



Queensland  
**Law Society**<sup>®</sup>

# **ANNUAL REPORT 2023-24**

**LEADING SOLICITORS IN QUEENSLAND**

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

**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.**

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# About this report

*Queensland Law Society's (QLS) 2023-24 annual report presents our corporate performance information for the period 1 July 2023 to 30 June 2024.*

This report records our activities, achievements and challenges for the 2023-24 financial year and evaluates them against our strategic and operating planning goals and targets. It also provides a summary of our corporate performance and priorities for initiatives in 2024-25 and in planning for the next Strategic Plan 2025-29.

It has been a year of positive change and significant achievement for QLS. The refurbishment of Law Society House was completed, we celebrated 150 years of the Queensland Law Society in all its iterations, our 2024 renewals process continued to improve, we farewelled outgoing CEO Rolf Moses and warmly welcomed CEO Matt Dunn in March 2024.

We launched into the third year of our strategic plan, furthering our vision of Leading Solicitors in Queensland and our purpose of:

- Good Law, Good Lawyers, Public Good
- To co-regulate solicitors in Queensland for the benefit of the profession and the public
- To be the authoritative voice of solicitors in Queensland
- To help our members succeed
- To connect the profession with Queensland Law Society and each other
- To respect, protect and promote human rights in our decision-making and actions

Across the organisation, we are continuing to advance and deliver on new goals and projects and our progress in our third year of the strategic plan is outlined in this document.

This annual report complies with Queensland Government reporting requirements. This report aligns with QLS's current operational plan and corporate performance against our strategic objectives of Advocate, Regulate, Guide, Educate, Connect, and Grow.

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## Our commitment to accessibility

This annual report can be accessed at [www.qls.com.au/annualreports](http://www.qls.com.au/annualreports), via the Queensland Parliament website or in print form by contacting us (see below).

Our website [www.qls.com.au](http://www.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 [www.data.qld.gov.au](http://www.data.qld.gov.au).

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# Feedback

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

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5 September 2024

The Honourable Yvette D'Ath MP  
Attorney-General and Minister for Justice and  
Minister for the Prevention of Domestic and Family Violence  
1 William Street  
Brisbane QLD 4000

Dear Attorney

I am pleased to submit for presentation to the Parliament the Annual Report 2023-24 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 185-186 of this document.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Rebecca Fogerty', with a stylized, cursive script.

**Rebecca Fogerty**  
President

Email: [president@qls.com.au](mailto:president@qls.com.au)

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# About us

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 our governance and setting the strategic direction.

Queensland Law Society Incorporated is the leading membership representative body and co-regulator for the legal profession of solicitors in Queensland and oversees the professional conduct of 15,258<sup>1</sup> practising solicitors. The Society also provides leadership, guidance and support to 12,741<sup>2</sup> members, across several categories spanning the breadth of a solicitor's career.

QLS is continued in existence under the *Legal Profession Act 2007* and is empowered by the Act to regulate the solicitors' branch of the legal profession in a co-regulatory capacity with the Legal Services Commission and the Bar Association of Queensland. The three bodies work together to administer the Act in the interests of the administration of justice with respect to practising certificates.

While we have regulatory powers, in keeping with our vision, QLS is a versatile, responsive and collegiate representative body. We support and advocate on behalf of the Queensland legal profession, and engage with government, the public and the legal sector on issues of importance to the profession and the wider community. We represent the profession with courage, fidelity and service in an ethically sound, calm and professional manner and much of our work advances the public good.

QLS empowers good lawyers, advocates for good law and serves the public good by providing a clear and reasoned voice for solicitors and the legal profession in Queensland.

Our purpose aligns with the Queensland Government's objectives for the community by supporting members and investing in skills to support members to find meaningful jobs and set up pathways for the future.

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

- 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
- advancing the public good, support and advancement of First Nations Community through the First Nations Cultural Outreach Strategy 2020-25
- high-quality, ethical support and guidance to Queensland solicitors, including direct ethical consulting, bespoke educational sessions and published guidance statements, through our wholly owned incorporated legal practice QLS Solicitor Support Pty Ltd
- clear, considered and balanced advocacy on matters of importance to the legal profession and the broader community
- accessible, high-quality, ongoing professional development and specialist accreditation
- 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, including the LawCare service
- support and guidance on trust account issues and trust account compliance, and
- direct practice support consultancy services to new and developing law firms throughout the state.

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<sup>1</sup> Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2024

<sup>2</sup> Ibid



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# Key performance indicators

## Performance overview

### Strategic and operational performance overview

The 2023-24 financial year marks the third year of QLS's four-year strategic plan 2021-25.

Our four-year strategic plan outlines six strategic objectives and seven measures of success (key performance indicators [KPIs]). Measurement of the third year of our strategic plan is outlined in our Operating Plan 2023-24, with our operating plan categorised by strategic objectives, key actions, 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. The performance also includes thoughtful commentary and reflection of how some initiatives have expanded and how they will continue into the final year of the strategic plan. Overall, there has been pleasing achievement this year across the strategic KPIs.

A summary of QLS's performance in the third year of its Strategic Plan 2021-25 and the annual Operating Plan 2023-24 is outlined in this report.

### Strategic Plan 2021-25

On 1 July 2021 QLS embarked on its new Strategic Plan 2021-25, which includes 14 key strategies that align with our six strategic objectives. Intertwined with our strategies are an assessment of strategic opportunities and risks and challenges. On 27 April 2023 the Strategic Plan was reviewed and revised by and during quarter four of 2023-24. Council began its comprehensive review of the Strategic Plan, in preparation of the new Strategic Plan 2025-29, which will continue into 2024-25.

Our strategic performance this financial year has been quite rounded across many of our measures of success from growing membership engagement to a thriving volunteer base to high levels of engagement internal and external to the Society and meeting financial targets. Tangibly, we have our completed, refurbished Law Society House.

Our strategic risks and challenges this financial year continued to focus on digital innovation and technology, and the Microsoft Dynamics client relationship management system (CRM) in its third year of renewals. Pleasingly, the refinement to renewals was evident in this year's renewals periods, with work and reflection continuing to build on the success of this year's renewals to further advance the digital innovation and work for renewals 2025. This financial year also saw significant planning to tighten and enhance the digital and cyber infrastructure of the Society, which will also continue into the next financial year.

Overall, the Society will continue to focus on its strategies and risk into the next financial year, with a pivot to Council governance, technology and regulation standards.

# Our operating plan 2023-24

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
Advocate	01. Continue to 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	1.1 Advocate to and engage with Parliament, Government and stakeholders to raise issues of concern to the profession	KPI1 KPI2 KPI3 KPI4 KPI5	30-Jun-24	Legal Policy	1.1.1 Ratio of 1:4 proactive to reactive legal policy submissions to relevant stakeholders	COMPLETED	1.1.1 COMPLETED – 174 submissions – proactive: 28, reactive: 146 (approximately 1:6). Focus has been on high level state based election advocacy, with a pivot recommended for FY25 on the QLD election.
		1.2 Host the Committee and Working Group Chairs Development Event				1.1.2 Achieve 200 stakeholder engagements		1.1.2 COMPLETED – 165 stakeholder consultations. Focus has been on high level state based election advocacy, with a pivot recommended for FY25 on the QLD election.
Advocate	02. Publish and report on the research projects – Graduate readiness and Practice readiness	2.1 Publish the reports of the research projects – Graduate readiness and Future readiness on the QLS website	KPI4 KPI5	30-Jun-24	Legal Policy	2.1.1 Reports published on QLS website	ACHIEVED	2.1.1 ACHIEVED – Job Readiness Report published on QLS website – 5 October 2023 with detailed analysis published on the QLS.
		2.2 Report on the research projects – Graduate readiness and Practice readiness				2.2 Report submitted to CEO		2.2 ACHIEVED – Report on graduate readiness and practice readiness submitted to CEO September 2023. The research was the first of its kind to be undertaken in the profession and the results have been used to inform research that is taking place at a national level by the Council of Australian Law Deans (CALD) and the Australian Professional Legal Education Community (APLEC).
Regulate	03. To review the Tax and Superannuation Policy	3.1 To review the operation of this policy with respect to all facets in particular: <ul style="list-style-type: none"> <li>The number and types of declaration</li> <li>The enforcement practices that have developed out of the policy</li> <li>The cost of investigations under the policy</li> <li>The intelligence value of the declarations</li> <li>The philosophy underpinning the disclosure of taxation and superannuation breaches</li> <li>The efficacy of the policy vis a vis the ATO enforcement operations and s68 LPA 2007</li> <li>Whether the Society should seek incorporation of the policy as a suitability issue at ss9 and 46 LPA</li> <li>Funding arrangements</li> </ul>	KPI5	30-Jun-24	Regulation	3.1.1 Report to CEO on review and matters required for the consideration of the Policy	DEFERRED	3.1.1 DEFERRED – Throughout Q4 there has been a detailed and analytical strategic review on regulation, with the review of the tax policy forming a small subset of the operations of Regulation. It is recommended that for FY25 there be a pivot towards the wider Regulation Strategy and a focus the incorporated legal practice rules

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
<b>Guide</b>	04. Continue to deliver the practice advisory service and report on member satisfaction	4.1 Quarterly report on the ILP Strategic Plan	KPI1 KPI2 KPI3 KPI4 KPI5	30-Jun-24	Ethics	5.1.1 Quarterly reports submitted to Council 5.1.2 Member survey demonstrates satisfaction 4/5 (80%)	<b>ACHIEVED</b>	5.1.1 <b>ACHIEVED</b> – Quarterly board reports submitted to Council online 5.1.2 <b>ACHIEVED</b> – Member Survey of the PAS visits demonstrates satisfaction of 100% and who have indicated that they would recommend it to continue to be offered as a member benefit.
<b>Regulate</b>	05. To develop the external intervention capacity of the Society to serve the interests of the public, the profession and the practitioners the subject of intervention	5.1 Review External Intervention considering: • Current operations and staffing requirements • The need for appointments of managers in an efficient external interventions scheme • The need for further resources in particular the tools to properly receive and interrogate modern practice software. • The increased use of the compulsory powers of the Society in relation to External Interventions, especially with a view to requiring LEAP to allow us free access to their material. • The destruction of archived files.	KPI3 KPI4 KPI5	30-Jun-24	Regulation	5.1.1 Report to CEO	<b>ACHIEVED</b>	5.1.1 <b>ACHIEVED</b> – Report has been submitted to the CEO on the review of External Intervention and the review will form the wider Regulation Strategy in FY25
<b>Guide</b>	06. Continue to roll out the locum service	6.1.1 Roll out the locum service	KPI2 KPI3 KPI4 KPI5	30-Jun-24	Ethics & Membership & Engagement	6.1.1 The number of locums increases by 25%	<b>COMPLETED</b>	6.1.1 <b>COMPLETED</b> – As of 30 June 2024, there are 13 practitioners appointed as locums, up from 12 in 30 June 2023, representing an approximate 8% increase.
<b>Guide</b>	07. Promote public trust and confidence in long term relationships between law firms and the community through the promotion of business viability in the business advisory service	7.1.1 Prepare Guidance material on business viability	KPI3 KPI4 KPI5	30-Jun-24	Ethics	7.1.1 Guidance material on business viability published online	<b>ACHIEVED</b>	7.1.1 <b>ACHIEVED</b> – Guidance material on business viability was published in March 2024
<b>Educate</b>	08. Continue the review and implementation of an updated syllabus for the Practice Management Course	8.1.1 Pilot the updated Syllabus for the Practice Management Course and incorporate changes for ongoing courses.	KPI1 KPI2 KPI3 KPI4 KPI5 KPI6	30-Jun-24	Education	8.1.1 Pilot and the updated Syllabus for the Practice Management course and incorporate for ongoing courses.	<b>ACHIEVED</b>	8.1.1 <b>ACHIEVED</b> – The Pilot of updated syllabus for the PMC run on 23-27 October 2023 with 8 attendees, with feedback incorporated for ongoing courses.
<b>Educate</b>	09. Deliver the First Nations Cultural Competence modules to reach a broad base of solicitors with cultural outreach education	9.1.1 Deliver First Nations Cultural Competence course to 400 delegates	KPI1 KPI2 KPI3 KPI4 KPI5 KPI6	1-Jul-24	Education	9.1.1 Deliver First Nations Cultural Competence course to 400 delegates	<b>ON TRACK &amp; ONGOING</b>	9.1.1 <b>ON TRACK &amp; ONGOING</b> – The Self-paced Cultural Competence LMS module is available via shop to general public with 27 downloads during the financial year. On reflection, the delegate target was an aspirational stretch target and work is embarked in FY25 for review of the course.

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
<b>Educate</b>	10. Deliver leading educational workshops on Sexual Harassment and Workplace Culture, mental health and Active Bystanding	10.1.1 Deliver leading educational workshops on Sexual Harassment and Workplace Culture, mental health and Active Bystanding workshop to 1,000 delegates	<b>KPI1</b> <b>KPI4</b> <b>KPI5</b>	30-Jun-24	Education	10.1.1 The educational workshops on Sexual Harassment and Workplace Culture, mental health and Active Bystanding workshop are delivered to 1,000 delegates over the Financial Year and have a rating of 4/5	<b>ON TRACK &amp; ONGOING</b>	10.1.1 <b>ON TRACK &amp; ONGOING</b> – There have been 6 Mental Health First Aid courses with 97 delegates, run in FY 23-24. Sexual Harassment and Bystander modules had 657 attendees bespoke and at QLS for FY 23-24. A qualitative measure and success of the program is that LIV, SA, ACT and NSW Law Societies have licensed the new Bystander workshop. This is considered a better measure of success rather than utilising the 4/5 rating.
<b>Educate</b>	11. Continue to develop and lead high quality, accessible and well attended CPD events and conferences	11.1.1 Continue to develop and lead outstanding and well attended CPD events and conferences	<b>KPI1</b> <b>KPI3</b> <b>KPI4</b> <b>KPI5</b>	30-Jun-24	Education	11.1.1 Program of conferences delivered by 30 June 2024 and report on profitability and attendance to the CEO	<b>ACHIEVED</b>	11.1.1 <b>ACHIEVED</b> – program of conferences have been delivered by 30 June 2024 and a profitability, attendance and evaluation report has been presented to the CEO.
<b>Educate</b>	12. Create a suite of resources and professional development for: • Early Career lawyers • Family and domestic violence and trauma informed practice; • Mental health	12.1.1 Resources are published on the website on: • Early Career lawyers • Family and domestic violence and trauma informed practice; • Mental health 12.1.2 Develop and deliver LMS module “New Lawyer program” for Early Career Lawyer Induction 12.1.3 A competency framework and CPD syllabus for Family and domestic violence and trauma informed practice is developed and an investigation of incorporating a mandatory CPD component for junior practitioners is undertaken	<b>KPI3</b> <b>KPI4</b> <b>KPI5</b>	30-Jun-24	For 12.1.1. M&E, Advocacy and Ethics For 12.1.2 and 12.1.3 Education	12.1.1 Resources published on the website 12.1.2 150 downloads of LMS “New Lawyer program” ECL Induction pack 12.1.3 Competency framework and CPD is developed with a report and recommendations to the CEO on the processes to mandate the CPD component for junior practitioners	<b>COMPLETED</b>	12.1.1 <b>ACHIEVED</b> – mental health, DV and mental health resources, awareness pieces and CPD published on the QLS website and Mental health CPD and resources available on QLS shop and QLS Wellbeing Hub. 12.1.2 <b>COMPLETED</b> – “New lawyer Program” 3 Self paced LMS modules comprising 5 x 1 hour sessions launched in shop on 22 May 2024. A download target of 150 is an annual figure. In June 2024 there were 13 downloads of the modules. Promotion of the modules will be ongoing throughout 24/25. 12.1.3 <b>ACHIEVED</b> – QLS contributed as part of DFV Legal Professional Development Working Group and met with fellow stakeholders to discuss how Framework would be incorporated in to QLS DFV CPD products. DJAG released DFV Training and Change Management Framework.
<b>Connect</b>	13. Communicate and celebrate the 150th year anniversary of the founding of the first Law Society in Queensland	13.1.1 Roll out events and publications for the 150th anniversary	<b>KPI1</b> <b>KPI3</b> <b>KPI4</b> <b>KPI5</b>	30-Jun-24	Membership & Engagement	13.1.1 Report to CEO on member engagement strategies and metrics	<b>ACHIEVED</b>	13.1.1 <b>ACHIEVED</b> – The 150th anniversary was a significant success for QLS with a number of events and exhibits taking place at Law Society House, the Banco Court and the Supreme Court Library and a commemorative publication on the QLS website and in hard copy.

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
<b>Connect</b>	14. Continue to implement a revised member benefits program and a member engagement strategies for QLS Future Leaders, District Law Associations and regional members	14.1.1 Implement a revised member benefits program and a member engagement strategies for QLS Future Leaders, District Law Associations and regional members	KPI1 KPI2 KPI3 KPI4 KPI5	30-Jun-24	Membership & Engagement	14.1.1 Report to CEO on member engagement strategies and metrics	<b>ACHIEVED</b>	14.1.1 <b>ACHIEVED</b> – a revised member benefits program with membership engagement strategies with a report to the CEO on engagement strategies and metrics which include a successful DLA President workshop held, In-house breakfast event adapted to include a livestream component to allow corporate counsels from regional QLD to attend. 35 regional corporate counsels attending from Townsville, Toowoomba, Sunshine Coast and even Torres Strait and continued development on You & The Law community microsite as well as promoted profile advertising product which will allow members to enhance their listing on the search.
<b>Connect</b>	15. Continue the First Nations Cultural Outreach Strategy and annual First Nations Plan with a focus on profession Cultural support and education	15.1.1 Roll out the fourth year of the First Nations Cultural Outreach Strategy and annual First Nations Plan 15.2.1 Organise and roll out annual Cultural Competency Training	KPI3 KPI4 KPI5 KPI6	30-Jun-24	COS	15.1.1 Achieved action items set out in the First Nations Annual Plan 15.1.2 Reported on achievements to Council, the Annual Report and the QLS website 15.1.3 Annual financial targets for the First Nations Annual Plan achieved 15.2.1 Cultural Competency training for staff is held annually	<b>ACHIEVED</b>	15.1.1 <b>ON TRACK &amp; ONGOING</b> – see First Nations Plan 15.1.2 <b>ACHIEVED</b> – reported to Council in August 2023; annual report tabled in Parliament – 29 September 2023 15.1.3 <b>ACHIEVED</b> – reached charity and financial targets 15.2.1 <b>ACHIEVED</b> – Cultural Competency Training held for staff and Council in April 2024
<b>Connect</b>	16. Implement strategy to convert and retain membership in target areas, in particular young lawyers, corporate PC holders and Brisbane suburban practitioners:	16.1.1 Develop strategy to convert and retain membership in target areas, in particular young lawyers, corporate PC holders and Brisbane suburban practitioners	KPI2 KPI3 KPI4 KPI5 KPI6	30-Jun-24	Membership & Engagement & Information Management	16.1.1 A PC to membership conversion of 85%	<b>COMPLETED</b>	16.1.1 <b>COMPLETED</b> – Conversion rate 77.9% (11,880 FM out of 15,258 PC holders). There is reflection on the value of this metric in that it does not measure annual membership movements. The number of Full Members as of 30 June 2023 was 11,455 and QLS membership has grown 3.6%.
<b>Grow</b>	17. Continue to enhance our data driven business model with accurate data, enhanced analytics and trend analysis.	17.1.1 Build new data lake 17.1.2 Complete new data models from CRM	KPI4 KPI5 KPI6	30-Jun-24	Information Management	17.1.1 Horizon One items of the Data Strategy and Roadmap completed 17.1.2 Executive dashboard created 17.1.3 Financial and membership modelling created	<b>ACHIEVED</b>	17.1.1 <b>ACHIEVED</b> – Horizon One items of the Data Strategy and Roadmap completed 17.1.2 <b>ACHIEVED</b> – Executive dashboard created completed 17.1.3 <b>ACHIEVED</b> – Financial and membership modelling created completed
<b>Grow</b>	18. Implement Law Society House project	18.1.1 Implement final stage of the Law Society House refurbishment project	KPI5 KPI6 KPI7	30-Jun-24	Finance	18.1.1 Building works to be complete by 30 September 2023	<b>ACHIEVED</b>	18.1.1 <b>ACHIEVED</b> – As at 31/12/23 works are complete, final reporting provided to Council December 2023.
<b>Grow</b>	19. Implement year 3 of the 4 year financial road map	19.1.1 Implement year 3 of the 4 year financial road map	KPI5 KPI6 KPI7	30-Jun-24	Finance	19.1.1 Deliver the budgeted operating surplus	<b>ACHIEVED</b>	19.1.1 <b>ACHIEVED</b> – Budgeted operating surplus achieved – see financial statements for more information

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
<b>Grow</b>	20. Continue with the QLS Council terms strategy to achieve a modern and efficient governance structure for QLS	20.1.1 Engage an external consultation to prepare a QLS Council terms proposal and strategy	<b>KPI3</b> <b>KPI4</b> <b>KPI5</b>	30-Jun-24	Governance	20.1.1 Consultant engaged and report submitted to Council	<b>ACHIEVED</b>	20.1.1 <b>ACHIEVED</b> – Consultant engaged by CEO, Workshop conducted in October 2023; Report submitted to Council in December 2023 and further presentation by Directors Australia to Council in April 2024
<b>Grow</b>	21. Maintain a quality, modern and efficient IT environment	21.1.1 Maintain a quality, modern and efficient IT environment	<b>KPI4</b> <b>KPI5</b> <b>KPI6</b>	30-Jun-24	Information Management	21.1.1 Complete change over from 179 Ann Street to Next DC 21.1.2 Licensing audit conducted with consolidation and procurement completed 21.1.3 Decommission legacy systems and software.	<b>ON TRACK &amp; ONGOING</b>	21.1.1 <b>ON TRACK &amp; ONGOING</b> – Gradually switching over, aiming to close by end of 2024 21.1.2 <b>ACHIEVED</b> – Licensing audit and procurement completed 21.1.3 <b>ON TRACK &amp; ONGOING</b> – Aiming to switch over by end of 2024
<b>Grow</b>	22. Improve QLS's new technologies and key business systems	22.1.1 Improve QLS's new technologies and key business systems	<b>KPI4</b> <b>KPI5</b> <b>KPI6</b>	30-Jun-24	Information Management	22.1.1 Continuous improvement of the CRM especially for Renewals 22.1.2 Upgrade of Website CMS from v12 to v13 22.1.3 Data feeds from Dynamics are completed.	<b>ON TRACK &amp; ONGOING</b>	22.1.1 <b>ON TRACK &amp; ONGOING</b> – Renewals for 2024 closed and further refinements being worked on for 2025 22.1.2 <b>ON TRACK &amp; ONGOING</b> – Vendor engaged to deliver the work to update the website, which will continue into FY25 22.1.3 <b>ACHIEVED</b> – Data feeds from Dynamics completed

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Q4 – 1 Jul 2023 to 30 June 2024 Performance target / KPI
Grow	23. Grow and support an engaged and high performing and productive QLS Team	23.1.1 Roll out a staff training syllabus 23.2.1 Prepare a QLS wide P&C Strategy 23.3.1 Register and track the Diversity Council of Australia Inclusive Employer Index 23.4.1 Communicate, increase awareness and roll out social events for staff to support diversity, inclusion and charity events, initiatives and awareness	KPI5 KPI6	30-Jun-24	People and Culture	23.1.1 Present each quarter Staff Division 101s (meet and greet QLS Teams) 23.1.2 Organise well-being, workplace behaviours and psycho social risk awareness and/or training sessions 23.1.3 Organise management skills development training awareness and/or training sessions to support Management in recruitment, difficult conversations and performance feedback 23.2.1 Report quarterly to CEO and Leadership Team on staff engagement and attrition 23.2.2 FTE staff attrition at or below 25% 23.2.3 Positive net promoter score (from exit interviews) 23.3.1 Participate and annually report on the Diversity Council of Australia Inclusive Employer Index 23.3.2 Achieve Gender Equity Strategy 23.4.1 Present Quarterly CEO updates 23.4.2 Provide funding for at least 10 QLS social club events a calendar year 23.4.3 Provide funding for at least 6 diversity, inclusion and charity events, initiatives or information awareness pieces	ACHIEVED	23.1.1 <b>ACHIEVED</b> – A selection of division 101s presented 23.1.2 <b>ACHIEVED</b> – training sessions delivered to staff and CPD made available to Council 23.1.3 <b>ACHIEVED</b> – management skills sessions rolled out to Managers 23.2.1 <b>ACHIEVED</b> – there has been quarterly reporting to CEO and Leadership Team on staff engagement and attrition 23.2.2 <b>ACHIEVED</b> – FTE staff attrition as of 30 June 2024 is 21% 23.2.3 <b>DEFERRED</b> – Updating exit interview questions to capture data for net promoter score 23.3.1 <b>ACHIEVED</b> – Participated in and annually reported on the Diversity Council of Australia Inclusive Employer Index 23.3.2 <b>ACHIEVED</b> – Update and progress on Gender Equity Strategy has been reported to and approved by Council 23.4.1 <b>ACHIEVED</b> – Presented at Quarterly CEO updates (as required) 23.4.2 <b>ACHIEVED</b> – Managed budget and funding for QLS social club events 23.4.3 <b>ACHIEVED</b> – Managed budget and funding for diversity, inclusion and charity events, initiatives or information pieces

Strategic KPIs description	First Year of Strategic Plan Status (Average)	Second Year of Strategic Plan Status (Average)	Third Year of Strategic Plan Status (Average)	Key
KPI1: Growing membership engagement and attendance numbers to events and CPD	ON TRACK & ONGOING	ON TRACK & ONGOING	ACHIEVED	ACHIEVED
KPI2: Growing membership to PC conversion rate	ON TRACK & ONGOING	ON TRACK & ONGOING	ON TRACK & ONGOING	COMPLETED
KPI3: Thriving, engaged and high quality QLS committee volunteer base	ACHIEVED	ON TRACK & ONGOING	ACHIEVED	ON TRACK & ONGOING
KPI4: High levels of profession and member engagement with QLS communications	ON TRACK & ONGOING	ON TRACK & ONGOING	ACHIEVED	DEFERRED
KPI5: An engaged, high performing and productive QLS team	ON TRACK & ONGOING	ON TRACK & ONGOING	ACHIEVED	
KPI6: Annual financial targets and non-financial performance targets achieved	ON TRACK & ONGOING	ON TRACK & ONGOING	ACHIEVED	
KPI7: Return on investment on upgrades to Law Society House	ON TRACK & ONGOING	ON TRACK & ONGOING	ACHIEVED	

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# President's review

In 2024, in my first speech as President of the QLS, I outlined my agenda of building trust in the profession.

