

LSC LEGAL
SERVICES
COUNCIL

COMMISSIONER
FOR UNIFORM LEGAL
SERVICES REGULATION

ANNUAL REPORTS 2020/2021

LEGAL PROFESSION
Uniform Law

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) and in Victoria by the *Legal Profession Uniform Law Application Act 2014* (Vic).

The intention of the Parliaments of each State is to create for all, one Council and one Commissioner for Uniform Legal Services Regulation.

This publication contains the Annual Reports of both the Legal Services Council and the Commissioner for Uniform Legal Services Regulation for 2020-2021.

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 State. All references to legislation in this report are to the Legal Profession Uniform Law, also referred to as the Uniform Law, unless otherwise indicated.

The Uniform Law commenced on 1 July 2015 in both NSW and Victoria. The inaugural Council was appointed in October 2014 and served until October 2020. The current Council was appointed in October 2020 and will serve until October 2023.

In October 2017, Megan Pitt commenced a five-year term in the dual roles of Chief Executive Officer of the Legal Services Council and Commissioner for Uniform Legal Services Regulation.

Copies of these Annual Reports are publicly available at 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.

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6 October 2021

The Hon Mark Speakman SC MP
Attorney General of New South Wales
GPO Box 5341
SYDNEY NSW 2001

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

The Hon John Quigley LLB JP 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 2020-2021
Annual Report of the Commissioner for Uniform Legal Services Regulation for 2020-2021

I am pleased to submit the Annual Report of the Legal Services Council for 2020-2021 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 2020-2021 prepared in accordance with clause 10 of Schedule 2 to the Legal Profession Uniform Law. This is included in the same volume as the Council's report.

The financial statements of the Council encompass the Office 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



Mr Alan Cameron AO
Chair, Legal Services Council

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Chair's Report



In October 2020 I was delighted to be appointed as Chair of the Legal Services Council. I am looking forward to bringing my experience as a NSW solicitor in the private sector, in law reform, and in regulation as Chair of the Australian Securities and Investments Commission, to the position.

The new Council members are:

- Mr Murray Baird, Victorian lawyer and formerly inaugural Assistant Commissioner and General Counsel at the Australian Charities and Not-for-profits Commission from its inception in 2012 until 2019
- Ms Elizabeth Harris, Victorian lawyer who has specialised in consumer complaints relating to lawyers and is the former Chair of the Law Institute of Victoria's Advisory Board on Costs Law and its Cost Lawyers section
- Mr Noel Hutley SC, NSW barrister and former President of the NSW Bar Association and Australian Bar Association
- Ms Juliana Warner, NSW solicitor, former Managing Partner of the Sydney office of Herbert Smith Freehills and current President of the Law Society of NSW.

Our new Council met for the first time in November 2020 and we have since met in February and April 2021, in Sydney and by videoconference. The Solicitor General of Western Australia, Mr Joshua Thomson SC, has continued to make a valuable contribution to our Council meetings, as an observer. I am very pleased to have such a capable and well qualified Council to work with over the next three years.

In December, I opened the Council's third annual Uniform Law Summit which brought together our key stakeholders from NSW, Victoria and Western Australia to discuss the achievements and

challenges of 2020, to review progress and to plan Uniform Law priorities for 2021. This was a great opportunity for our new Council to understand more about the valuable work that our stakeholders do and appreciate how they have successfully continued to operate despite the challenges generated by the COVID-19 pandemic. It is clear that they all have an important role to play in the effective functioning of the Uniform Law scheme and we are grateful for the contributions that they have made and, no doubt, will continue to make to the scheme.

In April, I met with the Chair of the Admissions Committee, the Hon Acting Justice Arthur Emmett AO, to renew acquaintance and discuss current Uniform Law admission matters. The meeting also provided a good opportunity to discuss the interaction between the Council and the Admissions Committee and to plan future work. I would like to thank the Chair and members of the Admissions Committee for their ongoing work in relation to admission matters and ongoing liaison with the Law Admissions Consultative Committee.

The Uniform Law is expected to commence in Western Australia on 1 January 2022, demonstrating the expansion of the scheme. This year, I had the pleasure of meeting with the Law Society of Tasmania, the Legal Profession Board of Tasmania and the ACT Law Society to discuss the salient features of the Uniform Law framework and regulatory issues specific to those jurisdictions. I look forward to meeting with legal regulators in other jurisdictions in the near future.

Finally, I would like to acknowledge the work of the Audit and Risk Committee, chaired by Geoffrey Applebee, as well as the Chief Executive Officer and Commissioner for Uniform Legal Services Regulation, Megan Pitt, and our Secretariat staff who have continued to provide excellent support to the Council. During my first eight months as Chair, it has become apparent to me that the Uniform Law scheme is operating well, despite the pandemic. This report details our achievements during the year.

Alan Cameron AO
Chair, Legal Services Council

CEO'S Report



I am pleased to present the Legal Services Council's Annual Report for 2020–2021. This year marks the fifth year of the operation of the Uniform Law scheme, and my third year as CEO of the Council.

Over the last year, and despite the COVID-19 pandemic, the Council, its Committees and our Secretariat have been extremely busy. While the details of our achievements are set out later in this report, there are highlights that stand out for special mention as follows.

Achieve national implementation of the Uniform Law

We have continued to consult with Western Australian stakeholders about Uniform Law matters, to address any regulatory issues and to continue to develop effective working relationships in the lead up to Western Australia joining the Uniform Law scheme. Unfortunately, the Legal Profession Uniform Law Application Bill 2020 (WA) was not passed in 2020 as originally hoped and is now expected to commence in January 2022.

Over the past six months, our Chair and I met with the Law Society of Tasmania, the Legal Profession Board of Tasmania and the ACT Law Society to discuss the objectives and operation of the Uniform Law scheme and specific jurisdictional issues. We hope to be able to meet with regulators of the legal profession in other jurisdictions throughout this year.

Ensure that the Uniform Law scheme is a responsive regulatory regime

Although this year has been unusual, to say the least, it has nevertheless been filled with projects and initiatives that continue to move the scheme forward. These include our recent consultations on interest payable on fidelity fund claims, managed investment scheme rules and an urgent rule to resolve unintended consequences

of Commonwealth litigation funding reforms, that could otherwise have adversely affected some solicitors and law practices.

Other key projects include consideration of amendments to the solicitors' conduct rules developed by the Law Council of Australia and recommendations made by the Victorian Royal Commission into the Management of Police Informants relating to legal profession regulation.

Build awareness of the benefits of the Uniform Law

In December, we were pleased to be able to hold our third Annual Uniform Law Summit in Sydney, in-person and by videoconference, to introduce our new Council to our key Uniform Law partners and vice versa. The Summit provided a solid foundation for continuing collaboration with our stakeholders in 2021.

The Uniform Law scheme has continued to operate effectively, despite the challenges generated by the COVID-19 pandemic. Our important liaison with key stakeholders in Sydney and interstate continued via videoconference. All relevant meetings, liaison with stakeholders and projects have progressed effectively with our Secretariat mostly working on a remote basis.

Continue to develop a well-governed organisation

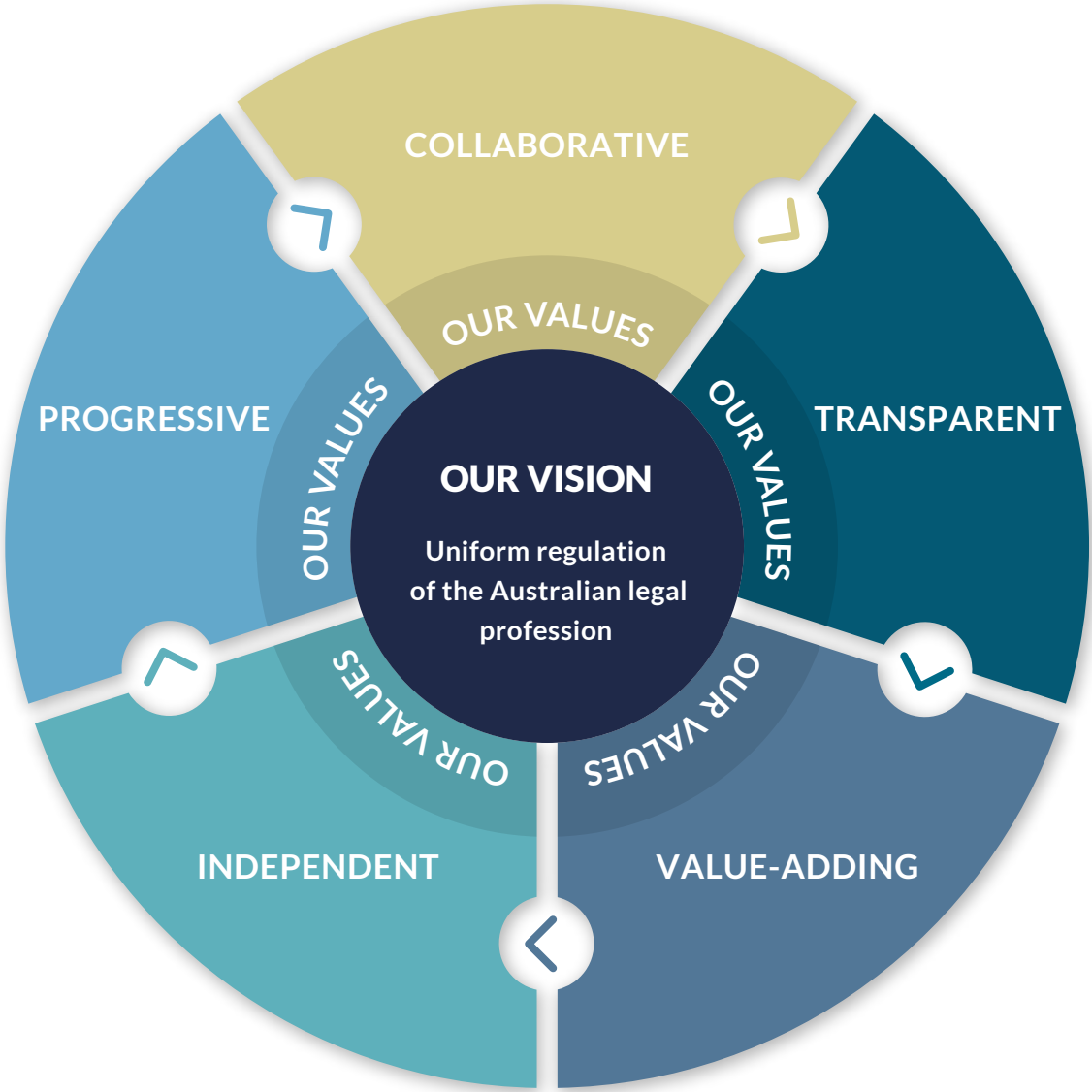
In September 2020, the inaugural Council held its final meeting with its then current membership. I would like to acknowledge the work of the inaugural Council which worked diligently to implement the Uniform Law scheme and to ensure that the scheme is effective in achieving its objectives.

In November, I was delighted to welcome our new Chair and Council members to their first meeting where they met our Western Australia Observer, Solicitor General, Joshua Thomson SC and our Secretariat staff, and were provided with an overview of the operation of the Uniform Law scheme.

Finally, I would like to thank our small Secretariat of only five staff which has continued to provide excellent support for our Council and Committees. I would also like to acknowledge the support that we continue to receive from the Attorneys General of Victoria, NSW and Western Australia and their respective departments, as well as the regulatory authorities in those jurisdictions.

Megan Pitt
Chief Executive Officer, Legal Services Council

Our Guiding Principles



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 OBJECTIVES

To promote the administration of justice and an efficient and effective Australian legal profession by:

- providing and promoting consistency between states and territories in the law applying to the Australian legal profession
- ensuring legal practitioners are competent and maintain high ethical and professional standards
- enhancing the protection of clients and the public
- empowering clients to make informed choices about their legal options
- promoting efficient, effective, targeted and proportionate regulation, and
- supporting a co-regulatory framework with appropriate independence for the legal profession.

Our Council

LEGAL SERVICES COUNCIL MEMBERS APPOINTED ON 26 OCTOBER 2020



Mr Alan Cameron AO, Chair

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 continues to undertake this role on a part time basis.



Mr Murray Baird

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 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. Murray is a member of the Law Institute of Victoria's Charities and Not for Profit Committee and the Law Council of Australia's Legal Practice Section Charities and Not-for-profits Committee.



Ms Elizabeth Harris

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 LIV 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.



Mr Noel Hutley SC

Noel Hutley 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 ACT, 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.



Ms Juliana Warner

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 the former Managing Partner of the Sydney office of Herbert Smith Freehills and currently serves as the President of the Law Society of NSW. She is currently Chair of the Law Society's Litigation Committee and Nominations Committee and is a member of its Diversity and Inclusion Committee. Juliana is also a Director of the Law Council of Australia and its representative on the Law Admissions Consultative Committee, a Trustee of the Public Purpose Fund of NSW and a Director of Law Firms Australia Pty Limited.

LEGAL SERVICES COUNCIL OBSERVER



Mr Joshua Thomson SC, Western Australian Solicitor General

During the year, Western Australian Solicitor General, Joshua Thomson SC, attended Council meetings as an observer ahead of Western Australia's entry into the Uniform Law scheme. The Council has appreciated his perspectives and contributions to its consideration of issues.

Joshua Thomson SC is a door tenant at Francis Burt Chambers. He does not presently accept private briefs as he was appointed Solicitor General for Western Australia on 4 October 2018.

LEGAL SERVICES COUNCIL MEMBERS FROM 14 OCTOBER 2014 TO 13 OCTOBER 2020



**The Hon Michael Black
AC QC FAAL, Chair**



Ms Fiona Bennett



Ms Kim Boettcher



Mr Steven Stevens



Mr Bret Walker SC

Our Framework

THE STANDING COMMITTEE

The Standing Committee comprises the Attorneys General of NSW and Victoria and, for the purposes of decisions under the Intergovernmental Agreement dated 28 February 2019, Western Australia. It makes the Uniform Regulations and considers and approves the Uniform Rules proposed by the Legal Services Council (Council), the Council's Admissions Committee, Law Council of Australia and the Australian Bar Association. The Standing Committee has a general supervisory role over the Council, the Commissioner for Uniform Legal Services Regulation (Commissioner) and local regulatory authorities, which includes overseeing the finances of the Council and approving its budget.



The Hon Mark Speakman SC MP
NSW Attorney General



The Hon Jill Hennessy MP
Victorian Attorney-General
Jul 2020–Dec 2020



The Hon Jaclyn Symes MP
Victorian Attorney-General
Dec 2020–Jun 2021



The Hon John Quigley LLB JP MLA
WA Attorney General

Our Organisation

The Council and the Commissioner oversee the operation of the Uniform Law scheme. The Council as a statutory corporation, 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 formally 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 current Council has five members, drawn from participating jurisdictions. The host jurisdiction for the Uniform Law is Victoria, and its Attorney-General appoints Council members as follows:

- one member appointed as Chair on the recommendation of the Standing Committee with the concurrence of the Presidents of the Law Council of Australia and the Australian Bar Association
- two members – one each recommended by the Law Council of Australia and Australian Bar Association respectively
- two 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.

During the year, the Council met three times in Sydney (in person and by videoconference) and twice by videoconference alone due to COVID-19 restrictions.



In person (L-R): Alan Cameron AO, Juliana Warner, Liz Harris and Noel Hutley SC

By video (L-R): Joshua Thomson SC and Murray Baird

OUR CHIEF EXECUTIVE OFFICER AND COMMISSIONER

Since October 2017, Megan Pitt has occupied the dual role of Council's CEO and Commissioner for Uniform Legal Services Regulation. As a lawyer for 38 years, Ms Pitt has a strong background in Commonwealth litigation and legal practice management leading the Sydney office of the Australian Government Solicitor as its Director for over 20 years.

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 CHIEF EXECUTIVE OFFICER

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

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 Commissioner may issue guidelines and directions to local regulatory authorities concerning the exercise of their complaints and professional discipline functions, in order to ensure consistency across participating jurisdictions.

The Commissioner's Report is at page 29.

THE ADMISSIONS COMMITTEE

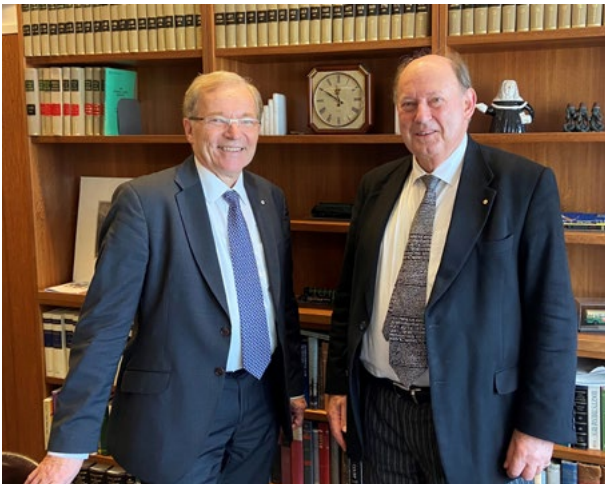
The Council appoints the Admissions Committee (Committee), following nominations in accordance with clause 21(1) of Schedule 1 to the Uniform Law. The Committee is responsible for developing Admission Rules. These rules set out the qualification prerequisites for admission; the procedural requirements for admission; and the process for accrediting law courses and practical legal training providers. The Committee also has a broader role providing advice to the Council about admissions matters.

The Committee has seven members as follows:

- The Hon Acting Justice Arthur R Emmett AO, Chair, nominee of the Standing Committee of Attorneys General of NSW and Victoria and appointed to 30 June 2022
- The Hon Justice Trish Henry, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW and appointed to 30 June 2022
- David Habersberger QC, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW and appointed to 30 June 2022
- Dr Elizabeth Boros, nominee of the Australian Bar Association and appointed to 30 June 2021
- Stuart Clark AM, nominee of the Law Council of Australia and appointed to 30 June 2021
- Professor Lesley Hitchens, nominee of a Faculty of Law and appointed to 30 June 2023
- Professor Michael Stuckey, nominee of a Faculty of Law who resigned on 28 January 2021

- Professor Jenni Lightowlers, nominee of a Faculty of Law and appointed from 11 February 2021 to 30 June 2023.

