



Queensland
Law Society[®]

ANNUAL REPORT 2021-22

LEADING SOLICITORS IN QUEENSLAND

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

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

About this report

Queensland Law Society's 2021-22 annual report presents our corporate performance information for the period 1 July 2021 to 30 June 2022.

This report records our activities, achievements and challenges for the 2021-22 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 2022-23 and beyond.

It has been a year of significant achievement for QLS. We launched a new strategic plan in July 2021 with the vision of *Leading Solicitors in Queensland*, underpinned by our purpose of *Good Law, Good Lawyers, Public Good*. Across the organisation, we are delivering on new goals and projects and our progress in our first year of the strategic plan is shared 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 2022

The Honourable Shannon Fentiman MP
Attorney-General and Minister for Justice
Minister for Women and Minister for 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 2021-2022 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 218-219 of this document.

Yours sincerely



Kara Thomson
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 14,637¹ practising solicitors. The Society also provides leadership, guidance and support to 13,002² members, across several categories spanning the breadth of a solicitor's career.

QLS is continued in existence under the *Legal Services Act 2007* and is empowered by the Act to regulate the solicitor's 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.

While we have regulatory powers, in keeping with our vision, QLS is a versatile, responsive and collegiate representative body which supports and advocates on behalf of the Queensland legal 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. We engage with government, the public and the legal community on issues of importance to the profession and the wider community.

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 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 correct as at 30 June 2022

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 2021-22 financial year marks the first year of QLS's new four-year strategic plan 2021-25, which sets out our new vision leading solicitors in Queensland and enunciates our purpose for good law, good lawyers, public good.

Our four-year strategic plan particularises six strategic objectives and seven measures of success (key performance indicators [KPIs]). Measurement of the first year of our strategic plan has been embedded in our Operating Plan 2021-22, 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 first year of its Strategic Plan 2021-25 and the annual Operating Plan 2021-22 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.

Our strategic performance this financial year centred heavily on advancing the public good with an engaged and high quality QLS committee volunteer base, as we surpassed our legal policy goals and furthered our purpose to be the authoritative voice of solicitors in Queensland. We strived to become a thought leader in workplace cultural change. This enabled us to lean into our strategic opportunities to lead the profession in this area. This has resulted in every Law Society in Australia being licensed to deliver our Sexual Harassment Workshops, with over 25 trainers nationally trained to continue workplace culture education.

Our strategic risks and challenges this financial year focused on digital innovation and technology as the Society embarked, in the first time in ten years, to use a new client relationship management (CRM) system, Dynamics, to roll out renewals. The process was not smooth and hindered by various complexities. We have now thoroughly analysed the issues and are resolving them ahead of next year's renewals process. QLS will continue to focus on digital and strategic risks and challenges into the next financial year.

Our operating plan 2022-23

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Advocate	1. 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.	30-Jun-22	Legal Policy	KPI3, KPI5	1.1.1 Ratio of 1:4 proactive to reactive legal policy submissions to relevant stakeholders.	Green	1.1.1 ACHIEVED – ratio – 1:3 (proactive: 49, reactive: 198).
						1.1.2 80% of all advocacy activities to demonstrate member benefit including practice benefits.		1.1.2 ACHIEVED – 90% of advocacy activities demonstrate member benefit (advocacy activities: 325, member benefit: 294).
		1.2 Undertake the Federal Call to Parties.				1.2.1 Federal Call to Parties document published.		1.2.1 ACHIEVED – 2022 Federal Call to Parties Statement was released to the parties and published.
		1.3 Host the Committee and Working Group Chairs Breakfast.				1.3.1 Committee and Working Group Chairs event hosted.		1.3.1 ACHIEVED – Committee Chairs and Deputy Chairs event was held on 9 November.
Advocate	2. Implement research projects – Graduate readiness and Practice readiness.	2.1 Launch member surveys on each research project and receive interim report.	30-Jun-22	Legal Policy	KPI3, KPI4	2.1.1 Member survey launched on each research project.	Green	2.1.1 ACHIEVED – member surveys launched for both projects.
						2.1.2 Interim Reports from each research project provided to Council.		2.1.2 ACHIEVED – early interim findings provided on job readiness research to Council. Future readiness research still in survey stage.
Regulate	3. To conduct a review of the <i>Legal Profession Act</i> , Queensland Law Society Administration Rule 2005 and Queensland Law Society Indemnity Rule 2005.	3.1 LPA, Administration Rule and Indemnity Rule are reviewed and recommendations put to Council for consultation and reform for efficient and modernised legal practice licensing regulation.	15-Dec-21	Regulation & OGC	KPI5	3.1.1 Recommendations put to Council.	Yellow	3.1.1 DEFERRED – Council has settled proposed amendments to the LPA and Rules. This has been deferred to the next financial year.
Regulate	4. To advance and strengthen key regulatory stakeholder relationships and regulatory practices.	4.1 To have Trust Accounts/ External Interventions/PCC and Executive Committee operating completely in accordance with the Part 3.3 Investigation Policy.	30-Jun-22	Regulation	KPI5	4.1.1 Progressive implementation as new staff come on line, as old policy investigations are completed.	Green	4.1.1 ACHIEVED – Trust Accounts/External Interventions/PCC and Executive Committee operating in accordance with the Part 3.3 Investigation Policy and progressive implementation enacted as new staff come on line, as old policy investigations are completed.
		4.2 To establish a central Intelligence network between QLS departments/LSC/QPS/CCC and Lexon.				4.2.1 Have proposal to CEO for approval 30 November 2021.		4.2.1 ACHIEVED – central intelligence network has been established between QLS departments, LSC, BAQ, QPS, CCC, QLS Solicitor Support and Lexon, as well as NSW LS, NSW LSC, VLSC, WA Board and NTLs.
		4.3 To establish regular profession wide updates in QLS Proctor/ update on the actions undertaken by Regulation.				4.3.1 Quarterly reports to the Profession.		4.3 ACHIEVED – trust policy update published QLS Proctor, as well as three articles on regulatory matters.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Guide	5. Continue to roll out the practice support consultancy service.	5.1 Quarterly report on the ILP Strategic Plan.	30-Jun-22	Ethics	KPI4, KPI6	5.1.1 Quarterly reports submitted to Council.	Green	5.1.1 ACHIEVED – quarterly ILP Strategic Plan Reports submitted to Council.
Guide	6. Introduce additional advisory support panels including financial advice service and legal costs advice service.	6.1 Tailor new advisory plan services to demonstrated member need for financial, business and legal costs assistance.	30-Jun-22	Ethics	KPI5	6.1.1 Engage panel providers for new Business Advisory Service and Legal Costs Advisory Service. 6.1.2 Launch to members the new Business Advisory Service and Legal Costs Advisory Service.	Green	6.1.1 ACHIEVED – panel members have been engaged with further confirmations received. 6.1.2 ACHIEVED – the new Business Advisory Service and Costs Advisory Service is being promoted to practitioners through PAS visits/ consultations.
Guide	7. Implement a dedicated workplace conduct central web page for education, guidance, complaints and policy resources to the profession.	7.1 Publish workplace conduct page.	30-Jun-22	Education	KPI4	7.1.1 Workplace conduct page is published and regularly updated as needed.	Green	7.1.1 ACHIEVED – workplace conduct page is published and has been updated with upcoming events.
Educate	8. Review existing PMC and implement new accreditation courses. Explore accreditation options for general practitioner solicitors.	8.1 Deliver accredited training course for each of (a) Practice Management for practice managers, (b) Corporate Governance, and (c) First Nations Cultural Competence. 8.2 Research and draft options paper on accrediting general practitioners. 8.3 Complete USQ review of PMC and implement key recommendations.	30-Jun-22	Professional Advancement	KPI1, KPI4, KPI5	8.1.1 Pilot Practice Managers PMC delivered to 40 delegates. 8.1.2 Certificate in Corporate Governance delivered to 20 members. 8.1.3 Cultural Competency course delivered to 1000 members. 8.2.1 Provide Options paper on general practitioners accreditation options to CEO by 31 March 2022. 8.3.1 Deliver updated PMC in 2022 for small to medium practitioners.	Green – Yellow	8.1.1 ON TRACK & ONGOING – syllabus reviewed and planning for October 2022 test course to refine content. Further delivery continuing into the next financial year. 8.1.2 CANCELLED – engagement undertaken with GIA for Certificate in Corporate Governance but challenges in securing joint branding and mutual legal obligations made the project unfeasible to pursue as a partnership opportunity that offered QLS and members significant benefit. 8.1.3 ON TRACK & ONGOING – modules 1-4 of the Cultural Competency course complete (with the exception of one final lecture) and is live on the website and Learning Management System. Marketing campaign to follow for its official launch in the next financial year. During this financial year there has been interest and discussions from legal stakeholders in the course including other state law societies. 8.2.1 DELAYED – consultation with LIV and LSNSW was undertaken to assess possibility of developing the subject area as a new accredited specialisation and achieving interstate mutual recognition status (as exists for other specialist accreditation subject areas). Both bodies indicated a reluctance to develop this area, expressing a view there was too great a dichotomy between generalist practice and specialisation. 8.3.1 ACHIEVED – first draft of syllabus reviewed over period January – June. Second stage planning of presenter delivery and handbook materials continuing for launch in next Financial Year.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Educate	9. Deliver leading educational workshops on Sexual Harassment and Workplace Culture workshop.	9.1 Ongoing delivery of Sexual Harassment Workshops.	30-Jun-22	Education	KPI1, KPI4, KPI5	9.1.1 Sexual Harassment Workshop delivered to 2,000 members.	Green – Yellow	9.1.1 ON TRACK & ONGOING – Sexual Harassment Workshop delivered to 1840 delegates in Queensland. Every Law Society in Australia licensed to deliver training using the IP and materials. Over 25 Trainers nationally undertaken train the trainer training.
		9.2 Develop and launch workshop 2: Active By standing.				9.2.1 Workshop 2 developed and delivered to 500 members.		9.2.1 ON TRACK & ONGOING – workshop 2 Bystanding planning in progress during this financial year, with the workshop to be launched in the next financial year.
Educate	10. Introduce a 20 CPD university micro credentialed program for young lawyers.	10.1 Launch and deliver first year (10 CPD points) of 2 year 20 CPD point Micro-credential course in partnership with Bond University.	30-Jun-22	Education	KPI5	10.1.1 First year of QLS/Bond micro credential for Masters course launched to young lawyers achieving 30 enrolments.	Green	10.1.1 ACHIEVED – Foundations of Legal Practice program, a joint collaboration between QLS and Bond University that offers a post graduate micro credential which is also recognised as CPD points, launched 16 May 2022. Further promotional materials to be delivered over next financial year.
Educate	11. Continue to develop and lead outstanding and well attended CPD conferences and Build further LMS Education content.	11.1 Reduce prices of CPD conferences and double engagement levels of conferences.	30-Jun-22	Education	KPI1, KPI4, KPI5, KPI6	11.1.1 Annual delegate and financial targets for the conferences achieved with net promoter score > 50%.	Green – Yellow	11.1.1 ACHIEVED – all conferences taken place as planned. Symposium and and Specialty conference events offered at reduced prices (compared to 20/21) and total CPD hours purchased doubled (2,373.75 hours in 20/21 cf 40,315 hours in 21/22).
		11.2 Create and launch new CPD Intro and practice support courses in the LMS.				11.2.1 Add 5 new LMS CPD courses to existing LMS course library by 30 April 2022 and once launched achieve additional uptake of at least 40 self paced courses a month.		11.2.1 ON TRACK & ONGOING – commenced development of 5 new modules in this financial year, which will continue into the next financial year.
Connect	12. Develop and implement member engagement strategies for QLS Future Leaders, District Law Associations, in house counsel and regional members.	12.1 Launch website.	30-Jun-22	Member Engagement	KPI4, KPI5	12.1 Website is launched.	Green – Yellow	12.1.1 ON TRACK & ONGOING – FLC hub and DLA website developed and launched.
		12.2 Create and update content on dedicated pages.				12.2 Dedicated pages on website are created, revised and updated on a regular basis.		12.1.2 ON TRACK & ONGOING – dedicated content updated and created on FLC and DLA website with resources, and with the FLC podcast. Further pages and content to be developed for in house counsel and regional members into the next financial year.
Connect	13. Launch new QLS website and leverage the new platform for collaboration amongst the sector.	13.1 Launch website.	30-Jun-22	Information Management	KPI5	13.1.1 Website launched.	Green – Yellow	13.1.1 ACHIEVED – website launched 01 July 2021.
		13.2 Transfer QLS Proctor to Kentico platform.				13.2.1 QLS Proctor transferred to Kentico platform.		13.2.1 ON TRACK & ONGOING – design and requirements gathering underway.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
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 Roll out the second year of the First Nations Plan, with a focus on professional Cultural support and education.	30-Jun-22	First Nations Cultural Outreach	KPI5, KPI6	14.1.1 Achieved action items set out in the First Nations Annual Plan.	Green – Yellow	14.1.1 ON TRACK & ONGOING – reported on action items in First Nations Plan 2021-22.
						14.1.2 Reported on achievements to Council, the Annual Report and the QLS website.		14.1.2 ACHIEVED – reported to Council on 2020-21 at August Council meeting and reporting is included in Annual Report, which is published on the website and tabled in Parliament. Reporting for 2021-22 will take place in August (Council) and September (Annual Report and website).
						14.1.3 Annual financial targets for the First Nations Annual Plan achieved.		14.1.3 ACHIEVED – annual financial targets for the First Nations Annual Plan were achieved.
						14.1.4 Report on advancement of profession Cultural support and education.		14.1.4 ACHIEVED – reported on advancement of professional cultural support and education.
Connect	15. Implement phase 2 QLS Proctor on a new platform.	15.1 Reposition content and market to members to deliver the optimal balance of content that attracts readership and advertising.	30-Jun-22	Member Engagement	KPI5	15.1.1 Content repositioned and marketed in members.	Yellow	15.1.1 DEFERRED – after further investigation it has been decided that the Kentico CMS used for the corporate website is not well suited to a news website. QLS Proctor will remain on WordPress and design and UX enhancements will be made to the existing site in the next financial year. QLS Proctor marketed weekly to members.
Connect	16. Launch to the public a trusted advisor/use a solicitor advertisement campaign across the State.	16.1 Liaise and secure a joint venture agreement with Law Society of NSW for the campaign and creative content and purchase media.	30-Jun-22	Member Engagement & Information Management	KPI5	16.1.1 Liaised with Law Society of NSW and secured a joint venture agreement for the campaign and creative content and purchase media.	Green – Yellow	16.1.1 ACHIEVED – agreement with NSW LS in place for a secured joint venue of the trusted advisor campaign.
		16.2 Subject to the completion of item 16.1, update QLS landing pages.				16.2.1 Subject to the completion of item 16.1, QLS landing pages updated.		16.2.1 ON TRACK & ONGOING – all content on QLS Find a Solicitor landing pages are being updated and will be transferred to the new microsite in the next financial year.
		16.3 Subject to the completion of item 16.2, update and renew the Find a Solicitor webpage for members.				16.3.1 Subject to the completion of item 16.2, Find a Solicitor webpage for members is updated and renewed.		16.3.1 ON TRACK & ONGOING – several improvements to the Find a Solicitor search function have been approved by Council and will be implemented on the new microsite in the next financial year.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Grow	17. Embed technological resilience and agility by implementing new CRM, intranet, payroll and HRIS systems.	17.1 Deploy new CRM within budget and scope.	30-Jun-22	Information Management	KPI5, KPI6	17.1.1 New CRM implemented and fully operational no later than 1 April 2022.	Green – Yellow	17.1.1 ACHIEVED – CRM project in full flight.
						17.1.2 External user adoption is 35% within 2 months of deployment.		17.1.2 ACHIEVED – adoption rate for PC holders 80% by 30 May.
						17.1.3 External user time to first log in is 50% within six weeks of go live.		17.1.3 ACHIEVED – adoption rate for log in was met.
						17.1.4 Decommissioning IMIS to be read only June 2022.		17.1.4 ON TRACK & ONGOING – decommission IMIS to be read only in Oct 2022, in the next financial year.
		17.2 Dry Run of Renewals completed within budget, timeframe and scope.				17.2.2 Deliver 2022 renewals on the new platform.		17.2.2 ACHIEVED – 2022 Renewals implemented on the new platform; old platform decommissioned for use of renewals.
		17.3 New QLS Intranet deployed.				17.3.1 Intranet deployed by Dec 2021.		17.3.1 ACHIEVED – intranet completed.
						17.3.2 Seamless and Wiki decommissioned by Dec 2021.		17.3.2 ON TRACK & ONGOING – Wiki decommission to commenced and Seamless remains active until Lexon website is signed off. Lexon website is with Lexon for business review. Expected Go Live is August 2022, in the next financial year.
		17.4 Payroll system implemented within budget, timeframe and scope.				17.4.1 Payroll system implemented within budget, timeframe and scope. Data migration completed.		17.4.1 ACHIEVED – payroll system implemented.
		17.5 HRIS Stage 1 completed.				17.5.1 HRIS system Stage 1 implemented by October 2021.		17.5.1 ON TRACK & ONGOING – HRIS system implemented but after investigation seeking alternative suppliers.
		17.6 HRIS Stage 2 completed.				17.6.1 HRIS system Stage 2 implemented by February 2022.		17.6.1 ON TRACK & ONGOING – HRIS system implemented but after investigation seeking alternative suppliers.
		17.7 Increasing DR/BCP capability.				17.7.1 Increasing compute and storage capacity in secondary data centre.		17.7.1 ON TRACK & ONGOING – scoping exercise underway. Awaiting new hardware to arrive.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Grow	18. Enhance our data driven business model with accurate data, enhanced analytics and trend analysis.	18.1 Data review and where necessary cleanse of current active practitioner, member and organisation data.	30-Jun-22	Information Management	KPI5, KPI6	18.1.1 Review activities completed and cleanse completed by Dec 2021.	Yellow	18.1.1 ON TRACK & ONGOING – cleansing underway.
						18.1.2 iMIS becomes a read only state and decommissioned from use by January 2022.		18.1.2 ON TRACK & ONGOING – iMIS becomes a read only state and decommissioned from use by July 2022.
		18.2 Data validation implemented in the new CRM.				18.2.1 Validation is applied wherever possible in the new CRM.		18.2.1 ACHIEVED – validation implemented where possible.
						18.2.2 Data governance is applied to the CRM.		18.2.2 ON TRACK & ONGOING – data governance program is in draft.
		18.3 Increase data literacy throughout the organisation.				18.3.1 Data literacy program developed by October 2021.		18.3.1 ON TRACK & ONGOING – data literacy program is in draft.
						18.3.2 Program launched by January 2022.		18.3.2 DEFERRED – program delayed launch due to staffing vacancies.
						18.3.3 At least 30 people trained by June 2022.		18.3.3 DEFERRED – due to changes in priorities and resourcing issues this has not been completed.
						18.3.4 Intranet resources created by Dec 2021.		
		18.4 Decision reengineering implemented for identified key business decisions.				18.4.1 Three key business decisions identified for reengineering.		18.4.1 ON TRACK & ONGOING – education subject matter analysis completed. Membership dashboard completed.
						18.4.2 Inventory of related decision making process, data and tools.		18.4.2 DEFERRED – due to changes in priorities and resourcing issues this has not been completed.
						18.4.3 Apply a decision intelligence model to business decisions.		18.4.3 DEFERRED – due to changes in priorities and resourcing issues, this has not been completed.
		18.5 Identified key trends for in-depth analysis.				18.5.1 Three key trends identified for analysis.		18.5.1 DEFERRED – due to changes in priorities and resourcing issues, this has not been completed.
						18.5.2 Working group formed for in-depth analysis.		18.5.2 DEFERRED – due to changes in priorities and resourcing issues, this has not been completed.
						18.5.3 Create an action plan to address any emerging issues.		18.5.3 DEFERRED – due to changes in priorities and resourcing issues, this has not been completed.
Grow	19. Continue development of Law Society House project.	19.1 Subject to external finance approval, commencement is subject to negotiations with the builder and completion expected within 6 months of commencement and, where possible, implement minor works to restore end of life assets and maintaining building compliance.	30-Jun-22	Finance	KPI5, KPI7	19.1.1 Works commenced regularly reported to Council on progress.	Green – Yellow	19.1.1 ON TRACK & ONGOING – architect, project manager and consultants required for the design phase have been appointed. FDC has been appointed as Early Contractor under an ECI consultancy agreement. Council and FRC have been regularly updated on progress.

Strategic Objective	Initiative	Key Action	Timeline	Accountability	Strategic KPI	Performance target/KPI	Status (average)	2021-2022 Report
Grow	20. Implement year 1 of the 4 year financial road map.	20.1 Manage expense and revenue lines as per budget targets and ratios.	30-Jun-22	Finance	KPI2, KPI5, KPI6	20.1.1 Deliver budgeted surplus and agreed mix of revenue sources.	Green – Yellow	20.1.1 ON TRACK & ONGOING – the medium term forecast has the cash surplus replenished and the labour/revenue metric tracking at the targeted 53%.
Grow	21. Build variable revenue sources.	21.1 Grow rental income, sponsorship, advertising, conferences and mediation and venue services at LSH as a percentage of overall revenues.	30-Jun-22	Finance	KPI5, KPI6	21.1.1 Variable revenue reaches 18% of overall revenues.	Green – Yellow	21.1.1 ON TRACK & ONGOING – Variable Sales Report prepared, meetings scheduled monthly. Focus is also on securing cash for revenue reported. Note variable sales percentage 1 July 2021 to 30 June 2022 is 12.7% (2,766,069/21,830,388).
Grow	22. Provide best available 1st Party Cyber Insurance cover to Lexon insured QLS member practices.	22.1 Provide 1st party cyber insurance policy coverage for QLS members.	30-Jun-22	Ethics	KPI5	22.1.1 Receive insurance confirmation of 1st party cyber insurance coverage for 2021/2022 year. 22.1.2 Develop plan for ongoing cyber response for member practices.	Green	22.1.1 ACHIEVED – received insurance confirmation of 1st party cyber insurance coverage for 2021/2022 year. 22.1.2 ACHIEVED – met with Marsh to develop plan for ongoing cyber response for member practices and options provided to Council.
Grow	23. Develop and implement a revised member benefits program.	23.1 To complete the QLS Professional Standards Scheme 2022-27. 23.2 Renew Law Care services.	30-Jun-22	Member Engagement & Regulation	KPI4	23.1.1 QLS Professional Standards Scheme 2022-27 is operative on 1 July 2022. 23.2.1 Law Care Services renewed.	Green – Yellow	23.2.1 ON TRACK & ONGOING – Law Care services renewed.

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

Key

ACHIEVED

ON TRACK & ONGOING

CANCELLED

DEFERRED

DELAYED

NOT STARTED

President's review

The role of President requires a dedication to partnering with colleagues, volunteers and members to advocate for reforms to areas of the profession and law that are most needed and important for the growth of law and the legal profession in Queensland.

It has been my honour and privilege to engage in advocacy alongside the profession.

2021-22 was the first year of our Strategic Plan which sets out our vision and purpose and the strategies underpinning and advancing what we do. You will see the themes shine through in this Annual Report and I really do believe it highlights not only the change the Society has seen in its governance and makeup but also continues to keep us accountable and will inspire for years to come.

A voice in the time of change

Lawyers have powerful voices, advocating for those who are most vulnerable. As a Law Society we have a collective voice too which is often called upon by stakeholders. We do advocacy work with our specialist committees on legal policy issues trying to defend the rule of law, respect fundamental legislative principles and generally bring about good law.

As an example, the Law Society and our national federal body, the Law Council of Australia, participated in the Federal Election, giving a voice to matters our members considered important. We collaborated and put out Call to Parties documents listing some of the priority issues that our committees and our members told us were important to them, the legal profession and community.

The major parties responded and gave us and the Law Council commitments. We had a voice. We were seen as legitimate and authoritative. We could be heard.

Not everyone in our community is in such a position. For those people, lawyers have a key role to play in giving them a voice. The voice of our First Nations people is a priority.

The QLS First Nations Legal Policy Committee endorses the Uluru Statement from the Heart and actively advocates for its implementation. The Statement from the Heart seeks a First Nations Voice enshrined in the Constitution and a Makarrata Commission to supervise a process of agreement-making and truth-telling.

Finally this issue may be on the table and there can be a proper discussion about what the Statement calls the torment of powerlessness.

Having a voice, making agreements, telling the truth – these are concepts lawyers are very familiar with and are the very basis of what we do and who we are. It's not really so very far, but perhaps if our nation is brave, we can find a voice and make change. This is something I continue to advocate for in my time as President and something I believe needs to be a focus in coming years.

The Law Society supports inclusion and diversity. The Society has been working for meaningful engagement with our First Nations people in the design and operation of a culturally competent justice system – one which walks with our First Nations People.

We have committed to our Cultural Outreach Strategy following on from our Reconciliation Action Plan and included the voice of First Nations people in our policy committees, our workforce and our education.

We see these partnering opportunities as invaluable. We have too few First Nations members and we see these steps as vital to ensuring adequate representation of First Nations lawyers in the profession and to ensuring First Nations community members are represented and have access to lawyers who understand their cultural needs.

The makeup of the profession

The solicitors of Queensland have reached gender parity in recent years. This is incredible and has been a long time coming.

The Law Society Council now includes ten female solicitors and the positions of President, Deputy President and Vice President are all held by women.

It is over a century since the first woman, Agnes McWhinney was admitted as a solicitor in Queensland, and almost a century since the first woman Katherine McGregor was admitted as a barrister in Queensland.

I am proud of the progression we can see to date. There is still work to be done, particularly in private practice and around retention but we are certainly making progress.

The attrition rate from the profession remains too high. If we get the balance right and women are encouraged through work life balance and respect to remain in the profession, we can only be the beneficiaries of what will be a stronger profession. Those benefits will flow on to ensure all practitioners, regardless of sex will have fair and equitable access to work-life balance and be better supported through the varying stages of their careers.

Prioritising mental health

Mental health continues to be a significant concern for our profession. The changing needs of the profession, societal expectations and challenges posed by the pandemic have resulted in pressures for the profession which have taken their toll and continue to linger.

In addition to all of the resources available to members regarding their practising obligations, the Society has a well-established mental health and well-being work group.

Our Practice Management Course is the only course of its kind that has a mandatory requirement for practitioners to complete a unit on mental health and leading wellbeing in the workplace.

We provide ongoing guidance on ethical issues and practice support through our Ethics and Practice Centre. We offer LawCare – a confidential, personal and professional support service for our members, your staff and your immediate family members. Through this service, we provide six sessions of counselling. We also provide members Mental Health First Aid Training.

These resources, and many more, are tailored to ensure, as best we can, that the Society is able to assist our members navigate mental health issues and ensure a sustainable and viable practice.

Connecting for change

This year I enthusiastically welcomed the opportunity to work with the Government in implementing the recommendations we made in response to the Women's Safety and Justice Taskforce report, Hear Her Voice.

The taskforce report, delivered late last year, set out a four-phase implementation plan to support the delivery of 89 wide-ranging and comprehensive recommendations directed at the Queensland Government, judiciary and legal profession, including a recommendation to create a new offence criminalising coercive control.

The Queensland Government has also released its response to the report, supporting or supporting in principle all 89 recommendations. We are aiming to meet and then exceed the taskforce recommendations to the greatest extent possible within the CPD framework in which we must work.

We are committed to developing comprehensive, up-to-date, trauma-informed education offerings so that Queensland solicitors can best support their clients. We will work with experts, including our Domestic and Family Violence (DFV) Committee, to provide the best and most relevant resources. We are also considering the best ways to ensure that our accredited specialists in criminal law and family law meet and maintain a high level of DFV expertise.