Recent research by the NSW Law Society showed that just over half of members of the public – 60% – trusted lawyers and the legal profession. These figures capture a worrying current moment of plummeting trust in institutions. Two of the defining features in our present culture are suspicion, driven by social isolation and misinformation, amplified by social media. In 2024 we have the troubling spectacle of the archetypal democracy, the USA, heading into elections where a significant portion of the population rejects the concept of the rule of law.

As lawyers, we have a duty to act in our clients' best interests and a paramount duty to the Court. These duties encompass the highest ideals of integrity, independence and courage. It is ironic, then, that there is such distrust of us.

Sometimes, I feel that there is a misguided view of lawyers as mercenary; twisting the letter of the law to serve whoever pays our bills; wilfully blind to higher ideals of public service. Unfortunately, this is probably one of the dangers of our adversarial system of law; whilst we as the daily participants might see it as a fundamentally liberal way of hashing out everyone's interests for the common good, we should be mindful that to the public it can appear confusing and stressful. Peter Quinlan, the Chief Justice of Western Australia, has previously explored the notion that our adversarial system causes harm to all of its participants, even when that system works as it should and produces the just outcome according to law.

Public cynicism about the legal profession is dangerous, however, because it enables governments of all persuasions to justify incremental incursions on the rule of law via short-term populist agendas.

Building the trust of the public is crucial if we are to influence the discussion about our laws. The heart of building trust is showing – through our words and our actions – that our primary duty is to the Courts and justice generally. Our duty to our clients is the way we fulfil that greater duty.

The trust of the public is important, but so is trust between each other.

In recent years, we have lost colleagues. The legal profession rates as having one of the highest rates of depression and burnout. The research is very clear: this is partly because of legal behavioural norms. In this culture of bravado, showing vulnerability can be professionally risky, let alone admitting to or seeking help for the issues many of us face at some point in our careers as lawyers. Our work is intrinsically stressful, but this is heightened unnecessarily if young lawyers don't feel comfortable telling anyone that they were affected by something they saw or experienced. It can be heightened by vituperative and discourteous interactions with other lawyers. It can be heightened if lawyers feel that any deviation from perfection will be the subject of mockery and gossip.

The answer to this, in part, is the same as how we build trust with the public: through remembering that our primary duty is to justice and the courts. Part of upholding that duty is showing care for our colleagues, and ourselves.

This year at QLS, we have done many things which I hope enhances your trust in us.

We are undertaking various organisational reviews to ensure that we are employing best practice processes for governance and remain fit for purpose.

We have also been investigating new ways that we can better support solicitors' mental health and address some the systematic and structural impediments to wellbeing. With much success, we hosted a unique event at Law Society House in Brisbane during May. This was a pilot of a peer support network for solicitors that we hope can be expanded around Queensland. We are now looking at ways we can work with universities and the profession to develop a world best, best practice program.

We have also focused on ensuring that member-led initiatives continue to be at the forefront of the Society's work. The establishment of our artificial intelligence (AI) and South Pacific Engagement Working Groups are some good examples of this.



As an election year, 2024 also saw us launch our Call to Parties campaign. This is about getting all political parties to engage with priority issues identified with our members.

I have been humbled by the trust you have placed in me to serve you as the Law Society's President for 2024. I am grateful to Deputy President Genevieve Dee, Vice President Peter Jolly and the QLS Council, all of whom are motivated by a desire to serve you, our members, and our community. I encourage all of our members, if you are not already, to get involved with QLS. Through service, we strengthen those precious bonds of trust.

**Rebecca Fogerty**  
President

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# CEO Review

It has been a busy few months as I settle into my new role as CEO at Queensland Law Society. As usual, the past year has been filled with commitment, hard work, and support for advancing the legal profession from our members, staff, and volunteers.

While it seems like a long time ago now, QLS closed out 2023 strongly, in what was a very significant milestone year for us – 150 years of leadership, guidance, and support of the Queensland legal profession. A considerable amount of work went on behind the scenes to pull together the celebrations, which were a fantastic reflection of our proud history and provided us the opportunity to pause and reflect on how far we all have come.

One of the highlights of the 2023-24 year was the successful running of our largest Symposium ever. Every year, this flagship event provides a platform for legal professionals to engage with thought leaders, and gain insights into emerging trends and issues that will dominate the future of law. The event, which remains the cornerstone of our professional development offerings, was in very high demand in 2024, selling out two weeks prior to being held, with overwhelmingly positive feedback from attendees. More information on Symposium can be found on page 38.

Our ethics and practice advisory team was again very busy and continues to provide an effective guidance service to our members on ethical and practice support matters, with a response time of 1-2 hours for return calls. In 2023-24, 3,638 calls were taken, along with 223 Practice Advisory visits throughout the state, discussing a range of practice management issues including records management, governance issues, staffing, well-being, technology, and budgeting. More information on the work of the Ethics and Practice Centre can be found on page 33.

In response to member feedback, we are continuing year on year to streamline our renewals process. The new system is designed to be more efficient and user-friendly, reducing administrative burdens and allowing members to focus on their practice. The continued development of this process represents our ongoing commitment to improving member services and ensuring a more efficient process for all.

Highlights from our Policy committees include submissions on the Queensland Community Safety Bill 2024 and our Call to Parties campaign, which we run every election year. The campaign is a key aspect of our advocacy on behalf of the legal profession and the community. You may have seen some of our advocacy work in the media as we lead up to the state election. Our President has been very active in calling for calm, measured, and evidence-based approaches to youth justice. More information on the important work completed by the Policy Team can be found on page 27.

This year, QLS formed the Generative AI in Legal Practice Working Group. In addition, we became the first law society in Australia to issue formal guidance on the responsible use of AI and the ethical obligations solicitors should consider when appropriately using AI in legal practice. Amid the rapidly evolving nature of AI technology, it is crucial that solicitors have a guidance framework to navigate the complex issues posed by this technology.

Additionally, the first twelve months of the e-conveyancing mandate marked a significant shift in Queensland's property law landscape. Effective from February 2023, this mandate was part of a broader effort to modernize and streamline the property transaction process. QLS has provided extensive resources and guidance to support practitioners through this transition, ensuring compliance and addressing potential cybersecurity concerns.

Looking forward, the future holds exciting opportunities for QLS. We will form closer ties to the community through the launch of our new microsite, You and The Law, designed to break down barriers to legal education and information and provide better access to solicitors through our improved Find a Solicitor search.

Following announcements this year that the Federal government will be looking to expand anti-money laundering laws to include lawyers, QLS will be keeping a close eye on the developments and, as always, will work to advocate for solicitors and provide guidance and support.

In the first quarter of 2024-25 we will survey our members for feedback on how QLS can improve its offerings and services to solicitors. These findings will help form our QLS Strategic Plan 2025-29.

We remain committed to fostering a dynamic and supportive environment for our members, embracing innovation, and continuing our advocacy efforts to ensure a fair and just legal system. I would like to extend my deepest gratitude to our members, Council, Committees, and particularly our hard-working staff for their unwavering support and dedication and wish them all the best for the year ahead.

**Matt Dunn**

Chief Executive Officer

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# 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 and one appointed member, the Attorney-General's appointed Council representative.

The Council is elected for a two-year term. 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, and the term one President becomes the Immediate Past President. The Immediate Past President from term one retires from Council. 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. The QLS Council election was held in September 2023, for the Council term beginning on 1 January 2024 and concluding on 31 December 2025. The next Council election will be held in September 2025.

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, overseeing the financial management of QLS's affairs and its statutory duties. Our Council ensures QLS meets the needs of, and represents, our legal profession.

QLS's long established core values of respect, integrity and service are embedded in our Code of Conduct and the Council Charter and set the standards for stakeholder engagement. The Council is committed to excellence in corporate governance and references 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.

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.

## QLS Election 2023

Our biennial Council election was held in September-October 2023. 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-election platform supported by TrueVote. There were 11,312 (2021: 11,085; 2019: 10,164) QLS members eligible to participate in the election, and of that number, no manual ballots were posted (2019: 114).

By the close of the election, 1,617 (2021: 1,312; 2019: 1,331) voted online and none voted via paper ballot (2019:20). For the 2023 election, there were 3 polls– Deputy President, Vice President and Councillor (8). The voting participation rate for the contested position in the 2023 Council election was 14.29% (2021: 11.92%; 2019: 13.29%). Our website received considerable traffic throughout the election, with 2,610 unique page views of election pages during election period, spending an average of 2:51 on pages.

## QLS Future Leaders Committee (FLC) Election 2024

Our third Future Leaders Committee election was held in February 2024. The conduct of the election was governed by the Future Leaders Committee Charter and Election By-Laws, and for the second time the FLC election was conducted by BigPulse utilising their online e-election platform. There were 4,975 (2023: 4,902; 2020: 4,588) QLS members eligible to participate in the election, with the election held entirely online.

By the close of the election, 427 (2023: 608; 2020: 954) voted. The FLC election was the second election transitioning to a new governance structure where members would be elected and appointed annually. As such there were six vacancies (blue ordinary member), six vacancies (silver ordinary member in 2023) and 10 in 2020. The voting participation was 8.58% (2023: 12.4%; 2020: 20.79%). Given the lower turnout, during FY25 there will be exploration of pivoting the FLC towards other policy and membership committees with appointment processes, utilising an expression of interest (EOI) process.

## Council sub-committees

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, external intervention and related occupational matters arising under the LPA, has delegated decision-making 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 and charters and for 2024 has been specially tasked to review Governance Reports and Recommendations on Council Composition and Subsidiaries.

During the year, following review and recommendations of the Governance Committee, the Council has undertaken extensive discussion and review of the QLS governance frameworks, reviewed and approved amendments to the Ethics Advisory Committee Charter, approved the delegations manual, had due regard to the *Human Rights Act* in its decision making 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 appointed by the Council, based on a selection and recruitment process in April 2022 and who commenced 1 July 2022. 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 FRC Chair for this financial year is Mr Tim Cronin, Partner, PKF Brisbane. Mr Cronin is a member of Chartered Accountants Australia and New Zealand, is a certified internal auditor, holds certification in risk management assurance and certification in internal audit quality and assurance assessment. Mr Cronin is a registered company auditor and has over 30 years' experience as an assurance and risk adviser.

During the financial year, the FRC Chair received remuneration of \$30,000 per annum plus GST. QLS does not operate an internal audit function however is exploring undertaking an internal audit in FY25. Sufficiency of controls is assessed through the external audit process conducted by the Queensland Auditor-General and the FRC and Council consider risk and fraud risk on a quarterly basis.

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.

## 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.
- Ethics Advisory Committee: Established by the Council to assist, advise and report on matters relating to lawyers' professional ethics.

All committee chairs and members are appointed by the Council. Each committee is supported by QLS staff.

## Council and Finance Risk committee meetings

During the financial year seven Council meetings and five Finance and Risk Committee (FRC) meetings were held. The attendance list for these Council and FRC meetings is set out below. The 2023-24 Council photo can be accessed on the website – [www.qls.com.au](http://www.qls.com.au).

### Meetings held 2023-24

Name, firm	Role	QLS Council 2023-24		FRC 2023-24	
		Eligible to attend	Attended	Eligible to attend	Attended
Rebecca Fogerty Partner Jasper Fogerty Lawyers	<b>President 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>Vice President 2023</b> (01.07.23 – 31.12.23)	3	3		
	<b>FRC member 2023-24</b> (01.07.23 – 30.06.24)			5	4
Genevieve Dee Partner Lander & Rogers	<b>Deputy President 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>Councillor 2023</b> (01.07.23 – 31.12.23)	3	3		
	<b>FRC member 2024</b> (01.01.24 – 30.06.24)			3	1
Peter Jolly Partner Thynne + Macartney	<b>Vice President 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>Councillor 2023</b> (01.07.23 – 31.12.23)	3	2		
	<b>FRC member 2024</b> (01.01.24 – 30.06.24)			3	3

		QLS Council 2023-24		FRC 2023-24	
Name, firm	Role	Eligible to attend	Attended	Eligible to attend	Attended
<b>Chloé Kopilović</b> Director Ferguson Cannon Lawyers	<b>Immediate Past President 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>President 2023</b> (01.07.23 – 31.12.23)	3	3		
	<b>FRC member 2023-24</b> (01.07.23 – 30.06.24)			5	1
<b>Kara Thomson</b> Consultant Hughes and Lewis Legal	<b>Immediate Past President 2023</b> (30.06.23 – 31.12.23)	3	3		
	<b>FRC member 2023</b> (01.07.23 – 31.12.23)			2	2
<b>Michele Davis</b> Legal Practitioner Director Michele Davis Consulting	<b>Councillor 2023</b> (01.07.23 – 31.12.23)	3	3		
<b>Justin McDonnell</b> Senior Consultant King & Wood Mallesons	<b>Councillor 2023</b> (01.07.23 – 31.12.23)	3	3		
	<b>FRC member 2023</b> (01.07.23 – 31.12.23)			2	2
<b>Mia Behlau</b> Director M Behlau & Associates	<b>Councillor 2024</b> (01.01.24 – 30.06.24)	4	4		
<b>Samantha Bolton</b> Director Pippa Colman & Associates	<b>Councillor 2023-24</b> (01.07.23 – 30.06.24)	7	7		
	<b>FRC member 2023-24</b> (01.7.23 – 30.06.24)			5	2
<b>James Conomos</b> Director James Conomos Lawyers	<b>Councillor 2023-24</b> (01.07.23 – 30.06.24)	7	6		
<b>Sheetal Deo</b> Principal Shakti Legal Solutions	<b>Councillor 2023-24</b> (01.07.23 – 30.06.24)	7	6		
<b>Bridie Edwards</b> Lawyer Bradley + Bray Lawyers	<b>Councillor 2023-24</b> (01.07.23 – 30.06.24)	7	7		
	<b>FRC member 2023</b> (01.07.23 – 31.12.23)			2	1
<b>Chris Kahler</b> Director Kahler Lawyers	<b>Councillor 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>FRC member 2024</b> (01.01.24 – 30.06.24)			2	1
<b>Sarah-Jane MacDonald</b> Director MacDonald Law (QLD) Pty	<b>Councillor 2024</b> (01.01.24 – 30.06.24)	4	4		

		QLS Council 2023-24		FRC 2023-24	
Name, firm	Role	Eligible to attend	Attended	Eligible to attend	Attended
<b>Dan Rogers</b> Legal Director Robertson O’Gorman Solicitors	<b>Councillor 2023-24</b> (AG Appointee) (01.07.23 – 30.06.24)	7	6		
	<b>FRC member 2023-24</b> (01.07.23 – 30.06.24)			5	4
<b>Phil Ware</b> General Counsel Stanwell Corporation	<b>Councillor 2024</b> (01.01.24 – 30.06.24)	4	4		
	<b>FRC member 2024</b> (01.01.24 – 30.06.24)			3	2
<b>Timothy Cronin</b> Partner PKF	<b>FRC member 2023-24</b> (01.07.23 – 30.06.24)			5	5

## The legal landscape and plans for the future: Strategic Plan 2025-29

Quarter 4 of this financial year saw the beginning of planning for the new four year Strategic Plan 2025-29. The current lens and legal landscape of this financial year has been on the proliferation of Artificial Intelligence (AI) – around the world and in the legal context. QLS was proud to be the first Australian law society to release guidance to its members on AI in late June 2024<sup>3</sup> and has been proactive in publishing resources and guides to support its members through this digital wave.

As technology continues to be a focus into the last year of the strategic plan, the Society is also focussing on QLS Council governance projects, the preparation and finalisation of its new Strategic Plan 2025-29 and IT and Cyber enhancements and refinements.

Our future goals continue to include growing membership conversion, growing attendance numbers to events and education, grow member outreach, consultancy and supports, engaging our volunteer base and supporting, monitoring and responding to at-risk practices and practitioners.

The QLS Strategic Plan 2021-25 is available on our website [www.qls.com.au](http://www.qls.com.au).

## Operating plan 2024-25

Our new operating plan 2024-25, developed over the financial year and effective 1 July 2024, is the fourth and final plan under the 2021-25 Strategic Plan. Our new operation plan sets out 11 high level initiatives in advancing our six strategic objectives to see through the final year of the Strategic Plan 2021-25.

The QLS Operating Plan 2024-25 at a glance is available on our website [www.qls.com.au](http://www.qls.com.au).

<sup>3</sup> See <https://www.qls.com.au/Practising-law-in-Qld/Practice-Support-Resources/Technology-Innovation/Artificial-intelligence>



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# Profession snapshot<sup>4</sup>

## Total QLS Members<sup>5</sup>

12,741

## Total Queensland Practising Certificates

15,258

## Practising Certificate by type<sup>4</sup>

Practising Certificate type	Total
Restricted Employee	3166
Unrestricted Employee	8255
Foreign Law	14
Limited Principal	41
Unrestricted Principal	3661
Restricted Principal	2
Unrestricted Volunteer	55
Restricted Volunteer	64
<b>Total</b>	<b>15,258</b>

## Total membership by Category<sup>4</sup>

	Total
Full member	11,880
Associate member	105
Honorary member	112
Student member	644
Incorporated legal practice member <sup>5</sup>	173
<b>Total<sup>5</sup></b>	<b>12,741</b>

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<sup>4</sup> Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2024

<sup>5</sup> Not included in the total of all QLS members as incorporated legal practice members, pursuant to r10B Legal Profession (Society) Rules 2007, must also hold full or honorary membership

## Full members by generation

Year	Generation	Full Member
1925-1945	Builders	26
1946-1964	Baby boomers	1461
1965-1979	X	3211
1980-1994	Y	5128
1995-2010	Z	2004
NO DOB		50
<b>Total</b>		<b>11,880</b>

## Gender Balance

	Male	Female	Not available	Total
Full Member	5334	6471	75	11880
Associate Member	43	61	1	105
Honorary	85	27	0	112
Student Member	64	85	495	644
<b>Total</b>	<b>5526</b>	<b>6644</b>	<b>571</b>	<b>12,741</b>

*\*Gender details were not captured in data files for numerous student members*

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# ADVOCATE

**We advocate for the role of solicitors and for balanced laws and the rule of law for the benefit of the profession and the community.**

## Advocating for good law

QLS's policy committees and working groups comprise over 418 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 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. The QLS Legal Policy team supports the committees and engages in ongoing consultation with the Queensland Government to develop policy positions and better legislative outcomes.

### 2023-24 Key highlights

- Developed the Call to Parties for the 2024 state election in consultation with the legal policy committees, the broader QLS membership and Queensland legal profession, and the QLS Council. It calls for candidates to give a commitment to take specific actions and address a range of issues important to the legal profession, community and promotion of good law
- Established the Generative AI in Legal Practice Joint Working Group (Working Group) to oversee the work of several subject focussed advisory groups and inform the development of guidance for the profession on the use of GenAI on legal business and in legal practice. In addition, the QLS Innovation Committee developed a member survey to establish a baseline of member's experience with generative AI and to inform resources and the focus of future education
- Continued to deliver the delayed judgements service to members. QLS makes enquiries to heads of jurisdiction on behalf of members about reserved judgments that have not yet been delivered. In the 2023-24 financial year, QLS received and processed 70 delayed judgment applications and a further 14 follow-up enquiries
- Advocated directly to the Attorney-General and during the 2024-25 Queensland Budget process for increased resourcing for the Queensland Civil and Administrative Tribunal (QCAT) in light of its increasing workload, particularly in the guardianship jurisdiction. The QLS Elder Law, Health and Disability, Competition and Consumer, Access to Justice/Pro Bono, Occupational Discipline and Litigation Rules committees contributed to the advocacy. QLS welcomed the significant funding boost to QCAT in the 2024-25 budget
- Engaged in the development of significant reforms as part of the Criminal Law (Coercive Control and Affirmative Consent) and Other Legislation Amendment Bill 2023. The Domestic and Family Violence Committee and Criminal Law Committee prepared a well-considered submission in response to the Bill. QLS appeared before the Legal Affairs and Safety Committee to further advocate for good law that serves the public good and achieves its legislative intent

**174**  
submissions

**139**  
mentions  
in Hansard

**17**  
public  
hearings

**113**  
committee,  
subcommittee,  
working group  
meetings

**165**  
stakeholder  
consultations

**221**  
requests  
for comment

- Successfully advocated for the public release of the Criminal Procedure Review – Magistrates Court report containing recommendations for a new contemporary and effective legislative framework to ultimately replace the *Justices Act 1886*. QLS, through the Criminal Law Committee, was a member of the Consultation Reference Group and will continue to engage in these reforms following the Government's consideration of the recommendations
- Continued engagement with Government and property industry in the review of property law in Queensland, particularly focusing on the regulatory details for the upcoming introduction of the seller disclosure framework. QLS and the Property & Development Law Committee will continue to prepare our members for this significant reform to support buyers and sellers of property in Queensland
- Advocated for reform to the *Uniform Civil Procedure Rules 1999* (Qld) in areas that will assist Queensland lawyers to achieve better cost recovery and procedural outcomes. The Litigation Rules Committee engaged with the Court Rules Committee on these reforms and also successfully obtained a change to the calculation of interest in the *Civil Proceedings Act 2011* (Qld) in the *Justice and Other Legislation Amendment Act 2023* (JOLA). The Committee has subsequently contributed to guidance material following the passage of JOLA
- Participated in the Stakeholder Reference Group for reforms to the *Workers' Compensation and Rehabilitation Act 2003* following the five year review of the workers' compensation scheme, through the Accident Compensation and Torts Law Committee. QLS made a submission to the parliamentary inquiry and appeared at the public hearing in relation to the amendment bill and will continue to engage with stakeholders as the amendments are progressed
- Participated in the developing of Queensland's new trusts and succession legislation. With the assistance of the Succession Law Committee, QLS successfully advocated for changes to the draft legislation to provide greater clarity of the law and its application for our members and the public. This legislative reform will modernise and address gaps in legislation over 40 years old
- Welcomed the Honourable Yvette D'Ath, Attorney-General and Minister for Justice and Minister for the Prevention of Domestic and Family Violence to address the annual workshop of the Legal Policy Committee Chairs and Deputy Chairs, held on 6 December 2024

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# REGULATE

**We regulate solicitors in Queensland to protect the community and to foster, promote and protect the good reputation of the profession.**

## Regulation

The Law Society provides information to help practising solicitors to understand and comply with the legal professional obligations contained in the *Legal Profession Act 2007*, the *Legal Profession Regulation 2017* and the Society's rules (including *Queensland Law Society Administration Rule 2005* and *Queensland Law Society Indemnity Rule 2005*).

The objectives of the Regulation function of the Society include:

- Promoting and maintaining the highest professional standards and values within the legal profession
- Licensing solicitors to practise law in Queensland
- Regulating the legal profession
- Providing practical guidance on regulatory matters.

### 2023-24 Key highlights:

#### Trust Account Investigations

- We completed 140 investigations and 364 Trust Account Reviews.
- The non-compliance rate for finalised investigations is 13%. At initial assessment, before trust account investigators worked with the law practice regarding what had been found on investigation (and before the investigation is finalised) the non-compliance rate was 35%. The finalisation rate is against a target of 18%.
- The non-compliance rate for finalised Trust Account Reviews is 2%. At initial assessment, before trust account investigators worked with the law practice regarding what had been found on review (and before the review is finalised) the non-compliance rate was 26%. The finalisation rate is against a target of 11%.
- 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 4.69 out of 5 in relation to Trust Account Investigations and 4.54 out of 5 in relation to Trust Account Reviews.
- We have provided 32 Trust Account Consultancy Services this year and conducted three Trust Account Remedial Courses attended by 15 practitioners.
- The Trust Account Information Service has answered 4698 requests for assistance this year. (4768 last year). We achieved a same day response of 99%.

**140**  
Trust Account  
investigations

**364**  
Trust Account  
reviews

**4.69**  
(rating out of 5)  
Trust Account  
Investigations

**4.54**  
(rating out of 5)  
Trust Account  
Reviews.

## Fidelity Guarantee Fund

- The fund has paid \$1,847,950, inclusive of interest, in respect of 18 claims. Eleven of the 18 claims were the result of the dishonest actions of non-solicitor employees of law practices. The amount paid in respect of these claims was \$110,425. Seventeen of the 18 claims were made by members of the public. The amount paid in respect of these claims was \$1,830,829.

## External Interventions

- QLS has undertaken eight interventions in eight law practices. Seven are receiverships, one is a supervision. The reasons for the seven receiverships were:
  - Death of Sole Principal (1)
  - Ill health of Principal (1)
  - Failure to comply with Trust Accounting requirements (1)
  - Ill health of Principal abetted by drug habit (1)
  - Ill health and stole trust money to feed a drug habit (1)
  - Principal absconds (2)

The reason for the Supervision was non-attendance at the practice by the Principal resulting in fraud on the trust account and many other failures to comply with trust accounting requirements.

## Licensing

- There have been 25 Show Cause matters (ss67 and 68 LPA 2007) reported by practitioners this year. Seventeen of those have been resolved. Three surrendered their PC, 12 are fit and proper, five without conditions and seven with conditions. Two practitioners had their PC cancelled.
- The Society has issued 29 notices this year regarding the fitness of practitioners upon their applications for grant or renewal of a Practising Certificate (s51 LPA 2007). There are two notices outstanding. The other 27 resolved as follows:
  - two applications for renewal withdrawn
  - two unfit to renew
  - one unfit to hold a Principal PC
  - five fit with conditions
  - 10 fit on undertaking
  - seven fit and proper
- We have undertaken investigations into 46 other practitioners but took no action
- At 30 June, there were 11 live investigations. On one of these investigations, the PC of the practitioner was suspended by consent pending the determination of their fitness by the Council. The practitioner did not renew their practising certificate
- This year, the Society received seven notifications from seven practitioners who had been charged with a serious offence. At 30 June, eight practitioners are awaiting the determination of charges of serious offences that were notified to the Society either this year or previously
- Seventy-five exemptions or reductions in the required period of supervised practice have been given this year, with four refusals. These exemptions or reductions are mainly given to experienced practitioners coming into the Queensland practising certificate system from elsewhere. The number this year is higher than recent years, indicating that solicitors are settling in Queensland from other jurisdictions at an increasing rate

# Lexon Insurance

## About Us

Operating since 2001 as a wholly owned subsidiary of the Queensland Law Society, Lexon Insurance Pte Ltd is a captive insurer providing professional indemnity insurance to members of the legal profession in accordance with the terms of the *Queensland Law Society Indemnity Rule 2005*.

Lexon insures around 2,450 law practices, each of which has at least one office or resident principal in Queensland. These 2,450 practices comprise over 8,500 Queensland and interstate practitioners.

## Reducing Levy Rates

With the rising cost of doing business an ongoing challenge for practices, Lexon remains committed to delivering rates at the lowest responsible levels. Lexon's partnership with QLS seeks to deliver the most affordable levies consistent with the long-term viability of the scheme. This is the key driver, unlike that of commercial insurers, which seek to maximise their returns to shareholders.

