

Annual Report



18-19

**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 2018-19 annual report presents our corporate performance information for the period 1 July 2018 to 30 June 2019.

This report records our activities, achievements and challenges for the 2018-19 financial year and evaluates them against our strategic and corporate planning goals and targets. It also provides a summary of our corporate performance, our planning around the next strategic plan, and priorities for initiatives in 2019-20 and beyond.

2018-19 has been a year of significant achievement for QLS. Across our organisation, we have delivered on some of QLS's long-held goals, implemented significant projects and realised bold plans as an effective and cohesive team. We are excited to share our progress here.

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

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

Our commitment to accessibility

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

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

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



Feedback

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

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9 September 2019

The Honourable Yvette D'Ath MP
Attorney-General and Minister for Justice
Level 18, State Law Building
50 Ann Street
BRISBANE QLD 4000

Dear Attorney

I am pleased to submit for presentation to the Parliament the Annual Report 2018-2019 and financial statements for Queensland Law Society.

I certify that this Annual Report complies with:

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

A checklist outlining the annual reporting requirements can be found on pages 188-189 of this document.

Yours faithfully

Bill Potts
President

Email: president@qls.com.au

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Left
QLS Symposium
held at the Brisbane
Convention &
Exhibition Centre.

About us



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

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

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



Our vision

Good law. Good lawyers. Public good.

Our purpose

- Supporting our members to have more satisfying, balanced and rewarding legal careers and businesses.
- Promoting the value of solicitors in the community and supporting the professional values of fidelity, service and courage.
- Being the authoritative voice of solicitors in Queensland, speaking out for justice and the rule of law.

Our values

Our values frame our service delivery, leadership of the legal profession and internal and external relationships.

Respect We value people and acknowledge their contributions.

Integrity We are honest and fair in our actions.

Service We work together to anticipate needs, exceed expectations and honour commitments.

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

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

Year in review

Left
QLS Symposium held at the Brisbane Convention & Exhibition Centre.

Middle
QLS Early Career Lawyers' Ball.

Right
QLS Legal Careers Expo.

Bottom
QLS member Andrew Kelly receiving a pin from President Bill Potts acknowledging 25 years of membership



July 2018

- 3** QLS celebrates the first anniversary of the launch of its Reconciliation Action Plan (RAP) with a luncheon for more than 80 staff, RAPWG members and guests.
- 17** QLS acknowledges the successes of its members with a 'Best Lawyers' breakfast at Brisbane's Blackbird.
- 24** Townsville workshop, followed by our Celebrate, Recognise and Socialise event.
- 25** Modern Advocate Lecture Series 2018: Lecture 3 – Justice Andrew Greenwood of the Federal Court.

August 2018

- 3** The QLS Criminal Law Conference attracts 116 delegates, making it the biggest on record.
- 10** A special QLS event engages the chairs and deputy chairs of its 26 policy committees.
- 11** Legal Aid retains its championship at the QLS Touch Football Tournament 2018 at Finsbury Park, Newmarket.
- 17** Mackay workshop, followed by our Celebrate, Recognise and Socialise event.
- 31** Annual QLS Senior Counsellors Conference.

September 2018

- 4-5** QLS property Law Conferences draws 130 delegates. Government Lawyers Conference.

October 2018

- 12 Personal Injuries Conference.
- 19 QLS launches pilot online cybersecurity program to help members strengthen their defences against cyber attacks.
- 25 Modern Advocate Lecture Series 2018: Lecture four — Former District Court Judge John Robertson.

November 2018

- 2-3 Almost 200 delegates attend the annual QLS Succession and Elder Law Conference.
- 5 Inaugural meeting of the QLS Human Rights Working Group. Chaired by Dan Rogers.
- 20 Toowoomba workshop, followed by our Celebrate, Recognise and Socialise event.
- 28 QLS launches the first mental health first aid (MHFA) course for the legal profession.

December 2018

- 4 QLS annual general meeting held at Law Society House.
- 4 QLS representatives appear before the parliamentary Legal Affairs and Community Safety Committee to present submissions on whether the proposed Human Rights Bill 2018 would achieve its stated objectives.
- 13 QLS representatives appear before the Senate Legal and Constitutional Affairs Committee to explain flaws in legislation merging the Federal Circuit Court and Family Court of Australia.

January 2019

- 1 Bill Potts returns to the role of QLS President — only the second practitioner in the Society's 91-year history to hold the office of President on two occasions.



February 2019

- 7 New Year Profession Drinks functions held at the Banco Court in Brisbane and on 13 February at the Southport Yacht Club.

March 2019

- 15-16 QLS Symposium held at the Brisbane Convention & Exhibition Centre.
- 15 At the QLS Legal Profession Dinner and Awards, the top awards go to Glen Cranny (President's Medal) and Edwina Rowan (Agnes McWhinney Award).
- 15 QLS releases its 2019 Call to Parties Statement in the lead-up to the federal election.
- 20 Inaugural meeting of the QLS Innovation Committee.
- 25 Record attendance at the QLS Legal Careers Expo.
- 25 QLS representatives appear before the parliamentary Legal Affairs and Community Safety Committee to raise major concerns on the Criminal Code and Other Legislation Amendment Bill 2019 and Criminal Code and Other Legislation (Mason Jett Lee) Amendment Bill 2019.

April 2019

- 1 New-look *Proctor* sent to members.

May 2019

- 1 QLS calls for immediate end to housing of children in police watchhouses.
- 14 Law Week's Queensland Legal Walk leads into a range of activities, including a complimentary member mental health breakfast (15 May) and QLS Open Day (16 May).
- 19 'Find a solicitor' ad campaign launch.
- 31 QLS Early Career Lawyers' Ball proves a winner in Brisbane's James Street precinct.

June 2019

- 1 National Reconciliation Week Cultural Walk.
- 7 Gold Coast Symposium.
- 14 World Elder Abuse Awareness Day Breakfast.



Strategic and operational performance overview

INITIATIVE	STRATEGIC KPI	KEY ACTION
Advocate Goal		
1 Position QLS as a trusted advisor of law reform in Queensland by engaging with Government in areas of legislative reform important to our members and the community	KPI4 We are listened to by government and members of parliament	<p>1.1 Engage with Government and Parliamentary Committees on law reform as trusted advisor</p> <p>1.2 Adopt effective positions on behalf of members and support with appropriate lobbying and media</p>
2 Educate and engage with our members in areas of law reform where QLS can advocate on behalf of the profession and the community	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	<p>2.1 Form a current awareness hub for Legal Policy and Queensland legislation</p> <p>2.2 Engage with members in the Legal Policy process</p>
3 Demonstrate a position of credibility and authority to the profession and the community by positively and strategically engaging the media and the community on issues affecting the law	<p>KPI2 Increased membership engagement in our products and services</p> <p>KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover</p>	<p>3.1 Enhance reputation as the go to for comment on issues affecting the law in Queensland</p> <p>3.2 Engage with members on issues in the media relating to the law</p>

On 1 July 2017, the Society's four-year strategic plan came into effect. The end of this financial year marks the half way point of the Society's four-year strategic plan. Our Strategic Plan 2017-21 sets out to achieve **our vision** for good law, good lawyers and the public good and **our purpose** to support our members to have more satisfying, balanced and rewarding legal careers and businesses, to promote the value of solicitors in the community, to support the professional values of fidelity, service and courage, and to be the authoritative voice of solicitors in Queensland, speaking out for justice and the rule of law. Our four-year strategic plan particularises five strategic goals, two strategic objectives and six measures of success (key performance indicators [KPIs]). Measurement of the second year of our strategic plan has been embedded in our Operating

Plan 2018-19, with our operating plan categorised by strategic goals and objectives, as well as setting out our key actions, our strategic KPIs and operational targets for the financial year. Measures include both qualitative and quantitative assessments to gauge engagement across the membership, staff and key stakeholders. Environmental factors such as changing trends in the demographics of the legal profession, the speed of digital advancements, corporate culture and innovation present both strategic challenges and opportunities for the Society and are set out in the report; with initiatives to continue into the next operating plan. The Society's performance in continuing the Strategic Plan 2017-21 and the annual Operating Plan 2018-19 is outlined in this report.

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
1.1.1 150 requests for comment received during financial year	1.1.1 COMPLETED: 244 requests for comment
1.1.2 QLS invited to 10 public hearings for Parliamentary Committees	1.1.2 COMPLETED: Attended 17 parliamentary public hearings
1.2.1 Success to submission ratio of 1 to 3 achieved	1.2.1 COMPLETED: 1:1 – 251 Successes, 178 reactive submissions and 48 proactive submissions
1.2.2 100 positive mentions of QLS in <i>Hansard</i>	1.2.2 COMPLETED: 286 mentions in <i>Hansard</i>
2.1.1 Launch dedicated QLS webpage on legal policy and legislation reform current awareness	2.1.1 COMPLETED: Legal Policy blog has been launched (via medium) First blog was "Legal Policy at QLS" on 5 September 2018
2.1.2 Legal Policy team provide update presentations at 5 professional development events	2.1.2 COMPLETED: 8 presentations
2.2.1 At least 15% of submissions on proactive issues of concern to members	2.2.1 COMPLETED: 21% of submissions on proactive issues
2.2.2 Member feedback on current legal policy work topics is sought each week	2.2.2 COMPLETED: QLS Update seeks member feedback on policy work topics every week
3.1.1 Weekly reporting of media inquiries to QLS seeking comment or assistance	3.1.1 COMPLETED: Weekly reporting of media enquires: 510 enquiries logged
3.2.1 Weekly news item as headline on QLS webpage	3.2.1 COMPLETED: 42 news headlines and 22 media releases as webpage items: 64

INITIATIVE	STRATEGIC KPI	KEY ACTION
Protect Goal		
4 Introduce membership based, personally funded Group Life and Salary Continuance insurance plans	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	<p>4.1 Investigate membership based, personally funded group life and salary continuance insurance plans including benchmarking against other group life and salary continuance insurance plans</p> <p>4.2 Offer membership based, personally funded group life and salary continuance insurance plans to members in January 2019</p> <p>4.3 Introduce a salary continuance insurance scheme for eligible staff members.</p>
5 Introduction of Cyber Risk insurance option for member firms	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	<p>5.1 Investigate through Lexon Insurance Pte Ltd the introduction of Cyber Risk insurance options for member firms</p> <p>5.2 Offer membership based, Cyber Risk insurance options for member firms</p>
Guidance Goal		
6 Development of a member services capability expanding the QLS Ethics and Practice Centre offering into practice care, practice support and career advancement	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	<p>6.1 Prepare a project plan and strategy for incorporation</p> <p>6.2 Project plan and strategy implemented</p>
7 Overhaul so as to align with the law and the basic tenets of fairness the Society's collection, use and distribution of private information obtained in the course of the provision of all services by the Society	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	<p>7.1 Scope project plan</p> <p>7.2 Draw project plan</p>

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
4.1.1 Proposal from JLT Brokerage finalised	4.1.1 COMPLETED: Proposal from JLT Brokerage has been completed
4.2.1 Launch membership based, personally funded Group Life and Salary Continuance insurance plans by 2 January 2019	4.2.1 IN ABEYANCE: Work undertaken and advice from Brokers that there are challenges in progressing as there are no insurers to offer the product
4.3.1 Eligible staff have access to the insurance plans	4.2.1 CONTINUING: Work has been undertaken and progression is subject to securing annual budgeting
5.1.1 Proposal from Lexon finalised	5.1.1 COMPLETED: Investigations completed and reported to Council
5.2.1 Launch membership based, Cyber Risk insurance options for member firms	5.2.1 COMPLETED: Cyber risk insurance product approved by Council and launched
6.1.1 Project plan and strategy approved by CEO	6.1.1 COMPLETED: Project plan and strategy for the ILP has been completed with the Council approving the constitution, service agreement and application for the ILP. The Office of General Counsel has lodged the application with the Department of the Attorney General and Justice
6.2.1 Depending on external stakeholder engagement, project plan and strategy implemented by 30 June 2019	<p>6.2.1 CONTINUING: The implementation of project plan and strategy is still subject to discussion.</p> <p>The Centre during the course of 2018-2019 undertook an evaluation of the services offered by the Centre in practice management.</p> <p>The review led to a decision to appoint two new officers. Those officers are an Organisational Culture and Support Officer and a Practice Management Consultant.</p> <p>The Organisational Culture and Support Officer has been appointed. The Practice Management Consultant has not yet been appointed</p>
6.2.2 Quarterly reporting on project plan and strategy	6.2.2 COMPLETED: Updates to Council and CEO provided quarterly
7.1.1 Project scoped	7.1.1 COMPLETED: Project scoped
7.2.1 Project plan completed and approved by CEO	7.2.1 COMPLETED: Project Plan CEO approved by CEO
7.2.2 Quarterly reporting on project plan	7.2.2 COMPLETED & CONTINUING: Whilst there has been quarterly updates and reporting the initiative has proved to be beyond resources particularly with one of the two leads on the project leaving QLS

INITIATIVE	STRATEGIC KPI	KEY ACTION
Connect Goal		
8 Launch a revised job board and recruitment portal to members	KPI2 Increased membership engagement in our products and services	8.1 Launch membership campaign to address junior solicitors, associates, students, clerks and graduates 8.2 Report on membership campaign
9 Undertake a public marketing campaign to reposition the online find a solicitor service and reach out to the Community	KPI2 Increased membership engagement in our products and services	9.1 Undertake research on website traffic trends and activity including implementing google tracking codes 9.2 Launch the public marketing campaign
10 Promote the use of expert solicitors in ADR processes in Queensland	KPI2 Increased membership engagement in our products and services	10.1 Scope a project plan to raise awareness of expert solicitors in ADR processes throughout the legal profession
	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	10.2 Implement the project plan
	KPI2 Increased membership engagement in our products and services	10.3 Undertake a public campaign with the wider Queensland community for the use of expert solicitors in ADR processes

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
8.1.1 Membership campaign launched	8.1.1 COMPLETED: Jobconnector product refinement and pricing reduction launched in October 2018
8.2.1 Report to CEO on the effectiveness and impact on the revised job board and recruitment portal	8.2.1 CONTINUING: Report to CEO on effectiveness and impact of this campaign on the job board by end of June 2019 is not complete. Monthly reporting included in above 8.1.1. However, recent developments have meant that we are winding down the offering
9.1.1 Research undertaken	9.1.1 COMPLETED: Research has been undertaken: Page views across the QLS site decreased by 26.9% in June however the number of users only dropped 10.8%. Fewer events and the start of the school holiday period contributed to the decline. The new 'Advice' landing page for the public Find a solicitor campaign attracted 7,203 users and became the third most visited page on the site. The page also drew 6,090 new users to the site. Compared to June 2018, the audience percentage using mobile has grown significantly (to 33.5% from 21.3%) while desktop usage has declined
9.2.1 Campaign launched	9.2.1 COMPLETED: Campaign launched. Pageviews on the primary 'Find a solicitor' were down slightly from a high in May but remained strong, spurred by the seek advice campaign. As in May, across the board growth in the number of entrances to the site and to pageviews (total and unique) can be attributed to the advice campaign. The number of pageviews of the 'Find a solicitor' search (referral list of QLS members) grew by 11.2%. Pageviews for the 'Register of solicitors' (list of all QLS solicitors) remained steady. Entrances to the 'Find a solicitor' search eclipsed that of the Register of solicitors. This is a notable gain toward the 'Find a solicitor' (referral list) becoming the preferred search in the future. The new 'Advice' campaign page (launched on 19 May) became the third most popular page on the site
10.1.1 Project scoped	10.1.1 COMPLETED: Project scoped with consultations internally, with members and with the ADR Committee about how best to promote expert solicitors in ADR processes
10.1.2 Survey of the profession undertaken	10.1.2 COMPLETED: Feedback received from ADR Committee members regarding improving the website and functionality of the 'find a mediator' function on the website
10.1.3 A minimum of two publications online or through Proctor on expert appointments and ADR processes	10.1.3 COMPLETED: Article published regarding Commercial arbitration in September 2018. The State Budget article for 2019 was also published in Proctor in June 2019 which promoted the initiative of the Queensland Dispute Resolution Hub (QDRH) and its benefit to the range of ADR practitioners. ADR content for the QLS website specific to family law disputes has also been published
10.2.1 Project plan implemented	10.1.2 COMPLETED: Project plan implemented as part of the wider promotion of ADR services, various stakeholder engagements including with members of the judiciary and the ADR Committee have taken place to work towards the establishment of a QDRH Working Group with the inaugural meeting to occur in August 2019
10.3.1 Formulate the campaign	10.3.1 COMPLETED: Campaign has been formulated
10.3.2 Implement the campaign	10.3.2 COMPLETED: Campaign is to be rolled out in the 2019-20 financial year to ensure all newly registered Nationally Accredited Mediators' details are correct and records are up to date. Nationally Accredited Mediators registered with the Society who have provided the Society with their consent will have their services promoted to the profession from July 2019

INITIATIVE	STRATEGIC KPI	KEY ACTION
Educate Goal		
11 Development of a leading accessible technology supported Learning and Development offering	KPI2 Increased membership engagement in our products and services	11.1 Have a consultant investigate and report on viable options and accessible technology to advance the professional development offering
12 Guide the profession in emerging issues, in particular cyber security and new technologies, anti-money laundering and the Legal Profession Uniform Laws	KPI2 Increased membership engagement in our products and services	12.1 Update the profession on emerging issues in ethics, cyber security and new technologies
	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	12.2 Update the profession on emerging issues on anti-money laundering and the Legal Profession Uniform Laws
Culture		
13 Focus our second year Reconciliation Action Plan around our staff, broaden our service offering to consult to members and develop a stretch RAP 2019-22 for Council approval in 2019	KPI2, 5, 6 Increased membership engagement in our products and services Staff are engaged, collaborative and productive and there is a reduction of staff turnover Annual financial targets are achieved	13.1 Identify and implement staff initiatives in the roll out of the second year of the RAP
	KPI2, 5 Increased membership engagement in our products and services Staff are engaged, collaborative and productive and there is a reduction of staff turnover	13.2 Develop a service offering to consult to members
	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	13.3 Draft and submit a stretch RAP 2019-2022 for Council approval

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
11.1.1 Consultant engaged	11. CONTINUING: PD Manager in discussions with Director, Information Management about the project. Consultant to be engaged. Scope of work needs to be finalised between People and Culture, Professional Development and Information Management. This project will continue into the next financial year
11.1.2 Report undertaken	
11.1.3 Report delivered to CEO	
12.1.1 Publication of quarterly updates to the profession on ethics, cyber security and new technologies	12.1.1 COMPLETED: The Centre continues to deliver online resources to members in ethics, cybersecurity and practice management. A program for solo and small practices have been implemented. Additional resources have been prepared and published since last month with respect Android and iOS security, USB best practices and self-assessment template for small firms
12.1.2 A minimum of two continuing professional development sessions in ethics, cyber security and new technologies	12.1.2 COMPLETED: Two cybersecurity sessions were delivered.
12.2.1 Biannual publication to the profession on anti-money laundering and the Legal Profession Uniform Laws	12.2.1 COMPLETED: Position on Legal Profession Uniform Law (LPUL) published 4 April 2019. Position on Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) published on blog 9 June 2019
13.1.1 Achieved action items set out in the RAP	13.1.1 COMPLETED: see RAP reporting Q4
13.1.2 QLS teams report back to the RAP team in their area of responsibility	13.1.2 COMPLETED: RAP Reporting Table year 2 refocused and improved with staff engagement and reporting completed throughout the year
13.1.3 Reported on achievements to Council, Reconciliation Australia and in the Annual Report	13.1.3 COMPLETED: (Annual target) Reported high level achievements to Council (October 2018) and in Annual Report (October 2018); Quarterly reporting to Council on RAP; RAP Impact statement reported to Reconciliation Australia by online survey; RAP budget approved, RAP cadet recruitment completed, Council approved Stretch RAP
13.1.4 Annual financial targets for RAP project achieved	13.1.4 COMPLETED: Annual financial targets achieved and within budget
13.2.1 Service consultation offering delivered by 30 June 2019	13.2 COMPLETED: Consultancy program has been delivered and is gaining momentum; engagement has taken place with TDLA, JCU and CQDLA. Support has been provided to CQDLA and a call out to the membership through QLS Update rolling out service consultation with 6 requests so far
13.3.1 Drafted Stretch RAP 2019-22	13.3.1 COMPLETED: Stretch RAP Initiatives 2019-22 drafted
13.3.2 Council approval for Stretch RAP 2019-22	13.3.2 COMPLETED: Stretch RAP Initiatives 2019-22 approved by Council

INITIATIVE	STRATEGIC KPI	KEY ACTION
14 Develop an internal QLS graduate solicitor program	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	14.1 Develop framework for QLS graduate solicitor program 14.2 Review staff learning and development policy as part of workforce strategy development
15 Improving organisational culture procedures and processes to become a citation holder as an Employer of Choice for Gender equity and application for the Workplace Gender Equality Agency and Employer of Choice for Women Award	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	15.1 Project plan and strategy developed 15.2 Recommendations and action items from project plan and strategy implemented in order to work towards delivering the requirements to submit a successful nomination for this award and citation holder in 2020
Improve objective		
16 Implement our information management and business processes systems upgrades and improvements	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	16.1 Implementation and reporting of iMIS Replacement, Web Replacement and Information Security Projects (two year project) 16.2 eDRMS is rolled out across teams
17 Implement our Business Continuity and Disaster Recovery plans	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	17.1 Develop business-wide Business Continuity Plan (BCP) incorporating Disaster Recovery Plan (DRP) 17.2 Conduct testing of BCP and DRP

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
14.1.1 QLS graduate solicitor program framework developed	14.1.1 COMPLETED: A decision has been made to commence this program from February 2020. The inaugural QLS graduate program will be a 12 month program with two six month rotations in Legal Policy and Ethics. The Legal Careers Expo on 25 March 2019 was the initial launching platform to promote this program. 19 applications have been lodged in the expressions of interest job opening since launch. P&C has partnered with Membership and Engagement team to develop strategy to promote QLS Graduate Program leading up to August 2019
14.2.1 QLS graduate solicitor program framework implemented	14.2.1 COMPLETED: QLS graduate solicitor program framework implemented
14.2. Staff learning and development policy reviewed and updated	14.2.2 COMPLETED: Staff learning and development policy reviewed and updated
15.1.1 Project plan and strategy developed and approved by CEO	15.1.1 COMPLETED: The inaugural Diversity and Inclusion (D&I) committee meeting was held on 6 March 2019. The committee has an action plan with two key projects to help us progress WGEA items. A subgroup has been formed to review current policies as part of the WGEA citation
15.2.1 Recommendations actioned	15.2.1 COMPLETED: Recommendations actioned
15.2.2 Reduction of staff turnover	15.2.2 COMPLETED: Staff turnover reduced over 2%: 30/6/19: 26.82% 30/6/18: 29%
16.1.1 Projects implemented and milestones reached	16.1.1 CONTINUING: EDRMS A mid project health check was conducted which identified improvements to be made to planning and governance. Web Project: Project Steering Committee created. Tracking to plan based on reforecasting of project dates. Procurement stage in progress. External reference group formed. Internal working group formed. CRM: Project iMIS Replacement project has commenced. IM Project Manager recruited. Project Steering Committee formed
16.1.2 Regular reporting of projects' implementation status	16.1.2 COMPLETED & CONTINUING: Regular reporting of the projects' progress will be through the Information Management Governance Board. A weekly EDRMS project management meeting is held with the vendor. A Web Redesign and Content Management Project Steering Committee as well as a CRM Project Committee have been established. Reports are completed, as required, for the Council.
16.1.3 Annual financial targets for projects achieved	16.1.3 COMPLETED & CONTINUING: Project budgets are within the overall envelope of Business Initiatives funding
16.2.1 eDRMS implemented in 7 out of the 8 Departments	16.2.1 COMPLETED & CONTINUING: EDRMS project moved to Implementation stage in December 2018 with three business units accessing the EDRMS and the residual business units coming onboard stage by stage. Five business units and fifteen departments are using the EDRMS by the end of the FY19. Project will close at end of calendar year 2019
17.1.1 BCP and DRP plan developed and approved by CEO	17.1 COMPLETED: Business Continuity Plan (BCP) developed by internal staff team and approved by CEO
17.2.1 BCP and DRP testing undertaken and reported to FRC and Council	17.2.1 COMPLETED: The Information Technology Disaster Recovery Plan (IT DRP) has now been endorsed by the Information Management Governance Board (IMGB). ICT DR / BCP procedures were tested on 2 June. Remediation steps for issues discovered during the test have been developed and another scenario will be tested in September 2019

INITIATIVE	STRATEGIC KPI	KEY ACTION
18 Finalise and promote our member service value proposition, attraction and retention strategies with a focus on Early Career Lawyers (ECL) District Law Associations (DLA) and rural, regional and remote practice support Large Law Firms (LLF Group) In-house counsel	KPI1, 2, 3 Proportion of members in law practices grows each financial year Increased membership engagement in our products and services Members express high levels of satisfaction with our products and services	18.1 Undertake market research with members to determine satisfaction levels with our facilities, events, website, guidance and committees, member value levels and identification of goods and services and improvements
Sustain objective		
19 Enhance financial management practices to maximise efficiency and effectiveness	KPI5, 6 Staff are engaged, collaborative and productive and there is a reduction of staff turnover Annual financial targets are achieved	19.1 Roll out stage 1 of overhead allocations to the business 19.2 Develop and implement purchase order system
	KPI5 Staff are engaged, collaborative and productive and there is a reduction of staff turnover	19.3 Develop strategy for the future of Law Society House and present to Council through Finance and Risk Committee
	KPI5, 6 Staff are engaged, collaborative and productive and there is a reduction of staff turnover Annual financial targets are achieved	19.4 Investigate and (if necessary) implement alternative options for QLS payroll service

PERFORMANCE TARGET/KPI	1 JULY 2018 TO 30 JUNE 2019 REPORT
18.1.1 Market research undertaken	18.1.1 COMPLETED: Oral survey of ECL committee members during Early Career Lawyers (ECL) meetings to ascertain what offerings, from the existing member benefits, are of value. Supreme Court library resources identified as prime benefit. Task ECL committee to ascertain from their colleagues what further benefits would make membership of value to them (especially for regional members). Suggestion of discounted member rate for regional or ECL practitioners
18.1.2 Committee research undertaken	18.1.2 COMPLETED: Focus groups established and committee research undertaken using existing ECLs under the employ of QLS, on Policy committees and on the current ECL Committee.
18.1.3 Members express high levels (80% and over) with QLS's goods and services	18.1.3 COMPLETED: Our member satisfaction rating for our QLS House facilities for the period 1 July 2018 – 30 June 2019 was 4.74 out of 5 – averaged over 11 months. Our member satisfaction rating for the financial year for events is 4.55 out of 5
18.1.4 Conversion rate of 87% of Practising Certificate holders to QLS membership	18.1.4 CONTINUING: As at 7 July 2019, 2694 ECL full member of 3302 ECL PC (~80%)
18.2.1 Attraction and retention strategies finalised	<p>18.2.1 COMPLETED: Worked with all managers in Membership & Engagement to create:</p> <ul style="list-style-type: none"> • ECL syllabus and micro-credential with Bond University • Settle 2019 regional education strategy <p>Early career lawyers (ECLs) In conjunction with QLS Senior Counsellors, create legal competency framework</p> <p>District Law Associations (DLAs) Settle the regional education strategy and communicate at the DLA President's Workshop in March</p> <p>Large Law Firm Group (LLFG inhouse counsel) Create a suite of modules to deliver to large law firm and in-house counsel:</p> <ul style="list-style-type: none"> • Leading Wellbeing in the Legal Profession (version 2.0) • Unconscious Bias • Mental Health First Aid Officer • Resilience @ Work • Workplace behaviours (sexual harassment, bullying and discrimination)
18.2.2 Member service value proposition published	18.2.2 COMPLETED: MVP published on the web
19.1.1 Stage 1 implemented	19.1.1 COMPLETED: Allocations included in June monthly management reports
19.2.1 Purchase order system developed	19.2.1 COMPLETED: Initial scoping commenced in 2017-18. Statistics show that there is a comparatively low level of significant purchases (above \$5k). A simple approach has been developed using email as a first stage, with potential integration with OnBase to be explored later. Training in the new system was scheduled for 24 July 2019 as part of procurement training
19.2.2 Purchase order system implemented	19.2.2 COMPLETED: Initial scoping commenced in 2017-18. Statistics show that there is a comparatively low level of significant purchases (above \$5k). A simple approach has been developed using email as a first stage, with potential integration with OnBase to be explored later. Training in the new system was scheduled for 24 July 2019 as part of procurement training
19.3.1 Strategy recommended by FRC and approved by Council	19.3.1 COMPLETED: Strategy recommended by FRC and approved by Council
19.3.2 Strategy implemented	19.3.2 COMPLETED & CONTINUING: Strategy has been endorsed by Council and is expected to roll out over the next 1-3 years. Capital plan for 2019-24 includes estimates of works required
19.4.1 Options investigated and reported to CEO	19.4.1 COMPLETED: Options paper has been prepared and provided to CEO

President's review



The Society has worked diligently to deliver a great member experience, to advocate for good law, to demonstrate the value of good lawyers, and to champion diversity and inclusion.

The pace of the Society and the role of the President has changed remarkably in the two years between my terms. As President in 2019, I am the leader of a far more agile and energetic organisation than I was during my 2016 presidency. The pace has picked up exponentially and QLS President is now a far more demanding and challenging role. That is a good thing. It means we are now providing far more value to members of our organisation and the community.

This change of pace hasn't come by accident. The Society has worked diligently throughout 2018-19 to deliver a great member experience, to advocate expertly for good law for the profession and the broader community, to demonstrate the value of good lawyers in our communities, and to champion diversity and inclusion throughout the profession.

A great member experience

We are providing more relevant services to our members, encouraging them to access practice support, ethics guidance, a full range of CPD resources, advocacy assistance and the protection of our regulatory function. We have refined our member value proposition throughout 2018-19, and you can read more about that on page 88. One of the things I am most proud of is the work we're doing to encourage all of our member practitioners to become leaders in the profession. During 2018-19, we worked to set up the Aspire Leadership Lecture Series to complement our highly-successful Modern Advocate Lecture Series. The first Aspire lecture will be held early in the new financial year and I look forward to the impact the series will have on tomorrow's legal leaders.

Expert advocacy

We are representing the interests of Queensland solicitors more actively and more accurately than ever before. Our 26 policy committees are truly dedicated to understanding the needs of the profession and Queenslanders and effectively representing them to law makers. You can find out more about the Society's advocacy work on page 28.

Demonstrating the value of good lawyers

QLS has continued to actively champion the role of solicitors in our community. During 2018-19 we launched a significant, state-wide advertising campaign encouraging members of the public to seek advice from a solicitor at each of life's great milestones. The campaign successfully highlighted how a solicitor can help navigate some very tricky situations, and generated a 3254% increase in traffic to our Find a Solicitor search function during the campaign. You can find a more in-depth review of the campaign and its impact on page 35.

QLS is a responsible member of the broader legal community in Queensland. Good law, good lawyers, for the public good is more than a stale phrase printed on a wall; it's an ethos embodied by every member of our organisation. We invest significant time and energy into advocating for good law for all Queenslanders, and in explaining the laws and judgments of the courts. That's why our engagement with the media is so important. This year, I've had the pleasure to represent QLS, our members and our profession in the media, explaining issues as diverse as changes to child homicide laws and the importance of eradicating claims farming. You can find out more about our engagement with the media in the Advocate section of this report on page 28.

A diverse and inclusive profession

Queensland Law Society is both a leader for members and constantly reflecting the values of our members. We have worked throughout 2018-19 to transition to a more inclusive and diverse organisation that truly represents Queensland solicitors. We now have slightly more female members than male members (48% male; 52% female), echoing the changing demographic of our profession as a whole (the Queensland legal profession is 49% male and 51% female). We have invested significant time and energy in better engaging with the LGBTQIA+ community, both internally as an employer and through our many touchpoints with members. Our Innovate Reconciliation Action Plan (RAP) continues to guide our relationship with First Nations people as we plan to grow into our Stretch RAP in the coming months. And we are attracting more members at early stages of their careers, an encouraging sign that we are appealing to the broad range of practitioners engaged in modern legal practice.

