

73rd **Annual Report** 2000 – 2001

Queensland Law Society Inc.

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Abbreviations

ABA Australian Bankers' Association AM Member of the Order of Australia AMA Australian Medical Association AO Officer of the Order of Australia

APLA Australian Plaintiff Lawyers Association

APPIIL Australia Pacific Professional Indemnity Insurance Company Limited

AAPI Associate of the Australian Property Institute
APRA Australian Prudential Regulation Authority
ASIC Australian Securities and Investments Commission
AUSTRAC Australian Transaction Reports and Analysis Centre
CHOGM Commonwealth Heads of Government Meeting
CASAC Companies and Securities Advisory Council

CBD Central Business District

CBE Commander of the Order of the British Empire

CEO Chief Executive Officer Criminal Justice Commission CJC Continuing Legal Education CLE **CRC** Client Relations Centre DLA District Law Association GST Goods and Services Tax IPA **Integrated Planning Act Industrial Relations** IR

ISC Independent Solicitor's Certificate

LCA Law Council of Australia
MDP Multi-disciplinary practices

MHR Member of the House of Representatives

NSW New South Wales
OSR Office of State Revenue
PACT Protect All Children Today
PNG Papua New Guinea

PPSA Personal Property Securities Act (NZ)
PRMU Public Relations and Marketing Unit

OAO Oueensland Audit Office

QC Queen's Counsel

QELA Queensland Environmental Law Association

QLD Queensland

QLS Queensland Law Society Incorporated

QPILCH Queensland Public Interest Law Clearing House

QUT Queensland University of Technology REIQ Real Estate Institute of Queensland

RFD Reserve Force Decoration

SC Senior Counsel

SCRAM Schools Conflict Resolution and Mediation

SOSE Studies of Society and Environment USP University of the Southern Pacific

President's Report

This is the report of the President, Mr Raoul Giudes, presented at the Law Society's annual general meeting on 25 July 2001

The year in review

Many issues have faced council and the profession over the last 12 months and as you would expect, there have been highs and lows.

The first high, for me, was election of a council representative of the whole of Queensland. The council consists of 18 hard-working members (including the government nominee Brian Kilmartin), all of whom come from the coalface and are in a unique position to know your concerns. They do not retire or sell their practice upon election to council and decisions made by council, whether popular or unpopular, affect council members as well.

It is often said, and worth repeating, the society is only as good as its membership. This is demonstrably so, but I would also like to add that the interface between the council, the District Law Associations, the more than 40 QLS committees and the society's members, is just as important.

District Law Associations and QLS Committees

On this latter point, the views of these 20 district law associations and 40+ QLS committees are important to our profession. Getting those views discussed and actioned at council's monthly meeting is more so. Our committees assist with the society's numerous submissions to government and other organisations while the work of DLA's in assisting with submissions to local parliamentarians and as a conduit to our regional members cannot be underestimated.

Legal Professional Reform

Perhaps my greatest disappointment this year came during my first meeting with the new Attorney-General, Rod Welford, when he told me that the reform of the legal profession, which had been agreed upon by his predecessor, Matt Foley, with the society and other stakeholders, would not go ahead as planned.

I have been on the council of the Queensland Law Society since 1992 and whilst there have been many twists and turns along the tortuous path of legal reform, council regarded the agreed reforms as fair and striking a balance between the interests of the society and its members on the one hand, and consumers on the other.

This is not to say that I do not respect and understand the right of the Attorney to put his legislative stamp on the profession in this state.

WorkCover Reform

If that was extremely disappointing, another 'high' was a meeting I had with the new Industrial Relations Minister Gordon Nuttall, also attended by Gerry Murphy, our long-serving and hardworking Accident Compensation Committee chair.

The minister told us the government would honour the commitment made by the previous IR minister, Paul Braddy to reform WorkCover legislation — the reforms have yet to see the light of day and we anxiously await draft legislation.

International Relations Role

Our International Relations Committee plays an important role in looking at the legal affairs/social justice issues in other countries to see if there is anything our society can learn, in assisting our members to understand the problems of other countries, particularly in the Pacific rim area, with sometimes fragile democracies. An important part of the brief is also to see if there are ways in which the society can assist lawyers in those countries.

Recently, I and George Fox, a past President of the society and former Fiji Law Reform Commissioner, travelled to Fiji, at the invitation of the Fiji Law Society, where we workshopped with them in respect of disciplinary and other concerns which that society had. From the days when George Fox was President and Dr Tony Tarr (also a Fiji Law Reform Commissioner) was CEO, the society has always had strong bonds with the Fiji Law Society which the Queensland Law Society is anxious to maintain and grow. This year the society has agreed to assist the Fiji Law Society with an ethics workshop, which is proposed to be held at the Fiji Law Society's annual September conference.

Another highpoint on the international front was the agreement the society 'signed, sealed and delivered' between the society and the Shiho-Shoshi Lawyers Association of Saitama prefecture in Japan at a recent function at Law Society House. We also hope to grow that relationship in understanding each other's legal systems and ultimately with a lawyer exchange.

Society Programs

During my presidency there has been an added emphasis on the work carried out by the Department of Community Relations (Schools and Community Education), headed by Dr Anthony Gray. This is more so, in my opinion, since legal studies became a compulsory subject in the SOSE program, in junior schools, from July 2000. Dr Gray, spends a lot of his time out of the office visiting schools, giving workshops and seminars and with the assistance of his staff, organising the annual legal studies conference (both in Brisbane and shortly, for the first time, in North Queensland at Townsville). The department also organises the annual Schools SCRAM competition which has become a national eastern seaboard event. The role of this program in teaching school students the importance of the rule of law can not be underestimated. For those who believe "rule of law" issues have no direct impact on members, a visit to our near neighbour Fiji, only some four hours away, should be organised. I believe it can there be demonstrated how vital it is to teach school children about this issue

Social Justice Issues

Reform of the profession as mooted in the Green Paper would have been disastrous but some good came out of the process as it was highlighted to government how important the society's social justice role is in the legal affairs of the state. I do not mean to imply our member services "trade union" role is not important. However, it is not the society's only role. On this point the society:

 actively supported government in its initiative with the drug court pilot program in south east Queensland and was active during the recent election campaign in recommending to both sides of politics that the program should be extended throughout Queensland. It was pleasing to see the recent announcement by the Attorney-General, Rod Welford, in this year's state budget of an additional \$1.67 million for extension of the program to North Oueensland and for an additional 57 rehabilitation beds for drug addicts. It must be remembered that rehabilitation of drug addicts is not only an important social justice issue, but because such people often feed their habit from the proceeds of crime through offences such as stealing and breaking and entering, their rehabilitation has a wide impact on the community. Court time and expense is also saved every time offenders are dealt with in this way.

has also been actively involved with the school bus safety program – so important to our schoolchildren. Not only is the loss of one child's life one too many, but our children are Australia's future. The society was, therefore, pleased to be part of a loose coalition with other major players, such as APLA and the AMA in ongoing attempts to have the government make budgetary provision for solving this very important issue.

The society hopes this question will be addressed quickly. In Queensland, the government has set up an advisory taskforce, which is due to report in September/October this year. Basically, the society seeks:

- · seatbelts fitted to all seats in school buses
- only two children occupying two adult seat positions in a bus
- · flashing lights on school buses
- cars to stop, or at least slow down, when passing stationary buses
- no child standing in a bus aisle in any circumstances.

In addition, the issue has now become an Australia-wide one as the last Law Council of Australia welcomed Queensland's initiative and supports it on an Australia-wide basis. It is also pleasing to know the Australian Transport Council, an advisory body of federal and state transport ministers, recently considered the matter in Darwin and that a consultancy organisation has issued a report that was commissioned by that body. Of course, the ultimate aim is to have some safety initiatives actioned this year; the chances of which are becoming more remote as the year progresses.

Indigenous Scholarship Program

I was pleased with government support for the introduction of the society's indigenous scholarship program — a measure of that support was presentation of the annual awards at the society recently by Attorney-General, Rod

Welford. These \$1,000 scholarships involve an annual award to selected third year indigenous university students to assist them in their studies.

Management Review – Member Services

During the year, council also determined to proceed with the well-publicised management review. Given the last reviews were in 1988 and 1992, this was timely as any organisation 'worth its salt' must constantly look for things it can do better, recognising at the same time, the society does many things very well. Examples of this abound. One thing that springs to mind is in the member services area with the many member benefits as well as the excellent CLE professional development programs the department runs, some of which are run at cost as a service to members.

I believe our members appreciate the CLE intensives (particularly Symposium and the family law and personal injuries law residentials). The seminars via teleconference, which link members across the state with the experts in each field also remain popular.

All practitioners, not only those based in the regions, will benefit from the range of electronic services becoming available from CLE. The QLS website features a growing library of CLE seminar papers available free of charge to members. Risk management tools such as the CLE Will Drafting Workshop are becoming available online over the internet or on CD-Rom. Additional workshops and other online resources are currently in production.

The CLE department had both the practitioner and client in mind when producing the essential guide to plain English – Clear and Precise. A companion text introducing members to online research will be launched shortly.

It would be remiss of me not to mention the library with a staff of 6. There are over 8,000 volumes in the collection, which has grown in size since 1994 with the assistance of grants to buy collections of law reports and journals.

The most important and appreciated service it offers is the information request service, which allows members to send in a library request form and have information copied then faxed or posted to them on a maximum 48 hour turnaround.

The library receives requests for information from members all over the state. In the year 2000 the

library received over 13,800 requests for information, which equated to over 22,500 pieces of information being sought. This averaged out at 270 requests per week equating to 441 pieces of information.

During that year over 5,900 members (an average of 492 per month) came to the library to conduct their own research and use the library facilities.

LawCare

We are constantly looking at new ways to assist our members, both old and new. Recently council, after detailed work carried out by the LawCare Committee, signed off on an expanded program of assistance through our LawCare provider and subproviders throughout the regions. This committee is also looking at a mentoring scheme to assist newly admitted solicitors. This is all above and beyond the range of pro bono services currently undertaken by solicitors in this state. Under the auspices of the Pro Bono Committee, the council recently joined the Queensland Public Interest Law Clearing House (QPILCH) scheme which provides pro bono legal services to indigent clients. There is, of course, no substitute for the many hours of pro bono services freely given by the solicitors during the course of their professional lives to community, charitable and service-based organisations.

New Committees

The society has also been active in forming new committees, which are relevant to the profession's social justice role and/or assist members professional development. These include the very successful Children's Committee and the Schools Committee, which oversees the schools program.

Currently, plans are in train to set up a young lawyers sub-committee and the society is consulting with the Queensland Young Lawyer's Association.

The Criminal Law Committee and Access to Justice Committee have formed an ad hoc joint committee with the Bar Association to deal with the vexed question of legal aid in criminal law matters. At the end of last year, there was a well attended forum made up of most sides of the debate; many hours of work by the ad hoc committee; and recently a meeting with the Attorney.

Whilst acknowledging there are some changes

that would make the system more efficient, the point must continue to be made to government that legal aid must be adequately funded. Just as judges and court staff deserve to be properly remunerated, so do our members who do this type of work.

Client Relations Centre (CRC)

Last December, the council signed off on my proposal to form the Client Relations Centre (CRC) (a direct result of my study tour to Great Britain and Ireland). This is an initiative designed to facilitate early intervention in client concerns and disputes about the service provided by their solicitor. Concerns, relating to lack of communication or delays in some matters, as well as some cost disputes inter alia, are dealt with by the CRC. I am happy to say the Attorney-General has toured the CRC and has been very supportive of it. Currently the CRC, under the direction of Director of Professional Standards Keith Thompson and Manager Nick Masinello, includes three qualified mediators whose brief is to resolve the types of concerns and disputes I have enumerated above by informal negotiation and/ or mediation.

The centre attempts to deal with concerns and disputes in such a way as to retain or restore the good working relationship between solicitor and client.

As an adjunct to this, council recently reintroduced the client care rule requiring all firms in this state to nominate a client care officer to whom a complaint about the firm could be directed. In the case of sole practitioners, client relations officers in the CRC will accept such an appointment if need be.

I am pleased to advise that the profession generally has embraced the concept of resolution of concerns and disputes informally through the CRC. The manager informs me that the centre has already been successful in resolving many client concerns and disputes to the satisfaction of both the client and the solicitor.

New Class of Members

Council is anxious to bring future solicitors to membership of the society at an early stage as this can only be conducive to dialogue and access to the society's range of members benefits. Accordingly council has resolved that law students are eligible for associate membership at an earlier stage of their studies with a suitable package of benefits offered at the same time. This was in keeping with associate memberships offered by other professional groups such as the Institute of Chartered Accountants and the Australian Medical Association. Council is also concerned to ensure newly admitted solicitors join the society as soon as they are admitted. The plan is three-fold:

- a reduced membership fee will apply, depending on when admission occurs
- introduction of a morning tea to welcome newly admitted solicitors
- in the regional centres, where admissions take place, the society is encouraging the DLA to do likewise, for newly admitted solicitors.

Historically, all admissions in this state took place in Brisbane but because of the wide geographical spread and the cost disadvantage, government introduced legislation allowing solicitors to be admitted in their regional Supreme Court, leading to the society's popular and well-attended admission lunches being discontinued some years ago.

Opposition to Introduction of Conveyancers

The society continued its opposition to the introduction of conveyancers in this state. Not only are members who do conveyancing meeting the market in terms of price and service, but research shows that a number of firms in regional Queensland would close if conveyancers were allowed. In addition, the free pro bono services provided to community, charitable and service-based organisations could not and would not be provided by conveyancers.

Incorporation and Multi Disciplinary Practices (MDPs)

The issues of incorporation and MDPs have been on the agenda for years. On 1 July the New South Wales Legal Profession Amendment (Incorporated Legal Practices) Act 2000 commenced. It provides for incorporation of legal practices in NSW. It is now vitally important the government stops ignoring the issues and makes a pro-active decision to move immediately, at least as to incorporation. The core issue, from the point of

view of our members, and the Queensland economy, is that while the government debates, our legal competitors in other states 'steal a march on us' in terms of loss of clients and out-flow of capital to southern competitors. The society recognises legitimate ethical, regulatory and other concerns but, as submitted to government, believes that such concerns can be overcome in the legislation, especially so far as concerns incorporation which, after all, is merely about structure and capital and does not involve any change of practice areas.

Fidelity Guarantee Fund

The Fidelity Guarantee Fund has been a continuing issue during my time on council. Consider the following — during the last 14 years, Legal Aid Queensland received \$135 million from interest on solicitors' trust accounts whilst the Fidelity Fund received \$25 million. Last year \$10.2 million went to Legal Aid Queensland and \$1.6 million to the Fund.

The society's policy is that government abolish the fund but the government has indicated it is not prepared to do that. If a fidelity fund is to continue, the society has submitted repeatedly to government that adequate provision must be made to fund the society's regulatory functions and the fidelity fund, to ensure adequate protection for consumers. Funding should not be the responsibility of solicitors. The society opposes the government diverting money from interest on trust accounts to Legal Aid Queensland, as it believes legal aid should be a government responsibility.

The Attorney has deferred the question of funding, pending consideration by the government actuary of an actuarial report about the fidelity fund obtained by the society, and sent to the Attorney. The answer, of course, is if the government will not abolish the fidelity fund, then the solution to its long-term viability is to ensure the fund receives the interest earned on solicitors' trust accounts.

Currently, the council has imposed a special levy on practitioners, which for the 2002 financial year is \$300 per practitioner reduced from \$600 per practitioner the previous financial year ended 30 April 2001. Whilst the council recognises the plight of practitioners, 44% of whom earn under \$50,000 per annum, the council also has an obligation to

make a levy on practitioners pursuant to Section 21 of the Queensland Law Society Act with a view to ensuring all approved claims can be paid.

Mortgage Schemes

These have been the subject of much press comment lately and the subject of much debate and discussion with the Attorney and ASIC.

It must be remembered the society's "supervisory role" relates only to "run-out" schemes current until the 31 October next unless ASIC, in its sole discretion, decides to extend any of the schemes.

It must also be remembered the society's initial involvement in such a "supervisory role" followed, as I believe it, because of a desire of the council of the day to assist certain members who wished to do this type of work. This was perfectly understandable given intense competition from accountants, financial brokers and the like in respect of solicitor's traditional areas of work.

Given only 65 firms in Queensland were involved in such schemes and only 29 currently (either through run-out mortgages or registration with ASIC), the level of complaints and criticism against the whole profession which has resulted is unreasonable. This is not to say the society condones any loss of funds to investors but, I point out, the estimate of losses from such schemes, is at best, a guesstimate and the society's role in "run out" schemes is often misunderstood. In that regard, the society can only deal with misconduct offences. Negligence is a matter for the relevant professional indemnity insurers.

Queensland Law Foundation

A word about the foundation which whilst being an independent board has as its directors three council representatives and members of the profession. Its aim is to support the society in providing enhanced member benefits to the society's members. To that end the foundation has provided funding support for the updated Primary Producers Guide (now incorporating chapters on GST and native title) which was launched earlier today by the Minister for Primary Industries Henry Palaszczuk. All members will receive a free copy of this guide, which I believe will provide invaluable assistance to them and their clients. I would also like to thank the members of the Small Practices Committee for their support and assistance on this project.

Marketing and Member Services

Currently the QLS has submissions under consideration by the foundation in respect of a number of other worthwhile projects, which would benefit our members. Forthcoming issues of Proctor will provide full details.

One of those submissions, however, has already received in-principle support. It relates to the area of marketing and member services. You may be aware that over the last several months we have been conducting a business and marketing consultancy service for regional members under a federal government grant for small business. Feedback from members who sought an appointment with the consultant has been outstanding. Funding for that program expired this month, but with the help of the foundation we hope to extend it to most of regional Queensland in the coming year.

The society also keeps members informed, not only through Proctor, but through the library's bulletin *ADDLIB*, and the latest publication, *Newsletter of the Law*, a newsletter available to members — at a very economical subscription rate — to send on to their clients.

Specialist Accreditation

At its June 2001 meeting, council decided to extend specialist accreditation beyond personal injuries and family law. The first will be succession law, followed by property law and business law. I argue for an extension of the program if for no other reason than it keeps members up-to-date on the law in their chosen field as well as insuring that we keep up with our southern counterparts. The Specialist Accreditation Board is always reviewing the programs it conducts in family law and personal injuries accreditation. One change recently approved by council relates to practitioners sitting for the requisite examination prior to being admitted five years in practice providing that that five years is achieved before January in the following year. A number of applicants were recently approved to sit the examinations on this basis.

The board also re-emphasised it had a discretion and would exercise it in appropriate circumstances where the applicant could not achieve the requisite 25% experience in the chosen area. This problem is common to regional and suburban practitioners.

Law Council of Australia

As the society's President, I attended Law Council of Australia quarterly meetings where there are a multiplicity of issues of national importance such as the national travelling practising certificate regime and the 2010 report currently on the table for debate. I might add the number one priority for the Law Council in 2000/01 is future development of a national legal services market. In addition, the current Federal Attorney-General is on past record as stating he will not treat with state-based law societies where dealing with the Law Council would be appropriate. Whilst appreciating the society doesn't agree with every decision taken by Law Council, it is important the society remains "in the loop" as part of the ongoing national debate in the interest of its members.

QLS Council

As I said before, council consists of 18 hardworking practitioners. Only two are paid, namely the President and the Deputy President. The rest give a lot of their time and energy without remuneration to professional legal matters. Council listens to its members and can be influenced by constructive debate. The council does what members elected it to do — namely, be representative of the many and varied views of solicitors from all over Queensland. It has been a pleasure to serve with such a fine body of men and women on a number of councils since I first joined the then council in 1992.

It has also been a pleasure to be your President and to serve you, the membership, for the last 12 months. I wish my successor, Joe Tooma, his deputy Tom Sullivan, and council well in the continuing debate.

Raoul Giudes

President

Chief Executive Officer's Report

The issue of legal profession reform continued to occupy a large part of the society's thinking in 2000/2001. In December 2000, the then Attorney-General, the Hon Matt Foley, announced his proposals. The society was pleased that its arguments on the issue of licensed conveyancers were taken into account, the Attorney deciding to defer the issue pending a full competition policy inquiry by June 2002.

The other proposals of the Attorney included retention by the society of its regulatory role and an increase in the powers and resources of the Legal Ombudsman to allow that office to investigate complaints itself. It is interesting to note that the Legal Ombudsman's report released in September 2000 spoke favourably of the Society's role in dealing with complaints:

"The investigations undertaken during the year were most comprehensive and fair. Complainant's concerns were very thoroughly investigated in a professional and compassionate manner ... the outcomes of the (Professional Standards) committee's deliberations are positively consumer oriented. The members of the committee are dedicated, fair and professional in their deliberations and decision-making ... the law society is fundamental to any system of protection of consumers of legal services."

The Legal Ombudsman did make a number of comments and recommendations in relation to complaints of a consumer nature (as distinct from complaints alleging breaches of ethical standards). The society established the Client Relations Centre in December 2000 and re-established the concept of firms having a client care officer. The CRC is a specialist, early intervention unit which aims to resolve problems by intervening as soon as possible after an issue arises, if need be by mediation.

As to the implementation of the previous Attorney-General's proposals for legal profession reform, the new Attorney-General, the Hon. Rod Welford, has advised that he wishes to consider all the issues before announcing his proposals. Reform of the profession remains a live issue. The society will continue to press for reforms in the interest of the public and the profession.

In the meantime, the work of the society continued.

A council retreat was held in August 2000 and issues discussed included multi-disciplinary practices, incorporation, the Wakim decision and cross-vesting, professional indemnity insurance, accident compensation and national practice. Discussion on regulatory issues included an address by Steve Mark, the NSW Legal Services Commissioner.

The society's website continued to expand. The Latest Information section presents the ideal medium for the society to keep members informed of new developments in legislation, the courts and general matters. A range of other information relevant to members' legal practices can be found on the website together with information for the public including a facility to search for solicitors.

A new recruitment service for members was installed on the website using the agency SEEK to supplement the society's own long-standing service. Other member benefits were expanded during the year, including a new travel scheme through Harvey World Travel, and new benefits with Telstra and the Commonwealth Bank.

LawCare was revamped during the year. After a tender process by the LawCare Committee, Davidson Trahaire were appointed as the new providers of this confidential counselling service for members. The service is accessible 24 hours a day 365 days a year and utilises a network of 34 consultants throughout the state.

The society's Public Relations and Marketing Unit continued to promote the society and the profession through a variety of activities as well as ongoing liaison with all branches of the media. The unit was successful in obtaining federal government funding to assist with a marketing project for members. A consultant was engaged to visit firms throughout Queensland on request providing business development and marketing advice to assist practices increase their efficiency and effectiveness. The marketing handbook, Innovative Legal Marketing, developed by the society was a key basis for this project. The feedback from firms has been positive and the society is investigating ways to continue this service permanently.

The activities of the society's other departments are contained in this annual report.

Management consultants were engaged in January 2001 to review the activities of the society

and ensure that the roles and responsibilities of the society were being effectively and efficiently delivered. Recommendations including structural re-organisation are being implemented particularly to increase the focus on member services. A human resources manager has been appointed and the society's HR policies are being reviewed. Departmental plans are being reviewed to ensure that the society continues to meet the needs of its members and fulfil its public responsibilities.

The council completed its yearly review of committees after considering expressions of interest from practitioners interested in joining committees. The society has more than 40 committees of dedicated practitioners working for the benefit of the profession and the public. Through the efforts of these committees and society staff, 90 submissions were produced to governments and authorities.

The reports of individual committees in this annual report provide details of their work. The Access to Justice Committee developed guidelines for solicitors undertaking legal aid work and these have been posted to the Society's website. The guidelines are designed to assist practitioners deal with issues arising from the provision of legal services within the framework of inadequate funding. Another significant initiative of the committee was the Legal Aid Forum in December 2000 attended by the Attorney, and representatives of the courts, Legal Aid Queensland, the bar and practitioners.