The Society remains committed to supporting our members by providing high-quality ethical guidance on all matters, and we will work with the Ethics Centre and Senior Counsellors to further enhance practitioner skills in DFV.

Finally, I have had the honour of farewelling an incredible female Chief Justice and welcoming another. I have also been honoured to attend 14 welcomes and valedictories for judicial members over the last six months alone. A strong relationship with the judiciary means we can provide trusted advice to our partners in the justice system about the change necessary to meet the moment. This is something I know we will carry forward in years to come and I was proud to represent QLS in these momentous ceremonies.

The items I have highlighted here are only a snapshot of what has been achieved in the year 2021-22 and the promise the future holds for us all.

I look forward to what is in store for my presidency for the remainder of this year and continuing to work with the team at Queensland Law Society delivering a number of major outcomes and change for members and the future of the profession.

CEO Review

The past year has seen significant growth in demand for legal services across most regions and practice areas in Queensland. The increase in gross fee income for Lexon-insured practices was a double digit percentage and many of the members I spoke with throughout the year experienced this growth and the associated pressures on work volumes and staff shortages.

It seems that managing day-to-day unforeseen challenges and business interruptions while at the same time juggling to deliver services and execute longer term strategic plans is becoming the norm. This is a result of staff shortages and absences due to the continued impact of COVID-19. That certainly has been the experience at QLS.

Notwithstanding, the last twelve months have been rewarding for QLS in terms of the work we have done and the progress made on strategic projects.

This annual report sets out our performance in various key areas including the financial results. The surplus achieved was critical to our four year financial road map after 2020, where we budgeted a deficit as part of the QLS COVID-19 support package to the profession. The full financial results commence on page 100 of the report.

As always, one of the highlights each year is recognising the significant milestones of our members, particularly those who achieve Honorary Membership after 50 years of service or for exceptional contribution to the legal profession in Queensland. We also recognise our members who have achieved 25 years of service. The list of those members can be found on pages 70-71 of this report and I was privileged, along with the President, to be able to personally meet many of these individuals and present them with their certificates and QLS pins in recognition of their significant contribution to the Queensland profession.

Delivering education to the membership is one of our major strategic objectives, and notwithstanding COVID-19 disruptions, we offered 142.5 separate CPD hours of content. This attracted over 4,796 attendances to events and saw us achieve record attendances and sponsorship support at the Gold Coast Conference in June as well as very high attendance rates to specialty conferences and QLS Symposium.

Our sexual harassment and workplace culture workshop has now been delivered to just short of 2,000 solicitors in Queensland. This workshop has been licensed to all jurisdictions in the country and is being successfully rolled out nationally.

The Ethics Centre has had significant contact with members this year receiving over 3,500 calls and you can read more about that in this report. The team also completed 358 visits to law firms throughout the state providing practice support consultancy services. The feedback from those visits has been overwhelmingly positive and is adding real value to practices as they navigate through the current business environment.

The Trust Accounting team have also had a busy year taking over 4000 phone calls to the Trust Account Hotline and they also conducted 589 direct visits to law firms across the state.

Our advocacy work continues strongly on behalf of the profession and for the benefit of the public, more details on that can be found on page 30 in the Annual Report. However, a highlight of our advocacy was dispatching 247 individual policy submissions to government and also participating in 174 stakeholder consultations. We attended 19 Parliamentary Committee Hearings and had 145 mentions in Hansard in state parliament. Our relationships with government and the opposition are effective and it has been a pleasing year in terms of the advocacy work we have done.

One of the big projects which commenced in 2019 and advanced significantly this year was planning the refurbishment of the QLS premises at 179 Ann Street. The original building was completed in 1987 and a number of key parts of the building are now non-compliant and at end-of-life, requiring significant refurbishment and rectifications. As a result, we will make larger changes to the building so that we can accommodate Law Society staff across two floors leaving more floors for member services, rental income, and to be able to host more functions, events and educational programs in-house. This project will see fruition during the next financial year and I am looking forward to QLS hosting an opening of the refurbished building.

One of the challenges this year has been the implementation of our new customer relationship management system, Microsoft Dynamics. The legacy system which we rely upon for membership data and practising certificate renewals was decommissioned due to its age and transition to the new system occurred. Unfortunately, this meant delays and some difficulties in the renewals process for practising certificates and memberships. I greatly appreciated the support and patience from the profession as we undertook this significant systems transition. We have learnt much as a result of the implementation and are aware of the frustrations and difficulties it has caused the profession. We are committed to and have prioritised implementing the learnings from the renewals process moving forward.

An important win for the membership this year was to successfully secure first party cybersecurity insurance for members and insureds. This insurance is complimentary and covers up to \$50,000 and top up cover can be purchased. In the current environment where cyber incidents are becoming increasingly difficult to defend, this member benefit is crucial. You can read more about Cyber Essentials on page 63 in the report.

It has been another year where I have felt incredibly proud to have been able to support the Queensland profession and I know the our staff feel the same. I thank them for their significant efforts and contributions to support Good Law and Good Lawyers for the Public Good and we look forward to serving the profession and the membership in the year ahead.

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 QLS Council election was held in September-October 2021, for the Council term beginning on 1 January 2022 and concluding on 21 December. 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.

During the 2021-22 year, an election was held for the 2022 and 2023 Council (see 2021 election below).

Our Council is responsible for leadership and governance of QLS, including the setting and review of the strategic plan and operating performance as reported via the CEO. The Council is also responsible for approving the annual budget, 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 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 Election 2021

Our biennial Council election was held in September-October 2021. The conduct of the election was governed by the LPA and the *Legal Profession (Society) Rules 2007*, and for the first time running was conducted via an online e-election platform supported by TrueVote. There were 11,085 (2019: 10,164) QLS members eligible to participate in the election, and of that number, no manual ballots were posted (2019: 114) however there were 19 letters with unique QR code and online voting instructions for those who did not have an email or the email bounced and 22 postings on myQLS of letters with unique QR code and online voting.

By the close of the election, 1,321 (2019: 1331) voted online and none voted via paper ballot (2019:20). Continuing with 2019, which had only the vice-president and ordinary members of Council positions contested, in 2021 only the ordinary members of Council positions were contested. The voting participation rate for the contested position in the 2021 Council election was 11.92% (2019: 13.29%). Our website received considerable traffic throughout the election, with 8,986 of unique page views of election pages during election period, spending an average of 1:51 on pages.

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, had 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 Legal Ethics Course Policy, Remedial Trust Account Course Policy, PMC Committee Charter, Ethics Committee Charter and approved a new QLS Network Charter and External Nominations and Appointments Policy. 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 43 matters with correspondence for 13 matters. Of those correspondence matters:

- 23% related to fitness matters despite show cause event
- 69% related to applications for a grant or renewal of a practising certificate, and
- 7% related to lay associate applications.

The demographic of practitioners in these matters has been:

- 76% male
- 24% female
- Average age 48 years (at time of decision), and
- Average PAE 19 years (at time of decision).

Our FRC is led by an independent chair, who is not a member of the Council but was originally appointed by the Council, based on a selection and recruitment process in February 2012. The Chair was reappointed in March 2021 by the Council for a one year term, from July 2021 to June 2022 and after loyal and dedicated service, retired as Chair on 30 June 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 was Mr Grant Wallace, Director at Libertate Family Office. Mr Wallace is a qualified Chartered Accountant and advisor with more than 30 years' industry experience spanning all facets of accounting and financial services.

During the financial year, the FRC Chair received remuneration of \$2100 per month plus GST from 1 July 2021 to 30 June 2022. Mr Wallace was paid an additional \$13,031 plus GST for further consultancy work. QLS does not operate an internal audit function. Sufficiency of controls is assessed through the external audit process conducted by the Queensland Auditor-General 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 2021-22 Council photo can be accessed on the website – qls.com.au

Meetings held 2021-22

Name, firm	Role	QLS Council 2021-22		FRC 2021-22	
		Eligible to attend	Attended	Eligible to attend	Attended
Kara Thomson Accredited Specialist – Personal Injury Law (Qld), Hughes and Lewis Legal	President 2022 (01.01.22-01.07.22)	4	4		
	Vice President 2021 (01.07.21-31.12.21)	4	4		
	FRC Committee member 2021-22 (01.07.21-30.06.22)			5	5
Michael Brennan Trustee in Bankruptcy and Official Liquidator, Principal Offermans Partners	Deputy President 2022 (01.01.22-07.06.22)	3	2		
	Councillor 2021 (01.07.21-31.12.21)	4	4		
	FRC Committee member 2021-22 (01.07.21-07.06.22)			5	4

		QLS Council 2021-22		FRC 2021-22	
Name, firm	Role	Eligible to attend	Attended	Eligible to attend	Attended
Chloe Kopilovic Associate Director Ferguson Cannon Lawyers	Deputy President 2022 (07.06.22-30.06.22)	1	1		
	Vice President 2022 (01.01.22-07.06.22)	3	2		
	Councillor 2021 (01.07.21-31.12.21)	4	3		
	FRC Committee member 2022 (01.01.22-30.06.22)			3	2
Rebecca Fogerty Partner Jasper Fogerty Lawyers	Vice President 2022 (22.06.22-30.06.22)	0	0		
	A-G Councillor (01.07.21-22.06.22)	8	7		
	FRC Committee member 2022 (22.06.22-30.06.22)			0	0
Elizabeth Shearer Director Shearer Doyle Law	President 2021 (01.07.21-31.12.21)	4	4		
	Immediate Past President 2022 (01.01.22-01.07.22)	4	4		
	FRC Committee member 2020-21 (01.07.21-30.06.22)			5	5
Allison Caputo Special Counsel, Accredited Family Law Specialist Barry.Nilsson.Lawyers	Councillor 2020-21	8	8		
	FRC Committee member 2022 (01.01.22-17.02.22)			1	1
Samantha Bolton Director Pippa Colman & Associates	Councillor 2022 (01.01.22-01.07.22)	4	3		
	FRC Committee member 2022 (17.02.22-30.06.22)			2	2
Michele Davis Special Counsel Vitality Law Australia	Councillor 2022 (01.01.22-01.07.22)	4	3		
Genevieve Dee Partner Lander & Rogers	Councillor 2022 (01.01.22-01.07.22)	4	4		
Sheetal Deo Principal Shakti Legal Solutions	Councillor 2022 (01.01.22-01.07.22)	4	4		
Bridie Edwards Lawyer Bradley + Bray Lawyers	Councillor 2022 (01.01.22-01.07.22)	4	4		

Name, firm	Role	QLS Council 2021-22		FRC 2021-22	
		Eligible to attend	Attended	Eligible to attend	Attended
Peter Jolly Partner Thynne + Macartney	Councillor 2022 (01.01.22-01.07.22)	4	4		
Rebecca Pezzutti Senior Associate MinterEllison	Councillor 2020-21 (01.07.21-24.06.22)	8	7		
	FRC Committee member 2020-21 (01.07.21-24.06.22)			5	5
Luke Murphy Accredited Specialist (Personal Injury), Succession Law Partner MurphySchmidt Lawyers	Immediate Past President 2021 (01.07.21-31.12.21)	4	4		
	FRC Committee member 2021 (01.07.21-31.12.21)			2	2
Kirsty Mackie Solicitor/Lecturer in Law University of Sunshine Coast – Clinical Law	Councillor 2021 (01.07.21-31.12.21)	4	4		
Justin McDonnell Partner King & Wood Mallesons	Councillor 2021 (01.07.21-31.12.21)	4	3		
William (Bill) Munro Director, Accredited Specialist – Personal Injury Munro Legal	Councillor 2021 (01.07.21-31.12.21)	4	4		
Philip Ware General Counsel Stanwell Corporation Ltd	Councillor 2021 (01.07.21-31.12.21)	4	3		
	FRC Committee member 2021 (01.07.21-31.12.21)			2	2
Grant Wallace Director Libertate Family Office	FRC Chair 2021-22 (01.07.21 – 30.06.22)			5	5

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

This financial year saw the recovery and relative return to normal since the start of the pandemic, following our leadership at the forefront of emergency legislation response, whilst continuing support for the profession, creating and establishing QLS as the go to for breaking news in the Queensland legal profession.

This financial year saw the acceleration for the planning of the refurbishment for Law Society House, enhancing and creating an arbitration and member services hub for the profession.

The plans and projects for the future include:

- Law Society House refurbishment
- Research projects
- Membership engagement survey

- IT/ Dynamics enhancements
- Domestic and Family Violence and Trauma Informed Practice, and
- Employer of Choice for Gender Equality Citation renewal.

Our future goals 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 2022-23

Our new operating plan 2022-23, developed over the financial year and effective 1 July 2022, is the second plan under the 2021-25 Strategic Plan. Our new operation plan sets out 21 initiatives in advancing our six strategic objectives to see through the second 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

13,002

Total Queensland Practising Certificates

14,637

Practising Certificate by type

Practising Certificate type	Total
Restricted Employee	3142
Unrestricted Employee	7451
Foreign Law	14
Other PC/Travelling PC	292
Limited Principal	41
Unrestricted Principal	3581
Restricted Principal	2
Unrestricted Volunteer	43
Restricted Volunteer	71
Total	14637

Total membership by Category

	Total
Full member	11728
Associate Member	387
Honorary Member	161
Student Member	726
Total	13002

Where our members practise

	Full Members
Sole	1054
Micro	2472
Small	2265
Medium	1036
Large	2040
Other*	2861
Total	11728

Member by generation

Year	Generation	Full Member
1925-1945	Builders	27
1946-1964	Baby boomers	1741
1965-1979	X	3374
1980-1994	Y	5259
1995-2010	Z	1316
NO DOB		11
Total		11728

Gender Balance

	Male	Female	Not available	Total
Full Member	5484	6237	7	11728
Associate Member	180	207		387
Honorary	133	28		161
Student Member	16	31	679*	726
Total	5813	6503	686	13002

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

Year of achievement

Legal policy statistics	
Total committee, subcommittee and working group meetings	125
Total submissions	247
	Proactive: 49 Reactive: 198
Mentions in Hansard	145
Public hearings	19
Requests for comment	256
Positive outcomes	28
Stakeholder consultations	182
COVID-19 specific publications	20

Criminal Procedure Review

QLS has been a key stakeholder in the Department of Justice and Attorney-General's historic review of the *Justices Act 1886* (Qld) (Justices Act), led by retired District Court Judge, Mr Michael Shanahan AM. The Criminal Procedure Review will make findings and recommendations for a new legislative framework for contemporary and effective criminal procedure laws in Queensland's Magistrates Courts. This new framework will follow the order of events in a criminal proceeding in the Magistrates Courts, from starting proceedings to finalisation, including an appeals process.

Representatives of the Criminal Law Committee, Human Rights and Public Law Committee, Childrens Law Committee, First Nations Legal Policy Committee and Domestic and Family Violence Law Committee participated in multiple stakeholder consultations with the Criminal Procedure Review team, and made a significant submission in response to the Consultation Paper released in April 2022. QLS supported the review for three key reasons:

1. Criminal justice procedure in Queensland is skewed towards a trial as the probable outcome.
2. The prolix, archaic and complicated nature of the Justices Act presents a significant barrier to access to justice, especially for self-represented defendants, who may lack the necessary resources and understanding to enforce their rights and comply with their obligations in the Magistrates Courts.
3. There are concerns that excessive charging by police may create inefficiencies and costs to the criminal justice system in refining and negotiating appropriate charges and getting early pleas of guilty.

QLS's submission emphasised the need for increased use of technology and electronic Court processes for summary criminal procedure, including electronic lodgement, filing and service of documents, arguing that new criminal procedure laws should facilitate the use of digital technologies and electronic processes, and be sufficiently flexible to accommodate future technological advances. The submission also highlighted the need for laws that are culturally appropriate for the communities to which they apply, and for laws that are accessible to all Queenslanders. Further, the submission emphasised the importance of any new criminal procedure legislation being compatible with the *Human Rights Act 2019* (Qld).

Judicial Commission Working Group

QLS has established a cross-committee Judicial Commission Working Group with members from QLS policy committees as well as a members from the QLS Ethics Committee, District Law Associations and a retired Judge. The Group is examining an effective model for a Judicial Commission for Queensland and intends to liaise with the Queensland Courts and Government on such a model and the best way to progress these issues.

LGBTQIA+ Criminal Justice Working Group

There are many issues in the criminal justice system that uniquely affect LGBTQIA+ people. Some of these relate to the court system (such as gender options on the bench charge sheet) and others relate to experiences with police and criminal lawyers. QLS has convened a working group comprised of external criminal justice stakeholders to inform advocacy as it relates to issues in the criminal justice system that uniquely affect LGBTQIA+ people. The working group includes members of the Criminal Law Committee, Human Rights and Public Law Committee and the Childrens Law Committee.

The working group is exploring changes to the gender options on the bench charge sheet, court attendances and announcements for trans and gender diverse people, law reform and further CPD opportunities for practitioners to increase education among the profession.

Modernising document creation following temporary COVID-19 measures

In November 2021, the *Justice and Other Legislation Amendment Act 2021* was passed by the Queensland Parliament making permanent many of the legislative reforms implemented in 2020 in response to the COVID-19 pandemic, including modernising the way certain documents are able to be created. Documents such as affidavits, statutory declarations, general powers of attorney for businesses, deeds and particular mortgages can now be signed electronically and, if there is a requirement for a witness, this can be done via audio video link.

As noted into the Explanatory Notes for this legislation, QLS was consulted on these amendments and this follows our previous advocacy and liaison with government on these issues in recent years. QLS strongly supported these reforms, provided a submission to the parliamentary inquiry and appeared at the public hearing.

Since the reforms have been passed by Parliament, QLS has updated the profession and has also liaised with government and the courts about their implementation, including regarding updated forms.

New Civil Case Management System for the Queensland Courts

For the past 18 months, the Queensland Courts have been working to develop a new civil case management system. The system will allow for electronic filing and electronic access to court files for matters in the Queensland Civil and Administrative Tribunal's minor civil jurisdiction and the civil jurisdiction of the Magistrates Court. It is anticipated the system will be expanded to other Queensland Courts and jurisdictions in the near future.

QLS has formed a working group comprised of members of our policy committees, together with members of some of the District Law Associations. The group has met regularly with the Courts project team to review various features of the system and to provide feedback on behalf of the profession. Currently, user-testing of the system is being conducted, including with people nominated by the working group.

The working group has worked with the Queensland Courts to improve system usability in respect of document file sizes, required lodgement details and access to documents.

Review of the *Anti-Discrimination Act 1991*

In 2021, the Queensland Government announced a review of Queensland's *Anti-Discrimination Act 1991* to be undertaken by the Queensland Human Rights Commission. In order to comprehensively respond to the review, QLS convened a working group with members from a number of policy committees and sought input directly from committees and from the membership more broadly. In addition to providing a written submission to the review, working group members also participated in the practitioner roundtable conducted by the QHRC where feedback on the issues raised was provided directly to the review team.

The review is undertaking a thorough examination of the Anti-Discrimination Act and the practices and processes that flow from it. The review has considered the appropriateness of some of the current definitions in the Act as well as whether reform is needed to the list of attributes and exemptions. Issues around bringing claims, including who should bear the onus of proof and the ability to bring a claim in a court or tribunal were also examined. These issues have been considered by QLS members based on their experience in different types of claims, including those resulting from employment, education and as a result of age and disability.

The final report was due to be provided to the Queensland Attorney-General on 30 June 2022. The Working Group will consider the report and recommendations once released.

Women's Safety and Justice Taskforce

QLS welcomed the opportunity to be involved at each stage of consultation conducted by the Women's Safety and Justice Taskforce and looks forward to advocating for good law and the interests of QLS members as the government responds to the taskforce's reports.

The Domestic and Family Violence Committee and Criminal Law Committee led the QLS response to the Queensland Women's Safety and Justice Taskforce's Discussion Paper 1 (options for legislating against coercive control and the creation of a standalone domestic violence offence), while also incorporating the views of members from a range of other committees, including the Family Law Committee, the Elder Law Committee, the Health and Disability Law Committee, the First Nations Legal Policy Committee and the Human Rights and Public Law Committee. The submissions recognised the diverse perspectives held by QLS members on the issues raised in the discussion papers.

QLS acknowledged the devastating impact of coercive control on women and children as well as the gaps in appropriate responses in the current system. In designing a response to coercive control, QLS recommended the government take a multi-faceted approach, including the implementation of comprehensive and well-resourced training and education campaigns. QLS highlighted the significant scope for improvement within current systems and processes as well as the need for any new offence to be carefully and specifically defined to avoid unintended consequences.

The taskforce released the Hear Her Voice Report 1 in late 2021. Report 1 set out a four-phase implementation plan to support the delivery of 89 wide-ranging and comprehensive recommendations directed at the Queensland Government, judiciary and legal profession, including a recommendation to

create a new offence criminalising coercive control. The government subsequently responded, wholly supporting or supporting-in-principle all recommendations.

A number of recommendations refer to, or are aimed at, legal practitioners and QLS specifically. The taskforce reported examples of excellent legal advice and representation in matters involving domestic and family violence. The taskforce also reported hearing accounts of negative experiences and found that the effectiveness of legal professionals directly depends on their knowledge and understanding of the nuances of how coercive control is perpetrated. QLS has responded to the relevant recommendations, committing to improve the profession's level of understanding in regard to domestic and family violence and trauma-informed practice. QLS is liaising with other legal profession stakeholders and commencing work on implementing the Report 1 recommendations.

The Criminal Law Committee led the response to the taskforce's Discussion Paper 3 (Women and girls' experiences across the criminal justice system as victims-survivors of sexual violence and also as accused persons and offenders) with input from the Domestic and Family Violence Committee and members of the Family Law Committee, Health and Disability Law Committee, Children's Law Committee, and Human Rights and Public Law Committee.

Our submission was broad ranging and addressed issues related to the experiences of women and girls with complex and intersecting needs as both victim-survivors of sexual violence and accused persons within the criminal justice system, human rights, the possibility of substantive changes to the Criminal Code regarding consent, and technical issues of evidence, criminal procedure and jury directions. In particular, the submission raised significant misconceptions within the lay-community about the content and application of current statutory and common law principles governing sexual offence and domestic violence proceedings, cautioning that amendment of these base evidentiary principles may have far-reaching ramifications and unintended consequences. The submission also raised the potential for evidentiary reforms to compound the legal technicality of sexual offence and domestic violence proceedings in a way that risks occasioning delay, legal error, burgeoning appellate case-load and increased trauma for complainants.

The Taskforce released Hear Her Voice – Report 2 on 1 July 2022. We look forward to the government's response and consulting on any legislative changes that may arise.

2022 Federal Election Call to Parties

In April 2022, QLS released its 2022 Federal Election Call to Parties Statement. The Call to Parties Statement was prepared by the QLS Legal Policy team in consultation with QLS legal policy committees, members and key stakeholders over a period of several months. It sought commitment from political parties and candidates to address issues critical to the effective delivery of justice to the Australian community including:

- making justice more accessible
- resourcing federal courts, tribunals and commissions
- preserving the integrity of our justice system and public institutions
- Aboriginal and Torres Strait Islander Peoples
- fair resolution of family law disputes
- addressing violence against women and their children
- addressing gender inequality and unsafe workplaces
- protecting children
- implementing measures to combat elder abuse
- removing criminal law barriers to access legislated voluntary assisted dying schemes
- supporting disability services
- enshrining human rights

- fairness and assistance in migration
- sustainability, climate and disaster response
- protecting consumers
- supporting small and family business
- providing certainty and security for workers and employers
- ensuring compensation schemes are efficient and effective
- engaging the not-for-profit sector
- preserving privacy, and
- Commonwealth law reform processes.

The statement was sent to a number of political parties and candidates as well as disseminated through our own networks. QLS received a response to the statement from the Australian Greens, which was published on the QLS website.

QLS also contributed to the Law Council of Australia's Call to Parties document which was also sent to candidates and political parties.

Annual meeting of legal policy committee Chairs and Deputy Chairs

On 9 November 2021, the Queensland Law Society held its annual meeting of legal policy committee Chairs and Deputy Chairs. QLS was delighted to welcome the Attorney-General, the Honourable Shannon Fentiman MP, who delivered an address. The Attorney-General thanked QLS for its contribution and set out the Government's 2022 legislative agenda. The Attorney-General also participated in a Q&A discussion with 2021 QLS President, Elizabeth Shearer, during which the Attorney-General discussed suggestions for effective advocacy, the challenges of balancing priorities in the law reform agenda and gave some insights into how the QLS Call to Parties Statement is received and dealt with by the Government of the day. The Attorney-General also took questions from attendees.

After the Attorney-General's departure, the Chairs and Deputy Chairs participated in a facilitated workshop discussion, focusing on the challenges facing the legal profession in a post-COVID world and how QLS can support the profession at this time. Options for future law reform campaigns were also discussed.

Access to Justice and Pro-bono Law Committee

The committee have achieved great success this year. Of note is the committee's campaign for an increase to Legal Aid preferred supplier rates. After sustained advocacy, Legal Aid Queensland has confirmed that it will increase fees paid to solicitors and barristers representing financially disadvantaged clients in most State law matters. The committee published several QLS Proctor articles with an access to justice focus and have contributed to nine legal policy submissions. The committee have also published a draft Access to Justice Policy Position.

The committee published the 2021 Access to Justice Scorecard data analysis and report which assessed the views of the Queensland legal profession about Queenslanders' access to justice. Now in its ninth year, the report assessed the workings of our legal system through the lens of the profession, including the fairness of our laws, dispute resolution and Queenslanders' access to legal help. The 2021 survey questions adopted some multiple choice questions from previous years to create a comparable timeline of access to justice across the years. However this year, there are a number of brand new questions which were designed to obtain data on issues not canvassed by previous surveys, such as the uptake of Low Bono or discrete task legal services.

Accident Compensation/Tort Law Committee

The Accident Compensation and Tort Law Committee has contributed to 17 submissions and participated in over 15 stakeholder consultations during the financial year. The committee enjoys excellent stakeholder relationships with various government agencies, including the Office of Industrial Relations, the Motor Accident Insurance Commission and the Legal Services Commission.

In recent months, the committee has continued its advocacy in relation to the elimination of claim farming by making submissions in respect of the *Personal Injuries Proceedings and Other Legislation Amendment Bill 2022*, supporting the intention of the Bill but expressing concerns about the practicalities of the law practice certificate requirements and certain other aspects of the Bill, including a proposed retrospective change to the definition of *terminal condition* in the workers' compensation legislation. Those concerns were reiterated by QLS 2022 President Kara Thomson and the committee chair and deputy chair at the public hearing before the Legal Affairs and Safety Committee.

The Bill was enacted without the retrospective change to terminal condition and with a number of other changes proposed by QLS, though the law practice certificate requirements remain largely unchanged. The committee is continuing to consult with the regulators regarding implementation of the claim farming and law practice certificate reforms.

During the year, the committee has also been involved in advocacy regarding delays in Medicare's compensation recovery program, contributed to QLS feedback on court processes, and participated in QLS's education program through presentations at conferences and QLS Symposium.

Alternative Dispute Resolution (ADR) Committee

The Alternative Dispute Resolution Committee has been working to assist QLS accredited mediators including by examining options to support mediators in meeting the requirements of the National Mediator Accreditation System's Approval and Practice Standards. Members of the Committee are engaging with various stakeholders, including the Queensland Courts, to discuss participation in volunteer/pro-bono mediation schemes. Participation in these schemes will provide assistance to the courts and to the community, as well as assist QLS mediators to reach their minimum hours required under the National Mediator Accreditation System.

The committee also contributed to QLS advocacy via written submissions to the Review of the *Farm Debt Mediation Act 2017* and to the inquiry into the Small Business Commissioner Bill 2021, where a member also appeared at the public hearing. Members of the committee have also updated the profession via QLS Proctor.