I look forward to all that the future has in store for the Society and our profession. The items I have highlighted here are only a snapshot of what has been achieved in the 2018-19 year and the promise the future holds for us all. I encourage you to read on and reflect on how the Society has represented you, advocated for you, educated you and protected you throughout the year. And during this reflection, I encourage you to share your feedback with us—both negative and positive. It is through this feedback that we will grow and, together, create a strong future for us all.



Bill Potts
President



CEO's review

I am proud of the work we have done at Queensland Law Society over the last twelve months to identify and respond to generational change.

The last twelve months have been significant, for a number of reasons, in the legal industry both in Australia and in Queensland. Importantly it is the year in which, throughout every jurisdiction in Australia, we have gender parity of practitioners between men and women. In Queensland, during the course of the last financial year, we hit 51% female to 49% males in our profession. The percentage rates of females are higher in government roles and in in-house counsel roles. In private practice in Queensland, we are still 1% off achieving gender parity. This shift in the gender make-up of the profession has largely been driven by significant growth and generational change that is moving through our profession and is reflected in our member base.

The Queensland legal profession continues to grow faster than the national average and the rate of women entering the profession in Queensland far out-grows the national average. 48% of practitioners in Queensland during the course of this financial year are now under the age of 39, and of that group 63% are female.

I have been proud of the work we have done at Queensland Law Society over the last twelve months to identify and respond to this generational change. The work we have done—and are preparing to do—will accommodate this shift into the future.

We are seeing significantly more practices open up for the first time and our number of practices with three partners and fewer is now one of the highest of any jurisdiction. To support this we have increased our practice support services to those practices. Overall we opened 3878 matters (from calls, emails or personal attendances seeking guidance from the QLS Ethics and Practice Centre) to support Queensland practices, we provided 60 practice support visits to assist firms, we provided 681 trust account visits throughout the state and we ran seven Practice Management Courses to prepare practitioners to have a principal practising certificate. We have now also completed all the work required to set up a Queensland Law Society Incorporated Legal Practice (ILP), which can provide a greater depth of practice and ethics advice to members under the protections of an ILP.

In addition, this year we made the significant investment in effort, preparation, and resourcing to prepare and then launch, from 1 July 2019, the Cyber Essentials Insurance offering. This insurance product is critical in a period when the legal profession is at significant risk (and some say under attack) from cyber criminals looking to monetise data obtained illegally, to divert funds via fraud, or to collect ransoms by placing restrictive and prohibitive malware on systems.

The Cyber Essential Insurance product provides essential emergency cover to all member firms of Queensland Law Society which are also insured by Lexon Insurance Pte Ltd. It is a significant protective policy underwritten by Chubb insurance.

Again, this year I have been very pleased to have been personally involved in a significant number of Continuing Professional Development (CPD) events, directly engaging with individual law firms when required, but also through our program of Symposia and masterclasses across the state. We have trained 5500 delegates in CPD over the year and provided 385 CPD hours for the profession. We continue to grow and be a significant educator of legal content within the Queensland legal profession. You can find out more about our education for members of the legal profession in the Educate section of this report on page 36.

Our advocacy work, again, has been significant. Full details are contained in this report on page 28 but it is safe to say that the Society has developed an enviable advocacy team which is now relied on and sought after by both the government and opposition. Our advocacy work has resulted in 226 submissions to government inquiries and 286 mentions in *Hansard*.

It is with pride that we look back over the year and consider the impact we have had on policy direction in Queensland as an association of solicitors. Our vision at Queensland Law Society is “Good Law, Good Lawyers, Public Good” and in my second year as the CEO I have been pleased to be able to ensure that all of our energies and all of our activities are focused on achieving these outcomes. I am energised too that internally, as an employer, we have worked hard to role model these values.

We have advanced a productive Community, Charity and Volunteering Committee and added an important Diversity, Equity and Inclusion Committee at the Society. We have continued to advance our sophistication and contribution to reconciliation in Australia and Queensland through our Reconciliation Action Plan (RAP), and we continue to grow the number of talented QLS employees who identify as Aboriginal and Torres Strait Islander.

The preparations are in place as a result of this year’s work to launch a graduate recruitment program at the Queensland Law Society, to credential much of our education syllabus in line with university qualifications, and to enter a new digital engagement strategy for the benefit of our members. We aim to be thought leaders and a knowledge centre relied upon by our members, the profession, government and the community at large.

Finally, I would like to acknowledge the hundreds of members who volunteer their time, effort and expertise to QLS to benefit the profession both in Queensland and nationally. These volunteers run our policy committees and working groups, speak at conferences, chair events and appear on expert panels. They write articles and make themselves available to mentor and support their colleagues. To all of you who help make the profession and the Society so valuable to our community, thank you.

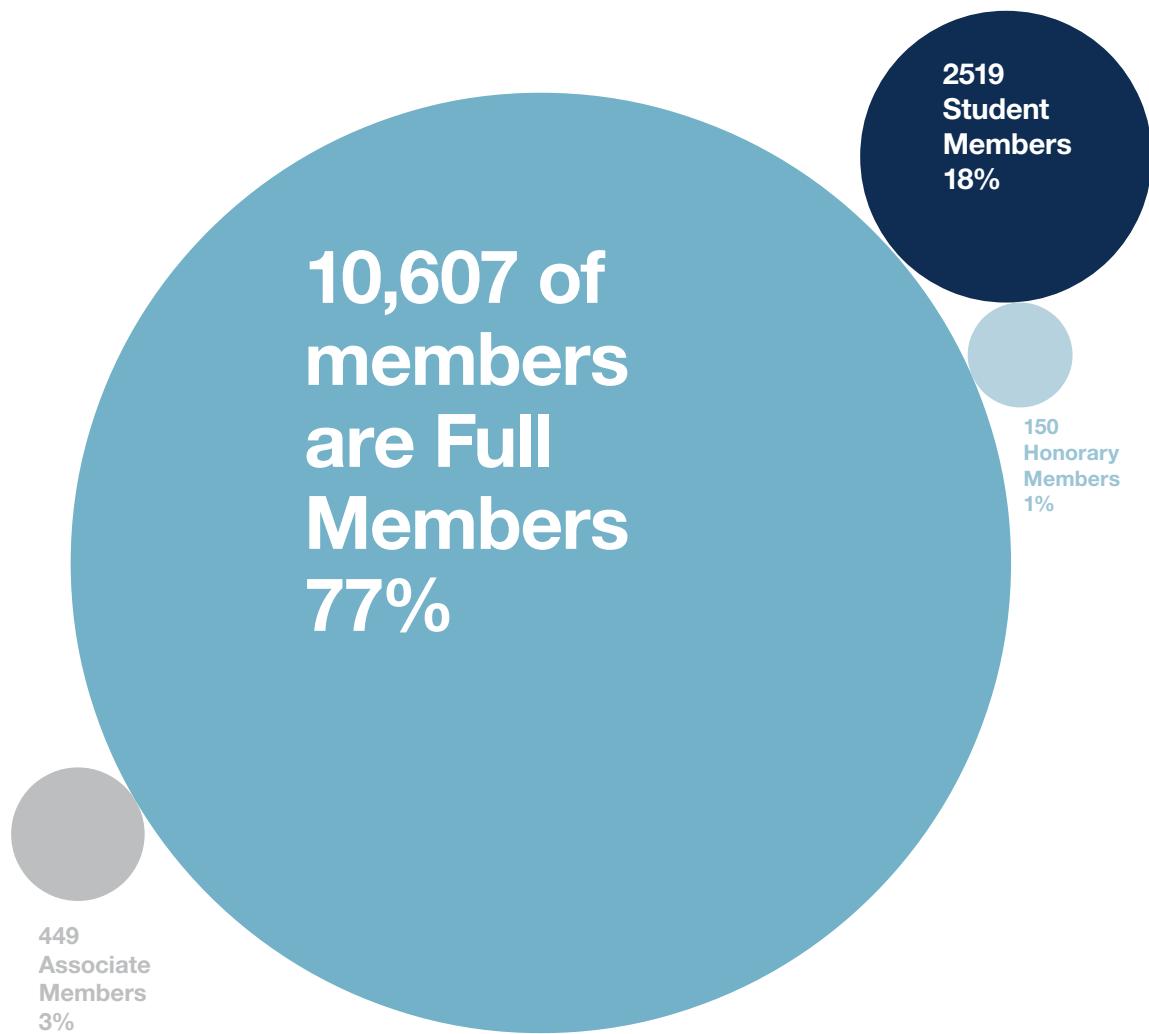
It is a privilege to serve the profession as CEO of Queensland Law Society and I encourage you to read the outcomes of our year in the pages of this annual report.



Rolf Moses
Chief Executive Officer

Membership Snapshot

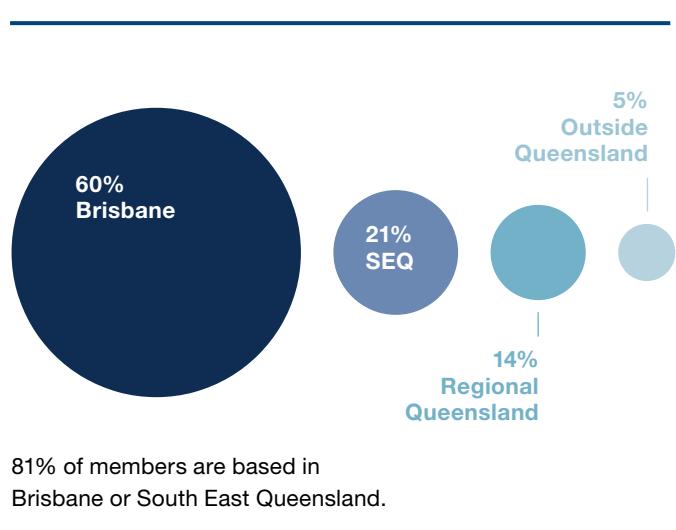
Total QLS membership by category



Distribution of QLS members

REGION	FM	PC HOLDERS
Brisbane CBD	3776	4435
Brisbane	2601	3202
South East Queensland	2208	2519
Central Queensland	138	157
North West Queensland	13	20
Far North Queensland	335	381
Mackay Isaac Whitsunday	139	144
North Queensland	339	388
Darling Downs South West	301	327
Wide Bay-Burnett	181	192
Outside Qld	576	793

Where members practise



The future is female

Almost 2/3 of members are female at early stages of practitioners' careers.



Early career lawyer

38%
1113

ECL
2947

62%
1834

Career builder

39%
1060

CB
2713

61%
1653

Secure achiever

48%
1088

SA
2266

52%
1178

Pinacle practitioner

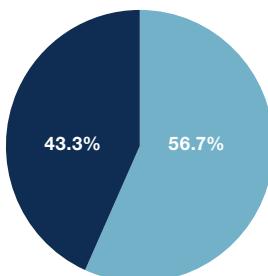
75%
1996

PP
2660

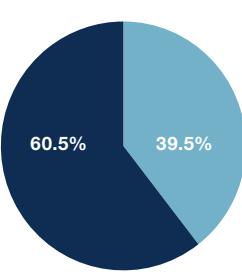
25%
664

The challenge is to keep our young, female lawyers engaged in the profession throughout their careers. Gender split of pinnacle practitioners is skewed 3:1 to male practitioners.

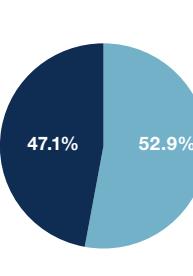
Female/Male breakdown by law firm



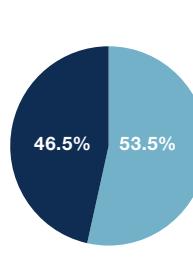
Sole
24.3%
2575



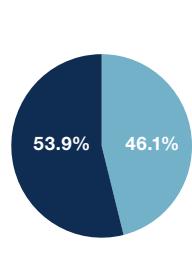
Other
21.8%
2312



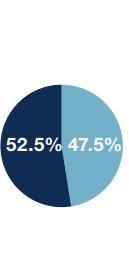
Micro
17%
1798



Small
15.8%
1681



Large
14.5%
1679



Medium
6.6%
699

Here for our members

Congratulations to the following individuals awarded honorary QLS membership during the 2018-19 member year:

- Richard Attwood
- Russell Bowie
- Varro Clarke
- Graham Moore
- John Punch
- John Goodwin
- John McGaw
- Howard Stack
- Geoffrey Rigby
- Dr Jeff Mann AM
- Michael Meadows
- Jeffrey Johnson.

The Society's vision is for good law and good lawyers for the public good. We're committed to supporting the profession by advocating, regulating, guiding, educating, protecting and connecting our members across Queensland.

Our purpose is to support members to have more satisfying, balanced and rewarding legal careers and businesses. By promoting the value of solicitors in the community and supporting the professional values of fidelity, service and courage, we galvanise the good law and good lawyers we represent.

Throughout 2018-19, we built our engagement with regional practitioners by facilitating events where they could come together to learn and engage with peers, leaders in the profession and the Society. Many of these events recognised the significant contribution of members who have been long-serving members of their communities with the presentation of 25-year and 50-year membership pins.

We also focused on the next generation of legal practitioners by encouraging student members and young lawyers to access more from the Society. Our Legal Careers Expo grew to showcase 40 employers of legal graduates, up from 38 in 2018, and welcomed 585 students (2017-18: 497). Other QLS events to focus on early career lawyers were well patronised during the year, including the annual ball and touch football tournament. See page 46 for more information on these initiatives for Queensland's young lawyers.

Our focus on First Nations practitioners and communities has continued with the Innovate RAP and transitioning to our Stretch RAP being cornerstones of the Society's activities in 2018-19.

This year, we have also embarked on a substantial investment in communicating the many reasons to engage a solicitor to members of the community via our 'Seek legal advice' advertising campaign. You can read more about it on page 35.

Engaging members of the profession via our policy and membership committees and working groups remains strong and is of the utmost importance to the Society, as are the QLS Ethics and Practice Centre and Legal Policy teams.

There are over 350 volunteer members who make up our policy and membership committees and working groups. They assist us in our vision for good law, good lawyers and the public good. The commitment of our members who sit on these committees (on a voluntary basis) is vital to our success. They allow us to engage with all aspects of our varied membership, ensuring we work for each member and their area of law. You can see who they are and what committees they contribute to in the Committees section of this report on page 82.

We also recognise the contribution of members of the profession by conferring Honorary QLS membership to those who have enjoyed long and distinguished careers in the law.

QLS recognises the service of the following practitioners who were awarded 25-year and 50-year member pins.

25 years

2018

Mrs Karyn Cullen	Ms Jennifer Humphris	Mr Steven Watkinson	Mr Matthew Derrick
Mr James Pattison	Mrs Caroline Janssen	Mr Stephen Walker	Mr Conrad Freeman
Mr Geoffrey Hobson	Mr Peter Janssen	Mr Simon Jensen	Mr Joseph Riba
Mr Mark Fisher	Mr Elefterios Karydas	Mr John Siganto	Mr Gareth Jenkins
Ms Lesley	Mr Denis Kearney	Mr John Carey	Mr Julian Harrison
Woodford-Carr	Mr Stephen King	Magistrate Terence	Mr Michael Wood
Mr Christopher Lenz	Mr Jeffrey Guy	Browne	Mr Mark Anning
Mr Natale Scoglio	Mrs Toni Lake	Mr Peter Carrigan	Miss Keira Brennan
Mr Alexander Dalton	Ms Sara Loughnan	Mr Leigh Rollason	Mr Peter Barnett
Mr Bernard Bradley	Mr Andrew Lind	Mr Gregory Pointon	Mr William Morrissey
Mr Leo Cruise	Mr Michael Lynch	Mr John Roati	Mrs Lynette Reynolds
Ms Carol Lee	Mr Joseph Lyons	Mr Scott Budd	Mr Anthony Kingston
Mr David Strutynski	Mr Dominic McGann	Mr Gary Bugden OAM	Mr Marcus Woodfield
Mr Adam	Mr Wayne Richardson	Mr George Makridakis	Mr David Bell
Carlton-Smith	Ms Margaret Mertens	Mr Raymond Murphy	Mr Rafik Sabdia
Ms Margo MacGillivray	Mr Peter Thomas	Mr Malcolm Carroll	Mr Paul Clough
Mr Song Sia	Mr Neale Tobin	Mr Damien Carter	Mr Michael Marshall
Ms Kym-Marie Bush	Mr Peter Tobin	Mr Michael Richardson	Mr Luke Smith
Mrs Danetta French	Mr Graeme Traves	Mrs Gillian Bristow	Mr Bryan Mitchell
Mr John Foster	Mrs Bernadette Farnell	Mr Michael Goss	Mr Simon Pattison
Mr Clive Nichol	Mr Philip Pan	Mr Mark Lyons	Ms Tracey Robinson
Mr Andrew Goodman	Miss Kristyn Everett	Mr Drew Castley	Ms Marie Coimbra
Mr William Goodwin	Mr Paul Kusy	Mr Geoffrey Ebert	Mr Harry Rigney
Ms Denise Hawthorne	Mr Timothy Longwill	Mr David Siemon	Ms Antra Hood
Mr Michael Heffernan	Mr James Holding	Mr Craig Worsley	Mr Timothy Ryan
Mr Stephen Higgins	Mr Anthony Denholder	Mr Roland Taylor	Mr Adam Robinson
Mr Bruce Hollas	Mr Peter Anderson	Mr Garv Couper	Mrs Jane Fittler

2019

Mr Richard Hyett
Mr Joseph McMahon
Mrs Joanne Boughton
Mr Bruce Johnston
Mr Andrew Mumford
Mr William Sanderson
Mr Calvin Kong
Mr Simon Browne
Mr Damian Quinn
Mr Wayne McStay
Mr Scott Falvey

50 years

2018

Mr Richard Attwood
Mr John Goodwin
Mr Colin Greatorix
Mr Stuart Bale
Mr Jeffrey Johnson
Mr Douglas Kerr
Dr Jeff Mann AM
Mr Barry Marsden
Mr John McGaw
Mr Alexander Bell OAM
Mr Graham Moore
Mr John Punch
Mr Geoffrey Rigby
Mr Howard Stack
Mr Russell Bowie
Mr Varro Clarke
Mr John Edgar



QLS Gold Coast
Celebrate, Recognise
and Socialise

Advocate

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



The Society advocates for good law, and good lawyers, for the public good. The Society is an honest, independent membership body and statutory authority delivering balanced, evidence-based commentary on matters which impact not only its members but also the Queensland community.

>3,524%

510

media
enquiries

128

policy
committee
meetings

MEDIA
RELEASES

24

3,488

mentions of QLS
and leadership
team in media

\$1.3M

Value delivered,
spending just
\$306,022 promoting
the value of solicitors
in the community

stakeholders
consultations

175

226

legal policy
submissions

28

6

QLS
mentions
in Hansard

244
requests
for comment

17

Parliamentary
Committee
public hearings

Advocating for good law

The Society's 26 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 the Society 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.

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

QLS Federal Call to Parties Statement 2019

In early 2019, Queensland Law Society released our Federal Call to Parties Statement

The Call to Parties Statement contained the top 16 legal and policy issues for the legal profession. The Consultation Draft was developed in collaboration with the expert members of our 26 policy committees, the Legal Policy Team and the Queensland Law Society's Council.

It called for each party to give a commitment to take specific actions and address a range of issues. Our aim was to present issues that were important to the legal profession and the public and that were representative of our broad and diverse membership.

Our Call to Parties Statement addressed issues including making justice more accessible for all Australians, the resourcing of federal courts, tribunals and commissions, First Nations People advancement, and measures for the benefit of the public including the fair resolution of family law disputes, consumer protection measures and implementing a national plan to combat elder abuse. Many of the issues addressed in QLS's Call to Parties Statement were incorporated into the Law Council of Australia's advocacy around the 2019 Federal Election.

A year of achievement

Our legal policy committee members held 128 committee meetings during the 2018-19 financial year. The Society received 244 requests for comment, attended 175 stakeholder consultations, made a total of 226 legal policy submissions, attended and provided evidence at 17 Parliamentary Committee public hearings and received 286 mentions in *Hansard* as a result of this legal policy work.

Access to Justice and Pro Bono Law Committee

The Access to Justice and Pro Bono Law Committee administered the 2018 Access to Justice Scorecard and received a 45% increase in responses in comparison to the 2017 survey. In 2018, survey respondents remained highly concerned about the inadequate funding of legal assistance services, with 73% of respondents identifying inadequate legal assistance funding as a key barrier to access to justice. The inadequate number of judicial officers in Queensland was also of concern to 35% of respondents.

The Committee also contributed to the Reviews of the National Partnership Agreement on Legal Assistance Services and Indigenous Legal Assistance Program and contributed to *Proctor*.

Accident Compensation/Tort Law Committee

This Committee made or contributed to 22 written submissions to governments and other stakeholders throughout this financial year. Members of the Committee attended a public hearing before a parliamentary committee regarding the Civil Liability (Institutional Child Abuse) Amendment Bill 2018 and Civil Liability and Other Legislation Amendment Bill 2018. Its members have also held and attended a number of meetings with key stakeholders including the Motor Accident Insurance Commission, the Office of Industrial Relations and the Department of Justice and Attorney-General. These engagements allowed the committee to contribute to proposed law reforms and advance the interests of QLS members and the development of good law. Committee members have also contributed to the education of the profession by contributing content at the Personal Injuries Conference.

Alternative Dispute Resolution (ADR) Committee

This Committee performed a number of roles in the last financial year, including stakeholder consultation, making submissions for legislative reform in relation to the Natural Resources and Other Legislation Amendment Bill 2018, updating resources for solicitor mediators, and providing content for practitioners and the community on the QLS website. A member of the committee also attended a public hearing into the National Resources and Other Legislation Amendment Bill 2018 before a parliamentary committee. Chief among its projects has been the promotion of a Queensland Dispute Resolution Hub which will assist ADR practitioners and users to connect with each other. The committee is working towards securing support for this hub from key stakeholders.

Banking and Financial Services Law Committee

This year, the committee commenced a review of the QLS Independent Solicitor's Certificate materials, used by our members when advising third party guarantors who are required to seek independent legal advice by financial institutions. A further, ongoing area of work, in conjunction with the Elder Law Committee and the Competition and Consumer Law Committee, is an analysis of reverse mortgage products with a view to providing guidance to our members when clients seek advice on them. The committee also contributed to the Law Council of Australia's submission to the Commonwealth Treasury's Discussion Paper called Review of Unfair Contract Term Protections for Small Business.

Children's Law Committee

The Children's Law Committee produced four written submissions in the areas of youth justice and child protection. The committee assisted with various media enquiries and participated in stakeholder groups that were convened to consider the Youth Justice and Other Legislation Amendment Bill 2019, the Expert Assistance Pilot and the transition of 17-year-olds out of the youth justice system. The committee participated heavily in several stakeholder groups, notably the Court Case Management Committee and the Children's Court Committee. The Children's Law Committee have had several significant achievements this financial year. First, the committee was successful in lobbying the government for the removal of 17-year-olds from the adult criminal justice system in Queensland and the treatment of these young people in the youth justice system. Secondly, the committee, over many years, has lobbied for more resources for children and young people. As a result, there was a substantial investment into youth justice in the 2019-20 Queensland State Budget. Finally, the Society met with key stakeholders and made several written submissions and were successful in our advocacy to remove children and young people from Queensland watch houses.

Competition and Consumer Law Committee

This committee produced 16 written submissions over the past financial year in response to both state and federal inquiries. A member of this committee attended a public hearing before a parliamentary committee on Queensland Civil and Administrative Tribunal and Other Legislation Amendment Bill 2018. The Society's submissions at the public hearing were quoted throughout the relevant parliamentary committee report. The Committee's views are well regarded and its members contributed to law reform balancing both competition and consumer perspectives, advancing the interests of QLS members and the development of good law.

Construction and Infrastructure Law Committee

This Committee has contributed to several confidential submissions and has continued to liaise with relevant government agencies. The committee contributed to a livecast on the *Building and Other Legislation (Cladding) Amendment Regulation 2018* for Queensland legal practitioners.

Corporations Law Committee

The Corporations Law Committee meets as a joint Queensland Law Society/Law Council of Australia Committee. In addition to its members contributing to the Law Council of Australia work, the Committee has contributed to a range of Society submissions including the Property Law Review.

Criminal Law Committee

The committee produced 40 written submissions and were consulted on a number of confidential proposals. Committee representatives gave evidence at five public hearings on the following bills: Police Powers and Responsibilities and Other Legislation Amendment Bill 2018, Termination of Pregnancy Bill 2018, Criminal Code (Non-consensual Sharing of Intimate Images) Amendment Bill 2018, Justice Legislation (Links to Terrorist Activity) Amendment Bill 2018, Criminal Code and Other Legislation Amendment Bill 2019 and Criminal Code and Other Legislation (Mason Jett Lee) Amendment Bill 2019.

The committee contributed significantly to QLS media and *Proctor* and participated heavily in several stakeholder groups, notably, the streamlining criminal justice forum and Queensland Sentencing Advisory Council roundtables.

Domestic and Family Violence Committee

Established in 2018, the Domestic and Family Violence Committee have been actively involved in QLS advocacy activity. This year, the committee was confidentially consulted on a variety of proposed reforms. The committee proactively raised matters with heads of jurisdiction regarding domestic violence services in Queensland courts, including court infrastructure, judicial resourcing, judicial training and court security. The committee has recently commenced its review of the 2016 QLS Domestic and Family Violence Best Practice Guidelines, in accordance with requirements in the *Not Now, Not Ever* report.

Elder Law Committee

This Committee completed or contributed to numerous submissions, including in relation to aged care, retirement villages, guardianship, elder abuse and the inquiry into aged care, end-of-life and palliative care and voluntary assisted dying. Members of the committee are collaborating with members of the Criminal Law Committee regarding the possibility of discrete criminal offences for elder abuse.

Data from the 2017 elder abuse campaign run by the Australian Medical Association became available in early 2019 indicating that there had been a significant increase in calls to the Elder Abuse Prevention Unit Helpline. The committee continues to participate in events, such as the World Elder Abuse Awareness Day breakfast, to raise awareness of elder abuse and continues to advocate for good law that appropriately addresses the rights of older people.

Equity and Diversity Committee

The Equity and Diversity Committee continued its work this year on Lawlink, a First Nations law student liaison program aiming to connect the Society and its legal practitioner members with First Nations law students as they complete their studies. For the second year, QLS hosted a special event for our First Nations law students at the QLS Legal Careers Expo where students had the opportunity to meet Society staff and gain early access to the Expo. The Society is also grateful to Minter Ellison and Herbert Smith Freehills for hosting the students in August and November 2018, giving legal students the chance to learn about working in private practice after graduation. The committee also contributed to submissions on the Productivity Commission inquiry into Mental Health and the National Inquiry into Sexual Harassment in Australian Workplaces.

Family Law Committee

The Family Law Committee continued its advocacy in relation to the 'Family Court merger bills' (Federal Circuit and Family Court of Australia Bill 2018 and the Federal Circuit and Family Court of Australia [Consequential Amendments and Transitional Provisions] Bill 2018). The committee produced a comprehensive submission to the Law Council of Australia and the Senate Legal and Constitutional Affairs Committee and actively participated in the Family Law Section's consultation process.

The committee's contribution to the Australian Law Reform Commission's (ALRC) Review of the Family Law System was acknowledged in the ALRC's Final Report. The committee's work on the Family Law Amendment (Family Violence and Cross-examination of Parties) Bill also led to QLS appearing at the public hearing before the Senate Legal and Constitutional Affairs Committee.

Franchising Law Committee

This committee contributed to submissions including to the Australian Competition and Consumer Commission (ACCC) regarding collective bargaining class exemptions and questions on notice following the federal inquiry into the effectiveness and operation of the Franchising Code of Conduct. The committee remains involved in monitoring and educating the profession in relation to developments regarding franchising law.

Health and Disability Law Committee

This Committee has contributed to 14 submissions on matters including mental health, guardianship and capacity, termination of pregnancy and the inquiry into aged care, end-of-life and palliative care and voluntary assisted dying. The committee's work has been quoted by the Queensland Law Reform Commission, the Law Council of Australia, the Public Advocate and the Health, Communities, Disability Services and Domestic and Family Violence Prevention Committee.

Ms Karen Williams, this committee's former Chair, appeared at the public hearing into the Termination of Pregnancy Bill 2018.

Industrial Law Committee

This Committee works hard to advocate on industrial law issues at both a state and federal level which is demonstrated by the nine written submissions its members have contributed to. The committee has also participated in QLS's professional development work in the form of presentations, *Proctor* articles and blog content. Members of the committee appeared before a public hearing before a parliamentary committee and made submissions on the inquiry into wage theft in Queensland. Members of the committee also engage in stakeholder consultation including with the Industrial Court of Queensland and the Queensland Industrial Relations Commission.

Innovation Committee

The Innovation Committee was established on 7 February 2019. QLS Council considered there was a need to form an Innovation Committee to assist members with the change associated with the future of legal services and to best position the profession to remain relevant through this disruption. The committee is made up of 18 members and has had two

meetings this financial year. The committee is considering the skills and experience lawyers will require, the impact of tools and technology on the profession, and what business structures will support legal practice into the future.

Insolvency and Reconstruction Law Committee

This committee is the Queensland branch of the Law Council of Australia's Insolvency and Reconstruction Law Committee. Its members contribute extensively to LCA submissions, working groups and other activities. In addition, the Committee also contributes to QLS conferences/webinars, advocacy and responds to media enquiries.

Litigation Rules Committee

This committee has produced 15 submissions this financial year. It has consulted with QLS members, external stakeholders and other policy committees on issues relating to litigation, court processes and protocols, court resources and costs. It is called on for its expert opinions in these areas and provides guidance by way of its written submissions and attendances at meetings. Members of the Committee build key relationships with the Courts, which provide an invaluable opportunity to raise and discuss issues affecting the profession. One of the key areas of advocacy this financial year has been the committee's push for the need for improved use of technology in Queensland courts to facilitate complete electronic filing and e-trials.

Mining and Resources Law Committee

This committee has produced several submissions in this financial year, including in relation to the Mineral Resources (Galilee Basin) Amendment Bill 2018 for which the committee's Chair, James Plumb, attended the public hearing in March 2019. The committee's work was quoted by the State Development, Natural Resources and Agricultural Industry Development Committee and its alternative drafting recommended in relation to the Mineral, Water and Other Legislation Amendment Bill, and quoted multiple times in *Hansard* regarding the that bill. The Committee's work was also and quoted in the tabled report into the Mineral Resources (Galilee Basin) Amendment Bill 2018.

This committee also assists QLS with its participation in the Land Court's Land Users Reference Group, and maintains productive relationships with other key government stakeholders.

QLS advice, assisted by this committee, is often sought out by Government in relation to both confidential consultation and public consultation drafts of proposed reform.

Not-for-Profit Law Committee

The committee prepared or contributed to 13 submissions this financial year. This included a detailed submission on the Revenue and Other Legislation Amendment Bill 2018, raising concerns about the proposed changes to duty exemptions available to charities. The Chair of the committee appeared with the QLS President before the parliamentary committee to raise our concerns about the Bill. As a result of our advocacy, the Government announced a significant extension to the transition period and also developed public rulings to clarify certain aspects of the legislation. The committee also worked

closely with the Accident Compensation/Tort Law Committee on a submission responding to the Civil Liability (Institutional Child Abuse) Amendment Bill 2018 and Civil Liability and Other Legislation Amendment Bill 2018, implementing a range of reforms following the Royal Commission into Institutional Child Sexual Abuse. The Attorney-General subsequently announced changes to be introduced to the Bill as a result of QLS's recommendations.

Occupational Discipline Law Committee

This committee's advocacy work seeks to ensure the rights of individuals in disciplinary proceedings are upheld and that processes and resources, particularly in the Queensland Civil and Administrative Tribunal, are adequate.

This year, the Occupational Discipline Law Committee produced a submission on the Police Service Administration (Discipline Reform) and Other Legislation Amendment Bill 2019. The Committee also produced an influential submission on the Electoral and Other Legislation Amendment Bill 2019 and Local Government (Implementing Stage 2 of Belcarra) and Other Legislation Amendment Bill 2019 and appeared at the public hearing before the Economic and Governance Committee. The committee's submission was extensively quoted in the reports on these bills.