Council approved the establishment of a mentoring scheme to assist new practitioners and this will be progressed by the LawCare Committee.

In relation to the financial position of the society, council resolved that there would be no increase in practising certificate and membership fees for 2001/2002. A fidelity fund levy was again imposed but it was halved from \$600 to \$300. The society will continue its submissions to government for sensible reform of the fidelity fund.

2000/2001 was the last year of the five year agreement between the society and APPIIL during which period the society achieved its goal of stabilising premiums for practitioners. The society conducted an intensive investigation of options for professional indemnity insurance for 2001/2002 and beyond and considered a number of proposals from insurers. Council finally decided to enter into arrangements with APPIIL/St Paul. Although there had to be an increase in premiums, council was satisfied that, in a hardening market and with the effects of the HIH collapse, these arrangements would in the best interests of practitioners.

I would like to thank society staff for continuing to perform at a high level in the face of numerous challenges and the ongoing changes within and without the society.

This is my last report as CEO as I leave to take up an appointment in Victoria. I have enjoyed the many challenges of the position and the opportunity to work for the legal profession in Queensland. I wish the society well in its ongoing service of the profession and the public.

Tony McMahonChief Executive Officer

13 June 2001

Profile and Objectives

The Queensland Law Society is an independent legal professional body representing some 5000 solicitors.

Its vision is to be regarded by the profession as the organisation that is the primary contact for satisfying their professional needs and support in conducting an effective and ethical practice

Its purpose is to lead and promote a strong independent profession of the highest integrity in the service and protection of the community under the law.

The society provides a comprehensive range of professional programs and other facilities to assist the State's solicitors to deliver the most efficient and competitive legal services possible.

It is governed by a council of solicitors elected by society members. The Attorney-General nominates a lawyer to represent him or her on the council.

The society is defined as a statutory authority in accordance with the 1985 amendment to the *Financial Administration and Audit Act*.

Since 1927, the society has had specific statutory responsibilities regarding the regulation and discipline of solicitors in Queensland. In addition to its statutory responsibilities, the society has objectives which mirror the traditional obligations of any professional association including preserving and maintaining the integrity of the profession.

The society was incorporated under *The Queensland Law Society Act* 1927, and that act, as amended from time to time, was consolidated into the present act in 1952. *The Queensland Law Society Act* 1952 contains a scheme of clearly identifiable statutory objectives.

Statutory Obligations

- · complaints and discipline
- · trust account controls
- receivership of trust property
- management of the Legal Practitioners' Fidelity Guarantee Fund
- audit investigations
- management of the General Trust Accounts Contribution Account
- registration of the profession

In addition to its statutory obligations and general objectives, the society devotes considerable resources to public activities undertaken for the benefit of the community.

Included in the society's public activities is the Schools Program, which aims to improve legal awareness amongst secondary school students and the broader community. The program provides plain English resources such as the quarterly *Broker* magazine and school resource packs. The society's professional staff visit schools and arrange for solicitors to speak to them about legal issues.

Public Activities

Representatives of the council of the society serve in a broad range of other public roles: the Solicitors' Admission Board, Supreme Court Library Committee, and the law faculties of universities.

The society is also represented on Court Liaison Committees in all jurisdictions in Queensland and on a number of standing committees appointed by ministers of the government.

The society runs a state-wide Speakers' Bureau for schools, business and community groups and has other significant involvement in matters of public legal education.

Goals

The goals of the Queensland Law Society are:

- to encourage an environment conducive to the commercial viability of legal practices, and the provision of effective legal services to the community in Queensland.
- to enhance the standing of Queensland Law Society and the profession with government, the community and members.
- to provide high quality and relevant value-formoney services to members.
- to have an effective policy-making body, which oversees the efficient implementation of policy and which operates with best practice governance principles.
- to provide effective and appropriate regulation of the profession.
- to ensure continuous improvement in corporate services, systems, processes and practices of the Society.

Minutes of the 73rd Annual General Meeting

Minutes of the 73rd Annual General Meeting of the Queensland Law Society Incorporated held at Law Society House, Ann Street, Brisbane on Wednesday, 25 July, 2001 at 6.00 p.m.

Honorary Member Present:

Mr Justin O'Sullivan

Members Present:

ASHTON, Ronald Shaw, BENNETT. Joan Margaret, COOPER, Peter Leigh, DAVIS, Robert John, DEEB, George William, FERGUSON, Glenn Wayne, FIELD, Susan Margaret, FOX, George Cameron, FRY, Ian Kennedy, GIUDES, Raoul Mario, GUNN, Donald John, HALLER, Linda Ruth, HARRINGTON, Julie Ann, HODGINS, John Andrew, HURST, Michelle, KILMARTIN, Brian Patrick, MANNERS, John Robert, MEADOWS, Michael John Douglas, MOYE, Helen Jennifer, O'BRIEN, David Michael, POMMER, Leon David, RINAUDO, Orazio (Ray), SULLIVAN, Thomas Michael, TOOMA, Joseph Anthony, TUNN, John Thomas, WALTERS, Russell Galt, WHITE, Eugene Henry,

QLS Staff Present:

ARMSTRONG, Sharon, BYARS, Glenda, BYRNE, Tom, DAVID, Ann-Maree, DAVIS, Kerry, DREGHORN, Linda, FOX, Murray, GRAY, Anthony, LACEY, Fiona, MASINELLO, Keith, MELZER, Wil, MORSEU, Kelly, O'DONNELL, Bernie, PLOWMAN, Susanne, RICKARDS, Colin, STEVENSON, Geoffrey, THOMPSON, Keith, WILSON, David Opening

The appointed time for the meeting having arrived, and there being a quorum of more than 15 members, the President, Mr Raoul Giudes, welcomed everyone in attendance and formally opened the 73rd Annual General Meeting of the Queensland Law Society.

Apologies:

Apologies were received from Elizabeth Nosworthy, Jeff Mann, Rod Welford MP, Patricia Conroy and John McDonald. Recording of Minutes

The President advised for the purposes of Rule 33 of the Rules of the Society, the Minutes would be taken by Ms Kelly Morseu.

Proxies

The President tabled a list of Proxies certified by the Secretary as being Proxies received by the Society for the meeting from members entitled to vote. A copy of the summary of Proxies received was available from QLS staff if required. He reminded any Honorary, Complimentary and Associate Members present that they did not have the right to speak or vote at the meeting.

Minutes

It was moved by Peter Cooper and seconded by Mr Eugene White that the Minutes of the 72nd Annual General Meeting held on 26 July 2000 be confirmed and signed as a correct record. Carried.

Election of Auditors

The President said the Rules call for the election of auditors. However, under the terms of the Financial Administration and Audit Act, the Auditor-General is now to audit the Society's accounts. That is the standard procedure the Society is required to follow.

Statement of Accounts

The President said the Financial Statements produced by the Society have this year been available for inspection at the Society. Copies of the statements have also been provided to members as they came in. In view of the provisions of the Financial Administration & Audit Act, it is unnecessary for there to be any motion adopting or approving the accounts. Adoption of the Annual Report The President advised that members had received a copy of the Annual Report as they came in and accordingly tabled a copy of it.

The President then presented his outgoing speech to the meeting.

President's Report

The year in review

Many issues have faced council and the profession over the last 12 months and as you would expect, there have been highs and lows.

The first high, for me, was election of a council representative of the whole of Queensland. The council currently consists of 18 hard-working members (including the government nominee Brian Kilmartin), all of whom come from the coalface and are in a unique position to know your concerns. They do not retire or sell their practice upon election to the council and decisions made by council, whether popular or unpopular, affect council members as well.

It is often said, and worth repeating — the Society is only as good as its membership. This is demonstrably so, but I would also like to add the interface between the council, the District Law Associations, the over forty QLS committees and the Society's members is just as important.

District Law Associations and QLS Committees

On this latter point, the views of these 20 district law associations and over 40 QLS committees are important to our profession. Getting those views discussed and actioned at council's monthly meeting is more so. Our Committees assist with the Society's numerous submissions to government and other organisations while the work of the DLA's in assisting with submissions to local parliamentarians and as a conduit to our regional members cannot be underestimated.

Legal Professional Reform
Perhaps my greatest disappointment this
year came during my first meeting with the
new Attorney-General, Rod Welford,
when he told me that the reform of the legal
profession, which had been agreed upon
by his predecessor, Matt Foley, with the
Society and other stakeholders, would not
go ahead as planned.

I have been on the council of the Queensland Law Society since 1992 and whilst there have been many twists and turns along the torturous path of legal reform, the council regarded the agreed reforms as fair and as striking a balance between the interests of the Society and its members on the one hand, and consumers on the other.

This is not to say that I do not respect and understand the right of the Attorney to put his legislative stamp on the profession in this state.

WorkCover Reform

If that was extremely disappointing, another 'high' was a meeting I had with the new Industrial Relations Minister Gordon Nuttall, also attended by Gerry Murphy, our long-serving and hard-working Accident Compensation Committee chair. The minister told us the government would honour the commitment made by the

previous IR minister, Paul Braddy to reform WorkCover legislation — the reforms have yet to see the light of day and we anxiously await draft legislation. International Relations Role Our International Relations Committee plays an important role in looking at the legal affairs/social justice issues in other countries to see if there is anything our Society can learn, in assisting our members to understand the problems of other countries, particularly in the Pacific rim area, with sometimes fragile democracies. An important part of the brief is also to see if there are ways in which the Society can assist lawyers in those countries. Recently, myself and George Fox, a past President of the Society and former Fiji Law Reform Commissioner, travelled to Fiji, at the invitation of the Fiji Law Society, where we workshopped with them in respect of disciplinary and other concerns which that Society had. From the days when George Fox was President and Dr Tony Tarr (also a Fiji Law Reform Commissioner) was CEO, the Society has always had strong bonds with the Fiji Law Society which the Queensland Law Society is anxious to maintain and grow. This year the Society has agreed to assist the Fiji Law Society with an ethics workshop, which is proposed to be held at the Fiji Law Society's annual September

Another kudos on the international front was the agreement the Society has now 'signed, sealed and delivered' at a recent function at Law Society House with the Shiho-Shoshi Lawyers Association of Saitama prefecture in Japan. We also hope to grow that relationship in understanding each others legal systems and ultimately with a lawyer exchange.

Society Programs

Council

The Council of the Queensland Law Society for 2000/2001 were:

Members

R M Giudes (President)

J A Tooma (Deputy President)

R S Ashton

J M Bennett

P D Carne (Immediate Past President)

P A Conroy

R J Davis

P J Dickenson

G W Ferguson

R A Geldard

J A Harrington

B P Kilmartin

M J D Meadows

DMO'Brien

J N L Pinder

L D Pommer

T M Sullivan (Vice President)

R H Wallace

Retired

K R Copley 25 July 2000 P E M McCafferty 25 July 2000 J F O'Sullivan 25 July 2000

Executive Committee

P D Carne

G W Ferguson

R M Giudes

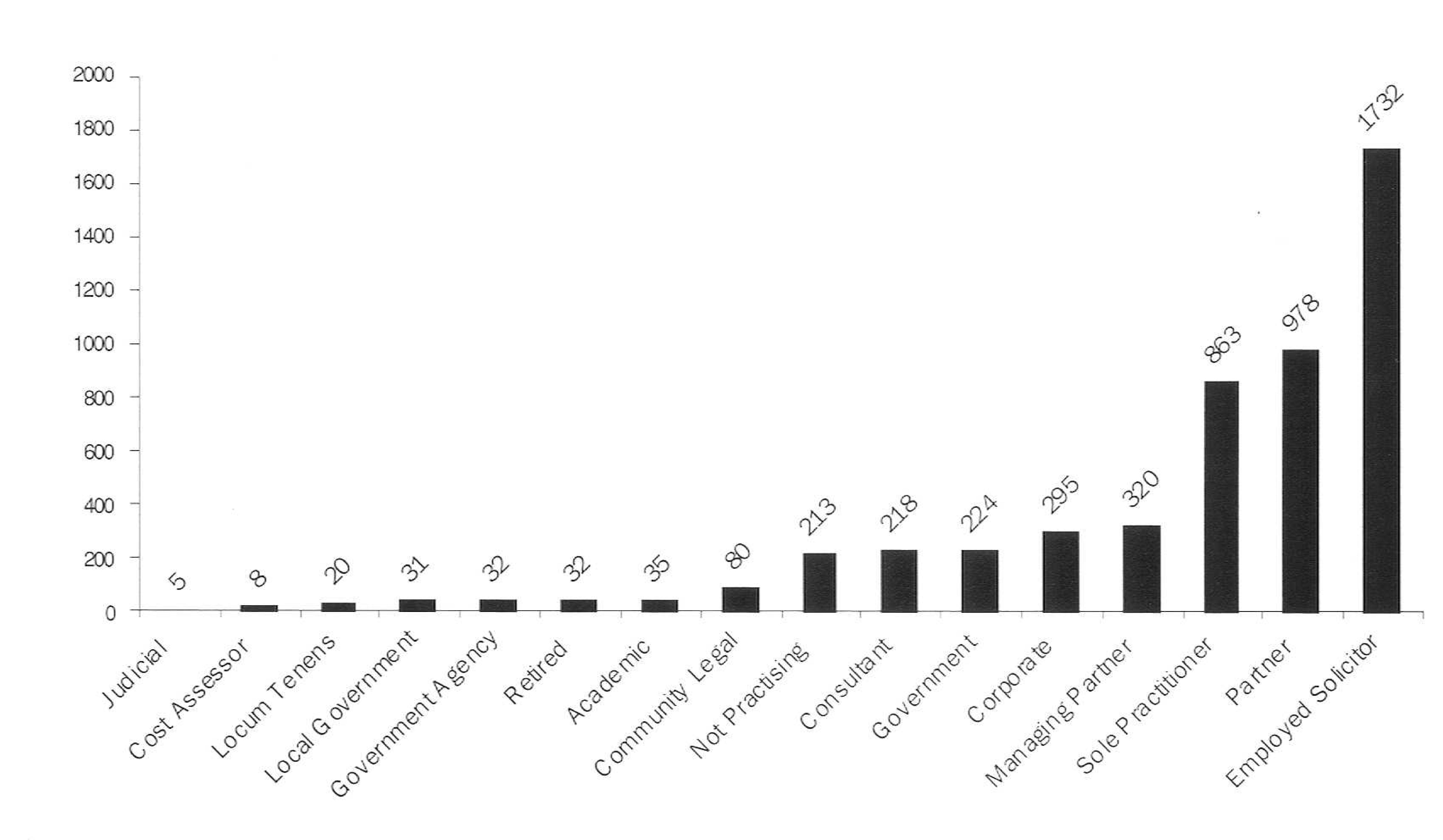
T M Sullivan

J A Tooma

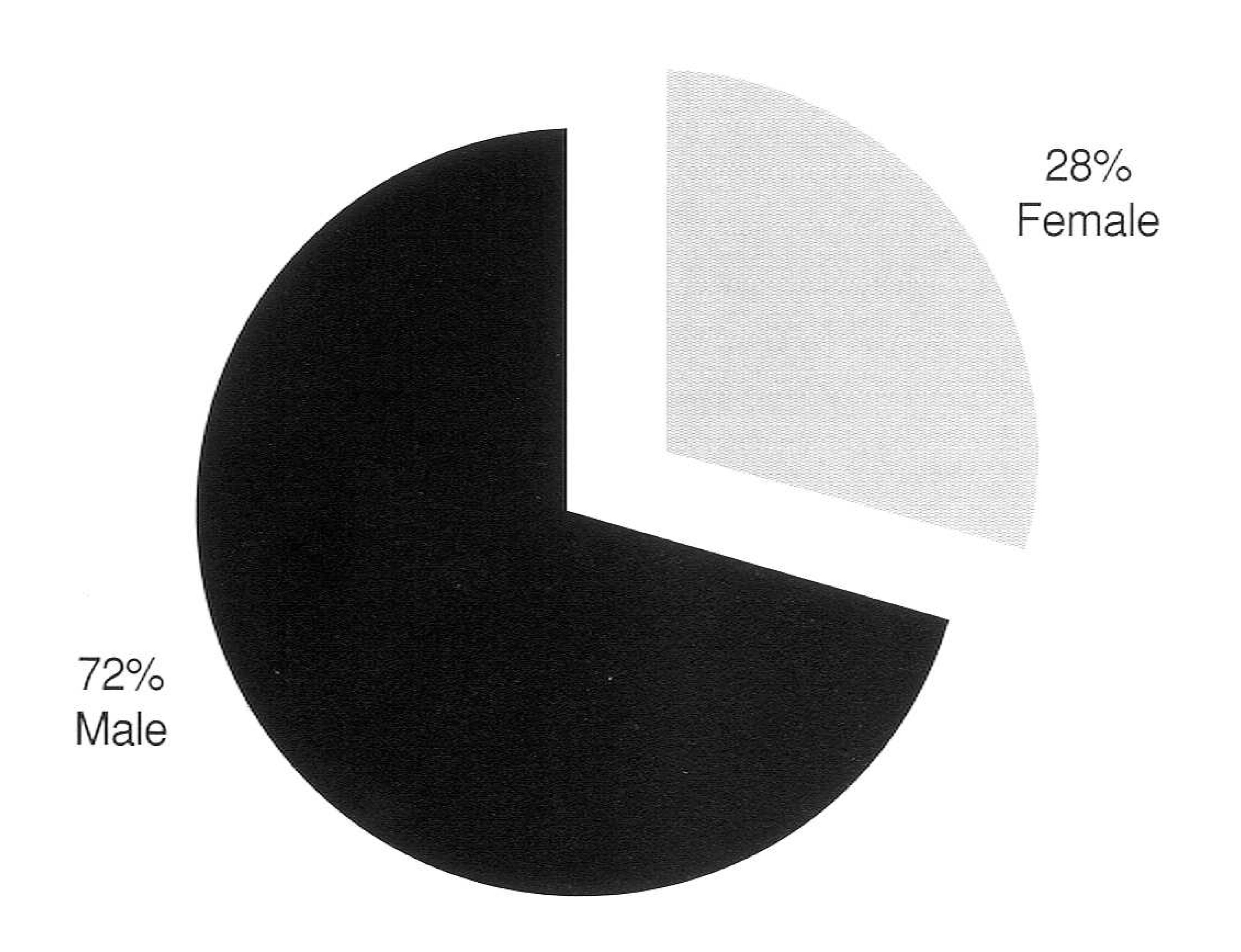
conference.

Statistics of the Profession

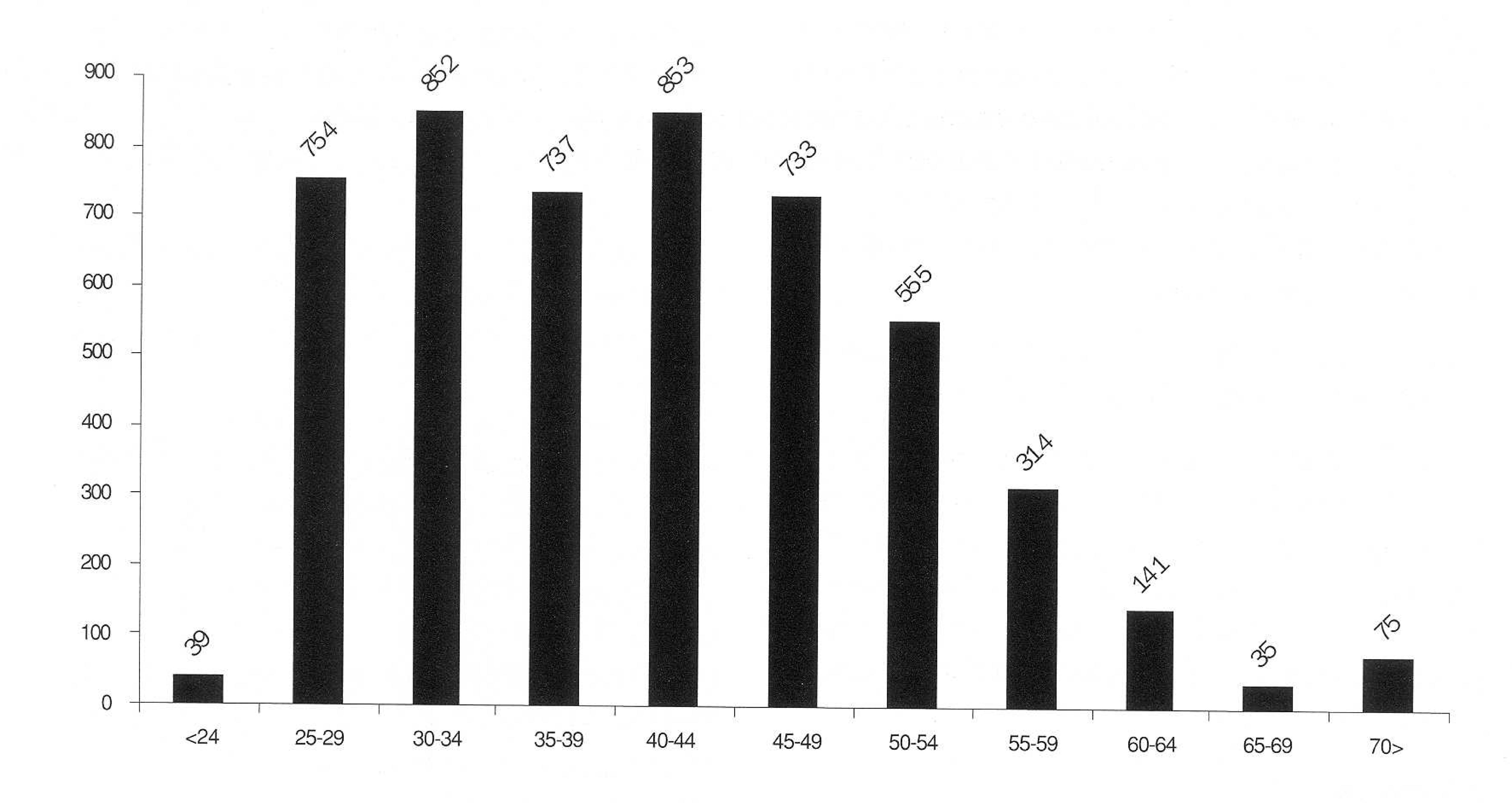
Categories of Solicitors



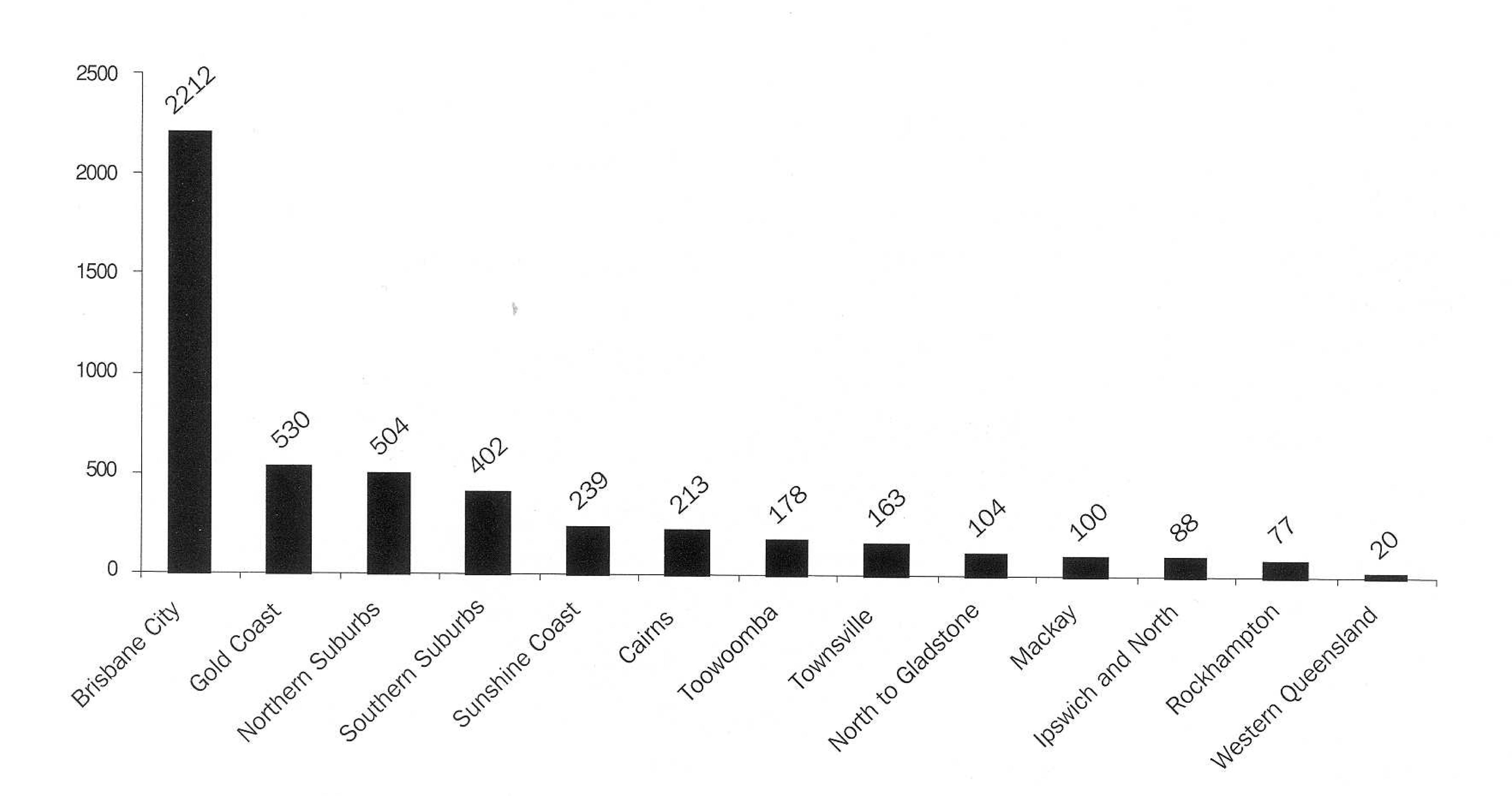
Gender of Solicitors



Age of Solicitors



Geographical Distribution



Senior Counsellors

Senior counsellors of the Law Society are appointed by council. They are available to assist other members of the profession seeking guidance on professional matters. The communication between members and senior counsellors on professional matters is subject to privilege so members in difficulty can discuss their problems in a full and frank manner.