Banking and Financial Services Law Committee

The Banking and Financial Services Law Committee contributed to both broader QLS policy submissions and Committee specific submissions in financial year 2021-2022. The committee worked closely with the Competition and Consumer Law Committee to review the Treasury Laws Amendment (Measures for a later sitting) Bill 2021: Unfair contract terms reference, in particular advocating that further guidance be prepared by regulators to ensure certainty of application of the provisions. The committee also assisted the Elder Law Committee in its response to the 2021 review of the Banking Code of Conduct, making some recommendations to improve experiences for vulnerable customers.

The committee has focused its efforts on responding to the Australian Law Reform Commission's review of complexity in legislation regulating corporations and financial services. In particular, the committee responded to the ALRC's Interim Report A. In support of the ALRC's objective to facilitate a more adaptive, efficient, and navigable framework of legislation within the context of existing policy settings, the committee has stressed that the ALRC must ensure any restructuring of the legislation or changes to the definitions and terminology will still accurately reflect the current legislative settings. The committee also advocated for vital transitioning provisions to ensure industry is provided with sufficient time to effect any changes in detailed processes and computer programming that arise from the final legislative changes.

The committee contributed to the Law Council's important work on the Inquiry on the adequacy and efficacy of Australia's anti-money laundering and counter-terrorism financing regime, on which the Senate References Committee on Legal and Constitutional Affairs released its report on 30 March 2022. The Committee contributed to a subsequent QLS Proctor article, informing practitioners of the significant consequences that will result from the implementation of tranche 2 of the anti-money laundering and counter-terrorism financing regime.

In response to member queries about the National Consumer Credit Protection Amendment (Debt Management Services) Regulations 2021, the committee sought clarification from ASIC about the scope of the exemption for lawyers under the Regulations. Upon receipt of correspondence from ASIC, QLS notified the profession via QLS Proctor. The committee also assisted ASIC with its ePayments Code Review, providing multiple rounds of feedback and responding to specific enquiries from ASIC on revised positions and rationales. The committee also provided numerous rounds of feedback to the Property Law Committee on relevant aspects of the Property Law Bill 2021. Further, the committee is working through an updated independent solicitor certificate to capture advice provided on third party guarantees to clients remotely, in part because solicitors have indicated they wish to continue providing such advice to clients remotely beyond the pandemic.

Children's Law Committee

The committee had another busy year advocating for reform in the youth justice and child protection practice areas. The committee contributed to 15 policy submissions and numerous consultation processes. Of note is the committee's strong and sustained advocacy in relation to raising the minimum age of criminal responsibility. This year, QLS made submissions and appeared as a witness before the Community and Support Services Committee on the Criminal Law (Raising the Age of Responsibility) Amendment Bill 2021 and also made submissions highlighting the need for reform in the process of Supreme Court bail reviews for children and young people. Committee members also participated in a number of 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 contributed to four written submissions over the past financial year in relation to Federal law reforms. Of note, the committee contributed to a submission to the Productivity Commission regarding the draft report on the Right to Repair, which was released as part of the Commission's Right to Repair Inquiry. The other submissions related to cybersecurity regulations and incentives, strengthening protections against unfair contract terms, and the ePayments Code review. 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

The Construction and Infrastructure Law Committee has undertaken important advocacy work involving Queensland's construction and infrastructure sector, consistent with the Society's mandate for good law for the public good.

In this regard, the Construction and Infrastructure Law Committee has contributed to a number of submissions to government and proactively written to key stakeholders raising issues with Queensland's construction and infrastructure sector

The Construction and Infrastructure Law Committee consulted with the Developer Review Panel as an Industry Reference Group member. The Construction and Infrastructure Law Committee made a submission to the Developer Review Panel, where they raised their concerns with current practices in Queensland's building and construction industry. The Construction and Infrastructure Law Committee continues to engage with the Developer Review Panel to discuss the role of developers in Queensland's building and construction industry.

The Construction and Infrastructure Law Committee also attended the public hearing to the Building and Other Legislation Amendment Bill 2022, having made a written submission to the Bill. At the public hearing, QLS raised concerns with the breadth of the proposed regulation-making power under the proposed amendments, and argued that it did not have proper regard to the institution of Parliament.

Criminal Law Committee

The Criminal Law Committee contributed to a high volume of written submissions and attended various stakeholder meetings, roundtables and forums over the 2021-2022 financial year. The committee made 41 written submissions on a variety of wide ranging and important issues of criminal law reform. Of note was the committee's responses to the Women's Safety and Justice Taskforce, the most recent of which made recommendations relating to Queensland's consent laws, evidence laws and the experiences of women and girls as offenders in Queensland's criminal justice system. The committee has also played a key role in supporting the Department of Justice and Attorney-General's Criminal Procedure Review Team, who are undertaking a historic review of the *Justices Act 1886* (Qld), and have advocated for new criminal procedure legislation to ensure criminal procedure laws in Queensland respond to contemporary challenges and evolving community standards. The committee has also made submissions in response to various commissions of inquiry, including the Commission of Inquiry into Queensland Police Service Responses to Domestic and Family Violence and the Commission of Inquiry into the Crime and Corruption Commission.

The committee also made an important submission to the Queensland Sentencing Advisory Council in relation to its review of the Serious Violent Offences scheme. The committee reiterated QLS's long-held position against mandatory sentencing limits, and argued for the abolition of the scheme in favour of judicial discretion. In response to the Queensland Law Reform Commission's inquiry into a regulated sex work industry in Queensland, the committee supported the decriminalisation of sex work in Queensland and advocated for the recognition of sex work as legitimate work to ensure sex workers have the same rights, protections and obligations as other workers. The committee has also advocated for the establishment of a federal parole authority to replace the current role of the Commonwealth Attorney-General and be the independent decision-maker on parole applications by federal officers.

The committee has also undertaken a number of proactive projects. It made a submission to the Attorney-General advocating for law reform in relation to public intoxication and other public order offences in Queensland. It also established a working group comprised of external criminal justice stakeholders to inform advocacy as it relates to issues in the criminal justice system that uniquely affect LGBTQIA+ people, and is setting up a cross-committee working group to further investigate issues for people with mental illness in the criminal justice system.

Other issues the committee commented on include:

- call over lists
- the Queensland Intermediary Scheme Pilot Program
- possession offences for illicit drugs
- the operation and effectiveness of current laws pertaining to access to, and public reporting of, sexual offence and domestic and family violence matters
- the video recorded evidence-in-chief pilot program
- Queensland Sentencing Advisory Council's review of the serious violent offences scheme
- a new framework for parole decisions about life-sentenced prisoners convicted of multiple murders, child murder, and
- amendments to the No Body No Parole scheme.

Submissions have been made on proposed amendments to various legislative instruments, including: *Criminal Code Act 1899*; *Police Powers and Responsibilities Act 2000*; *Oaths Act 1867*; *Police Service Administration Act 1990*; *Weapons Act 1990*; *Child Protection (Offender Reporting and Offender Prohibition Order) Act 2004*; *Corrective Services Act 2006*; *Working with Children (Risk Management and Screening) Act 2000*; *Evidence and Other Legislation Amendment Act 2022*; *Police Powers*

and Responsibilities and Other Legislation Amendment Bill 2021; Police Legislation (Efficiencies and Effectiveness) Amendment Bill 2021; and, Police Service Administration and Other Legislation Amendment Bill 2021.

Finally, the committee continues to enjoy excellent relationships with key stakeholders, including: the Queensland Courts; Department of Justice and Attorney-General; Queensland Police Service; Queensland Corrective Services; AMA Queensland; and, Parole Board of Queensland. The committee attends regular stakeholder engagements with these bodies, including: the Streamlining Criminal Justice Committee; the Court Users Reference Group; and, the Courts Safety and Risk Committee. The Committee was also invited to attend roundtables held by AMA Queensland and Deloitte, and has appeared at public hearings in relation to some of the above mentioned legislative amendments, including the: Evidence and Other Legislation Bill 2021; Police Powers and Responsibilities and Other Legislation Amendment Bill 2021; and, Police Legislation (Efficiencies and Effectiveness) Amendment Bill 2021.

Domestic and Family Violence Committee

The Domestic and Family Violence Committee has contributed to 25 submissions and participated in a number of stakeholder consultations. It is a trusted source of expert advice to QLS regarding domestic and family violence policy issues.

In addition to contributing to submissions to the Women's Safety and Justice Taskforce, the committee has responded to a number of confidential consultations, provided input into the QLS 2022 federal election Call to Parties and QLS submissions regarding legal assistance funding, given feedback on the draft National Plan to End Violence Against Women and Children 2022-2032 and the Queensland Women's Strategy, worked with the Family Law Committee on submissions regarding improving the competence and accountability of family report writers and on a proposed national model definition of family violence, and advocated for improved legal education in relation to domestic and family violence.

The committee also provided feedback in relation to permanent changes to domestic violence legislation following changes initially made in response to the COVID-19 pandemic and in relation to legislation allowing for a trial of video recorded evidence in chief. Most recently, the committee made a submission to the Independent Commission of Inquiry into Queensland Police Service Responses to Domestic and Family Violence, building upon QLS's responses to the Women's Safety and Justice Taskforce.

Elder Law Committee

The Elder Law Committee is committed to identifying areas of law that impact on older people and the provision of services to them and advocating for improvements to the law. In doing so, the committee has contributed to 20 submissions over the past financial year. The committee led QLS's work on its Elder Abuse Joint Issues Paper, released in conjunction with the Queensland Public Advocate in early 2022. The paper provides an overview of important recent reform developments to the elder abuse legal landscape in an effort to stimulate discussion and debate on the current legal issues associated with elder abuse. The paper also makes a number of recommendations for law and policy reform.

In response to the 2021 review of the Banking Code of Conduct, the committee made recommendations to improve experiences for vulnerable customers. For example, the Banking Code of Conduct should be updated to include:

- a specific commitment to offer
- use of interpreters for customers with English as a second language
- where appropriate, use interpreters for sight and hearing impaired customers and First Nations customers.
- dealing with customers with impaired decision-making capacity in a way that appropriately balances the need for safeguarding with the person's autonomy
- considering how banks identify and then interact with EPOAs and other similar documents, and
- clearly outlining how banks will respond to scams.

The committee continued its long-standing involvement in reform of the aged care sector, providing feedback to the Law Council of Australia to inform its position on the Aged Care and Other Legislation Amendment (Royal Commission Response No. 2) Bill 2021. The committee expressed concern about the consent-based model for the use of restrictive practices in residential aged care facilities, arguing the proposed definition of restrictive practices substitute decision-maker will give rise to outcomes where individuals without powers under State or Territory law to authorise restrictive practices will nonetheless be empowered to do so under the Commonwealth legislative framework, leading to further ambiguity under Queensland law.

The committee has made numerous submissions in relation to issues in retirement villages and manufactured home parks, and has undertaken extensive stakeholder engagement with: ARTD; the University of Queensland; the Department of Communities, Housing and Digital Economy; and, Associated Residential Parks Queensland Inc. Submissions have included advocacy on the need for more efficient and streamlined dispute resolution processes in retirement villages and manufactured home parks, the need for better pre-contractual advice, and a submission relating to the final report of the independent review of timeframes for exit payments in Queensland retirement villages.

Other submissions the committee has led or contributed to include:

- the proposed model definition of family violence (arguing that the scope of the definition must be wide enough capture instances of elder abuse)
- Queensland Government's Inquiry into Social Isolation and Loneliness
- review of the Public Trustee's fees and charges
- 021 Banking Code Review
- minimum standards for budgeting and financial reporting in Queensland retirement villages
- proposed new residence contract requirements under the *Retirement Villages Act (Annual Financial Statements and Other Matters) Amendment Regulation 2021*
- exempting resident-operated retirement villages from mandatory buyback requirements, and
- the Royal Commission into Aged Care Quality and Safety.

The committee is also facilitating, in conjunction with other legal policy committees, a review of the Queensland Handbook for Legal Capacity, to ensure it remains a valuable guide for Queensland's legal practitioners.

The committee has also continued its joint advocacy with the Health and Disability Law Committee and Succession Law Committee. Representatives of these committees attended a series of Commonwealth and Law Council of Australia roundtables on the proposed national register of financial enduring powers of attorney EPOAs and EPOA law reforms. The committees subsequently contributed to multiple submissions to the Law Council of Australia in relation to its ongoing work on EPOA law reform, stressing that more nationally consistent laws governing EPOAs and a national model enduring document should be matters of priority for Attorneys-General, and that this should be resolved prior to the implementation of a national register of financial EPOAs. The committees have also supported in principle the Law Council of Australia's model provisions, but considers a standardised national test for capacity is important, along with nationally consistent best practice guidelines for assessing capacity. The committees' joint advocacy has also continually highlighted the importance of supported decision-making where possible.

The committees also argued against retaining most of the COVID-19 permanency measures as they related to electronic signing and remote witnessing of wills and enduring documents. Rather, the committees advocated for further research into the effects of these practices on vulnerable persons before taking a position on whether permanency should be adopted in the future. The committees made several submissions to the Chief Health Office and Queensland Health to request an exemption for fully vaccinated legal practitioners to enter restricted facilities (e.g. residential aged care facilities, hospitals and disability accommodations) to provide essential legal services. This request was granted in relation to residential aged care facilities in September 2021.

In response to growing concerns over the use of the Statement of Choices documents by Queensland hospitals and aged care facilities, the committees continue to advocate for these documents to be reviewed for their legality. The committees were also instrumental in advocating to the Queensland Government for an increased funding allocation to the Queensland Civil and Administrative Tribunal to assist with growing delays in its guardianship division.

Energy and Resources Law Committee

The committee continues to foster strong relationships with the Department of Natural Resources, Mines and Energy, who often provide confidential consultation drafts of proposed legislation and related policy documents. This is particularly useful for our members who operate in Queensland's complex and highly regulated energy and resources industries.

The committee has worked collaboratively with other policy committees to contribute to a range of submissions, including climate change regulatory proposals, assisting the Land Court with various procedural queries, and working with the QLS First Nations Law Committee on the review of the cultural heritage legislation.

Family Law Committee

The Family Law Committee contributed to 13 submissions and participated in a number of important stakeholder consultations, including regular consultations regarding the Lighthouse Project. The committee contributed to a range of legal policy and advocacy work including QLS feedback on a model definition of family violence and on improving the competency and accountability of family report writers.

Drawing on the expertise of the committee, QLS worked closely with the Family Court and Federal Circuit Court prior to the amalgamation of the courts on 1 September 2021 and provided regular updates to practitioners on operational and procedural changes, including harmonised rules and forms. Subsequent to the amalgamation, the committee has liaised with other membership organisations to collate feedback on the operations of the court.

First Nations Legal Policy Committee

The First Nations Legal Policy Committee held 5 committee meetings and contributed to 14 written submission over the past financial year. Committee members contributed to key advocacy around law reform and policy in Queensland and nationally. Of note, the committee contributed to submissions to the State Parliament's Community Support and Services Committee on the Criminal Law (Raising the Age of Responsibility) Amendment Bill 2021 and to the Queensland Human Rights Commission's recent review of the *Anti-Discrimination Act 1991* (Qld). At a federal level, members also contributed to the Law Council of Australia's response to the Attorney-General's Department consultation on 'New family dispute resolution services for Aboriginal and Torres Strait Islander families'.

Franchising Law Committee

In the 2021-22 financial year, the Franchising Law Committee has meaningfully contributed to QLS's mandate for good law for the public good.

In this context, the Franchising Law Committee produced two submissions which contributed to QLS's advocacy work, including a submission to the Queensland Parliamentary Education, Employment and Training Committee on the Small Business Commission Bill 2021 and another submission to the Commonwealth Department of Treasury regarding the exposure draft of the Competition and Consumer (Industry Codes – Franchising) Amendment (Franchise Disclosure Register) Regulations 2021. In both of these submissions, the Franchising Law Committee supported the overarching policy objective, but advocated for further consideration to ensure there was certainty and clarity.

During the 2021-22 financial year, the Franchising Code of Conduct was amended by the *Competition and Consumer (Industry Codes—Franchising) Amendment (Penalties and Other Matters) Regulations 2022*, bringing in new civil penalty provisions and increased maximum penalties. The Franchising Law Committee assisted in preparing QLS Proctor articles and updates, including a Lexon update, to inform practitioners of the recent change to the Franchising Code of Conduct.

Human Rights and Public Law Committee

The committee had an exceptionally busy year advocating for issues in relation to the Human Rights Act 2019. The committee published several QLS Proctor articles with a human rights and public law focus and have contributed to 31 legal policy submissions. Of note, is the committee's advocacy in relation to the decriminalisation of public intoxication which now forms part of a Community Support and Services Committee Parliamentary Inquiry into the decriminalisation of certain public offences, and health and welfare responses. The committee also published a Policy Statement on Human Rights and contributed to professional development in this space.

Health and Disability Law Committee

The Health and Disability Law Committee has led or contributed to 28 submissions over the past financial year in relation to a broad ambit of legal issues. The committee was heavily involved in submissions on the *Voluntary Assisted Dying Act 2021* (Qld) and also appeared at a public hearing in relation to the Act. The committee continues to prepare the profession for the Act's commencement on 1 January 2023, and published a series of QLS Proctor articles that were subsequently picked up by a number of regional Queensland news outlets. The committee has also advocated for the need to amend the *Criminal Code Act 1995* (Cth) to provide medical practitioners with certainty as to their criminal liability under Commonwealth laws as regards Queensland's voluntary assisted dying legislation. It should be placed beyond doubt that the Commonwealth suicide material offences do not extend to conduct in compliance with voluntary assisted dying laws enacted by state legislatures.

The committee appeared at the Joint Standing Committee on the National Disability Insurance Scheme's (NDIS) public hearing for the Inquiry into Independent Assessments under the NDIS, advocating strongly against the implementation of independent assessments. The committee was pleased to know that, in line with the majority of other stakeholder recommendations, the Australian Government has discontinued efforts to implement independent assessments. More recently, the committee made a submission to the Law Council of Australia to inform its national position and advocacy in relation to the National Disability Insurance Scheme. The submission supported the use of victim impact statements in situations where NDIS-funded service providers are being held to account for their actions, but highlighted this would need to be carefully regulated in order to avoid unintended consequences and delays to proceedings against service providers. The submission also highlighted issues relating to parity of funding for scheme participants in NDIS litigation and adherence to model litigant rules during NDIS proceedings.

The committee has also focused on advocacy relating to the authorisation framework for restrictive practices, both in residential aged care and disability service settings. The committee made a significant submission to the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships in late 2021 on its Consultation Paper titled 'Reforming Queensland's authorisation framework for the use of restrictive practices in NDIS and particular disability service settings'. The submission highlighted that the authorisation framework for restrictive practices in NDIS and particular disability service settings cannot be considered in isolation, and stressed the need for a consistent authorisation framework across all settings in which restrictive practices are applied in Queensland. Of note, the submission recommended the authorisation of restrictive practices should be removed from the guardianship space altogether, and should not be tied to issues of decision-making, capacity or consent. Rather, should the application of a restrictive practice be necessary in a particular setting, the decision to authorise or not authorise a restrictive practice should be independent of both the person subject to the restrictive practice and the service provider, informed by relevant clinical experience, and subject to an administrative merit review process.

The committee has continued its longstanding tradition of strong proactive advocacy and stakeholder engagement. For example, the committee wrote to the Queensland Mental Health Review Tribunal (MHRT) to raise some member concerns relating to procedural fairness and the continued lack of audio recording and transcription services at the MHRT. The MHRT continues to be the only court or tribunal of record in Queensland to lack this critical court infrastructure. Members of the committee, along with members of the Human Rights and Public Law Committee, met with the Deputy President of the MHRT to discuss ways QLS and MHRT can collaborate in the future to ameliorate these concerns. The MHRT subsequently issued a practice direction to address a number of our concerns, and has indicated it is continuing to investigate the viability of a permanent recording and transcription service.

The committee authored a submission to the State Development and Regional Industries Committee on the Health and Other Legislation Amendment Bill 2021, to support changes to the *Mental Health Act 2016* (Qld) that further embed human rights principles into the procedure for authorising electroconvulsive therapy. The committee attended a public hearing on the Bill and raised three important additional issues for the Government's consideration, namely: the need for an administrative process for adjournments, the need for legislative amendments to enable lawyers acting in a best interests capacity to initiate appeals to the Mental Health Court and, the urgent need for the MHRT to implement electronic audio recording and transcription services to ensure procedural fairness for people who come before the Tribunal.

The committee has also continued its joint advocacy with the Elder Law Committee and Succession Law Committee. Representatives of these Committees attended a series of Commonwealth and Law Council of Australia roundtables on the proposed national register of financial enduring powers of attorney EPOAs and EPOA law reforms. The committees subsequently contributed to multiple submissions to the Law Council of Australia in relation to its ongoing work on EPOA law reform. It stressed that more nationally consistent laws governing EPOAs and a national model enduring document should be matters of priority for Attorneys-General. The submission further stated that the above should be resolved prior to the implementation of a national register of financial EPOAs. The committees have also supported in principle, the Law Council of Australia's model provisions, but considers a standardised national test for capacity is important, along with nationally consistent best practice guidelines for assessing capacity. The committees' joint advocacy has also continually highlighted the importance of supported decision-making where possible.

The committees also argued against retaining most of the COVID-19 permanency measures as they related to electronic signing and remote witnessing of wills and enduring documents. Rather, the committees advocated for further research into the effects of these practices on vulnerable persons before taking a position on whether permanency should be adopted in the future. The committees made several submissions to the Chief Health Office and Queensland Health to request an exemption for fully vaccinated legal practitioners to enter restricted facilities (e.g. residential aged care facilities, hospitals and disability accommodations) to provide essential legal services. This request was granted in relation to residential aged care facilities in September 2021.

In response to growing concerns over the use of the Statement of Choices documents by Queensland hospitals and aged care facilities, the committees continue to advocate for these documents to be reviewed for their legality. The committees were also instrumental in advocating to the Queensland Government for an increased funding allocation to the Queensland Civil and Administrative Tribunal to assist with growing delays in its guardianship division.

Industrial Law Committee

The Industrial Law Committee has conducted advocacy on a number of reforms relating to state and federal industrial laws, processes in courts, commissions and tribunals as well as assisting stakeholders on legal issues and updating the profession. Members of the committee contributed to the five-yearly review of Queensland's *Industrial Relations Act 2016*. Following the review the committee also engaged with Government about proposed reforms to the legislation. Members of the committee also contributed to the review of the *Anti-Discrimination Act 1991* as well as considered broader federal anti-discrimination issues.

Over the course of the year, the committee contributed to a number of QLS submissions including:

- Fair Work Commission consultation on the future of online proceedings
- Sex Discrimination and Fair Work (Respect at Work) Amendment Bill 2021
- Migration Amendment Protecting Vulnerable Workers Bill 2021
- Senate Select Committee on Job Security
- issues about medical exemptions for mask wearing where we wrote to the Queensland Human Rights Commission

- issues of paid non-lawyer advocates in industrial commissions and tribunals where we wrote to the Legal Services Commission, and
- Queensland Law Reform Commission inquiry – A framework for regulating the sex work industry in Queensland.

The committee also engaged with the Office of Industrial Relations and the Queensland Industrial Court and Queensland Industrial Relations Commission. Further, the committee provided advice and updates to the professions including in respect of employment issues in rural, regional and remote law firms.

Insolvency and Restructuring Law Committee

This committee, which also is the Queensland branch of the Law Council of Australia's national committee, contributed to a number of submissions, stakeholder engagements and education events. For example, submissions were made to the Federal Government regarding proposed amendments to the *Bankruptcy Act 1966* (Cth) including proposals to reduce bankruptcy to one year, to promote debt agreements and to target untrustworthy advisors.

The committee has also engaged with the Federal Court of Australia and Commonwealth Attorney-General's Department. At its regular meetings, the committee engages with representatives from ASIC and AFSA who speak to matters of importance to those organisations and market developments.

Innovation Law Committee

The Innovation Committee published its Stage 1 Report exploring a number of key issues associated with innovation in the legal profession, including:

- putting innovation and disruption into context
- the knowledge and skills required of good lawyers today and for tomorrow
- the challenges and hallmarks of successful use of tools and technology in legal practice
- identifying attributes of successful law practices for the future, and
- how innovation can improve access to justice.

The committee then set an ambitious work plan, establishing taskforces to progress materials on issues relating to hybrid work, innovation success case studies, e-litigation, demystification of innovation and technology videos and thematic policy issues affecting the whole profession arising from disruption and new technology. The committee also conducted a successful in person workshop identifying the blockers to innovation in the legal profession.

Litigation Rules Committee

Members of this committee have continued to lead the QLS work with regard to the establishment of an electronic civil case management system, including providing feedback on proposed rule changes and practical use of the system. They have also been key contributors to the reforms to modernise the execution of documents.

Members of the Committee have frequently responded to member queries and requests from other policy committee to contribute to advocacy work where litigation or interaction with the courts is involved.

The committee, and QLS more broadly, is a key stakeholder for the Queensland Courts and committee members regularly engage with the courts through Court User Reference Group meetings and similar forums, with the Rules Committee and with judges and court staff responsible for administering specific programs and court lists. This year, the committee engaged with the Queensland Courts in relation to:

- Amendments to the *Uniform Civil Procedure Rules 1999* including the Scales of Costs;
- The recording and transcription services project; and
- Updating court processes and guides.

The committee also provided a submission to the Queensland Government on its consideration of shield laws to protect journalists' confidential sources. Following this consultation, members of the committee provided a written submission on the Bill to introduce shield laws and appeared at the public hearing in relation to this inquiry.

Migration Law Consulting Committee

The Migration Law Consulting Committee is a new committee which has contributed to several submissions since its formation, including in respect of the Migration Amendment (Strengthening the Character Test) Bill 2021 and the Migration Amendment (Protecting Migrant Workers) Bill 2021.

The committee also made a proactive submission regarding reforms necessary to ensure the timely processing of visas for unaccompanied minors evacuated from Afghanistan and their potential difficulties in accessing the split family provisions. As a result of consulting committee's expertise, migration was included as a topic in the QLS Federal Call to parties for the first time.

Not For Profit Law Committee

The committee continued its work across a range of issues affecting charities and not for profits in Queensland, including contributing to submissions about fundraising reforms, using technology to hold meetings and sign documents and advocating for improvements to charitable donation processes during natural disasters.

The committee also met with the Queensland Revenue Office seeking clarification of their interpretation of the requirements for registering a charitable trust as a charitable institution for the purposes of Part XIA of *Taxation Administration Act 2001* (Qld), in light of recent decisions received by our members.

The committee also responded to proposed legislative fundraising reforms in the Casino Control and Other Legislation Amendment Bill 2022. The committee supported the reforms and also appeared at the parliamentary public hearing on the Bill. QLS was pleased that our advocacy resulted in a specific recommendation from the parliamentary committee in support of the Queensland Government engaging with stakeholders to review charitable fundraising regulation giving consideration to legislation in other jurisdictions, including consumer law.

Occupational Discipline Law Committee

The Occupational Discipline Law Committee contributed to a number of inquiries considering Bills and other discrete issues. These included inquiries conducted by the Parliamentary Crime and Corruption Committee and the Commission of Inquiry into the Crime and Corruption Commission as well as those relating to the:

- Police Powers and Responsibilities and Other Legislation Amendment Bill 2021
- Police Service Administration and Other Legislation Amendment Bill 2021
- Racing Integrity Amendment Bill 2022, where a committee member also appeared at the public hearing
- inquiry into the functions of the Independent Assessor and the performance of those functions, where a committee member also appeared at the public hearing, and
- Health Practitioner Regulation National Law and Other Legislation Amendment Bill 2022.

