

# ANNUAL REPORTS

## 2022/2023

# Introduction

The Legal Services Council is an intergovernmental statutory corporation created by the Legal Profession Uniform Law, applied in New South Wales by the *Legal Profession Uniform Law Application Act 2014* (NSW), in Victoria by the *Legal Profession Uniform Law Application Act 2014* (Vic) and in Western Australia by the *Legal Profession Uniform Law Application Act 2022* (WA).

The Legal Profession Uniform Law commenced on 1 July 2015 in New South Wales and Victoria and on 1 July 2022 in Western Australia.

This publication contains the annual reports of both the Legal Services Council and the Commissioner for Uniform Legal Services Regulation for 2022–2023.

The reports are prepared and submitted in accordance with clause 26 of Schedule 1 and clause 10 of Schedule 2 to the Legal Profession Uniform Law as in force in each participating jurisdiction. All references to legislation in this report are to the Legal Profession Uniform Law, also referred to as the Uniform Law, unless otherwise indicated.

Copies of these annual reports are publicly available at [www.legalservicescouncil.org.au](http://www.legalservicescouncil.org.au) or by contacting the Legal Services Council by telephone on (02) 9692 1300, in writing to PO Box H326, Australia Square, Sydney NSW 1215 or by email to [lsc@legalservicescouncil.org.au](mailto:lsc@legalservicescouncil.org.au).

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16 October 2023

The Hon Michael Daley MP  
Attorney General of New South Wales  
GPO Box 5341  
SYDNEY NSW 2001

The Hon Jaclyn Symes MP  
Attorney-General of Victoria  
Level 26, 121 Exhibition St  
MELBOURNE VIC 3000

The Hon John Quigley MLA  
Attorney General of Western Australia  
Level 11, Dumas House  
2 Havelock Street  
WEST PERTH WA 6005

Dear Attorneys General

**Annual report of the Legal Services Council for 2022–2023**

**Annual report of the Commissioner for Uniform Legal Services Regulation for 2022–2023**

I am pleased to submit the annual report of the Legal Services Council for 2022–2023 in accordance with clause 26 of Schedule 1 to the Legal Profession Uniform Law.

I am also pleased to provide the annual report of the Commissioner for Uniform Legal Services Regulation for 2022–2023 prepared in accordance with clause 10 of Schedule 2 to the Legal Profession Uniform Law.

The financial statements of the Council include the financial statements of the Commissioner, consolidated as one entity. The statements have been prepared in accordance with Australian Accounting Standards and have been audited. A report provided by the Auditor is included.

Yours sincerely



**Alan Cameron AO**  
**Chair, Legal Services Council**

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# Chair's report

On 1 July 2022, we celebrated the scheme's expansion to include Western Australia, resulting in 75% of all Australian legal practitioners being covered by the Uniform Law scheme.

Andrew Pascoe and Joshua Thomson SC were appointed as members of the Council from 31 October 2022 to 25 October 2023, being the balance of the Council's current term of office. We were delighted to welcome them at the November meeting of the Council, and to acknowledge Joshua's contribution as observer since November 2018.

In October, our former CEO and Commissioner, Megan Pitt, retired. On behalf of the Council, I would like to express my thanks to Megan for her significant contribution to the Uniform scheme over the past five years. The Council's new CEO and Commissioner, Heather Moore, commenced in November and has brought with her an in-depth knowledge of the Uniform Law scheme which has enabled a seamless transfer of leadership.

During the year, the Council also welcomed the opportunity to meet with designated local regulatory authorities, including admitting authorities, in Melbourne and in Sydney. A similar program had been held in Perth in June 2022. I was also delighted to meet with the Attorney-General of Victoria, the Hon Jaclyn Symes MP, while in Melbourne for the July Council meeting.

A priority for the Council this year was the review of costs disclosure thresholds, which is considering the effectiveness and regulatory impact of the costs disclosure thresholds referred to in the Uniform Law. Dr Matthew Butlin AM, the independent expert appointed to lead the review, will report to the Council later this year.

As the Council's three-year term comes to an end on 25 October, I would like to take this opportunity to thank my fellow Council members for their contributions over the past three years. On behalf of the Council, I would also like to thank the Chair and members of the Admissions Committee and Audit and Risk Committee, and our hardworking Secretariat team.

**Alan Cameron AO**  
Chair, Legal Services Council

# CEO/Commissioner's report

I was delighted to begin my appointment as CEO of the Legal Services Council and Commissioner for Uniform Legal Services Regulation on 1 November, and have valued the opportunity to connect or reconnect with stakeholders and partners.

The Council's review of costs disclosure thresholds was announced shortly before my appointment and has been a priority during the reporting period.

The Council and Admissions Committee's work on the admission of foreign lawyers has also been a priority. This includes the operation of conditional admission and proposed amendments to the Legal Profession Uniform Admission Rules 2015 in relation to the admission of foreign lawyers with relevant skills and experience.

Regulatory consistency continues to be a focus, including where possible with jurisdictions outside the Uniform Law scheme. The Admissions Committee and the Law Admissions Consultative Committee held their first joint meeting on 25 May to work even more closely together on issues of mutual interest. This will include the Australia-United Kingdom Free Trade Agreement, which came into force on 31 May.

In March, I was pleased to host a meeting of legal services commissioners or their equivalent from all states and territories, to discuss common and emerging issues. The meeting was followed by a farewell dinner for NSW Legal Services Commissioner, John McKenzie AM, hosted by the Law Society of NSW. We all wished John well in his retirement and acknowledged his significant contribution to the legal profession.

I would like to thank the members of the Council, Admissions Committee, Law Admissions Consultative Committee and Audit and Risk Committee for their important work, and to thank all our stakeholders for their collaborative approach to Uniform Law issues. I would also like to thank our outstanding staff team, and to acknowledge the contribution of my predecessor, Megan Pitt, who stayed in the role for an extra month to ensure a smooth transition.

**Heather Moore**  
Chief Executive Officer, Legal Services Council  
Commissioner for Uniform Legal Services Regulation

# Our Council

## Legal Services Council members



**Alan Cameron AO, Chair** (appointed 26 October 2020)

Alan Cameron has occupied a range of senior roles in both the private and public sectors, including Chairman of the Australian Securities and Investments Commission from 1993 to 2000, Commonwealth and Defence Force Ombudsman, Principal Solicitor of the NSW Aboriginal Legal Service in the mid-1970s, the first national managing partner of Blake Dawson Waldron (now known as Ashurst Australia) from 1989 to 1991 and as a company director. In 2015, Alan was appointed Chairperson of the NSW Law Reform Commission and he undertook this role on a part time basis until 2022.



**Murray Baird** (appointed 26 October 2020)

Murray Baird was the inaugural Assistant Commissioner General Counsel at the Australian Charities and Not-for-profits Commission from its inception in 2012 until 2019. In this role, he was responsible for registration, compliance, legal and policy functions of the national charities regulator. Prior to that he was Senior Partner and Chair of Melbourne law firm Moores Legal. He now practises in the law, governance and regulation of not-for-profit organisations with Prolegis Lawyers with offices in Melbourne and Sydney. Murray is a member of the Law Council of Australia's Legal Practice Section Charities and Not-for-profits Committee.



**Elizabeth Harris** (appointed 26 October 2020)

Liz Harris is a lawyer who has specialised in consumer complaints relating to lawyers, acting for both lawyers and consumers. She is a recognised expert in costs law as co-author of Quick on Costs, the pre-eminent Australian text. She has conducted her own legal practice, been a sessional member of the VCAT Legal Practice list, a member of the Victorian Supreme Court Costs Committee and Chair of the Law Institute of Victoria's Advisory Board on Costs Law and its Cost Lawyers section. Liz consults to government and corporate legal departments about managing external lawyers and is regularly engaged as an expert witness on the management of legal work and costs in class actions and other significant litigation.



**Noel Hutley SC** (appointed 26 October 2020)

Noel Hutley SC is a barrister at Fifth Floor St James' Hall. He was admitted to the NSW Bar in 1981, appointed as Senior Counsel in 1996 and appointed as Queen's Counsel in Western Australia in 1997. Noel has also been admitted in the Australian Capital Territory, Victoria, South Australia, Northern Territory, Queensland and Tasmania. He has previously been a member of the Council of the NSW Bar Association, President of the NSW Bar Association (November 2015-May 2017) and President of the Australian Bar Association (November 2017-November 2018). Noel's practice includes general appellate, equity/commercial, administrative, trade practices, company and competition law.





**Andrew Pascoe** (appointed 31 October 2022)

Andrew Pascoe is a practising lawyer in Western Australia. He was admitted to practice in New South Wales in 1992 and became a partner of Allens in 2000. He relocated to Perth in 2003. Andrew heads the corporate mergers and acquisitions practice for the Allens' Perth office, specialising in mergers and acquisitions, corporate governance, ethics and professional responsibilities. Andrew is also the Chair of West Australian Opera and is a former member of the Legal Practice Board in Western Australia.



**Joshua Thomson SC** (appointed 31 October 2022)

Joshua Thomson SC was appointed as the Solicitor-General of Western Australia in October 2018. Prior to that, Joshua had been an independent barrister since 2001 and was appointed as Senior Counsel in 2012. Joshua is also a member of the Legal Practice Board in Western Australia. From 1 July 2022 to 30 October 2022, Joshua attended Council meetings as an observer ahead of Western Australia's entry into the Uniform Law scheme.



**Juliana Warner** (appointed 26 October 2020)

Juliana Warner is a lawyer with more than 30 years' experience in conducting complex disputes. She represents clients in litigation, alternative dispute resolution and regulatory processes. Juliana is a Partner of the Sydney office of Herbert Smith Freehills and was the President of the Law Society of NSW in 2021. Juliana is also a Director of the Law Council of Australia and its representative on the Law Admissions Consultative Committee and a Director of Law Firms Australia Pty Limited.



**Heather Moore, Chief Executive Officer and Commissioner for Uniform Legal Services Regulation** (appointed 1 November 2022)

Heather Moore has held a range of senior roles over twenty years, including acting Chief of Staff to the Secretary of the NSW Department of Justice, Private Secretary to the Lord Chief Justice of England and Wales, and Director of Policy at the Law Society of NSW. She has an in-depth understanding of the Uniform Law scheme, and has worked with government, the judiciary and the legal profession. Heather was awarded her law degree with First Class Honours and a University Medal and completed an Executive Masters in Public Administration in 2018.

# Our framework

## The Standing Committee

The Standing Committee comprises the Attorneys General of New South Wales, Victoria and Western Australia. The Standing Committee has a general supervisory role over the Council, the Commissioner for Uniform Legal Services Regulation and local regulatory authorities, which includes overseeing the finances of the Council and approving its budget. It also considers Uniform Rules developed by the Legal Services Council, the Council's Admissions Committee, the Law Council of Australia and the Australian Bar Association.



**The Hon Michael Daley MP**  
Attorney General,  
New South Wales



**The Hon Jaclyn Symes MP**  
Attorney-General,  
Victoria



**The Hon John Quigley MLA**  
Attorney General,  
Western Australia

## Our organisation

The Council and the Commissioner oversee the operation of the Uniform Law scheme.

The objectives of the Uniform Law scheme are to promote the administration of justice and an efficient and effective Australian legal profession, by:

- providing and promoting interjurisdictional consistency in the law applying to the Australian legal profession
- ensuring lawyers are competent and maintain high ethical and professional standards in the provision of legal services
- enhancing the protection of clients of law practices and the protection of the public generally
- empowering clients of law practices to make informed choices about the services they access and the costs involved
- promoting regulation of the legal profession that is efficient, effective, targeted and proportionate
- providing a co-regulatory framework within which an appropriate level of independence of the legal profession from the executive arm of government is maintained.

The Council is a statutory corporation, which is separate from government, and may do what is necessary or appropriate to perform its functions.

The Council's objectives under the Uniform Law are to:

- monitor the implementation of the Uniform Law and ensure its consistent application across participating jurisdictions
- ensure the Uniform Law scheme remains efficient, targeted and effective, and promotes the maintenance of professional standards
- ensure that the Uniform Law scheme appropriately accounts for the interests and protection of clients of law practices.

The Council makes all the Uniform Rules and to achieve a consistent approach, can issue guidelines and/or directions to local regulatory authorities, except in relation to complaints and professional discipline (which are matters for the Commissioner).

The Council has seven members, drawn from participating jurisdictions as follows:

- one member appointed as Chair on the recommendation of the Standing Committee with the concurrence of the Law Council of Australia and the Australian Bar Association



- two members recommended by the Law Council of Australia
- one member recommended by the Australian Bar Association
- three members recommended by the Standing Committee on the basis of their expertise in legal practice, consumer protection, legal professional regulation or financial management.

Council appointments are for three years. Members may be re-appointed and can hold office for a total of six years.

The Council met eight times during the reporting year, five times in person and three by videoconference. During each of the 2022 and 2023 calendar years, the Council met in Sydney, Melbourne and Perth.

## Our Chief Executive Officer and Commissioner

On 2 October 2022, the five-year appointment of the former CEO and Commissioner, Megan Pitt, came to an end. The Council appointed Ms Pitt as Acting Commissioner from 3 October to 31 October 2022.

Heather Moore was appointed as the new CEO and Commissioner, for a five-year term, which commenced on 1 November 2022.

## The relationship between the Council and the Commissioner, as CEO of the Council

The person appointed as Commissioner must also exercise the functions of CEO of the Council.

In a formal sense, the Council administers all Chapters of the Uniform Law except Chapter 5 and oversees the Commissioner exercising Chapter 5 functions. In practice, the day-to-day operations of the Council are carried out by the CEO and by the staff of the Secretariat, in consultation with the Chair.

## The Commissioner

The Commissioner is a statutory office holder, responsible for raising awareness of and promoting compliance with the Uniform Law and Rules. The Commissioner monitors and reviews the dispute resolution and professional discipline functions set out in Chapter 5 of the Uniform Law.

## The Chief Executive Officer

The CEO manages the day-to-day affairs of the Council in accordance with its policies and directions.

## The Admissions Committee

The Council appoints the Admissions Committee, following nominations in accordance with clause 21(1) of Schedule 1 to the Uniform Law.

The Committee is responsible for developing Admission Rules and has a broader role providing advice to the Council about admissions matters.

The Committee has eight members, who during the reporting period were:

- The Hon Arthur Emmett AO KC, Chair, nominee of the Standing Committee of Attorneys General, appointed to 30 June 2024
- The Hon David Habersberger KC, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW, appointed to 30 June 2025
- The Hon Justice Francois Kunc, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW, appointed to 30 June 2025
- The Hon Justice Rene Le Miere KC, nominee of the Chief Justice of Victoria in concurrence with the Chief Justices of NSW and Western Australia, appointed to 31 December 2025
- Mr Ross Drinnan, nominee of the Law Council of Australia, appointed to 30 June 2024
- Mr Robert Hollo SC, nominee of the Australian Bar Association, appointed to 30 June 2025
- Professor Jenni Lightowlers, nominee of a Faculty of Law, appointed to 30 June 2023
- Professor Tania Sourdin, nominee of a Faculty of Law, appointed to 30 June 2025.

## The Audit and Risk Committee

The Audit and Risk Committee (ARC) is established by the Council. Under approved terms of reference, the ARC monitors and reviews the effectiveness and efficiency of the processes of the Council and the Commissioner.

The ARC members are Geoffrey Applebee (Chair and independent member), Liz Harris (Council member) and Murray Baird (Council member).

The ARC's key area of focus is the oversight of financial management, budget reporting and risk management. Its three meetings per calendar year are scheduled to accommodate timeframes set by the NSW Audit Office and end of year financial statements.

The ARC also considers audit and risk matters throughout the year and receives reports from the NSW Department of Communities and Justice's finance team.

## The Secretariat

The Council's Secretariat administers the day-to-day work of the Council, the Commissioner and the CEO. It comprises two Policy Managers, a Principal Policy Officer and an Executive Assistant with two roles pending recruitment as at 30 June 2023.

The Secretariat has extensive experience in legal practice, policy development, and in supporting advisory bodies, government and committees.

The Secretariat (apart from the Commissioner) comprises public service employees under the *Government Sector Employment Act 2013* (NSW).

## Funding arrangements

The Council's and Commissioner's funding is provided pursuant to an Intergovernmental Agreement (IGA) between the three participating jurisdictions.

The *Legal Profession Uniform Law Application Act 2014* (Vic) provides that the Victorian Legal Services Board is to pay an amount determined by the Victorian Attorney-General. In practice, that amount is determined by reference to the IGA and is paid from the Victorian Public Purpose Fund.

The NSW contribution is funded by admission fees prescribed by the *Legal Profession Uniform Law Application Regulation 2015* (NSW). From each admission fee, \$400 is allocated to the NSW Department of Communities and Justice.

The Western Australian contribution is funded by a fee of \$30 charged on application for a practising certificate, prescribed by the *Legal Profession Uniform Law Application Regulations 2022* (WA).

## The Council's operating budget

The Council and the Commissioner operate on a triennial budget (2022–2024) which was approved by the Standing Committee to 30 June 2024. The operating budget of \$1,796,141 was approved for 2022–2023. Audited financial statements are presented in this report from page 48.

The cost of the Uniform Law scheme, that is reflected in the Council's budget, is shared between participating jurisdictions. The notional cost of the national regulatory scheme covering all practitioners in Australia remains well under \$30 per legal practitioner per year.

## Corporate operations

During the year, the Council continued to receive operational support from the NSW Department of Communities and Justice.

The Department provided corporate services under a service provider agreement to the Council. The agreement covers human resources, finance, procurement and information and digital services and was rolled over following its expiration on 30 June 2023, while a new agreement is being finalised.

The CEO and Secretariat liaise regularly with the Department in relation to these services.

## Applied legislation

Specified oversight legislation that commonly applies to NSW Government agencies applies to the Council by operation of the *Legal Profession Uniform Law Application Act 2014* (NSW), including:

- *Privacy and Personal Information Protection Act 1998* (NSW)
- *Government Information (Public Access) Act 2009* (NSW)
- *State Records Act 1998* (NSW)
- *Ombudsman Act 1974* (NSW)
- *Government Sector Audit Act 1983* (NSW)
- *Government Sector Finance Act 2018* (NSW).

The Council did not receive any requests to access information during the reporting period. The ARC reviews the kinds of government information held by the Council that should be released on an annual basis.

# The Uniform Law scheme

## STANDING COMMITTEE – NSW, VICTORIAN AND WA ATTORNEYS GENERAL

Supervises the Legal Services Council, Commissioner for Uniform Legal Services Regulation and local regulatory authorities to ensure they fulfil their duties consistently with the Uniform Law's objectives.

Makes regulations and considers Uniform Rules.

### ADMISSIONS COMMITTEE

Develops rules about admission to the legal profession.

Gives advice to the Legal Services Council about admissions-related matters.

### LEGAL SERVICES COUNCIL

Monitors the Uniform Law's implementation and operation.

Develops General Rules and makes all Uniform Rules.

Issues guidelines and directions to local regulatory authorities about the exercise of their functions.

### COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION

Promotes compliance with the Uniform Law and Rules.

Ensures the consistent and effective implementation of Chapter 5 of the Uniform Law.

Raises awareness of the Uniform Law framework and its objectives.

Issues guidelines and directions to local regulatory authorities about Chapter 5 functions.