The Hon Justice Rene Le Miere, Senior Judge of the Supreme Court of Western Australia, joined the Committee as an observer on 19 March 2020.



L-R: Alan Cameron AO and the Hon Acting Justice Arthur Emmett AO



Admissions Committee
In person (L-R): The Hon Acting Justice Arthur Emmett AO, Professor Lesley Hitchens, the Hon Justice Rene Le Miere and Mr Stuart Clark AM
By video (L-R): The Hon Justice Trish Henry, Professor Jenni Lightowlers and the Hon David Habersberger QC

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'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 the legislative and policy compliance 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 consults with the NSW

Department of Communities and Justice's Finance Services team.

The ARC members from 1 July 2020 to 13 October 2020 were Fiona Bennett (Chair), Steven Stevens (Council member) and Geoffrey Applebee (independent member).



Audit and Risk Committee (1 July to 13 October 2020)
 L-R: Steven Stevens, Fiona Bennett and Geoffrey Applebee

The current ARC members (from 26 October 2020) are Geoffrey Applebee (Chair and independent member), Liz Harris (Council member) and Murray Baird (Council member).



Audit and Risk Committee (from 26 October 2020)
 L-R: Geoffrey Applebee, Liz Harris and Murray Baird

THE SECRETARIAT

The Council's Secretariat administers the day-to-day work of the Council and CEO. It comprises a Senior Executive Officer, a Senior Principal Policy Officer, two Principal Policy Officers and an Executive Assistant. The Secretariat has extensive experience in legal practice, policy development, and in supporting advisory bodies, governments and committees.



Secretariat (L-R): Ella Howard (Principal Policy Officer), Megan Pitt (CEO and Commissioner for Uniform Legal Services Regulation), Bridget Sordo (Senior Executive Officer), Cora Groenewegen (Principal Policy Officer), Chelly Milliken (Senior Principal Policy Officer) and Tina O'Brien (Executive Assistant)

HOSTING ARRANGEMENTS

The NSW Government 'hosts' the Council and Commissioner which are based in Sydney. The Secretariat (apart from the Commissioner) comprises public service employees under the *Government Sector Employment Act 2013* (NSW). The NSW Department of Communities and Justice supports the operation of the Council and Commissioner by providing corporate services.

Oversight legislation that commonly applies to NSW Government agencies including the *Privacy and Personal Information Protection Act 1998* (NSW) and the *Government Information (Public Access) Act 2009* (NSW) apply to the Council and the Commissioner.

FUNDING ARRANGEMENTS

The Council's and Commissioner's funding is provided pursuant to an Intergovernmental Agreement (IGA) between the two participating jurisdictions and Western Australia. The Council is jointly funded by the jurisdictions participating in the Uniform Law scheme (currently NSW and Victoria) and its triennial budget was approved by the Standing Committee to 30 June 2021.

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*. Each admission fee of \$950 is allocated as follows:

- \$550 to the Legal Profession Admission Board (NSW)
- \$400 to the NSW Department of Communities and Justice.

The Council's operating budget

The Council and the Commissioner operate on a triennial budget (2019–2021). The Standing Committee approved the budget and provided assurance of continued funding for the purpose of the 2020–2021 financial statements.

The operating budget of \$1,760,744 was approved for the 2020–2021 financial year. Audited financial statements are presented in this report from page 57.

Financial operations

During the year, the Council continued to operate as a cost centre of the NSW Department of Communities and Justice. The Department provided corporate services under a Services Provider Agreement to the Council on a fee for service basis. The Agreement covers Human Resources, Finance, Procurement and Information and Digital Services and was updated on 11 July 2019.

The current budget is shared between participating jurisdictions. The notional cost of a national regulatory scheme covering all practitioners in Australia remains under \$30 per legal practitioner per year.



L-R: Tina O'Brien (Legal Services Council), Ken Chaves (NSW Department of Communities and Justice) and Bridget Sordo (Legal Services Council)

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 approves Uniform Rules.



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) Victorian Legal Admissions Board	Bar Council (NSW) Law Society Council (NSW) Victorian Legal Services Board	Bar Council (NSW) Law Society Council (NSW) Victorian Legal Services Board	NSW Legal Services Commissioner Law Society and Bar Councils (NSW) Victorian Legal Services Board	NSW Legal Services Commissioner Law Society and Bar Councils (NSW) Victorian Legal Services Commissioner

COURTS AND TRIBUNALS



Admissions Committee Report

The Council's Admissions Committee (Committee) develops the Admission Rules and advises the Council about matters relating to admissions. To that end, it liaises with Australian and foreign authorities, courts and professional associations to gather information relevant to any of their functions under the Uniform Law scheme, and for the mutual recognition for admission purposes of academic and practical legal training courses.

CONSTITUTION OF THE COMMITTEE

On 30 June 2020, the terms of the Hon Acting Justice Arthur Emmett AO, Professor Lesley Hitchens and Professor Bronwyn Naylor ended. The Committee thanked Professor Naylor for her contributions during her term.

The Standing Committee re-nominated the Hon Acting Justice Emmett AO and the Council

reappointed His Honour to the Committee for a term of two years commencing on 1 July 2020. Committee members voted unanimously that the Hon Acting Justice Emmett AO occupy the position of Chair. The Council also reappointed Professor Hitchens and appointed Professor Michael Stuckey, Dean, College of Law and Justice, Victoria University, for terms of three years commencing on 1 July 2020.

From 1 July to 27 January, the Committee comprised the Hon Acting Justice Emmett AO, the Hon Justice Trish Henry, the Hon David Habersberger QC, Dr Elizabeth Boros, Mr Stuart Clark AM, Professor Lesley Hitchens and Professor Michael Stuckey.

On 28 January, Professor Stuckey resigned from the Committee. The Council appointed Professor Jenni Lightowlers, Dean of Law, Deakin University, to fill the vacancy.



The Hon Acting Justice Arthur Emmett AO QC



David Habersberger QC



The Hon Justice Patricia Henry



The Hon Justice Rene Le Miere



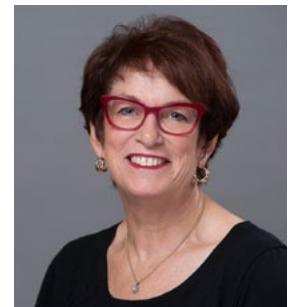
Dr Elizabeth Boros



Mr Stuart Clark AM



Professor Lesley Hitchens



Professor Bronwyn Naylor



Professor Jenni Lightowlers



Professor Michael Stuckey

On 30 June, the terms of both Dr Elizabeth Boros and Mr Stuart Clark AM ended. The Committee expressed its gratitude to these members for their contribution to the Committee. These vacancies are to be filled by Mr Ross Drinnan and Dr Elisabeth Peden SC, commencing on 1 July 2021.

In the lead up to Western Australia adopting the Uniform Law scheme, the Committee continues to benefit from the inclusion of the Hon Justice Rene Le Miere, Senior Judge of the Supreme Court of Western Australia, as its observer and contributor of the Western Australian perspective on admissions.

LEGAL PROFESSION UNIFORM ADMISSION RULES 2015

In February, the Committee consulted with the Chief Justices and admitting authorities in NSW, Victoria and Western Australia about a proposed amendment to the definition of “Board” in the Legal Profession Uniform Admission Rules 2015 (Admission Rules), to accommodate Western Australia joining the Uniform Law scheme. The proposed rule was approved by the Committee in June and will next be considered by the Council.

ADMISSION OF FOREIGN LAWYERS

During the year, the Committee has continued its review of the provisions relating to the admission of foreign lawyers and specifically, the operation and application of ss 18 and 20 of the Uniform Law and relevant rules administered by admitting authorities.

In April, the Committee consulted with the Chief Justices and admitting authorities in NSW, Victoria and Western Australia on possible amendments to the Admissions Rules intended to assist admitting authorities in granting exemptions to experienced lawyers based on demonstrable “sufficient legal skills or relevant experience” under s 18 of the Uniform Law and to draw attention to the option of conditional admission in appropriate cases. A public consultation on the proposed amendments commenced in June.

The Committee also explored the possibility of an amendment to the Uniform Law to allow some foreign lawyers to complete study after admission and liaised with law course providers about whether they would be interested in providing courses in an intensive mode for foreign lawyers.

COUNCIL OF AUSTRALIAN LAW DEANS REVIEW OF LEGAL EDUCATION

During the year, the Council of Australian Law Deans commissioned Professor Sally Kift to conduct a review of legal education. In February, the Hon Acting Justice Arthur Emmett AO, together with the Council’s CEO and Principal Policy Officer, met with Professor Kift to discuss the review and offered to assist in any way with her consideration of academic requirements for admission.

LAW ADMISSIONS CONSULTATIVE COMMITTEE (LACC)

The Council continues to provide secretariat services to LACC. The Committee and LACC meet three times per year on the same day, and inform themselves of the other’s issues and business, working cooperatively to maximise uniformity in admissions matters between all Australian jurisdictions.

During the year, the Committee and LACC both considered a recommendation made by the Victorian Royal Commission into the Management of Police Informants regarding the powers of the Victorian Legal Admissions Board to request and consider documentation from other agencies for the purpose of assessing applications for admission, and gathered information on the cost of admission and the basis of that cost in each Australian jurisdiction.



Law Admissions Consultative Committee

In person (L-R): Greg Moroney (Qld), Professor Lesley Hitchens (CALD), the Hon Acting Justice Arthur Emmett AO (Chair), Juliana Warner (LCA) and the Hon Justice Rene Le Miere (WA)
By video (L-R): Associate Justice Vince Luppino (NT), David Habersberger QC (Vic), Peter Garrisson SC (ACT), Lewis Patrick (APLEC) and the Hon Justice Trish Henry (NSW)

RELATIONSHIP WITH STAKEHOLDERS

The Committee is grateful for the input of all of its stakeholders during the year. The Committee particularly relies on the feedback of the Uniform Law admitting authorities to ensure its work remains relevant and responsive to current admissions issues.

Highlights of 2020–2021

Over the last 12 months, the Council has brought together NSW, 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 the work of the Council this year follow.

UPDATE ON WESTERN AUSTRALIA

The Legal Profession Uniform Law Application Bill 2020 passed the Western Australian Legislative Assembly on 16 June 2020 and proceeded to the Legislative Council.

On 15 September, the Standing Committee on Uniform Legislation and Statutes Review tabled a report on the Application Bill and the associated Legal Profession Uniform Law Application (Levy) Bill 2020, which recommended a number of amendments to the Application Bill and further information to be provided to the Parliament.

The Bill was not passed by the Legislative Council as anticipated in 2020 and lapsed due to the Western Australian state election in March 2021. The Bill was reintroduced on 23 June 2021 and is anticipated to commence on 1 January 2022.

MEETINGS WITH NON-PARTICIPATING JURISDICTIONS

The Council continues to focus on expanding the Uniform Law to other jurisdictions. During the year, the CEO and Chair attended meetings with representatives of the Law Society of Tasmania, the Legal Profession Board of Tasmania and the ACT Law Society, and offered to assist them with their consideration of joining the Uniform Law scheme.



L-R: Alan Cameron AO (Chair, Legal Services Council), Simone Carton (CEO, ACT Law Society), Elizabeth Carroll (President, ACT Law Society) and Megan Pitt (CEO, Legal Services Council)

The COVID-19 pandemic and associated travel restrictions prevented several planned visits to key stakeholders in non-participating jurisdictions. As travel restrictions ease, the CEO and Chair will visit other jurisdictions to encourage their consideration of joining the Uniform Law scheme.

ANNUAL UNIFORM LAW SUMMIT 2020

In December, the Council hosted its third annual Uniform Law Summit in Sydney. The Summit was attended (in person or by videoconference) by all agencies involved in the regulation of the legal profession in NSW, Victoria and Western Australia, and the NSW Department of Communities and Justice and the Victorian Department of Justice and Community Safety.

The purpose of the Summit was to introduce the new Council members to the NSW and Victorian local regulatory authorities and Departments, and to the Legal Practice Board in Western Australia, as well as review the work of the Council over 2020.

The Summit also provided the local regulatory authorities with the opportunity to outline their Uniform Law related priorities for 2021 which was helpful to the Council settling its Strategic Plan for the next 12 months.

MANAGED INVESTMENT SCHEMES

In July, the Council published a report setting out the findings and decisions of its review of rules 91A – 91D of the Legal Profession Uniform General Rules 2015 (Uniform General Rules) relating to managed investment schemes.

The report recommended an amendment to Uniform General Rule 91B and revised guidance material for the legal profession. During the year, the Council consulted on the proposed amendment and the revised guidance material. The Council will finalise this project in the second half of 2021.

COMMONWEALTH LITIGATION FUNDING REFORMS

In August, the Council made an urgent amendment to the Uniform General Rules to resolve a serious and unintended consequence of the Commonwealth reforms to regulate litigation funding as managed investment schemes.

The Legal Profession Uniform General Amendment (Litigation Funding Schemes) Rule 2020 ceases to have effect on 22 August 2021. In May, the Council commenced a public consultation seeking views

on making an ongoing rule in relation to this issue before the current rule expires.

INTEREST RATE PAYABLE ON FIDELITY FUND CLAIMS

In August, the Council published a consultation paper seeking feedback on a proposal to reduce the interest rate payable on fidelity fund claims from the current rate of 5%. In September, the Council considered the submissions received and decided that the interest rate should be determined by reference to the Reserve Bank of Australia cash rate plus 1%. The proposed new rule was sent to the Standing Committee of Attorneys General for approval.

LEGAL PROFESSION UNIFORM LAW AUSTRALIAN SOLICITORS' CONDUCT RULES 2015

In September, the Council approved amendments to the Legal Profession Uniform Law Australian Solicitors' Conduct Rules 2015 developed by the Law Council of Australia.

In April, the Council approved proposed new rule 11A which aims to clarify how existing ethical principles relating to avoiding conflicts of interest between current clients, or current and former clients, may be applied when providing short term legal assistance services.

The proposed amendments and new rule 11A were sent to the Standing Committee of Attorneys General for approval.

FIRST PRIORITY AMENDMENTS TO THE UNIFORM LAW

In September, the Standing Committee of Attorneys General confirmed its approval, in principle, of the 34 proposed amendments to the Uniform Law recommended by the Council following extensive consultation with local regulatory authorities and other stakeholders.

The proposed amendments aim to:

- clarify the effect and operation of certain provisions
- enhance protection of consumers of legal services
- remove the potential for unintended consequences and perverse outcomes
- improve administrative efficiencies, and

- resolve inconsistencies and drafting anomalies.

The Council is working with the NSW and Victorian Departments to progress these amendments.

UNIFORM GENERAL RULE 111A ON INDEXATION

In May, the *Legal Profession Uniform Law (Indexed Amounts) Notice 2021* was published. The Notice ensures that the NSW and Victorian Legal Services Commissioners and the Victorian Civil and Administrative Tribunal maintain their jurisdiction to determine costs disputes in line with inflation.

VICTORIAN ROYAL COMMISSION INTO THE MANAGEMENT OF POLICE INFORMANTS

In November, the final report and recommendations of the Victorian Royal Commission into the Management of Police Informants was released.

The report includes 14 recommendations relating to legal profession regulation, some of which may require amendments to the Uniform Law framework, including:

- providing the Victorian Legal Admissions Board with additional powers to request and consider documentation from other agencies for the purpose of assessing applicants for admission to the legal profession
- clarifying and harmonising the duty of confidentiality and its exceptions as contained in the separate conduct rules for solicitors and barristers
- harmonising the powers of local regulatory authorities in the continuing professional development rules for solicitors and barristers
- introducing a mandatory requirement for lawyers to report the suspected misconduct of other lawyers.

The Victorian Government is progressing these recommendations in consultation with the Council, local regulatory authorities and other relevant stakeholders.

The Uniform Law in Action

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 NSW and Victoria 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 Regulation 2015* (NSW)

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

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, and works with the local regulatory authorities to ensure they each maintain and publish a current Register of Delegations. The Council publishes a link to these registers on its website.

There were no delegations made during the reporting period.

