



Queensland
Law Society[®]

ANNUAL REPORT 2022-23

LEADING SOLICITORS IN QUEENSLAND

**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.**

About this report

Queensland Law Society's 2022-23 annual report presents our corporate performance information for the period 1 July 2022 to 30 June 2023.

This report records our activities, achievements and challenges for the 2022-23 financial year and evaluates them against our strategic and corporate planning goals and targets. It also provides a summary of our corporate performance and priorities for initiatives in 2023-24 and beyond.

It has been a year of significant achievement for QLS. We commenced the refurbishment of Law Society House, designed to establish a hub for the profession and foster connection and collegiality amongst members.

We launched into the second year of our strategic plan, furthering our vision of Leading Solicitors in Queensland and our purpose of Good Law, Good Lawyers, Public Good. Across the organisation, we are continuing to advance and deliver on new goals and projects and our progress in our second year of the strategic plan is outlined in this document.

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.

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.

Our commitment to accessibility

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

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



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

Feedback

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

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7 September 2023

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 2022-23 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 222-223 of this document.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chloe Kopilovic', with a large, stylized initial 'C'.

Chloé Kopilović
President

Email: president@qls.com.au

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About us

Our vision

Leading Solicitors in Queensland

Queensland Law Society Incorporated (QLS) is the leading membership representative body and co-regulator for the legal profession of solicitors in Queensland and oversees the professional conduct of 14,917¹ practising solicitors. The Society also provides leadership, guidance and support to 12,328² 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. Our purpose is *good law, good lawyers, public good* and to:

- be the authoritative voice of solicitors in Queensland
- help our members succeed
- connect the profession with QLS and each other, and
- respect, protect and promote human rights in our decision-making actions.

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

¹ Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2023

² Ibid

- 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.

Key performance indicators

Performance overview

Strategic and operational performance overview

The 2022-23 financial year marks the second year of QLS's four-year strategic plan 2021-25, which supports our vision of leading solicitors in Queensland and strengthens our purpose of good law, good lawyers, public good.

Our four-year strategic plan outlines six strategic objectives and seven measures of success (key performance indicators [KPIs]). Measurement of the second year of our strategic plan is outlined in our Operating Plan 2022-23, 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.

A summary of QLS's performance in the second year of its Strategic Plan 2021-25 and the annual Operating Plan 2022-23 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 Council to add:

- an additional purpose reflecting the Society's co-regulation of the profession for the benefit of the profession and the public
- an additional strategy to support good corporate governance and best practice governance arrangements and
- mental health as a part of the Society's education strategy.

Our strategic performance this financial year has continued to centre heavily on advancing the public good through pursuing our Guide objectives and furthering our legal policy work with our volunteer committee member base. Our vision for good lawyers has been strengthened through dedicated membership strategies designed to connect members with QLS and with each other, and through our work to develop a hub for members with the refurbishment of Law Society House.

Our strategic risks and challenges this financial year continued to focus on digital innovation and technology, with particular focus on preparing the Microsoft Dynamics client relationship management system (CRM) for its second year of renewals. Whilst it was pleasing to observe significant improvements from the previous year, there is continued learning and analysis ahead of next year's renewals. The staff focus and increased resources on renewals has had a flow-on impact on one of the initiatives of the Regulate objective which is being managed ahead of next year. Pleasingly, the strategic risk and challenges relating to the aging physical infrastructure of Law Society House will be overcome as a result of the refurbishment of the building. The Society will continue to focus on its strategies and risk into the next financial year, with a strong focus on Council governance, technology and education.

Our operating plan 2022-23

Strategic Objective	Initiative	Key Action		Strategic KPI	Timeline	Accountability	Performance target/KPI		Average Status	Average status	2022-23 Report			
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	30-Jun-23	Legal Policy	1.1.1	Ratio of 1:4 proactive to reactive legal policy submissions to relevant stakeholders	Green-Yellow	On track & ongoing	1.1.1	On Track and ongoing – 1:5 – (214 submissions – proactive: 38, reactive: 176)		
				KPI2							1.1.2	On Track and ongoing – 176 stakeholder consultations to date.		
		1.2	Host the Committee and Working Group Chairs Development Event	KPI3			1.1.2	Achieve 200 stakeholder engagements			1.2.1	Committee and Working Group Chairs event hosted	1.2.1	Achieved – Legal Policy Committee Chairs and Deputy Chairs Event was held on Wednesday 2 November 2022.
				KPI4										
				KPI5										
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	30-Jun-23	Legal Policy	2.1.1	Reports published on QLS website	Green-Yellow	On track & ongoing	2.1.1	On track and ongoing – reports received and to be published in 23/24.		
				KPI5							2.2.1	Report submitted to CEO	2.2.1	Achieved – graduate readiness research report and Future readiness final report submitted to CEO.
		2.2	Report on the research projects – Graduate readiness and Practice readiness											
Regulate	03. To review and provide recommendations regarding amendments to Parts 2.4 and 2.8 of the LPA and any necessary amendments to the Admin and Indemnity Rule arising out of the LPA proposals	3.1	Review Parts 2.4 and 2.8 of the LPA and relevant subordinate legislation and rules	KPI5	30-Jun-23	Regulation & OGC	3.1.1	Recommendations and Report to CEO on recommendations for LPA advocacy to Council and relevant stakeholders	Yellow	Delayed	3.1.1	Delayed – Due to competing priorities with respect to Renewals, PSS Annual Reporting in Q3&4 and workloads across both departments, and very limited capacity in OGC and Regulation, this item has been delayed for consideration in the future when there is resourcing capability		
Regulate	04. To review the Tax and Superannuation Policy after 12 months of operation	4.1	To review the operation of this policy with respect to all facets in particular: <ul style="list-style-type: none">The number and types of declarationThe enforcement practices that have developed out of the policyThe cost of investigations under the policyThe intelligence value of the declarationsThe philosophy underpinning the disclosure of taxation and superannuation breachesThe efficacy of the policy vis-à-vis the ATO enforcement operations and s68 LPA 2007Whether the Society should seek incorporation of the policy as a suitability issue at ss9 and 46 LPAFunding arrangements	KPI5	30-Jun-23	Regulation	4.1.1	Report to CEO	Green-Yellow	On track & ongoing	4.1.1	On track and ongoing – due to competing workloads a review of the policy has begun with a critical matter that is to set the underlying foundation of the policy heard and decided in June 2023. This matter has been rolled onto the 23/24 plan.		

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report
Regulate	05. To develop the external intervention capacity of the Society to serve the interests of the public, the profession and practitioners on the subject of intervention	5.1 Review External Intervention considering: <ul style="list-style-type: none"> 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 Ext Int, 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-23	Regulation	5.1.1 Report to CEO	Green-Yellow	On track & ongoing	5.1.1 On track and ongoing – the review commenced during the financial year however its delivery was impacted by workload challenges and competing priorities with respect to renewals and PSS annual reporting, and Regulation workload capacity. It was further impacted by the size of appointments since 1 January 2023. The proposal for destruction of Archive files is ready for delivery to the CEO. However it has been usurped by proposed amendments to the LPA to allow destruction of client documents after 7 years. Those new laws are in draft awaiting introduction to Parliament.
Guide	06. Continue to provide the practice advisory service and report on member satisfaction	6.1 Quarterly report on the ILP Strategic Plan	KPI1 KPI2 KPI3 KPI4 KPI5	30-Jun-23	Ethics	6.1.1 Quarterly reports submitted to Council 6.1.2 Member survey demonstrates satisfaction 4/5 / 80%	Green	Achieved	6.1.1 Achieved – quarterly reports on the ILP Strategic Plan were submitted to Council 6.1.2 Achieved – member survey satisfaction is 97%
Guide	07. Continue to roll out the locum service	7.1.1 Roll out the locum service	KPI2 KPI3 KPI4 KPI5	30-Jun-23	Ethics & Membership & Engagement	7.1.1 The number of locums increases by 25% 7.1.2 Conduct a marketing campaign for the locum service to members	Green	Achieved	7.1.1 Achieved – member locum increased by 25% 7.1.2 Achieved – conducted a marketing campaign for the locum service to members
Guide	08. Promote public trust and confidence in long term relationships between law firms and the community through the promotion of business viability	8.1.1 Prepare Guidance material on business viability	KPI3 KPI4 KPI5	30-Jun-23	Ethics	8.1.1 Guidance material on business viability published online	Green	Achieved	8.1.1 Achieved – guidance material on business viability has been published on the QLS website

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report					
Educate	09. Continue the accreditation programs in Practice Management for practice managers and First Nations Cultural Competence and explore options for general practitioner solicitors	9.1.1 Deliver the accreditation programs in Practice Management for practice managers	KPI1	30-Jun-23	Education	9.1.1 Deliver the accreditation programs in Practice Management for practice managers at least once a year	Green-Yellow	On track & ongoing	9.1.1 Delayed – due to capacity issues with redevelopment of building no suitable space available to run pilot until after renovations completed in 2023. Further staff capacity issues to add a further five-day training course make this challenging. Will reassess delivery of this course and demand in new FY.					
		9.1.2 Deliver First Nations Cultural Competence course to 1500 delegates	KPI2			9.1.2 Deliver First Nations Cultural Competence course to 1500 delegates			9.1.2 On track and ongoing – self-paced LMS module available via shop to general public for the First Nations Cultural Competence course. Small uptake as the LMS was launched in Q3 but there has been interest from stakeholders. To continue into FY 23/24.					
		9.1.3 Explore and research options for Specialist Accreditation for general practitioner solicitors	KPI3						9.1.3 Completed – update to CEO that initial approach has been made to NSWLS and LIV who wouldn't support the option as part of their scheme.					
			KPI4											
			KPI5			9.1.3 Paper submitted to CEO on options for general practitioner solicitors								
			KPI6											
Educate	10. Deliver leading educational workshops on Sexual Harassment and Workplace Culture workshop	10.1.1 Deliver leading educational workshops on Sexual Harassment and Workplace Culture workshop to 1,000 delegates	KPI1	30-Jun-23	Education	10.1.1 The educational workshops on Sexual Harassment and Workplace Culture workshop are delivered to 1,000 delegates and have a rating of 4/5	Green-Yellow	On track & ongoing	10.1.1 On track and ongoing – ongoing campaign to promote bespoke sessions to firms as part of the response to the Respect@work Bill passing parliament and the new positive obligation placed on employers. Ran bespoke in-house sessions and a roadshow of events across Queensland. Over 500 delegates trained in Feb – June 2023 and this is ongoing with strong demand continuing for first quarter 23/24. Being an Active Bystander Pilot workshop ran in May.					
			KPI4											
			KPI5											
Educate	11. Continue to develop and lead high-quality, accessible and well attended CPD conferences	11.1.1 Continue to develop and lead outstanding and well attended CPD conferences	KPI1	30-Jun-23	Education	11.1.1 Program of conferences delivered by 30 June 2023 and report on profitability, accessibility and attendance to the CEO	Green	Completed	11.1.1 Completed – program of conferences delivered by 30 June 2023 and update to CEO on Council on profitability, accessibility and attendance					
			KPI3											
			KPI4											
			KPI5											
Educate	12. Create a suite of resources and professional development for: <ul style="list-style-type: none">Family and domestic violence and trauma informed practiceCareer transitionNatural disaster and pandemic recovery	12.1.1 Resources are published on the website on: <ul style="list-style-type: none">Career transition;Family and domestic violence and trauma informed practice;Natural disaster and pandemic recovery	KPI3	30-Jun-23	For 12.1.1. Advocacy and Ethics	12.1.1 Resources published on the website	Green-yellow	On track & ongoing	12.1.1 Achieved – resources and workshops published and undertaken for career transition, family and DV and continuing locum resources for natural disaster and pandemic recovery					
			KPI4			12.1.2 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			12.1.2 On track and ongoing – proposed competency framework has been reviewed by QLS Ethics Committee, Criminal Law Committee, and Family Law Committee and submitted to Council. A-G's department to form a working group to advise on training for their preferred training supplier.					
			KPI5		For 12.1.2 Education									
		12.1.2 A competency framework and CPD syllabus for domestic and family violence and trauma-informed practice is developed and an investigation of incorporating a mandatory CPD component for junior practitioners is undertaken												

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report
Connect	13. Continue to implement a revised member benefits program and member engagement strategies for QLS Future Leaders, District Law Associations and regional members	13.1.1 Implement a revised member benefits program and member engagement strategies for QLS Future Leaders, District Law Associations and regional members	KPI1	30-Jun-23	Membership & Engagement	13.1.1 Report to CEO on member engagement strategies and metrics	Green	Achieved	13.1.1 Achieved – implemented a revised member benefits program and member engagement strategies for QLS Future Leaders, District Law Associations and regional members: <ul style="list-style-type: none"> DLAs and regional members – supporting DLA events and education through sponsorship, in-kind support and contributing speakers when appropriate. We have also worked with our corporate partner PEXA to deliver regional education on important changes to the <i>Property Law Act</i>. Work has continued on the new microsite You and the Law which will house the find a solicitor search and specialised community-focused content. Although this has been somewhat delayed due to issues with deploying the dynamic register, we have continued to work on refining the content and plans to launch featured listings as an additional revenue stream in FY24. QLS Excellence in Law Awards launched this financial year were very successful in engaging the profession and providing a forum to recognise excellence in practitioners from target segments including emerging leaders, in-house counsel, regional practitioners and small firms / sole practitioners which are a major part of the Brisbane suburban segment. Successfully transitioned new members into the FLC including both appointed members and those elected in late 2022. We continued to work with the committee on initiatives such as the FLC Hub, The Callover Podcast and events such as the Young Lawyers Ball
			KPI2						
			KPI3						
			KPI4						
			KPI5						
Connect	14. Continue the First Nations Cultural Outreach Strategy and annual First Nations Plan with a focus on profession cultural support and education	14.1.1 Roll out the third year of the First Nations Cultural Outreach Strategy and annual First Nations Plan	KPI3	30-Jun-23	COS	14.1.1 Achieved action items set out in the First Nations Annual Plan	Green-Yellow	On track & ongoing	14.1.1 On track and ongoing – see First Nations Plan 2022-23.
			KPI4			14.1.2 Reported on achievements to Council, in the Annual Report and on the QLS website			14.1.2 Achieved – reported to Council on 2021-22 at August 2022 Council meeting. Reporting is also included in Annual Report, which is published on the website and tabled in Parliament. Reporting of 2022-23 will take place in August 2023.
			KPI5			14.1.3 Annual financial targets for the First Nations Annual Plan achieved			14.1.3 Achieved – overall financial budgeting targets achieved
			KPI6						

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report
Connect	15. Implement strategy to convert and retain membership in target areas, in particular young lawyers, corporate PC holders and Brisbane suburban practitioners	15.1.1 Develop strategy to convert and retain membership in target areas, in particular young lawyers, corporate PC holders and Brisbane suburban practitioners	KPI2	30-Jun-23	Membership & Engagement	15.1.1 A PC to membership conversion of 85%	Green-Yellow	On track & ongoing	15.1.1 On track and ongoing – As of 30 June 2023 11,455 full members and 14,917 PC holders – 76.79% conversion rate [#]
			KPI3			15.1.2 Reporting to the CEO on the testing of a business case for the establishment of targeted Brisbane suburban DLA committees			15.1.2 On track and ongoing:
			KPI4						<ul style="list-style-type: none"> Suburban practitioner engagement plan – ongoing. Further investigation will continue after renewals when we will have a better idea of which suburban areas hold the greatest conversion opportunities. In-house Counsel – breakfast series has become well established over the 22-23 year and has successfully generated strong engagement that will be the basis for an continuing to expand in-house focused activities in FY23-24. Young Lawyers strategy has been two-pronged. We have focused on continuing to engage current members of the cohort, which has expanded to include newly admitted lawyers at our Welcome to the Profession events implemented this year. Additionally we have also worked to increase engagement with law students (some of whom will become our new young lawyers in the future) by reactivating engagement with student law societies
			KPI5						
			KPI6						
Grow	16. Continue to enhance our data-driven business model with accurate data, enhanced analytics and trend analysis.	16.1.1 Build new data lake	KPI4	30-Jun-23	Information Management	16.1.1 Data lake completed by end of 2022	Green-Yellow	On track & ongoing	16.1.1 Completed – annual data lake completed
		16.1.2 Complete new data models from CRM	KPI5			16.1.2 Completed base data models			16.1.2 On track and ongoing – base data models from CRM are continuing into the next financial year
			KPI6						

[#]Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2023

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report
Grow	17. Implement Law Society House project	17.1.1 Implement Law Society House refurbishment project	KPI5 KPI6 KPI7	30-Jun-23	Finance	17.1.1 Building contractor appointed and building works commenced	Green	Achieved	17.1.1 Achieved – Law Society House refurbishment project implemented, contractor appointed and building works commenced. Council approved the refurbishment project on 25 August 2022 and building works commenced on 10 October 2022. The construction contract has been signed. To manage the project internally, a Project Steering Committee chaired by the CEO and a Project Building Committee chaired by the CFO have been established and are meeting weekly. In addition, the QLS intranet site has a section dedicated to the refurbishment project with extensive information and FAQs for staff. Stage 1 being level 4 was completed on 19 January 2023. Stage 2 being levels 5 and 6 was completed on 26 April 2023. Stage 3 being End of Trip facilities is complete save for modifications to the stairs to ensure compliance. Council receives regular updates on the project in the Finance Report.
Grow	18. Implement year 2 of the 4 year financial road map	18.1.1 Implement year 2 of the 4 year financial road map	KPI5 KPI6 KPI7	30-Jun-23	Finance	18.1.1 Deliver the budgeted operating surplus	Green-Yellow	On track & ongoing	18.1.1 Achieved – The underlying Operating Surplus of \$594k, before accounting for the refurbishment project, has enabled the Society to replenish cash reserves in line with the 4-year financial road map#
Grow	19. Continue with the QLS Council terms strategy to achieve a modern and efficient governance structure for QLS	19.1.1 Prepare a QLS Council terms proposal and strategy to achieve a modern and efficient governance structure for QLS	KPI3 KPI4 KPI5	30-Jun-23	Governance	19.1.1 Present the QLS Council terms proposal and strategy to Council for feedback and consultation	Green-Yellow	On track & ongoing	19.1.1 On track and ongoing – Council Term and Structure proposals discussed by Council in October 2022, February 2023, March 2023 and June 2023. CEO has organised quotations for an external facilitator to quote and assist the consultation process for both governance terms and this has been approved by Council at the June meeting. This will continue into the next financial year
Grow	20. Maintain a quality, modern and efficient IT environment	20.1.1 Maintain a quality, modern and efficient IT environment	KPI4 KPI5 KPI6	30-Jun-23	Information Management	20.1.1 Help desk initial response time is within 24 hours 20.1.2 50% resolution of tickets within one week 20.1.3 Switch over of data centre configuration	Green	Achieved	20.1.1 Achieved – help desk response time is within 24 hours 20.1.2 Achieved – the average resolution of tickets takes place within one week. 20.1.3 Achieved – switch over of data centre configuration completed

#To read more about the financials, see page 97

Strategic Objective	Initiative	Key Action	Strategic KPI	Timeline	Accountability	Performance target/KPI	Average Status	Average status	2022-23 Report
Grow	21. Improve QLS's new technologies and key business systems	21.1.1 Improve QLS's new technologies and key business systems	KPI4 KPI5 KPI6	30-Jun-23	Information Management	21.1.1 Implement communities module 21.1.2 Implement Release 1 of the CRM 21.1.3 Upgrade of Website CMS from v12 to v13	Green-Yellow	On track & ongoing	21.1.1 Completed – communities module completed 21.1.2 On track and ongoing – implement release 1 of the CRM is ongoing and will continue into the next financial year 21.1.3 On track and ongoing – the upgrade of the website CMS from v12 to v13 will continue into the new financial year

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

Key

ACHIEVED/COMPLETED

ON TRACK & ONGOING

CANCELLED

DEFERRED

DELAYED

NOT STARTED

President's review

QLS was established on the principles of creating a governing body for the profession, built on solid objectives relevant to the legal practice of the day.

Today, QLS retains the mantle of the peak representative body for our members. We empower good lawyers, advocate strongly and consistently for good law, and continually work to serve the public good in all that we do.

We pride ourselves on giving solicitors and the legal profession an authoritative voice, and engaging with the government and the community on the issues that matter.

At the heart of it all is collegiality – a theme I have focused on during my tenure as President.

In 2019, the then Law Council of Australia President Arthur Moses SC said, “I believe that the collegiality of the law is one of its greatest strengths. And it is this sense of kinship and common mission that should encourage us to check in, speak up and reach out.”

Building relationships and connections is critical in the law, especially in the early part of our careers, not just for our health and wellbeing but for our practice and achieving better outcomes for our clients.

The spirit of collegiality has been part of the QLS's purpose since its first inception in 1873. Those first 15 solicitors who came together to represent the profession wanted to ensure a standard of ethics was maintained, in the spirit of integrity and professionalism.

Collegiality is the hallmark of our profession – and I know my career has thus far been enriched by having those professional relationships. It's critical that our next generation of practitioners will know what it is to have a mentor, to work in an environment where they can grow and build a friendship circle with their colleagues.

Indeed, connecting the profession with QLS and each other is a key part of our purpose, as set out in our Strategic Plan 2021-25. This also outlines our vision, and the strategies that continue to underpin and advance our work. 2022-23 was the second year of this plan, and throughout this report, it is evident that we have continued to build on this strong foundation. We remain an authoritative voice, co-regulating the profession for its benefit and that of the public, helping our members succeed, and respecting, protecting, and promoting human rights in our decision-making and actions.

150 years of the Society as a force for good

In 2023, Queensland Law Society celebrates 150 years of leadership, guidance, and support of the legal profession in our state.

Our sesquicentennial is a time for QLS, and us as a profession, to pause and reflect on how far we have come, and to celebrate those who have served and contributed to our proud history, paving the way for the future.

I am honoured to be serving as President as we mark this significant milestone in history – and to have followed in the footsteps of the many trailblazing practitioners who have served QLS, in all its iterations, over the last 150 years.

This includes the much-beloved doyenne of the QLS, Beryl Donkin, who became its first full-time employee in 1941. Known as tenacious and passionate, Beryl took on the role despite naysayers who warned her against leaving a steady full-time role with the public service during wartime – and continued her dedicated service for more than 40 years.

Another pioneer of the profession was Agnes McWhinney – Queensland's first admitted woman solicitor. Like myself, Agnes initially wanted to pursue a career in medicine, but developed an interest in law. Today, QLS commemorates Agnes' extraordinary achievements with an annual Excellence in Law Award in her name. This recognises a female lawyer that like Agnes, has forged a path for themselves, their peers, and the community.

Today, eight out of our 12 counsellors are women, and in 2022-23 we have women serving as QLS President, Vice President, and Immediate Past President. Approximately 52% of the Queensland solicitors' branch is also comprised of women.

Having begun my tenure at age 35, I am the youngest female President to have held office – and took on this role quietly confident that I would rise to the challenge. As I said at the beginning of the year, as a person who is proud to be a lawyer, I can think of no more proud and humbling experience than to represent the profession I love.

The importance of our regions

This year, I have been privileged to meet with many of the members who call regional and rural Queensland home. Our District Law Associations (DLAs) have long made important contributions to the QLS, especially in the post-war era, when new ideas emanating from the regions helped shape policy. DLAs are not only a source of connection, education, and support for regional practitioners; they play a critical role in ensuring the voices and concerns of these practitioners are represented.

Having started and continuing my career as a resident of the Sunshine Coast, I know first-hand how important it is that each and every one of our members are recognised as an essential partner in the work of the QLS. During my visits to DLAs from the Sunshine Coast to Toowoomba, from Cairns to the Gold Coast, and beyond, it has been heartening to gain an insight to the work being done, to hear of the unique challenges and wins, and how as a Society, we can continue to support the profession.

Indeed, the design of the refurbished Law Society House, which will be completed this 150th year, is geared towards establishing a hub for the profession to foster connections and provide a collaborative workplace for the profession and staff of the QLS – and I would encourage everyone who visits Brisbane to consider this an extension of their own workplace.

A voice for the future

Over the last year, the Society has continued its strong advocacy focus on key issues affecting the profession and the community.

The QLS Council has endorsed the Uluru Statement from the Heart and supports a constitutionally enshrined Aboriginal and Torres Strait Islander Voice to Parliament. Council also acknowledged that QLS members, legal professionals and the wider community will, in good faith, have differing views about the upcoming referendum on the Voice and will need to arrive at their own decisions on the issue, with an understanding of the arguments for and against. QLS remains committed to providing information and resources about the referendum, reconciliation, and good law. This position acknowledges and is respectful of the right of every individual to draw their own conclusions on this important issue, which will help frame the future of our Constitution. It is also consistent with longstanding QLS policy positions, including our 2022 Federal Election Call to Parties Statement, and the position of the Law Council of Australia, of which QLS is a constituent member.

The Society has continued to acknowledge the broad impact of youth justice on the Queensland community. We recognise the grief of victims and their families, and the concerns held by those affected by youth crime. To this end, we have continued to pursue evidence-based policy and measures that ensure the safety of the community, and the rights of the most vulnerable who encounter the justice system – including children and young people.

This year, our Children's Law, Criminal Law, Human Rights and Public Law committees collaborated as the Society strongly opposed the proposed changes to the Strengthening Community Safety Bill. We called upon the state government and opposition to consult experts in youth justice to implement measures that will work to address youth crime. We appealed to the government to invest in communities with higher rates of offending, to empower them to invest in programs and services to tackle the underlying causes of crime. We will continue to advocate for this type of reinvestment to reduce criminal behaviour and recidivism rates, with an alternative focus on existing criminal behaviour, and preventing people from entering the criminal justice system in the first place.

Domestic and family violence continues to be a significant issue for Queensland, and the profession. The Society has continued to make its voice heard, including in response to the findings of the Queensland Women's Safety and Justice Taskforce *Hear her Voice – Report Two*, focusing on the systemic change required to improve the experiences of women and girls in the criminal justice system as victim-survivors of sexual violence, or as accused persons and offenders. We welcomed the \$225 million allocated over five years in the 2023 state budget in response to this report, which includes a focus on extensive law reform on this issue.

We have and will continue to engage with experts including our Domestic and Family Violence Committee and Criminal Law Committee, to deliver an up-to-date, trauma-informed response on proposed changes to critical pieces of legislation. We are also building on the best practice framework developed in collaboration with Legal Aid Queensland and planning for whole of profession training to increase practitioners competency in relation to domestic and family violence. These initiatives are particularly important as the Queensland Government invites consultation as it works towards enacting the *Domestic and Family Violence Protection (Combating Coercive Control) and Other Legislation Amendment Act 2023* later this year, in response to the Taskforce's recommendations. Further reporting on these initiatives will be included in the 2023-24 Annual Report.

This is just a small window into the work and achievements of the Society in 2022-23, and I am certain that the remainder of my Presidency over the coming months will only serve to increase my pride and faith in the Society, and the profession as a whole.

CEO Review

As I advised members at the AGM in 2022, my priorities for 2023 were the system implementation of the practicing certificate and membership renewal process for 2023 and refurbishment of Law Society House. Both these projects are long-term, multi-year initiatives which during the course of financial year 2023 progressed very well.

There were significant improvements made to the renewal system and portal and the vast majority of practising certificates were issued smoothly and efficiently. There is still ongoing configuration required for some of the more complex renewals and that development will continue into the next financial year.

The Law Society House refurbishment has been a great success. The staff floors have been completed as have the level 6 boardrooms and membership lounge. Tenants have moved in to level 6 and staff have settled into their new work areas. All visitors, staff, tenants and owners have been very co-operative as we refurbished and occupied the building simultaneously.

The ground floor entrance, café and meeting rooms will be completed in October 2023. These are slightly delayed due to engineering difficulties in the building that have now been resolved.

Another long-term strategy which materialised during this financial year was the completion of the important survey of the profession regarding the job readiness of graduates and newly admitted practitioners to private practice. For more information on this research, which we hope will influence future admission requirements in Australia, please refer to page 62.

A second research project was also commissioned on the future readiness of practices in Queensland and their ability to deal with disruption. The overview of this research is on page 63 of this report.