## LOCAL REGULATORY AUTHORITIES FOR FUNCTIONS AND REGULATION OF THE LEGAL PROFESSION

ADMISSION TO THE LEGAL PROFESSION	AUSTRALIAN PRACTISING AND REGISTRATION CERTIFICATES	TRUST MONEY AND TRUST ACCOUNTING	COMPLIANCE AUDITS AND MANAGEMENT SYSTEM DIRECTIONS	CONSUMER COMPLAINTS, DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE
Legal Profession Admission Board (NSW)	Bar Council (NSW)	Bar Council (NSW)	NSW Legal Services Commissioner	NSW Legal Services Commissioner
Victorian Legal Admissions Board	Law Society Council (NSW)	Law Society Council (NSW)	Law Society and Bar Councils (NSW)	Law Society and Bar Councils (NSW)
Legal Practice Board in WA	Victorian Legal Services Board	Victorian Legal Services Board	Victorian Legal Services Board	Victorian Legal Services Commissioner
	Legal Practice Board in WA	Legal Practice Board in WA	Legal Practice Board in WA	Legal Practice Board in WA

## COURTS AND TRIBUNALS

### SUPREME COURT

Appeal or review of some DLRA decisions, disqualification of entities from providing legal services, admission to and removal from the roll of Australian lawyers, appointment of receivers, injunctive relief.

### LOCAL COURT OF NSW; MAGISTRATES COURT OF VICTORIA; MAGISTRATES COURT OF WA

Prosecution of summary offences.

### NSW CIVIL AND ADMINISTRATIVE TRIBUNAL; VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL; STATE ADMINISTRATIVE TRIBUNAL WA

Chapter 5 consumer complaints, dispute resolution and professional discipline.

# Admissions Committee report

The Council's Admissions Committee develops the Admission Rules and advises the Council about matters relating to admissions. To that end, it liaises with Australian and foreign authorities, and courts and professional associations in relation to Uniform Law issues and the recognition of qualifications obtained overseas.

From 1 July to 30 June, the Committee comprised the Hon Arthur Emmett AO KC (Chair), the Hon David Habersberger KC, the Hon Justice Francois Kunc, the Hon Rene Le Miere KC, Mr Ross Drinnan, Mr Robert Hollo SC, Professor Jenni Lightowlers and Professor Tania Sourdin.



**The Hon Arthur Emmett AO KC**



**The Hon David Habersberger KC**



**The Hon Justice Francois Kunc**



**The Hon Rene Le Miere KC**



**Mr Ross Drinnan**



**Mr Robert Hollo SC**



**Professor Jenni Lightowlers**



**Professor Tania Sourdin**

## Admission of foreign lawyers

The Committee has continued to work on proposed amendments to the Legal Profession Uniform Admission Rules 2015 to facilitate the admission of experienced foreign lawyers with relevant skills and experience. The Committee has also been considering options to provide additional clarity to the admitting authorities on the operation of conditional admission under s 20 of the Uniform Law.

The Committee is grateful for the input of the staff at the Legal Practice Board in Western Australia, the Legal Profession Admission Board of NSW and the Victorian Legal Admissions Board on this project.

## Solicitors qualifying examination (SQE)

In November 2021, the Committee established a working group to consider implications for admission in Australia of lawyers from England and Wales who have passed the SQE, but who do not have an underlying legal qualification.

As part of considering this matter, the working group met with the Solicitors Regulation Authority of England and Wales and the New Zealand Council of Legal Education.

In late 2022, the working group recommended to the Committee that it continue to monitor the introduction of the SQE in England and Wales, with a view to further considering it after the scheme has been in place for a longer period of time and after the independent review of the scheme is undertaken.

## Legal Services Regulatory Dialogue

The Australia-United Kingdom Free Trade Agreement entered into force on 31 May 2023. The Agreement contemplates the establishment of a Legal Services Regulatory Dialogue, composed of representatives from the legal professions of each party.

A footnote to the agreement suggests that the Dialogue may include representatives, for Australia, from the Council, the Committee and the Law Admissions Consultative Committee (LACC), as well as the Law Council of Australia.

The objectives of the Dialogue are to consider matters affecting the re-qualification of lawyers of one country seeking admission to practice in the other country, share experience on matters affecting the type of business structures through which lawyers and enterprises of one country may supply legal services in the other country, and share information on other regulatory matters.

The Council's CEO has begun conversations with the Law Council of Australia, in anticipation of the Dialogue commencing later in 2023.

## Review of legal education

During the year, the Council of Australian Law Deans (CALD) approached the Council, the Committee and the LACC to ascertain if there is interest in reviewing legal education and training in Australia. Other stakeholders who have been engaged in this discussion include the Law Council of Australia, the Australasian Professional Legal Education Council (APLEC) and the Australasian Law Students Association. Initial meetings have been held to discuss interest in the review and the potential scope of any review.

## Admissions data

The Committee has endorsed a proposal by the Uniform Law admitting authorities that the collection of admissions gender data be amended in line with the Australian Bureau of Statistics' Standard for Sex, Gender, Variations of Sex Characteristics and Sexual Orientation Variable 2020. The necessary amendments to the databases of both the admitting authorities and the Council are being made, and will be reflected in future reports.

## Accreditation of law schools

The Committee and the LACC have become aware that, catalysed at least in part by the impact of the COVID-19 pandemic, questions have arisen in relation to the minimum teaching hours of Priestley 11 subjects, the duration of law courses and online examination of Priestley 11 subjects in Australian law courses. The Committee and the LACC are considering whether the LACC's Accreditation Standards, which provide guidance to admitting authorities on these matters, should be updated in response to the issues raised.

The Committee and the LACC have been advised that the CALD has established a subcommittee to consider these issues and will liaise with that subcommittee as its work progresses about opportunities to collaborate on this issue.

## Law Admissions Consultative Committee

The Committee and the LACC continue to work in a co-operative and collegiate manner, sharing agendas and papers, and consulting on admission issues affecting both the Uniform Law jurisdictions and the non-participating jurisdictions. The Council has also sought and considered the views of both Committees on relevant issues, with the aim of forging consensus on admission matters nationally.

This approach has continued to be fostered and facilitated by the Hon Arthur Emmett AO KC as the Chair of both Committees, the appointment of four common members on the Committee and the LACC, and secretariat support for both Committees being provided by the Council. In 2023, the Committee and the LACC started sitting jointly to discuss matters of common interest, and this approach will be continued.

During the reporting period, the members of the LACC and the states or entities they represent were: Peter Garrisson AM SC (ACT), the Hon Justice François Kunc (NSW), Acting Associate Judge Meredith Huntingford (NT until 6 March 2023), Associate Justice Vince Luppino (NT), Greg Moroney (QLD), the Hon Justice Anthony Besanko (SA until 1 February 2023), the Hon Justice Christopher Bleby (SA), the Hon Justice Robert Pearce (TAS), the Hon David Habersberger KC (VIC), the Hon Rene Le Miere KC (WA), Lewis Patrick (APLEC until 18 November 2022), Associate Professor Vedna Jivan (APLEC), Professor Tania Sourdin (CALD) and Juliana Warner (Law Council of Australia).



# Highlights of 2022–2023

Over the last 12 months, the Council has brought together New South Wales, Victorian and Western Australian regulators to discuss Uniform Law matters, to continue to foster positive working relationships with stakeholders and to address any regulatory issues of concern. Some highlights of this year follow.

## Expansion of the Uniform Law scheme to Western Australia

The Uniform Law commenced in Western Australia on 1 July 2022, marking a significant milestone for the scheme, and a significant step towards the goal of having a national legal profession under a uniform regulatory regime.

With the commencement of the Uniform Law in Western Australia, membership of the Council has expanded by two members, with an additional nominee from the Standing Committee and the Law Council of Australia. Andrew Pascoe and Joshua Thomson SC were appointed as members of the Council from 31 October 2022 to 25 October 2023, being the balance of the Council's term of operation.

Membership of the Admissions Committee has also increased to include a current or former Judge of the Supreme Court of Western Australia, nominated by the Chief Justice of Victoria, with the concurrence of the Chief Justices of New South Wales and Western Australia. The Council appointed the Hon Rene Le Miere KC, former judge of the Supreme Court of Western Australia, to the Committee on 1 July 2022. Mr Le Miere KC was previously an observer on the Committee.

## Review of costs disclosure thresholds

In September, the Council announced a review of the costs disclosure thresholds in the Uniform Law. The review will consider and report on the effectiveness and regulatory impact of the costs disclosure thresholds referred to in section 174(4) and (5) of the Uniform Law, including whether they meet the objectives of the Uniform Law.

The review may make recommendations for amendments to the Legal Profession Uniform General Rules 2015, the standard costs disclosure forms, the costs disclosure form information sheets and the guidelines and directions on costs estimates.

Between November 2022 and January 2023, Dr Matthew Butlin AM, expert independent consultant and leader of the review, together with the Secretariat held 22 initial consultation meetings with regulatory authorities, professional associations and organisations that work with consumers in participating and non-participating jurisdictions.

A survey on costs disclosure thresholds was distributed to legal practitioners by the Law Society of NSW, the Law Society of Western Australia and the Law Institute of Victoria in February and March, which had 782 respondents.

In March, two workshops were held with 13 solicitors from law practices with four or less principals from New South Wales, Victoria and Western Australia to obtain more detailed legal costs information and explore the work required to provide costs disclosures.

The Council published a consultation paper on its website in May, which was also sent by email to 48 organisations, and received 11 submissions in response. It is anticipated that the Council will receive Dr Butlin's final report later in 2023.

## Conditional costs agreements

On 1 July, the Council made the Legal Profession Uniform General Amendment (Conditional Costs Agreements) Rule 2022. The Rule prohibits the use of conditional costs agreements in relation to proceedings under the *Family Court Act 1997* (WA) to ensure consistency with the prohibition in relation to proceedings under the *Family Law Act 1975* (Cth), set out in s 181(7)(c) of the Uniform Law.

On 18 July, the Council commenced a public consultation process inviting submissions on the draft Legal Profession Uniform Amendment (Conditional Costs Agreements) Rule (No 2) 2022 which would prohibit the use of conditional costs agreements in relation to proceedings under guardianship, adoption, child protection and child support legislation. It would also continue the prohibition on conditional costs agreements in proceedings that involve the *Family Court Act 1997* (WA) introduced on 1 July 2022.

On 23 May, the Council submitted the draft Legal Profession Uniform Amendment (Conditional Costs Agreements) Rule (No 2) 2023 to the Standing Committee, following the public consultation process.



## Managed investment schemes

In February, the draft Legal Profession Uniform General Amendment (Managed Investment Schemes) Rule 2023 was submitted to the Standing Committee. The draft Rule amends rule 91BA of the Legal Profession Uniform General Rules 2015 following a change to the definition of litigation funding schemes in the *Corporations Act 2001* (Cth). The Council resubmitted the draft Rule to the Standing Committee in May following the New South Wales election.

## Indexation

On 2 May, the editorial note to rule 111A of the Legal Profession Uniform General Rules 2015 was updated to include the indexed amounts that will apply in the Uniform Law and the *Legal Profession Uniform Law Application Act 2014* (Vic) from 1 July 2023 to 30 June 2024. This ensures that regulatory authorities and the Victorian Civil and Administrative Tribunal maintain their jurisdiction to determine costs disputes in line with inflation.

## Record keeping requirements for barristers

On 15 September, the Council considered a proposal from the NSW Bar Association to amend the Legal Profession Uniform General Rules 2015 to include a requirement that a barrister retain, for a period of seven years, a copy of all written costs disclosures made in accordance with s 174 or s 175(2) of the Uniform Law. The Council resolved to consult on this proposal as part of the review of costs disclosure thresholds.

## Refusal of briefs by barristers who are current or former judges or tribunal members

On 15 September, the Council considered a proposal from the Australian Bar Association to amend rule 101A of the Legal Profession Uniform Conduct (Barristers) Rules 2015 relating to the refusal of briefs by barristers who are current or former judges or tribunal members.

The Council requested that the Australian Bar Association confer with the Law Council of Australia and the courts and tribunals about this proposal.

## Amendments to the Uniform Law

The Council is continuing to work with the designated local regulatory authorities and Departments to progress the 34 proposed amendments to the Uniform Law that have been approved, in principle, by the Standing Committee.

## Public registers of external examiners

On 15 September, the Council resolved to amend its direction to maintain a public register of eligible external examiners to include the Legal Practice Board in Western Australia. The direction also applies to the Law Society of NSW and the Victorian Legal Services Board.

## Meetings with stakeholders

Throughout the reporting period, the Council, CEO/Commissioner and Secretariat continued to meet regularly with stakeholders from Uniform Law jurisdictions including with:

- designated local regulatory authorities (Law Society of NSW, NSW Bar Association, NSW Office of the Legal Services Commissioner, Legal Profession Admission Board of NSW, Victorian Legal Services Board and Commissioner, Victorian Legal Admissions Board and Legal Practice Board in Western Australia)
- the NSW Department of Communities and Justice, Victorian Department of Justice and Community Safety and Western Australian Department of Justice
- professional associations including the Law Institute of Victoria, Victorian Bar, Law Society of Western Australia and Western Australian Bar Association (noting the Law Society of NSW and NSW Bar Association are also designated local regulatory authorities).

Meetings were also held with stakeholders from non-participating jurisdictions including with the Law Society of South Australia, South Australian Legal Profession Conduct Commissioner, Queensland Law Society, Law Society of Tasmania and Legal Profession Board of Tasmania. The Law Council of Australia, Australian Bar Association and Law Firms Australia continue to be key national stakeholders.

In November, CEO/Commissioner and policy staff attended the Conference of Regulatory Officers in Brisbane, hosted by the Queensland Legal Services Commission, Queensland Law Society and Bar Association of Queensland.

# The Uniform Law framework

## THE UNIFORM LAW

The Legal Profession Uniform Law sets out the regulatory arrangements for the legal profession, including:

- admission to the Australian legal profession
- legal practice
- business practice and professional conduct
- legal costs between a legal practitioner and their client
- dispute resolution and professional discipline
- functions and powers of the Council, the Commissioner and local regulatory authorities.

## LOCAL APPLICATION ACTS

The Uniform Law is applied in New South Wales, Victoria and Western Australia by local Application Acts. Certain jurisdiction-specific arrangements, such as the operation of local authorities and fees, are dealt with by local Application Acts and Regulations.

- *Legal Profession Uniform Law Application Act 2014* (Vic)
- *Legal Profession Uniform Law Application Act 2014* (NSW)
- *Legal Profession Uniform Law Application Act 2022* (WA)
- Legal Profession Uniform Law Application Regulations 2015 (Vic)
- Legal Profession Uniform Law Application Regulation 2015 (NSW)
- Legal Profession Uniform Law Application Regulations 2022 (WA)
- Legal Profession Uniform Law Application (Accreditation) Regulations 2022 (WA)

## THE UNIFORM RULES

The Uniform Rules provide operational detail and requirements for legal practitioners. The Council has specific responsibility for the development of the Uniform General Rules. After any necessary amendments, the Council submits the draft rule to the Standing Committee of Attorneys General.

The Council's Admissions Committee is responsible for developing the Admission Rules.

The Law Council of Australia and the Australian Bar Association are responsible for developing Legal Practice, Legal Profession Conduct and Continuing Professional Development Rules for solicitors and barristers respectively.

The Uniform Rules are:

- Legal Profession Uniform General Rules 2015
- Legal Profession Uniform Admission Rules 2015
- Legal Profession Uniform Continuing Professional Development (Solicitors) Rules 2015
- Legal Profession Uniform Law Australian Solicitors' Conduct Rules 2015
- Legal Profession Uniform Legal Practice (Solicitors) Rules 2015
- Legal Profession Uniform Continuing Professional Development (Barristers) Rules 2015
- Legal Profession Uniform Conduct (Barristers) Rules 2015

## REGISTER OF DELEGATIONS

The Council may delegate certain functions to the Chair of the Council or the Commissioner.

The Council maintains and annually updates a Register of Delegations as required by section 413 of the Uniform Law.

There were no delegations made during the reporting period.

# Our Strategic Plan

## Our role

The Legal Services Council and Commissioner for Uniform Legal Services Regulation oversee the operation of the Uniform Law scheme – a regulatory framework to promote the efficient administration of justice and an effective Australian legal profession.

## Our vision

To achieve uniform regulation of a national legal profession and legal services in Australia to meet community needs and to balance the interests of the legal profession and the protection of clients of law practices.

## Our goals

1. Achieve national implementation of the Uniform Law
2. Ensure that the Uniform Law is a responsive regulatory regime for the legal profession in Australia
3. Build awareness of the benefits of the Uniform Law
4. Continue to administer a well governed organisation.

## Our stakeholders

Our close partnerships and collaborative working relationships in New South Wales, Victoria and Western Australia, with their respective Departments of Justice, local regulatory authorities, professional associations, consumer groups and members of the legal profession, have been and continue to be critical to our success.

# Progress against our Strategic Plan

GOAL 1: ACHIEVE NATIONAL IMPLEMENTATION OF THE UNIFORM LAW	
Priority actions	Work undertaken/completed
<b>1.1 Work with the Standing Committee and Departments of Justice in New South Wales, Victoria and Western Australia to achieve national implementation</b>	
<ul style="list-style-type: none"><li>• Six-monthly and annual reports to the Standing Committee</li><li>• Regular liaison with the New South Wales, Victorian and Western Australian Departments of Justice</li></ul>	<ul style="list-style-type: none"><li>• Six-monthly reports were provided to the Standing Committee in July and January</li><li>• The Council and Commissioner's 2021-22 annual reports were tabled in the Victorian and New South Wales Parliaments in December</li><li>• Regular liaison meetings with the Departments were held in November and April</li></ul>
<b>1.2 Continued engagement with the participating jurisdictions to collaborate on the operation of the Uniform Law</b>	
<ul style="list-style-type: none"><li>• Regular liaison with designated local regulatory authorities</li></ul>	<ul style="list-style-type: none"><li>• Regular liaison meetings with the designated local regulatory authorities were held in August, October, December, March and May</li><li>• Regular liaison meetings with the admitting authorities were held in November, February and June</li></ul>

GOAL 1: ACHIEVE NATIONAL IMPLEMENTATION OF THE UNIFORM LAW	
Priority actions	Work undertaken/completed
<b>1.3 Continued engagement with the non-participating jurisdictions to understand their perspectives, address any issues and promote the Uniform Law</b>	
<ul style="list-style-type: none"> <li>Regular liaison with non-participating jurisdictions and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>In November, the CEO/Commissioner and policy staff attended the Conference of Regulatory Officers in Brisbane</li> <li>In March, the CEO/Commissioner hosted a meeting for the Commissioners or equivalent from all jurisdictions, held in Sydney and by videoconference</li> </ul>
GOAL 2: ENSURE THAT THE UNIFORM LAW SCHEME IS A RESPONSIVE REGULATORY REGIME FOR THE LEGAL PROFESSION IN AUSTRALIA	
Priority actions	Work undertaken/completed
<b>2.1 Ensure the Uniform Law remains an effective regulatory regime</b>	
<ul style="list-style-type: none"> <li>Monitor and receive feedback from stakeholders on the effectiveness of the Uniform Law</li> </ul>	<ul style="list-style-type: none"> <li>See items 1.2 and 1.3 above.</li> </ul>
<b>2.2 Recommend Uniform Law changes, as appropriate</b>	
<ul style="list-style-type: none"> <li>Progress amendments approved, in principle, by the Standing Committee</li> <li>Consider proposed amendments in relation to foreign lawyers</li> <li>Consider any amendments proposed by the Victorian Government arising from the Royal Commission into the Management of Police Informants</li> </ul>	<ul style="list-style-type: none"> <li>The Council is continuing to progress the proposed amendments in consultation with the designated local regulatory authorities and Departments</li> <li>The Council and Admissions Committee considered proposals in relation to the admission and practising rights of foreign lawyers</li> <li>The CEO and policy staff attended meetings of the Victorian Royal Commission into the Management of Police Informants – Legal Profession Regulation Working Group in July, March and June</li> </ul>
<b>2.3 Recommend Uniform Rules and Guidelines changes, as appropriate</b>	
<b>Uniform General Rules</b> <ul style="list-style-type: none"> <li>Consider expanding categories of proceedings in which conditional costs agreements are prohibited</li> <li>Review the effectiveness and regulatory impact of the costs disclosure thresholds referred to in section 174(4) and (5) of the Uniform Law</li> <li>Make consequential amendments following changes to the definition of litigation funding schemes in the <i>Corporations Act 2001</i> (Cth)</li> <li>Update and publish indexation amounts</li> </ul>	<ul style="list-style-type: none"> <li>On 1 July, the Council made the Legal Profession Uniform General Amendment (Conditional Costs Agreements) Rule 2022</li> <li>The Legal Profession Uniform General Amendment (Conditional Costs Agreements) Rule 2023 was submitted to the Standing Committee on 23 May</li> <li>The review of costs disclosure thresholds was announced on 30 September</li> <li>The draft Legal Profession Uniform General Amendment (Managed Investment Schemes) Rule 2023 was submitted to the Standing Committee on 15 February and resubmitted on 23 May following the New South Wales election</li> <li>On 17 May, the Legal Profession Uniform Law (Indexed Amounts) Notice 2023 was published on the Council's website</li> </ul>