Features and Benefits of the Uniform Law Scheme

A COMMON FRAMEWORK FOR REGULATION OF THE LEGAL PROFESSION

- The Uniform Law contemplates a national Australian legal profession with benefits for government, lawyers and consumers provided on a nationally consistent basis
- Currently, 68% of all legal practitioners Australia-wide are covered by the Uniform Law framework. When Western Australia joins the scheme, this figure will increase to 75%
- Harmonisation of the regulation of the legal profession creates a seamless national legal market. Law practices can benefit from a common regulatory framework

REGULATORY AUTONOMY REMAINS FOR STATES AND TERRITORIES

- States and territories can retain their existing local regulatory arrangements under the Uniform Law
- The Application Acts may provide for the retention of unique regulatory arrangements
- Supreme Court admissions and supervisory roles remain unchanged
- The Council is a high-level policy and rule-making body and is not involved in individual cases

A LOW COST SCHEME

- The notional cost of the Uniform Law scheme is under \$30 annually per legal practitioner
- The source of each participating jurisdiction's contribution is a matter for them to determine

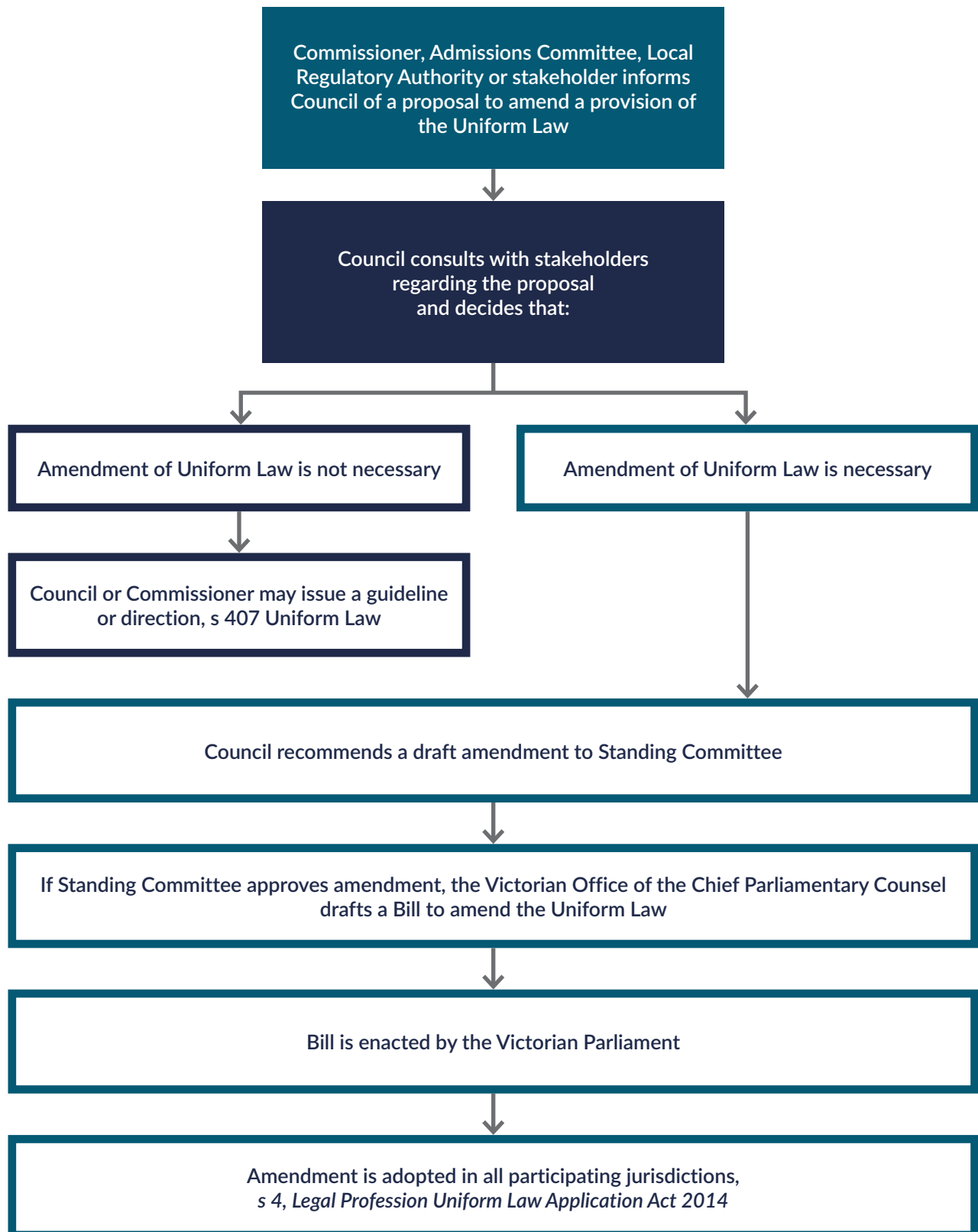
A COLLABORATIVE APPROACH

- The Uniform Law framework encourages collaboration between local regulatory authorities to identify and promote agreed best practice
- The Council and Commissioner hold regular liaison meetings with local regulatory authorities and an annual Uniform Law Summit to bring regulators together to discuss issues and initiatives

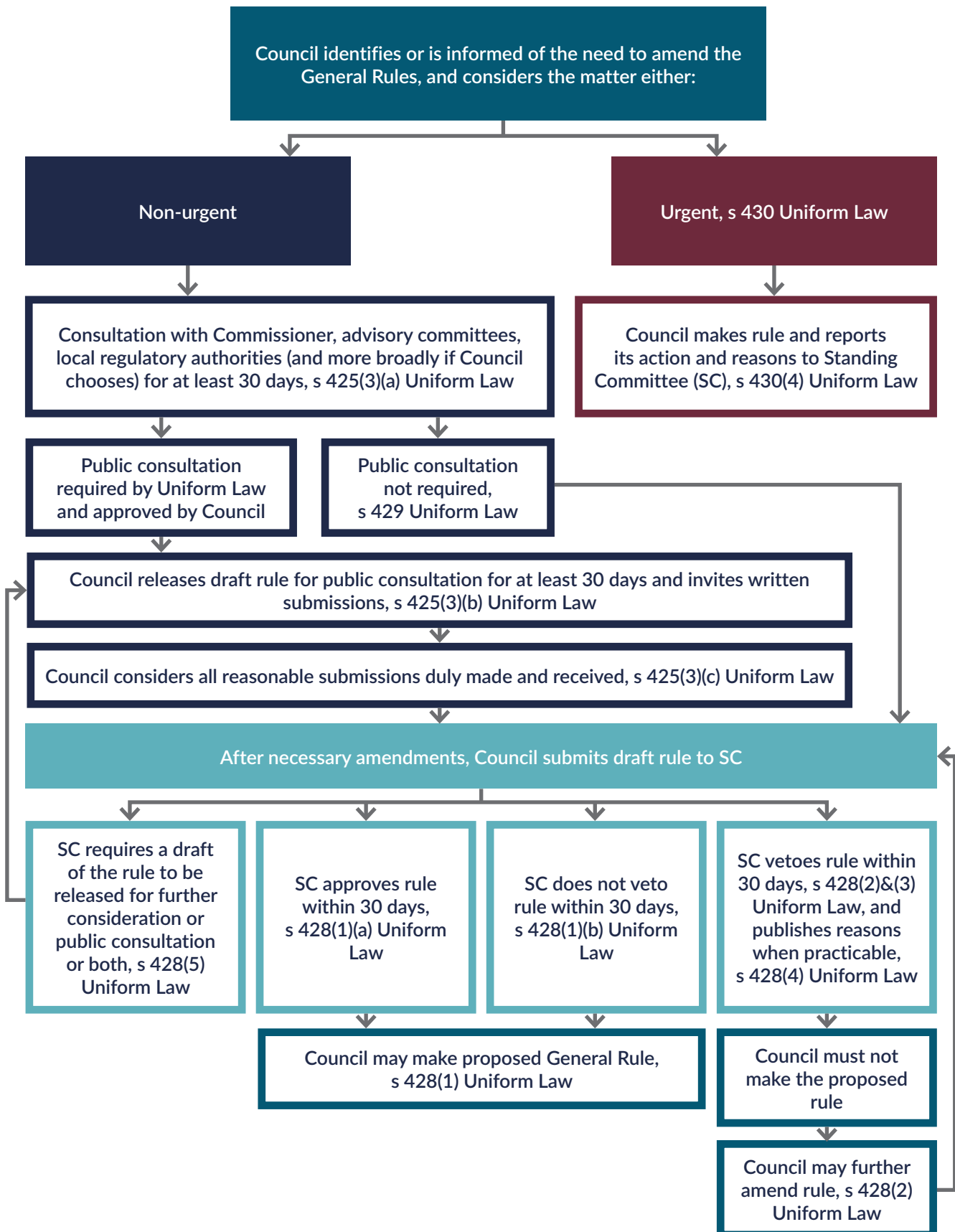
INPUT INTO THE UNIFORM LAW SCHEME

- All participating Attorneys General are members of the Standing Committee of Attorneys General that oversees the Council and approves changes to the Uniform Law
- The Council and Admissions Committee can be expanded to accommodate new participating jurisdictions
- An Intergovernmental Agreement provides for arrangements between participating jurisdictions and requires consultation on Uniform Law changes
- There is a mandated minimum of 30 days consultation for rule changes

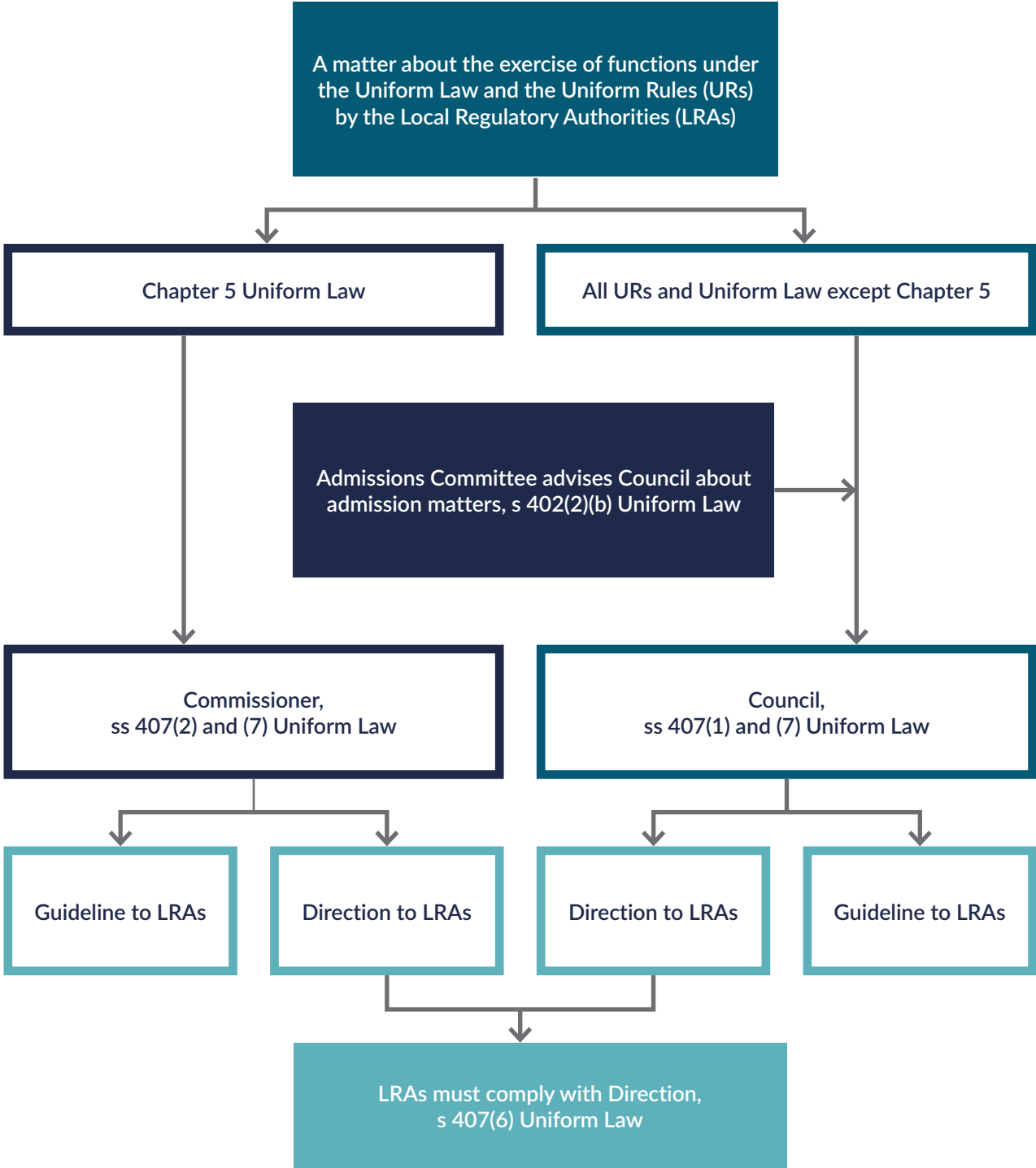
Amending the Uniform Law



Amending the Uniform General Rules under the Uniform Law



Making Guidelines and Directions under the Uniform Law



Progress against our Strategic Plan 2020–2021

GOAL 1: ACHIEVE NATIONAL IMPLEMENTATION OF THE UNIFORM LAW	
Priority actions	Work undertaken/completed
1.1 Work with the Standing Committee and Departments of Justice in NSW, Victoria and WA to achieve national implementation	
<p>Standing Committee (SC)</p> <ul style="list-style-type: none"> • Meetings and six-monthly reports • Annual Reports <p>NSW and Victorian Departments of Justice</p> <ul style="list-style-type: none"> • Meetings and regular liaison about policy matters and expansion of the Uniform Law (UL) scheme 	<ul style="list-style-type: none"> • The Legal Services Council (Council) sent six-monthly reports to the SC in July and January • The Council and Commissioner for Uniform Legal Services Regulation's (Commissioner) 2019-20 Annual Reports were provided to the Victorian and NSW Parliaments and tabled on 10 and 17 December • The CEO met with Department representatives in October, December and June • Secretariat policy officers met with Departmental policy officers in June and regularly liaised with them about policy matters
1.2 Continued engagement with the participating jurisdictions to collaborate on the operation of the Uniform Law	
<ul style="list-style-type: none"> • Regular liaison with designated local regulatory authorities (DLRAs) 	<ul style="list-style-type: none"> • In August, November and May, the CEO held DLRA Executive meetings • Secretariat policy officers met with DLRA policy officers in February and May and with policy officers from admitting authorities in February and June
1.3 Continued engagement with the non-participating jurisdictions (NPJ) to understand their perspectives, address any issues and promote the Uniform Law	
<ul style="list-style-type: none"> • Regular liaison with non-participating jurisdictions and stakeholders 	<ul style="list-style-type: none"> • In July, the Secretariat liaised with the Law Society of South Australia about the UL scheme • In January and February, the Chair and CEO met with the Law Society of Tasmania and the Legal Profession Board of Tasmania • In June, the Chair and CEO met with the ACT Law Society • In this period, the COVID-19 pandemic and associated travel restrictions prevented a number of planned visits to key stakeholders in non-participating jurisdictions
1.4 Support WA joining the Uniform Law scheme	
<ul style="list-style-type: none"> • Regular liaison with the WA Solicitor General • Regular liaison with the WA, NSW, and Victorian Departments of Justice • Liaison with the Legal Practice Board of WA (LPBWA), the Law Society of WA and the WA Bar Association 	<ul style="list-style-type: none"> • The WA Solicitor General participates as an observer at Council meetings • The Hon Justice Rene Le Miere participates as a WA observer at the Admissions Committee meetings • The CEO continued discussions with the Executive Director of the LPBWA about issues relevant to WA joining the UL scheme • WA stakeholders were consulted on UL issues in accordance with the Intergovernmental Agreement

GOAL 2: ENSURE THAT THE UNIFORM LAW SCHEME IS A RESPONSIVE REGULATORY REGIME FOR THE LEGAL PROFESSION IN AUSTRALIA

Priority actions	Work undertaken/completed
2.1 Ensure the Uniform Law remains an effective regulatory regime	
2.2 Recommend Uniform Law changes, as appropriate	
Managed Investment Schemes (MIS) <ul style="list-style-type: none"> Finalise the MIS Rules Review project 	<ul style="list-style-type: none"> In July, the Council published its Report on the Review of MIS Rules and invited submissions on revised guidance material in relation to the MIS Rules In May, the Council commenced a public consultation on proposed amendments to MIS Rule 91B
First Priority Amendments to the Uniform Law <ul style="list-style-type: none"> Finalise the First Priority UL Amendments project 	<ul style="list-style-type: none"> In September, the SC approved, in principle, 34 proposed amendments to the UL The Secretariat is working with the Departments to progress the amendments
Royal Commission into the Management of Police Informants (RCMPI) <ul style="list-style-type: none"> Undertake consultation on relevant recommendations 	<ul style="list-style-type: none"> In February, the Council consulted with DLRA's and other stakeholders about relevant recommendations made by the RCMPPI and provided a report to the RCMPPI Implementation Taskforce in April In April, May and June, the Secretariat attended Legal Profession Regulation Working Group meetings, convened by the RCMPPI Implementation Taskforce
2.3 Recommend Uniform Rules and Guidelines changes, as appropriate	
Australian Solicitors' Conduct Rules (ASCR) <ul style="list-style-type: none"> Review the Law Council of Australia's (LCA's) proposal to update the ASCR and to harmonise relevant rules with the Bar Rules 	<ul style="list-style-type: none"> In September, the Council approved amendments to the Legal Profession Uniform Law Australian Solicitors' Rules 2015 (Solicitors' Conduct Rules) proposed by the LCA In April, the Council approved new Rule 11A of the Solicitors' Conduct Rules proposed by the LCA The proposed amendments to the Solicitors' Conduct Rules were submitted to the to the SC for approval in May
Indexation Uniform General Rule (UGR) <ul style="list-style-type: none"> Update and publish indexation amounts 	<ul style="list-style-type: none"> The FY 2020-21 indexed amounts, made pursuant to UGR 111A, came into effect on 1 July In May, the Council published the Legal Profession Uniform Law (Indexed Amounts) Notice 2021, which will apply from 1 July 2021 to 30 June 2022
First Priority Amendments to UL Rules <ul style="list-style-type: none"> Finalise the First Priority Amendment Project in relation to the Uniform Rules 	<ul style="list-style-type: none"> The remaining amendments to the Uniform Rules are dependent on the proposed amendments to the UL referred to in item 2.2 above
Litigation funding schemes <ul style="list-style-type: none"> Undertake public consultation on the interim Legal Profession Uniform Amendment (Litigation Funding Schemes) Rule 2020 	<ul style="list-style-type: none"> The interim Legal Profession Uniform Amendment (Litigation Funding Schemes) Rule 2020 commenced in August A public consultation on the interim Rule commenced in May

GOAL 2: ENSURE THAT THE UNIFORM LAW SCHEME IS A RESPONSIVE REGULATORY REGIME FOR THE LEGAL PROFESSION IN AUSTRALIA

Priority actions	Work undertaken/completed
<p>Interest rate payable on fidelity fund claims</p> <ul style="list-style-type: none"> Review interest rate payable on fidelity fund claims 	<ul style="list-style-type: none"> In August, the Council published a consultation paper seeking views on the interest rate payable on fidelity claims The Council submitted the proposed Legal Profession Uniform Law General Amendment (Interest Rate) Rule 2020 to the SC for approval in October In March, the Council provided further information on the proposed amendment to the SC, as requested
2.4 Undertake Uniform Law projects	
<p>UL Data Sharing Project</p> <ul style="list-style-type: none"> Monitor and review the effectiveness of reports generated from the UL database 	<ul style="list-style-type: none"> The Secretariat continues to monitor and review the effectiveness of reports generated from the UL database, in consultation with the DLRAs A meeting with the DLRAs was held in February
<p>Australian Legal Profession Register (ALPR)</p> <ul style="list-style-type: none"> Develop an electronic register of legal practitioner details in the UL jurisdictions 	<ul style="list-style-type: none"> The ALPR, containing publicly available data about NSW and Victorian legal practitioners, has had over 12,000 views since its launch in December 2019
<p>External Examiners' (EE) Course</p> <ul style="list-style-type: none"> Complete a review of the EE Course 	<ul style="list-style-type: none"> The EE Working Group, which includes technical experts from the DLRAs, met in December and April
2.5 Support the Admissions Committee (AC)	
2.5.1 Assist the AC to review the Uniform Admission Rules (UARs)	
<ul style="list-style-type: none"> Admission of foreign lawyers 	<ul style="list-style-type: none"> In August and November, the Foreign Lawyer Working Group met to consider changes to the foreign lawyer admission provisions and processes In February, the AC consulted with the Chief Justices and admitting authorities in NSW, Victoria and WA about a proposed amendment to the definition of "Board" in the UARs In June, the AC commenced a public consultation on proposed amendments to the UARs relating to foreign lawyers
2.5.2 Provide policy, technical and administrative support	
<ul style="list-style-type: none"> Support the Admissions Committee (AC) and its appointments including three meetings per year 	<ul style="list-style-type: none"> The Secretariat supported AC meetings on 3 September, 18 February and 10 June The Council appointed Dr Elisabeth Peden SC and Mr Ross Drinnan to the AC from 1 July 2021 for a term of three years
<ul style="list-style-type: none"> Provide secretariat support for Law Admissions Consultative Committee (LACC) 	<ul style="list-style-type: none"> The Secretariat supported LACC meetings on 3 September, 18 February and 10 June