In terms of our education initiatives, the annual Symposium for 2023 was a return to a full face-to-face format and was a sell-out event at the Brisbane Convention and Exhibition Centre. There was also significant uptake for the eConveyancing workshops across the state which attracted 1,500 attendees. During the financial year, over 500 members across the state also attended Sexual Harassment and Workplace Culture workshops in response to amendments to the *Sex Discrimination Act 1984* (Cth) and the *Work Health and Safety Act 2011* (Qld). For more information on the education events throughout the year and their statistics please refer to page 65.

Highlights from the Policy area included the implementation of the Property Law Bill and the Council adopting a position on The Voice referendum, including an information campaign for members regarding the referendum. More information on the significant work completed by the Policy Team can be found on page 30 of this report.

The Ethics and Practice Centre took 3,934 calls during the course of the financial year which was a significant growth on the previous year and also completed 283 visits to practices within the state and delivered 107 ethics education sessions. For more information on the work of the Practice and Ethics Centre please refer to page 54.

The Regulation team were productive. There were six receiverships, 156 trust account investigations and 345 trust account reviews with the Trust Account Consultancy Service answering 4,768 requests for assistance. More regulatory information can be found on page 50.

One of the annual highlights is the privilege to travel the state meeting practitioners and firms and recognising those members who have contributed significantly to the profession through their roles as accredited specialists, senior counsellors, members of committees and working groups, and of course those members who have reached milestones of 25 years and 50 years of service and membership. For a full list of those members who achieved milestones please refer to page 70.

Personally I was able to travel and work in Cairns, Townsville, Rockhampton, Yeppoon, the Sunshine Coast, Toowoomba, Goondiwindi and the Gold Coast during the year.

At the end of this report, our financial results for the year are presented. We were able to achieve an underlying Operating Surplus of \$594k which continues to maintain the Society in a strong financial position. The platform is now set for the future with the development of fit-for-purpose premises for members and staff of the Society, and with our investments into technology where there will be significant improvement and enhancements for the benefit of members. For more information on the financials, see page 97.

For a second time the QLS was awarded the citation for Employer of Choice for Gender Equality by the Workplace Gender Equality Agency – one of only 127 organisations in Australia and the only law society in Australia.

Again, it has been a privilege to work with the Council and the staff of the Society over the last 12 months, together with our many stakeholders in our pursuit of good law, good lawyers for the public good.

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 *Legal Profession (Society) Rules 2007* (the Rules) sets out where there is a vacancy in an elected role, the position is to be filled in either an election by the membership or appointment by the Council in accordance with the Rules. The QLS Council election was held in September 2021, for the Council term beginning on 1 January 2022 and concluding on 31 December 2023. The next Council election will be held in September 2023.

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, with the Governance Committee considering and noting the updated 4th edition of the ASX Corporate Governance Principles and Recommendations in the discharge of its work.

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

QLS Future Leaders Committee (FLC) Election 2023

Our second Future Leaders Committee election was held in February 2023. The conduct of the election was governed by the Future Leaders Committee Charter and Election By-Laws, and for the first time the FLC election was conducted by TrueVote utilising their online e-election platform. There were 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, 608 (2020: 954) voted. The FLC election was the first election transitioning to a new governance structure where members would be elected and appointed annually. As such there were six vacancies (blue ordinary member) and 10 in 2020. The voting participation was 12.4% (2020: 20.79%) and the next election for six vacancies (silver ordinary) will be in February 2024. Our website received traffic throughout the election, with 3,239-3670 impressions utilising paid advertising across two posts and between 38-39% open rate across EDMs.

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, processes and practices in accordance with the ASX Corporate Governance Principles and Recommendations.

During the year, following review and recommendations of the Governance Committee, the Council reviewed and approved amendments to the Council Charter, Policy Committee Charter and Council Travel Policy and reviewed the PMC Committee Charter, draft guidelines Specialist Accreditation Committees and Ethics Committee Charter. It also approved the delegations manual and accepted the audit recommendations and performance audit recommendations by Queensland Audit Office (QAO). The Council has been kept up to date and noted interim audit reports and progress.

In this financial year, the Executive Committee has considered and overseen approximately 45 matters (FY22:43) with correspondence for 9 matters (FY22: 13). Of those correspondence matters:

- 55% (FY22: 23%) related to fitness matters
- 33% (FY22: 69%) related to applications for a grant or renewal of a practising certificate, and
- 11% (FY22: 7%) related to lay associate applications.

The demographic of practitioners in these matters (with respect to correspondence) has been:

- 100% (FY22: 76%) male
- 0% (FY22: 24%) female
- Average age 49 years (FY22: 48 years) (at time of decision), and
- Average PAE 14.85 (FY22: 19 years) (at time of decision).

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. 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 each year.
- **Ethics 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 eight 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 2022-23 Council photo can be accessed on the website – qls.com.au

Meetings held 2022-23

Name, firm	Role	QLS Council 2022-23		FRC 2022-23	
		Eligible to attend	Attended	Eligible to attend	Attended
Chloé Kopilović Director Ferguson Cannon Lawyers	President 2023 (01.01.23-30.06.23)	4	4		
	Deputy President 2022 (01.07.22-31.12.22)	3	3		
	FRC member 2022-23 (01.07.22-30.06.23)			5	5
Rebecca Fogerty Partner Jasper Fogerty Lawyers	Vice President 2022-23 (01.07.22-30.06.23)	7	7		
	FRC member 2022-23 (01.07.22-30.06.23)			5	4
Kara Thomson Accredited Specialist – Personal Injury Law (Qld), Hughes and Lewis Legal	Immediate Past President 2023 (01.01.23-30.06.23)	4	4		
	President 2022 (01.07.22-31.12.22)	3	3		
	FRC member 2022-23 (01.07.22-30.06.23)			5	5

		QLS Council 2022-23		FRC 2022-23	
Name, firm	Role	Eligible to attend	Attended	Eligible to attend	Attended
Samantha Bolton Director Pippa Colman & Associates	Councillor 2022-23 (01.07.22-30.06.23)	7	6		
	FRC member 2022-23 (01.07.22-30.06.23)			5	5
Michele Davis Legal Practitioner Director Michele Davis Consulting	Councillor 2022-23 (01.07.22-30.06.23)	7	4		
Genevieve Dee Partner Lander & Rogers	Councillor 2022-23 (01.07.22-30.06.23)	7	6		
Sheetal Deo Principal Shakti Legal Solutions	Councillor 2022-23 (01.07.22-30.06.23)	7	6		
Bridie Edwards Lawyer Bradley + Bray Lawyers	Councillor 2022-23 (01.07.22-30.06.23)	7	4		
	FRC member 2022-23 (07.07.22-30.06.23)			5	3
Peter Jolly Partner Thynne + Macartney	Councillor 2022-23 (01.07.22-30.06.23)	7	7		
Justin McDonnell Senior Consultant King & Wood Mallesons	Councillor 2022-23 (16.09.22-30.06.23)	6	6		
	FRC member 2023 (01.01.23-30.06.23)			3	3
Dan Rogers Legal Director Robertson O’Gorman	Councillor 2022-23 (26.10.22-30.06.23)	6	6		
	FRC member 2023 (01.01.23-30.06.23)			3	2
James Conomos Director	Councillor 2023 (23.03.23-30.06.23)	2	2		
Elizabeth Shearer Director Shearer Doyle Law	Immediate Past President 2022 (01.07.22-31.12.22)	3	3		
	FRC member 2022 (01.07.22-31.12.22)			2	2
Allison Caputo Practice Director Women’s Legal Service	Councillor 2022 (01.07.22-09.01.23)	3	2		
Timothy Cronin Partner PKF	FRC member 2022-23 (01.07.22-30.06.23)			5	5

The legal landscape and plans for the future: Strategic Plan 2021-25

This financial year the last vestiges of the pandemic have been mainly behind us, and the continuation of the return to “the new normal” has allowed us to hone in on our technological and digital initiatives and advancing the refurbishment of Law Society House. It is predicted that at the start of the new financial year, the refurbishment works will be completed and members will have an opportunity to utilise arbitration and expanded member services and facilities at Law Society House.

The plans and projects for the future include:

- QLS Council governance projects
- IT/ Dynamics enhancements and refinements
- Domestic and Family Violence and Trauma Informed Practice, and
- Register and track Diversity Council of Australia Inclusive Employer Index.

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 qls.com.au.

Operating plan 2023-24

Our new operating plan 2023-24, developed over the financial year and effective 1 July 2023, is the third plan under the 2021-25 Strategic Plan. Our new operation plan sets out 23 initiatives in advancing our six strategic objectives to see through the third year of the Strategic Plan 2021-25.

The QLS Operating Plan 2022-23 at a glance is available on our website qls.com.au.

Profession snapshot[#]

Total QLS Members

12,328

Total Queensland Practising Certificates

14,917

Practising Certificate by type

Practising Certificate type	Total
Restricted Employee	3,344
Unrestricted Employee	7,756
Foreign Law	14
Limited Principal	51
Unrestricted Principal	3,648
Restricted Principal	3
Unrestricted Volunteer	46
Restricted Volunteer	55
Total	14,917

Total membership by Category

	Total
Full member	11,455
Associate Member	248
Honorary Member	156
Student Member	469
Total	12,328

[#]Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2023

Where our members practise

	Full Members
Sole	1,726
Micro	3,372
Small	2,533
Medium	1,053
Large	2,206
Other	565
Total	11,455

Full members by generation

Year	Generation	Full Member
1925-1945	Builders	24
1946-1964	Baby boomers	1,580
1965-1979	X	3,253
1980-1994	Y	5,042
1995-2010	Z	1,504
NO DOB		52
Total		11,455

Gender Balance

	Male	Female	Not available	Total
Full Member	5,276	6,133	46	11,455
Associate Member	108	139	1	248
Honorary	128	28		156
Student Member	43	83	343	469
Total	5,555	6,383	390	12,328

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

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 29 standing policy committees 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 sound and balanced submissions to government when seeking legislative and policy reform which will have a positive impact for both the legal profession and the Queensland community. Our committee members come from a range of professional backgrounds, ensuring that our advocacy is truly representative on key issues affecting practitioners in Queensland and the industries in which they practise.

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

A year of achievement

Legal policy statistics	
Total submissions	Proactive: 38 Reactive: 176
Mentions in Hansard	107
Public hearings	21
Requests for comment	271
Stakeholder consultations	176
Total committee, subcommittee and working group meetings	144

Annual meeting of legal policy committee Chairs and Deputy Chairs

On 2 November 2022, the Queensland Law Society held its annual meeting of legal policy committee Chairs and Deputy Chairs. QLS was delighted to welcome Chris Corneil of ECI Partners who delivered a bespoke interactive workshop designed to further support the Chairs and Deputy Chairs in their roles.

Following the workshop, the Chairs and Deputy Chairs were given the opportunity to network amongst themselves and to collaborate with peers across different practice areas. This was a great opportunity for Chairs, Deputy Chairs and their respective policy solicitors to reflect on and celebrate achievements from the past year.

Access to Justice and Pro Bono Law Committee

- The Access to Justice and Pro Bono Law Committee has contributed to five submissions during this financial year.
- This included working with various other committees on a submission to the inquiry into the Strengthening Community Safety Bill 2023.
- The Committee made submissions to the Law Council of Australia on the availability and use of authorised reports and Draft Best Practice Principles for Courts and Tribunals when considering the appropriateness of online proceedings.
- In advance of the review of the *Queensland Civil and Administrative Tribunal Act 2009*, the Committee wrote to President Mellifont on the issue of legal representation at QCAT.
- A key piece of work for the Committee this year was the production of the 2022 Access to Justice Scorecard Report, which is now in its tenth year.
- The Committee has been heavily involved in the programming for the 2023 National Access to Justice Conference which was held in Brisbane in June 2023.

Accident Compensation/Tort Law Committee

The Accident Compensation and Tort Law Committee has contributed to 16 submissions and 16 stakeholder consultations during this financial year.

PIPOLA and claims farming

- Contributed to the QLS Personal Injuries Law Conference held on 1 September 2022, assisting with programming suggestions and participating in panel sessions, including a session on contemporary topics and practical legal ethics, and a panel discussion in relation to the new claim farming laws introduced in the *Personal Injuries Proceedings and Other Legislation Amendment Act 2022* (PIPOLA) in respect of worker's compensation and *Personal Injuries Proceedings Act 2002* claims (laws having commenced in respect of CTP claims in 2019).
- Continued to monitor developments, liaise with stakeholders and disseminate information to the profession regarding recent claim farming reforms.

ATO and client tax documents

- Liaised with the ATO regarding access to client tax documents for the purpose of compensation claims, following member concerns that the ATO requires confirmation that practitioners are 'advising in relation to one or more taxation laws' before releasing documents.
- Prepared correspondence sent to the ATO in December in relation to the ability of practitioners to obtain records on behalf of clients when they are not providing advice in relation to tax laws.

Medicare compensation recovery program

- Provided input to the Law Council regarding Services Australia's proposed changes to the Medicare compensation recovery program, arguing that Medicare's approach is flawed and that its proposed publications are not helpful, and regarding Treasury's consultation on access to offenders' superannuation for victims and survivors of sexual abuse.

5-year review of the workers' compensation scheme

- Prepared a submission to the 5-year review of the workers' compensation scheme, highlighting difficulties in the management of primary and secondary psychological injury claims, delays with the Medical Assessment Tribunal and lack of regulator action to prosecute sham contracting arrangements. Nonetheless, QLS considers that the scheme as a whole is meeting its goals.

National Redress Scheme

- Made a submission to the Law Council regarding the operation of the National Redress Scheme.

Review of the CTP Scheme

- Engaged with stakeholders and made a submission to the Motor Accident Insurance Commission regarding its review of the CTP scheme, arguing that substantial changes to the scheme design posed in the consultation paper, such as instigating a premium equalisation mechanism or moving to a public scheme, should not occur.

Banking and Financial Services Law Committee

The Banking and Financial Services Law Committee contributed to 7 submissions this financial year.

- Progressed updates to the independent solicitor's certificates to better align with the approach taken in the other states and is currently considering feedback received from QLS members on the proposed updated certificates.
- Continued to provide feedback to the Property Law Committee on the Property Law Bill 2023 particularly on the provisions relating to mortgages.
- Contributed to the Law Council of Australia's submission to the Australian Law Reform Commission in relation to its review of financial services legislation.
- Made a submission to Treasury on the updated guidance material regarding payment times reporting.

Children's Law Committee

The Children's Law Committee has contributed to five submissions and attended 16 stakeholder consultations during this financial year.

- The Children's Law Committee continued its strong and sustained advocacy in relation to raising the minimum age of criminal responsibility by contributing to the Queensland chapter of the raising the minimum age of criminal responsibility campaign.
- The Children's Law Committee raised significant concerns regarding the youth justice reforms proposed in the Strengthening Community Safety Bill 2023. QLS opposed the override of the *Human Rights Act 2019* (Qld), the increase in maximum penalties, the introduction of breach of bail as an offence and the Bill's disproportionate impact on Aboriginal and Torres Strait Islander children and young people and children with a disability and children from culturally and linguistically diverse backgrounds.
- Committee members participated in several stakeholder groups including the Heads of Jurisdiction stakeholder forum, Childrens Court Committee, Court Case Management Committee and Legal Aid Child Protection Stakeholder group.

Competition and Consumer Law Committee

- The Competition and Consumer Law Committee has worked collaboratively with the QLS Accident Compensation and Tort Law Committee this financial year on a submission to the 2023 Review of Queensland's Compulsory Third Party (CTP) insurance scheme.
- Committee members have been called upon by other committees and members of the legal policy team to provide their insights on competition and other related issues.
- The committee continues to maintain good stakeholder relationships with ASIC, the ACCC and the Queensland Office of Fair Trading, and regularly receives updates from these agencies.

Construction and Infrastructure Law Committee

Consulted with the Queensland Department of Energy and Public Works on a number of confidential legal policy issues including contractor security of payment, minimum financial requirements, and reforms to the home warranty scheme.

Review of the Queensland Home Warranty Scheme

- Attended the meeting of the Ministerial Construction Council Subcommittee to discuss the review of the Queensland Home Warranty Scheme.
- Provided feedback on proposed reforms to the scheme.

Submissions

- Prepared a submission to the Developer Review Panel – Discussion Paper, which outlines developer behaviours that influence a project and canvasses a range of potential options to promote high standards within the industry
- Finalised a joint letter with the Chartered Accountants of Australia and New Zealand (CA ANZ), which advocated for further clarity and guidance regarding the operation of the Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018.
- Contributed to a lengthy submission to the Developer Review Panel, commenting on 28 of the 38 options set out in the Panel's Discussion Paper in relation to the role of developers in Queensland's building and construction industry.
- Prepared two proactive submissions to the Department in relation to uncertainty in Queensland's building and construction industry regarding a licensing exemption for subcontractors and the staged rollout of the project trust requirements.

Stakeholder Meetings

- Attended a stakeholder session with the Department of Energy and Public Works in relation to proposed amendments to the Building Industry Fairness (Security of Payment) Regulation 2018. At the meeting, members advocated for a clearer, simplified regulatory framework in Queensland.
- The Committee, together with the Chartered Accountants of Australia and New Zealand met with representatives from the Department of Energy and Public Works to discuss our joint submission to the Department regarding the operation of the Queensland Building and Construction Commission (Minimum Financial Requirements) Regulation 2018.

Criminal Law Committee

The Criminal Law Committee contributed to 38 submissions and 13 stakeholder consultations during this financial year.

Proposed Changes to Queensland's Information Privacy and Right to Information Framework

- Contributed to a submission on the proposed changes to Queensland's information privacy and right to information framework, looking specifically at a proposed new criminal offence for misuse of personal information by public officers
- The submission did not support the proposed offence, on the basis that:
 - such conduct is better captured under existing disciplinary processes (which should be reviewed to ensure they are robust and consistent); and,
 - where conduct by a public officer actually meets the threshold of criminality, the various provisions of the *Criminal Code Act 1899* (Qld) and agency-specific legislative frameworks adequately address the offending.

Establishment of a Federal Parole Authority

- Responded to a memo from the Law Council of Australia asking for further feedback on the LCA's intended policy advocacy on the establishment of a federal parole authority.
- Supported the preferred model, being an independent statutory body, comprising an agency head who is appointed by the Governor-General (subject to statutory protections to ensure their independence and expertise) and dedicated staff who are employed directly under the governing Act.
- Highlighted the lack of accountability for parole decisions when compared to criminal sentencing, both of which impact equally on a person's fundamental right to liberty. Accordingly, the Society submitted that parole decisions should be subject to merits review in the Administrative Appeals Tribunal to promote consistency and accountability in decision-making.

Inquiry into decriminalisation of certain public order offences, and health and welfare responses

- The Criminal Law Committee, in conjunction with the Children's Law Committee and the Human Rights & Public Law Committee, made a submission to the inquiry.
- The inquiry follows correspondence from the Queensland Law Society to the Queensland Attorney-General in December last year, advocating for decriminalisation of public drunkenness in line with the recommendations made over 30 years ago by the Royal Commission into Aboriginal Deaths in Custody.

In our submission, we recommended:

- The Queensland Government should engage a suitable body to undertake a detailed review of all public order offences and their impact on marginalised groups, with a view to setting out the process for decriminalisation and an appropriate health and social welfare-based service delivery model. This review should be undertaken on an urgent basis but should not delay the decriminalisation of the offences considered in this Inquiry.
- This review should consider the risk that decriminalisation of certain public order offences will result in the increased use of public nuisance offences and move-on powers, and should propose amendments to those offences and powers to mitigate that risk.
- The review should also make recommendations in relation to police discretion and the educational tools that will be required to effect significant cultural change in law enforcement agencies.
- The Queensland Government should consider expanding the Inquiry's scope and including in the review the decriminalisation of drug use and possession, with a view to reinvesting funds and resources spent on enforcement of drug use and possession offences to a more appropriate health and social welfare-based response framework.

Criminal Procedure Review

- Responded to the Department of Justice and Attorney-General's (DJAG's) Consultation Paper on the Criminal Procedure Review.
- Emphasised the central role that the Magistrates Court of Queensland plays in Queensland's criminal justice system. Despite this, there is a widely held view that the efficacy and efficiency of the Magistrates Courts is undermined by the *Justices Act 1886* (Qld).
- Engaged in several consultations with the DJAG Criminal Procedure Review Team and recently attended the final meeting concerning amendments to the *Justices Act 1886*.

Commission of Inquiry into Forensic DNA Testing in Queensland

- Provided submissions to the Commission of Inquiry into Forensic DNA Testing in Queensland.
- Responded to queries and providing submissions to the Commission of Inquiry into Forensic DNA Testing in Queensland, the review into Queensland watch houses and parole system and responded to the DJAG consultation paper regarding Safeguarding Independent, Ensuring Accountability – Exploring the Need for a Judicial Commission in Queensland.
- Committee members participated in several DNA-sub group stakeholder meetings.
- Chair of the Criminal Law Committee, Dominic Brunello, appeared as a panel member at the “DNA evidence – A Co-operative Approach” Seminar regarding the Court’s approach to DNA difficulties arising from the inquiry.

Serious and Organised Crime Legislation Review

- Provided feedback to the Serious and Organised Crime Legislation Review.
- Expressed concerns over the low threshold which triggers the use of the consorting provisions and police powers.
- Noted that the consorting provisions have been ineffective in disrupting serious and organised crime, and the regime is used punitively by police officers.
- Recommended four amendments be made to improve efficacy and facilitate the purpose of the legislation.

Domestic and Family Violence Protection (Combating Coercive Control) and Other Legislation Amendment Bill 2022

- Made a submission (with the Domestic and Family Violence Committee) in response to the Domestic and Family Violence Protection (Combating Coercive Control) and Other Legislation Amendment Bill 2022, which comprises the first tranche of legislative reform following the Women’s Safety and Justice Taskforce’s first Hear Her Voice report.
- Expressed concerns about the unintended consequences that may flow from some of the amendments, in particular: the potential discriminatory application of the definition of ‘unlawful carnal knowledge’; the high threshold for cross orders; and, the confusing nature of the jury directions.
- Attended public hearing before the parliamentary Legal Affairs and Safety Committee on 7 November 2022.

National Anti-Corruption Commission Bills 2022

- Contributed to a submission to the Parliamentary Joint Select Committee on National Anti-Corruption Commission Legislation in relation to the National Anti-Corruption Commission Bills 2022.
- Recommended deletion of various sections of the Bill to ensure the meaning of ‘corrupt conduct’ and ‘corruption issue’ are sufficiently clear and do not capture future conduct.
- Recommended amendments in relation to the issue of public hearings to ensure the commissioner must have regard to certain listed factors.
- Emphasised the importance of judicial review of decisions made in relation to whether a hearing should be held in public or private.
- Vice-President, Rebecca Fogerty, appeared with members of the QLS legal policy team at the Parliamentary Joint Select Committee public hearing on 18 October 2022.

Other

- Members of the LGBTQIA+ Criminal Justice Working Group provided feedback in relation to Supreme and District Court appearance slips.
- Vice-President Rebecca Fogerty and Criminal Law Committee Deputy Chair Patrick Quinn represented QLS at the Legal Affairs and Safety Committee public hearing into the Serious Vilification and Hate Crimes Bill in Brisbane.
- Prepared responses to the Justice and Other Legislation Amendment Bill 2023 and DJAG consultation regarding operation of certain aspects of the *Penalties and Sentences Act 1992* and *Jury Act 1995*.
- Attended the public hearing before the parliamentary Legal Affairs and Safety Committee on 21 August in relation regarding the Justice and Other Legislation Amendment Bill 2023.
- Engaged in proactive correspondence to the Attorney-General to draw her attention to judicial resourcing issues facing rural, regional and remote courts including in respect of delays in trial listings.
- Provided feedback to the Queensland Courts regarding the usability of courthouses and its website.
- Committee members participated in several stakeholder groups including the Heads of Jurisdiction stakeholder forum, Standard Bail and DPSOA Order Conditions Project and QSAC Practitioner Consultative Forum.
- Continued engagement activities with Queensland Corrective Services regarding matters that affect the profession across Courts and the judiciary and opportunities to educate and inform the legal fraternity on relevant agency matters.
- Attended the Helena Jones Centre in conjunction with QCS in order to highlight a different perspective on conventional ideas of correctional centres.
- Involved in confidential consultation on the second stage of legislative reform, which includes the new coercive control offence.
- Members of the Criminal Law Conference Working Group actively worked towards finalising the program for the conference in August.

Domestic and Family Violence Committee

The Domestic and Family Violence Law Committee has contributed to 13 submissions and three stakeholder consultations during this financial year.

Women's Safety and Justice Taskforce

- Made a submission (with the Criminal Law Committee) in response to the Domestic and Family Violence Protection (Combating Coercive Control) and Other Legislation Amendment Bill 2022, which comprises the first tranche of legislative reform following the Women's Safety and Justice Taskforce's first Hear Her Voice report.
- Continued to assist QLS in its implementation of the recommendations directed at the legal profession in Hear Her Voice, which have been commended by Taskforce chair Margaret McMurdo.
- The *Domestic and Family Violence Protection (Combating Coercive Control) and Other Legislation Amendment Act 2023* (the Act), passed in February 2023. The Act represents the first tranche of legislative change following the landmark Hear Her Voice reports delivered by the Women's Safety and Justice Taskforce. Changes introduced by the Act include modernising the offence of stalking in the Criminal Code, broadening the definition of domestic and family violence to include a pattern of behaviour occurring over time, restricting the making of cross orders and changing the *Evidence Act 1977* in respect of jury directions and expert evidence regarding domestic violence.

- Involved in confidential consultation on the next stage of legislative reform, which will include the new coercive control offence.
- Independent Commission of Inquiry into Queensland Police Service.

Other consultations

- Contributed to a submission to the Law Council of Australia regarding Fair Work Amendment (Paid Family and Domestic Violence Leave) Bill 2022 and a submission in response to a significant confidential draft bill.
- Provided comment on the civil surveillance reforms – highlighting the potential for proposed reforms around audio and visual recordings to be misapplied to victims.
- Video-recorded evidence pilot – stakeholder group.
- Consultation regarding the Draft National Principles to Address Coercive Control.
- Family Law Amendment Bill 2023.
- Contributed to the QLS submission to the Law Council on the exposure draft Family Law Amendment Bill 2023, closely considering how the proposed amendments will improve safety for those who have or may experience family violence.

Dispute Resolution Committee

The Dispute Resolution Committee has contributed to 3 submissions and 5 stakeholder consultations during this financial year.

Dispute Resolution in the Federal Circuit and Family Court of Australia

- Committee has been looking at dispute resolution in the Federal Circuit and Family Court of Australia.
- In September 2022, representatives of the QLS Dispute Resolution Committee met with judicial members of the Federal Circuit and Family Court of Australia to discuss the role of dispute resolution in proceedings in the court, see Proctor article qslsproctor.com.au/2022/09/committee-gains-insights-into-dispute-resolution-in-the-fcfcfa/.
- Discussed seeking feedback about practitioner considerations in utilising arbitration in family law disputes.

Family Law Dispute Resolution Survey

- Subsequently, at the start of February 2023 QLS released the Family Law Dispute Resolution Survey which has sought to hear from family law practitioners about their experiences in family dispute resolution. The survey was developed in consultation with members of the QLS Dispute Resolution and Family Law Committees and a draft of the survey was also provided to the court for input.
- The survey closed in March with a positive response rate. The responses are currently being collated for a report which will be shared with the Committee and with the court in the coming weeks.

Scheme for Pro Bono Mediation of Claims involving Self-Represented Litigants in the Supreme Court

- Representatives of the Committee and LawRight met with His Honour Brian Devereaux SC, Chief Judge of the District Court of Queensland regarding the recently piloted Scheme for Pro Bono Mediation of Claims involving Self-Represented Litigants in the Supreme Court, to enquire whether the scheme might be implemented in the District Court.

Solicitor Mediators

- The Committee also considered other opportunities for solicitor mediators to conduct mediations, particularly early career mediators who may have difficulty reaching the required mediation hours in their earlier years. In this regard, we are considering options in community legal centres. We are also in early discussions with the Bar about a mediation process for the Queensland Civil and Administrative Tribunal.

Elder Law Committee

The Elder Law Committee contributed to nine submissions and four stakeholder consultations during this financial year.

Retirement Villages and Manufactured Home Parks

- Engaged with the Department of Communities, Housing and Digital Economy in relation to amendments to legislation governing retirement villages and manufactured home parks.
- Draft Housing Legislation Amendment Bill 2022
- Review of site rent increases and sale of homes in residential parks.