<b>Uniform Admission Rules</b> <ul style="list-style-type: none"> <li>Progress proposed amendments in relation to foreign lawyers</li> </ul>	<ul style="list-style-type: none"> <li>The Admissions Committee has continued to work on proposed amendments to the Uniform Admission Rules to facilitate the admission of experienced foreign lawyers with relevant skills and experience</li> </ul>
<b>Uniform Conduct, Practice and Continuing Professional Development Rules</b> <ul style="list-style-type: none"> <li>Consider proposed amendments developed by the Law Council of Australia and the Australian Bar Association</li> </ul>	<ul style="list-style-type: none"> <li>On 15 September, the Council considered a proposal from the Australian Bar Association to amend rule 101A of the Legal Profession Uniform Conduct (Barristers) Rules 2015 relating to the refusal of briefs by barristers who are current or former judges or tribunal members</li> <li>On 15 September, the Council also considered a proposal by the Australian Bar Association to amend rule 22 of the Legal Profession Uniform Conduct (Barristers) Rules 2015 relating to direct access briefs</li> </ul>

## 2.4 Undertake Uniform Law projects

<ul style="list-style-type: none"> <li>Monitor and review the effectiveness of reports from the Uniform Law database</li> <li>Maintain an electronic register of legal practitioner details in the Uniform Law jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>Reports on admissions and complaints data provided by the designated local regulatory authorities in New South Wales, Victoria and Western Australia are included in the Commissioner's annual report</li> <li>The Australian Legal Profession Register contains data about New South Wales and Victoria legal practitioners, with Western Australian data to be included later in 2023</li> </ul>
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## GOAL 3: BUILD AWARENESS OF THE BENEFITS OF THE UNIFORM LAW

Priority actions	Work undertaken/completed
<b>3.1 Provide stakeholders, legal practitioners and consumers with timely and accurate information about the Uniform Law scheme</b>	
<ul style="list-style-type: none"> <li>Regularly update the Council's website and advise stakeholders of Uniform Law developments</li> </ul>	<ul style="list-style-type: none"> <li>Information was published on the Council's website during this period including about the appointment of the new CEO/Commissioner, the review of costs disclosure thresholds and updated indexation amounts</li> </ul>
<b>3.2 Enhance the profile of the Council and the Admissions Committee in the legal profession</b>	
<ul style="list-style-type: none"> <li>Engage with the legal profession to discuss the role of the Council and Admissions Committee</li> <li>Regular meetings with stakeholders to discuss the Council, Admissions Committee and the Uniform Law</li> </ul>	<ul style="list-style-type: none"> <li>See items 1.1, 1.2 and 1.3 above</li> </ul>
<b>3.3 Promote the Uniform Law scheme in non-participating jurisdictions</b>	
<ul style="list-style-type: none"> <li>Engage and consult with stakeholders in non-participating jurisdictions about joining the Uniform Law scheme</li> </ul>	<ul style="list-style-type: none"> <li>See item 1.3 above</li> </ul>

<b>3.4 Identify, develop and realise opportunities to raise awareness of the Uniform Law scheme</b>	
<ul style="list-style-type: none"> <li>• Use the Council's website to consult and to advise of Uniform Law developments</li> <li>• Publish a quarterly newsletter</li> <li>• Monitor media regarding the Uniform Law</li> </ul>	<ul style="list-style-type: none"> <li>• The Council's website publicises changes to the Uniform Law, Uniform Rules, consultations and other developments</li> <li>• Newsletters were distributed in July, September, December and May</li> </ul>

#### GOAL 4: CONTINUE TO ADMINISTER A WELL-GOVERNED ORGANISATION

Priority actions	Work undertaken/completed
<b>4.1 Support the Council, Admissions Committee, Law Admissions Consultative Committee and the Audit and Risk Committee</b>	
<ul style="list-style-type: none"> <li>• Convene five Council meetings per year</li> <li>• Convene three Admissions Committee and Law Admissions Consultative Committee meetings per year</li> <li>• Convene three Audit and Risk Committee meetings per year</li> </ul>	<ul style="list-style-type: none"> <li>• Council meetings were held on 20 July, 15 September, 20 October, 7 November, 30 November, 23 February and 18 May</li> <li>• Admission Committee and LACC meetings were held on 1 September, 17 November, 2 February and 25 May</li> <li>• Audit and Risk Committee meetings were held on 12 September, 8 October and 16 February</li> </ul>
<b>4.2 Comply with statutory reporting requirements</b>	
<ul style="list-style-type: none"> <li>• Submit and publish annual reports for the Council and Commissioner</li> <li>• Monitor and review the Council's triennial budgets</li> <li>• Comply with NSW Audit Office requirements</li> </ul>	<ul style="list-style-type: none"> <li>• The 2021–2022 annual reports were submitted to the Standing Committee in December and are published on the Council's website</li> <li>• The Council's triennial budget has been approved by the Standing Committee to 30 June 2024</li> <li>• The NSW Audit Office requirements for FY2021–2022 were met for the Council and Commissioner</li> </ul>
<b>4.3 Review and implement the Council's governance and business arrangements</b>	
<ul style="list-style-type: none"> <li>• Review and update the Council's governance documents</li> <li>• Monitor the service provider agreement arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• In February, the Audit and Risk Committee and Council endorsed updates to the Council's governance documents</li> <li>• The Secretariat continues to monitor the service provider agreement arrangements</li> </ul>
<b>4.4 Foster a productive and collegiate workplace</b>	
<ul style="list-style-type: none"> <li>• Encourage effective teamwork and staff development</li> <li>• Implement performance reviews process and staff training/development</li> </ul>	<ul style="list-style-type: none"> <li>• The CEO/Commissioner and Secretariat staff met on a fortnightly basis and conducted project workshops at key stages</li> <li>• Performance reviews were held in August and March and staff training was undertaken</li> </ul>



# REPORT OF THE COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION 2022/2023

# ANNUAL REPORT

2022/2023

## Contents

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16 October 2023

Mr Alan Cameron AO  
Chair, Legal Services Council  
PO Box H326  
Australia Square NSW 1215

Dear Mr Cameron

**Annual report for 2022–2023**

I submit the annual report of the Commissioner for Uniform Legal Services Regulation for 2022–2023 to the Legal Services Council, in accordance with clause 10 of Schedule 2 to the Legal Profession Uniform Law.

The report does not include separate financial statements for the Commissioner, as the financial statements of the Council and for the Commissioner are consolidated, as one entity. The financial statements have been prepared and audited in accordance with Australian Accounting Standards.

A report from the Auditor is contained with the financial statements.



**Heather Moore**

Chief Executive Officer | Legal Services Council  
Commissioner for Uniform Legal Services Regulation

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# Commissioner's report

## Commissioner for Uniform Legal Services Regulation

The office of the Commissioner for Uniform Legal Services Regulation is established by the Legal Profession Uniform Law. The objectives of the Commissioner are to:

- Promote compliance with the Uniform Law and Uniform Rules
- Ensure consistent and effective implementation of Chapter 5 of the Uniform Law (dispute resolution and professional discipline) and supporting Uniform Rules, through developing and making appropriate guidelines
- Raise awareness of the Uniform Law framework and its objectives.

The Commissioner is appointed for a term of up to five years by the Victorian Attorney-General on the recommendation of the Standing Committee of Attorneys General and with the concurrence of the Legal Services Council.

The Commissioner is independent of the Council in exercising functions under the Uniform Law, except as provided in Part 8.3 of the Uniform Law. The Commissioner works in close consultation with the Council's Chair and staff of the Secretariat and is also the Council's CEO.

## Commissioner's reporting obligation

The Commissioner can report on matters relating to the exercise of Chapter 5 functions to the Council for the attention of the Standing Committee.

The Commissioner can also recommend that changes to Chapter 5 functions be referred to the Standing Committee. No recommendation was made by the Commissioner in respect of Chapter 5 during the reporting year.

## Guidelines and directions

The Commissioner may issue guidelines and directions to local regulatory authorities concerning the exercise of Chapter 5 functions, to ensure consistency across participating jurisdictions.

In March 2016, the Commissioner issued a guideline and direction on costs estimates, which sits alongside a guideline and direction issued by the Council. The Council's review of costs disclosure thresholds is considering the effectiveness of these guidelines and directions.

In October 2016, the Commissioner issued a guideline on internal review of decisions of local regulatory authorities. This guideline will be reviewed later in 2023.

## Register of delegations

The Commissioner may delegate any of their functions (other than the power of delegation) to a member of staff. The Uniform Law requires that the Commissioner maintains a register of delegations, and that the register must be kept up to date and reviewed at least annually. The Commissioner did not delegate any functions during the reporting period.

## Uniform Law database

The Uniform Law database includes data shared electronically by designated local regulatory authorities in relation to their complaints and admissions functions. That data is published annually in this report as well as data provided by the designated local regulatory authorities in relation to internal reviews and determinations.

This report also contains data provided by the fidelity authorities in New South Wales, Victoria and Western Australia in relation to fidelity fund claims in the reporting period.

## Applied legislation

Specified oversight legislation that commonly applies to NSW Government agencies applies to the Commissioner by operation of the *Legal Profession Uniform Law Application Act* (NSW), including:

- *Privacy and Personal Information Protection Act 1998* (NSW)
- *Government Information (Public Access) Act 2009* (NSW)
- *State Records Act 1998* (NSW)
- *Ombudsman Act 1974* (NSW)
- *Government Sector Audit Act 1983* (NSW)
- *Government Sector Finance Act 2018* (NSW).

The Commissioner did not receive any requests to access information during the reporting period. The Audit and Risk Committee reviews the kinds of government information held by the Commissioner that should be released on an annual basis.

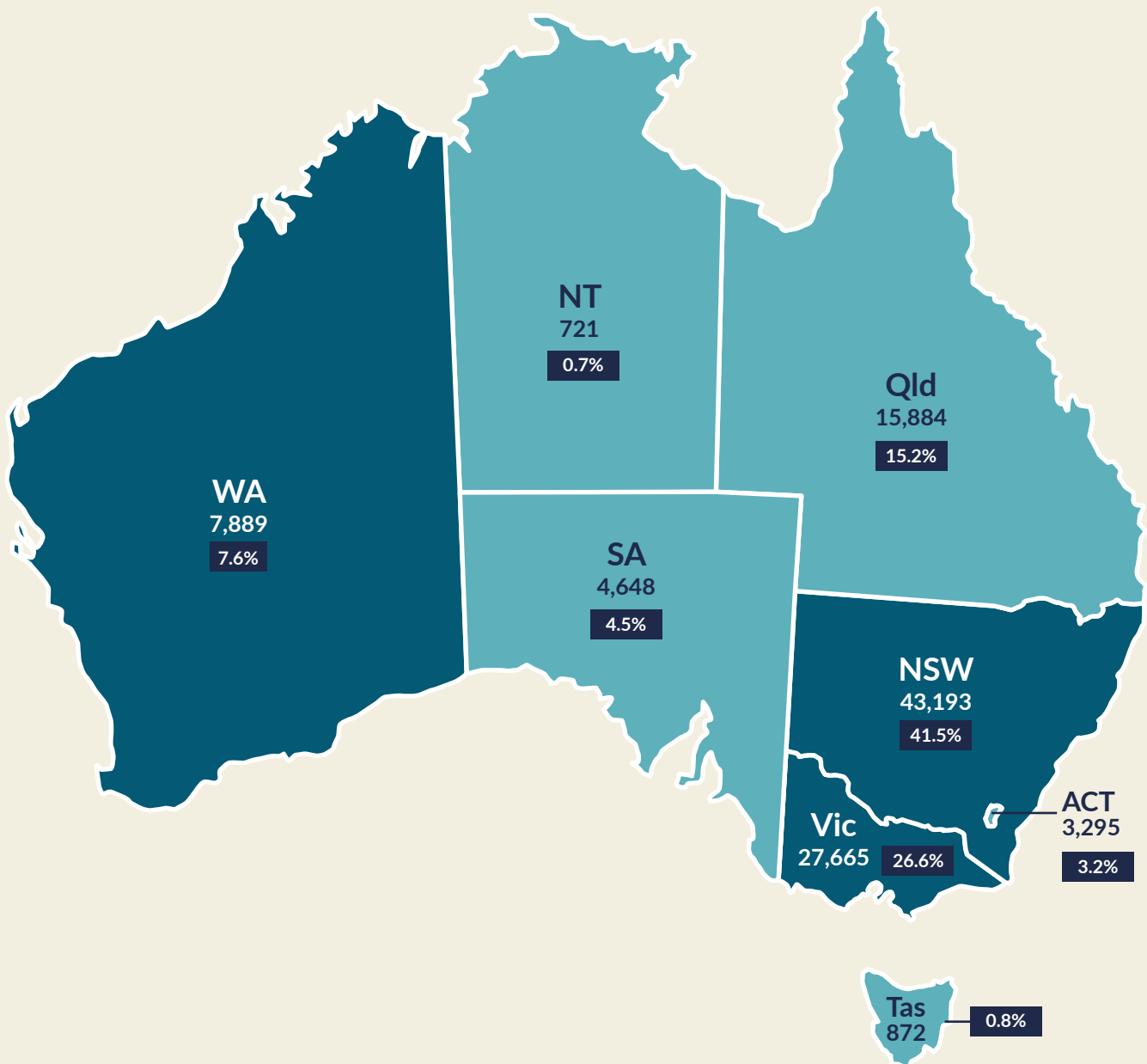
The functions of the Council in relation to the Commissioner and an account of how these have been executed during the year are summarised as follows:

- The Commissioner reports to each meeting of the Council and seeks to keep Council members informed of significant developments or issues between meetings.
- The Council examines annual and other reports of the Commissioner and reports to the Standing Committee on any matter appearing in or arising from any such report.
- This Annual Report was examined in draft by the Council in September 2023. No matters were suggested as the subject of a report to the Standing Committee.
- The Council can make recommendations to the Standing Committee on any changes to the role or functions of the Commissioner that the Council considers appropriate. No changes have been suggested since the commencement of the Uniform Law.
- The Council is required to inquire into and report on any question about the Commissioner's functions referred to it by the Standing Committee. No such questions were referred in the year.

More broadly, the Council and Commissioner continue to monitor the Uniform Law scheme to identify whether outcomes reflect intended objectives, or whether change is needed, including in any specific areas referred to them by the Standing Committee.

# Legal profession snapshot

Number of legal practitioners  
(solicitors and barristers)  
Australia-wide  
As at 30 June 2023



There are **104,167** legal practitioners in Australia



# National data analysis

## Practising certificates

The Commissioner is grateful to the following organisations which provided data on practising certificates for inclusion in this report:

- ACT Bar Association
- ACT Law Society
- Law Society of NSW
- Law Society Northern Territory
- Law Society of South Australia
- Law Society of Tasmania
- Legal Practice Board in Western Australia
- NSW Bar Association
- Queensland Bar Association
- Queensland Law Society
- Victorian Legal Services Board and Commissioner

The data provided relates to practising certificates issued to solicitors and barristers as at 30 June 2023.

## Total number of practising certificates issued by jurisdiction

There are 104,167 legal practitioners in Australia (97,497 solicitors and 6,670 barristers).

Of the 97,497 solicitors Australia-wide, the largest proportion of solicitors are registered in New South Wales (41.8%) followed by Victoria (26.1%).

The number of legal practitioners regulated by the Uniform Law framework is 78,747 (15.2% increase since 1 July 2022 due to Western Australia joining the Uniform Law scheme on that date). This figure represents 75.6% of all legal practitioners Australia-wide.

Solicitors make up 93.6% of the legal profession across the three Uniform Law jurisdictions.

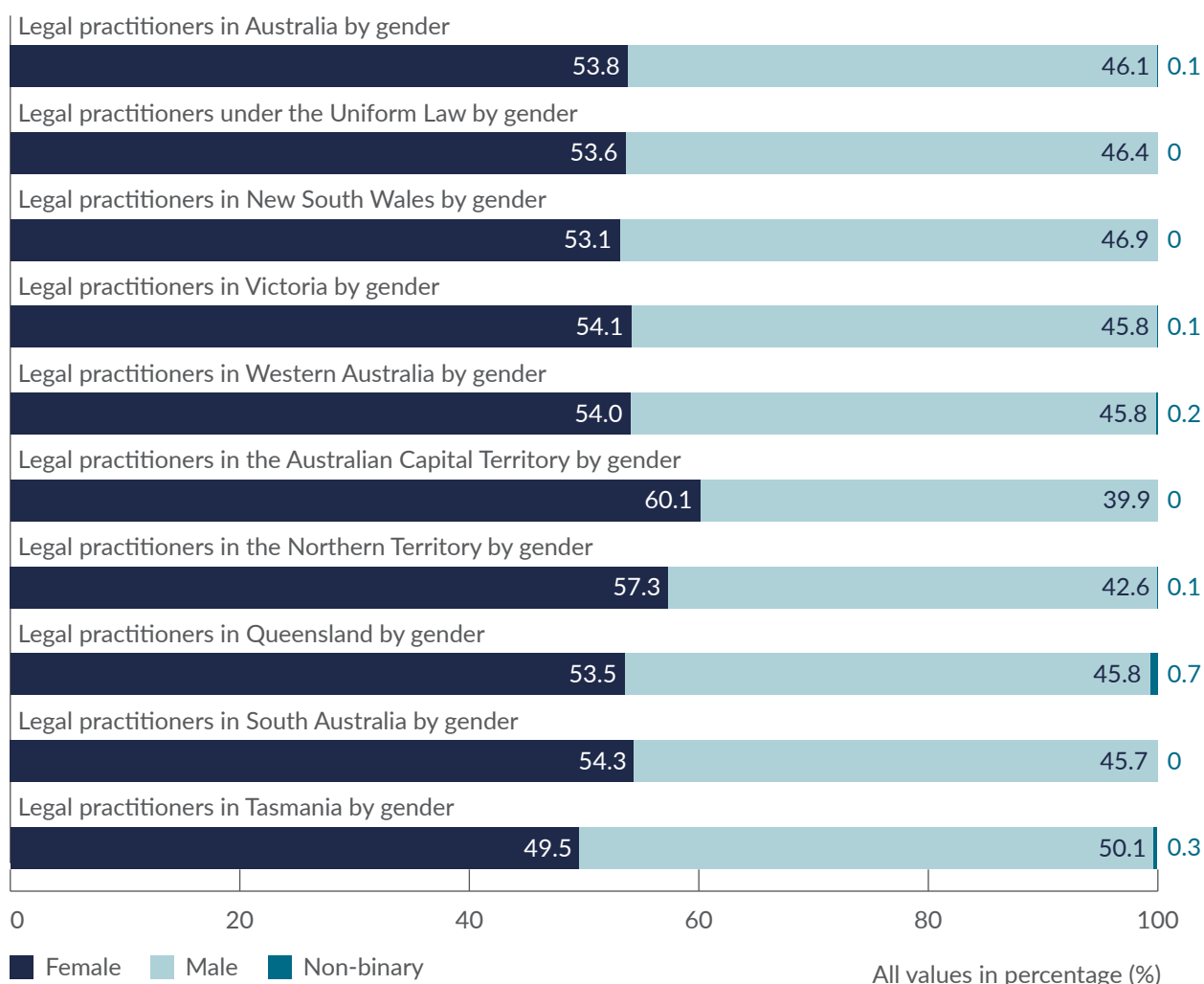
Barristers in the Uniform Law jurisdictions represent 75.1% of barristers Australia-wide.