GOAL 3: BUILD AWARENESS OF THE BENEFITS OF THE UNIFORM LAW	
Priority actions	Work undertaken/completed
3.1 Provide stakeholders, legal practitioners and consumers with timely and accurate information about the Uniform Law scheme	
<ul style="list-style-type: none"> Regularly update the Council's website and advise stakeholders of UL developments 	<ul style="list-style-type: none"> The website published eight highlights on UL consultations and the Council's activities during this period Information about the appointment of the new Chair and Council members was published in November
3.2 Enhance the profile of the Council and the Admissions Committee in the legal profession	
<ul style="list-style-type: none"> Engage with the legal profession to discuss the role of the Council and AC Regular meetings with stakeholders to discuss the Council, AC and the UL 	<ul style="list-style-type: none"> In December, the Council hosted its third annual UL Summit in Sydney attended (in person or via video-link) by the DLRAs, LPBWA, and NSW and Victorian Departments See 1.1, 1.2 and 1.4 above
3.3 Promote the Uniform Law scheme in non-participating jurisdictions (NPJs)	
<ul style="list-style-type: none"> Engage and consult with stakeholders in NPJs about joining the UL scheme 	<ul style="list-style-type: none"> The CEO participated in the Australian legal regulators' meetings in July, December and April See 1.3 above
3.4 Identify, develop and realise opportunities to raise awareness of the Uniform Law scheme	
<p>Strategies include:</p> <ul style="list-style-type: none"> Use website to consult and to advise of UL developments Publish a quarterly newsletter Submit UL articles to publications Monitor media re UL 	<ul style="list-style-type: none"> The website regularly publicises changes to the UL, Rules, consultations and other developments In this period, there were 73,130 visits to the website Newsletters have continued to be published quarterly, and a special edition was published in October to acknowledge the outgoing Chair and Council members

GOAL 4: CONTINUE TO ADMINISTER A WELL-GOVERNED ORGANISATION	
Priority actions	Work undertaken/completed
4.1 Support the Council and the Audit and Risk Committee	
4.1.1 Council	
<p>Effectively support the Council:</p> <ul style="list-style-type: none"> Convene five Council meetings per year Undertake policy development and implementation Provide administrative support 	<ul style="list-style-type: none"> The Secretariat supported Council meetings on 30 July, 23 September, 25 November, 9 February and 27 April

GOAL 4: CONTINUE TO ADMINISTER A WELL-GOVERNED ORGANISATION

Priority actions	Work undertaken/completed
4.1.2 Audit and Risk Committee (ARC)	
<ul style="list-style-type: none"> • Convene three meetings per year • Follow the ARC annual plan • Review and recommend a triennial budget to the Council 	<ul style="list-style-type: none"> • The Secretariat supported ARC meetings on 28 July, 16 September and 9 February • The Council appointed Council members Murray Baird and Elizabeth Harris to the ARC in November
4.2 Comply with statutory reporting requirements	
<ul style="list-style-type: none"> • Publish Annual Reports for the Council and Commissioner 	<ul style="list-style-type: none"> • The 2019-20 Annual Reports were distributed in December to key stakeholders and published on the website
<ul style="list-style-type: none"> • Monitor and review the Council triennial budgets 	<ul style="list-style-type: none"> • The Council's Triennial Budget FY2019-21 was approved by the SC on 10 September 2018
<ul style="list-style-type: none"> • Comply with NSW Audit Office (AO) requirements and NSW applied statutes 	<ul style="list-style-type: none"> • The NSW AO requirements for FY 2019-20 were met, resulting in unqualified audits for the Council and Commissioner
4.3 Review and implement Council's governance and business arrangements	
<ul style="list-style-type: none"> • Annual review and update of Council's governance documents • Monitor the Corporate Services Agreement (CSA) arrangements 	<ul style="list-style-type: none"> • In February, the ARC approved updated Council's governance documents • The Secretariat continues to monitor the CSA arrangements
4.4 Foster a productive and collegiate workplace	
<ul style="list-style-type: none"> • Encourage effective teamwork and staff development • Implement performance appraisal process including staff training/development 	<ul style="list-style-type: none"> • The CEO and policy officers met regularly to discuss priorities • A new Principal Policy Officer commenced in October • Performance reviews were conducted in July, December and June • Relevant staff training was identified and undertaken



REPORT OF THE COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION 2020/2021

ANNUAL REPORT

2020/2021

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6 October 2021

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

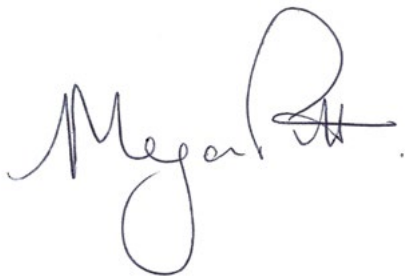
Dear Mr Cameron AO,

Annual Report for 2020-2021

I submit my Annual Report for 2020–2021 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 me as Commissioner, as the financial statements of the Council and for my office are consolidated with those for the Council, 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.



Megan Pitt

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

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Commissioner's Report

It is my pleasure to present my fourth Annual Report as Commissioner for Uniform Legal Services Regulation. The three priorities of the Commissioner's role, as set out in s 398 of the Uniform Law, provide a useful framework for reporting on these matters.

PROMOTE COMPLIANCE WITH THE UNIFORM LAW AND UNIFORM RULES

As Commissioner, I ensured that the professional indemnity insurance policies of the Australian Capital Territory, Queensland, Northern Territory, South Australia, Tasmania and Western Australia for the year were compliant with the Uniform Law and Rules. This ensures that legal practitioners in those jurisdictions are also insured for legal services provided in Uniform Law jurisdictions.

During the year, the final stages of the five-year review of the external examiners' course materials were mapped out with the assistance of technical experts from local regulatory authorities, to preserve a uniform approach on the nature of the external examination process and the role of course presenters.

In December, I approved the end of year trust forms and assessment questions for the external examiners' course for 2021 under Council delegation.

CONSISTENT AND EFFECTIVE IMPLEMENTATION OF CHAPTER 5 PROVISIONS

As Commissioner, I have continued to convene quarterly meetings with the Victorian and NSW Legal Services Commissioners, the CEO of the Law Society of NSW, and the Executive Directors of the NSW Bar Association and Legal Practice Board of Western Australia, to promote information sharing and the consistent application of Chapter 5 provisions and to identify best practice in regulatory matters.

This year, I commenced a new initiative of regular liaison meetings between the Secretariat policy officers and the local regulatory authorities' and admitting authorities' policy officers, and with representatives of the Departments of Justice in NSW, Victoria and Western Australia. These meetings provide a forum for enhanced information sharing and collaboration, and the further development of working relationships with our key stakeholders.

Local regulatory authorities have continued to electronically transfer data in relation to their Chapter 5 functions to our Uniform Law database. This database provides a basis for comparing and analysing complaints data and enables emerging issues or trends to be identified.

The COVID-19 pandemic generated challenges for all of us in the Uniform Law scheme. I have been very impressed by the measures taken by local regulatory authorities to ensure that legal regulation continued to operate effectively, despite the pandemic.

RAISE AWARENESS OF THE UNIFORM LAW FRAMEWORK AND ITS OBJECTIVES

Over the past year, I have continued to engage with other jurisdictions to encourage their participation in the Uniform Law scheme, including meetings with the legal profession regulators in Tasmania and the Australian Capital Territory. These meetings discussed the Uniform Law scheme and opened a dialogue about issues specific to these jurisdictions.

During this period, I also attended meetings with the Law Council of Australia, Australian Bar Association and Commonwealth Attorney-General's Department to discuss matters relating to the Uniform Law scheme.

The COVID-19 pandemic and associated travel restrictions prevented several planned visits to key stakeholders in non-participating jurisdictions. As travel restrictions ease, I will visit other jurisdictions to encourage their consideration of joining the Uniform Law scheme.

Megan Pitt

Commissioner for Uniform Legal Services Regulation

Roles and Responsibilities

ROLES AND RESPONSIBILITIES OF THE COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION

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

The Commissioner, Megan Pitt, 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.

Section 398 of the Uniform Law provides that the role of the Commissioner is 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.

COMMISSIONER'S REPORTING OBLIGATIONS

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 past year.

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. There were no delegations of the Commissioner's functions during the reporting period.

COMPLIANCE FUNCTIONS

The Commissioner has complied with the requirements of clause 10 of Schedule 2 to the Uniform Law, detailed in this report, including: analysis of statistical information about complaints (pages 38-53), publication of audited information submitted by fidelity funds (pages 53-54) and audited consolidated financial statements (page 57). See also the Highlights section of Commissioner's Report (pages 34-35).

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 formally 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 2021. 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 regularly evaluate the Uniform Law scheme to identify whether outcomes reflect intended objectives, or whether change is needed, including in specific areas referred to them by the Standing Committee.

Highlights of 2020–2021

The role of the Commissioner for Uniform Legal Services Regulation is to promote compliance with the requirements of the Uniform Law and Uniform Rules, to ensure that the dispute resolution and professional discipline provisions set out in Chapter 5 of the Uniform Law are applied consistently and effectively, and to raise awareness of the Uniform Law framework and its objectives.

MEETINGS WITH UNIFORM LAW STAKEHOLDERS

DLRA Executive meetings

During the year, the Commissioner has continued to host designated local regulatory authority (DLRA) Executive meetings by videoconference. These meetings are convened to bring together the key Executives in the Uniform Law scheme to share and discuss significant strategic initiatives, and to assist the Council in setting its priorities.

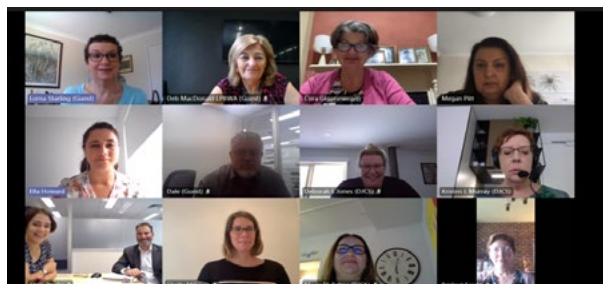
Attendees include Fiona McLeay, Victorian Legal Services Commissioner; Sonja Stewart, CEO, Law Society of NSW; John McKenzie AO, NSW Legal Services Commissioner; Greg Tolhurst, Executive Director, NSW Bar Association; Libby Fulham, Executive Director, Legal Practice Board of Western Australia; and Russell Daily, Law Complaints Officer, Legal Profession Complaints Committee (WA).



Top row (L-R): Russell Daily, Libby Fulham and Megan Pitt
Bottom row (L-R): John McKenzie AO, Greg Tolhurst and Fiona McLeay

Admission authority meetings

In 2021, the Commissioner initiated liaison meetings with Secretariat policy officers and representatives of the Legal Practice Admission Board (NSW), the Victorian Legal Admissions Board and the Legal Practice Board of Western Australia to discuss the work of the Admissions Committee, share admissions issues and practices, and promote consistency and best practices.



Top row (L-R): Lorna Starling (LPBWA), Deb MacDonald (LPBWA), Cora Groenewegen (LSC) and Megan Pitt (LSC)
Middle row (L-R): Ella Howard (LSC), Dale Wescombe (LPBWA), Deborah Jones (VLAB) and Kristen Murray (VLAB)
Bottom row (L-R): Chris Banks and Leigh Plater (LPAB), Chelly Milliken (LSC), Maria Di Palma (VLAB) and Bridget Sordo (LSC)

DLRA policy officer meetings

In 2021, the Commissioner also convened regular meetings with Secretariat policy officers and the DLRA policy officers from NSW, Victoria and Western Australia. These meetings provide a forum for enhanced information sharing and collaboration, and the further development of working relationships with these key stakeholders.



Top row (L-R): Ella Howard (LSC), Chelly Milliken (LSC), Heather Moore (LSNSW) and Cath Carroll, Catherine McKinnon and Dale Wescombe (LPBWA)
Bottom row (L-R): Megan Pitt (LSC), Michelle Marfurt (VLSB+C) and Samantha Gulliver (OLSC)

Justice Department meetings

In 2021, the Commissioner organised regular meetings with the policy officers from the Secretariat and the NSW, Victorian and Western Australia Departments to discuss Uniform Law issues and upcoming developments.

Trust Investigations Departments meeting

In December, the Commissioner and Senior Executive Officer met with representatives from the Victorian Legal Services Board and Commissioner, the Law Institute of Victoria, the Law Society of NSW and the Legal Practice Board of Western Australia's Trust Investigations Departments to

discuss trust account issues generally and in relation to COVID-19, and to apply consistent practices in the Uniform Law jurisdictions.

Australian legal regulators meetings

In July, December and April, the Commissioner participated in the Australian legal regulators' teleconferences which were attended by legal regulators from all Australian jurisdictions. The Commissioner reports under a standing agenda item on developments in the Uniform Law scheme.

Law Council of Australia and Australian Bar Association meetings

During the year, the Commissioner met with the CEO's of the Law Council of Australia and Australian Bar Association to discuss conduct rules for solicitors and barristers, solutions to address sexual harassment in the legal profession and the Victorian Royal Commission into the Management of Police Informants.



L-R: Michael Tidball (Law Council of Australia), Alan Cameron AO (Chair, Legal Services Council) and Greg Tolhurst (Australian Bar Association)

AUSTRALIAN LEGAL PROFESSION REGISTER (ALPR)

The ALPR, which contains publicly available details of the names, practising certificates and location of NSW and Victorian legal practitioners, with links to the Registers of Disciplinary Action in the Uniform Law jurisdictions, has had over 12,000 views since its launch in December 2019.

LEGAL PROFESSION UNIFORM LAW LIBRARY

The Council's online searchable library, housed in AustLII, contains Uniform Law legislation, case law, guidelines and directions made under the Uniform Law. The library continues to operate well and assists legal practitioners and consumers to stay up to date with relevant Uniform Law developments, with 24,476 enquires for the period 1 July 2020 to 30 June 2021.

DATA SHARING PROJECTS UNDER SECTION 440 OF THE UNIFORM LAW

The Uniform Law database includes data shared electronically by local regulatory authorities in relation to their complaints and admissions functions. That data is published annually in this report.

During the year, the Secretariat worked with the local regulatory authorities to verify the accuracy of the data reports and discussed ways to further streamline the transfer and integration of complaints and admissions data to the database. Data maps, information and assistance was also provided to the Legal Practice Board of Western Australia in preparation for the transfer of data from Western Australia in 2022.

EXTERNAL EXAMINERS' COURSE

In December, the end of year trust forms and assessment questions for the external examiners' course were approved for 2021 by the Commissioner under Council delegation.

During the year, the Secretariat continued its five-year review of the external examiners' course materials which is being conducted with the assistance of a working group comprising technical experts from local regulatory authorities, which is scheduled for completion by the end of the year.