The society encourages solicitors in doubtful situations to consult the senior counsellors.

In addition to their traditional role, some of the senior counsellors have undertaken mediation training. They are available to assist in the resolution of some professional conduct disputes between dissatisfied clients and solicitors, where it is thought that the difficulty might be a result of poor communication.

Brisbane

J R Byrne, James Byrne & Rudz, King George Square, Brisbane 4000

PD Carne, Carne & Herd, 193 North Quay, Brisbane 4000

M B Conroy, Conroy & Associates, 31 Sherwood Road, Toowong 4066

P L Cooper, Hunt & Hunt, 66 Eagle Street, Brisbane 4000

C C Endicott, Macrossans Lawyers, 10 Eagle Street, Brisbane 4000

J D Fitzgerald, Biggs & Fitzgerald, 1331 Gympie Road, Aspley 4034

F M FitzPatrick, Body Corporate and Community Management, G P O Box 1401, Brisbane 4001

R V Forgione, Forgione Lawyers, 47 Pinelands Road, Sunnybank Hills 4109

A C Freeleagus AO CBE RFD, Clayton Utz, 215 Adelaide Street, Brisbane 4000

G J Hutchinson, Cooke & Hutchinson, 19 Redcliffe Parade, Redcliffe 4020

J P Kelly, Corrs Chambers Westgarth, 1 Eagle Street, Brisbane 4000

G E Klein, Public Trustee of Queensland, 444 Queen Street, Brisbane 4000

M O Klug, Clayton Utz, 215 Adelaide Street, Brisbane 4000

S Leonard, Hatzis & Associates, 64 Pinelands Road, Sunnybank Hills 4000

M R Lockhart, Flower & Hart, 255 Adelaide Street, Brisbane 4000 A MacGillivray AM, Canning Weil MacGillivray Halligan, 293 Queen Street, Brisbane 4000 J G Mann AM, Mallesons Stephen Jaques, 1

Eagle Street, Brisbane 4000

M A Miller, Quinlan Miller & Treston, 239 George Street, Brisbane 4000

G A Murphy AM, MurphySchmidt, 123 Eagle Street, Brisbane 4000

J A Nagel, John Nagel & Co., Cnr Logan Road & Selborne St, Mount gravatt 4122

PG Nolan, Gilshenan & Luton, 95 North Quay, Brisbane 4000

T P O'Gorman, Robertson O'Gorman, Cnr Herschel Street & North Quay, Brisbane 4000 W T Purcell, W.T. Purcell Chadwick & Skelly, 141 Queen Street, Brisbane 4000

M P Quinn, Gilshenan & Luton, 95 North Quay, Brisbane 4000

O Rinaudo, Rinaudo & Co., 96 Merthyr Road, New farm 4005

J Schafer, Dibbs Barker Gosling, 307 Queen Street, Brisbane 4000

D G Searles, McCullough Robertson, 66 Eagle Street, Brisbane 4000

D P Spence, Thynne & Macartney, 12 Creek Street, Brisbane 4000

W H Tutt, Tutt & Quinlan, Cnr Adelaide & Albert Streets, Brisbane 4000

G J Vickery AM, Deacons, 123 Eagle Street, Brisbane 4000

Atherton

F J Liston, Lilley Grose & Long, 34 Main Street, Atherton 4883

Ayr

B J Baxter, Ruddy Tomlins & Baxter, 126 Young Street, Ayr 4807

Bundaberg

T W Young, Finemore Walters & Story, 51 Woongarra Street, Bundaberg 4670

Caboolture

G P D Maskiell, Maskiells, Cnr East & Annie Streets, Caboolture 4510

Cairns

A L English, Bottoms English, 10 Grafton Street, Cairns 4870

R J Reaston, Reaston Lawyers, 209 Buchan Street, Cairns 4870

Gladstone

K M Bates, V.A.J. Byrne & Co., 69 Goondoon Street, Gladstone 4680

Gold Coast

R B Attwood, Richard Attwood, 69 Scenic Drive, Tweed Heads West 2485

K R Copley, Collas Moro Ross, Victoria Avenue, Broadbeach 4218

B F Cronin, Primrose Couper Cronin Rudkin, 35-39 Scarborough Street, Southport 4215

P E M McCafferty, Australasian Lawyers and Consultants, 128 Bundall Road, Bundall 4217 J M McCaughan, Jan M. McCaughan, 66

Marine Parade, Southport 4215

W M Potts, Price & Roobottom, 44 Davenport Street, Southport 4215

I A M Short, Short, Punch & Greatorix, Cnr Bundall Road & Crombie Avenue, Bundall 4217

Gympie

G R Neilson, Neilson Stanton & Parkinson, 236 Mary Street, Gympie 4570

Innisfail

V J Vandeleur, Vandeleur & Todd, 35 Rankin Street, Innisfail 4860

Ipswich

P M Fallu, Dale & Fallu, 142 Brisbane Street, Ipswich 4305

R Zande, Richard Zande & Associates, 49 Ellenborough Street, Ipswich 4305

Mackay

A P F Ghusn, Macrossan & Amiet, 55 Gordon Street, Mackay 4740

S B Wright, S.B. Wright & Wright and Condie, 5 Sydney Street, Mackay 4740

Rockhampton

A R Batts, Connolly Schirmer & Batts, 6 William Street, Rockhampton 4700

H C Grant, Grant & Simpson, 226 Quay Street, Rockhampton 4700

V N Jackson, South & Geldard, 128 Victoria Parade, Rockhampton 4700

J L Shaw, Swanwick Murray Roche, 74 Victoria Parade, Rockhampton 4700

Stanthorpe

M C Bathersby, Neil Sullivan & Bathersby, 37 Railway Street, Stanthorpe 4380

Sunshine Coast

M D Bray, Bradley & Bray, 15 Ann Street, Nambour 4560

M Buck, P O Box 314, Landsborough 4550 R G Hyett, Richard Hyett, 31 Mary Street, Alexandra Headland 4572

PD Lohrisch, 10 William Street, Nambour 4560 M O Richardson, Cartwright Richardson & Stringer, Bottlebrush Avenue, Noosa Heads 4567

Toowoomba

J C Blakeney, Bernays & Bernays, 186 Margaret Street, Toowoomba 4350

J D Carroll, Murdochs Solicitors, 160 Hume Street, Toowoomba 4350

J E Cleary, Cleary & Lee, 400 Ruthven Street, Toowoomba 4350

G C Fox, Groom & Lavers, 156 Margaret Street, Toowoomba 4350

K M Walker, Walkers, 327A Margaret Street, Toowoomba 4350

Townsville

R C Barnes, Roberts Nehmer McKee, 111 Charters Towers Road, Townsville 4810 A J Boulton, Boulton Cleary & Kern, Cnr Sabina and Woolcock Streets, Townsville 4810 C O Harkness, Wilson, Ryan Grose, 15 Sturt Street, Townsville 4810 P G B Mackey, Mackey & Wales, 122 Walker Street, Townsville 4810

Warwick

N D Maxwell, Maxwell & McMeniman, 33 Guy Street. Warwick 4370

Retired

G A Gasteen 30 June 2000 R J Grainger-Smith 29 November 2000 W A Hart 2 March 2001 JSP O'Keeffe 30 June 2000

District Law Associations

The Queensland Law Society represents the interests of the most geographically widespread legal profession in Australia. Solicitors practising in Far North Queensland are further from Brisbane than people living in Melbourne.

The vastness of Queensland has nurtured the growth and strength of 19 district law associations which have the opportunity to communicate as often and as closely with the Queensland Law Society as their Brisbane-based colleagues. The enthusiastic involvement of regional solicitors in a wide range of local community activities is of enormous importance in the society's efforts to educate and inform the community about their rights and responsibilities under the law.

Bundaberg Law Association Central Old Law Association Caboolture Law Association Downs & South-West Law Association Fraser Coast Law Association Far North Old Law Association Gladstone Law Association Gold Coast Law Association Gympie Law Association Ipswich & District Law Association. Mackay District Law Association. North Brisbane Lawyers' Association. North Old Law Association North West Law Association Redcliffe Pine Rivers District Law Association South Burnett Law Association Sunshine Coast Law Association Southern District Law Association. Townsville Practitioners Association

Directors of the Law Society

Director of Continuing Legal Education

Ann-Maree David was appointed Director of Continuing Legal Education in 1999, having been Acting Director since April 1998. Formerly the manager of the seminars division of the department, Ms David holds Bachelor of Laws and Master of Laws degrees from the Queensland University of Technology and a Bachelor of Arts Degree from Griffith University. Ms David was admitted as a Solicitor of the Supreme Court of Queensland in 1992 and worked in private practice until joining the Queensland Law Society in 1994.

Director of Finance

Murray Fox completed a Bachelor of Business – Accounting at the Queensland University of Technology and completed the Institute of Chartered Accountant's Professional Year in 1981. Mr Fox joined the Law Society in 1988 as Financial Controller, and was appointed Director of Finance in 1993. He has worked with major accounting firms including Touche Ross and Bentleys. Prior to joining the Law Society, he worked with the Department of the Auditor-General.

Director of Professional Standards

Keith Thompson is a graduate of the University of Queensland. He has a Bachelor of Commerce and a Bachelor of Laws. He was admitted as a solicitor of the Supreme Court of Queensland in 1978. Following employment in private practice, Mr Thompson joined the Law Society in 1982. His role was to undertake receiverships of solicitors' trust property and to administer the Fidelity Guarantee Fund. He was appointed Acting Director of the Professional Standards Department in September, 1993 and Director of the Department in March, 1994. He was appointed Secretary of the Society on 1 February, 1996.

Director of Schools Education

Anthony Gray is a graduate of Queensland University of Technology, holding Honours and Masters degrees in Law and a degree in business. He completed his PhD at the University of New South wales in 1997. Following a period of employment in private practice, Dr Gray joined the society in 1995, being appointed a director in June 2000. He has overseen the development and expansion of the society's Schools Program.

Secretary to the Society

Linda Dreghorn is a graduate of the University of Queensland holding Bachelor of Arts and Bachelor of Laws degrees. Ms Dreghorn was admitted as a solicitor of the Supreme Court of Queensland in 1985 and worked in private practice in both Mackay and Brisbane before joining the Queensland Law Society in 1992. Ms Dreghorn was appointed Secretary and Director of the Secretariat in June 2001. In addition to the secretarial role, she has also taken over the duties formally undertaken by the Solicitor to the Society.

Departmental Reports

Solicitor to the Society

The office of the Solicitor to the Society is responsible for advice to Council, the Executive Committee, the President and Departmental Directors on legal matters affecting the society's operations and the affairs of members generally. As a consequence of the primary responsibility, there follows a substantial research role in relation to monitoring new State and Commonwealth Bills, government discussion papers and the papers of the Law Reform Commission, the Criminal Justice Commission and similar entities.

The office of the solicitor also recommends the development of submissions to government and others, and has responsibility for drafting such submissions as directed. The office is responsible for the administration and support of a number of committees of council. The investigation and oversight of prosecutions for unqualified practice and holding out is part of the function of that office.

Scott S Carter Solicitor to the Society

Continuing Legal Education (CLE)

As a professional association, one of the society's core objectives is to assist all members in maintaining and enhancing their knowledge of the law and practice. The CLE department's products and services are unique because they are created by lawyers for lawyers without the commercial imperative driving players in the open marketplace. This means that products and services that might not be attractive prospects for commercial

providers are nevertheless made available to members. Likewise, the CLE department strives to provide equity of access to its offerings across the state. Initiatives such as teleconferencing and online seminar papers together with regional DLA/CLE programs enable all members to participate fully in professional development opportunities.

Seminars

Under the management of Angela Kurtz, the seminars division conducted more than 100 seminars and conferences during the reporting period as well as introducing a range of initiatives aimed at meeting the needs of all members, no matter where in the state they practise. The popular teleconference seminar program was extended to include dual format seminars (ie live Brisbane-based programs broadcast across the state via teleconference). These seminars allow practitioners outside Brisbane to access the large range of programs that were available previously only in a face-to-face medium.

Residential conferences are regaining popularity. Of these, the annual Family Law Residential is worthy of note. Conducted jointly with the Family Law Practitioners Association, this conference now boasts national and international speakers and enjoys a loyal and growing following, not only within the legal profession but also further afield.

Members are encouraged to keep abreast of the latest seminar offerings by accessing the QLS web site at www.qls.com.au. Current calendars, past seminar papers and latest developments are all featured. We anticipate offering online registration and online seminars within the next reporting period.

Symposium 2001

The 40th anniversary of this annual event saw several changes that were well received by members. A change of venue took this conference to the Sheraton Mirage Resort on the Gold Coast. A new two day format allowed delegates to enjoy some well-earned time off without sacrificing the quality or breadth of the educational program. The conference featured High Court Justice, the Honourable Michael Kirby AO, as keynote speaker in addition to presentations and workshops covering 26 legal and practice management topics.

GST

CLE was successful in attracting national funding to conduct training for lawyers in the practicalities of GST. Following on from this, CLE won a second round of funding and continued to conduct lectures and workshops on the implications of GST for law firm clients. This culminated in a GST insert in the December 2000 issue of Proctor.

Publications

The CLE Publications Division, led by Publications Manager, Dorothy Henderson, worked on several new initiatives in the reporting period. The practically oriented guide to plain language, Clear and Precise was published in conjunction with the Society's Plain English Committee. This has proven a popular product, with international, national and home state sales of the text to both practising lawyers and university students alike. Work has commenced on a companion text, The Busy Practitioner's Guide to the Internet, which will guide the novice internet-user in the art of online legal research and email usage.

Looseleaf services updated during the year were Scale of Costs and Fees, Land Title Practice Manual (Queensland), Litigation Precedents, and Lease Precedents.

As well as publishing the library of CLE texts, precedents, and seminar papers, this division coordinates the production of all Society publishing, whether traditional printing, or digital delivery via the internet, on floppy disks or CDs. Products include the Annual Report; *Newsletter of the Law; Broker*, information kits and SCRAM materials for the schools program; brochures and booklets for solicitors and their clients; promotional materials for CLE events and the society generally. In-house services include graphic design, desktop publishing, typesetting, printing and html coding for the internet. Projects underway at the time of writing include seminars for online delivery, after consultation with the profession.

Management Education

Ms Michie McNamara, Management Education Co-ordinator assists Mr Peter Lynch of the Graduate School of Management at the University of Queensland in co-ordinating the Practice Management Course. The course is a mandatory program for practitioners admitted post December 1988 who wish to practise on their own or in partnership with others. One hundred practitioners successfully completed the course during the reporting period.

Duty Lawyer Accreditation also falls within this division. During the reporting period, 83 practitioners were accredited as duty lawyers.

In addition to these duties, Ms McNamara also takes an active role in scheduling and planning management seminars within the boarder CLE program. Some of these events are conducted in conjunction with other professional associations such as the Law Practice Managers Association and the Australian Human Resources Institute.

Specialist Accreditation

The 2000 calendar year was a lapse year in the specialist accreditation program in the sense that no assessment programs were conducted. However, planning commenced within the reporting period for the 2001 accreditation programs in personal injuries law and family law. Also, the CLE Department co-ordinated the reaccreditation of each of the 114 accredited family law specialists and 103 accredited personal injuries specialists during this time. This work includes auditing MCLE returns submitted by each practitioner. Professional development training days were also conducted for all accredited specialists throughout the reporting period.

The CLE department relies heavily on the generous support of members of the legal profession and others who give freely of their time and expertise in creating and/or presenting seminar programs, authoring texts, serving on advisory committees or otherwise assisting in a variety of ways. This support allows the society to provide quality educational initiatives, many of which would not otherwise be available to our members. The CLE Consultative Committee is invaluable as a sounding board on a range of issues including not only programming but also marketing and promotion of CLE initiatives.

I take this opportunity to formally record my thanks to each member of the CLE department for their hard work, enthusiasm and assistance throughout the reporting period. In particular, I must thank former CLE staffer, Helene Breene, who returned to the department as Acting Director during my absence on family leave.

Ann-Maree David

Director

Finance

The Finance Department is responsible for preparation and maintenance of all statutory accounts required under *The Queensland Law Society Act* 1952. Managerial and budget costing information is provided to the society's departments to assist them in their decision-making process.

The Finance Department continues to be responsible for all accounting matters relating to the Law Claims Levy Fund 1987-95. Administration of law claims files is handled by APPIIL/St Paul with all claims payments made by the Finance Department. Levy Fund investments are managed by Bankers Trust Australia. While the number of open law claims files continues to decline current indications would support the fund continuing to operate for a number of years.

The department is responsible for the receipt and distribution of interest paid on solicitors' trust accounts. During the year discussions were held with all major banks to determine whether improvements in technology and new banking facilities could deliver an increase in the amount of interest paid on solicitors trust accounts. Those discussions and investigations are continuing.

The Director of Finance is also responsible for information technology systems and in the past year fine tuning of GST enhancements has continued. A review of the QLS webpage was undertaken to identify what opportunities were available to further enhance the delivery of services to members. A number of options were identified and continue to be researched. The current emphasis of the review process is to examine the cost effectiveness of the society delivering these services or if other delivery arrangements can be entered into via an alliance with third parties.

I would like to acknowledge and thank the staff of the Finance and IT Departments for their assistance and commitment during the year.

Murray Fox

Director

Professional Standards

The department's primary functions include:

- investigation of complaints
- examination of solicitors' trust accounts
- · management of the Fidelity Guarantee Fund
- · receivership of solicitors' trust property

There were 334 current complaint files at the end of April, 2001, compared with 419 at the end of the previous Law Society year. The number of written complaints received during the year was 529 (previous year 751) and miscellaneous inquiries during the year totalled 754 (previous year, 702).

The department continues to provide significant assistance to solicitors, their bookkeepers, and auditors regarding their duties and responsibilities under the *Trust Accounts Act and Regulations*. The department conducted 219 examinations of solicitors' trust accounts during the year, 2 more than the previous year.

Thirty-four claims against the Fund were considered during the year. The society's Committee of Management dealt with these claims with ratification, where appropriate, from the council of the society.

There were four receiverships of solicitors' trust property during the year which involved the department in investigating trust account records and facilitating the distribution of client files, safe custody documents, and other trust property.

On 22 December, 2000 the Client Relations Centre commenced operations. The focus of the centre is to resolve *consumer type* complaints and concerns between the relevant consumer and solicitor and preserving, where possible, any retainer between the solicitor and consumer. In the first four months, I am pleased to advise that both consumers and solicitors have embraced the concept of informal resolution. Many concerns dealt with by the centre through telephone calls and letters were resolved and information was provided to consumers to assist them in resolving matters themselves where appropriate.

Keith Thompson

Director

Schools Education

The 2000-2001 year has been another busy one for the Schools Education department at the society. The department was expanded with the inclusion of the schools mediation competition in the department, and the expansion of our services to students in Years 8-10 with the introduction of the Studies of Society and Environment (SOSE) syllabus into Queensland schools. The mediation competition, initiated by the Queensland Law Society, is now a national competition, with more states indicating their intention to join the program.

The department has published a number of resources for the teaching of legal issues in schools. We continue to produce the *Broker* magazine, a quarterly publication to keep readers updated with changes in the law. In 2001, a record number of readers subscribed to the magazine. We have produced new resource packs for legal studies in the areas of medico-legal issues, IVF and domestic violence. We produced five teaching modules to encourage teachers to use legal materials in their SOSE teaching, including modules on animals and the law, drugs, indigenous people, and legal rights and responsibilities.

We offer a large number of professional development opportunities for teachers of legal studies around the state. In the past 12 months I have spoken at teacher conferences and workshops in Brisbane, Maryborough, Rockhampton, Cairns, and Townsville. We held our annual legal studies conference in 2000 at parliament house, with more than 110 teachers attending. We visited more than 90 schools across the state at least once during the year, in keeping with our aim of offering our services to as wide a distribution of schools as possible.

I would like to take this opportunity to thank my hard working staff including Ms Pia Pantges and Ms Helen Taylor for their contribution to the Schools Program in the past 12 months. As a result of their work, the young people in our State are learning much more about their legal rights and responsibilities, and the importance of our legal system.

Dr Anthony Gray

Director

Secretary

One of the Society's regulatory functions is the issuing of practising certificates.

During the year ended 30 June 2001, the Society issued 5,363 practising certificates. This figure was made up of 377 conditional employee level certificates, 2,726 employee level certificates and 2,260 principal level certificates.

In the same period, a total of 609 solicitors were admitted in Queensland and 424 of those newly admitted solicitors took out practising certificates with the Society.

Presently there are 5,536 full members of the Society and 58 honorary, complimentary and associate members of the Society.