Online advance care planning companies

- Continued advocacy in relation to online advance care planning companies.
- Wrote to the Queensland Office of Fair Trading to express two main concerns about three online advance care planning companies. First, these entities appear to be providing a service that creates legal documents for the general public. However, it is unclear whether the end product is a valid legal document, particularly in the Queensland context. Second, these companies are targeting their services at residential aged care providers and the Committee is concerned this may lead people to misunderstand the status of these documents, particularly in Queensland where an Advance Health Directive or Enduring Power of Attorney is required to make legally binding health directions.

Model financial enduring power of attorney law

- Worked with the Queensland Public Advocate and the Law Institute of Victoria to develop a model financial enduring power of attorney law.

Submissions

- Made a submission to the Law Council of Australia on the 'Consultation Paper No. 1 – A New Model for Regulating Aged Care'.
- Contributed to a submission to the Law Council of Australia, providing feedback on the Draft Best Practice Principles for Courts and Tribunals when considering the appropriateness of online proceedings.
- Made a submission to the Law Council of Australia in respect of its review of the Best Practice Guide for Legal Practitioners in relation to Elder Financial Abuse.
- Contributed to a submission on reforms to the *Body Corporate and Community Management Act 1997* (Qld) that affect retirement villages.
- Provided feedback on the review of the *Queensland Civil and Administrative Tribunal Act 2009*.

Stakeholder Meetings

- Attended a number of stakeholder meetings, including meeting with the President, Senior Members and staff of QCAT to discuss a number of issues in relation to guardianship matters, and meeting with the Queensland Public Advocate regarding restrictive practices in aged care.

Energy and Resources Law Committee

- The committee submitted on the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 and also appeared at the public parliamentary hearing on the Bill. QLS broadly supported the proposed approach to extend the existing regulatory framework for gas to emerging hydrogen projects.
- The committee worked collaboratively with other policy committees to contribute to a range of submissions, including working with the QLS First Nations Legal Policy Committee to respond to the Law Council of Australia on the discussion paper “Review of sunseting instruments under the *Native Title Act 1993* (Cth)”.
- The committee has contributed to seven submissions during this financial year.
- The committee continues to foster strong relationships with the Department of Resources and the Department of Energy and Public Works, providing feedback from the legal profession on legislation and procedures relevant to our practitioners.

Family Law Committee

The Family Law Committee has contributed to five submissions and one stakeholder consultation during this financial year.

Women’s Safety and Justice Taskforce

- Assisted in relation to the responses to the Women’s Safety and Justice Taskforce.

Police inquiry

- Assisted in relation to the responses to the police inquiry.

Family Court Rules

- Made submissions on confidential consultations related to information sharing and changes to the Family Court Rules.

Family Law Conference

- Contributed to the planning of the successful Family Law Conference.

Family Law Amendment Bill

- Contributed to the QLS submission to the Law Council of Australia in response to the exposure draft Family Law Amendment Bill.

Consultation on access to offenders’ superannuation for victims and survivors of sexual abuse

- Contributed to the QLS submission to the Law Council of Australia in relation to Treasury’s consultation on access to offenders’ superannuation for victims and survivors of sexual abuse.

Consultation draft Property Law Bill

- Assisted QLS to review aspects of the consultation draft Property Law Bill that are relevant to family law.

First Nations Legal Policy Committee

The First Nations Legal Policy Committee contributed to six submissions and attended four stakeholder consultations during this financial year.

- The committee made key submissions including:
 - Cultural Heritage Acts Review on reshaping Queensland's cultural heritage laws
 - Interim scoping study consultation on standalone legislation for Indigenous Knowledge
 - Inquiry into the Path to Treaty Bill 2023.
- Worked collaboratively with other QLS policy committees on submissions on the Review of sunseting instruments under the *Native Title Act 1993* (Cth), Strengthening Community Safety Bill 2023 and the Monitoring of Places of Detention (Optional Protocol to the Convention Against Torture) Bill 2022.
- Committee members appeared at two public hearings for the parliamentary committee inquiries into the Strengthening Community Safety Bill 2023 and the Path to Treaty Bill 2023.
- Called on the Government to boost emergency funding for the Aboriginal and Torres Strait Islander Legal Service to avoid the permanent suspension of some of its services.

Franchising Law Committee

- The Franchising Law Committee has been monitoring the commencement of the Franchise Disclosure Register
- The Committee is working to raise awareness among practitioners to review their standard form contracts to comply with the amendments to the unfair contract terms regime.

Human Rights and Public Law Committee

The Human Rights and Public Law Committee contributed to 17 submissions and attended five key stakeholder consultations during this financial year.

- Worked collaboratively with other QLS committees on important submissions to inquiries such as:
 - Inquiry into the Decriminalisation of Certain Public Offences, and a Health and Welfare Response
 - Inquiry into the Monitoring of Places of Detention (Optional Protocol to the Convention Against Torture) Bill 2022
 - Inquiry into the Strengthening Community Safety Bill 2023.
- The Committee made submissions to both state and federal inquiries into anti-discrimination legislation:
 - Federal inquiry into the Criminal Code Amendment (Prohibition of Nazi Symbols) Bill 2023
 - Queensland inquiry into the Criminal Code (Serious Vilification and Hate Crimes) and Other Legislation Amendment Bill.
- Made a submission to the Inquiry into Australia's human rights framework which includes a consideration of whether the Australian Parliament should enact a federal Human Rights Act.

Health and Disability Law Committee

The Health and Disability Law Committee contributed to nine submissions and four stakeholder consultations during this financial year.

Cross-committee QLS working group

- Launched a cross-committee QLS working group to tackle issues relating to mental health in the criminal justice system.

Queensland's gender registration laws

- Made an important submission to Queensland Government in relation to Queensland's gender registration laws to ensure any proposed amendments reflect contemporary community values and expectations.

Queensland's health practitioner mandatory reporting laws

- Proactively wrote to the Queensland Health Minister, expressing concerns about the mandatory reporting framework that requires registered health practitioners to inform the Australian Health Practitioner Regulation Agency (AHPRA) if another health practitioner has engaged in certain forms of 'notifiable conduct' involving intoxication, sexual misconduct, departure from professional standards or 'is placing the public at risk of substantial harm by practising the profession while the practitioner has an impairment.' A controversial aspect of the mandatory reporting laws is their application to practitioners who, in the course of providing care to another practitioner, form a belief that notifiable conduct has occurred.
- The Society urged the Minister to implement a recent recommendation of the Senate Community Affairs References Committee that the mandatory framework be amended to align with the Western Australian model (where health professionals are exempt from mandatory reporting obligations for practitioners and students in their care, but they may choose to make a voluntary notification to protect public safety).
- The QLS submission also pointed out the unintended negative consequences that the current laws are having on the medical profession.

Industrial Law Committee

During the 2022-23 financial year, members of this Committee contributed to eight submissions in relation to the:

- ALRC consultation paper, Religious Educational Institutions and Anti-discrimination Laws.
- Employment White Paper in relation to security, fair pay and conditions.
- Industrial Relations and Other Legislation Amendment Bill 2022 (Qld).
- Fair Work Amendment (Paid Family and Domestic Violence Leave) Bill 2022.
- Paid non-lawyer advocates in industrial commissions and tribunals.
- Fair Work Amendment (Secure Jobs, Better Pay) Bill 2022.
- Consultation on surveillance reforms for Queenslanders.
- The Committee also engaged with the Office of Industrial Relations and the Queensland Industrial Court and Queensland Industrial Relations Commission.
- The Committee provided advice and updates to the professions including in respect of employment issues in rural, regional and remote law firms.
- The Committee wrote to the Commissioner of the Queensland Human Rights Commission seeking to meet to discuss the role of representatives at conciliation conferences facilitated by the QHRC. Members raised the particular concern of the bifurcation of instructing solicitors and counsel as an alternative to permitted an instructing solicitor and counsel to represent a complainant together.

Insolvency and Restructuring Law Committee

- During the 2021-22 financial year, this Committee, which also sits as the Queensland branch of the Law Council of Australia's national committee, contributed to a number of submissions, stakeholder engagements and education events.
- The Committee has also engaged with the Federal Court of Australia and Commonwealth Attorney General's Department and, at its regular meetings, engages with representatives from ASIC and AFSA who speak to matters of importance to those organisations and market developments.

Innovation Law Committee

The QLS Innovation Committee engaged with the researchers from the University of Southern Queensland who completed the Future Ready Report, providing an important snapshot of the Queensland profession and our state of readiness for a fast-evolving technical and professional landscape.

The report has identified the following areas as high-priority:

- Contextualising innovation and disruption.
- Identifying the knowledge and skills required by effective lawyers in the present and future.
- Understanding the challenges and identifying the characteristics of successful use of technology and tools in legal practice.
- Recognising the traits of successful future law practices and the role of innovation in enhancing access to justice.

With a robust work plan, the committee established task forces to develop materials on topics like hybrid work, innovation success case studies, e-litigation, simplifying innovation and technology via video resources, and thematic policy issues affecting the profession due to disruption and new technology.

Litigation Rules Committee

The Litigation Rules Committee contributed to 16 submissions and two stakeholder consultations during this financial year.

Civil case management system

- Focused on work being undertaken with the Queensland Courts on the new civil case management system and how this will impact court user.
- Monitored the rollout of the QCase civil case management system.

Uniform Civil Procedure Rules (UCPR)

- Engage with the Court Rules Committee in relation to the Uniform Civil Procedure Rules (UCPR).
- Prepared a submission to the Queensland Supreme Court Rules Committee proposing amendments to the UCPR regarding a number of costs issues including costs of amending pleadings and documents, interstate solicitor's fees, and solicitor's liens/charges.
- Prepared a submission to the Supreme Court Rules Committee in response to their request for feedback on proposed changes to the UCPR regarding access to court documents by non-parties.

2022 Inquiry into Legal Practitioners' Scale of Costs

- Provided comments for inclusion in the Law Council of Australia's submission to the Joint Costs Advisory Committee (JCAC) in relation to its 2022 Inquiry into Legal Practitioners' Scale of Costs.

QTranscripts

- Provided member feedback to the Queensland Government regarding its new QTranscripts court transcription service.
- Worked with QTranscripts to address issues being experienced by members, including transcript delays and over-inflated transcript quotes.

Journalist shield laws to the Crime and Corruption Commission

- Contributed to a submission to the Queensland Attorney-General in support of extending journalist shield laws to the Crime and Corruption Commission.

Draft best practice principles for Courts and Tribunals

- Contributed to a submission to the Law Council of Australia regarding draft best practice principles for Courts and Tribunals when considering the appropriateness of online proceedings.

Witness' place of employment on affidavits and statutory declarations

- Provided feedback for a submission to the Department of Justice and Attorney-General on the requirement to include a witness' place of employment on affidavits and statutory declarations.

Proposed reforms to section 59 of the *Civil Proceedings Act 2011* (Qld) regarding interest after a money order

- Prepared a submission to the Department of Justice and Attorney-General in relation to proposed reforms to section 59 of the *Civil Proceedings Act 2011* (Qld) regarding interest after a money order. The Department accepted our suggested amendments to the section and has included our proposed drafting in the current Justice and Other Legislation Amendment Bill 2023.

Part B of the Stage 2 Review of the Model Defamation Provisions

- Prepared a submission to the Attorney-General in relation to Part B of the Stage 2 Review of the Model Defamation Provisions.

Other

- Provided feedback on designing a simplified body corporate debt recovery process, data and cyber security in the legal profession, and costs disclosure thresholds in the legal profession.
- Provided feedback to the Chief Justice of the Supreme Court regarding practice directions for change of name and address.
- Provided feedback to the Supreme Court Rules Committee regarding charging orders on securities.

Migration Law Consulting Committee

The Migration Law Consulting Committee contributed to seven submissions and one stakeholder consultation during this financial year.

Proactive work

- Developed its proactive work agenda with a focus on vulnerable people including victims of domestic and family violence, prisoners, people with disability and refugees.
- Proactive agenda includes advocating for increased legal assistance funding for those whose visas are cancelled on character grounds.

Australia's Humanitarian Program and the Management of Migration to Australia – Family Reunion and Partner Related Visas

- Made submissions to the Law Council of Australia (LCA) in respect of Australia's Humanitarian Program and the Management of Migration to Australia – Family Reunion and Partner Related Visas.

Skilled migration reform

- Discussed skilled migration reform with the LCA with a view to making a submission in relation to the Employment White Paper and the review of Australia's Migration System.

Migration Review

- Provided input regarding a proposal to reform the employer sponsored visa program to the LCA as part of the recent Migration Review.

Inquiry into the role of permanent migration in nation building

- Provided input to the LCA regarding the Joint Standing Committee on Migration's inquiry into the role of permanent migration in nation building.

Abolition of the Administrative Appeals Tribunal (AAT)

- Engaged with developments around the abolition of the AAT.
- Prior to the government announcing abolition of the AAT, provided input to the LCA regarding a draft AAT Refugee and Migration Division Practice Direction, focusing on the difficulties the proposed practice direction would have imposed upon vulnerable applicants and their legal representatives.

Pre-budget submission and the National Legal Assistance Partnership Review

- Assisted QLS in relation to feedback to the LCA regarding issues to include in a pre-budget submission and the terms of reference for the National Legal Assistance Partnership Review.

Not for Profit Law Committee

The committee contributed to eight submissions and attended four stakeholder consultations during this financial year.

- Key submissions included commenting on the Australian Charities and Not for Profits Commissioner's Interpretation Statement on Health Promotion Charities and continuing our engagement with the Department of Justice and Attorney-General (Qld) regarding incorporated associations reforms for introducing grievance procedures, disclosure of remuneration and reporting requirements and thresholds.
- It was pleasing that the government adopted a number of QLS submissions regarding incorporated associations reforms. Key changes including providing for equally shared costs of grievance mediations (unless parties agree to another arrangement), clarifying the interaction of grievance procedures with existing disciplinary issues giving rise to health and safety issues and providing for aggregated disclosure of remuneration to committee members.

Occupational Discipline Law Committee

The Occupational Discipline Law Committee contributed to seven submissions during this financial year.

- Made a submission to Department of Justice and Attorney-General raising concerns about the need for discretion in the *Security Providers Act 1993*.
- Worked collaboratively with several other QLS committees to provide a submission to the review of the *Public Interest Disclosure Act 2010*.

- Worked with the Litigation Rules committee to make a submission to the Attorney-General in support of extending journalist shield laws to the Crime and Corruption Commission.
- Members of the Committee worked on drafting occupation-specific practice directions to present to the Queensland Civil and Administrative Tribunal.
- Committee members have been considering the mental health of respondents to occupational disciplinary action and whether there are adequate resources to provide mental health support during what can often be a distressing process.
- Representatives of the Committee met with Ms Victoria Thomson, Deputy Director-General of the Department of Liquor, Gaming and Fair Trading to express concerns regarding the *Security Providers Act 1993* and barriers to obtaining a licence if they have been convicted of a 'disqualifying offence'.

Planning and Environment Law Committee

The Committee has continued to engage in stakeholder consultation work with the Land Court and the Queensland Government on various proposals, having contributed to eight submissions and two stakeholder consultations during this financial year.

- Responded to several consultation papers released by the government, representing the first steps in reviewing Queensland's *Planning Act 2016*.
- Contributed to the independent review of the *Environmental Protection Act 1994* (Qld). The submission was extensively quoted in the final report "Independent review of the *Environmental Protection Act 1994* (Qld): independent review into the adequacy of existing powers and penalties."
- Worked with members of the LCA Corporations Law Committee and QLS Energy and Resources Law Committee to provide critical written and oral feedback in relation to proposed amendments to the executive officer liability provisions in the *Environmental Protection Act 1994* (Qld).

Privacy, Data, Technology and Intellectual Property Law Committee

The Privacy, Data, Technology and Intellectual Property Law Committee contributed to 11 submissions during this financial year.

Review of Queensland's information privacy and right to information frameworks

- Contributed to a detailed submission to the Department of Justice and Attorney-General in response to its review of Queensland's information privacy and right to information frameworks.
- While the Committee supports proposals to align Queensland's information privacy framework more closely with the Commonwealth's privacy framework, it noted that amending Queensland's framework before the current review of the *Privacy Act 1998* (Cth) is finalised may lead to further inconsistencies between the two frameworks, rather than achieving the goal of harmonisation.

Privacy Legislation Amendment (Enforcement and Other Measures) Bill (Cth)

- Contributed to a LCA submission on Privacy Legislation Amendment (Enforcement and Other Measures) Bill (Cth).
- Submitted that an increase in penalties under the *Privacy Act 1988* (Cth) (Privacy Act) was a positive development given the many serious privacy infringements at present. QLS strongly supported the prioritisation of the long-awaited *Information Privacy Act 2009* review and the provision of appropriate regulatory guidance and enforcement to promote effective corporate compliance.

Office of the Information Commissioner (OIC)

- Continued to emphasise the important and necessary role of the OIC and supported additional permanent funding for the OIC in recent submissions including to the recent OIC Strategic Review.

Privacy Act Review Report

- Contributions to the LCA's response to the Privacy Act Review Report.

Data and Cyber Security in the legal profession

- Submission to the LCA on data and cyber security and the legal profession welcomed the LCA's initiative to collaborate with other law societies and institutes on updating and developing cyber security resources for members of the profession.

2023-2030 Australia Cyber Security Strategy

- Made a submission supporting the need for tangible evidence to back up the assumption that refusal to pay ransoms will reduce the financial incentive to engage in such attacks.
- Conveyed that any exceptions to the prohibition need to be carefully considered. Welcomed further research and discussion as to the position of QLS members who may be affected by a cyber attack or advising client in response to an attack.

Property and Development Law Committee

The Property and Development Law Committee contributed to 31 submissions and 14 stakeholder consultations during this financial year.

- This financial year involved significant engagement with Department of Justice and Attorney-General to provide detailed feedback as the drafting of the Property Law Bill 2023 developed. This is the most significant reform to property law in Queensland since the 1974 Act was introduced.
- QLS made a submission to the Legal Affairs and Safety Committee's inquiry into the Property Law Bill and appeared at the public hearing.
- Queensland's eConveyancing mandate began on 20 February 2023. The committee provided substantial support to QLS to prepare the membership for this significant shift in property practice.
- QLS and the Real Estate Institute of Queensland (REIQ) launched new editions of the REIQ standard sale of land contracts in early 2023, to include clauses responding to the eConveyancing mandate.
- Committee members were actively involved in the Community Titles Legislation Working Group established by the Department of Justice and Attorney-General and have provided ongoing input to submissions to address a wide range of potential legislative reforms.

Revenue Law Committee

The Revenue Law Committee contributed to four submissions and three stakeholder consultations during this financial year, in addition to regular engagement with the Queensland Revenue Office (QRO) through the Taxation Consultative Committee. This is a stakeholder forum which provides opportunities for QLS to raise issues of concern to the profession.

- Assisted QRO to work with the QLS communications team on communications to the profession for land tax reforms and the new self-assessor guidelines and framework.

Succession Law Committee

The Succession Law Committee contributed to 10 submissions and one stakeholder consultation during this financial year.

Submissions

- Contributed to a submission on the Property Law Bill.
- Reviewed a confidential draft of the Succession Bill 2023.
- Provided feedback on proposed Court practice directions about the Wills and Estates List.

Proactive Projects

- Amendments to the Uniform Civil Procedure Rules and probate forms.
- Worked with the Queensland Public Advocate and the Law Institute of Victoria to develop a model financial enduring power of attorney law.
- Wrote to the Registrar of Births, Deaths and Marriages to clarify identification requirements for solicitors seeking Death Certificates.

Stakeholder Meetings

Had significant engagement with the Australian Institution of Superannuation Trustees to improve processes for legal practitioners seeking information about a deceased person's superannuation details.

Births, Deaths and Marriages Registration Bill 2022

- Contributed to a submission to the Legal Affairs and Safety Committee on the Births, Deaths and Marriages Registration Bill 2022. The Committee specifically noted the unintended consequences in the area of wills and estates that may arise in relation to the Bill's sex descriptor registration framework.
- Chair of the Succession Law Committee, Angela Cornford-Scott, appeared with Senior Policy Solicitor, Brooke Thompson, and QLS Vice-President, Rebecca Fogerty, at the public hearing for the Bill on Tuesday, 24 January 2023.
- Additionally, made a proactive submission to the Attorney-General to draw her attention to recent developments in the Victorian Births, Deaths and Marriages Registry. Urged the Attorney-General to consider introducing a similar legal death certificate to assist with situations where there are delays in obtaining the original death certificate.
- In response, the Attorney-General expressed interest in considering a similar certificate in Queensland that excludes cause of death.

Water and Agribusiness Law Committee

Contributed to two submissions during this financial year. The committee has identified a range of issues affecting regional practices. The committee is continuing to work on potential solutions to support the members.

Wrote to the Department of Agriculture and Fisheries raising concerns about duplication in register searches causing delays to property transactions. In response, the Department recognised the issue and advised they are reviewing the application process for biosecurity register searches to ensure a workable outcome for all parties.

Delayed judgements service

QLS is a party to protocols with state and federal courts, tribunals and commissions, which permit QLS, on behalf of its members, to approach these entities where there has been undue delay in delivering a reserved judgment or decision. In this context, there will be undue delay where a judgment or decision has been outstanding for at least three months, or six months for enquiries to the Federal Circuit and Family Court of Australia.

Following an enquiry by a member, QLS will write to the head of jurisdiction of the relevant court, tribunal or commission, asking for advice on the anticipated delivery of the judgment or decision. Generally, the relevant court, tribunal or commission will respond to QLS with information about when the judgement or decision is expected to be handed down.

Where the court, tribunal or commission has not responded to the initial enquiry, QLS may make further enquiries, provided it is appropriate to do so. Generally, QLS will make further enquiries where a period of one month has elapsed since the initial enquiry was sent.

QLS updated its internal procedures for processing follow up delayed judgment enquiries in the 2022-23 financial year. Since September 2022, QLS has moved from sending ad-hoc follow up enquiries to sending follow up enquiries to the court, tribunal or commission on a monthly basis, where necessary, enclosing a running list of outstanding delayed judgment enquiries. Once the one month period has elapsed since the initial enquiry was sent, any outstanding delayed judgment enquiries remain on the follow up list until judgment is received or a response is received from the court, tribunal or commission.

In the 2022-23 financial year, QLS received and processed 68 delayed judgment applications and a further 22 monthly follow-up enquiries. In total, QLS made 90 delayed judgment enquiries with state and federal courts, tribunals and commissions in the 2022-23 financial year.

In a majority of applications, QLS received a response from the relevant head of jurisdiction, with 51% of all delayed judgment applications receiving a response from the court, tribunal or commission.

Jurisdiction	Initial enquiries	Follow up enquiries	Total enquiries
District Court of Queensland	10	5	15
Federal Circuit and Family Court of Australia	8	3	11
Federal Court of Australia	3	1	4
Magistrates Courts of Queensland	2	1	3
Planning and Environment Court	3	N/A	3
Queensland Civil and Administrative Tribunal	27	8	35
Queensland Civil and Administrative Tribunal – Appeal Tribunal	1	N/A	1
Queensland Industrial Relations Commission	3	3	6
Supreme Court of Queensland	9	1	10
Supreme Court of Queensland – Court of Appeal Division	2	N/A	2
Total	68	22	90

Based on advice from the enquiring members, 51% of enquiries made in this financial year have now been resolved, meaning that QLS has been advised a judgment or decision has been delivered.

Media

Our media strategy is designed to support our advocacy objectives, including promoting the role of solicitors in the community, working with government to achieve balanced laws by providing guidance and insight on legislation, and upholding the rule of law for the benefit of the profession and the public.

During the 2022-23 financial year, we have continued to provide expert commentary on matters relevant to the legal profession.

Issues on which QLS has provided proactive media commentary include topics as diverse as legal aid funding, review of the *Youth Justice Act 1992* and the Strengthening Community Safety Bill, introduction of e-conveyancing and numerous judicial appointments.

QLS's media activity was a resounding success in 2022-23 with numerous mentions of Queensland Law Society across radio, newspaper, television and online. These results are below.

During the year, QLS responded to the following requests from media outlets:

- Enquiries – 104
- Interviews – 24
- Queries, assistance, and background – 55

Leading established media outlets that mentioned QLS or published our content included:

- **Print:** Courier-Mail, The Australian, Cairns Post, Toowoomba Chronicle, Townsville Bulletin, Gold Coast Bulletin
- **Broadcast:** *National, Metro and Regional* – TV: ABC News, 10 News, Seven News, 9 News, NBN, SBS, Seven Local News, Sky News, WIN. Radio: ABC Radio (Metropolitan and Regional/Rural), 4BC (and 9 Radio network), 4CA, Triple M, HIT Network, KIIS (ARN), NOVA.
- **Online:** Courier-Mail (and syndicated NewsCorp mastheads), ABC Online, The Guardian, AFR, Brisbane Times, 9 Entertainment Co. syndicated sites

Mentions of Queensland Law Society, Associations, Key Issues and Key Spokespeople: TOTAL: 16,597

- Radio – 2477 mentions.
- Newspaper – 4,956 mentions
- Online news – 7,937 mentions, and
- TV – 1053 mentions.

REGULATE

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

Regulation

Practising Certificates

There were 11 Show Cause matters (ss67 and 68 LPA 2007) reported by practitioners this year, up from nine last year. In respect of those 11 matters:

- Three showed cause
- One was found unfit
- One withdrew an application for grant of a PC
- Three found fit and proper to hold Practising Certificates upon conditions, and
- Three remain to be decided.

We also issued 11 Show Cause Notices (s60 LPA 2007) an increase on four the previous year.

Of these matters, two were found not to be fit and proper to continue to hold a Practising Certificate, seven were found fit and proper on conditions/undertakings, two surrendered their PC.

Practising Certificates of three practitioners were suspended, one under s63 and two under s544.

QLS undertook investigations into 65 other matters that may have resulted in the issue of a show cause notice. Of these:

- Twenty-eight were completed with no action required
- One practitioner surrendered their Certificate
- Thirty-six investigations continue.

The vast bulk of these matters are investigations of declarations made in accordance with the Tax and Superannuation Policy.

We also issued 31 notices regarding the fitness of practitioners upon their applications for grant or renewal of a Practising Certificate (s51 LPA 2007).

Another 23 notices were issued regarding outstanding monies owing under the indemnity Rule. These were monies in the nature of EMR adjustments, adjustments to levies payable because of adjustments in annual gross fee income and outstanding excesses. All monies were paid and no action was required.

In the course of the year, we made 14 other determinations upon notices issued under s51 either this year or last. Upon those determinations, two were found unfit, five were found fit and proper upon conditions or undertakings four applicants withdrew their applications, three were found fit and proper on response.

There are two notices remaining for consideration and seven inquiries were dismissed after investigation with no process issued.

QLS received five notifications from five practitioners who had been charged with serious offences this year. Of those notifications the charges against one practitioner were determined and conditions were applied to the practising certificate of another. There are currently ten practitioners awaiting the determination of charges of serious offences that have either been previously been notified, or notified this year.

Section 56(3) of the *Legal Profession Act 2007* allows QLS to give an exemption or reduction in the requirement of two years supervised legal practice when obtaining a first practising certificate. This provision means that condition is attached to practising certificates given not only to newly admitted practitioners but also to any experienced practitioner obtaining a practising certificate for the first time. Exemptions or reductions totalled 23 this year. This was down from 54 last year. The Society refused six applications.

External Intervention

QLS intervenes in a law practice when the property of clients is at risk. During 2022-23, QLS undertook ten interventions in eight law practices. Of these interventions, two have since been terminated, four were supervisions and six were receiverships.

The supervisions were imposed because the Trust Accounting of the law practice was substandard.

The reasons for the six receiverships were:-

- Disciplinary action against the Principal (2)
- Death of Sole Principal (3)
- Ill health of Principal (1)

Trust Account Investigations

We completed 156 investigations, i.e. the more intensive investigations compared to 141 last year. We completed 345 Trust Account Reviews compared with 236 last year.

We continue to receive favourable reviews from the profession for the quality of our Trust Account Investigations and Reviews scoring an average team rating of 4.56 out of 5 in relation to Trust Account Investigations and 4.78 out of 5 in relation to Trust Account Reviews.

We provided 80 consultations through the Trust Account Consultancy Service this year. We conducted two Trust Account Remedial Courses attended by eighteen practitioners.