Planning and Environment Law Committee

The committee made a range of submissions this year, including raising practical and operational matters under the *Planning Act 2016* and responding to the Economic Development and Other Legislation Amendment Bill 2018. The committee has also liaised with the Planning and Environment Court in relation to amendments to practice directions in the Court and continues to update the profession on these changes to practise and procedure.

Property and Development Law Committee

This committee has again had a busy year of participating in consultation processes for the benefit of our members. The committee prepared and contributed to 11 formal submissions including the Final Report on the Review of the *Property Law Act* and the Final Report on the *Building Units and Group Titles Act 1980*. Committee representatives have liaised with the Australian Taxation Office on the implementation of the GST at settlement process and its impact on property transactions. A further key area of work has been responding to the Australian Registrars' National Electronic Conveyancing Council's consultation process for the Review of the Intergovernmental Agreement for an Electronic Conveyancing National Law.

Revenue Law Committee

This committee continued their engagement with the Office of State Revenue (OSR) through OSR's Taxation Consultative Committee (TCC), which considers technical State-based duties and revenue issues and how they affect our members. The Committee has raised a number of practical issues with the TCC and continues to work with OSR in relation to potential clarifications. The committee was also instrumental in contributing to the Society's submission on the Revenue and Other Legislation Amendment Bill 2018.

QLS provided evidence at 17 Parliamentary Committee public hearings and received 286 mentions in Hansard in 2018-19

Succession Law Committee

This committee continued their work in relation to various aspects of the *Succession Act*, the *Trusts Bill 2013*, and guardianship and capacity issues. The committee continues to examine ways in which succession law in Queensland, and the process by which it is administered, can be improved. Members of the committee regularly assist in educating the profession through publications in *Proctor*.

Technology and Intellectual Property Committee

This committee made a submission in relation to the Copyright Modernisation Consultation and continues to identify and advocate in relation to legislative changes and procedural matters that impact practitioners and their clients.

Stakeholder consultations

The Society was also involved in the following consultation and working groups this year:

- Administrative Appeals Tribunal—Migration Review Tribunal Liaison Group
- Advanced Care Planning
- Children's Court Committee
- Coal Workers' Pneumoconiosis Stakeholders Reference Group
- Court User Reference Group
- Court Liaison Group
- Court Case Management Committee meeting
- Firearms Advisory Forum
- Guardianship Implementation Reference Group
- Land Court Resource Users Groups
- LawRight Management Committee
- Legal Aid Child Protection Stakeholder Forum
- Lexon Stakeholder Meetings
- Mental Health Tribunal
- National DV Policy Solicitors Network
- Probate Liaison Group
- Queensland Courts Safety and Risk Committee
- Queensland Legal Assistance Forum
- Streamlining Criminal Justice Stakeholder Group
- Supreme Court consultative group
- Taxation Consultative Committee

Media

Queensland Law Society maintained and improved its position as the peak authority for definitive 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 the key legal topics. Our impact on the profession, the law and the wider community is lasting.

QLS entered its third year of proactive external media engagement in 2018-19. We continued and extended our dominant role providing informed expert commentary, myriad 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, traditional media to utilise QLS's more than 13,000 members 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 and 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 the Society's elder abuse prevention campaign which was first launched in 2017, introduction of amended child homicide sentencing provisions—referred to as "Mason's Law" in memory of Mason Jet Lee, an overhaul of the Queensland Youth Justice system including funding and reforms to end the detention of children in police watch houses, and reforms to stamp out the insidious practice of claims farming to generate motor vehicle public injury compensation cases.

Supplying expert media to QLS membership and profession

QLS has been active in supplying and inviting members to benefit from our advice and ideas on how to best engage with the media across Queensland and Australia. QLS has spoken in various forums and meetings with key stakeholders, QLS committees and directly with members to discuss and provide advice on how to best secure positive and substantial media coverage and relationships.

Extending our outstanding reputation and reach

QLS's increased media activity has netted very positive results with 3,488 mentions of Queensland Law Society and its leadership team in media reports. The Society also produced 24 media releases. The Society's coverage maintains it as the leading and preferred option for journalists to explain all topics about the law and the profession, and provide thought-provoking and definitive commentary. Our coverage represents an increase of almost 18% over the previous year's record breaking result. Leading established media outlets to publish content or comment mentioning QLS included:

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

Our growing social media community

-  **LinkedIn** grew by 2,772 to 13,180
-  **Facebook** grew by 934 to 10,392
-  **Twitter** grew by 218 to 5,337
-  **Instagram** grew by 590 to 1,867

Promoting the value of solicitors in the community

For many years, QLS has provided a referral service connecting members of the public with legal practitioners in their local area. This referral operates through the Find a Solicitor section of the QLS website.

In 2018-19 an opportunity arose to elevate the value of this service through an advertising campaign. The Law Society of New South Wales had run a campaign focused on seeking the advice of a solicitor at each of life's big moments. The success of their campaign led QLS and the Law Society of South Australia to seek to reuse the successful creative. This reduced the risk involved in the campaign—we already knew the creative resonated with the public—and saved significant member funds by not 'recreating the wheel'.

This responsible use of resources also drove our investment in advertising placements. In Queensland, we secured heavily discounted placements on commercial television, radio, outdoor and social media. In total, the media investment for this campaign was \$306,022. The value delivered (excluding digital placements) significantly exceeded this spend, totalling \$1,330,654. QLS ran a state-wide campaign with notable appearances during the World Cup Cricket coverage on channel 9 and pre- and post-game placements during the State of Origin coverage.

We aimed to reach Queenslanders over the age of 18 who may need the services of a solicitor—but not realise they do—at one of life's big moments with both the creative and our advertising spend. The moments we focused on were:

- **Family and relationships:** Entering into a relationship, growing your family, divorcing or custody arrangements
- **Wills, estates and retirement:** Planning retirement, making your will, estates and probates
- **Accidents and compensation:** Personal injury, insurance and super claims, WorkCover, medical negligence, TPD and vehicle accident claims
- **Neighbour and local disputes:** Problems with neighbours, dispute resolution, civil complaints, property owner and tenant issues, and problems with builders
- **Workplace and employment:** Workplace contracts, employee and employer issues, and workplace harassment, discrimination and bullying
- **Buying or selling a home:** Title searches, conveyancing, buying, selling and investing

- **Crime:** Arrest, bail, personal rights, and victims of crime or abuse
- **Small business:** Commercial property, contract, franchising, leasing, restructuring and insolvency.

The campaign ran from 19 May 2019 to 30 June 2019. During this time, we achieved a significant increase in traffic to the Find a Solicitor search page and to the campaign landing page.

- Find a Solicitor search page—average weekly new users before campaign: 41
- Find a Solicitor search page—average weekly new users during campaign: 1,486

During the campaign, our campaign page received 25,818 views, 12,256 of which were from unique visitors. A total of 8,927 new users were attracted to the campaign page during the campaign's activity.

The aim also of this campaign was to generate awareness of the importance of seeking appropriate legal advice. While we are impressed with the statistics reported above, we also expect the benefit of this campaign to continue. While an individual may not have needed a solicitor when they saw/heard the advertisement, we expect they will retain the message: to seek appropriate legal advice from a solicitor, and find a solicitor through the QLS website. We expect the benefit of this campaign will be felt by Queensland's solicitors, particularly members listed on the referral list, for many months to come.

We will also continue to seek out future opportunities for collaboration with other law societies around the country to build on this success.

QLS 'seek advice' advertising campaign



Educate

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



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

27
Livecasts

Presenters From
36 Judiciary

96

CPD
Events

3,024
Recordings
sold

385

CPD
Hours

5,500

Delegates

REGIONAL
7
EVENTS

Complimentary
CPD Events

15

618
Speakers

Every CPD event offered by the Society has been carefully developed with our members' everyday practice, compliance, and wellbeing needs in mind. We conscientiously consult with key regulatory and policy bodies, members of the judiciary, partner associations, wellbeing advocates, futurists, and practitioners across the full spectrum of practice and regional areas to ensure our education remains ahead of the curve, relevant, valuable, and innovative.

Bespoke ethics, trust account & practice support courses

Ethics

Through the QLS Ethics and Practice Centre, QLS is committed to ensuring our profession is equipped with an understanding of how to resolve ethical dilemmas by utilising the *Australian Solicitors Conduct Rules 2012* and other resources. Our ethical education services are designed to encourage participant involvement to ensure participants gain practical insight. Most participants are from mid to large law firms, community legal centres, District Law Associations, universities and practical legal trainers.

QLS works to ensure our ethical education is delivered in practically useful ways. Chief among these delivery methods are the Bespoke Ethics Sessions which are delivered, at no cost, to qualifying firms (those with at least 80% of practitioners with QLS membership) and in response to the individual firm's specified needs. This year, 27 Bespoke Ethics Sessions were delivered (in addition to 81 ethics sessions delivered as part of other QLS education events to District Law Associations, community legal centres/pro bono entities, government departments and universities).

QLS also delivered 14 ethics sessions to participants in the QLS Practice Management Course and three Legal Ethics courses to practitioners referred to the course due to disciplinary matters.

In the 2018-19 financial year, we provided:

- 44 ethics sessions (QLS CPD events)
- 20 ethics sessions to District Law Associations, Government and Community Legal Centres
- 17 university ethics sessions including PLT
- 5 Solicitor Advocate courses
- 4 Modern Advocate Lectures
- 3 QLS Legal Ethics courses
- 3 Legal Matter Management workshops
- 1 QLS Senior Counsellors' conference

In addition to the presentations and seminars, the QLS Ethics and Practice Centre develops material for the ethical edification and practical guidance of practitioners. Ethics notes—which address specific issues and are published on the QLS website—and other guides (such as the Costs Guide, which is maintained by the Society and currently under review) are available electronically. Fourteen ethics notes have been produced this year, together with monthly ethics article in *Proctor*.

The QLS Ethics Committee also produced:

- 5 guidance statements
- 2 non-binding ethics rulings.

Trust account consultancy

The Trust Account Consultancy is a complimentary service for newly established practices across Queensland. It provides a one-to-one consultation with one of the Society's trust account investigators to assist law practices to comply with their trust accounting obligations.

In the 2018-19 financial year the consultancy provided 39 bespoke one-on-one sessions in practices across Queensland.

Essentials, Masterclasses, Introduction to and Hot Topics

The Society ran 96 education events comprised of livecasts, panel discussions, livestreams, workshops, conferences and regional conferences.

A number of conferences were run again this year and our annual flagship Symposium attracted around 450 delegates. Criminal law, ADR, personal injuries, conveyancing, government lawyers, property, succession and elder law were again features of the QLS CPD calendar and, for the first time, an innovation conference—Entrepreneurship, Productivity & Innovation Convention (EPIC)—was run in June.

QLS provided 27 livecasts which attracted over 1300 delegates. Livecasts covered a range of topics including substantive law as well as business owner skills.

QLS also offered a range of on-demand resources through our online QLS shop. In the 2018-19 year, 3024 on-demand resources were purchased through the QLS shop.

For delegates who were looking for the fundamentals, a skills refresher or diversifying their practices, we ran a number of Introduction to and Essentials courses across a range of topics. These activities attracted over 2400 delegates.

Local events

This financial year, QLS CPD was delivered in person in regional centres including Townsville, Mackay, Cairns, Rockhampton, the Gold Coast, Toowoomba, and the Sunshine Coast. QLS works with the District Law Association to co-create successful, local CPD events that meet the needs of regional practitioners.

Complimentary events

QLS offered 15 complimentary events offering 15.5 CPD points in 2018-19. These events included four in our modern advocate lecture series, wellbeing events, QLS open day and livecasts on workplace behaviours and substantive law.

Assessment-based education and accreditation

Practice Management Course

All solicitors who aspire to be principals in Queensland must successfully complete the Practice Management Course (PMC). The Society's PMC is the premium pathway to achieving a principal practising certificate and prepares practitioners to be successful practice managers. The Society's PMC is divided into two practice focus streams—sole practitioner to small practice focus and medium to large practice focus—to ensure each workshop delivers tailored and cutting-edge practical knowledge and skills. Workshops are delivered by lecturers with expert knowledge and insights into people and practice management, including in-house experts in legal ethics and risk, and law practice trust accounting. Participants in the Society's PMC also receive unrivalled access to, and support from, the regulatory and compliance arms of the Society through the Practice Support and Trust Accounting Consultancies. Seven PMCs were delivered by the Society in 2018-19.

These programs saw a combined 146 successful graduates; 34 graduates from the medium to large practice focus and 112 graduates from the sole practitioner to small practice focus.

Specialist Accreditation

The Society's Specialist Accreditation Scheme is part of a national framework of peer-reviewed and practically-based competency accreditation programs. The rigour of the Society's Specialist Accreditation programs ensures that each accreditation conferred to a successful candidate is meaningful, and a reliable marker of expertise for that specialist. The Society's scheme therefore continues to set the standard for excellence in the specialised areas of accreditation and for the professional advancement of solicitors in Queensland.

Accreditation programs are run on an annual basis and on alternate years. In the 2018 calendar year, the Society ran six accreditation programs in the practice areas of business law, commercial litigation, criminal law, personal injuries law and workplace relations law. The Society also ran immigration law program in conjunction with the Law Society of New South Wales.

A total of 18 solicitors joined the Society's community of 994 accredited specialists in 2018.

**146 successful
PMC graduates**

**34 graduates from the
PMC with medium to
large practice focus**

**112 graduates from
the PMC with sole
practitioner to small
practice focus**

**3,251 principal
practising certificate
holders**

Our publications

Queensland Law Society members have ready access to legal news and information via our plethora of publications.

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

New First Readings legal policy blog

New look Proctor going to 11,267 QLS members and subscribers each month

First Reading

New in 2018-19 is First Reading (medium.com/legal-policy). In this new legal policy blog, members of the legal profession can access up-to-date information on the progress of Queensland Law Society's legal policy and advocacy work. Our bite-sized updates succinctly summarise the changes proposed to Bills and Acts and outline the Society's position on behalf of Queensland's legal profession. This new resource allows greater visibility of the Society's advocacy work for all Queenslanders.

In this financial year, First Reading published 45 posts, and attracted 1475 views.

LawTalk

In 2018-19, we continued our work to share long-form thought pieces via our blog LawTalk (medium.com/qldlawsociety). The blog provides contributors, including staff and key committee members, with the opportunity to share opinion pieces and speak to the core topics the Society has been focusing on throughout the year. These include diversity in the profession, encouraging members of the public to seek advice from a solicitor, changing attitudes within the profession and access to justice.

Blog posts on both First Reading and LawTalk are shared via our social channels, especially LinkedIn. In this financial year, LawTalk published 43 posts, and attracted 4076 views.

QLS Update

During 2018-19, QLS Update remained an integral part of the Society's communication with members and the community. QLS Update's mix of professional information, Society news and events, ethical guidance and feature articles is delivered to around 13,000 members, associate members and student members.

Our weekly e-newsletter remains an important information source for many in the legal profession. QLS Update had an average open rate of 34.7% in this financial year, with a click-through rate of 10.3%. This is well above the average legal profession open rate of 21.1%, and legal click-through rate of 2.7%.

ECL News

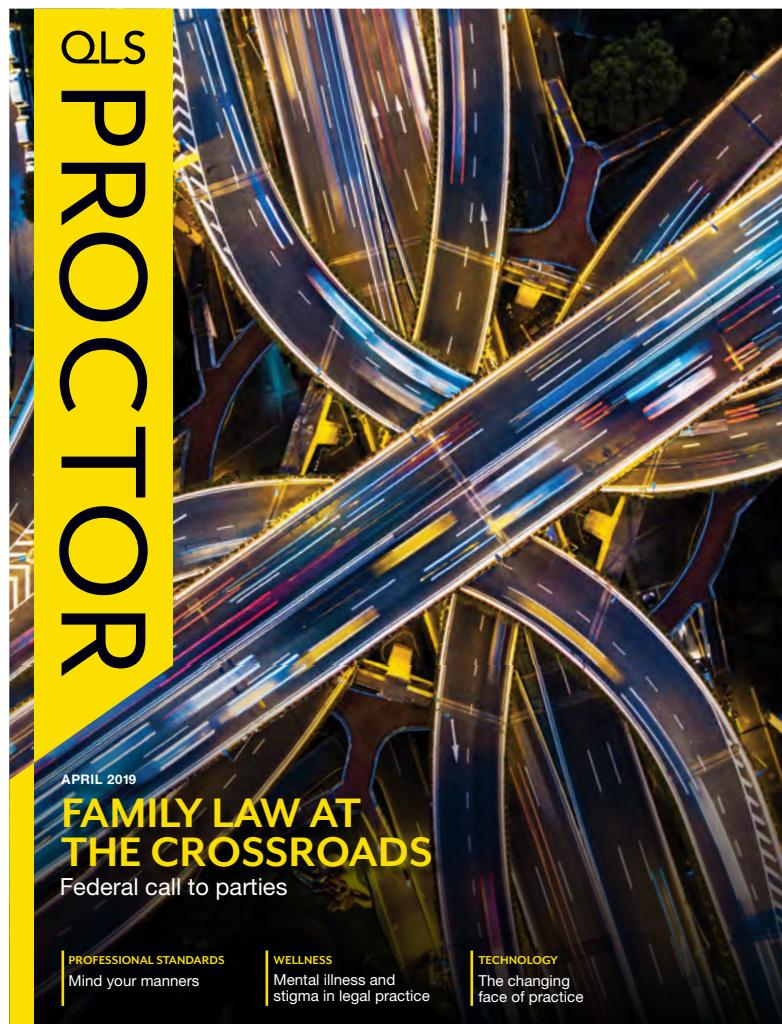
ECL News is the Society's e-newsletter dedicated to law students and early career lawyers. It shares information of particular interest to this audience, including upcoming professional development and networking events ideal for those early in their legal career. ECL News had an average open rate of 35.0% in this financial year, with a click-through rate of 5.2%.

Proctor

This year has seen a major overhaul of *Proctor* in response to member feedback looking for a more dynamic presentation of *Proctor*'s unique mix of legal news, opinion and legislation updates.

Proctor continued its primary focus on the law, with features examining new legislation and significant judicial decisions. Our revamped 'themed' issues have focused on issues important to the legal profession including child protection reform, elder abuse awareness and the 2019 Federal Election. We have continued to highlight issues impacting the legal profession including diversity and inclusion, mental health and wellness and the importance of embracing ever-evolving technology on practise. Many thought-provoking articles have sat within *Proctor*'s covers and we will continue to refine and evolve this publication to ensure it remains relevant to the legal community.

Proctor's audited circulation of 11,267 as of 31 March 2019, comprised of 10,327 print and 940 digital copies. While the overall number of readers is expected to continue growing, the balance of print to digital is expected to slowly lean more to electronic readership as more firms adopt paperless office policies and early career lawyers express their preference to read on mobile devices.



The first edition of our new-look *Proctor*, delivered to QLS members and subscribers in April 2019

Connect

**Connecting the profession
with each other and the public**



Queensland Law Society is proud to act as a professional hub for legal professionals across the state. We believe in recognising our members who are leaders in their field, showing the way for our entire membership and finding new and innovative ways to give back to the community.

Competition Touch
football

20 teams
vied for top
honours

Almost 30%
of QLS members
are at the beginning
of the legal career

9

prestigious awards presented at 2019 Legal
Profession Dinner & Awards

8,927

new users attracted to QLS's
Find a Solicitor search tool
via ad campaign

5005

students at the 2019
Legal Careers Expo

206
attendees

enjoyed the QLS Annual Ball

40

exhibitors at
the 2019 Legal
Careers Expo

Recognising and celebrating our members

QLS is proud to recognise the work and contribution of members across the state. Each year we honour members who serve as role models to the profession.

The Legal Profession Dinner and Awards (LPDA) was held on Friday 15 March 2019 at the Brisbane Convention and Exhibition Centre. The dinner coincided with the conclusion of day one of QLS Symposium 2019, thus allowing our regional members who attended Symposium to also attend this prestigious event.

President's Medal

Presented at the LPDA, our annual President's Medal is awarded in the spirit of Queensland's rich legal tradition, recognising commitment, contribution and outstanding performance in the profession. The 2019 medal was awarded to Glen Cranny. Glen is today recognised as one of the most prominent criminal lawyers in Queensland. He advises and represents clients in all aspects of criminal law. Glen was a member of Queensland Law Society's inaugural Criminal Law Specialist Accreditation Committee, is a current member of the Specialist Accreditation Board and was appointed a QLS Senior Counsellor in 2010.

Agnes McWhinney Award

The Society's Agnes McWhinney Award, named after Queensland's first admitted female solicitor, recognises the contributions of outstanding women in the legal profession. In 2019, this award was presented to Edwina Rowan. Edwina joined Charltons Lawyers as an articled clerk in 2005 and was admitted as a solicitor in 2007. She is a born-and-bred Bundaberg local. In 2017, Edwina became a Partner of Charltons Lawyers. Edwina is the current President of the Edon Place Domestic and Family Violence Service Inc. She has served on the Board of Directors since 2013, she is also the President and Past Secretary of the Bundaberg Law Association. Edwina practises in family law, criminal law and domestic violence advocacy.

Innovation in Law

QLS Innovation in Law award is open to all law firms or individual solicitors in Queensland, and recognises excellence in the development and/or application of technology. In 2019 this award was presented to Andrea Perry-Petersen. Andrea is a social change lawyer, who through service innovation, persistence and collaboration is making a positive impact. Her diverse industry experience comprises commercial law, governance, human rights and community law. She applies her unique skillset in program design, research, legal education, functional literacy, litigation and process improvement to her passion for increasing access to justice. Next year, as a Churchill Fellow, Andrea will travel overseas to investigate innovative practices that effectively deliver affordable and understandable legal assistance. Andrea is a self-motivated individual who has an extensive network among the legal profession, start-up and community sectors.

Community Legal Centre (CLC) Member of the Year

This award is open to all solicitors working or volunteering in a Queensland Community Legal Centre (CLC) who have made outstanding contributions to the community by influencing community justice programs or initiatives which benefit their local community. In 2019, this award was presented to William Mitchell. William (Bill) is the Principal Solicitor at Townsville Community Legal Service (TCLS). Bill has worked in community law and human rights since his admission in 1991. He was awarded the Australian Human Rights Commission Law Award in 2008 for his work in advancing human rights in Australia through the practice of law. Bill was made an Outstanding Alumni of James Cook University in 2012. He was shortlisted for the IBA Pro Bono Award in 2018. Bill has represented the National Association of Community Legal Centres five times before the United Nations in New York in debates around a new Convention on the Rights of Older Persons.

Equity Advocate Award

This award recognises individuals or team from a legal practice who have successfully promoted equity and diversity in the legal profession whether by way of:

- Effective and innovative initiative(s) within the workplace to generate positive change
- The individual's or team's activities in the wider profession and / or the community.

In 2019, Ian Hazzard and Michael Bidwell of McCullough Robertson were awarded the Equity Advocate Award. Both Ian and Michael have been instrumental in leading the firm's LGBTI initiatives. Ian is Senior Partner in property, planning and finance. Michael is a lawyer in the planning and environment team. Ian and Michael have successfully promoted equality and diversity within our firm and in the wider legal profession and community.

Large & Medium Legal Practice Award

Presented to a legal practice with 20 or more solicitors that promote sustainable, healthy workplace cultures in the profession, engage in inclusive and equitable workplace practices and embrace workplace diversity in a meaningful way. In 2019, this award was presented to McCullough Robertson. McCullough Robertson has embedded both diversity and inclusion into everything they do. They ensure their employees feel included, supported and rewarded. This is critical to meeting the needs of clients and the communities in which they operate.

Small Legal Practice Award

Presented to a legal practice with 19 or fewer solicitors that promote equity in the profession, engage in inclusive and equitable workplace practices and embrace workplace diversity in a meaningful way. BTLawyers were awarded the Small Legal Practice Award for 2019. BTLawyers is a firm of brilliant thinkers. They are passionate about driving great outcomes for their clients and providing opportunity for their people. BTL is a progressive firm. Their values of integrity, engagement, excellence and egalitarianism motivate them to provide an environment in which people of many different backgrounds and experiences can thrive. They believe a diverse team is a strong team, and they value the varying perspectives that come from engaging with people from all walks of life. BTL has a demonstrated commitment to diversity and the empowerment of women and minority groups.

Queensland First Nations Lawyer of the Year

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 2019, this award was presented to William (Bill) Munro. Bill is founder of Munro Legal, where he is now Special Counsel. He has practised law for 39 years in Queensland, New South Wales and the Northern Territory. Bill's extensive experience includes representing Indigenous clients across a broad spectrum of legal issues including wills and estates, personal injuries, litigation, property, family and criminal law. Bill is the Past Board Chairman of Murwillumbah District Hospital and he is an Accredited Specialist in Personal Injuries Law. Bill's community endeavours over an extended period of years are in Indigenous health, childcare and sponsorship of Indigenous tertiary students who study law. He is currently the Immediate Past President of the local law association (Downs and South West Queensland Law Association).

Top Left
President's Medal
recipient Glen Cranny

Top Right
Agnes McWhinney
Award winner
Edwina Rowan

Right
Queensland First
Nations Legal
Student of the
Year winner Giselle
Kilner-Parmenter

Queensland First Nations Legal Student of the Year

This award identifies an Aboriginal or Torres Strait Islander legal student who displays outstanding commitment to achieving a positive role in the legal community. Giselle Kilner-Parmenter is the 2019 recipient of this award. Giselle is a proud Gumbaynggirr woman in her second year of a Bachelor of Laws. She completed high school on the Gold Coast and was a recipient of a 2017 Excellence Scholarship that is allowing her to complete an undergraduate degree at Bond University. Over the last two years, Giselle has seized opportunities to involve herself in community groups, legal events and establish the foundations for her future career. As the President of the Student Society for Indigenous Awareness, Giselle is in a position to promote Australia's unique Indigenous culture to her university cohort and wider community.



Securing the future of the legal profession

They say the first five years are the most important, in life and in law. There is so much to learn and so many new things to experience. QLS takes this time in a young lawyer's life very seriously, which is why 2018-19 has been filled with experiences to guide Queensland's early career lawyers through these formative years in their career.

The QLS Early Career Lawyers Committee has worked, throughout 2018-19 to:

- provide networking opportunities both within the profession and with other professionals by collaborating with other professional bodies.
- host the QLS Early Career Lawyers Ball and other social events such as the Christmas party
- increase the representation of early career lawyers in regional Queensland
- be involved in QLS policy formation on matters affecting early career lawyers by engaging with the Society's policy committees, including the Industrial Law Committee
- contribute content to Proctor content aimed at early career lawyers

I look forward to all that 2019-20 has in store for our Early Career Lawyers Committee and all of Queensland's early career lawyers.

Clare McDonald

Chair, QLS Early Career Lawyers Committee

At QLS, we recognise that Early Career Lawyers (ECLs)—that is, lawyers with 0–5 years of post-admission experience (PAE) and lawyers aged under 36, are a growing segment¹ with unique needs. That's why we provide a range of services to encourage them to get a solid foothold in their careers, building their professional networks and gaining valuable education and experience.

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.

¹ 30% and 39% of Queensland Practicing Certificate holders According to the 2018 National Profile of Solicitors (URBIS)

The Early Career lawyers segment alone make up just under 30% of our membership and we expect this to continue. We continue to listen to our young lawyer members about their wants and needs, and we plan to build our offerings even further in 2019-20. Our current services specific to young lawyers include:

- An Early Career Lawyers committee comprised of 12 young lawyers, which acts as a consulting group for professional development, social and legal-culture events.
- An allocated place on the Working Wellbeing Group, a member-based group working to develop initiatives to improve the condition of the legal profession.
- Dedicated business development events for Early Career Lawyers including our Young Professional Networking drinks, Annual Ball and touch football tournament
- Our Mental Health First Aid (MHFA) Officer Course—in November 2018, QLS began rolling out training for the legal profession in conjunction with Mental Health First Aid Australia, assisting legal professionals to recognise, identify and respond to mental health concerns in the workplace. This course is available to all members but QLS offers the course to Early Career Lawyers at a reduced rate.
- Various personal and wellness development events—we offer several livecasts or face-to-face sessions incorporated into bigger conferences and seminars throughout the year on wellbeing in the legal profession, often offered at a discounted rate.
- LawCare—all members have access to LawCare, an exclusive member benefit offering a range of confidential, personal and professional support services to help proactively clarify problems, identify options and develop plans to manage issues.
- The MindsCount (TJMF) Lecture—QLS, in partnership with the Bar Association of Queensland, holds an annual MindsCount (formerly known as the Tristan Jepson Memorial Foundation) Lecture. This important event shines the spotlight on mental health in the legal profession and encourages lawyers in their formative years to take a proactive approach to their mental health and wellbeing.

In equipping QLS for generational change, we are also looking ahead to 2020, and are pleased to increase our offerings to support the next generation, and future of the Queensland legal profession:

- Symposium 2020—we have programmed a dedicated 'essentials' pathway at Symposium 2020, which will cater to the changing needs of the next generation of legal practice, taking them through six substantive areas of law and core practice and business skills over two days. Discounted pricing for Early Career Lawyers will also be offered.
- We will continue to offer discounted pricing for selected membership and professional development courses and events throughout the year to support our members.
- More outreach and support to students as they make the significant—and often daunting—transition into the legal profession. We will build on the support already provided through the recognition of outstanding academic achievement and in supporting extra-curricular involvement in mooting and advocacy, to engage students with what it means to be an active contributor within the legal community.

Queensland students at the Legal Careers Expo

Queensland Law Society is proud to host one of the most recognised careers exhibitions for legal students in Australia, with a variety of firms choosing to exhibit at our event over any other legal careers expo across Australia.

QLS Legal Careers Expo is the flagship student engagement event of the QLS calendar, now in its 13th year. It has seen consistent year-on-year growth, with over 900 students pre-registering to attend and 585 (440 pre-registered and 145 registered on the day) attending on the day. The greatest number of pre-registered students and attendees on the day were in their penultimate year of study (299 pre-registered; 161 attended from pre-registered number and total 207 actually attended on the day).

The diversity of the exhibitors continues to grow with first time involvement in 2018-19 from Queensland Government Graduate Programs, Defence Force Recruiting, Carter Newell Lawyers and Supreme Court Library Queensland. This year, 40 employers exhibited at the expo (2017-18: 38).

While attending the expo, students had the opportunity to access one-on-one consultations with human resources and recruitment executives at our Resume Rescue clinic. These 15-minute appointments allowed students to gain valuable advice and feedback on their resumes. Capacity constraints meant a maximum of 94 appointments were available, but on the day 101 students were able to use this service.



Top
QLS's Resume
Rescue Clinic

Above and left
Students attending
the QLS Legal
Careers Expo

Annual Ball

Energetic early career lawyers and their partners made the most of a shiny new venue, innovative gourmet dining and a band that funked-it-up hard at the 2019 QLS Early Career Lawyers' Ball.

The ball was held on 31 May 2019 at the Calile Hotel in Brisbane's James Street. Guests made the most of the photo booth, filled the dance floor to the sound of Funk'n'Stuff and described the whole event as thoroughly enjoyable. This year, 206 of our young members enjoyed the ball, up from 114 in 2017-18.



Photos from 2019
QLS Early Career
Lawyers' Ball





Right
2018 champions
Legal Aid



Touch Football Tournament

A fast and hotly contested final saw Legal Aid take out the champion's title for the second year in a row at the QLS Touch Football Tournament at Finsbury Park, Newmarket, on 11 August 2018. Food trucks and fun events made it a great day out for the hundreds who participated. This year 20 teams vied for the champion's trophy, up from 19 in 2017-18.

Guide

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



QLS has an obligation to provide strong and ethical leadership to members and the broader legal community. We do so via many platforms and rely on the wealth of experience within the Society to ensure these engagements are valuable to members.