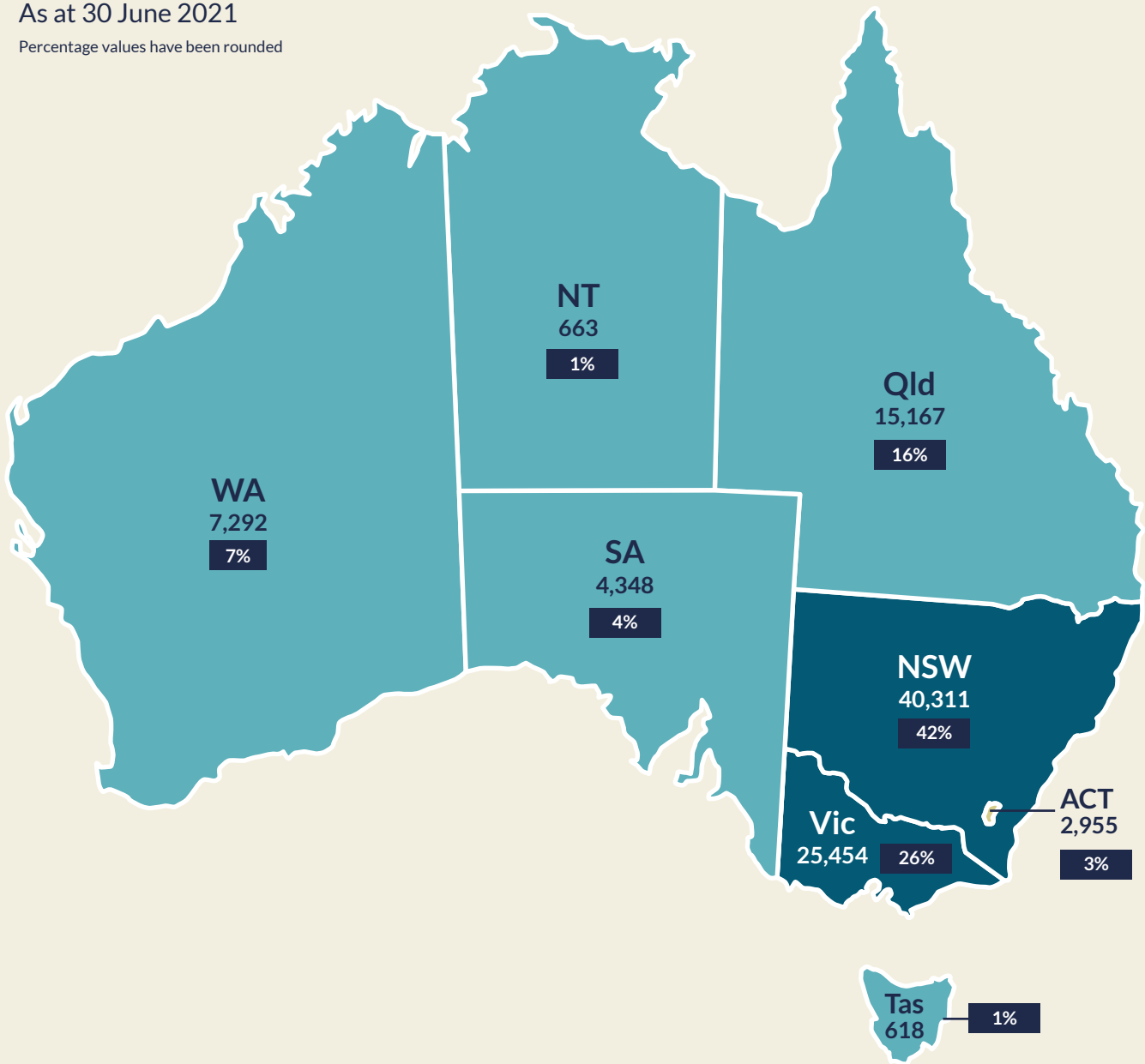
LEGAL PROFESSION SNAPSHOT

NUMBER OF LEGAL PRACTITIONERS (SOLICITORS AND BARRISTERS)

AUSTRALIA-WIDE

As at 30 June 2021

Percentage values have been rounded

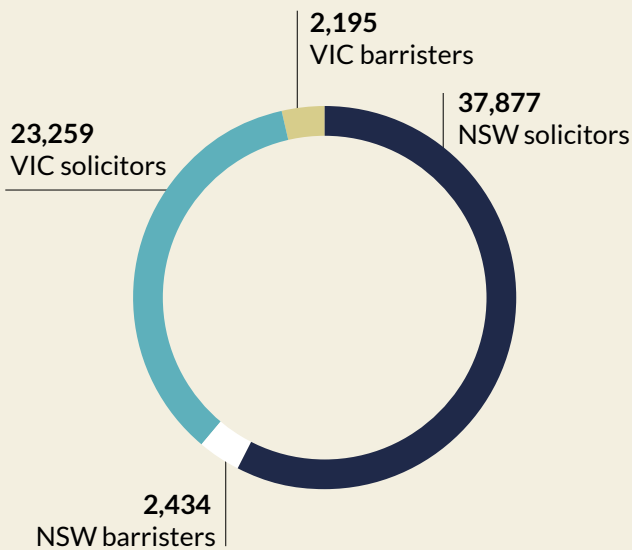


Of the **90,326** solicitors Australia-wide, the largest proportion of solicitors are registered in NSW (**41.9%**) followed by Victoria (**25.8%**)

There are **96,808** legal practitioners in Australia



NUMBER OF LEGAL PRACTITIONERS UNDER THE UNIFORM LAW



The number of legal practitioners (solicitors and barristers) regulated by the Uniform Law framework is **65,765** (4.5% increase since 1 June 2020). This figure represents **68%** of all legal practitioners Australia-wide.

NSW solicitors: 37,877 barristers: 2,434
Total number of legal practitioners in NSW: 40,311

VIC solicitors: 23,259 barristers: 2,195
Total number of legal practitioners in VIC: 25,454

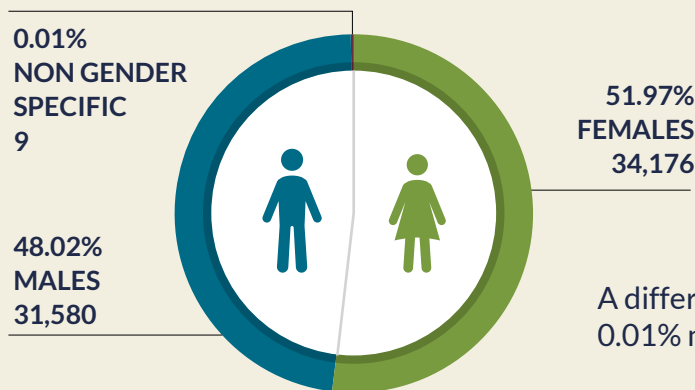
There are **96,808** legal practitioners in Australia*

Solicitors (61,136) make up 93% of the legal profession across the two Uniform Law jurisdictions

Solicitors in the Uniform Law jurisdictions (61,136) comprise 67.7% of solicitors Australia-wide

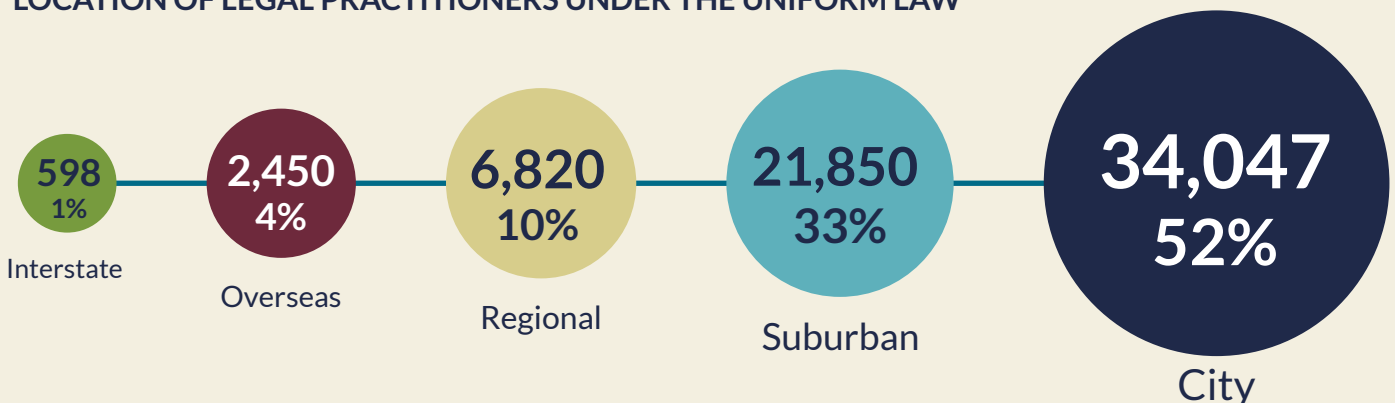
Barristers in the Uniform Law jurisdictions (4,629) represent 71.4% of barristers Australia-wide

LEGAL PRACTITIONERS UNDER THE UNIFORM LAW BY GENDER



A difference of 3.95% between the sexes with 0.01% not identifying as male or female

LOCATION OF LEGAL PRACTITIONERS UNDER THE UNIFORM LAW



* Figures are based on practising certificates issued by State and Territory authorities as at 30 June 2021

Uniform Law Data Analysis

PERSPECTIVE

The Commissioner has a statutory obligation under clause 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 to ensure the achievement of its objectives.

The following report analyses the fifth full year of statistics on the operation of Chapter 5 of the Uniform Law (complaints and discipline) in NSW 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.

This report also includes data on Chapter 3 (admissions) received from the Legal Profession Admission Board (NSW) and the Victorian Legal Admissions Board. These bodies are DLRAs under the Uniform Law.

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.

Percentages in this report are rounded to the nearest percentile.

THE UNIFORM LAW DATABASE

The Uniform Law database contains de-identified complaints data provided monthly by the DLRAs in NSW and Victoria from 1 July 2015 and de-identified admissions data from 1 July 2017. This database serves as a valuable and unique repository of information about legal practitioners, identifying trends and demonstrating progress towards uniformity in the Uniform Law jurisdictions.

During the reporting period, the Secretariat met with the DLRAs individually to discuss enhancements to the data reporting process and to gain a better understanding of the challenges faced by DLRAs categorising complaint types according to the mapping criteria during database upgrades. The Commissioner is grateful for the DLRAs' valuable assistance in the review and for their cooperation each quarter in the necessary data verification process.



L-R: Louise Baber and Maryanna Qiao, OLSC and Slavica Nikiforovska, LSNSW

COMPLAINTS HANDLING AND PROFESSIONAL DISCIPLINE

The reports relating to complaints handling and disciplinary procedures fall into six categories:

1. Total number of opened complaints by jurisdiction
2. Opened complaints by category and jurisdiction
3. Opened complaints by issue and jurisdiction
4. Opened complaints by individual and law practice type
5. Areas of practice associated with opened complaints
6. Number and outcomes of closed complaints.

1. TOTAL NUMBER OF OPENED COMPLAINTS BY JURISDICTION

The total number of opened complaints recorded across NSW and Victoria was 3,372—20% less than the previous financial year (4,189) and 28% less than 2018-2019 (4,660). Both jurisdictions experienced a decrease in complaint numbers.

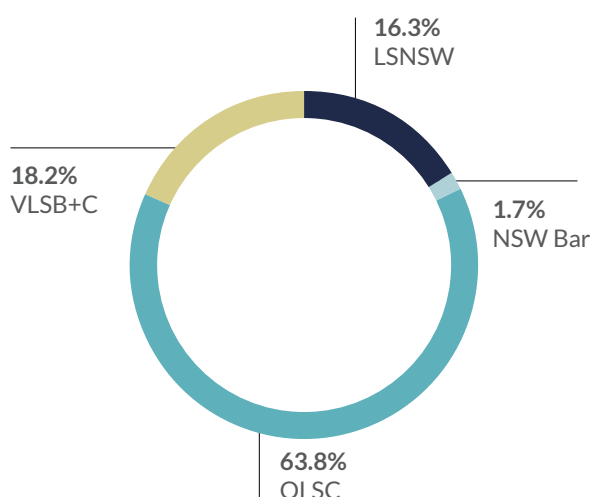
The Victorian Legal Services Commissioner deals with most legal practitioner complaints in Victoria. A small proportion of barrister complaints (0.3%) was dealt with by the Victorian Bar, all of which were carried over from previous years. The large difference in complaint numbers recorded in Victoria (51% decrease from the previous financial year) resulted from a review by the Victorian Legal Services Commissioner of its classification process. Many enquiries, previously classed as complaints, were processed and resolved prior to becoming complaints.

In NSW, the OLSC is the repository of all complaints. Through delegations, the OLSC co-regulates with the LSNSW Council and the NSW Bar Council. Together, the Councils handled 607 or 22% of all NSW complaints. Complaint figures in NSW have decreased by approximately 6% in the last year (from 2,925 to 2,758). The proportion of complaints being dealt with by each NSW DLRA has remained largely the same.

More than half (54%) of the total complaints were closed under s 277 of the Uniform Law after preliminary assessment and, of these closed complaints 38% were found to be vexatious, misconceived, frivolous or lacking in substance.

1.1 Total number of opened new complaints by jurisdiction

DRLA	NSW	VIC	Total
LSNSW	549		549
NSW Bar	58		58
OLSC	2,151		2,151
VLSB+C		614	614
TOTAL	2,758	614	3,372



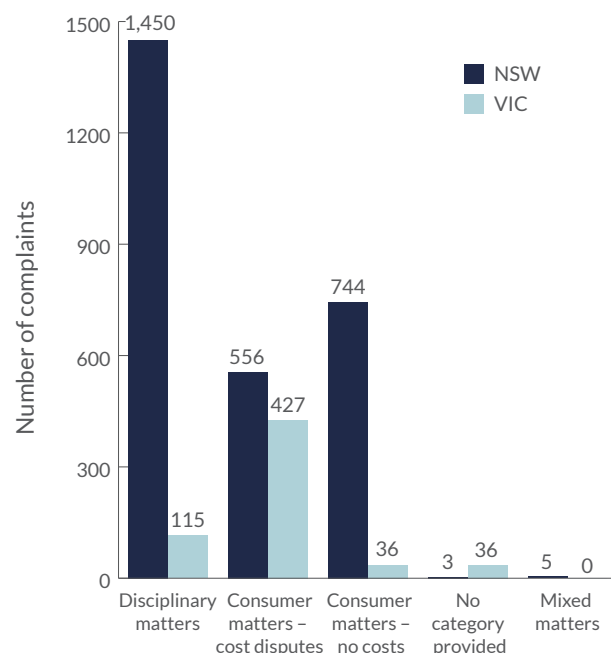
2. OPENED COMPLAINTS BY CATEGORY AND JURISDICTION

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

2.1 Number of opened complaints by category and jurisdiction

Category	NSW	VIC	Total
Disciplinary matters	1,450	115	1,565
Consumer matters - costs disputes	556	427	983
Consumer matters - no costs	744	36	780
No category provided	3	36	39
Mixed matters	5	0	5
TOTAL	2,758	614	3,372

2.1.2 Graph of opened complaints by category and jurisdiction



The highest category of complaints was consumer matters, making up half (1,763 or 52%) of all opened complaints. The majority (56%) of these included a costs dispute.

Graph 2.1 shows those consumer matters that are costs disputes. Overall, costs disputes were present in 29% of all complaints compared with 31% in 2020 and 29% in 2019.

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 accounted for less than half of all new complaints in 2021 (46%), more than in 2020 (43%) and 2019 (44%). This category is broad. It 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.

3. OPENED COMPLAINTS BY ISSUE AND JURISDICTION

The OLSC, LSNSW, NSW Bar and VLSB+C agreed to report on a hierarchy of common complaint types and subtypes as part of the joint mapping exercise conducted during the development of the Uniform Law database; and refined during the three-year review conducted in the previous reporting period.

3.1 Opened complaints by issue and jurisdiction

Complaint type	NSW	VIC	Total
Ethical matters	868	150	1,018
Competence and diligence	695	157	852
Costs	399	348	747
Communication	548	13	561
Compliance matters	135	11	146
Trust money and trust accounts	81	23	104
Personal conduct	22	17	39
Complaint with no type provided	18	0	18
TOTAL	2,766	719	3,485*

* This figure is more than the figure for all opened complaints of 3,372 because a complaint may contain more than one issue.

The highest number of opened complaints by issue across NSW and Victoria fell under the broad heading of 'ethical matters' (1,018 or 29%). 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: 2020-28%; 2019-30% and 2018-29%.

Closely following ethical matters are complaints related to a legal practitioner's competence and diligence (852 or 24% compared with 33% in 2020). This complaint type includes failure to supervise, delay, poor advice/case handling, client capacity, record management, and general incompetence. Poor advice/case handling was the basis of 12% of all complaints, less than the figure of 14% recorded in 2020 and 15% in 2019.

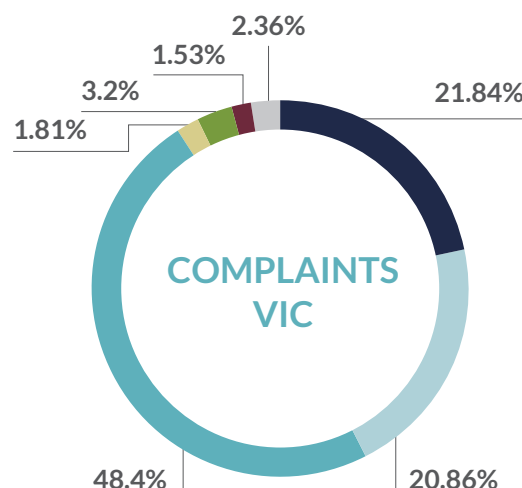
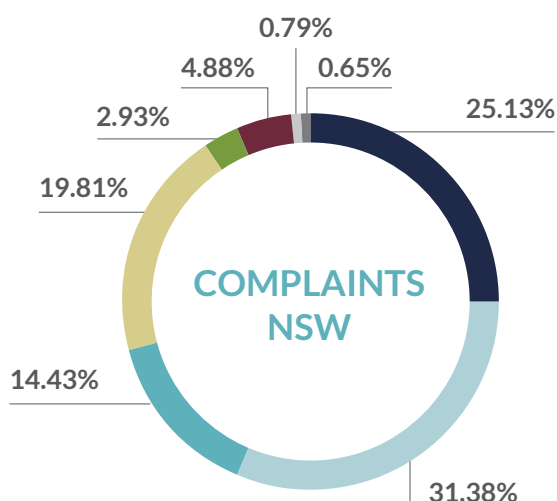
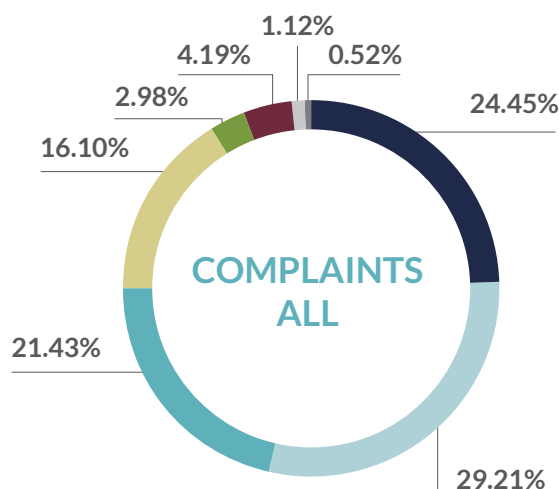
The complaints relating to trust money and trust accounts (3%) are lower than in previous years: 2020-5%; 2019-5% and 2018-4%.

The most common sub-issue across the two jurisdictions is an allegation of overcharging (15%), however this figure is 5% less than in the previous year.

Billing issues comprised 3% of all opened complaints by issue. This figure is similar to 2020 (3%), and well below previous years (2019-7% and 2018-7%). These figures need to be read in the context of the very large number of matters conducted in which bills were issued correctly by law practices and the outcome that only a small portion of these complaints were substantiated.

3.2 Opened complaints by issue and jurisdiction

- Competence and diligence
- Ethical matters
- Costs
- Communication
- Trust money and trust accounts
- Compliance matters
- Personal conduct
- Complaint issue type not provided



4. OPENED COMPLAINTS BY INDIVIDUAL PRACTITIONER AND LAW PRACTICE TYPE

4.1 Opened complaints by individual practitioner type by jurisdiction

Complaints against solicitors ranked highest at 83.8%, consistent with previous years (2020-83% and 2019-87%). Barristers were the subject of 4.6% of all complaints, less than the 2020 figure of 5.3% and the 2019 figure of 5.5%. The other individual practitioner types make up the remaining 11.6%.