Members of the committee have also attended stakeholder meetings and updated the profession via QLS Proctor.

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, including confidential consultations. The committee has also established a number of sub-committees to progress particular items of work for the calendar year. The sub-committees will conduct a detailed analysis of practical experiences and issues in the areas of decision making for code assessable applications, minor change processes, the making of planning schemes and dispute resolution processes (P&E Court, costs provisions, ADR Registrar and other options). The intent is to identify opportunities for proactive advocacy on behalf of the membership.

Privacy, Data, Technology and Intellectual Property Law Committee

Recently, the Privacy and Data Law Committee and the Technology and Intellectual Property Law Committee merged to form a single committee. The committee has contributed to nine written submissions over the past financial year in response to both State and Federal consultations, including a number of confidential consultations. Of note, the committee contributed to a detailed submission in response to the Department of the Prime Minister and Cabinet's Digital Technology Taskforce consultation on positioning Australia as a leader in digital economy regulation – automated decision making and artificial intelligence regulation. Other submissions related to strengthening Australia's cybersecurity regulations and incentives, the use of data obtained by check-in apps, the right to repair, and draft digital identity legislation. Committee members have also contributed to a number of articles for QLS Proctor.

Property and Development Law Committee

The Property and Development Law Committee continues to be an extremely busy and productive committee.

In January 2022, QLS and the Real Estate Institute of Queensland released new editions of the standard sale of land contracts known as Contract for Houses and Residential Land (17th ed.) and Contract for Residential Lots in a Community Titles Scheme (13th ed.) for use by our members. Significant changes included the ability of either party to obtain a short extension to settlement if the party is unable to settle for any reason, responding to ongoing difficulties faced by our members and their clients experiencing settlement delays caused by events outside of their control. The new contracts also addressed new smoke alarm requirements, the payment of deposit by direct debit and pool compliance updates.

QLS and its committee members were actively involved in Community Titles Legislation Working Group established by the Department of Justice & Attorney-General. This is a valuable opportunity to give our practitioners' perspectives on potential reforms under consideration.

The committee has also engaged with the members and the Department of Justice & Attorney-General in relation to the anticipated introduction of the mandate for the use of e-conveyancing platforms to settle property transactions in Queensland. QLS was specifically consulted by the Department. QLS surveyed our members to assist in its advocacy with the Department, to ensure the profession's views were represented as part of this critical change to the practice of property law in Queensland.

In addition, the committee drafted and contributed to 31 written submissions and also participated in numerous stakeholder discussions with various government agencies. The committee remained involved in ongoing COVID regulatory changes.

Revenue Law Committee

The committee continued to engage with the Queensland Revenue Office through the Taxation Consultative Committee, raising issues of concern to the profession. This is an excellent stakeholder consultation forum where QLS can raise administrative challenges faced by our members and seek improvements to processes by directly engaging with officers. The relationships built through this forum also generate the opportunity for confidential consultation discussions on a range of issues. In consultation with the Succession Law Committee, the committee raised ongoing concerns about the need for urgent and permanent legislative reform to replace certain administrative arrangements, as discussed below. As a result of our advocacy, QLS was pleased these concerns were addressed in amendments to the revenue legislation introduced as part of the 2022 Budget in the Revenue Legislation Amendment Bill 2022.

Succession Law Committee

The Succession Law Committee contributed to 16 submissions over the past financial year. Notably, the committee undertook a substantive review of the *Succession Act 1981* (Qld) and related succession matters in late 2021. This involved a lengthy submission to the Queensland Government on issues practitioners are facing in relation to the current legislation, with recommendations as to how to modernise and improve the legislation. In doing so, the committee engaged with colleagues from the Aboriginal and Torres Strait Islander legal Service, and also the NSW Law Society who provided some useful preliminary observations from its Elder Law, Capacity and Succession Committee.

In addition to this significant review, the committee contributed to a number of targeted advocacy pieces to assist the Queensland legal profession. In late 2021, the committee wrote to the Treasurer raising concerns about the *Duties Act 2001* (Qld) and its application to deceased estates, as a result of QLS members inquiring about the operation of this aspect of the legislation. This submission was crafted jointly with the Revenue Law Committee, as similar issues arise in the context of particular small business restructures. The submission recommended that Treasury progress amendments to the *Duties Act 2001* (Qld) to give legislative effect to the administrative arrangements currently in force by way of a Public Ruling. The committee is pleased to note that these legislative amendments were enacted via the Revenue Legislation Amendment Bill 2022.

In response to member feedback, the committee responded to the Banking Code of Compliance Committee's Inquiry into Code-subscribing banks' compliance with Chapter 45 of the Banking Code of Practice, raising two discrete issues: first, that members are facing substantial delays in dealing with banks on deceased estate matters; and second, banks are taking inflexible approaches to small deceased estates which increases costs and complexities associated with managing small deceased estates, for example requiring probate where it is not otherwise required by courts. The committee continues to engage with this review.

The committee also responded to member concerns relating to superannuation death benefits and is engaging with specific superannuation funds and the Australian Institute of Superannuation Trustees in relation to two matters of concern: first, funds refusing to provide a breakdown of the death benefit so that a comparison can be made as to the most tax efficient manner in which to distribute the funds and second, funds not replying to a request for written confirmation that the death benefit nomination has been received and accepted by the trustee after delivery of the completed nomination.

Practitioners wrote to the committee querying whether they need to retain the original death certificate when filing applications for grant electronically, or whether the original can be returned to their clients. In response to these queries, the committee authored a QLS Proctor article explaining the rules relating to death certificates, advising that practitioners must retain the original death certificate (as well as other original electronically filed material) for a period of seven years. The Committee has resolved to advocate for changes to the *Uniform Civil Procedure Rules* in relation to original death certificates.

The committee has also continued its joint advocacy with the Elder Law Committee and Health and Disability Law Committee. Representatives of these committees attended a series of Commonwealth and Law Council of Australia roundtables on the proposed national register of financial enduring powers of attorney EPOAs and EPOA law reforms. The committees subsequently contributed to multiple submissions to the Law Council of Australia in relation to its ongoing work on EPOA law reform, stressing that more nationally consistent laws governing EPOAs and a national model enduring document should be matters of priority for Attorneys-General, and that this should be resolved prior to the implementation of a national register of financial EPOAs. The committees have also supported in principle the Law Council of Australia's model provisions, but considers a standardised national test for capacity is important, along with nationally consistent best practice guidelines for assessing capacity. The committees' joint advocacy has also continually highlighted the importance of supported decision-making where possible.

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In response to growing concerns over the use of the Statement of Choices documents by Queensland hospitals and aged care facilities, the committees continue to advocate for these documents to be reviewed for their legality. The committees were also instrumental in advocating to the Queensland Government for an increased funding allocation to the Queensland Civil and Administrative Tribunal to assist with growing delays in its guardianship division.

Water and Agribusiness Law Committee

The Water and Agribusiness Law Committee was established in 2020 to support QLS's advocacy on legal policy issues impacting agribusiness and water – issues of significant importance to the Queensland economy and community.

This year, the committee contributed to the Law Council's Tools for Rural, Regional and Remote Practitioners and Law Practices and QLS advocacy on the anticipated e-conveyancing mandate. Members of the committee worked with the Banking & Financial Services Law Committee to discuss updates to independent solicitor certificate to capture advice provided on third party guarantees to clients remotely. The committee also engaged with the newly formed Titles Queensland to discuss issues of concern to regional and rural practitioners.

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 3 months.

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 two months has elapsed since the initial enquiry was sent.

In the 2021-22 financial year, QLS received and processed 87 delayed judgment applications, which comprised 87 initial enquiries and a further 24 follow up enquiries. In total, QLS made 110 delayed judgment enquiries with state and federal courts, tribunals and commissions in the 2021-22 financial year.

In a majority of applications, QLS received a response from the relevant head of jurisdiction, with 57% of all delayed judgment applications receiving a response from the court, tribunal or commission.

Jurisdiction	Initial enquiries	Follow up enquiries	Total enquiries
Administrative Appeals Tribunal	1	N/A	1
Body Corporate and Community Management	1	N/A	1
District Court of Queensland	11	1	12
Federal Circuit and Family Court of Australia – Division 1 (Previously the Family Court of Australia*)	16	6	22
Federal Circuit and Family Court of Australia – Division 2 (Previously the Federal Circuit Court of Australia*)	11	2	13
Federal Court of Australia	3	N/A	3
Magistrates Courts of Queensland	7	N/A	7
Planning and Environment Court	1	N/A	1

Jurisdiction	Initial enquiries	Follow up enquiries	Total enquiries
Queensland Civil and Administrative Tribunal	24	11	35
Queensland Civil and Administrative Tribunal – Appeal Tribunal	1	N/A	1
Queensland Industrial Relations Commission	2	N/A	2
Supreme Court of Queensland	7	3	10
Supreme Court of Queensland – Court of Appeal Division	2	N/A	2
Total	87	23	110

**On 1 September 2021, the Federal Circuit Court of Australia and the Family Court of Australia merged into the Federal Circuit Court and Family Court of Australia (FCFCOA). The number of enquiries listed above includes the number of enquiries involving the former court (i.e. Federal Circuit Court of Australia or the Family Court of Australia) and the newly formed divisions (i.e. Division 1 and Division 2).*

Based on advice from the enquiring members, 62% of enquiries made in this financial year have now been resolved, meaning that QLS has been advised a judgment or decision has been delivered.

Legal policy stakeholders:

- Courts/Commissions/Tribunals
 - Administrative Appeals Tribunal—Migration Review Tribunal
 - Chief Justice Alstergren
 - Chief Justice Holmes
 - Chief Magistrate Gardiner
 - Childrens Court Committee
 - Court Case Management Committee meeting
 - Court Users Reference Group
 - Court Services Queensland
 - Family Court of Australia
 - Federal Circuit Court
 - Fmr Justice Byrne
 - Industrial Court of Queensland/Queensland Industrial Relations Commission
 - Fair Work Commission
 - Justice Davis
 - Justice Philippides
 - Justice Lyons
 - Land Court
 - Land Court Resource Users Groups
 - Land Court Valuation Appeals Reference Group

- Magistrates Court of Queensland
- Mental Health Tribunal
- Queensland Civil and Administrative Tribunal
- Queensland Courts
- Queensland Courts Safety and Risk Committee
- Supreme and District Courts including the Planning and Environment Court
- Supreme Court consultative group
- Supreme District and Land Courts Service, Queensland
- The Honourable Margaret McMurdo AC
- Government departments
 - Australian Charities and Not-for-Profits Commission
 - Australian Securities and Investments Commission
 - Australian Taxation Office
 - Attorney-General of Australia
 - Attorney-General and Minister for Justice Leader of the House
 - Attorney-General and Minister for Justice, Women and Prevention of Domestic and Family Violence
 - Commonwealth Attorney-General's Department
 - Department of Communities, Disability Services and Seniors
 - Department of Housing and Public Works
 - Department of Communities, Housing and Digital Economy
 - Department of Justice and Attorney-General
 - Department of Natural Resources Mines and Energy
 - Department of Premier and Cabinet
 - Department of Transport and Main Roads
 - Department of Youth Justice
 - Dispute Resolution Branch
 - Fair Work Ombudsman
 - Inspector General of Taxation
 - Motor Accident Insurance Commission
 - Minister for Police and Corrective Services
 - Office of Industrial Relations
 - Office of State Revenue
 - Office of the Chief Psychiatrist – Department of Health
 - Office of the Child and Family Official Solicitor

- Office of the Public Advocate
- Public Trustee
- Office of the Public Guardian
- Office of the Work Health and Safety Prosecutor
- Representatives from Liberal National Party of Queensland
- Queensland Corrective Services
- Queensland Building and Construction Commission
- Queensland Sentencing Advisory Council
- Queensland Family and Child Commission
- Queensland Health
- Queensland Human Rights Commission
- Queensland Legal Assistance Forum
- Queensland Police Service
- Registrar of Titles
- Senator Kim Pate
- Shadow Attorney-General
- Small Business Commissioner
- Taxation Ombudsman
- Valuer-General
- University/Academic
 - Professor Nadja Alexander, University of Queensland
 - Equity and Trusts 2020 Semester 2 Cohort, Queensland University of Technology
- Industry Groups
 - AMA Queensland
 - Advanced Care Planning
 - Asian Australian Lawyers Association
 - Aboriginal and Torres Strait Islander Legal Service
 - Australian Law Reform Commission
 - Auscript
 - Bar Association of Queensland
 - Chartered Accountants
 - Coal Workers' Pneumoconiosis Stakeholders Reference Group
 - Clinical Excellence Queensland
 - Environmental Defenders Office
 - Firearms Advisory Forum

- First Mortgage Services
- Guardianship Implementation Reference Group
- GasFields Commission
- KPMG
- Law Council of Australia – National Electronic Conveyancing Committee
- Law Council of Australia
- LawRight Management Committee
- NSW Independent Chair of Interoperability Working Group
- Legal Affairs and Community Safety Committee
- Legal Aid Queensland
- Legal Aid Child Protection Stakeholder Forum
- Lexon Insurance
- Mediator Standards Board
- McKell Institute
- National DV Policy Solicitors Network
- Probate Liaison Group
- Property Exchange Australia
- Property Council of Australia, QLD
- Queensland Law Reform Commission
- Queensland Council of Social Service
- QPS Vulnerable Persons Group
- Real Estate Institute of Queensland
- RespectInc and DecrimQLD
- Salvation Army Chaplaincy Service
- Sheep and Wool Policy Director – AgForce Queensland
- Streamlining Criminal Justice Stakeholder Group
- Suncorp
- Sympli
- Women’s Safety and Justice Taskforce

Media

Queensland Law Society maintained and improved its position as the peak authority for legal profession commentary, reach and activity during the past year. This position guarantees a stronger position and clearer voice on both the national and Queensland stage to provide commentary and thought leadership on key legal topics. Our media strategy is designed to complement our advocacy for the role of solicitors, balanced laws and the rule of law for the benefit of the profession and the community.

We continued to extend our role providing informed expert commentary, policy views and education on the law from the Society's key office holders, its committee heads and members.

We have proactively engaged and encouraged mainstream and digital media to utilise QLS's media team when seeking authoritative and insightful comment on various complex legal issues and publicly debated topics.

This strategy has successfully cemented QLS as the peak legal authority as the first point of contact for advice on who is a legal subject matter expert or leader for comment on all legal matters. Issues on which QLS has provided proactive media commentary include topics as diverse as legal aid funding, raising the age of criminal responsibility, new Chief Justice announcement and numerous judicial appointments and changes to REIQ property contracts.

QLS's media activity was a resounding success in 2021-22 with numerous mentions of Queensland Law Society in radio, newspaper, television and online. These results are below.

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

- Inquiries – 70
- Interviews – 33, and
- Queries, assistance and background – 62.

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

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

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

- Radio – 721 mentions
- Newspaper – 698 mentions
- Online news – 7,760 mentions, and
- TV – 342 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 nine Show Cause matters (ss67 and 68 LPA 2007) reported by practitioners this year, down from 12 in each of the last two years. In respect of those nine matters:

- two showed cause
- three were found fit and proper to hold Practising Certificates upon conditions, and
- four remain to be decided.

The Society also issued four Show Cause Notices (s60 LPA 2007), well down on 23 last year and 11 in 2019-20 and 15 in 2018-19.

Of these matters:-

- one showed cause
- one was found not to be fit and proper to continue to hold a Practising Certificate, and
- the other two notices, which relate to one practitioner remain on foot.

There were two determinations on Show Cause Notices issued before 1 July 2020. Both of those resulted in findings that the practitioner was unfit to hold a practising certificate.

QLS undertook investigations into 75 other matters that may have resulted in the issue of a Show Cause Notice. Of these:

- one was subsumed by a show cause event
- 32 were completed with no action required
- four were completed with the imposition of conditions
- two practitioners surrendered their certificates, and
- 36 investigations continue.

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

QLS also issued 88 notices regarding the fitness of practitioners upon their applications for grant or renewal of a Practising Certificate (s51 LPA 2007).

Of those, 45 were issued for non-payment of PII by 1 July 2021. Of those, five resulted in a refusal to renew Practising Certificate. The other 40 paid their insurance levies.

Another 32 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.

The Society made 11 other determinations upon notices issued under s51 in the course of the year. Upon those determinations, six were found fit and proper upon conditions or undertakings (though one later lost their PC under s60), one was found not to be fit and proper to hold a Practising Certificate, one applicant withdrew their application, one was found fit and proper on response and two remain to be considered.

Two other matters were resolved with undertakings from the practitioner without the issue of a notice.

There were 13 other matters where after investigation it was determined no action was required and the Certificate was issued.

QLS received 13 notifications from 13 practitioners that they had been charged with serious offences this year. Of those notifications the charges against three practitioners were determined. There are currently 14 practitioners awaiting the determination of charges of serious offences that were notified to QLS either this year or last.

An injunction pursuant to s703 of the LPA 2007 was obtained against a former practitioner to prevent their unlicensed practice of law.

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 to not only newly admitted practitioners but also to any experienced practitioner obtaining a Practising Certificate for the first time. This year saw 54 exemptions or reductions provided, down from 60 last year.

External Intervention

QLS intervenes in a law practice when the property of clients is at risk. During 2021-22, QLS undertook 18 interventions in 18 law practices. Three of those interventions have since been terminated. Six of the interventions were supervisions and 12 were receiverships.

The supervisions were imposed because the trust accounting of the law practice was substandard.

The reasons for the 12 receiverships were:

- Disciplinary action against the Principal (4)
- Death of Sole Principal (4), and
- Abandonment of Practice (4).

QLS is currently responsible for 24 trust accounts with the number varying monthly with new appointments and the closure of old trust accounts. In the 2021-22 Financial Year Trust Ledger, balances totalling \$428,455 were cleared from practices in receivership. The supervisors approved 984 distributions from trust accounts under supervision.

We conducted, in the Magistrates Court, an oral examination of 4 people regarding an ongoing receivership.

Trust Account Investigations

We completed 141 investigations, which were more intensive investigations when compared to the 127 investigations last year. We completed 236 trust account reviews compared with 257 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 4.69 out of 5 in relation to trust account investigations and 4.58 out of 5 in relation to trust account reviews.

We provided 82 Trust Account Consultancy Services this year. We conducted two Trust Account Remedial Courses attended by 19 Practitioners.

The Trust Account Information Service answered 4047 requests for assistance this year up from 3,900 last year. We achieved a same day request response of 98%.

Limitation of Liability

At 13 April 2022, 6,782 practitioners were participants in Queensland Law Society's Limitation of Liability Scheme. A total of 3,367 practitioners had elected to be exempted from that Scheme.

The scheme, conducted pursuant to the provisions of the *Professional Standards Act 2004* (Qld) caps damages that can be awarded against a participating member to \$1.5 million and \$10 million or any higher amount approved by QLS. To participate in the scheme a practitioner must be a full member of Queensland Law Society with the benefit of professional indemnity insurance.

A new scheme commenced on 1 July 2022. That scheme extended the cap on damages to participating incorporated legal practices.

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 positive thing that the profession makes good on the dishonesty of its own. This year the fund paid to members of the public \$684,603.16 on 5 claims. Those claims were paid in full with interest.

Lexon Insurance

Our Purpose

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

Stable Levy Rates

With the rising cost of doing business an ongoing challenge for practices, Lexon remains committed to delivering rates at the lowest possible levels. Whilst insurance and reinsurance markets have seen substantial increases in recent times, Lexon has been able to keep rates for 2022-23 at the same level as for 2021-22. This reflects Lexon's desire to avoid rate increases which may adversely impact our insured practices.

The ability to maintain rates at very 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 lowered overall claim values in recent years.

Risk Management

Lexon's support of the profession's risk management efforts continued in 2021-22. Our 9 full time risk staff are responsible for delivering workshops, developing tools and identifying emerging areas of risk with a view to reducing both the number of claims made against the profession and their severity. During the financial year our team delivered over 1,100 individual workshops to insured practices and successfully completed a number of key projects, including updating our risk tools to address the substantial changes made by REIQ to standard residential and commercial contracts in 2022.

Claims Performance

As at 30 June 2022, overall file numbers for 2021-22 were 315 (down 4.0% compared to the prior year) which is the lowest level since 2016-17. Furthermore, estimated claim values decreased substantially year on year, by over \$2M (to \$10.6M). Our claims performance was the second lowest 12-month value we have seen in the last 10 years (the range being \$10.6M to \$15.6M), with no material adverse trends having developed to date. Cyber fraud losses remain a live issue and these are being managed via Lexon's innovative risk management program.

Conveyancing continued to be the most frequent type of matter in the 2021-22 year (37.8% of all files, contributing 35.0% to overall portfolio cost), but this was not surprising given the substantial increase in conveyancing activity we saw in 2021-22. Commercial matters contributed the next largest proportion, representing 18.2% of the portfolio cost, whilst only 13.3% of the file numbers. This reflects the larger average value of commercial claims.

Investment Returns

Investment performance was poor in 2021-22, with both equities and fixed interest portions of the portfolio substantially underperforming. Overall, Lexon achieved a -4.7% return. Our portfolio continues to be managed by a leading investment house.

Types of Law practiced by the Insured Profession

Lexon insured practices generated around \$2.72B of Gross Fee Income (GFI) in 2021, having grown over 14.8% year on year. This was the highest rate of growth seen since GFI figures were first collected by Lexon in the 2007/8 year. Substantial rises in areas such as conveyancing (up over 40%) reflect increasing activity following the early stages of the pandemic and suggests that the profession overall has weathered COVID-19 far better than was initially expected.

Personal injuries work remains the largest area of activity (by GFI), falling somewhat year on year to 18.4%. Conveyancing (residential and commercial) now represents 17.9% of the work performed by insured practices. Litigation remains a significant area at 14.3% with family law next at 11.8%.

You will find more detail on Lexon's performance in the financial statements, starting on page 98 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 provides a variety of services to the profession and the wider community through guidance, education, advocacy of professionalism and practice support of practitioners.

Through QLS Solicitor Support Pty Ltd, the Centre's well-respected telephone service continues to provide responsive and confidential ethical guidance and practice management advice to QLS members.

Calls to the Centre range from complex conflict and confidentiality issues to more sensitive matters such as threats to harm or harassment / 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 a sole practitioner or are in a small firm.

A total of 3,538 matters were opened during 2021-22.

We provide ethical guidance and leadership in different 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:
 - acting for family and friends
 - ethical considerations on the use of social media and law practice websites
 - professional standards when appearing in court remotely
 - multi-disciplinary practices – CLCs
 - second opinions
 - applying the 'no contact rule' – individuals and organisations
 - transfer of files
 - courtesy in communications
- 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 on 6 June 2022 and the Sub-committee will be considering the submissions and feedback and make their recommendations in due course.
- The Centre and several of its Ethics Committee members are now part of the Judicial Commission Working group which was recently formed to advocate and consider appropriate models for a judicial commission in Queensland.
- 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 group holds bi-monthly teleconferences and meets annually to discuss ethical issues faced by practitioners across Australia. The Forum maintains connectivity between the different jurisdictions.

- Professional Ethics Committee: Stafford Shepherd, Director of QLS Solicitor Support Pty Ltd, is a member of this national Committee and provides QLS and our members with a strong voice on the national ethics issues including the final review of the ASCR.

The QLS Ethics and Practice Centre also provides services to help our members maintain their professionalism. The Practice Advisory Service engages with the profession via proactively contacting firms and offering on-site or in-person visits to discuss issues which can affect professionalism and productivity, such as management systems, billing, communications, 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 358 firms during 2021-22.

The Centre receives overwhelmingly positive feedback 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 1000 calls from members of the public and practitioners. Assistance was provided by referring callers to other services within the Society 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 186 practitioners to these services for the year 2021-22. The majority of these were directed to the Business Advisory Service. Our services continue to be well-received by practitioners due to the expertise of the referral members.

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 12 solicitors who are on the panel.

Resources

The Centre drafted and published over 66 articles/notes/checklists/precedents for practitioners addressing various issues:

- Ethics
- Costs
- Employment
- Supervision
- Cybersecurity

- Practice management
- Disciplinary cases, and
- COVID-19.

This is part of an 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.

QLS Solicitor Support Pty Ltd

QLS Solicitor Support Pty Ltd (a wholly owned subsidiary of Queensland Law Society) continues to provide ethical and practice support and guidance to practitioners. The purpose of QLS Solicitor Support is to advance Queensland Law Society's strategic goal to guide the profession and to advance the objectives of providing legal services for the delivery of guidance, support and counsel, education and publications on legal ethics and practice management to members of QLS and the legal profession as a whole.

The Practice Advisory Service sits within QLS Solicitor Support and is designed to assist the practitioner in financial, practice, management and organisational culture issues. Our practitioners travelled throughout Queensland and conducted 358 consultations in Brisbane, Brisbane North, Brisbane South, Whitsundays, Mackay, Biloela, Gladstone, Rockhampton, Yeppoon, Darling Downs, Cairns, Atherton Tablelands, Mareeba, Gold Coast, Sunshine Coast, Ipswich, Beaudesert, Logan, Redlands, Townsville, and Mt Isa.

The ILP is a wholly owned subsidiary of QLS and is governed by its Constitution. In April 2022, 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 2022-23 financial 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 firms and in response to the individual firm's specified needs. This year 85 sessions were delivered:

- 11 bespoke ethics sessions to firms
- 21 universities including PLT
- 38 internal professional development sessions (including PMC and sessions on Cybersecurity)
- 4 District Law Associations (including sessions on Cybersecurity)
- 5 pro-bono (including Government and In-House)
- 4 Other (including sessions on Cybersecurity), and
- 2 QLS Legal Ethics Courses

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 196 calls from colleagues. The majority involved specific queries pertaining to their area of expertise.

We have 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)
- Garth Smith (Cairns)
- 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)
- Stephen Rees (Toowoomba)
- 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)
- Peter Eardley (Sunshine Coast)
- 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

A law practice's ability to protect confidential information in electronic form is essential to the digital economy. Threats to firm and client data increase year-on-year.³ Improvement in data security and risk management processes surrounding funds transfer in property transactions has led to a substantial⁴ decrease in theft of client funds from law firms, but that is only one part of the equation.

Criminal groups are now using other ways to monetize cyber-attacks, in particular ransomware. It is an important policy objective to ensure that ransomware attacks are not successful, both to minimise immediate harm and to deter future incidents.

Professional bodies have a central role in assisting members to resist data intrusion and defend client interests, especially SME practices without internal information security staff. This year, QLS has again devoted significant resources to this challenge. The QLS information security strategy rests on three limbs:

- Assisting members to respond to incidents
- Awareness, prevention and risk minimisation, and
- Working towards consistent national information security standards for law firms.

In contrast to resources which start and end with awareness, QLS has a comprehensive framework of materials available to assist member firms of all sizes minimise data intrusion risk. As at 2022 we maintain over sixty resources to support firms of all sizes implement appropriate cybersecurity. Such tools are practical and are tailored specifically to SME legal practices, supplying guidance that is not available elsewhere.

³ The UK Government estimates that over 1400 criminal organisations specialising in fraud on law firms were active as at December 2019, <https://www.legalfutures.co.uk/blog/safeguarding-your-law-firm-against-cyber-criminals>; <https://www.ncsc.gov.uk/report/the-cyber-threat-to-uk-legal-sector--2018-report>

⁴ From as many as four successful attacks per day in 2017 to approximately one every four – six months in 2021.

COVID-19 specific challenges and response.

