fund does not expect to incur a liability. However until the claims are rejected there remains some risk to the Fund.

There are no events subsequent to reporting date requiring disclosure in the financial report. Due to the balanced nature of the investment portfolio, the COVID pandemic has had minimal long term impact on the Fund.

E1 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time – AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The Fund applied AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers* for the first time in 2019-20. Comparative information for 2018-19 has not been restated and continues to be reported under AASB 1004 *Contributions* and AASB 118 *Revenue*. The nature and effect of the adoption of these new accounting standards are described below.

AASB 1058 Income of Not-for-profit Entities

The Fund receives practitioner levies under a statutory requirement. There is no "contract" between the Fund and the payer of the levy. The levies fall within the scope of AASB 1058.

AASB 1058 has not had a material impact on the Fund as revenue continues to be recognised in the period to which it relates. This approach has not changed with the introduction of AASB 1058.

AASB 15 Revenue from Contracts with Customers

The Fund has revenue from investment distributions, realised gains (which occur when an asset is sold) and interest. The types of revenue arise from contracts with the institutions with which the funds are invested. Current accounting policy is to recognise investment distributions when they are declared by fund managers, realised gains/(losses) when they are sold during the course of the year and interest as it accrues. Under AASB 15, the timing of recognition of these types of revenue has not changed.

AASB 15 has not had a material impact on the Fund.

No other accounting standards that apply to the Fund for the first time in 2019-20 have any material impact on the financial statements.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2019-20.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2020

E2 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 Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (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 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.

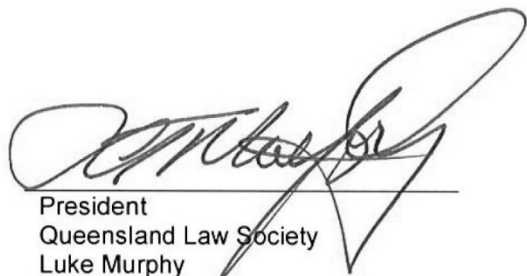
Legal Practitioners' Fidelity Guarantee Fund

Management Certificate for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- b. the financial statements have been drawn up so as to present 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 ended 30 June 2020 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



President
Queensland Law Society
Luke Murphy

27.08.2020.



Chief Executive Officer
Queensland Law Society
Rolf Moses

27/8/2020

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Legal Practitioners' Fidelity Guarantee Fund.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity 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 the Australian Accounting Standards, and for 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.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Melissa Fletcher
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office
Brisbane

QLS GENERAL CONTENT

Compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7 4
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1 5 203
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2 3
	<ul style="list-style-type: none"> Interpreter service statement 	Queensland Government Language Services Policy ARRs – section 9.3 3
	<ul style="list-style-type: none"> Copyright notice 	Copyright Act 1968 ARRs – section 9.4 3
	<ul style="list-style-type: none"> Information Licensing 	QGEA – Information Licensing ARRs – section 9.5 N/A
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10.1 3, 7, 20-23
	<ul style="list-style-type: none"> Machinery of Government changes 	ARRs – section 10.2, 31 and 32 N/A
	<ul style="list-style-type: none"> Agency role and main functions 	ARRs – section 10.2 3, 7-19, 72-79
	<ul style="list-style-type: none"> Operating environment 	ARRs – section 10.3 3, 7-19, 24-92
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community 	ARRs – section 11.1 N/A
	<ul style="list-style-type: none"> Other whole-of-government plans / specific initiatives 	ARRs – section 11.2 N/A
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.3 3, 7-19, 24-92
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.4 3, 7-19, 24-92
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1 91-92
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1 72-75, 77-79
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2 72-75, 77-79
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3 3
	<ul style="list-style-type: none"> Public Sector Ethics 	Public Sector Ethics Act 1994 ARRs – section 13.4 75

Summary of requirement		Basis for requirement	Annual report reference
	• Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	31, 62
	• Queensland public service values	ARRs – section 13.6	N/A
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	72 - 75
	• Audit committee	ARRs – section 14.2	72 - 75
	• Internal audit	ARRs – section 14.3	73
	• External scrutiny	ARRs – section 14.4	146-148, 166-167, 181-182, 199-200
	• Information systems and recordkeeping	ARRs – section 14.5	76
	• Strategic workforce planning and performance	ARRs – section 15.1	61-63
Governance – human resources	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	61-63
Open Data	• Statement advising publication of information	ARRs – section 16	https://data.qld.gov.au
	• Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 33.3	<u>N/A</u>
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	145, 165, 180, 198
	• Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	146-148, 166-167, 181-182, 199-200

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Glossary

ADR	Alternative Dispute Resolution
ARRs	Annual report requirements for Queensland Government agencies
ASX	Australian Stock Exchange
Call to parties	Queensland Law Society's pre-election document outlining the profession's concerns and priority areas
CBD	Central business district
CEO	Chief executive officer
COVID-19	Coronavirus
CPD	Continuing professional development
Cth	Commonwealth
DLA	District Law Association
DPP	Director of Public Prosecutions
EAP	Employee Assistance Program
ECL	Early career lawyer
E-newsletter	Electronic newsletter
EVP	Employee value proposition
FRC	Finance and Risk Committee
FTE	Full-time equivalent
Guidance statements	Documents that outline Queensland Law Society's guidance on a particular subject
IP Act	<i>Information Privacy Act 2009</i>
KPI	Key performance indicator
LawCare	Counselling and wellbeing assistance program for Queensland Law Society staff and members
LawTalk	Queensland Law Society's blog (medium.com/qldlawsociety)
Lexon	Lexon Insurance Pte Ltd, a wholly-owned subsidiary company of Queensland Law Society
LPA	<i>Legal Profession Act 2007</i> (Qld)
Minds Count	Organisation promoting mental health and wellbeing in the legal profession – formerly known as the Tristan Jepson Memorial Foundation
Open rate	The number of times an email has been opened
PC	Practising certificate
PMC	Practice Management Course
Proctor	Queensland Law Society's monthly magazine
QC	Queen's Counsel
QLS	Queensland Law Society
QLS Update	Queensland Law Society's weekly e-newsletter
QLS Symposium	Queensland Law Society's annual education conference for the Queensland legal profession
QSA	Queensland State Archives
RAP	Reconciliation Action Plan
RTI Act	<i>Right to Information Act 2009</i> (Qld)

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