80005

230 calls to Senior
Counsellors from
the profession

attendees in person
at Modern Advocate
Lecture Series events

mental health & resilience

31 sessions
offered

members, their staff
or immediate family
accessed LawCare

350

at the end
of the year

42 senior
counsellors

1st
Modern Advocate
Lecture

held in regional Queensland, Cairns

60

firms have been visited
by the QLS Ethics and
Practice Centres

Mental health, wellbeing and resilience

The Society'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, the Society offers a range of sessions on wellbeing, resilience and mental health with the following delivered in 2018-19:

- Local Workshop—Townsville: Leading wellbeing in the legal profession (July 2018)
- Local Workshop—Mackay: Leading wellbeing in the legal profession (August 2018)
- Better Client Outcomes in Emotionally Charged Situations (August 2018)
- Managing Vicarious Trauma: Mental health breakfast (October 2018)
- Workplace Sexual Harassment, Bullying and Discrimination (November 2018)
- Local Workshop—Toowoomba: Leading wellbeing in the legal profession (November 2018)
- MHFA Australia Mental Health First Aid (MHFA) Course for Australian Legal Professionals (November 2018)
- TJMF/Minds Count Lecture (November 2018)
- Alternative Dispute Resolution Conference: Understanding the potential psycho-social impacts on ADR practitioners (February 2019)
- Essentials: Strategies for success (February 2019)
- Essentials—Brisbane: How to have an effective performance review (March 2019) as well as livestreamed to Cairns, Mackay and Moreton Bay
- Mental Health Breakfast: Your vicarious trauma toolkit (May 2019)
- MHFA Australia Mental Health First Aid (MHFA) Course for Australian Legal Professionals (May 2019)
- QLS Open Day 2019: Unconscious bias (May 2019)
- QLS Open Day 2019: Paving your path in the legal profession (May 2019)
- Gold Coast Symposium: Leading wellness in the profession breakfast (June 2019)
- Gold Coast Symposium: Flexibility in the workplace, how flexible workplaces can work for you (June 2019)
- Gold Coast Symposium: Creating and maintaining professional boundaries (June 2019)
- “Leading wellbeing in the legal profession” program as part of the Society’s Practice Management Course (seven dates throughout 2018-2019)
- Seven bespoke wellness sessions to Queensland member firms



We continue to support Minds Count (renamed from the Tristan Jepson Memorial Foundation [TJMF] and its objectives to decrease work-related distress, depression and anxiety in the legal community and promote workplace psychological wellbeing. The Society is a signatory to the Minds Count Psychological Wellbeing Best Practice Guidelines and welcomes its adoption by law firms.

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



LawCare

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

Externally provided by Benestar from July 2018-March 2019, and Converge since April 2019, the service provides free access to up to six hours of counselling per year, along with access to EAP Connect, their mobile app, instant access to wellbeing resources and counselling appointments.

During the 2018-19 financial year, approximately 350 Society members, their staff or immediate family accessed LawCare which is an increase from the previous financial year.

- The top five presenting issues were mental health, partner relationships, family and relationship discord, work satisfaction, and grief and loss. This remained the same as the previous year.
- Vocational change continues to be the largest work presenting issue which includes retirement, work role change, work satisfaction, work life balance and workload.



Top
Mental Health Awareness Week Breakfast

Left
TJMF/Minds Count Lecture

Bottom left
Mental Health First Aid (MHFA) Officer Course

Bottom right
Delegates at 2019 Criminal Law Conference



QLS Ethics and Practice Centre

- **Professional Ethics Committee:** Stafford Shepherd, Director of the QLS Ethics and Practice Centre, is a member of this national committee, and also serves as executive editor of the *Australian Solicitors Conduct Rules 2012 in Practice: A Commentary for Australian Legal Practitioners (ASCR)*. This provides QLS and our members with a persuasive voice in the national ethics conversation and an influential role in the development and review of the ASCR.
- **QSL Ethics Committee:** This Committee provides expert ethical input to QLS and our members and also produces Guidance Statements on common ethical dilemmas as well as non-binding rulings on specific matters referred to by member firms. The QLS Ethics and Practice Centre has direct input into the guidance statements, and manages the Ethics Committee and its sub-committees (Guidance Statement Sub-committee, Non-binding Ethics Ruling Sub-committee and Rules Review Sub-committee). In this financial year, the Committee published five Guidance Statements and two non-binding ethics rulings. The Committee has continuing oversight of the *Australian Solicitors Conduct Rules 2012* and the commentary associated with those Rules.

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

The duties of solicitors are accepted from the moment of admission as officers of the court, meaning that ethical leadership, education and guidance must be an integral part of a solicitor's career right from the beginning. We provide ethical guidance and leadership to support practitioners in several ways:

- **Modern Advocate Lecture Series:** This series is directed at early career lawyers and combines ethical and practical education from leading members of the judiciary with the opportunity to develop the professional networks so vital to a successful practice in the law. The series also seeks to bring junior members of the bar together with those who might brief them, to address briefing inequities. The series has proved immensely popular, with 588 registered attendees. In June 2019, the series was delivered in regional Queensland for the first time (in Cairns) and it is forecast that at least one lecture per year will be delivered in a regional centre. Lectures in the series are filmed and available for download from the QLS website, and feedback on the series is overwhelmingly positive from both attendees and presenters. It has become one of the Society's signature series.
- **National Ethics Solicitors Forum:** This group consists of ethics solicitors from law societies from various jurisdictions across the country. The group holds teleconferences regularly throughout the year, and meets annually to discuss ethical issues faced by practitioners across Australia. QLS facilitates co-operation between law societies and which provides the Society with a guiding voice on national legal ethics.

In addition to these services, the QLS Ethics and Practice Centre allows solicitors, barristers and law firm employees access to confidential ethical guidance and practice support assistance from the Centre's experienced solicitors. Calls to the QLS Ethics and Practice Centre's call centre range from billing enquiries and issues around conflict and confidentiality, to more sensitive matters such as clients (or practitioners) struggling with mental health/threatening self-harm.

The scope of the this latter issue resulted in all QLS Ethics and Practice Centre solicitors and some of the QLS Senior Counsellors undertaking Mental Health First Aid training to better enable to the Society to assist practitioners navigating this difficult area.

Modern
Advocate
Lecture Series
2019, lecture one
The Honourable
Justice Berna
Collier



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 Counsellors offer their knowledge and expertise to their colleagues in a private, confidential setting. This year, our Counsellors took over 230 calls from colleagues.

Brisbane

Suzanne Cleary
Glen Cranny
Peter Eardley
Glenn Ferguson AM
Peter Jolly
Peter Kenny
Dr Jeff Mann AM
Justin McDonnell
Wendy Miller
Terence O'Gorman AM
Ross Perrett
Bill Potts
Bill Purcell
Elizabeth Shearer
Dr Matthew Turnour
Phillip Ware
Martin Conroy
George Fox

Redcliffe

Gary Hutchinson

Gold Coast

Ross Lee

Toowoomba

Stephen Rees
Thomas Sullivan
Kathryn Walker

Chinchilla

Michele Sheehan

Caboolture

Kurt Fowler

Sunshine Coast

Pippa Colman
Michael Beirne

Nambour

Mark Bray

Bundaberg

Anthony Ryan

Gladstone

Bernadette Le Grand
Chris Trevor

Rockhampton

Vicki Jackson
Paula Phelan
Mackay
Brad Shanahan

Cannonvale

John Ryan

Townsville

Chris Bowrey
Peter Elliott
Lucia Taylor

Cairns

Russell Beer
Jim Reaston
Garth Smith

Mareeba

Peter Apel

Protect

Regulate to uphold the good standing of all solicitors



Members, their practices and the profession in general are protected with legal profession insurance and QLS's regulation of the profession. By setting standards and regulating the legal profession in Queensland, QLS protects not only the profession but also the profession's reputation.

matter's show cause
a decrease
of 22.73% in

27%

Increase in the requests for
assistance from QLS's trust
account information service

409 reviews

\$144K

Free legal advice
valued at
benefiting
116 individual
practitioners

> \$2,7M

233
investigations

cleared from
132 trust ledger
balances

39 consultancies

39
consultancies

Regulation

The 2018-19 year was a steady one for QLS's regulatory responsibilities.

The renewal of practising certificates for 2019-20 was a smooth process, building on refinements to QLS systems undertaken over the last two years. The most notable difference for practitioners and QLS staff alike this year was the abolition of late fees that had previously been charged on practising certificates renewed after the 31 May deadline.

There were 17 show cause matters reported by practitioners this year, down from 22 in 2017-18. As always the highest number of these events was due to practitioners' bankruptcy. The Society also issued 15 show cause notices, up from 10 in 2017-18. This uplift was due to the failure of some practitioners to not lodge External Examination reports for the year. We also undertook an immediate suspension of one practitioner's practising certificate under s63 of the *Legal Profession Act 2007*. This year we had three practitioners surrender their practising certificates because of dishonesty and we placed another practice, operated by an unqualified person, into receivership.

Eleven practitioners were charged with serious offences this year, down from 17 last year. Three of those practitioners (not the three referred to above) have subsequently surrendered their practising certificates.

The Society continued to offer our free legal advice service to practitioners who were the subject of a complaint to the Legal Services Commission or an adverse trust account investigation. The total cost of that service for the year was \$144,007 which benefited 116 individual practitioners, up from 98 practitioners last year. This year, the Society appointed more solicitors to the panel. Those solicitors are located outside of Brisbane and the Gold Coast.

External interventions

The Society intervenes in a law practice when the property of clients is at risk. During 2018-19, QLS was required to intervene in 14 law practices. This took the form of 12 receiverships and two appointments of supervisors to law practice trust accounts. QLS is currently responsible for around 36 trust accounts with the number varying monthly with new appointments and the closure of old trust accounts. During the 2018-19 financial year, 132 trust ledger balances totalling \$2,735,517.40 were cleared. The supervisors approved 2135 distributions from trust accounts under supervision.

Trust accounts

The trust account consultancy service is free and delivered to law practices, particularly new practices, over half a day. It is comprised of a visit from a trust account investigator, the examination of trust accounting procedures and the provision of advice on improvements that can be put in place, as well as identifying areas where existing procedures do not meet the required standard.

The service helps law practices get things right without the consequences of an investigation. It is independent of the investigations of affairs under the *Legal Profession Act 2007*. As at 30 June 2019, 39 law practices had used the consultancy service during the year.

This year, QLS conducted a total of 681 trust account visits to Queensland law practices, comprised of 233 investigations, 409 reviews and 39 consultancies.

To further maintain the high standard of trust account practice, the Society has established a remedial course for law practices that do not meet the required standard over a period of two or more investigations of affairs. The principal of the practice responsible for the trust account is the referred party. The Legal Practice Tribunal, the Legal Practice Committee and the Legal Services Commission may also refer practitioners to the course. Ten practitioners completed the course this year.

The trust account information service answered 6319 requests for assistance during the year, up from 4973 last year. This equates to 2.768 requests for each law practice with a trust account in Queensland. A same-day request response was delivered for 98% of queries.

Protecting through professionalism

The QLS Ethics and Practice Centre also provides avenues for QLS members to increase their professionalism, which in turn protects them from the pitfalls of practice. Practitioners who access these services are also able to assist their clients more efficiently and achieve better outcomes, which in turn increases membership value.

Greater professionalism is fostered through the following initiatives:

- **Practice Support Consultancy Service:** Through the QLS Ethics and Practice Centre, QLS conducts on-site visits to new law firms to discuss issues which often affect the professionalism and productivity of the firms, such as management systems, billing practices and marketing. These services are also available to established or merging practices if requested, and QLS proactively contacts firms if there is a concern that the firm or practitioner may benefit from this service. The Centre visited 60 firms during the 2018-19 year.
- **Cybersecurity:** QLS produces an array of tools and products designed to protect firms from cybersecurity breaches, and to assist in managing them when they do occur.
- **Solicitor Advocate Course:** This course provides an intensive workshop on advocacy to all levels of the profession both in Brisbane and in regional centres.
- **Legal Matter Management:** Applying project management principles to legal matter management is the focus of QLS's Legal Matter Management workshops. This provides practitioners with the skills to efficiently manage workflow, ensure clients are fully informed of progress and costs issues, and increase client satisfaction and communication.

Mitigating cybersecurity risk for Queensland law firms

A recent sharp increase in cyber fraud and data loss has led to significant losses to firms and clients. QLS and Lexon have both issued warnings about the risk of cyber attacks. These have helped to reduce the incidence of successful diversion of trust funds to some extent, but loss of confidential data continues.

There are a number of reasons for that. First and foremost is the rapid evolution of the threat. Hacking software and training is easily available on the dark web, and there has been exponential growth in the number and sophistication of criminal groups targeting law firms. There is also an increasing vulnerability in firm networks arising from the pressure to move communication online.

Neither threat nor vulnerability is likely to decrease. The inescapable conclusion is that law firms must rapidly enhance their ability to maintain adequate security around confidential data, including systems that take client and third party vulnerability into account.

How QLS is supporting practitioners

In 2018-19 QLS provided significant education and tools to enable firms to build a security culture among leaders and staff, and to close the most commonly exploited security gaps.

Our focus is on practical support for firms, both large and small, to manage the risk in an appropriate manner. We have worked to educate firm leadership that this is an issue that cannot be ignored, with our action in 2018-19 has centred around three key streams:

- Protection:** In 2018-19 QLS worked to develop and make Cyber Essentials Insurance available to all QLS member firms¹ also insured by Lexon from the start of the 2019-20 member year.
- Guidance:** The QLS cyber-star defence model targets measures to achieve acceptable levels of information security for small and mid sized law firms. It is a rigorous but achievable program that can help law practices prevent and defend themselves against online fraud and data theft.
- Support:** QLS cyber defence roadmap – a unique 19 point improvement plan for SME law firms – including organisational measures, human vulnerabilities, and improvements to technical defences. It is designed with a small firm in mind to ensure progress towards improved cybersecurity is staged and achievable. It can also be implemented by rural and regional practitioners who may have limited access to specialist consultants.

The future of cybersecurity

As we move into 2019-20, we are excited to see our program expand via collaboration with Law Institute of Victoria (LIV) as we roll out the QLS Cyber-star Information Security Model as a joint resource for our members and theirs. A collaborative approach with the LIV (and more broadly) will:

- diversify and broaden the talent pool of contributors to the system
- strengthen the Model as a statement of “reasonable measures” to protect client interests
- protect clients and the profession more broadly by lifting security standards industry wide
- provide an accessible way for clients to assess the information security capacity of law firms
- over time, standardise the cybersecurity approach of small/ mid law firms, making it more attractive for cybersecurity consultants and software providers to enter that market.

We look forward to continuing to report progress the progress of this program to prevent and respond to cybersecurity issues in Queensland law firms.



¹ A QLS Member Practice is a practice where each principal is a full QLS member. (For definition of 'Principal', see *Legal Profession Act (Qld) 2007 s7*.)

Lexon Insurance Pte Ltd

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

Our Purpose

Lexon's purpose is to provide class leading professional indemnity and risk management services to legal practices, through the maintenance of a viable scheme and the delivery of products and services that meet member needs.

Low Rates

The levy rates for 2018-19 were at all time low levels and a continuation of these rates for 2019-20 was announced by QLS Council in April 2019. The ability to deliver such low rates is in no small part due to the profession actively embracing Lexon's risk management message.

Claims Performance

Pleasingly, both claim numbers and overall claims cost for the 2018-19 insurance period were down on the previous year, with the profession's commitment to risk management continuing to bear fruit.

Case estimate claim values diminished year on year by over \$2.5M (to \$13.1M). This improved claims performance, which came despite the continuing exposure to cyber fraud, partially offset lower than expected returns in our investment portfolio. Overall, the scheme position remains strong.

The graphic below compares the portfolio breakdown by area of law for 2018-19 with "all years". Overall claims values remain in line with the long-term average despite a growing profession. Claims containment remains our primary goal.

Conveyancing continues to be the most frequent type of matter (27.8% of all files) and contributed 35.0% to overall portfolio cost. Whilst file numbers in absolute terms were lower than what we saw in 2017-18 (91 compared to 99), the claims value grew to \$4.6M – meaning the average value of conveyancing claims increased. We are mindful that cyber fraud is a growing area of concern in conveyancing and we will continue to work closely with the profession to assist in the management of that risk.

Types of Law practiced by the Insured Profession

Lexon insured practices now generate around \$2.2B of annual Gross Fee Income (GFI), having grown over 3.5% year on year. This is in line with the average growth rate we have seen since 2010 and suggests that the profession remains in a relatively healthy state.

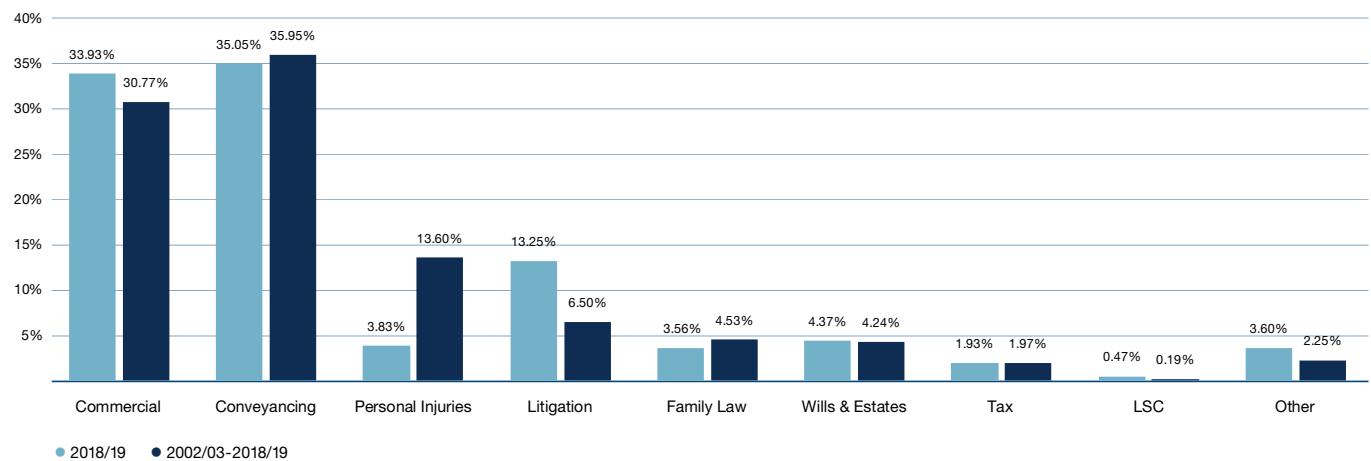
Personal injuries work remains the largest area of activity – consistently at or about 19%. Some interesting trends are starting to emerge in other areas, with residential conveyancing continuing to diminish – dropping a full 1% from last year to 11.4% – and commercial conveyancing also reducing. This reflects the more subdued property market. On the other hand, we have seen increased activity in both family and commercial law. Going forward, the data we collect will continue to reflect the ever-changing economic conditions.

You will find more detail on Lexon's performance in the financial statements, starting on page 98 of this report.



Lexon Insurance Pte Ltd ARBN 098 964 740
Incorporated in Singapore Registration No: 200104171C

Claims cost by area of law



Culture at QLS

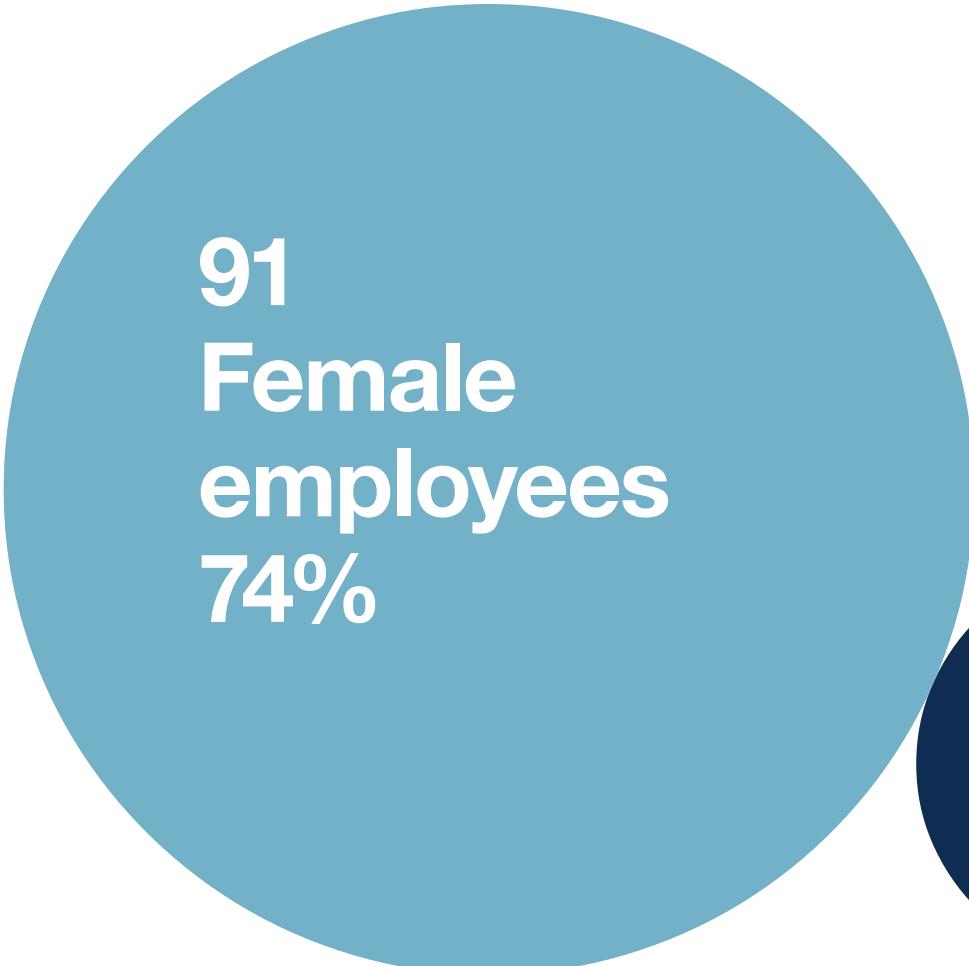
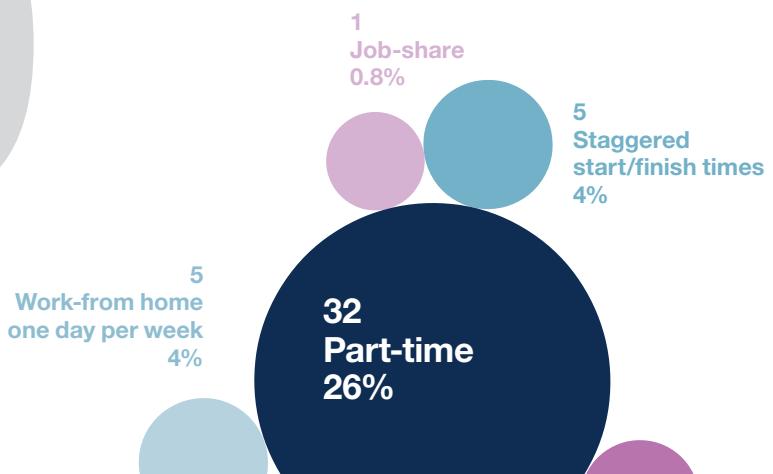
Building a unique corporate culture centred on our values



QLS employs people across diverse areas, including law, accountancy, membership services, events management, 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.

>30

staff trained
in Mental Health
First Aid



91
Female
employees
74%



32
Male
employees
26%

39
new team
members

6%
Parental
leave

Our people

QLS is committed to a diverse and inclusive culture that recognises the benefits of including flexibility into our working lives.

Diversity and inclusion

In 2018-19 we remained compliant with the *Workplace Gender Equality Act 2012* and continued to work towards being accredited by the Workplace Gender Equality Agency (WGEA) as an employer of choice. We received notification in June 2019 from WGEA that all key milestones had been met to date and that we are on track to achieving accreditation in 2021.

The QLS Diversity and Inclusion Committee (D&I Committee) was established this year. The D&I Committee's key focus in 2018-19 was on beginning to scope its future goals, as well as supporting the work on WGEA citation, D&I education and awareness, and the review of current workplace policies that relate to D&I. The committee consists of 10 staff who are working together enthusiastically to promote and achieve diversity and inclusion both within and outside the workplace.

Reconciliation Action Plan (RAP)

During the year we developed a second-generation RAP for rollout in 2019-22 (see page 67). We also continued internal support for QLS reconciliation through cultural awareness training for existing staff as well as inclusion of RAP on-boarding and cultural awareness training in the employee on-boarding program. We recruited a First Nations cadet, a First Nations graduate and a First Nations senior solicitor during the year. Overall, 4% of QLS staff identify as First Nations (2018: 3%).

Graduate program

In 2018-19 we developed a framework and plan for the implementation of an internal graduate solicitor program. The program will see two graduate solicitors commence work at QLS in 2020 and offers an exciting opportunity for new graduates to gain experience under the guidance of senior QLS solicitors.

Workplace wellness

We continued to build on our commitment to workplace wellness. Our wellness room offers a quiet space where staff can meditate, pray or simply seek a quiet moment for reflection. We have arranged for a workplace seated massage service to attend once a month and staff can book and pay for this service. We actively engage and encourage staff to be involved in initiatives such as R U OK day, International Day of Happiness, Queensland Legal Walk and Queensland Mental Health Week.

QLS staff have access to LawCare counselling services and are encouraged to seek help if they need it at any time. More than 30 staff are trained in Mental Health First Aid and are there to lend a helping hand to staff in need of support.

Flexible working arrangements and support

QLS is committed to a diverse and inclusive culture that recognises the benefits of including flexibility into our working lives.

We continue to provide and promote flexible work arrangements with 37% (2018: 27%) of our team now working flexibly (see chart below). This includes working from home, job-sharing, working part time, compressed working weeks and flexible start and finish times.

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

Attraction and retention

The Society is committed to attracting and retaining quality staff. As part of this, QLS has continued to be an endorsed employer for work180, which is the only advertising platform that pre-screens employers to ensure they meet the required selection criteria.

Staff learning and development

Learning and development opportunities for staff included:

- Mental Health First Aid training, with 37 staff now being accredited as mental health first aid officers. QLS is now Gold Accredited with Mental Health First Aid Australia
- One-hour lunch and learn sessions with topics including Wellbeing, Nutrition, Insurance, Diversity and Inclusion, Financial Security, Managing Pressure and the QLS Style Guide
- Cultural awareness training including compulsory completion of the “Share our Pride” online course, as well as a two-hour workshop with an external consultant
- Training in the new electronic document and records management system (eDRMS)
- Procurement training for people responsible for budget management and purchasing.
- Study assistance for team members
- Annual refresher of our work health and safety compliance requirements
- Staff lunch and information session celebrating QLS RAP first anniversary
- Unconscious bias training
- Appropriate workplace behaviour training
- Attendance at external workshops and conferences.

Our individual training investment during the 2018-19 year was \$41,706 (average of \$391 per FTE).

Outlook for 2019-20

Key people initiatives for 2019-20 include ongoing work towards citation with WGEA as an Employer of Choice for Gender Equity, and the QLS graduate program, with the first two graduates scheduled to join the team in February 2020. We will continue to support wellness initiatives such as Mental Health First Aid and access to counselling services through LawCare. We will also be reviewing our options for payroll provision and continuing to update and keep current our range of human resource policies and guidelines, including the QLS Code of Conduct. Further work demonstrating QLS’s commitment to diversity and inclusion will include the rollout of the second-generation RAP and confirming the ongoing goals and scope of our newly formed Diversity and Inclusion committee.

QLS is now Gold Accredited with Mental Health First Aid Australia.



Our working environment



Room Hire

**2,850 reservations on Level 2.
638 reservations on Level 3.
1,682 of these bookings were
made by QLS members.
\$156,842 ex GST revenue.**

Above
Facilities available
to members at Law
Society House

Improving energy efficiency

During 2018-19 we have continued the work of 2017-18 and focused on reducing energy consumption.

We have achieved a significant reduction in kilowatt-hours by upgrading lighting, air conditioning compressors, temperature and airflow controls and installing smart metering throughout Law Society House.

Level 3

Significant changes actioned during 2018-19 include:

- Lighting changes from T8 fluorescent to LED leading to a 30% reduction in kilowatt-hours.
- Air conditioning changes in January and February 2019 to remove zone temperature control from the floor and restore BMS control.

This has seen the monthly average energy consumption from February 2019 to June 2019 reduce by 50.08% compared to average kilowatt-hours consumed during the July 2018 to January 2019 period in this area of the building.

This early trend is showing significant energy savings as well as achieving better air balancing, temperature control and personal comfort across the floor.

Ground Floor

- Air conditioning compressor replacement, together with bringing temperature and airflow control back to BMS, is showing a reduction in average monthly kilowatt-hours consumed of 50% over the last five months.

Comparing annual usage FY17-18 to FY18-19 we have achieved an 8.01% reduction in usage.

Level 5

Replacement of the air conditioning compressor was completed in March 2019. Again, early trends are showing good results. Compared with last year kilowatt-hours have reduced by 20.01%.

Smart metering

In June 2019, all tenancy and air conditioning electrical boards were fitted with smart meters to aid the collection of energy data for analysis. This will assist in identifying areas for continued improvement in future years.

Reconciliation action plan (RAP)

On 5 July 2017, the Queensland Law Society launched its inaugural Innovate Reconciliation Action Plan 2017-19. The 2018-19 financial year was the second and final year of our Innovate RAP, which saw the initiative go from strength to strength. It was embedded into the operational plan where the framework concentrated efforts to:

- focus our second year Reconciliation Action Plan around our staff
- broaden our service offering to consult to members
- develop a stretch RAP 2019-22 for Council approval in 2019.

It is pleasing to report that there was increased staff involvement in reconciliation during the financial year, kicking off with the first anniversary of the RAP launch in July 2018.

QLS held its annual stall at Musgrave Park during NAIDOC week, with staff members representing all members of the Executive Leadership Team volunteering and celebrating NAIDOC.

October 2018 was Indigenous Business month. To raise awareness regarding Indigenous Procurement, QLS interviewed law firms and profiled our own procurement processes. The end of the 2018 calendar year saw QLS staff being treated to a guided tour of the Indigenous art gallery at International Education Services.

For the third consecutive year celebrating Nation Reconciliation Week, QLS held a cultural walk and picnic for QLS staff and the Reconciliation Action Plan Working Group (RAPWG) to highlight the 2019 theme Grounded in Truth: Walk Together with Courage.

A large number of QLS staff and RAPWG members made the four kilometre riparian trek from Law Society House to the late Ron Hurley's Geerbaugh's Midden at Kangaroo Point and heard about the history of Kangaroo Point and the story of the sculptures.

At the start of the 2019 calendar year, QLS made history by expanding the reach of our reconciliation work to Townsville and launching a pilot consultancy project—reconciliation for DLAs and First Nations students across Queensland. Presentations have taken place for our members, and these are planned to continue in 2019-20.

Throughout the financial year, the Society strengthened its commitment to reconciliation by raising awareness of First Nations issues, increasing engagement with First Nations people, organisations and legal stakeholders, and exploring ways to increase opportunities for First Nations people. The Society thanks the RAPWG, our staff and the RAPCIS committee for its work over the financial year. A summary of our action items and important successes are set out below.

QLS staff at International Education Services



Reconciliation Action Plan (RAP)

Reporting 2017-19

ACTION ITEMS	GRADE (WEIGHTED AVERAGE)
Relationships	
1 The QLS RAP Working Group (RAPWG) actively monitors RAP development and implementation of actions, tracking progress and reporting.	●
2 Celebrate and participate in National Reconciliation Week (NRW) by providing opportunities to build and maintain relationships between First Nations peoples and other Australians.	●
3 Develop and maintain mutually beneficial relationships with First Nations peoples, communities and organisations to support positive outcomes.	●
4 Raise internal and external awareness of our RAP to promote reconciliation across our business and sector.	●
Respect	
5 Engage employees in cultural learning opportunities to increase understanding and appreciation of First Nations' cultures, histories and achievements.	●
6 Engage employees to promote understanding of the significance of First Nations cultural protocols, such as Welcome to Country and Acknowledgement of Country, to ensure there is a shared meaning.	●
7 Provide opportunities for First Nations staff to engage with their culture and communities by celebrating NAIDOC Week.	●
Opportunities	
8 Investigate opportunities to improve and increase First Nations employment outcomes within our workplace.	●
9 Investigate opportunities to incorporate First Nations supplier diversity within our organisation.	●
10 Improve educational outcomes for First Nations students	●
11 Support First Nations solicitors and the broader legal profession	●
12 Support internal staff and the wider Queensland community	●
Tracking	
13 Report RAP achievements, challenges and learnings to Reconciliation Australia	●
14 Report RAP achievements, challenges and learnings internally and externally	●
15 Review, refresh and update RAP	●

- **Proper deadly** (Exceeded target)
- **Deadly** (Target achieved)
- **On the way to deadly** (On track)
- **Which way?** (Target not achieved)

KEY FINDINGS

RAPWG actively monitors RAP development and implementation and continues to play an active role in the progression and monitoring of RAP development where 87% of members are First Nations and 75% of members are legal practitioners.