## Legal practitioners by gender

Of the 104,167 legal practitioners across Australia, females made up 53.8% compared with 46.1% for males. Similarly, in the three Uniform Law jurisdictions, females made up 53.6% of legal practitioners compared with 46.4% for males.

Data in relation to legal practitioners who identified as other or non-binary was not provided in relation to all jurisdictions.

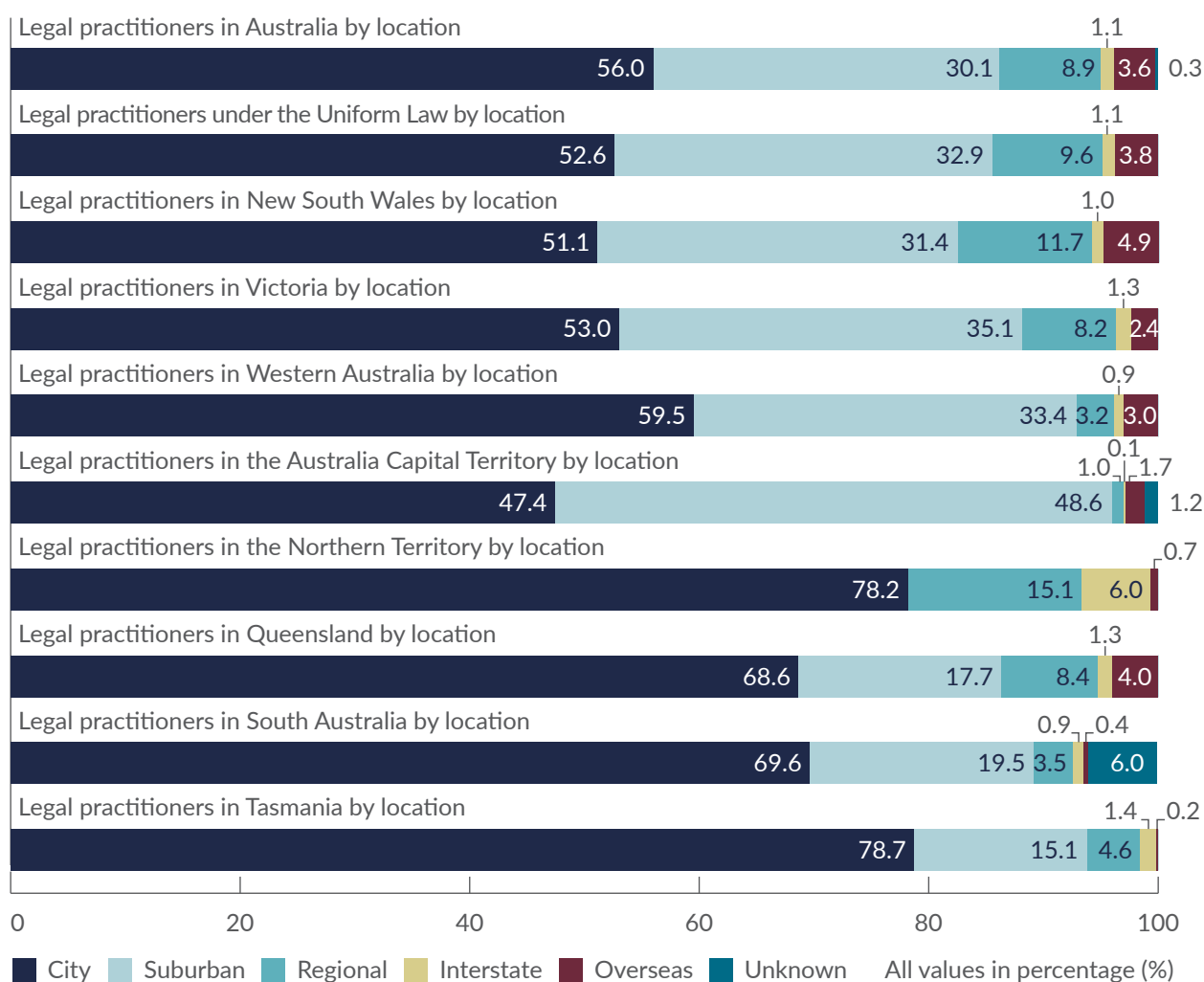


## Legal practitioners by location

More than half of all legal practitioners across Australia practise in a city (56.0%), almost one third practise in a suburban location (30.1%) and 8.9% practise in a regional area.

Each jurisdiction has a different method for assigning these categories (for example, for New South Wales barristers, regional includes all barristers who have a practice address which is outside a 10km radius from the Supreme Court of New South Wales).

In Uniform Law jurisdictions, 52.6% of legal practitioners practise in a city, 32.9% practise in a suburban location and 9.6% practise in a regional area.



# Uniform Law data analysis

This report includes data on admissions and complaints provided by the designated local regulatory authorities (DLRAs) under the Uniform Law. It also contains data on fidelity fund claims provided by the fidelity authorities.

These reports reflect the statutory obligations of the Commissioner under cl 10(2) of Schedule 2 to the Uniform Law to publish statistical information about complaints received, resolved, and determined. The Commissioner is also required to report on compliance functions and audit information regarding fidelity funds as submitted by fidelity authorities. Evaluation of statistical information assists the Commissioner and the Council to monitor the operation of the Uniform Law and the achievement of their legislative objectives.

The complaint numbers in this report may differ slightly from those included in the annual reports published by the DLRAs. This is because the data for the reports may have been sampled at different times, which can lead to small discrepancies as case files continue to be managed.

## Uniform Law admissions

The Legal Profession Admission Board of NSW (LPAB), Legal Practice Board in Western Australia (LPBWA) and Victorian Legal Admissions Board (VLAB) are statutory bodies that perform functions associated with admission to the legal profession in the Uniform Law jurisdictions. These functions include determining the eligibility and suitability of applicants for admission in the respective jurisdictions and accrediting academic courses and practical legal training providers. In addition, the LPAB assesses foreign lawyer applications for admission in the Australian Capital Territory and the Northern Territory, and VLAB assesses foreign lawyer applications for admission in South Australia and Tasmania.

The LPAB, LPBWA and VLAB provide admissions data to the Uniform Law database for the purpose of sharing, monitoring and analysing admissions under the Uniform Law. The LPAB, LPBWA and VLAB have worked together and with the Commissioner for Uniform Legal Services Regulation on admissions data to ensure that a consistent and reliable approach is applied under arrangements for reporting the number and categorisation of admissions. This is the first year in which the LPBWA has been engaged in this process after it joined the Uniform Law scheme on 1 July 2022. The Commissioner is grateful to the

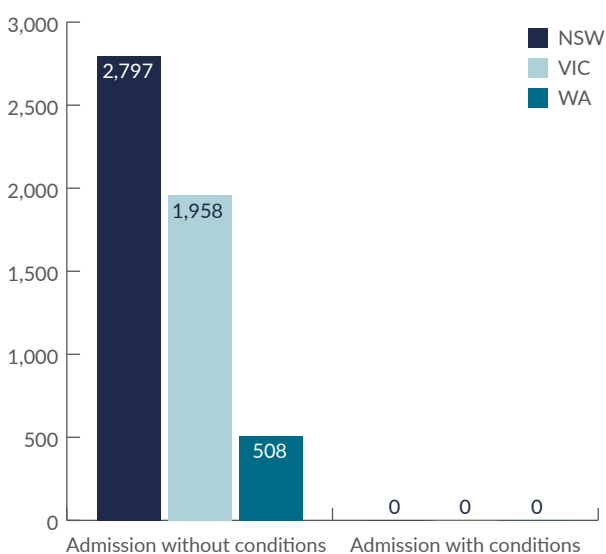
LPAB, LPBWA and VLAB for their work in providing this data.

## Total admissions under the Uniform Law

Reflecting previous trends, there has been an increase in admissions in New South Wales and Victoria in this reporting period. The following table shows the total figures for admittees in New South Wales, Victoria and Western Australia. 53.1% per cent of admissions were in New South Wales, 37.2% in Victoria and 9.7% in Western Australia.

Admission status	NSW	VIC	WA	Total
Admission without conditions	2,797	1,958	508	5,263
Admitted with conditions	0	0	0	0
<b>Total</b>	<b>2,797</b>	<b>1,958</b>	<b>508</b>	<b>5,263</b>

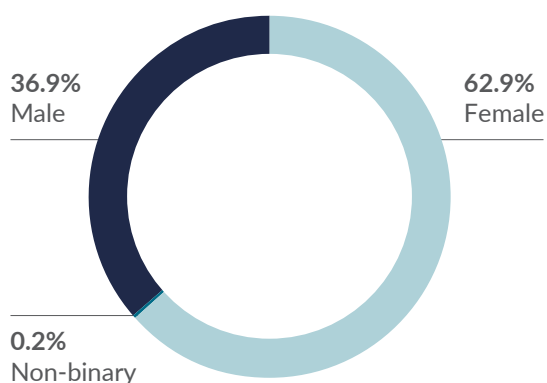
These figures do not include admissions under mutual recognition legislation.



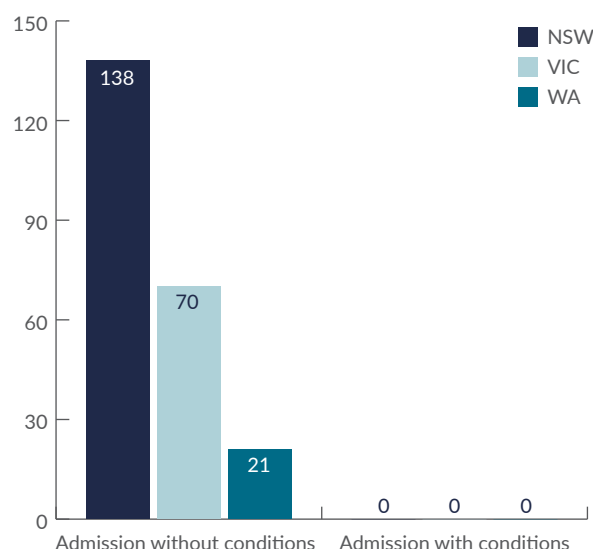
### Total admissions by gender

Sex	NSW	VIC	WA	Total
Female	1,752	1,258	300	3,310
Male	1,045	699	196	1,940
Non-binary	0	1	12	13
<b>Total</b>	<b>2,797</b>	<b>1,958</b>	<b>508</b>	<b>5,263</b>

Of all Uniform Law admittees, 62.9% identified as female, 36.9% identified as male, with 0.2% identifying as neither male nor female.



In Western Australia, 21 or 4.1% of total Western Australian admittees (508) were previously admitted overseas. Of those, 9 identified as female and 12 identified as male.



### Admissions by age

As in past years, numbers of Uniform Law admissions decreased as the age of the applicant increased, with the majority of admittees aged 30 years or under.

### Admissions of foreign lawyers

Approximately 4.4% of admittees had previously been admitted overseas.

Admission status	NSW	VIC	WA	Total
Admission without conditions	138	69	21	228
Admitted with conditions	0	0	0	0
<b>Total</b>	<b>138</b>	<b>69</b>	<b>21</b>	<b>228</b>

The United Kingdom, Hong Kong, India and South Africa are the main jurisdictions in which foreign lawyers seeking admission under the Uniform Law were previously admitted.

In New South Wales, 138 or 4.9% of total New South Wales admittees (2,797) were previously admitted overseas. Of those, 76 identified as female and 62 identified as male.

In Victoria, 69 or 3.5% of total Victorian admittees (1,958) were previously admitted overseas. Of those 46 identified as female and 23 identified as male.

## Admissions by Australian university and institution

Admission by university or institution	NSW	VIC	WA	Total
Australian Catholic University	32	87	0	119
Australian National University	111	41	6	158
Bond University	13	10	1	24
Central Queensland University	9	1	2	12
Charles Darwin University	12	13	7	32
Charles Sturt University	20	1	2	23
Curtin University	0	0	68	68
Deakin University	9	391	6	406
Edith Cowan University	3	1	43	47
Flinders University	0	2	0	2
Griffith University	6	2	0	8
James Cook University	2	0	0	2
La Trobe University	5	218	0	223
Macquarie University	413	4	1	418
Monash University	10	512	1	523
Murdoch University	1	4	113	118
NSW LPAB	8	4	0	12
Queensland University of Technology	13	11	4	28
RMIT University	2	44	1	47
Southern Cross University	36	4	1	41
Swinburne University of Technology	0	31	0	31
The University of Newcastle	140	0	1	141
The University of Notre Dame Australia NSW	47	0	0	47
The University of Notre Dame Australia WA	0	0	53	53
The University of Western Australia	6	2	124	132
The University of Canberra	6	3	2	11
Top Education Institute	14	0	0	14
University of Adelaide	11	17	2	30
University of Melbourne	12	250	6	268
University of New England	116	19	0	135
University of New South Wales	381	1	0	382
University of Queensland	5	4	1	10
University of South Australia	1	2	0	3
University of Southern Queensland	7	10	4	21
University of Sydney	429	5	4	438
University of Tasmania	7	17	2	26
University of Technology Sydney	389	0	1	390
University of Wollongong	144	1	0	145
Victoria University	3	145	0	148
Western Sydney University	148	0	2	150
Foreign qualification admitted and not admitted	224	101	50	375
Not known	2	0	0	2
<b>Total</b>	<b>2,797</b>	<b>1958</b>	<b>508</b>	<b>5,263</b>

The most popular universities were Monash University (523), University of Sydney (438) and Macquarie University (418).



## Complaints handling and professional discipline

The following report analyses the seventh full year of statistics on the operation of Chapter 5 of the Uniform Law (complaints and discipline) in New South Wales and Victoria and compares Uniform Law complaints data collected from previous years to identify developing patterns. The NSW Office of the Legal Services Commissioner (OLSC), the Law Society of NSW (LSNSW), the NSW Bar Association (NSW Bar) and the Victorian Legal Services Board and Commissioner (VLSB+C) provide data for this analysis. For the first time, the LPBWA has also provided data this year, after joining the Uniform Law scheme on 1 July 2022. The Commissioner is grateful for the DLRA's valuable assistance in providing this data.

In reading this report, it is important to note that every year, legal practitioners provide hundreds of thousands of legal services to members of the community, as well as to corporate and government clients. The vast majority of legal practitioners provide legal services professionally, expeditiously and to a standard that satisfies clients. These practitioners do not come to the attention of the legal profession's regulators.

While aspects of this report compare trends over time, it is important to note that 2022/23 is the first year that Western Australia has been part of the Uniform Law scheme and provided data to the Commissioner. This may affect any trends.

### Total number of opened complaints by jurisdiction

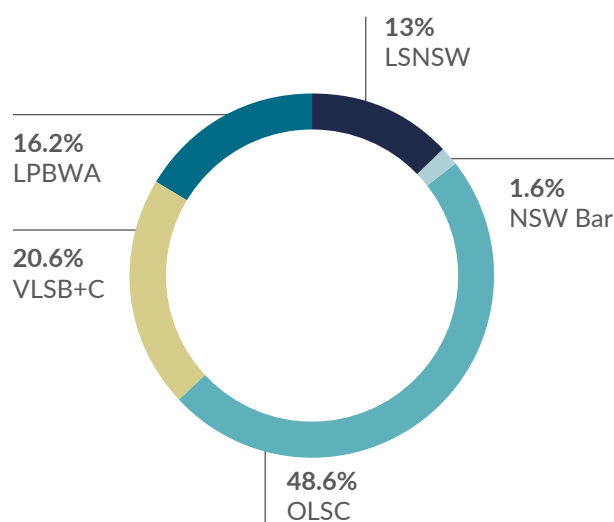
The total number of opened complaints recorded across New South Wales, Victoria and Western Australia was 4,528.

In New South Wales, the OLSC receives all complaints. Through delegations, the OLSC co-regulates with the LSNSW Council and the NSW Bar Council. Together, the Councils handled 659 or 23.0% of all New South Wales complaints. In total, the New South Wales regulators received 2,860 complaints for the 2022/23 financial year and as of 30 June 2023 reached a resolution for 1,523 (53.3%) of them with 1,337 (46.7%) still in the preliminary assessment stage. Complaint figures in New South Wales have increased by approximately 3.7% in the last year (from 2,758 to 2,860). The proportion of complaints being dealt with by each NSW DLRA has remained largely the same.

The VLSB+C deals with most legal practitioner complaints in Victoria. VLSB+C received 935 complaints for the 2022/23 financial year and as of 30 June 2023, reached a resolution for 330 (35.3%) of them with 605 (64.7%) still in the preliminary assessment stage. Complaint figures for Victoria have remained fairly stable (compared to 1,072 in 2021/22). In addition, approximately 3,900 concerns were resolved through an early resolution process. These matters were not recorded as complaints.

The LPBWA has provided all complaints data for Western Australia. The LPBWA received 733 complaints for the 2022/23 financial year and as of 30 June 2023 reached a resolution for 592 (80.8%) of them with 141 (19.2%) still in the preliminary assessment stage. This is the first year that Western Australia has provided complaints data after joining the scheme in July 2022.

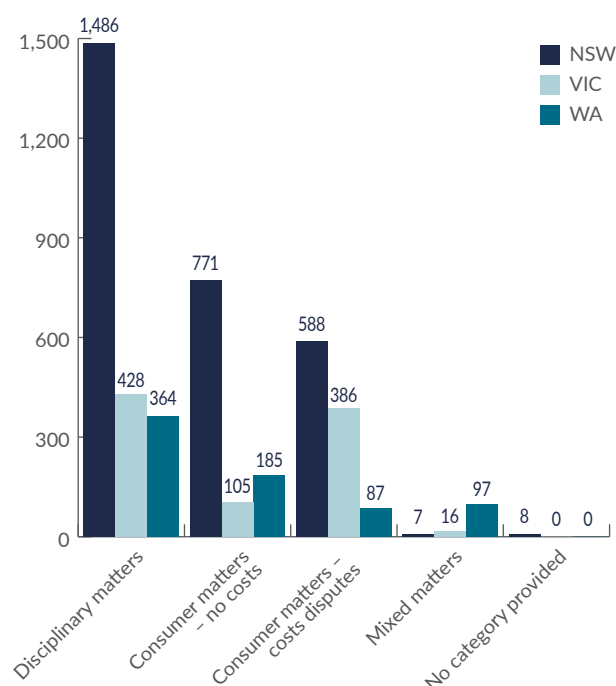
DLRA	NSW	VIC	WA	Total
LSNSW	588			588
NSW Bar	71			71
OLSC	2,201			2,201
VLSB+C		935		935
LPBWA			733	733
<b>Total</b>	<b>2,860</b>	<b>935</b>	<b>733</b>	<b>4,528</b>



## Opened complaints by category and jurisdiction

The number of opened complaints is grouped into three categories under ss 269 to 271 of the Uniform Law: consumer, disciplinary or mixed matters.