The Trust Account Information Service answered 4,768 requests for assistance this year up from 4,048 last year. We achieved a same day request response of 98%.

Limitation of Liability

At 12 July 2023, 6,867 Practitioners were participants in the Queensland Law Society's Limitation of Liability Scheme.

Legal Practitioners Fidelity Guarantee Fund

Practitioners contribute each year to this fund. It exists to compensate members of the public who lose trust property or trust money because of the dishonest acts or omissions of associates of law practices. It is a rare and very good thing that the profession makes good on the dishonesty of its own. This year the fund paid \$2,847,147.75, inclusive of interest, in respect of fourteen claims.

Ten of the 14 claims were the result of the dishonest actions of conveyancing paralegal employees of law practices. The amount paid in respect of these claims was \$2,505,375.14.

Eleven of the 14 claims were made by members of the public. The amount paid in respect of these claims was \$2,517,877.26. The other three claims (totalling \$307,043.75) were made by law practices after they reimbursed members of the public who would have been entitled to make claims if they had not been reimbursed by the law practices.

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 2,400 law practices, each of which has at least one office or resident principal in Queensland. These 2,400 practices comprise over 7,850 Queensland PC holders and around 1,000 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. Whilst insurance and reinsurance markets have seen substantial increases in recent times, we have been able to reduce base levy rates for 2023-24 by around 5% from those in place in 2022-23. This reflects Lexon's ongoing drive to provide the most cost-effective insurance solution to the insured cohort.

The ability to maintain rates at such low levels (most band rates have fallen over 40% since 2014-15) is in no small part due to Lexon's careful and prudent management of the insurance reserves we hold to meet future claims coupled with the profession's strong commitment to risk management which has reduced overall claim values in recent years.

Risk Management

Lexon's support of the profession's risk management efforts continued in 2022-23. Our nine 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 1,400 individual workshops to insured practices and successfully implemented a number of key projects, including a new System Test focused on General Civil Litigation. Early feedback for this new System Test is extremely positive with practitioners appreciating the practical approach Lexon has taken.

Claims Performance

As at 30 June 2023, overall file numbers for 2022-23 were 319 (in line with the prior year (315) at the same point in time and well down on other recent years). Estimated claim values were also below the average of the previous five years at the same point in time. Pleasingly, 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 2022-23 year (31.3% of all files, contributing 30.1% to overall portfolio cost), but this was not surprising given the substantial level of conveyancing activity. Whilst commercial matters represented only 18.5% of the file numbers, due to their generally larger quantum this area contributed some 36.9% of the portfolio value at 30 June. Personal Injuries, Wills & Estates and Litigation each contributed around 8.5% towards the overall portfolio cost as at 30 June.

Overall claims expense for 2022-23 was an outstanding \$14.3M (against a budget of \$19M), testament to the commitment the profession has made to managing claims risk.

Investment Returns

Investment performance was strong in 2022-23, with the portfolio delivering a 6.9% net return. The portfolio is divided into two main parts, with both the defensive portion (3.5% net) and the growth portion (9.1% net) 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 \$13.5M, against a budget of \$2.3M. This was driven by the strong claims and investment performance.

Types of Law practiced by the Insured Profession

Lexon insured practices generated around \$2.85B of Gross Fee Income (GFI) in 2022, having grown over 4.3% year on year. This was a pleasing result given it was considered possible there would be some contraction post 2021's stellar 15% increase. Conveyancing fell back more in line with longer term trends, down 5% from its 2021 COVID high. This reduction was more than offset by strong growth in Personal Injuries and Wills & Estates.

Personal Injuries work remains the largest area of activity (by GFI), at 19.9%. Conveyancing (residential and commercial) now represents 16.3% of the work performed by insured practices. Litigation remains a significant area at 14.6% with Family Law next at 11.8%.

You will find more detail on Lexon's performance in the financial statements, starting on page 97 of this report.

GUIDE

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

QLS Ethics and Practice Centre

Professionalism and guidance

The QLS Ethics and Practice Centre continues to provide a variety of services to the profession and the wider community through practical guidance, education, advocacy of professionalism and practice support of practitioners.

The Centre's well-regarded telephone service has been providing responsive and confidential ethical guidance and practice management advice to QLS members for over ten years.

Calls to the Centre range from complex conflict and confidentiality issues to more sensitive matters such as threats to harm or bullying. The Centre responds within 1-2 hours of the call and receives consistent positive feedback on this responsiveness and support from members, particularly those who are in sole, micro or small/medium sized firms or community legal centres.

A total of 3,934 matters (calls) were opened during 2022-23 which is an increase in the number of calls by 11.2% since the last financial year. The top three issues discussed were conflict, client instructions and confidentiality. There were also a sizeable number of calls taken regarding practice management queries.

The Centre also provides ethical guidance and leadership in other ways:

- QLS Ethics Committee: This committee provides expert ethical input to QLS and its members. The Centre manages this committee and its sub-committees: Guidance Statement Sub-committee, Non-binding Ethics Ruling Sub-committee and the Rules Review Sub-committee.
- The Guidance Statement Sub-committee published substantive guidance statements in the following areas:
 - Commenting to the media
 - Ethical issues when acting for insured and insurer
 - Notifying opponents when communicating with the court, and
 - Ethical issues regarding internships and work experience students.
- The Rules Review Sub-committee has had continued oversight and review of the *Australian Solicitor Conduct Rules 2012* (ASCR). The review of the ASCR went out for consultation to both the profession and the community last year and the Sub-committee have made their recommendations to Council on the proposed changes.
- National Ethics Solicitors Forum: This group consists of ethics solicitors from law societies from various jurisdictions across the country and continues to be facilitated by QLS. The Forum maintains connectivity between the different jurisdictions.
- Policy committees: the Centre's solicitors have contributed to relevant policy committee submissions when required. This year, the Centre has advocated for the legislative changes in the Legal Profession Act regarding destruction of documents and increasing the costs disclosure threshold to \$3000.

The QLS Ethics and Practice Centre also provides through its Practice Advisory Service the opportunity to meet and discuss a range of practice management and support issues such as appropriate management systems, billing and costings, communications, cyber security, staffing and marketing. In particular, new firms and those in the sole-to-small practice demographic are targeted, although the service is also available to established or merging practices.

QLS visited 283 firms throughout the state during 2022-23.

The Centre receives overwhelmingly positive feedback (99% indicated that the Service should be an ongoing membership benefit) on the usefulness of this service and the value of the interaction with, and guidance provided by our Practice Advisory Service solicitors.

Community

The Centre received over 1,030 calls from members of the public and practitioners. Assistance was provided by referring callers to other services within the Society (such as Records or Trusts) or external entities such as the Courts, Legal Services Commission, other law societies, government departments, Fair Work, Public Trustee or Solicitor Assist.

Referral Services

The QLS Ethics and Practice Centre offers and manages four external referral services:

- Business Advisory Service (budgeting, financials, pricing, succession planning staffing, business development, technology and cybersecurity)
- Costs Advisory Service (regulatory, disclosure, cost agreement, assessment)
- Employment Law Advice Service, and
- Workplace Conduct Advisory Service.

These services offer 2-4 hours of free legal advice to QLS members who may need assistance in the above areas. The Centre referred 541 practitioners to these services for the year 2022-23. The majority of these were directed to the Business Advisory and Costs Advisory Services with an overall utilisation rate of 30%. We have received excellent feedback on these services and understand that this service is the only one of its kind for legal practitioners in Australia.

Locum Service

The Centre now manages the QLS Locum Service which was designed to connect sole to small practices seeking short term assistance with experienced solicitors. There are presently 13 solicitors who are on the panel.

Resources

The Centre drafted and published over 102 articles/notes/checklists/precedents for practitioners addressing various issues:

- Ethics – advertising, conflicts, courtesy, confidentiality, referral fees
- Costs
- Employment
- VOI
- Cybersecurity
- Social media
- AI
- Practice management – file management, contingency planning, appropriate management systems, closing a law practice
- Disciplinary cases.

The production of these resources is part of our overall strategy to continue to educate and guide practitioners on ethical and practice management type issues and to promote professionalism and courtesy within the profession and the community. This is an increase of 55% from last year.

Bespoke ethics sessions

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

Our Bespoke Ethics Sessions are delivered to and in response to the individual firm's/organisation's specified needs. This year 107 sessions were delivered which is an increase of 25% from the previous financial year:

- bespoke ethics sessions to firms
- universities including PLT
- internal professional development sessions (including PMC and sessions on Cybersecurity)
- District Law Associations (including sessions on Cybersecurity)
- pro-bono (including Government and In-House)
- other (including sessions on Cybersecurity), and
- QLS Legal Ethics Courses.

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 283 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 2022-23

Initiative	KPI	Reporting
1. To continue to respond to and provide a high quality ethics advisory service to the profession.	1. 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.	Achieved (86% response rate within 2 hours) – took 3,934 calls.
2. To continue to provide a high quality practice advisory service to sole to small firms which includes and assists the practitioner in financial, practice management, marketing, wellbeing and organisational culture issues.	2. a) At least 300 firms approached by the ILP request a practice advisory visit. b) Quarterly report to Council setting out: • The number of visits and rate of acceptance of practice advisory visits; • Regions visited; and • Commentary and analysis of the key issues arising from the visits.	a) Achieved – 1,763 firms were approached. b) Achieved • 283 visits – 16% conversion rate. • 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 top three practice issues were practice management (data records and security, finance, staffing), technology (legal practice software) and governance (business succession, structure and planning).
3. To continue to provide support in finance, governance, wellbeing and business management to sole and small firms through: • practice advisory visits • specific referral services • templates, checklists and other practice support material • ethics, and practice management sessions (“ethics educational sessions”)	3. a) At least 12 major ethics and practice management / support resources published to the website, Proctor, Update or other QLS social media channels. b) At least 12 ethics or practice management educational sessions delivered through either the ILP or provided to QLS Professional Development.	a) Achieved – 102 ethics and practice management/support resources were published. b) Achieved – 107 ethics sessions were delivered

Initiative	KPI	Reporting
4. To grow the Locum Tenens Register to assist and support sole practitioners to small firms	4. a) Increase the number of locums on the Locum Tenens Register by 30 June 2023. 4. b) Report to Council on the demographic of the Locum program by 30 June 2023.	a) Achieved – 13 locums presently on the register. One stepped down as he was appointed as a QCAT member. b) Achieved

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 KPIs

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

Initiative	KPI
1. To continue to respond to and provide a high quality ethics advisory service to the profession.	1. 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 to 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) At least 300 firms approached by the ILP request a practice advisory visit. 3. b) Quarterly report to Council setting out: <ul style="list-style-type: none">the number of visits and rate of acceptance of practice advisory visitsregions visited andcommentary and analysis of the key issues arising from the visits.
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">practice advisory visitscontinuing to refine and make referrals to our external referral servicesproducing resources such as guidance statements, ethics notes, templates, checklists, and case notesbespoke ethics sessions.	3. a) At least 20 major ethics and practice management / support resources published to the website, Proctor, Update or other QLS social media channels. b) At least 20 ethics or practice management educational sessions delivered through either the ILP or provided to QLS Professional Development. c) At least 100 referrals to external referral services.

The Financial Reporting is set out in “Financials.”

QLS Senior Counsellors

QLS continues to provide access to the QLS Senior Counsellors service, which is a confidential, free service offered to practitioners on a broad range of practice areas. Our Senior Counsellors continue to offer their knowledge and expertise to their colleagues in a private, confidential setting. This year, our Senior Counsellors took over 143 calls from colleagues. The majority involved specific queries pertaining to their area of expertise.

We had the following senior counsellors:

- Anne English (Atherton Tablelands)
- Guy Dunstan (Brisbane)
- Russell Beer (Cairns)
- Peter Elliott (Townsville)

- Gary Hutchinson (Redcliffe)
- Anthony Ryan (Bundaberg)
- Dr Matthew Turnour (Brisbane)
- Glen Cranny (Brisbane)
- Terry O’Gorman AM (Brisbane)
- Bill Potts (Brisbane)
- Mark Peters (Cairns)
- Rob Stevenson (Brisbane)
- Belinda Winter (Brisbane)
- Katharine Atkins (Brisbane)
- Deborah Awyzio (Brisbane)
- Jennifer Hamilton (Mackay)
- Vicki Jackson (Rockhampton)
- Peter McLachlan (Mackay)
- Wendy Miller (Brisbane)
- Elizabeth Shearer (Brisbane)
- Michael Beirne (Sunshine Coast)
- Lucia Taylor (Townsville)
- Glenn Ferguson AM (Brisbane)
- George Fox (Brisbane)
- Ross Lee (Gold Coast)
- John Hayward (Cairns)
- Justin McDonnell (Brisbane)
- Ross Perrett (Brisbane)
- Travis Schultz (Sunshine Coast)
- Brad Shanahan (Mackay)
- Chris Trevor (Gladstone)
- Peter Apel (Mareeba)
- Bill Purcell (Brisbane)
- Jim Reaston (Cairns)
- Dr Jeff Mann AM (Brisbane)
- Martin Conroy (Brisbane)
- John Ryan (Cannonvale)
- Michele Sheehan (Chinchilla)
- Christine Smyth (Gold Coast).

Cybersecurity

The past two years has seen an increase in cyber attacks and electronic fraud throughout Australia, in particular Queensland, including high profile attacks on law firms and legal service providers.

Against this background, QLS is pleased to note the static and in some respects declining incidence of successful cyber attacks on SME member practices. This reflects the substantial and ongoing investment by the Society and the Queensland profession in protecting client data and funds in transit. QLS acknowledges the critical expert assistance supplied by the Cybersecurity Working Group, many of which are not QLS members or solicitors and all of whom supply their services without payment.

However, the challenge is ongoing and multi-dimensional. Cybercrime syndicates are leveraging alternative methods to reap profits from cyber attacks, with ransomware following data exfiltration becoming increasingly common. Threat intelligence from the US indicated that this was likely and a proactive campaign to prevent widespread incidence has been largely successful, with only three reported exfiltration/ransom incidents involving Queensland based firms in 2022-23.

While data theft incidents involving SME law practices in Queensland have reduced, the impact and cost per incident has increased. Ongoing vigilance and effort in this area is required. Professional organisations play a crucial role in aiding members to thwart data breaches and safeguard client interests, with an emphasis on Small and Medium Enterprises (SMEs) that lack in-house information security teams.

In the 2022-23 cycle, QLS has once again significantly invested in defensive education and resources. QLS's strategy for information security is tripartite:

- Enabling members to manage incidents
- Promoting awareness and risk reduction and preventative measures, and
- Promoting uniform national information security standards for legal firms.

Unlike resources that solely provide "awareness", the QLS offers a broad framework of materials to help member firms across all sizes reduce the risk of data breaches. As of 2022, we have over thirty separate tools and curated published resources to help firms implement effective cybersecurity measures. These resources are pragmatic, designed specifically for SME law practices, and offer guidance that is otherwise unavailable.

Cyber-insurance

The policy provides each QLS Member Firm incident cover of \$50,000 underwritten by Chubb. This insurance complements the Lexon third-party professional indemnity policy.

Any QLS Member Firm that suspects or experiences data loss can access top quality expert assistance, which includes:

- Immediate incident analysis
- Detailed forensic investigation
- Ransom negotiations (and payment, if necessary)
- Data loss evaluation and stakeholder communication
- Network and database restoration
- Regulatory compliance guidance.

Swift, expert responses significantly mitigate the impact on clients and member firms during serious incidents.

QLS research projects

Membership research plays a vital role in helping QLS uncover the needs of the legal profession. The results from membership surveys ensure we are able to best guide the legal profession on facing our future challenges along with enabling us to develop the correct strategies, products and services to assist.

The results of partnered member research became available during this financial year. These research projects are designed to support the health and future success of the legal profession, in the midst of an ever changing landscape.

Bond University – Job readiness of graduates and new lawyers

Discussions with QLS members over recent years have suggested that, while some law practice employers are happy with the quality of entry level lawyers and the shorter period it takes to become eligible for admission (since the 2004 changes), many others lamented the demise of articles of clerkship and felt that graduates and newly admitted lawyers lacked many of the skills expected of entry level solicitors.

Given that it is now close to 20 years since the change in admission requirements in Queensland saw articles replaced with the practical legal training regime (and the less used supervised traineeship) and given the significant disruption faced by the profession, QLS decided to conduct formal research into the profession's views of the job readiness of new lawyers.

The research, conducted by the Bond University, was designed to gain insight into the job readiness of law graduates and entry level solicitors in private practice in Queensland and to make recommendations based on the research results.

The Bond University Centre for Professional Legal Education research team conducted an independent survey of the profession and targeted focus groups, which yielded valuable information about the job readiness of law graduates and entry level solicitors. While perceptions were positive in relation to a number of areas – particularly in respect of core values – numerous missing skills were identified.

Crucially, most survey respondents considered that, overall, law graduates and entry level solicitors were not yet equipped with the necessary skills for entering private practice. Only 51% of respondents consider that law graduates and entry level solicitors in private practice have foundational understanding of substantive law areas relevant to private practice.

The clear message from the research was that law graduates and entry level solicitors require more practical education and training, both at university and after graduating but prior to admission. Further education post admission also featured in the responses. The absence of important subjects from the Priestley 11 was also a strong theme throughout the research.

Overall, the research results indicate a call for greater practical learning and assessment and a longer period of supervised work experience prior to admission.

QLS now seeks to start a dialogue with educators, regulators and the profession on reforms which will set the next generation of lawyers up for success in their legal careers and lift the standards of the profession more generally. In doing so, we see the need to:

- Review the academic standards for law degrees, including a greater focus on practical learning and assessments, together with an increased number of compulsory subjects.
- Review Practical Legal Training competency standards to facilitate a greater focus on practical assessments and experience.
- Increase in the practical work experience requirements prior to admission in a legal environment with a focus on practical application of the competencies acquired during the academic and PLT phases of education and training.

University of Southern Queensland and University of Queensland – Future ready

Increasing digitisation and technological innovation is disrupting all service industries. The legal market is not immune to these changes and the next 20 years are anticipated to be a significant transitional phase for the legal sector.

While large and global legal practices are more likely to have the resources to adapt to changes within an appropriate timeframe, smaller legal practices risk being caught in a state of arrested development whilst attempting to navigate the running of the practice and the factors poised to disrupt them, such as:

- Changing demographics
- Changing business structures, with the availability of incorporated legal practices and new business models
- Changing client needs and expectations of value
- Labour shortages and a struggle for talent attraction and retention
- Legal technology and the rise of legal operations as its own discipline
- Innovation culture and expectations of agility brought about by digital businesses like Google, Meta or Amazon
- The COVID-19 pandemic, which expedited the adoption of technology and hybrid working as a response to lockdowns and isolation.

QLS saw a strategic need to baseline Queensland law firm's capabilities and capacity to respond and thrive in a time of change by assessing a number of relevant attributes and, with that knowledge, plot high-impact strategies to equip law firms to make any necessary transition.

In response, Queensland Law Society commissioned a research project undertaken by the Law School of University of Southern Queensland, supported by the University of Queensland, to:

- baseline Queensland law firms' ability to meet disruption
- identify the barriers to managing disruption and what approaches and practices are already successfully being employed by Queensland law firms
- recommend the approaches and practices Queensland law firms can employ to best navigate the challenges of disruption and determine key performance indicators to measure law firm capability
- suggest measures or supports that could be provided by QLS to assist law firms.

The research team conducted extensive consultation and promotion of a survey to the profession fielding nearly 500 responses. The data received from the survey, consultations and desktop research set a baseline and identified a number of areas for focus. The research report recommended a regular Law Firm health check survey to take the pulse of law firms' capability to meet change as well as the formation of a Future Ready Road Map to set a strategy for grappling with the critical issues likely to face the future profession and expansion of the QLS continuing legal education program. QLS is engaging with its Innovation Committee and others on responding strategically to the report recommendations.

Mental health and wellbeing

Support, education, awareness, and prevention of mental health issues in the legal profession remained a high priority area for the Society. QLS's Wellbeing Working Group is the leading force for the provision of guidance, education, events and publications on mental and health and wellbeing.

In this financial year the following mental health education initiatives were run:

- Inaugural Mental Health Forum "*Talking out Loud*" 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.
- Five, two-day intensive Mental Health First Aid Courses delivered by a QLS nationally recognised instructor, equipping 95 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.

Our Early Career Lawyers are also provided dedicated resources for mental health and wellbeing via our FLC Hub on the QLS website.

EDUCATE

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

QLS Education Mission Statement

Offer all of our members the highest quality and best value CPD syllabus and education pathways to enable them to perform their best and to develop as ethical and healthy lawyers, with sustainable and successful careers.

QLS offered a comprehensive calendar of market-leading continuing professional development (CPD) education events, curating a variety of learning opportunities to ensure that at whatever stage a lawyer is within their legal career, they could easily access quality, affordable and relevant education resources.

This involved presentations covering a wide selection of substantive law topics as well as ethics, practice management, business skills and professional skills delivered as:

1. Fifty-one live events delivered as conferences, webinars, lectures and courses.
2. Seventeen bespoke in-house presentations to legal organisations.
3. Five self-paced Introductory courses through the Learning Management System.
4. Various on-demand video recordings.
5. Seven Practice Management Courses (PMC) to ensure those Solicitors who wish to apply for a principal practising certificate possess the necessary skills and knowledge to be held out to the public as a principal. The Society ran seven PMCs in 2022, two for the medium to large practice focus stream and five for the sole practitioner to small practice focus stream.
6. Four course areas in the Specialist Accreditation Scheme offering the opportunity to be recognised as a leading solicitor in Family, Criminal, Personal Injuries, Business or Workplace Relations (conducted with LIV) law.

The following table sets out key CPD Education data for the year:

Activity	Total number
Total CPD hours	34,847*
Speakers/Presenters	462**
Event attendees (in person and online)	5,585**
Bespoke presentation attendees	349

**Includes event and bespoke attendance, and on demand content sold*

***Represents total number of event attendances/speakers, not unique individual attendees/speakers*

In addition to the above, the following table sets out key Professional Advancement Course data for the year:

Activity	Total number
Practice Management Course attendees	229
Specialist Accreditation graduates	10

2022-23 Key Achievements

1. Symposium 2023

This year saw a return for the first time since 2020, of Symposium, the leading legal education conference in Queensland, in a fully face to face format. Details of the conference structure and attendance include:

- Six in-person tracks, 34 sessions (including plenaries) and a package of three pre-recorded videos focusing on core skills. Sessions covered various areas of practice including criminal, personal injury, succession, family, commercial and property law, and were pitched at a range of experience levels from Early Career Lawyers to advanced practitioners.
- Over 500 delegates attended.
- 101 experienced presenters and chairs involved.
- Plenary sessions:
 - CJ address: The Honourable Chief Justice Helen Bowskill, Chief Justice of Queensland.
 - Keynote: His Honour Judge Orazio Rinaudo AM, District Court of Queensland (as he was at the time).
 - Afternoon plenary “The Breakthrough Lawyer”: Nick Abrahams, Global Co-leader, Digital Transformation Practice, Norton Rose Fulbright Australia.
 - Closing address: Honourable Justice Debra Mullins AO, President of the Court of Appeal, Supreme Court of Queensland.

2. Prevention of sexual harassment training workshops

QLS continued its commitment to addressing the issue of sexual harassment, bullying and discrimination in the legal profession. In response to recent amendments to the *Sex Discrimination Act 1984* (Cth) and Work Safe Code of Practice (Qld) requiring employers to take steps to eliminate workplace sexual harassment and manage psychosocial hazards, QLS offered an easily accessible series of one-hour sexual harassment prevention workshops involving:

- Bespoke presentations for firms/organisation – face-to-face, hybrid and webinars
- Livestreamed webinars (open for general registration)
- Face-to-face workshops at Law Society House, Brisbane
- Regional face to face workshops: Gold Coast, Sunshine Coast and Cairns.

There was a strong uptake of the workshops with over 550 attendees at 26 workshops, with 17 bespoke sessions delivered specifically to firms and legal organisations, and nine workshops provided by way of livestream or face-to-face in various locations.

3. Roadshow for mandating of eConveyancing

Titles Queensland officially announced electronic conveyancing would be mandatory in Queensland from Monday 20 February 2023.

This was a significant change affecting a large proportion of the profession and resulted in changes to long-established conveyancing practices.

In response QLS developed an intensive education program to ensure the profession was prepared for the hard deadline. During the first two weeks of February a total of 5 workshops were delivered online and in-person to property practitioners throughout the state. These workshops reached 1,512 attendees, equipping them with the knowledge to smoothly transition to the new eConveyancing systems.

4. Mental health and wellbeing

Please see mental health and wellbeing section on p. 63 for further information

Practice Management Course

Solicitors who aspire to be principals in Queensland must successfully complete the Practice Management Course (PMC).

QLS's PMC is the premium pathway to achieving a principal practising certificate and prepares practitioners to be successful practice managers.

QLS's PMC is divided into two practice focus streams (sole practitioner to small practice focus and the medium to large practice focus) with course work delivered by experts in the areas of practice management, legal ethics, management systems and trust accounting.

A total of seven PMCs were delivered in the 2022-23 financial year, with a combined total of 139 graduates. This comprised 105 sole to small course graduates and 34 medium to large course graduates.

Practice Management Committee 2022-23

- Mr Gregory Spinda (Chair)
- Natasha Hood (Deputy Chair)
- Midja Fisher
- Ms Karen Short
- Dr Caroline Hart
- Samantha Bolton
- Fiona Yeang
- Jenni Spencer
- Sarah-Jane MacDonald

Specialist Accreditation

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

The stringent requirements of our Specialist Accreditation programs ensures that the accreditation is meaningful and a reliable marker of expertise. The title of Accredited Specialist remains the benchmark for excellence in the individual areas of accreditation.

Specialist Accreditation Board 2022-23

- Peter Jolly (Chair)
- Kathy Atkins (Deputy Chair)
- Allison Caputo, Council representative (resigned in January 2023)
- Glen Cranny, Ordinary Member
- Neil Henderson, Ordinary Member
- Michael Klatt, Ordinary Member

- Dan Bottrell, Ordinary Member
- Fiona Fitzpatrick, Academic Member
- Stephen Colbran, Academic Member
- Brady Cockburn, Ordinary Member
- Nick Dore, Ordinary Member

This year, there were ten graduates from the courses held in the following area of practices:

- Business law (1)
- Personal Injuries law (1)
- Criminal law (6)
- Workplace relations (in association with Law Institute of Victoria) (2)

CONNECT

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

Celebrating 150 years

In 2023 Queensland Law Society celebrates the 150th anniversary of the founding of Queensland's first law society.

Established at a meeting of 15 solicitors at the Supreme Court in 1873, the Society was formed out of a sincere desire on the part of solicitors to protect the public from those within their ranks who were guilty of dishonourable conduct, and to safeguard the reputation of the profession from those who would bring it into disrepute.

Its founding vision was to be a force for good – to advise the legislature on amendments to law, to disseminate legal knowledge, and to set a standard of honour and integrity within the profession.

Since then, QLS has supported the legal profession through the sometimes turbulent events of the twentieth century, to the rapidly changing social, political and technological environment of today. Our achievements over the past 150 years have shaped almost every aspect of the practice of law in Queensland.

While the profession has grown and changed immeasurably over the past 150 years, this purpose – Good Law – Good Lawyers – Public Good – remains unchanged.

We are proud to provide a voice for the majority of Queensland's solicitors and provide leadership, guidance and support to our network of 12,328[#] members across the state.

Here for our members

This year QLS has once again delivered its annual program of leading education conferences, seminars and workshops to practitioners throughout the state. Ensuring members in regional areas have access to quality professional development and opportunities to connect as members of the profession continues to be a priority for QLS.

From July – December 2022, we recognised longstanding members and QLS volunteers at our Celebrate, Recognise and Socialise regional events hosted in regional centers including Cairns, Townsville, Mackay, Sunshine Coast, Gold Coast and Toowoomba.

We have taken important workshops, such as the QLS and PEXA eConveyancing Mandate and our highly successful Sexual Harassment: Changing Workplace Culture on the road to regional areas to educate practitioners in those areas about critical legislative changes.

QLS is also cognisant of the need to support early career lawyers by providing them with practical resources and education and by creating opportunities for this cohort to connect. Working with the Future Leaders Committee again this year, we have incorporated their needs into our educational programming and launched new social initiatives such as the Young Lawyers Ball.