In response to COVID-19, many legal practices rapidly transitioned to remote working. Cybercriminals sought to exploit this increased vulnerability targeting insecure domestic networks and a distributed workforce more reliant on electronic communication. In response, QLS has provided:

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

Cyber Essentials Insurance

QLS has been able to renew the Cyber Essentials policy for 2022-23 despite significant tightening in the cyber insurance market. This policy provides each QLS member firm⁵ \$50,000 free cyber incident cover underwritten by Chubb. The insurance is tailored to complement the Lexon third party professional indemnity policy, providing cover for first party losses rather than just loss to clients.

Any QLS member firm which experiences or suspects a data loss incident can access top tier expert assistance, including:

- Urgent incident assessment
- Forensic investigation
- Ransom negotiations (and ransom payments if necessary)
- Data loss assessment and stakeholder communication
- Network and database repair
- Regulatory compliance guidance, and
- The services of a Breach Coach to coordinate other services and ensure timeframes and Service Level agreements are met.

Prompt and expert response significantly reduces the impact upon clients and member firms in the event of a serious incident. The renewed policy for the 2022/23 calendar year is subject to a number of important changes and exclusions:

A ten million dollar total liability cap for all claims under the group policy. QLS member firms which wish to be excluded from the possibility that they may suffer loss after the policy has been exhausted may purchase top-up cover.

Firms now have a defined period to apply software patches and replace unsupported software. Benefits under the policy progressively decline after specified periods.

Some forms of attack (which rely upon software vulnerabilities which can be repaired if correctly updated) are excluded from cover.

QLS is preparing an education campaign for all member firms and insured entities to explain the new exclusions and how to avoid being impacted.

⁵ These are Lexon-Insured law practices in which all Principals are full QLS members at the date of loss, Community Legal Centres & LAOQ.

Membership research surveys

Membership surveys play 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/services to assist.

QLS partnered with a number of universities during this financial year to deliver research projects 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

In a Queensland legal industry first, QLS engaged Bond University to conduct critical research into the job readiness of graduates and new lawyers entering the profession.

This survey explored whether there are discrepancies between employers' expectations and the current legal education system's standards, and will provide valuable insights that can be used to support development of the next generation of legal practitioners and ensure firms are equipped to better understand generational change.

The research garnered more than 1200 responses and the report will provide essential insight into how QLS can assist the key stakeholders improve the job readiness and the experience of law graduates and new lawyers when entering the profession.

University of Southern Queensland and University of Queensland – Future ready

A team of researchers led by the University of Southern Queensland were asked by the Queensland Law Society to find out how regional/rural/suburban sole, micro, small and medium sized law firms can better survive and thrive in a climate of dynamic change, especially with regard to COVID, technology and intergenerational impacts.

Regional and small law firms are important for our Queensland communities. In addition to providing legal advice to clients, these firms play a huge role of offering volunteer legal support for the community such as hospitals, schools, sporting clubs, and rural fire services, as well as many social justice organisations.

This survey which commenced at the beginning of 2022 and is due to be finalised by September 2022, will help us uncover what is needed to help regional and small law firms now and into the future. The results of this survey will be reported in the Queensland Law Society Annual Report 2022-23.

Mental health, wellbeing and resilience

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

As part of its yearly professional development program, QLS offers a range of sessions on wellbeing, resilience and mental health, with the following delivered in 2021-22:

PD: Panel	Mental Health Week plenary
PD: Livestream	Building Resilient Habits
PD: On demand video	Wellbeing – Isolation, implications and solutions
PD: Symposium	Lawyers mental health: what the last 2 years has taught us
PMC – 7 sessions	Leading wellbeing in the workplace
Bespoke Education Sessions to firms and in-house legal teams	Wellbeing and Resilience

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

Wellbeing resources relevant for early career lawyers are provided via the FLC Hub on the QLS website. These resources have been developed and sourced with direct input from the Future Leaders Committee, helping our early career lawyers to find their balance.

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.

The summary of QLS Education activities for the 2021-22 year:

Activity	Total number
CPD hours	92,373.75*
Speakers/Presenters	395**
Attendees	4,796**
Practice Management Course graduates	184
Specialist Accreditation graduates	13

**Includes on demand content sold*

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

Continuing Professional Development program

QLS is committed to supporting, strengthening and inspiring the way our members practise law. We do this by curating a comprehensive calendar of market-leading continuing professional development (CPD) education events, offering a variety of options to ensure that at whatever stage a member is within their legal career, they can easily access quality, affordable education resources to support them:

- to meet their CPD compliance obligations,
- keep updated on latest legal developments and court practice,
- to upskill and take the next steps in their career and reach business goals, and
- develop healthy and inclusive work practices.

COVID-19 pandemic restrictions still applied for part of the year and by using technology such as a Learning Management System and online conference delivery platforms, QLS CPD content continued to transform to meet members' learning needs and expand accessibility and affordability, regardless of location or any pandemic restrictions.

Live events

QLS delivered 45 live CPD events in various formats by way of panel discussions, livestreams, in-person workshops, conferences, lectures and local conferences. These events were run to address practitioners' needs across every level and stage of their career and included Foundations, Essentials, Advanced, Masterclasses, Introduction Courses and Hot Topics.

Restrictions did force some CPD live events to be delivered as livestreams rather than face to face. As restrictions lifted in early 2022, our members felt more confident returning to face to face events, however some were delivered with a limited in person component due to the restrictions and most also involved live streaming.

Our annual flagship event, QLS Symposium, was completely redesigned into a blended event, with a face to face core stream and 6 livestreams. This attracted over 800 delegates. Advanced workshops and masterclasses were held in Personal Injuries, Criminal and Business law.

This financial year also saw the return of the specialty 1 day conferences for Succession, Family, Government, Property, Personal Injuries and Criminal law. These were well attended by members and provided a welcome opportunity for the profession to come together, network and learn.

QLS offered 18 webinars which attracted over 1800 attendees. Webinars covered a range of topics including Substantive law as well as ethics, practice management, business skills and professional skills.

Working in partnership with the Australian Advocacy Institute, QLS also provided 4 hands on advocacy live streamed training courses. These courses were aimed at Foundations and Building on Foundations level, as well as Family law.

On Demand content

QLS continued to build its library of on demand recordings and Learning Management System courses. These resources continue to grow in demand as a convenient way to access CPD content either as post event recordings, fresh straight to video materials or self-paced courses.

Local District Law Association (DLA) events

QLS worked closely with district law associations to deliver successful, local CPD events in regional centres. The Annual Gold Coast Legal Conference was run as a low cost face to face event that offered more affordable ticket prices and increased attendance numbers to over 260 delegates, a record attendance for this event. QLS also partnered with Central Queensland Law Association to run the annual CQLA Conference in Yeppoon.

In other regional areas, QLS provided speakers to the Sunshine Coast, Fraser Coast and North Queensland DLA events on topics such as ethics, cybersecurity, and workplace behaviour and culture.

In addition, QLS worked closely with the Downs and South Western Queensland Law Association to run a regional panel update via webinar.

Future Leaders framework

In conjunction with the Future Leaders Committee, a Future Leaders Professional Development framework was developed to specifically support early career lawyers (under 35 years). The framework is based on the need to fill young lawyer competency gaps in the 3 core CPD categories (PLE, PS, PMBS) and soft skills.

From the framework, a Future Leaders Education Program 2022 has been planned with scope to expand further in 2023. The program incorporates:

- *FLC webinars and workshops.*
- *Substantive law – Introduction courses.*
- *Bond University microcredential* – The Foundations of Legal Practice was launched in May 2022 and is a collaboration between QLS and Bond University. It offers post graduate microcredentials that are recognised for both CPD points with QLS and credit towards further study at Bond. The program cost is set at an affordable price and comprises two courses. Completion of each course leads to a 'Certificate of Attainment', which can be counted as advance credit towards a postgraduate subject if the graduate enrolls in a Masters with Bond, and fulfils QLS annual CPD requirements.

In-house consultancy products

QLS developed a series of bespoke in-house legal training seminars provided directly to staff of member firms. QLS delivered over 40 bespoke sessions on various subjects including wellbeing and resilience, and developed tailored packages of CPD content for in-house legal teams.

Joint events

QLS partnered with the Bar Association of Queensland to bring important events to the whole legal profession, including the annual Minds Count lecture and International Women's Day, where Women Lawyers Association of Queensland were also a partner. These events were offered at either low cost or complimentary with any profit donated to associated charities.

Preventing workplace sexual harassment

QLS continued its commitment to addressing the issue of sexual harassment, bullying and discrimination in the legal profession. QLS developed a leading edge interactive workshop Sexual Harassment: Changing workplace culture. The workshop was offered as face to face training on 6 occasions for members at a nominal price and also by way of in-house bespoke training to law firms. It has been licensed to each law society in the country for use in their jurisdictions, with provision of comprehensive train the trainer training. To the end of the financial year, this workshop has been delivered to over 1800 members of the Queensland legal profession (including legal and support staff).

Complimentary and low cost events

QLS offered three streamed complimentary CPD lecture events in 2021-22 as part of the Modern Advocate Lecture Series (MALS). These lectures were delivered both as face to face and livestream, with virtual registrations exceeding 200 delegates for each lecture.

QLS also provided:

- three livestreams targeted specifically to Early Career Lawyers at a 50% discount to provide affordable learning for this demographic.
- at least seven hours of free on demand recorded CPD content on a variety of topics including appropriate workplace behaviours and mental health wellbeing.

Practice Management Course

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

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

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

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

A total of seven PMCs were delivered in the 2021-22 financial year, with all workshops being successfully conducted entirely online in response to the impacts of the COVID-19 pandemic.

There was a combined total of 184 successful graduates for those seven workshops, with 43 graduates from the medium to large practice focus and 141 graduates from the sole practitioner to small practice focus.

Specialist Accreditation

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

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

Due to the impacts of the COVID-19 pandemic in 2021, the Specialist Accreditation Scheme was run as an online program through the online Learning Management System. Four accreditation programs were run: Family law, Succession law, Property law and Commercial Litigation, noting that Family law ran in conjunction with the Law Institute Victoria and the Law Society of New South Wales.

A total of 13 graduates from the 2021 programs joined QLS's community of over 500 Accredited Specialists in 2021.

Specialist Accreditation Board 2021-22

- Peter Jolly
- Kathy Atkins
- Glen Cranny
- Neil Henderson
- Michael Klatt
- Michelle Sheehan
- Fiona Fitzpatrick
- Stephen Colbran
- Dan Bottrell
- Allison Caputo

CONNECT

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

Here for our members

The value of solicitors should never be underestimated and Queensland Law Society is committed to supporting the Queensland legal profession through our vision of Good Law, Good Lawyers for the Public Good. Our support is delivered through our key strategic objectives of Advocate, Regulate, Guide, Educate, Connect and Grow.

Supporting, assisting, guiding and advocating on behalf of our members is a history we are proud of. Inspiring our members to have satisfying, balanced and rewarding legal careers safeguards the profession's values of Fidelity, Service and Courage.

Each year we endeavour to deliver education opportunities, increase our engagement with regional practitioners and provide more opportunity for early career lawyers to connect with QLS and the wider profession. We are reaping the benefits of our endeavours in these areas with increasing attendance numbers to our professional development events, better engagement with our District Law Associations and new initiatives for our early career cohort.

We have a long standing commitment to diversity with continued focus on increasing the number of First Nations practitioners. We continued with our reconciliation journey with the development of the First Nations Cultural Outreach Strategy 2020-25 and annual First Nations Plan 2021-22. We also ensure we connect with diverse abilities within the profession via our own Diverse Abilities Network and building relationships with organisations such as Pride in Law.

Our 29 standing policy committees comprise over 350 volunteer committee members who work hard to advocate on behalf of our members. All of our committees and working groups assist us to strengthen our vision of Good Law, Good Lawyers, Public Good and we are grateful for their contribution along with the contribution of our members who provide feedback for our policy submissions. Equally important is the work our Legal Policy team and the QLS Ethics and Practice Centre do to engage, educate and inform our legal community.

Acknowledging our members and celebrating their contributions to the profession is central to our vision. This report will outline 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 2021-22 year:

Judge Chris Bowrey

Robert Cartwright

Peter Chappel

William Dillon

Gregory Ford

Magistrate Kurt Fowler

Judge Amanda McDonnell

Hilton MIsso

Timothy O'Dwyer

Magistrate Edwina Rowan

Ignazio (Toby) Sciacca

Robin Thomson

John Tiley

Congratulations to the following individuals who were awarded 25-year and 50-year Member Pins during the 2021-22 year:

50-year pin

Robert Cartwright
Peter Chappel
William Dillon
Gregory Ford
Hilton Misso
Timothy O'Dwyer
Ignazio (Toby) Sciacca
Robin Thomson
John Tiley

25-year pin

Thomas Adames
Bruce Adkins
Jo Atkinson
Frederick Banks
Justine Beirne
Paul Betros
Ian Bisson
John Blayney
John Briggs
Brook Burke
Jason Burkitt
Simon Chan
Fiona Chapman
Bronwyn Clarkson
Sandra Clive
Anthony Colavitti
Janet Cook
Patricia Cope
Jonathan Corby
Jennifer Crowther
Kenneth Cuthbertson
Nicola Davies
Andrew Davis
Grant Dearlove
Amy Deeb
Timothy Delaney
Sean DelPopolo
Christine Dwyer
Michael Dwyer
Frank Dzelalija
Dale Ellerman

Lance Ensor
Scott Eustace
David Evans
Don Fenwick
Thomas Forster
Stephen Fox
Susan Gandini
Justine Garvin
Kylee Ghodsi
Kym Greinke
Colin Hardie
Brett Hart
Leanne Henriksen
Darren Ho
Timothy Horrell
Patricia James
Rosslane Janes
Suzanne Jensen
Peter Keenan
Scott Keft
Andrew Kerr
Rhonda King
David Lang
Heinz Lepahe
David Lester
Sandra Lim
Andrew Mackenzie
David Mackie
Elisa McCutcheon
Bruce McDiarmid
Leah McDonnell

William (Mark) McGrath
Paul McHugh
Yvette McLaughlin
Jamie McPherson
Colin Mildwaters
Keith Mole
Janelle Moody
James Naughton
Cecil O'Dea
Rebecca O'Loan
Sandra Padgett
Joseph Parker
Bruce Pasetti
Bruce Patane
Catherine Pereira
Kenneth Petty
Paula Phelan
Despina Priala
Kathryn Rayner

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 2021-22 financial year, approximately 358 members, their staff or immediate family accessed LawCare, which is a decrease from the previous financial year.

The top five personal issues reported to LawCare:

- Ongoing Stress
- Anxiety
- Spouse/Partner
- Other Mental Health Conditions
- Extended Family

The top five work issues reported to LawCare:

- Workload/Time Pressure
- Career Transition
- Bullying/Harassment
- Work Trauma/Injury
- Challenging Personalities/Behaviours

The public good: Our corporate citizenship

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

Organisation	QLS contribution	Benefit
District Law Associations throughout Queensland	Financial and in-kind support across various events and initiatives, both Brisbane and regional based	Additional support of Queensland practitioners
LawRight	In-kind support and fundraising for the 2022 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
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

Organisation	QLS contribution	Benefit
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

Our publications

QLS produces publications to ensure our members are the first to know and have ready access to the latest legal news.

The publications QLS produces means our members have ready access to legal news and information through a variety of mediums. Our publications allow us to share information from the latest QLS events and updates on our legal policy and advocacy work but also news and views from the wider legal community.

QLS Update

QLS Update remained an integral part of QLS's communication with our members. QLS Update's mix of professional information, QLS news and events, ethical guidance and feature articles is delivered to around 11,000 members and associate members each week. It is an important source of information for many in the legal profession.

QLS Update has continued to achieve open (41.1%) and click (11.3%) rates which are consistently higher than industry benchmarks confirming the value of this publication.

QLS Proctor

QLS Proctor continues to provide the profession with a unique mix of legal news, opinion and legislation updates that is unrivalled in Queensland. Staffed by a team of experienced journalists, QLS Proctor covers breaking news from the court, the community and inside the profession, while also publishing deeper insights contributed by some of the State's finest legal minds on issues including domestic violence, voluntary assisted dying and human rights.

QLS Proctor has continued from strength to strength since switching to its online platform in 2020. It has had a solid increase in users and is becoming established as the place to go for the latest information on the legal profession.

Users: 242,042

Page views: 713,410

The news section, along with profession updates, career moves and job vacancies were among the top ten viewed sections of QLS Proctor during this year.

This Week in Proctor

This Week in Proctor is an email newsletter promoting the best articles published each week, driving traffic to the QLS Proctor website and affirming the brand's authority as the top source of news for the Queensland profession.

This Week in Proctor has been very successful with an average open rate of 46.2% and click rate of 16.3%, both of which are above industry standard.

Recognising and celebrating our members

Our annual awards program provides QLS the opportunity to honour and recognise those members who serve as role models to the profession.

The Queensland Law Society Awards recognise our members' deep commitment and exceptional contribution to the practice of law in Queensland. They highlight the calibre of leadership, innovation and commitment that is delivered and the impact this is having on the profession and the greater community.

Winners were announced at various prestigious events throughout the year, including the Legal Profession Dinner, the Legal Profession Breakfast and the Queensland Law Society Annual General Meeting.

In late 2021 the decision was made to consolidate the awards under the banner of the QLS Excellence in Law Awards, and present them at a new, dedicated awards ceremony event. As a result of this change, the Agnes McWhinney and the Emerging Leader Awards will now be presented in August 2022 as part of the QLS Excellence in Law Awards Gala.

The award winners for 2021-22 were:

President's Medal, awarded to Bruce Crowley

The President's Medal is awarded in the spirit of Queensland's rich legal tradition, recognising commitment, contribution and outstanding performance in the profession. The winners show excellence in work, instilling confidence within the profession and the community and are highly valued by the profession and community and are an inspiration to others. The 2022 medal was awarded to Bruce Crowley. Bruce has distinguished himself both professionally and in his service to his community. Bruce practiced in corporate law for nearly 40 years, starting with Morris Fletcher & Cross, which we now know as MinterEllison. Bruce has also served on a wide variety of health, philanthropic and corporate boards including Sunshine Coast Hospital and Health Service, Children's Hospital Foundation Queensland, Australian Retirement Trust and The Australian Institute of Company Directors.

Access to Justice, awarded to Kelli Martin

The Access to Justice Award is presented to a practitioner who has made outstanding contributions to improving fair and equal access to justice for all through advocacy, leadership, innovation and influence. In 2021, this award was presented to Kelli Martin. Kelli of KLM Solicitors is an outstanding example of a woman living the values of improving access to justice for everyone in the community. Kelli's desire to educate the community and her work to bring about an end to domestic and family violence is demonstrated through her consistent legal representation, community service and advocacy for equality and empowerment. Over the past six years, Kelli has been proud to provide a voice for some of the most vulnerable in our community, many of them women who have been physically, emotionally and psychologically abused.

Dame Quentin Bryce Domestic Violence Prevention Advocate Award, awarded to Cybele Koning

This award is presented to an individual who demonstrates commitment to addressing domestic violence and advocating for change within workplaces, through fundraising, academia, the legal and/or social systems. Cybele is a family lawyer with experience in family law litigation and dispute resolution. Having initially worked in private practice, Cybele has been employed at Caxton Legal Centre, a not-for-profit community legal center, for over nine years. At Caxton, she was initially a duty lawyer in the Family and Magistrates (Domestic Violence) Courts, followed by becoming the practice director of the Family, Domestic Violence and Elder Law Practice (FDVELP). She then went on to take up the mantle of Chief Executive Officer of Caxton Legal Centre in 2019. In all her roles, she has championed change and the enhancement of Caxton's services to meet the needs of disadvantaged people in our communities, including systems change for domestic and family violence, including elder abuse.

First Nations Solicitor of the Year, awarded to Nareeta Davis and Darren Lewis

The First Nations Solicitor of the Year Award is presented to an Aboriginal or Torres Strait Islander individual for outstanding achievements in the law and for pursuing justice outcomes in the legal profession for First Nations People in Queensland. In 2021, there were joint winners of the award – Nareeta Davis of Holding Redlich and Darren Lewis from Legal Aid Queensland. Nareeta is a Kullilli Thargomindah woman whose name means wild water lilly and was named by the late Oodgeroo Noonuccal of Minjerribah. Nareeta was admitted as a solicitor in Queensland in 2018 and was the recipient of the 2018 QLS First Nations Legal Student of the Year. She was also awarded the Associate Vice Chancellor Medal at Central Queensland University

Nareeta divides her time between two careers; as a Senior Accountant at BDO (NTH QLD) and as a Solicitor at Holding Redlich Lawyers undertaking pro-bono cases. Nareeta serves on multiple Boards and committees, working for the advancement of First Nations Peoples.

Darren is an Iningai man whose family hail from the Barcaldine region. He has been employed in private practice and as a legal aid solicitor in Queensland and NSW, since his admission in 1994. He serves on many committees and is involved in various initiatives to advance the lives of indigenous Australians in the Darling Downs and the Granite Belt. Darren is an accredited specialist in family law and a duty lawyer. He is a Senior Lawyer at Legal Aid Queensland in Toowoomba, an Independent Children's Lawyer and Separate Representative for children, and a member of the Legal Aid Queensland State-wide NAIDOC Committee. He has been appointed as a Family Dispute Resolution Practitioner, an arbitrator for family law property matters and as an Ordinary Sessional Member of QCAT. Darren has numerous social and professional memberships including the Indigenous Lawyers' Association of Queensland as well as being a committee member and past President of the Downs & Southwest District Law Association.

First Nations Student, awarded to Renee Kyle

Highlighting exceptional results in study and contribution to improved justice outcomes for First Nations communities, the First Nations Student Award recognises a law student with passion, dedication and positivity. Renee Kyle is a proud Koa woman of Central Queensland and is currently enrolled in Bachelor of Laws (Honours) degree at QUT. Renee has been working in the area of Indigenous Justice since 2006 and is the Manager of Indigenous Justice Programs (Projects) within Courts Innovation Programs. Renee has devoted 22 years to a career with the Department of Justice and Attorney-General. In her role, Renee leads a team of three staff who provide training and support to the 40+ community justice groups across Queensland and manages other Indigenous projects. For many years she has been active member of the Brisbane Native Indigenous Sports Corporation and is a casual relief worker with the Indigenous community agency, Bahloo, supporting homeless young women.

Outstanding Accredited Specialist, awarded to Zinta Harris

This award recognises the outstanding contribution, commitment and professionalism of an Accredited Specialist in the Queensland legal profession. Zinta Harris has demonstrated a proactive commitment to the Specialist Accreditation community through mentoring and educating other professionals in succession law and encouraging peers to undertake specialist accreditation. She has developed a new pathway to help families resolve conflict over inheritance without going to court, introducing a collaborative practice model for wills and estates in both the pre-death estate planning context and the post-death dispute resolution context, and developed training on this model for the succession law profession nationally. Zinta is the only solicitor in Queensland with a dual specialist accreditation in succession law and business law.

Pride in Law, awarded to Emile McPhee

This award recognises and rewards outstanding contribution and commitment to the practice of LGBTIQ+ inclusion in the legal profession in Queensland. Emile has a long history of demonstrating outstanding leadership, addressing LGBTIQ+ inclusion both within McCullough Robertson and with their clients and the broader legal community. Emile leads by example and is an active role model and advocate.

As one of the founding members of McColour some five years ago, Emile continues to drive our Inclusion and Diversity strategy, supporting LGBTIQ+ staff and allies to bring their whole self to work.

In his role as Chair of McColour, Emile has displayed significant leadership, coordinating the initiatives activities and ensuring strategies and goals are brought to life and progressed. He has been active in setting annual goals and stretch targets, and working to foster an inclusive culture across all levels and offices. He has also been involved in mentoring LGBTIQ+ law students, supporting them to navigate study and preparing to commence a career in the law.

Regional Practitioner of the Year, awarded to Rebekah Sanfuentes and Carol Taylor

Presented to a regional practitioner for their outstanding commitment to their local profession and community. An individual who's professional excellence and fidelity to their profession and region inspires others. This year there were two winners of this award: Rebekah Sanfuentes and Carol Taylor.

Rebekah heads McNamara Law's Wills and Estates department. In addition to showing significant dedication and commitment to her clients and colleagues, Rebekah has also had a positive impact on her community, instilling confidence in and enhancing the reputation of the profession. She has also been a frequent guest speaker at various events throughout the year in her local region. Rebekah performs a significant amount of pro-bono work each year as an Honourary Solicitor for the Salvation Army and serving on the panel of solicitors for the Cancer Council Wills program. Rebekah also helped initiate and implement a 'drive-thru' Will and Power of Attorney service during the peak of the COVID-19 pandemic.

Carol Taylor is a lawyer, designer, artist and disability advocate from the Gold Coast. In 2001, Carol sustained a spinal cord injury rendering her a quadriplegic. In 2015 after a 14 year absence from the law, she established Taylor Law & Conveyancing. Carol also shone a spotlight on the issue of fashion inclusivity, believing that how one dresses directly impacts how the world perceives you. As the world's first quadriplegic designer, her debut collection opened a runway event for the 2019 Mercedes Benz fashion festival in Brisbane. As a solicitor, advocate and speaker Carol has done much to enhance the perception of the legal profession. In advocacy, Carol tirelessly pushes for change in our built environment, in our institutions, and in society's attitudes. Carol is a thought leader and in demand speaker. She is a Non-Executive Director on the Board of Spinal Life Australia and is campaigning to extend the NDIS to those over the 65 years of age. Carol previously held positions as Honorary Solicitor for the Irish Australia Welfare Bureau and was Co-opted Non-Executive Director to the Board of Arts Access Australia, the peak body for arts and disability. Carol is also a founding member of the QLS Diverse Abilities Network, championing equal opportunity and inclusion for people with disability within the legal profession.

Workplace Culture and Health Individual, awarded to Kerry Gibb

Recognising a commitment to equity, diversity and wellness initiatives in the legal profession, the Workplace Culture and Health Award, is presented to one legal practice of any size and one individual, who promotes sustainable, healthy workplace cultures in the profession and embraces workplace diversity and inclusion in a meaningful way. In 2021, Kerry Gibb of Minter Ellison was the recipient of this award. Kerry has a strong focus on the mental and physical health of her employees, particularly during COVID. She has embraced flexible working for her team and ensuring her team was able to work flexibly while remaining connected to their team and the wider firm. Kerry has also has a focus on the physical health of her team and the wider firm and leads her team in staying active from activities involving team nature hikes through to cycle events to raise money for children's health charities. Kerry also has a keen interest in LGBTI+ matters and is a proud ally of the LGBTI+ community. She was instrumental in establishing MinterEllison Gold Coast's relationship with the Gold Coast's leading LGBTIQA+ organisation and has ensured their contribution to the LGBTIQA+ community is impactful and meaningful.

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 been formed 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.

The inaugural 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 annual First Nations Plan 2020-21 launched on 1 July 2020.

The five key objectives are to Advocate, Educate, Connect, Support, and Embed, which underpins our five year Cultural Outreach Strategy. 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 second year of the plan.

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

Education

- Completed the Cultural Competency Course (LMS – Aboriginal modules).
- 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.

Advocacy

- Undertook 14 submissions in First Nations matters.
- Published and raised awareness on Aboriginal Deaths in custody.

Connect

- Profiled 11 First Nations solicitors, legal students, barristers and judges in QLS Proctor, raising awareness of their work and journeys throughout the law.
- Held the 4th annual First Nations Solicitor and Legal Student of the Year Awards (2021) to increased number of applicants.
- Bestowed the First Nations Legal Student of the Year Award winner with a \$2,000 scholarship prize.

Support

- Celebrated Indigenous Business Month with staff, encouraging staff to share and raise awareness of First Nations businesses, whilst simultaneously engaging in First nations procurement.
- Raised over \$1k 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 2021 and in 2022 the Stolen Generations Exhibit, and National Reconciliation Week with a trip to the Mabo Legacy Exhibit.