Three years in a row QLS has successfully celebrated and participated in NRW with morning teas, cultural talks and a cultural walk and picnic.

An Engagement Plan framework has been set out, and engagement has taken place with First Nations Suppliers and ILAQ.

QLS is a strong communicator internally and externally of our RAP, reconciliation, continuing with refresher cultural awareness, Indigenous Business Month, celebration of Indigenous Literacy Day and key cultural events.

Cultural awareness refreshers took place in Q1 and staff RAP onboarding inductions have continued throughout the year.

Internal and external QLS meetings continue to promote support and understanding of First Nations cultural protocols and acknowledgments as well as the cultural calendar.

QLS executed two successful NAIDOC celebrations for all staff, with representation of team members from all members of senior leadership. Successful planning concluded in this financial year for the Society's third NAIDOC celebration in a row.

Engagement, research and input has been provided to assist with employment outcomes and strategies.

Procurement Policy finalised and raising awareness through Indigenous Business Month to encourage First Nations supplier diversity with the profession.

Engagement with universities has taken place, including at the QLS Legal Careers Expo and via LawLink to improve educational outcomes for First Nations students as well as the second year roll out of First Nations Legal Student Awards and First Nations Consultancy pilot in Townsville.

CLEs have rolled out, mentoring identified as a long term project to continue into the new financial year, success in rolling out year two of the First Nations Solicitor of the Year Award.

The QLS operating plan was specifically focused on staff engagement and reconciliation awareness and further supporting the wider community by our policy submission and advocacy work.

Improved reporting with consideration of the RAP Barometer already taking place and submission of the RAP Impact Statement for Reconciliation Australia.

Achieved with reporting in the Annual Report, with the RAPWG and Council.

Stretch RAP approved by Council and to be submitted to RA for endorsement in 2019-20.

Our important achievements at a glance include:

- Reconciliation Action Plan Working Group—87% of members identify as First Nations peoples and 75% of members are also legal practitioners.
- Cultural awareness training—the Society has successfully introduced cultural awareness training to its staff, which was rolled out throughout the 2018 calendar year by Indigenous consultant Tom Kirk. The sessions engaged employees in cultural learning opportunities to increase awareness of First Nations cultures, histories, achievements and protocols.
- LawLink support—the LawLink program was established in 2003 and aims to bridge the cultural divide between Indigenous law students and the legal profession. Students gain insight into the profession through formal and informal meetings and site visits to law firms, barristers' chambers, community legal centres and various courts. QLS held its first LawLink session in regional Queensland in May 2019, hosted by the Indigenous Education and Research Centre at James Cook University, Townsville.
- Human resources—the Society has implemented RAP on-boarding for all new staff to raise awareness about reconciliation and the Society's commitments set out in the RAP. New staff will be required to complete the Share our Pride online learning resource as a mandatory part of the on-boarding process.
- QLS First Nations Awards—in 2018, QLS conferred the following inaugural awards which continued into 2019.
- Symposium—welcome to Country and core CPD session: At the Society's flagship conference, QLS Symposium, Ashley Ruska addressed the large audience and engaged the members as part of his Welcome to Country, with great support and feedback from attendees. First Nations presentations have continued to be a feature in the Symposium streams. They have aimed to showcase knowledge and build awareness for practitioners, as well as promote uptake of culturally significant topics relevant to the profession.
- A Law Society first: myQLS leading the way in membership and cultural identification autonomy—the Society is a strong advocate for self-determination and cultural identification of First Nations lawyers and now, as a Law Society first, features a capability on the myQLS profile to allow this function.
- Cultural protocol communications—promotion and recognition of First Nations peoples continues to be a feature of all formal QLS meetings, external events, and through our website, email signature Acknowledgment of Country and display of First Nations artwork at Law Society House.

QLS staff walk with RAP Working Group for National Reconciliation Week



Our legacy for reconciliation: Embedding our commitment to reconciliation at Queensland law society house through first nations procurement

Cultural recognition and inclusivity are important focus of the Society, with our commitment to ensuring reconciliation in action being observed and present in our everyday activities at Law Society House. One of many of these acts has been through First Nations Procurement.

First Nations Procurement

Since the implementation of our Reconciliation Action Plan, QLS has been exploring ways we can undertake First Nations Procurement. In May 2018 QLS updated its Procurement Policy in line with the Queensland Government Procurement Policy (QPP) and Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy (QIPP) to consider First Nations suppliers and procurement where possible. In celebration of Indigenous Business month in October 2018 QLS explored First Nations Procurement in the legal profession. We found that there was a common misconception that in order to undertake First Nations Procurement, a practice must either commit to a significant spend, purchase artwork or implement a sophisticated procurement policy. QLS worked to dispel this myth with our blog post during Indigenous Business month and over the financial year continued First Nations procurement in:

- First Nations catering
- First Nations stationery including:
 - napkins
 - facial tissues
 - copy paper
 - Notepads
 - sticky notes.

More information about First Nations procurement undertaken by the Society can be accessed at [LawTalk medium.com/qldlawsociety](https://LawTalk.medium.com/qldlawsociety).

Our Acknowledgment of Country

QLS members and other visitors to our office in Law Society House continue to be welcomed at QLS reception with a permanent enlarged display of the Acknowledgment of Country, supporting and encouraging meetings to begin with an Acknowledgment of Country. This presence further embeds and upholds the importance of language and culture to the Society, our staff and our members.



Indigenous Education and Research Centre at James Cook University, Townsville.

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:

QLS's team
participating in
the Law Right
Queensland
Legal Walk on
14 May 2019



ORGANISATION	QLS CONTRIBUTION	BENEFIT
Various not for profit organisations	Use of Law Society House for no cost or significantly reduced fees.	\$29,000 of foregone revenue contributed to a range of not for profit organisations.
LawRight	Financial support in the form of discounted rent for their premises. In-kind support and fundraising for the 2019 Queensland Legal Walk (14 May 2019).	Support for LawRight's mission to improve the lives of vulnerable people by increasing access to justice through strategic partnerships with pro bono lawyers.
Prisoners Legal Service	Financial support in the form of discounted rent for their premises.	Support for Prisoners Legal Service's mission to promote justice, human rights, equity and the rule of law in society and in the administration of prisons and punishment.
Queensland Law Foundation	Nominal rent for premises.	Direct assistance to QLS members from Queensland Law Foundation.
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.
Women's Legal Service Queensland	In-kind support.	Helps WLSQ to continue to provide free legal assistance to women in need in Queensland.
Pride in Law	Financial and in-kind support.	Encourages diversity and inclusion in the profession.
Minds Count (formerly Tristan Jepson Memorial Foundation)	Financial and in-kind support.	Supporting the mental health of Queensland legal practitioners.
QLS First Nations Student of the Year Award	Financial prize of \$2000 for the QLS First Nations Student of the Year.	Demonstrating our commitment to reconciliation and advancement of First Nations practitioners.
Various Queensland law schools	Financial support of prizes.	Encouraging the next generation of legal practitioners.
Various charities	Financial support on behalf of our speakers and presenters in lieu of payment.	Support of a range of community-based not for profit organisations.

Sustain

Deliver results that balance the value provided to members and the public with the need to ensure ongoing financial viability while managing our risks and challenges



Sustain our good corporate performance via the QLS Council, subcommittees, our corporate structure and business plans.

The image features two large, bold, gray numbers. The number '1' is on the left, and the number '2' is on the right. Both numbers are rendered in a thick, sans-serif font. The '1' is a simple vertical stroke with a horizontal crossbar on the left side. The '2' is a more complex shape with a vertical stroke on the left and a curved, sweeping stroke on the right that loops back towards the top left.

elected Councillors

Fraud risk register established

15

QLS departments working in our new EDRMS

Committee Meetings

6 Finance and Risk

3 Council sub committees

Executive, Finance and Risk and Governance

3 groups working

Building our cyber resilience by embedding international standards and industry best practice

A large, stylized number '4' is rendered in a dark teal color. The '4' is composed of several geometric shapes: a large triangle on the left, a smaller triangle nested within it, a vertical rectangle below the main body, and a horizontal bar extending from the bottom right. To the right of the '4', the word 'Committees' is written in a bold, dark teal sans-serif font. The background is a light teal color, and the overall design is clean and modern.

Our Council

In accordance with the *Legal Profession Act 2007* (LPA), Queensland Law Society Council is comprised of 12 elected members: four office bearers (President, Deputy President, Vice President and Immediate Past President) and eight members. In addition, the Attorney-General nominates a Council representative. Council is elected for a two-year term, and the President is elected for a term of one year. In the second year of Council's term, the elected Deputy President succeeds to the office of President. This means there are 13 Council members in the first year and 12 Council members in the second year of a Council term. As the second calendar year for Council draws to a close, an election will take place early in the next financial year 2019-20, for the election of Council, starting 1 January 2020.

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

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

Council has delegated responsibility for management and day-to-day operations to the Society'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 the Society operates in compliance with all statutory obligations.

Council subcommittees

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

1. Executive Committee: Makes decisions on practising certificate matters and related occupational matters arising under the LPA, and considers operational matters, including QLS committee appointments and resignations where required.

2. Finance and Risk Committee (FRC): Responsible for overseeing and ensuring the integrity of the financial reporting process, monitoring the Society's risk management framework, and overseeing the responsible investment of surplus funds in accordance with the Society's investment policies as well as overseeing the Society'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.

Our FRC is led by an independent chair, who is not a member of the Council but was appointed by Council, based on a selection and recruitment process in February 2012. The Chair was recently reappointed in June 2019 by Council for a two-year term. The Chair provides leadership to the FRC in fulfilling its duties and responsibilities, with the benefit of having current accountancy qualifications and other financial expertise and experience. Our current FRC Chair is Grant Wallace, Director at Libertate Family Office. Grant 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 \$1800 per month plus GST from 1 July 2018 to 30 June 2019.

The Society does not operate an internal audit function. Sufficiency of controls is assessed through the external audit process conducted by the Queensland Auditor-General.

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

During the year, following review and recommendations of the Governance Committee, Council reviewed and approved amendments to the role descriptions for the President, Deputy President, Vice President and Immediate Past President, approved a new role description for Councillors, amended the Society Rules, approved amendments to the Council Charter, Governance Charter, Practice Management Course Committee Charter, Specialist Accreditation Board and Advisory Committee Charter and Policy Committee Charter. Council also approved the delegations manual and accepted the audit recommendations and performance audit recommendations by Queensland Audit Office (QAO). Council has been kept up to date and noted interim audit reports and progress.



**Council
2018**

Back
Luke Murphy
Peter Lyons
Paul Tully
Chloe Kopilovic
Chris Coyne

Middle
Bill Potts
Christine Smyth
Travis Schultz
Kara Thomson

Front
Ken Taylor
Rolf Moses (CEO)

Insert L-R
Michael Brennan
Kirsty Mackie
Karen Simpson

**Council
2019**

Back
Peter Lyons
Kirsty Mackie
Luke Murphy

Middle
Michael Brennan
Karen Simpson
Paul Tully
Chloe Kopilovic
Ken Taylor

Front
Bill Potts
Rolf Moses (CEO)
Travis Schultz

Insert L-R
Chris Coyne
Kara Thomson



Other committees

Council has established a number of other committees to assist it in discharging its statutory responsibilities and to carry out other business of the Society. These include:

- Committee of Management for the Fidelity Guarantee Fund: Established under s366 of the LPA to exercise delegated powers of 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 the Society.

- 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 Council to assist, advise and report to Council on matters relating to lawyers' professional ethics.

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

Queensland Law Society Council 2018-19

MEMBER	1 JULY - 31 DECEMBER 2018	1 JANUARY - 30 DECEMBER 2019
Ken Taylor Accredited Specialist (Personal Injuries), Director, Purcell Taylor Lawyers	President	Immediate Past President
Bill Potts Criminal Lawyer, Director, Potts Lawyers	Deputy President	President
Christopher Coyne Accredited Specialist (Commercial Litigation)	Vice President	Vice President
Christine Smyth Accredited Specialist (Succession Law), Partner, Robbins Watson Solicitors	Immediate Past President	-
Michael Brennan Trustee in Bankruptcy and Official Liquidator, Managing Principal, Offermans Partners	Councillor	Councillor
Chloe Kopilovic Senior Associate, FC Lawyers	Councillor	Councillor
Peter Lyons Public Interest Monitor, Queensland Government	Councillor	Councillor
Kirsty Mackie Solicitor/Lecturer in Law, University of Sunshine Coast – Clinical Law	Councillor	Councillor
Luke Murphy Accredited Specialist (Personal Injuries), Partner, MurphySchmidt Solicitors	Councillor	Councillor
Travis Schultz Accredited Specialist (Personal Injuries), Legal Practice Director, Travis Schultz Law	Councillor	Councillor
Kara Thomson Accredited Specialist (Personal Injuries), Supervising Lawyer DWF (Australia)	Councillor	Councillor
Paul Tully Accredited Specialist (Personal Injuries), Legal Practice Director, McInnes Wilson Lawyers	Councillor	Councillor
Karen Simpson Director, Legal Services, Office of the Health Ombudsman	Councillor, Attorney-General's nominee	Councillor, Attorney-General's nominee

Council and Finance and Risk Committee meetings

During the financial year, seven Council meetings and six Finance and Risk Committee (FRC) meetings were held. The attendance list for Council and FRC meetings is (in alphabetical order):

Meetings held 2018-19

MEMBER	QLS COUNCIL		FRC	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Michael Brennan Councillor	7	5	6	3 [^]
Christopher Coyne Vice President	7	6	6	4
Chloe Kopilovic Councillor	7	7	-	-
Peter Lyons Councillor	7	7	-	-
Kirstie Mackie Councillor	7	6	-	-
Luke Murphy Councillor	7	6	-	-
Bill Potts 2018 Deputy President, 2019 President	7	7	6	5
Travis Schultz Councillor	7	6	-	-
Karen Simpson A-G Nominee	7	5	-	-
Christine Smyth 2018 Immediate Past President	3	1	3	0
Kara Thomson Councillor	7	7	-	-
Ken Taylor 2018 President, 2019 Immediate Past President	7	7	6	6
Paul Tully Councillor	7	4	6	4
Grant Wallace FRC Chair	4	4	6	6

[^]Council approved a leave of absence 26 April 2018 to 23 July 2018

Ensuring risk management

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

For the last three financial years, the Society has used a new risk register reporting template to improve accessibility and efficiency and to assist executive staff to identify, classify, assess and monitor risk. During the 2018-19 financial year, the Society continued to use the risk register to mitigate current risks, analyse residual risk trends as well as to identify, assess, monitor and report new risks to the FRC and Council, in line with good governance practice. At the end of this financial year the Society has established a fraud risk register, using the templates as recommended from the Queensland Audit Office's Fraud Risk Report 6: 2017-18 (accessible at qao.gov.au). This financial year also saw the completion of the draft Fraud and Corruption Prevention Policy and its consideration by the Governance Committee. Departmental stakeholder consultation is scheduled to take place in the 2019-20 financial year prior to implementation of the policy.

Our ethics

The Society is a public sector entity under the *Public Sector Ethics Act 1994*, and has developed and implemented a code of conduct that applies to all staff, which was approved by the Attorney-General in May 2016. The Society is continuing to review and consult on the code, with reference to the Queensland Audit Office's Fraud Risk Report 6: 2017-18, and revisions and finalisation anticipated in the next financial year. QLS encourages its Council, committee members, and business colleagues to partner with us in implementing our code. New staff are made aware and educated in the importance of the code, requirements to ensure adherence and potential impacts if the code is breached. This training is included in on-boarding of all new staff. The code was also integral in assisting with the drafting and review of the Society's Public Interest Disclosure (PID) policy and Gift Policy.

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

Recordkeeping

During 2017-18 the Society undertook archival activities in accordance with our obligations under the *Public Records Act 2002*. The Society has policies to meet our obligations regarding the destruction of temporary public records and the transfer of permanent public records to Queensland State Archives (QSA). Work has commenced on the Queensland Law Society's Retention and Disposal Schedule: QDAN 674 version 2 to ensure it captures Society records not caught by the QSA's

General Retention and Disposal Schedule for Administrative Records. The Electronic Document and Records Management System (EDRMS) Project continues to be implemented with fifteen departments from five business units within QLS working with the new system. The main objectives of the project were compliance through efficient information storage, retrieval and access, increase to staff productivity through a paper to digital transition, and decrease in physical storage costs for hardcopy files. The EDRMS will extend its reach to all QLS staff with the project completion and hand over to business as usual operations by December 2019.

In the financial year, focus has also been on strengthening QLS's information security practices and frameworks. QLS has undertaken a project of embedding international standards and industry best practice to build our cyber resilience. During the year, QLS suffered an (unsuccessful) payment fraud attempt via a phishing email. The targeted mailbox may have been synchronised by the threat actor and this mailbox contained personal identifiable information. QLS provided a precautionary notification to affected individuals as required under the relevant privacy law. All Society staff, as part of their induction program, complete training in recordkeeping, managing emails which are public records, and the *Information Privacy Act 2009* (IP Act) and *Right to Information Act 2009* (RTI Act), to ensure their awareness of regulatory obligations. Additionally, staff were reminded of their record keeping obligations over the course of year.

Right to information

The RTI Act allows members of the public access to certain information controlled by government and government agencies. The Society supports RTI principles by operating in an open, transparent and accountable manner, while endeavouring to protect the privacy of members, the public and staff. The Society is required to report the number of applications made to us 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

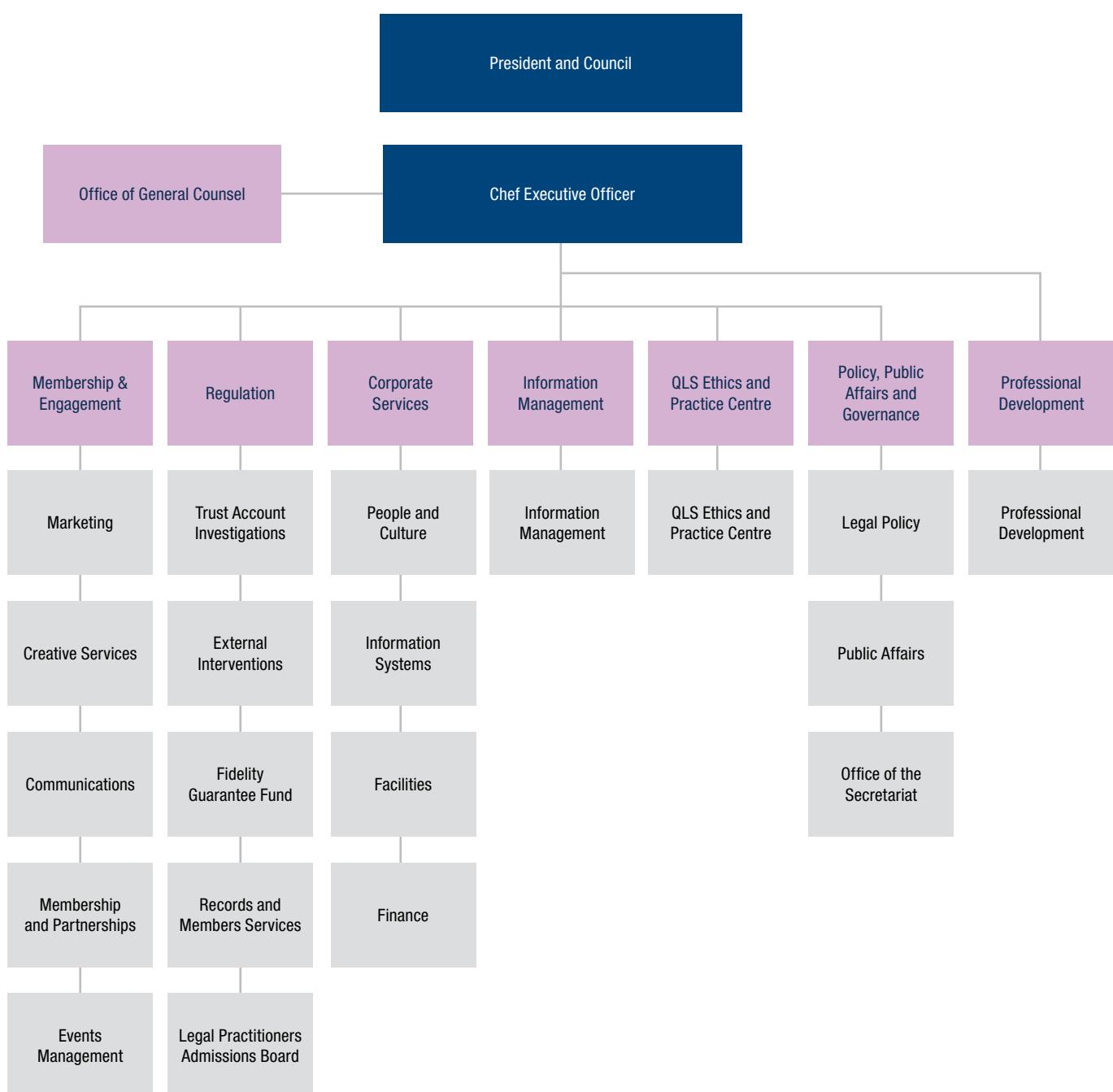
The Society is committed to ensuring that personal information collected is dealt with in accordance with the Information Privacy Principles contained in the *Information Privacy Act 2009* (Qld) and the Australian Privacy Principles contained in the *Privacy Act 1988* (Cth). We continually review the procedures in place to prevent unauthorised access to, and use of, the personal information we collect. Society 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. The Society's Privacy Policy and Privacy Code of Practice can be found on our website: qls.com.au.

Our corporate structure

There are seven departments and one team that report to QLS's Chief Executive Officer:

- **Legal:** Provides in-house legal advice to the Society.
- **Regulation:** Oversees the Society's regulatory arm in trust account investigations, external interventions, the management of the Legal Practitioners' Fidelity Guarantee Fund, Records and Member Services as well as supporting the Legal Practitioners Admissions Board.
- **Corporate Services:** Oversees the Society's finances, IT, People and Culture and in-house facilities.
- **QLS Ethics and Practice Centre:** Provides legal ethics and practice support guidance and education to QLS members.
- **Information Management:** Oversees the management of the Society's information, databases and associated business processes.

- **Membership and Engagement:** Provides marketing and communications services (excluding media releases) with an in-house design team and events team.
- **Policy, Public Affairs and Governance:** Advocates for the Society and the profession through submissions, public hearings, consultation and updates to the profession; oversees the Society's reach in mainstream media through public comment, speeches and media releases; and includes the office of the secretariat which oversees the governance of the Society, including risk management, insurance and implementation of the reconciliation action plan.
- **Professional Development:** Oversees the Society's provision of continuing professional development, seminars, conferences, Symposium, and masterclasses (including the practice management course and specialist accreditation board).



Our leadership team



Sally Castle

Chief Financial Officer and General Manager Corporate Services
BA, BBS, DipPP, CA

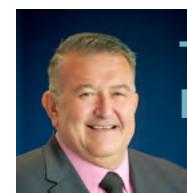
Sally joined the Society in September 2017 from bric housing, a not-for-profit company in the community housing sector. Sally has worked in a range of finance, governance and general management roles in government, both state and federal in Australia and in New Zealand, and in the not-for-profit sector. Sally's areas of expertise include finance, governance, strategy and planning, human resources, IT management, business process improvement, project management, records management and administration. Sally has been an adjudicator on the Australasian Reporting Awards Panel for more than 10 years, is honorary treasurer for a national not-for-profit organisation and also does voluntary work in the local community.



Rolf Moses

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

An inspirational and dynamic leader, Rolf joined Queensland Law Society in March 2018 as CEO. Rolf has over 20 years' human resources and general management experience working in large, international legal firms throughout Australia and Asia. Rolf is the former chair, and a current member, of the Queensland Law Society Wellbeing Working Group and faculty member of the Practice Management Course.



Tony Keim

Media Manager
BA (Journalism)

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



Matt Dunn

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

Matt started at QLS in a policy and in-house legal role in 2005, establishing a successful policy team for the Society. 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 2015 to take on the role of Government Relations Principal Advisor, growing and maintaining the Society's vital relationships with government at both state and federal levels. Matt served as the Society's Acting CEO between February 2017 and March 2018 when he returned to a General Manager position with its heart in legal policy, public affairs and media engagement and corporate governance. Matt shares his love of fine wine in a long-running and popular column in the Society's publication, *Proctor*.



Stafford Shepherd

Director, Ethics and Practice Centre
LLB LLM TEP J.P. (Qual) (Qld)

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



Louise Pennisi

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

Louise is tasked with overseeing corporate governance for Queensland Law Society as well as managing and monitoring the Reconciliation Action Plan, the Society's risk management and corporate statutory functions. She is also responsible for working with Council and the Executive Leadership Team to develop, implement and report on strategy. Louise joined the Society in 2010 and commenced in this role in March 2017. She 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 is the Immediate Past Vice President of the Australian Breastfeeding Association.



Megan O'Brien

Director, Information Management
BSocSc LLB GradCertProfLegalPrac
GradDipDInfoM

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



Jason Olsson-Seeto

General Manager, Membership and Engagement

Jason joined Queensland Law Society in February 2016 and is responsible for driving the Society's branding and digital transformation, building our member engagement, and marketing our products and services to ensure a commercially viable and relevant membership organisation. With more than 18 years' experience across creative, advertising and digital industries, Jason has forged a career out of managing clients' advertising, branding, design and digital needs in a variety of industries. He has worked with many renowned brands, including University of Queensland Business School, UnitingCare Queensland, BDO and the Queensland Theatre Company.



Craig Smiley

General Manager, Regulation
LLB (Hons)

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

Committees

Recognising member contributions

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

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

- Kurt Fowler (Chair, Criminal Law Committee)
- Brian Herd (Deputy Chair, Elder Law Committee)
- Janice Bywaters (Deputy Chair, Franchising Law Committee)
- Karen Williams (Chair, Health and Disability Law Committee)
- Gary Lanham (Chair, Succession Law Committee)
- Anthony Haly (Deputy Chair, Competition and Consumer Law Committee)
- Deenorah Yellub (Deputy Chair, RFNAC)

COMMITTEES	CHAIRS AND DEPUTY CHAIRS
Access to Justice/Pro Bono Law Committee	Chair: Elizabeth Shearer Deputy Chair: Steven Herd
Accident Compensation/Tort Law Committee	Chair: Michael Garbett Deputy Chair: Luke Murphy
Alternative Dispute Resolution Committee	Chair: Toby Boys Deputy Chair: Paul Coves
Banking and Financial Services Law Committee	Chair: Michael Anastas Deputy Chair: Karla Fraser
Children's Law Committee	Chair: Damian Bartholomew Deputy Chair: Kate Grant
Competition and Consumer Law Committee	Chair: David Grace Deputy Chair: Anthony Haly
Construction and Infrastructure Law Committee	Chair: Ross Williams Deputy Chair: Samantha Cohen
Corporations Law Committee	Chair: Derek Pocock
Criminal Law Committee	Chair: Rebecca Fogerty Deputy Chair: Ken Mackenzie
Early Career Lawyers Committee [#]	Chair: Clare McDonald Deputy Chair: Nick Knowlam
Elder Law Committee	Chair: Kirsty Mackie
Equity and Diversity Committee	Chair: Ann-Maree David

COMMITTEES	CHAIRS AND DEPUTY CHAIRS
Ethics Committee	Chair: Ben Cohen Deputy Chair: Joe Siracusa
Family Law Committee	Chair: Kathy Atkins Deputy Chair: Margie Kruger
Franchising Law Committee	Chair: Derek Sutherland
Government Lawyers Committee [#]	Chair: Andrew Harris Deputy Chair: Natasha Camphorst
Health and Disability Law Committee	Chair: Simon Brown
In-House Counsel Committee [#]	Chair: Philip Ware Deputy Chair: Eve Fraser
Industrial Law Committee	Chair: Kristin Ramsey Deputy Chair: Giri Savaraman
Innovation Committee	Chair: Peter Lyons
Insolvency and Reconstruction Law Committee	Chair: Scott Butler
Litigation Rules Committee	Chair: Andrew Shute Deputy Chair: Frances Williams
Mining and Resources Law Committee	Chair: James Plumb Deputy Chair: James Minchinton
Not-for-Profit Law Committee	Chair: Andrew Lind Deputy Chair: Paul Paxton-Hall
Occupational Discipline Law Committee	Chair: Calvin Gnech Deputy Chair: Andrew Forbes
Planning and Environmental Law Committee	Chair: Michael Connor
Practice Management Course Committee	Chair: Greg Spinda Deputy Chair: Natasha Hood
Property and Development Law Committee	Chair: Matthew Raven Deputy Chair: Kim Teague
Revenue Law Committee	Chair: Duncan Bedford Deputy Chair: David Stitt
Reconciliation and First Nations Advancement Committee	Chair: Linda Ryle Deputy Chair: Deenorah Yellub*
Specialist Accreditation Board	Chair: Peter Jolly Deputy Chair: Kathy Atkins
Specialist Accreditation Advisory Committee: Commercial Litigation	Chair: Paul Betros
Specialist Accreditation Advisory Committee: Criminal Law	Chair: Magistrate Kurt Fowler*
Specialist Accreditation Advisory Committee: Succession Law	Chair: Angela Cornford-Scott
Specialist Accreditation Advisory Committee: Property Law	Chair: Anthony Boge Deputy Chair: Peter Townley
Specialist Accreditation Advisory Committee: Family Law	Chair: Kara Best Deputy Chair: James Steel & Daniel Bottrell

COMMITTEES	CHAIRS AND DEPUTY CHAIRS
Specialist Accreditation Advisory Committee: Immigration Law	Chair: Glenn Ferguson
Specialist Accreditation Advisory Committee: Business Law	Chair: Vicki Comino
Specialist Accreditation Advisory Committee: Personal Injuries	Chair: Terence Killian*
Specialist Accreditation Advisory Committee: Workplace Relations	Chair: Mitchell Devine
Succession Law Committee	Chair: Michele Sheehan Deputy Chair: Chris Herral
Technology and Intellectual Property Law Committee	Chair: Angeline Behan Deputy Chair: Kim Walters

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

WORKING GROUPS	CHAIRS AND DEPUTY CHAIRS
Human Rights Working Group	Chair: Dan Rogers Deputy Chair: James Farrell
Reconciliation Action Plan Working Group	Chair: Shane Duffy Deputy Chair: Bianca Hill-Jarro*
Wellbeing Working group	Chair: Phil Ware
QLS Cybersecurity and Scam Prevention Working Group	-

*Resigned in 2018-19

#Membership committee



Annual Policy Committee Chair's breakfast

Sustain

National Policy
Lawyers and Public
relations Forum 2019



QLS Appreciation evening



Best Lawyers Breakfast



New Year Profession Drinks



New Year Profession Drinks

Best Lawyers Breakfast



Improve

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



QLS provides a wide variety of products and services in our continuing efforts to offer value for our members. We call this our membership value proposition (MVP).

magazine of Proctor
Overhaul

Development of Cyber
Essentials Insurance
for members from 2019-20

New first reading
**legal policy
blog**

18%
increase
in media
coverage

Accreditation in

10

Practice
Support
Consultancy
for new practices

specialist
areas of law

Refining our member value proposition (MVP)

In an initiative that began in 2017-18, we have continued to work with members and the broader legal community to refine our approach over the past 12 months. We have eight key pillars.

1. Protection

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

In 2018-19, QLS has added QLS Cyber Essentials Insurance to support members to tackle the challenges associated with ever-evolving cyber security concerns. This insurance is free to member practices² and helps firms to manage the risk of a cybersecurity breach through preparedness and rapid response.

2. First to know

We ensure our members are the first to know about legislative changes and impacts, emerging trends and issues. This helps our members to identify opportunities, manage risks and provide better advice for their clients.