Ongoing strong performance has permitted the introduction of a revamped levy model for the new year which delivered a number of significant benefits. These included:

- The introduction of a no claims discount which benefited **over 87% of eligible practices**.
- The introduction of a claims loading cap which **benefitted more than half** of the practices with a claims loading.
- **Over 97% of practices paid less** than what they would have under the previous model (i.e. with this year's Gross Fee Income (GFI) and claims information).

## Risk Management

Lexon's support of the profession's risk management efforts continued in 2023-24. Our 9 full time risk staff are responsible for delivering workshops, developing tools and identifying emerging areas of risk with a view to reducing both the number of claims made against the profession and their severity.

During the financial year our team delivered over 1,500 individual workshops (being General Risk Workshops, Various System Tests and Cyber Risk Workshops) to insured practices. In this period Lexon commenced delivery of our 7th Risk Workshop which explores leading neuroscience work in error causes. This new Workshop is receiving very positive early feedback such as *"The value we get from these sessions is immense – we are very grateful that you and Lexon provide this service; and would be shocked if any firm had a different opinion."*

## Claims Performance

As at 30 June 2024, overall file numbers for 2023-24 were 305 (lower than the prior year (319) at the same point in time and the lowest number in the past 7 years). Estimated claim values were also at a level consistent with the uniformly low values we have seen in the past 5 years at the same point in time. Accordingly, despite the ongoing increase in practitioner numbers, our claims performance continues to track at low levels. Cyber fraud losses remain a live issue and these are being managed via Lexon's innovative risk management program.

Conveyancing was the most frequent type of matter in the 2023-24 year (29.2% of all files, contributing 30.5% to overall portfolio cost), but this was not surprising given the substantial level of conveyancing activity. Whilst commercial matters represented only 13.4% of the file numbers, due to their generally larger quantum this area contributed some 29.9% of the portfolio value at 30 June. Wills & Estates was the next largest value area (at 14.5%) with Litigation contributing around 12.6% towards the overall portfolio cost as at 30 June.

Due to earlier years also performing far better than the actuaries expected in the 12 months to 30 June 2024, overall claims expense for 2023-24 was an outstanding \$3.8M, being the best claims expense result in the scheme's history. This is a testament to the commitment the profession has made to managing claims risk and Lexon's effective management of claim events.

## **Investment Returns**

Investment performance was extremely strong in 2023-24, with the portfolio delivering a 10.66% gross return. The portfolio is divided into two main parts, with both the defensive portion (7.62% gross) and the growth portion (12.44% gross) performing well for the year. Our portfolio continues to be managed by leading investment house, the Queensland Investment Corporation.

## **Result**

Overall, Lexon achieved a before-tax profit of \$27.9M, against a budget of \$5.7M. This was driven by the strong claims and investment performance and will be reinvested into providing the insured cohort with the lowest possible levies and highest level of service.

## **Types of Law practiced by the Insured Profession**

Lexon insured practices generated around \$3.13B of GFI in 2023, having grown over 9.2% year on year. This was an extremely robust result – well above the longer term average of around 4.5%. Conveyancing fell back more in line with longer term trends, but this reduction was more than offset by strong growth in Litigation, Personal Injuries, Wills & Estates and Family Law.

Personal Injuries work remains the largest area of activity (by GFI), at 20.6%. Conveyancing (residential and commercial) now represents 14.4% of the work performed by insured practices. Litigation remains a significant area at 16.1% with Family Law next at 11.9%.

You will find more detail on Lexon's performance in the financial statements, starting on page 60 of this report.



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# GUIDE

**We partner with solicitors in Queensland to guide, advise, promote and support their role as trusted advisors.**

## QLS Ethics and Practice Centre

Our QLS Ethics and Practice Centre provides guidance to our members on ethical and practice support matters. It is the source that members use to be counselled in making day-to-day ethical decisions that allow them to achieve their best – both personally and for their practice.

### 2023-24 Key highlights:

- 3,638 calls were taken for the year with a response time of 1-2 hours for return call.
- The top five topics of discussion were: conflict issues, client instructions, practice management queries, confidentiality and costs matters.
- Conducted 223 Practice Advisory visits throughout all of Queensland. Discussed a range of practice management issues including records management, governance issues, staffing, well-being, technology, finance, budgeting, and costs.
- Provided 480 referrals to our external advisory services which provide 2-4 hours (free) advice on business, financial, HR, costs, employment and workplace conduct matters to QLS members. The utilisation rate was 32.29%.
- Presented 91 education sessions to external law firms, QLS education sessions and conferences, community legal centres, district law associations, universities and other law societies on ethical, legal matter management, cybersecurity and costs issues.
- Reviewed and provided extensive advice on the changes to the *Australian Solicitors' Conduct Rules 2012* which is presently with the government for notification.
- Published over 75 resources, notes or guidance in QLS Update, QLS Proctor and the QLS website. Our more substantive resources included:
  - Guidance statements on pro bono work and AI
  - 10 disciplinary case notes
  - QLS Document Retention Guidance
  - QLS Disclosure and Engagement Precedent for matters <\$3000
  - Appropriate Management Systems Framework
  - Changes to *Legal Profession Act 2007* article and webinar
  - Innovation insights videos
  - Remote witnessing and electronic signature summary.

**3638**  
calls

**223**  
Practice  
Advisory  
visits

**480**  
referrals

More than  
**75**  
resources  
published

## QLS Solicitor Support Pty Ltd

QLS Solicitor Support Pty Ltd (a wholly owned subsidiary of Queensland Law Society) is an incorporated legal practice (ILP) that provides ethical 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 and the legal profession as a whole.

The Practice Advisory Service sits within QLS Solicitor Support and this year has assisted practitioners in financial, practice, appropriate management, governance and staffing / supervision issues. Our practitioners travelled throughout Queensland and conducted 223 consultations in the Brisbane, Gold Coast, Sunshine Coast, Darling Downs, Ipswich, Dalby/Roma/Central Queensland, Wide Bay, Logan/Redlands, Kingaroy/Burnett, Townsville/ North Queensland, and Cairns/Far North Queensland.

The ILP is a wholly owned subsidiary of QLS and is governed by its constitution. In March 2023, QLS, as the ILP's sole shareholder, approved the ILP's annual Strategic Plan, which outlines the ILP's authority, vision, purpose, annual initiatives and KPIs for the 2023-24 financial year.

## QLS Solicitor Support Pty Ltd Strategic Plan 2023-24

The Strategic Plan 2023-24 is set out below:

### Authority

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

### Annual Strategic Plan 2023-24

#### Corporate Values

QLS Solicitor Support Pty Ltd is guided by the values of:

- *Fidelity*
- *Service*
- *Courage*

#### Vision

The vision for QLS Solicitor Support Pty Ltd is to support Queensland Law Society in *Leading Solicitors in Queensland*.

#### Objects

The object of QLS Solicitor Support Pty Ltd is twofold:

1. To advance Queensland Law Society's strategic objective to partner with solicitors in Queensland to guide, advise, promote and support their role as trusted advisors; 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.

## Annual initiatives and KPI reporting

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

Initiative	KPI Report
1. To continue to respond to and provide a high quality ethics advisory service to the profession.	1. <b>COMPLETED</b> – To continue to respond within two hours of receipt of the enquiry (if possible) and close a matter on the same day or the next day (if the call is taken after 4pm, further research is required or intervening weekend) – provide an 80% response rate in closing the matter within 48 hours.
2. To continue to provide a high quality practice advisory service to sole and small firms which includes and assists the practitioner in financial, governance, practice management, marketing, wellbeing and organisational culture issues by offering and expanding to those firms with up to 10 practising certificate holders.	2. a) <b>COMPLETED</b> – Over 300 firms approached by the ILP to request a practice advisory visit, with 223 accepted. 3. b) <b>COMPLETED</b> – Quarterly report to Council setting out: <ul style="list-style-type: none"> <li>the number of visits and rate of acceptance of practice advisory visits</li> <li>regions visited and</li> <li>commentary and analysis of the key issues arising from the visits.</li> </ul>
3. To continue to provide guidance and support in ethical and practice advisory / business management matters to sole and small firms through: <ul style="list-style-type: none"> <li>practice advisory visits</li> <li>continuing to refine and make referrals to our external referral services</li> <li>producing resources such as guidance statements, ethics notes, templates, checklists, and case notes</li> <li>bespoke ethics sessions.</li> </ul>	3. a) <b>COMPLETED</b> – Over 70 resources provided to the profession. b) <b>COMPLETED</b> – Over 20 ethics or practice management educational sessions delivered through either the ILP or provided to QLS Professional Development. c) <b>COMPLETED</b> – 480 referrals to external referral services.

The Financial Reporting is set out in “Financials.”

# Cybersecurity

## Incident prevention

Against a background of more cyberattacks on Australian business the number of successful attacks on Queensland solicitors has fallen in the past 12 months. Business Email Compromise incidents with the objective of diverting funds in transit remain the most common incident. Basic measures such as funds transfer protocols, systematic patching, multi-factor authentication and strong user authentication controls remain the most effective ways to disrupt the attack chain.

The annual cybersecurity survey conducted by QLS since 2020 shows a consistent increase in the number of Small/Medium Enterprise legal practices with core cyber hygiene measures in place. Improving these key metrics will be the focus of the QLS cybersecurity strategy for the next two years.

As a foundation layer of this strategy QLS maintains a continuous cycle of cybersecurity education at professional conferences and stand-alone events. A comprehensive series of practical guides for SME legal practices is available to provide an implementation roadmap.

## Incident response

The QLS Ethics & Practice Centre maintains capacity to guide legal practitioners through the professional implications of a cybersecurity incident.

Technical and forensic assistance is also available. Despite ongoing constraints in the Cyber-Insurance market, the QLS has successfully renewed the Cyber Essentials policy <sup>6</sup> for 2023-24, with renewal negotiations well advanced for the next financial year.

The policy provides each QLS Member Firm <sup>7</sup> with incident response funding of \$50,000 underwritten by Chubb. This insurance complements the Lexon third-party professional indemnity policy. Access to this critical funding and the panel of response experts significantly improves an affected firm's response quality and decreases the impact on clients.

## Artificial Intelligence

As AI in legal practice transitions from theoretical and proof-of-concept tools to everyday use, the QLS has invested significantly in resources to ensure that adoption of generative AI by solicitors is appropriate and client interests are protected.

These resources include:

- In an Australian first, a comprehensive Guidance Statement (GS no. 37) detailing the ethical guardrails required for AI use in law
- Template usage and adoption policies
- Education units on AI basics and risk management processes.

These resources were produced by a specialist AI Working Group established to provide thought leadership and practical assistance to legal practitioners negotiating the AI driven changes in the legal services market.

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<sup>6</sup> <https://www.qls.com.au/Services/Business-Services/Cyber-Essentials-Insurance>

<sup>7</sup> A Member Firm is a law practice which is (1) insured by Lexon as their PII insurer and (2) all Principals are full QLS members

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# EDUCATE

**We develop and deliver leading education experiences to advance the expertise and accreditation of solicitors and their businesses.**

## QLS Education Mission Statement

Throughout the year, QLS offered members of the profession a choice of CPD training (core and substantive law) relevant to their practice and provided education pathways to enable them to enhance skills and to develop as ethical and healthy lawyers, with sustainable and successful careers. This included:

- **CPD Education Calendar:** Delivered live events (conferences, webinars, lectures, courses), and offered a library of on-demand learning content including 9 self-paced Introductory courses, ensuring accessible, quality education for all career stages that addresses a wide variety of topics.
- **Practice Management Courses (PMC):** Ran eight PMCs with a total of 205 attendees, including medium to large practice and sole to small practice streams, ensuring solicitors obtained the necessary skills required in order to become a principal in practice.
- **Specialist Accreditation Scheme:** In 2023 offered Specialist Accreditation in Succession, Family Law, Commercial Litigation and Property with 9 successful graduates. In 2024, Accreditation is being assessed in Criminal, Personal Injuries, and Business Law. Accreditation enhances solicitors' credentials and provides them with recognition as leading practitioners in their area of law.
- **Sexual harassment prevention training:** Conducted workshops both inhouse at law firms and generally to the profession which educates participants on appropriate workplace conduct, and provide guidelines for changing behaviours and ways to foster a positive workplace culture.
- **Mental Health First Aid:** Ran courses accrediting delegates as standard Mental Health First Aiders, enabling ongoing mental health and wellbeing first responder support to the profession.

### 2023-24 Key highlights:

- **CPD Events and Participants:**
  - 52 live events
  - Total CPD hours delivered (including on-demand content): 29,471
  - Event attendees: 4,227
  - Total speakers/presenters: 332

**29,471**  
Total CPD  
hours  
delivered

**332**  
speakers/  
presenters

**205**  
Practice  
Management  
Course  
attendees

**9**  
Specialist  
Accreditation  
graduates

- **Symposium 2023 – flagship conference offering 6 tracks of substantive and core law CPD:**
  - Over 561 delegates attended
  - 33 sessions including plenaries, with 81 presenters and chairs
- **Professional Advancement:**
  - Practice Management Course attendees: 205
  - Specialist Accreditation graduates (2023): 9
- **Sexual harassment prevention training:**
  - 26 workshops
  - 608 attendees
- **Mental Health First Aid:**
  - 6 courses accrediting 97 attendees as standard Mental Health First Aiders

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# CONNECT

**We connect the profession with each other, stakeholders and the community to foster relationships, collegiality and co-operation.**

The Society's purpose is to promote and support good law, good lawyers and public good. We are committed to serving our profession through connection to services and experiences that will contribute to more satisfying, balanced and rewarding legal careers.

## 2023-24 Key highlights:

### Celebrating 150 years

We concluded our 150-year celebrations in 2023 with a historical exhibition – *A Force for Good, past present and future* – in partnership with Supreme Court Library Queensland and the publication of a commemorative book – *Celebrating 150 Years*.

### Membership initiatives

A reinvigorated student member program saw the development and implementation of a dedicated quarterly publication the 'Docket' and a student focussed event series 'Better call Sarah' to increase engagement in the future of the profession. The results have seen a significant increase in student membership (89%) and engagement with both Law Schools and Student Law Societies around the state.

Our In-house Lawyers Breakfast series continues to go from strength to strength, adding in locations outside Brisbane. Establishing these connections with this niche member segment has assisted us to understand this cohort better so we can develop products and services to suit their needs.

### The future of membership

An important focus for QLS are the future leaders of our profession. QLS has ensured that this segment of our membership is heard through the Future Leaders Committee (FLC).

The FLC Committee consults on dedicated products and services specific to the early career cohort, including:

- **The Callover** – a podcast developed specifically for young lawyers, by young lawyers. The Callover has new episodes monthly and covers topics of interest to young lawyers around career growth, women in law, what makes a good lawyer, and First Nations culture.
- **The FLC Hub** – a dedicated hub on the QLS website to help ensure young lawyers are connected, be it through social networking events, bespoke professional development courses or information and resources that will help career development.
- **Professional, personal and wellbeing development events** – face-to-face and online education sessions to help career, social and wellbeing development of young lawyers.

**89%**  
increase  
in student  
membership

**17**  
50-year  
members  
inducted

**105**  
25-year  
members  
inducted

**31**  
in person  
events  
delivered

Additionally, during 2023-24, we extended the future leader focus to include newly admitted solicitors. The Welcome to the Profession events introduced Queensland Law Society as their partner on their professional career journey as well as highlighting the value of membership.

## **Stakeholder engagement**

Stakeholder engagement is an important area of connection that goes a long way to fostering relationships between our external stakeholders and the legal profession. We have been delighted to secure new partners as well as continue our corporate partnerships with PEXA and Bond University.

We have also collaborated with key industry organisations that contribute to public good, delivering both financial and in-kind support. This collaboration not only helps Queensland practitioners to experience more fulfilling legal careers but also raises awareness of many issues such as access to justice and the importance of diversity within the legal profession. During 2023-24, we supported:

- The District Law Associations around Queensland – supporting professional development and networking opportunities, particularly in regional areas
- ILAQ for the second Mullenjaiwakka (Lloyd McDermott) Oration – supporting diversity within the legal profession
- Pride in Law membership and support for the Pride in Law Award – supporting diversity within the legal profession
- Support for the Pasifika Lawyers Association inaugural Cultural Moot – supporting diversity within the legal profession
- Lawright – supporting LawRight’s mission to improve the lives of vulnerable people by increasing access to justice
- WLAQ – supporting the success and leadership of women in the legal profession
- Community Legal Centres Queensland – supporting access to justice in Queensland
- The Legal Forecast – supporting lawyers at an early stage of their careers and encouraging lawyers’ creativity

## **Recognising our members**

We endeavour to always shine a light on the exemplary efforts of Queensland’s legal professionals to highlight their contribution and commitment to the legal profession.

## **QLS Excellence in Law Awards**

The QLS Excellence in Law Awards is the pinnacle of our recognition program. Our awards are presented annually at the QLS Excellence in Law Awards Gala dinner.

The awards celebrate the achievements of outstanding solicitors and firms across 14 categories, and recognise those that go above and beyond to serve their clients, peers and the profession through excellence in their workplace and the wider community. A list of the 2023 QLS Excellence in Law Award winners can be found on our website.<sup>8</sup>

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<sup>8</sup> <https://www.qls.com.au/Membership/Become-a-member/Recognition/Past-recipients>



## **Celebrate Socialise Recognise**

QLS's longstanding members are the cornerstone of its success and that of the profession. In 2023, 17 members reached the remarkable 50 years of membership and 105 reached 25 years of membership securing their place as longstanding practitioners.

In celebration of the dedication and loyalty of so many QLS members that contribute their time, energy and expertise, 'Celebrate, Recognise and Socialise' events were hosted in six locations (Brisbane, Cairns, Gold Coast, Mackay, Sunshine Coast, Townsville). It is at these events, our pin recipients are presented with their pin and their service to the profession is celebrated. Our list of 25-year & 50-year pin recipients and our 2023 Honorary Members can be found on our website.<sup>9</sup>

## **Mental health and wellbeing**

Awareness and prevention of mental health issues and encouraging wellbeing within the legal profession remained a priority area for the Society during 2023-24. We provide support, education and guidance via several avenues and initiatives:

- The Mental Health Forum held during Mental Health Week in October, a workshop dedicated to raising awareness, discussing the causes and triggers as well as offering practical guidance around managing mental health issues.
- Annual Minds Count lecture held in association with the Bar Association of Queensland, shining a light on mental health issues across the profession and especially targeted at Early Career lawyers.
- Intensive Mental Health First Aid Courses delivered by a QLS nationally recognised instructor, equipping attendees with the skills to become a mental health first aid officer.
- Conference and webinar sessions on high priority issues affecting the profession, such as vicarious trauma and burnout.
- Leading wellbeing in the profession sessions included in the Practice Management courses.

## **Guided peer to peer network**

In May 2024, QLS introduced a pilot for a guided peer to peer network centering on the psychological dimensions of legal practice and its impact on day-to-day practice.

The objective was to use the learnings of the pilot to establish a legal practitioner-led peer support network. Such a pilot was established by the Law Society of Ireland<sup>10</sup> in 2021 as a part of their Law Society Professional Wellbeing Project.

Focusing on case material and the client relationship, the pilot presentation explored issues through detailed discussion with the goal of learning how to handle difficult cases more effectively and develop a deeper understanding of professional relationships, vicarious trauma and conflict.

## **LawCare**

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

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 mobile app, which gives members instant access to wellbeing resources and online counselling appointments.

During the 2023-24 financial year, approximately 349 members, their staff or immediate family accessed LawCare.

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<sup>9</sup> <https://www.qls.com.au/Membership/Become-a-member/Recognition/Recognition-pins>

<sup>10</sup> <https://www.lawsociety.ie/News/News/Stories/peer-support-for-practitioners>

## **Media**

QLS's representation in the media educates the public through promoting balanced law, providing insight on key legislation and the importance of the rule of law in society.

Through careful and considered stakeholder engagement, QLS has developed effective relationships with many media agencies during 2023-24. This engagement work has seen QLS not only achieve positive and balanced media coverage of issues but has also maintained our reputation within the media as the 'go to' source for legal commentary.

Mentions of Queensland Law Society, Associations, Key Issues and Key Spokespeople: TOTAL: 25,748

Radio – 6,549 mentions.

Newspaper – 6,461 mentions

Online news – 11,129 mentions, and

TV – 1,609 mentions

## **Publications**

QLS Update and QLS Proctor continue to ensure the legal profession has access to legal news and information relevant to their practice and their business.

Together, these online publications provide profession updates, legal news and views, ethical guidance and practice support to our membership (QLS Update) and to the wider legal profession (QLS Proctor), helping to create connection to QLS, to the profession and to each other.

QLS Update is distributed to approximately 12,000 members each week and continues to achieve higher than average open rates (above 40%) and click through rates (above 11%).

During 2023-24, QLS Proctor had 838,181 views and 308,300 total views.

## **The First Nations Cultural Outreach Strategy 2020-25 (COS)**

As part of our commitment to diversity and inclusion in the Queensland legal profession, the inaugural five-year First Nations Cultural Outreach Strategy 2020-25 and First Nations Plan 2020-21 launched on 1 July 2020. This financial year (FY24) is the fourth year under the five year strategic plan and continues to develop and advance the five key objectives Advocate, Educate, Connect, Support, and Embed.

The annual First Nations Plan monitors our progress, ensuring we meet our objectives and move closer to quadrupling the number of First Nations solicitors in Queensland by 2025 and we are proud to report on the fourth year of the plan which shows approximately 163 First Nations identified practising certificate holders (111 First Nations identified full members),<sup>11</sup> up 4.5 fold from 36 First Nations practitioners reported in 2018, which is a very pleasing result.

### **Internal staff contribution to COS**

Throughout the year, QLS staff participated in a number of cultural events including Indigenous Business Month in October 2023, Cultural Awareness Training with Our Yarn, and, for the second year running, reinvigorated the Deadly Voices choir in May 2024 with Caxton Legal Centre in celebration of National Reconciliation Week and Indigenous History Month.

Staff have maintained a strong focus on researching and raising awareness of First Nations matters, publishing number of articles in QLS Proctor about cultural events and matters throughout the year.

### **Beyond 2024**

Our primary focus is to continue to increase the number of First Nations Peoples practitioners in Queensland by 2025 and focus on high school and university First Nations students. We have continued to engage with First Nations Legal Stakeholders to come together in this ambitious aim and will work together with them to develop our new First Nations Cultural Outreach Strategy 2025-30, to see us through to the end of the decade.

### **Acknowledgement and thanks**

The roll out and continuing support of the strategy is not possible without the support, commitment and dedication of QLS's First Nations Consulting Committee Chair and Committee members, First Nations Legal Policy Co-Chairs and Committee members and our (internal) Cultural Champions and Stakeholders Committee. QLS would also like to acknowledge current and past staff and committee members who contributed to the work and development of our plan and strategy. To that end it is important to recognise the work and support of the chairs of all committees, stakeholder committees and all other stakeholders for their commitment and generosity of time in joining with us on our cultural journey that positively contributes to closing the gap.

QLS looks forward to working with all members and stakeholders in achieving these laudable initiatives.

The annual reporting of our commitments is set out below and includes a reflection of our strengths and focus over this financial year.

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<sup>11</sup> Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2024

## First Nations Annual Plan 2023-24 (QLS FNP)

Strategic Goal	Initiative	Average Status	YTD Report 1 July 2023 – 30 June 2024
Advocate Goal	1. Be at the forefront of identifying issues that affect First Nations Solicitors and First Nations Community and consult with First Nations stakeholders	Proper Deadly	1.1.1 <b>PROPER DEADLY</b> – Whilst there have been 8 submissions on First Nations matters, the consultation for the 2024 State Call to Parties has been significant for First Nations Advocacy, comprehensively considering over 21 issues and recommendations for policy and legislative reform from Closing the Gap to Criminal Justice to Cultural Safety, Access to Justice, Native Title, Blue Card, Path to Treaty, Renewal Energy, resourcing for organisations and reforms to imbed long term meaningful engagement and cultural safety. The Call to Parties is an important and significant representation of a number of First Nations issues and in FY25 the responses from the parties to the issues and recommendations will be published, ahead of the Queensland state election
Advocate Goal	2. Actively represent First Nations Solicitors and First Nations Community with lawmakers, policy makers and law enforcers that promote laws that are just and equitable for First Nations Peoples	Deadly	2.1.1 <b>ON TRACK &amp; ONGOING</b> – There has been 3 stakeholder consultations. 2.1.1 <b>PROPER DEADLY</b> – Council has received reports on Youth Justice advocacy and broadly on significant First Nations issues for the Call to Parties
Educate Goal	3. Roll out a cultural education syllabus (Cultural Competency) for the Queensland Legal Profession	On the way to deadly	3.1.1 <b>ON TRACK &amp; ONGOING</b> – The Self-paced Cultural Competence LMS module is available via the QLS Shop to general public with 27 delegates during the financial year. On reflection, the delegate target was an aspirational stretch target and work is earmarked in FY25 for an update of the course.
Educate Goal	4. Advance the First Nations Legal Student Strategy to identify and encourage more First Nations people to study, graduate and practice in law	Deadly	4.1.1 <b>PROPER DEADLY</b> – Quarterly reports have been provided to Council, Lawlink initiatives and consultation with legal stakeholders. Over quarters 3 and 4 there has been engagement with the Supreme Court library, First Nations Consulting Committee, the Equity and Diversity Committee and the COS Team has connected with First Nations law students at the QLS Legal Careers Expo and online. There has been an invitation to present at the Anglican Schools Expo for Lawlink in August 2024 and in May 2024, QLS supported the joint Hopgood Ganim/Reconciliation Event to encourage First Nations students to study law. Overall, it has been a pleasing and rewarding engagement with legal and education stakeholders 4.2.1 <b>ON TRACK &amp; ONGOING</b> – Immediate Past CEO reported all but one law school was interested in taking part in the university survey. As a result the survey is not progressing. There has, however, been a registration survey taken place for QLS Legal Careers Expo to canvas students interested in learning more about First Nations Lawyer experiences
Educate Goal	5. Supporting and advancing the District Law Associations in Cultural Competency	On the way to deadly	5.1.1 <b>ON TRACK &amp; ONGOING</b> – Cultural Pack presented to and provided to DLA Presidents at the DLA Presidents Workshop with DLA Presidents invited to access online on boarding; approximately 5 registrations/activity has taken place since February 2024.
Educate Goal	6. Working with the Bar and the Judiciary in growing and advancing Cultural Competency	On the way to deadly	6.1.1 <b>DEADLY</b> – Engagement has taken place with the Supreme Court Library and into the next financial year there will be exploring engagement with the Family and Federal Circuit Courts 6.1.2 <b>ON TRACK &amp; ONGOING</b> – Research has been commenced however other cultural initiatives have taken priority. In FY25 the Cultural Outreach Strategy will be reviewed and there will be a reflection as to the role and work with respect to cultural competency in other legal branches of the profession.