This year, QLS has continued to celebrate and promote diversity in the profession across its many intersections. Increasing the number of First Nations students and practitioners within the profession and ensuring they are supported remains a priority for QLS and our efforts to progress our reconciliation journey is documented in our First Nations Cultural Outreach Strategy 2020-25 and the annual First Nations Plan 2022-23. We have also supported the work the Diverse Abilities Network has done this year to increase awareness and understanding of diverse abilities within the legal profession and continued supporting organisations such as Pride in Law that champion the rights of the LGBTQIA+ community within the profession.

[#]Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2023

It is with great pride we advocate on behalf of Queensland's 14,917[#] solicitors. This year over 350 volunteer committee members who form our 29 standing policy and three membership committees gave up their time, effort and expertise to ensure the views of the profession are represented in government and the community.

Equally, our QLS Ethics and Practice Centre team strive to provide the profession with expert guidance on ethical issues and practice support. These efforts go a long way toward achieving our vision of Good Law, Good Lawyers and Public Good.

Acknowledging our members and celebrating their contributions to the profession is central to our vision. This report outlines the many different ways we appreciate and value our members which includes our QLS Awards program. We also acknowledge our long-standing members through Honorary QLS Membership and 25-year and 50-year member pins.

Congratulations to the following individuals awarded Honorary QLS Membership during the 2022-23 year (Admission date order):

David Phipps	Keith Bow
Robert Lehn	Donald Boyd
Dennis Boucher	Peter Challen
Michael Kyle OAM	Raoul Giudes
Paul Sayer	Dr John de Groot
Brian Bartley	Michael Klug

[#]Membership and practising certificate figures circulated through Dynamics software based on available data as at 30 June 2023

Congratulations to the following individuals who were awarded 50-year and 25-year Member Pins during the 2022-23 year (Admission date order):

50-year pin

Jim Creagh
David Grace OAM
Joseph Mackay
Iain Marshall
Virgil Power
Garry Cockerill
Vincent Hefferan
Christopher Toogood
Geoffrey Hyland
Robert Lehn
Dennis Boucher
Michael Kyle OAM
Paul Sayer

25-year pin

Lesleigh Mayes
Mary-Anne Ole
Margaret Redmond
John Henderson
Michael Dean
Michael Behm
Robyn Wilkinson
Martin McEniery
Russell Sparke
John Sneddon
Craig Chapman
Kylie Warlow
Michelle Hogan
Alfio Borzi
Maree Clark
Lachlan Trafford-Walker
John Hunter
Mark Ruddy
Nandakumar Gulhane
Scott Standen
Richard Butler
Michelle Denning
Majella Pollard
Scott Thompson
Julie Brown
Matthew Baker
Kyle Terrance
Ravendra Narayan
Paul Agnew
Chok Chan
David Eaton
Mark Edwards
Warren Jiear
Malcolm McBratney
Matthew Murphy
Gregory Robson
Gavin Scott
Andrew Shute
Bradley Skinner
Fiona Franke

Ceri McDonald
Seanna Strong
Damien Van Brunschot
Alison Fleming
Andrew Taylor
Susan Andersen
Brady Cockburn
Deanne Drummond
Celia Farrell
Anthony Freese
Andrew Johnston
Stuart Bell
Michael Keir
Deborah Awyzio
David Buckley
Anthony Collins
Faran Gouldson
David Love
David Power
Nicholas Smith
Michelle Pennicott
Daniel Beikoff
Matthew Bolland
Robert Bosiljevac
Craig Bowie
Matthew Buchanan
Hedy Cray
Amanda Dodds
Darren Firth
Leanne Matthewson
Samantha McNee
Margaret Miller
Martin Osborne
Roderick O'Sullivan
Tracey Rundle
Fiona Sennett
Gregg Sivyer
Martin Treston
Aaron Webb
Jonathon Webber
Jon Wiedman
Mark Budd
Keta Roseby
Bradley Krebs
Fiona Browne
Benjamin Cohen
Mark Curran
Kendall Hawdon
Mark Madsen
Andrew McKenzie
Mark Mellick
Ronald Plass
Leslie Power
Tien Nguyen
Timothy Hancock
Justin Beirne
Michael Coman
Aaron Lovell
Jason McAulay
Jennifer Wickman
Michelle King
Robert Tidbury
Kate Holmes
Leonard McKeering
Tracy Pickett
James Tealby
Stephen Lo
Paul Coves
Donna Borthwick
Adair Donaldson
Tia Cox
Hay Ho

LawCare

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

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 2022-23 financial year, approximately 402 members, their staff or immediate family accessed LawCare, which is a small increase from the previous financial year.

The top five personal issues reported to LawCare:

- Ongoing Stress
- Anxiety
- Relationships
- Other Mental Health Conditions
- Parenting and children

The top five work issues reported to LawCare:

- Worklife balance
- Workload/Time Pressure
- Client related incident
- Emotional residence
- Managing mental health issues

The public good: our corporate citizenship

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

Organisation	QLS contribution	Benefit
District Law Associations throughout Queensland	Financial and in-kind support across various events and initiatives, both Brisbane and regionally-based	Additional support of Queensland practitioners
LawRight	In-kind support and fundraising for the 2023 Queensland Legal Walk	Support for LawRight's mission to improve the lives of vulnerable people by increasing access to justice through strategic partnerships with pro bono lawyers
Minds Count (formerly Tristan Jepson Memorial Foundation)	Financial and in-kind support	Supporting the mental health of Queensland legal practitioners
Pride in Law	Financial and in-kind support	Encourages diversity and inclusion in the profession

Organisation	QLS contribution	Benefit
The Legal Forecast and TLF Creative initiative	Financial and in-kind support	Supporting lawyers at an early stage of their careers and encouraging lawyers' creativity
Various charities	Financial support on behalf of our speakers and presenters in lieu of payment	Support of a range of community-based not-for-profit organisations
Various not-for-profit Organisations	Use of Law Society House for no cost or significantly reduced fees	Approximately \$9,833 of foregone revenue contributed to a range of not-for-profit organisations
Women's Legal Service	Financial and in-kind support	Supporting free legal services for women in Queensland
Women's Law Association Queensland	In-kind support	Supporting the success and leadership of women in the legal profession

Our publications

QLS publications ensures our members have ready access to legal news and information that is relevant to their practice and to their business.

QLS Update

Valued by members, QLS Update is our weekly communication to the membership. Providing profession news and information, QLS events, ethical guidance and legal policy news that is relevant and up to date, it is a key member benefit.

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%).

QLS Proctor

QLS Proctor provides members and practitioners with legal news and views to keep them informed of all aspects of law and legal practice.

The mix of legal news, opinion, legislation updates along with practice support articles is unrivalled in Queensland and firmly cements QLS Proctor as the place to go for the latest information on the legal profession.

QLS Proctor continues to improve its reach each year. In 2022-23, it had 297,371 users, which is an increase from 2021-22 of 18%.

To help drive traffic to QLS Proctor, This Week In Proctor – an email newsletter promoting the best articles of the week – is distributed to our membership. This Week in Proctor continues to have above average open and click rates.

Recognising and celebrating our members

The QLS Awards program is an important part of our overall recognition program.

Shining a light on the exemplary efforts of Queensland's legal professionals, the QLS Excellence in Law Awards is the pinnacle of our recognition program.

Our awards highlight our members' contribution and commitment to and leadership within the profession. It is a recognition also of the impact their activities have on the profession and the wider community.

Winner are announced at various profession celebrations throughout the year, including the Legal Profession Dinner, Legal Profession Breakfast, QLS Excellence in Law Awards Gala and the Accredited Specialist Christmas Breakfast.

The award winners for 2022-23 were:

President's Medal

Stephen Page
Page Provan

Access to Justice

Bill Mitchell OAM
Townsville Community Law

Agnes McWhinney Award

Clarissa Rayward
Brisbane Family Law Centre/
Happy Lawyer Happy Life

Emerging Leader

Tilé Imo
Caxton Legal Centre

First Nations Solicitor of the Year

Nikita Sellin
Junkurilaka Justice Group Mornington Island
and Atherton Tablelands Law

First Nations Student

Cameron Downey
Queensland University of Technology

In-House Counsel of the Year

Claudia Cameron
CS Energy

Outstanding Accredited Specialist

Catherine Cheek
Kennedy Spanner

Queensland Solicitor of the Year (Sole Practitioner)

Rebekah O'Sullivan
Tribeth Group

Queensland Solicitor of the Year (Small Firm)

Kathleen Simpson
DV Lawyer

Queensland Solicitor of the Year (Large Firm)

Brian Herd
Hopgood Ganim Lawyers

Regional Practitioner of the Year

Ben Gouldson
Clifford Gouldson Lawyers

Workplace Culture and Health Award – Individual

Tracey De Simone
Office of the Child and Family Official Solicitor

Workplace Culture and Health Award – Organisation

Carter Newell

Our diverse and inclusive profession

Queensland Law Society (QLS) is committed to promoting the principles and practice of diversity and inclusion in the Queensland legal profession.

To champion this important work, the QLS Diverse Abilities Network has continued to support, educate and strengthen the legal profession by breaking down the barriers to disability inclusion and encouraging disability confidence, throughout the membership of the QLS.

The network is comprised of Diverse Abilities advocates from within the profession and is facilitated by QLS. They provide advice and assistance to QLS on diversity and inclusivity as well as championing QLS's goals of leading the profession in this area. In December 2022, the network hosted an online forum exploring the role of policy and legislation in making air travel and public transport in general more accessible.

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 (FY23) is the third 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 third year of the plan which shows approximately 117 First Nations practitioners³, up 3.25% from 36 First Nations practitioners reported in 2018.⁴

During the financial year we achieved the following under our five key objectives:

Education

- Completed and published the Cultural Competency Course with 11 registrations so far.
- Reached out to First Nations legal stakeholders to work together to increase the number of First Nations solicitors.
- Rolled out Cultural On-boarding to DLA Presidents and QLS staff.
- Rolled out Cultural Competency training over two days for QLS with 60 staff in attendance.

Advocacy

- Undertook ten submissions in First Nations matters and six governmental/departamental stakeholder consultations.
- Published and raised awareness on Indigenous Voice to Parliament and Aboriginal Deaths in custody.

Connect

- Profiled four First Nations solicitors, barristers and legal students in QLS Proctor, raising awareness of their work and journeys throughout the law.
- Held the 5th annual First Nations Solicitor and Legal Student of the Year Awards (2023) to increased number of applicants for student nominations.

3 2022 Profile of the Profession – <https://www.lawsociety.com.au/sites/default/files/2023-05/2022%20National%20Profile%20of%20Solicitors%20-%20Final.pdf> accessed 17 August 2023

4 2018 Profile of the Profession – https://www.lawsociety.com.au/sites/default/files/2019-07/2018%20National%20Profile%20of%20Solicitors_final%20report_190619.pdf accessed 17 August 2023

Support

- Celebrated Indigenous Business Month, encouraging staff to share and raise awareness of First Nations businesses, whilst simultaneously engaging in First Nations procurement.
- Raised \$756 for QLS's nominated charity – Indigenous Literacy Foundation.

Imbed

- Promoted cultural inclusion and awareness through a dedicated First Nations page on the QLS website, providing resources and articles to lawyers and the wider community.
- Published the annual cultural calendar to encourage lawyers and the wider community to celebrate and be a part of important cultural events.
- Maintained two external First Nations committees to oversee our Cultural Outreach Strategy and to be involved with First Nations legal advocacy as well as an internal QLS committee to support the roll out of the Strategy.

Internal staff contribution to COS

Throughout the year, QLS staff participated in a number of cultural events including Indigenous Business Month in October 2022, the inaugural Deadly voices choir in May 2023 with Caxton Legal Centre and in 2023 QLS collaborated with Carter Newell to celebrate 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 2023

Our primary focus is to continue to increase the number of First Nations Peoples practitioners in Queensland by 2025 and we have continued to engage with First Nations Legal Stakeholders to come together in this ambitious aim. This financial year has seen a wide collaboration with a number of stakeholders in celebrating cultural events and raising awareness of important cultural matters. The Society values these relationships and collaborations and will continue strengthening these connections into the next financial year.

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 Chair 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.

First Nations Annual Plan 2022-23 (QLS FNP)

Strategic Goal	Initiative	Status	1 July 2022 to 30 June 2023
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	Deadly	<p>1.1.1 ACHIEVED – There have been 10 submissions/public hearings on First Nations matters:</p> <ul style="list-style-type: none"> • Path to Treaty Bill 2023 • Reshaping Queensland's cultural heritage laws • Standalone Legislation for Indigenous Knowledge: Interim Scoping Study Consultations • Supplementary Submission: Path to Treaty Bill 2023 • Review of sunset instruments under the <i>Native Title Act 1992</i> (Cth) • Safeguarding • Youth Justice and Child Wellbeing • Welcome to Portfolio to the Hon Di Farmer MP
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	Proper deadly	<p>2.1.1 ACHIEVED – There has been six submissions on governmental/departamental stakeholder consultations:</p> <ul style="list-style-type: none"> • Queensland Aboriginal and Torres Strait Islander (ATSILS) – Closing the Gap framework – 19 Aug 22 • Attendance at Aboriginal and Torres Strait Islander Legal Assistance Forum – 31 Aug 22 • Stakeholder presentation with Thomas Mayo regarding the Voice and referendum • QLS appeared at the public hearing for the inquiry into the Path to Treaty Bill 2023 – 27 Mar 23 • Response from DJAG in relation to the <i>Security Providers Act 1993</i> • Proactive submission for ATSILS funding and sent to ATSILS CEO
Educate Goal	3. Roll out a cultural education syllabus (Cultural Competency) for the Queensland Legal Profession	On the way to deadly	<p>3.1.1 IN PROGRESS & CONTINUING – The Cultural Competency Course launched in Q3. Have received interest from the Law Institute of Victoria, the Victorian Bar, through FNCC Chair as well as from a police office at the Logan ICPCG meeting and Carter Newell. The Cultural Competency Course has had 11 registrations so far</p> <p>3.2.1 IN PROGRESS & CONTINUING – Participants who have completed the course are eligible to receive an inhouse Certification of Confirmation and Completion.</p>
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	On the way to deadly	<p>4.1.1 IN PROGRESS & CONTINUING – Mabel Park students attended NRW and IHM at Carter Newell where we engaged and encouraged careers in the law and support of Mob and Elders. Planning has been in progress for Lawlink at JCU and plans are in place for next financial year to engage with First Nations boarders at Clayfield College</p> <p>4.1.2 IN PROGRESS & CONTINUING – CEO held sessions with Law Deans on First Nations legal student engagement in November 2022 with the view to circulating a survey to Law Deans on First Nations matters as well as the Steering Committee which is comprised of Elders, ILAQ, ATSILs, LAQ, the Bar and Caxton</p>

Strategic Goal	Initiative	Status	1 July 2022 to 30 June 2023
Educate Goal	5. Supporting and advancing the District Law Associations in Cultural Competency	On the way to deadly	5.1.1 IN PROGRESS & CONTINUING – Cultural Pack provided to QLD Presidents in March 2023. Eleven DLAs have participated in the online onboarding with five who have completed the session
			5.2.1 IN PROGRESS & CONTINUING – Throughout the financial year there has been consultation with Anglican schools however the coordination of a large number of stakeholders has been challenging. The important component has been keeping connection and engagement with the Anglican schools and QLS continues to keep the connection strong into the next financial year and focus on one area of engagement rather than all DLAs and schools throughout Queensland
Educate Goal	6. Working with the Bar and the Judiciary in growing and advancing Cultural Competency	On the way to deadly	6.1.1 IN PROGRESS & CONTINUING – An initiative was explored to hold a First Nations Workshop prior to the Awards Gala 2023. Following the initial pitch, the initiative was not progressed due to work capacity and budget constraints. QLS will continue to have First Nations sessions to ensure representation at key events.
Connect Goal	7. Promote, and connect with and raise the profile of First Nations solicitors and First Nations legal students	Proper deadly	7.1.1 ACHIEVED – There were 11 First Nations presenters at events throughout the year including Symposium and at the Access to Justice Conference
			7.2.1 ACHIEVED – There were ten articles posted profiling First Nations solicitors, legal students and community issues
Connect Goal	8. Recognise First Nations Solicitors and First Nations Legal Students through annual Awards	Deadly	8.1.1 ACHIEVED – First Nations Solicitors and Legal Students Awards held August 2022 8.2.1 ACHIEVED – Nominations for the student category increased to six nominations while solicitor nominations declined slightly in 2023 to two nominations. 8.2.2 ACHIEVED – Throughout the financial year this item has been discussed by the FNCC in February 2023 with the focus to be involved with charities and projects that support First Nations high school students and Legal Students
Support Goal	9. Connect, promote and highlight First Nations Businesses	Deadly	9.1.1 ACHIEVED – IBM celebrated through Proctor October 2022
Support Goal	10. Investigate a trust or fundraising initiative to support First Nations Legal Students, Solicitors and Community	Deadly	10.1.1 ACHIEVED – Held joint event for NRW and IHM Event hosted by Carter Newell Lawyers with guest speaker and Elder Aunty Sarah Addo.
			10.2.1 ACHIEVED – Consultation and discussion with the FNCC regarding charities and fundraising to support First Nations legal students.
Support Goal	11. Connect, support and promote a First Nations Charity on an annual basis	On the way to deadly	11.1.1 COMPLETED – Throughout the financial year, QLS held two fundraisers, the first QLS Christmas raffle and the second, a joint initiative with Carter Newell to raise funds for the Indigenous Literacy Foundation. QLS staff (and matching by QLS) raised \$756 and with Carter Newell raised \$106. As a result of QLS's efforts ILF reached out to QLS and provided a personal acknowledgment and Thank You Certificate. This is the first time QLS has raised held multiple fundraisers throughout the financial year and the first joint fundraiser. Although QLS has been short in reaching \$900 in donations, overall it has been very rewarding and very collaborative.

Strategic Goal	Initiative	Status	1 July 2022 to 30 June 2023
Imbed Goal	12. Provide cultural competency training annually for internal staff and a Cultural Outreach on boarding induction for new staff	On the way to deadly	<p>12.1.1 ACHIEVED – QLS Indigenous staff wonderfully rolled out of Cultural Competency training over two days with 60 staff in attendance. Staff engaged in dialogue and cultural activities in a number of areas.</p> <p>12.1.2 COMPLETED – QLS is transitioning to a new software for staff education and provided Cultural LMS to new staff. There were 45 new starters and approximately 22 employees have commenced the Cultural 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 ACHIEVED – Continuing engagement with Auntie Sarah Addo, Uncle Terry Stedman and Auntie Margaret Hornagold and their support and engagement of QLS events and catch ups have been instrumental to strengthening cultural immersion and engagement and have deepened understanding and promoted further discussion and dialogue.</p> <p>13.2.1 ACHIEVED – QLS has held a yarning commemoration of the anniversary of the Apology to the Stolen Generations, held with Carter Newell, Indigenous History Month and NRW and with Caxton, through Uncle Terry Stedman, organised the first Deadly Voices choir, singing From Little Things Big Things grow. The knowledge gained from these events, storytelling and yarning were so important and influential and enjoyed by all.</p> <p>13.3.1 ACHIEVED – Articles published on Proctor (NAIDOC, UNDRIP, Love v Cth, Carter Newell FN Champions, Pascoe & Larsen, An Indigenous Voice to Parliament) as well as on Yammer and Social</p>
Imbed Goal	14. Imbed cultural key dates within the organisation annually	Proper Deadly	<p>14.1.1 ACHIEVED – We have recognised events and updated themes for NAIDOC – For Our Elders, NRW – Be a voice for Generations, Annual Bedtime Stories Week (Nov) on our Cultural Calendar for 2023</p> <p>14.2.1 ACHIEVED – The calendar has been published on QLS Update, Proctor and the QLS website</p>
Imbed Goal	15. Imbed long term operational structures for cultural safety and unconscious bias prejudices	Deadly	<p>15.1.1 ACHIEVED – Completed and approved by Council in April 2023</p> <p>15.2.1 ACHIEVED – The First Nations Consulting Committee (FNCC) met five times and provides regular support and recommendations to the COS and First Nations Plan initiatives</p> <p>15.3.1 ACHIEVED – The Cultural Champions and Stakeholders Committee (CCS) has met 6 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.

District Law Associations

QLS works with District Law Associations throughout the state to ensure our regional lawyers have access to information, training, professional development opportunities and connection. There are 17 District Law Associations in Queensland and our partnership with them help us to connect and deliver services to our regional and remote cohort.

The DLA Presidents workshop is held annually in March, and provides an important opportunity for Presidents to meet with the QLS President and CEO to discuss how we can continue our outreach to our regional solicitors and how we can best support regional Queensland. QLS also holds quarterly briefings with our CEO and President, providing an opportunity for QLS to connect DLAs with key stakeholders and leaders in the legal profession as well as opportunity to raise issues relevant to their particular region.

The future of the profession – our future leaders

In 2022-23, we have continued our focus on our future leaders – lawyers with zero to five years of post-admission experience and lawyers aged under 36. This segment of our membership will continue to grow and as such, the importance of delivering relevant targeted services and resources is crucial to build knowledge and skills and professional confidence.

QLS has ensured the voice of this segment of our membership is heard through our Future Leaders Committee.

In February 2023, six new Future Leaders Committee (FLC) members were democratically elected to replace members completing their term. The main duties and responsibilities of the FLC are to:

- prepare and submit to Council and annually review the Future Leaders Committee's two year Strategic Plan.
- provide advice and recommendations to Council regarding Queensland Law Society Strategic Planning with a particular focus on Future Leader Members.
- provide advice and recommendations to Council regarding matters affecting Future Leader Members
- research and consult on programs of interest and value to Future Leader Members and the community and produce newsletters or articles for Future Leader Members.
- develop and extend areas of mutual interest between the Committee and other related organisations, district law associations, and stakeholders across all parts of Queensland.
- further the vision, purpose and objectives of Queensland solicitors generally, with a focus on Future Leader Members in Queensland.

The FLC Committee 2022-23:

- Georgia Athanasellis
- Minnie Hannaford
- Stafford Mortensen
- Michael Murray
- Sarah Plasto
- Simon Playford
- Ella Thomas
- Kate Pidgeon *until 31/12/22*
- Rebecca Murray *until 31/12/22*
- Zoe Navarro *until 31/12/22*
- Matthew Hollings *until 31/1/2023*
- Ashleigh Fanning *from 1/02/2023*
- Jonathan Nyst *from 1/02/2023*
- Georgina Peereboom *from 1/02/2023*

The FLC Committee has consulted on the development of several 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.

Queensland law students

QLS recognises that the future lawyers of Queensland demand more from their membership organisation. Our future lawyers value convenience, quality and collaboration.

In 2022-23, QLS again collaborated with 19 mid to top-tier law firms and the eight law schools to institute transparency and consistency in the Queensland legal recruitment cycle with the QLS Seasonal Clerkship and Graduate Recruitment Guidelines.

- Fifteen firms participated in the seasonal clerkship program
- Fifteen firms participated in the graduate program

The guidelines offer both firms and students the opportunity to simultaneously make and consider offers, ensuring students can make informed decisions.

Legal Careers Expo

The Legal Careers Expo (LCE) has been the flagship event for law students. It has a reputation among some national firms as the preferred avenue for student recruitment.

In 2023, LCE was held at Lightspace, Fortitude Valley in May with more than 170 law students attending.

The journey from law student to lawyer is a profound and impactful experience within a prospective member's career journey and it is important QLS is not only present, but a partner in this critical transition.

By opening doors, creating connections and introducing opportunities, QLS is well-positioned to support law students in their early career journey. Importantly, this growing cohort will form our future membership base.

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, their skills and commitments contribute to a leading professional society, valued by our members.

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

Diversity and inclusion

QLS achieved recertification for the Workplace Gender Equality Agency (WGEA) 2022-2024 Employer of Choice for Gender Equality (EOCGE) citation. The citation encourages, recognises and promotes active commitment to achieving gender equality in Australian workplaces. QLS is proud of our commitment to gender equality and our strategies to attract and retain the best possible talent. This is key to underpinning a culture that values equality, diversity, and inclusion of all employees.

The QLS Diversity and Inclusion Committee (D&I Committee) has continued to flourish this year and is working together to promote and achieve diversity and inclusion both within and outside the workplace. In the past year, the D&I Committee has run successful awareness and educational events, including International Women's Day and a month-long campaign to raise awareness and open communication for Mental Health Month.

The D&I Committee have over the course of the year provided employees with the opportunity to gain a deeper understanding through education and awareness around diversity and inclusion. QLS also continues to be a member of the Diversity Council of Australia and all employees have free access to the resources and events DCA provide. The People and Culture team support these initiatives. For example, we have a dedicated room for working parents to utilise as required to care for infants and we continue to be a Breastfeeding Friendly Accredited Workplace.

QLS continues to drive the First Nations cultural outreach initiatives. Further details about this can be found in this report.

QLS Charity and Volunteering Committee

The QLS Charity and Volunteering Committee continued to raise funds for worthy causes this financial year and participate in events. During the 2022-23 financial year the Committee raised approximately \$3,476 (including dollar matching by QLS). Several initiatives throughout the year included the Lung Foundation, RSPCA, Movember, YMCA School Breakfast Program and raising funds for Parkinson's research. The QLS Christmas raffle raised money for the Indigenous Literacy Foundation. The Committee also continued with chocolate fundraising which was the most successful of fundraisers and the money was donated to The Women's Legal Service. For the first time this year, the Committee arranged donations from QLS employees to the Share the Dignity drive with a total of 11 bags donated. The Committee is working hard to recruit new members and to plan for new initiatives for the next financial year.

Workplace wellbeing

We continued to build on our commitment to workplace wellbeing. As a result of the office refurbishment, we have updated the fit out of our Wellbeing Room which includes equipment and facilities for breastfeeding. We have actively engaged and encouraged employees to be involved in initiatives such as R U OK day, Queensland Legal Walk and Mental Health Month.

QLS employees have access to LawCare counselling services and are encouraged to seek help if they need it at any time. In FY23 QLS has delivered Mental Health First Aid training to internal employees and external members. This has been provided by a fully trained internal resource and extends the QLS' commitment to ensure all employees' mental health is supported, and conversations about mental health normalised.

Flexible working arrangements and support

QLS is committed to a diverse and inclusive culture that recognises the benefits of including flexibility into our working lives. QLS continues to support flexible working arrangements for employees including remote working, staggered hours and part-time opportunities. Our advanced systems and technologies mean we can pivot very quickly in response to the impact of environmental and societal events and to ensure the safety and wellbeing of our employees.

Talent attraction and retention

QLS is committed to attracting and retaining quality employees. Our remuneration policy and strategy is aimed at achieving internal parity for "like-for-like" roles, addressing gender inequity and working towards market parity. This strategy underpins our Employer of Choice for Gender Equality (EOCGE) citation. Our policy also supports the link between on-the-job performance and remuneration.

In addition to this, QLS has implemented a Retention Action Plan. The plan identifies critical risk employees and addresses retention at an individual, team and organisational level.

We are realigning our internal employee performance review process to ensure a continual flow of regular feedback between managers and their teams. We have developed a fully integrated on-line on boarding program using our new human resources information system. We are also reviewing and redesigning our employee check-in surveys and exit interviews.

Policy and guideline reviews

Over the past year we continued to review human resource policies and guidelines to ensure they remain current and promote employee wellbeing, gender equality, diversity and inclusion. We updated our Workplace Wellbeing policy to include a proactive mental health day for all employees each quarter. Our leave policy has been updated to include an annual work from anywhere offering. This policy sets out the process for employees to combine remote working with annual leave giving them flexibility to meet personal needs while still maintaining work continuity. Our parental leave policy remains as a stand-alone policy with regular reviews to ensure we meet any updates to legislation.

QLS continues to recognise and support Human Rights and the principles they are based on including dignity, equality and mutual respect. We continue to embed consideration of the Human Rights Act in all administrative decision making and has stated its purpose in the Strategic Plan 2021-25 to respect, protect and promote human rights in our decision making actions. In addition to our Strategic Plan, there is access and reference to the Human Rights Act in our administrative decision making guidelines which includes guidance, commentary and an annexure checklist. Further, QLS's template Council submissions including a heading for the author to include commentary on Human Rights considerations, Administrative decision making is made in consultation and consideration of the Human Rights Act and is either reflected or referenced in written decisions. QLS has had no human rights complaints and one resolved public interest disclosure complaint during the financial year.