Staff have maintained a strong focus on researching and raising awareness of First Nations matters, publishing number of articles in QLS Proctor raising awareness about Deaths in Custody and the 30th anniversary of the significance of the Mabo decision.

Beyond 2022

Our primary focus is to increase the number of First Nations Peoples practicing as solicitors in Queensland by 2025 and we have continued to engaged with First Nations Legal Stakeholders to come together in this ambitious aim. The 2020 National Profile of Solicitors sets out there are 85 practitioners who identify as being of Aboriginal and/or Torres Strait Islander descent. QLS is aiming for an ambitious number of 144 First Nations people to practice in Queensland by 2025. This is to quadruple the number of the 36 First Nations solicitors who identified in 2018 National Profile of Solicitors. Throughout this financial year and continuing into the next financial year, the Society will be reaching out to legal stakeholders to assist with this ambitious aim. As of 30 June 2022 it has been reported there are 95 First Nations PC holders.

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 2021-22 (QLS FNP)

Strategic Goal	Initiative	Status	1 July 2021 to 30 June 2022
Advocate Goal	1. Be at the forefront of identifying issues that affect First Nations Solicitors and First Nations Community and consult with First Nations stakeholders.	Proper deadly (target exceeded)	1.1.1 COMPLETED – there have been 14 submissions.
Advocate Goal	2. Actively represent First Nations Solicitors and First Nations Community with lawmakers, policy makers and law enforcers that promote laws that are just and equitable for First Nations Peoples.	Deadly (target achieved)	<p>2.1.1 COMPLETED – engaged in seven governmental/developmental stakeholder consultations: LAF (DJAG) in September 2021; ATSILS and Succession Law Committee Chair, regarding First Nations Wills & Estates; ATSILAF (DJAG) in December 2021; QFCC in August (Confidential) and Inspector of Detention (Bill).</p> <p>2.2.1 COMPLETED – published two QLS Proctor items: First Nations deaths in custody: Will the profession stand with us? (16 December 2021, Josh Apanui) and 31 years on: The Royal Commission into Aboriginal Deaths in Custody (14 April 2022, Yale Hudson-Flux and Jaime Gunning).</p> <p>2.3.1 COMPLETED – reported to CCS, FNCC and Council through quarterly reports and through QLS Proctor.</p>
Educate Goal	3. Roll out a cultural education syllabus (Cultural Competency) for the Queensland Legal Profession.	On the way to deadly (On track)	<p>3.1.1 IN PROGRESS – during the pilot period (as the program is yet to be publicly released), 6 people have commenced the cultural immersion program and 9 practitioners have commenced the cultural onboarding.</p> <p>3.2.1 IN PROGRESS – this is in the process, to continue into the next financial year.</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 (On track)	<p>4.1.1 IN PROGRESS – throughout the financial year, QLS has reached out to and met with stakeholders. QLS has reached out to key stakeholders for a roundtable, with the meeting moved from June 2022 to 4 July 2022.</p> <p>4.1.2 IN PROGRESS – recommendations and actions will be reported on following the Round Table in the next financial year.</p> <p>4.2.1 COMPLETED – reported to Council in June 2022.</p>
Educate Goal	5. Supporting and advancing the District Law Associations in Cultural Competency.	On the way to deadly (On track)	<p>5.1.1 IN PROGRESS – DLA Presidents have had access to the Cultural Onboarding and 9 have accessed the course.</p> <p>5.2.1 COMPLETED – reported to Council in June 2022.</p>
Educate Goal	6. Working with the Bar and the Judiciary in growing and advancing Cultural Competency.	On the way to deadly (On track)	6.1.1 IN PROGRESS – discussion with FNCC regarding conference and award planning. However this is being investigated further and progressed internally, with a business case and options to be prepared and due to staff shortages it is recommended this item be progressed into the next financial year, with consideration in the roll out of the LMS.

Strategic Goal	Initiative	Status	1 July 2021 to 30 June 2022
Connect Goal	7. Promote and connect with First Nations Solicitors and First Nations Legal students.	On the way to deady (On track)	7.1.1 COMPLETED – gained traction with LawLink with LawLink held at Mabel Park High School with Carter Newell Lawyers, 15 First Nations students were in attendance and positive feedback was received following the event.
			7.1.2 IN PROGRESS – profiled Lawlink Alumni in QLS Proctor – LawLink: Bridging the cultural divide between Indigenous law students and the legal profession – Mikaela French (5 May 2022, Cayla Marchant) and in early 2022-23 there are plans for another Lawlink Alumni to be profiled. First Nations Legal Student Josh Apanui was profiled in Bond University's Bond Law graduate's journey from offender to legal executive (11 October 2021) and in Lawyers Weekly podcast Protégé: From one side of the system to the other: How this new lawyer is building a legal career with unique first-hand experience (7 November 2021, Robyn Tongol).
Connect Goal	8. Raise the profile of First Nations Solicitors and First Nations Legal Students through QLS publications and other initiatives.	Proper deady (target exceeded)	8.1.1 COMPLETED – 11 First Nations Solicitors, legal students, barristers and judges profiled in QLS Proctor including First Nations award winners, Nareeta Davis, Renee Kyle and Darren Lewis. Josh Apanui has been profiled in a lawyers weekly podcast and in The Australian, Joel Murgha has been profiled in QLS Proctor, as has Nareeta Davis' work with NAIDOC. Talitha Burson and Simone Matthews as QCAT Tribunal Members have also been profiled and celebrated in Proctor as has his Honour Justice Lincoln Crowley and Mikaela French. FNLP Committee Co-chairs Kristen Hodge and Lyndell O'Connor have also had advocacy profiled and published in QLS Proctor.
Connect Goal	9. Recognise First Nations Solicitors and First Nations Legal Students through annual Awards.	Deadly (target achieved)	9.1.1 COMPLETED – First Nations Solicitors and Legal Students Awards were held in August 2021, the next award ceremony is in August 2022. 9.1.2 COMPLETED – from 2020 to 2021 there was an increase of the number of First Nations Solicitor and Legal Student applications and from 2021 to 2022, there has been an increase of applications (6 for First Nations Students and 3 for First Nations Solicitors).
Support Goal	10. Connect, promote and highlight First Nations Businesses.	Deadly (target achieved)	10.1.1 COMPLETED – promoted Indigenous Business month to staff through Yammer and all-staff email, awarding weekly prizes to staff profiling/raising awareness of First Nations businesses.
Support Goal	11. Investigate a trust or fundraising initiative to support First Nations Legal Students, Solicitors and Community.	Deadly (target achieved)	11.1.1 COMPLETED – reported to Council in June 2022.
Support Goal	12. Connect, support and promote a First Nations Charity on an annual basis.	Proper deady (target exceeded)	12.1.1 COMPLETED – Indigenous Literacy Foundation charity event raised over \$1,000, doubling efforts from last financial year.
Imbed Goal	13. Provide cultural competency training annually for internal staff and a Cultural Outreach on boarding induction for new staff.	On the way to deady (On track)	13.1.1 IN PROGRESS – Cultural Competency training to be rolled out to staff following the release of the LMS and recruitment of new Cultural Consultant.
			13.1.2 COMPLETED – new staff have access to the Cultural Onboarding via the LMS each month, with a quiz to test knowledge. 11 new staff have completed cultural onboarding.

Strategic Goal	Initiative	Status	1 July 2021 to 30 June 2022
Imbed Goal	14. Connect with First Nations Elders and community members that promote the benefits of cultural inclusion and awareness.	Proper deadly (target exceeded)	14.1.1 COMPLETED – we are in regular contact with Elders.
			14.2.1 COMPLETED – this year we have held an IBM event, held an online and in-person display for the Stolen Generations and organised a staff trip during NRW to the Mabo Legacy Exhibit. We have promoted these events to members and staff via our Cultural Calendar available on the QLS website.
			14.3.1 COMPLETED – we have exceeded our targets for engagement on the QLS website, social media channels, yammer and via email to celebrate, acknowledge and raise awareness of First Nations matters.
Imbed Goal	15. Imbed cultural key dates within the organisation annually.	Deadly (target achieved)	15.1.1 COMPLETED – the 2022 Cultural Calendar is finalised and published externally and internally.
			15.2.1 COMPLETED – Cultural Calendar events are shared on Yammer and is on the QLS website annually.
Imbed Goal	16. Imbed long term operational structures for cultural safety and unconscious bias prejudices.	Deadly (target achieved)	16.1.1 COMPLETED – reviewed by the FNCC with recommendations for the next plan.
			16.2.1 COMPLETED – the FNCC has met quarterly and is in line with the progress of the First Nations Plan and Cultural Outreach Strategy. The final meeting of 2021 was an informal and get together to build our core relationships between the committee and QLS.
			16.3.1 COMPLETED – the CCS has met 6 times and good discussions and support has been had with the CCS.
			16.4.1 COMPLETED – website digital strategy planning finalised in consultation with the IM Team.

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

Queensland Law Society represents the interests of the most geographically widespread legal profession in Australia. Queensland's 17 district law associations (DLAs) play a crucial role in bridging these distances and connecting the profession with their community and with each other.

QLS partners with District Law Associations throughout Queensland to deliver targeted training and professional development opportunities, ensuring that regional lawyers have access to relevant resources and information along with a community of collegiate practitioners they can connect with locally. The enthusiastic involvement of regional solicitors in a wide range of local community activities is crucial to our efforts to educate and inform the community about their rights and responsibilities under the law.

We also regularly engage with associations to identify regional matters of importance to the profession. 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 priorities for the coming year. 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

The new voices of the legal profession are lawyers with 0-5 years of post-admission experience and lawyers aged under 36. This cohort makes up 40% of our membership and will continue to grow over the coming years.

QLS has recognised that this segment needs a range of products and services to help them in their early career to cement their knowledge and skills and building their professional confidence.

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

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

In October 2020, the inaugural Future Leaders Committee (FLC) was democratically elected. Consisting of full members 35 years old or under or with less than 5 years PAE, the current committee have represented and advocated on behalf of their peers. 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 2021-22:

2021 (until 31 Dec)

President	Minnie Hannaford
Vice President	Matthew Hollings
Deputy President	Storm Scarlett
QLS Law Council of Australia representative, Young Lawyer Committee	Simon Playford
Ordinary members	Georgia Athanasellis Rebecca Murray Zoe Navarro Kate Pidgeon Ella Thomas

2022

President	Matthew Hollings
Vice President	Simon Playford
Deputy President	Vacant
QLS Law Council of Australia representative, Young Lawyer Committee	Simon Playford
Immediate Past President	Minnie Hannaford
Ordinary members	Georgia Athanasellis Stafford Mortensen (commenced 17 February) Michael Murray (commenced 17 February) Rebecca Murray Zoe Navarro Kate Pidgeon Sarah Plasto (commenced 17 February) Ella Thomas

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, 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 2020-21, QLS again collaborated with 21 mid to top-tier law firms and the 8 law schools to institute transparency and consistency in the Queensland legal recruitment cycle with the QLS Seasonal Clerkship and Graduate Recruitment Guidelines.

- 17 firms participated in the seasonal clerkship program
- 16 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 for the past 15 years, and has a reputation among some national firms as the preferred avenue for student recruitment. Bringing together employers and potential employees, the event is held in-person and virtually ensuring access to regional participants.

In 2022, LCE was held at the Brisbane Exhibition and Convention Centre 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 members' 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.

Strategic workforce planning and performance

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 is seeking 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 Australia 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 promote and achieve diversity and inclusion both within and outside the workplace.

Over the course of the year the D&I Committee have provided staff with the opportunity to gain a deeper understanding of diversity and inclusion through education and awareness activities. They have run several successful events, including International Women's Day and the International Day Against Homophobia, Biphobia and Transphobia. QLS also continues to be a member of the Diversity Council of Australia and all staff have free access to the resources and events DCA provide.

The People and Culture team support D&I Committee initiatives. For example we have a dedicated bub hub for working parents and continue to be a Breastfeeding Friendly Accredited Workplace.

QLS continues to drive the First Nations cultural outreach initiatives. See page 77 for further information.

QLS Charity Committee

The QLS Charity and Volunteering Committee continued to raise funds for worthy causes this financial year and participate in events, despite the continued effects of the COVID-19 pandemic. During the 2021-22 financial year the committee raised \$1520 across a range of initiatives which were supported by QLS staff. Our most successful fundraiser was the QLS Christmas raffle which again raised funds to support the important work of the Indigenous Literacy Foundation. For the first time this year, the Committee held a chocolate fundraiser which provided a donation to the Lung Foundation. QLS staff also proudly participated in the Queensland Legal Walk, an annual fundraising walk in support of LawRight.

Graduate program

Our graduates are in their last year of our two year Graduate Program. During the course of the program our graduates have gained experience under the guidance of our senior QLS Solicitors in areas such as QLS Ethics and Practice Centre, Legal Policy and the Office of General Counsel.

Workplace wellness

We continued to build on our commitment to workplace wellness, encouraging staff to be involved in initiatives such as R U OK day, Queensland Legal Walk and Mental Health Month. We have also continued to maintain and promote our Wellness Rooms.

QLS staff have access to LawCare counselling services and are encouraged to seek help if they need it at any time. In FY22 QLS has funded the training of an internal resource to deliver Mental Health First Aid certification, extending our commitment to supporting the mental health of our employees and normalising conversations about this important topic within our workplace.

Flexible working arrangements and support

QLS is committed to a diverse and inclusive culture that recognises the benefits of workplace flexibility. Over the last year QLS has continued to operate with flexible working arrangements available to employees including remote working, staggered hours and part time opportunities. Our advanced systems and technologies have meant we have pivoted quickly to remote working to ensure the safety and well-being of our staff during the pandemic lockdowns and the weather events that have impacted us in this financial year.

Attraction and retention

QLS is committed to attracting and retaining quality staff. 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 recertification application for the 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 is implementing a Retention Action Plan to address the general market retention issues emerging post the pandemic lockdowns. This plan seeks to identify critical risk employees and address retention at an individual, team and organisational level.

Policy and guideline reviews

Over the past year we continued to review human resource policies and guidelines to ensure they remain current and promote staff wellbeing, gender equality, diversity and inclusion. We developed remote working guidelines to support our flexible working arrangements. The QLS Code of Conduct was reviewed and approved. We also updated and combined all our leave policies under one Leave policy for easy access and application. Our parental leave policy remains as a stand-alone policy.

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 new 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 guideline 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 or public interest disclosure complaints during the financial year.

Staff learning and development

This year we have hired a Learning and Organisational Development Consultant, to support and enhance the learning capability of QLS employees.

Learning and development opportunities for staff included:

- a custom designed Feedback Workshop for Managers, based on their direct feedback
- Mental Health First Aid training. QLS continues to be Gold Accredited with Mental Health First Aid Australia
- First Aid training
- custom HRIS training for all QLS employees
- MS Excel upskilling for the EI and Licencing Teams
- Contact Officer training for two new employees
- targeted industry development seminars for the OGC team
- on-boarding sessions for all new starters including Workplace Health and Safety, Legal requirements, Information Management and a structured new starter program.
- appropriate workplace behaviour training sessions including how to address bullying, sexual harassment and discrimination were held
- cultural awareness training including the Share our Pride online course for all new starters
- study assistance for team members
- annual refresher of our work health and safety compliance requirements
- attendance at external workshops and conferences, and
- continued support for individual learning and development including leadership, change management, innovation and technical training opportunities.

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.

HR Information System (HRIS)

In 2022 we commenced an HRIS upgrade project of our existing system. This project will deliver improved leave management capabilities and general HR efficiencies in the team. The system will support an enhanced performance management process and allow for richer reporting to deliver data driven insights and action.

Welcomes and farewells

QLS welcomed 58 new team members this year, including casuals, contract and permanent staff, all of whom took part in a comprehensive on-boarding program. Employee headcount at 30 June 2022 was 117 people with 108.85 FTE. The majority of staff (79%) are employed on a permanent full-time basis with the remainder being permanent part-time (17%), short term contracts (3%), and those on parental leave (1%).

QLS farewelled 47 staff over the same timeframe and our turnover rate at 30 June 2022 was 41% for the financial year.

Gender composition

The gender composition of QLS workforce at 30 June 2022 was 71% female and 29% male.

Outlook for 2022-23

Key people initiatives for 2022-23 include our application for the recertification for the Workplace Gender Equality Agency's Employer of Choice for Gender Equality citation. We aim to finalise the HRIS and payroll upgrade and the Retention Action plan projects. We will also realign our internal employee performance review process to ensure a continual flow of regular feedback between managers and their teams. Our on boarding content will be reviewed and we will continue to support our wellness initiatives such as Mental Health First Aid and access to counselling services through our LawCare provider.

Our working environment

Sustainability

QLS is committed to sustainable work practices designed to cut greenhouse gases, reduce waste & 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 & 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 2021-22, which included bookings for member, internal and corporate functions were approximately 7,758. The Society remained open during the lockdowns of 2021 to facilitate court ordered mediations and other alternative dispute resolution events such as arbitrations and compulsory conferences. During the year, QLS hosted approximately 17,023 people in our meeting and function rooms.

The total revenue from room hire for 2021-22 was approximately \$156,191.

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 organisation 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 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

Director, Information Management
BSocSc LLB GradCertProfLegalPrac GradDipDInfoM

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

Sandra Pepper

General Manager, Education
BA LLB

Sandra is a senior lawyer with over 20 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.

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 Queensland Law Society since 2008, commencing as a Solicitor in the Office of General Counsel and is now General Counsel for the 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, non- 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.

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

Deborah Awyzio	Chair, Domestic and Family Violence Committee
Ivan Ingram	Chair, First Nations Legal Policy Committee
Andrew Lind	Chair, Not for Profit Law Committee
Rebecca Fogerty	Chair, Criminal Law Committee
Kristin Ramsey	Chair, Industrial Law Committee
Ken McKenzie	Deputy Chair, Criminal Law Committee

Committees, Chairs and Deputy Chairs

Committee	Chair and deputy chair
Access to Justice / Pro-bono Law Committee	Chair: Elizabeth Shearer Deputy Chair: Stephen Herd
Accident Compensation / Tort Law Committee	Chair: Michael Garbett Deputy Chair: Luke Murphy
Alternative Dispute Resolution Committee	Chair: Toby Boys Deputy Chair: Paul Coves
Banking and Financial Services Law Committee	Chair: Michael Anastas Deputy Chair: Karla Fraser
Children's Law Committee	Chair: Damian Bartholomew Deputy Chair: Kate Grant
Committee of Management	Chair: Vacant Deputy Chair: Allison Caputo
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
CPD Committee	Chair: Rachael Miller
Criminal Law Committee	Chair: Dominic Brunello Deputy Chair: Patrick Quinn

Committee	Chair and deputy chair
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: Vacant Deputy Chair: Madeline 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
First Nations Consulting Committee	Chair: Terry Stedman Deputy Chair: Magistrate Jacqui Payne
First Nations Legal Policy Committee	Chair: Lynell O'Connor and Kristen Hodge
Franchising Law Committee	Chair: Derek Sutherland Deputy Chair: Simone Pentis
Future Leaders Committee	President: Minnie Hannaford (2021) President: Matthew Hollings (2022) Deputy President: Storm Scarlett (2021) Deputy President: NA (2022)
Governance Committee	Chair: Michele Davis
Government Lawyers Committee	Chair: Jill Petrie Deputy Chair: Natasha Camphorst
Health and Disability Law Committee	Chair: Margaret Arthur Deputy Chair: Karen Williams
Human Rights and Public Law Committee	Chair: Dan Rogers Deputy Chair: Emma Phillips
Industrial Law Committee	Chair: Giri Sivaraman Deputy Chair: NA
In-House Counsel Committee	Chair: Philip Ware Deputy Chair: Eve Fraser
Innovation Committee	Chair: Terri Mottershead Deputy Chair: Richard Gardiner
Insolvency and Reconstruction Law Committee	Chair: Vacant

Committee	Chair and deputy chair
Litigation Rules Committee	Chair: Andrew Shute Deputy Chair: Andrew Smyth
Migration Law Committee	Chair & Deputy Chair yet to be appointed
Not for Profit Law Committee	Chair: Paul Paxton-Hall Deputy Chair: Joanne O'Brien
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, Data, Technology and Intellectual Property Law Committee	Chair: Anna Sharpe Deputy Chair: Ben Thorn
Professional Conduct Committee	Chair: Deborah Awyzio Deputy 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
Specialist Accreditation Advisory Committee: Workplace Relations	Chair: Rob Stevenson
Specialist Accreditation Board	Chair: Peter Jolly Deputy Chair: Kathy Atkins

Committee	Chair and deputy chair
Succession Law Committee	Chair: Angela Cornford-Scott Deputy Chair: Bryan Mitchell
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	

Information Management strategic objectives

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

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

Initiatives

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

- Maturing QLS's data and analytics governance. This has included data migration to the new CRM and development of new data models.

- Further development of the electronic document and record management system (EDRMS).
- Continued development the web content management platform to include an ecommerce solution.
- Launch a new intranet.
- Implementing the membership management system replacement project. The new system will allow QLS and those who conduct business with QLS to work digitally end to end.

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 further, the Queensland community.

Information systems and record keeping

The Law Society's Information Management and Technologies Governance Board meets six times a year. This Board is responsible for oversight of all QLS's information systems and recordkeeping activities. It is responsible for enterprise-wide record, information and data matters, including governance, standards and management.

QLS continues to develop its electronic Document and Records Management System (eDRMS). A comprehensive Trust Account Investigations (TAI) module has been developed that utilises sophisticated workflows and is due for delivery in August 2022. The TAI module will improve QLS's investigative capability, streamline business processes and reduce paper usage. QLS has also developed a suite of Information Management procedures and guidelines as part of its recordkeeping framework. QLS completed the QLS Retention and Disposal Schedule: QDAN 674 in 2021 and can now sentence and destroy classes of records not previously addressed in the General Retention and Disposal Schedule or in earlier QLS-specific Record Disposal Schedules. In the reporting year, there was one information security breach, which was managed in accordance with the *Privacy Act 1988* (Cth) and the *Information Privacy Act 2009*. Consolidating physical records holdings commenced and will continue into the next financial year. Significant reductions in paper records are anticipated as a result. Education on recordkeeping is a mandatory training requirement for all QLS staff as part of their on-boarding process. Refresher training is provided as required.

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. During the 2021-22 financial year, the FRC and Council also reviewed and approved a risk appetite statement as well as the LCLF Investment Policy, Investment Policy for Membership and Regulatory Funds, QLS Builder Procurement Policy and Indemnity Policy.

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 2021- 22 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 was also revitalised to identify long term latent risks to review 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 in this financial year the Queensland Law Society's code of conduct was updated, 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 our new code and a copy of the Code is publicly available on the QLS website, and 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.

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

Information privacy

QLS is committed to ensuring that personal information collected is dealt with in accordance with the Information Privacy Principles contained in the *Information Privacy Act 2009* (Qld) and the Australian Privacy Principles contained in the *Privacy Act 1988* (Cth). We continually review the procedures in place to prevent unauthorised access to, and use of, the personal information we collect and have raised awareness with Society staff regarding Privacy Awareness Week which took place in May 2022. 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 2021-22, the Group made an operating deficit of \$0.9m after tax and net assets as at 30 June 2022 were \$164m, a decrease of \$0.9m from the previous year.

Increased retained surpluses over a number of years supported the Group's ability to take advantage of opportunities to deliver strategic improvements for members, including major projects in information management. These crossed the 2020-21 and 2021-22 years to deliver benefits to our members and the profession. The Group continued to provide initiatives throughout COVID-19 which included subsidies on membership fees and Practicing Certificates in the 2020-21 year as well as a significant amount of free education resulting in reduced revenues in both 2020-21 and 2021-22.

Investment returns (distributions plus fair value movements through profit or loss) for the Group decreased from \$22.4m in 2020-21 to negative \$8m in 2021-22. This is a result of inflation, rising interest rates and recession fears affecting recovery in investment markets after the initial COVID-19 impact. Investment income (cash component) decreased by \$2.5m compared with the previous year.

Employee expenses for the Group increased by \$1m or 6.8% while overall group expenses (excluding unearned premium reserves) decreased by \$6m, driven mainly by lower insurance claims.

Insurance scheme

Insurance scheme results are from Lexon and the LCLF. The scheme recorded an operating surplus before investment returns and tax of \$7.8m (2021: \$1.1m) driven by a lower unearned premium reserve. Due to an assistance package provided to the profession during COVID-19 ceasing in 2020-21, insurance levies collected have increased by \$5.9m while claims expenses decreased by \$9.5m during 2021-22.

Queensland Law Society Incorporated (parent)

Queensland Law Society Incorporated exceeded its overall financial targets, with an underlying surplus of \$1.1m achieved against a budgeted surplus of \$0.2m. QLS's results were significantly boosted by the return of various conferences and events being able to be held, increasing both revenue and costs. More members continually have joined the Society, and membership and Practicing Certificate renewals were above budget.

Information Technology project delivery

The information technology initiatives designed to improve QLS's core systems and processes, thus providing benefits to our members was completed during 2021-22. The key initiatives included a new membership database, website, learning management system and electronic document and records management system. Cloud computing costs of \$0.6m were expensed during 2021-22.

Assets

Parent net assets as of 30 June 2022 were \$66.9m, an increase of \$1.1m, due to the year's operating surplus.

Revenue

Revenue from Membership fees, Practicing Certificates and Education that impacted 2020-21 results have returned to pre COVID-19 levels. The assistance package in 2020-21 was beneficial to Practitioners and considered a one-off event.

Expenses

The lifting of COVID-19 restrictions allowed QLS to re-engage with members and hold various conferences and events during 2021-22 resulting in an overall increase in conference and events expenditure. The implementation of the Information Technology roadmap has also resulted in additional professional consulting expenses incurred during 2021-22.

QUEENSLAND LAW SOCIETY INCORPORATED

Consolidated Financial Report
For the year ended 30 June 2022

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Queensland Law Society Incorporated

Statement of Comprehensive Income for the year ended 30 June 2022

		Consolidated		Parent Entity	
		2022	2021	2022	2021
		Actual	Actual	Actual	Actual
NOTE		\$'000	\$'000	\$'000	\$'000
Revenue					
Fees and membership services	B1-1	18,659	12,603	18,676	12,619
Rent and administration revenue	B1-2	462	454	1,020	1,002
Grants and funding	B1-3	716	33	1,708	1,028
Insurance levies	B1-4	26,375	20,490	-	-
Investment income	B1-5	8,892	11,426	204	226
Realised gains/(losses) on investments	C4	687	13	-	-
Fair value gains/(losses) on investments	C4	(17,536)	10,991	-	-
Other income		285	466	273	486
Total revenue		38,540	56,476	21,881	15,361
Expenses					
Membership services and events	B2-1	1,522	1,167	1,522	1,167
Administration expenses	B2-2	8,894	7,270	6,630	4,975
Employee expenses	B2-3	15,521	14,533	11,267	10,622
Depreciation and amortisation	C5	1,603	1,449	1,359	1,226
Insurance claims	B1-4	8,368	17,893	-	-
Unearned premium reserves	C8-2(b)	(1,233)	(8,902)	-	-
Reinsurance costs	B1-4	2,264	1,766	-	-
Stamp duty	B1-4	2,133	2,225	-	-
Brokerage fees		145	144	-	-
Total expenses		39,218	37,545	20,778	17,990
Operating (deficit)/surplus before income tax		(678)	18,931	1,103	(2,629)
Income tax (expense) / credit	F1-1	(225)	(4,593)	-	-
Operating (deficit)/surplus after income tax		(903)	14,338	1,103	(2,629)
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to operating result					
Increase/(decrease) in asset revaluation surplus	C5	-	1,870	-	1,870
Total comprehensive income		(903)	16,208	1,103	(759)

The accompanying notes form part of these statements.