Strategic Goal	Initiative	Average Status	YTD Report 1 July 2023 – 30 June 2024
Connect Goal	7. Promote, and connect with and raise the profile of First Nations solicitors and First Nations legal students	On the way to deadly	<p>7.1.1 <b>ON THE WAY TO DEADLY</b> – There has been 1 First Nations Elder and Solicitor presenting to students and stakeholders at the Legal Careers Expo. For FY25 there will be a review of the Presenter Agreement Survey to assist in identifying presenters who identify as First Nations.</p> <p>7.2.1 <b>DEADLY</b> – Eight articles published as well as an article on Garma Festival posted in Yammer.</p>
Connect Goal	8. Recognise First Nations Solicitors and First Nations Legal Students through annual Awards	Deadly	<p>8.1.1 <b>DEADLY</b> – First Nations Legal Student and Solicitor Awards held in August 2023.</p> <p>8.1.2 <b>DEADLY</b> – There has been an increase in student category nominations to 8 but only 1 eligible for solicitor nominations.</p>
Support Goal	9. Connect, promote and highlight First Nations Businesses	Proper Deadly	<p>9.1.1 <b>PROPER DEADLY</b> – Weaving workshop hosted at the Law Society with a number of legal and First Nation organisational stakeholders in attendance. IBM Competition was run throughout October. Winner, Bro Sis Cus Jewelry, is run by First Nations Solicitor and prior First Nations Committee Member Jayde Geia. A thoroughly enjoyable event that raised awareness about First Nations businesses</p>
Support Goal	10. Investigate a trust or fundraising initiative to support First Nations Legal Students, Solicitors and Community	Deadly	<p>10.1.1 <b>DEADLY</b> – Celebrated Indigenous History Month with the Reconciliation Australia's annual choir and raising awareness about First Nations history focusing on the Warumpi band song 'Black Fella White Fella' and First Nations historic advocacy through music</p> <p>10.2.1 <b>DEADLY</b> – Consultation has taken place with First Nations Consulting Committee regarding supporting initiatives with First Nations students and community</p>
Support Goal	11. Connect, support and promote a First Nations Charity on an annual basis	Proper Deadly	<p>11.1.1 <b>PROPER DEADLY</b> – Throughout the financial year, QLS held fundraisers for Indigenous Literacy Foundation. A total of \$956 of funds was raised (including price matching by QLS)</p>
Imbed Goal	12. Provide cultural competency training annually for internal staff and a Cultural Outreach on boarding induction for new staff	Deadly	<p>12.1.1 <b>PROPER DEADLY</b> – Aboriginal Cultural Awareness Art Workshop for QLS Staff was rolled out over two days with Matt and Ambrose from Our Yarn. QLS staff engaged in cultural awareness presentation, dialogue and cultural activities. Staff contributed to a mural that was finalised by Ambrose and returned to QLS. Team is organising an event during NAIDOC Week 2024 to officially unveil the painting.</p> <p>12.1.2 <b>DEADLY</b> – Onboarding available on LMS.</p>
Imbed Goal	13. Connect with First Nations Elders and community members that promote the benefits of cultural inclusion and awareness	Proper Deadly	<p>13.1.1 <b>PROPER DEADLY</b> – Connected with First Nations Elders on a number of occasions</p> <p>13.2.1 <b>PROPER DEADLY</b> – Celebrated NAIDOC, Indigenous Business Month, National Reconciliation Week and raised awareness for Indigenous History month</p> <p>13.3.1 <b>PROPER DEADLY</b> – Utilising the internal calendar, a number of cultural awareness, inclusion and Proctor articles have been published on the QLS website, social and other communication channels</p>
Imbed Goal	14. Imbed cultural key dates within the organisation annually	Deadly	<p>14.1.1 <b>DEADLY</b> – 2024 calendar finalised; uploaded to the website</p> <p>14.2.1 <b>DEADLY</b> – Cultural Calendar 2024 announcement published on Proctor in January.</p>

Strategic Goal	Initiative	Average Status	YTD Report 1 July 2023 – 30 June 2024
Imbed Goal	15. Imbed long term operational structures for cultural safety and unconscious bias prejudices	Deadly	<p>15.1.1 <b>DEADLY</b> – Consultation and review with First Nations Consulting Committee, Cultural Champions and Stakeholders, and Leadership Team and Managers of QLS of the First Nations Plan 2024-25 and it has been approved by Council on 24 April 2024. Work will take place in FY25 to review the Cultural Outreach Strategy for 2025-30</p> <p>15.2.1 <b>PROPER DEADLY</b> – The First Nations Consulting Committee have met 5 times this financial year</p> <p>15.3.1 <b>DEADLY</b> – The Cultural Champions and Stakeholders Committee has met six times this financial year</p>

### Key

Proper Deadly (Exceeded Target)

Deadly (Target Achieved)

On the way to deadly (On track)

Which Way? (Target not achieved)

### KPIs

1. We are listened to by government and members of parliament.
2. There is increased engagement by the legal profession and community in cultural resources.
3. Proportion of First Nations solicitors and First Nations legal students that are recognised and that grows each financial year and by the 5th year of the COS, the number of First Nations solicitors in Queensland has quadrupled to 144.
4. Annual financial targets are achieved.
5. Increased awareness and participation in cultural initiatives by QLS staff and the Queensland legal profession

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# GROW

**We grow the member centric capability of QLS and embed a positive work place culture, technological resilience and financial sustainability.**

## Our people

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

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

### Key 2023-24 highlights

- Implementation of a competency-based performance enablement cycle with outcomes used to drive and enhance growth and development.
- Establishment of an annual equal remuneration model for all employees reflecting the QLS's commitment to fairness, transparency, and its collective mission.
- Implementation of a fully integrated Human Resources Information System (HRIS).
- Roll out of the CliftonStrengths tool and assessment across the organisation as part of our strategy for skills building. Based on positive psychology and appreciative inquiry, CliftonStrengths helps individuals and teams to work more effectively and collaboratively. Meta-analysis found that teams that used CliftonStrengths had significantly higher levels of engagement, satisfaction, and productivity than teams that did not.
- Provision of internal and external learning and development programs including:
  - Vicarious trauma and building resilience training to support employees who regularly work in emotionally charged situations.
  - Manager's network and development program. Providing skills and support to frontline managers aimed at developing skills in leadership.
  - Giving and receiving feedback workshops.
  - Financial awareness training.

**66%**  
female  
managers

**99%**  
gender pay  
equity

Over **78%**  
agree QLS  
has inclusive  
culture

**19,121**  
people hosted  
in our serviced  
rooms

## Workforce diversity, equity and inclusion

- Current holder of Employer of Choice Gender Equity certification.
- Attained the Diversity Council of Australia Employer Index.
- Over 78% of employees agreed or strongly agreed that QLS has an inclusive culture where diversity is valued and respected.
- Gender Pay equity has reached 99% (excluding CEO and ELT).
- Pay equity reached in like for like roles (Administration support and Trust Account investigations).
- Gender decoder applied to all recruitment advertising.
- Diversity statement contained in recruitment advertising: *Our workforce is diverse, inclusive and equal; and is representative of our members.*
- 90% employees reported that they have flexibility in their working hours.
- 66% of managers are female.

## Workforce profile as of 30 June 2024

Employment Type	Headcount	Full-time equivalent	Percentage
Permanent Full-time	83	83	68%
Permanent Part-time	34	23.13	28%
Fixed term Full time	4	4	3%
Fixed-term Part time	1	0.5	1%
<b>TOTAL</b>	<b>122</b>	<b>110.63</b>	<b>100%</b>
Casual employees	12		
Attrition	25	24.3	21%

## Our working environment

### Sustainability

QLS is committed to sustainable work practices designed to cut greenhouse gases, reduce waste and landfill, and save water and energy.

The culture of sustainability is embedded in our work practices in three key areas:

#### Decreasing landfill contributions

We continue to commit to protect the environment and reduce landfill through recycling office paper, toners and ink cartridges as well as computers, photocopiers and other office equipment.

#### Lowering our energy consumption

A strong focus remains on reducing energy consumption through the use of energy efficient lighting. This helps us reduce our power consumption.



## Decreasing our carbon footprint

QLS has always been committed to reducing food and beverage wastage through actively identifying areas of waste such as continuing to supply bottled beverages instead of poured beverages at the majority of our in-house events. We continue to source catering from local CBD suppliers who deliver on foot, to reduce carbon emissions.

## Room hire

### Room Bookings for 2023-2024

Despite construction work being undertaken on the Façade of Law Society House and Ground Floor for the first quarter of the financial year from July to mid-October 2023, QLS still hosted a total of 19,121 people across all our serviced rooms.

Whilst Level 2 numbers were down by 2,261 on the previous year from 15,846 – 13,585, people using the new spaces on Level 6 and Ground totalled 5,535.

By floor breakdown based on set-up count:

Ground	2125
Level 2	13,585
Level 6	3411
<b>Grand Total</b>	<b>19121</b>

The total revenue from Room Bookings was \$228,793. This was an increase of \$61,563.00 on the previous year's result.

## Our Corporate Structure

In this financial year, there are eight departments that report to QLS's Chief Executive Officer:

- **Legal:** Provides in-house legal advice.
- **Membership and Engagement:** Provides marketing, media and communications services with an in-house marketing and communications team, design team, partnerships and growth team and events team.
- **Regulation:** Oversees QLS's regulatory arm in trust account investigations, external interventions, management of the Legal Practitioners' Fidelity Guarantee Fund, practising certificates, Records and Member Services as well as supporting the Legal Practitioners Admissions Board.
- **Finance and Facilities:** Oversees finances and in-house facilities.
- **Information Management and Technology:** Oversees the management of information, databases, information systems, associated business processes and IT.
- **Advocacy, Guidance and Governance:** Advocates for QLS and the profession through submissions, public hearings, consultation and updates to the profession, guides QLS's voice 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 First Nations Cultural commitments. The guidance arm provides legal ethics and practice support guidance and ethical legal education to QLS members.
- **Education:** Oversees QLS's provision of continuing professional development, seminars, conferences, Symposium, and masterclasses as well as overseeing professional advancement with the roll out of Specialist Accreditation and Practice Management courses.
- **People and Culture:** Oversees recruitment, staff performance and evaluation and people and culture policies and education.

## Our Leadership team

### Rolf Moses

#### Chief Executive Officer (until March 2024)

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 25 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.

### Matt Dunn

#### General Manager, Advocacy, Guidance and Governance

BSc LLB (Hons) GAICD

#### Chief Executive Officer (from March 2024)

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 a focus on legal policy, public affairs, stakeholder relations, ethical and practice guidance for the profession and corporate governance for QLS. In March 2024, Matt commenced as Queensland Law Society's Chief Executive Officer.

**Catherine Ellemor**  
**Chief People Officer**  
BSc, ATCL

Catherine joined Queensland Law Society in 2021. Catherine has over 20 years' experience in human resources, having held management roles in national and international law firms, as well as senior roles in the education and government sectors.

Catherine's human resources expertise includes performance management and coaching, reward and recognition, recruitment and selection and organisational development. She is passionate about providing stakeholders with human resources best practice advice and solutions to support the growth and success of their business.

Catherine is a member of the Australian Human Resources Institute.

**Peter Gamin**  
**Chief Financial Officer**  
BBus MCom FCA FGIA GAICD

Peter joined QLS in August 2021 and is responsible for all aspects of finance, facilities and administration functions. Peter is a Chartered Accountant with 20 years' experience in strategic financial leadership, risk management, taxation, business process improvement, governance and creation of commercial value. He has a finance background spanning superannuation (profit for member fund), government funds management, private sector group finance and chartered accounting. Peter has a professional approach to stakeholder engagement and is committed to personal integrity, ethical business practice and the achievement of results.

**Sandra Pepper**  
**General Manager, Education**  
BA LLB

Sandra is a senior lawyer with over 25 years' experience in the legal profession. Sandra practised in the areas of 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 and includes syllabus development, content creation and training delivery.

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.

**Louise Pennisi**  
**Corporate Secretary, Manager, Corporate Governance and Cultural Outreach Strategy**  
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 cultural 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.

**Dan Ryan**  
**Acting General Manager, Office of General Counsel**  
LLB

Dan Ryan serves as acting General Counsel of the Queensland Law Society. He has over 20 years of high level corporate and commercial experience in both Australia and Asia including working for leading international firms, Freshfields and Baker & McKenzie and as general counsel to a variety of technology companies. He speaks Mandarin and is a former board member of the Australian China Council.

**Craig Smiley**  
**General Manager, Regulation**  
LLB (Hons)

Craig joined Queensland Law Society in June 2004 and heads our Regulation division. Craig's leadership spans Licencing, Trust Account Investigations, the Legal Practitioners' Fidelity Guarantee Fund, the QLS Professional Standards Scheme and External Interventions.

**Akos Szakaly**  
**Information Management and Technology**  
MSc in Finance

Akos has been delivering business applications and Microsoft Dynamics solutions for nearly 20 years. Throughout his career, Akos has worked with large consulting firms in senior positions, helping customers achieve significant business transformations.

His expertise spans a wide range of areas including business application delivery, project management, and consultancy. Akos is known for his strategic vision and ability to implement comprehensive solutions that drive organizational success. His extensive experience and leadership have consistently enabled clients to optimize their operations and achieve their business goals.

In his current role at QLS, Akos continues to leverage his experience and knowledge of Microsoft Dynamics to deliver exceptional results. He is passionate about empowering businesses through innovative technology solutions and is committed to maintaining the highest standards of service delivery. Akos is dedicated to fostering strong relationships with stakeholders and is a trusted advisor in the realm of business applications and digital transformation.

**Maree Westbrook**  
**General Counsel, Office of General Counsel**  
LLB, LLM, Grad. Dip. LP.

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

**Rachel Young**  
**General Manager, Membership and Engagement**  
BBus, Grad. Cert. BA

Rachel joined Queensland Law Society in September 2021, bringing over 15 years' experience in delivering growth through strategic marketing, digital transformation and member experience design. An experienced executive leader, Rachel has led large, multi-disciplined teams, across diverse industries including finance, not-for-profit, construction and hospitality, in both B2B and B2C markets. Rachel is currently working towards gaining her MBA and has a keen interest in emerging digital technologies.

# 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. 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.

## Committees, Chairs and Deputy Chairs

Committee	Chair and Deputy chair
<b>Access to Justice / Pro bono Law Committee</b>	Chair: Elizabeth Shearer Deputy Chair: Stephen Herd
<b>Accident Compensation / Tort Law Committee</b>	Chair: Michael Garbett Deputy Chair: Luke Murphy
<b>Banking and Financial Services Law Committee</b>	Chair: Michael Anastas Deputy Chair: Karla Fraser
<b>Children's Law Committee</b>	Chair: Damian Bartholomew Deputy Chair: Danielle Iliffe
<b>Committee of Management</b>	Chair: Philip Ware Deputy Chair: Bridie Edwards
<b>Competition and Consumer Law Committee</b>	Chair: Kathryn Finlayson Deputy Chair: Tanja Mitic
<b>Construction and Infrastructure Law Committee</b>	Chair: Samantha Cohen Deputy Chair: Nathan Chalmers
<b>Corporations Law Committee</b>	Chair: Derek Pocock
<b>CPD Committee</b>	Chair: Rachael Miller
<b>Criminal Law Committee</b>	Chair: Dominic Brunello Deputy Chair: Patrick Quinn
<b>Dispute Resolution Committee</b>	Chair: Vacant Deputy Chair: Julie Ruffin
<b>Domestic and Family Violence Committee</b>	Chair: Tracey De Simone Deputy Chair: Rachael Field
<b>Elder Law Committee</b>	Chair: Rebecca Anderson Deputy Chair: Madeline Walsh
<b>Energy and Resources Law Committee</b>	Chair: Melanie Findlay
<b>Equity and Diversity Committee</b>	Chair: Ann-Maree David
<b>Ethics Committee</b>	Chair: Joe Siracusa Deputy Chair: Petrina Macpherson

<b>Committee</b>	<b>Chair and Deputy chair</b>
<b>Family Law Committee</b>	Chair: Kathy Atkins Deputy Chair: Margie Kruger
<b>Executive Committee</b>	Chair: President Rebecca Fogerty
<b>First Nations Consulting Committee</b>	Chair: Uncle Terry Stedman Deputy Chair: Magistrate Jacqui Payne
<b>First Nations Legal Policy Committee</b>	Co-Chairs: Lyndell O'Connor and Kristen Hodge
<b>Franchising Law Committee</b>	Chair: Simone Pentis Deputy Chair: Elizabeth Gore-Jones
<b>Finance and Risk Committee</b>	Chair: Tim Cronin
<b>Future Leaders Committee</b>	President: Sarah Plasto Deputy President: Ashleigh Fanning
<b>Governance Committee</b>	Chair: Peter Jolly
<b>Government Lawyers Committee</b>	Chair: Jill Petrie Deputy Chair: Natasha Camphorst
<b>Health and Disability Law Committee</b>	Chair: Karen Williams Deputy Chair: Claire Bassingthwaite
<b>Human Rights and Public Law Committee</b>	Chair: Emma Phillips Co-Deputy Chair: Bridget Burton and Matilda Alexander
<b>Industrial Law Committee</b>	Chair: Marcelle Webster Deputy Chair: Sandra Barry
<b>In-House Counsel Committee</b>	Chair: Philip Ware Deputy Chair: Eve Fraser
<b>Innovation Committee</b>	Chair: Terri Mottershead Deputy Chair: Kim Traier
<b>Insolvency and Reconstruction Law Committee</b>	Chair: Scott Butler
<b>Litigation Rules Committee</b>	Chair: Andrew Shute Deputy Chair: John Hayward
<b>Migration Law Committee</b>	Chair: Angus Francis Deputy Chair: Victoria Lenton
<b>Not-For-Profit Law Committee</b>	Chair: Sonya Beyers Deputy Chair: Richard Hundt
<b>Occupational Discipline Law Committee</b>	Chair: Calvin Gnech Deputy Chair: Melanie Morris
<b>Planning and Environment Law Committee</b>	Chair: Michael Connor

<b>Committee</b>	<b>Chair and Deputy chair</b>
<b>Practice Management Course Committee</b>	Chair: Greg Spinda Deputy Chair: Natasha Hood
<b>Privacy, Data, Technology and Intellectual Property Law Committee</b>	Chair: Anna Sharpe Deputy Chair: Ben Thorn
<b>Professional Conduct Committee</b>	Chair: Michael Muir
<b>Property and Development Law Committee</b>	Chair: Matthew Raven
<b>Revenue Law Committee</b>	Chair: Duncan Bedford Deputy Chair: David Stitt
<b>Specialist Accreditation Advisory Committee: Business Law</b>	Chair: Vicki Comino
<b>Specialist Accreditation Advisory Committee: Commercial Litigation</b>	Chair: Paul Betros
<b>Specialist Accreditation Advisory Committee: Criminal Law</b>	Chair: Callan Lloyd
<b>Specialist Accreditation Advisory Committee: Family Law</b>	Chair: James Steel
<b>Specialist Accreditation Advisory Committee: Immigration Law</b>	Chair: Glenn Ferguson
<b>Specialist Accreditation Advisory Committee: Personal Injuries</b>	Chair: Brady Cockburn Deputy Chair: Kate Avery
<b>Specialist Accreditation Advisory Committee: Property Law</b>	Chair: Anthony Boge Deputy Chair: Peter Townley
<b>Specialist Accreditation Advisory Committee: Succession Law</b>	Chair: Renee Bennet
<b>Specialist Accreditation Advisory Committee: Workplace Relations</b>	Chair: Rob Stevenson
<b>Specialist Accreditation Board</b>	Chair: Peter Jolly Deputy Chair: Kathy Atkins
<b>Succession Law Committee</b>	Chair: Angela Cornford-Scott Deputy Chair: Bryan Mitchell
<b>Technology and Intellectual Property Law Committee</b>	Chair: Ben Thorn Deputy Chair: Ben Coogan
<b>Water and Agribusiness Law Committee</b>	Chair: Brian Healy Deputy Chair: Alex Ramsey

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

Working group	Chair and deputy chair
Diverse Abilities Network	
Judicial Commission Working Group	Chair: Dan Rogers
Wellbeing Working group	Chair: Belinda Winter Deputy Chairs: Tania Murdock & Philip Ware
QLS Cybersecurity and Scam Prevention Working Group	

## Outgoing Chairs and Deputy Chairs

The Society would like to acknowledge the significant contributions of the outgoing Chairs and Deputy Chairs:

- **Andrew Forbes** – Deputy Chair – Occupational Discipline Law Committee
- **Paul-Paxton Hall** – Chair – Not for Profit Law Committee
- **Giri Sivaraman** – Chair – Industrial Law Committee
- **Derek Sutherland** – Chair – Franchising Law Committee
- **Taya Hunt** – Chair – Migration Law Committee
- **Genevieve Dee** – Chair - Committee of Management
- **Michele Davis** – Deputy Chair - Committee of Management
- **Paul Coves** – Chair - Dispute Resolution Committee



# Information Management strategic objectives

The Information Management and Technology program at QLS has successfully aligned with our strategic objectives over the past year. Our achievements and future goals include:

## 1. Comprehensive Information Governance

- Robust Project Governance: Established frameworks ensuring accountability, transparency, and business stakeholder responsibility.
- Streamlined Change Control: Implemented an effective change control system driving operational efficiencies and enhancing user experience.
- Ongoing Business Systems Enhancement: Continuous strategy aligning business goals, stakeholder expectations, and organisational objectives.

## 2. Maximising Information Management Investments

- Successful Implementations: Modern business systems backing new information capabilities.
- Strategic Service Alignment: Efforts directed towards improved service delivery.
- Automation and Integration: Core systems enhanced with automation (most importantly finance), boosting efficiency and productivity.
- Streamlined Processes: Simplified business processes improving internal and external workflows.
- Improved Membership Renewals: Significantly streamlined and smoother renewals process this year.

## 3. Cybersecurity Enhancement

- Strengthened Cybersecurity: Enhanced infrastructure safeguarding sensitive data, privacy, and confidential information.
- Essential Eight Implementation: Cyber hardening through key strategies including application whitelisting, patching applications, restricting administrative privileges, and configuring Microsoft Office settings.

## 4. Future Objectives

- Enhanced User Experience: Develop user-centric digital solutions improving member interactions and engagement through unified platform.
- Sustainability Initiatives: Integrate sustainable practices within IT operations, reducing the environmental footprint.
- Advanced Analytics: Leverage predictive analytics to anticipate member needs and improve service offerings.

## Initiatives

Over the past year, the Information Management Program of Works has achieved the following:

- Data Governance Maturity: Continued data migration to the new CRM and improved data models enhancing long-term data quality.
- Enhanced Onbase: Continued development of the electronic document and record management system (EDRMS).
- Renewals improvement: Enhanced the membership management system, streamlining the renewal process.

- **Cyber Hardening:** Achieved significant cybersecurity advancements through the Essential Eight, providing:
  - **Improved Security Posture:** Lowered risk of cyber incidents.
  - **Operational Resilience:** Strengthened recovery capabilities.
  - **Regulatory Compliance:** Enhanced adherence to cybersecurity standards.
  - **Cost Efficiency:** Reduced costs related to cyber incidents.

## **Information systems and record keeping**

QLS has made significant strides in advancing its electronic document and records management system (EDRMS). The Onbase solution was successfully deployed to additional QLS departments, incorporating complex workflows to enhance operational efficiency. This has markedly improved QLS's investigative capabilities, streamlining procedures, and supporting analysis and reporting.

Additionally, a project aimed at consolidating and reducing QLS's physical records inventory was completed during the past year. This effort, alongside the renovation of Law Society House, has significantly reduced the volume of paper records managed by various departments.

Effective recordkeeping education remains mandatory for all QLS staff as part of their onboarding. Supplementary training sessions are provided as needed to ensure ongoing compliance and proficiency.

These accomplishments and future initiatives underscore our commitment to advancing digital transformation and enhancing member services in alignment with our strategic goals.

## **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, business cases 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 centralised short- and long-term risk register that assists executive staff to identify, classify, assess and monitor current risk and also seamlessly review archived risks. During the 2023-24 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. The risk register is flexible to analysing short-term and long-term risk, with long-term latent risks reviewed annually so that there is a dedicated focus on current risks.

## **Our Ethics**

QLS is a public sector entity under the *Public Sector Ethics Act 1994*, and has an established QLS Code of Conduct, which applies to all staff, Councillors and Society committee members. QLS continues to encourage its Council, committee members, and business colleagues to partner with us in implementing the Code, and a copy of the Code is publicly available on the QLS website. On appointment and induction, committee members and Councillors are provided with a copy of the Code. Education and on-board training of all new staff include the Society's policies, with education and the importance of the Code of Conduct, bullying and sexual harassment awareness training, wellbeing and cultural on-boarding. QLS undertook training of the Code of Conduct of QLS staff and approximately 107 staff completed the training and assessment.

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 FRC and 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**

The *Right to Information Act 2009* (RTI) 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 regularly reviewed.

## **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. 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](https://qls.com.au).

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# FINANCES

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

## **Our financial performance**

### **Group results**

In 2023-24, the Group made an operating surplus of \$21.9m after tax and net assets at 30 June 2024 were \$196.6m, an increase of \$21.9m from the previous year.

The refurbished Law Society House opened in October 2023 and significantly adds to venue hire and mediation space for use by members. By consolidating staff to two floors, an additional whole floor is available for commercial leasing, giving additional income and consequential lift in the valuation of the building in future years. To partly fund the refurbishment project, the Society borrowed \$10m from Queensland Treasury Corporation at 3.995% per annum fixed for 10 years. The loan will be fully repaid by 2033.

Investment returns (distributions plus fair value movements through profit or loss) for the Group increased from \$14.7m in 2022-23 to \$23.1m in 2023-24. Improved investor sentiment and a resilient economy saw a marked increase in nominal, non-inflation adjusted returns. It is not likely however that such investment returns can be sustained at this level. The Group outsources its investment management function to Queensland Investment Corporation (QIC) and oversees investment performance through strict investment parameters.

Employee expense for the Group increased by \$1.0M whilst overall group expenses decreased by \$21.3M, driven mainly by a lower liability for insured claims.

### **Queensland Law Society Incorporated (parent)**

Queensland Law Society Incorporated incurred an underlying operating surplus of \$0.3m which included a higher depreciation charge on the refurbished building. More members continually have joined the Society, and membership and Practicing Certificate renewals were above 2022-23.

Parent net assets as of 30 June 2024 were \$62.5m, a decrease of \$2.7m, due to the year's decrease in the valuation of the building as CBD commercial values have softened. Revenue from Membership fees, Practicing Certificates and Education all increased. Additional contractors were engaged to enhance member experience with the most recent renewals, providing improved functionality and portal support.