New in 2018-19 is First Reading (medium.com/legal-policy). In this new legal policy blog, members of the legal profession can access up-to-date information on the progress of Queensland Law Society's legal policy and advocacy work. This new resource allows greater visibility of the Society's advocacy work for all Queenslanders. Additionally, this year we undertook a major overhaul of our iconic *Proctor* magazine in response to member feedback looking for a more dynamic presentation of *Proctor*'s unique mix of legal news, opinion and legislation updates. Our revamped 'themed' issues have focussed on issues important to the legal profession including child protection reform, elder abuse awareness and the 2019 Federal Election.

²A QLS Member Practice is a practice where each Principal is a full QLS member.

(For definition of 'Principal', see *Legal Profession Act 2007* (Qld) s7.)

3. Learning opportunities

From the moment members are admitted, they are on a continuous learning journey with us; whether they are an early career lawyer wanting skills they can use immediately or a leader who is ready to take the leap into a corporate or board role, we have tailored programs to suit all members throughout their career.

Throughout the year, QLS has again offered a complete learning package to legal practitioners, from practical legal updates, through to practice management and wellness workshops. You can read more about the education offered to practitioners through the Society in this report on page 36. New to the extensive portfolio of learning opportunities offered by QLS is the Aspire Leadership Lecture Series—a significant piece of work in the 2018-19 year that will come to fruition in the 2019-20 year. Leadership is sometimes equated with charisma or vision—you either have it or you don't. However, leadership skills are not necessarily innate: they can be acquired and honed. The Aspire Leadership Lecture Series aims to satisfy the desire among career-building practitioners to enhance their leadership skills including emotional intelligence, self-awareness, motivation and being able to adapt and thrive in any given situation. This series challenges practitioners to build on their foundations, to understand the qualities, values and aspirations from those who lead to obtain the best from within themselves. By refining practitioners' skills in this way, the Society seeks to create opportunities for career-building professionals.

4. Guidance

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

The QLS Ethics and Practice Centre and QLS Senior Counsellors are both set up to deliver confidential, practical and free advice to practitioners who encounter ethical or practice management dilemmas. The increasing number of new practices being established has led us to develop our Practice Support Consultancy to help new practices overcome some common challenges, in areas including management systems, billing, and marketing. In addition, the Society's trust account investigators are now delivering training to practices and principals who need assistance, or just a refresher on how to appropriately administer their trust account. These services help to practically guide practitioners through challenging situations before they become a cause for real concern.

5. A voice for all

With an ever-changing political, social and legal landscape, QLS offers a professional voice in the media, community and with government on matters of legal policy and reform, as well as leading the profession in championing diversity and reconciliation.

QLS's increased media activity has netted very positive results with 3488 mentions of Queensland Law Society and its leadership team in media reports. The Society's coverage maintains it as the leading and preferred option for journalists to explain all topics about the law and the profession, and provide thought-provoking and definitive commentary. Our coverage represents an increase of almost 18% on the previous year.

6. Support

Being a lawyer can present unique challenges and pressures like no other career. QLS understands this and offers services to help our members find balance, manage workplace challenges and lead a healthy life.

The Society's Wellbeing Working Group is the primary group for leading wellbeing initiatives, with a focus is on providing the legal profession with guidance, education, events and publications on mental health and wellbeing. You can read more about our activities to support practitioners lead a healthy life, including the assistance available via LawCare to practitioners, their families and colleagues, on page 53.

7. Connection

The Society offers plenty of opportunities to network and connect within the industry throughout the year, which helps members socialise, stay anchored to the industry, build their practice and learn from others.

Throughout 2018-19, the Society has provided networking opportunities as part of many of our professional development events, and delivered a number of events throughout the state dedicated to forming lasting connections within the profession. We have, in particular, worked closely with district law associations and local practitioners to provide or participate in opportunities for learning and connection in regional centres. Our Celebrate, Recognise, Socialise events have provided an opportunity to acknowledge the contribution of long-serving members and a point of connection for practitioners in their local communities. Additionally, the QLS Annual Ball encouraged early career lawyers based in South East Queensland to connect with peers and form lasting relationships. And the Society was pleased to acknowledge

the generous contribution of our committee members and volunteers at our annual thank you event at the end of 2018. QLS also supports a number of community and legal profession events to encourage connection both within the profession (for example, the Legal Profession Breakfast) and with other professionals (including organisations like Chartered Accountants Australia and New Zealand).

8. Recognition

QLS recognises hard work, sacrifice and commitment – both in our members professionally, and in the community.

The Legal Profession Dinner and Awards celebrates the outstanding achievements of Queensland's most successful legal practitioners. This annual events provides an opportunity for the profession to recognise their contribution. Practitioners are also encouraged to seek recognition of their specialist area via the Society's Specialist Accreditation mark of excellence. Our Specialist Accreditation program offers accreditation in 10 areas of specialty, and provides practitioners with an opportunity to be formally recognised for their high level of competence and knowledge in their particular area of expertise.

Your QLS member logo

A versatile and powerful brand-building asset



Promote your membership

The exclusive QLS member logo makes it easy for you to promote your membership. By using the asset on your marketing material, clients and colleagues will immediately recognise your integrity and commitment to quality professional standards.

Download now at
qls.com.au/memberlogo



Bottom
QLS's refreshed member logo, launched in 2018-19

Information management

Strategic objectives

The strategic objectives for QLS's information management program closely 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 governance board
- continuous improvement by developing, implementing and educating about our governing processes, policies and procedures
- establishment of a rolling business systems improvement roadmap for the next three years.

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
- improved member and public satisfaction with a focus on efficient, effective, informed and timely service provision.

Initiatives

The Information Management Business Initiatives (IMBI) Program of Work was planned in 2016 as part of the original IT Roadmap. The IMBI Program of Work is comprised of several projects:

- a new electronic document and record management system (EDRMS)
- a refreshed QLS website
- refresh of the current membership management system
- implementation of an online learning management system.

The member management system refresh is in progress, and the website renewal project is expected to be completed and launched by early 2020. The electronic document and records management system (EDRMS) project will be completed at the end of 2019. This system provides a platform for QLS to implement continuous business improvements and transition from paper to digital processes.

The overarching goal for the program of work is to refine information management governance, aligning with organisational governance (as stated in the strategic and operating plans). This will allow QLS to continue to grow its level of digital maturity, ensuring we can continue to improve member services to practitioners and further, the community, within the Queensland legal sector.

The legal landscape and our future plans

Queensland Law Society's strategic and operating plans form its short- and long-term roadmaps. The strategic plan 2017-21 was implemented 1 July 2017 and, during the 2018-19 financial year, it was reviewed. The operating plan 2018-19 began on 1 July 2018 and continues to advance our strategic goals and objectives.

Strategic plan

The end of this financial year marks the halfway point in our strategic plan 2017-21. In early 2018, Councillors and the Executive Leadership Team undertook a SWOT analysis examining the strengths, weaknesses, opportunities and threats for the Society and the broader legal profession, and reviewed the strategic plan. Findings and observations from that analysis fed into the development of the 2018-19 operating plan and were then expanded into a Council planning day in July 2018.

The Strategic Planning Day took a macro and micro dissection of the Society; its service offerings, its stakeholders and the factors, demographics and trends that impact the operating environment and legal landscape. The Council planning day paved the way for action items and projects to place the Society in good stead in identifying and responding to the current legal landscape and making inroads for the future.

Innovation and technology: the future of the legal landscape

One of the key environmental factors identified in and explored the Strategic Planning Day was the uptake of technology and the influence of innovation and the impact they have in shaping the Society in delivering its services to members, as well as the practice of law broadly across the Queensland legal profession.

Technology and innovation were key focuses for the Society this financial year, with the Society undertaking a large body of work to scope and introduce a cyber risk insurance option for member firms. With the generational change and the move for more and more legal practices to become a paperless, online security and ensuring herd immunity has been a key focus this financial year, with it continuing into the new financial year.

The new financial year will also see the Society preparing the profession for the generational change, with a strong focus on providing a platform for practitioners under 36 years of age and practitioners less than five years of post-admission experience (PAE) as well as legal students to advance, expand and enhance their career and have a stronger involvement in the Society. We will also continue our work in being the drivers for cultural change and will continue to dedicate resources and report on developments in this space.



Council strategic retreat 2018
Townsville

Operating plan 2019-20

Our new operating plan, effective

1 July 2019, continues the strategic goals, objectives and key performance indicators of our strategic plan, with a focus on six priority areas:

- 1. Position QLS as a trusted advisor of law reform in Queensland by engaging with Government in areas of legislative reform important to our members and the community.**
- 2. Facilitate first-party cyber insurance offerings to the membership by launching the Cyber Essentials insurance product.**
- 3. Best position the Society to offer guidance and counselling services for ethics and practice management, and also deliver associated bespoke educational programs.**
- 4. Support diversity and continue to strengthen our culture of collaboration, collegiality, with strong inclusive leadership, operationally and strategically.**
- 5. Launch QLS's new website and improved digital platform to members and the public.**
- 6. Implement new technologies to support our Learning and Development offering.**

A high level summary of our operating plan is set out on page 92 and also accessible at qls.com.au/plans.

Our operating plan 2019-20 at a glance

Advocate

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

- **** Priority **** Position QLS as a trusted advisor of law reform in Queensland by engaging with Government in areas of legislative reform important to our members and the community
- Advocate and engage with our members in anti-money laundering (AML) law reform, judicial commission, claims farming and elder abuse
- Demonstrate a position of credibility and authority to the profession and the community by positively and strategically engaging the media and the community on issues affecting the law

Regulate

Regulate to uphold the good standing of all solicitors

- To review and implement a new Limitation of Liability Scheme
- Support small practices in Queensland with trust accounting compliance, services and training

Guide and protect

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

- **** Priority **** Facilitate first party cyber insurance offerings to the Lexon insured membership by launching the Cyber Essentials
- **** Priority **** Best position the Society to offer guidance and counselling services for ethics and practice management, and also deliver associated bespoke educational programs
- Guide the profession in emerging issues, in particular running a successful business, and cyber security

Improve

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

- **** Priority **** Launch the new website and improved digital platform to members and the public
- **** Priority **** Implementing new technologies to support our Learning and Development offering
- Continue to implement our internal information management and business processes system including completion of ISO27001 certification for a strong cybersecurity and compliance stance
- Commence building our key member management system to improve our members' digital experience
- Work towards implementing the data strategy and roadmap
- Maintain a high level of member engagement in the QLS election

Sustain

Deliver results that balance the value provided to members and the public with the need to ensure ongoing financial viability while managing our risks and challenges

- Progress to Stage 2 of the QLS House Premises Refurbishment Strategy
- Enhance financial management practices to maximise efficiency and effectiveness
- Review our Business Continuity and Disaster Recovery plans
- Enhance ICT by developing the network architecture to provide highly-accessible, redundant and reliable server and storage infrastructure

Our vision

Good Law. Good Lawyers. Public good.

Our purpose

Supporting our members to have more satisfying, balanced and rewarding legal careers and businesses. Promoting the value of solicitors in the community and supporting the professional values of fidelity, service and courage. Be the authoritative voice of solicitors in Queensland, speaking out for justice and the rule of law

Strategic objectives 2019-20

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

Success measures 2019-20

- We achieve our annual financial targets
- Measurable evidence of being listened to by government and members of Parliament
- Members express high levels of satisfaction with our facilities, events, website, guidance and committees
- Staff are engaged, collaborative and productive
- Benefits are realised and reported for QLS's projects

Connect

Connect the profession with each other and the public

- Undertake an annual public marketing campaign to raise the profile of solicitors in the legal profession and the community
- Enhance our knowledge and news hub and thought leadership by connecting practitioners through a digital platform
- Position QLS to service and respond to the needs of generational demographic changes including establishing a Young Lawyers Council and making provision for retirement and succession planning
- Create a platform for and engage with Queensland Corporate Counsel practitioners
- Support education and guidance to regional practitioners and provide support and services to DLAs

Educate

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

- Guide the profession with respect to cybersecurity and anti-money laundering best practice and client protocols
- Educate on innovation, new technologies and the future of the legal profession
- Complete academic research project on the profession of the future and job readiness of graduate solicitors
- Review and reform the Compulsory Professional Development Scheme
- Lead culture change in the profession towards a healthy and sustainable profession, particularly in dealing with sexual harassment, bullying and discrimination in the legal profession

QLS culture

- **** Priority **** To support diversity and continue to strengthen our culture on collaboration, collegiality, with strong inclusive leadership, operationally and strategically
- Roll out the stretch RAP 2019-22
- Implement an internal QLS graduate solicitor program
- Continue work towards becoming a citation holder as an Employer of Choice for Gender equity and application for the WGEA and Employer of Choice for Women Award in 2021

Finances

Queensland Law Society's Group consolidated financial results comprise the financial results of Queensland Law Society Incorporated (parent entity), the Law Claims Levy Fund (LCLF) and the Society's wholly owned subsidiary, Lexon Insurance Pte Ltd (Lexon)



The Group results include membership activities, insurance activity through Lexon and LCLF and the regulatory responsibilities the Society carries out under legislative requirements.

Consolidated

Amounts in the below charts, excluding totals, are in thousands (\$'000)

Consolidated Revenue

2019

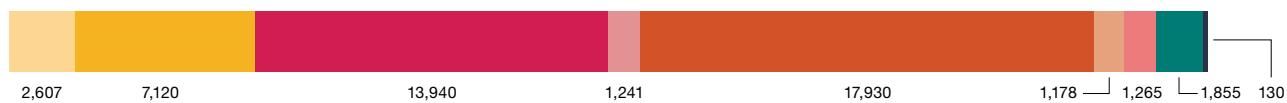


2018

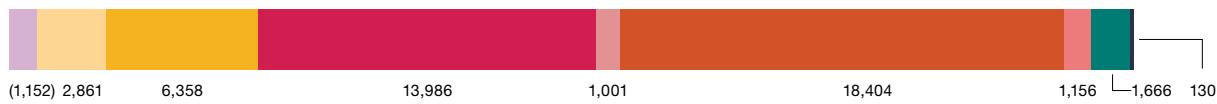


Consolidated Expenses

2019

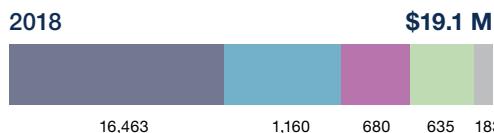
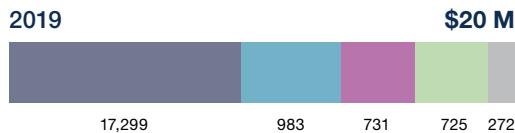


2018



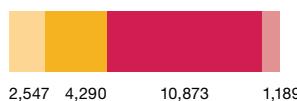
Parent

Parent Revenue

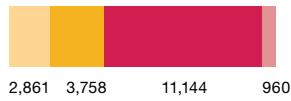


Parent Expenses

2019



2018



• Fees and membership services	• Rent and administration revenue	• Grants and funding	• Insurance levies
• Investment income	• Realised gains/(losses) on investments	• Fair value gains/(losses) on investments	• Other income
• Membership services and events	• Administration expenses	• Employee expenses	• Depreciation and amortisation
• Insurance claims	• Unearned premium reserve	• Reinsurance costs	• Stamp duty
• Brokerage fees			

Our financial performance

Group results

In 2018-19, the Group made an operating surplus of \$1m before tax and net assets at 30 June 2019 were \$158.9m, an increase of \$1.9m over the previous year. While the claims experience was largely in line with prior years, a lower level of payments largely due to timing of settlements and a decrease in the discount rates used given falling bond rates has resulted in a growth in the outstanding claims value of \$6.3m.

Continued increases in retained surpluses over many years support the Group's ability to take advantage of opportunities to deliver strategic improvements for members, including major projects in information management and upgrades to member facilities at Law Society House.

Revenue from fees and membership services grew by \$0.8m, mostly because of sustained growth in the numbers of practising solicitors accompanied by small fee increases between the years. An increase of \$1m in fee income was partially offset by a decrease in membership services and events income of \$0.2 m.

Investment returns (distributions plus fair value movements through profit or loss) fell slightly from \$6.6m in 2017-18 to \$6m in 2018-19. This was in line with market expectations in a volatile environment.

Investment income rose slightly overall compared with the previous year, despite some market volatility. In May 2019 all investments in the Law Claims Levy Fund were redeemed and subsequently reinvested with the Queensland Investment Corporation (QIC). The redemptions resulted in realised gains of \$320k. All insurance scheme funds are now invested with QIC.

Employee expenses for the Group fell very slightly this year despite an increase in overall staff numbers. The principal driver for this was a decrease in accrued employee benefits. Overall, however, group expenses rose by almost \$2.9m, mostly due to higher insurance scheme costs (\$2.1m), increases in IT expenses (\$338k), professional and consulting fees (\$186k) and office administration and insurance (\$213k).

Insurance scheme

Insurance scheme results are from Lexon and the LCLF. The scheme recorded an operating surplus before tax of \$5.3m (2018: \$3.5m). While levy rates remained unchanged at their lowest rates, the increased gross fee income of the profession combined with a greater take up in top up contributed to a growth of \$1m in levies being collected. Claims expenses remained stable at \$19.3m.

Queensland Law Society Incorporated (parent)

Queensland Law Society Incorporated exceeded its overall financial targets, with an operating surplus of \$1.1m achieved against a budgeted deficit of \$0.3m. \$0.5m of the underspend against budget related to projects, principally the Information Management program of works (see below); however, the Society received \$0.9m more in operating revenue than expected, contributing to the achievement of a \$1.5m operating (non-project) surplus compared to a budgeted operating (non-project) surplus of \$0.6m.

Information Management (IM) program of works

In 2016, Council approved \$1.9m to be drawn from the Society's retained members' funds over the 2016-17 and 2017-18 financial years in order to fund major information management programs that would improve QLS's core systems and processes, thus providing significant benefits to our members. Key initiatives are a new membership database, website and electronic document and records management system. \$0.8m was spent in 2016-17, \$0.4m in 2017-18 and \$0.3m in 2018-19 on these essential programs, a total of \$1.5m since inception. In July 2018, Council approved a further \$1.9m for the second stage of the program of works, as well as funding for cybersecurity initiatives, with the full program of works totalling \$3.8m expected to be completed by June 2020. Due to unforeseen changes in key personnel and reassessment of task requirements, the work is now likely to be completed in the 2020-21 year.

Assets

Parent net assets at 30 June 2019 were \$65.8m, an increase of \$1.2m. A minor uplift of \$106k in the valuation of Law Society House contributed \$0.1m to the increase with the remainder arising from the year's operating surplus. This uplift is reported as 'other comprehensive income' and impacts the net asset position through an increase in the asset revaluation surplus.

Revenue

Membership and practitioner fees rose by 7.4% to \$14m, compared with \$13m in 2017-18. This can be attributed both to growth in the number of practising lawyers and a small increase in both the membership and practising certificate fees—membership fees and practising certificate rose by 2% and 5% respectively. We note that although revenue from practising certificate and membership fees continued to grow, it did not reach budgeted levels. Membership services and events revenue at \$3.3m (2018: \$3.4m) was 3% below the previous year, primarily due to a slight decrease in the demand for courses, conferences and events.

Expenses

Membership services and events expenses fell by 11% to \$2.5m, compared with \$2.9m in the previous year. In the context of a 3% decrease in revenue from membership services and events, this indicates ongoing efficiencies in the provision of these services.

Queensland Law Society Incorporated

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*All amounts are denoted in Australian currency.

QUEENSLAND LAW SOCIETY INCORPORATED

Statement of Comprehensive Income for the year ended 30 June 2019

	NOTE	Consolidated		Parent Entity	
		2019	2018	2019	2018
		Actual	Actual	Actual	Actual
		\$'000	\$'000	\$'000	\$'000
Revenue					
Fees and membership services	B1-1	17,282	16,448	17,299	16,463
Rent and administration revenue	B1-2	461	927	983	1,160
Grants and funding	B1-3	209	229	731	680
Insurance levies	B1-4	23,019	22,026	-	-
Investment income	B1-5	7,329	7,192	725	635
Realised gains/(losses) on investments	C4	320	3,394	-	-
Fair value gains/(losses) on investments	C4	(566)	(3,123)	-	-
Other income		231	203	272	183
Total revenue		48,285	47,296	20,010	19,121
Expenses					
Membership services and events	B2-1	2,607	2,861	2,547	2,861
Administration expenses	B2-2	7,120	6,358	4,290	3,758
Employee expenses	B2-3	13,940	13,986	10,873	11,144
Depreciation and amortisation	C5	1,241	1,001	1,189	960
Insurance claims	B1-4	17,930	18,404	-	-
Unearned premium reserves	C8-2(b)	1,178	(1,152)	-	-
Reinsurance costs	B1-4	1,265	1,156	-	-
Stamp duty	B1-4	1,855	1,666	-	-
Brokerage fees		130	130	-	-
Total expenses		47,266	44,410	18,899	18,723
Operating surplus before income tax		1,019	2,886	1,111	398
Income tax credit	F1-1	804	471	-	-
Operating surplus after income tax		1,823	3,357	1,111	398
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to operating result					
Increase/(decrease) in asset revaluation surplus	C5	106	10,492	106	10,492
Total comprehensive income		1,929	13,849	1,217	10,890

The accompanying notes form part of these statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Statement of Financial Position as at 30 June 2019

	NOTE	Consolidated		Parent Entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	C1	67,970	61,404	33,398	32,674
Receivables	C2	882	1,951	564	679
Income tax receivable	F1-2	271	1,039	-	-
Reinsurers' share of unearned premiums	C8-2(b)	1,366	1,200	-	-
Insurance contract liabilities ceded	C8-2(a)	93	325	-	-
Total current assets		70,582	65,919	33,962	33,353
Non-current assets					
Investment in controlled entities	C3	-	-	19,000	19,000
Investments	C4	180,559	174,612	-	-
Property, plant and equipment	C5	30,128	30,739	30,011	30,627
Deferred tax assets	F1-3	4,986	4,183	-	-
Insurance contract liabilities ceded	C8-2(a)	638	652	-	-
Total non-current assets		216,311	210,186	49,011	49,627
TOTAL ASSETS		286,893	276,105	82,973	82,980
Current liabilities					
Payables	C6	40,965	39,498	16,018	17,136
Accrued employee benefits	C7	1,457	1,486	970	1,060
Unearned premium reserves	C8-2(b)	6,538	5,360	-	-
Provision for outstanding claims	C8-2(a)	15,635	15,604	-	-
Total current liabilities		64,595	61,948	16,988	18,196
Non-current liabilities					
Accrued employee benefits	C7	208	230	186	202
Provision for outstanding claims	C8-2(a)	63,179	56,945	-	-
Total non-current liabilities		63,387	57,175	186	202
TOTAL LIABILITIES		127,982	119,123	17,174	18,398
NET ASSETS		158,911	156,982	65,799	64,582
EQUITY					
Accumulated surplus		133,428	131,605	40,316	39,205
Asset revaluation surplus		25,483	25,377	25,483	25,377
TOTAL EQUITY		158,911	156,982	65,799	64,582

The accompanying notes form part of these statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Statement of Changes in Equity for the year ended 30 June 2019

Consolidated	NOTE	Asset		TOTAL \$'000
		Revaluation Surplus \$'000	Accumulated Surplus \$'000	
Balance as at 1 July 2017		14,885	128,248	143,133
Operating result				
Operating surplus after income tax		-	3,357	3,357
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	10,492	-	10,492
Balance as at 30 June 2018		25,377	131,605	156,982
Operating result				
Operating surplus after income tax		-	1,823	1,823
Other comprehensive income				
Increase in asset revaluation surplus	C5-1	106	-	106
Balance as at 30 June 2019		25,483	133,428	158,911

Parent Entity	NOTE	Asset		TOTAL \$'000
		Revaluation Surplus \$'000	Accumulated Surplus \$'000	
Balance as at 1 July 2017		14,885	38,807	53,692
Operating result				
Operating surplus after income tax		-	398	398
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	10,492	-	10,492
Balance as at 30 June 2018		25,377	39,205	64,582
Operating result				
Operating surplus after income tax		-	1,111	1,111
Other comprehensive income				
Increase in asset revaluation surplus	C5-2	106	-	106
Balance as at 30 June 2019		25,483	40,316	65,799

The accompanying notes form part of these statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Statement of Cash Flows for the year ended 30 June 2019

NOTE	Consolidated		Parent Entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Receipts from the profession	39,984	39,407	18,559	17,414
Receipts from commissions and funding	371	451	893	902
Payments to suppliers and employees	(24,547)	(23,496)	(16,999)	(15,081)
Receipts collected for Society entities	-	-	23,019	22,026
Payments to Society entities	-	-	(23,954)	(42,013)
Receipts collected for Legal Practitioners' Fidelity Guarantee Fund	379	480	379	480
Payments to Legal Practitioners' Fidelity Guarantee Fund	(379)	(1,235)	(379)	(1,235)
Reinsurance payments	(1,266)	(1,156)	-	-
Claims and claims related payments	(10,609)	(18,784)	-	-
Interest received	1,071	896	725	635
GST receipts	3,419	3,220	995	966
GST paid to ATO	(2,102)	(1,331)	(2,046)	(1,179)
Income tax paid	F1-2	769	(100)	-
Net cash (used in)/generated from operating activities	C1	7,090	(1,648)	1,192
				(17,085)
Cash flows from investing activities				
Purchase of investments	C4	(36,027)	(77,168)	-
Proceeds from investment redemptions	C4	36,027	81,516	-
Cash distributions received	-	1	-	-
Proceeds from disposal of property, plant and equipment	-	38	-	40
Payments for property, plant and equipment	C5	(524)	(175)	(468)
Net cash generated from/(used in) investing activities		(524)	4,212	(468)
				(120)
Net increase/(decrease) in cash and cash equivalents held		6,566	2,564	724
				(17,205)
Cash and cash equivalents at the beginning of the year		61,404	58,840	32,674
Cash and cash equivalents at the end of the year	C1	67,970	61,404	33,398
				32,674

The accompanying notes form part of these statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Queensland Law Society Incorporated ('QLS', or 'the Society') is the professional association for solicitors in Queensland constituted under the *Legal Profession Act 2007* (Qld) (the Act). While the Society is defined as a statutory body under the *Financial Accountability Act 2009*, it remains an independent professional body, subject to the governance of its elected Council.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Group has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with the Queensland Treasury's minimum Financial Reporting Requirements (FRR) for reporting periods beginning on or after 1 July 2018.

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

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

A1-3 PRESENTATION

Currency and rounding

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

Foreign currency transactions are translated to Australian currency at the rate of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Comparatives

Comparative information reflects the audited 2017-18 financial statements and has been restated where necessary to be consistent with disclosures in the current reporting period.

Current/non-current classification

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

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

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

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT

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

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

Historical cost

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

Fair value

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

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

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

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

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

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

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT (continued)

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

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

The portfolio of financial instruments held consists of collective investment schemes. The fair value of the financial instruments is determined using net asset value of the collective investment schemes.

The carrying value less impairment provision of current trade receivables and payables approximates to their fair value. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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

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

Present value

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

A1-6 THE REPORTING ENTITY

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the Society ('Parent Entity') and the entities it controls where these entities are material (refer to Note A3). The controlled entities are 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 2019

A3 CONTROLLED ENTITIES

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

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:

2018-19	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Name of Entity					
Law Claims Levy Fund	100	83.1	23.0	25.7	2.2
Lexon Insurance Pte Ltd	100	162.0	109.9	21.7	(1.5)

2017-18	Controlling Interest %	Total Assets \$m	Total Liabilities \$m	Total Revenue \$m	Operating Results \$m
Name of Entity					
Law Claims Levy Fund	100	79.6	21.8	24.4	3.5
Lexon Insurance Pte Ltd	100	154.3	100.7	22.8	(0.5)

Principles of consolidation

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences to the date control ceases. In the process of reporting the Group as a single economic entity, unrealised gains and losses, inter-entity balances resulting from transactions with or between controlled entities are eliminated on consolidation where material. The accounting policies have been consistently applied by each entity in the consolidated entity.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B1 REVENUE

B1-1 FEES AND MEMBERSHIP SERVICES

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

Membership services and events income is recognised as revenue when the service or event occurs.

Prepayment of membership services and events is recognised as income in advance.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Membership and practitioner fees				
Practising certificate fees	7,526	6,908	7,532	6,908
Member fees	5,330	5,111	5,336	5,121
Limitation of liability scheme	799	655	799	655
Specialist accreditation fee	264	246	264	246
Certificate of fitness	76	78	76	78
Late application levy	8	43	8	43
	14,003	13,041	14,015	13,051
Membership services and events				
Courses, conferences and events	2,160	2,219	2,165	2,224
Membership services and products	491	433	491	433
Advertising and subscriptions	256	303	256	303
Marketing and sponsorship	372	452	372	452
	3,279	3,407	3,284	3,412
Total fees and membership services	17,282	16,448	17,299	16,463

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B1 REVENUE (continued)

B1-2 RENT AND ADMINISTRATION REVENUE

Rental revenue is recognised as income as it is received. Under the rules of the Act, certain operating expenses of the Society are recoverable from the Legal Practitioners' Fidelity Guarantee Fund (LPFGF) and the Legal Practitioners Admissions Board (LPAB). The gross amounts paid in the prior year were reimbursed to QLS by LPFGF and LPAB. From 2018-19 these expenses have been paid directly by the related entities.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Rent	266	255	271	262
Body corporate administration fee	15	15	15	15
Management fees				
Lexon Insurance Pte Ltd	-	-	465	184
Law Claims Levy Fund	-	-	52	42
Legal Practitioners' Fidelity Guarantee Fund	134	145	134	145
Legal Practitioners Admissions Board	46	512	46	512
Total rent and administration revenue	461	927	983	1,160

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.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Queensland Law Foundation	209	229	209	229
Law Claims Levy Fund	-	-	522	451
Total grants and funding	209	229	731	680

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

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B1 REVENUE (continued)

B1-4 INSURANCE LEVIES

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Insurance levies	23,019	22,026	-	-
Unearned premium reserve (Note C8-2(b))	(1,178)	1,152	-	-
Reinsurance costs	(1,265)	(1,156)	-	-
Net premium revenue	20,576	22,022	-	-
Claims expense	(19,258)	(19,335)	-	-
Reinsurance and other recoveries	1,328	931	-	-
Net claims incurred (Note C8-2(a))	(17,930)	(18,404)	-	-
Stamp duty	(1,855)	(1,666)	-	-
Underwriting expenses (Lexon administrative and operating expenses)	(6,099)	(5,460)	-	-
Underwriting result	(5,308)	(3,508)	-	-

B1-5 INVESTMENT INCOME

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

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

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Distributions from investments	6,258	6,296	-	-
Interest income	1,071	896	725	635
Total investment income	7,329	7,192	725	635

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B2 EXPENSES

B2-1 MEMBERSHIP SERVICES AND EVENTS EXPENDITURE

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Direct membership services and events expenditure				
Courses, conferences and events	692	755	692	755
Membership products and services	534	749	534	749
Printing and publications	310	271	250	271
Law Council capitation fees	1,071	1,086	1,071	1,086
Total membership services and events expenditure	2,607	2,861	2,547	2,861

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B2 EXPENSES (continued)

B2-2 ADMINISTRATION EXPENSES

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Indirect administration expenses				
Office administration and insurance	1,032	819	781	541
Actuarial fees	100	111	-	-
Audit fees * #	197	202	84	88
Bad debts	17	(45)	5	-
Body corporate, electricity, rates and taxes	446	593	441	584
Captive managers fee	99	96	-	-
Catering, functions and entertainment	171	184	113	165
Regulatory audits and investigations	23	28	23	28
Directors' fees	373	407	-	-
Bank fees and finance costs	126	142	135	145
Information technology and related costs	1,021	683	605	367
Investment management fees	514	397	-	-
Office rent	167	160	-	-
Presentations, donations and gifts	120	126	120	125
Professional and consulting fees	1,162	976	756	492
Repairs and maintenance	248	256	246	255
Travel and vehicle costs	485	468	162	214
Liability capping scheme	321	263	321	263
	6,622	5,866	3,792	3,267
Council and committee costs				
Honorarium	432	415	432	414
Travel and accommodation	44	58	44	58
Catering and functions	22	19	22	19
	498	492	498	491
Total administration expenses	7,120	6,358	4,290	3,758

*Total audit fees paid to Queensland Audit Office for the Society relating to the 2018-19 financial year are estimated to be \$79,500 (2017-18: \$77,900). 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 are estimated to be \$92,732 (2018: \$94,538). Taxation fees paid to PWC Brisbane are disclosed in the professional and consulting fee line above and amount to \$36,563 (2018: \$43,126).