Queensland Law Society Incorporated
Statement of Financial Position as at 30 June 2022

	NOTE	Consolidated		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	69,350	66,860	64,186	35,996
Receivables	C2	1,437	1,196	878	1,216
Reinsurers' share of unearned premiums	C8-2(b)	2,325	1,933	-	-
Insurance contract liabilities ceded	C8-2(a)	214	82	-	-
Total current assets		73,326	70,071	65,064	37,212
Non-current assets					
Investment in controlled entities	C3	-	-	19,000	19,000
Investments	C4	185,460	195,638	-	-
Property, plant and equipment	C5	31,606	32,660	30,815	31,768
Deferred tax assets	F1-3	4,129	1,834	-	-
Insurance contract liabilities ceded	C8-2(a)	459	192	-	-
Total non-current assets		221,654	230,324	49,814	50,768
TOTAL ASSETS		294,980	300,395	114,879	87,980
Current liabilities					
Payables	C6	52,790	46,681	46,585	20,911
Accrued employee benefits	C7	1,887	1,689	1,221	1,120
Unearned premium reserves	C8-2(b)	996	2,229	-	-
Income tax payable	F1-2	2,477	115	-	-
Provision for outstanding claims	C8-2(a)	15,086	16,794	-	-
Total current liabilities		73,236	67,508	47,806	22,031
Non-current liabilities					
Accrued employee benefits	C7	267	263	217	197
Provision for outstanding claims	C8-2(a)	57,456	67,700	-	-
Total non-current liabilities		57,723	67,963	217	197
TOTAL LIABILITIES		130,959	135,471	48,023	22,228
NET ASSETS		164,021	164,924	66,856	65,752
EQUITY					
Accumulated surplus		136,589	137,492	39,424	38,320
Asset revaluation surplus		27,432	27,432	27,432	27,432
TOTAL EQUITY		164,021	164,924	66,856	65,752

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Statement of Changes in Equity for the year ended 30 June 2022

Consolidated	NOTE	Asset		TOTAL \$'000
		Revaluation	Accumulated	
		Surplus \$'000	Surplus \$'000	
Balance as at 1 July 2020		25,562	123,154	148,716
Operating result				
Operating surplus/(deficit) after income tax		-	14,338	14,338
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	1,870	-	1,870
Balance as at 30 June 2021		27,432	137,492	164,924
Operating result				
Operating surplus/(deficit) after income tax		-	(903)	(903)
Other comprehensive income				
Balance as at 30 June 2022		27,432	136,589	164,021

Parent Entity	NOTE	Asset		TOTAL \$'000
		Revaluation	Accumulated	
		Surplus \$'000	Surplus \$'000	
Balance as at 1 July 2020		25,562	40,949	66,511
Operating result				
Operating surplus/(deficit) after income tax		-	(2,629)	(2,629)
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	1,870	-	1,870
Balance as at 30 June 2021		27,432	38,320	65,752
Operating result				
Operating surplus/(deficit) after income tax		-	1,103	1,103
Other comprehensive income				
Balance as at 30 June 2022		27,432	39,424	66,856

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Statement of Cash Flows for the year ended 30 June 2022

	NOTE	Consolidated		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Receipts from the profession		48,670	43,283	19,926	18,692
Receipts from commissions and funding		1,094	157	2,085	1,154
Payments to suppliers and employees		(42,149)	(24,367)	(20,293)	(17,601)
Receipts collected for Society entities		-	-	26,375	20,490
Payments to Society entities		-	-	(3,691)	(21,489)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund		151	151	653	653
Payments to Legal Practitioners' Fidelity Guarantee Fund		(151)	(151)	(653)	(653)
Reinsurance payments		(1,703)	(1,590)	-	-
Claims and claims related payments		(8,322)	(17,277)	-	-
Interest received		221	269	204	226
GST receipts		3,749	3,582	3,743	3,575
GST paid to ATO		(362)	(1,467)	246	(1,999)
Income tax paid	F1-2	(158)	291	-	-
Net cash (used in)/generated from operating activities	C1	1,040	2,881	28,596	3,048
Cash flows from investing activities					
Proceeds from investment redemptions	C4	2,000	6,000	-	-
Payments for property, plant and equipment	C5	(550)	(1,794)	(405)	(1,794)
Net cash generated from/(used in) investing activities		1,450	4,206	(405)	(1,794)
Net increase/(decrease) in cash and cash equivalents held		2,490	7,087	28,190	1,254
Cash and cash equivalents at the beginning of the year		66,860	59,773	35,996	34,742
Cash and cash equivalents at the end of the year	C1	69,350	66,860	64,186	35,996

The accompanying notes form part of these statements.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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 minimum Financial Reporting Requirements (FRR) for reporting periods beginning on or after 1 July 2021.

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 2020-21 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 2022

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*.

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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:

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

2020-21

Name of Entity	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Law Claims Levy Fund	100	83.2	25.7	20.5	(1.6)
Lexon Insurance Pte Ltd	100	177.1	116.5	24.8	11.3
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 entity.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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 at the 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.

COVID-19 has materially impacted the fees and membership services revenue in 2020-21. The Society provided discounts to membership fees (50%) and practising certificates (26.1%) for 2020-21. Courses and conferences were also impacted in 2020-21 due to the inability to deliver face to face events for the majority of the year.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

B1-1 FEES AND MEMBERSHIP SERVICES (continued)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Membership and practitioner fees				
Practising certificate fees	8,865	6,339	8,872	6,346
Member fees	5,894	3,194	5,900	3,200
Limitation of liability scheme	1,021	832	1,021	832
Specialist accreditation fee	246	311	246	311
Certificate of fitness	76	57	76	57
	16,102	10,733	16,115	10,746
Membership services and events				
Courses, conferences and events	1,398	1,248	1,402	1,251
Membership services and products	594	311	594	311
Advertising and subscriptions	159	151	159	151
Marketing and sponsorship	406	160	406	160
	2,557	1,870	2,561	1,873
Total fees and membership services	18,659	12,603	18,676	12,619

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

B1-2 RENT AND ADMINISTRATION REVENUE

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

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Rent	212	214	217	219
Body corporate administration fee	26	25	26	25
Management fees				
Lexon Insurance Pte Ltd	-	-	508	494
Law Claims Levy Fund	-	-	45	49
Legal Practitioners' Fidelity Guarantee Fund	156	160	156	160
Legal Practitioners Admissions Board	69	55	69	55
Total rent and administration revenue	462	454	1,020	1,002

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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.

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Queensland Law Foundation	29	33	29	33
Law Claims Levy Fund	-	-	992	995
Legal Practitioner Fidelity Guarantee Fund	687	-	687	-
Total grants and funding	716	33	1,708	1,028

Queensland Law Foundation (QLF) provided grants for a number of projects and initiatives to benefit members, including access to specialist supports to assist during the COVID-19 pandemic.

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.

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 2022

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.

COVID-19 materially impacted the insurance levies received in relation to 2020-21. The Society, via LCLF, provided a discount to insurance levies (20%) for 2020-21. No material impact in FY 2021-22 is noted.

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Insurance levies	26,375	20,490	-	-
Unearned premium reserve (Note C8-2(b))	1,233	8,903	-	-
Reinsurance costs	(2,264)	(1,766)	-	-
Net premium revenue	25,344	27,627	-	-
Claims expense	(10,518)	(18,786)	-	-
Reinsurance and other recoveries	2,150	893	-	-
Net claims incurred (Note C8-2(a))	(8,368)	(17,893)	-	-
Stamp duty	(2,133)	(2,225)	-	-
Underwriting expenses (Lexon administrative and operating expenses)	(7,027)	(6,395)	-	-
Underwriting result	7,816	1,114	-	-

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.

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Distributions from investments	8,671	11,157	-	-
Interest income	221	269	204	226
Total investment income	8,892	11,426	204	226

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

B2 EXPENSES

B2-1 MEMBERSHIP SERVICES AND EVENTS EXPENDITURE

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Direct membership services and events expenditure				
Courses, conferences and events	244	191	244	191
Membership products and services	277	282	277	282
Printing and publications	102	106	102	106
Law Council capitation fees	899	588	899	588
Total membership services and events expenditure	1,522	1,167	1,522	1,167

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

B2-2 ADMINISTRATION EXPENSES

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Office administration and insurance	613	907	1,225	1,198
Actuarial fees	133	120	-	-
Audit fees * #	215	199	86	81
Bad debts	53	68	87	-
Body corporate, electricity, rates and taxes	507	517	503	513
Captive managers fee	106	103	-	-
Catering, functions and entertainment	232	76	208	64
Regulatory audits and investigations	67	28	67	28
Directors' fees	419	327	-	-
Bank fees and finance costs	121	140	94	112
Information technology and related costs	1,829	1,556	1,260	1,016
Investment management fees	783	744	-	-
Office rent	(7)	9	-	-
Presentations, donations and gifts	127	59	127	59
Professional and consulting fees	2,376	1,223	1,930	855
Repairs and maintenance	205	225	203	220
Travel and vehicle costs	330	201	55	63
Liability capping scheme	341	324	341	324
	8,450	6,826	6,186	4,532
Council and committee costs				
Honorarium	406	397	406	397
Travel and accommodation	25	35	25	35
Catering and functions	13	11	13	11
	444	443	444	443
Total administration expenses	8,894	7,270	6,630	4,975

*Total audit fees paid to Queensland Audit Office for the Society relating to the 2021-22 financial year are estimated to be \$85,500 (2020-21: \$81,100) and for the Group are estimated to be \$215,000 (2020-21 : \$199,000). 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 2021-22 financial year are estimated to be \$103,000 (2020-21: \$92,361). Taxation fees paid to PWC Brisbane are disclosed in the professional and consulting fee line above and in the 2021-22 financial year amount to \$34,457 (2020-21: \$34,645). In addition in 2021-22 there was \$6,000 paid to PWC Legal Brisbane (2020-21 \$17,340).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

B2-3 EMPLOYEE EXPENSES

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	13,262	12,511	9,646	9,159
Employer superannuation contributions	1,248	1,158	924	862
Movement in annual leave provision	121	(58)	68	(48)
Movement in long service leave provision	73	126	45	69
Staff training and development	23	27	19	29
Employee related expenses				
Workers' compensation premiums	44	41	36	33
Payroll taxes	721	696	505	492
Other employee benefits	28	33	24	26
Total employee expenses	15,521	14,533	11,267	10,622

Employee numbers

	Consolidated		Parent	
	2022	2021	2022	2021
Number of employees at year end	142	136	125	119
Number of full time equivalent employees at year end	132	121	115	104

Accounting policy – wages and salaries

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

Accounting policy – superannuation

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

Accounting policy – workers' compensation premiums

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

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	22,615	1,577	21,250	739
Cash deposit accounts	20,735	45,659	16,936	19,633
Term deposits	26,000	19,624	26,000	15,624
Total cash and cash equivalents	69,350	66,860	64,186	35,996

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating (deficit) surplus after income tax	(903)	14,338	1,103	(2,629)
Adjustments for:				
Investment income	8,178	(22,160)	-	-
Add/(less) non-cash items:				
Depreciation and amortisation	1,603	1,449	1,359	1,226
Change in assets and liabilities:				
(Increase)/decrease in assets:				
Receivables	(207)	286	338	(550)
Movement in provision for bad debts	(34)	69	-	-
Assets recognised due to AASB 16	-	(812)	-	-
Increase/(decrease) in liabilities:				
Payables	6,109	14,093	25,674	5,025
Accrued employee benefits	202	12	121	(24)
Provision for outstanding claims	(13,975)	(9,280)	-	-
Tax related balances	66	4,886	-	-
Net cash (used in)/generated from operating activities	1,040	2,881	28,595	3,048

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	644	297	319	519
Less: provision for doubtful debts	(65)	(99)	-	-
	579	198	319	519
Prepaid expenses and other receivables	858	998	559	697
Total receivables	1,437	1,196	878	1,216

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	
	2022	2021	2022	2021
	\$'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 2022

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 2022, 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Investment in listed funds				
Opening balance	195,638	179,478	-	-
Additions via reinvestment	8,671	11,157	-	-
Disposal proceeds	(2,000)	(6,000)	-	-
Gain / (loss) on disposal	687	13	-	-
Fair value movements	(17,536)	10,991	-	-
Closing balance	185,460	195,638	-	-

Fair value measurements

		Consolidated		Parent Entity	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Fair Value Input	Type				
Level 1	None	-	-	-	-
Level 2	Investments	185,460	195,638	-	-
Level 3	None	-	-	-	-
		185,460	195,638	-	-

All investments as 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.

Investments are placed as follows:

Lexon Insurance Pte Ltd

- Queensland Investment Corporation

Law Claims Levy Fund

- Queensland Investment Corporation

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

C5 PROPERTY, PLANT AND EQUIPMENT

C5-1 CONSOLIDATED

	Buildings \$'000	Plant and Equipment \$'000	Work In Progress \$'000	Intangibles- Software \$'000	Total \$'000
2022					
Cost or valuation					
At the beginning of the year	27,740	8,645	1,011	2,279	39,675
Additions	-	232	318	-	549
Transfers between classes	-	-	(1,176)	1,176	-
Revaluations	-	(326)	-	-	(326)
At the end of the year	27,740	8,551	153	3,454	39,898
Depreciation					
At the beginning of the year	-	(5,322)	-	(1,693)	(7,015)
Charge for the year	(749)	(603)	-	(251)	(1,603)
Revaluations	-	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
2021					
Cost or valuation					
At the beginning of the year	27,441	7,817	172	1,824	37,254
Additions	485	16	1,238	55	1,794
Additions - right of use assets	-	812	-	-	812
Transfers between classes	-	-	(399)	399	-
Revaluations	(186)	-	-	-	(186)
At the end of the year	27,740	8,645	1,011	2,279	39,675
Depreciation					
At the beginning of the year	(1,370)	(4,762)	-	(1,490)	(7,622)
Charge for the year	(686)	(560)	-	(203)	(1,449)
Revaluations	2,056	-	-	-	2,056
At the end of the year	-	(5,322)	-	(1,693)	(7,015)
Net book value at 30 June 2021	27,740	3,323	1,011	586	32,660
Property, plant and equipment is stated as follows:					
30 June 2022					
At valuation	27,740	-	-	-	27,740
At cost	-	8,551	153	3,454	12,159
At the end of the year	27,740	8,551	153	3,454	39,899
Depreciation	(749)	(5,599)	-	(1,944)	(8,292)
	26,991	2,952	153	1,511	31,606
30 June 2021					
At valuation	27,740	-	-	-	27,740
At cost	-	8,645	1,011	2,279	11,935
At the end of the year	27,740	8,645	1,011	2,279	39,675
Depreciation	-	(5,322)	-	(1,693)	(7,015)

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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
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	-
Disposals	-	-	-	-	-
Revaluations	-	-	-	-	-
At the end of the year	27,740	7,230	153	2,934	38,057
Depreciation					
At the beginning of the year	-	(4,680)	-	(1,203)	(5,883)
Charge for the year	(749)	(376)	-	(234)	(1,359)
Revaluations	-	-	-	-	-
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
2021					
Cost or valuation					
At the beginning of the year	27,441	7,125	172	1,305	36,043
Additions	485	17	1,238	54	1,794
Transfers between classes	-	-	(399)	399	-
Revaluations	(186)	-	-	-	(186)
At the end of the year	27,740	7,142	1,011	1,758	37,651
Depreciation					
At the beginning of the year	(1,370)	(4,312)	-	(1,031)	(6,713)
Charge for the year	(686)	(368)	-	(172)	(1,226)
Revaluations	2,056	-	-	-	2,056
At the end of the year	-	(4,680)	-	(1,203)	(5,883)
Net book value at 30 June 2021	27,740	2,462	1,011	555	31,768
Property, plant and equipment is stated as follows:					
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
30 June 2021					
At valuation	27,740	-	-	-	27,740
At cost	-	7,142	1,011	1,758	9,911
At the end of the year	27,740	7,142	1,011	1,758	37,651
Depreciation	-	(4,680)	-	(1,203)	(5,883)
	27,740	2,462	1,011	555	31,768

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:

	2022	2021
<i>Asset Class</i>		
Buildings	2.5%	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 market approach, less any subsequent accumulated depreciation.

C5-6 MEASUREMENT USING FAIR VALUE (continued)

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

An independent valuation of the strata title building was carried out as at 30 April 2022 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 2021.

Between independent valuations, the Society uses the Implicit Price Deflator for non-residential buildings indices to index the carrying amount of the building. Where there has been a material change in the index, revaluation increments are recognised in the asset revaluation surplus except where amounts reversing a decrement previously recognised as an expense are recognised as revenues. Revaluation decrements are only offset against revaluation increments for the same class of assets and any excess is recognised as an expense.

The fair values as at 30 June 2022 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 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Income in advance	15,060	14,990	15,060	14,966
Unearned insurance levies	27,370	25,139	-	-
Trade creditors	1,269	1,199	301	219
Legal Practitioners' Fidelity Guarantee Fund	377	60	377	60
Law Claims Levy Fund	-	-	26,455	3,742
Lease Liability	744	852	-	-
Other payables and accruals	7,970	4,441	4,392	1,924
Total payables	52,790	46,681	46,585	20,911

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	871	747	621	551
Long service leave	1,016	942	600	569
Total current accrued employee benefits	1,887	1,689	1,221	1,120
Non-current				
Long service leave	267	263	217	197
Total non-current accrued employee benefits	267	263	217	197
Current long service leave	1,016	942	600	569
Non-current long service leave	267	263	217	197
Total accrued long service leave	1,283	1,205	817	766

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 measureable impact on the amount that the Group will receive from the reinsurer.

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

C8-2 INSURANCE LIABILITIES

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

(a) Provision for outstanding claims

Central estimate

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

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

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

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

Risk margin

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

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Opening provision for outstanding claims	84,494	85,038	-	-
Claims incurred	11,162	18,603	-	-
Claims paid during the year	(22,027)	(19,083)	-	-
Movement in claims handling provision	(1,088)	(64)	-	-
Closing provision for outstanding claims	72,542	84,494	-	-
Opening insurance contract liabilities ceded	(274)	(701)	-	-
Movement in reinsurance recoveries	(399)	427	-	-
Reinsurance receivables invoiced	-	-	-	-
Closing insurance contract liabilities ceded	(673)	(274)	-	-
Net outstanding claims	71,869	84,220	-	-
Law Claims Levy Fund	-	-	-	-
Lexon Insurance Pte Ltd	71,869	84,220	-	-
Net outstanding claims	71,869	84,220	-	-

Disclosed in the Statement of Financial Position as:	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current insurance contract liabilities ceded	(214)	(82)	-	-
Non-current contract liabilities ceded	(459)	(192)	-	-
Insurance contract liabilities ceded	(673)	(274)	-	-
Current provision for outstanding claims	15,086	16,794	-	-
Non-current provision for outstanding claims	57,456	67,700	-	-
Provision for outstanding claims	72,542	84,494	-	-
Net claims outstanding	71,869	84,220	-	-

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Notes to the Financial Statements for the year ended 30 June 2022

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
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

	<1 year	1 to 5 years	>5 years	Total
2021	\$'000	\$'000	\$'000	\$'000
Gross central estimate	16,794	33,087	8,783	58,664
Reinsurance recoveries	(82)	(155)	(42)	(279)
Net central estimate	16,712	32,932	8,741	58,385
Discount				(919)
Risk margins				20,044
Claims handling				6,710
Net claims outstanding				84,220

Risk margin

The risk margin (after allowance for claims handling expenses) included in the net outstanding claims is 36.8% (2020-21: 33.2%) of the central estimate, with a probability of sufficiency of approximately 90% (2020-21: 90%).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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 2022			For the year ended 30 June 2021		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred						
Undiscounted	16,984	(2,966)	14,018	17,711	(192)	17,519
Discount	(1,408)	(1,695)	(3,103)	(358)	54	(304)
	15,577	(4,661)	10,915	17,353	(138)	17,215
Reinsurance recoveries						
Undiscounted	(134)	(318)	(452)	(95)	521	426
Discount	12	42	54	2	(2)	-
	(122)	(276)	(398)	(93)	519	426
Net claims						
Undiscounted	16,850	(3,284)	13,566	17,616	329	17,945
Discount	(1,396)	(1,653)	(3,049)	(356)	52	(304)
	15,454	(4,937)	10,517	17,260	381	17,641
Risk margins	6,664	(8,170)	(1,506)	6,884	(6,816)	68
Claims handling	1,696	(2,783)	(1,087)	1,910	(1,972)	(62)
Net claims incurred	23,814	(15,890)	7,924	26,054	(8,407)	17,647

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 2021 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 2022

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

	2022 \$'000	2021 \$'000
Opening unearned premiums	25,139	18,992
Movement in unearned premiums during the year	2,231	6,147
Closing unearned premiums	27,370	25,139
Opening unearned premium reserves	2,229	11,131
Movement in unearned premium reserves	(1,233)	(8,902)
Closing unearned premium reserves	996	2,229
To be earned within 12 months	28,366	27,368
Total unearned premiums and reserves	28,366	27,368

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

	2022 \$'000	2021 \$'000
Unearned premium	27,370	25,139
Unearned premium reserves	996	2,229
Total unearned premium and reserves	28,366	27,368
Reinsurers' share of unearned premium reserves	(2,325)	(1,933)
Net unearned premiums and reserves	26,041	25,435

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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

	2022 \$'000	2021 \$'000
Undiscounted central estimate	21,305	18,748
Discount to present value	(2,443)	(548)
Discounted central estimate	18,862	18,200
Reinsurance and other costs	2,434	3,349
Claims handling costs	1,931	1,854
Risk margin	5,139	3,965
Expected present value of future cash flows for future claims including risk margin	28,366	27,368
Unearned premiums	27,370	25,139
Deficiency	996	2,229

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 22.4% (2020-21: 18.2%) to produce a 75% level of sufficiency on a net basis. This is the minimum level recognised in Australia as an industry benchmark for liability adequacy tests, in accordance with the Australian Prudential Regulatory Authority (APRA).

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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
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
2021				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,029	12,442	5,439	20,910
Unexpired risk reserves - reinsurance	(22)	(228)	(100)	(350)
Net central estimate	3,007	12,214	5,339	20,560
Discount				(548)
Risk margins				3,965
Duty and other costs				1,537
Claims handling				1,854
Total unearned premium and reserves				27,368

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	649	812	-	-
Leasehold motor vehicles	62	39	-	-
Total	711	851	-	-

(b) Depreciation charge during the year

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Leasehold premises	162	140	-	-
Leasehold motor vehicles	44	39	-	-
Total	206	179	-	-

(c) Interest expense

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	40	7	-	-

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 2022

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Less than 1 year	40	13	40	13
1 to 5 years	-	105	-	105
Total	40	118	40	118

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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	24.4%	16.7%	14.6%	6.7%	4.9%	3.2%	2.0%
Prior Year	24.6%	18.5%	16.4%	7.0%	5.1%	3.5%	2.3%

- The average cost per solicitor (used in the BF method) adopted is \$2,500 (2021: \$2,800).
- 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 3.19% (2021: 0.60%) 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 (2021: \$2,500)
- The estimated growth in solicitor numbers is 3.0% (2021: 3.5%)

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

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

Sensitivity analysis of key estimates

While the gross ultimate costs are sensitive to valuation assumptions, the net results are less sensitive due to the aggregate limits that apply which reduce the net exposure. The gross undiscounted unused exposure for all years totals \$127.1 million (2021: \$112.6 million) before risk margins; and \$107.7 million (2021: \$92.5 million) after allowing risk margins to the 90th probability of sufficiency. The unused net exposure per policy year ranges from \$0 to \$13 million (2021: \$0 to \$13.3 million) with an average of \$8.3 million (2021: \$7.7 million); however this increases to \$9 million (2021: \$8.4 million) in relation to years that have an outstanding balance.

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

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

- Reserve under estimation: A 10% (2021: 10%) reserve under estimation results in an additional gross undiscounted reserve of \$5.3 million (2021: \$5.9 million) and net discounted reserve (after risk margins) of \$7.2 million (2021: \$8.4 million) or 10% (2021: 10%) of the discounted net central estimate plus risk margins.
- Reserve over estimation: If estimated reserves on all years improved by 10% (2021: 10%) then it would result in a decrease in gross undiscounted reserve of \$5.3 million (2021: \$5.9 million) and the total net provision (after risk margins) would decrease by \$7.2 million (2021: \$8.4 million) or 10% (2021: 10%) of the discounted net central estimate plus risk margins.
- Discount rate: A half a percentage point decrease in discount rate from 3.19% (2021: 0.6%) to 2.69% (2021: 0.10%) would increase the provision by \$0.9 million (2021: \$1.1 million) or 1.2% (2021: 1.3%) 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 \$0.6 million (2021: \$0.7 million) or 0.78% (2021: 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\$2,500 to A\$3,000 (2021: A\$2,800 to A\$3,300) increases our provision by A\$2.9 million (2021: A\$2.7 million) or 4.1% (2021: 3.4%) 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 (2021: A\$2,800 to A\$2,300) reduces our provision by A\$2.9 million (2021: A\$2.7 million) or 4.1% (2021: 3.2%) 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% (2021: 10%) under estimation results in an additional gross undiscounted reserve of A\$2.6 million (2021: A\$2.4 million) and net discounted reserve (after risk margins) of A\$2.6 million (2021: A\$2.4 million) or 9.2% (2021: 9.3%) of the discounted net unearned premium reserve estimate including risk margins
- Solicitor number over estimation: A 10% (2021: 10%) over estimation results in a decrease in gross undiscounted reserve of A\$2.6 million (2021: A\$2.4 million) and net discounted reserve (after risk margins) of A\$2.6 million (2021: A\$2.4 million) or 9.2% (2021: 9.3%) 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\$2,666 to A\$3,166 (2021: A\$2,500 to A\$3,000) increases our provision by A\$4.9 million (2021: A\$4.8 million) or 17.3% (2021: 18.7%) 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\$2,666 to A\$2,166 (2021: A\$2,500 to A\$2,000) reduces our provision by A\$4.9 million (2021: A\$4.8 million) or 17.3% (2021: 18.7%) 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.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

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

Claims development history

	2015/16 & prior	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross								
Estimate of ultimate claims								
Costs:								
· at end of reporting year		18,184	19,879	17,363	16,411	17,744	17,067	
· one year later		16,475	18,895	18,051	16,769	18,302		
· two years later		14,290	18,680	17,671	15,288			
· three years later		12,859	18,870	15,548				
· four years later		13,944	18,879					
· five years later		14,667						
Cumulative payments to date	-	13,627	- 14,594	- 9,370	- 8,448	- 3,249	- 1,345	
Estimate of claims reserve		1,040	4,195	6,178	6,840	15,054	15,722	
Effect of discounting	-	68	- 283	- 432	- 531	- 1,166	- 1,408	
Best estimate of claims liability	3,240	972	3,912	5,746	6,309	13,888	14,314	48,381
Risk margin								18,538
Provision for claims handling								5,622
Total gross outstanding claims included in the Statement of Financial Position								72,541
Movement in accident year estimate before discounting and margins	- 631	723	- 81	- 2,123	- 1,481	559	17,067	14,033
Movement in excess receivable								- 15
Gross claims incurred								14,018
Net								
Estimate of ultimate claims								
Costs:								
· at end of reporting year		18,161	19,834	17,303	16,316	17,649	16,933	
· one year later		16,454	18,852	17,991	16,707	17,788		
· two years later		14,271	18,645	17,623	15,329			
· three years later		12,850	18,855	15,529				
· four years later		13,938	18,779					
· five years later		14,663						
Cumulative payments to date	-	13,627	- 14,594	- 9,370	- 8,448	- 3,249	- 1,345	
Estimate of claims reserve		1,037	4,185	6,159	6,791	14,539	15,588	
Effect of discounting	-	68	- 283	- 431	- 528	- 1,126	- 1,396	
Best estimate of claims liability	3,242	969	3,902	5,728	6,263	13,413	14,192	47,709
Risk margin								18,538
Provision for claims handling								5,622
Total net outstanding claims included in the Statement of Financial Position								71,869
Movement in accident year estimate before discounting and margins	- 576	725	- 77	- 2,094	- 1,468	139	16,933	13,582
Movement in excess receivable								- 15
Net claims incurred								13,567

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 2022

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 \$65,111 (2020-21: \$204,611) which are more than one month past due. There is a provision of \$65,111 (2020-21: \$98,611) on these outstanding balances.