# **QUEENSLAND LAW SOCIETY INCORPORATED**

Consolidated Financial Report  
For the year ended 30 June 2024

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**Queensland Law Society Incorporated**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2024**

		Consolidated		Parent Entity	
		2024	2023	2024	2023
		Actual	Restated	Actual	Actual
NOTE		\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
Fees and membership services	B1-1	20,832	19,544	20,855	19,568
Rent and administration revenue	B1-2	459	396	1,065	970
Grants and funding	B1-3	749	707	1,743	1,699
Insurance service revenue	B1-4	27,814	37,179	-	-
Insurance finance revenue	B1-4	(1,477)	269	-	-
Investment income	B1-5	11,499	5,421	1,553	980
Realised gains/(losses) on investments	C4	979	192	-	-
Fair value gains/(losses) on investments	C4	10,603	9,089	-	-
Other income		337	374	286	327
<b>Total revenue</b>		<b>71,795</b>	<b>73,171</b>	<b>25,502</b>	<b>23,544</b>
<b>Expenses</b>					
Membership services and events	B2-1	1,842	1,813	1,839	1,813
Administration expenses	B2-2	9,430	9,991	7,167	7,932
Employee expenses	B2-3	15,258	14,299	13,536	12,739
Borrowing expenses	B2-4	367	96	367	96
Depreciation and amortisation	C6	2,533	1,726	2,263	1,475
Loss on disposal of fixed assets		-	1,521	-	1,521
Insurance service expenses	B1-4	6,971	28,211	-	-
Stamp duty		2,396	2,420	-	-
<b>Total expenses</b>		<b>38,797</b>	<b>60,077</b>	<b>25,172</b>	<b>25,575</b>
<b>Operating (deficit)/surplus before income tax</b>		<b>32,998</b>	<b>13,094</b>	<b>330</b>	<b>(2,031)</b>
Income tax (expense) / credit	F1-1	(8,131)	(3,401)	-	-
<b>Operating (deficit)/surplus after income tax</b>		<b>24,867</b>	<b>9,693</b>	<b>330</b>	<b>(2,031)</b>
Other comprehensive income, net of tax					
<b>Items that will not be reclassified subsequently to operating result</b>					
Increase/(decrease) in asset revaluation surplus	C6	(3,007)	(416)	(3,007)	(416)
<b>Total comprehensive income</b>		<b>21,860</b>	<b>9,276</b>	<b>(2,677)</b>	<b>(2,447)</b>

The accompanying notes form part of these statements.



**Queensland Law Society Incorporated**  
**Statement of Financial Position**  
**As at 30 June 2024**

			Consolidated		Parent Entity	
		2024	30 June 2023	1 July 2022	2024	2023
	NOTE	\$'000	Restated \$'000	Restated \$'000	\$'000	\$'000
<b>Current assets</b>						
Cash and cash equivalents	C1	75,159	72,532	69,350	65,496	66,457
Receivables	C2	1,380	1,247	384	1,274	1,150
Reinsurance contract assets	C9-2(a)	1,158	534	214	-	-
Other assets	C5	977	1,233	846	719	952
<b>Total current assets</b>		<b>78,674</b>	<b>75,546</b>	<b>70,794</b>	<b>67,489</b>	<b>68,559</b>
<b>Non-current assets</b>						
Investment in controlled entities	C3	-	-	-	19,000	19,000
Investments	C4	215,292	197,465	185,460	-	-
Property, plant and equipment	C6	36,112	38,605	30,095	35,642	38,001
Intangible assets	C6	1,654	1,603	1,511	1,565	1,485
Deferred tax assets	F1-3	-	1,628	3,830	-	-
Reinsurance contract assets	C9-2(a)	9,134	9,330	457	-	-
<b>Total non-current assets</b>		<b>262,192</b>	<b>248,632</b>	<b>221,353</b>	<b>56,207</b>	<b>58,485</b>
<b>TOTAL ASSETS</b>		<b>340,866</b>	<b>324,178</b>	<b>292,147</b>	<b>123,696</b>	<b>127,044</b>
<b>Current liabilities</b>						
Payables	C7	5,516	6,313	5,504	31,895	33,949
Income in Advance	C7-1	18,767	16,681	15,060	18,767	16,681
Unearned Insurance Levies	C7-2	26,876	28,176	27,370	-	-
Lease Liability	C10-1	228	205	177	-	-
Accrued employee benefits	C8	2,195	1,953	1,887	1,376	1,210
Borrowings	C9-3	888	855	-	888	855
Deferred tax liabilities	F1-3	1,084	-	-	-	-
Income tax payable / (receivable)	F1-2	4,197	(448)	2,477	-	-
Insurance contract liability	C9-2(b)	21,050	23,781	16,664	-	-
<b>Total current liabilities</b>		<b>80,801</b>	<b>77,516</b>	<b>69,139</b>	<b>52,926</b>	<b>52,695</b>
<b>Non-current liabilities</b>						
Lease Liability	C10-1	248	396	567	-	-
Borrowings	C9-3	8,083	8,956	-	8,083	8,956
Accrued employee benefits	C8	314	315	267	211	240
Insurance contract liability	C9-2(b)	54,820	62,254	57,456	-	-
<b>Total non-current liabilities</b>		<b>63,465</b>	<b>71,922</b>	<b>58,290</b>	<b>8,294</b>	<b>9,196</b>
<b>TOTAL LIABILITIES</b>		<b>144,266</b>	<b>149,438</b>	<b>127,429</b>	<b>61,220</b>	<b>61,891</b>
<b>NET ASSETS</b>		<b>196,600</b>	<b>174,740</b>	<b>164,718</b>	<b>62,476</b>	<b>65,153</b>
<b>EQUITY</b>						
Accumulated surplus		171,846	146,979	136,589	37,722	37,392
Asset revaluation surplus		24,754	27,761	28,129	24,754	27,761
<b>TOTAL EQUITY</b>		<b>196,600</b>	<b>174,740</b>	<b>164,718</b>	<b>62,476</b>	<b>65,153</b>

**Queensland Law Society Incorporated**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2024**

Consolidated	NOTE	Asset	Accumulated	TOTAL
		Revaluation Surplus \$'000	Surplus \$'000	
<b>Balance as at 1 July 2022</b>		<b>27,432</b>	<b>136,589</b>	<b>164,021</b>
Impact on transition on FRS 117	E3		697	697
<b>Balance as at 1 July 2022 - Restated</b>		<b>27,432</b>	<b>137,286</b>	<b>164,718</b>
<b>Operating result</b>				
Operating surplus/(deficit) after income tax		-	9,693	9,693
<b>Other comprehensive income</b>				
Increase/(decrease) in asset revaluation surplus	C6-1	328	-	328
<b>Balance as at 30 June 2023</b>		<b>27,761</b>	<b>146,979</b>	<b>174,740</b>
<b>Operating result</b>				
Operating surplus/(deficit) after income tax		-	24,868	24,868
<b>Other comprehensive income</b>				
Increase/(decrease) in asset revaluation surplus	C6-1	(3,007)	-	(3,007)
<b>Balance as at 30 June 2024</b>		<b>24,754</b>	<b>171,846</b>	<b>196,600</b>

Parent Entity	NOTE	Asset	Accumulated	TOTAL
		Revaluation Surplus \$'000	Surplus \$'000	
<b>Balance as at 1 July 2022</b>		<b>27,432</b>	<b>39,423</b>	<b>66,855</b>
<b>Operating result</b>				
Operating surplus/(deficit) after income tax		-	(2,031)	(2,031)
<b>Other comprehensive income</b>				
Increase/(decrease) in asset revaluation surplus	C6-2	328	-	328
<b>Balance as at 30 June 2023</b>		<b>27,761</b>	<b>37,392</b>	<b>65,153</b>
<b>Operating result</b>				
Operating surplus/(deficit) after income tax		-	330	330
<b>Other comprehensive income</b>				
Increase/(decrease) in asset revaluation surplus	C6-2	(3,007)	-	(3,007)
<b>Balance as at 30 June 2024</b>		<b>24,754</b>	<b>37,722</b>	<b>62,476</b>

**Queensland Law Society Incorporated**  
**Statement of Cash Flows**  
**For the year ended 30 June 2024**

	NOTE	Consolidated		Parent Entity	
		2024	2023 Restated	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Receipts from the profession		55,833	43,474	23,955	20,604
Receipts from commissions and funding		(324)	930	2,243	2,335
Payments to suppliers and employees		(38,334)	(13,757)	(23,081)	(23,082)
Receipts collected for Society entities		-	-	29,939	30,028
Payments to Society entities			-	(31,190)	(28,248)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund		3,545	583	3,545	583
Payments to Legal Practitioners' Fidelity Guarantee Fund		(3,545)	(583)	(3,545)	(583)
Borrowing expenses		(367)	(96)	(367)	(96)
Reinsurance payments		(1,930)	(1,840)	-	-
Claims and claims related payments		(14,385)	(23,508)	-	-
Interest received		2,254	1,196	1,553	980
GST receipts		4,511	4,252	4,506	4,247
GST (paid to) / received from ATO		(2,920)	(3,137)	(4,687)	(2,971)
Income tax (paid) / received	F1-2	(773)	(4,124)	-	-
<b>Net cash (used in)/generated from operating activities</b>	<b>C1</b>	<b>3,565</b>	<b>3,391</b>	<b>2,873</b>	<b>3,798</b>
<b>Cash flows from investing activities</b>					
Proceeds from investment redemptions	C4	3,000	1,500	-	-
Payments for property, plant and equipment	C6	(3,098)	(11,520)	(2,993)	(11,338)
<b>Net cash generated from/(used in) investing activities</b>		<b>(98)</b>	<b>(10,020)</b>	<b>(2,993)</b>	<b>(11,338)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	10,000		10,000
Repayment of borrowings		(840)	(189)	(840)	(189)
<b>Net cash generated from/(used in) financing activities</b>		<b>(840)</b>	<b>9,811</b>	<b>(840)</b>	<b>9,811</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>2,627</b>	<b>3,182</b>	<b>(961)</b>	<b>2,271</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>72,532</b>	<b>69,350</b>	<b>66,457</b>	<b>64,186</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>C1</b>	<b>75,159</b>	<b>72,532</b>	<b>65,496</b>	<b>66,457</b>

The accompanying notes form part of these statements.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

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## **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.

The principal place of business of the Society is 179 Ann Street, Brisbane QLD 4000.

### **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 Financial Reporting Requirements (FRR) for reporting periods beginning on or after 1 July 2023.

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 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 2022-23 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.

## **A1 BASIS OF FINANCIAL STATEMENT PREPARATION** **(continued)**

### **A1-5 BASIS OF MEASUREMENT (continued)**

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 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 (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 1966*.

Major sources of income for the Group include annual fees for practising certificates and membership, fees for 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 2024

## 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. QSS was wholly controlled for the whole year.
- 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:

### 2023-24

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	88.5	27.0	29.9	4.7
Lexon Insurance Pte Ltd	100	174.7	83.0	26.7	19.8
QLS Solicitor Support	100	0.0	0.0	1.7	0.0

### 2022-23

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	84.9	28.2	30.0	2.7
Lexon Insurance Pte Ltd	100	159.8	87.9	27.1	9.8
QLS Solicitor Support	100	0.0	0.0	1.4	0.0

## 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 group.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

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## **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 and recognised as a current liability under AASB 15 Revenue from Contracts with Customers.

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 following table provides information about the nature and timing of the satisfaction of performance obligations:

<b>Type of good or service</b>	<b>Nature and timing of performance obligations</b>	<b>Revenue recognition</b>
Practising certificate fees	Certificates are valid for 12 months from 1 July each year. There is no provision for a return of funds should members cease to practise during the year. Refunds are uncommon and are assessed on a case by case basis.	Revenue is recognised progressively throughout the period in line with completion of each service.
Membership fees	Memberships are valid for 12 months from 1 July each year. There is no provision for a return of funds should members cease to practise during the year. Refunds are uncommon and are assessed on a case by case basis.	Revenue is recognised at the completion of each service.
Limitation of liability scheme	Scheme participation is valid for 12 months from 1 July each year. There is no provision for a return of funds should members cease to practise during the year. Refunds are uncommon and are assessed on a case by case basis.	Revenue is recognised at the completion of each service.
Specialist accreditation fee	Accreditation fees are valid for 12 months from 1 July each year. There is no provision for a return of funds should members cease to practise during the year. Refunds are uncommon and are assessed on a case by case basis.	Revenue is recognised at the completion of each service.
Certificate of fitness	Certificates are issued within 5 working days from application.	Revenue is recognised at the completion of each service.



**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**B1-1 FEES AND MEMBERSHIP SERVICES (continued)**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Membership and practitioner fees</b>				
Practising certificate fees	10,207	9,349	10,228	9,357
Member fees	6,499	5,967	6,499	5,978
Limitation of liability scheme	1,186	1,092	1,186	1,092
Specialist accreditation fee	263	247	263	247
Certificate of fitness	85	81	85	81
	18,242	16,736	18,262	16,755
<b>Membership services and events</b>				
Courses, conferences and events	1,237	1,500	1,239	1,505
Membership services and products	698	539	698	539
Advertising and subscriptions	155	136	155	136
Marketing and sponsorship	500	632	500	632
	2,590	2,807	2,592	2,812
<b>Total fees and membership services</b>	<b>20,832</b>	<b>19,544</b>	<b>20,855</b>	<b>19,568</b>

**B1-2 RENT AND ADMINISTRATION REVENUE**

The Group has tenants occupying various space throughout the building. Rental revenue is recognised as income as it is earned.

Under the rules of the Act, certain operating expenses of the Society such as management fees are recoverable from the Legal Practitioners' Fidelity Guarantee Fund (LPFGF) and the Legal Practitioners Admissions Board (LPAB).

LPFGF is a fund managed by the Society that 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.

LPAB is a separate statutory body pursuant to the Legal Profession Act 2007 and its primary role is to assist the Supreme Court of Queensland by making a recommendation about each application for admission. The Society provides administrative support to the Board including secretariat support.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Rent	140	119	147	125
Body corporate administration fee	28	39	28	39
<b>Management fees</b>				
Lexon Insurance Pte Ltd	-	-	550	523
Law Claims Levy Fund	-	-	49	44
Legal Practitioners' Fidelity Guarantee Fund	204	172	204	172
Legal Practitioners Admissions Board	87	67	87	67
<b>Total rent and administration revenue</b>	<b>459</b>	<b>396</b>	<b>1,065</b>	<b>970</b>

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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## 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.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the Society to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 Revenue from Contracts with Customers. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied. Otherwise, grants are accounted for under AASB 1058 Income of Not-for-Profit Entities, whereby revenue is recognised upon receipt of the grant funding.

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Queensland Law Foundation	-	-	-	-
Law Claims Levy Fund	-	-	994	992
Legal Practitioner Fidelity Guarantee Fund	749	707	749	707
<b>Total grants and funding</b>	<b>749</b>	<b>707</b>	<b>1,743</b>	<b>1,699</b>

Queensland Law Foundation (QLF) provided grants for a number of projects and initiatives to benefit members.

The 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. Refer to C4 for further information on investments.

The LPFGF is reimbursing costs incurred by the Society for execution of programs or tools to assist law practitioners in identifying defaults and educational programs improving compliance.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**B1-4 INSURANCE REVENUE**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Insurance Revenue</b>				
Insurance revenue from contracts measured under the PAA	29,939	30,028	-	-
<b>Net Income From Reinsurance Contracts Held</b>				
Reinsurance expenses from contracts measured under the PAA	(2,249)	(2,122)	-	-
Claims recovered and benefits covered from reinsurers	1,230	1,123	-	-
Changes that relate to past service - adjustments to AFC	(1,106)	8,149	-	-
	27,814	37,179	-	-
<b>Insurance Service Expenses</b>				
Incurred claims that relate to current service	(22,048)	(25,604)	-	-
Changes that relate to past service - adjustments to LIC	19,627	1,745	-	-
Other directly attributable expenses	(4,199)	(3,937)	-	-
Losses and reversals on onerous contracts	-	-	-	-
Insurance acquisition cash flows expensed when incurred	(351)	(415)	-	-
	(6,971)	(28,211)	-	-
<b>Total Insurance Service Result</b>	<b>20,842</b>	<b>8,968</b>	<b>-</b>	<b>-</b>

Insurance revenue

As the Group provides services under the group of insurance contracts, it reduces the liability for remaining coverage and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration the Group expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the premium allocation approach, the Group recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- (a) incurred claims and benefits excluding investment components;
- (b) other incurred directly attributable insurance service expenses;
- (c) amortisation of insurance acquisition cash flows;
- (d) changes that relate to past service (i.e. changes in the future cash flows relating to the liability for incurred claims); and
- (e) changes that relate to future service (i.e. losses/reversals on onerous groups of contracts from changes in the loss components).

For contracts measured under the premium allocation approach, amortisation of insurance acquisition cash flows is based on the passage of time.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**B1-4 INSURANCE REVENUE (continued)**

Other expenses that relate directly to the fulfilment of insurance contracts will be recognised in profit or loss as insurance service expenses, generally when they are incurred. Expenses that do not relate directly to the fulfilment contracts are included in other expenses in the profit or loss statement.

Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income from reinsurance contracts held, comprising the following amounts:

- (a) reinsurance expenses;
- (b) incurred claims recovery;
- (c) other incurred directly attributable insurance service expenses;
- (d) effect of changes in risk of reinsurer non-performance;
- (e) changes relating to past service (i.e. adjustments to incurred claims).

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Group expects to pay in exchange for those services.

For groups of reinsurance contracts held measured under the premium allocation approach, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Finance income/(expenses) from insurance contracts issued</b>				
Discount unwind and changes in financial assumptions	(1,861)	(436)		-
Effect of changes in interest rates	63	786		-
	(1,798)	350	-	-
<b>Finance income/(expenses) from reinsurance contracts held</b>				
Discount unwind and changes in financial assumptions	344	(5)	-	-
Effect of changes in interest rates	(23)	(76)	-	-
	321	(81)	-	-
<b>Total Insurance Finance Result</b>	<b>(1,477)</b>	<b>269</b>	<b>-</b>	<b>-</b>

Insurance finance income or expenses

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses.

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- (a) the effect of the time value of money and changes in the time value of money; and
- (b) the effect of financial risk and changes in financial risk.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**B1-4 INSURANCE REVENUE (continued)**

For contracts measured under the premium allocation approach, the main amounts within insurance finance income or expenses are:

- (a) interest accreted on the liability for incurred claims; and
- (b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

For the contracts measured under the premium allocation approach, the Group includes all insurance finance income or expenses for the period in profit or loss.

**B1-5 INVESTMENT INCOME**

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

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. Refer to C4 for further information on investments.

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Distributions from investments	9,245	4,224	-	-
Interest income	2,254	1,196	1,553	980
<b>Total investment income</b>	<b>11,499</b>	<b>5,421</b>	<b>1,553</b>	<b>980</b>

**B2 EXPENSES**

**B2-1 MEMBERSHIP SERVICES AND EVENTS EXPENDITURE**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Direct membership services and events expenditure</b>				
Courses, conferences and events	292	486	289	485
Membership products and services	438	275	438	275
Printing and publications	97	76	97	76
Law Council capitation fees	1,015	977	1,015	977
<b>Total membership services and events expenditure</b>	<b>1,842</b>	<b>1,813</b>	<b>1,839</b>	<b>1,813</b>

**Accounting policy – membership services and events**

Membership services and events expenditure is recognised as an expense on an accruals basis in the period in which the expenditure relates.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
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**B2-2 ADMINISTRATION EXPENSES**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Office administration and insurance	1,255	1,256	1,286	1,226
Actuarial fees	17	9	-	-
Audit fees * #	373	266	178	117
Bad debts	72	49	72	49
Body corporate, electricity, rates and taxes	529	509	528	506
Captive managers fee	113	109	-	-
Catering, functions and entertainment	633	408	581	382
Regulatory audits and investigations	67	40	67	40
Directors' fees	502	478	-	-
Bank fees and finance costs	283	78	208	65
Information technology and related costs	1,799	1,994	1,551	1,806
Investment management fees	825	763	-	-
Office rent	30	10	-	-
Presentations, donations and gifts	104	79	102	79
Professional and consulting fees	1,436	1,644	1,321	1,493
Repairs and maintenance	376	1,255	373	1,253
Travel and vehicle costs	232	252	118	125
Liability capping scheme	362	365	362	365
	9,006	9,566	6,746	7,508
<b>Council and committee costs</b>				
Honorarium	421	424	421	424
Travel and accommodation	3	1	-	-
Catering and functions	-	-	-	-
	424	425	421	424
<b>Total administration expenses</b>	<b>9,430</b>	<b>9,991</b>	<b>7,167</b>	<b>7,932</b>

\*Total audit fees paid to Queensland Audit Office for the Society relating to the 2023-24 financial year are estimated to be \$119,720 (2022-23: \$117,000) and for the Group are estimated to be \$170,320 (2022-23 : \$266,000). 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 2023-24 financial year are estimated to be \$159,708 (2022-23: \$110,906). Taxation fees paid to PwC Brisbane are disclosed in the professional and consulting fee line above and in the 2023-24 financial year amount to \$45,109 (2022-23: \$38,252).

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**B2-3 EMPLOYEE EXPENSES**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits</b>				
Wages and salaries	12,685	12,006	11,423	10,856
Employer superannuation contributions	1,345	1,245	1,218	1,133
Movement in annual leave provision	163	38	133	40
Movement in long service leave provision	60	63	18	(3)
<b>Employee related expenses</b>				
Workers' compensation premiums	35	55	28	47
Payroll taxes	889	826	643	602
Other employee benefits	40	39	34	33
Staff training and development	39	28	40	30
<b>Total employee expenses</b>	<b>15,258</b>	<b>14,299</b>	<b>13,536</b>	<b>12,739</b>

**Employee numbers**

	Consolidated		Parent	
	2024	2023	2024	2023
Number of employees at year end	141	143	122	125
Number of full time equivalent employees at year end	130	134	111	116

**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 2024**

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**B2-4 BORROWING EXPENSES**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Loan Interest	367	96	367	96
<b>Total borrowing expenses</b>	<b>367</b>	<b>96</b>	<b>367</b>	<b>96</b>

**Accounting policy – borrowing expenses**

Finance costs are recognised as an expense in the period in which they are incurred. Finance costs include amortisation of discounts or premiums relating to borrowings and provisions. No borrowing cost are capitalised into qualifying assets.

**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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank	5,213	7,825	484	2,870
Cash deposit accounts	69,646	9,707	65,012	8,587
Term deposits	300	55,000	-	55,000
<b>Total cash and cash equivalents</b>	<b>75,159</b>	<b>72,532</b>	<b>65,496</b>	<b>66,457</b>



**Queensland Law Society Incorporated**  
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**C1 CASH AND CASH EQUIVALENTS (continued)**

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Operating (deficit) surplus after income tax</b>	24,868	9,693	330	(2,031)
<b>Adjustments for:</b>				
Investment income	(20,827)	(13,506)	-	-
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	2,533	1,726	2,263	1,475
Loss on disposal of fixed assets	-	1,521	-	1,521
<b>Change in assets and liabilities:</b>				
(Increase)/decrease in assets:				
Receivables	(158)	24	(146)	(319)
Movement in provision for bad debts	25	42	22	47
Other assets	256	(387)	233	(952)
<b>Increase/(decrease) in liabilities:</b>				
Payables	(797)	809	33	4,044
Accrued employee benefits	242	113	138	12
Changes in insurance and reinsurance contract	(8,850)	3,779	-	-
Tax related balances	6,273	(424)	-	-
<b>Net cash (used in)/generated from operating activities</b>	<b>3,565</b>	<b>3,391</b>	<b>2,873</b>	<b>3,797</b>

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

## C2 RECEIVABLES

Receivables are measured at amortised cost which approximates their fair value at reporting date. 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.

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	1,343	1,197	1,343	1,197
Less: provision for doubtful debts	(132)	(107)	(70)	(47)
	1,211	1,090	1,274	1,150
Prepaid expenses and other receivables	169	157	-	
<b>Total receivables</b>	<b>1,380</b>	<b>1,247</b>	<b>1,274</b>	<b>1,150</b>
<b>Movement in provision for doubtful debts</b>				
Loss allowance as at 1 July	(107)	(65)	(47)	-
Increase(decrease) in allowance recognised	(74)	(44)	(72)	(49)
Amounts written-off during the year	49	2	49	2
<b>Loss allowance as at 30 June</b>	<b>(132)</b>	<b>(107)</b>	<b>(70)</b>	<b>(47)</b>

## 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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Investment in Controlled Entities	-	-	19,000	19,000

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## 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 2024, 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.

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.

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Investment in listed funds</b>				
Opening balance	197,465	185,460	-	-
Additions via reinvestment	9,245	4,224	-	-
Disposal proceeds	(3,000)	(1,500)	-	-
Gain / (loss) on disposal	979	192	-	-
Fair value movements	10,603	9,089	-	-
<b>Closing balance</b>	<b>215,292</b>	<b>197,465</b>	<b>-</b>	<b>-</b>

### Fair value measurements

		Consolidated		Parent Entity	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
<b>Fair Value Input</b>	<b>Type</b>				
Level 1	None	-	-	-	-
Level 2	Investments	215,292	197,465	-	-
Level 3	None	-	-	-	-
		<b>215,292</b>	<b>197,465</b>	<b>-</b>	<b>-</b>

All investments are classified as Level 2 and are placed with Queensland Investment Corporation (QIC). 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 as per note A1-5.

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.

C5 OTHER CURRENT ASSETS

Prepaid expenses to be wholly settled within 12 months of reporting date.