Category	NSW	VIC	WA	Total
Disciplinary matters	1,486	428	364	2,278
Consumer matters – no costs	771	105	185	1,061
Consumer matters – costs disputes	588	386	87	1,061
Mixed matters	7	16	97	120
No category provided	8	0	0	8
<b>Total</b>	<b>2,860</b>	<b>935</b>	<b>733</b>	<b>4,528</b>



Consumer matters made up about half (2,122 or 46.9%) of the total number of opened complaints. Unlike last year, the total number of consumer disputes was almost evenly split between consumer matters involving and not involving costs disputes.

Consumer matters not involving a costs dispute include complaints about a legal practitioner or a law practice relating to the provision of legal services to the complainant, which the DLRA determines should be resolved by the exercise of its functions under Part 5.3 of the Uniform Law.

Disciplinary matters also accounted for around half of the total number of new complaints (2,278 or 50.3%). This category is broad and includes many

minor matters that fall short of a disciplinary breach but are categorised as disciplinary because they are not consumer matters. This category also includes s 270 complaints which, if substantiated, could amount to unsatisfactory professional conduct or professional misconduct.

Mixed matters are complaints that include issues relating to both disciplinary and consumer matters.

## Opened complaints by issue and jurisdiction

The OLSC, LSNSW, NSW Bar, VLSB+C and LPBWA report on common complaint types and subtypes. These figures should be read in the context of the very large number of matters conducted by law practices and the outcome that only a small portion of these complaints were substantiated.

Complaint type	NSW	VIC	WA	Total
Ethical matters	876	318	185	1,379
Competence and diligence	660	180	141	981
Costs	370	372	167	909
Communication	707	54	197	958
Compliance matters	193	60	8	261
Trust money and trust accounts	72	35	6	113
Personal conduct	28	37	29	94
Complaint with no type provided	2	0	0	2
<b>Total</b>	<b>2,908*</b>	<b>1,056*</b>	<b>733</b>	<b>4,697*</b>

\* These totals are more than the figure for all opened complaints because a complaint may contain more than one issue.

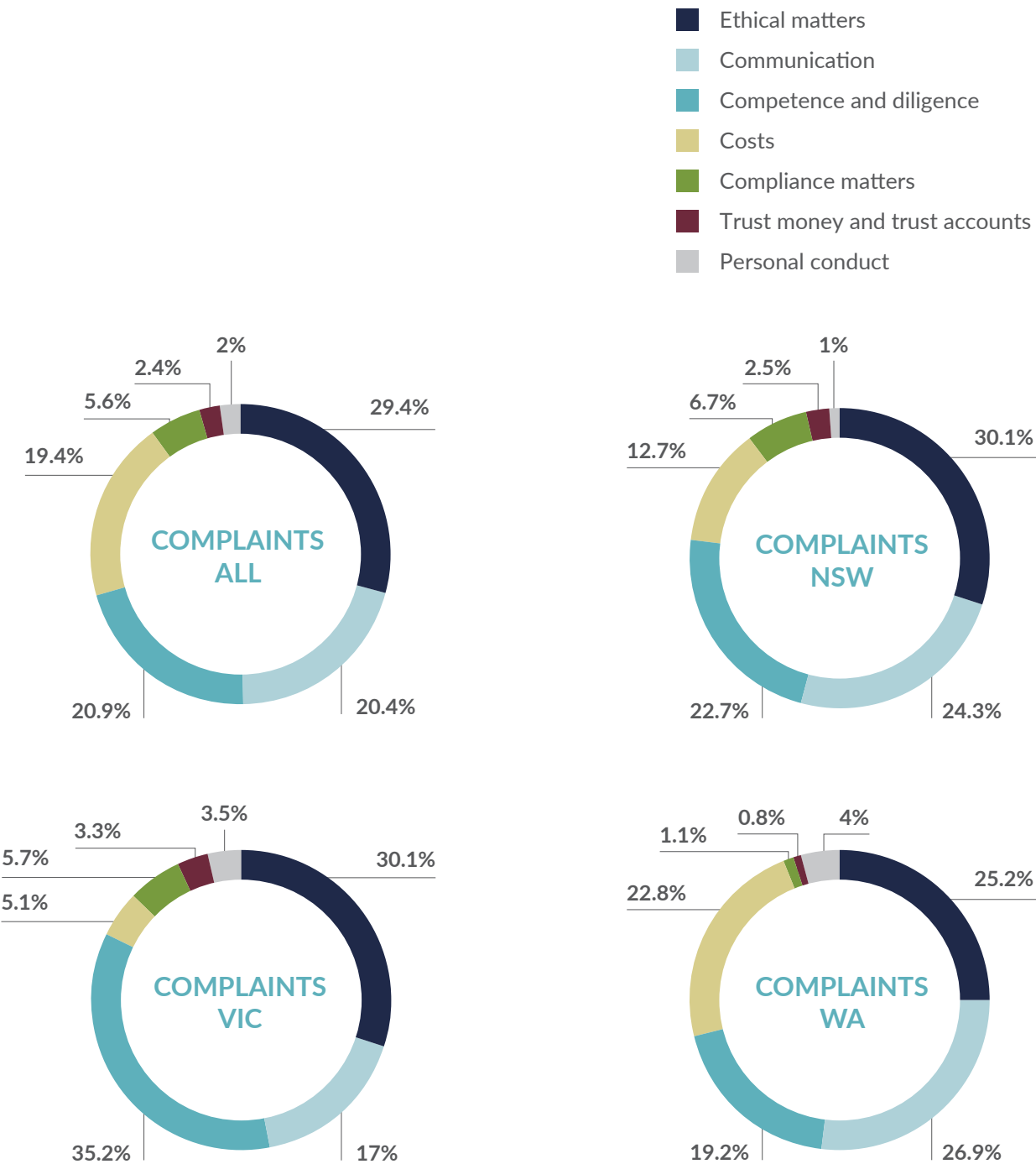
The highest number of opened complaints by issue across all three jurisdictions fell under the broad heading of 'ethical matters' (1,379 or 29.4%). This complaint type includes allegations about settlement issues, fraud (not trust funds), misleading conduct, ceasing to act, conflict of interest, communicating with another lawyer's client, undertaking, breach of confidentiality, instructions issues, advertising, failure to pay a third party, abuse of process, or a failure to comply with court orders. The proportion of complaints relating to ethical matters has been consistent with previous years: 2022-32%; 2021-29%; 2020-28%.

Following ethical matters are complaints related to a legal practitioner's competence and diligence (981 or 20.9%, compared with 23% in 2022). This complaint type includes failure to supervise, delay, poor advice/case handling, client capacity, record management, and general incompetence.

Complaints relating to communication have increased since last year (958 or 20.4%, compared with 14.5% in 2022).

Complaints about costs (909 or 19.4%) remain stable compared with the complaints figures from 2022 (19.9%).

Opened complaints by issue and jurisdiction



## Opened complaints by individual practitioner and law practice type

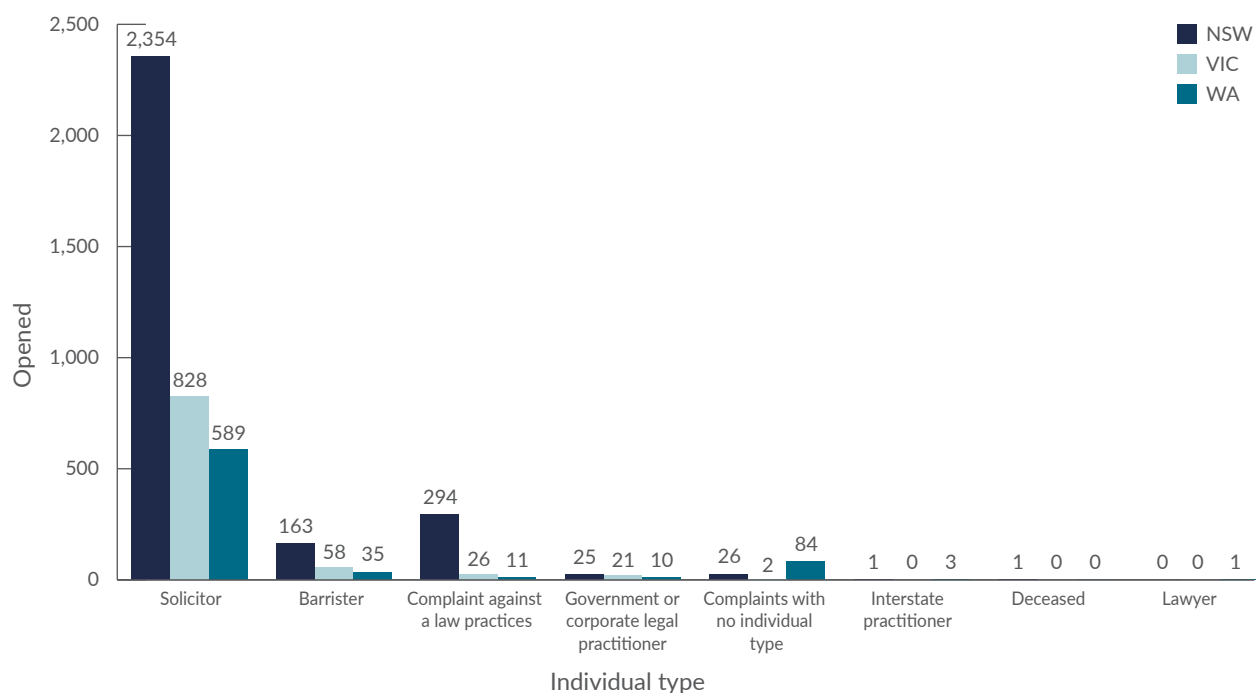
Complaints against solicitors in private practice ranked highest at 83.2% (2022-75%; 2021-84%). Barristers were the subject of 5.6% of all complaints, similar to the 2022 figure of 5%.

These figures broadly reflect the proportion of solicitors (93.6%) and barristers (6.4%) that make up the legal profession in New South Wales, Victoria and Western Australia.

## Breakdown of individual practitioner type which were the subject of a complaint by jurisdiction

Individual practitioner type	NSW	VIC	WA	Total
Solicitor	2,354	828	589	3,771
Barrister	163	58	35	256
Complaint against a law practice	294	26	11	331
Government or corporate legal practitioner	25	21	10	56
Complaints with no individual type	26	2	84	112
Interstate practitioner	1	0	3	4
Deceased	1	0	0	1
Lawyer	0	0	1	1
<b>Total</b>	<b>2,864*</b>	<b>935</b>	<b>733</b>	<b>4,532*</b>

\* The total figure is higher than the number of complaints opened in the year because a legal practitioner may have a complaint lodged against them while they are a solicitor, then also when they move to the Bar. Therefore, there are individuals who can have more than one individual type.



## Complaints by law practice type by jurisdiction

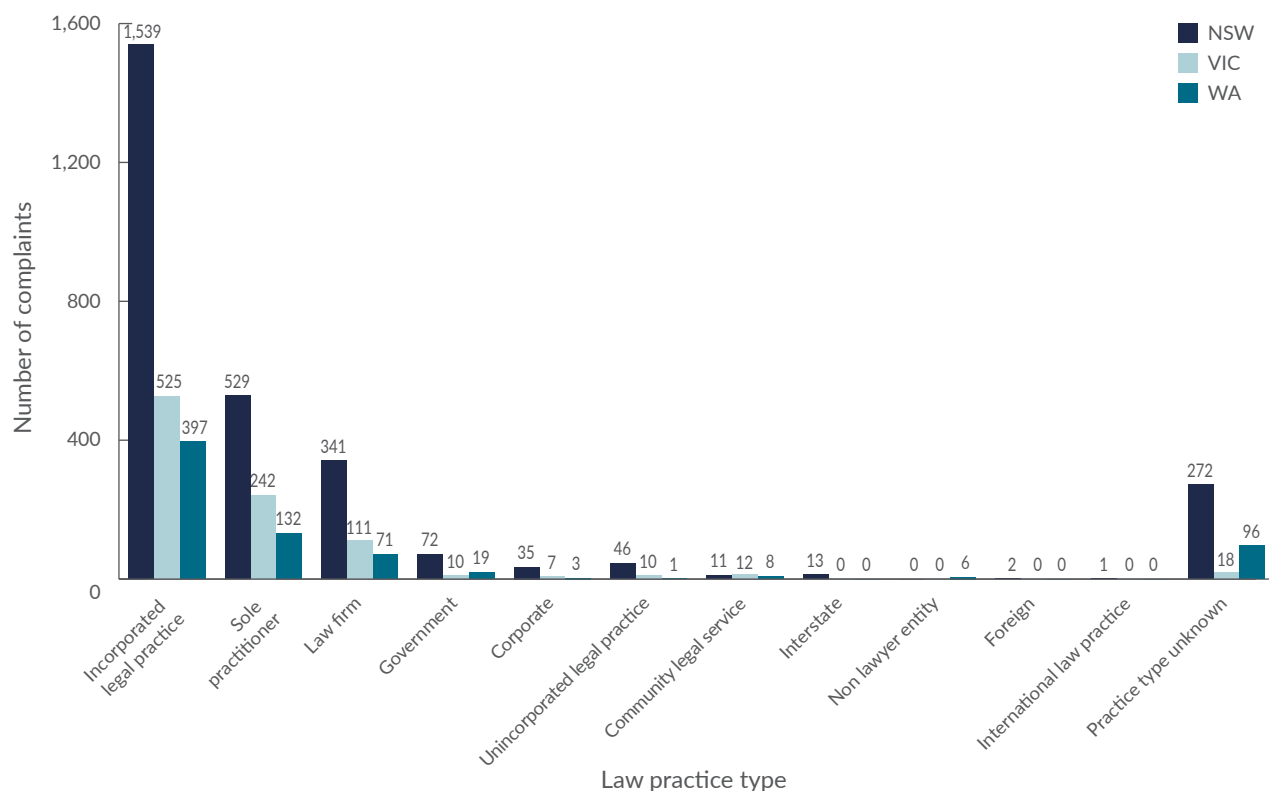
Over half of complaints related to incorporated legal practices (54.3%), more than in previous years (2022-44%, 2021-51%).

Complaints in relation to sole practitioners accounted for 19.9% of complaints, a decrease from the 2022 figure of 21% and previous years (2021-24%).

Complaints made in relation to law firms comprised 11.5% of all complaints, comparable to the proportion in 2022 (11%) and 2021 (13%).

## Breakdown of law practice type by jurisdiction

Practice type	NSW	VIC	WA	Total
Incorporated legal practice	1,539	525	397	2,461
Sole practitioner	529	242	132	903
Law firm	341	111	71	523
Government	72	10	19	101
Corporate	35	7	3	45
Unincorporated legal practice	46	10	1	57
Community legal service	11	12	8	31
Interstate	13	0	0	13
Non lawyer entity	0	0	6	6
Foreign	2	0	0	2
International law practice	1	0	0	1
Practice type unknown	272	18	96	386
<b>Total</b>	<b>2,861</b>	<b>935</b>	<b>733</b>	<b>4,529</b>



## Areas of practice associated with complaints

As in the previous four years, the greatest number (25.2%) of opened complaints involved family/ de facto law matters. The second highest area of law was 'other civil' matters (15.7%) followed by commercial/corporations/franchise matters (10.5%).

Complaints involving conveyancing matters made up 7.7% of the total number, similar to 8% in 2022.

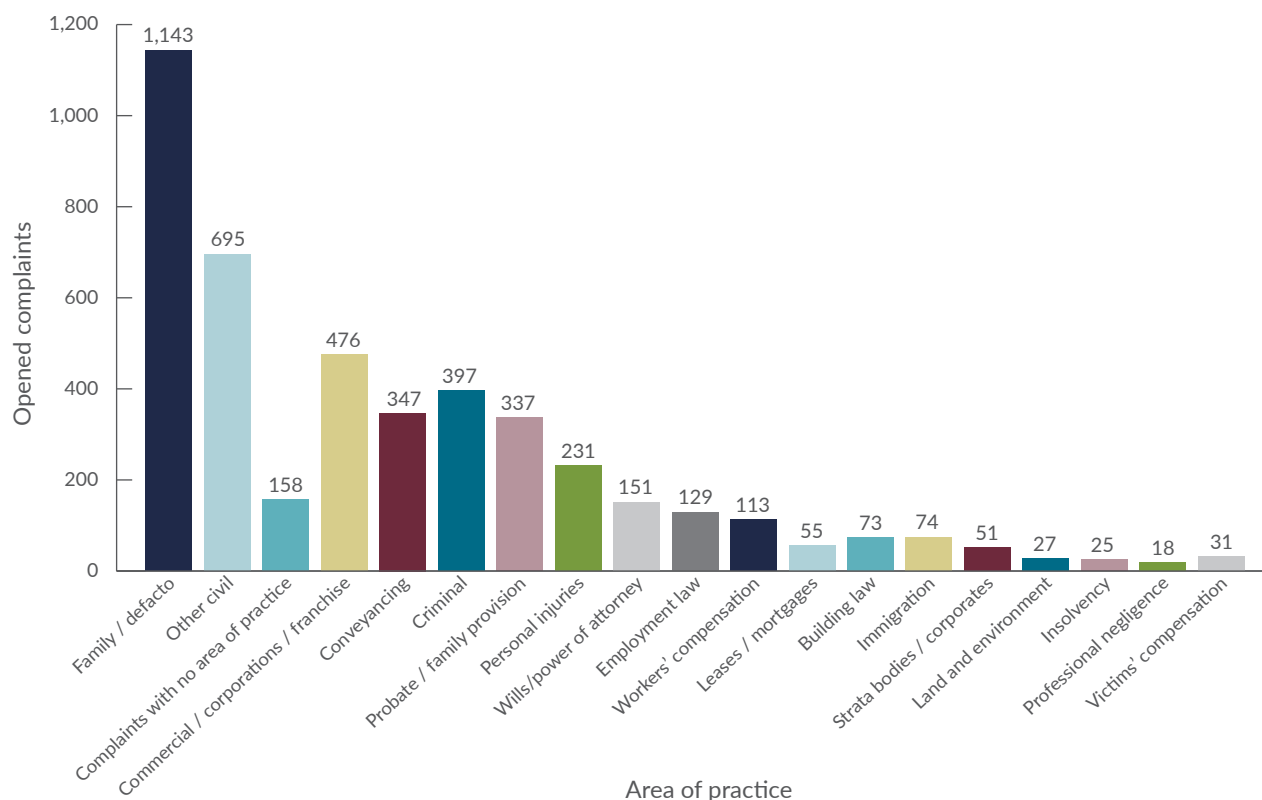
Complaints in probate/family provision claims were stable at 7.4%. Taken together with the areas of practice of wills/powers of attorney, this group of claims, also referred to as 'elder law' complaints, made up 10.8% of all complaints.

Where complaints had not been assigned an area of practice, generally these complaints related to the legal practitioner's personal conduct and were unrelated to an area of practice.