There were no reinsurance recoveries (2020-21: \$Nil) outstanding more than one month.

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

(iii) Credit ratings

The following table shows the investment grades of balances due:

	Investment Grade (AAA to BBB) \$'000	Not rated \$'000	Total \$'000
At 30 June 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
At 30 June 2021			
Cash and cash equivalents	66,859	1	66,860
Reinsurers' share of outstanding claims reserves	274	-	274
Trade and other receivables	-	1,196	1,196
Financial assets at fair value through profit or loss	-	195,638	195,638
Total	67,133	196,835	263,968

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%.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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.

	2022	2021
	\$'000	\$'000
Stress Test		Upward impact
Interest rate	(1,687)	(619)
Inflation	(3,536)	(3,291)
Currency	(4,067)	(4,455)
		Downward impact
Interest rate	1,429	478
Inflation	3,050	2,888
Currency	(32)	(70)
Stress Test		Impact
Equity	(12,314)	(28,554)
Property	(1,305)	(2,522)
Credit spread	(7,274)	(7,593)

D3 COMMITMENTS

D3-1 CAPITAL EXPENDITURE COMMITMENTS

There was no capital expenditure contracted for 30 June 2022 but not provided for (2020-21: Nil).

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

D4 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

Lexon has a bank guarantee for \$108,031 (2020-21: \$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.

During the 2021-22 financial year, QLS incurred costs related to the refurbishment of 179 Ann Street. The costs incurred to date in relation to this project have been expensed in the 2021-22 financial statements.

On 25 August 2022 refurbishment costs of up to \$14,095,000 to Law Society House was approved with the project expected to be completed during the year ending 30 June 2023. Subsequent costs from this date will be reviewed and individually analysed to determine which costs are capitalised and which are expensed.

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.

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 2021-22 and 2020-21. 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 2022

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	Elizabeth Shearer	1/07/2021	31/12/2021
Vice President	Kara Thomson	1/07/2021	31/12/2021
President	Kara Thomson	1/01/2022	30/06/2022
Deputy President	Michael Brennan	1/01/2022	7/06/2022
Vice President	Chloe Kopilovic	1/01/2022	7/06/2022
Deputy President	Chloe Kopilovic	7/06/2022	30/06/2022
Vice President	Rebecca Fogerty	22/06/2022	30/06/2022
Chief Executive Officer	Rolf Moses	1/07/2021	30/06/2022

KMP Remuneration Policy

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

Short term employee expenses which include:

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

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

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

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

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP Remuneration Policy (continued)

KMP remuneration

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
Vice 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

1 July 2020 – 30 June 2021

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 January 2021 - 30 June 2021	131	3	-	11	-	145
President						
1 July 2020 - 31 December 2020	131	3	-	11	-	145
Vice President						
1 January 2021 - 30 June 2021	43	3	-	4	-	50
Deputy President						
1 July 2020 - 31 December 2020	43	3	-	4	-	50
CEO						
1 July 2020 - 30 June 2021	349	6	5	22	-	382

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 2021-22 (2020-21: \$30,000) for bonus paid to the Chief Executive Officer.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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.

	2022	2021
	\$	\$
Management fees and recovery expenditure paid to the parent entity by:		
Lexon Insurance Pte Ltd	508,118	493,669
Law Claims Levy Fund	44,534	49,178
Legal Practitioners' Fidelity Guarantee Fund	156,125	160,176
Legal Practitioners Admissions Board	68,803	55,531
QLS Solicitors Support	851,864	768,194
Grant funding paid by parent entity to QLS Solicitors Support	1,488,188	1,408,022
Grant funding paid to the parent entity by:		
Law Claims Levy Fund	992,873	994,430
Legal Practitioners' Fidelity Guarantee Fund	686,595	-
Insurance premiums paid by parent for Law Claims Levy Fund	463,027	415,701
Gross premium paid by Law Claims Levy Fund to Lexon	23,684,912	24,812,902
Management fees paid to a firm which a director of Lexon is a member:		
AON Insurance Managers (Singapore) Pte Ltd	106,090	103,000
Key management personnel compensation for Lexon:		
Directors' fees*	457,938	441,840
Other officers:		
Salaried and other short term employee benefits	1,413,345	1,181,990
Employer's contribution to defined contribution plans	94,141	86,364

* Includes \$38,750 of Directors' fees in relation to Mr Rolf Moses which were paid to QLS

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

Changes in accounting policy

The Group did not voluntarily change any of its accounting policies during 2021-22.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

Accounting standards applied for the first time

No Australian Standards have been applied for the first time during 2021-22.

Following the issuance of IFRIC's agenda decision on Configuration or Customisation Costs in a Cloud Computing Arrangement in April 2021, the Group has changed its accounting policy for certain cloud computing and software-as-a-service (SaaS) costs. The effects of this change is detailed below.

Configuration or Customisation Costs in a Cloud Computing Arrangement

1. Summary of change in accounting policy

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 new 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.

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with the group's existing accounting policies on software assets in Note C5, which have not changed.

2. Impact of changes

There has been no impact to the Group as a result of the change in accounting policy as applicable intangible assets have been correctly disclosed in Note C5 for prior financial periods.

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

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 2022

F1 TAXATION (continued)

F1-1 INCOME TAX EXPENSE

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:				
Current income tax	2,520	115	-	-
Deferred income tax (Note F1-3)	(2,295)	4,478	-	-
	225	4,593	-	-
(Over)/under provision in preceding financial years	-	-	-	-
Current income tax	-	-	-	-
Total income tax (credit)/expense	225	4,593	-	-

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Operating surplus before income tax	(678)	18,931	-	-
Tax calculated at a tax rate of 30% (2020: 30%)	(203)	5,679	-	-
Effects of:				
Income not subject to tax	708	(914)	-	-
Franking and other credits available	(280)	(172)	-	-
	225	4,593	-	-

Queensland Law Society Incorporated

Notes to the Financial Statements for the year ended 30 June 2022

F1 TAXATION (continued)

F1-2 INCOME TAX RECEIVABLE

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Income tax at the beginning of the financial year	115	(291)	-	-
Income tax refunded/(paid)	(158)	291	-	-
Current year income tax	2,520	115	-	-
Income tax receivable at the end of the financial year	2,477	115	-	-

F1-3 DEFERRED INCOME TAX BALANCES

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Balance at the beginning of the financial year	1,834	6,313	-	-
Charge to profit or loss:				
- Actuarial provisions	(706)	(491)	-	-
- Investment income	2,970	(1,668)	-	-
- Income losses	-	(2,292)	-	-
- Other	31	(28)	-	-
Net deferred tax asset at end of the financial year	4,129	1,834	-	-

Queensland Law Society Incorporated

Management Certificate for the year ended 30 June 2022

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 2022 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
Kara Thomson

25 August 2022



Chief Executive Officer
Queensland Law Society
Rolf Moses

25 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Law Society (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2022, 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 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

I am independent of the 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 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 expressing an opinion on the effectiveness of the entity's internal control, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Lisa Fraser
as delegate of the Auditor-General

31 August 2022

Queensland Audit Office
Brisbane

LAW CLAIMS LEVY FUND

Financial Report

For the year ended 30 June 2022

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Law Claims Levy Fund

Statement of Comprehensive Income for the year ended 30 June 2022

		2022	2021
	Notes	\$'000	\$'000
Revenue			
Insurance levies	B1-1	26,375	20,490
Total levies		26,375	20,490
Other income			
Interest income		1	4
Investment income		4,005	895
Realised gains/(losses) on investments		686	-
Fair value gains/(losses) on investments		(6,938)	5,799
Other income		-	13
Total other income	B1-2	(2,246)	6,711
Total revenue		24,129	27,201
Expenses			
Administration expenses	B2-1	1,290	1,308
Audit fees	B2-2	21	20
Insurance premiums	B2-3	24,151	25,237
Stamp duty		2,133	2,225
Total expenses		27,595	28,790
Operating result for the year		(3,466)	(1,589)
Other comprehensive income		-	-
Total comprehensive income for the year		(3,466)	(1,589)

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Financial Position as at 30 June 2022

		2022	2021
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents	C1	1,518	21,738
Receivables	C2	26,500	3,808
Total current assets		28,018	25,546
Non-current assets			
Investments	C3	53,438	57,684
Total non-current assets		53,438	57,684
Total assets		81,456	83,230
Current liabilities			
Income in advance	C4	27,370	25,139
Payables	C5	40	579
Total current liabilities		27,410	25,718
Total liabilities		27,410	25,718
Net assets		54,046	57,512
Equity			
Accumulated surplus		54,046	57,512
Total equity		54,046	57,512

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Changes in Equity for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	57,512	59,100
Total comprehensive income for the year	(3,466)	(1,588)
Balance at 30 June	54,046	57,512

The accompanying notes form part of these statements.

Law Claims Levy Fund

Statement of Cash Flows for the year ended 30 June 2022

		2022 \$'000	2021 \$'000
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from the profession and reinsurers		5,916	27,625
Payments to suppliers		(28,137)	(27,798)
Interest received		1	4
Net cash (used in)/generated from operating activities	C1	(22,220)	(170)
Cash flows from investing activities			
Proceeds from investments		2,000	6,000
Net cash generated from investing activities		2,000	6,000
Net increase/(decrease) in cash and cash equivalents held		(20,220)	5,830
Cash and cash equivalents at the beginning of the financial year		21,738	15,908
Cash and cash equivalents at the end of the financial year	C1	1,518	21,738

The accompanying notes form part of these statements.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

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 2021.

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 2020-21 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 2022

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 2022

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.

Other revenue of \$0 was received in 2021-22 as a distribution from the Liquidation Scheme of HIH (\$0k) and FAI (\$0k) (2021: \$13k).

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

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.

	2022 \$'000	2021 \$'000
Management fees paid to the Society	45	42
Projects relating to risk management in the profession - grant to the Society	992	1,006
	1,037	1,048
Investment managers' fees	229	224
Sundry expenses	24	35
Total administration expenses	1,290	1,308

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 2021-22 are \$21,300 (2021: \$20,300). 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:

	2022 \$'000	2021 \$'000
Current assets:		
Cash at bank	12	21
Short term deposits	1,506	21,717
Total cash and cash equivalents	1,518	21,738

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

C1 CASH AND CASH EQUIVALENTS (continued)

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

	2022 \$'000	2021 \$'000
Operating result for the year	(3,466)	(1,588)
<i>Adjustments for:</i>		
Net investment income	2,932	(6,694)
(Gain)/loss on disposal of investments	(686)	-
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(22,692)	1,429
Increase/(decrease) in payables	(539)	536
Increase/(decrease) in income in advance	2,231	6,147
Net cash (used in)/generated from operating activities	(22,220)	(170)

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.

	2022 \$'000	2021 \$'000
Other receivables	43	60
Levies receivable from the Society	26,455	3,742
GST receivable	2	6
Total receivables	26,500	3,808

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.

	2022 \$'000	2021 \$'000
Investment in collective investment schemes	53,438	57,684

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

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 2022 to 30 June 2023.

	2022	2021
	\$'000	\$'000
Levies received in advance for next financial year	27,370	25,139

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.

	2022	2021
	\$'000	\$'000
Amounts payable to the Society	1	540
Other payables and accruals	39	39
Total payables	40	579

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 2022

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 2022

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.

	2022	2021
	\$'000	\$'000
Stress Test	Upward impact	
Interest rate	(469)	(182)
Inflation	(973)	(959)
Currency	(1,161)	(1,331)
	Downward impact	
Interest rate	397	140
Inflation	840	841
Currency	(7)	(15)
Stress Test	Impact	
Equity	8,195	(8,565)
Property	868	(756)
Credit spread	(1,877)	(2,028)

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

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 2022, 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 2022 (Finity – August 2022), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2022, the Council is of the opinion that the funds on hand together with future investment income and deductibles, and in conjunction with Stop Loss cover with Lexon will ensure that all future claims will be met as and when they fall due.

There are no events subsequent to reporting date requiring disclosure in the financial report.

Law Claims Levy Fund

Notes to the financial statements for the year ended 30 June 2022

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.

	2022 \$'000	2021 \$'000
Management fees paid to Queensland Law Society	45	42
Grants paid to Queensland Law Society	992	1,006
Total related party transactions	1,037	1,048

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 2021-22.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2021-22 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 2022

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 2022 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
Kara Thomson

25 August 2022



Chief Executive Officer
Queensland Law Society
Rolf Moses

25 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



Lisa Fraser
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

QLS SOLICITOR SUPPORT PTY LTD

Financial Report
For the year ended 30 June 2022

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QLS Solicitor Support Pty Ltd

Directors' Report for the year ended 30 June 2022

The directors present their report, together with the financial statements, on QLS Solicitor Support Pty Ltd (QSS) for the year ended 30 June 2022.

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 Leanne Perry	10/09/2019	16/07/2021
Director	Ms Grace van Baarle	17/06/2021	Current
Director	Mr Peter Gamin	26/08/2021	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 2021: \$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 2022 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.

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 2021 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

25 August 2022

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 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Lisa Fraser
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

QLS Solicitor Support Pty Ltd

Statement of Comprehensive Income for the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue			
Grant Funding	B1	1,488,188	1,431,728
Total revenue		1,488,188	1,431,728
Expenses			
Administration expenses	B2-1	36,039	52,253
Employee expenses	B2-2	600,285	611,281
Management Fees	B2-3	851,864	768,194
Total expenses		1,488,188	1,431,728
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 2022

		2022	2021
	NOTES	\$	\$
Current assets			
Cash and cash equivalents	C1	5,630	2,014
Prepayments and other receivables	C3	25,497	27,023
Total current assets		31,127	29,037
Total assets		31,127	29,037
Current liabilities			
Payables	C4	31,007	28,917
Total current liabilities		31,007	28,917
Total liabilities		31,007	28,917
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 2022

	2022	2021
	\$	\$
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 2022

		2022	2021
	NOTES	\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)
Cash flows from operating activities			
Grant funding		1,491,394	1,431,538
Administration, employee expenses and other payments		(1,487,778)	(1,429,573)
Net cash generated from/(used by) operating activities	C1	3,616	1,965
Net increase in cash and cash equivalents held		3,616	1,965
Cash and cash equivalents at the beginning of the financial year		2,014	49
Cash and cash equivalents at the end of the financial year	C1	5,630	2,014

The accompanying notes form part of these statements.

QLS Solicitor Support Pty Ltd

Notes to the Financial Statements for the year ended 30 June 2022

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 2020-21 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 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 2022

B1 REVENUE

QSS receives grant funding from the Society to contribute toward the cost of operating. Grants are recognised as revenue within the period they are received.

	2022	2021
	\$	\$
Grant funding		
Grant funding	1,488,188	1,431,728
Total revenue	1,488,188	1,431,728

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2022	2021
	\$	\$
Insurance	21,652	21,551
Professional and consulting fees	1,691	3,925
Travel and accommodation	5,589	19,988
Audit fees paid to Auditor-General for auditing services only	5,500	5,160
Other administration expenses	1,607	1,629
Total administration expenses	36,039	52,253

B2-2 EMPLOYEE EXPENSES

	2022	2021
	\$	\$
Wages and salaries	521,128	516,267
Employer superannuation contributions	51,096	49,005
Movement in annual and long service leave provision	(1,047)	12,823
Payroll tax	27,546	30,845
Workers compensation premiums	1,562	2,341
Total employee expenses	600,285	611,281

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.

B2 EXPENSES (continued)**B2-3 MANAGEMENT FEES PAID TO THE QUEENSLAND LAW SOCIETY INCORPORATED**

	2022	2021
	\$	\$
Management fees	851,864	768,194
Total management fees paid to the Queensland Law Society	851,864	768,194

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.

	2022	2021
	\$	\$
Cash on hand	5,630	2,014
Total cash and cash equivalents	5,630	2,014

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 2022

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.

	2022	2021
	\$	\$
Prepayments and other receivables	25,497	27,023
Total receivables	25,497	27,023

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.

	2022	2021
	\$	\$
Funds received in advance and other payables	31,007	28,917
Total payables	31,007	28,917

D1 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There were no known contingent liabilities at 30 June 2022 (2021: Nil). There are no events subsequent to reporting date requiring disclosure in the financial report.

QLS Solicitor Support Pty Ltd

Notes to the Financial Statements for the year ended 30 June 2022

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 2021-22. 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 Leanne Perry	10/09/2019	16/07/2021
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.

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.

	2022 \$	2021 \$
Grant funding paid by parent entity to QSS	1,488,188	1,431,728
Management fees paid to Queensland Law Society	851,864	768,194

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 2021-22.

Accounting standards early adopted

The company early adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* from 1 July 2020.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2021-22 had any impact on QSS.

QLS Solicitor Support Pty Ltd

Directors' Declaration for the year ended 30 June 2022

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 2022 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

A handwritten signature in blue ink, appearing to read 'Stafford Shepherd', with a long horizontal line extending from the end of the signature.

Chairperson & Director
Stafford Shepherd

25 August 2022

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 2022, 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 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the 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 have given the directors of the company the independence declaration required by s. 307C of the *Corporations Act 2001* 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 2022, 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 entity for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards – Simplified Disclosures, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.



Lisa Fraser
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Financial Report
For the year ended 30 June 2022

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Legal Practitioners' Fidelity Guarantee Fund

Statement of Comprehensive Income for the year ended 30 June 2022

		2022	2021
	Notes	\$'000	\$'000
Revenue			
Practitioner levies	B1-1	347	636
Investment income	B1-2	1,090	1,438
Realised gains/(losses) on investments	B1-3	(2,387)	991
Fair value gains/(losses) on investments	B1-3	(169)	489
Total revenue		(1,119)	3,554
Expenses			
Administration expenses	B2-1	330	367
Notified claims (net of reversals)	C6	3,388	7,944
Investment fees		52	57
Management fees paid to the Queensland Law Society	B2-2	843	160
Total expenses		4,613	8,528
Operating result for the year		(5,732)	(4,974)
Other comprehensive income		-	-
Total comprehensive income for the year		(5,732)	(4,974)

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Financial Position as at 30 June 2022

		2022	2021
	Notes	\$'000	\$'000
Current assets			
Cash and cash equivalents	C1	1,109	5,387
Receivables	C2	378	64
Investments	C3	21,831	25,817
Total current assets		23,318	31,268
Total assets		23,318	31,268
Current liabilities			
Payables	C4	43	113
Income in advance	C5	426	305
Provision for notified claims	C6	3,777	6,046
Total current liabilities		4,246	6,464
Total liabilities		4,246	6,464
Net assets		19,072	24,804
Equity			
Accumulated surplus		19,072	24,804
Total equity		19,072	24,804

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Changes in Equity for the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	24,804	29,778
Total comprehensive income for the year	(5,732)	(4,974)
Balance at 30 June	19,072	24,804

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Statement of Cash Flows for the year ended 30 June 2022

		2022	2021
		\$'000	\$'000
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Contributions by practitioners and cost recoveries		151	653
Claim payments and administration expenses		(6,951)	(2,700)
Interest received		10	5
Net cash used in operating activities	C1	(6,790)	(2,042)
Cash flows from investing activities			
Proceeds from investments		2,512	7,054
Net cash generated from investing activities		2,512	7,054
Net increase/(decrease) in cash and cash equivalents held		(4,278)	5,012
Cash and cash equivalents at the beginning of the financial year		5,387	375
Cash and cash equivalents at the end of the financial year	C1	1,109	5,387

The accompanying notes form part of these statements.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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 2021.

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 2020-21 financial statements.

Current/non-current classification

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

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

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

A1-4 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except where stated otherwise.

Historical cost

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

Fair value

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

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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 2022

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.

	2022	2021
	\$'000	\$'000
Practitioner levies	339	320
Claim payment recoveries	8	316
Total practitioner levies	347	636

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.

	2022	2021
	\$'000	\$'000
Distributions from investments	1,082	1,431
Interest income	8	7
Total investment income	1,090	1,438

B1-3 GAINS/(LOSSES) ON INVESTMENTS

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

	2022	2021
	\$'000	\$'000
Realised gains/(losses)	(2,387)	991
Unrealised gains/(losses)	(169)	489
Total gains/(losses) on investments	(2,556)	1,480

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2022	2021
	\$'000	\$'000
Employee expenses	146	138
Audit fees	11	11
Legal fees	150	216
Sundry expenses	23	2
Total administration expenses	330	367

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2021-22 are \$11,300 (2021: \$10,800). There are no non-audit services included in this amount.

B2-2 MANAGEMENT FEES PAID TO QUEENSLAND LAW SOCIETY INCORPORATED

	2022	2021
	\$'000	\$'000
Management fees paid to the Society	156	160
Grant payments to the Society	687	-
Total management fees paid to the Queensland Law Society	843	160

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.

	2022	2021
	\$'000	\$'000
Cash assets	476	10
Cash deposit account	633	5,377
Total cash and cash equivalents	1,109	5,387

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

C1 CASH AND CASH EQUIVALENTS (Continued)

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

	2022 \$'000	2021 \$'000
Operating result for the year	(5,732)	(4,974)
<i>Adjustments for:</i>		
Net investment income	(913)	(1,919)
(Gain)/loss on disposal of investments	2,387	(991)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(314)	(5)
Increase/(decrease) in payables	190	69
Increase/(decrease) in income in advance	121	18
increase/(decrease) in provision for notified claims	(2,529)	5,760
Net cash (used in) operating activities	(6,790)	(2,042)

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.

	2022 \$'000	2021 \$'000
Interest receivable	-	2
Practitioner levies receivable from the Society	378	62
Total receivables	378	64

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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.

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.

	2022	2021
	\$'000	\$'000
Investment in managed funds	21,831	25,817
Total investment in managed funds	21,831	25,817

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.

	2022	2021
	\$'000	\$'000
Payable to the Society for annual leave entitlements	8	6
Payable to the Society for long service leave entitlements	7	5
Other payables and accruals	28	102
Total payables	43	113

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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 2022 paid to the Fund by the Society for the financial year 1 July 2022 to 30 June 2023.

	2022	2021
	\$'000	\$'000
Fidelity Guarantee Fund levies for upcoming year	426	305
Total income in advance	426	305

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.

	2022	2021
	\$'000	\$'000
Opening notified claims	6,046	286
Add notified claims (net of reversals)	3,388	7,944
Less payment of notified claims	(5,657)	(2,184)
Total provision for notified claims	3,777	6,046

Amendments to legislation saw the Fund required to bring into account the difference between the notified claim allowed amounts and the capped amount & interest thereon resulting in an increase to the provision for 2020-21.

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.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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:

	2022	2021
	\$'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%	3	3
Decrease in interest rate by 1%	(2)	(3)

	2022	2021
	\$'000	\$'000
Price sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the unit price of managed funds, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in managed funds unit price by 5%	1,123	1,291
Decrease in managed funds unit price by 5%	(1,123)	(1,291)

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

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 are no events subsequent to reporting date requiring disclosure in the financial report. The three claim assessments disclosed as contingent liabilities in financial year 2020-21 have been withdrawn or closed during financial year 2021-22. Due to the balanced nature of the investment portfolio, the COVID pandemic has had minimal long term impact on the Fund.

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.

	2022	2021
	\$'000	\$'000
Management fees paid to Queensland Law Society	156	160
Grants paid to Queensland Law Society	687	-
Total related party transactions	843	160

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 2021-22.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2021-22.

Accounting standards applied for the first time

No Australian accounting standards or interpretations that apply for the first time during 2021-22 had any impact on the Fund.

Legal Practitioners' Fidelity Guarantee Fund

Notes to the Financial Statements for the year ended 30 June 2022

E3 TAXATION

The Fund is exempt from income tax by virtue of section 50-25 of the *Income Tax Assessment Act 1997* with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

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

Legal Practitioners' Fidelity Guarantee Fund

Management Certificate for the year ended 30 June 2022

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 2022 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
Kara Thomson

25 August 2022



Chief Executive Officer
Queensland Law Society
Rolf Moses

25 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Council of Queensland Law Society Incorporated

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

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

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

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

Responsibilities of the entity for the financial report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, and for such internal control as the Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Lisa Fraser
as delegate of the Auditor-General

31 August 2022

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	5-6
	Glossary		220-221
	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, 7-21
Non-financial performance	Government's objectives for the community and whole-of-government plans/ specific initiatives	ARRs – section 11.1	7
	Agency objectives and performance indicators	ARRs – section 11.2	9-99
	Agency service areas and service standards	ARRs – section 11.3	9-99
Financial performance	Summary of financial performance	ARRs – section 12.1	98-99
Governance – management and structure	Organisational structure	ARRs – section 13.1	22-26
	Executive management	ARRs – section 13.2	23-24, 58-59, 88-95
	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	96-97
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	7, 31-33, 40-42, 73, 86
	Queensland public service values	ARRs – section 13.6	17-21

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	23-26, 96
	Audit committee	ARRs – section 14.2	23-26, 96
	Internal audit	ARRs – section 14.3	23-26, 96
	External scrutiny	ARRs – section 14.4	158-160, 178-179, 184, 196-198, 216-217
	Information systems and recordkeeping	ARRs – section 14.5	96
	Information Security attestation	ARRs – section 14.6	N/A
Governance – human resources	Strategic workforce planning and performance	ARRs – section 15.1	85-88
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	86-88
Open Data	Statement advising publication of information	ARRs – section 16	N/A
	Consultancies	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62	157, 177, 183, 195, 215
		FPMS – sections 38, 39 and 46	
		ARRs – section 17.1	
	Independent Auditor's Report	FAA – section 62	158-160, 178-179, 184, 196-198, 216-217
		FPMS – section 46 ARRs – section 17.2	

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

Glossary

ADR	Alternative Dispute Resolution
ARRs	Annual report requirements for Queensland Government agencies
ASX	Australian Stock Exchange
Call to parties	Queensland Law Society's pre-election document outlining the profession's concerns and priority areas
CBD	Central business district
CEO	Chief executive officer
COVID-19	Coronavirus
CPD	Continuing professional development
Cth	Commonwealth
Cyber Essentials Insurance	An insurance policy offering cyber incident cover to QLS member firms
DFV	Domestic and Family Violence
DLA	District Law Association
DPP	Director of Public Prosecutions
ECL	Early career lawyer
Email newsletter	Newsletter delivered by email
FRC	Finance and Risk Committee
FTE	Full-time equivalent
Guidance statements	Documents that outline Queensland Law Society's guidance on a particular subject
HRIS	Human Resources Information System
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
QC	Queen's Counsel
QLS	Queensland Law Society
QLS Proctor	Queensland Law Society's online news publication

QLS Update	Queensland Law Society's weekly e-newsletter
QLS Symposium	Queensland Law Society's annual education conference for the Queensland legal profession
QSA	Queensland State Archives
RAP	Reconciliation Action Plan
RTI Act	<i>Right to Information Act 2009</i> (Qld)

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