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Prepayments	977	1,233	719	952

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## **C6 PROPERTY, PLANT AND EQUIPMENT**

### **C6-1 CONSOLIDATED**

	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Work In Progress</b>	<b>Intangibles-Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2024</b>					
<b>Cost or valuation</b>					
At the beginning of the year	38,190	6,155	2,052	3,828	50,226
PY revaluation adjustment	-	-	-	-	-
Additions	-	105	2,993	-	3,098
Transfers between classes	4,325	191	(4,899)	384	-
Revaluation increment / (decrement)	(3,007)	-	-	-	(3,007)
<b>At the end of the year</b>	<b>39,508</b>	<b>6,451</b>	<b>146</b>	<b>4,212</b>	<b>50,317</b>
<b>Depreciation</b>					
Accumulated depreciation	(2,690)	(5,102)	-	(2,225)	(10,018)
Charge for the year	(1,817)	(383)	-	(332)	(2,533)
Transfers between classes	-	-	-	-	-
<b>At the end of the year</b>	<b>(4,508)</b>	<b>(5,485)</b>	<b>-</b>	<b>(2,557)</b>	<b>(12,550)</b>
<b>Net book value at 30 June 2024</b>	<b>35,000</b>	<b>966</b>	<b>146</b>	<b>1,654</b>	<b>37,766</b>
<b>2023</b>					
<b>Cost or valuation</b>					
At the beginning of the year	27,740	8,551	153	3,454	39,898
PY revaluation adjustment	744	-	-	-	744
Additions	-	475	10,927	119	11,521
Additions - right of use assets	-	-	-	-	-
Transfers between classes	10,123	(1,350)	(9,028)	255	-
Disposals	-	(1,521)	-	-	(1,521)
Revaluation increment / (decrement)	(416)	-	-	-	(416)
<b>At the end of the year</b>	<b>38,190</b>	<b>6,155</b>	<b>2,052</b>	<b>3,828</b>	<b>50,226</b>
<b>Depreciation</b>					
Accumulated depreciation	(749)	(5,598)	-	(1,944)	(8,291)
Charge for the year	(996)	(449)	-	(281)	(1,726)
Transfers between classes	(946)	946	-	-	-
<b>At the end of the year</b>	<b>(2,690)</b>	<b>(5,102)</b>	<b>-</b>	<b>(2,225)</b>	<b>(10,018)</b>
<b>Net book value at 30 June 2023</b>	<b>35,500</b>	<b>1,053</b>	<b>2,052</b>	<b>1,603</b>	<b>40,208</b>
Property, plant and equipment is stated as follows:					
<b>30 June 2024</b>					
At valuation	39,508	-	-	-	39,508
At cost	-	6,451	146	4,212	10,809
<b>At the end of the year</b>	<b>39,508</b>	<b>6,451</b>	<b>146</b>	<b>4,212</b>	<b>50,317</b>
Depreciation	(4,508)	(5,485)	-	(2,557)	(12,550)
	<b>35,000</b>	<b>966</b>	<b>146</b>	<b>1,654</b>	<b>37,766</b>
<b>30 June 2023</b>					
At valuation	38,190	-	-	-	38,190
At cost	-	6,155	2,052	3,828	12,035
<b>At the end of the year</b>	<b>38,190</b>	<b>6,155</b>	<b>2,052</b>	<b>3,828</b>	<b>50,226</b>
Depreciation	(2,690)	(5,102)	-	(2,225)	(10,018)
	<b>35,500</b>	<b>1,053</b>	<b>2,052</b>	<b>1,603</b>	<b>40,208</b>

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**C6 PROPERTY, PLANT AND EQUIPMENT (continued)**

**C6-2 PARENT ENTITY**

	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Work In Progress</b>	<b>Intangibles-Software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2024</b>					
<b>Cost or valuation</b>					
At the beginning of the year	38,190	4,769	2,052	3,188	48,201
PY revaluation adjustment	-	-	-	-	-
Additions	-	-	2,993	-	2,993
Transfers between classes	4,325	191	(4,899)	384	-
Revaluation increment / (decrement)	(3,007)	-	-	-	(3,007)
<b>At the end of the year</b>	<b>39,508</b>	<b>4,960</b>	<b>146</b>	<b>3,572</b>	<b>48,186</b>
<b>Depreciation</b>					
Accumulated depreciation	(2,690)	(4,322)	-	(1,704)	(8,716)
Charge for the year	(1,817)	(143)	-	(303)	(2,263)
Transfers between classes	-	-	-	-	-
<b>At the end of the year</b>	<b>(4,508)</b>	<b>(4,464)</b>	<b>-</b>	<b>(2,007)</b>	<b>(10,979)</b>
<b>Net book value at 30 June 2024</b>	<b>35,000</b>	<b>496</b>	<b>146</b>	<b>1,565</b>	<b>37,207</b>
<b>2023</b>					
<b>Cost or valuation</b>					
At the beginning of the year	27,740	7,230	153	2,934	38,056
PY revaluation adjustment	744	-	-	-	744
Additions	-	410	10,927	-	11,338
Transfers between classes	10,123	(1,350)	(9,028)	255	-
Disposals	-	(1,521)	-	-	(1,521)
Revaluation increment / (decrement)	(416)	-	-	-	(416)
<b>At the end of the year</b>	<b>38,190</b>	<b>4,769</b>	<b>2,052</b>	<b>3,188</b>	<b>48,201</b>
<b>Depreciation</b>					
Accumulated depreciation	(749)	(5,055)	-	(1,437)	(7,241)
Charge for the year	(996)	(212)	-	(267)	(1,475)
Transfers between classes	(946)	946	-	-	-
<b>At the end of the year</b>	<b>(2,690)</b>	<b>(4,322)</b>	<b>-</b>	<b>(1,704)</b>	<b>(8,716)</b>
<b>Net book value at 30 June 2023</b>	<b>35,500</b>	<b>448</b>	<b>2,052</b>	<b>1,485</b>	<b>39,485</b>
Property, plant and equipment is stated as follows:					
<b>30 June 2024</b>					
At valuation	39,508	-	-	-	39,508
At cost	-	4,960	146	3,572	8,679
<b>At the end of the year</b>	<b>39,508</b>	<b>4,960</b>	<b>146</b>	<b>3,572</b>	<b>48,186</b>
Depreciation	(4,508)	(4,464)	-	(2,007)	(10,979)
	<b>35,000</b>	<b>496</b>	<b>146</b>	<b>1,565</b>	<b>37,207</b>
<b>30 June 2023</b>					
At valuation	38,190	-	-	-	38,190
At cost	-	4,769	2,052	3,188	10,010
<b>At the end of the year</b>	<b>38,190</b>	<b>4,769</b>	<b>2,052</b>	<b>3,188</b>	<b>48,201</b>
Depreciation	(2,690)	(4,322)	-	(1,704)	(8,716)
	<b>35,500</b>	<b>448</b>	<b>2,052</b>	<b>1,485</b>	<b>39,485</b>

## **C6 PROPERTY, PLANT AND EQUIPMENT (continued)**

### **C6-3 ACQUISITION OF ASSETS**

All assets acquired are recorded at their cost of acquisition at the date of acquisition, being the historical cost of the consideration provided plus incidental costs directly attributable to the acquisition. Plant and equipment acquired are expensed unless the initial cost exceeds \$5,000 excluding GST. Plant and Equipment also includes Right of Use Assets under AASB16. Buildings and leasehold improvements are recognised at historical cost upon acquisition if the initial cost exceeds \$10,000 excluding GST.

### **C6-4 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.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

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

	<b>2024</b>	<b>2023</b>
<i>Asset Class</i>		
Buildings	2.5% - 20%	2.5% - 20%
Plant and Equipment	10% - 33%	10% - 33%
Intangibles	12.5% -20%	12.5% -20%

## **C6 PROPERTY, PLANT AND EQUIPMENT (continued)**

### **C6-5 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.

### **C6-6 MEASUREMENT USING FAIR VALUE**

The strata title building is measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. 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 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.

An independent valuation of the strata title building was carried out as at 30 June 2024 by Peter Zischke from Knight Frank, a member of the Institute of Valuers of Australia, and was on the basis of the open market value of Law Society House in vacant possession with all units combined. The resulting change in the open market value has been recognised as Other Comprehensive Income in the Statement of Comprehensive Income. The last independent valuation was performed in 30 June 2023.

Between independent valuations, the Society uses the Implicit Price Deflator for non-residential buildings indices to index the carrying amount of the building. Where there has been a material 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. 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 2024 are all Level 2 – Strata Title Building. Basis of measurement is detailed at Note A1-5.

#### **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".



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## **C6 PROPERTY, PLANT AND EQUIPMENT (continued)**

### **C6-6 MEASUREMENT USING FAIR VALUE (continued)**

#### **Accounting for Intangible Assets**

The Group's accounting policy considers where the software code resides, whether it is identifiable and whether the group has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software.
- b) Where the configuration or customisation is not a distinct service from the group's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made up front. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software.

The Group's CRM system Microsoft Dynamics qualifies as an intangible asset in accordance with the IFRIC agenda decision and accordingly relevant amounts have been capitalised since 2021-22.

## **C7 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.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Trade creditors	407	18	301	18
Legal Practitioners' Fidelity Guarantee Fund	3,572	3,121	3,572	3,121
Law Claims Levy Fund	-		26,972	28,194
Other payables and accruals	1,537	3,174	1,051	2,616
<b>Total current payables</b>	<b>5,516</b>	<b>6,313</b>	<b>31,895</b>	<b>33,949</b>

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## **C7 PAYABLES (continued)**

### **C7-1 INCOME IN ADVANCE**

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.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Income in advance	18,767	16,681	18,767	16,681
<b>Total current income in advance</b>	<b>18,767</b>	<b>16,681</b>	<b>18,767</b>	<b>16,681</b>

### **C7-2 UNEARNED LEVIES**

Unearned insurance levies relate to insurance levies collected from the profession during the renewals cycle in May in relation to the upcoming insurance year.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Unearned insurance levies	26,876	28,176	-	-
<b>Total current unearned insurance levies</b>	<b>26,876</b>	<b>28,176</b>	<b>-</b>	<b>-</b>

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## **C8 ACCRUED EMPLOYEE BENEFITS**

### **Annual leave and long service leave**

The liabilities for annual leave are expected to be settled wholly within 12 months and are recognised as current liabilities.

The liabilities for long service 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. Re-measurements 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.

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Annual leave	1,088	916	772	649
Long service leave	1,107	1,037	604	561
<b>Total current accrued employee benefits</b>	<b>2,195</b>	<b>1,953</b>	<b>1,376</b>	<b>1,210</b>
<b>Non-current</b>				
Long service leave	314	315	211	240
<b>Total non-current accrued employee benefits</b>	<b>314</b>	<b>315</b>	<b>211</b>	<b>240</b>
Current long service leave	1,107	1,037	604	561
Non-current long service leave	314	315	211	240
<b>Total accrued long service leave</b>	<b>1,421</b>	<b>1,352</b>	<b>815</b>	<b>800</b>

# Queensland Law Society Incorporated

## Notes to the Financial Statements

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## C9 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.

### C9-1 INSURANCE CONTRACTS

#### Insurance and reinsurance contracts

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts, and they follow financial instruments accounting under AASB 9. The Group does not have any contracts that fall under this category.

The Group's insurance contracts issued and reinsurance contracts held are all measured under the Premium Allocation Approach (PAA) model. The PAA is an optional simplified measurement model in AASB 17 that is available for insurance and reinsurance contracts that meet the eligibility criteria. This approach is used for the Group's insurance contracts, because each of these contracts have a coverage period of one year or less, or the PAA provides a measurement which is not materially different from that under the general measurement models.

#### Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain components which must be accounted for under AASB 9 (embedded derivatives, investment component) or AASB 15 (non-insurance service component) rather than AASB 17. After separating any distinct components, the Group applies AASB 17 to all remaining components of the (host) insurance contract. Currently, the Group's contracts do not include distinct components that require separation.

AASB 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance revenue and insurance service expenses.

For premium refund or experience refund components which are not subject to any conditions in the contracts, these have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these non-distinct investment components are recognised outside of profit or loss.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

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#### C9-1 INSURANCE CONTRACTS (continued)

##### Level of Aggregation

###### Insurance contracts

The Group only issues one annual insurance contract which extends to eligible Queensland Law Society solicitors' and members for professional indemnity insurance. Each contract is its own group and are:

- (i) a contract that are onerous at initial recognition;
- (ii) a contract that at initial recognition have no significant possibility of becoming onerous subsequently; or
- (iii) remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured.

For each contract, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous.

As contracts are measured using the premium allocation approach, the Group assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that a contract is onerous, an additional assessment is performed. For non-onerous contracts, the Group assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

###### Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a financial year (annual cohorts) into groups of:

- (i) contracts for which there is a net gain at initial recognition, if any;
- (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and
- (iii) remaining contracts in the portfolio, if any.

##### Recognition

A group of insurance contracts issued by the Group is recognised from the earliest of:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a contract becomes onerous.

The Group recognises a group of reinsurance contracts held from the earliest of the following:

- the beginning of the coverage period of the group; or the beginning of the coverage period of the group of reinsurance contracts held. However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held; and
- the date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract in the group of reinsurance contracts held at or before that date.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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## C9-1 INSURANCE CONTRACTS (continued)

### Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. This assessment is reviewed every reporting period.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance coverage or other services. A substantive obligation ends when:

- (a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- (b) both of the following criteria are satisfied:
  - (i) the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
  - (ii) the pricing of premiums related to coverage to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive services from the reinsurer.

The excess of loss reinsurance contracts held provides coverage for claims incurred during a claim year. Thus, all cash flows arising from claims incurred and expected to be incurred in the claim year are included in the measurement of the reinsurance contracts held.

Cash flows that are not directly attributable to insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

### Measurements – contracts measured under PAA

The Group offers insurance contracts and holds reinsurance contracts relating to professional indemnity with policy coverage of one year or less. The measurement model adopted is the premium allocation approach.

The excess of loss reinsurance contracts held provide coverage on the professional indemnity insurance contracts originated for claims incurred during an claim year and are accounted for under the premium allocation approach.

For insurance contracts issued, on initial recognition, the Group measures the liability for remaining coverage at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- (a) the liability for remaining coverage; and
- (b) the liability for incurred claims, comprising the future cash flows related to past service allocated to the group at the reporting date.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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#### **C9-1 INSURANCE CONTRACTS (continued)**

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- (a) the remaining coverage; and
- (b) the incurred claims, comprising the future cash flows related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the liability for remaining coverage is:

- (a) increased for premiums received in the period;
- (b) decreased for insurance acquisition cash flows paid in the period;
- (c) decreased for the amounts of expected premiums received recognised as insurance revenue for the services provided in the period; and
- (d) increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- (a) increased for ceding premiums paid in the period; and
- (b) decreased for the amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Group does not adjust the liability for remaining coverage for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

For contracts measured under the premium allocation approach, the liability for incurred claims considers future cash flows which are adjusted for the time value of money, since professional indemnity insurance contracts issued by the Group and measured under the premium allocation approach typically have a settlement period of over one year.

If a group of contracts becomes onerous, the Group increases the carrying amount of the liability for remaining coverage to the amounts of the future cash flows with the amount of such an increase recognised in insurance service expenses. Subsequently, the Group amortises the amount of the loss component within the liability for remaining coverage by decreasing insurance service expenses. The loss component amortisation is based on the passage of time over the remaining coverage period of contracts within an onerous group. If facts and circumstances indicate that the expected profitability of the onerous group during the remaining coverage has changed, then the Group remeasures the future cash flows by and reflects changes by adjusting the loss component as required until the loss component is reduced to zero.

#### **Derecognition and contract modification**

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and certain additional criteria discussed below are met

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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#### C9-1 INSURANCE CONTRACTS (continued)

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- (a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
  - (i) is not within the scope of AASB 17;
  - (ii) results in different separable components;
  - (iii) results in a different contract boundary; or
  - (iv) belongs to a different group of contracts;
- (b) the original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or
- (c) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of AASB 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification and contract aggregation requirements.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- (a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
- (b) if the contract is transferred to a third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
- (c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

#### Fulfilment cash flows

The fulfilment cash flows are the current estimates of the future cash flows within the contract boundary of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- (a) are based on a probability weighted mean of the full range of possible outcomes;
- (b) are determined from the perspective of the Group, provided the estimates are consistent with observable market prices for market variables; and
- (c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the premium allocation approach, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims.



## **C9-1 INSURANCE CONTRACTS (continued)**

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Risk of the Group's non-performance is not included in the measurement of insurance contracts issued. In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

### **Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

**Queensland Law Society Incorporated**  
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**C9-2 INSURANCE LIABILITIES**

**C9-2 (a) ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS OF INSURANCE CONTRACTS MEASURED UNDER THE PAA**

	Year ended 30 June 2024				Total
	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component	Loss component	Estimate of Present value of future cash flows	Risk Adjustment for non-financial risk	
Reinsurance contract assets/(liabilities) at 30 June 2023	-	-	9,864	-	9,864
Changes in the statement of profit and loss					
Reinsurance expense	(2,249)				(2,249)
Reinsurance income					
- Recoveries of incurred claims			1,230	-	1,230
- Changes that relate to past service – adjustments to LIC			(1,106)	-	(1,106)
Net result from reinsurance contracts	(2,249)	-	124	-	(2,126)
Reinsurance finance income	-	-	321	-	321
Total changes in statement of profit or loss	(2,249)	-	445	-	(1,804)
Cash flows					
Premiums paid net of ceding commission and other directly attributable expenses paid	2,233				2,233
Reinsurance recoveries received	-		-		-
Total cash flows	2,233	-	-	-	2,233
Reinsurance contract asset at 30 June 2024	(16)	-	10,309	-	10,293
Reinsurance contract assets current					1,159
Reinsurance contract assets non-current					9,135
Reinsurance contract assets at 30 June 2024	-	-	-	-	10,293

**Queensland Law Society Incorporated**  
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**C9-2 (a) ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS OF INSURANCE CONTRACTS MEASURED UNDER THE PAA (continued)**

	Year ended 30 June 2023				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Estimate of Present value of future cash flows	Risk Adjustment for non-financial risk	
Reinsurance contract assets/(liabilities) at 30 June 2022	(2)	-	673	-	671
Changes in the statement of profit and loss					
Reinsurance expense	(2,122)				(2,122)
Reinsurance income					
- Recoveries of incurred claims			1,123	-	1,123
- Changes that relate to past service – adjustments to LIC			8,149	-	8,149
Net result from reinsurance contracts	(2,122)	-	9,273	-	7,151
Reinsurance finance income	-	-	(81)	-	(81)
Total changes in statement of profit or loss	(2,122)	-	9,192	-	7,069
Cash flows					
Premiums paid net of ceding commission and other directly attributable expenses paid	2,124				2,124
Reinsurance recoveries received	-		-		-
Total cash flows	2,124	-	-	-	2,124
Reinsurance contract asset at 30 June 2023	-	-	9,864	-	9,864
Reinsurance contract assets current					534
Reinsurance contract assets non-current					9,330
Reinsurance contract assets at 30 June 2023	-	-	-	-	9,864

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**C9-2 (b) ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS OF REINSURANCE CONTRACTS MEASURED UNDER THE PAA**

	Year ended 30 June 2024				
	Liabilities for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimate of Present value of future cash flows	Risk Adjustment for non-financial risk	
Net insurance contract (assets)/liabilities at 30 June 2023	(8)	-	64,850	21,193	86,036
Changes in the statement of profit and loss					
Insurance revenue	(26,741)				(26,741)
Insurance service expenses					
- Incurred claims expenses		-	15,748	6,300	22,048
- Losses and reversals on onerous contracts		-			-
- Changes that relate to past service – adjustments to LIC			(11,109)	(8,518)	(19,627)
- Other insurance service expenses			4,598	-	4,598
Total insurance service expenses	-	-	9,237	(2,218)	7,019
Insurance service result	(26,741)	-	9,237	(2,218)	(19,722)
Insurance finance expenses	-	-	1,798	-	1,798
Total changes in statement of profit or loss	(26,741)	-	11,035	(2,218)	(17,924)
Cash flows					
Premiums received	26,738				26,738
Claims and other expenses paid	-		(18,980)		(18,980)
Total cash flows	26,738	-	(18,980)	-	7,758
Insurance contract liabilities at 30 June 2024	(11)	-	56,905	18,975	75,870
Insurance contract liabilities current					21,050
Insurance contract liabilities non-current					54,820
Insurance contract liabilities at 30 June 2024	-	-	-	-	75,870

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**C9-2 (b) ANALYSIS BY REMAINING COVERAGE AND INCURRED CLAIMS OF REINSURANCE CONTRACTS MEASURED UNDER THE PAA (continued)**

	Year ended 30 June 2023				
	Liabilities for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimate of Present value of future cash flows	Risk Adjustment for non-financial risk	
<b>Net insurance contract (assets)/liabilities at 30 June 2022</b>	<b>(2)</b>	<b>-</b>	<b>54,800</b>	<b>19,322</b>	<b>74,119</b>
<b>Changes in the statement of profit and loss</b>					
Insurance revenue	(27,114)				(27,114)
Insurance service expenses					
- Incurred claims expenses		-	18,114	7,490	25,604
- Losses and reversals on onerous contracts		-			-
- Changes that relate to past service – adjustments to LIC			3,873	(5,618)	(1,745)
- Other insurance service expenses			4,399	-	4,399
<b>Total insurance service expenses</b>	<b>-</b>	<b>-</b>	<b>26,386</b>	<b>1,871</b>	<b>28,257</b>
<b>Insurance service result</b>	<b>(27,114)</b>	<b>-</b>	<b>26,386</b>	<b>1,871</b>	<b>1,143</b>
<b>Insurance finance expenses</b>	<b>-</b>	<b>-</b>	<b>(350)</b>	<b>-</b>	<b>(350)</b>
<b>Total changes in statement of profit or loss</b>	<b>(27,114)</b>	<b>-</b>	<b>26,036</b>	<b>1,871</b>	<b>793</b>
<b>Cash flows</b>					
Premiums received	27,109				27,109
Claims and other expenses paid	-		(15,985)		(15,985)
<b>Total cash flows</b>	<b>27,109</b>	<b>-</b>	<b>(15,985)</b>	<b>-</b>	<b>11,124</b>
<b>Insurance contract liabilities at 30 June 2023</b>	<b>(8)</b>	<b>-</b>	<b>64,850</b>	<b>21,193</b>	<b>86,036</b>
Insurance contract liabilities current					23,781
Insurance contract liabilities non-current					62,254
<b>Insurance contract /liabilities at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,036</b>

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The following table shows the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows:

	Less than 1 years \$'000	Between 1 and 2 years \$'000	Between 2 and 3 years \$'000	Between 3 and 4 years \$'000	Between 4 and 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Year ended 30 June 2024</b>							
LIC - Insurance	21,050	17,471	16,594	10,291	4,214	6,251	75,870
AFC - Reinsurance	(1,159)	(1,643)	(3,888)	(1,842)	(350)	(1,411)	(10,293)
	<b>19,892</b>	<b>15,827</b>	<b>12,706</b>	<b>8,449</b>	<b>3,863</b>	<b>4,840</b>	<b>65,577</b>
<b>Year ended 30 June 2023</b>							
LIC - Insurance	23,781	18,925	17,199	10,157	6,093	9,881	86,036
AFC - Reinsurance	(534)	(1,247)	(3,584)	(1,836)	(634)	(2,029)	(9,864)
<b>Net central estimate</b>	<b>23,247</b>	<b>17,677</b>	<b>13,614</b>	<b>8,322</b>	<b>5,459</b>	<b>7,852</b>	<b>76,171</b>

### C9-3 BORROWINGS

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Loans Payable - Current	888	855	888	855
Loans Payable - Non-current	8,083	8,956	8,083	8,956
<b>Total non-current payables</b>	<b>8,971</b>	<b>9,811</b>	<b>8,971</b>	<b>9,811</b>

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Opening balance	9,811	-	9,811	-
Proceeds from borrowings	-	10,000	-	10,000
Interest charged	367	16	367	16
Admin charged	11	-	11	-
Loan repayment	(1,218)	(205)	(1,218)	(205)
<b>Closing balance</b>	<b>8,971</b>	<b>9,811</b>	<b>8,971</b>	<b>9,811</b>

#### Accounting policy – Borrowings

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial liability to the amortised cost of the liability.

The fair value of borrowings is subsequently measured at amortised cost is set out above.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
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### **C9-3 BORROWINGS (continued)**

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are split between current and non-current liabilities using the principles set out in note 1A.

The Society does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

#### **Terms and conditions**

The Society has a \$10m fully drawn loan with QTC. The loan is measured at amortised cost and is for a 10 year loan term expiring March 2033. The loan is to partly fund the refurbishment of Law Society House. The interest rate is fixed at 3.993% including an administration charge. The loan is secured by a state guarantee.

Whilst the Society had sufficient funds to complete the refurbishment project without borrowing, Council took the view it did not want to deplete cash reserves to the full amount of the refurbishment upfront. The loan repayments will be partly funded by revenue generated from leasing surplus space achieved by combining staff to two floors and additional room and venue hire fees.

## **C10 LEASES**

### **C10-1 LEASES AS LESSEE**

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

(a) Carrying amounts - Right-of-use assets classified within Property, plant and equipment

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	325	487	-	-
Leasehold motor vehicles	99	64	-	-
<b>Total</b>	<b>424</b>	<b>551</b>	<b>-</b>	<b>-</b>

(b) Depreciation charge during the year

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	162	162	-	-
Leasehold motor vehicles	48	46	-	-
<b>Total</b>	<b>210</b>	<b>208</b>	<b>-</b>	<b>-</b>

**Queensland Law Society Incorporated**  
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**C10-1 LEASES AS LESSEE (continued)**

(c) Interest expense

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	26	34	-	-

(d) Lease Liability

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease Liability	228	205	-	-
<b>Total current lease Liability</b>	<b>228</b>	<b>205</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Lease Liability	248	396	-	-
<b>Total non-current lease Liability</b>	<b>248</b>	<b>396</b>	<b>-</b>	<b>-</b>

**C10-2 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.



Queensland Law Society Incorporated  
Notes to the Financial Statements  
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C10-2 LEASES AS LESSOR (continued)

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	67	25	67	25
1 to 5 years	239	-	239	-
Total	306	25	306	25

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

D1-1 ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below together with information about the basis of calculation for each affected line item in the consolidated financial statements.

In applying AASB 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability weighted mean of a full range of scenarios.

For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under AASB 17, **refer to note D1-8.**

D1-2 DISCOUNT RATES

AASB 17 requires the estimates of future cash flows to be discounted to reflect the time value of money and financial risks related to those cash flows. A bottom-up approach is applied to determine the discount rates used to discount insurance and reinsurance contract cash flows, which uses risk-free rates adjusted to reflect the liquidity characteristics of the insurance contracts. The table below shows the yield curves used to discount estimates of future cash flows within the net insurance contract liabilities.

Term (Years)	1	2	3	4	5	6	7	8	9	10
2024	4.42%	4.18%	4.11%	4.09%	4.12%	4.17%	4.24%	4.31%	4.36%	4.38%
2023	4.39%	4.22%	4.06%	4.01%	3.98%	4.00%	4.02%	4.05%	4.06%	4.07%

The uniform discount rate applied is shown in the key assumptions in note D1-7.

Once an event giving rise to a claim has occurred, there is nothing in the policy terms that would delay the policyholder’s entitlement to settle the claim. There are no contractual or statutory terms, for example, that would allow the Group (as the insurer) to delay payment. This is in contrast to some types of general insurance, such as, where an injured worker is paid benefits every fortnight or month, and cannot demand the entire amount to settle the claim up front. As a result, indemnity insurance can be considered to be liquid, and a risk free discount rate has be used (no illiquidity premium).

### **D1-3 ESTIMATES OF FUTURE CASH FLOWS TO FULFIL INSURANCE CONTRACTS**

Included in the measurement of each group of contracts in the scope of AASB 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability weighted average of the future cash flows is calculated using a deterministic scenario representing the probability weighted mean of a range of scenarios.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

Significant methods and assumptions used are discussed below.