## Number of complaints by areas of practice

Area of practice	Total
Family/defacto	1,143
Other civil	695
Complaints with no area of practice	158
Commercial/corporations/franchise	476
Conveyancing	347
Criminal	397
Probate/family provision	337
Personal injuries	231
Wills/power of attorney	151
Employment law	129
Workers' compensation	113
Leases/mortgages	55
Building law	73
Immigration	74
Strata bodies/corporates	51
Land and environment	27
Insolvency	25
Professional negligence	18
Victims' compensation	31
<b>Total</b>	<b>4,531*</b>

\* This total is higher than the total number of opened complaints, as each complaint may have more than one associated area of practice.



## Average number of opened and closed complaints

During the reporting year 4,528 complaint files were opened and 4,677 complaint files were closed. This figure includes the closure of complaints that were opened prior to this reporting period. More complaints were closed than opened with an average of 358 opened each month compared to 390 closed.

During the reporting year, 2,445 of the total 4,528 opened complaints were closed. By 30 June 2023, 54% of the opened complaints were finalised (compared to 45.5% in 2022), while 46% of complaints remained opened (compared to 54.5% in 2022).

It should be noted that the DLRA's continued to close a small number of complaints under previous legislation, and those figures are not captured here.

## Total number of closed complaints by section of the Uniform Law

The following table provides a breakdown of all closed complaints by reference to the relevant provision of the Uniform Law.

Section	Outcome	2023	2022
273	Withdrawal of complaint	798	332
277	Closure of whole or part of complaint (any reason, any stage) after preliminary assessment*	2,813	2,306
287	Informal resolution of consumer matters	854	691
288	Mediation	13	18
289	Settlement agreements	1	0
290	Determination of consumer matters by the local regulatory authority	17	10
292	Binding determination in costs disputes	5	7
293	Cases where binding determinations are not made in costs disputes	92	54
299	Determination by local regulatory authority – unsatisfactory professional conduct	66	82
300	Initiation and prosecution of proceedings in designated tribunal	33	28
None	No Uniform Law section**	19	31
<b>Total</b>		<b>4,711</b>	<b>3,559</b>

\* This covers matters from pre-assessment stage through to matters that have been fully investigated. See breakdown of s 277 closures below. It excludes duplicate complaints, the

subject matter of which has been or is being investigated (s 277(1)(d)).

\*\* This includes closures after the completion of an investigation where no finding of unsatisfactory professional conduct has been made and the DLRA is not of the opinion that the conduct may amount to professional misconduct.

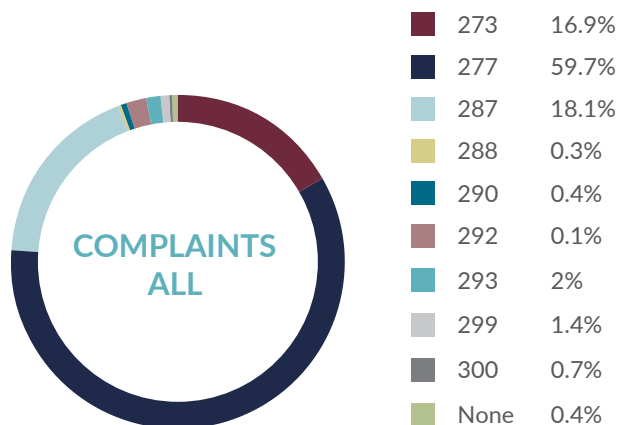
The total of 4,711 includes matters commenced prior to the reporting period and excludes duplicate complaints. This figure exceeds the figure for closed complaints (4,677) because a complaint may be closed against more than one provision. For example, in a complaint with two streams (i.e. mixed), the consumer matter component may be closed under s 277(1)(b) of the Uniform Law and the disciplinary complaint may be closed under s 299(1)(c).

In total, 18.1% of complaints settled through informal dispute resolution under s 287 of the Uniform Law.

Overall, 16.9% of closed complaints were withdrawn compared with 9% in 2022. Withdrawal of a complaint may occur at any stage of an investigation. In most of these cases, the DLRA's advised that the substance of the complaint was addressed or resolved, and the complainant no longer wished to continue with the complaint.

In costs disputes where binding determinations are not made and where the DLRA is unable to finalise the case, the Uniform Law allows the parties to apply for a costs assessment or to make an application under jurisdictional legislation for the matter to be determined. This accounted for 2.0% of complaints closed.

A further 0.7% of the complaints were closed when a decision was taken to initiate tribunal proceedings.





Over half (59.7%) of the complaints were closed under s 277, slightly down from 65% in 2022.

**Table of closed complaints under s 277(1)**

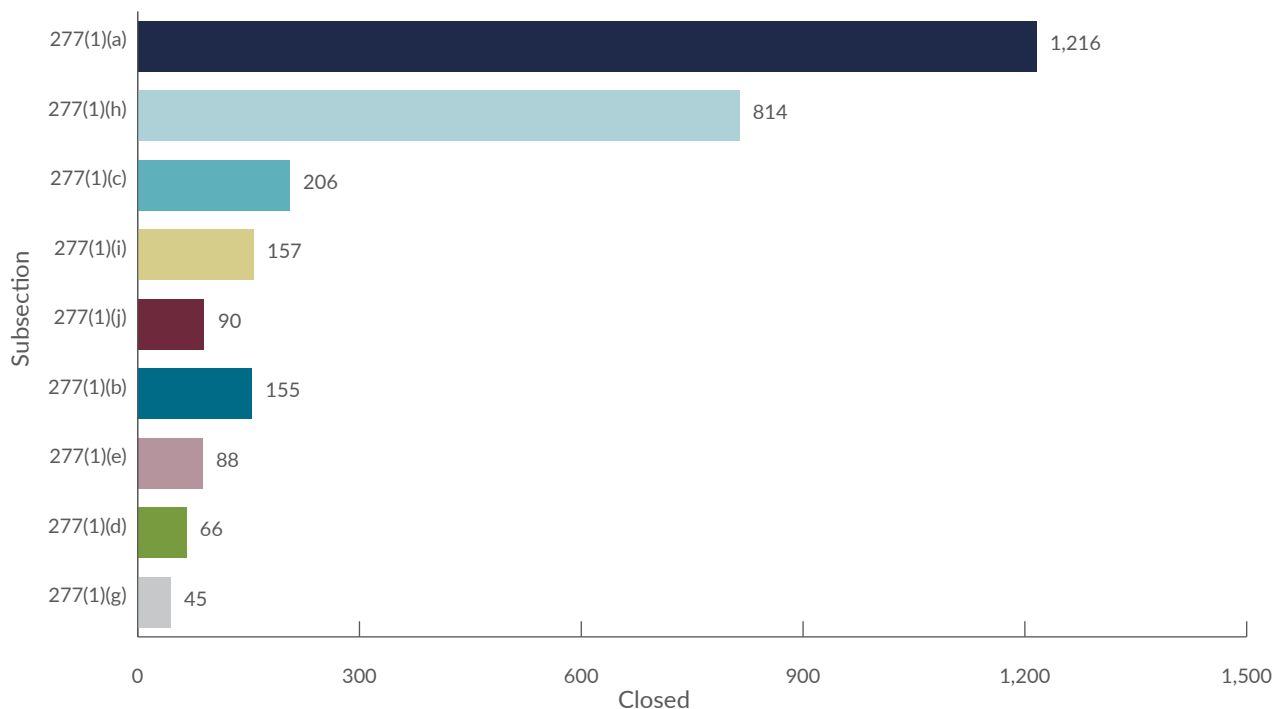
Section	Outcome	Total
277(1)(a)	Vexatious, misconceived, frivolous or lacking in substance	1,216
277(1)(h)	DLRA views that complaint cannot result in a disciplinary outcome	814
277(1)(c)	Complainant has not responded or responded inadequately	206
277(1)(i)	No DLRA power to deal with complaint	157
277(1)(j)	DLRA is satisfied that it is in the public interest to close	90
277(1)(b)	Time limit for making complaint was not waived	155
277(1)(e)	Subject matter better investigated by police or investigatory or law enforcement body	88
277(1)(d)	Subject matter of the complaint has been or is being investigated	66
277(1)(g)	Subject matter is the subject of civil proceedings, except where a disciplinary matter	45
<b>Total</b>		<b>2,837*</b>

\* This figure is more than the figure for all complaints closed under s 277 in the above table (2,813) because a complaint may be closed under more than one subsection of s 277.

Section 277 is used to close all complaints for which a disciplinary breach is not established after preliminary assessment. Closure of complaints under s 277(1) in whole or in part may be due to:

- the complaint being vexatious, misconceived, frivolous or lacking in substance (42.9% of all complaints closed under s 277(1))
- the DLRA forms the view that the complaint cannot result in disciplinary action (29.7%)
- a failure by the complainant to respond or provide adequate information (7.3%).

Closure under s 277(1) may also occur when the complaint is outside the jurisdiction of the relevant DLRA's powers (5.5%), or because the complaint would be more appropriately investigated by the police or other investigatory or law enforcement agency (3.1%).

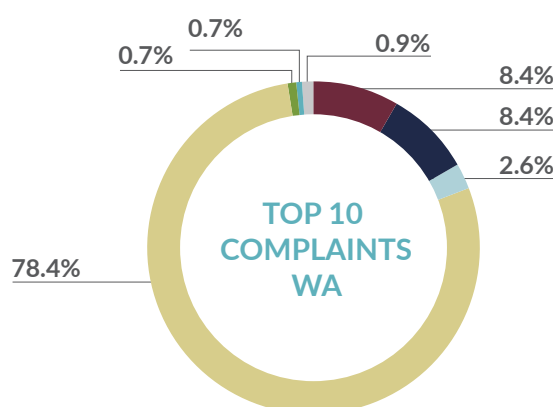
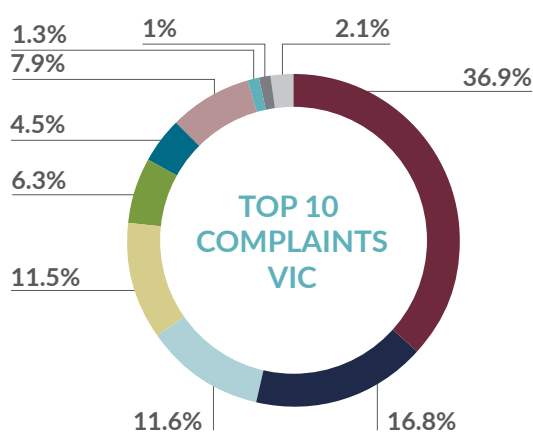
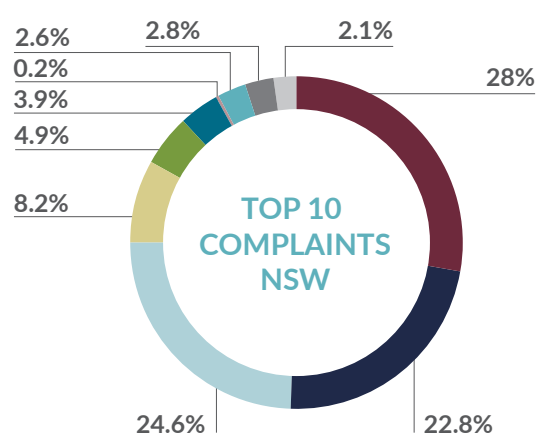
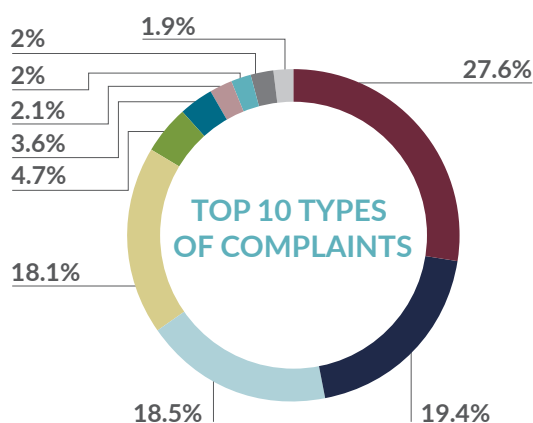


## Top ten types of closed complaints by outcome and jurisdiction

The table and graph below represent the top ten types of closed complaints by outcome and jurisdiction, which is a subset (i.e. 4,400) of all closed complaints (4,677).

Section	Outcome	NSW	VIC	WA	Total
277	Misconceived/lacking in substance	765	403	48	1,216
287	Informal resolution	623	183	48	854
277	No further investigation except consumer matters	672	127	15	814
273	Withdrawal of complaint	223	126	449	798
277	Failure/inadequate response to request for information	133	69	4	206
277	No power to investigate	108	49	0	157
293	Cost assessment no binding costs	6	86	0	92
277	Public interest	72	14	4	90
277	Referred to police or other	77	11	0	88
277	No waiver no costs	57	23	5	85
Total		2,736	1,091	573	4,400

### Top 10 outcomes – total



- Misconceived/lacking in substance
- No power to investigate
- Informal resolution
- Cost assessment no binding costs
- No further investigation except consumer matters
- Public interest
- Withdrawal of a complaint
- Referred to police or other
- Failure/inadequate response to request for information
- No waiver no costs

## Determinations

The DLRA has the power under the Uniform Law to make a determination in both consumer and disciplinary matters. In consumer matters, they determine what is a fair and reasonable outcome. The legal practitioner may be ordered to apologise, redo the work or reduce fees, undertake further education or supervision, or pay compensation to their client. In disciplinary matters, the DLRA may order a reprimand or caution if the practitioner is found to have engaged in unsatisfactory professional conduct.

The DLRA may also make orders that the legal practitioner pay a fine of up to \$25,000 or have a condition placed on their practising certificate.

The table below shows the number of determinations made by the DLRA during the reporting period.

Determination	NSW	VIC	WA	Total
Consumer matters	OLSC 10	0	1	11
Costs disputes	OLSC 7	5	0	12
Unsatisfactory professional conduct	LSNSW 20 NSW Bar 14 OLSC 14	16	2	66
Tribunal proceeds	LSNSW 10 NSW Bar 4 OLSC 1	12	3	30
<b>Total</b>	<b>80</b>	<b>33</b>	<b>6</b>	<b>119</b>

It should be noted that any given complaint may have been subject to more than one determination (e.g., a costs determination and then later a disciplinary determination). Therefore, the above figures are not necessarily indicative of complaint numbers.

The difference in the number of determinations in New South Wales and Victoria reflects the difference in the costs assessment processes under local legislation. Figures for Western Australia also reflect transitional arrangements for existing complaints to be dealt with under the previous legal profession legislation.

## Internal reviews

Section 313 of the Uniform Law provides that the DLRA may (at its absolute discretion) conduct an internal review of a decision made by the authority (or its delegate) if the authority considers it appropriate to do so.

On review, the DLRA must consider whether the decision was dealt with appropriately and whether the decision was based on reasonable grounds. The DLRA may confirm the original decision, make a new decision or refer it back to the original decision maker.

The table below includes information in relation to internal reviews completed during the reporting period in each jurisdiction.

	Total	Declined	Confirmed	Referred
NSW				
LSNSW	34	34	0	0
NSW Bar	7	7	0	0
OLSC	123	121	1	1
VIC	20	12	6	2
WA	11	10	1	0
<b>Total</b>	<b>195</b>	<b>184</b>	<b>8</b>	<b>3</b>

## Court decisions

Throughout the year, the Secretariat monitors court decisions that refer to the Uniform Law.

The Legal Profession Uniform Law Library in AustLII identified six decisions by the New South Wales Court of Appeal, 13 decisions by the Supreme Court of New South Wales, no decisions by the Victorian Court of Appeal, four decisions by the Supreme Court of Victoria, no decisions by the Western Australian Court of Appeal and no decisions by the Supreme Court of Western Australia.

The following decisions include a discussion or an interpretation of the Uniform Law that sheds light on its operation.

### *Amirbeaggi v NSW Legal Services Commissioner [2023] NSWSC 555*

The New South Wales Legal Services Commissioner had cautioned Mr Amirbeaggi pursuant to s 290(2)(a) of the Uniform Law regarding a text message he sent to his client which the Commissioner concluded was not necessary or appropriate. The Commissioner concluded that it did not reach the threshold of unsatisfactory professional misconduct but was a breach of r 4.1.2 of the Legal Profession Uniform Law Australian Solicitors' Conduct Rules 2015 which requires solicitors to be courteous in all dealings in the course of legal practice. The Commissioner also reduced the costs payable by the client to Mr Amirbeaggi.

Mr Amirbeaggi filed a summons for judicial review of the Commissioner's decision. Mr Amirbeaggi alleged that neither party had made a reasonable attempt to resolve the matter and that the Commissioner could not caution him without forming that requisite opinion (s 286). The Supreme Court of New South Wales held that the Commissioner's decision was correct and was satisfied there was an attempt by the client to resolve the matter. The Court was of the opinion that s 286(a) was concerned with attempts to resolve the matter before or after the complaint is lodged. The Court was also of the opinion that it was also open for the Commissioner to conclude that because Mr Amirbeaggi showed no inclination to compromise it was not reasonable to expect the client to be involved in an attempt to resolve the matter.

Mr Amirbeaggi also contended that the Commissioner had failed to attempt to resolve the consumer matter by informal means as soon as practicable (s 287). The Court was of the opinion that unlike s 286, s 287 was not a prerequisite to taking action under s 290 but in any event the Commissioner had not failed to attempt to resolve the matter by informal means.

### ***Bevan v Napoli [2022] NSWSC 1132***

In this case the Supreme Court of New South Wales considered whether the plaintiff was a third-party payer under s 171 of the Uniform Law and entitled to apply for an assessment of costs from the Costs Manager. The plaintiff, Mr Bevan, had claimed to the Costs Manager that he was a non-associated third-party payer of costs payable to the plaintiff, Joan Napoli as executor of the estate of Mrs Bevan the plaintiff's mother. Section 171(2) of the Uniform Law states that the legal obligation for third party payers "can arise by or under contract or legislation or otherwise".

Mr Bevan argued that there was a legal obligation imposed by the will and that the will falls within the scope of the word "otherwise". The Court found that this construed the word "otherwise" too broadly. The Court considered that *Shillington v Harries* [2013] NSWSC 2013 was authoritative and that Mr Bevan was merely a beneficiary under the will and not under any legal obligation to pay the legal fees.

### ***Bingham v Bevan [2023] NSWCA 86***

Mr Bingham, the solicitor, had engaged the barrister, Mr Bevan to represent his client in the High Court. Mr Bingham and Mr Bevan had a costs

agreement in the matter which estimated his total fees to be \$60,000 and relevantly included clause 4 which had the effect that Mr Bingham would pay Mr Bevan's costs, conditional upon Mr Bingham recovering Mr Bevan's fees from either the client or the respondent in the High Court proceedings. Over the course of the matter, Mr Bevan issued invoices totalling approximately \$350,000.

Ultimately the client declared bankrupt and Mr Bingham could not recover his fees and the fees of Mr Bevan remained outstanding. Mr Bevan sought assessment of his costs. The costs assessor found that Mr Bevan had contravened his disclosure obligations and the costs agreement was void under s 178(1)(a) of the Uniform Law, which included clause 4. Mr Bevan registered the costs certificate as a judgment and successfully sought a garnishee order.

Mr Bingham filed a notice of motion to suspend the garnishee order and set aside the judgment but was unsuccessful in the Supreme Court of New South Wales. The Supreme Court accepted the costs assessor's finding that the costs agreement was void and Mr Bevan was no longer precluded from recouping his costs from the solicitor by clause 4.

Mr Bingham appealed to the Court of Appeal which allowed his appeal. The Court of Appeal found that although the costs assessor had the power to declare the costs agreement void, which included clause 4, this did not mean "void" in the sense that the agreement lost all legal effect.