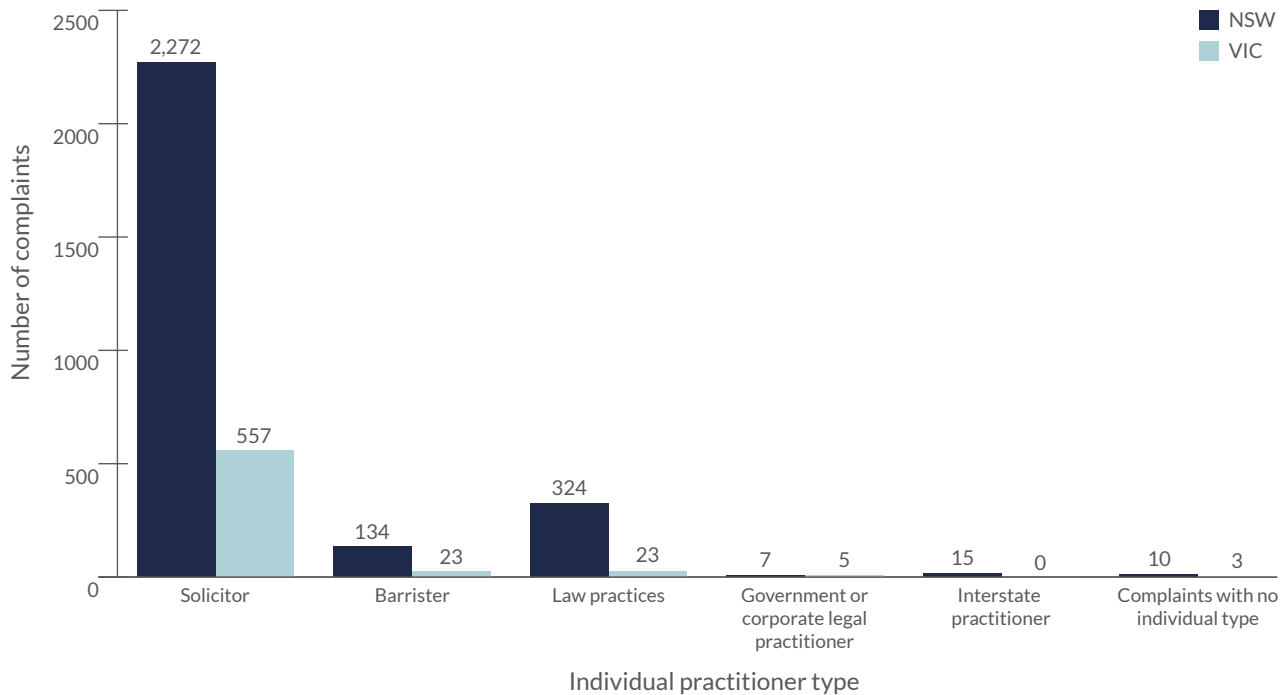
These figures broadly reflect the proportion of solicitors (93%) and barristers (7%) that make up the legal profession in NSW and Victoria.

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

Individual type	NSW	VIC	Total
Solicitor	2,272	557	2,829
Barrister	134	23	157
Complaint against the law practice	324	26	350
Government or corporate legal practitioner	7	5	12
Interstate practitioner	15	0	15
Complaints with no individual type	10	3	13
TOTAL	2,762	614	3,376*

* The total figure is higher than 3,372 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.

4.1.2 Graph of individual practitioner types which were the subject of a complaint by jurisdiction



4.2 Complaints by law practice type by jurisdiction

Over one half of complaints were made against incorporated legal practices (51%), steadily climbing from previous years: 2020-48% and 2019-47%. This reflects an increase in the number of incorporated legal practices in the Uniform Law jurisdictions generally.

Complaints against sole practitioners accounted for 24% of complaints, a decrease from the 2020 figure of 26%, and the 2019 figure of 28%.

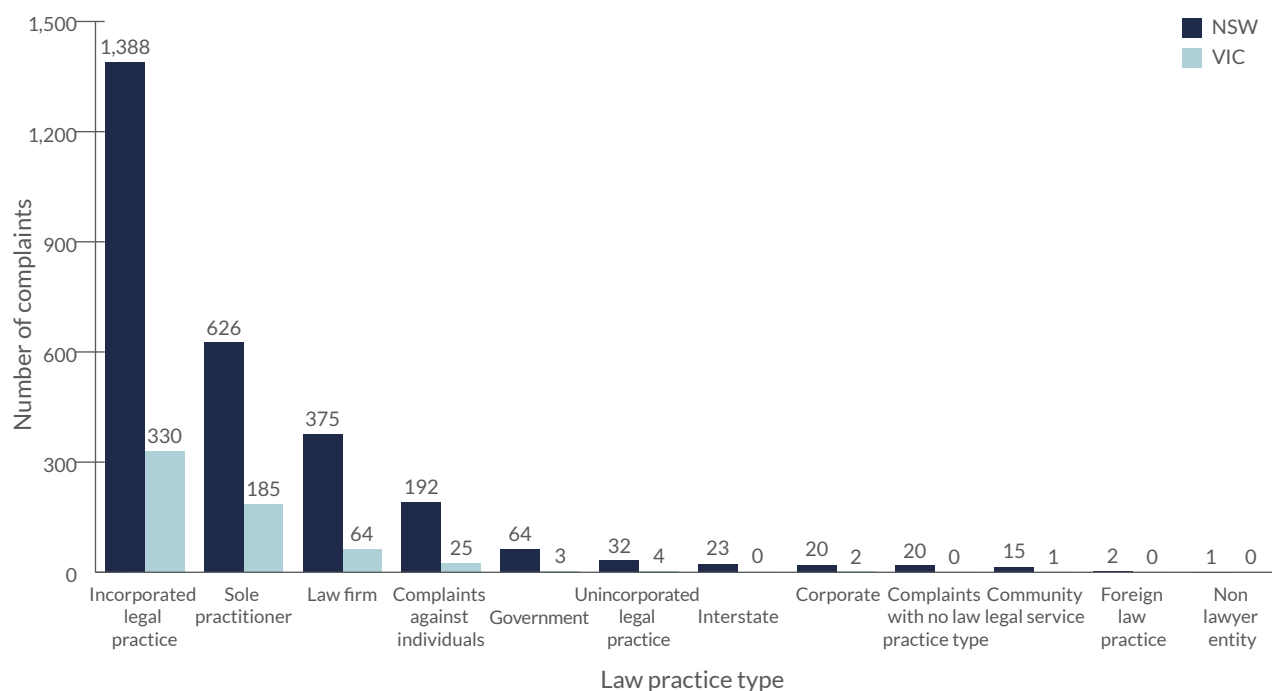
Complaints made against law firms comprise only 13% of all complaints, comparable to the proportion of complaints against law firms in 2020 (13%) and in 2019 (13%).

4.2.1 Breakdown of law practice type which were the subject of complaint by jurisdiction

Law practice type	NSW	VIC	Total
Incorporated legal practice	1,388	330	1,718
Sole practitioner	626	185	811
Law firm	375	64	439
Complaints against individuals	192	25	217
Government	64	3	67
Unincorporated legal practice	32	4	36
Interstate	23	0	23
Corporate	20	2	22
Complaints with no law practice type*	20	0	20
Community legal service	15	1	16
Foreign law practice	2	0	2
Non lawyer entity	1	0	1
TOTAL	2,758	614	3,372

* Complaints with 'no practice type' are captured in 'individual practitioner type' in 4.1 above.

4.2.2 Graph of breakdown of law practice type which were the subject of complaint by jurisdiction



5. AREAS OF PRACTICE ASSOCIATED WITH COMPLAINTS

As in the previous four years, over one fifth (22%) of opened complaints involved family/de facto law matters. The second highest area of law were ‘other civil’ matters (13%) followed closely by commercial/corporations/ franchise matters (12%).

Complaints involving conveyancing matters made up 11% of the total number; an increase from 8% in 2020.

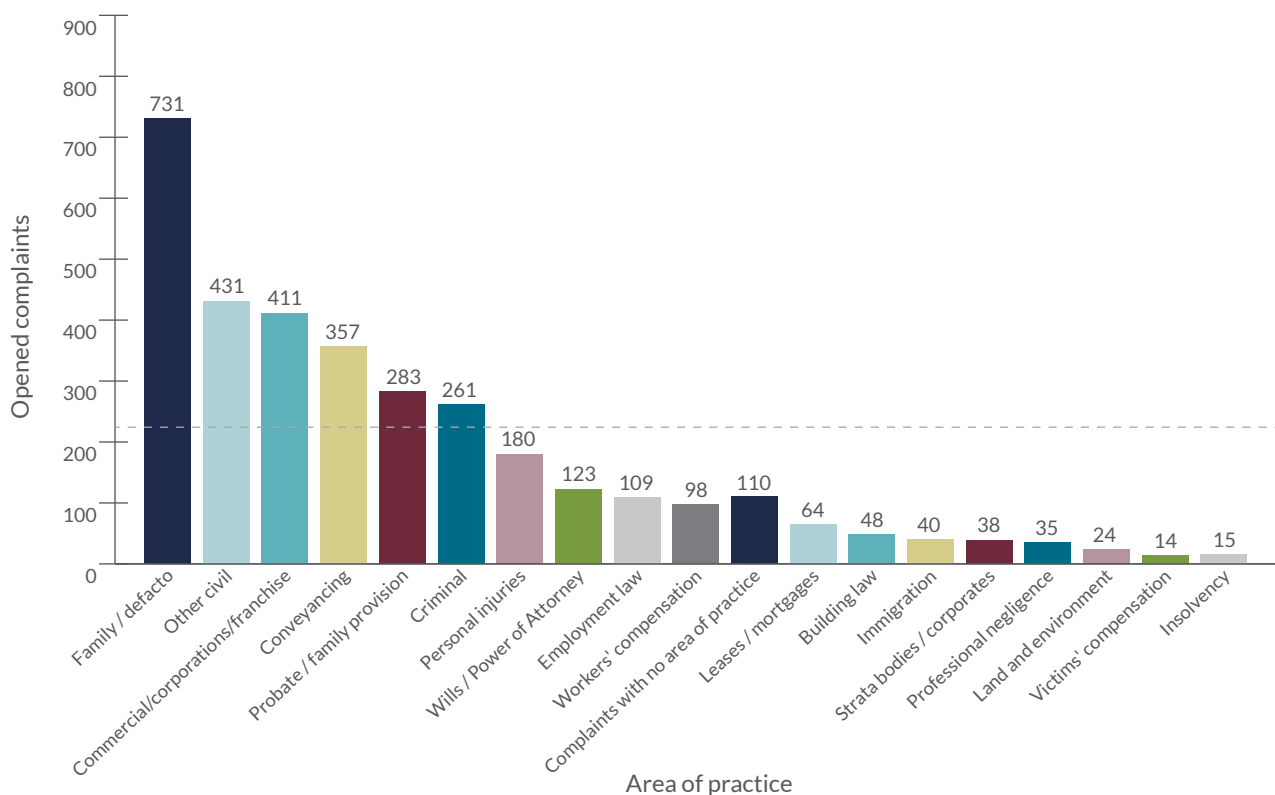
Complaints in probate/family provision claims were down at 8% compared to last year’s figure of 9%. Taken together with the areas of practice of wills, and powers of attorney, this group of claims, also referred to as ‘elder law’ complaints, made up 12% of all complaints.

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.

5.1 Number of complaints by areas of practice

Area of Practice	Total
Family / defacto	731
Other civil	431
Commercial/corporations/franchise	411
Conveyancing	357
Probate/Family provision	283
Criminal	261
Personal injuries	180
Wills / Power of Attorney	123
Employment law	109
Workers’ compensation	98
Complaints with no area of practice	110
Leases / mortgages	64
Building law	48
Immigration	40
Strata bodies/corporates	38
Professional negligence	35
Land and environment	24
Victims’ compensation	14
Insolvency	15
TOTAL	3,372

5.2 Graph of complaints by areas of practice



6. NUMBER AND OUTCOMES OF CLOSED COMPLAINTS

6.1 Average number of opened and closed complaints

Slightly more complaints were closed than opened, with an average monthly ratio of 281 opened to 280 closed.

The total number of complaints closed was 3,362. This figure includes the closure of complaints that were opened prior to 1 July 2020.

During the reporting year, 1,714 of the total 3,372 opened complaints were closed. By 30 June 2021, 51% of the opened complaints were finalised (compared to 61% in 2020), while 49% of complaints remained opened (compared to 34% in 2020).

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.

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

Table 6.3 provides a breakdown of all closed complaints by reference to the relevant provision of the Uniform Law.

The total of 3,398 includes matters commenced prior to the reporting period and excludes duplicate complaints. This figure exceeds the figure for closed complaints (3,362) 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).

6.3 Total number of closed complaints by section

Section	Outcome	2021	2020
273	Withdrawal of complaint	355	606
277	Closure of whole or part of complaint (any reason, any stage) after preliminary assessment ¹	1,828	1,838
287	Informal resolution of consumer matters	936	1,082
288	Mediation	6	9
289	Settlement agreements	0	0
290	Determination of consumer matters by local regulatory authority	9	16
292	Binding determinations in costs disputes	7	5
293	Cases where binding determinations are not made in costs disputes	51	37
299	Determination by local regulatory authority – unsatisfactory professional conduct	76	59
300	Initiation and prosecution of proceedings in designated tribunal	31	18
None	No Uniform Law section ²	99	42
TOTAL		3,398	3,712

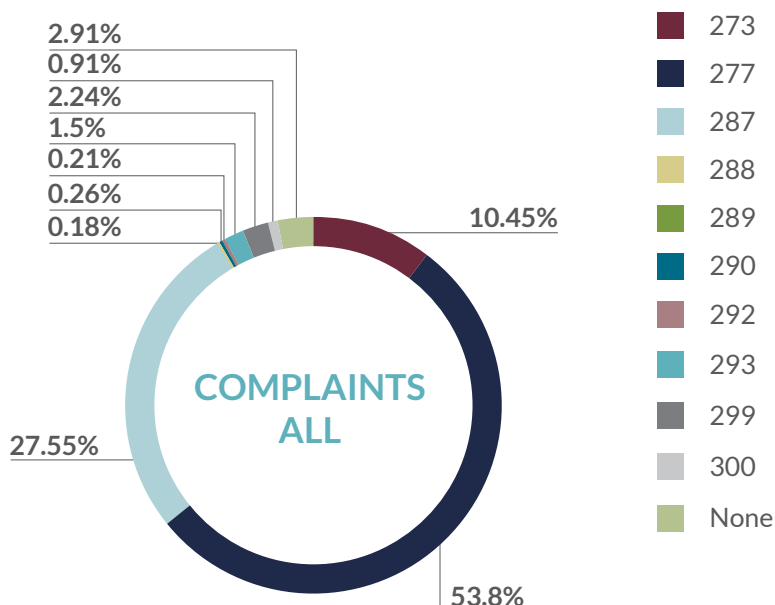
1 This covers matters from pre-assessment stage through to matters that have been fully investigated. See breakdown of s 277 closures below. It excludes duplicate complaints, the subject matter of which has been or is being investigated (s 277(1)(d)).

2 This includes closures after 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.

Overall, 10% of complaints were withdrawn compared with 15% in 2020. Withdrawal of a complaint may occur at any stage of an investigation. In most of these cases, the DLRAs 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. In all, 31 matters were closed when a decision was taken to initiate tribunal proceedings.

6.3.1 Graph of closed complaints by section



6.3.2 Table of closed complaints under s 277(1)

More than half (54%) of the total complaints were closed under s 277, an increase of 8% compared with the previous reporting period. For a breakdown of s 277 closures see the table and graph below.

Section	Outcome	Total
277(1)(a)	Vexatious, misconceived, frivolous or lacking in substance	696
277(1)(h)	DLRA views that complaint cannot result in a disciplinary outcome	473
277(1)(c)	Complainant has not responded or responded inadequately	169
277(1)(b)	Time limit for making complaint was not waived	145
277(1)(j)	DLRA is satisfied that it is in the public interest to close	96
277(1)(i)	No DLRA power to deal with complaint	74
277(1)(d)	Subject matter of the complaint has been or is being investigated	70
277(1)(g)	Subject matter is the subject of civil proceedings, except where a disciplinary matter	50
277(1)(e)	Subject matter better investigated by police or investigatory or law enforcement body	48
277(1)(f)	DLRA has made a recommendation under section 82(4)	22
TOTAL		1,843

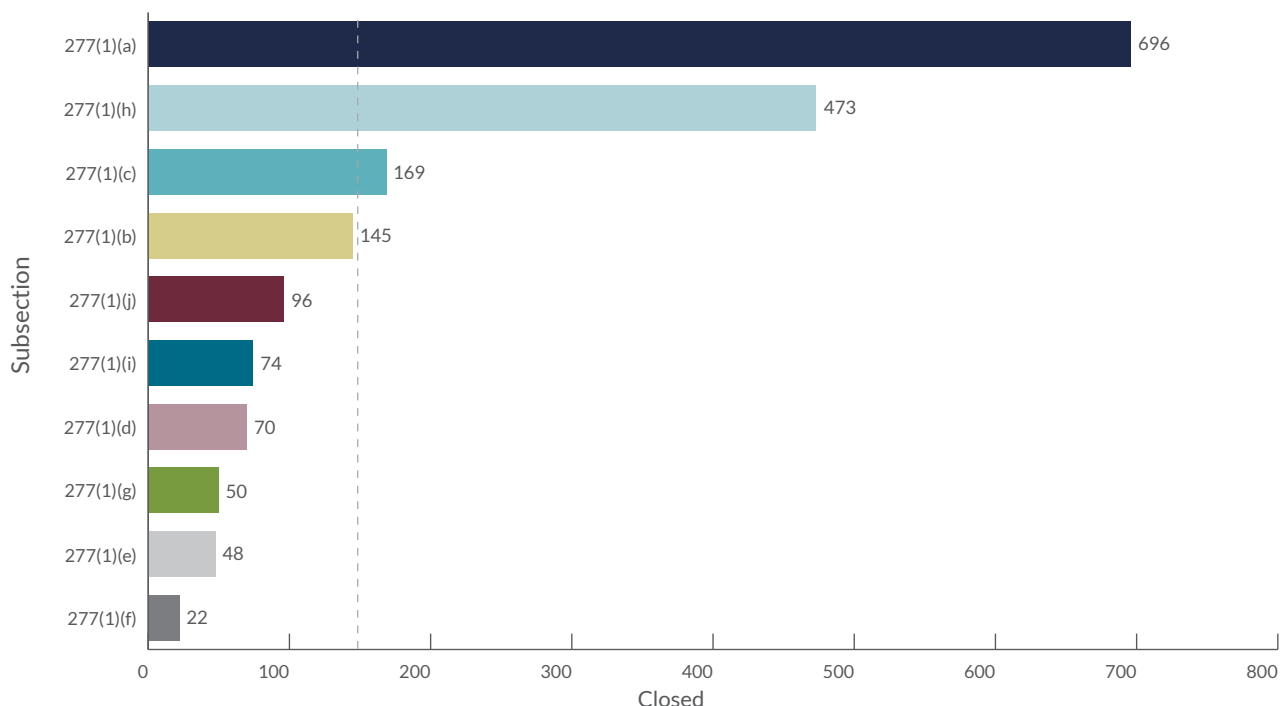
* This figure is more than the figure for all complaints closed under s 277 in table 6.3 (1,828) because a complaint may be closed under more than one subsection of s 277.