Staff learning and development

Throughout the year, we have made significant strides in enhancing our learning and development initiatives. A major accomplishment has been the successful implementation of a dedicated Learning Hub, serving as a comprehensive “one-stop shop” for our employees. This dynamic platform offers access to a wide range of internal and external training opportunities, along with a space for employees to share resources and offer suggestions.

One of the standout features of the Learning Hub is the ‘Focus Topic’ section. This rotating section shines a spotlight on timely and relevant subjects, both in the context of QLS’ operations and the broader world. It serves both reactively, providing guidance on recent organisational occurrences, and proactively, preparing for upcoming events such as performance reviews, renewals, and start-of-the-year planning.

We have provided our employees with a diverse range of learning and development opportunities, catering to their specific needs and growth areas. Some of the highlights include:

- A custom-designed Feedback Workshop tailored exclusively for Managers, responding directly to the requests of mid- and senior-level managers, aligning with the current needs of QLS leaders.
- Mental Health First Aid training, demonstrating our ongoing commitment to being Gold Accredited with Mental Health First Aid Australia.
- First Aid training, ensuring our employees are equipped with essential life-saving skills.
- Custom HRIS training offered to all QLS employees, empowering them to efficiently navigate and utilise our new HRIS system.
- MS Excel upskilling sessions for the EI and Licencing Teams, enhancing their proficiency in this essential tool.
- Increasing our Contact Officer capacity through additional employees undertaking Contact Officer training.
- Targeted industry development seminars exclusively tailored for our in-house legal counsel team, providing them with specialised insights.
- Comprehensive onboarding sessions for all new starters, covering workplace health and safety, legal requirements, information management, and a structured new starter program.
- Vital workplace behaviour training sessions addressing bullying, sexual harassment, and discrimination, ensuring a safe and respectful work environment.
- Cultural awareness training, including the “Share our Pride” online course, offered to all new starters, fostering a culture of inclusivity and understanding.
- Study assistance opportunities, reflecting our commitment to supporting our employees’ educational pursuits.
- An annual refresher of our work health and safety compliance requirements, reinforcing our dedication to maintaining a safe workplace.
- Participation in external workshops and conferences, encouraging continuous professional growth.
- Continued support for individual learning and development in leadership, change management, innovation, and technical training opportunities, empowering our employees to thrive in their roles.

The previously mentioned Retention project also includes the development of individual employee action plans, a significant component of which includes development opportunities. Our individual training commitment was an average of \$545 per full-time equivalent (FTE) employee.

Opportunities for early career lawyers

In FY23, QLS was pleased to support career development for law students at various stages of their legal studies. QLS offered casual or part-time working opportunities in the Legal Policy and Ethics teams.

Welcomes and farewells

QLS welcomed 49 new employees this year, all of whom took part in a comprehensive on-boarding program which involved education on bullying, sexual harassment and discrimination, health and well-being to advance the principles and values under the Code of Conduct. Employee headcount at 30 June 2023 was 125 people with 116 FTE. The workforce demographics are made up of permanent full-time employees (65%); permanent part-time employees (22%); employees on fixed term contracts (10%); and employees on parental leave (3%).

QLS farewelled 36 employees over the same timeframe and our turnover rate at 30 June 2023 was 29% for the financial year and is 18% for this calendar year to date. The financial year attrition has decreased by 11% from FY22. The execution of the QLS Retention Risk Strategy has had an impact on attrition.

Gender composition

The gender composition of the QLS workforce at 30 June 2023 was 70% female and 30% male.

Outlook for 2023-24

Key people initiatives for 2023-24 include the finalisation of the implementation of all modules in the Human Resources Information System (HRIS). Focus will continue on the Retention Risk Strategy. We plan to enhance our internal employee performance review process to ensure a continual flow of regular feedback between managers and their teams. We will take advantage of our new onboarding platform and the data we can analyse as a result of reshaping the questions in our regular check-ins for new employees. We will continue to support our wellbeing initiatives such as Mental Health First Aid and access to counselling services through our LawCare provider.

The People and Culture team will continue working on strategic initiatives that support an engaged, high performing and productive team. In the first quarter of 2023-24, employees have responded to a diversity and inclusion survey which will potentially lead to Queensland Law Society receiving The Diversity Council of Australia Inclusive Employer Index accreditation. As a result of this work we will have access to our own statistics and benchmarking data that will assist us to inform policy around diversity and inclusion, learning and development, employee benefits and other programs. Following this we will undertake work on Psychosocial hazards in the workplace to ensure Queensland Law Society is meeting its obligations as an employer. This will include awareness training, an employee information gathering survey, a risk assessment and audit and the implementation of resulting controls.

In addition, the People and Culture team are working on a cultural and technical review of the internal performance review process and the completion of the implementation of the Human Resources information System which includes modules on performance, recruitment and learning and development.

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 2022-23 which included bookings for member, internal and corporate functions dropped to 2,354 from 7,758 the previous year. This reduction was due to the Refurbishment Project commencing on October 2022. The number of people that were hosted on Level 2 during 2022-23 was 15,846.

From October until end of April 2023, bookable rooms were being utilised to accommodate staff displaced from those floors undergoing refurbishment.

There was a rate increase for room hire as of 1 July 2022. This increase maintained total revenue for room hire achieving \$167,230 at 30 June 2023.

This increased revenue by approximately \$11,039 on 2021-22 results, despite service disruptions and fewer bookings.

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, oversees the QLS's reach in mainstream media through public comment, speeches and media releases and includes the office of the secretariat which oversees the governance of QLS, including risk management, insurance and implementation of QLS's 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

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

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

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

Catherine Ellemor

People and Culture Manager

BSc, ATCL

Catherine joined Queensland Law Society as People and Culture Manager 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 include performance management and coaching, reward and recognition, recruitment and selection and organisational development. As a human resources business partner 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.

Megan O'Brien

General Manager, Information Management

BSocSc LLB GradCertProfLegalPrac GradDipDInfoM

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

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. She has a strong track record in implementing digital solutions and building relationships with stakeholders, to provide quality learning outcomes.

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.

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. In particular, we are grateful for the dedicated efforts of the Chairs and Deputy Chairs who are central to coordinating research and submissions, and engaging with priority stakeholders.

Committees, Chairs and Deputy Chairs

Committee	Chair and Deputy chair
Access to Justice / Pro bono Law Committee	Chair: Elizabeth Shearer Deputy Chair: Stephen Herd
Accident Compensation / Tort Law Committee	Chair: Michael Garbett Deputy Chair: Luke Murphy
Banking and Financial Services Law Committee	Chair: Michael Anastas Deputy Chair: Karla Fraser
Children's Law Committee	Chair: Damian Bartholomew Deputy Chair: Danielle Iliffe
Committee of Management	Chair: Genevieve Dee Deputy Chair: Michele Davis
Competition and Consumer Law Committee	Chair: Kathryn Finlayson Deputy Chair: Tanja Mitic
Construction and Infrastructure Law Committee	Chair: Samantha Cohen Deputy Chair: Nathan Chalmers
Corporations Law Committee	Chair: Derek Pocock

Committee	Chair and Deputy chair
CPD Committee	Chair: Rachael Miller
Criminal Law Committee	Chair: Dominic Brunello Deputy Chair: Patrick Quinn
Dispute Resolution Committee	Chair: Paul Coves Deputy Chair: Julie Ruffin
Domestic and Family Violence Committee	Chair: Tracey De Simone Deputy Chair: Rachael Field
Elder Law Committee	Chair: Rebecca Anderson Deputy Chair: Madeline Walsh
Energy and Resources Law Committee	Chair: Melanie Findlay
Equity and Diversity Committee	Chair: Ann-Maree David
Ethics Committee	Chair: Joe Siracusa Deputy Chair: Petrina Macpherson
Family Law Committee	Chair: Kathy Atkins Deputy Chair: Margie Kruger
Executive Committee	Chair: President Chloé Kopilović
First Nations Consulting Committee	Chair: Uncle Terry Stedman Deputy Chair: Magistrate Jacqui Payne
First Nations Legal Policy Committee	Co-Chairs: Lyndell O'Connor and Kristen Hodge
Franchising Law Committee	Chair: Derek Sutherland Deputy Chair: Simone Pentis
Finance and Risk Committee	Chair: Tim Cronin
Future Leaders Committee	President: Sarah Plasto Deputy President: Michael Murray
Governance Committee	Chair: Michele Davis
Government Lawyers Committee	Chair: Jill Petrie Deputy Chair: Natasha Camphorst
Health and Disability Law Committee	Chair: Karen Williams Deputy Chair: Claire Bassingthwaite
Human Rights and Public Law Committee	Chair: Emma Phillips
Industrial Law Committee	Chair: Giri Sivaraman Deputy Chair: Marcelle Webster
In-House Counsel Committee	Chair: Philip Ware Deputy Chair: Eve Fraser

Committee	Chair and Deputy chair
Innovation Committee	Chair: Terri Mottershead Deputy Chair: Kim Traier
Insolvency and Reconstruction Law Committee	Chair: Scott Butler
Litigation Rules Committee	Chair: Andrew Shute Deputy Chair: John Hayward
Migration Law Committee	Chair: Taya Hunt Deputy Chair: Victoria Lenton
Not-For-Profit Law Committee	Chair: Paul Paxton-Hall Deputy Chair: Sonya Beyers
Occupational Discipline Law Committee	Chair: Calvin Gnech Deputy Chair: Andrew Forbes
Planning and Environment Law Committee	Chair: Michael Connor
Practice Management Course Committee	Chair: Greg Spinda Deputy Chair: Natasha Hood
Privacy and Data Law Committee	Chair: Anna Sharpe Deputy Chair: Ben Thorn
Professional Conduct Committee	Chair: Michael Gapes
Property and Development Law Committee	Chair: Matthew Raven Deputy Chair: Kim Teague
Revenue Law Committee	Chair: Duncan Bedford Deputy Chair: David Stitt
Specialist Accreditation Advisory Committee: Business Law	Chair: Vicki Comino
Specialist Accreditation Advisory Committee: Commercial Litigation	Chair: Paul Betros
Specialist Accreditation Advisory Committee: Criminal Law	Chair: Callan Lloyd
Specialist Accreditation Advisory Committee: Family Law	Chair: James Steel
Specialist Accreditation Advisory Committee: Immigration Law	Chair: Glenn Ferguson
Specialist Accreditation Advisory Committee: Personal Injuries	Chair: Brady Cockburn Deputy Chair: Kate Avery
Specialist Accreditation Advisory Committee: Property Law	Chair: Anthony Boge Deputy Chair: Peter Townley
Specialist Accreditation Advisory Committee: Succession Law	Chair: Renee Bennet

Committee	Chair and Deputy chair
Specialist Accreditation Advisory Committee: Workplace Relations	Chair: Rob Stevenson
Specialist Accreditation Board	Chair: Peter Jolly Deputy Chair: Kathy Atkins
Succession Law Committee	Chair: Angela Cornford-Scott Deputy Chair: Bryan Mitchell
Technology and Intellectual Property Law Committee	Chair: Ben Thorn Deputy Chair: Ben Coogan
Water and Agribusiness Law Committee	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: Noela L'Estrange Deputy Chairs: Belinda Winter & 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:

- Kate Grant – Deputy Chair – Children's Law Committee
- Toby Boys – Chair – Alternative Dispute Resolution Committee
- Ben Coogan – Deputy Chair – Technology & Intellectual Property Law Committee
- Dan Rogers – Chair – Human Rights and Public Law
- Sean Costello – Deputy Chair – Human Rights and Public Law
- Margaret Arthur – Chair – Health and Disability Law Committee
- Richard Gardiner – Deputy Chair – Innovation Committee
- Andrew Smyth – Deputy Chair – Litigation Rules Committee
- Joanne O'Brien – Deputy Chair – Not for Profit Law Committee
- Deborah Awyzio – Chair – Professional Conduct Committee

Information Management strategic objectives

The goals of QLS's Information Management and Technology program align with the overarching strategic objectives of QLS and encompass the following aims:

1. **Enforcing comprehensive information governance throughout the organisation to ensure adherence to regulations and proficient management of our information assets by means of:**
 - Oversight administered by the Information Management and Technologies Governance (IMTG) Board.
 - Establishment of effective project governance and frameworks that ensures accountability, transparency and responsibility of all Stakeholders.
 - Management and prioritisation of ongoing enhancements through the establishment of an effective change control board and system to drive operational efficiencies and improve the user experience.
 - Creation of a continuous business systems enhancement strategy which aligns with the business goals and stakeholder expectations as well as the overarching organisational objectives.
2. **Maximising the value derived from QLS's investments in information management to capitalise on possibilities and minimise inefficiencies by means of:**
 - Accomplishing successful implementation of information capabilities with the backing of modern business systems.
 - Strategically aligning efforts to facilitate service delivery.
 - Elevating member and public contentment with a concentrated emphasis on delivering services that are streamlined, proficient, well-informed, and punctual.
 - Embed automation and integration within core systems to improve efficiency, productivity, and understand how the tools and platforms work together to deliver operational results.
 - Simplify and streamline business processes and communication to improve workflows and communication between internal and external cohorts.
 - Implementation of self service to empower teams and individuals to complete tasks and removing dependencies on IT.
 - Increased utilisation of BI reporting and analytics to provide data insights to facilitate and support improved business decision-making.
3. **Cybersecurity Enhancement**
 - Elevating our cybersecurity infrastructure to safeguard sensitive data, privacy, and confidential information, thereby fortifying the trust our stakeholders place in QLS.

Initiatives

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

- Maturing QLS's data and analytics governance. This has included partial data migration to the new CRM and development of improved data models to enhance data quality longer-term.
- Update of the QLS Firewalls.
- Deployment of CrowdStrike antivirus solution.
- Further development of the electronic document and record management system (EDRMS).
- Continued development the web content management platform to include an ecommerce solution – ongoing.

- Relocation of QLS Staff to the new office levels.
- Migration of the Data Centre Improving the membership management system to streamline the renewal process.
- Commissioning of the new Lexon Website.

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

Information systems and record keeping

QLS continues to advance its electronic document and records management system (EDRMS). In March 2023, a comprehensive module for Trust Account Investigations (TAI) was successfully deployed, incorporating complex workflows to enhance operational efficiency. This initiative has led to a marked enhancement in QLS's investigative capabilities, streamlining operational procedures, and sustaining the organisation's capacity for analysis and reporting.

Concurrently, a project aimed at consolidating and reducing QLS's physical records inventory was accomplished during the reporting year. This endeavour, conducted in parallel with the renovation of Law Society House, has resulted in a substantial reduction in the volume of paper records managed by various departments within the organisation.

It's noteworthy that education on effective recordkeeping remains an obligatory facet of training for all QLS staff members as part of their onboarding process. Supplementary training sessions are also conducted as needed to ensure sustained compliance and proficiency.

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 2022-23 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 121 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 currently being reviewed and updated.

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.

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 2022-23, the Group made an operating surplus of \$10.4m after tax and net assets as at 30 June 2023 were \$174.7m, an increase of \$10.7m from the previous year.

Increased retained surpluses over a number of years supported the Group to refurbish Law Society House, a \$14.7m project. This project will be completed 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 which will be repaid over 10 years.

Investment returns (investment income, realised gains/(losses) on investments, fair value gains/(losses) on investments) for the Group increased from negative \$8m in 2021-22 to \$14.7m in 2022-23. The unwinding of negative investor sentiment and a resilient economy saw a sharp turnaround in nominal, non-inflation adjusted returns.

Employee expenses for the Group increased by \$1.5m while overall group expenses increased by \$20.9m, driven mainly by higher insurance claims.

Queensland Law Society Incorporated (parent)

Queensland Law Society Incorporated achieved an underlying Operating Surplus for 2022-23 before accounting for the refurbishment project costs which were not able to be capitalised of \$2.5M. The costs not able to be capitalised included demolition costs, depreciation on refurbished costs capitalised and write-off of existing assets demolished which had not been fully depreciated. More members continually have joined the Society, and membership and Practicing Certificate renewals were above 2021-22.

Parent net assets as of 30 June 2023 were \$65.2m, a decrease of \$1.7m, due to the year's operating deficit. Revenue from Membership fees, Practicing Certificates and Education all increased. Additional contractors were engaged to enhance member experience with renewals.

QUEENSLAND LAW SOCIETY INCORPORATED

Consolidated Financial Report
For the year ended 30 June 2023

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Queensland Law Society Incorporated
Consolidated Financial Report

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Queensland Law Society Incorporated

Statement of Comprehensive Income for the year ended 30 June 2023

		Consolidated		Parent Entity	
		2023	2022	2023	2022
		Actual	Actual	Actual	Actual
		NOTE	\$'000	\$'000	\$'000
Revenue					
Fees and membership services	B1-1	19,544	18,659	19,568	18,676
Rent and administration revenue	B1-2	396	462	970	1,020
Grants and funding	B1-3	707	716	1,699	1,708
Insurance levies	B1-4	38,478	26,375	-	-
Investment income	B1-5	5,421	8,892	980	204
Realised gains/(losses) on investments	C4	192	687	-	-
Fair value gains/(losses) on investments	C4	9,089	(17,536)	-	-
Other income		374	285	327	273
Total revenue		74,201	38,540	23,544	21,881
Expenses					
Membership services and events	B2-1	1,813	1,522	1,813	1,522
Administration expenses	B2-2	10,961	8,894	7,932	6,630
Employee expenses	B2-3	17,051	15,521	12,739	11,267
Borrowing expenses	B2-4	96	-	96	-
Depreciation and amortisation	C5	1,726	1,603	1,475	1,359
Loss on disposal of fixed assets		1,521	-	1,521	-
Insurance claims	B1-4	23,061	8,368	-	-
Unearned premium reserves	C8-2(b)	(996)	(1,233)	-	-
Reinsurance costs	B1-4	2,314	2,264	-	-
Stamp duty	B1-4	2,420	2,133	-	-
Brokerage fees		145	145	-	-
Total expenses		60,111	39,218	25,575	20,778
Operating (deficit)/surplus before income tax		14,090	(678)	(2,031)	1,103
Income tax (expense) / credit	F1-1	(3,700)	(225)	-	-
Operating (deficit)/surplus after income tax		10,390	(903)	(2,031)	1,103
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to operating result					
Increase/(decrease) in asset revaluation surplus	C5	(416)		(416)	-
Total comprehensive income		9,974	(903)	(2,447)	1,103

The accompanying notes form part of these statements.

Queensland Law Society Incorporated
Statement of Financial Position as at 30 June 2023

	NOTE	Consolidated		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	72,532	69,350	66,457	64,186
Receivables	C2	2,598	1,437	2,102	878
Reinsurers' share of unearned premiums	C8-2(b)	2,439	2,325	-	-
Insurance contract liabilities ceded	C8-2(a)	549	214	-	-
Total current assets		78,118	73,326	68,559	65,064
Non-current assets					
Investment in controlled entities	C3	-	-	19,000	19,000
Investments	C4	197,465	185,460	-	-
Property, plant and equipment	C5	40,208	31,606	39,485	30,815
Deferred tax assets	F1-3	1,628	4,129	-	-
Insurance contract liabilities ceded	C8-2(a)	9,315	459	-	-
Total non-current assets		248,617	221,654	58,485	49,815
TOTAL ASSETS		326,735	294,980	127,044	114,879
Current liabilities					
Payables	C6	54,190	52,790	50,630	46,585
Accrued employee benefits	C7	1,953	1,887	1,210	1,221
Borrowings	C8-3	855	-	855	-
Unearned premium reserves	C8-2(b)	-	996	-	-
Income tax payable / (receivable)	F1-2	(448)	2,477	-	-
Provision for outstanding claims	C8-2(a)	16,745	15,086	-	-
Total current liabilities		73,294	73,236	52,695	47,806
Non-current liabilities					
Borrowings	C8-3	8,956	-	8,956	-
Accrued employee benefits	C7	315	267	240	217
Provision for outstanding claims	C8-2(a)	69,431	57,456	-	-
Total non-current liabilities		78,702	57,723	9,196	217
TOTAL LIABILITIES		151,996	130,959	61,891	48,023
NET ASSETS		174,739	164,021	65,153	66,856
EQUITY					
Accumulated surplus		146,979	136,589	37,392	39,424
Asset revaluation surplus		27,760	27,432	27,761	27,432
TOTAL EQUITY		174,739	164,021	65,153	66,856

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Statement of Changes in Equity for the year ended 30 June 2023

Consolidated	NOTE	Asset		TOTAL \$'000
		Revaluation	Accumulated	
		Surplus \$'000	Surplus \$'000	
Balance as at 1 July 2021		27,432	137,492	164,924
Operating result				
Operating surplus/(deficit) after income tax		-	(903)	(903)
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	-	-	-
Balance as at 30 June 2022		27,432	136,589	164,021
Operating result				
Operating surplus/(deficit) after income tax			10,390	10,390
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	328	-	328
Balance as at 30 June 2023		27,760	146,979	174,739

Parent Entity	NOTE	Asset		TOTAL \$'000
		Revaluation	Accumulated	
		Surplus \$'000	Surplus \$'000	
Balance as at 1 July 2021		27,432	38,320	65,752
Operating result				
Operating surplus/(deficit) after income tax		-	1,103	1,103
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	-	-	-
Balance as at 30 June 2022		27,432	39,423	66,855
Operating result				
Operating surplus/(deficit) after income tax		-	(2,031)	(2,031)
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	328	-	328
Balance as at 30 June 2023		27,761	37,392	65,153

The accompanying notes form part of these statements.

Queensland Law Society Incorporated
Statement of Cash Flows for the year ended 30 June 2023

	NOTE	Consolidated		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts from the profession		42,630	48,670	20,604	19,926
Receipts from commissions and funding		1,343	1,094	2,335	2,085
Payments to suppliers and employees		(13,326)	(42,149)	(23,082)	(20,293)
Receipts collected for Society entities		-	-	30,028	26,375
Payments to Society entities		-	-	(28,248)	(3,691)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund		583	151	583	151
Payments to Legal Practitioners' Fidelity Guarantee Fund		(583)	(151)	(583)	(151)
Borrowing expenses		(96)	-	(96)	-
Reinsurance payments		(1,840)	(1,703)	-	-
Claims and claims related payments		(23,508)	(8,322)	-	-
Interest received		1,196	221	980	204
GST receipts		4,252	3,749	4,247	3,743
GST (paid to) / received from ATO		(3,137)	(362)	(2,971)	246
Income tax (paid) / received	F1-2	(4,124)	(158)	-	-
Net cash (used in)/generated from operating activities	C1	3,391	1,040	3,798	28,596
Cash flows from investing activities					
Proceeds from investment redemptions	C4	1,500	2,000	-	-
Payments for property, plant and equipment	C5	(11,520)	(550)	(11,338)	(405)
Net cash generated from/(used in) investing activities		(10,020)	1,450	(11,338)	(405)
Cash flows from financing activities					
Proceeds from borrowings		10,000	-	10,000	-
Repayment of borrowings		(189)	-	(189)	-
Net cash generated from/(used in) financing activities		9,811	-	9,811	-
Net increase/(decrease) in cash and cash equivalents held		3,182	2,490	2,271	28,190
Cash and cash equivalents at the beginning of the year		69,350	66,860	64,186	35,996
Cash and cash equivalents at the end of the year	C1	72,532	69,350	66,457	64,186

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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 2022.

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 2021-22 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 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

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.

A1-5 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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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 2023

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:

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	188.9	117.0	25.9	9.8
QLS Solicitor Support	100	0.0	0.0	1.4	0.0

2021-22

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	81.4	27.4	26.4	(3.5)
Lexon Insurance Pte Ltd	100	171.0	108.9	23.0	1.4
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 2023

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:

Type of good or service	Nature and timing of performance obligations	Revenue recognition
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 2023

B1-1 FEES AND MEMBERSHIP SERVICES (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Membership and practitioner fees				
Practising certificate fees	9,349	8,865	9,357	8,872
Member fees	5,967	5,894	5,978	5,900
Limitation of liability scheme	1,092	1,021	1,092	1,021
Specialist accreditation fee	247	246	247	246
Certificate of fitness	81	76	81	76
	16,736	16,102	16,755	16,115
Membership services and events				
Courses, conferences and events	1,500	1,398	1,505	1,402
Membership services and products	539	594	539	594
Advertising and subscriptions	136	159	136	159
Marketing and sponsorship	632	406	632	406
	2,807	2,557	2,812	2,561
Total fees and membership services	19,544	18,659	19,568	18,676

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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 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.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Rent	119	212	125	217
Body corporate administration fee	39	26	39	26
Management fees				
Lexon Insurance Pte Ltd	-	-	523	508
Law Claims Levy Fund	-	-	44	45
Legal Practitioners' Fidelity Guarantee Fund	172	156	172	156
Legal Practitioners Admissions Board	67	69	67	68
Total rent and administration revenue	396	462	970	1,020

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Queensland Law Foundation	-	29	-	29
Law Claims Levy Fund	-	-	992	992
Legal Practitioner Fidelity Guarantee Fund	707	687	707	687
Total grants and funding	707	716	1,699	1,708

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 2023

B1-4 INSURANCE LEVIES

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Insurance levies	38,478	26,375	-	-
Unearned premium reserve (Note C8-2(b))	996	1,233	-	-
Reinsurance costs	(2,314)	(2,264)	-	-
Net premium revenue	37,160	25,344	-	-
Claims expense	(25,260)	(10,518)	-	-
Reinsurance and other recoveries	2,200	2,150	-	-
Net claims incurred (Note C8-2(a))	(23,061)	(8,368)	-	-
Stamp duty	(2,420)	(2,133)	-	-
Underwriting expenses (Lexon administrative and operating expenses)	(7,528)	(7,027)	-	-
Underwriting result	4,152	7,816	-	-

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Distributions from investments	4,224	8,671	-	-
Interest income	1,196	221	980	204
Total investment income	5,421	8,892	980	204

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

B2 EXPENSES

B2-1 MEMBERSHIP SERVICES AND EVENTS EXPENDITURE

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Direct membership services and events expenditure				
Courses, conferences and events	485	244	485	244
Membership products and services	275	277	275	277
Printing and publications	76	102	76	102
Law Council capitation fees	977	899	977	899
Total membership services and events expenditure	1,813	1,522	1,813	1,522

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

B2-2 ADMINISTRATION EXPENSES

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Office administration and insurance	1,078	613	1,226	1,225
Actuarial fees	227	133	-	-
Audit fees * #	266	215	117	86
Bad debts	44	53	49	87
Body corporate, electricity, rates and taxes	509	507	506	503
Captive managers fee	109	106	-	-
Catering, functions and entertainment	408	232	382	208
Regulatory audits and investigations	40	67	40	67
Directors' fees	478	419	-	-
Bank fees and finance costs	82	121	65	94
Information technology and related costs	2,389	1,829	1,806	1,260
Investment management fees	763	783	-	-
Office rent	10	(7)	-	-
Presentations, donations and gifts	79	127	79	127
Professional and consulting fees	1,913	2,376	1,493	1,930
Repairs and maintenance	1,255	205	1,253	203
Travel and vehicle costs	519	330	125	55
Liability capping scheme	365	341	365	341
	10,536	8,450	7,508	6,186
Council and committee costs				
Honorarium	424	406	424	406
Travel and accommodation	1	25	-	25
Catering and functions	-	13	-	13
	425	444	424	444
Total administration expenses	10,961	8,894	7,932	6,630

*Total audit fees paid to Queensland Audit Office for the Society relating to the 2022-23 financial year are estimated to be \$117,000 (2021-22: \$85,500) and for the Group are estimated to be \$266,000 (2021-22 : \$215,000). 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 2022-23 financial year are estimated to be \$110,906 (2021-22: \$103,000). Taxation fees paid to PwC Brisbane are disclosed in the professional and consulting fee line above and in the 2022-23 financial year amount to \$38,252 (2021-22: \$34,457). In addition in 2022-23 there was \$Nil paid to PwC Legal Brisbane (2021-22 \$6,000).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

B2-3 EMPLOYEE EXPENSES

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	14,528	13,262	10,856	9,646
Employer superannuation contributions	1,475	1,248	1,133	924
Movement in annual leave provision	38	121	40	68
Movement in long service leave provision	63	73	(3)	44
Staff training and development	28	23	31	18
Employee related expenses				
Workers' compensation premiums	55	44	47	36
Payroll taxes	826	721	602	505
Other employee benefits	39	28	33	24
Total employee expenses	17,051	15,521	12,739	11,267

Employee numbers

	Consolidated		Parent	
	2023	2022	2023	2022
Number of employees at year end	143	142	125	125
Number of full time equivalent employees at year end	134	132	116	115

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.