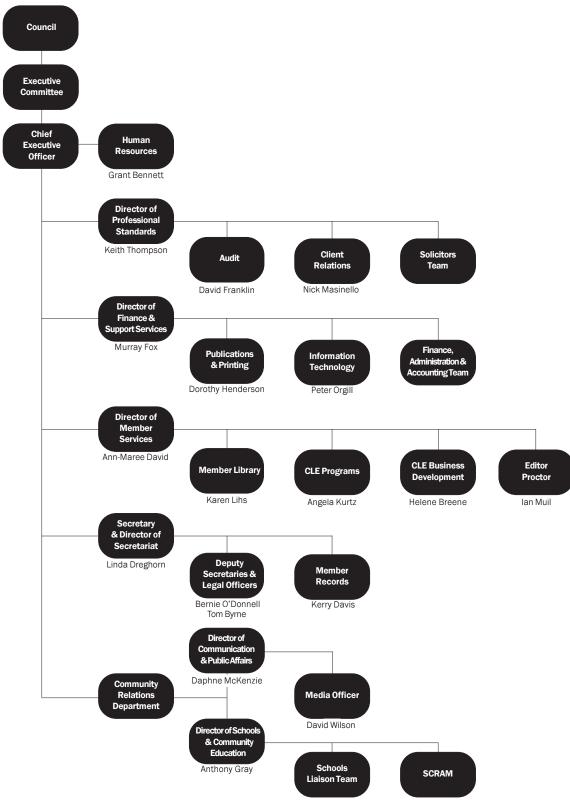
I take this opportunity to thank Keith Thompson, the Secretary until 21 June 2001 and Deputy Secretaries David Franklin, Bernie O'Donnell, Scott Carter and Tom Bryne. I would also like to thank Kerry Davis, the Manager of Member Records and her team for their work and dedication throughout the reporting period.

Linda Dreghorn

Secretary of the Society

Organisational Chart





Committee Membership Lists

For the period ending 1 May 2000 to 30 April 2001.

Membership of society committees is reviewed annually by the council.

Access to Justice

P J Mullins (Chair) PA Conroy A B C Douglas

B J Hamilton J A Harrington

SKift

M G Mullins L S Reidy P S Russo D G Searles G G Shoebridge

L M Dreghorn

Retired

H R Watson 13 September 2000 23 November 2000

DB Greer

Accident Compensation

G A Murphy AM (Chair)

T S Balaam

The Hon. P Braddy

J P Cameron S P Charles R J Davis P C Eardley S A Falvey

G W Ferguson M R Garbett R M Giudes D Hamblin

J Hand B P Kilmartin P Koutsoukis

R A McConaghy

MA Miller L T Murphy

DMO'Brien M A O'Connor

G P O'Driscoll

JNL Pinder K A Ryan T Schultz

The Hon C A Sciacca MHR

G R Senior M J Smith K M Splatt W H Tutt S S Carter

Aged Care & Accommodation

R A Lyons (Chair) G R Chapman

B J Herd

G J Hutchinson

T J Longwill

R A Lyons

A S O'Connor R J Silver

M R Streeting

DCD Sutherland

P Wilson

J D Wrathmall

U Zeller

T Byrne

Retired

R A Lyons 21 December 2000 TA Smith 7 February 2001 C L Tupicoff 18 April 2001

Administrative Law

A C Wood (Chair) **TAAllingham** M E H Anning PG Callaghan J K Cockburn P L Friedman R G Hancock D F Ingwersen D M McGann W J Mitchell L T Murphy D G Thomas

Alternative Dispute Resolution

O Rinaudo (Chair) M E H Anning

DG Bancroft

S.S.Carter

Assoc Prof G Clarke

M P Corkery K L Johnston

M O Klug W K Lehmann

P J Mullins

D J Murphy K L Rash

G W Rooney

- Paae 23 -

L Moynihan P B Scott P J Mullins G G Shoebridge GR Smith G J Quinlivan G J Vickery AM T J Ryan B D Wolski N J Straker J L Wight Retired L M Dreghorn S M Cibau 20 October 2000 **Retired** P J Cavanagh 21 February 2001 R A Finney 23 November 2000 K L Fretwell 23 November 2000 **Audit** Claims R H Wallace (Chair) M J D Meadows (Chair) G W Ferguson B D Bartley A J McMahon P D Carne T M Sullivan R M Giudes M A Fox L M King **Banking and Finance Law** P J Mullins A MacGillivray (Chair) G J Rapp F J Armstrong J A Tooma **G** Brown Retired Prof B J Collier M C Behm 31 August 2000 J R Cowen P E M McCafferty 31 August 2000 JA Czinki JFO'Sullivan 31 August 2000 R J Dennings K D Dorney QC **CLE Consultative** J N Gallimore M.J.Crouch G Kennedy M L Carkeet D McGill A P Colman J W Mountford G M Cranny P M O'Shea P W Evans P L Pennington S M Field G T Smith M L Logan Ass Prof C Turner JKR Miller C L Uhr P Wilson C C Wappett A M David U Zeller Retired L M Dreghorn J G Wilson 21 August 2000 **Retired** J R Fitchett **Company Law** 15 May 2000 R A Bridges 20 October 2000 G J Vickery AM (Chair) Children's R J Burrell N F Coburn JA Harrington (Chair) Prof B J Collier D Atkinson J R Cooper S J Cleary J R Cowen N L Davies B C Cowley S Ganasan S A Cranston R M Giudes D J Grace T J Herbert T G Handicott K Mandla

A G Hay

W J Mitchell

JBL Heading JJ Hutson

PA Jolly AEKnox

P Little D R Magarey

Prof M McGregor-Lowndes

R C McNally T C Reid G M Tanzer

Prof P E von Nessen Ass Prof M J Whincop

L M Dreghorn

Retired

J D Story 23 November 2000 N P Withnall 23 November 2000

Construction Law

R S Williams (Chair)

R D Backstrom
J L Bickford

K D Broadfoot

J C Carey

J B Cooper R V Ensbey

J P Feehely

A Fletcher

F M Forde R A Holt

B S Kelleher

G L Kent

S J Lambert R P Landsberg

B W Lipman

M J Luchich

W G Morrissey

A C Orange

M N Panayi

R W Quick K L Rash

C G L Roney

P B Scott J Scrivens

C B Sullivan

BR Thomas

T P Byrne

Retired

L M Dreghorn 1 May 2000 J B Cooper 12 September 2000 **Court Practice & Procedure**

T J McBride (Chair)

D J Abernethy

D A Castley

S B Collins

M P Corkery

J H Davies

P D Garrett

W A Hickey

M A Hoch

P A Hunter

S M Jackson

M G Johnston

J A McDonnell

L J Preston

S C Russell J E Tudberry

R G Whitton

J J Tracey

Retired

S Carter 23 November 2000

Criminal Law

L S Reidy (Chair)

M F Bosscher

C J Callaghan

G M Cranny

D J Creevey

M P J Deed

B G Devereaux

R L Devereaux

J A Hopes

J E Magoffin

K E Manning

J D Mawson

L R Middleton

- - - -

P T Murphy

M E O'Connor

TPO'Gorman

W M Potts

M P Quinn

S S Carter

Retired

E M Marchetti

31 July 2000

Equalising Opportunity in Law

GH Kahlert (Chair)

S J Booth

T C M Hutchinson

S A Kane

J R Logan
G M Neal
S F Purdon
G J Quinlivan
J A Tooma
K M Torlach
L M Dreghorn

Retired

K A Ryan 21 September 2000 G R Smith 10 November 2000 J N L Pinder 21 December 2000 M P Ryan 20 December 2000

Family Law

T A Kane (Chair) K A Atkins C J Bowrey B J Doyle

M J Emerson H J Frew J A Hamilton J A Harrington

S F Maguire M F McArdle

D P Macpherson

T D Newman K A Phillips P J Sheehy

G G Shoebridge S M Tonkin

L M Dreghorn

Retired

S M Cibau 20 October 2000 P D Carne 23 November 2000

Family Law Specialist Accreditation

D M Leembruggen (Chair) A J Black

R A Bourne M F McArdle W A Westbrook A M David

Retired

I T Davies 20 June 2000 P J Dickenson 20 June 2000 B S Hartley 20 June 2000

Franchising & Intellectual Property Law

DCD Sutherland (Chair)

G J Barnes

A J Bates

J E Bywaters

M L Carkeet

F M Julius

C G Londy

PA McLaughlin J S Panettiere

J Reginato

J M Rigby-King

P J Scanlan S M Young

T P Byrne

Retired

J S Panettiere 20 December 2000 B Edwards 21 December 2000

P W Evans 21 December 2000

Government Lawyers

T G Beale (Chair)

D M Askern

H M Baldwin

D G Bancroft

R M L Beer

D G Campbell N R N Camphorst

N K IN Camphor

A R Chadwick

L G Clarkson

M P Corkery

R D Duhig

D N Durack F M FitzPatrick

P L Friedman

M R Green

G E Klein

J L KICIII

M L Logan

P G Wedge

A M David

Retired

S J Booth 3 May 2000 J C Carev 23 March 2001

Industrial Law

K F Watson (Chair)

TA Allingham

J K Cockburn

A J Coulthard

P J Gallagher

S A Kane

B P Kilmartin

HA Lepahe

D R Miller

		QUEENSLAND LAW SOCIETY INCORPORATED ANNUAL REPORT 2000-2001		
E A Milner		Retired		
P Russell		P L Chiang	22 August 2000	
B F Ward		J F O'Sullivan	31 August 2000	
DC Williams		GCFox	1 September 2000	
S S Carter		D G Thomas	5 February 2001	
Retired		S P Sia	12 March 2001	
I G Humphreys	23 November 2000	IT & T		
Insolvency		J V Swinson (Chair)		
J N Conomos (Chair)		J A Aboud A C W Austin		
J L Bickford		J L Bickford		
J W C Broadley		P T Bolam		
Prof B J Collier		A Davidson		
L M Copley		J R M Ffrench		
J B Daniel		R J Field		
P Kar		P D Green		
G J Litster		N Hooper		
Ass Prof R F Mason L S Nash		P A Hourigan		
P Y Pan		Dr C G R Lawson		
D F Pennicott		P McDonald		
S B Roberts		P Mendes		
G W Rodgers		S D G Newcomb		
S C Russell		N O'Brien		
J L Saunders		Dr A D Gray		
P W Sayer		Retired		
A J Wilson		P L Chiang	1 August 2000	
S S Carter		J C Sherman	23 November 2000	
Insurance Law		H K B Fraser	23 November 2000	
A S Anderssen (Chair)		Lawcare		
J P Cameron		R P S Smith (Chair)		
J D Kent		P A Conroy		
P M Murdoch G A Murphy AM		B H Crawford		
LD Pommer		A J Crooke		
J J Power		S A Falvey		
M S Sammut		G P D Maskiell		
P A Tully		P R McColl		
J D Wrathmall		S G Quinlan		
A M David		T P Byrne		
International Relations		Retired	17.1/2000	
S M Greenwood (Chair)		L A Lingard P M Paxton-Hall	17 May 2000 13 June 2000	
J Corrin-Care		R J Grainger-Smith	30 October 2000	
G W Ferguson		R P S Smith	22 November 2000	
R M Giudes		M P Quinn	23 November 2000	
Dr R G Mortensen		`	_5 1.0.0111001 2000	
I G Prentice		Legal Education		
V Q Tran R J B Winter		M J Crouch (Chair)		
A J McMahon		Prof S Berns		
		A LUHAV		

A J Chay

R J B Winter A J McMahon

QUEENSLAND LAW SOCIETY INCORPORATED ANNUAL REPORT 2000-2001 S F Purdon E Colvin D G Searles Prof M Cope Prof J Dewar T P Byrne **Prof P A Fairall Retired** Prof M E Hiscock T W Young 30 November 2000 E J P F Lennon oc CAC MacDonald **Mortgage Lending** G Orr K R Copley (Chair) A A Rouyanian T J Boyce L Taylor P J Dickenson Dr K Vaggelas M McIvor G J Vickery AM P J Morgan A M David R W Spencer Library S S Carter MJD Meadows (Chair) Plain Enalish P A Conrov J A Tooma (Chair) G W Ferguson J Buttner K W Thompson D Clark-Dickson Management A J Deane R H Wallace (Chair) W T N Ferguson R S Ashton A M Hancock P A Conroy D A Henderson R J Davis R M Macdonald R A Geldard N J Noble W Melzer T B Ogge G M Ryan Retired R C Penny P J Dickenson 27 July 2000 GR Smith D G Thomas 22 August 2000 Dr A D Gray J A Tooma 22 August 2000 Dr J G Mann am **Personal Injury Specialist Accreditation** 22 August 2000 JNL Pinder (Chair) Marketing A M David JA Tooma (Chair) JA Bligh I M Berry W G Bradley A S Biggar F McGlone S M Greenwood R E R Miller B F King M T Morton M T Mole J C Rennick M D Yarwood

Retired

D L McKenzie

R A Derrington 13 October 2000

R A Derrington

Mentoring Steering

C C Endicott R V Forgione A P F Ghusn J A Nagel J S P O'Keeffe W T Purcell

Dr K Vaggelas Planning & Environment

Retired

J L Garrett

P I Mullins

P M Schmidt

20 June 2000

20 June 2000

20 June 2000

31 January 2001

R R Bowie (Chair) G J Banks L M Bowie C O Harkness T M Knauer R M Meurling K W Thompson P J Rowell P D Carne B W Smith G W Ferguson K M Trainor **BPKilmartin** I B Walker M J D Meadows L M Dreghorn DMO'Brien L D Pommer Retired J A Tooma M G M Walton 6 September 2000 Retired **Practice Course** P D Carne 21 May 2000 M J Crouch (Chair) K R Copley 21 August 2000 P J Byrne R M Giudes 21 August 2000 L J Clements T M Sullivan 21 August 2000 C S Doherty **Council Professional Standards** S M Field P J Lynch R S Ashton W J Markwell J M Bennett PA McGowan P D Carne J M Shearer PA Conroy M A McNamara R J Davis P J Dickenson Retired G W Ferguson T P Fynes-Clinton 15 February 2001 R A Geldard 15 February 2001 D J O'Connell R M Giudes 23 April 2001 D A Boundy J A Harrington P E M McCafferty 30 April 2001 **BPKilmartin** M J D Meadows **Pro Bono** DMO'Brien Dr J G Mann AM JNL Pinder P J Mullins L D Pommer T P Byrne T M Sullivan L E Bretherton J A Tooma K J Carl R H Wallace S J Daveson K W Thompson A R Forbes P J Heraghty **Retired** C C Hughes K R Copley 25 July 2000 Prof M McGregor-Lowndes JFO'Sullivan 25 July 2000 C A Morrison **Profession Review** R J Reed R S Ashton (Chair) D G Thorne K J Wright P D Carne M J D Meadows Retired S D Mosch A J Conaghan RFD 28 June 2000 R G Perrett G McFadyen 29 November 2000 J D Story R S Ashton 14 March 2001 T M Sullivan M Darian-Smith 19 March 2001 J A Tooma A J McMahon **Professional Standards** T M Sullivan (Chair) Retired

B Codd

K J Hinds

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26 July 2000

R M Giudes

P E M McCafferty

Professional Indemnity Insurance J L Bickford X F Clarke PEM McCafferty (Chair) D S Clifford R S Ashton D G Cominos R M Giudes A J Eden Dr J G Mann AM M S Kelly G A Murphy AM HG Lakis W H Tutt J G Mann AM **Property Law & Practice** D S Morrison P G Newman (Chair) W B Prescott G F Bugden T R Purver P D Burton D A Stitt S A Christensen W D Thompson B G Cronin S S Carter M R Curcuruto **Schools Education** W G Denny R M Giudes (Chair) A L Greenhow B Cahill R S Gregory A Cahill A M Huelin C C Endicott S E Jones D Imarisio W L LeMass M Marton R D Praeger K Sawtell K M Richardson J E Taylor R H Seymour J A Tooma K D Waddington Dr A D Grav AMT Weil L M Dreghorn Retired Retired P D Carne 26 July 2000 1 August 2000 D Imarisio R P Clarke 21 August 2000 Section 31(Audit) **Proctor** T M Sullivan (Chair) R M Giudes (Chair) D J Franklin G M Cranny G W Ferguson M A de Groot B P Kilmartin **B** Hocking M J D Meadows K L Johnston DTO'Brien R C McNally L.D.Pommer B B Patane J A Tooma J J Turnbull A E Wallace **Retired** P Wilson P D Carne 25 July 2000 J D Wrathmall R M Giudes 22 August 2000 IL Muil 22 August 2000 K R Copley **Retired Small Practices** P W Venus 12 May 2000 L D Pommer (Chair) B P Fisher 8 June 2000 M C Behm P D Carne 26 July 2000 M A de Groot

8 March 2001

GPD Maskiell

M M Meehan J P O'Brien

Revenue Law

PJ Allen (Chair)

C S Doherty

R P S Smith M A Smith W J Tegg B B O'Donnell

Retired

J A Tooma	26 July 2000
M B Conroy	9 August 2000
G A Gibbons	31 August 2000
M Hannan	31 August 2000
G Hatzis	31 August 2000
N E Jensen	31 August 2000
L M Townsend	31 August 2000
P J Dickenson	26 October 2000

Specialist Accreditation Board

P D Carne (Chair)
I T Davies
R M Giudes
T A Kane
G A Murphy AM
O Rinaudo
P M Schmidt
K M Splatt
S W Woodward
A M David

Succession Law

Dr J K de Groot (Chair) G R Dickson G R Funnell G E Klein G F Lanham

L V Laver K J Lynch G L Mann TA Smith
T C Whitney
P Wilson
A M Wilson sc
A C Wordsworth
L M Dreghorn

Retired

M A de Groot 7 March 2001

Superannuation

J K Peterson (Chair) A B Anderson P G Callaghan J M Dwyer P J Radford W D Thompson A M David

Symposium

J M Bennett (Chair) A M David I M Berry S B Collins A B Crowe J Fittler A L Greenhow L C Johnston A J Shah

G R Smith

L M Townsend

Retired

P A Conroy 16 May 2000 T M Sullivan 26 July 2000 J A Tooma 26 July 2000

Committee Reports

For the period 1 May 1998 to 30 April 1999.

Annual reports reporting on activities and objectives are received from the chairs of committees.

Access to Justice

The committee is committed to continuing its work of encouraging Government, both State and Commonwealth, to fund the legal aid system fairly and appropriately and also to ensure that disadvantaged Australians have real access to justice.

The committee considers a wide range of access to justice issues and is currently involved in research into the real costs of delivering legal services with a comparison between Legal Aid Queensland and private firms and is considering research into legal expenses insurance.

The committee continues to monitor the preferred supplier project for Legal Aid Queensland. It has raised, with Legal Aid Queensland, a number of issues of concern to members including scale of fees in family and criminal law matters, and guidelines in the Civil Law Legal Aid Scheme.

- During the reporting period, the committee met nine times and the issues considered were:
- formulating a proposal for research to be undertaken by QUT based on activity based costing comparing Legal Aid Queensland with three legal firms;
- investigating the possibility of The University of Queensland undertaking research into legal expenses insurance:
- formulating guidelines in respect of undertaking legally aided work. The guidelines were subsequently approved by Council and published to the profession;
- attendance by the chair at the Attorney-General's National Pro Bono Conference in consideration of issues arising from that conference;
- liaising and making submissions to Legal Aid Queensland on the Criminal Law Legal Aid Scale of Fees and to the Family Law Scale of Fees;

- arranging the successful criminal law forum in December 2000 which addressed concerns about current criminal law practice and procedure;
- facilitating the joint working party of the Society and the Bar Association on reform to criminal practice and procedure;
- participation by Julie Harrington on behalf of the Society in a forum dealing with litigants in person;
- formulation of a proposal to establish a Pro Bono Resources Network. The proposal was approved by Council and a meeting of members from the Access to Justice, Pro Bono and ADR Committees has been held to progress the idea further:
- raising with Legal Aid Queensland some concerns about the application of the Family Law Scale of Fees. The response from Legal Aid Queensland was to indicate that the anomalies would be addressed;
- submission to the Attorney-General's Law by Telecommunications Project;
- consideration of the Civil Law Legal Assistance Schemes in other States and submission to Legal Aid Queensland that there needs to be some change in approach to the guidelines to make the scheme more attractive for solicitors to utilise on behalf of clients;
- in conjunction with the Criminal Law Committee, formulating a submission to the CJC on the adequacy of funding for Legal Aid Queensland and the Department of Public Prosecutions;
- consideration of the proposed Public Interest Clearing House for Queensland (QPILCH);
- submission on the Federal Attorney-General's discussion paper about the National Fee Scale for Legal Aid work.

In my capacity as chair of the Society's Access to Justice Committee, I have been nominated as the Queensland Law Society's representative on the Law Council of Australia's Access to Justice Committee and I act as a liaison between the two committees.

I would like to thank members of the Access to Justice Committee for their contribution to the work of the committee including assistance in formulating submissions on behalf of the Society.

Pat Mullins Jnr

Chair

Accident Compensation

The past year has thankfully been less frenetic for the committee than the several preceding years. Only four full committee meetings have been necessary together with a number of subcommittee meetings and liaison meetings with the Insurance Commissioner, other government officers, actuaries and insurance industry representatives.

Following the passage of the Motor Accident Insurance Bill in May 2000 the full committee met with the Insurance Commissioner and her advisory committee to discuss actuarial data and assumptions under consideration for fixing premium arrangements for the initial period commencing 1 July 2000. At that meeting the committee recorded its appreciation for the efforts of the commissioner and the Insurance Council of Australia in working with all interested parties to develop the new legislation.

Regular liaison with the Insurance Commissioner and her principal officers was maintained throughout the year and quarterly statistics were reviewed by committee members involved in the MAIC liaison. Pressure on the scheme caused by the significant increase in small claims appears to be receding and CTP arrangements in Queensland appear stable. The commission continues to closely monitor claims statistics and profiles. The cost to the Nominal Defendant arising out of the HIH failure will obviously be significant but there is no reason to anticipate that it will destabilise premiums.

There were a number of developments in relation to WorkCover. The society maintains close links with WorkCover.

Continued submissions to government for the implementation of the promised amendments to the WorkCover Act have been well received and amendments are expected to be enacted in the near future. Those amendments will restore the common law rights position to that which was

introduced initially by the Goss Government.

It is gratifying that these changes occur against a background where the Queensland WorkCover scheme maintains the lowest premium level of all states and territories while being fully funded (unlike the parlous condition of the majority of other Australian states which have severely eroded or entirely abolished common law rights for workplace injury). The society has also maintained close liaison with senior officers of WorkCover, both in respect of the recent common law review and the ongoing internal review of administrative procedures.

The society has also participated in the competition policy review of the WorkCover Authority.

Committee members have been engaged in submissions in respect of medical assessments, Medicare issues, the society's school bus safety campaign and CLE presentations.

There has been recent liaison with the Law Council and with the New South Wales Law Society's Council in respect of the AMA campaign endeavouring to abolish any common law duty of care for injury and disfigurement flowing from medical negligence. The New South Wales State Government support for aspects of the AMA campaign is regrettable. Hopefully, general principles of accountability and the community's sense of fairness and justice will ensure that this campaign does not spread.

I record my appreciation to Mr Joe Pinder, Council member serving on the committee, for attending as delegate of the committee and the society at the annual conference of casualty actuaries and at the national WorkCover conference.

GAMurphy AM

Chair, Accident Compensation Committee

Audit

The committee met seven times during the year. The committee's main objective is to assist Council fulfil its corporate governance role and recommend approval of the yearly financial statements. Representatives from the Queensland Audit Office met with the committee to discuss the results of the audit and the presentation of financial information.

The committee continued with its main priority of reviewing the format and presentation of financial statements, reviewing the Legal Practitioners Fidelity Guarantee Fund during the year. A number of recommendations were made to make those financial statements more informative and user friendly to members.

The committee sought and considered an independent valuation of Law Society House and confirmation that rental charges levied by the society matched those charged in the commercial market place. The Director of Finance presented to the committee a summary of all internal controls in operation and this report was reviewed and accepted.

In accordance with a resolution from Council, the committee has developed a reserving policy to identify what level of funding should be maintained by the society in any one year to meet major unforseen events. In determining the reserving policy, a risk analysis was performed and the policies of similarly styled organisations were reviewed. A report and recommendation is currently being prepared for presentation to Council along with an investment strategy identifying the most appropriate way for reserve funds to be invested.

I record my appreciation to the members of the committee, each of whom has undertaken this work in addition to other committee and Council obligations, to the Society's Chief Executive Officer, Tony McMahon, and the Director of Finance, Murray Fox, for their contributions.