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

B2 EXPENSES (continued)

B2-3 EMPLOYEE EXPENSES

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Wages and salaries	12,138	11,911	9,514	9,501
Employer superannuation contributions	1,090	1,081	864	875
Movement in annual leave provision	(109)	213	(121)	214
Movement in long service leave provision	61	(50)	17	(89)
Staff training and development	40	101	42	70
Employee related expenses				
Workers' compensation premiums	42	47	37	42
Payroll taxes	637	637	484	492
Other employee benefits	41	46	36	39
Total employee expenses	13,940	13,986	10,873	11,144

Employee numbers

	Consolidated		Parent	
	2019	2018	2019	2018
Number of employees at year end	139	135	123	120
Number of full time equivalent employees at year end	122	120	107	105

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 2019

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 received 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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank	1,739	6,649	422	2,569
Cash deposit accounts	48,189	54,755	17,934	30,105
Term deposits	18,042	-	15,042	-
Total cash and cash equivalents	67,970	61,404	33,398	32,674

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Operating surplus after income tax	1,823	3,357	1,111	398
Adjustments for:				
Investment income	(5,947)	(6,567)	-	-
Add/(less) non-cash items:				
Depreciation and amortisation	1,241	1,001	1,189	959
Profit on sale of property, plant and equipment	-	(7)	-	(7)
Change in assets and liabilities:				
(Increase)/decrease in assets:				
Receivables	1,056	(413)	115	294
Movement in provision for bad debts	13	(114)	-	(69)
Increase/(decrease) in liabilities:				
Payables	1,467	1,624	(1,117)	(18,800)
Accrued employee benefits	(51)	179	(106)	140
Provision for outstanding claims	7,523	(137)	-	-
Tax related balances	(35)	(571)	-	-
Net cash (used in)/generated from operating activities	7,090	(1,648)	1,192	(17,085)

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C2 RECEIVABLES

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

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

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Accounts receivable	345	509	117	357
Reinsurance recoverable	(7)	835	-	-
Less: provision for doubtful debts	(48)	(35)	-	-
	290	1,309	117	357
Prepaid expenses and other receivables	592	642	447	322
Total receivables	882	1,951	564	679

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	
	2019	2018	2019	2018
	\$'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 2019

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 either held for trading or are expected to be realised within 12 months after the reporting date. At 30 June 2019, investments are classified as non-current assets as they are kept long term and the full value will not be realised within the accounting year.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Investment in listed funds				
Opening balance	174,612	172,394	-	-
Additions	36,027	77,168	-	-
Additions via reinvestment	6,193	6,295	-	-
Disposal proceeds	(36,027)	(81,516)	-	-
Gain/(loss) on disposal	320	3,394	-	-
Fair value movements	(566)	(3,123)	-	-
Closing balance	180,559	174,612	-	-

Fair value measurements

Categorisation of fair values recognised as at 30 June 2019 are as follows:

Fair Value Input	Type	Consolidated		Parent Entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Level 1	None	-	-	-	-
Level 2	Investments	180,559	174,612	-	-
Level 3	None	-	-	-	-
		180,559	174,612	-	-

The portfolio of investments held consists of collective investment schemes. The fair value of the investments is determined by the market approach using net asset value of the collective investment schemes.

Investments are placed as follows:

Lexon Insurance Pte Ltd

- Queensland Investment Corporation

Law Claims Levy Fund

- Queensland Investment Corporation
- UBS Global Asset Management (exited May 2019)
- AMP Capital Investors (exited May 2019)
- MFS Investment Management (exited May 2019)
- Nikko Asset Management (exited May 2019)
- Ironbark Asset Management (exited May 2019)
- Schroder Investment Management (exited May 2019)
- State Street Global Advisors (exited May 2019)

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C5 PROPERTY, PLANT AND EQUIPMENT

C5-1 CONSOLIDATED

	Strata Building Title \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Computer Equipment \$'000	Software \$'000	Total \$'000
2019						
Cost or valuation						
At the beginning of the year	27,250	1,452	4,642	725	1,720	35,789
Additions	-	-	229	250	45	524
Reclassifications	-	23	-	(23)	-	-
Disposals	-	-	(2)	(151)	-	(153)
Revaluations	109	-	-	-	-	109
At the end of the year	27,359	1,475	4,869	801	1,765	36,269
Depreciation						
At the beginning of the year	-	(296)	(3,045)	(498)	(1,211)	(5,050)
Charge for the year	(681)	(43)	(274)	(111)	(132)	(1,241)
Disposals	-	-	2	151	-	153
Revaluations	(3)	-	-	-	-	(3)
At the end of the year	(684)	(339)	(3,317)	(458)	(1,343)	(6,141)
Net book value at 30 June 2019	26,675	1,136	1,552	343	422	30,128
2018						
Cost or valuation						
At the beginning of the year	17,640	1,452	4,496	854	1,721	26,163
Additions	-	-	163	12	-	175
Reclassifications	-	-	2	(1)	(1)	-
Disposals	-	-	(19)	(140)	-	(159)
Revaluations	9,610	-	-	-	-	9,610
At the end of the year	27,250	1,452	4,642	725	1,720	35,789
Depreciation						
At the beginning of the year	(441)	(256)	(2,776)	(505)	(1,081)	(5,059)
Reclassifications	-	-	-	-	-	-
Charge for the year	(441)	(40)	(288)	(102)	(130)	(1,001)
Disposals	-	-	19	109	-	128
Revaluations	882	-	-	-	-	882
At the end of the year	-	(296)	(3,045)	(498)	(1,211)	(5,050)
Net book value at 30 June 2018	27,250	1,156	1,597	227	509	30,739
Property, plant and equipment is stated as follows:						
30 June 2019						
At valuation	27,359	-	-	-	-	27,359
At cost	-	1,475	4,869	801	1,765	8,910
	27,359	1,475	4,869	801	1,765	36,269
Depreciation	(684)	(339)	(3,317)	(458)	(1,343)	(6,141)
	26,675	1,136	1,552	343	422	30,128
30 June 2018						
At valuation	27,250	-	-	-	-	27,250
At cost	-	1,452	4,642	725	1,720	8,539
	27,250	1,452	4,642	725	1,720	35,789
Depreciation	-	(296)	(3,045)	(498)	(1,211)	(5,050)
	27,250	1,156	1,597	227	509	30,739

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-2 PARENT ENTITY

	Strata Building Title \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Computer Equipment \$'000	Software \$'000	Total \$'000
2019						
Cost or valuation						
At the beginning of the year	27,250	1,452	4,470	632	1,240	35,044
Additions	-	-	220	243	5	468
Reclassifications	-	23	-	(23)	-	-
Disposals	-	-	(2)	(151)	-	(153)
Revaluations	109	-	-	-	-	109
At the end of the year	27,359	1,475	4,688	701	1,245	35,468
Depreciation						
At the beginning of the year	-	(296)	(2,883)	(430)	(808)	(4,417)
Charge for the year	(681)	(43)	(264)	(94)	(107)	(1,189)
Disposals	-	-	1	151	-	152
Revaluations	(3)	-	-	-	-	(3)
At the end of the year	(684)	(339)	(3,146)	(373)	(915)	(5,457)
Net book value at 30 June 2019	26,675	1,136	1,542	328	330	30,011
2018						
Cost or valuation						
At the beginning of the year	17,640	1,452	4,319	658	1,240	25,309
Additions	-	-	151	9	-	160
Reclassifications	-	-	-	-	-	-
Disposals	-	-	-	(35)	-	(35)
Revaluations	9,610	-	-	-	-	9,610
At the end of the year	27,250	1,452	4,470	632	1,240	35,044
Depreciation						
At the beginning of the year	(441)	(255)	(2,596)	(349)	(701)	(4,342)
Reclassifications	-	-	-	-	-	-
Charge for the year	(441)	(41)	(287)	(84)	(107)	(960)
Disposals	-	-	-	3	-	3
Revaluations	882	-	-	-	-	882
At the end of the year	-	(296)	(2,883)	(430)	(808)	(4,417)
Net book value at 30 June 2018	27,250	1,156	1,587	202	432	30,627
Property, plant and equipment is stated as follows:						
30 June 2019						
At valuation	27,359	-	-	-	-	27,359
At cost	-	1,475	4,688	701	1,245	8,109
	27,359	1,475	4,688	701	1,245	35,468
Depreciation	(684)	(339)	(3,146)	(373)	(915)	(5,457)
	26,675	1,136	1,542	328	330	30,011
30 June 2018						
At valuation	27,250	-	-	-	-	27,250
At cost	-	1,452	4,470	632	1,240	7,794
	27,250	1,452	4,470	632	1,240	35,044
Depreciation	-	(296)	(2,883)	(430)	(808)	(4,417)
	27,250	1,156	1,587	202	432	30,627

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-3 ACQUISITION OF ASSETS

All assets acquired are recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. Plant and equipment acquired are expensed unless the initial cost exceeds \$5,000 excluding GST. Buildings and leasehold improvements are recognised upon acquisition if the initial cost exceeds \$10,000 excluding GST.

C5-4 DEPRECIATION AND AMORTISATION

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

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

The depreciable amount of leasehold improvements is allocated progressively over the estimated useful lives of the improvements. The unexpired period of a lease includes any option period where exercise of the option is probable.

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

Asset Class	2019	2018
Strata Title Building	2.5%	2.5%
Leasehold Improvements	2.5%	2.5%
Plant and Equipment	10% - 33%	10% - 33%
Computer Equipment	25% - 33%	25% - 33%
Software	20% - 33%	20% - 33%

C5-5 IMPAIRMENT OF PLANT AND EQUIPMENT

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

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

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

C5-6 MEASUREMENT USING FAIR VALUE

The strata title building is measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*. The building is reported at its revalued amount, being the fair value at the date of valuation using the market approach, less any subsequent accumulated depreciation. The building is independently revalued at least every three years to ensure the carrying amount does not materially differ from the fair value at reporting date.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C5 PROPERTY, PLANT AND EQUIPMENT (continued)

C5-6 MEASUREMENT USING FAIR VALUE (continued)

A valuation of the strata title building was carried out as at 30 June 2019 using the Implicit Price Deflator for non-residential buildings indices to index the carrying amount of the building. Where there has been a material change in the index, revaluation increments are recognised in the asset revaluation surplus except where amounts reversing a decrement previously recognised as an expense are recognised as revenues. Revaluation decrements are only offset against revaluation increments for the same class of assets and any excess is recognised as an expense.

Categorisation of fair values recognised as at 30 June 2019 is as follows:

Fair Value Input	Type	Consolidated		Parent Entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Level 1	None	-	-	-	-
Level 2	Strata Title Building	26,675	27,250	26,675	27,250
Level 3	None	-	-	-	-
		26,675	27,250	26,675	27,250

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'.

For assets revalued using a market or income-based valuation approach, accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 year end.

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Income in advance	13,691	13,329	13,691	13,329
Unearned insurance levies	22,994	21,736	-	-
Trade creditors	132	565	169	376
Legal Practitioners' Fidelity Guarantee Fund	1	(3)	1	(3)
Law Claims Levy Fund	-	-	344	1,000
Reinsurance payable	-	1,200	-	-
Other payables and accruals	4,147	2,671	1,813	2,434
Total payables	40,965	39,498	16,018	17,136

C7 ACCRUED EMPLOYEE BENEFITS

Annual leave and long service leave

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

C7 ACCRUED EMPLOYEE BENEFITS (continued)

Annual leave and long service leave (continued)

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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	643	760	492	620
Long service leave	814	726	478	440
Total current accrued employee benefits	1,457	1,486	970	1,060
Non-current				
Long service leave	208	230	186	202
Total non-current accrued employee benefits	208	230	186	202
Current long service leave	814	726	478	440
Non-current long service leave	208	230	186	202
Total accrued long service leave	1,022	956	664	642

C8 PROVISIONS

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

C8-1 INSURANCE CONTRACTS

Insurance contracts

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 2019

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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Opening provision for outstanding claims	72,549	72,881	-	-
Claims incurred	18,590	19,444	-	-
Claims paid during the year	(12,993)	(19,666)	-	-
Movement in claims handling provision	668	(110)	-	-
Closing provision for outstanding claims	78,814	72,549	-	-
Opening insurance contract liabilities ceded	(977)	(2,348)	-	-
Movement in reinsurance recoveries	274	374	-	-
Reinsurance receivables invoiced	(28)	997	-	-
Closing insurance contract liabilities ceded	(731)	(977)	-	-
Net outstanding claims	78,083	71,572	-	-
Law Claims Levy Fund	-	-	-	-
Lexon Insurance Pte Ltd	78,083	71,572	-	-
Net outstanding claims	78,083	71,572	-	-

Disclosed in the Statement of Financial Position as:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current insurance contract liabilities ceded	(93)	(325)	-	-
Non-current contract liabilities ceded	(638)	(652)	-	-
Insurance contract liabilities ceded	(731)	(977)	-	-
Current provision for outstanding claims	15,635	15,604	-	-
Non-current provision for outstanding claims	63,179	56,945	-	-
Provision for outstanding claims	78,814	72,549	-	-
Net claims outstanding	78,083	71,572	-	-

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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
2019	\$'000	\$'000	\$'000	\$'000
Gross central estimate	15,635	33,528	4,740	53,902
Reinsurance recoveries	(93)	(638)	(14)	(745)
Net central estimate	15,542	32,890	4,726	53,158
Discount				(1,185)
Risk margins				19,986
Claims handling				6,124
Net claims outstanding				78,083
2018	\$'000	\$'000	\$'000	\$'000
Gross central estimate	15,604	30,507	2,875	48,986
Reinsurance recoveries	(325)	(668)	(5)	(998)
Net central estimate	15,279	29,839	2,870	47,988
Discount				(2,006)
Risk margins				20,133
Claims handling				5,457
Net claims outstanding				71,572

Risk margin

The risk margin included in the net outstanding claims is 36.4% (2018: 41.2%) of the central estimate, with a probability of sufficiency of approximately 90% (2018: 90%).

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 2019			For the year ended 30 June 2018		
	Current Year \$'000	Prior Years \$'000	Total \$'000	Current Year \$'000	Prior Years \$'000	Total \$'000
Gross claims incurred						
Undiscounted	17,195	(954)	16,241	19,799	(2,278)	17,521
Discount	(463)	1,358	895	(948)	845	(103)
	16,732	404	17,135	18,851	(1,433)	17,418
Reinsurance recoveries						
Undiscounted	(60)	341	282	(45)	443	398
Discount	2	(9)	(8)	3	(27)	(24)
	(58)	332	274	(42)	416	374
Net claims						
Undiscounted	17,135	(613)	16,522	19,754	(1,835)	17,919
Discount	(462)	1,349	887	(945)	818	(127)
	16,673	736	17,409	18,809	(1,017)	17,792
Risk margins						
	6,479	(6,626)	(147)	6,033	(5,311)	722
Claims handling expenses	1,800	(1,132)	668	1,814	(1,924)	(110)
Net claims incurred (Note B1-4)	24,952	(7,022)	17,930	26,656	(8,252)	18,404

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 2019 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 2019

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

	2019	2018
	\$'000	\$'000
Opening unearned premiums	21,736	21,131
Movement in unearned premiums during the year	1,258	605
Closing unearned premiums	22,994	21,736
Opening unearned premium reserves	5,360	6,512
Movement in unearned premium reserves	1,178	(1,152)
Closing unearned premium reserves	6,538	5,360
To be earned within 12 months	29,532	27,096
To be earned in greater than 12 months	-	-
Total unearned premiums and reserves	29,532	27,096

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

	2019	2018
	\$'000	\$'000
Unearned premium	22,994	21,736
Unearned premium reserves	6,538	5,360
Total unearned premium and reserves	29,532	27,096
Reinsurers' share of unearned premium reserves	(1,366)	(1,200)
Net unearned premiums and reserves	28,166	25,896

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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

	2019	2018
	\$'000	\$'000
Undiscounted central estimate	20,692	20,142
Discount to present value	(749)	(1,439)
Discounted central estimate	19,943	18,703
Reinsurance and other costs	2,685	2,242
Claims handling costs	2,022	1,889
Risk margin	4,882	4,262
Expected present value of future cash flows for future claims including risk margin	29,532	27,096
Unearned premiums	22,994	21,736
Deficiency	6,538	5,360

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% (2018: 20%) 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 2019

C8 PROVISIONS (continued)

C8-2 INSURANCE LIABILITIES (continued)

(b) Unearned premium and reserves (continued)

Maturity analysis

	<1 year \$'000	1 to 5 years \$'000	>5 years \$'000	Total \$'000
2019				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,785	13,508	5,057	22,350
Unexpired risk reserves – reinsurance	(34)	(188)	(70)	(292)
Net central estimate	3,751	13,320	4,987	22,058
Discount				(752)
Risk margins				4,882
Duty and other costs				1,322
Claims handling				2,022
Total unearned premium and reserves				29,532
2018				
Unearned premium reserves				
Unexpired risk reserve	-	-	-	-
Gross central estimate	3,163	14,773	3,612	21,548
Unexpired risk reserves – reinsurance	(20)	(150)	(36)	(206)
Net central estimate	3,143	14,623	3,576	21,342
Discount				(1,444)
Risk margins				4,262
Duty and other costs				1,047
Claims handling				1,889
Total unearned premium and reserves				27,096

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Actuarial methodology for estimate for policyholder claims

The Group's estimates for reported and unreported losses, establishing resulting provisions and related reinsurance recoverables are continually reviewed and updated, and adjustments resulting from this review are reflected in profit or loss. 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 Factor	Development Year							
	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	
Current Year	20.4%	20.4%	16.4%	7.0%	5.1%	3.5%	2.3%	
Prior Year	21.3%	18.9%	13.2%	7.0%	5.1%	3.5%	2.3%	

- The average cost per solicitor (used in the BF method) adopted is \$3,000 (2018: \$3,000).
- The Group has assumed reinsurance recoveries will be fully recoverable on a prompt basis.
- The Group has applied the zero-coupon yield for Government issued bonds to the expected future cash flows. This has resulted in a uniform discount rate of 1.02% (2018: 2.13%) 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.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 \$3,000 (2018: \$3,000)
- The estimated growth in solicitor numbers is 3.5% (2018: 3.5%)

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

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

Sensitivity analysis of key estimates

While the gross ultimate costs are sensitive to valuation assumptions, the net results are less sensitive due to the aggregate limits that apply which reduce the net exposure. The gross undiscounted unused exposure for all years totals \$102.4 million (2018: \$91.1 million) before risk margins; and \$82.1 million (2018: \$70.2 million) after allowing risk margins to the 90th probability of sufficiency. The unused net exposure per policy year ranges from \$0 to \$11.9 million with an average of \$4.8 million; however this increases to \$6.6 million in relation to years that have an outstanding balance.

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

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

- Reserve under estimation: A 10% (2018: 10%) reserve under estimation results in an additional gross undiscounted reserve of \$5.4 million (2018: \$4.9 million) and net discounted reserve (after risk margins) of \$7.8 million (2018: \$6.5 million) or 10% (2018: 9.1%) of the discounted net central estimate plus risk margins.
- Reserve over estimation: If estimated reserves on all years improved by 10% (2018: 10%) then it would result in a decrease in gross undiscounted reserve of \$5.4 million (2018: \$4.9 million) and the total net provision (after risk margins) would decrease by \$7.8 million (2018: \$7.1 million) or 10% (2018: 10%) of the discounted net central estimate plus risk margins.
- Discount rate: A half a percentage point decrease in discount rate from 1.02% (2018: 2.13%) to 0.52% (2018: 1.63%) would increase the provision by \$0.9 million (2018: \$0.7 million) or 1.1% (2018: 1%) of the discounted net central estimate plus risk margins.
- Claims handling provision: A one percentage point increase in the claims handling rate applied would increase the provision by \$0.6 million (2018: \$0.5 million) or 0.8% (2018: 0.8%) of the discounted net central estimate plus risk margins.
- Cost per solicitor under estimation: An increase in the cost per solicitor from \$3,000 to \$3,500 (2018: \$3,000 to \$3,500) increases our provision by \$2.4 million (2018: \$2.2 million) or 3% (2018: 3%) of the discounted net central estimate plus risk margins.

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Notes to the Financial Statements for the year ended 30 June 2019

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Sensitivity analysis of key estimates (continued)

Cost per solicitor over estimation: A reduction in the cost per solicitor from \$3,000 to \$2,500 (2018: \$3,000 to \$2,500) reduces our provision by \$2.4 million (2018: \$2.2 million) or 3% (2018: 3%) 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% (2018: 10%) under estimation results in an additional gross undiscounted reserve of \$2.7 million (2018: \$2.5 million) and net discounted reserve (after risk margins) of \$2.7 million (2018: \$2.5 million) or 9.5% (2018: 9.5%) of the discounted net unearned premium reserve estimate including risk margins.

Solicitor number over estimation: A 10% (2018: 10%) over estimation results in a decrease in gross undiscounted reserve of \$2.7 million (2018: \$2.5 million) and net discounted reserve (after risk margins) of \$2.7 million (2018: \$2.5 million) or 9.5% (2018: 9.5%) of the discounted net unearned premium reserve estimate including risk margins.

Cost per solicitor under estimation: An increase in the cost per solicitor from A\$3,000 to \$3,500 (2018: \$3,000 to \$3,500) increases our provision by \$4.5 million (2018: \$4.1 million) or 15.8% (2018: 15.9%) of the discounted net unearned premium reserve estimate including risk margins.

Cost per solicitor over estimation: A reduction in the cost per solicitor from \$3,000 to \$2,500 (2018: \$3,000 to \$2,500) reduces our provision by \$4.5 million (2018: \$4.1 million) or 15.8% (2018: 15.9%) 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.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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
- to stabilise solvency.

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

Ceded reinsurance contains credit risk, and such reinsurance recoverables are reported after known deductions for insolvencies and uncollectable items. The Group monitors the financial condition of reinsurers on an ongoing basis and reviews its reinsurance arrangements periodically. The Board of Directors of Lexon is responsible for setting the minimum security criteria for acceptable reinsurance.

(c) Terms and conditions of insurance contracts

The terms and conditions of insurance contracts that have a material effect on the amount, timing and uncertainty of future cash flows arising from insurance contracts are set out below.

The following gives an assessment of the Group's main product – professional indemnity liability and the ways in which it manages the associated risks.

Product features

The Group writes professional indemnity liability and under these contracts, monetary compensation awards are paid for any description of civil liability whatsoever incurred in connection with the provision of legal services by the insured Law Practice.

Professional indemnity liability is generally considered a long tail line, as it takes a relatively long period of time to finalise and settle claims for a given claim year. The speed of claim reporting and claim settlement is a function of the specific coverage provided, the jurisdiction and specific policy provisions.

This line is typically the largest source of uncertainty regarding claims reserves. Major contributors to this provision estimate uncertainty include the reporting lag, the number of parties involved in the underlying action, the potential amounts involved and whether such claims were reasonably foreseeable and intended to be covered at the time the contracts were written. Claims with longer reporting lag will result in greater inherent risk.

Management of risks

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

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

D2-1 INSURANCE RISK (continued)

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

Claims development history

	2012/13 & prior	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross								
Estimate of ultimate claims								
Costs:								
· at end of reporting year	20,254	16,447	15,869	18,184	19,879	17,363		
· one year later	14,455	15,340	15,247	16,475	18,895			
· two years later	13,259	13,196	13,390	14,290				
· three years later	15,116	15,878	14,842					
· four years later	14,551	15,941						
· five years later	14,834							
Cumulative payments to date	(10,400)	(11,244)	(8,352)	48,949	(6,435)	(1,501)		
Estimate of claims reserve	4,034	4,697	6,490	7,870	12,460	15,862		
Effect of discounting	(53)	(69)	(105)	(151)	(317)	(462)		
Best estimate of claims liability	2,448	3,981	4,628	6,385	7,719	12,143	15,400	52,704
Risk margin							19,986	
Provision for claims handling							6,124	
Total gross outstanding claims included in the Statement of Financial Position							78,814	
Movement in accident year estimate before discounting and margins	348	283	62	1,453	(2,185)	(983)	17,363	16,341
Movement in excess receivable							(101)	
Gross claims incurred							16,240	
Net								
Estimate of ultimate claims								
Costs:								
· at end of reporting year	20,254	16,447	15,869	18,161	19,834	17,303		
· one year later	14,455	15,340	15,247	16,454	18,852			
· two years later	13,259	13,196	13,390	14,271				
· three years later	15,116	15,878	14,842					
· four years later	14,551	15,941						
· five years later	14,834							
Cumulative payments to date	(10,800)	(11,244)	(8,352)	(6,420)	(6,435)	(1,501)		
Estimate of claims reserve	4,034	4,697	6,490	7,851	12,417	15,802		
Effect of discounting	(53)	(69)	(105)	(151)	(317)	(462)		
Best estimate of claims liability	1,839	3,981	4,628	6,385	7,700	12,100	15,340	51,973
Risk margin							19,986	
Provision for claims handling							6,124	
Total net outstanding claims included in the Statement of Financial Position							78,083	
Movement in accident year estimate before discounting and margins	685	283	62	1,453	(2,182)	(981)	17,303	16,623
Movement in excess receivable							(101)	
Gross claims incurred							16,522	

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 reinsurance the remainder.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 – held at amortised cost
- Investments – held at fair value through profit or loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

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

Financial risk management

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

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

(a) Currency risk

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

The Group holds minor cash balances in Singapore Dollars.

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

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(a) Currency risk (continued)

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

(b) Price and interest rate risk

The Group is exposed to equity securities price risk arising from the investments classified as fair value through profit or loss. These securities are held with an Australian fund manager.

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

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

Duration and Tracking Error Limits (interest rate management)

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

Rolling year ex-post tracking error will be limited to a specified number of basis points. The ex-ante tracking error of the funds is not expected to exceed a specified number of basis points.

Sector Exposure Bands

The weighting of each sector (e.g. domestic, international – government, non-government) within the funds will be maintained in specified limits.

Credit Limits

The funds will be invested in a broad and diversified range of securities across the credit spectrum.

Credit Risk Limits for Individual Security Investments

Individual security limits apply for direct physical holdings based on their credit rating and inclusion in the benchmark.

(c) Credit risk

There is no significant credit risk with respect to the collectability of premiums as the Group only underwrites risks from members. All premiums are paid up front at the commencement of the period covered under the insurance policy.

Credit risk arising on funds placed with external fund managers and on reinsurance activities is managed by established policies to ensure that the counter-parties have adequate financial ratings and appropriate credit history.

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

At balance date no financial assets are past due nor impaired other than trade receivables noted below.

Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D2 MANAGEMENT OF INSURANCE AND FINANCIAL RISK (continued)

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

(c) Credit risk (continued)

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

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

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

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

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

Trade and other receivables include excess balances of \$77,500 (2018: \$111,724) which are more than one month past due. There is a provision of \$47,500 (2018: \$35,064) on these outstanding balances.

There were no reinsurance recoveries (2018: \$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	Not rated	Total
	(AAA to BBB)		
	\$'000	\$'000	\$'000
At 30 June 2019			
Cash and cash equivalents	67,969	1	67,970
Reinsurers' share of outstanding claims reserves	731	-	731
Trade and other receivables	-	882	882
Financial assets at fair value through profit or loss	-	180,559	180,559
Total	68,700	181,442	250,142
At 30 June 2018			
Cash and cash equivalents	61,403	1	61,404
Reinsurers' share of outstanding claims reserves	977	-	977
Receivables	835	1,116	1,951
Financial assets at fair value through profit or loss	-	174,612	174,612
Total	63,215	175,729	238,944

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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 2019

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 tests 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.

	2019 \$'000	2018 \$'000
Stress Test		Upward impact
Interest rate	(266)	(352)
Inflation	(2,112)	(1,120)
Currency	(5,195)	(4,738)
		Downward impact
Interest rate	138	285
Inflation	1,839	946
Currency	(4,559)	(4,348)
Stress Test		Impact
Equity	(28,666)	(22,644)
Property	(2,193)	(1,577)
Credit spread	(4,616)	(4,608)

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D3 COMMITMENTS

D3-1 OPERATING LEASES

Payments made under operating leases (net of any incentives received from the lessor) are taken to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which the termination takes place.

D3-2 NON-CANCELLABLE OPERATING LEASES

The future minimum lease payables under non-cancellable operating leases contracted for at 30 June 2019 but not recognised as liabilities, are as follows:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Within one year	192	188	-	-
One to five years	200	350	-	-
Total non-cancellable operating leases	392	538	-	-

The Group's commitments include a lease for office premises. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Lexon has a bank guarantee for \$108,031 (2018: \$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.

D3-3 CAPITAL EXPENDITURE COMMITMENTS

There was no capital expenditure contracted for 30 June 2019 but not provided for (2018: Nil).

D4 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There are no known contingent liabilities as at 30 June 2019. There are no events subsequent to reporting date requiring disclosure in the financial report.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Group when preparing the financial statements for 2019-20.

Special purpose grants

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

Volunteer services

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

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

These services will therefore not be recognised under the new Standard.

Revenue recognition under AASB 15

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

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

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

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

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

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

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

AASB 16 Leases

This Standard will first apply to the Group from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact for lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position as right-of-use assets and lease liabilities.

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

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the statement of comprehensive income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

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

Outcome of review as lessee

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

The Group currently has four motor vehicles and a rental agreement which will be affected by the new standard. The impacts of the new standard are as follows:

	\$'000
Increase in right to use assets	326
Increase in lease liabilities	(372)
Increase in income tax assets	13
Decrease in opening accumulated surplus	(33)

Impact for Lessors

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

All impacts will be disclosed in the Statement of Comprehensive Income and the Statement of Financial Position from 1 July 2019, noting that in accordance with the FRR there will be no requirement to restate comparatives in the 2019-20 financial statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

D5 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE (continued)

AASB 17 *Insurance Contracts*

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

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

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

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

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

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES

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

The following details for KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Society during 2018-19 and 2017-18. This is supported through the Council Charter which is available on the Society's website. Further information on these positions can be found in the body of the Annual Report.

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

Position	Position Responsibility
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.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

Position	Person	Start of Term	End of Term
President	William Potts	1/01/2019	31/12/2019
President	Ken Taylor	1/01/2018	31/12/2018
President	Christine Smyth	1/01/2017	31/12/2017
Deputy President	William Potts	1/01/2018	31/12/2018
Vice President	Christopher Coyne	1/01/2019	31/12/2019
Vice President	Christopher Coyne	1/09/2017	31/12/2017
Vice President	Kara Cook	1/01/2016	31/08/2017
Chief Executive Officer	Rolf Moses	5/03/2018	Ongoing

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.

KMP remuneration

1 July 2018 – 30 June 2019

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

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

E1 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

KMP remuneration (continued)

1 July 2017 – 30 June 2018

Position	Short Term Employee Expenses					Total Expenses \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	Post Employment Benefits \$'000	Termination Benefits \$'000		
President						
1 January 2018 – 30 June 2018	161	6	15	-	182	
President						
1 July 2017 – 31 December 2017	131	22	12	-	165	
Deputy President						
1 January 2018 – 30 June 2018	43	3	4	-	50	
Vice President						
1 September 2017 – 31 December 2017	29	-	3	-	32	
Vice President						
1 July 2017 – 31 August 2017	15	-	1	-	16	
Chief Executive Officer						
5 March 2018 – 30 June 2018	98	2	9	-	109	
Chief Executive Officer (Acting)						
1 July 2017 – 4 March 2018	193	5	18	-	216	

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.

\$30,000 was expensed in 2018-19 (2017-18: \$Nil) for bonus paid to the Chief Executive Officer.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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.