B2-4 BORROWING EXPENSES

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Loan Interest	96	-	96	-
Total borrowing expenses	96	-	96	-

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank	7,825	22,615	2,870	21,250
Cash deposit accounts	9,707	20,735	8,587	16,936
Term deposits	55,000	26,000	55,000	26,000
Total cash and cash equivalents	72,532	69,350	66,457	64,186

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Operating (deficit) surplus after income tax	10,390	(903)	(2,031)	1,103
Adjustments for:				
Investment income	(13,506)	8,178	-	-
Add/(less) non-cash items:				
Depreciation and amortisation	1,726	1,603	1,475	1,359
Loss on disposal of fixed assets	1,521	-	1,521	-
Change in assets and liabilities:				
(Increase)/decrease in assets:				
Receivables	(1,203)	(207)	(1,271)	338
Movement in provision for bad debts	42	(34)	47	-
Increase/(decrease) in liabilities:				
Payables	1,399	6,109	4,044	25,674
Accrued employee benefits	113	202	12	121
Provision for outstanding claims	3,332	(13,975)	-	-
Tax related balances	(424)	66	-	-
Net cash (used in)/generated from operating activities	3,391	1,040	3,797	28,595

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	1,462	644	1,197	319
Less: provision for doubtful debts	(107)	(65)	(47)	-
	1,354	579	1,150	319
Prepaid expenses and other receivables	1,243	858	953	559
Total receivables	2,598	1,437	2,102	878

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Investment in Controlled Entities	-	-	19,000	19,000

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

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 2023, 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Investment in listed funds				
Opening balance	185,460	195,638	-	-
Additions via reinvestment	4,224	8,671	-	-
Disposal proceeds	(1,500)	(2,000)	-	-
Gain / (loss) on disposal	192	687	-	-
Fair value movements	9,089	(17,536)	-	-
Closing balance	197,465	185,460	-	-

Fair value measurements

		Consolidated		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Fair Value Input	Type				
Level 1	None	-	-	-	-
Level 2	Investments	197,465	185,460	-	-
Level 3	None	-	-	-	-
		197,465	185,460	-	-

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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C5 PROPERTY, PLANT AND EQUIPMENT

C5-1 CONSOLIDATED

	Buildings \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Intangibles- Software \$'000	Total \$'000
2023					
Cost or valuation					
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)
At the end of the year	38,190	6,155	2,052	3,828	50,226
Depreciation					
Accumulated depreciation	(749)	(5,599)	-	(1,944)	(8,292)
Charge for the year	(996)	(449)	-	(281)	(1,726)
Transfers between classes	(946)	946	-	-	-
At the end of the year	(2,690)	(5,102)	-	(2,225)	(10,018)
Net book value at 30 June 2023	35,500	1,053	2,052	1,603	40,208
2022					
Cost or valuation					
At the beginning of the year	27,740	8,645	1,011	2,279	39,675
Additions	-	232	318	-	549
Additions - right of use assets	-	-	-	-	-
Transfers between classes	-	-	(1,176)	1,176	-
Revaluation increment / (decrement)	-	(326)	-	-	(326)
At the end of the year	27,740	8,551	153	3,454	39,898
Depreciation					
Accumulated depreciation	-	(5,322)	-	(1,693)	(7,015)
Charge for the year	(749)	(603)	-	(251)	(1,603)
Revaluation increment / (decrement)	-	326	-	-	326
At the end of the year	(749)	(5,599)	-	(1,944)	(8,292)
Net book value at 30 June 2022	26,991	2,952	153	1,511	31,606
Property, plant and equipment is stated as follows:					
30 June 2023					
At valuation	38,190	-	-	-	38,190
At cost	-	6,155	2,052	3,828	12,035
At the end of the year	38,190	6,155	2,052	3,828	50,226
Depreciation	(2,690)	(5,102)	-	(2,225)	(10,018)
	35,500	1,053	2,052	1,603	40,208
30 June 2022					
At valuation	27,740	-	-	-	27,740
At cost	-	8,551	153	3,454	12,158
At the end of the year	27,740	8,551	153	3,454	39,898
Depreciation	(749)	(5,599)	-	(1,944)	(8,292)
	26,991	2,952	153	1,511	31,606

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-2 PARENT ENTITY

	Buildings \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Intangibles- Software \$'000	Total \$'000
2023					
Cost or valuation					
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)
At the end of the year	38,190	4,769	2,052	3,188	48,201
Depreciation					
Accumulated depreciation	(749)	(5,056)	-	(1,437)	(7,241)
Charge for the year	(996)	(212)	-	(267)	(1,475)
Transfers between classes	(946)	946	-	-	-
At the end of the year	(2,690)	(4,322)	-	(1,704)	(8,717)
Net book value at 30 June 2023	35,500	448	2,052	1,485	39,485
2022					
Cost or valuation					
At the beginning of the year	27,740	7,142	1,011	1,758	37,651
Additions	-	88	318	-	406
Transfers between classes	-	-	(1,176)	1,176	-
Revaluation increment / (decrement)	-	-	-	-	-
At the end of the year	27,740	7,230	153	2,934	38,057
Depreciation					
Accumulated depreciation	-	(4,680)	-	(1,203)	(5,883)
Charge for the year	(749)	(376)	-	(234)	(1,359)
At the end of the year	(749)	(5,056)	-	(1,437)	(7,242)
Net book value at 30 June 2022	26,991	2,174	153	1,497	30,815
Property, plant and equipment is stated as follows:					
30 June 2023					
At valuation	38,190	-	-	-	38,190
At cost	-	4,769	2,052	3,188	10,011
At the end of the year	38,190	4,769	2,052	3,188	48,201
Depreciation	(2,690)	(4,322)	-	(1,704)	(8,716)
	35,500	448	2,052	1,485	39,485
30 June 2022					
At valuation	27,740	-	-	-	27,740
At cost	-	7,230	153	2,934	10,316
At the end of the year	27,740	7,230	153	2,934	38,057
Depreciation	(749)	(5,056)	-	(1,437)	(7,242)
	26,991	2,174	153	1,497	30,815

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-3 ACQUISITION OF ASSETS

All assets acquired are recorded at their cost of acquisition at the date of acquisition, being the 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 \$2,000 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.

C5-4 DEPRECIATION AND AMORTISATION

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

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. 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 either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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:

	2023	2022
<i>Asset Class</i>		
Buildings	2.5% - 20%	2.5%
Plant and Equipment	10% - 33%	10% - 33%
Intangibles	12.5% -20%	12.5% -20%

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-5 IMPAIRMENT OF PLANT AND EQUIPMENT

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

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

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

C5-6 MEASUREMENT USING FAIR VALUE

The strata title building is measured at fair value 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 Net Market Income approach and Discounted Cash Flow Analysis approach (2021-22 direct comparison approach), less any subsequent accumulated depreciation.

The valuation has been performed based on the refurbishment project being complete less the costs to complete from the valuation date of 30 June 2023. The building is independently revalued annually 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 2023 by Peter Zischke, 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 2022.

The fair values as at 30 June 2023 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".

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

Accounting for Intangible Assets

The Group changed its accounting policies in 2021-22 after completing a full analysis of the Group's previously capitalised software in response to the IFRIC agenda decision released in March 2021.

The Group's accounting policy now 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 amounts have been capitalised since 2021-22.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C6 PAYABLES

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

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Income in advance	16,681	15,060	16,681	15,060
Unearned insurance levies	28,176	27,370	-	-
Trade creditors	127	1,269	18	301
Legal Practitioners' Fidelity Guarantee Fund	3,121	377	3,121	377
Law Claims Levy Fund	-	-	28,194	26,455
Lease Liability	602	744	-	-
Other payables and accruals	5,484	7,970	2,616	4,392
Total current payables	54,190	52,790	50,630	46,585

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C7 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.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	916	871	649	621
Long service leave	1,037	1,016	561	600
Total current accrued employee benefits	1,953	1,887	1,210	1,221
Non-current				
Long service leave	315	267	240	217
Total non-current accrued employee benefits	315	267	240	217
Current long service leave	1,037	1,016	561	600
Non-current long service leave	315	267	240	217
Total accrued long service leave	1,352	1,283	800	817

C8 PROVISIONS

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

C8-1 INSURANCE CONTRACTS

Insurance contracts

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

C8 PROVISIONS (continued)

C8-1 INSURANCE CONTRACTS (continued)

Reinsurance contracts

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

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

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

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

C8-2 INSURANCE LIABILITIES

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

(a) Provision for outstanding claims

Central estimate

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

In addition, provision is made for claims incurred but not reported (IBNR) at balance date. The central estimates are determined by reference to a variety of estimation techniques, generally based on statistical analysis of historical experience which assumes an underlying pattern of claims development and payments.

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

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

Risk margin

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

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Discount rates

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

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

Outstanding claims

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Opening provision for outstanding claims	72,542	84,494	-	-
Claims incurred	23,546	11,162	-	-
Claims paid during the year	(11,155)	(22,027)	-	-
Movement in claims handling provision	1,243	(1,088)	-	-
Closing provision for outstanding claims	86,176	72,542	-	-
Opening insurance contract liabilities ceded	(673)	(274)	-	-
Movement in reinsurance recoveries	(9,192)	(399)	-	-
Closing insurance contract liabilities ceded	(9,865)	(673)	-	-
Net outstanding claims	76,311	71,869	-	-
Lexon Insurance Pte Ltd	76,311	71,869	-	-
Net outstanding claims	76,311	71,869	-	-

Disclosed in the Statement of Financial Position as:	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current insurance contract liabilities ceded	(549)	(214)	-	-
Non-current contract liabilities ceded	(9,315)	(459)	-	-
Insurance contract liabilities ceded	(9,865)	(673)	-	-
Current provision for outstanding claims	16,745	15,086	-	-
Non-current provision for outstanding claims	69,431	57,456	-	-
Provision for outstanding claims	86,176	72,542	-	-
Net claims outstanding	76,311	71,869	-	-

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Outstanding claims (continued)

Maturity analysis

	<1 year	1 to 5 years	>5 years	Total
2023	\$'000	\$'000	\$'000	\$'000
Gross central estimate	16,745	39,820	8,903	65,468
Reinsurance recoveries	(549)	(8,147)	(2,661)	(11,357)
Net central estimate	16,195	31,673	6,243	54,111
Discount				(4,902)
Risk margins				20,236
Claims handling				6,865
Net claims outstanding				76,310

	<1 year	1 to 5 years	>5 years	Total
2022	\$'000	\$'000	\$'000	\$'000
Gross central estimate	15,086	29,454	7,868	52,408
Reinsurance recoveries	(214)	(390)	(127)	(731)
Net central estimate	14,872	29,064	7,741	51,677
Discount				(3,969)
Risk margins				18,538
Claims handling				5,622
Net claims outstanding				71,869

Risk margin

The risk margin (after allowance for claims handling expenses) included in the net outstanding claims is 38.5% (2021-22: 36.8% of the central estimate, with a probability of sufficiency of approximately 90% (2021-22: 90%).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(a) Provision for outstanding claims (continued)

Claims incurred development

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

	For the year ended 30 June 2023			For the year ended 30 June 2022		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred						
Undiscounted	18,327	4,608	22,935	16,984	(2,966)	14,018
Discount	(1,967)	(401)	(2,368)	(1,408)	(1,695)	(3,103)
	16,360	4,208	20,568	15,577	(4,661)	10,915
Reinsurance recoveries						
Undiscounted	(1,323)	(9,303)	(10,626)	(134)	(318)	(452)
Discount	200	1,235	1,434	12	42	54
	(1,123)	(8,068)	(9,192)	(122)	(276)	(398)
Net claims						
Undiscounted	17,004	(4,694)	12,310	16,851	(3,284)	13,567
Discount	(1,767)	834	(933)	(1,396)	(1,653)	(3,049)
	15,237	(3,860)	11,376	15,454	(4,937)	10,517
Risk margins	7,205	(5,507)	1,698	6,664	(8,170)	(1,506)
Claims handling	2,038	(796)	1,243	1,696	(2,783)	(1,087)
Net claims incurred	24,480	(10,163)	14,317	23,814	(15,890)	7,924

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

Lexon and the Law Claims Levy Fund have assessed the provisions for outstanding claims based upon an independent actuarial assessment as at 30 June 2022 by Mr Andrew Cohen (FIAA) and Mr Collin Wang (FIAA) of Finity Consulting Pty Ltd. The key assumptions are detailed in Note D1.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned Premium and Reserves

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

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

Unearned premium and premium reserves

	2023 \$'000	2022 \$'000
Opening unearned premiums	27,370	25,139
Movement in unearned premiums during the year	806	2,231
Closing unearned premiums	28,176	27,370
Opening unearned premium reserves	996	2,229
Movement in unearned premium reserves	(996)	(1,233)
Closing unearned premium reserves	-	996
To be earned within 12 months	28,176	28,366
Total unearned premiums and reserves	28,176	28,366

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

Net premium liabilities

	2023 \$'000	2022 \$'000
Unearned premium	28,176	27,370
Unearned premium reserves	-	996
Total unearned premium and reserves	28,176	28,366
Reinsurers' share of unearned premium reserves	(2,439)	(2,325)
Net unearned premiums and reserves	25,737	26,041

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned Premium and Reserves (continued)

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

	2023	2022
	\$'000	\$'000
Undiscounted central estimate	17,091	21,305
Discount to present value	(2,348)	(2,443)
Discounted central estimate	14,743	18,862
Reinsurance and other costs	7,518	2,434
Claims handling costs	1,584	1,931
Risk margin	4,330	5,139
Expected present value of future cash flows for future claims including risk margin	28,176	28,366
Unearned premiums	28,176	27,370
Deficiency	-	996

Liability adequacy test

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

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

Accounting standards require the inclusion of a risk margin in insurance liabilities, but do not prescribe a minimum level of margin. Whilst there are established practices in the calculation of the probability of adequacy of the outstanding claims provision, no such guidance exists in relation to the level of risk margin to be used in determining the adequacy of net premium liabilities. The Group has adopted a risk margin of 23.4% (2021-22: 22.4%) to produce a 75% level of sufficiency on a net basis. This is the minimum level recognised in Australia as an industry benchmark for liability adequacy tests, in accordance with the Australian Prudential Regulatory Authority (APRA).

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned Premium and Reserves (continued)

Maturity analysis

	<1 year	1 to 5 years	>5 years	Total
	\$'000	\$'000	\$'000	\$'000
2023				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,179	12,487	5,022	20,689
Unexpired risk reserves - reinsurance	-	(590)	(790)	(1,380)
Net central estimate	3,179	11,897	4,233	19,309
Discount				(2,371)
Risk margins				4,330
Duty and other costs				5,322
Claims handling				1,584
Total unearned premium and reserves				28,176
2022				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,490	14,831	5,620	23,941
Unexpired risk reserves - reinsurance	(32)	(347)	(132)	(511)
Net central estimate	3,458	14,483	5,488	23,430
Discount				(2,451)
Risk margins				5,139
Duty and other costs				317
Claims handling				1,931
Total unearned premium and reserves				28,366

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C8 PROVISIONS (continued)

C8-3 BORROWINGS

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Loans Payable - Current	855	-	855	-
Loans Payable - Non-current	8,956	-	8,956	-
Total non-current payables	9,811	-	9,811	-

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.

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. 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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C9 LEASES

C9-1 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	487	649	-	-
Leasehold motor vehicles	64	62	-	-
Total	551	711	-	-

(b) Depreciation charge during the year

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	162	162	-	-
Leasehold motor vehicles	46	44	-	-
Total	208	206	-	-

(c) Interest expense

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	34	40	-	-

C9-2 LEASES AS LESSOR

Accounting policies – Leases as lessor

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

Disclosures – Leases as lessor

(i) Details of leasing arrangements as lessor

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

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

The Society does not have any finance leases.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

C9 LEASES (continued)

C9-2 LEASES AS LESSOR (continued)

(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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	25	40	25	40
1 to 5 years	-	-	-	-
Total	25	40	25	40

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Actuarial methodology for estimate for policyholder claims

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

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

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

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

Key assumptions

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

- The ICD basis allows for the following development:

	Development Year						
Development Factor	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8
Current Year	24.5%	14.9%	12.8%	4.8%	2.8%	3.2%	2.0%
Prior Year	24.4%	16.7%	14.6%	6.7%	4.9%	3.2%	2.0%

- The average cost per solicitor (used in the BF method) adopted is \$2,400 (2022: \$2,500).
- The Group has assumed reinsurance recoveries will be fully recoverable on a prompt basis.
- The Group has applied the zero-coupon yield for Government issued bonds to the expected future cash flows. This has resulted in a uniform discount rate of 4.10% (2022: 3.19%) per annum.
- The Group has assumed future inflation will be the same as average rate of past inflation, to the extent that it has been captured by the claims development data.
- The Group has included an allowance for claims handling expenses ("CHE") based on historical experience and projected expenses.

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key assumptions (continued)

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

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

- The average cost per solicitor adopted is \$2,400 (2022: \$2,400). The estimated growth in solicitor numbers is 2.6% (2022: 3.0%)

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

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

Sensitivity analysis of key estimates

While the gross ultimate costs are sensitive to valuation assumptions, the net results are less sensitive due to the aggregate limits that apply which reduce the net exposure. The gross undiscounted unused exposure for all years totals \$128.8 million (2022: \$127.1 million) before risk margins; and \$117.9 million (2022: \$107.7 million) after allowing risk margins to the 90th probability of sufficiency. The unused net exposure per policy year ranges from \$0 to \$17.5 million (2022: \$0 to \$13 million) with an average of \$10.8 million (2022: \$8.3 million).

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

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

- Reserve under estimation: A 10% (2022: 10%) reserve under estimation results in an additional gross undiscounted reserve of \$6.5 million (2022: \$5.3 million) and net discounted reserve (after risk margins) of \$7.9 million (2022: \$7.2 million) or 10.3% (2022: 10%) of the discounted net central estimate plus risk margins.
- Reserve over estimation: If estimated reserves on all years improved by 10% (2022: 10%) then it would result in a decrease in gross undiscounted reserve of \$6.5 million (2022: \$5.3 million) and the total net provision (after risk margins) would decrease by \$8.8 million (2022: \$7.2 million) or 11.6% (2022: 10%) of the discounted net central estimate plus risk margins.
- Discount rate: A half a percentage point decrease in discount rate from 4.10% (2022: 3.19%) to 3.60% (2022: 2.69%) would increase the provision by \$0.9 million (2022: \$0.9 million) or 1.2% (2022: 1.2%) of the discounted net central estimate plus risk margins.
- Claims handling provision: A one percentage point increase in the claims handling rate applied would increase the provision by \$0.7 million (2022: \$0.6 million) or 0.9% (2022: 0.8%) of the discounted net central estimate plus risk margins.

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Key assumptions (continued)

Sensitivity analysis of key estimates (continued)

- Cost per solicitor under estimation: An increase in the cost per solicitor from A\$2,400 to A\$2,900 (2022: A\$2,500 to A\$3,300) increases our provision by A\$2.9 million (2022: A\$2.9 million) or 4.1% (2021: 4.1%) of the discounted net central estimate plus risk margins.
- Cost per solicitor over estimation: A reduction in the cost per solicitor from A\$2,500 to A\$2,000 (2022: A\$2,500 to A\$2,000) reduces our provision by A\$2.2 million (2022: A\$2.9 million) or 2.9% (2022: 4.1%) of the discounted net central estimate plus risk margins.

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

- Solicitor number under estimation: A 10% (2022: 10%) under estimation results in an additional gross undiscounted reserve of A\$2.1 million (2022: A\$2.6 million) and net discounted reserve (after risk margins) of A\$2.1 million (2022: A\$2.6 million) or 9.0% (2022: 9.2%) of the discounted net unearned premium reserve estimate including risk margins.
- Solicitor number over estimation: A 10% (2022: 10%) over estimation results in a decrease in gross undiscounted reserve of A\$2.1 million (2022: A\$2.6 million) and net discounted reserve (after risk margins) of A\$2.1 million (2022: A\$2.6 million) or 9.0% (2022: 9.2%) of the discounted net unearned premium reserve estimate including risk margins.
- Cost per solicitor under estimation: An increase in the cost per solicitor from A\$2,400 to A\$2,900 (2022: A\$2,666 to A\$3,166) increases our provision by A\$4.3 million (2022: A\$4.9 million) or 18.7% (2022: 17.3%) of the discounted net unearned premium reserve estimate including risk margins.
- Cost per solicitor over estimation: A reduction in the cost per solicitor from A\$2,400 to A\$1,900 (2022: A\$2,666 to A\$1,900) reduces our provision by A\$4.9 million (2022: A\$4.9 million) or 18.7% (2022: 17.3%) of the discounted net unearned premium reserve estimate including risk margins.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK

D2-1 INSURANCE RISK

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

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

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

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

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

(a) Underwriting strategy

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

(b) Reinsurance strategy

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

- reduce risk; and
- stabilise solvency.

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

Ceded reinsurance contains credit risk, and such reinsurance recoverable 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.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

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

Management of risks

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

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

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

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

Claims development history

	2016/17 & prior	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross								
Estimate of ultimate claims								
Costs:								
· at end of reporting year		19,879	17,363	16,411	17,744	17,067	18,397	
· one year later		18,895	18,051	16,769	18,303	16,967		
· two years later		18,680	17,671	15,288	24,682			
· three years later		18,870	15,548	14,170				
· four years later		18,789	16,313					
· five years later		18,218						
Cumulative payments to date		(15,631)	(10,374)	(10,399)	(4,990)	(3,570)	(1,008)	
Estimate of claims reserve		2,587	5,939	3,771	19,692	13,397	17,389	
Effect of discounting		(216)	(451)	(326)	(2,011)	(1,269)	(1,967)	
Best estimate of claims liability	2,539	2,371	5,488	3,445	17,681	12,128	15,422	59,074
Risk margin								20,236
Provision for claims handling								6,865
Total gross outstanding claims included in the Statement of Financial Position								86,175
Movement in accident year estimate before discounting and margins	(822)	(571)	764	(1,118)	6,380	(100)	18,397	22,930
Movement in excess receivable								5
Gross claims incurred								22,935
Net								
Estimate of ultimate claims								
Costs:								
· at end of reporting year		19,834	17,303	16,316	17,649	16,933	17,074	
· one year later		18,852	17,991	16,707	17,788	15,928		
· two years later		18,645	17,623	15,239	15,940			
· three years later		18,855	15,529	14,044				
· four years later		18,779	16,220					
· five years later		18,193						
Cumulative payments to date		(15,631)	(10,374)	(10,399)	(4,990)	(3,570)	(1,008)	
Estimate of claims reserve		2,562	5,846	3,645	10,950	12,358	16,066	
Effect of discounting		(214)	(442)	(312)	(898)	(1,114)	(1,767)	
Best estimate of claims liability	2,529	2,348	5,404	3,333	10,052	11,244	14,299	49,209
Risk margin								20,236
Provision for claims handling								6,865
Total net outstanding claims included in the Statement of Financial Position								76,310
Movement in accident year estimate before discounting and margins	(826)	(585)	690	(1,195)	(1,848)	(1,005)	17,074	12,305
Movement in excess receivable								5
Net claims incurred								12,310

The Group monitors and reacts to changes in the general economic and commercial environment in which it operates. The Group also assesses the need to minimise its underwriting risks by retaining part of the risks underwritten for its own account and reinsuring the remainder.

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-2 REINSURANCE RISK

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

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

D2-3 CONCENTRATION OF RISK

The concentration of insurance risk before and after reinsurance is solely in Australia and from a single line of business, Professional Indemnity Insurance (for the provision of legal services).

D2-4 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of financial instruments

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

Classification of financial instruments

Financial instruments are classified and measured as follows:

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

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

Financial risk management

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

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

(a) Currency risk

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

The Group holds minor cash balances in Singapore Dollars.

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

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(a) Currency risk (continued)

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.

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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(c) Credit risk (continued)

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

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 \$47,143 (2021-22: \$65,111) which are more than one month past due. There is a provision of \$47,143 (2021-22: \$65,111) on these outstanding balances.

There were no reinsurance recoveries (2021-22: \$Nil) outstanding more than one month.

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

(iii) Credit ratings

The following table shows the investment grades of balances due:

	Investment Grade (AAA to BBB)	Not rated	Total
	\$'000	\$'000	\$'000
At 30 June 2023			
Cash and cash equivalents	72,531	1	72,532
Reinsurers' share of outstanding claims reserves	9,865	-	9,865
Trade and other receivables	-	2,598	2,598
Financial assets at fair value through profit or loss	-	197,465	197,465
Total	82,396	200,064	282,460
At 30 June 2022			
Cash and cash equivalents	69,349	1	69,350
Reinsurers' share of outstanding claims reserves	673	-	673
Trade and other receivables	-	1,437	1,437
Financial assets at fair value through profit or loss	-	185,460	185,460
Total	70,022	186,898	256,920

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(d) Liquidity risk

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

The Group manages its expected cash flow requirements using the latest actuarial valuations detailing projected cash flows. These are monitored in conjunction with available cash and investments readily convertible to cash. A maturity analysis of unearned risk and premium reserves and outstanding claims reserves is provided in Note C8-2.

(e) Capital risk

The Group's objectives when managing capital are to ensure that the Group is adequately capitalised and assessing shortfalls between reported and required capital levels on a regular basis. Capital is calculated in accordance with Australian Prudential Regulatory Authority's guidelines.

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

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

(f) Sensitivity Analysis

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

Interest rate sensitivity

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

Inflation risk sensitivity

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

Currency sensitivity

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

Equity sensitivity

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

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(f) Sensitivity Analysis (continued)

Property stress

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

Credit spread stress

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

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

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

	2023	2022
	\$'000	\$'000
Stress Test		Upward impact
Interest rate	(2,822)	(1,687)
Inflation	(3,076)	(3,536)
Currency	(4,297)	(4,067)
		Downward impact
Interest rate	2,277	1,429
Inflation	2,468	3,050
Currency	(9)	(32)
Stress Test		Impact
Equity	(29,245)	(12,314)
Property	(3,218)	(1,305)
Credit spread	(4,528)	(7,274)

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

D3 COMMITMENTS

D3-1 CAPITAL EXPENDITURE COMMITMENTS

Law Society House is undergoing a refurbishment to the value of \$15.9m. The refurbishment commenced in October 2022 and is expected to be completed by October 2023. The amount apportioned to QLS after body corporate and co-owner contributions is \$14.7m. The amount incurred to 30 June 2023 of \$11.6m has been accounted for as follows: demolition costs expensed to profit and loss of \$0.9m, buildings of \$8.8m, work in progress of \$1.8m and a receivable from the body corporate of \$0.1m. Accordingly, there is a remaining capital commitment of \$3.1m at 30 June 2023. There were no capital expenditure commitments for 30 June 2022.

D4 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

Lexon has a bank guarantee for \$108,031 (2021-22: \$108,031) in favour of the lessor of 307 Queen Street, Brisbane QLD 4000 which can be drawn upon in the event of a default in accordance with the rental agreement.

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

AASB 17 *Insurance Contracts*

AASB 17 will come into effect for financial periods beginning on or after 1 January 2023. In Australia, public sector entities have an exemption to adopting AASB 17 until 1 July 2025. QLS will early adopt AASB 17 from 1 July 2023, on the basis its wholly owned subsidiary is required to adopt AASB 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.

It 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;
- an 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 is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Retrospective application is required. However, if full retrospective application for a group of insurance contracts is impracticable, then the entity is required to choose either a modified retrospective approach or a fair value approach. The Group plans to adopt AASB 17 on the required effective date and it is expected that AASB 17 will result in a change to the accounting policies for the insurance contract liabilities of the Group. Upon assessment and initial review, AASB 17 is likely to have an immaterial impact on profit and total equity together with the Group's financial statements' presentation and disclosures.

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 2022-23 and 2021-22. 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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Position	Position Responsibility
President	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.
Deputy President	To provide direct support to President. The Deputy President succeeds to the office of President at the beginning of the second term.
Vice President	Supporting the President and Deputy President in the discharge of their duties. The Vice President holds office for a two year term.
Chief Executive Officer	To lead day to day operations of the Society and is charged with implementing and managing best practice standards and processes in risk management, compliance and governance of the Society. The Chief Executive Officer is accountable to the governing body of elected Council members.