Richard Wallace

Chair

Banking and Finance

Outline of role of Committee

The committee sees its role in general terms as seeking to ensure that new legislation relating to the field of banking and finance is workable, and that practitioners are aware of the likely workings of new legislation and the inherent pitfalls.

The work of the committee includes:

 considering as appropriate, at the request of Council or other committees or of its own motion, the law relating to banking and finance;

- · advising the Council as requested;
- meeting with Government officials;
- · considering draft legislation;
- preparing submissions to government for the improvement of legislation; and
- providing speakers for continuing legal education seminars and arranging specialised CLE seminars as required.

The extent of the committee's future activities depends largely on the nature of new legislation and case law coming through. The committee's major work over the last few years has related to the 1994 credit legislation. Forthcoming work is expected to be in the area of reforming the personal property securities laws.

Meetings

There were a considerable number of meetings, memoranda and discussions between members of the committee amongst themselves. While plenary meetings are held as required, I try to minimise the demands on the members' time by the method of preparation and circulation of draft comments, submissions, circulars (14 during the year), in lieu of attending formal meetings (which can become discursive); that system seems to work well.

The work of the committee can at times be highly intensive, for example, in the lead up to the preparation of submissions to government.

CLE events

Members of the committee participated in two CLE events - the 2000 Banking & Finance Law Intensive and the Banking & Finance segment of Symposium 2001.

Matters considered or currently under review by the committee and submissions undertaken or recommendations made by the committee

I list the principal pieces of legislation considered by the committee. Details of the committee's activities in these matters appear in the monthly "Banking & Finance Updates" published in *Proctor*.

Credit Legislation

The Consumer Credit Code

Including:

- Comparison interest rates
- Exemptions
- · "Pay-day" lenders
- · Cross-vesting

2. Motor Vehicles Securities Act 1986

The Motor Vehicles Securities & Other Acts Amendment Act 2001

The main effect of the Act is to extend coverage of the MVSA to include security interests over boats.

3. Financial Services Reform Bill 2000 (Cth)

On 5 April 2001 the Federal Financial Services & Regulation Minister Joe Hockey introduced the wide-ranging Financial Services Reform Bill 2001 (Cth).

As the Bill presently stands it will be open to the government of the day to create at any time a new Commonwealth regulatory regime for non-consumer credit to "sit beside" the existing uniform Consumer Credit Code regulatory regime simply by using the device of subordinate legislation.

Sight should not be lost of the Minister's reference to a review of the matter in 2003. When releasing the exposure draft bill on 11 February 2000 he announced that his earlier proposal to create a new Commonwealth regulatory regime for non-consumer credit to "sit beside" the existing uniform Consumer Credit Code regulatory regime had been dropped, but would be reviewed in 2003.

The present state of the Bill is a matter of considerable regret. The Society has suggested to the Minister that the Bill be amended to make it very clear that the introduction of a new Commonwealth regulatory regime for nonconsumer credit can take place only after prior Parliamentary scrutiny. The possibility of "back-door" law making should be removed from the Bill.

4. Sub-mortgages – Land Title Act 1994 s74 (Effect of registration of a mortgage)

Personal property securities law reform

There is not the slightest doubt about the crying need to reform the present archaic and cumbersome Australian regime of personal property securities laws. The desirable objective is to give Australia one law, one procedure and one register relating to personal property securities.

New Zealand has taken a lead in this area. The New Zealand Personal Property Securities Act 1999 ("PPSA"), expected to commence on 1 May 2002, will have a major impact on financing and other commercial transactions involving New Zealand and may influence the shape of things to come in Australia.

It is to be hoped that broad industry backing for reform and active participation by the policymakers and administrators will develop in the near future.

Independent Solicitors Certificates Sub-Committee

This subcommittee comprises representatives of the Banking & Finance Law Committee, the Property Law & Practice Committee and Appiil. In 1997 the subcommittee put together a recommended "ISC Package" (available on the Society's website www.qls.com.au) comprising:

- a recommended form of Independent Solicitor's Certificate;
- a recommended form of Guarantor's Certificate;
- a recommended form of acknowledgment to be given by the guarantor to the certifying solicitor;
- a checklist for solicitors providing independent legal advice to guarantors;
- an informative practice note on solicitors' certification procedures.

The Queensland ISC package with recommended certificates appears to have been generally accepted by the profession and there has been no significant claims experience to prompt any change.

The Queensland ISC package is of the 'solicitors certificate' type. The NSW regime is quite different, being of the "borrower/guarantor statutory declaration" type.

In November 2000, in response to a Law Council of Australia review of ISC in all jurisdictions, the Society advised the LCA that it was not persuaded by any of the arguments advanced in support of the NSW package, particularly as a number of the issues raised were inaccurate, given the nature and form of the Queensland independent solicitor's certificate.

Liaison with the Bar and Universities

I have encouraged liaison between our committee, the Bar and the law schools on matters of common concern in the finance and securities law area. Kiernan Dorney QC, Associate Professor Clive Turner of the University of Queensland and Professor Berna Collier and Denise McGill, Senior Lecturer of the Queensland University of Technology are valued contributors to the committee's work. The level of co-operation is high and is good for the profession as a whole and, ultimately, the public.

Law Council of Australia

The committee has in place a good working relationship with the Law Council of Australia's Banking Finance and Consumer Credit Committee.

Ligison with Government

The committee continued its tradition of useful liaison with the Queensland Government and, in particular, the Office of Consumer Affairs.

Support Function

Linda Dreghorn, the Society staff member responsible for the committee, brings to the task of permanent secretary of the committee not only efficient services as required, and guidance on Council policies where we may not be sure as to what they are, but also a keen legal mind on the substantive legal issues which are involved in our work.

While much of the extensive paperwork involved in the preparation and development of draft submissions or assigned parts of draft submissions is necessarily generated in the respective offices of the individual members of the committee, Linda carries out the essential support functions such as providing liaison amongst members, providing a secretarial backup, arranging meetings and minutes in prompt, admirable, and unfailingly cheerful fashion.

Available Material – Comments Welcome

Copies of the material referred to in this report are available from the committee secretary, Linda Dreghorn, on (07) 3842 5839. The committee, of course, welcomes comments and suggestions from practitioners in the area of finance and securities law.

Lex MacGillivray AM

Chairman

Children's Committee

The committee aims, to advocate in the interests of the State's children, to promote children's understanding and access to justice.

It also has a liaison function with the Courts, other groups within Queensland who act or advocate in the interests of children, and with interstate Law Society Children's Committees, some of which have been operating for several years.

During the reporting period, the committee met nine times. Some of the major issues considered by the committee during this time included:

- making a submission to Government on the Commission for Children and Young People Bill 2000 and the Children's Services Tribunal Bill 2000.
- providing comments on a script being developed by P.A.C.T. to assist children appearing as witnesses in court proceedings.
- liaising with Jason Kidd from the Department of Families Youth and Community Care on the Community Conferencing Program and investigating ways of promoting the program to members.
- liasing extensively with Lynn Selby from Crown Law and Megan Giles from Legal Aid Queensland on the progress of child protection matters since the Act commenced.
- preliminary planning for the Children's Forum to be held under the umbrella of CHOGM in October 2001, including preparation of broad topics and compilation of invitation list.

I attended, in my capacity as Chair of the Children's Committee, meetings held by the Commission for Children and Young People who are co-ordinating the non-government organisations children's activities at CHOGM later in the year.

In the first half of 2001, the Society has been working on a joint project with Griffith University. Three students have completed a research subject at the University by undertaking research projects of interest to the Children's Committee. The three students, Katherine Hayes, Jody Thomas and Paula Rogers have completed research into the following topics:

- Children, Education and the Law;
- The Age of Childhood;
- Children and the Media in Oueensland.

They have presented their results to the committee and are in the process of formulating a research paper which the committee can use to further child related legal issues.

I would like to thank each of the students for their time and effort and also, their Subject Co-ordinator, Barbara Hook. I would also like to thank Simon Cleary and Kathryn Mandla who, with me, acted as supervisors for each of the students.

The committee has arranged for several articles in Proctor and has participated in CLE programs on child related issues. I would also like to thank Megan Giles who has also assisted with articles and CLE programs.

Julie Harrington Chair

CLE Consultative

The committee meets bi-monthly to consider the work of the society's CLE department and to provide input and advice on new proposals. Committee members bring to these discussions their various perspectives as practitioners and as consumers of professional development products and services. The CLE department is guided by this input and other feedback received from the profession generally in scheduling seminars, examining proposals for new texts, and most importantly, in considering pricing and access issues.

The committee congratulates each division of the CLE department on its hard work and many

successes achieved during the recording period. Finally, I formally record my thanks to all committee members for their ongoing contribution.

M Crouch

Chair

Company Law

The committee's role is to consider all aspects of corporate law and regulation. The committee is a joint Queensland Law Society/Law Council of Australia committee. Its main objective is to consider and comment on law reform initiatives in the corporate law area and also attempt to initiate reform where appropriate.

The committee has a mix of corporate, government, academic and private practice solicitors who specialise or are knowledgeable in all aspects of corporate law.

The Queensland Regional Commissioner of the Australian Securities & Investment Commission and the Senior Legal Officer of the Commission are members of the committee. Their membership serves as a valuable liaison between ASIC and the profession.

The committee met seven times during the period under review. Matters considered by the committee include:

- Company Law Economic Review Program (CLERP)
- Challenges to the validity of Corporations Securities Scheme and cross vesting legislation
- Employee Entitlements Bill
- Harmonisation of Companies and Securities Law between Australia and New Zealand
- CASAC Report on Corporate Groups
- Business Names access to databases in relationship with Internet Domain Names Registration
- Legal issues concerning e-commerce
- Review of operations of the Takeover Panel
- Consideration of Takeover Anomalies
- · Consideration of the CASAC Report on

shareholder participation

- Preparation of the submission on the Corporate Code of Conduct Bill
- Review of the Australian Stock Exchange Listing Rule

The committee has endeavoured to keep members of the profession informed of developments by articles in Proctor and liaising with the CLE Department of the Society.

I record my appreciation to the members of the committee who give so freely of their time and expertise to ensure that the committee is able to carry out its functions efficiently and effectively.

I would particularly like to thank John Story and Nerolie Withnall who retired from the committee and welcome Tim Reid, Andrew Hay and John Cowen who joined the committee during the reporting period.

Finally, I must place on record my sincere thanks to Linda Dreghorn, the hardworking secretary of this committee.

G Vickery AM Chair

Construction Law

The committee represents members of the Queensland Law Society who practice predominantly in areas of law relevant to the construction and engineering Industries. The committee met six times during the period under review.

The year ended 30 April 2001 saw the committee with a rather busy agenda and membership of the committee during the year expanded significantly. Industry reform in the form of various legislative enactments during the 2000 year concerning Security of Payment. The domestic and residential construction area and the Queensland Building Tribunal have again occupied the members' time in liaising with Government and attempting to provide a balanced view of the reforms across all industry sectors.

More recently the committee was approached to assist the Government and provide feedback in relation to the ongoing use of various forms of Standard Form Construction Contracts and to participate in a further review of the Subcontractors Charges Act mooted as part of the Scurr Inquiry. That project is ongoing.

The committee will continue, to the best effect possible, to provide a voice for the members of the society but particularly members of the industry on whose operation the reforms impact. One of the prime objectives of the committee is to provide effective responses to issues effecting the construction industry and the society but to do so in a manner which is unbiased and apolitical.

The committee presented two CLE seminars during the year, both of which were well attended and supported by members of the society. The committee also hosted a dinner with Robert Wensley qc, chair of the Queensland Building Tribunal, as guest speaker.

In addition members of the committee, in particular Roger Quick and John Cooper, have participated in various working groups of Construction Queensland. On behalf of our members I thank both for their valuable efforts.

RS Williams

Chair

Equalising Opportunity in Law

The committee met on eight occasions in this period. It is presently meeting about once a month.

Following submissions by the committee, the Council of the Queensland Law Society resolved to adopt the following ruling to be included in the Solicitor's Handbook under heading 18-00 Protocol:

"A legal practitioner has a ethical obligation to recognise the essential dignity of each individual in a democratic society and the principles of equal rights and justice. This applies to all practitioners in relationships with all people.

The Queensland Law Society condemns all forms of harassment, discrimination and other conduct against any person prohibited by any State or Federal law."

The committee continues to seek to raise practitioner's awareness of equality issues both within the profession and in the law generally. It has been liasing with editorial staff at *Proctor* to increase the number of profiles of practitioners

from non-English speaking and indigenous backgrounds, as well as practitioners who have a disability or work part-time. Members of the committee have also submitted articles to Proctor on anti-discrimination laws and the introduction of racial and religious vilification provisions into the Anti-Discrimination Act 1991.

Some members of the committee are involved in the redrafting of the model contract of employment and may be involved in the federal model contract presently under consideration by the equivalent committee of the Law Council of Australia.

Grace Kahlert

Chair

Family Law

The committee's role is to deal with all aspects of family law. Submissions are made to Government and commissions of inquiry and to other organisations. It also has a liaison role with the Family Law Practitioners' Association, the Family Court, Federal Magistrates Service and State Magistrates Court, Family Law Council and the Bar Association. The committee has a wide cross section of family law practitioners both geographically and in areas of interest.

The committee has endeavoured to communicate developments to solicitors who practice in family law as well as contributing to Proctor and CLE programs on family law issues.

The committee met seven times during the period from 1st May 2000 to 30th April 2001. Among the more significant matters considered by the Committee were:

- Discussions with the Chief Magistrate of the Federal Magistrates Service and liaison with Michael Baumann and Jenny Rimmer the Brisbane based Federal Magistrates.
- Submission to the Federal Attorney General on the lack of representation of practicing lawyers on the Family Pathways Advisory Group.
- Ongoing liaison with State Department of Justice and Commissioner of Stamp Duties regarding stamp duty implications of financial agreements and practice and procedure for Consent Orders in property matters under Property Law Act (Old).

- Submissions to the Family Court on formal directions hearings and the subpoenaing process. Participation in the consultation process for the Domestic Violence (Family Protection) Act 1992 proposed amendments.
- Submission to the Federal Attorney General's law by telecommunications project.
- Submission to the Federal Attorney General's proposed national fee scale for Commonwealth Legal Aid matters.

I thank Peter Sheehy who acted as chair from June to November 2000 for again supporting the committee in this way. Members of the committee include Bruce Doyle who is a member of the Family Law Section and Mark McArdle, a member of the Family Law Council. Each serves as a valuable liaison between those organisations and the committee. The committee also welcomed Stephanie Tonkin, Magistrate to the committee to act as a liaison between the committee and the State Magistrates Court.

As chair of the committee, I have attended regular meetings with the Family Court judges in Brisbane and the Case Management Committee meetings where any issues of concern to solicitors are raised

Teresa Kane

Chair

Family Law Specialist Accreditation

The committee met five times during the reporting period. Together with representatives from the Law Institute of Victoria and the Law Society of New South Wales, the committee is in the process of planning and executing a national program of accreditation in Family Law. The total number of Accredited Family Law Specialists in Queensland is 117. It is anticipated that this number will be substantially added to following the assessment to be conducted in August and September of 2001.

We recognise the ongoing commitment and demonstrated professionalism of all Accredited Family Law Specialists throughout Queensland who actively participate in training programs to maintain and enhance their level of knowledge and expertise in this practice area.

I wish to record my thanks to the members of the committee, each of whom worked tirelessly conducting and adjudicating in the assessment process.

D Leembruggen

Chair

Franchising

The committee officially met six times during the year as well as several smaller, more informal meetings of sub-committees. The bulk of the committee's time was taken up with the outcomes of the government's review of the Franchising Code of Conduct.

The focus of the committee for the year has been in following up the committee's submission to the Franchise Policy Council, a non-statutory body established by government to provide independent advice on relevant issues in franchising.

The submission, submitted in early May 2000, was the result of incredibly long and arduous drafting by committee members.

The Franchise Policy Council has indicated that the government proposes to adopt many of the committee's submissions when the amended Franchising Code of Conduct is released in July 2001. The committee's focus for the remainder of the year will be on informing the profession of the changes to the Franchising Code of Conduct expected to commence in October 2001. It is envisaged that this will be achieved through a series of CLE seminars and teleconferences for practitioners who have an interest in this area. The committee has also made submissions to the government on the Duties Bill 2000 and on the GST going concern ruling as it affects franchising.

The chair delivered an extensive paper on changes in franchising since the introduction of the Franchising Code of Conduct at Symposium 2001.

The committee has considered and recommended to the Council of the Society the re-establishment of a separate committee to deal with intellectual property issues.

Derek Sutherland

Chair

Government Lawyers

The committee continues to promote and strengthen the ties between the private and government branches of the profession. It does this by a robust participation in the Society's CLE program as well as the annual legal symposium. During the year the committee held seminars on trust law, prudent person rule and e-commerce legislation.

The committee is looking forward to holding the inaugural Government Lawyers Convention in June 2001.

The committee meets bi-monthly. I thank all members of the committee for their contributions and also the professional support from Ann-Marie David, Helene Breene, Angela Kurtz and Elena McKay.

T Beale

Chair

Insolvency

This committee meets in conjunction with the Law Council of Australia Insolvency Committee and does not report separately to the Society's Council except in respect of matters which that Council refers to it.

Scott Carter

Committee Secretary

International Relations

During the 2000-2001 year this committee continued to meet each month to coincide with Council meetings.

The committee's main objectives are to:

- develop professional and business links with overseas countries;
- form productive relationships with legal professional bodies overseas;
- help co-ordinate the overseas activities of QLS primarily with foreign law societies and law schools, and
- attempt to gather and disburse information about overseas projects, developments and opportunities to Queensland lawyers in addition to disseminating information to foreign

bodies about Queensland legal professional and educational resources.

During the year, the committee focused it's activities on providing assistance to lawyers and the legal professions in the Asia-Pacific region, including:

- a joint initiative with the Justice Department for development of the judicial system in East Timor;
- establishing a formal relationship with the Shiho-Shoshi Lawyers' Association of Saitama, Japan;
- investigating a lawyer/law student exchange program with Malaysia;
- legislative review in Fiji;
- providing text books and resources to lawyers in the Solomon Islands; and
- assisting the PNG Law Society to establish a CLE program.

The committee has also made or is preparing to make recommendations to Council for the following projects:

- assisting the University of the South Pacific with its Computer Based Case Law project – the uploading of 350 judgements of the High Court of the Solomon Islands to the USP web site; and
- involvement with the Queensland University Law School and the Brisbane City Council for the International Congress for Comparative Law to be held in Brisbane in 2002.

Suzanne Greenwood

Chair

IT & T

The committee has met on several occasions during the past 12 months. It complements the work of the Society for Computers and the Law.

Members of the committee have received briefings from key members of the government regarding relevant legislation, including the electronic transactions scheme of legislation.

In response to a request by a member to the Society President, the committee is currently working in the area of developing suggested email

protocols for law firms. It is recognised there is perhaps a need for guidance in this area, and the New South Wales Law Society has offered guidelines for its members. The completed work is expected to be tabled with the Queensland Law Society Council for consideration. The committee hopes that an outcome of this process will be some Proctor articles offering guidance to members in the area of email protocols.

I take this opportunity to acknowledge the contribution of members from their various fields of private practice, government and academia.

John Swinson

Chair

LawCare

The committee is responsible for administration of the confidential counselling service for solicitors and their spouses.

As from October 2000, a new external provider of the service was engaged after a lengthy and intensive tender process. The new provider is undertaking a broad review of the LawCare service, the effectiveness of it and possibilities for its expansion and refinement.

Over recent years, the committee has been exploring ways in which the Society might play a more active role in helping solicitors to deal with the growing stresses of legal practice and of life generally. That process is continuing. One initiative arising from it has been the promotion, on an "in principle" basis, of a mentoring system within the profession.

Moves to expand and broaden the membership of the committee have been successful. The committee now has worthwhile diversity in terms of age, gender and geographical base of its members.

During the year, the committee had six formal meetings, in addition to numerous smaller subcommittee sessions, particularly in the process of examining tenders and subsequently conducting interviews and negotiations with short listed tenderers.

Mr Michael Quinn relinquished the chair after many years in which LawCare benefited from his enlightened stewardship. Pending appointment of a replacement, Mr Ross Grainger Smith (one of the founders of LawCare) was acting chair and provided wisdom, guidance and leadership during crucial times for the co.mmittee.

RPS Smith

Chair

Legal Education

The committee meets as required to discuss issues relating to legal education and professional development. During the reporting period, submission was made in relation to the Council on the Competency Standards for Entry Level Lawyers.

M Crouch

Chair

Management

The committee's main responsibility is to consider claims against the Practitioners' Fidelity Guarantee Fund and, subject to Council's discretion in respect of claims in excess of \$60,000.00, to determine those claims. Other responsibilities include monitoring the accounts of the Fund and the approval of solicitors' accounts and counsels' fees in excess of \$5,000.00.

The committee met 10 times during the period. It considered 34 claims against the Fund of which 26 were paid, five were rejected and three were deferred to enable further enquiries and submissions to be made.

Richard Wallace

Chair

Marketing

The committee remains a consultative committee which meets to provide input as required by the Society.

All marketing activities were undertaken this year by the Public Relations and Marketing Unit without the need to call on committee members.

JA Tooma

Chair

Mentoring Steering

In June 2000, Council resolved to set up a Mentoring Steering Committee to investigate the

possibility of a mentoring scheme being established by the Society for the benefit of members.

The committee met three times throughout 2000/2001, determined that a mentoring scheme should be developed for the benefit of members, and made various recommendations about how the scheme might operate most effectively for those members wishing to utilise such a scheme.

The committee unanimously agreed that the critical issue was correct matching of mentor and mentee, with training in the mentoring process and a set of strict guidelines in place to facilitate this.

It was further recommended that the set—up of the scheme be handed to the LawCare Committee, as a mentoring program was seen as compatible with the current functions of that committee. The Lawcare Committee has the right mix of members to oversee the drafting of Queensland Law Society mentoring guidelines, and the necessary level of energy and commitment to investigate how best to implement such a scheme, once the guidelines have been drafted.

No time frames have been set for the implementation of the scheme or the drafting of the guidelines.

Tom Byrne

Chair

Personal Injuries Specialist Accreditation

This committee devises and conducts an assessment program for candidates wishing to become accredited as personal injuries specialists. This involves creating a study guide outlining areas of knowledge to be assessed; designing case scenarios for use in mock file and client interview simulations and compiling a written examination. Committee members also assess submissions by candidates.

There are currently 103 accredited personal injuries law specialists in Queensland. The next assessment program will run from July to October 2001.

J Pinder

Chair

Plain English

The past 12 months have been productive ones for this committee. Highlights of the year have included:

- production of a new Plain English manual, Clear and Precise: Writing Skills for Today's Lawyers, written by two members of the committee, Ros MacDonald and Deborah Clark-Dickson. The text has been very well received by the profession and students.
- a drafting competition requiring a Plain English re-write of a Consent to Lease clause; and
- drafting workshops presented by members of the committee as general CLE seminars, or tailored in-house programs.

I take this opportunity to thank each member of the committee for their hard work and commitment in the past 12 months. The collective expertise of the committee in the areas of private practice, government and academia ensures a continuing high profile for Plain English in Queensland.

Joe Tooma Chair

Planning and Environment

The committee's role is to consider all legal and practical matters affecting planning and environment law in Queensland.

The full committee met once during the year under review. However, much of the committee's work is done by individual members and communicated through e-mail to the rest of the committee.

Some of the more substantial issues considered by the Committee during the reporting period include:

- committee member, Leanne Bowie, acting as the Society's representative on the State Government legislative initiative relating to greenhouse emissions.
- consideration of the implications of the pending review of the role played by the Planning and Environment Court. Committee member, Col Harkness, has had discussions with local judicial officers and Leanne Bowie and I have had discussions with government officers responsible for the review.

- committee members, Leanne Bowie and Roseanne Meurling (also representing QELA) met with members of the consultative group undertaking the IPA review.
- preliminary review of amendments to the Liquor Act.
- input into the implementation of the State regime under the Environment and Biodiversity Act 1999.