The Court took a purposive approach in interpreting s 185(2) of the Uniform Law which states "[a] law practice is not entitled to recover any amount in excess of the amount that the law practice would have been entitled to recover if the costs agreement had not been void and must repay any excess amount received". The Court found that this had the effect that Mr Bingham could defend a claim for a judgement on costs incurred by Mr Bevan even if clause 4 was technically void.

### ***Eco-Pact Pty Ltd v Law Society of NSW [2023] NSWSC 283***

In this case Griffiths AJ considered an appeal under s 247 of the Uniform Law against a decision by the Fidelity Fund Management Committee which rejected Eco-Pact Pty Ltd's claim.

One issue considered by the Court was whether the \$80,000 paid to Ms Saldaneri, who acted for Eco-Pact Pty Ltd, by Mr Meknas, the sole shareholder and director of the plaintiff, and the

plaintiff between 11 and 18 September 2015 was “trust money”, being money received in the course of or in connection with legal practice. The Court noted that “trust money” is defined in s 129 of the Uniform Law, as “money entrusted to a law practice in the course of, or in connection with, the provision of legal services by the law practice and includes, relevantly, money received by the law practice on account of legal costs in advance of providing the services” and that “legal services” is defined in s 6 to mean “work done, or business transacted, in the ordinary course of legal practice.”

The Court considered the relevant authorities including *Wang v Law Society of New South Wales (No 2)* [2022] NSWSC 1720 (below) and *Qiuxue Wang v Council of the Law Society of New South Wales* [2009] NSWSC 67 which his Honour was of the view were not fundamentally inconsistent. However, to the extent the authorities were not distinguishable he preferred the approach in *Wang v Law Society of New South Wales (No 2)* [2022] NSWSC 1720 which “directs attention to the need to identify the real purpose of money having been entrusted to a solicitor, with reference to all the relevant surrounding circumstances.”

In applying this approach, his Honour was of the view that the money was not entrusted to Ms Saldaneri in respect of legal services provided, or to be provided, by her in the ordinary course of legal practice. His Honour accepted the submission that the payments were made to prevent the money from falling into the hands of Eco-Pact Pty Ltd’s creditors. His Honour found that the ordinary course of legal practice does not include a law practice receiving money from a client for the purpose of withholding the money from creditors and/or denying them knowledge of, or access to, that money.

#### ***Jacups v Council of the Law Society of New South Wales* [2023] NSWCA 130**

This case related to Mr Jacups’ two claims against the Legal Practitioners Fidelity Fund. The first was for \$79,900, being the proceeds of a loan, which Mr Jacups alleged had not been paid in accordance with his instructions and the second was for consequential losses of \$1,030,000, which Mr Jacups alleged resulted from the solicitor’s alleged failure to pay the \$79,900 in accordance with his instructions. The Fidelity Fund Management Committee disallowed the claims and the primary judge rejected an appeal under s 247 of the Uniform Law. Mr Jacups appealed to the Court of Appeal.

The Court of Appeal dismissed the appeal and found that the \$1,030,000 claim was not recoverable from the fidelity fund. Under s 241(1) of the Uniform Law, the maximum amount payable in respect of a default by a law practice in relation to trust money is the amount of the pecuniary loss resulting from that default. Where the claim from the fund in respect of a failure of the law practice to pay or deliver trust money, the maximum amount recoverable as “pecuniary loss” in respect of the default is the amount of trust money not paid or delivered.

The Court of Appeal also found that the \$9,900 was not paid to the solicitor to be held on trust but in satisfaction of an invoice. The amount of \$70,000 was disbursed in accordance with the appellant’s instructions.

#### ***Ramsay v Gatland* [2022] NSWSC 1514**

In this case, the Supreme Court of New South Wales held that an application for costs assessment which is rejected as being out of time is not a cost determination pursuant to s 73 of the *Legal Profession Uniform Law Application Act 2014* (NSW) (Application Act).

Acting Justice Schmidt stated “[n]either the Application Act nor the Uniform Law contemplate that when an application for costs assessment cannot be received, entertained or made because the 12-month limitation period has passed, that a party to a costs agreement who has been provided with legal services is thereby relieved from the contractual obligation to pay for those services.” His Honour noted that if costs cannot be assessed in accordance with the statutory regime and recovered by the filing of the costs assessor’s certificate this does not have the result that the costs cannot be pursued by way of filing proceedings bought in the normal way under s 194 of the Uniform Law.

#### ***Walles v VLSC* [2022] VSC 435**

Mr Walles had complained to the Victorian Legal Services Commissioner regarding conduct of his former solicitor, Ms Knoester. The complaint was a mixed consumer matter and disciplinary matter and included a costs dispute and conduct issues. The Assessment and Resolutions Team originally gave priority to the consumer matter raised by the complaint (in accordance with s 271 of the Uniform Law), but was unsuccessful in resolving that costs dispute by informal means (in accordance with s 287). The Discipline and Suitability Team then took over the complaint management and notified



Mr Walles that the preliminary view was that there was insufficient evidence to establish that the conduct would amount to a disciplinary breach.

The Commissioner ultimately decided “to cease dealing with the consumer aspect of the complaint in accordance with s 293 of the Uniform Law, on the basis that the informal attempts at resolving the costs dispute were unsuccessful and that the total amount of legal costs still in dispute exceeded \$10,000, and noting that, in circumstances where Ms Knoester had applied for taxation of solicitor/client costs, the Costs Court was the appropriate forum to deal with the consumer matter” and to close the disciplinary aspect of the complaint.

Mr Walles filed a motion for judicial review seeking an order in the nature of certiorari to set aside the decision of the Victorian Legal Services Commissioner. Mr Walles’ allegations included that the Commissioner failed to deal with the complaint as efficiently and expeditiously as possible, contrary to s 317 of the Uniform Law.

The Court considered whether the Victorian Legal Services Commissioner’s decisions were amenable to certiorari. The Court noted that were it necessary to decide the point, his Honour would accept the Commissioner’s submission that relied on the decision of *Hastwell v Legal Services Commissioner* [2020] NSWSC 1008. The Victorian Legal Services Commissioner submitted that “while a disciplinary complaint made under the Uniform Law has the potential ultimately to affect the legal rights of the lawyer concerned, the complainant is but a conduit for bringing the complaint to the Commissioner’s attention.” However, the Court concluded it was unnecessary to decide the question because his Honour rejected each of Mr Walles’ grounds.

Relevantly, the Court found s 317 of the Uniform Law did not mandate expedition and that a failure by a DLRA to deal with complaints as efficiently and expeditiously as is practicable is not a reviewable error. The Court was not persuaded that there had been a failure by the Commissioner to deal with the complaint as efficiently and expeditiously as was practicable, nor that any failure to do so would have resulted in a reviewable error.

### ***Wang v Law Society of New South Wales (No 2)* [2022] NSWSC 1720**

Mr Wang had lodged a fidelity fund claim regarding the former law practice SHS Law Pty Ltd and the claim was disallowed by the Fidelity Fund Management Committee.

Acting Justice Basten noted that for a person to be able to make a claim on the fidelity fund the money needs to be received by the law practice “in the course of legal practice”. His Honour was of the view that on the balance of probabilities the Costs and Services Agreement Mr Wang alleged he had signed with SHS Law Pty Ltd was not provided to or executed by him as a complete document. The significance of this was that Mr Wang operated through the agency of Pantheon SH Pty Ltd. Pantheon SH Pty Ltd had the business arrangement with SHS Law Pty Ltd and did not reflect an undertaking in the ordinary course of legal practice. Mr Wang had no direct contact with SHS Law. His Honour found that the work identified in the Costs and Services Agreement amounted to immigration assistance. The services could not be provided by a solicitor who was not a registered migration agent and therefore was not work within the ordinary course of legal practice. In those circumstances it did not qualify as trust money for the purposes of s 129(1) of the Uniform Law.

His Honour also noted that this conclusion is arguably inconsistent with the matter of *Qiuxue Wang v Council of the Law Society of New South Wales* [2009] NSWSC 67 and declined to follow the approach in that case. His Honour noted in that case the Court had found that the solicitor had acted as a stakeholder, which was a service within the range of services customarily provided by solicitors in the course of their practice. Acting Justice Basten noted that the description of the solicitor’s role as a “stakeholder” in that case failed to acknowledge that his role “was to give a veneer of credibility to the proposed scheme to obtain a visa”. His Honour also said that to describe the solicitor as a “stakeholder” was not, in effect, determinative because the money “self-evidently” had not been entrusted to the solicitor in the course of, or in connection with, the provision of legal services by his law practice.

Acting Justice Basten also held that Mr Wang was required by s 247(3)(a) of the Uniform Law to prove that the some or all of the money was not reasonably available from another source (in this case Pantheon SH Pty Ltd). There was no evidence before the Court of any steps taken by Mr Wang to recover the money from Pantheon SH Pty Ltd and the Court was not satisfied that the whole of the amount of \$58,000 was not reasonably available from Pantheon.



## Tribunal decisions

The Legal Profession Uniform Law Library in AustLII identified seven decisions by the New South Wales Civil and Administrative Tribunal, 11 decisions by the Victorian Civil and Administrative Tribunal and three decisions by the State Administrative Tribunal of Western Australia.

## Fidelity funds

The fidelity funds are statutory compensation schemes maintained by the LSNSW for New South Wales legal practitioners, by the VLSB+C for Victorian legal practitioners and the Legal Contribution Trust for Western Australian legal practitioners.

The Uniform Law requires that claims against the fidelity fund received on or after 1 July 2015 in

New South Wales and Victoria and 1 July 2022 in Western Australia are determined independently of the legal profession.

In New South Wales and Western Australia, an annual contribution to the fidelity fund is made by legal practitioners who wish to be granted a principal or employee practising certificate. In Victoria, the fidelity fund fee is charged at variable rates to principals and employees who work in law practices that operate a trust account.

Corporate legal practitioners and government legal practitioners are not required to contribute to the fidelity fund in any jurisdiction.

The following information relates to fidelity fund claims under the Uniform Law in the reporting period and does not include claims determined in Western Australia under the previous legislation.

2022–2023 financial year	New South Wales	Victoria	Western Australia
Practitioners contributing to the fidelity fund	27,442	13,842	1,944
Balance of the fidelity fund as at 30 June 2023	\$53,019,000	\$83,635,776	\$19,100,000
Claims outstanding as at 1 July 2022	12	32	N/A
Claims received during the FY2022/23	9	21	1
Classification of claims	All new claims were classified as being claims relating to trust money	Claims relates to "limb (a)" type defaults – being alleged failure to pay or deliver trust money or property arising from an act or omission of an associate of a law practice involving fraud or dishonesty	The claim was classified as being claims relating to trust money
Value of claims received	\$843,594.26	\$3,344,097.35	\$1,600,000
Number of claims allowed/ partly allowed/ settled	4	23	0
Value of payments made	\$274,529.88	\$1,697,049.96 (this includes capital and interest, and not all of this has been paid by 30 June 2023)	\$0
Reasons for allowing claims	Claims were allowed because the claimant suffered a pecuniary loss as a result of a default as defined in s 219 of the Uniform Law	Claims were allowed where it was found that a claimant had suffered pecuniary loss from a 'default'	The claim was not allowed
Disallowed claims	5	9 (a further 3 were withdrawn)	1

2022–2023 financial year	New South Wales	Victoria	Western Australia
Reasons for disallowing claims	Claims were disallowed because there was no pecuniary loss suffered by the claimant and no default	Claims were disallowed, generally, where the Board or delegate was not satisfied a compensable default had been established (including because a claim was not made about trust money or there was no evidence of fraud or dishonesty, or because the subject funds were excluded from being compensable from the fund, for example, due to being paid to a law practice to invest)	The claim was disallowed because the claimant had not exhausted every other remedy available
Appeals made by unsuccessful claimants	2	1 commenced and then discontinued	0
Claims outstanding at end of FY2022/23	8	30	0
Court proceedings commenced as a result of claim	2	0	0

# FINANCIAL STATEMENTS

For the year ended 30 June 2023

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# Statement by Chief Executive Officer and Commissioner

For the year ended 30 June 2023

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (NSW), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the *Government Sector Finance Act 2018* (NSW), the *Government Sector Finance Regulation 2018* (NSW) and the NSW Treasurer's directions, and
- present fairly the Legal Services Council's financial position, financial performance and cash flows.

Signed in accordance with a resolution of the Legal Services Council made pursuant to clause 26 in Schedule 1 to the *Legal Profession Uniform Law*.

A handwritten signature in black ink, reading 'HJM Moore'. The signature is written in a cursive, flowing style.

**Heather Moore**

Chief Executive Officer, Legal Services Council and Commissioner  
for Uniform Legal Services Regulation

28 September 2023  
Sydney



## INDEPENDENT AUDITOR'S REPORT

### Legal Services Council, incorporating the Commissioner for Uniform Legal Services Regulation

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Legal Services Council, incorporating the Commissioner for Uniform Legal Services Regulation (the Council), which comprise the Statement by the Chief Executive Officer and Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Council's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

## **Chief Executive Officer and Commissioner's Responsibilities for the Financial Statements**

The Chief Executive Officer and Commissioner is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive Officer and Commissioner's responsibility also includes such internal control as the Chief Executive Officer and Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer and Commissioner is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Susan Prichard  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

28 September 2023  
SYDNEY



# Statement of comprehensive income

for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Actual 2022 \$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Personnel services expenses	2(a)	1,360	1,380
Other operating expenses	2(b)	331	263
Depreciation and amortisation	2(c)	116	119
Finance costs	2(d)	3	3
<b>Total expenses excluding losses</b>		<b>1,810</b>	<b>1,765</b>
<b>Revenue</b>			
Grants and contributions	3(a)	1,797	1,779
Interest revenue	3(b)	40	2
<b>Total revenue</b>		<b>1,837</b>	<b>1,781</b>
<b>Net result</b>		<b>27</b>	<b>16</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>27</b>	<b>16</b>

The accompanying notes form part of these financial statements.

# Statement of financial position

As at 30 June 2023

	Notes	Actual 2023 \$'000	Actual 2022 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,629	1,478
Receivables	5	3	147
<b>Total current assets</b>		<b>1,632</b>	<b>1,625</b>
<b>Non-current assets</b>			
Plant and equipment	6	16	63
Right of Use Assets	7	139	208
<b>Total non-current assets</b>		<b>155</b>	<b>271</b>
<b>Total assets</b>		<b>1,787</b>	<b>1,896</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	8	253	159
Lease liabilities	9	71	70
Provisions	10	177	337
<b>Total current liabilities</b>		<b>501</b>	<b>566</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	72	143
Provisions	10	4	4
<b>Total non-current liabilities</b>		<b>76</b>	<b>147</b>
<b>Total liabilities</b>		<b>577</b>	<b>713</b>
<b>Net assets</b>		<b>1,210</b>	<b>1,183</b>
<b>EQUITY</b>			
Accumulated funds		1,210	1,183
<b>Total equity</b>		<b>1,210</b>	<b>1,183</b>

The accompanying notes form part of these financial statements.

# Statement of changes in equity

for the year ended 30 June 2023

	Accumulated funds \$'000	Total equity \$'000
Balance at 1 July 2022	1,183	1,183
Net result for the year	27	27
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>27</b>	<b>27</b>
Transactions with owners in their capacity as owners	-	-
<b>Balance at 30 June 2023</b>	<b>1,210</b>	<b>1,210</b>
Balance at 1 July 2021	1,167	1,167
Net result for the year	16	16
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>16</b>	<b>16</b>
Transactions with owners in their capacity as owners	-	-
<b>Balance at 30 June 2022</b>	<b>1,183</b>	<b>1,183</b>

The accompanying notes form part of these financial statements.

# Statement of cash flows

for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Actual 2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Personnel services related		(1,362)	(1,285)
Suppliers for goods and services		(284)	(331)
Finance cost		(3)	(3)
<b>Total payments</b>		<b>(1,649)</b>	<b>(1,619)</b>
<b>Receipts</b>			
Grant & contribution received		1,798	1,792
Interest received		40	2
GST refunded		33	17
<b>Total receipts</b>		<b>1,871</b>	<b>1,811</b>
<b>Net cash flows from operating activities</b>	<b>13</b>	<b>222</b>	<b>192</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(71)	(68)
<b>Net cash flows from financing activities</b>		<b>(71)</b>	<b>(68)</b>
<b>Net increase in cash and cash equivalents</b>		<b>151</b>	<b>124</b>
Opening cash and cash equivalents		1,478	1,354
<b>Closing cash and cash equivalents</b>	<b>4</b>	<b>1,629</b>	<b>1,478</b>

The accompanying notes form part of these financial statements.

# Notes to the financial statements

for the year ended 30 June 2023

## 1. Statement of significant accounting policies

### (a) Reporting entity

The Legal Services Council (Council) is an incorporated statutory body, and the Commissioner for Uniform Legal Services Regulation (Commissioner) is a Statutory Office holder established under the *Legal Profession Uniform Law*. The *Legal Profession Uniform Law* is applied as a law of NSW by the *Legal Profession Uniform Law Application Act 2014* (NSW). These financial statements are for the Council and incorporate transactions and balances of the Commissioner. The transactions and balances of the Commissioner in isolation are considered immaterial to these financial statements. On this basis, the reporting entity is referred to as the Legal Services Council, incorporating the Commissioner for Uniform Legal Services Regulation. These entities do not represent the Crown.

The Council, incorporating the Commissioner, is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. Under clause 17(3) of Schedule 1 of the *Legal Profession Uniform Law* the functions of the Chief Executive Officer (CEO) of the Council are exercised by the Commissioner.

The financial statements of the Council, incorporating the Commissioner, for the year ended 30 June 2023 have been authorised for issue by the Council on 28 September 2023.

### (b) Basis of preparation

The Council's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- The requirements of the *Government Sector Finance Act 2018* (NSW) (GSF Act)
- applicable Australian Accounting Standards (which include Australian Accounting Interpretations), and
- Treasurer's Directions issued under the GSF Act.

The financial statements have been prepared on a going concern basis.

Plant and equipment and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared under the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency which is the Council's presentation and functional currency.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that the:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of the acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

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

### (e) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

### (f) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

**(g) Change in accounting policy, including new or revised Australian Accounting Standards**

**(i) Effective for the first time in 2022-23**

The accounting policies applied in 2022-23 are consistent with those of the previous financial year. Several amendments and interpretations apply for the first time in 2022-23, but do not have a material impact on the Council's financial statements.

**(ii) Issued but not yet effective**

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective, as per NSW Treasury Policy and Guidance TPG 23-04 *Mandates of options and major policy decisions under Australian Accounting Standards*:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The impact of the new standards and interpretations on issue but not yet effective is considered to be not material.

**(h) Superannuation on annual leave loading**

The Council has been advised by the NSW Department of Communities and Justice (NSW Department) that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on inquiries, other information available, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods should new information come to light on this matter.

## 2. Expenses excluding losses

**(a) Personnel services expenses**

	2023 \$'000	2022 \$'000
Salaries and wages (including annual leave)	1,130	1,199
Payroll tax	61	64
Superannuation	57	75
Redundancy expense	94	–
Long service leave	18	42
<b>Total</b>	<b>1,360</b>	<b>1,380</b>

Employees are provided by the NSW Department to carry out the Council's operating functions. While the Commissioner is a Statutory Officer, the Commissioner is for administrative purposes treated as an employee of the NSW Department. The remuneration of the Chair and members of the Council is also administered by the NSW Department.