	2019	2018
	\$	\$
Management fees and recovery expenditure paid to the parent entity by:		
Lexon Insurance Pte Ltd	465,000	184,408
Law Claims Levy Fund	51,613	41,872
Legal Practitioners' Fidelity Guarantee Fund	134,511	145,116
Legal Practitioners Admissions Board	46,120	512,301
 Gross premium paid by Law Claims Levy Fund to Lexon	 20,849,159	18,697,416
Grant paid by LCLF to parent entity	522,235	451,081
 Professional fees paid to a firm of which a councillor of QLS is a member:		
McInnes Wilson Lawyers	1,536	7,097
Potts Lawyers	12,450	14,940
 Professional fees paid to a firm of which a director of Lexon is a member:		
McInnes Wilson Lawyers	610,436	565,426
Potts Lawyers	18,649	42,664
 Other non-claim professional advice provided:		
McInnes Wilson	-	7,000
 Management fees paid to a firm which a director of Lexon is a member:		
AON Insurance Managers (Singapore) Pte Ltd	98,538	95,668
 Consulting fees paid to Lexon Legal, a firm of which a QLS Councillor is a member:		
Consulting fee	-	166,150
Consulting fee – contribution to office costs	-	4,583
 Key management personnel compensation for Lexon:		
Directors' fees*	428,891	416,400
Other officers:		
Salaried and other short term employee benefits	1,066,007	1,096,632
Employer's contribution to defined contribution plans	75,795	78,646

* Includes \$55,620 of Directors' fees in relation to Mr Rolf Moses which were paid to QLS.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

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

Changes in accounting policies – AASB 9 *Financial Instruments*

The Group applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the adoption of the new accounting standard are described below.

Classification and measurement

Cash and cash equivalents

There has been no change to either the classification or valuation of cash and cash equivalents.

Receivables

Under AASB 9, debt instruments are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCl) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest'; and
- the Group's business model for managing the assets.

The Group's debt instruments comprise receivables as disclosed in Note C2. These were classified as Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continued to be measured at amortised cost from 1 July 2018.

Equity instruments within the scope of AASB 9 are measured at FVTPL, with the exception that an equity instrument that is not held for trading can be irrevocably designated at FVOCl. Investments in subsidiaries fall outside the scope of AASB 9. The Group's equity investments comprise shares in listed funds as disclosed in Note C3. The Group has elected to continue measuring these assets at FVTPL.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at FVTPL.

The Group has adopted the simplified approach for measuring impairment of receivables.

On adoption of AASB 9's new impairment model, no impairment adjustments were required to opening balances of receivables.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Change in Accounting Policy

Other than AASB 9 *Financial Instruments*, which is detailed above, no accounting standards that apply to the Group for the first time in 2018-19 have any material impact on the financial statements.

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

F1 TAXATION

Income tax is recognised on consolidation.

The 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). In addition Lexon has been approved for a period of 10 years from 1 April 2010 under the tax incentive scheme (if not exempt from tax the concessionary rate of 10% may be applied). 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.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

F1-1 INCOME TAX EXPENSE

	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Tax expense attributable to profit is made up of:				
Current income tax	-	693	-	-
Deferred income tax (Note F1-3)	(803)	(1,135)	-	-
	(803)	(442)	-	-
(Over)/under provision in preceding financial years	(1)	-	-	-
Current income tax	-	(29)	-	-
Deferred income tax (Note F1-3)	-	-	-	-
Total income tax (credit)/expense	(804)	(471)	-	-

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

F1 TAXATION (continued)

F1-1 INCOME TAX EXPENSE (continued)

The tax expense on results differs from the amount that would arise using the standard tax rate due to the following:

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Operating surplus before income tax	1,019	2,886	-	-
Tax calculated at a tax rate of 30% (2018: 30%)	306	867	-	-
Effects of:				
Income not subject to tax	(992)	(1,172)	-	-
Prior year adjustments	(1)	-	-	-
Franking and other credits available	(117)	(166)	-	-
	(804)	(471)	-	-

F1-2 INCOME TAX RECEIVABLE

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Income tax at the beginning of the financial year	(1,039)	(1,603)	-	-
Income tax refunded/(paid)	769	(100)	-	-
Current year income tax	-	693	-	-
(Over)/under provision in preceding financial years	(1)	(29)	-	-
Income tax receivable at the end of the financial year	(271)	(1,039)	-	-

QUEENSLAND LAW SOCIETY INCORPORATED

Notes to the Financial Statements for the year ended 30 June 2019

F1 TAXATION (continued)

F1-3 DEFERRED INCOME TAX BALANCES

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets				
Balance at the beginning of the financial year	4,183	3,835	-	-
Charge to profit or loss:				
- Claims handling provision	200	(33)	-	-
- Allowance for impairment of receivables	4	(13)	-	-
- Unearned premium deficiency	353	(346)	-	-
- Unrealised investment movements	45	787	-	-
- Non-assessable distributions on investments	(67)	(62)	-	-
- Income losses	248	-	-	-
- Other timing differences	20	15	-	-
Total deferred tax assets	4,986	4,183	-	-
Deferred tax liabilities				
Balance at the beginning of the financial year	-	(787)	-	-
Charge to Statement of Comprehensive Income:	-	-	-	-
- Unrealised investment movements	-	440	-	-
- Tax-free distributions on investments	-	347	-	-
Total deferred tax liabilities	-	-	-	-
Net deferred tax asset at end of the financial year	4,986	4,183	-	-

QUEENSLAND LAW SOCIETY INCORPORATED

Management Certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the Financial and Performance Management Standard 2009 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 2019 and of the financial position of the Group as at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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
William Potts

29/08/2019



Chief Executive Officer
Queensland Law Society
Rolf Moses

29/08/2019



QUEENSLAND LAW SOCIETY INCORPORATED

Independent Auditor's Report

To the Council of Queensland Law Society Incorporated

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2019, 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 of Queensland 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 of Queensland Auditing Standards*.

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

Responsibilities of the Council for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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



QUEENSLAND LAW SOCIETY INCORPORATED

Independent Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

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

A handwritten signature in blue ink, appearing to read 'Melissa Fletcher'.

Melissa Fletcher
as delegate of the Auditor-General

30 August 2019

Queensland Audit Office
Brisbane

Law Claims Levy Fund

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LAW CLAIMS LEVY FUND

Statement of Comprehensive Income for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Revenue			
Insurance levies	B1-1	23,019	22,026
Total levies		23,019	22,026
Other income			
Interest income		74	68
Investment income		2,719	1,425
Realised gains/(losses) on investments		320	-
Fair value gains/(losses) on investments		(416)	966
Total other income	B1-2	2,697	2,459
Total revenue		25,716	24,485
Expenses			
Administration expenses	B2-1	792	597
Audit fees	B2-2	20	20
Insurance premiums	B2-3	20,845	18,702
Stamp duty	B2-3	1,855	1,666
Total expenses		23,512	20,985
Operating result for the year		2,204	3,500
Other comprehensive income		-	-
Total comprehensive income for the year		2,204	3,500

The accompanying notes form part of these statements.

LAW CLAIMS LEVY FUND

Statement of Financial Position as at 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	C1	25,430	23,877
Receivables	C2	367	1,009
Total current assets		25,797	24,886
Non-current assets			
Investments	C3	57,304	54,746
Total non-current assets		57,304	54,746
Total assets		83,101	79,632
Current liabilities			
Income in advance	C4	22,994	21,736
Payables	C5	53	46
Total current liabilities		23,047	21,782
Total liabilities		23,047	21,782
Net assets		60,054	57,850
Equity			
Accumulated surplus		60,054	57,850
Total equity		60,054	57,850

The accompanying notes form part of these statements.

LAW CLAIMS LEVY FUND

Statement of Changes in Equity for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	57,850	54,350
Total comprehensive income for the year	2,204	3,500
Balance at 30 June	60,054	57,850

The accompanying notes form part of these statements.

LAW CLAIMS LEVY FUND

Statement of Cash Flows for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Receipts from the profession and reinsurers		24,933	42,781
Payments to suppliers		(23,451)	(20,978)
Interest received		71	65
Net cash generated from operating activities	C1	1,553	21,868
Cash flows from investing activities			
Proceeds from investments		36,027	-
Payments for investments		(36,027)	-
Net cash generated from investing activities		-	-
Net increase in cash and cash equivalents held		1,553	21,868
Cash and cash equivalents at the beginning of the financial year		23,877	2,009
Cash and cash equivalents at the end of the financial year	C1	25,430	23,877

The accompanying notes form part of these statements.

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Queensland Law Society Incorporated ('the Society' or 'QLS'), pursuant to s232 of the *Legal Profession Act 2007* (the Act) is authorised to establish and maintain a fund for the purposes of providing insurance to the legal profession of Queensland.

The Law Claims Levy Fund (the Fund) was created in 1987 to provide professional indemnity insurance to Queensland solicitors. The Fund is responsible for the management of professional indemnity claims of practitioners for the years 1987 to 1995, and the administration of insurance matters (jointly with Lexon Insurance Pte Ltd) in accordance with the *Queensland Law Society Indemnity Rule 2005*.

The Fund was wholly controlled by the Society for the whole reporting period.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Fund has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with the Queensland Treasury's minimum Financial Reporting Requirements for reporting periods beginning on or after 1 July 2018.

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 2017-18 financial statements and has been restated where necessary to be consistent with disclosures in the current reporting period.

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 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-4 BASIS OF MEASUREMENT

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

Historical cost

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

Fair value measurement

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

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

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

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

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

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

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

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

The fair value of investments is determined using the market approach and categorised into level 2 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

A1-5 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

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 1988 to 1995. In 2001, the fund entered into an aggregate policy with Lexon Insurance Pte Ltd to cap the sum of the individual claims that remained outstanding. This aggregate amount has not been exceeded and given the fund currently has no outstanding claims it is unlikely further claims expenses will be incurred.

B1 REVENUE

B1-1 INSURANCE LEVIES

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

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

All insurance levies collected via the Queensland Law Society Incorporated renewal process were transferred to the Law Claims Levy Fund. The levies collected and any surpluses of the Fund can only be used in accordance with the Indemnity Rules for insurance purposes.

B1-2 OTHER INCOME

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

Distributions from investments are recognised in profit and loss when declared by fund managers.

Realised gains/losses represent the net gains/losses on the sale of investments and are recognised when investments are sold during the course of the year. Fair value gains/losses are recognised monthly based on fluctuations in market prices of investments. During the 2018-19 financial year, a change in investment advisors has resulted in realised gains of \$320k due to the redemption and repurchase of investments.

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

LCLF 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.

	2019 \$'000	2018 \$'000
Management fees paid to the Society	52	42
Projects relating to risk management in the profession - grant to the Society	522	451
	574	493
Investment managers' fees	173	100
Sundry expenses	45	4
Total administration expenses	792	597

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

B2 EXPENSES (continued)

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 2018-19 are \$19,900 (2018: \$19,500). There are no non-audit services included in this amount.

B2-3 INSURANCE PREMIUMS

Insurance premiums are paid to Lexon Insurance Pte Ltd, a wholly owned entity of Queensland Law Society, under the Master Policy in accordance with the Indemnity Rules.

C1 CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Financial Position and Statement of Cash Flows, cash assets include all cash and cheques received 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:

	2019	2018
	\$'000	\$'000
Current assets:		
Cash at bank	12	10
Short term deposits	25,418	23,867
Total cash and cash equivalents	25,430	23,877

Reconciliation of the operating result for the year to net cash generated from operating activities

	2019	2018
	\$'000	\$'000
Operating result for the year	2,204	3,500

Adjustments for:

Net investment income	(2,558)	(2,390)
-----------------------	---------	---------

Changes in assets and liabilities:

(Increase)/decrease in receivables	642	20,146
Increase/(decrease) in payables	7	7
Increase/(decrease) in income in advance	1,258	605
Net cash generated from operating activities	1,553	21,868

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

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.

	2019 \$'000	2018 \$'000
Interest and distributions receivable	18	7
Levies receivable from the Society	344	1,000
GST receivable	5	2
Total receivables	367	1,009

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.

	2019 \$'000	2018 \$'000
Investment in collective investment schemes	57,304	54,746

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.

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 2019 to 30 June 2020.

	2019 \$'000	2018 \$'000
Levies received in advance for next financial year	22,994	21,736

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

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.

	2019 \$'000	2018 \$'000
Amounts payable to the Society	37	2
Investment management fees	-	19
Other payables and accruals	16	25
Total payables	53	46

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 and measured as follows:

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

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

Financial risk

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

Currency risk

The Fund is not exposed to significant foreign currency risk as the majority of the Fund's transactions, assets and liabilities are denominated in Australian dollars.

The Fund outsources its investment activities to respected fund managers who use defined risk management techniques as part of the fund's investment mandate.

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.

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price and interest rate risk

The Fund is exposed to equity securities price risk arising from the investments. These securities are held with Australian fund managers.

The Fund seeks to reduce risk by diversifying across a range of securities, maturities and counterparties. Investment of funds are subject to risk control limits and constraints as follows:

Duration and tracking error limits (interest rate management)

- The Modified Duration of the funds is constrained within a specified period either side of the Modified Duration of the Benchmark.
- Rolling year ex-post tracking error will be limited to a specified number of basis points. The ex-ante tracking error of the funds is not expected to exceed a specified number of basis points.

Sector Exposure Bands

- The weighting of each sector (e.g. domestic, international – government, non-government) within the funds will be maintained in specified limits.

Credit limits

- The funds will be invested in a broad and diversified range of securities across the credit spectrum.

Credit risk limits for individual security investments

- Individual security limits apply for direct physical holdings based on their credit rating and inclusion in the benchmark.

Management regularly review the performance and ensure all investments held are within the approved mandate.

Sensitivity analysis

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

Interest rate sensitivity

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

Inflation risk sensitivity

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

Currency sensitivity

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

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis (continued)

Equity sensitivity

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

Property stress

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

Credit spread stress

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

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

	2019 \$'000	2018 \$'000
Stress Test		Upward impact
Interest rate	(132)	(76)
Inflation	(620)	150
Currency	(1,087)	(674)
		Downward impact
Interest rate	96	68
Inflation	535	(138)
Currency	(492)	(39)
Stress Test		Impact
Equity	(8,911)	(6,107)
Property	(766)	(80)
Credit spread	(1,644)	(1,264)

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.

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

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 2019, 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 2019 (Finity – August 2019), the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2019, 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.

D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

AASB 1058 *Income of Not-for-profit Entities* and AASB 15 *Revenue from Contracts with Customers*

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Fund when preparing the financial statements for 2019-20.

The Fund has reviewed the impact of AASB 15 and AASB 1058.

AASB 1058 *Income of Not-for-profit Entities*

AASB1058 is not expected to have a material impact on the Fund.

AASB 15 *Revenue from Contracts with Customers*

Whilst the Fund is not an insurer, the Fund has revenue from insurance levies. These levies are currently recognised as revenue at the commencement of the risk period covered by the insurance policy and allocated proportionally over the period of coverage (a single financial year or less depending on the date the practitioner takes out coverage). Under AASB 15, this approach will not change.

The Fund has revenue from investment distributions, realised gains (which occur when an asset is sold) and interest. The types of revenue arise from contracts with the institutions with which the funds are invested. Current accounting policy is to recognise investment distributions when they are declared by fund managers, realised gains/(losses) when they are sold during the course of the year and interest as it accrues. Under AASB 15, the timing of recognition of these types of revenue will not change.

AASB 15 is not expected to have a material impact on the Fund.

LAW CLAIMS LEVY FUND

Notes to the Financial Statements for the year ended 30 June 2019

E1 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Changes in accounting policies – AASB 9 *Financial Instruments*

The Fund applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Classification and measurement

Under AASB 9, debt instruments are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest'; and
- the Fund's business model for managing the assets.

The Fund's debt instruments comprise of receivables disclosed in Note C2. They were classified as Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continue to be measured at amortised cost beginning 1 July 2018.

Equity instruments within the scope of AASB 9 are measured at FVTPL, with the exception that an equity instrument that is not held for trading can be irrevocably designated at FVOCI. The Fund's equity investments comprise of units in collective investment schemes as disclosed in Note C3. The Fund has elected to continue measuring these assets at FVTPL.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at FVTPL.

On adoption of AASB 9, no impairment adjustments were required to opening or closing balances of receivables.

The Fund's investments are measured at FVTPL and as such no loss allowance is required.

Liabilities

All financial liabilities continue to be measured at amortised cost. There have been no material changes in the reported value of financial liabilities.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting standards applied for the first time

Other than AASB 9 *Financial Instruments*, which is detailed above, no accounting standards that apply to the Fund for the first time in 2018-19 have any material impact on the financial statements.

E2 TAXATION

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

LAW CLAIMS LEVY FUND

Management Certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* 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 2019 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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
William Potts

29/08/2019



Chief Executive Officer
Queensland Law Society
Rolf Moses

29/08/2019



LAW CLAIMS LEVY FUND

Independent Auditor's Report

To the Council of the Queensland Law Society Incorporated.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

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

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2019, 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 certificates given by the President and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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 of Queensland 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 2009 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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



LAW CLAIMS LEVY FUND

Independent Auditor's 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.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

I received all the information and explanations I required.

In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

30 August 2019

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Legal Practitioners' Fidelity Guarantee Fund

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LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Statement of Comprehensive Income for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Revenue			
Practitioner levies	B1-1	296	840
Investment income	B1-2	1,282	631
Realised gains/(losses) on investments	B1-3	19	(20)
Fair value gains/(losses) on investments	B1-3	889	901
Total revenue		2,486	2,352
Expenses			
Administration expenses	B2-1	168	142
Notified claims (net of reversals)	C6	2,064	125
Investment fees		62	56
Management fees paid to the Queensland Law Society	B2-2	134	135
Total expenses		2,428	458
Operating result for the year		58	1,894
Other comprehensive income		-	-
Total comprehensive income for the year		58	1,894

The accompanying notes form part of these statements.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Statement of Financial Position as at 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	C1	735	489
Receivables	C2	3	73
Investments	C3	31,151	30,727
Total current assets		31,889	31,289
Total assets		31,889	31,289
Current liabilities			
Payables	C4	13	87
Income in advance	C5	279	267
Provision for notified claims	C6	891	287
Total current liabilities		1,183	641
Total liabilities		1,183	641
Net assets		30,706	30,648
Equity			
Accumulated surplus		30,706	30,648
Total equity		30,706	30,648

The accompanying notes form part of these statements.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Statement of Changes in Equity for the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Accumulated surplus		
Balance at 1 July	30,648	28,754
Total comprehensive income for the year	58	1,894
Balance at 30 June	30,706	30,648

The accompanying notes form part of these statements.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Statement of Cash Flows for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Contributions by practitioners and cost recoveries		379	1,018
Claim payments and administration expenses		(1,899)	(1,146)
Interest received		34	42
Net cash used in operating activities	C1	(1,486)	(86)
Cash flows from investing activities			
Proceeds from investments		1,732	33
Net cash generated from investing activities		1,732	33
Net increase/(decrease) in cash and cash equivalents held		246	(53)
Cash and cash equivalents at the beginning of the financial year		489	542
Cash and cash equivalents at the end of the financial year	C1	735	489

The accompanying notes form part of these statements.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

The Queensland Law Society Incorporated ('the Society'), pursuant to s359 of the *Legal Profession Act 2007* (the Act) is required to maintain the Legal Practitioners' Fidelity Guarantee Fund (the Fund).

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Fund has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

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 2017-18 financial statements and have been restated where necessary to be consistent with disclosures in the current reporting period.

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.

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 2019

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-4 BASIS OF MEASUREMENT (continued)

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

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

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

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

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

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

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

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

The fair value of investments is determined using the market approach and categorised into level 2 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

A2 THE FUND'S OBJECTIVES

The Fund has been established for the purpose of providing a source of compensation for defaults by law practices arising from acts or omissions of associates of the law practices. A major source of income for the Fund is levies from legal practitioners.

A3 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

B1 REVENUE

B1-1 PRACTITIONER LEVIES

Revenues are recognised at the consideration received net of any amount of GST payable to the ATO. Practitioner levies are recognised as revenue in the applicable membership year.

B1-2 INVESTMENT INCOME

Distribution from investments income is recognised when declared by fund managers.

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset and is also recognised net of bank charges.

	2019 \$'000	2018 \$'000
Distributions from investments	1,248	590
Interest income	34	41
Total investment income	1,282	631

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.

	2019 \$'000	2018 \$'000
Realised gains/(losses)	19	(20)
Unrealised gains/(losses)	889	901
Total gains/(losses) on investments	908	881

B2 EXPENSES

B2-1 ADMINISTRATION EXPENSES

	2019 \$'000	2018 \$'000
Employee expenses	118	118
Audit fees	11	11
Legal fees	8	10
Sundry expenses	31	3
Total administration expenses	168	142

Total audit fees paid and payable to the Queensland Audit Office to perform the audit of the Fund's financial statements for 2018-19 are \$10,600 (2018: \$10,400). There are no non-audit services included in this amount.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

B2 EXPENSES (continued)

B2-2 MANAGEMENT FEES PAID TO THE QUEENSLAND LAW SOCIETY

	2019	2018
	\$'000	\$'000
Management fees	134	135
Total management fees paid to the Queensland Law Society	134	135

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 received 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.

	2019	2018
	\$'000	\$'000
Cash assets	67	171
Cash deposit account	668	318
Total cash and cash equivalents	735	489

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

	2019	2018
	\$'000	\$'000
Operating result for the year	58	1,894
<i>Adjustments for:</i>		
Net investment income	(2,137)	(1,490)
(Gain)/loss on disposal of investments	(19)	20
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	70	680
Increase/(decrease) in payables	(74)	(94)
Increase/(decrease) in income in advance	12	(502)
increase/(decrease) in provision for notified claims	604	(594)
Net cash (used in)/generated from operating activities	(1,486)	(86)

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

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.

	2019 \$'000	2018 \$'000
Interest receivable	1	-
Practitioner levies receivable from the Society	1	72
GST receivable	1	1
Total receivables	3	73

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.

	2019 \$'000	2018 \$'000
Investment in managed funds	31,151	30,727

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

Categorisation of fair values recognised as at 30 June 2019 are as follows:

Fair value Input	Type	2019 \$'000	2018 \$'000
Level 1	None	-	-
Level 2	Investments	31,151	30,727
Level 3	None	-	-
Total investment in managed funds		31,151	30,727

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

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.

	2019	2018
	\$'000	\$'000
Payable to the Society for annual leave entitlements	1	17
Payable to the Society for long service leave entitlements	2	48
Other payables and accruals	10	22
Total payables	13	87

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 2019 paid to the Fund by the Society for the financial year 1 July 2019 to 30 June 2020.

	2019	2018
	\$'000	\$'000
Fidelity Guarantee Fund levies for upcoming year	279	267

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.

	2019	2018
	\$'000	\$'000
Opening notified claims	287	881
Add notified claims (net of reversals)	2,064	125
Less payment of notified claims	(1,460)	(719)
Total provision for notified claims	891	287

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

D1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial report requires the making of estimations and assumptions that affect the recognised amounts of claims liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including likely assessments of each claim based on facts present. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Other than provision for notified claims disclosed in Note C6, the entity has made no judgements or assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Recognition of Financial Instruments

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

Classification of Financial Instruments

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at amortised cost (see note C1)
- Receivables – held at amortised cost (see note C2)
- Investments – held at fair value through profit or loss (see note C3)
- Payables – held at amortised cost (see note C4)

The Fund does not enter into transaction for speculative purposes, nor for hedging. The Fund's financial instruments consist mainly of deposits with banks and investment in managed funds

Financial risk

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

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

D2 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price and interest rate risk

The Fund is exposed to equity securities price risk arising from the investments. These securities are held with Australian fund managers.

The Fund seeks to reduce risk by diversifying across a range of securities, maturities and counterparties.

Management regularly reviews the performance and ensures all investments held are within the approved mandate.

The Fund manages interest rate and price risks through sensitivity analysis. The sensitivity analysis is performed relating to the Fund's exposure to interest rate risk and price risk at the end of the reporting period. The sensitivity analysis demonstrates the effect on the current year profit which could result from a change in interest rate and price as follows:

	2019	2018
	\$'000	\$'000
Interest rate sensitivity analysis		
At 30 June, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:		
Change in profit		
Increase in interest rate by 1%	7	5
Decrease in interest rate by 1%	(7)	(5)

	2019	2018
	\$'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%	1,558	1,536
Decrease in managed funds unit price by 5%	(1,558)	(1,536)

Liquidity risk

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

The Fund manages its expected cash flow requirements against the budget. These are monitored in conjunction with available cash and investments readily convertible to cash.

As at reporting date, the Fund's financial liabilities are all current.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

D3 CONTINGENT LIABILITIES AND EVENTS AFTER BALANCE DATE

There are no noted contingent liabilities at 30 June 2019 (30 June 2018: \$336,000).

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

D4 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian accounting standards issued with future commencement dates are:

AASB1058 *Income of Not-for-profit Entities* and AASB15 *Revenue from Contracts with Customers*

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Fund when preparing the financial statements for 2019-20. The Fund has reviewed the impact of AASB 1058 and AASB 15.

AASB 1058 *Income of Not-for-profit Entities*

The Fund receives practitioner levies under a statutory requirement. There is no 'contract' between the Fund and the payer of the levy. The levies fall within the scope of AASB 1058.

The adoption of AASB1058 is not expected to have a material impact on the Fund.

AASB 15 *Revenue from Contracts with Customers*

The Fund has revenue from investment distributions, realised gains (which occur when an asset is sold) and interest. The types of revenue arise from contracts with the institutions with which the funds are invested. Current accounting policy is to recognise investment distributions when they are declared by fund managers, realised gains/(losses) when they are sold during the course of the year and interest as it accrues. Under AASB 15, the timing of recognition of these types of revenue will not change.

AASB 15 is not expected to have a material impact on the Fund.

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Notes to the Financial Statements for the year ended 30 June 2019

E1 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Changes in accounting policies – AASB 9 *Financial Instruments*

The Fund applied AASB 9 *Financial Instruments* for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continues to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*. The nature and effect of the adoption of this new accounting standard are described below.

Classification and measurement

There has been no change to either the classification or valuation of cash and cash equivalents.

Under AASB 9, debt instruments are categorised into one of three measurement bases – amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification is based on two criteria:

- whether the financial asset's contractual cash flows represent 'solely payments of principal and interest'; and
- the Fund's business model for managing the assets.

The Fund's debt instruments comprise of receivables disclosed in Note C2. They were classified as Receivables as at 30 June 2018 (under AASB 139) and were measured at amortised cost. These receivables are held for collection of contractual cash flows that are solely payments of principal and interest. As such, they continue to be measured at amortised cost.

Equity instruments within the scope of AASB 9 are measured at FVTPL, with the exception that an equity instrument that is not held for trading can be irrevocably designated at FVOCI. The Fund's equity investments comprise of shares in listed funds as disclosed in Note C3. The Fund has elected to continue measuring these assets at FVTPL.

Impairment

AASB 9 requires the loss allowance to be measured using a forward-looking credit loss approach, replacing AASB 139's incurred loss approach. AASB 9 also requires a loss allowance to be recognised for all debt instruments other than those held at FVTPL.

On adoption of AASB 9, no impairment adjustments were required to opening or closing balances of receivables.

The Fund's investments are measured at FVTPL and as such no loss allowance is required.

Liabilities

All financial liabilities continue to be measured at amortised cost. There have been no material changes in the reported value of financial liabilities.

Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2018-19.

Accounting standards applied for the first time

Other than AASB 9 *Financial Instruments*, which is detailed above, no accounting standards that apply to the Fund for the first time in 2018-19 have any material impact on the financial statements.

E2 TAXATION

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

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

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

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

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Management Certificate for the year ended 30 June 2019

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* 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 2019 and of the financial position of the Fund as at the end of that year.

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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
William Potts

29/08/2019



Chief Executive Officer
Queensland Law Society
Rolf Moses

29/08/2019

LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Independent Auditor's Report

To the Council of the Queensland Law Society Incorporated

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

I have audited the accompanying financial report of the 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 2019, and its financial performance and cash flows for the year then ended; and
- b. complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, 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 certificates given by the President and the Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland 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 of Queensland 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 2009 and Australian Accounting Standards, and for such internal control as the Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Council is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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



LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND

Independent Auditor's 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.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- I received all the information and explanations I required.
- In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

30 August 2019

Melissa Fletcher
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

COMPLIANCE CHECKLIST

Summary of requirement	Basis for requirement	Annual report reference/ page no.
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant minister	ARRs – section 7 1
Accessibility	Table of contents Glossary	ARRs – section 9.1 190 3
	Public availability	ARRs – section 9.2 1
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3 1
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4 1
	Information Licensing	<i>QGEA – Information Licensing</i> ARRs – section 9.5 N/A
General information	Introductory information	ARRs – section 10.1 1, 4, 5, 20-25
	Machinery of Government changes	ARRs – section 10.2, 31 and 32 N/A
	Agency role and main functions	ARRs – sections 10.2 1, 4-5, 8-23, 74, 76
	Operating environment	ARRs – section 10.3 1, 4-5, 8-90
Non-financial performance	Government's objectives for the community	ARRs – section 11.1 N/A
	Other whole-of-government plans/specific initiatives	ARRs – section 11.2 N/A
	Agency objectives and performance indicators	ARRs – section 11.3 8-90
	Agency service areas and service standards	ARRs – section 11.4 8-90
Financial performance	Summary of financial performance	ARRs – section 12.1 95-96
Governance – management and structure	Organisational structure	ARRs – section 13.1 74-76, 79-81
	Executive management	ARRs – section 13.2 79-81
	Government bodies (statutory bodies and other entities)	ARRs – section 13.3 1
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4 78
	Queensland public service values	ARRs – section 13.5 N/A

ARRs Annual report requirements for Queensland Government agencies

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2009

QGEA Queensland Government Enterprise Architecture

Summary of requirement	Basis for requirement	Annual report reference/ page no.	
Governance – risk management and accountability	Risk management	ARRs – section 14.1	74, 77-78
	Audit committee	ARRs – section 14.2	74, 77-78
	Internal audit	ARRs – section 14.3	74
	External scrutiny	ARRs – section 14.4	150-151, 168-169, 186-187
Governance – human resources	Information systems and recordkeeping	ARRs – section 14.5	78, 90
	Strategic workforce planning and performance	ARRs – section 15.1	64-65
Open Data	Early retirement, redundancy and retrenchment	<i>Directive No.04/18 Early Retirement, Redundancy and Retrenchment</i>	
		ARRs – section 15.2	64-65
	Statement advising publication of information	ARRs – section 16	data.qld.gov.au
	Consultancies	ARRs – section 33.1	data.qld.gov.au
Financial statements	Overseas travel	ARRs – section 33.2	data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	N/A
	Certification of financial statements	FAA – section 62	149
		FPMS – sections 42, 43 and 50	167
	ARRs – section 17.1	ARRs – section 17.1	185
	Independent Auditor's Report	FAA – section 62	150-151
		FPMS – section 50	168-169
		ARRs – section 17.2	186-187

ARRs Annual report requirements for Queensland Government agencies

FAA *Financial Accountability Act 2009*

FPMS Financial and Performance Management Standard 2009

QGEA Queensland Government Enterprise Architecture

GLOSSARY

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
CPD	Continuing professional development
Cth	Commonwealth
DLA	District Law Association
ECL	Early career lawyer
E-newsletter	Electronic newsletter
EVP	Employee value proposition
FRC	Finance and Risk Committee
FTE	Full-time equivalent
Guidance statements	Documents that outline Queensland Law Society's guidance on a particular subject
IP Act	<i>Information Privacy Act 2009</i>
KPI	Key performance indicator
LawCare	Counselling and wellbeing assistance program for Queensland Law Society staff and members
LawTalk	Queensland Law Society's blog (medium.com/qldlawsociety)
Law Week	Annual event held across Australia promoting the legal profession
Lexon	Lexon Insurance Pte Ltd, a wholly-owned subsidiary company of Queensland Law Society
LPA	<i>Legal Profession Act 2007 (Qld)</i>
Minds Count	Organisation promoting mental health and wellbeing in the legal profession – formerly known as the Tristan Jepson Memorial Foundation
Open rate	The number of times an email has been opened
PC	Practising certificate
PMC	Practice Management Course
Proctor	Queensland Law Society's monthly magazine
QLS	Queensland Law Society
QLS Update	Queensland Law Society's weekly e-newsletter
QSA	Queensland State Archives
RAP	Reconciliation Action Plan
RTI Act	<i>Right to Information Act 2009 (Qld)</i>

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