During the year under review, Michael Walton, a long standing member of the committee resigned. I take this opportunity to thank Mr Walton for his hard work and dedication to the committee for over a decade.

Tanya Knauer of Cairns was appointed to the committee in December last year.

I take this opportunity to thank all members of the committee for their contributions.

R Bowie

Chair

Practice Course

The committee met twice during the 2000/01 year to discharge its function of ensuring that the Practice Course quality and relevance to the solicitors of Queensland are maintained, and that the requirements of the Continuing Legal Education Rules 1988 are complied with.

The principal strategies adopted to fulfil this role are to review written feedback from course delegates and for committee membership to include representatives from recently completed courses.

Substantial revision of the Management section of the course materials was undertaken and completed by Mr Peter Lynch, Academic Director, Practice Management Course, University of Oueensland.

The University of Queensland Business School award for outstanding achievement in the course was awarded to Sandra Lindsay, partner of Ruddy Tomlins & Baxter, Ayr who was admitted in 1996. Sandra achieved the highest mark of the 100 candidates in the four courses from 1 July 1999 to 30 June 2000. The award was presented by Professor Victor Callan, Head of the Graduate School of Management, University of

Queensland, at the annual Queensland Law Society end of year function. The prize increases the awareness of the existence and value of the course and recognises the time and effort required to successfully complete the course.

Michael Crouch

Chair

Pro Bono

The committee met three times during the year as well as several informal meetings between the chair and QLS staff on trends in pro bono activities in other States and developments in Queensland.

The committee was represented at the National Pro Bono conference in Canberra in August 2000 by Tom Byrne who reports that it was an excellent networking opportunity for the QLS to meet with other pro bono practitioners from around Australia. It resulted in several practitioners from Queensland who were attending the conference being appointed to and adding a considerable depth of knowledge to the committee.

QPILCH (Queensland Public Interest Law Clearing House) steering committee has been actively involved in establishing in Queensland an organisation replicating PILCH operating in other States to fund and provide access to justice for worthy litigants in important legal cases. The committee is represented on the steering committee and the Society amongst others will be looking to be a foundation member.

It is heartening to see such a widespread growing interest in the provision of pro bono legal services in Queensland. Examples are the Federal Court scheme, QPILCH and particularly the formalisation of dedicated pro bono employees in several private firms. There is an increasing and genuine concern amongst practitioners that those deserving of legal representation should be represented as widely as possible. It is, however, critical that government at all levels adequately funds legal aid to enable that representation to be provided.

The committee is presently liaising with other bodies providing pro bono legal services either on a formal or informal basis so that all pro bono activities in this State can be properly co-ordinated.

Jeff Mann AM

Chair

Proctor

The committee meets monthly in a consultative capacity to consider submissions for publication in the magazine. Members of the committee bring with them a variety of levels of practice experience and expertise, and the editor has drawn editorial support from this diversity.

Amongst other things, Proctor publicises to members the work of the various Queensland Law Society departments and committees. The monthly magazine regularly features articles on legislative change and case law of interest not only to the profession but also the wider community. It also serves as a potentially powerful instigator of practice management change and catalyst for practice development opportunities.

Proctor is a valuable public relations and marketing tool for the Society and is effectively used not only to keep members informed on professional and Society issues, but also to present to the wider interested community the Society's position on numerous issues of significance to the all members.

The magazine has a small number of paid subscribers and complimentary copies are sent to the media, the judiciary, and all State and Federal politicians for Oueensland.

Proctor can also be accessed through the Law Society web page offering practitioners a useful electronic index search facility.

The magazine has ensured that it remains at the forefront of professional issues, and ihas thus earned a high level of credibility and readership within the greater legal profession in the State. Editorial contributions are received from legal academics, judges and magistrates, barristers, and solicitors in government.

During my year there were a number of instances where we were asked to permit the re-publication of articles, specifically for the New South Wales and Victorian journals and for a local business publication.

Proctor's publishing philosophy is grounded on the basis that it is an official journal; strong control over production was continually maintained throughout the year, complemented by a 'best-practice' policy in servicing advertisers. Consequently, the positive financial trend was maintained and the surplus on production costs has grown.

I thank committee members and staff, particularly editor, Ian Muil, and, editorial assistant, Helen Meadows, for their contribution to the success of magazine.

Raoul Giudes

Chair

Profession Review

Role of the committee

The committee was established to promote QLS policies and respond to developments in Queensland and interstate in relation to profession structural change, in particular in the matters of incorporation and multi-disciplinary practices.

Number of meetings held in the period from 1 May 2000 to 30 April 2001

The committee met on:

- 16 May 2000
- 10 August 2000
- 8 November 2000
- 19 March 2001

Matters considered and under review.

The key issues occupying the committee have been:

- incorporation of legal practices
- multi-disciplinary practices
- professional standards legislation

Submissions undertaken or recommendations made by the committee.

The committee assisted in the development of all of the submissions from the Society to the Attorney General on these subjects. Essentially the committee takes the view that legal practices should be permitted to incorporate to facilitate the raising of capital and multi-disciplinary practices should be permitted as a way of providing and expanding services to clients. Both, of course, should be subject to appropriate regulatory controls and subject to the maintenance and protection of requisite ethical standards. These principles have been the basis of all of the committee's work and submissions.

Ron Ashton

Chair

Professional Standards

There were 11 meetings of the committee between 1 May 2000 and 30 April 2001.

The committee's primary role includes:

- consideration of complaints against solicitors and solicitors' employees referred to it by the Council, the Professional Standards Department and the Legal Ombudsman
- consideration of reports of unsatisfactory Section 31 examinations of solicitors' trust accounts referred to it by the Section 31 Committee and the Professional Standards Department
- authorisation of and monitoring of disciplinary proceedings before the Solicitors' Complaints Tribunal or the Court, for charges relating to unprofessional conduct or professional misconduct by a solicitor, or misconduct, or default by a solicitor's clerk or employee
- review of the Society's policies and procedures in relation to investigation of complaints and disciplinary proceedings
- provision of rulings and advice on ethics and professional conduct and practice
- imposition of censures or admonitions on practitioners where the committee considers a practitioner's conduct has been unsatisfactory.

In addition to its primary role, the committee considered a number of policy issues during the year, including solicitors' advertising in relation to personal injuries and specialist accreditation, and panel solicitors.

During the year the current President, Mr Raoul Giudes, and Mr Kevin Copley resigned from the committee and Messrs Joe Tooma, Michael Meadows and David O'Brien were appointed to the committee.

Mr Geoff Stevenson, the Legal Ombudsman, attends meetings of the committee as a non-voting member. Mr. Stevenson has been of significant assistance to the committee, in keeping the it informed about matters being handled by the Legal Ombudsman and in providing insight into matters before the committee.

My thanks also go to the other committee members for the considerable time they have spent on the work of this extremely important council committee. In particular, I wish to thank our lay members, Mr Ken Hinds and Mr Brett Codd for their valuable input from the consumer point of view.

Tom Sullivan

Chair.

Property Law and Practice

The committee meets monthly to deal with very full agendas on a range of property law issues.

A wide cross section of the profession is represented on the committee. It has regional and country practitioners together with members who practise in suburban and CBD firms.

On specific topics, the committee sometimes invites other members of the profession to contribute where particular expertise is required and no committee member has the relevant experience.

In addition to monthly meetings, a number of ad hoc committees meet from time to time to deal with specific matters, particularly new or amending legislation, so that the often very tight deadlines for submissions can be met.

Issues considered by the committee during the reporting year include:

- Finalising licensing arrangements with REIQ to enable the REIQ House and Land, Lots in a Community Titles Scheme, and Commercial Land and Buildings Contracts to be placed on the Society's web site for the benefit of its members.
- Negotiating with REIQ on GST clauses for the Commercial Land and Buildings Contract.
- Liaising with banks to compile a benchmark schedule for publication in Proctor and on the web site.
- Submissions to the Office of Fair Trading in relation to the Property Agents and Motor Dealers Act 2000, development of the regulations, codes of conduct and forms.
- Submission on the proposed Accommodation Providers Liability Bill 2000.
- Submission in relation to amendments to the Retail Shop Leases Act.
- Liaising with banks on the issue of acceptance of bank cheques drawn by financial institutions on themselves.

- Submission on the Electronic Transactions (Queensland) Act 2001.
- Liaising with the Registrar of Titles and the government on amendments to the Land Titles Act about writs of execution. Changes to the legislation have now occurred.
- Liaising with the Registrar of Titles and the President of the Guardianship and Administration Tribunal about protocols concerning Section 21 of the Guardianship and Administration Act.
- Consulting with the Director of CLE in relation to specialist accreditation in the area of property law.
- Liaising with the Registrar of Titles in relation to the Electronic Titling Pilot Project.
- Liasing with the Revenue Law Committee and APPIIL on issues concerning in-house stamping practices.
- Advising members of the Workplace Health and Safety Regulations dealing with asbestos in workplaces.
- Liaising with the ABA in relation to concerns with telegraphic transfers.

The committee continues to promote good relations with government departments relevant to property transactions. In particular, Grahame Mitchell who was the Registrar of Titles until his recent retirement regularly attended committee meetings to discuss concerns and to keep the committee informed of progress in titling reforms.

Committee members have contributed numerous articles to Proctor and participated in CLE programs. Information has also been placed on the Society's web site to keep members informed of property law developments.

Various committee members have contributed significantly to submissions made on behalf of the society and in disseminating information to the profession. I would like to thank those members most sincerely for donating their time and expertise. I would particularly like to thank Warren Denny who donated many hours of his time in formulating and negotiating with REIQ's solicitors the GST provisions for the Commercial Land and Buildings Contract.

Paul Newman

Chair

Revenue Law

The committee met once during the year, to consider the submission on the new Duties Bill. A lengthy submission was prepared and lodged with the Office of State Revenue for consideration.

Comments were made on a consultation paper for pooled public investment trusts.

The committee also had discussions with the Office of State Revenue in relation to the compulsory return stamping proposal of that office. Two liaison committee meetings with the Office of State Revenue were attended, in order to deal with problems with the proposal. Submissions were made on SD rulings 48.1 and 49.1.1.

Matters under review by the committee at present are the Taxation Administration Bill 2001. Again, a submission will be lodged with the Office of State Revenue.

P J Allen Chair.

Section 31 (Audit)

The committee meets on a monthly basis to consider audit reports prepared by the Society's employed accountants in relation to the handling of trust money by legal practices. Meetings are generally held on Council meeting days.

The audit process is vitally important. It assists solicitors to keep their trust accounting records in a proper manner, thus minimising the risk of trust money being incorrectly applied through inadvertence. It has also been effective in the detection of fraud and other types of unsatisfactory professional conduct.

A statistical analysis of the year's results shows:

- 1. 219 Section 31 reports were finalised.
- Eight of those reports resulted in a decision to bring charges of professional misconduct, or unprofessional conduct, against practitioners before the Solicitors Complaints Tribunal.

Two of these matters have been heard. One solicitor's name was struck off the roll. The other solicitor was suspended from practice for a period of six months and fined \$15,000. The other six matters have not yet been heard but two of the solicitors had their practising certificate suspended by the Council of the Society.

- 3. Seventeen reports disclosed that the trust account had not been satisfactorily maintained and resulted in decisions being made to conduct follow-up audits. In most of those cases, one or more of the following types of irregularities had occurred on a fairly regular basis:
 - Trust account deficiencies as the result of trust ledger accounts being overdrawn.
 - Delays in restoring trust account deficiencies as the result of trust transactions not being promptly recorded.
 - Delays in completing end of month reconciliations resulting in extended delays in restoring trust deficiencies.
 - Trust moneys were received into the general account in respect of unexpended outlays.

In addition to conducting Section 31 examinations, the five employed accountants in the Audit Section:

- answer accounting queries from solicitors and accountants engaged by solicitors to audit trust accounts. The Society firmly believes that the provision of this service assists in the prevention of trust accounting irregularities.
- examine the audit reports lodged yearly by the auditors appointed by solicitors. The Society, as a result of the January 1998 amendments to the Trust Accounts Act, is the supervising entity for solicitors' trust accounts with the result that audit reports are now lodged with the Society instead of the Department of Justice and the Attorney-General.
- act as co-signatories to a number of solicitors' trust accounts. The accountants are appointed as co-signatories when the Society is concerned that a solicitor's records have been kept in such a poor manner that there appears to be a risk that the solicitor may improperly disburse money from the trust account.
- wind up practices to which the Society has appointed itself receiver of trust property following the suspension, or cancellation, of a solicitor's practising certificate, or the solicitor's name being struck off the roll.

The audit section is presently obtaining

information from providers of computerised practice management systems with a view to having an online accounting facility created for the benefit of legal firms that do not presently use a computerised practice management system.

The review of the year's work has confirmed that the specialist audit program employed by the Society's audit section is effective in identifying poor trust accounting procedures and the detection of fraud and some other types of unsatisfactory professional conduct.

Tom Sullivan

Chair

Schools Education

The committee meets at regular intervals during the year to review the society's schools program with a view to considering any possible fine tuning of the program. It enjoys representation from a variety of fields, including practising solicitors in private firms and in community legal centres, and practising teachers from various parts of the state.

In the past 12 months the committee has considered the future of the Broker magazine, has agreed to expand mock trials for students into more regions of the state, and to hold a legal studies teachers' conference in Townsville in December to supplement the annual conference in Brisbane in September.

The chair of the committee thanks all committee members for their input in making the society's schools program a successful one.

RM Giudes

Chair

Small Practices

The committee (9 members) continues to endeavour to assist small practices to manage their businesses effectively. During the course of the year there was a change of chairperson from Pamela Dickenson to Leon Pommer. Pamela was responsible for initiating a number of breakfast meetings with practitioners to discuss problems of small practices.

Since November 2000 there have been two meetings of the committee on Saturday afternoon so that the members of the committee could discuss issues face to face. In addition there are regular monthly meetings where country practitioners attend by telephone conference.

Two exciting initiatives with which the Committee is currently involved are publication of a guide for primary producers in both print and electronic format which small firms may use in marketing, and seminars by successful small practice operators to assist others to more effectively manage their practice and adapt to change.

The committee welcomes input from any practitioners on how it may assist them in the future.

Leon Pommer

Chair

Specialist Accreditation Board

The Specialist Accreditation Board formulates policies and procedures for the specialist accreditation program. It constitutes appeal review panels to hear appeals arising from the accreditation programs.

During the reporting period the Board actively pursued the issue of expansion of the scheme beyond the existing areas of family law and personal injuries law. An expansion survey was issued to all members of the society in the February 2001 issue of Proctor. Survey results will be conveyed to the society's council in the next reporting period.

Peter Carne

Chair

Succession Law

The committee's role is to consider all aspects of succession law. The objects of the committee include liaison with the Bar, the Courts, government and the community, and ensuring that practitioners' experience is taken into account in any policy and legislative reforms on the area of succession law.

To facilitate this objective, membership of the committee includes two barristers, a solicitor from the Public Trust Office and a solicitor from a trustee company as well as members in private practice.

The committee has met seven times during the year and considered a range of issues impacting on succession law. Matters afforded priority by the committee during the year under review have included:

- liaising with the Government on the provisions of the Succession and Other Acts Amendment Bill 2000 about appointment of testamentary guardians for infant children;
- a submission to the federal government calling for an amendment to the Financial Transaction Reports Act 1988 in view of an AUSTRAC bulletin directing banks to apply the 100 points rule to close a bank account even where a grant of probate has been obtained in an estate;
- submitting to government that a change was necessary to Section 67 of the Trust Act about an advertising requirement to bring it into line with the Uniform Civil Procedure Rules;
- discussion with the Registrar of Titles on issues impacting on estate administration;
- liaison with the Office of State Revenue about stamp duty implications on family provision settlements.

Members of the committee have assisted extensively with CLE seminars and have contributed several articles to Proctor to keep the solicitors of Queensland informed of succession law developments.

John de Groot Chair

Superannuation

The role of the Superannuation Committee is three-fold. It provides:

 A forum to liaise with the various regulatory authorities such as APRA, ASIC and the OSR in relation to matters which affect the law of superannuation.

- A point of liaison with the Law Council of Australia Superannuation Practice Group. The committee provides commentary and makes submissions on proposed legislation regulating the superannuation industry.
- Education for members of the profession on the practice of law in the superannuation arena. This objective is met by the committee in the submission of relevant articles to Proctor and by participation in the Society's CLE program.

I take this opportunity to thank all other members of the committee for their contributions.

J Peterson

Chair

Symposium

The 40th annual Legal Symposium was conducted at the Sheraton Mirage Resort, Gold Coast on 2 and 3 March 2001. The Symposium Committee, comprising members of the society and the Bar Association of Queensland, met regularly throughout the reporting period to consult on the educational program and other aspects of this flagship conference.

A change in format from a three to two-day conference was well received by delegates and in no way detracted from the very comprehensive educational program. Keynote speaker, the Honourable Justice Michael Kirby AO of the High Court headed an impressive array of speakers drawn from the practising profession, academia and other disciplines.

Symposium continues to go from strength to strength with the generous support of our sponsors and trade exhibitors. Delegates are treated to hands on exposure to the latest in products and services which appeal to the legal profession. We thank all concerned for their efforts.

J Bennett

Chair

Financial Statements

Queensland Law Society Incorporated Statement of Financial Performance for the financial year ended 30 April 2001

	NOTE	2001	2000
		\$	\$
REVENUE FROM ORDINARY ACTIVITIES			
Practitioner Fees	3	3,671,218	3,546,151
Administration Costs Recovered	4	896,853	1,345,857
Continuing Legal Education	5	1,204,346	1,452,488
Interest		396,481	260,727
Proctor Advertising and Subscriptions		212,827	194,536
Rent Received	6	357,017	370,896
Other Income	7	366,359	462,934
Total Revenue from Ordinary Activities		7,105,101	7,633,589
EXPENSES FROM ORDINARY ACTIVITIES			
Administration	8	4,527,087	4,585,718
Continuing Legal Education	5	749,729	856,097
Council and Committee Costs	9	618,295	584,708
Law Council Capitation Fees		300,183	312,911
Legal Profession Reform Costs		20,000	157,362
Media and Public Affairs	10	147,965	144,414
Member Services and Events	11	288,894	269,310
Proctor Production Costs		196,418	192,047
Total Expenses from Ordinary Activities		6,848,571	7,102,567
Surplus from Ordinary Activities		256,530	531,022
Transfer attributable to outside equity interests	2	-	1,849,407
Surplus (Deficiency) attributable to members of the Society		256,530	(1,318,385)
Increase in Asset Revaluation Reserve	16	519,499	68,700
Net movement in Contribution Distribution Account	15	1,226,156	506,254
Total changes in Equity		2,002,185	(743,431)

Queensland Law Society Incorporated Statement of Financial Position as at 30 April 2001

		2001	2000
	NOTE	\$	\$
CURRENT ASSETS			
Cash Assets		8,772	11,664
Receivables	12	481,706	517,737
Other Financial Assets		5,471,046	3,864,091
Inventories		18,286	13,396
TOTAL CURRENT ASSETS		5,979,810	4,406,888
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	8,623,081	8,276,298
TOTAL NON-CURRENT ASSETS		8,623,081	8,276,298
TOTAL ASSETS		14,602,891	12,683,186
CURRENT LIABILITIES			
Payables	13	629,134	777,614
Provisions for Employee Benefits		263,000	170,000
TOTAL CURRENT LIABILITIES		892,134	947,614
NON-CURRENT LIABILITIES			
Provisions for Employee Benefits		183,000	210,000
TOTAL NON-CURRENT LIABILITIES		183,000	210,000
TOTAL LIABILITIES		1,075,134	1,157,614
NET ASSETS		13,527,757	11,525,572
EQUITY			
Retained Funds		7,218,271	6,961,741
Contribution Distribution Account	15	2,416,295	1,190,139
Reserves	16	3,893,191	3,373,692
TOTAL EQUITY		13,527,757	11,525,572

Queensland Law Society Incorporated Statement of Cash Flows for the year ended 30 April 2001

		2001	2000
	NOTE	\$	\$
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from the Profession		26,769,168	22,463,108
Payments to Suppliers and Employees		(25,474,082)	(23,016,606)
Interest and Bill Discounts Received		487,818	306,619
Net Cash (Used)/Provided By Operating Activities	21	1,782,904	(246,879)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for New Plant and Equipment etc.		(178,841)	(127,976)
Proceeds from sale of assets		-	-
Net Cash (Used) in Investing Activities		(178,841)	(127,976)
Net Increase (Decrease) in Cash Held		1,604,063	(374,855)
Cash at the Beginning of the Financial Year		3,875,755	4,250,610
Cash at the End of the Financial Year	21	5,479,818	3,875,755

Queensland Law Society Incorporated Notes in the Financial Report as at 30 April 2001

Notes

1 Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the Society's financial statements are:

(a) Basis of Preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the provisions of the Financial Management Standard, which requires compliance with Australian Accounting Standards.

They have been prepared on the basis of historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. These accounting policies are consistent with those of the previous year, except where there is a change which has been separately disclosed.

(b) Non-Current Assets

General

The carrying amount of non-current assets are reviewed annually to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount.

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below and in Note 14. All acquisitions are expensed unless the initial cost exceeds \$500. All library acquisitions are expensed in the year of purchase.

Revaluations

The revaluation thresholds for each class of asset are listed below,

Land and Building \$750,000 Office Furniture and Equipment \$125,000

The strata title building, is independently valued every five years on an open market value in vacant possession basis and included in the financial statements at the revalued amount (refer Note 14).

Disposal of Revalued Assets

The profit or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

Any related revaluation increment standing in the asset revaluation reserve at the time of disposal is transferred to retained funds.

Depreciation

Items of plant and equipment, including strata title buildings are depreciated over their estimated useful life. The estimated useful life for all assets is reassessed annually. The straight line method is used and assets are depreciated from the date of acquisition.

Depreciation rates are usually standardised within each class of asset and the following rates have been applied.

Asset Class	Rate
Strata Title Building	2.5 %
Plant and Equipment	5.0% - 20.0 %
Computer Equipment	20.0% - 33.3 %

(c) Recovery of Expenditure

Under the rules of the *Queensland Law Society Act* 1952 certain operating expenses of the Society are recoverable from the Legal Practitioners' Fidelity Guarantee Fund, General Trust Accounts' Contribution Fund, Grants Fund and Interest on Trust Accounts. The gross amounts recovered are disclosed as income. Expenses incurred on behalf of the above funds' form part of the administration expenses incurred by the Society.

(d) Income Tax

The Society has been granted exemption from income tax by the Australian Taxation Office per Section 24AK of the *Income Tax Assessment Act 1936*.

(e) Other Financial Assets

Investments during the year comprising bank bills and short term deposits are valued at cost. Investment income is brought to account under the accrual basis.

(f) Inventory

Inventory, comprising consumables and publications for resale, is valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date, using the first-in-first-out basis.

(g) Employee Entitlements

Annual Leave

The annual leave provision has been calculated based on current wage and salary rates, including on-costs and represents the amount which the Society has a present obligation to pay resulting from employees' services provided up to the balance date.

Long Service Leave

The liability for long service leave entitlements represents the present value of the estimated future cash outflows to be made by the Society resulting from the employees' services up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the Society's experience with staff departures. Related on-costs have also been included in the liability.

(h) Bad and Doubtful Debts

Bad debts are written off in the period identified. The collectibility of debts is assessed at year end and a general provision for doubtful debts is made at a level considered necessary to cover any unknown bad debts.

Comparative Figures

Where necessary comparative figures have been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. Cost Recoveries had previously been offset against expenditure. This recovery is now reported as income.

Advance - Legal Practitioners' Fidelity Guarantee Fund 2

In accordance with Rule 7 of the Rules of the Queensland Law Society Incorporated the Council of the Society resolved to raise a special levy and create a reserve to enable advances to be made to the Legal Practitioners' Fidelity Guarantee Fund as and when required.