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

- the complaint being vexatious, misconceived, frivolous or lacking in substance (20% of all complaints)
- the DLRA forms the view that the complaint cannot result in disciplinary action (14%)
- a failure by the complainant to respond or provide adequate information (5%).

Closure may also occur when the complaint is outside the jurisdiction of the relevant DLRA's powers (2%), or because the complaint would be more appropriately investigated by the police or other investigatory or law enforcement agency (1.4%).

6.3.3 Graph of closed complaints under s 277(1)



6.4 Top ten types of closed complaints by outcome and jurisdiction

In total, 53% of all consumer matters settled through informal dispute resolution under s 287 of the Uniform Law. When a matter is not resolved by these means, an assessment of the information provided by the parties is undertaken and the complaint may be closed for any of the reasons contained in s 277(1).

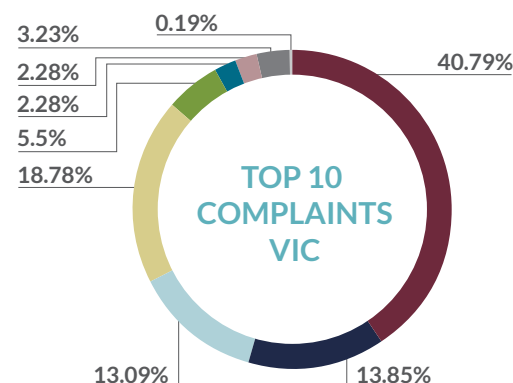
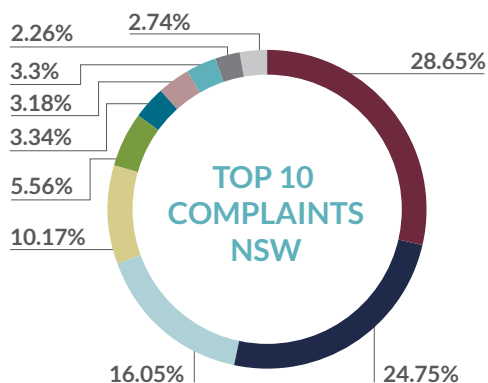
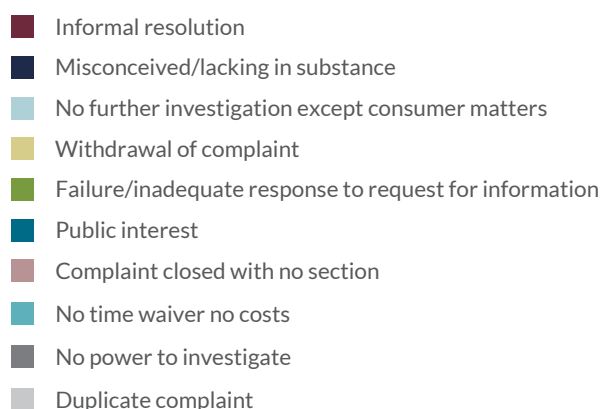
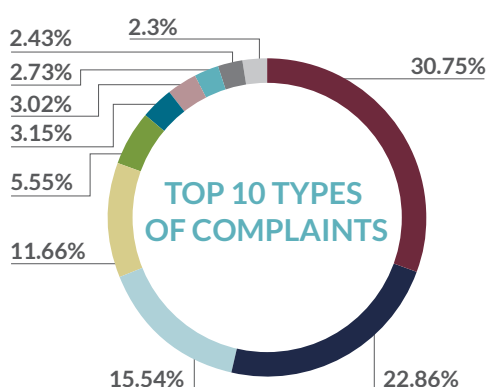
In addition to the 31% of complaints closed for

being misconceived/lacking in substance or withdrawn, a further 14% of complaints consisted of non-consumer matters requiring no further investigation. Taken together this group of complaints made up almost half (45%) of complaints which did not warrant investigation.

The table and graph below represent the top ten types of complaints by outcome and jurisdiction, which is a subset (i.e. 3,044) of all closed complaints (i.e. 3,398).

6.4.1 Top ten types of closed complaints by outcome and jurisdiction

Section	Outcome	NSW	VIC	Total
287	Informal resolution	721	215	936
277	Misconceived/lacking in substance	623	73	696
277	No further investigation except consumer matters	404	69	473
273	Withdrawal of complaint	256	99	355
277	Failure/inadequate response to request for information	140	29	169
277	Public interest	84	12	96
	Complaint closed with no section	80	12	92
277	No time waiver no costs	83	0	83
277	No power to investigate	57	17	74
277	Duplicate complaint	69	1	70
TOTAL		2,517	527	3,044



6.5 Internal reviews under the Uniform Law

Section 313(1) of the Uniform Law provides that the DLRA may (at its absolute discretion) conduct an internal review of a decision made by the DLRA (or its delegate) if the DLRA 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 Commissioner for Uniform Legal Services Regulation's Guideline on Internal Review of Decisions of DLRA's was developed in 2016, to promote consistency in the exercise of statutory functions by DLRA's particularly as to the time within which such requests for internal review are made (30 days).

NSW

In the financial year 2021, the OLSC received 227 requests for an internal review under s 313 of the Uniform Law (as compared with 263 in 2020). In 183 cases for review, the Legal Services Commissioner decided not to exercise his discretion to conduct an internal review on the basis that it was not appropriate. Two internal reviews were conducted, and a new decision was made in both cases.

Of the internal review requests considered by the OLSC, 32 related to decisions made by the LSNSW. In 31 cases the Commissioner declined to exercise his discretion to conduct an internal review and in one complaint, a new decision was substituted.

VICTORIA

In Victoria, only three requests for internal review were considered; one was declined; two requests were accepted with the outcome in one being a confirmation of the original decision. The other accepted review had no outcome as it was still ongoing.

7. DETERMINATIONS

7.1 By Local Regulatory Authority

Determinations by the NSW and Victorian Commissioners are a last resort before a referral to the designated tribunal. As with many regulatory schemes, often the prospect of having a decision

imposed by a tribunal motivates legal practitioners and law practices to settle non-disciplinary complaints beforehand.

The Commissioners have the power under the Uniform Law to make a formal 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, to redo work or reduce fees, undertake further education or supervision, or pay compensation to their client. In disciplinary matters, the Commissioners may order a reprimand or caution if the practitioner is found to have engaged in unsatisfactory professional conduct.

The Commissioners 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 Commissioners during the reporting period. The difference in the number of determinations in NSW and Victoria reflects the difference in the costs assessment processes under local legislation.

Determinations by Commissioner	NSW	VIC	Total
Disciplinary (including cautions & apologies)	17	21	38
Costs dispute	4	3	7
Consumer (non-costs)	6	0	6
TOTAL	27	24	51

It should be noted that any given complaint may have 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.

7.2 By Courts

Throughout the year, the Council monitors Court decisions that refer to the Uniform Law. The following decisions include a discussion or an interpretation of the Uniform Law that sheds light on its operation.

Council of the Law Society of New South Wales v Zhukovska [2020] NSWCA 163

In this case, the Court addressed the difference between suspension and cancellation of a practising certificate, and which is appropriate for issues of fitness to practise. A difference beyond 'technical'

exists between suspension and cancellation of a practising certificate – the principles applicable to the power to suspend do not extend to the power to cancel.

It follows from s 78 of the Uniform Law that if a practising certificate is suspended, then it may be renewed, and when the period of suspension comes to an end, the practitioner will have a practising certificate which is neither suspended nor cancelled, such that the practitioner will be permitted to practise. The right of renewal is subject to the requirements of s 45 of the Uniform Law.

In contrast, if a practising certificate is cancelled, the person will need to make an application to the local regulatory authority for the grant of a new practising certificate.

If a tribunal finds that a person is not presently fit to practise but is not satisfied that the person is permanently or indefinitely unfit to practise, then neither suspension for a specified period nor removal from the roll is appropriate. Rather, a cancellation order is appropriate, coupled with an order preventing application from being made for at least such time during which the tribunal considers that the person will be unfit to practise.

A failure to find that a person will be fit to practise in the future does not equate to a finding that the person will be indefinitely unfit to practise, and does not mean that the person is indefinitely unfit to practise.

If a tribunal is satisfied that the person will likely become fit to practise after a specified period, then an order suspending their practising certificate for that period would be appropriate. If, however, a tribunal is not satisfied that person was probably permanently unfit to practise but was unable to determine when they would become fit to practise, then a cancellation order, not the removal from the roll, is appropriate.

Wang v The Law Society of New South Wales [2020] NSWSC 1741

In this case, the Court considered the question of whether s 274 of the Uniform Law provides for judicial review of the fidelity authority's decision or a de novo review.

The plaintiff filed a summons initiating an appeal to the Court under s 247 of the Uniform Law against a decision of the Law Society of NSW to deny his client's claim on the fidelity fund. The form of the summons that was filed reflects a view that the

form of review provided by s 247 is effectively judicial review. Thus, the summons focused upon the matters that the Law Society allegedly did or did not consider in making its decision to reject the plaintiff's claim.

Section 274 provides that the designated tribunal, in this case the Court, may "review the merits of the fidelity authority's decision to the extent considered relevant by the tribunal". This appears to confer some discretionary ability on the part of the Court to conduct merits review.

A provision in similar form was found in s 452 of the former *Legal Profession Act 2004* (NSW). Previous decisions of the Court treated that provision as indicating that what is involved is a de novo review (see for example *Wang v Council of the Law Society of New South Wales [2009] NSWSC 67*).

The Court determined that it was impossible on this application to finally determine the form of review envisaged by s 247. It appears to be a form of blended review which enables the Court to consider whether there was a fundamental defect in the fidelity authority's decision which might warrant it being set aside but otherwise to conduct a merits review, although the capacity for further investigation of some issue by a remittal and referral cannot be discounted.

These proceedings were conducted on the basis that what is involved is a merits review, subject to the possibility that circumstances may transpire where further investigation of some aspect of the claim may be required.

Hastwell v Legal Services Commissioner [2021] NSWCA 20

In this case the Court dismissed the application for leave to appeal from the judgment and orders of the Common Law Division of 7 August 2020.

On 15 March 2018 the Legal Services Commissioner declined to proceed with three aspects of the applicant's complaint. On 31 May 2018, he declined to conduct an internal review of the earlier decision. The relief sought included an order in the nature of certiorari quashing the decision of the Legal Services Commissioner regarding three allegations in the complaint, and the decision declining to undertake an internal review of the initial decision.

The primary judge refused relief on the general ground that such relief was not available because the legal consequences of the Commissioner's decisions did not adversely affect any legal rights,

interests or liabilities of the applicant. There was, therefore, nothing to be nullified or invalidated by a quashing order.

Pursuant to s 315, the Commissioner is obliged to deal with all complaints properly made, in accordance with the Uniform Law and the Uniform Rules. Where a decision is made to close the complaint or a determination is otherwise made in relation to the complaint, the Commissioner is obliged to give both the complainant and the respondent written notice of those decisions. Otherwise, how the complaint is to be addressed and what processes, if any are to be engaged, is a matter for the discretion of the Commissioner. The complainant is, to a large extent, a conduit pursuant to which a disciplinary matter may be drawn to the attention of the Commissioner.

The primary judge concluded that the Commissioner's decision of 15 March 2018 was not amenable to certiorari and to that extent the proceedings must be dismissed.

To obtain leave to appeal, the applicant needed to demonstrate at least an arguable case that, as a matter of law, that conclusion was erroneous. That required establishing that the statutory scheme conferred legal rights or interests on the applicant which would be adversely affected by the refusal to consider further the three allegations in the applicant's complaint. Absent such a demonstration, the principles established in *Hot Holdings Pty Ltd v Creasy* [1996] HCA 44; (1996) 185 CLR 149 precluded the amenability of the decision to judicial review on the application of the applicant. Given the nature of the statutory scheme alluded to above, no such arguable case was established.

Secondly, the applicant sought to review the decision of the Commissioner not to pursue internal review of the earlier decision. Section 313 of the Uniform Law confers on the Commissioner a discretion, expressly identified as an "absolute discretion", to determine whether to conduct an internal review or not. The Commissioner's decision of 31 May 2018 was not to conduct an internal review.

A similar issue arose in the recent decision of *Mendonca v Legal Services Commissioner* [2020] NSWCA 84. This Court dismissed a summons seeking leave to appeal from a judgment which had relied upon the principles stated in *Hot Holdings* to deny the availability of judicial review of a decision under s 313 of the Uniform Law. No basis was put forward by the applicant for challenging that decision.

***PQ (a pseudonym) v The Law Society of New South Wales* [2021] NSWSC 258 (19 March 2021); *PQ (a pseudonym) v The Law Society of New South Wales (No 3)* [2021] NSWSC 420**

On 19 March 2021, the Court ordered that the following question be determined as a separate question in advance of the balance of the proceedings in this matter: "Is the Council of the first defendant, by reason of s 464(3) of the Uniform Law, taken to have refused the plaintiff's application made on 10 November 2020 for a variation of his Australian practising certificate (to authorise him to practice as a principal of a law practice) by reason of not having determined the application within 90 days?"

On 26 April, the Court handed down a decision on the separate question. The Court held that the answer turns on the construction of ss 100 and 464. The express words of s 100 are consistent with a distinction being drawn based on the consequences for the practitioner. A decision to vary is amenable to appeal or review under s 100(1)(b), whereas a decision to refuse to vary does not fall within s 100 and therefore is not amenable to appeal or review under the Uniform Law.

Section 100 (and therefore s 464) does not apply to a decision to refuse to vary the conditions of a practising certificate. Therefore, the Council has not constructively refused the plaintiff's application for variation of the conditions of his practising certificate since s 464(3) does not apply. It follows that the answer to the question is "no".

Despite not having a right of appeal or review under s 464, the plaintiff is not without a remedy. If the Council had made a decision, the plaintiff would have a right to judicial review pursuant to s 69 of the *Supreme Court Act 1970* (NSW) in respect of an error of law on the face of the record, or jurisdictional error. Alternatively, the plaintiff could allow his practising certificate to lapse and apply for a new certificate as the principal of a law practice (rather than simply applying for a renewal of the existing practising certificate). If the Council refused his application for a new certificate, he would have a right of appeal under s 464 as the decision would fall within s 100(1)(a).

Dyce v David Landa Stewart Pty Ltd [2021] NSWSC 590

In this case, the plaintiffs sought an order pursuant to s 472(1)(b) of the Uniform Law that the defendant deliver up all of the documents it holds which relate to the plaintiffs. The Court considered the question of whether an authority to release ‘information’ includes an authority to release ‘documents’?

The Court found that in the present case the intention was clear. Although the word ‘information’ usually means knowledge or what one is told or can find out, the context in which the word was used in the authorities (particularly having regard to the substantial correspondence which had preceded it) indicated that what was meant was something tangible, including documents. The wording of the document was unfortunate (in so far as the word ‘information’ was used), but its intention was plain from the surrounding circumstances.

Therefore, the Court answered the question in the affirmative.

Francis v Powercor Australia Ltd [2020] VSC 405* *Re Jabe; Kennedy v Schwarcz [2021] VSC 106

In each of these cases the Court examined whether costs were fair, reasonable and proportionate.

7.3 By Tribunals

The Legal Profession Uniform Law Library in AustLII identified 26 Occupational Division legal profession decisions by the NSW Civil and Administrative Tribunal and 12 Legal Practice decisions by the Victorian Civil and Administrative Tribunal.

8. EMERGING TRENDS IN COMPLAINTS

DLRAs employ consistent practices in their consideration of complaints, with some emerging trends in the area of costs disclosure. DLRA staff aim to resolve complaints informally as soon as possible, but also to manage a complainant’s expectations where the complaint is without merit. Much effort is made to assist the profession to comply with its obligations, either in handling individual complaints, or through other professional development programs, outreach and media activities. The preferred strategy is to guide a lawyer on a path where they can avoid future complaints.

Impact of the Commissioner’s Cost Estimate Guideline

Under the Uniform Law, legal practitioners must inform their clients in writing if costs estimates exceed \$750 and must provide full disclosure if costs estimates exceed \$3,000. Short form disclosure is available for costs estimates between these two thresholds. Section 178(1)(a) of the Uniform Law stipulates that a costs agreement will be void if a law practice contravenes the disclosure obligations of Part 4.3 of the Uniform Law.

The Commissioner for Uniform Legal Services Regulation’s Guideline on Costs Estimates was developed in 2016. The Commissioner has asked to be kept informed at quarterly intervals of the extent to which the Guideline is applied in practice. The DLRA’s are requested to comment on the extent to which the total estimated legal costs in matters are based on the appropriate exercise of the professional judgment of law practices generally or in particular matters or classes of matters. They are also asked to report on any judicial or other decisions that may come to their attention concerning the interpretation of the requirements of s 174(1)(a); and to report pursuant to s 440 at least annually.

Accordingly, each DLRA provided the following information.

8.1 New South Wales

There were no judicial or other decisions reported in NSW concerning the interpretation of the costs disclosure requirements in s 174(1)(a) and (b) of the Uniform Law.

Office of the Legal Services Commissioner

Of the complaints received by the OLSC, 35% (945) raised issues about costs, as compared with 41% in 2020. The OLSC records a maximum of five issues for each complaint. Accordingly, 945 complaints about costs raised a total of 1,231 issues. Of these:

- 18% related to costs disclosure, compared to 17% in 2020
- 7% related to failure to disclose costs increases, compared to 8% in 2020.