### **D1-4 METHODS USED TO MEASURE INSURANCE CONTRACTS**

Estimates are performed on a claim year basis with further allocation to annual cohorts in proportion to the gross or reinsurance premiums earned by the respective cohort of contracts in a given claim year.

Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual claim years.

The most common methods used to estimate claims incurred are the chain-ladder (incurred claims development) and the Bornhuetter-Ferguson methods, which are the industry standards for this type of claims.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each claim year that is not yet fully developed to produce an estimated ultimate claims cost for each claim year. The chain-ladder technique is the most appropriate for those claim years that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Group does not have a developed claims history.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (i.e. the recent claim years).

The Group has not changed the methods used to estimate incurred claims in 2023/24 with the exception of a one claim year where the Group now has sufficient claims statistics to apply the chain-ladder method instead of the Bornhuetter-Ferguson method, which was previously used. The change in method applied had no significant impact. The most recent two claim years use the Bornhuetter-Ferguson method, the third year uses an average of the Bornhuetter-Ferguson and chain ladder methods while all prior years use the chain ladder method.

In its claims incurred assessments, the Group uses internal and market data. Internal data is derived mostly from the Group's claims reports and solicitor numbers, while market data largely consists of inflation projections.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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#### D1-5 RISK ADJUSTMENT

The risk adjustment reflects the compensation required for bearing uncertainty about the amount and timing of cash flows that arises from non-financial risk. For contracts measured under the premium allocation approach, unless the contracts are onerous, an explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims.

In determining the appropriate risk adjustment, Lexon have considered the single contract providing coverage (including reinsurance) and the expectations in relation to future renewals. Future renewals have the ability to be repriced which enables Lexon to set a lower confidence level as the uncertainty can be mitigated over time when compared to current claims which cannot. As such, Lexon have adopted a 90% level of sufficiency for the liability for incurred claims, and where applicable, a 75% level of sufficiency for the liability for remaining coverage. These confidence levels broadly correspond to the target return determined as part of Lexon's annual financial budgeting process.

The risk adjustment included in the liability for incurred claims is 40.6% (2023: 38.5%) of the net central estimate, with a probability of sufficiency of approximately 90%.

#### D1-6 ONEROUS CONTRACTS

Insurance contracts are onerous when the liability for remaining coverage is insufficient to pay future claims and other insurance service expenses attributable to the contracts.

Contracts that are measured using the premium allocation approach are assumed not to be onerous unless facts and circumstances indicate otherwise. In identifying facts and circumstances that may be indicators of onerous contracts, the Group considers indicators where relevant. If there are facts and circumstances that may indicate the existence of possible onerous contracts, the onerous contract losses are measured based on the extent to which the fulfilment cash flows attributable to the group of contracts exceed the liability for remaining coverage for that group.

Onerous contract losses are measured on a gross basis (excluding the effect of reinsurance contracts held) and are immediately recognised in profit or loss. A loss component of the liability for remaining coverage is established (or increased) to depict the onerous contract losses recognised. Where the onerous contracts are covered by reinsurance contracts held, reinsurance income is recognised in profit or loss and a corresponding loss-recovery component of the reinsurance asset for remaining coverage is established to depict expected recoveries attributable to the onerous contract losses.

The consideration of facts and circumstances as well as the measurement of any onerous contract losses are determined separately for each claim year.

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

The application of the onerous contracts tests has not resulted in any onerous contracts.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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#### D1-7 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 Factor	Development year						
	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
Current year	<b>18.8%</b>	<b>11.8%</b>	<b>9.9%</b>	<b>4.6%</b>	<b>2.7%</b>	<b>3.2%</b>	<b>2.0%</b>
Prior year	<b>22.5%</b>	<b>14.9%</b>	<b>12.8%</b>	<b>4.8%</b>	<b>2.8%</b>	<b>3.2%</b>	<b>2.0%</b>

- The average cost per solicitor (used in the BF method) adopted is A\$2,200 (2023: A\$2,400).
- We have assumed reinsurance recoveries will be fully recoverable on a prompt basis.
- We have applied the zero-coupon yield for Government issued bonds to the expected future cashflows. This has resulted in a uniform discount rate of 4.19% (2023: 4.10%) per annum.
- We have assumed future inflation will be the same as average rates of past inflation, to the extent that it has been captured by the claims development data.
- We have included an allowance for claims handling expenses ("CHE") based on historical experience and projected expenses.
- While we have calculated a central estimate, we have applied a risk adjustment at a 90th percent probability of sufficiency and adopted reserves at this level to maintain a higher level of adequacy.
- While claim numbers are not directly used in determining our estimates, they are a good lead indicator. Given the policy is based on claims made, we have assumed minimal development post the end of the year.

The following key valuation assumptions have been used to estimate the central estimates of the liability for remaining coverage:

- The average cost per solicitor adopted is A\$2,000 (2023: A\$2,400).
- The estimated growth in solicitor numbers is 3.0% (2023: 2.6%).

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.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

## **D1-8 SENSITIVITY ANALYSIS OF KEY ESTIMATES**

The impact of changes in key variables used in the calculation of the net insurance contract liabilities is summarised in the table below and is shown gross and net of reinsurance held. Each change has been calculated in isolation from the other changes and shows the after-tax impact on profit or loss assuming that there is no change to any of the other variables.

<b>Sensitivity</b>		<b>Profit/(loss) <sup>1</sup></b>		<b>Equity</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Reserve estimation	+10.0%	(5,296,900)	(5,509,700)	(5,296,900)	(5,509,700)
	-10.0%	5,308,800	6,172,600	5,308,800	6,172,600
Cost per solicitor estimation	+\$100	(252,700)	(309,000)	(252,700)	(309,000)
	-\$100	252,700	309,000	252,700	309,000
Discount rate	+0.5%	483,000	583,100	483,000	583,100
	-0.5%	(494,900)	(597,800)	(494,900)	(597,800)
Claims handling rate	+1.0%	(422,100)	(480,200)	(422,100)	(480,200)
	-1.0%	422,100	480,200	422,100	480,200
Risk adjustment	+5.0%	(1,997,100)	(2,274,300)	(1,997,100)	(2,274,300)
	-5.0%	1,997,100	2,274,300	1,997,100	2,274,300

<sup>1</sup> Net of tax at the Group's prima facie income tax rate of 30%.

## **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.

#### **(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.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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## D2-1 INSURANCE RISK (continued)

### (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.

#### Claims development

The Group provides information on the gross and net claims development for the current reporting period and five years prior to it.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

**D2-1 INSURANCE RISK (continued)**

**Gross claims development**

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on a gross of reinsurance basis as at 30 June 2024.

<u>In A\$</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>
<u>Gross</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Estimate of ultimate claims							
Costs:							
- at end of reporting year	17,363	16,411	17,744	17,067	18,397	15,963	
- one year later	18,051	16,769	18,303	16,967	14,217		
- two years later	17,671	15,288	24,682	14,195			
- three years later	15,548	14,170	23,143				
- four years later	16,313	13,616					
- five years later	15,803						
Cumulative payments to date	(13,551)	(11,523)	(6,950)	(5,181)	(3,732)	(1,265)	
Estimate of claims reserve	2,252	2,093	16,193	9,014	10,485	14,698	
Effect of discounting	(151)	(145)	(1,415)	(698)	(1,026)	(1,730)	
Claims liability – claim year 2018/19 and after	2,101	1,948	14,778	8,316	9,459	12,968	49,570
Claims liability – claim years before 2018/19							2,146
Effects of the risk adjustment margin for non-financial risk							18,975
Provision for claims handling							5,189
<b>Gross Estimate of liability for incurred claims</b>							<b>75,880</b>

**Net claims development**

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the below claims development disclosure on a net of reinsurance basis as at 30 June 2024.

<u>In A\$</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>Total</u>
<u>Net</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Estimate of ultimate claims							
Costs:							
- at end of reporting year	17,303	16,316	17,649	16,933	17,074	14,522	
- one year later	17,991	16,707	17,788	15,928	12,894		
- two years later	17,623	15,239	15,940	13,999			
- three years later	15,529	14,044	14,579				
- four years later	16,220	13,531					
- five years later	15,770						
Cumulative payments to date	(13,551)	(11,523)	(6,950)	(5,181)	(3,732)	(1,265)	
Estimate of claims reserve	2,219	2,008	7,629	8,818	9,162	13,257	
Effect of discounting	(148)	(136)	(479)	(674)	(855)	(1,518)	
Claims liability – claim year 2018/19 and after	2,071	1,872	7,150	8,144	8,307	11,739	39,283
Claims liability – claim years before 2018/19							2,124
Effects of the risk adjustment margin for non-financial risk							18,975
Provision for claims handling							5,189
<b>Net Estimate of liability for incurred claims</b>							<b>65,571</b>



**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
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**D2-1 INSURANCE RISK (continued)**

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

**D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK**

**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.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

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

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.

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.

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

### **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.

#### **(c) Credit risk**

##### **(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.

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 \$69,622 (2022-23: \$47,143) which are more than one month past due. There is a provision of \$69,622 (2022-23: \$47,143) on these outstanding balances.

There were no reinsurance recoveries (2022-23: \$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.

**Queensland Law Society Incorporated**  
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**D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**  
**(continued)**

**(iii) Credit ratings**

The following table shows the investment grades of balances due:

	Investment Grade (AAA to BBB) \$'000	Not rated \$'000	Total \$'000
<u>At 30 June 2024</u>			
Cash and cash equivalents	75,159	-	75,159
Reinsurers' share of outstanding claims reserves	-	-	-
Trade and other receivables	-	1,380	1,380
Financial assets at fair value through profit or loss	-	215,292	215,292
<b>Total</b>	<b>75,159</b>	<b>216,672</b>	<b>291,831</b>
<u>At 30 June 2023</u>			
Cash and cash equivalents	72,532	-	72,532
Reinsurers' share of outstanding claims reserves	-	-	-
Trade and other receivables	-	1,247	1,247
Financial assets at fair value through profit or loss	-	197,465	197,465
<b>Total</b>	<b>72,532</b>	<b>198,712</b>	<b>271,244</b>

**(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 C9-2.

**(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.

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

**(f) Sensitivity Analysis**

Financial assets at fair value through profit or loss are limited to units in managed unit trusts. These units are only subject to price risk (similar to listed equities). These assets have a predicted return volatility at one standard deviation of 7%.

The impact of changes in key sensitivities of the Financial Assets at fair value through profit or loss is summarised in the table below.

	<b>Changes in variable</b>	<b>2024 A\$'000</b>	<b>2023 A\$'000</b>
<b>Profit/(loss) <sup>1</sup></b>			
Price risk	7.0%	11,777	10,846
	-7.0%	(11,777)	(10,846)
<b>Equity</b>			
Price risk	7.0%	11,777	10,846
	-7.0%	(11,777)	(10,846)

<sup>1</sup> Net of tax at the Company's prima facie income tax rate of 30%.

**D3 COMMITMENTS**

**D3-1 CAPITAL EXPENDITURE COMMITMENTS**

The refurbishment project of Law Society House was completed during the year. There are no capital commitments at 30 June 2024 (2022-23: \$3,100,000).

**D4 CONTINGENT LIABILITIES AND EVENTS AFTER  
BALANCE DATE**

Lexon has a bank guarantee for \$108,031 (2022-23: \$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.

# Queensland Law Society Incorporated

## Notes to the Financial Statements

### For the year ended 30 June 2024

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## 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 2023-24 and 2022-23. 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.

Position	Position Responsibility
<b>President</b>	Lead the Council in settling 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.
<b>Deputy President</b>	To provide direct support to President. The Deputy President succeeds to the office of President at the beginning of the second term.
<b>Vice President</b>	Supporting the President and Deputy President in the discharge of their duties. The Vice President holds office for a two year term.
<b>Chief Executive Officer</b>	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	Rebecca Fogerty	1/01/2024	30/06/2024
President	Chloé Kopilovic	1/01/2023	31/12/2023
President	Kara Thomson	1/07/2022	31/12/2022
Deputy President	Genevieve Dee	1/07/2024	30/06/2024
Deputy President	Chloé Kopilovic	1/07/2022	31/12/2022
Vice President	Rebecca Fogerty	1/01/2023	31/12/2023
Chief Executive Officer	Matt Dunn	6/03/2024	30/06/2024
Chief Executive Officer	Rolf Moses	1/07/2022	5/03/2024

**Queensland Law Society Incorporated**  
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## **E1 KEY MANAGEMENT PERSONNEL DISCLOSURES** **(continued)**

### **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 or honorarium, 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).

### **KMP Remuneration Policy (continued)**

**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.

### **KMP remuneration**

**1 July 2023 – 30 June 2024**

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>President</b> 1 July 2023 - 31 December 2023	132	3	-	14	-	149
<b>President</b> 1 January 2024 - 30 June 2024	132	3	-	14	-	149
<b>Vice President</b> 1 July 2023- 31 December 2023	43	3	-	5	-	51
<b>Deputy President</b> 1 January 2024 - 30 June 2024	43	3	-	5	-	51
<b>CEO</b> 1 July 2023 - 5 March 2024	303	10	-	22	-	334
<b>CEO</b> 6 March 2023 - 30 June 2024	109	2	15	9	-	136

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

## **E1 KEY MANAGEMENT PERSONNEL DISCLOSURES** **(continued)**

### **KMP Remuneration Policy (continued)**

**1 July 2022 – 30 June 2023**

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Benefits	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>President</b>						
1 July 2022 - 31 December 2022	131	4	-	13	-	148
<b>President</b>						
1 January 2023 - 30 June 2023	131	3	-	13	-	147
<b>Vice President</b>						
1 January 2023 - 30 June 2023	43	3	-	5	-	50
<b>Deputy President</b>						
1 July 2022- 31 December 2022	43	3	-	5	-	50
<b>CEO</b>						
1 July 2022 - 30 June 2023	365	7	10	26	-	408

### **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 \$30,000 expensed in 2023-24 (2022-23: \$30,000) for bonus paid or accrued to the Chief Executive Officer.



**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

## **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.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Management fees and recovery expenditure paid to the parent entity by:</b>		
Lexon Insurance Pte Ltd	549,666	523,362
Law Claims Levy Fund	49,385	44,454
Legal Practitioners' Fidelity Guarantee Fund	204,220	172,246
Legal Practitioners Admissions Board	86,729	66,730
QLS Solicitors Support	1,045,030	882,289
Grant funding paid by parent entity to QLS Solicitors Support	1,727,311	1,434,538
<b>Grant funding paid to the parent entity by:</b>		
Law Claims Levy Fund	994,397	992,051
Legal Practitioners' Fidelity Guarantee Fund	748,976	707,193
<b>Levies collected by the parent entity and paid to:</b>		
Legal Practitioners' Fidelity Guarantee Fund	3,629,480	548,993
Law Claims Levy Fund	29,939,395	30,028,428
Gross premium paid by Law Claims Levy Fund to Lexon	26,738,419	27,108,817
<b>Management fees paid to a firm which a director of Lexon is a member:</b>		
AON Insurance Managers (Singapore) Pte Ltd	112,550	109,272
<b>Key management personnel compensation for Lexon:</b>		
Directors' fees	502,083	478,001
Other officers:		
Salaried and other short term employee benefits	1,508,928	1,452,981
Employer's contribution to defined contribution plans	110,082	101,399
<b>Borrowings from Queensland Treasury Corporation</b>		
Proceeds from borrowings	-	10,000,000
Loan repayment	(1,217,935)	(204,609)

\* Includes Directors' fees in relation to Mr Rolf Moses which were paid to QLS in 2023-24: \$Nil  
(2022-23: \$Nil)

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

### **Changes in accounting policy**

The Group did not voluntarily change any of its accounting policies during 2023-24.

### **Accounting standards early adopted**

The Australian Accounting Standard, AASB 17 Insurance Contracts, has been early adopted from 1 July 2023. In Australia, public sector entities have an exemption to adopting AASB 17 until 1 July 2025. QLS has early adopted AASB 17 from 1 July 2023, on the basis its wholly owned subsidiary is required to adopt IFRS 17 from 1 July 2023. Queensland Treasury has approved that the Society can early adopt AASB 17 starting from 1 July 2023, per section 2C.1 of the Financial Reporting Requirements for Queensland Government Agencies.

### **Accounting standards applied for the first time**

#### **AASB 17 Insurance Contracts**

The Australian Accounting Standard, AASB 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. AASB 17 requires a general model where estimates are re-measured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- explicit risk adjustments; and
- a contractual service margin representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The general model is supplemented by:

- a simplified approach (the premium allocation approach) mainly for short duration contracts; and
- a modification of the general measurement model (the variable fee approach) for contracts with direct participation features.

AASB 17 introduces significant changes to the presentation and disclosure of insurance contracts which include:

- The separate disclosure of assets and liabilities related to insurance contracts issued and reinsurance contracts held, replacing current balance sheet items such as premiums outstanding, reinsurance and other recoveries, deferred reinsurance assets, deferred acquisition costs, amounts due to reinsurers, unearned premium liabilities and outstanding claims liabilities.
- The presentation of insurance revenue and insurance service expense gross of reinsurance, insurance service expense includes claims expenses, non-insurance recoveries and expenses that are directly attributable to the fulfilment of insurance contracts. The reinsurance result is disclosed separately and is included in the insurance service result. The financial impact of changes to discount rates and the unwinding of the discounting of insurance and reinsurance assets and liabilities are presented as part of the insurance finance result rather than the insurance service result.
- Additional disclosures to provide information on amounts recognised for insurance contracts and the nature and extent of risk arising from insurance contracts.

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

### **Financial Impact**

Based on analysis provided by Lexon management and Finity (Lexon's actuary), Lexon's (and therefore QLS') transition to IFRS/AASB 17 will not have a material impact on Lexon's or QLS' financial statements. To this end, it is noted that:

- The new concept of a contract boundary does not impact the Group's accounting for insurance contracts because contracts with a boundary of 12 months or less (as is the case with the Group's contracts) qualify for application of the premium allocation approach (equivalent to measuring liability for remaining coverage at the amount of unearned premium).
- The Group will continue to aggregate its contracts into one principal portfolio based on similarity of risks and basis of management.
- The Group will continue to assess for onerous contracts. As it only issues one contract per year, the onerous contract assessment will continue to apply to each annual cohort.
- Insurance liabilities will continue to be measured based on a probability-weighted estimate of future cash flows, all discounted to present value at a risk-free rate. While AASB 17 requires the risk adjustment to be measured at the compensation an entity requires for bearing the uncertainty about the amount and timing of the insurance contract fulfilment cash flows that arises from non-financial risk, the actuarial approach previously adopted by the Group produced results consistent with AASB 17.
- The prior accounting standards provided for a premium liability calculation which resulted in a deficiency of \$996K at 30 June 2022. A similar calculation has been performed under AASB 17 in relation to onerous contracts. The revised calculation results in a surplus at 30 June 2022 and as such the liability for this deficiency, along with the tax effect, has been reversed as an opening balance adjustment. The after-tax impact of this adjustment was to increase profit and loss at 30 June 2022 by \$698K and to reduce the profit and loss at 30 June 2023 by the same amount.

As a consequence of the significant differences between AASB 4 and AASB 17 in terms of:

- Unit of account for insurance contracts
- Definition of insurance revenues and insurance expenses
- Measurement of insurance contract liabilities, and
- Potential recognition of insurance activities in both profit or loss and other comprehensive income,

AASB 17 does not require an entity to provide a line-by-line reconciliation on transition to the new Standard as would normally be the case under paragraph 28(f) of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*).

## **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.

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

## F1 TAXATION (continued)

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.

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Tax expense attributable to profit is made up of:</b>				
Current income tax	5,419	1,199	-	-
Deferred income tax (Note F1-3)	2,712	2,202	-	-
	8,131	3,401	-	-
(Over)/under provision in preceding financial years	-	-	-	-
Current income tax	-	-	-	-
<b>Total income tax (credit)/expense</b>	<b>8,131</b>	<b>3,401</b>	<b>-</b>	<b>-</b>

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	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Operating surplus before income tax	32,998	13,094	-	-
Tax calculated at a tax rate of 30% (2022: 30%)	9,899	3,928	-	-
<b>Effects of:</b>				
Income not subject to tax	(1,517)	(187)	-	-
Franking and other credits available	(252)	(340)	-	-
	<b>8,131</b>	<b>3,401</b>	<b>-</b>	<b>-</b>

**Queensland Law Society Incorporated**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2024**

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**F1-2 INCOME TAX RECEIVABLE**

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Income tax at the beginning of the financial year	(448)	2,477	-	-
Income tax refunded/(paid)	(773)	(4,124)	-	-
Current year income tax	5,419	1,199	-	-
<b>Income tax receivable at the end of the financial year</b>	<b>4,197</b>	<b>(448)</b>	<b>-</b>	<b>-</b>

**F1-3 DEFERRED INCOME TAX BALANCES**

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

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Deferred tax assets</b>				
Balance at the beginning of the financial year	1,628	4,129	-	-
Charge to profit or loss:				
- Actuarial provisions	(250)	72	-	-
- Investment income	(2,515)	(2,579)	-	-
- Income losses	-	-	-	-
- Other	53	6	-	-
<b>Net deferred tax asset at end of the financial year</b>	<b>(1,084)</b>	<b>1,628</b>	<b>-</b>	<b>-</b>

# Queensland Law Society Incorporated

## Management Certificate

### For the year ended 30 June 2024

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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 2024 and of the financial position of the Group as at the end of that year.

We acknowledge responsibility under section 7 and section 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.



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President  
Queensland Law Society  
Rebecca Fogerty

29 August 2024



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Chief Executive Officer  
Queensland Law Society  
Matt Dunn

29 August 2024

## 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 Incorporated (the parent) and its controlled entities (the group).

The financial report comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information and the management certificate.

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 2024, and their financial performance and cashflows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

#### 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 (including Independence Standards)* (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 *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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:  
[https://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of my auditor's report.

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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.



Lisa Fraser  
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office  
Brisbane



# **LAW CLAIMS LEVY FUND**

Financial Report

For the year ended 30 June 2024

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**Law Claims Levy Fund**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2024**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Insurance levies	B1-1	29,939	30,028
<b>Total levies</b>		<b>29,939</b>	<b>30,028</b>
<b>Other income</b>			
Interest income		51	37
Investment income	C3	1,720	1,204
Realised gains/(losses) on investments	C3	979	192
Fair value gains/(losses) on investments	C3	3,020	2,411
<b>Total other income</b>	B1-2	<b>5,770</b>	<b>3,844</b>
<b>Total revenue</b>		<b>35,709</b>	<b>33,872</b>
<b>Expenses</b>			
Administration expenses	B2-1	1,385	1,259
Audit fees	B2-2	28	31
Insurance premiums	B2-3	27,171	27,509
Stamp duty		2,397	2,419
<b>Total expenses</b>		<b>30,981</b>	<b>31,218</b>
<b>Operating result for the year</b>		<b>4,728</b>	<b>2,654</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>4,728</b>	<b>2,654</b>

The accompanying notes form part of these statements.

**Law Claims Levy Fund**  
**Statement of Financial Position**  
**as at 30 June 2024**

		2024	2023
	Notes	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	2,983	945
Receivables	C2	27,010	28,232
<b>Total current assets</b>		<b>29,993</b>	<b>29,177</b>
<b>Non-current assets</b>			
Investments	C3	58,464	55,745
<b>Total non-current assets</b>		<b>58,464</b>	<b>55,745</b>
<b>Total assets</b>		<b>88,457</b>	<b>84,922</b>
<b>Current liabilities</b>			
Income in advance	C4	26,877	28,176
Payables	C5	152	46
<b>Total current liabilities</b>		<b>27,029</b>	<b>28,222</b>
<b>Total liabilities</b>		<b>27,029</b>	<b>28,222</b>
<b>Net assets</b>		<b>61,428</b>	<b>56,700</b>
<b>Equity</b>			
Accumulated surplus		61,428	56,700
<b>Total equity</b>		<b>61,428</b>	<b>56,700</b>

The accompanying notes form part of these statements.

**Law Claims Levy Fund**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2024**

	2024	2023
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	56,700	54,046
Total comprehensive income for the year	4,728	2,654
Balance at 30 June	61,428	56,700

The accompanying notes form part of these statements.

**Law Claims Levy Fund**  
**Statement of Cash Flows**  
**for the year ended 30 June 2024**

		<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Notes</b>	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
<b>Cash flows from operating activities</b>			
Receipts from the profession and reinsurers		29,857	29,099
Payments to suppliers		(30,896)	(31,209)
Interest received		51	37
GST receipts		-	-
GST (paid to) / received from ATO		26	-
<b>Net cash (used in)/generated from operating activities</b>	<b>C1</b>	<b>(962)</b>	<b>(2,073)</b>
<b>Cash flows from investing activities</b>			
Investments redeemed		3,000	1,500
<b>Net cash generated from investing activities</b>		<b>3,000</b>	<b>1,500</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>2,038</b>	<b>(573)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>945</b>	<b>1,518</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>C1</b>	<b>2,983</b>	<b>945</b>

The accompanying notes form part of these statements.

# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

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## 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.

The principal place of business of the Fund is 179 Ann Street, Brisbane, QLD 4000.

### 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 2023.

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 2022-2023 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'.

# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

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#### A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for investments which are measured at fair 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 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.

#### 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.



# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

## 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 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.

## 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.

	2024	2023
	\$'000	\$'000
Management fees paid to Queensland Law Society	47	46
Grant paid to Queensland Law Society	994	992
	1,041	1,038
Investment managers' fees	230	216
Sundry expenses	114	5
<b>Total administration expenses</b>	<b>1,385</b>	<b>1,259</b>

### 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 2023-24 are \$28,400 (2023: \$27,000). There are no non-audit services included in this amount.

**Law Claims Levy Fund**  
**Notes to the financial statements**  
**for the year ended 30 June 2024**

**B2-3 INSURANCE PREMIUMS**

Insurance premiums are paid to Lexon Insurance Pte Ltd, a wholly owned entity of the 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:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets:</b>		
Cash at bank	64	117
Short term deposits	2,919	828
<b>Total cash and cash equivalents</b>	<b>2,983</b>	<b>945</b>

**Reconciliation of the operating result for the year to net cash (used in) from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating result for the year	4,728	2,654
<i>Adjustments for:</i>		
Net investment income	(4,740)	(3,615)
(Gain)/loss on disposal of investments	(979)	(192)
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in receivables	1,222	(1,732)
Increase/(decrease) in payables	106	6
Increase/(decrease) in income in advance	(1,299)	806
<b>Net cash (used in)/generated from operating activities</b>	<b>(962)</b>	<b>(2,073)</b>

Law Claims Levy Fund  
Notes to the financial statements  
for the year ended 30 June 2024

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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.

	2024	2023
	\$'000	\$'000
Other receivables	36	36
Levies receivable from the Society	26,972	28,190
GST receivable	2	6
Total receivables	27,010	28,232

# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

## 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.

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.