At 30 April 1999 the balance retained by the Society for further advances to the Legal Practitioners' Fidelity Guarantee Fund was \$1,849,407.

On 8 December 1999 the Queensland Government amended the Queensland Law Society Act 1952. This amendment required all levies raised by the Society and held for advance to the Legal Practitioners' Fidelity Guarantee Fund to be paid to the Fund. Further all advances previously made by the Society were now deemed to be income of the Legal Practitioners' Fidelity Guarantee Fund and never to have been paid to the general funds of Society.

As a result of the amendments to the Queensland Law Society Act 1952 the amount of \$1,849,407 plus interest of \$48,991 was transferred from reserves and written-off as an abnormal expense in the financial year ended 30 April 2000. The amendments to the Act had no financial impact to the society for the financial year ended 30 April 2001.

Membership and Practitioners' Fees 3

	2001	2000
	\$	\$
Practising Certificate Fees	1,901,535	1,891,523
Law Claims Administration Levy	-	2,000
Member Fees	1,244,823	1,088,963
Corporate Marketing Levy	212,820	208,400
Professional Indemnity Insurance	312,040	355,215
Other	<u></u> _	50
	3,671,218	3,546,151
inistration Costs Recovered		

Admi

	2001	2000
	\$	\$
Legal Practitioners' Fidelity Guarantee Fund	592,623	594,771
General Trust Accounts Contribution Fund	29,210	29,058
Interest on Trust Accounts	59,011	57,829
Grants Fund	25,942	25,579
Contribution Distribution Account	190,067	638,620
	896,853	1,345,857

5 Continuing Legal Education

	2001	2000
	\$	\$
INCOME		
Seminars	702,736	883,694
Texts and Other Publications	297,050	306,743
Practice Management Course	150,375	157,564
Specialisation	53,124	101,257
Other	1,061	3,230
	1,204,346	1,452,488
EXPENDITURE		
Seminars	465,913	580,347
Text and Other Publications	128,915	117,520
Practice Management Course	147,537	134,319
Specialisation	7,364	23,911
	749,729_	856,097
Rent Received		
	2001	2000
	\$	\$
Legal Practitioners Fidelity Guarantee Fund	253,860	266,396
Car Parking Bays	96,157	97,500
Other	7,000	7,000
	357,017	370,896

7 Other Income

	2001	2000
	\$	\$
Body Corporate Administration Fees	11,000	17,417
Commissions Received	60,888	85,817
Diary Profit	51,195	74,749
Fines and Costs Recovered	-	11,600
FOI Income	263	341
Grants Received – Grants Fund	146,860	103,723
Media & PR Sales	16,750	-
Mediation Services	-	7,947
Member Services Centre	20,835	13,538
Other Income	14,605	25,962
Schools Program	43,478	48,557
Sponsorship	350	73,000
Terms Discount Received	135_	283
	366,359	462,934
		

8 Administration

	2001	2000
	\$	\$
Advertising	4,994	-
Audit Fees	20,000	19,800
Bad Debts	4,397	1,540
Bank Charges	7,672	8,001
Computer Maintenance	141,966	181,487
Depreciation – Equipment	141,533	216,705
Electricity	41,202	33,461
Fringe Benefits Tax	41,284	15,629
Insurance	122,584	111,483
Law Society House		
- Body Corporate Levies	92,109	86,776
- Depreciation - Building	210,024	216,300
- Rates & Taxes	60,349	57,948
- Repairs and Maintenance - Building	1,326	5,576
Payroll Tax	127,160	113,843
Postage	120,046	112,855
Presentations and Gifts	3,022	5,614
Printing and Stationery	154,436	187,332
Professional and Consulting Fees	188,249	352,853
Registrations and Subscriptions	35,041	31,400
Repairs and Maintenance	90,476	88,996
Salaries and Wages	2,450,774	2,308,374
Staff Advertising	15,404	8,773
Staff Amenities	12,164	9,067
Staff Training	35,273	31,607
Staff Travel	30,386	8,250
Sundry Expenses	47,134	62,629
Superannuation	215,154	193,801
Taxis and Couriers	17,598	21,097
Telephone	95,330	94,521
	4,527,087	4,585,718
ncil and Committee Costs		

9 Council and Committee Costs

	2001	2000
	\$	\$
Committee Room Catering	69,955	69,185
Convocation	9,672	9,008
District Law Associations Presidents Travel	1,358	7,255
Functions and Entertainment	57,705	42,546
Honorarium	213,300	213,300
Travel and Accommodation including study tours	266,305	243,414_
	618,295	584,708

10 Media and Public Affairs

	2001	2000
	\$	\$
Advertising and Promotional brochures	55,519	65,886
Community Donations and Programs	11,368	11,663
District Law Association Sponsorship	9,560	8,000
Law Week	24,691	12,791
Law Walk	3,776	3,314
Human Rights Day	-	24
Senior Citizens Week	-	1,221
Schools Program	41,253	30,287
SCRAM	1,798	11,228
	147,965	144,414

11 Member Services and Events

	2001		2000
	\$		\$
Annual General Meeting	2,025		3,647
LawCare	33,420		35,023
Members Library	213,202		194,243
Members Shopping Service	12,600		11,345
Membership Cards	23,555		21,773
Sporting Events	4,092		3,279
	288,894	_	269,310

12 Receivables

	2001	2000
	\$	\$
Debtors	43,879	56,633
Less Provision for Doubtful Debts	2,800	2,000
	41,079	54,633
Prepaid Expenses and Accruals	440,627	463,104
	481,706	517,737

13 Payables

	2001	2000
	\$	\$
Payables	435,485	503,585
Subscriptions/Registrations in Advance	193,649_	274,029
	629,134	777,614

14 Property, Plant and Equipment

	2001	2000
	\$	\$
Strata Title Building at independent valuation	8,268,000	8,654,400
Less Accumulated Depreciation	155,025	850,900
	8,112,975	7,803,500
Office Furniture and Equipment at cost	1,208,336	1,156,462
Less Accumulated Depreciation	698,230	683,664
Balance	510,106	472,798
	8,623,081	8,276,298

Assets with an original cost in excess of \$500 and a written down value of nil, and assets with an original cost below \$500 were reviewed at 30 April 2000, in accordance with accounting policies to determine if the estimated useful life of these assets had future economic value. Where the future economic value of these assets was less than \$500 the original cost and accumulated depreciation was removed from the Balance Sheet. At 30 April 2000, assets with an original cost totalling \$1,096,918 were still continuing to be utilised by the Society however their value has been assessed to be below \$500 per item.

An independent valuation of the strata title building was carried out as at 22 August 2000 by Mr D R Bullen AAPI and is on the basis of the open market value of Law Society House in vacant possession with all units combined. The Council are of the opinion that this basis provides a reasonable estimate of recoverable amount.

The valuation is in accordance with the Society's policy of obtaining an independent valuation every five years with interim adjustments made in the intervening years.

Queensland Law Society Incorporated Contributions Distribution Account Statement of Income and Expenditure for the year ended 30 April 2001

15 Contributions Distribution Account

This account represents the balance of moneys received from the General Trust Accounts' Contribution Fund, disbursement of which is subject to the Minister's approval in accordance with Part IIIA of the *Queensland Law Society Act* 1952.

	2001	2000
	\$	\$
Balance 1 May	1,190,139	683,885
Income		
Distribution Received:		
General Trust Accounts' Contribution Fund	1,321,104	1,098,446
Interest	95,119	46,428
	1,416,223	1,144,874
Expenditure		
Continuing Legal Education	85,000	445,829
Library	-	145,000
Scram/Schools	72,885	-
Law Week	32,182	12,791
LawCare		35,000
	190,067	638,620
Net Movement	1,226,156	506,254
Balance 30 April	2,416,295	1,190,139
rves		
	2001	2000

16 Reserves

	2001	2000
	\$	\$
Asset Revaluation	3,893,191	3,373,692
Legal Practitioners' Fidelity Guarantee Fund		
	3,893,191	3,373,692
Movements during the year		
Asset Revaluation		
Balance at beginning of year	3,373,692	3,304,992
Add: Revaluation increment on Strata Title Building		
(refer note 14)	519,499_	68,700
Balance at end of year	3,893,191	3,373,692
Legal Practitioners Fidelity Guarantee Fund		
Balance at beginning of year	-	1,849,407
Add: Special Levy	-	-
Interest on Special Levy		48,991_
	-	1,898,398
Less: Transfer to Legal Practitioners Fidelity		
Guarantee Fund		1,898,398
Balance at end of year	-	-

17 Heal Street Building – Grants Fund

Funds of \$88,999 were received from the Grants Fund during 1988 to enable the purchase of a suitable property from which Caxton Legal Services could continue operation as a community legal service. The property is held in trust for the Grants Fund and upon sale of the property for whatever reason the proceeds of that sale revert to the Grants Fund in total.

18 Commitments

(a) Operating Lease

2001	2000
\$	\$
20,850	20,850
41,700	60,812
62,550	81,662
	\$ 20,850 41,700

(b) Capital

Capital expenditure contracted for at 30 April 2001 but not provided for was nil.

19 Remuneration

(a) Council Members

The President and Vice-President's firms are paid an honorarium of \$160,000 and \$53,300 respectively.

No remuneration is paid to any other Council member or their firm. Council members are reimbursed for expenses incurred in relation to Society business.

(b) Executive Staff

The number of executive officers of the Society whose remuneration falls within the following bands:

	2001	2000
\$100,000 - \$109,999	2	2
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	1	-
\$160,000 - \$169,999	1	1
Total remuneration received, or due and		
receivable from the Society by executive		
officers of the Society whose income is		
\$100,000 or more	\$509,596	\$500,247

Total remuneration is calculated on the total cost basis that includes superannuation and any FBT charges related to employee benefits.

The society employed 65 full time staff and 13 part time/casual staff (7 full time equivalent) at the reporting date. Of the total staff 23 are employed in the Department of Professional Standards and remunerated from the Legal Practitioners' Fidelity Guarantee Fund in accordance with S15(d) of the *Queensland Law Society Act 1952*.

20 Contingent Liabilities

There are no other known contingent liabilities of a significant nature at balance date.

21 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2001	2000
	\$	\$
Cash	8,772	11,664
Short Term Deposits	5,471,046	3,864,091
	5,479,818	3,875,755

(b) Financing Facilities

The Queensland Law Society Incorporated has arranged a standby credit facility with its bankers to meet any financing requirements. The facility has a limit of \$500,000.

(c) Reconciliation of Net Cash (Used)/Provided by Operating Activities to the Surplus/(Deficit) for the Year

		2001	2000
		\$	\$
Surplus/(Deficit) for the Year	256,530	(1,318,385)
Depreciation		351,557	433,005
Contributions D	istribution Account	1,226,156	506,254
Change in Asse	ets and Liabilities		
Increase in	Employee Benefits	66,000	65,000
	Inventory	(4,890)	2,007
Decrease	Receivables	36,031	(101,494)
	Payables	(148,480)	166,734
Net Cash (Used	d)/Provided by Operating Activities	1,782,904	(246,879)

The variance in net cash provided by operating activities between the 2000 and 2001 financial years is mainly due to the special Fidelity Fund Levy raised in the 2001 financial year (refer Note 2).

(d) Due to the Society acting as the collecting agent for insurance premiums and the Legal Practitioners' Fidelity Guarantee Fund contributions etc. gross receipts and payments disclosed in the Statement of Cash Flows exceed revenue and expenditure disclosed in the Society's financial statements.

22 Financial Instruments

(a) Cash Assets

Cash is represented by amounts held in bank accounts.

(b) Other Financial Assets

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in a range 4.55% to 6.05%.

(c) Receivables

Receivables are carried at actual amounts and represented by debtor accounts, which range in terms from 7 to 30 days, accruals for amounts received in the months after balance date, and amounts prepaid. The credit risk has been determined when providing for doubtful debts.

(d) Payables

Payables are carried at actual amounts and represent accrued expenses applicable to the financial year ended 30 April 2001 and paid in the months after balance date.

(e) Net Fair Value

Cash, investments, receivables and creditors carrying amounts all approximate fair value.

Certificate of Queensland Law Society Incorporated

We have prepared the foregoing financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and other presentest requirements and certify that –

- the foregoing financial statements with other information and notes to and forming purithereof are in agreement with the accounts and records of the Queens and Law Society Incorporated;
- (b) in our opinion
 - the prescribed requirements in respect of the establishment and keeping of accounts have been complied with mall material respects; and
 - (a) the Recogning 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 for the financial year 1 May 2000 to 30 April 2001 and of the tinancial position as at the close of that year.

14 3024 3001

(Date)

(Signed) President

(Signed)
Director of Finance

INDEPENDENT AUDIT REPORT

To the President, Queenstand Law Society Incorporated

Scope

I have undited the general purpose timuncial scatements of Queensland Law Society bicorporated on the financial year ended 30 April 2001 in terms of section 46P of the *Pinancial Administration and Analt Act 1977.* The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows. Notes to and forming part of the financial statements and certificates given by the President and Director of Finance.

The Queensland Law Society Incorporated is responsible for the preparation and the form of presents ion of the financial statements and the information they contain. I have sudited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. And it procedures included the examination, on a test hasis, of evidence supporting the tanoants and other disclosures in the financial statements and the evaluation of accounting policies and significant accomming estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its east-lows.

The public opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the Financial Administration and Audit Act, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- . the statements have been drawn up so as to present a true and fair view in accombance with prescribed accounting standards and other prescribed requirements of the transactions of Queensland Law Society Incorporated for the financial year 1 May 2000 to 30 April 2001 and of the Instacial position as at the end of that year.

J. E. Harten

Acting Assistant Auditor General

(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office Brishane

Legal Practitioners' Fidelity Guarantee Fund Statement of Financial Performance for the financial year ended 30 April 2001

		2001	2000
	NOTES	\$	\$
Revenue from Ordinary Activities			
Standard Practitioners Fees		83,990	86,592
Additional Practitioner Fees	2	3,127,200	-
Distribution received from Interest on Trust Accounts		2,426,193	1,673,394
Interest on Investments		145,999	89,593
Solicitors Complaints Tribunal Fines		38,900	20,550
Other Income		176	-
Costs Recovered	3	57,828	1,152,359
		5,880,286	3,022,488
Expenses from Ordinary Activities			
Administration Expenses	4	1,602,941	1,535,380
Claims Payments		854,409	3,225,035
Complaint and Disciplinary Investigative Costs		78,982	13,213
Expenses Reimbursed to the Queensland	_		
Law Society Incorporated	5	592,623	594,771
Legal Ombudsman Expenses	_	91,434	83,161
Solicitors Complaints Tribunal Costs	6	381,194	374,710
Receivership costs		18,428	24,115
		3,620,011	5,850,385
Surplus from Ordinary Activities		2,260,275	(2,827,897)
Transfer attributable to outside equity interests	2		1,849,407
Surplus (Deficiency) for the year		2,260,275	(978,490)
Retained Funds at the beginning of the Financia	al Year	(689,399)	289,091
Retained Funds at the reporting date		1,570,876	(689,399)

Legal Practitioners' Fidelity Guarantee Fund Statement of Financial Position as at 30 April 2001

	NOTES	2001 \$	2000 \$
Current Assets			
Cash Assets		10,507	166,227
Receivables	7	14,082	8,934
Other Financial Assets		2,123,280	1,213,066
Total Current Assets		2,147,869	1,388,227
Current Liabilities			
Payables	8	317,493	1,215,001
Provisions for Employee Benefits		102,000	90,000
Total Current Liabilities		419,493	1,305,001
Non-Current Liabilities			
Payables	8	-	639,125
Provisions for Employee Benefits		157,500	133,500
Total Non-Current Liabilities		157,500	772,625
Total Liabilities		576,993	2,077,626
Net Assets		1,570,876	(689,399)
EQUITY			
Retained Funds		1,570,876	(689,399)

Legal Practitioners' Fidelity Guarantee Fund Statement of Cash Flows for the year ended 30 April 2001

	NOTES	2001 \$ Inflows (Outflows)	2000 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions by Practitioners and Cost Recoveries		2,675,242	3,098,385
Distribution Received from Interest on Trust Account	nts	2,426,193	1,673,394
Claim Payments and Administration Expenses		(4,492,700)	(4,115,520)
Interest Received		145,759	81,313
Net Increase/(Decrease) in Cash held	9	754,494	737,572
Cash at the beginning of the Financial Year		1,379,293	641,721
Cash at the end of the Financial Year	9	2,133,787	1,379,293

Scope of Operation

The Legal Practitioners' Fidelity Guarantee Fund is established under the *Queensland Law Society Act* 1952 ("the Act") and is administered by the Queensland Law Society.

The Fund is applied to reimburse persons who suffer loss through stealing or fraudulent misappropriation by a practitioner (or his or her clerk or employee) of any money or other property held on trust.

The Fund is also used to defray costs incurred in the administration of disciplinary matters, audit of solicitors' trust accounts and receivership of solicitors' trust accounts.

A major source of income for the Fund is a share of interest earned on solicitors' trust accounts. The Fund is subject to a statutory cap under section 20(5) of the Act. Due to this cap the Fund has had no opportunity to build up reserves to meet claims as and when they are received.

The Council of the Society has recommended to government that the Fund be abolished. The Society has made submissions to Government for legislative change. If the Fund is to continue then the solution to its long term financial viability is to ensure the Fund receives the interest earned on solicitors trust accounts.

With a view to ensuring that all approved claims can be paid, the Council of the Society has imposed a special levy on practitioners (refer Note 2).

NOTES

1 Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the Legal Practitioners' Fidelity Guarantee Fund's financial statements are:

(a) Basis of Preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the provisions of the Financial Management Standard, which requires compliance with Australian Accounting Standards.

They have been prepared on the basis of historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. These accounting policies are consistent with those of the previous year, except where there is a change which has been separately disclosed (refer note 2).

(b) Other Financial Assets

Investments during the year comprising short term deposits are valued at cost. Investment income is brought to account under the accrual basis.

(c) Income Tax

The Fund has been granted exemption from income tax by the Australian Taxation Office per Section 24AK of the *Income Tax Assessment Act 1936*.

(d) Employee Entitlements

Annual Leave

The annual leave provision has been calculated based on current wage and salary rates, including on-costs and represents the amount which the Fund has a present obligation to pay resulting from employees' services provided up to the balance date.

Long Service Leave

The liability for long service leave entitlements represents the present value of the estimated future cash outflows to be made by the Fund resulting from the employees' services up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the Fund's experience with staff departures. Related on-costs have also been included in the liability.

(e) Claims

Claims are brought to account in the year they are paid/approved and no accruals are made for claims that are in the process of finalisation.

(f) Comparative Figures

Where necessary comparative figures have been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

2 Advance - Legal Practitioners' Fidelity Guarantee Fund

In accordance with Rule 7 of the *Rules of the Queensland Law Society Incorporated* the Council of the Society resolved to raise a special levy to enable advances to be made to the Legal Practitioners' Fidelity Guarantee Fund as and when required.

At 30 April 1999 the balance retained by the Society for further advances to the Legal Practitioners' Fidelity Guarantee Fund was \$1,849,407.

On 8 December 1999 the Queensland Government amended the *Queensland Law Society Act* 1952. This amendment required all levies raised by the Society and held for advance to the Legal Practitioners' Fidelity Guarantee Fund to be paid to the Fund. Further, all advances previously made by the Society were now deemed to be income of the Legal Practitioners' Fidelity Guarantee Fund and never to have been paid to the general funds of the Society.

As a result of the amendments to the *Queensland Law Society Act 1952* an amount of \$1,849,407 plus interest \$48,991 was transferred from the Queensland Law Society to the Legal Practitioners' Fidelity Guarantee Fund and brought to the account as an abnormal item.

The Council of the Queensland Law Society resolved to raise a levy of \$600 per practitioner in accord with S21 of the Queensland Law Society Act which was paid direct to the Legal Practitioners' Fidelity Guarantee Fund during the financial year ended 30 April 2001 and raised \$3,127,200. The levy for the 2002 financial year is \$300 per practitioner.

3 Costs Recovered

	2001	2000
	\$	\$
Claims	3,231	1,000,193
Defaulting Practitioners	42,557	38,057
Receiverships	2,790	101,109
Other	9,250	 13,000
	57,828	 1,152,359

4 Administration Expenses

	2001	2000
	\$	\$
Audit Fees – Fidelity Fund	5,550	4,000
Audit Fees - Interest on Trust Accounts	3,450	2,600
Bank Charges	61	267
Insurance	2,327	3,033
Offsite Storage	20,530	-
Payroll Tax	53,191	50,856
Photocopier Expenses	6,981	6,435
Postage	10,371	10,352
Printing and Stationary	24,217	10,539
Professional Fees	24,562	7,925
Registrations and Subscriptions	10,128	3,626
Rent and Electricity	261,806	273,893
Salaries	1,014,787	1,021,028
Staff Advertising	-	624
Staff Training	7,175	2,345
Sundry Expenses	5,462	12,915
Superannuation	101,094	92,522
Taxi and Couriers	2,861	1,314
Telephone	11,594	9,400
Trust Account Audit Expenses	36,794	21,706
	1,602,941	1,535,380

5 Expenses Reimbursed to Queensland Law Society Incorporated*

2001		2000
\$		\$
942		1,305
70,659		95,563
22,728		28,317
11,134		11,134
26,996		24,269
11,502		11,340
26,576		26,168
61,733		44,202
62,836		66,789
234,737		226,790
2,721		1,956
3,904		3,097
3,521		3,402
22,312		19,321
3,472		4,705
26,850		26,413
592,623		594,771
	\$ 942 70,659 22,728 11,134 26,996 11,502 26,576 61,733 62,836 234,737 2,721 3,904 3,521 22,312 3,472 26,850	\$ 942 70,659 22,728 11,134 26,996 11,502 26,576 61,733 62,836 234,737 2,721 3,904 3,521 22,312 3,472 26,850

^{*} Includes contributions to the Queensland Law Society Incorporated for shared expenditure – Rule 116(3)(e). These contributions recognise the managerial and administrative tasks performed by Society staff on behalf of the Fund. The monetary level of the contributions is based on a detailed time survey conducted for a period of time by Society staff.

The Legal Practitioners' Fidelity Guarantee Fund has incurred the above listed administration costs to comply with the functions and duties which have been previously listed in the Scope of Operations note to the Accounts.

6 Solicitors Complaints Tribunal

	2001	2000
	\$	\$
Clerk of The Tribunal	124,274	73,619
Legal Costs to Investigations and Prosecute	242,705	275,499
Shorthand Fees	7,519	17,214
Sundry Expenses	6,696	8,378
	381,194	374,710

7 Receivables

	2001	2000
	\$	\$
Prepaid Fees and Accruals	5,245	337
Accrued Interest	8,837_	8,597
	14,082	8,934

8 Payables

	2001	2000
	\$	\$
CURRENT		
Approved Claims *	186,630	1,118,470
Other Payables and Accruals	130,863	96,531
	317,493	1,215,001
NON CURRENT		
Approved Claims*		639,125

^{*} Refer to Note 2 for details concerning payment of approved claims.

9 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments on money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2001	2000
	\$	\$
Cash	10,507	166,227
Short Term Investments	2,123,280	1,213,066
	2,133,787	1,379,293

(b) Financing Facilities

The Legal Practitioners' Fidelity Guarantee Fund has no external non-cash financing nor any standby credit facilities or any other loan facilities.

(c) Reconciliation of Net Cash Used in Operating Activities to the Surplus/(Deficiency) for the Year

	2001	2000
	\$	\$
Surplus/(Deficiency) for the Year	2,260,275	(978,490)
Changes in Assets and Liabilities		
(Decrease)/Increase in Creditors	(1,536,633)	1,705,237
Increase in Provision for Employees Benefits	36,000	18,000
(Increase) in Receivables	(5,148)	(7,175)
Net Cash Used in Operating Activities	754,494	737,572

10 Contingent Liability

(a) Claims

Due to the nature of the Fund, it is not possible or practical to determine a definite value of contingent liabilities. At 30 April 2001 the Fund was in the process of considering a number of claims, the estimated value of which was approximately \$890,000 without regard to the value of any rights which may accrue to the Fund upon payment being made in relation to such contingent liabilities or to the value of any set-offs in respect of such claims.