The NSW Department recovers its employee related expenses (including entitlement and leave accruals) from the Council. The employee related expenses paid or payable to the NSW Department are classified as "Personnel Services" in the Statement of Comprehensive Income, and are calculated by the NSW Department using the following recognition and measurement criteria:

- (i) Salaries and wages (including non-monetary benefits), and annual leave expenses are recognised and measured at undiscounted amounts of the benefits in the period which the employees render the service.
- (ii) Superannuation – the expense for certain superannuation schemes (e.g. Basic Benefit and Aware Super, formerly First State Super) is calculated as a percentage of the employees' salaries. For other superannuation schemes (State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.
- (iii) On-costs, such as payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as expenses where the employee benefits to which they relate have been recognised.

## (b) Other operating expenses

	2023 \$'000	2022 \$'000
Administration <sup>2</sup>	33	113
Audit fees	41	33
Communications	2	4
Consultancy services <sup>2</sup>	87	11
Corporate Services – NSW Department of Communities and Justice <sup>1</sup>	42	42
Legal fees <sup>2</sup>	40	–
Rental	–	3
Travel	86	57
<b>Total</b>	<b>331</b>	<b>263</b>

1 The NSW Department provides corporate services to the Council under a service partnership agreement which covers finance, procurement, human resources, and information and digital services.

2 Administration expenses are reclassified into consultancy services and legal fees in the current year to reflect the material line items. Last year's comparatives have also been reclassified for consistency.

## (c) Depreciation

	2023 \$'000	2022 \$'000
<b>Depreciation</b>		
Plant and equipment	47	48
Right of use asset – premises	69	71
<b>Total</b>	<b>116</b>	<b>119</b>

Refer to Note 6 for recognition and measurement policies on depreciation.

## (d) Finance costs

	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	3	3
<b>Total</b>	<b>3</b>	<b>3</b>



## Recognition and measurement

Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate for not-for-profit NSW General Government Sector entities.

## 3. Revenue

### (a) Contributions

	2023 \$'000	2022 \$'000
Contribution from NSW Department of Communities and Justice	997	1,093
Contribution from Legal Practice Board in Western Australia	170	–
Contribution from Victorian Legal Services Board	630	686
<b>Total</b>	<b>1,797</b>	<b>1,779</b>

## Recognition and measurement

Funding contributions were provided by the NSW Department, the Victorian Legal Services Board (VLSB) and the Legal Practice Board in Western Australia (LPBWA) based on the Council's operating budget that was approved by the Standing Committee (comprising the Attorneys Generals of NSW, Victoria and Western Australia). Funding is split between NSW, Victoria and Western Australia and calculated in accordance with clause 8.1.2 of the Intergovernmental Agreement, that is with reference to each participating jurisdiction's proportion of the total number of legal practitioners to whom practising certificates were issued over the immediately preceding year.

The NSW contribution is funded by a \$400 fee charged on each lawyer's admission in NSW. The fee is collected by the NSW Legal Profession Admission Board and is allocated to the NSW Department for the purposes of the Council. The source of the VLSB funding is prescribed by s 139 of the *Legal Profession Uniform Law Application Act 2014* (Vic) to be the Victorian Public Purpose Fund. Western Australia joined the scheme on 1 July 2022 and its contribution is funded by a fee of \$30 charged on application for a practicing certificate, prescribed by cl 36 of the *Legal Profession Uniform Law Application Regulations 2022* (WA), and collected by the LPBWA.

Contribution revenue from the NSW Department, the VLSB and the LPBWA is recognised in the year in which it is received.

### (b) Interest revenue

	2023 \$'000	2022 \$'000
Interest revenue	40	2
<b>Total</b>	<b>40</b>	<b>2</b>

## Recognition and measurement

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For the financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (that is, after deducting the loss allowance for expected credit losses).

### (c) Deemed appropriations and Summary of Compliance

Section 4.7 of the GSF Act states that deemed appropriation money is government money that a GSF agency receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that—

- (a) forms part of the Consolidated Fund, and

(b) is not appropriated under the authority of an Act.

The contribution from the NSW Department meets the definition of deemed appropriation money as prescribed under cl 13(1)(b) of the *Government Sector Finance Regulation 2018* (NSW).

The responsible Minister for a GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority of s 4.7 of the GSF Act, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to the CEO of the Council and the Commissioner for its own services. The delegation/sub-delegations for FY2023 and FY2022, authorising the CEO of the Council and the Commissioner to spend deemed appropriation money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Council. The individual transaction limits have been properly observed.

The Council did not receive any NSW Consolidated Fund money in the current year and prior year.

The contribution from Victoria is not considered deemed appropriation money as, under s 139 of the *Legal Profession Uniform Law Application Act 2014* (Vic), the VLSB must pay out of the Public Purpose Fund each financial year an amount determined by the Victorian Attorney-General as Victoria's contribution to the funding of the Council.

The contribution from Western Australia is not considered deemed appropriation money as s 34 of the *Legal Profession Uniform Law Application Act 2022* (WA) provides that the LPBWA must pay Western Australia's funding contribution as required by the Intergovernmental Agreement to the Council.

#### 4. Current assets – cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	1,629	1,478
<b>Total</b>	<b>1,629</b>	<b>1,478</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and bank balances. Refer to Note 14 for details regarding credit risk and market risk arising from financial instruments.

#### 5. Current assets – receivables

	2023 \$'000	2022 \$'000
<b>Current receivables</b>		
Amount owed by NSW Department of Communities and Justice	–	1
GST Receivable	3	–
Other Receivable	–	146
<b>Total</b>	<b>3</b>	<b>147</b>

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 14.

#### Recognition and measurement

Receivables are recognised for accounting purposes only when they comply with established asset recognition criteria, when the Council becomes a party to the contractual provisions of the instrument and the debts can be reliably measured, and provide a future economic benefit.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

## Subsequent measurement

Receivables are held with the objective to collect the contractual cash flows and they are therefore measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

## Impairment

An allowance is recognised for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Council expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach is applied in calculating ECLs. A loss allowance based on lifetime ECLs is recognised at each reporting date. There is \$Nil allowance for expected credit losses (2022:\$nil).

## 6. Plant and equipment

### (a) Total plant and equipment

	Plant and equipment \$'000
<b>At 1 July 2022 – fair value</b>	
Gross carrying amount	250
Accumulated depreciation and impairment	(187)
<b>Net carrying amount</b>	<b>63</b>
<b>At 30 June 2023 – fair value</b>	
Gross carrying amount	250
Accumulated depreciation and impairment	(234)
<b>Net carrying amount</b>	<b>16</b>

## Reconciliation

A reconciliation of the carrying amount of plant and equipment at the beginning and end of the current reporting period is set out below:

	Plant and equipment \$'000
<b>Year ended 30 June 2023</b>	
Net carrying amount at start of year	63
Depreciation expense (Note 2(c))	(47)
<b>Net carrying amount at end of year</b>	<b>16</b>

## Reconciliation

A reconciliation of the carrying amount of plant and equipment at the beginning and end of the prior reporting period is set out below:

	Plant and equipment \$'000
<b>Year ended 30 June 2022</b>	
Net carrying amount at start of year	111
Additions	–
Depreciation expense (Note 2(c))	(48)
<b>Net carrying amount at end of year</b>	<b>63</b>

## (b) Plant and equipment held and used by the Council

All plant and equipment included in Note 6(a) above is held and used by the Council.

### Recognition and measurement

#### Acquisition of plant and equipment

Plant and equipment are initially measured at cost, and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to the asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

#### Capitalisation threshold

Plant and equipment costing \$3,000 and above individually (or forming part of a network costing more than \$3,000) are capitalised.

#### Depreciation of plant and equipment

Depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Council. All material identifiable components of assets are depreciated separately over their useful lives. In the case of leasehold improvements, the shorter of estimated useful life or term of lease is applied.

The depreciation rates used for each class of assets are as follows:

Asset Class	Rate of Depreciation
Leasehold improvements	20%

#### Revaluation of plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP21-09). This policy adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Non specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. Any difference between fair value and depreciated replacement cost is unlikely to be material.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end.

#### Impairment of plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

There is an assessment at each reporting date of whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the asset's

recoverable amount is estimated. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in other comprehensive income and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

## 7. Leases

The Council leases office accommodation. Lease contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Council does not provide residual value guarantees in relation to leases.

### (a) Right-of-use asset under lease

	Right-of-use asset \$'000
<b>At 1 July 2022 – cost</b>	
Gross carrying amount	420
Accumulated depreciation and impairment	(212)
<b>Net carrying amount</b>	<b>208</b>
<b>At 30 June 2023 – cost</b>	
Gross carrying amount	421
Accumulated depreciation and impairment	(282)
<b>Net carrying amount</b>	<b>139</b>

	2023 \$'000	2022 \$'000
<b>Year ended 30 June</b>		
Balance at 1 July	208	159
Additions	–	–
Adjustments	–	120
Depreciation expense (Note 2(c))	(69)	(71)
<b>Net carrying amount at end of year</b>	<b>139</b>	<b>208</b>

### (b) Lease liabilities

The following table presents liabilities under leases.

	2023 \$'000	2022 \$'000
Balance at 1 July	213	161
Adjustments	–	120
Interest expenses	3	3
Payments	(73)	(71)
<b>Balance at 30 June</b>	<b>143</b>	<b>213</b>

The following amounts were recognised in the Statement of Comprehensive Income for the year ending 30 June 2023 in respect of leases where the Council is the lessee:

	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use assets	69	71
Interest expense on lease liabilities	3	3
<b>Total amount recognised in the Statement of Comprehensive Income</b>	<b>72</b>	<b>74</b>

The Council had total cash outflows for leases of \$74k in FY2023 (FY2022: \$71k).

## Recognition and measurement

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets are recognised and measured at the present value, except for short-term leases and leases of low-value assets.

## Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer Note 7 above), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are subsequently measured at cost and depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office space accommodation 1 to 5 years

The right-of-use assets are also subject to impairment. There is an assessment at each reporting date of whether there is an indication that the asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the same policy outlined in Note 6 is applied.

## Lease liabilities

At the commencement date of the lease, lease liabilities are recognised measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- payments of penalties for terminating the lease, if the lease term reflects the Council exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease.

## Short-term leases and leases of low-value assets

The short-term lease recognition exemption is applied to short-term leases of plant and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The lease of low-value assets recognition exemption is also applied to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

## 8. Current liabilities – payables

	2023 \$'000	2022 \$'000
<b>Other</b>		
Creditors and sundry accruals	113	25
Amount owing to NSW Department of Communities and Justice	41	50
Accrued payroll expense	99	84
<b>Total</b>	<b>253</b>	<b>159</b>

Details regarding liquidity risk are disclosed in Note 14.

### Recognition and measurement

Payables represent liabilities for goods and services provided to the Council and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

## 9. Current / non-current lease liabilities

	2023 \$'000	2022 \$'000
<b>Current</b>		
Lease liability (Note 7)	71	70
	<b>71</b>	<b>70</b>
<b>Non-current</b>		
Lease liability (Note 7)	72	143
	<b>72</b>	<b>143</b>

Details regarding liquidity risk are disclosed in Note 14.

### Recognition and measurement

Lease liabilities classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the net result when the liabilities are derecognised as well as through the amortisation process.



## 10. Current / non-current provisions

	2023 \$'000	2022 \$'000
<b>Current: Provision for personnel services</b>		
Annual Leave* and related on-costs	126	290
Long Service Leave* and related on-costs	51	47
<b>Total</b>	<b>177</b>	<b>337</b>
<b>Non-Current: Provision for personnel services</b>		
Long Service Leave and related on-costs	4	4
<b>Total</b>	<b>4</b>	<b>4</b>
<b>Aggregate Provision for personnel services</b>		
Provisions – current	177	337
Provisions – non-current	4	4
Accrued salary, wages and on-costs	99	84
<b>Total</b>	<b>280</b>	<b>425</b>
No later than 12 months	35	63
Later than 12 months	142	274
<b>Total</b>	<b>177</b>	<b>337</b>

\* Expected settlement of current provision for personnel services.

Personnel services provisions comprise the Council's liability to the Department for annual leave, long service leave and superannuation arising from personnel services rendered by the Department as at balance date.

### Recognition and measurement – provision for personnel services

#### Annual leave

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The effect of discounting has been assessed as immaterial to annual leave. All annual leave is classified as a current liability even where the liability is not expected to be settled within 12 months as there is no unconditional right to defer settlement.

#### Long service leave

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date in accordance with AASB 119 *Employee Benefits*. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth government bond rates at the reporting date.

#### Superannuation

Payment to defined contribution superannuation plans are recognised as an expense when employees have rendered service entitling them to the contributions.

### Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of superannuation, payroll tax and workers' compensation insurance premiums.

## 11. Commitments

The Council has no capital expenditure commitments as at 30 June 2023 (2022: \$nil).

## 12. Contingent assets and liabilities

The Council does not have any contingent assets and liabilities as at 30 June 2023 (2022 \$nil).

## 13. Reconciliation of cash flows from operating activities to net result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income is as follows:

	2023 \$'000	2022 \$'000
<b>Net cash flows from operating activities</b>	222	192
Depreciation expense	(116)	(119)
(Decrease) in receivables and prepayments	(144)	(3)
(Increase) / decrease in payables	(95)	47
Decrease / (increase) in provisions	160	(101)
<b>Net result for the year</b>	<b>27</b>	<b>16</b>

## 14. Financial instruments

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance the Council's operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The risks arising from financial instruments are outlined below, together with how they are managed. Further quantitative and qualitative disclosures are included throughout the financial statements.

The CEO, the Audit and Risk Committee and the Council have responsibilities for the establishment and oversight of risk management and review and agree strategies for managing risks. The risk register is established to identify and analyse the risks faced by the Council, to set out controls and to monitor risks. Compliance is reviewed by the Audit and Risk Committee and the Council on a regular basis. No risks in relation to financial instruments have been identified for inclusion on the risk register.

### (a) Financial instrument categories

Class	Notes	Category	Carrying amount 2023 \$'000	Carrying amount 2022 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	4	Amortised cost	1,629	1,478
Receivables <sup>1</sup>	5	Amortised cost	-	147
<b>Financial liabilities</b>				
Payables <sup>2</sup>	8	Financial liabilities measured at amortised cost	253	159
Lease liabilities	9	Financial liabilities measured at amortised cost	143	213

1 Excludes statutory receivables and prepayments (i.e., not within scope of AASB 7).

2 Excludes statutory payables and unearned revenue (i.e., not within scope of AASB 7).

The classification of financial assets and liabilities is determined after initial recognition and, when allowed and appropriate, is re-evaluated at each financial year end.

## **(b) Derecognition of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Council transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Council has transferred substantially all the risks and rewards of the asset or
- the Council has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Council has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, there is an evaluation of whether, and to what extent, it has retained the risks and rewards of ownership.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

## **(c) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **(d) Financial risks**

### ***i. Credit risk***

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Council, including cash and receivables. No collateral is held by the Council. The Council has not granted any financial guarantees.

A financial asset is considered to be in default when contractual payments are 90 days past due. However, in certain cases, a financial asset may be considered to be in default when internal or external information indicates that the Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Council.

### ***Cash and cash equivalents***

Cash comprises cash on hand and bank balances.

### ***Receivables – trade debtors***

Collectability of trade debtors is reviewed on an ongoing basis. Procedures, as established in the Treasurer's Directions, are followed to recover outstanding amounts, including letters of demand.

The AASB 9 simplified approach is applied to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments. There are no debtors which are currently past due and impaired.

The Council has a single trade debtor and is not exposed to credit risk as at 30 June 2023.

## ii. Liquidity risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. Risk is managed through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets.

During the current and prior year, the Council has no loans payable. No assets have been pledged as collateral. The Council's exposure to liquidity risk is deemed insignificant based on prior period data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC 11-12 *Payment of Accounts*. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the payment of simple interest is at the discretion of the Chief Executive Officer.

The table below summarises the maturity profile of the Council's financial liabilities based on contracted undiscounted payments, together with the interest rate exposure.

### *Maturity analysis and interest rate exposure of financial liabilities*

	Weighted average effective interest rate	Nominal Amount \$	Interest Rate Exposure			Maturity Dates	
			Fixed Interest Rate \$	Variable Interest Rate \$	Non-interest bearing \$	< 1 year \$	1–5 years \$
2023							
Financial liabilities							
Payables		253	–	–	253	–	–
Lease liabilities	1.57%	143	143	–	–	71	72
		396	143	–	253	71	72

### *Maturity analysis and interest rate exposure of financial liabilities*

	Weighted average effective interest rate	Nominal Amount \$	Interest Rate Exposure			Maturity Dates	
			Fixed Interest Rate \$	Variable Interest Rate \$	Non- interest bearing \$	< 1 year \$	1–5 years \$
2022							
Financial liabilities							
Payables		159	–	–	159	–	–
Lease liabilities	1.57%	213	213	–	–	70	143
		372	213	–	159	70	143

### iii. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and comprises interest rate risk and other price risk. The Council's only exposure to market risk is interest rate risk on cash balances.

### iv. Interest rate risk

The Council does not have exposure to interest rate risk through interest bearing liabilities. The Council does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Council's exposure to interest rate risk is set out below.

	2023		2022	
	\$'000	\$'000	\$'000	\$'000
	-1%	+1%	-1%	+1%
Net Result	(16)	16	(15)	15
Equity	(16)	16	(15)	15

## (e) Fair value measurement

### i. Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council does not hold financial assets and financial liabilities where the fair value differs from the carrying amount.

### ii. Fair value recognised in the Statement of Financial Position

It has been assessed that cash, trade receivables, trade payables and lease liabilities approximate their fair values, largely due to the short-term maturities of these instruments. The Council does not hold financial assets and liabilities that are valued at fair value using valuation techniques.

## 15. Related party disclosures

The Council's key management personnel compensation is as follows:

	2023	2022
	\$'000	\$'000
Short-term employee benefits		
Salaries	535	442
<b>Total remuneration</b>	<b>535</b>	<b>442</b>

The Council did not enter into any transactions or loans, including transactions on arms length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

The Council's key management personnel and their compensation disclosures are limited to the key decision makers, i.e. CEO and all members of the Council. The remuneration of the Council's key management personnel includes Council members who became entitled to remuneration on 30 May 2022, and a one-off lump sum payment backdated to 26 October 2020, paid to those members during the reporting period.

During the year, the Council received funding contributions from the participating jurisdictions as set out in Note 3 (a). A member of the VLSB and a member of the LPBWA are also members of the Council.

The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2023 are as follows:

	Notes	2023 Transaction value \$	Net receivable/ (payable) \$
<b>Nature of transactions</b>			
Contribution from NSW Department of Communities and Justice	3	997	–
Contribution from Legal Practice Board in Western Australia		170	–
Contribution from Victorian Legal Services Board	3	630	–
Receivable from NSW Department of Communities and Justice	5	–	–
Payable to NSW Department of Communities and Justice	8	–	(140)
		<b>1,797</b>	<b>(140)</b>

	Notes	2022 Transaction value \$	Net receivable/ (payable) \$
<b>Nature of transactions</b>			
Contribution from NSW Department of Communities and Justice	3	1,093	–
Contribution from Victorian Legal Services Board	3	686	–
Receivable from NSW Department of Communities and Justice	5	–	1
Payable to NSW Department of Communities and Justice	8	–	(134)
		<b>1,779</b>	<b>(133)</b>

## 16. COVID-19 disclosures

COVID-19 does not have a material impact on the Council's financial statements, as the main revenue source is funding contributions from the participating jurisdictions, which is not affected by the pandemic. The Council has reverted to business as normal as the effects of COVID-19 have largely subsided.

## 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Council's operations, the results of those operations, or the Council's state of affairs in future financial years.

END OF AUDITED FINANCIAL STATEMENTS