Position	Person	Start of Term	End of Term
President	Chloé Kopilovic	1/01/2023	30/06/2023
President	Kara Thomson	1/07/2022	31/12/2022
Deputy President	Chloé Kopilovic	1/07/2022	31/12/2022
Vice President	Rebecca Fogerty	1/07/2022	30/06/2023
Chief Executive Officer	Rolf Moses	1/07/2022	30/06/2023

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).

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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Policy (continued)

KMP remuneration

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
President						
1 July 2022 - 31 December 2022	131	4	-	13	-	148
President						
1 January 2023 - 30 June 2023	131	3	-	13	-	147
Vice President						
1 January 2023 - 30 June 2023	43	3	-	5	-	51
Deputy President						
1 July 2022- 31 December 2022	43	3	-	5	-	51
CEO						
1 July 2022 - 30 June 2023	365	7	10	26	-	408

1 July 2021 – 30 June 2022

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
President						
1 July 2021 - 31 December 2021	131	2	-	12	-	145
President						
1 January 2022 - 30 June 2022	131	3	-	12	-	146
Vice President						
1 July 2021 - 31 December 2021	43	2	-	4	-	49
Deputy President						
1 January 2022 - 7 June 2022	43	2	-	4	-	49
Deputy President						
8 June 2022 - 30 June 2022	5		-	1	-	6
CEO						
1 July 2021 - 30 June 2022	359	5	6	23	-	393

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Policy (continued)

Performance payments

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

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

There was \$30,000 expensed in 2022-23 (2021-22: \$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 2023

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.

	2023	2022
	\$	\$
Management fees and recovery expenditure paid to the parent entity by:		
Lexon Insurance Pte Ltd	523,362	508,118
Law Claims Levy Fund	44,453	44,534
Legal Practitioners' Fidelity Guarantee Fund	172,246	156,125
Legal Practitioners Admissions Board	66,730	68,803
QLS Solicitors Support	882,289	851,864
Grant funding paid by parent entity to QLS Solicitors Support	1,434,538	1,488,188
Grant funding paid to the parent entity by:		
Law Claims Levy Fund	992,051	992,873
Legal Practitioners' Fidelity Guarantee Fund	707,193	686,595
Gross premium paid by Law Claims Levy Fund to Lexon	27,108,817	23,684,912
Management fees paid to a firm which a director of Lexon is a member:		
AON Insurance Managers (Singapore) Pte Ltd	109,272	106,090
Key management personnel compensation for Lexon:		
Directors' fees*	478,001	457,938
Other officers:		
Salaried and other short term employee benefits	1,452,981	1,413,345
Employer's contribution to defined contribution plans	101,399	94,141

* Includes Directors' fees in relation to Mr Rolf Moses which were paid to QLS in 2022-23: \$Nil (2021-22: \$38,750).

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 2022-23.

Accounting standards early adopted

The Australian Accounting Standard, AASB 17 Insurance Contracts, will be early adopted for 2022-23. Refer D5.

Accounting standards applied for the first time

No Australian Standards have been applied for the first time during 2022-23.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

F1 TAXATION

Income tax is recognised on consolidation.

Queensland Law Society Incorporated (parent entity) is exempt from income tax by virtue of section 50-25 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

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

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

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

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

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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

F1 TAXATION (continued)

F1-1 INCOME TAX EXPENSE

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:				
Current income tax	1,199	2,520	-	-
Deferred income tax (Note F1-3)	2,501	(2,295)	-	-
	3,700	225	-	-
(Over)/under provision in preceding financial years	-	-	-	-
Current income tax	-	-	-	-
Total income tax (credit)/expense	3,700	225	-	-

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Operating surplus before income tax	14,090	(678)	-	-
Tax calculated at a tax rate of 30% (2022: 30%)	4,227	(203)	-	-
Effects of:				
Income not subject to tax	(187)	708	-	-
Franking and other credits available	(340)	(280)	-	-
	3,700	225	-	-

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2023

F1 TAXATION (continued)

F1-2 INCOME TAX RECEIVABLE

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Income tax at the beginning of the financial year	2,477	115	-	-
Income tax refunded/(paid)	(4,124)	(158)	-	-
Current year income tax	1,199	2,520	-	-
Income tax receivable at the end of the financial year	(448)	2,477	-	-

F1-3 DEFERRED INCOME TAX BALANCES

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Balance at the beginning of the financial year	4,129	1,834	-	-
Charge to profit or loss:				
- Actuarial provisions	72	(706)	-	-
- Investment income	(2,579)	2,970	-	-
- Income losses	-	-	-	-
- Other	6	31	-	-
Net deferred tax asset at end of the financial year	1,628	4,129	-	-

Queensland Law Society Incorporated

Management Certificate for the year ended 30 June 2023

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:

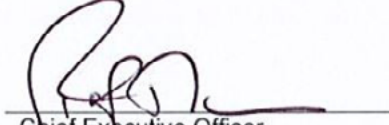
- a. the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- b. the financial statements have been drawn up so as to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Law Society Incorporated and its controlled entities for the financial year ended 30 June 2023 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.



President
Queensland Law Society
Chloé Kopilović

30 August 2023



Chief Executive Officer
Queensland Law Society
Rolf Moses

30 August 2023

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).

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 2023, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2023, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the 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 parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to form an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

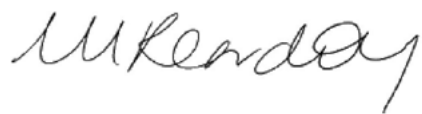
Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.



Michelle Reardon
as delegate of the Auditor-General

1 September 2023

Queensland Audit Office
Brisbane

LAW CLAIMS LEVY FUND

Financial Report

For the year ended 30 June 2023

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Law Claims Levy Fund

Statement of Comprehensive Income for the year ended 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
Revenue			
Insurance levies	B1-1	30,028	26,375
Total levies		30,028	26,375
Other income			
Interest income		37	1
Investment income		1,204	4,467
Realised gains/(losses) on investments		192	686
Fair value gains/(losses) on investments		2,411	(7,400)
Other income		-	-
Total other income	B1-2	3,844	(2,246)
Total revenue		33,872	24,129
Expenses			
Administration expenses	B2-1	1,259	1,290
Audit fees	B2-2	31	21
Insurance premiums	B2-3	27,509	24,151
Stamp duty		2,419	2,133
Total expenses		31,218	27,595
Operating result for the year		2,654	(3,466)
Other comprehensive income		-	-
Total comprehensive income for the year		2,654	(3,466)

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Financial Position as at 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents	C1	945	1,518
Receivables	C2	28,232	26,500
Total current assets		29,177	28,018
Non-current assets			
Investments	C3	55,745	53,438
Total non-current assets		55,745	53,438
Total assets		84,922	81,456
Current liabilities			
Income in advance	C4	28,176	27,370
Payables	C5	46	40
Total current liabilities		28,222	27,410
Total liabilities		28,222	27,410
Net assets		56,700	54,046
Equity			
Accumulated surplus		56,700	54,046
Total equity		56,700	54,046

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Changes in Equity for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	54,046	57,512
Total comprehensive income for the year	2,654	(3,466)
Balance at 30 June	56,700	54,046

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Cash Flows for the year ended 30 June 2023

		2023 \$'000	2022 \$'000
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from the profession and reinsurers		29,099	5,916
Payments to suppliers		(31,209)	(28,137)
Interest received		37	1
Net cash (used in)/generated from operating activities	C1	(2,073)	(22,220)
Cash flows from investing activities			
Proceeds from investments		1,500	2,000
Net cash generated from investing activities		1,500	2,000
Net increase/(decrease) in cash and cash equivalents held		(573)	(20,220)
Cash and cash equivalents at the beginning of the financial year		1,518	21,738
Cash and cash equivalents at the end of the financial year	C1	945	1,518

The accompanying notes form part of these statements.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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 2022.

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 2021-2022 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 2023

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.

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.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

A1-5 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements are authorised for issue by the Queensland Law Society Incorporated's President and Chief Executive Officer at the date of signing the Management Certificate.

A2 THE FUND'S OBJECTIVES

The Fund administers insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the *Queensland Law Society Indemnity Rule 2005*. The main source of income is the collection of Professional Indemnity insurance levies for payment of insurance premiums to Lexon under the Master Policy in accordance with the Indemnity Rule.

The Fund continues to accumulate reserves in accordance with actuarial assessments for the benefit of all practitioners who have contributed to the Fund.

The fund is responsible for individual claims costs up to a predefined amount which varied per insurance year for the periods 1987 to 1995. In 2001, the fund entered into an aggregate policy with Lexon Insurance Pte Ltd to cap the sum of the individual claims that remained outstanding. This aggregate amount has not been exceeded and given the fund currently has no outstanding claims it is unlikely further claims expenses will be incurred.

B1 REVENUE

B1-1 INSURANCE LEVIES

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

Additional levies may be imposed in accordance with the indemnity rules and are accounted for separately and disclosed as income of the Fund.

All insurance levies collected via the Queensland Law Society Incorporated renewal process were transferred to the 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.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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.

	2023 \$'000	2022 \$'000
Management fees paid to the Society	46	45
Projects relating to risk management in the profession - grant to the Society	992	992
	1,038	1,037
Investment managers' fees	216	229
Sundry expenses	5	24
Total administration expenses	1,259	1,290

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 2022-23 are \$27,000 (2022: \$25,000). There are no non-audit services included in this amount.

B2-3 INSURANCE PREMIUMS

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

	2023 \$'000	2022 \$'000
Current assets:		
Cash at bank	117	12
Short term deposits	828	1,506
Total cash and cash equivalents	945	1,518

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

C1 CASH AND CASH EQUIVALENTS (continued)

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

	2023	2022
	\$'000	\$'000
Operating result for the year	2,654	(3,466)
<i>Adjustments for:</i>		
Net investment income	(3,615)	2,932
(Gain)/loss on disposal of investments	(192)	(686)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(1,732)	(22,692)
Increase/(decrease) in payables	6	(539)
Increase/(decrease) in income in advance	806	2,231
Net cash (used in)/generated from operating activities	(2,073)	(22,220)

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.

	2023	2022
	\$'000	\$'000
Other receivables	36	43
Levies receivable from the Society	28,190	26,455
GST receivable	6	2
Total receivables	28,232	26,500

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.

	2023	2022
	\$'000	\$'000
Investment in collective investment schemes	55,745	53,438

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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 2023 to 30 June 2024.

	2023	2022
	\$'000	\$'000
Levies received in advance for next financial year	28,176	27,370

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.

	2023	2022
	\$'000	\$'000
Amounts payable to the Society	-	1
Other payables and accruals	46	39
Total payables	46	40

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of Financial Instruments

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

Classification of Financial Instruments

Financial instruments are classified as follows:

- Cash and cash equivalents (see note C1)
- Receivables – held at amortised cost (see note C2)
- Investments – fair value through profit or loss (see note C3)
- Payables – held at amortised cost (see notes C5)

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

Financial risk

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

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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 200 basis points in either direction.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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 125 basis points (upward movement) and subtracting 100 basis points (downward movement).

Currency sensitivity

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

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.

	2023	2022
	\$'000	\$'000
Stress Test	Upward impact	
Interest rate	(777)	(469)
Inflation	(872)	(973)
Currency	(1,203)	(1,161)
	Downward impact	
Interest rate	626	397
Inflation	700	840
Currency	(2)	(7)
Stress Test	Impact	
Equity	(8,199)	8,195
Property	(902)	868
Credit spread	(1,184)	(1,877)

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2023

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 2023, 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 2023 (Finity – August 2023), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2023, 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 2023

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.

	2023 \$'000	2022 \$'000
Management fees paid to Queensland Law Society	46	45
Grants paid to Queensland Law Society	992	992
Total related party transactions	1,038	1,037

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 2022-23.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2022-23 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.

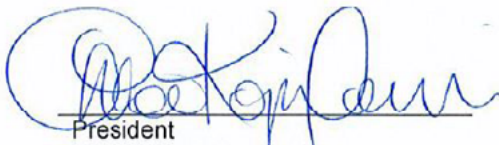
Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing activities and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Law Claims Levy Fund Management Certificate for the year ended 30 June 2023

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 2023 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.



President
Queensland Law Society
Chloé Kopilović

30 August 2023



Chief Executive Officer
Queensland Law Society
Rolf Moses

30 August 2023

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. In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, 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.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements


Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.



31 August 2023

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

QLS SOLICITOR SUPPORT PTY LTD

Financial Report
For the year ended 30 June 2023

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QLS Solicitor Support Pty Ltd

Directors' Report for the year ended 30 June 2023

The directors present their report, together with the financial statements, on QLS Solicitor Support Pty Ltd (QSS) for the year ended 30 June 2023.

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	Current
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/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 2022: \$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 2023 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 2023

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 2023 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



Chairperson & Director
Stafford Shepherd

30 August 2023

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 2023, 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.



29 August 2023

Michelle Reardon
as delegate of the Auditor-
General

Queensland Audit Office
Brisbane

QLS Solicitor Support Pty Ltd

Statement of Comprehensive Income for the year ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue			
Grant Funding	B1	1,434,538	1,488,188
Total revenue		1,434,538	1,488,188
Expenses			
Administration expenses	B2-1	33,393	36,039
Employee expenses	B2-2	518,856	600,285
Management Fees	B2-3	882,289	851,864
Total expenses		1,434,538	1,488,188
Profit before tax		-	-
Income tax		-	-
Profit after tax		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Statement of Financial Position as at 30 June 2023

		2023	2022
	NOTES	\$	\$
Current assets			
Cash and cash equivalents	C1	5,510	5,630
Prepayments	C3	34,089	25,497
Total current assets		39,599	31,127
Total assets		39,599	31,127
Current liabilities			
Payables	C4	39,479	31,007
Total current liabilities		39,479	31,007
Total liabilities		39,479	31,007
Net assets		120	120
Equity			
Share capital		120	120
Accumulated surplus		-	-
Total equity		120	120

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Statement of Changes in Equity for the year ended 30 June 2023

	2023	2022
	\$	\$
Share Capital		
Balance at 1 July	120	120
Share capital issued	-	-
Balance at 30 June	120	120
Accumulated Surplus		
Balance at 1 July	-	-
Total comprehensive income for the year	-	-
Balance at 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 2023

		2023	2022
	NOTES	\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)
Cash flows from operating activities			
Grant funding		1,433,017	1,491,394
Administration, employee expenses and other payments		(1,433,137)	(1,487,778)
Net cash generated from/(used by) operating activities	C1	(120)	3,616
Cash flows from financing activities			
Share capital issued		-	-
Net cash from financing activities		-	-
Net increase in cash and cash equivalents held		(120)	3,616
Cash and cash equivalents at the beginning of the financial year		5,630	2,014
Cash and cash equivalents at the end of the financial year	C1	5,510	5,630

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Notes to the Financial Statements for the year ended 30 June 2023

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 applicable to not-for-profit entities, 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 2021-22 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 foundation 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 2023

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.

	2023	2022
	\$	\$
Grant funding		
Grant funding	1,434,538	1,488,188
Total revenue	1,434,538	1,488,188

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2023	2022
	\$	\$
Insurance	19,515	21,652
Audit fees paid to Queensland Audit Office	7,800	5,500
Travel and accommodation	5,597	5,589
Other administration expenses	455	1,607
Professional and consulting fees	26	1,691
Total administration expenses	33,393	36,039

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2022-23 are \$6,900 (2022: \$5,500). There are no non-audit services included in this amount.

B2-2 EMPLOYEE EXPENSES

	2023	2022
	\$	\$
Wages and salaries	478,991	521,128
Employer superannuation contributions	51,225	51,096
Payroll tax	24,514	27,546
Workers compensation premiums	1,851	1,562
Movement in annual and long service leave provision	(37,725)	(1,047)
Total employee expenses	518,856	600,285

Accounting policy – wages and salaries

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

Accounting policy – superannuation

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

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

QLS Solicitor Support Pty Ltd

Notes to the Financial Statements for the year ended 30 June 2023

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

	2023	2022
	\$	\$
Management fees	882,289	851,864
Total management fees paid to the Queensland Law Society	882,289	851,864

QSS pays management fees to the Queensland Law Society Incorporated for services and resources used in the management and operating of the QSS business.

C1 CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash assets include all cash and cheques receipted and banked at 30 June as well as deposits on call with financial institutions.

	2023	2022
	\$	\$
Cash on hand	5,510	5,630
Total cash and cash equivalents	5,510	5,630

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 2023

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.

	2023	2022
	\$	\$
Prepayments	34,089	25,497
Total receivables	34,089	25,497

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.

	2023	2022
	\$	\$
Payables	39,479	31,007
Total payables	39,479	31,007

D1 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There were no known contingent liabilities at 30 June 2023 (2022: Nil). There are no events subsequent to reporting date requiring disclosure in the financial report other than the appointment of Mark Illidge and Judy Hayward as directors.

QLS Solicitor Support Pty Ltd

Notes to the Financial Statements for the year ended 30 June 2023

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 2022-23. The role of Chair is supported by the appointed board members.

Position	Position Responsibility
Chairperson	Responsible for chairing QSS Board meetings, chairing an QSS Shareholder meetings, overseeing functions performed by board members, leading the board, authorising operational matters and complying with its obligations under the <i>Corporations Act 2001</i> (Cth) and as an Incorporated Legal Practice (ILP) director under the <i>Legal Professional Act 2007</i> (Qld).
Director	Responsible for governing QSS to ensure it is appropriately run – including overseeing proper financial accounts, insurance and risk, providing strategic guidance, decision making with due care and consideration and complying with its obligations under the <i>Corporations Act 2001</i> (Cth).

Position	Person	Start of Term	End of Term
Chairperson & Director	Mr Stafford Shepherd	10/09/2019	Current
Director	Mr Matthew Dunn	10/09/2019	Current
Director	Ms Grace van Baarle	17/06/2021	Current
Director	Mr Peter Gamin	26/08/2021	Current

KMP Remuneration Policy

The board of directors of QSS is constituted by four (voluntary) directors under clause 50 of its Constitution. On 1 July 2023 an additional two directors were appointed.

The directors are not remunerated for their services to QSS.

E2 RELATED PARTY TRANSACTIONS

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

	2023 \$	2022 \$
Grant funding paid by parent entity to QSS	1,434,538	1,488,188
Management fees paid to Queensland Law Society	882,289	851,864

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 2022-23.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2022-23 had any impact on QSS.

QLS Solicitor Support Pty Ltd

Directors' Declaration for the year ended 30 June 2023

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 at 30 June 2023 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



Chairperson & Director
Stafford Shepherd

30 August 2023



Director
Peter Gamin

30 August 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of QLS Solicitor Support Pty Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of QLS Solicitor Support Pty Ltd.

In my opinion, the financial report:

- a) gives a true and fair view of the company's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards – Simplified Disclosures.

The financial report comprises the statement of financial position as at 30 June 2023, 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.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Other information comprises the information included in the directors' report for the year ended 30 June 2023, but does not include the financial report and my auditor's report thereon.

The directors are responsible for the other information.

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 company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with 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 it is intended to abolish the company or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the company's internal control
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the company.

- Conclude on the appropriateness of the company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



31 August 2023

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Financial Report
For the year ended 30 June 2023

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Legal Practitioners' Fidelity Guarantee Fund

Statement of Comprehensive Income for the year ended 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
Revenue			
Practitioner levies	B1-1	549	347
Investment income	B1-2	509	1,090
Realised gains/(losses) on investments	B1-3	69	(2,387)
Fair value gains/(losses) on investments	B1-3	974	(169)
Total revenue		2,101	(1,119)
Expenses			
Administration expenses	B2-1	301	330
Notified claims (net of reversals)	C6	973	3,388
Investment fees		88	52
Management fees paid to the Queensland Law Society	B2-2	877	843
Total expenses		2,239	4,613
Operating result for the year		(138)	(5,732)
Other comprehensive income		-	-
Total comprehensive income for the year		(138)	(5,732)

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Financial Position as at 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	C1	1,133	1,109
Receivables	C2	3,121	378
Total current assets		4,254	1,487
Non-current assets			
Investments	C3	19,854	21,831
Total non-current assets		19,854	21,831
Total assets		24,108	23,318
Current liabilities			
Payables	C4	69	43
Income in advance	C5	3,202	426
Provision for notified claims	C6	1,903	3,777
Total current liabilities		5,174	4,246
Total liabilities		5,174	4,246
Net assets		18,934	19,072
Equity			
Accumulated surplus		18,934	19,072
Total equity		18,934	19,072

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Changes in Equity for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	19,072	24,804
Total comprehensive income for the year	(138)	(5,732)
Balance at 30 June	18,934	19,072

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Cash Flows for the year ended 30 June 2023

		2023	2022
		\$'000	\$'000
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Contributions by practitioners and cost recoveries		583	151
Claim payments and administration expenses		(4,088)	(6,951)
Interest received		28	10
Net cash used in operating activities	C1	(3,477)	(6,790)
Cash flows from investing activities			
Proceeds from investments		3,501	2,512
Net cash generated from investing activities		3,501	2,512
Net increase/(decrease) in cash and cash equivalents held		24	(4,278)
Cash and cash equivalents at the beginning of the financial year		1,109	5,387
Cash and cash equivalents at the end of the financial year	C1	1,133	1,109

The accompanying notes form part of these statements.

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 2022.

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 2021-22 financial statements.

Current/non-current classification

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

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

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

A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except where stated otherwise.

Historical cost

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

Fair value

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

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-4 BASIS OF MEASUREMENT (continued)

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

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

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

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 2023

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.

	2023	2022
	\$'000	\$'000
Practitioner levies	532	339
Claim payment recoveries	17	8
Total practitioner levies	549	347

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.

	2023	2022
	\$'000	\$'000
Distributions from investments	481	1,082
Interest income	28	8
Total investment income	509	1,090

B1-3 GAINS/(LOSSES) ON INVESTMENTS

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

	2023	2022
	\$'000	\$'000
Realised gains/(losses)	69	(2,387)
Unrealised gains/(losses)	974	(169)
Total gains/(losses) on investments	1,043	(2,556)

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2023	2022
	\$'000	\$'000
Employee expenses	177	146
Audit fees	16	11
Legal fees	104	150
Sundry expenses	4	23
Total administration expenses	301	330

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2022-23 are \$14,300 (2022: \$13,100). There are no non-audit services included in this amount.

B2-2 MANAGEMENT FEES PAID TO QUEENSLAND LAW SOCIETY INCORPORATED

	2023	2022
	\$'000	\$'000
Management fees paid to the Society	877	843
Total management fees paid to the Queensland Law Society	877	843

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.

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.

	2023	2022
	\$'000	\$'000
Cash assets	59	476
Cash deposit account	1,074	633
Total cash and cash equivalents	1,133	1,109

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Operating result for the year	(138)	(5,732)
<i>Adjustments for:</i>		
Net investment income	(1,524)	(913)
(Gain)/loss on disposal of investments	-	2,387
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(2,743)	(314)
Increase/(decrease) in payables	26	(70)
Increase/(decrease) in income in advance	2,776	121
increase/(decrease) in provision for notified claims	(1,874)	(2,269)
Net cash (used in) operating activities	(3,477)	(6,790)

C2 RECEIVABLES

Interest receivable represents interest accruals for amounts received in the month after balance date.

The Fund has brought to account fines and cost recoveries receivable from practitioners. These receivables have been recognised on an accruals basis and are carried at actual amounts less a provision for impairment.

The Fund assesses at each reporting date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. A further allowance for impairment is calculated by applying the simplified approach to the calculation of lifetime expected credit losses. The percentage applied is calculated based on historical default rates with a forward-looking estimate adjustment which incorporates various risk factors appropriate for the class of receivable being assessed. The table below is presented net of impairment.

	2023	2022
	\$'000	\$'000
Practitioner levies receivable from the Society	3,119	378
GST receivable	2	-
Total receivables	3,121	378

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. See Note B1-3 for details of gains/(losses) on investments.

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.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

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.

	2023	2022
	\$'000	\$'000
Investment in managed funds	19,854	21,831
Total investment in managed funds	19,854	21,831

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.

	2023	2022
	\$'000	\$'000
Payable to the Society for annual leave entitlements	14	8
Payable to the Society for long service leave entitlements	9	7
Other payables and accruals	46	28
Total payables	69	43

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

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 2023 paid to the Fund by the Society for the financial year 1 July 2023 to 30 June 2024.

	2023	2022
	\$'000	\$'000
Fidelity Guarantee Fund levies for upcoming year	3,202	426
Total income in advance	3,202	426

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.

	2023	2022
	\$'000	\$'000
Opening notified claims	3,777	6,046
Add notified claims (net of reversals)	973	3,388
Less payment of notified claims	(2,847)	(5,657)
Total provision for notified claims	1,903	3,777

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 2023

	2023	2022
	\$'000	\$'000
Interest rate sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in interest rate by 1%	7	3
Decrease in interest rate by 1%	(7)	(2)

	2023	2022
	\$'000	\$'000
Price sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the unit price of managed funds, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in managed funds unit price by 5%	993	1,123
Decrease in managed funds unit price by 5%	(993)	(1,123)

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 2023. There are no events subsequent to reporting date requiring disclosure in the financial report.

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.

	2023	2022
	\$'000	\$'000
Management fees paid to Queensland Law Society	877	843
Total related party transactions	877	843

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

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 2022-23.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2022-23.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2022-23 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.

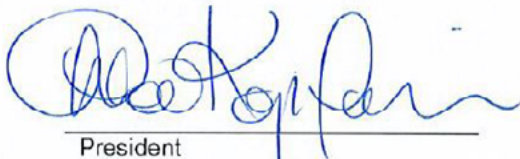
Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2023

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 2023 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.



President
Queensland Law Society
Chloé Kopilović

30 August 2023



Chief Executive Officer
Queensland Law Society
Rolf Moses

30 August 2023

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.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2023, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, 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.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of forming an opinion on the effectiveness of the entity's internal controls, but allows me to form an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

- 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.



31 August 2023

Michelle Reardon
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	4
Accessibility	Table of contents	ARRs – section 9.1	5-7
	Glossary		224-225
	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	3
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5	N/A
General information	Introductory Information	ARRs – section 10	3, 8-97
Non-financial performance	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	10-97
	Agency service areas and service standards	ARRs – section 11.3	10-97
Financial performance	Summary of financial performance	ARRs – section 12.1	97
Governance – management and structure	Organisational structure	ARRs – section 13.1	23-26, 87-90
	Executive management	ARRs – section 13.2	23-26, 87-90
	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	95-96
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	8, 84-85
	Queensland public service values	ARRs – section 13.6	3, 8-9, 18-23

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	24-26, 95
	Audit committee	ARRs – section 14.2	24-26, 95
	Internal audit	ARRs – section 14.3	24-26, 95
	External scrutiny	ARRs – section 14.4	159-161, 179-181, 186, 198-200, 219-221
	Information systems and recordkeeping	ARRs – section 14.5	94-95
	Information Security attestation	ARRs – section 14.6	N/A
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	83-86
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	N/A
Open Data	Statement advising publication of information	ARRs – section 16	3
	Consultancies	ARRs – section 33.1	http://www.data.qld.gov.au
	Overseas travel	ARRs – section 33.2	http://www.data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	N/A
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	158, 178, 185, 197, 218
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	159-161, 179-181, 186, 198-200, 219-221

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Glossary

ALRC	Australian Law Reform Commission
ARRs	Annual report requirements for Queensland Government agencies
ASX	Australian Stock Exchange
CEO	Chief executive officer
Click rate	The percentage of people who opened and clicked on a link or ad in an email
COVID-19	Coronavirus
CPD	Continuing professional development
Cth	Commonwealth
DLA	District Law Association
DPP	Director of Public Prosecutions
EAP	Employee Assistance Program
ECL	Early career lawyer
EDM	Electronic Direct Mail
Email newsletter	Electronic newsletter
EVP	Employee value proposition
FLC	Future Leaders 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>
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
QLS	Queensland Law Society

QLS Update	Queensland Law Society's weekly e-newsletter
QLS Symposium	Queensland Law Society's annual education conference for the Queensland legal profession
QSAC	Queensland Sentencing Advisory Council
RAP	Reconciliation Action Plan
RTI Act	<i>Right to Information Act 2009 (Qld)</i>

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