There are no other known contingent liabilities of a significant nature as at balance date.

11 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in the range 4.80% to 6.05%.

(c) Receivables

Receivables are carried at actual amounts and represent accruals for amounts received in the months after balance date or amounts prepaid. There is no credit risk in relation to these receivables.

(d) Payables

Payables are carried at actual amounts and represent accrued expenses applicable to the financial year ended 30 April 2001 and paid in the months after balance date.

(e) Net Fair Value

Cash, investments, receivables and payables carrying amounts all approximate fair value.

Certificate of Logal Practitioners' Fidelity Guarantee Fund

We have prepared the foregoing francial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and other presented requirements and contry that—

- (a) the foregoing functial statements with other information and notes to and forming put, thereof are in agreement with the accounts and records of the Legal Practitioners' Fidelity Guarantee Fund;
- (b) in our opinion -
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with multimatical respects, and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair wow in accordance with prescribed accounting standards of the transactions of the Legal Practitioners' Fidelity Guatantee Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the close of that year.

19 JULY 2001

(Date)

(Signed) President

(Signed)
Director of Finance

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society Incorporated - Legal Proculioners' Falchty Gaurantee Fund

Scope

I have audited the general purpose financial statements of the Legal Practitioners' Fidelity Guarantee Fund prepared by the Queensland Faw Society Incorporated for the Financial year ended 30 April 2001 in terms of section 48F of the Financial Administration and Audit Act 1977. The lineacent statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Places, Notes to and forming pair of the financial statements and certificates given by the President and Director of Finance.

The Quicorstand Law Society Incorporated is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Arabing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misspatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all materia, respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its rash flows.

The audir opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 49G of the Financial Administration and Audit Act. I certify that I have becaused all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of the Legal Practitioners' Fidelity Guarantee Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the end of that year.

J E Hatten J T Acting Assistant Auditor-General

(as Delegate of the Auditor General of Queensland

Queensland Audit Office Bristone

General Trust Accounts' Contribution Fund Statement of Financial Performance for the financial year ended 30 April 2001

		2001	2000
	NOTE	\$	\$
Revenue from Ordinary Activities			
Interest earned on Solicitors' Trust Accounts		13,141,283	10,940,167
Interest on Investments		101,370	74,798_
Total Revenue from Ordinary Activities		13,242,653	11,014,965
Expenses from Ordinary Activities			
Administration	2	29,210	29,208
Audit Fee		2,400	1,300
Distributions -			
Legal Aid Commission of Queensland		9,908,283	8,238,342
Department of Justice - Supreme Court Library		1,321,104	1,098,446
Queensland Law Society Inc Contributions Distri	bution Account	1,321,104	1,098,446
Grants Fund		660,552_	549,223_
Total Expenses from Ordinary Activities		13,242,653	11,014,965
Surplus (Deficiency) from Ordinary Activition	es	_	_
Retained Funds at the beginning of the Financial		_	_
Retained Funds at the reporting date			
Retained Funds at the reporting date			

General Trust Accounts' Contribution Fund Statement of Financial Position as at 30 April 2001

		2001	2000
	NOTE	\$	\$
Current Assets			
Cash Assets		136	189
Receivables	3	938,964	979,274
Other Financial Assets		1,002,239	1,026,542
Total Current Assets		1,941,339	2,006,005
Current Liabilities			
Payables	4	1,941,339	2,006,005
Total Current Liabilities		1,941,339	2,006,005
Net Assets			
Equity			
Retained Funds			

General Trust Accounts' Contribution Fund Statement of Cash Flows for the year ended 30 April 2001

		2001	2000
	NOTE	\$	\$
		Inflows (Outflows)	Inflows (Outflows)
Cash Flows from Operating Activities			
Interest earned on Solicitors' Trust Accounts		13,181,097	10,758,049
Distributions and Administration		(13,307,318)	(10,633,955)
Interest Received		101,865	73,787
Net Increase (Decrease) in Cash held	5	(24,356)	197,881
Cash at the beginning of the Financial Year		1,026,731	828,850
Cash at the end of the Financial Year	5	1,002,375	1,026,731

General Trust Accounts' Contribution Fund Notes in the Financial Report as at 30 April 2001

NOTES

1 Accounting Policies

The significant policies which have been adopted in the preparation of the General Trust Accounts' Contribution Fund's financial statements are:

(a) Basis of Preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the provisions of the Financial Management Standard, which requires compliance with Australian Accounting Standards.

They have been prepared on the basis of historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. These accounting policies are consistent with those of the previous year, except where there is a change which has been separately disclosed.

(b) Other Financial Assets

Investments during the year comprising bank bills and short term deposits are valued at cost. Investment income is brought to account under the accrual basis.

2 Administration

The Queensland Law Society Act 1952 authorises the Society to be recompensed for the costs and expenses incurred in the administration of the General Trust Accounts' Contribution Fund.

Society staff perform all managerial and administrative tasks on behalf of the Fund, and continually review bank contributions to ensure they are maintaining satisfactory levels. In order to determine an appropriate administration fee for the services provided by the Society a detailed time survey was conducted for a period by staff to provide a reasonable basis for costing of the administration fee recoverable by the Society.

2004

2000

3 Receivables

		2001	2000
		\$	\$
	Accrued Bank Contributions	936,405	976,220
	Accrued Interest on Investments	2,559	3,054
		938,964	979,274
4	Payables		
		2001	2000
		\$	\$
	Administration Fees	7,360	6,307
	Funds accumulated at 30 April 2000 to be included in 30 June 2000 distribution		
	Legal Aid Commission of Queensland	1,450,484	1,499,773
	Department of Justice - Supreme Court Library	193,398	199,970
	Queensland Law Society Inc Contributions		
	Distribution Account	193,398	199,970
	Grants Fund	96,699_	99,985
		1,941,339	2,006,005

General Trust Accounts' Contribution Fund Notes to the Financial Report - continued

5 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments on money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2001	2000
	\$	\$
Cash	136	189
Short Term Investments	_1,002,239_	1,026,542
	1,002,375	1,026,731

(b) Financing Facilities

The General Trust Accounts' Contribution Fund has no external non-cash financing nor any standby credit facilities or any other loan facilities.

(c) Reconciliation of Net Cash Provided by Operating Activities to the Result for the Year

	2001	2000
	\$	\$
Result for the Year	_	_
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	40,310	(183,129)
Increase/(Decrease) in Creditors	(64,666)	381,010
Net Increase/(Decrease) in Cash Held	24,356	197,881

6 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Other Financial Assets

Investments include cash invested on the short-term money market 11am call account. The rate of return for the year was in a range 4.80 % to 6.05 %.

(c) Receivables

Receivables are carried at actual amounts and represent bank contribution and interest accruals for amounts received in the month after balance date. There is no credit risk in relation to these receivables.

(d) Payables

Payables are carried at actual amounts and represent accrued distributions resulting from the interest accrual referred to above as part of receivables.

(e) Bank Contributions

Bank contributions represent interest paid by banks on solicitors' trust accounts. Interest is paid on these funds at rates negotiated between the Queensland Law Society and the individual banks. The negotiated interest rates are linked to money market rates of interest and automatically adjust for any interest rate movement.

(f) Net Fair Value

Cash, investments, receivables and payables carrying amounts all approximate fair value.

Certificate of General Trust Accounts' Contribution Fund

We have prepared the foregoing financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements and certify that —

- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the ascounts and records of the General Trust Accounts' Contribution Fund;
- (h) in our opinion
 - the prescribed requirements in respect of the establishment and keeping of accounts
 have been complied within all material respects; and
 - (ii) the foregoing 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 General Trust Accounts' Contribution Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the close of that year.

4 5024 2001

(Date)

(Signed) President

(Signed)

Director of Figance

INDEPENDENT AUDIT RICPORT

To the President, Queensland Law Society Incorporated - General Trust Accounts' Contribution Fund

Scope

Thave audited the general purpose timencial statements of the General Trust Accounts' Contribution Fund prepared by the Queensland Law Society Incorporated for the financial year ended 30 April 2001 in terms of section 461 of the Interest Administration and Audit 4ct 1977. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position. Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the President and Director of Finance.

The Queensland Law Society Incorporated is responsible for the preputation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an optimize on them.

The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assumpte as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with tray understanding of the outry's financial position and the results of its operations and its cash flows.

The sudit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the Financial Administration and Audit Act. I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting vandards and other prescribed requirements of the transactions of the General Trust Accounts' Contribution Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the end of that year.

J.B. Harter:

Acting Assistant Architer-General

(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office Brisbane

Grants Fund Statement of Financial Performance for the financial year ended 30 April 2001

		2001	2000
	NOTE	\$	\$
Revenue from Ordinary Activities Distribution from General Trust Accounts'			
Contribution Fund (Trust Account Interest)		660,552	549,223
Interest on Investments		25,033	18,726
Grants Recovered		3,333	3,333_
Total Revenue from Ordinary Activities		688,918	571,282
Expenses from Ordinary Activities			
Administration and Committee Expenses	2	26,439	26,020
Audit Fees		1,850	1,200
Grants Approved		229,800	210,457
Legal Aid for Community Legal Centres		411,351	340,769
Total Expenses from Ordinary Activities		669,440	578,446
Surplus (Deficiency) from Ordinary Activities		19,478	(7,164)
Retained Funds at the beginning of the Financial Y	'ear	283,023	290,187
Retained Funds at the reporting date		302,501	283,023

Grants Fund Statement of Financial Position as at 30 April 2001

		2001	2000
	NOTE	\$	\$
Current Assets			
Cash Assets		9,790	4,655
Receivables	3	99,011	106,703
Other Financial Assets		491,085	418,409
Total Current Assets		599,886	529,767
Current Liabilities			
Payables	4	297,385	246,744
Total Current Liabilities		297,385	246,744
Net Assets		302,501	283,023
Equity Retained Funds		302,501	283,023

Grants Fund Statement of Cash Flows for the year ended 30 April 2001

	NOTE	2001 \$	2000 \$
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES Distribution from General Trust Accounts'			
Contributions Fund		664,201	533,951
Grants Paid and Administration Expenses		(611,408)	(530,177)
Interest Received		25,018	18,163
Net (Decrease) Increase in Cash held	5	77,811	21,937
Cash at the beginning of the Financial Year		423,064	401,127
Cash at the end of the Financial Year	5	500,875	423,064

Grants Fund Notes in the Financial Report as at 30 April 2001

NOTES

1 Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the Grants Fund's financial statements are:

(a) Basis of Preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the provisions of the Financial Management Standard, which requires compliance with Australian Accounting Standards.

They have been prepared on the basis of historical cost and except where stated, do not take into account changing money values or current valuations of non-current assets. These accounting policies are consistent with those of the previous year, except where there is a change which has been separately disclosed.

(b) Other Financial Assets

Investments during the year comprising bank bills and short term deposits are valued at cost. Investment income is brought to account under the accrual basis.

2 Administration and Committee Expenses

Section 36M of the *Queensland Law Society Act* 1952 provides that the Secretary of the Society shall be the Secretary of the Grants Committee, in the absence of any other such appointment by that Committee, to assist that Committee in the administration of the Grants Fund.

For administrative work performed by the Secretary and for maintenance of accounting records, management and investment of surplus monies, an administration fee is paid by the Grants Fund to the Society pursuant to Section 72 of the *Trusts Act* 1973. In order to determine an appropriate administration fee for the services provided by the Society a detailed time survey was conducted for a period by staff to provide a reasonable basis for costing of the administration fee recoverable by the Society.

3 Receivables

	2001	2000
	\$	\$
Accrued Distribution Due from the -		
General Trust Accounts' Contribution Fund	96,699	99,985
Accrued Interest	2,312	2,297
Administration Fees		4,421
	99,011	106,703
ables		

4 Payables

	2001 \$	2000 \$
Grants Approved but not yet Paid	245,171	183,704
Administration Fees	2,102	-
Audit Fees	1,850	1,200
Legal Aid for Community Legal Centres	48,262	61,840
	297,385	246,744
		

Grants Fund Notes in the Financial Report - continued

5 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments on money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	2001	2000
	\$	\$
Cash/(Bank Overdraft)	9,790	4,655
Short Term Investments	491,085	418,409
	500,875	423,064

(b) Financing Facilities

The Grants Fund has no external non-cash financing nor any standby credit facilities or any other loan facilities.

(c) Reconciliation of Net Cash Provided by/(Used in) Operating Activities to the Surplus/ (Deficiency) for the Year

	2001	2000
	\$	\$
Surplus/(Deficiency) for the Year Changes in Assets and Liabilities	25,478	(7,164)
Decrease/(Increase) in Receivables	3,634	(19,168)
Increase/(Decrease) in Payables	48,699	48,269
Net cash movement from operating activities	77,811	21,937

6 Heal Street Building Grant

A grant of \$88,999 was paid to the Queensland Law Society in March 1988 to enable the purchase of a building on behalf of the Caxton Street Legal Service. The building is held by the Society in trust for the Grants Fund and upon the sale of the property for whatever reason, the proceeds of the sale revert to the Grants Fund in total.

7 Contingent Liabilities

There were no known contingent liabilities at 30 April 2001.

Grants Fund Notes in the Financial Report - continued

8 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short-term money market 11am call account. The rate of return for the year was in a range 4.80% to 6.40%.

(c) Receivables

Receivables are carried at actual amounts and represent accruals for amounts received in the months after balance date. There is no credit risk in relation to these receivables.

(d) Payables

Payables are carried at actual amounts and represent accrued distributions resulting from the accruals referred to above as part of receivables.

(e) Net Fair Value

Cash, investments, receivables and payables carrying amounts all approximate fair value.

Certificate of Grants Fund

We have prepared the foregoing financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and other presembed requirements and certify that

- the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Grants Fund;
- (b) in our opinion
 - the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing 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 Grants Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the close of that year.

19 5044 2001

(Date)

(Signed)

President

(Signed)

Director of Finance

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society Incorporated - Grants Fund

Scope

I have audited the general purpose financial statements of the Grants Fund prepared by the Queensland Law Society Incorporated for the financial year ended 30 April 2001 in terms of section 46F of the Financial Administration and Audit Act 1977. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the President and Director of Finance.

The Queensland Law Society Incorporated is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its each flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In accordance with section 46G of the Firencial Administration and Audit Act, I certify that I have received all the information and explanations I have required and, in my opinion -

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of the Grants Fund for the financial year 1 May 2000 to 30 April 2001 and of the financial position as at the end of that year.

J E Harten

Acting Assistant Auditor General

(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office Brisbane

23 JUL 2001

WSLAND AUDIT ON

Law Claims Levy Fund Statement of Financial Performance for the financial year ended 30 June 2001

		2001	2000
	NOTES	\$	\$
Revenue from Ordinary Activities			
Additional Levies		61,000	85,000
Investment Income	3	1,685,324	1,519,942
Solicitors' Deductibles		96,369	154,466
Total Revenue from Ordinary Activities		1,842,693	1,759,408
Expenses from Ordinary Activities			
Claims and Legal Expenses – Levy Fund		1,871,828	2,318,008
Claims and Legal Expenses – Deductibles		93,757	146,966
Solicitors' Deductible Refunds		2,612	7,500
Investment Manager's Fees		75,084	94,115
Administration Services – APPIIL		87,473	149,954
Actuarial and Consulting Expenses		161,002	27,278
Audit Fees		2,700	-
Brokerage Fees		85,750	99,900
Total Expenses from Ordinary Activities		2,380,206	2,843,721
(Deficiency) from ordinary activities		(537,513)	(1,084,313)
Retained Funds at the beginning of the Financial Ye	ear	24,972,092	26,056,405
Retained Funds at the reporting date		24,434,579	24,972,092

Law Claims Levy Fund Statement of Financial Position as at 30 June 2001

		2001	2000
	NOTES	\$	\$
Current Assets			
Cash Assets		22,237	16,127
Receivables		9,284	3,240
Other Financial Assets	4	24,445,327	24,993,864
Total Assets		24,476,848	25,013,231
Current Liabilities Payables Total Liabilities		<u>42,269</u> <u>42,269</u>	41,139 41,139
Net Assets		24,434,579	24,972,092
Equity Retained Funds		24,434,579	24,972,092

Law Claims Levy Fund Statement of Cash Flows for the year ended 30 June 2001

		2001	2000
	NOTES	\$	\$
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from the Profession and Commutation Benefi	ts	158,500	228,692
Claims and Expenses		(2,388,704)	(2,843,721)
Interest Received		1,687,778	1,519,730
Net (Decrease) in cash held		(542,426)	(1,095,299)
Cash at the Beginning of the Financial Year		25,009,990	26,105,290
Cash at the End of the Financial Year	5	24,467,564	25,009,991

Law Claims Levy Fund Notes in the Financial Report as at 30 June 2001

NOTES

1 Statement of Significant Accounting Policies

The significant policies which have been adopted in the preparation of the Fund's financial statements are:

(a) Basis of Preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the provisions of the Financial Management Standards, which require compliance with Australian Accounting Standards.

They have been prepared on the basis of historical cost and except where stated, do not take into account changing money values. These accounting policies are consistent with those of the previous year, except where there is a change which has been separately disclosed.

(b) Other Financial Assets

Investments under the control of professional fund managers are disclosed at market value at balance date and any movement in market value is accounted for in the Statement of Financial Performance. The cash float maintained by the Fund is invested on the short-term money market and valued at cost. Interest income is brought to account under the accrual basis.

(c) Income Tax

The Fund has been granted exemption from income tax by the Australian Taxation Office per Section 24AK of the Income Tax Assessment Act 1936.

(d) Additional Levies

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

(e) Solicitors' Deductibles

Solicitors' deductibles which are payable in accordance with the Master Policy agreement, are brought to account in the Statement of Financial Performance. The unexpended balance is accounted for as a current liability at balance date.

(f) Administration Expenses

Administration expenses incurred by the Fund are those associated with the investment activities of the Fund and the management fee paid to Australia Pacific Professional Indemnity Insurance Company Ltd (APPIIL) for claims handling.

(g) Claims

Claims are brought to account in the year they are paid and no accruals are made for claims that may be in the process of finalisation or are yet to be notified. Reserves for claims in the process of finalisation is disclosed in Note 6.

(h) Professional Indemnity Insurance

The Queensland Law Society Incorporated entered into a Master Policy agreement with Professional Indemnity Insurers to limit the maximum liability of the Fund for both individual claims and aggregate amounts. The Fund incurs all expenses up to a prescribed amount per

Law Claims Levy Fund Notes in the Financial Report - continued

individual claim until such time as the aggregate amount has been reached at which time the Professional Indemnity Insurers incur all future costs. The respective individual liability per claim is listed in Note 6.

(i) Comparative Figures

Where necessary, comparative figures have been re-classified to achieve consistency in disclosure with current financial year amounts and other disclosures.

2 Scope of Operation

The Law Claims Levy Fund is responsible for the professional indemnity insurance of practitioners for the years 1987 to 1995 and its role now is to administer the run out of insurance claims in the process of finalisation.

The Law Claims Levy Fund will receive no further premium income.

3 Investment Income

		2001	2000
		\$	\$
	Interest Received	11,820	23,446
	Changes in Net Market Value of Investments	1,673,504	1,496,496
	Total	1,685,324	1,519,942
4	Other Financial Assets		
		2001	2000
		\$	\$
	Managed Funds at Market Value	24,322,125	24,479,935
	Short Term Deposits at Cost	123,202	513,929
	Total	24,445,327	24,993,864

5 Notes to the Statements of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments on money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to related items in the balance sheet as follows:

	2001	2000
	\$	\$
Cash	22,237	16,127
Investments	24,445,327	24,993,864
	24,467,564	25,009,991

(b) Financing Facilities

The Law Claims Levy Fund has no external non-cash financing nor any standby credit facilities or any other loan facilities.

(c) Reconciliation of Net Cash Used in Operating Activities to the Surplus/(Deficiency) for the

Law Claims Levy Fund Notes in the Financial Report - continued

Year

	2001	2000
	\$	\$
(Deficiency) for the Year	(537,514)	(1,084,313)
Changes in Asset and Liabilities		
Decrease/(Increase) in Receivables	(6,043)	(212)
(Decrease) in Creditors	-	-
(Decrease) in Solicitors' Deductibles	1,131	(10,774)
Net Cash Used in Operating Activities	(542,426)	(1,095,299)

6 Contingent Liabilities

The nature of the Fund prohibits a definitive value to be determined for contingent liabilities. 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.

Based on the actuarial advice in respect of the position of the Fund as at 31 December 2000, the insurance in place with regard to the limits per file, and the overall Fund's aggregate limit as at 30 June 2001 the Society is of the opinion that the funds on hand of \$24,467,564 together with future investment income and deductibles, and in conjunction with Stop Loss cover (see note 2) will ensure that all future claims (estimated gross value \$4,896,900) will be met as and when they fall due.

7 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Other Financial Assets

Investments include cash invested on the short term money market 11am call account and an Australian bond/cash portfolio managed by BT Funds Management Limited. The average term of the bond portfolio matches the liability profile of the Law Claims Levy Fund with the majority of bonds in the 0-3 years maturity range. The bond/cash portfolio managed by BT Funds Management Limited returned 6.93% for the year. The bond portfolio is carried at market value.

The rate of return for money invested on the short term money market was in the range 4.8% - 6.05% for the year.

(c) Receivables

Receivables are carried at actual amounts and represent accruals for interest received after balance date. There is no credit risk in relation to these receivables.

(d) Payables

Solicitors' deductibles are carried at actual amounts and represent amounts received in advance of claim payments being made.

(e) Net Fair Value

Cash, investments, receivables and payables carrying amounts all approximate fair value.

Certificate of

Luw Claims Levy Fund

We have prepared the foregoing financial statements pursuant in the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements and certify that

- (a) the foregoing financial statements with other information and notes to and forming part hereoff are in agreement with the accounts and records of the Law Chorns Levy Fund;
- (b) in our opinion
 - (i) The prescribed requirements in respect of the establishment and keeping of accounts have been compiled within all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed Accounting Standards of the trunsactions of the Law Chains Levy Lord for the period + July 2000 to 30 June 2001 and of the financial position as at the close of that year.

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(Date)

(Signod)

(Signed)
Director of Finance

INDEPENDENT AUDIT REPORT

To the President, Oneensland Law Society Incorporated - Law Claims Levy Fund

Scope

I have sudited the general purpose financial statements of Law Claims Levy Fund prepared by the Queenstand Law Society Incorporated for the financial year ended 30 June 2001 in terms of section 46F of the *Pinancial Administration and Audit Art 1977*. The financial statements comprise the Statement of Pinancial Performance. Statement of Pinancial Position, Statement of Cash Erows, Notes to and forming part of the financial statements and certificates given by the President and Director of Finance.

The Queensland Law Society Incorporated is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have addited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of natienal misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting politics and significant accounting estimates. These procedures have been nodertaken to form an opinion as to whether, in all material respects, the financial statements are presented torrly in occordance with prescriber requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the crut, y's financial position and the results of its operations and its east flows.

The audit opinion expressed in this report has been formed on the above has su

Audit Opinion

In secondance with section 46G of the Financial Administration and Audit Act. I certify that I have been yet all the information and explanations I have expanded and, in my opinion -

- the prescriped requirements in respect of the establishment and keeping of accounts have been complied within all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Law Claims Levy Fund for the financial year 1 July 2000 to 30 June 2001 and of the financial position as at the end of that year.

TE Harten || ***

Acting Assistant Auditor-General (as Delegare of the Auditor-General of Queensland). Queensland Audit Office Brisband

CATENSLAND AUDIT OF THE