### Fair value measurements

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.

All financial assets at fair value are classified as Level 2.

	2024 \$'000	2023 \$'000
<b>Investment in collective investment schemes</b>		
Opening balance	55,745	53,438
Additions	-	-
Additions via reinvestment	1,720	1,204
Disposal proceeds	(3,000)	(1,500)
Gain / (loss) on disposal	979	192
Fair value movements	3,020	2,411
<b>Closing balance</b>	<b>58,464</b>	<b>55,745</b>

# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

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## 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 2024 to 30 June 2025.

	2024	2023
	\$'000	\$'000
Levies received in advance for next financial year	26,877	28,176

## 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.

	2024	2023
	\$'000	\$'000
Amounts payable to the Society	106	-
Other payables and accruals	46	46
<b>Total payables</b>	<b>152</b>	<b>46</b>

## 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 in the current 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.

## **D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

### **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.

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 as per the investment policy.

#### **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 2.00% in either direction.

## **D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

### **Sensitivity analysis – continued**

#### ***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 1.25% (upward movement) and subtracting 1.00% (downward movement).

#### ***Currency sensitivity***

Currency sensitivity measures the changes in the capital base due to changes in foreign currency exchange rates with Singapore Dollar. 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).

#### ***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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Stress Test</b>	<b>Upward impact</b>	
Interest rate	(859)	(777)
Inflation	(945)	(872)
Currency	(1,223)	(1,203)
	<b>Downward impact</b>	
Interest rate	689	626
Inflation	756	700
Currency	(1)	(2)
<b>Stress Test</b>	<b>Impact</b>	
Equity	(10,085)	(8,199)
Property	(922)	(902)
Credit spread	(1,259)	(1,184)

## **D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

### **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 2024, 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 2024 (Finity – August 2024), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2024, the Society is of the opinion that the funds on hand together with future investment income and deductibles, and in conjunction with Stop Loss cover 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.



# Law Claims Levy Fund

## Notes to the financial statements

### for the year ended 30 June 2024

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## E1 RELATED PARTY TRANSACTIONS

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

	2024	2023
	\$'000	\$'000
Collected levies received from Queensland Law Society	29,939	30,028
Gross premium paid to Lexon	26,738	27,108
Management fees paid to Queensland Law Society	47	46
Grants paid to Queensland Law Society	994	992
<b>Total related party transactions</b>	<b>57,718</b>	<b>58,174</b>

## E2 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

### Changes in accounting policy

The Fund did not voluntarily change any of its accounting policies during 2023-24.

### Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023-24.

### Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2023-24 had any impact on the Fund.

## E3 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 2024

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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 2024 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under section 7 and section 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.



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President  
Queensland Law Society  
Rebecca Fogerty

29 August 2024



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Chief Executive Officer  
Queensland Law Society  
Matt Dunn

29 August 2024

## INDEPENDENT AUDITOR'S REPORT

To the Council of Law Claims Levy Fund

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Law Claims Levy Fund.

The financial report comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

#### 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 (including independence standards)* (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 *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 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 it is intended to abolish the entity 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of my auditor's report.

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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.



Lisa Fraser  
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office  
Brisbane

# **QLS SOLICITOR SUPPORT PTY LTD**

Financial Report  
For the year ended 30 June 2024

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## QLS Solicitor Support Pty Ltd

### Directors' Report for the year ended 30 June 2024

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The directors present their report, together with the financial statements, on QLS Solicitor Support Pty Ltd (QSS) for the year ended 30 June 2024.

#### Directors

Position	Person	Start of Term	End of Term
Chairperson & Director	Mr Stafford Shepherd	10/09/2019	Current
Director	Mr Matthew Dunn	10/09/2019	15/04/2024
Director	Ms Grace van Baarle	17/06/2021	Current
Director	Mr Peter Gamin	26/08/2021	Current
Director	Mr Mark Illidge	01/07/2023	Current
Director	Ms Judy Hayward	01/07/2023	Current

#### Principal activities

QSS provides full members of the Queensland Law Society (QLS) with practice and ethical guidance, support and counsel. QSS does not give guidance or counsel on issues relating to entitlement to practice, practising certificates or the conditions which may be imposed on practising certificates.

QSS provides guidance on:

- *Australian Solicitors Conduct Rules 2012* (Qld)
- practice management
- practice and ethics issues
- client identification and verification
- client relationships and solicitor relationships
- cybersecurity issues.

#### Dividends

No dividends were paid during the financial year.

#### Review of Operations

The profit for QSS after providing for income tax amounted to \$0 (30 June 2023: \$0).

#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of QSS during the financial year.

#### Matters subsequent to the end of the financial year

No matters or circumstances have arisen since 30 June 2024 that has significantly affected, or may significantly affect QSS' operations, results or the state of affairs in future financial years.

#### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## QLS Solicitor Support Pty Ltd

### Directors' Report for the year ended 30 June 2024

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#### Shares under option

There were no unissued ordinary shares of QSS under option outstanding at the date of this report.

#### Shares issued on the exercise of options

There were no ordinary shares of QSS issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

#### Indemnity and insurance of officers

The company has indemnified the directors and executives of QSS for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

#### Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

#### Rounding of amounts

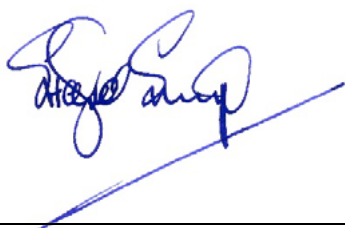
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Chairperson & Director  
Stafford Shepherd

29 August 2024



## AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of QLS Solicitor Support Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

### Independence declaration

As lead auditor for the audit of QLS Solicitor Support Pty Ltd for the financial year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Lisa Fraser  
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office  
Brisbane

**QLS Solicitor Support Pty Ltd**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2024**

	Notes	2024 \$	2023 \$
<b>Revenue</b>			
Grant Funding	B1	1,727,311	1,434,538
<b>Total revenue</b>		<b>1,727,311</b>	<b>1,434,538</b>
<b>Expenses</b>			
Administration expenses	B2-1	57,676	33,393
Employee expenses	B2-2	624,605	518,856
Management Fees	B2-3	1,045,030	882,289
<b>Total expenses</b>		<b>1,727,311</b>	<b>1,434,538</b>
<b>Profit before tax</b>			
		-	-
<b>Income tax</b>			
		-	-
<b>Profit after tax</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>			
		-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

The accompanying notes form part of these statements.

**QLS Solicitor Support Pty Ltd**  
**Statement of Financial Position**  
**as of 30 June 2024**

	Notes	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	C1	5,390	5,510
Prepayments	C3	14,798	34,089
<b>Total current assets</b>		<b>20,188</b>	<b>39,599</b>
<b>Total assets</b>		<b>20,188</b>	<b>39,599</b>
<b>Current liabilities</b>			
Payables	C4	20,068	39,479
<b>Total current liabilities</b>		<b>20,068</b>	<b>39,479</b>
<b>Total liabilities</b>		<b>20,068</b>	<b>39,479</b>
<b>Net assets</b>		<b>120</b>	<b>120</b>
<b>Equity</b>			
Share capital		120	120
Accumulated surplus		-	-
<b>Total equity</b>		<b>120</b>	<b>120</b>

The accompanying notes form part of these statements.

**QLS Solicitor Support Pty Ltd**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2024**

	2024	2023
	\$	\$
Share Capital		
Balance on 1 July	120	120
Share capital issued	-	-
Balance on 30 June	120	120
Accumulated Surplus		
Balance on 1 July	-	-
Total comprehensive income for the year	-	-
Balance on 30 June	-	-

The accompanying notes form part of these statements.

**QLS Solicitor Support Pty Ltd**  
**Statement of Cash Flows**  
**for the year ended 30 June 2024**

	2024	2023
	\$	\$
NOTES	Inflows/ (Outflows)	Inflows/ (Outflows)
<b>Cash flows from operating activities</b>		
Grant funding	1,726,891	1,433,017
Administration, employee expenses and other payments	(1,727,011)	(1,433,137)
<b>Net cash generated from/ (used by) operating activities</b>	<b>(120)</b>	<b>(120)</b>
<b>Cash flows from financing activities</b>		
Share capital issued	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents held</b>	<b>(120)</b>	<b>(120)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>5,510</b>	<b>5,630</b>
<b>Cash and cash equivalents at the end of the financial year</b> C1	<b>5,390</b>	<b>5,510</b>

The accompanying notes form part of these statements.

# **QLS Solicitor Support Pty Ltd**

## **Notes to the Financial Statements**

### **for the year ended 30 June 2024**

---

## **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 provides full members of QLS with practice and ethical guidance, support and counsel.

The principal place of business of QSS is 179 Ann Street, Brisbane QLD 4000.

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 BASIS OF PREPARATION**

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards – Simplified Disclosures. The financial statements comply with the recognition and measurement requirements of all Australian Accounting Standards and Interpretations and the presentation requirements in those standards as modified by AASB 1060.

### **A1-3 PRESENTATION**

#### **Currency and rounding**

Amounts included in the financial statements are in Australian dollars and rounded to the nearest dollar.

#### **Comparatives**

Comparative information reflects the audited 2022-23 financial statements.

#### **Current/non-current classification**

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

QSS is a for profit 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 for profit private entities.

## **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 at the date of signing the Directors' Declaration.

**QLS Solicitor Support Pty Ltd**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2024**

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## **B1 REVENUE**

QSS receives grant funding from the Society to contribute toward the cost of operating. In accordance with AASB 1058, grants are recognised as revenue within the period they are received as they do not contain sufficiently specific performance obligations.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Grant funding</b>		
Grant funding	1,727,311	1,434,538
<b>Total revenue</b>	<b>1,727,311</b>	<b>1,434,538</b>

## **B2 EXPENSES**

### **B2-1 ADMINISTRATION EXPENSES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Insurance	26,792	19,515
Audit fees paid to Queensland Audit Office	7,200	7,800
Travel and accommodation	14,396	5,597
Other administration expenses	9,288	455
Professional and consulting fees	-	26
<b>Total administration expenses</b>	<b>57,676</b>	<b>33,393</b>

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Company's financial statements for 2023-24 are \$7,200 (2023: \$6,900). There are no non-audit services included in this amount.

### **B2-2 EMPLOYEE EXPENSES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	561,956	478,991
Employer superannuation contributions	61,206	51,225
Payroll tax	31,160	24,514
Workers' compensation premiums	1,864	1,851
Movement in annual and long service leave provision	(31,581)	(37,725)
<b>Total employee expenses</b>	<b>624,605</b>	<b>518,856</b>

#### **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.

# QLS Solicitor Support Pty Ltd

## Notes to the Financial Statements

### for the year ended 30 June 2024

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#### 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.

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

### B2-3 MANAGEMENT FEES PAID TO THE QUEENSLAND LAW SOCIETY INCORPORATED

	2024	2023
	\$	\$
Management fees	1,045,030	882,289
<b>Total management fees paid to the Queensland Law Society</b>	<b>1,045,030</b>	<b>882,289</b>

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 on 30 June as well as deposits on call with financial institutions.

	2024	2023
	\$	\$
Cash on hand	5,390	5,510
<b>Total cash and cash equivalents</b>	<b>5,390</b>	<b>5,510</b>

### 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.



**QLS Solicitor Support Pty Ltd**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2024**

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### **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.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Prepayments	14,798	34,089
<b>Total receivables</b>	<b>14,798</b>	<b>34,089</b>

### **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.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Payables	20,068	39,479
<b>Total payables</b>	<b>20,068</b>	<b>39,479</b>

### **D1 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE**

There were no known contingent liabilities on 30 June 2024 (2023: Nil). There are no events subsequent to reporting date requiring disclosure in the financial report.

**QLS Solicitor Support Pty Ltd**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2024**

## E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key management personnel and remuneration disclosures are made in accordance with the *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

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 2023-24. The role of Chair is supported by the appointed board members.

Position	Position Responsibility
<b>Chairperson</b>	Responsible for chairing QSS Board meetings, chairing 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 Incorporated Legal Practice (ILP) director under the <i>Legal Professional Act 2007</i> (Qld).
<b>Director</b>	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 & Director	Mr Stafford Shepherd	10/09/2019	Current
Director	Mr Matthew Dunn	10/09/2019	15/04/2024
Director	Ms Grace van Baarle	17/06/2021	Current
Director	Mr Peter Gamin	26/08/2021	Current
Director	Mr Mark Illidge	1/07/2023	Current
Director	Ms Judy Hayward	1/07/2023	Current

### KMP Remuneration Policy

The board of directors of QSS is constituted by four (voluntary) directors under clause 50 of its Constitution. The directors are not remunerated for their services to QSS.

The Chairperson Mr Stafford Shepherd was remunerated with Gross Amount of 41,666 and Superannuation 4,583 during 2023-24.

## 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.

	2024	2023
	\$	\$
Grant funding paid by parent entity to QSS	1,727,311	1,434,538
Management fees paid to Queensland Law Society	1,045,030	882,289

## **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.

## **E4 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY**

### **Changes in accounting policy**

QSS did not voluntarily change any of its accounting policies during 2023-24.

### **Accounting standards applied for the first time**

No Australian accounting standards or interpretations that apply for the first time during 2023-24 had any impact on QSS.

## QLS Solicitor Support Pty Ltd Directors' Declaration for the year ended 30 June 2024

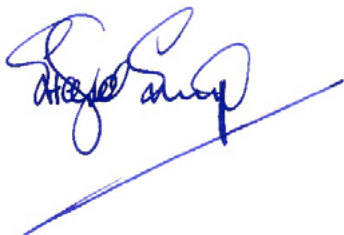
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In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- the attached financial statements and notes give a true and fair view of the company's financial position as of 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Chairperson & Director  
Stafford Shepherd

29 August 2024



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Director  
Peter Gamin

29 August 2024

## 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.

The financial report comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the directors' declaration.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with Australian Accounting Standards – Simplified Disclosures.

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 (including Independence Standards)* (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 am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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

#### Other information

The directors are responsible for the other information.

The other information comprises the information included in the directors' report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Responsibilities of the Directors 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 the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Simplified Disclosures, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of my auditor's report.



Lisa Fraser  
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office  
Brisbane

# **LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND**

Financial Report  
For the year ended 30 June 2024

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**Legal Practitioners' Fidelity Guarantee Fund**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2024**

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	Notes	2024 \$'000	2023 \$'000
<b>Revenue</b>			
Practitioner levies	B1-1	3,630	549
Investment income	B1-2	728	509
Realised gains/(losses) on investments	C3	374	69
Fair value gains/(losses) on investments	C3	1,056	974
<b>Total revenue</b>		<b>5,788</b>	<b>2,101</b>
<b>Expenses</b>			
Administration expenses	B2-1	282	301
Notified claims (net of reversals)	C6	2,348	973
Investment fees		83	88
Management fees paid to the Queensland Law Society	B2-2	954	877
<b>Total expenses</b>		<b>3,667</b>	<b>2,239</b>
<b>Operating result for the year</b>		<b>2,121</b>	<b>(138)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,121</b>	<b>(138)</b>

The accompanying notes form part of these statements.

**Legal Practitioners' Fidelity Guarantee Fund**  
**Statement of Financial Position**  
**as at 30 June 2024**

		2024	2023
	Notes	\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	1,466	1,133
Receivables	C2	3,574	3,121
<b>Total current assets</b>		<b>5,040</b>	<b>4,254</b>
<b>Non-current assets</b>			
Investments	C3	21,903	19,854
<b>Total non-current assets</b>		<b>21,903</b>	<b>19,854</b>
<b>Total assets</b>		<b>26,943</b>	<b>24,108</b>
<b>Current liabilities</b>			
Payables	C4	75	69
Income in advance	C5	3,570	3,202
Provision for notified claims	C6	2,243	1,903
<b>Total current liabilities</b>		<b>5,888</b>	<b>5,174</b>
<b>Total liabilities</b>		<b>5,888</b>	<b>5,174</b>
<b>Net assets</b>		<b>21,055</b>	<b>18,934</b>
<b>Equity</b>			
Accumulated surplus		21,055	18,934
<b>Total equity</b>		<b>21,055</b>	<b>18,934</b>

The accompanying notes form part of these statements.

**Legal Practitioners' Fidelity Guarantee Fund**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2024**

---

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Accumulated surplus</b>		
<b>Balance at 1 July</b>	18,934	19,072
Total comprehensive income for the year	2,121	(138)
<b>Balance at 30 June</b>	<b>21,055</b>	<b>18,934</b>

The accompanying notes form part of these statements.

**Legal Practitioners' Fidelity Guarantee Fund**  
**Statement of Cash Flows**  
**for the year ended 30 June 2024**

---

		<b>2024</b>	<b>2023</b>
		<b>\$'000</b>	<b>\$'000</b>
	<b>Notes</b>	<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
<b>Cash flows from operating activities</b>			
Contributions by practitioners and cost recoveries		3,545	583
Notified claim payments		(2,008)	(4,088)
Administration expenses		(1,323)	-
Interest received		109	28
GST (paid to) / received from ATO		10	-
<b>Net cash used in operating activities</b>	<b>C1</b>	<b>333</b>	<b>(3,477)</b>
<b>Cash flows from investing activities</b>			
Proceeds from investments		-	3,501
<b>Net cash generated from investing activities</b>		<b>-</b>	<b>3,501</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>333</b>	<b>24</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>1,133</b>	<b>1,109</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>C1</b>	<b>1,466</b>	<b>1,133</b>

The accompanying notes form part of these statements.

# Legal Practitioners' Fidelity Guarantee Fund

## Notes to the Financial Statements

### for the year ended 30 June 2024

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## 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).

The principal place of the Fund is 179 Ann Street, Brisbane, QLD 4000.

### 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 2023.

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 2023-24 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.

**Legal Practitioners' Fidelity Guarantee Fund**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2024**

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**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.

**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.

# Legal Practitioners' Fidelity Guarantee Fund

## Notes to the Financial Statements

### for the year ended 30 June 2024

## 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. For the Financial Year 2023-24 the Society determined a prudential increase to practitioner contribution levies as required to maintain the Fund and meet anticipated expenses.

	2024	2023
	\$'000	\$'000
Practitioner levies	3,546	532
Claim payment recoveries	84	17
<b>Total practitioner levies</b>	<b>3,630</b>	<b>549</b>

### 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.

	2024	2023
	\$'000	\$'000
Distributions from investments	619	481
Interest income	109	28
<b>Total investment income</b>	<b>728</b>	<b>509</b>

## B2 EXPENSES

### B2-1 ADMINISTRATION EXPENSES

	2024	2023
	\$'000	\$'000
Employee expenses	133	177
Audit fees	15	16
Legal fees	132	104
Sundry expenses	2	4
<b>Total administration expenses</b>	<b>282</b>	<b>301</b>

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2023-24 are \$15,000 (2023: \$14,300). There are no non-audit services included in this amount.

### B2-2 MANAGEMENT FEES PAID TO QUEENSLAND LAW SOCIETY INCORPORATED

	2024	2023
	\$'000	\$'000
Management fees paid to the Society	954	877
<b>Total management fees paid to the Queensland Law Society</b>	<b>954</b>	<b>877</b>

The Fund pays management fees to the Queensland Law Society Incorporated for services and resources used in the management and operating of the Fund's business.

**Legal Practitioners' Fidelity Guarantee Fund**  
**Notes to the Financial Statements**  
**for the year ended 30 June 2024**

## **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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash assets	20	59
Cash deposit account	1,446	1,074
<b>Total cash and cash equivalents</b>	<b>1,466</b>	<b>1,133</b>

### **Reconciliation of operating result for the year to net cash (used in) operating activities**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating result for the year	2,121	(138)
<i>Adjustments for:</i>		
Net investment income	(1,675)	(1,524)
(Gain)/loss on disposal of investments	(374)	-
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(453)	(2,743)
Increase/(decrease) in payables	6	26
Increase/(decrease) in income in advance	368	2,776
increase/(decrease) in provision for notified claims	340	(1,874)
<b>Net cash (used in) operating activities</b>	<b>333</b>	<b>(3,477)</b>

## **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.

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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Practitioner levies receivable from the Society	3,572	3,119
GST receivable	2	2
<b>Total receivables</b>	<b>3,574</b>	<b>3,121</b>



# Legal Practitioners' Fidelity Guarantee Fund

## Notes to the Financial Statements

### for the year ended 30 June 2024

## 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.

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.

### Fair value measurements

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.

All financial assets at fair value are classified as Level 2.

	2024 \$'000	2023 \$'000
<b>Investment in managed funds</b>		
Opening balance	19,854	21,831
Additions via reinvestment	619	481
Disposal proceeds	-	(3,501)
Realised Gain / (loss) on disposal	374	69
Fair value movements	1,056	974
<b>Total investment in managed funds</b>	<b>21,903</b>	<b>19,854</b>

# Legal Practitioners' Fidelity Guarantee Fund

## Notes to the Financial Statements

### for the year ended 30 June 2024

## 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.

	2024	2023
	\$'000	\$'000
Payable to the Society for annual leave entitlements	16	14
Payable to the Society for long service leave entitlements	10	9
Other payables and accruals	49	46
<b>Total payables</b>	<b>75</b>	<b>69</b>

## 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 2024 paid to the Fund by the Society for the financial year 1 July 2024 to 30 June 2025.

	2024	2023
	\$'000	\$'000
Practitioner levies for upcoming year	3,570	3,202
<b>Total income in advance</b>	<b>3,570</b>	<b>3,202</b>

## 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. Refer to note D1.

	2024	2023
	\$'000	\$'000
Opening notified claims	1,903	3,777
Add notified claims (net of reversals)	2,348	973
Less payment of notified claims	(2,008)	(2,847)
<b>Total provision for notified claims</b>	<b>2,243</b>	<b>1,903</b>

# **Legal Practitioners' Fidelity Guarantee Fund**

## **Notes to the Financial Statements**

### **for the year ended 30 June 2024**

---

## **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 transactions 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.

### **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:

**Legal Practitioners' Fidelity Guarantee Fund**  
**Notes to the Financial Statements**  
for the year ended 30 June 2024

## **D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Interest rate sensitivity analysis</b>		
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:		
<b>Change in profit</b>		
Increase in interest rate by 1%	18	7
Decrease in interest rate by 1%	(18)	(7)

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Price sensitivity analysis</b>		
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:		
<b>Change in profit</b>		
Increase in managed funds unit price by 5%	1,095	993
Decrease in managed funds unit price by 5%	(1,095)	(993)

### **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**

There were no known contingent liabilities at 30 June 2024. There are no events subsequent to reporting date requiring disclosure in the financial report.

# Legal Practitioners' Fidelity Guarantee Fund

## Notes to the Financial Statements

### for the year ended 30 June 2024

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## E1 RELATED PARTY TRANSACTIONS

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

	2024	2023
	\$'000	\$'000
Collected practitioner levies received from Queensland Law Society	3,630	549
Management fees and recovery expenditure paid to Queensland Law Society	205	170
Grant funding paid to Queensland Law Society	749	707
<b>Total related party transactions</b>	<b>4,584</b>	<b>1,426</b>

## E2 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

### Changes in accounting policy

The Fund did not voluntarily change any of its accounting policies during 2023-24.

### Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2023-24.

### Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2023-24 had any impact on the Fund.

## E3 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 2024

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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 2024 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under section 7 and section 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.



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President  
Queensland Law Society  
Rebecca Fogerty

29 August 2024



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Chief Executive Officer  
Queensland Law Society  
Matt Dunn

29 August 2024

## INDEPENDENT AUDITOR'S REPORT

To the Council of Legal Practitioners' Fidelity Guarantee Fund

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Legal Practitioners' Fidelity Guarantee Fund.

The financial report comprises the statement of financial position as at 30 June 2024, 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 material accounting policy information, and the management certificate.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

#### 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 (including independence standards)* (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 *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 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 it is intended to abolish the entity 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of my auditor's report.

### **Statement**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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.



Lisa Fraser  
as delegate of the Auditor-General

30 August 2024

Queensland Audit Office  
Brisbane



# Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
<b>Letter of compliance</b>	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	5
<b>Accessibility</b>	Table of contents	ARRs – section 9.1	6-7
	Glossary		187
	Public availability	ARRs – section 9.2	3
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	3
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	4
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	N/A
<b>General information</b>	Introductory Information	ARRs – section 10	3, 8-60
<b>Non-financial performance</b>	Government's objectives for the community and whole-of-government plans/specific initiatives	ARRs – section 11.1	8
	Agency objectives and performance indicators	ARRs – section 11.2	8-60
	Agency service areas and service standards	ARRs – section 11.3	8-60
<b>Financial performance</b>	Summary of financial performance	ARRs – section 12.1	60
<b>Governance – management and structure</b>	Organisational structure	ARRs – section 13.1	16-24, 50-52
	Executive management	ARRs – section 13.2	16-24, 50-52
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3	3
	Public Sector Ethics	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	58-59
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	3, 21
	Queensland public service values	ARRs – section 13.6	3, 8, 16-19

Summary of requirement	Basis for requirement	Annual report reference
<b>Governance – risk management and accountability</b>	Risk management	ARRs – section 14.1
	Audit committee	ARRs – section 14.2
	Internal audit	ARRs – section 14.3
	External scrutiny	ARRs – section 14.4
	Information systems and recordkeeping	ARRs – section 14.5
	Information Security attestation	ARRs – section 14.6
<b>Governance – human resources</b>	Strategic workforce planning and performance	ARRs – section 15.1
	Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i>
		ARRs – section 15.2
<b>Open Data</b>	Statement advising publication of information	ARRs – section 16
	Consultancies	ARRs – section 31.1
	Overseas travel	ARRs – section 31.2
	Queensland Language Services Policy	ARRs – section 31.3
<b>Financial statements</b>	Certification of financial statements	FAA – section 62
		FPMS – sections 38, 39 and 46
		ARRs – section 17.1
	Independent Auditor's Report	FAA – section 62
		FPMS – section 46

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

# Glossary

AI	Artificial intelligence
ARRs	Annual report requirements for Queensland Government agencies
ASX	Australian Stock Exchange
CCS	Cultural Champions and Stakeholders
CEO	Chief executive officer
Click rate	The percentage of people who opened and clicked on a link or ad in an email
CPD	Continuing professional development
Cth	Commonwealth
DLA	District Law Association
DPP	Director of Public Prosecutions
EAP	Employee Assistance Program
ECL	Early career lawyer
FLC	Future Leaders Committee
FNCC	First Nations Consulting Committee
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
Lexon	Lexon Insurance Pte Ltd, a wholly-owned subsidiary company of Queensland Law Society
LPA	<i>Legal Profession Act 2007 (Qld)</i>
LT	Leadership Team
MFA	Multi-factor authentication
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 online news publication
QCAT	Queensland Civil and Administrative Tribunal
QIC	Queensland Investment Corporation
QLS Proctor	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
RAP	Reconciliation Action Plan
SME	Small/Medium Enterprise

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