Cost Estimate Guideline

The OLSC also provided disclosure threshold specific data which indicates that complaints concerning costs under \$5,000 increased by 98%. The details are provided in the table below.

Complaints by costs disclosure range	2021	2020
\$0-\$750	40	29
\$751-\$1,000	13	5
\$1,001-\$1,500	30	10
\$1,501-\$5,000	122	59
TOTAL	205	103

Compliance audits

The restrictions in place as a result of the ongoing COVID-19 pandemic continued to present logistical challenges for conducting on site compliance audits. Four law practices were contacted by the OLSC for audit during the reporting period.

An initial onsite audit and follow up audit of one law practice were completed which resulted in a management system direction being issued in relation to the discrete issue of client notifications on invoices. Before closing the audit, the law practice provided one periodic report with multiple examples of the correct notification being included on all invoices.

An audit of another law practice was conducted partly on-site with the principal in the city office and partly remotely with supervised, employed solicitors in the regions. Concerns regarding a range of issues including supervision, record management, delay, client confidentiality, costs disclosure and invoices resulted in a management system direction being issued to the law practice. The principal is continuing to provide periodic reports on a monthly basis. These reports are reviewed by the OLSC and feedback provided to the principal. The principal is encouraged to liaise with the Regulatory Compliance Unit at the LSNSW for assistance in developing and implementing appropriate management systems.

The audit of a third law practice was conducted remotely. The OLSC was able to interview the principal and three employees. Key documents were scanned and provided for review electronically. Comments on issues arising from the document review included the need to provide a single figure estimate, rather than a range, in costs disclosure. Further documents were submitted electronically

by the law practice for review and an onsite visit to the law practice is expected to be scheduled once the COVID-19 lockdown is lifted.

The fourth law practice withdrew its co-operation with the audit process at short notice.

A follow-up audit was conducted of a law practice that had been identified for audit in the previous financial year. As the issues raised by the audit had been successfully addressed by the principal, that audit case was closed.

The Commissioner has initiated a complaint about another law practice that had been identified for audit in the previous financial year which had not provided documents as requested or in accordance with a management system direction.

Generally, disclosing costs and notifying clients of their rights in invoices continue to be areas of concern. With the prolongation of the pandemic and with junior solicitors continuing to work remotely, supervision is also a significant issue. Given the provisions of ss 34 and 35 of the Uniform Law, the OLSC advises principals to have robust systems in place to practically supervise junior lawyers who are working remotely and also to be able to demonstrate that such supervision is occurring.

Law Society of NSW

The LSNSW reported that it has not dealt with any matters classified as costs disputes under the Uniform Law.

NSW Bar Association

The NSW Bar reported that there have been no complaints involving costs disclosure by barristers under s 175 of the Uniform Law.

Eight complaints were made during the reporting period which related to the costs category. These were broken down as follows:

Costs issues	Number
Costs/billing	1
Overcharging/over-servicing	1
Other	6
TOTAL	8

As at 30 June 2021, all eight matters remained unresolved. They were primarily mixed complaints, as defined in s 271 of the Uniform Law. There were also four matters in which, during the investigation of a disciplinary matter, a costs element was

identified, although the complainant did not make specific allegations about that aspect. These four were ongoing at the end of the reporting period.

8.2 Victoria

Victorian Supreme Court decisions in the period have emphasised the requirement for strict compliance with sections 174(1)(a) and (b) of the Uniform Law: *Shi v Mills Oakley* [2020] VSC 498; and *Jabe, Ella, deceased; Kennedy, Denise v Schwarcz, Peter & Sharp, Patricia* [2021] VSC 106.

Victorian Legal Services Board and Commissioner

The VLSB+C has continued to see an increase of complaints in which:

- costs are not disclosed
- costs are not disclosed in a timely manner
- the initial estimate of costs is increased without explanation.

The table below shows the number of complaints in Victoria about costs disclosure in the past two years, increasing by 66% since 2020.

Issue	2020-21	2019-20
Fail to give initial disclosure	12	6
Fail to give revised disclosure	9	4
Delay in providing disclosure	2	2
No informed consent given	3	6
No disclosure given	14	6
TOTAL	40	24

Cost Estimate Guideline

Despite the Cost Estimate Guideline, a small number of practitioners appear to continue to have difficulties complying with the costs disclosure requirements under the Uniform Law, for example, by not providing a single figure estimates in costs agreements or by underestimating their costs. The VLSB+C continues to educate practitioners in this regard and encourages them to take the time to better scope their work in order to provide more accurate estimates.

Some law practices provide multiple costs disclosures at frequent stages, without advising clients of what the total legal costs will be, which can result in significant 'bill shock'. The VLSB+C advocate for more thorough communication of legal costs as the key in this situation, placing emphasis on the education of practitioners regarding their obligations with respect to the costs disclosure provisions.

The most frequent outcome in Victorian consumer matter disputes was informal dispute resolution. The VLSB+C made 24 binding determinations, three of which related to legal costs.

9. FIDELITY FUND AUDIT INFORMATION

The Fidelity Funds are statutory compensation schemes maintained by the LSNSW for NSW legal practitioners and by the VLSB+C for Victorian legal practitioners.

The Uniform Law requires that claims against the Fidelity Fund received on or after 1 July 2015 are determined independently of the legal profession. Since then, 212 claims in NSW and 115 in Victoria have been determined against the respective Fidelity Funds.

In NSW, 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 both principals and employees who work in firms that carry a trust account.

Corporate legal practitioners and government legal practitioners are not required to contribute to the Fidelity Fund in either jurisdiction.

The following information relates to all claims in the reporting period.

2020-2021 Financial Year	NSW	Victoria
Practitioners contributing to the Fidelity Fund	25,757	13,284
Balance of the Fidelity Fund as at 30 June 2021	\$57,099,000	\$80,302,000
Claims outstanding as at 1 July 2020	76	28
Claims received during the financial year	18	26
Classification of claims	All are allegations regarding trust money, but one also relates to trust property.	Claims relate 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.
Value of claims received	\$2,439,515.06	\$10,452,141.65
Number of claims allowed/partly allowed/settled	14	12
Value of payments made	\$2,116,621.17. In a financial year, not all claims allowed/partly allowed/settled may be paid in that same period, as formal requirements may not be completed in that year.	\$2,054,951
Reasons for allowing claims	A claim is allowed or partly allowed where it satisfies the statutory requirement that a claimant has suffered pecuniary loss because of default.	Claims are allowed where it was found there had been a 'default' due to a failure to pay or deliver trust money involving fraud or dishonesty and that the claimant had suffered a pecuniary loss because of the default.
Disallowed claims	34	4
Reasons for disallowing claims	A claim is disallowed where it does not fall within the statutory requirements. The claims were disallowed for a number of different reasons, including that there was no trust money or trust property, money was not received in the course of legal practice, money was received for investment purposes, there was no failure to pay, illegality, and other benefits were paid or received. Most claims were disallowed for multiple reasons.	Claims were disallowed primarily because the Board or Delegate was not satisfied a default occurred (whether because the claim was not made in relation to trust money, or because there was no evidence of a failure to pay or deliver involving fraud or dishonesty) as well as because: 1. The claimant lacked standing to pursue the claim, on the basis that the company from whom the subject funds were sourced was under external administration 2. The claimant failed to provide information or to co-operate with Board staff so as to enable a complete investigation of the claim.
Appeals made by unsuccessful claimants	2	Nil
Claims outstanding at end of financial year	46	38
Court proceedings commenced as a result of claim	1	Nil

10. UNIFORM LAW ADMISSIONS BOARDS

Role of the admitting authorities

The Legal Profession Admission Board (NSW) (LPAB) and the Victorian Legal Admissions Board (VLAB) are statutory bodies that perform functions associated with admission to the legal profession. 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.

Admissions electronic data sharing

The LPAB 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 data sharing arrangements for reporting the number and categorisation of admissions. The Commissioner is grateful to the LPAB and VLAB for their diligence in verifying and, where necessary, reconciling the data reports every quarter.

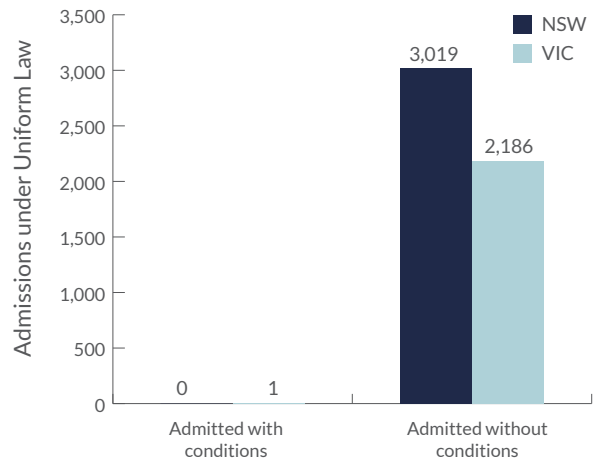
The LPAB and VLAB provide admissions data to the Uniform Law database for the purpose of sharing, monitoring and analysing admissions under the Uniform Law. The information provided includes:

- Total admissions under the Uniform Law
- Total admissions by gender
- Total admissions by age
- Admissions by gender of foreign lawyers
- Admissions by country of foreign lawyers.

10.1 Total admissions under the Uniform Law by jurisdiction

There has been a record number of admissions in NSW and Victoria during this reporting period, with an overall increase of 18% from 2020. As in previous years, 58% of admissions were processed in NSW and 42% were processed in Victoria.

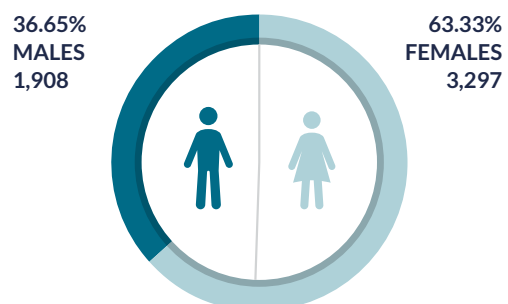
Admission status	NSW admissions	Victorian admissions	Total
Admitted with conditions	0	1	1
Admitted without conditions	3,019	2,186	5,205
TOTAL	3,019	2,187	5,206



10.2 Total admissions by gender and jurisdiction

Gender	NSW admissions	Victorian admissions	Total	%
Male	1,112	796	1,908	36.69
Female	1,907	1,390	3,297	63.3
Other	0	1	1	0.01
TOTAL	3,019	2,187	5,206	100

Of Uniform Law admittees who had not been previously admitted overseas, 63% identified as female, an increase from 61% in the previous year.



A difference of 26.68% between the sexes with 0.02% not identifying as male or female.

10.3 Admissions by age

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

10.4 Admissions of foreign lawyers by jurisdiction

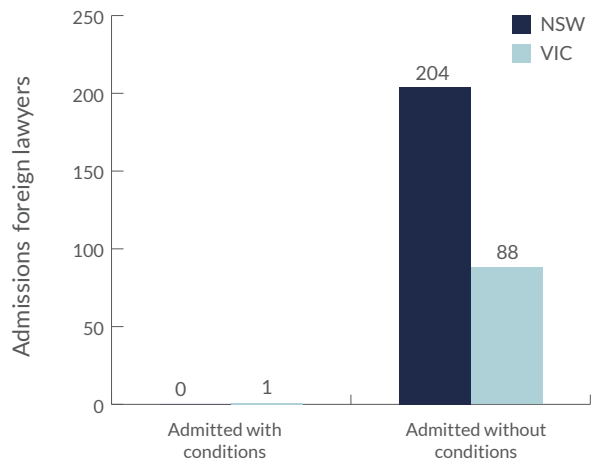
Approximately 6% of admittees had previously been admitted overseas. The table below shows the jurisdictional breakdown of the admission of foreign lawyers in the Uniform Law jurisdictions.

Admission status	NSW admissions	Victorian admissions	Total
Admitted with conditions	0	1	1
Admitted without conditions	204	88	292
TOTAL	204	89	293

The United Kingdom, South Africa, United States of America, Sri Lanka, and Hong Kong remained the main jurisdictions from which foreign lawyer applications for admissions are made.

In NSW, 7% of total admissions were previously admitted overseas. Of these, 127 identified as female and 77 identified as male.

In Victoria, out of 2,187 admissions, 4% were previously admitted overseas. Of these 60 identified as female and 29 identified as male.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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Financial statement summary

The Legal Services Council is a not-for-profit entity and it has no cash generating units.

These financial statements contain the consolidated financial statements of both the Legal Services Council and the Commissioner for Uniform Legal Services Regulation as one entity.

The financial statements were authorised for issue in accordance with a resolution of the Council on 28 September 2021, upon recommendation by the Legal Services Council's Audit and Risk Committee.



Net Result for the Year

The net result for the year ended 30 June 2021 was a surplus of **\$294,454** (2020: \$132,187).

Revenue

The revenue for the Legal Services Council for the year ended 30 June 2021 was **\$1,881,418** (2020: \$1,664,148).

Expenses

The expenditure for the Legal Services Council for the year ended 30 June 2021 was **\$1,586,964** (2020: \$1,531,961).

Assets

The total assets for the Legal Services Council as at 30 June 2021 were **\$1,637,767** (2020: \$1,337,876).

Liabilities

The total liabilities for the Legal Services Council as at 30 June 2021 were **\$544,557** (2020: \$539,120) representing employee related provisions and other accrued liabilities.

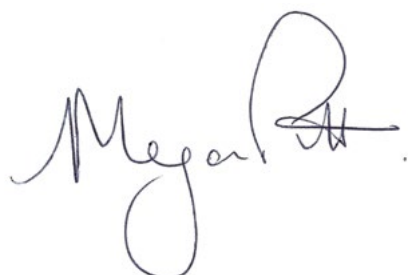
Statement by Chief Executive Officer and Commissioner

FOR THE YEAR ENDED 30 JUNE 2021

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, 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 Item 26 in Schedule 1 to the *Legal Profession Uniform Law (NSW) 2014 No.16a*.

A handwritten signature in black ink, appearing to read 'Megan Pitt', with a stylized flourish at the end.

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

6 October 2021
Sydney



INDEPENDENT AUDITOR'S REPORT

Legal Services Council

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Legal Services Council (the Council), which comprise the Statement by Chief Executive Officer and Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, 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).

I have fulfilled my other ethical responsibilities in accordance with 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 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

Regulations 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:

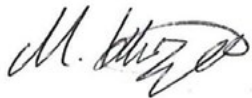
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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. 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 October 2021
SYDNEY

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021 \$	Actual 2020 \$
Expenses excluding losses			
Operating expenses			
Personnel services expenses	2(a)	1,298,748	1,200,073
Other operating expenses	2(b)	166,455	203,013
Depreciation and amortisation	2(c)	118,961	125,112
Finance costs	2(d)	2,800	3,763
Total expenses excluding losses		1,586,964	1,531,961
Revenue			
Grants and contributions	3(a)	1,879,620	1,659,176
Interest revenue	3(b)	1,798	4,972
Total revenue		1,881,418	1,664,148
Net result		294,454	132,187
Other comprehensive income		-	-
Total comprehensive income		294,454	132,187

The accompanying notes form part of these financial statements.

Statement of financial position

AS AT 30 JUNE 2021

	Notes	Actual 2021 \$	Actual 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	1,353,894	947,011
Receivables	5	13,382	1,371
Total current assets		1,367,276	948,382
Non-current assets			
Plant and equipment	6	111,282	158,974
Right of Use Assets	7	159,209	230,520
Total non-current assets		270,491	389,494
Total assets		1,637,767	1,337,876
LIABILITIES			
Current liabilities			
Payables	8	143,421	145,504
Lease liabilities	9	71,184	70,141
Provisions	10	237,574	161,995
Total current liabilities		452,179	377,640
Non-current liabilities			
Lease liabilities	9	90,283	161,480
Provisions	10	2,095	-
Total non-current liabilities		92,378	161,480
Total liabilities		544,557	539,120
Net assets		1,093,210	798,756
EQUITY			
Accumulated funds		1,093,210	798,756
Total equity		1,093,210	798,756

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated funds \$	Total equity \$
Balance at 1 July 2020	798,756	798,756
Net result for the year	294,454	294,454
Other comprehensive income	-	-
Total comprehensive income for the year	294,454	294,454
Transactions with owners in their capacity as owners	-	-
Balance at 30 June 2021	1,093,210	1,093,210
Balance at 1 July 2019	666,569	666,569
Net result for the year	132,187	132,187
Other comprehensive income	-	-
Total comprehensive income for the year	132,187	132,187
Transactions with owners in their capacity as owners		
Transactions with owners in their capacity as owners	-	-
Balance at 30 June 2020	798,756	798,756

The accompanying notes form part of these financial statements.

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Actual 2021 \$	Actual 2020 \$
Cash flows from operating activities			
Payments			
Employee related		(1,202,056)	(1,268,629)
Suppliers for goods and services		(209,862)	(107,861)
Finance Cost		(2,800)	(3,763)
Total payments		(1,414,718)	(1,380,253)
Receipts			
Grants & contributions received		1,867,654	1,725,976
Interest		1,798	4,972
GST refunded		22,261	42,608
Total receipts		1,891,713	1,773,556
Net cash flows from operating activities	13	476,995	393,303
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(70,112)	(69,149)
Net cash flows from financing activities		(70,112)	(69,149)
Net increase in cash		406,883	324,154
Opening cash and cash equivalents		947,011	622,857
Closing cash and cash equivalents	4	1,353,894	947,011

The accompanying notes form part of these financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2021

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 2014 (NSW) No. 16a (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 item 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 2021 have been authorised for issue by the Council on 28 September 2021.

(b) Basis of preparation

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

- 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 that management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar 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 Australia 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 2020–21

The Council applied AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard have no impact on the financial statements as the Council does not have any service concession arrangement that meets the recognition criteria of AASB 1059.

Several other amendments and interpretations apply for the first time in FY2020–21, but do not have an impact on the financial statements of the Council.

(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 Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TC 20-08:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

The Council has assessed the impact of the new standards and interpretations on issue but not yet effective where relevant and considers the impact to be not material.

2. EXPENSES EXCLUDING LOSSES

(a) Personnel services expenses

	2021 \$	2020 \$
Salaries and wages (including annual leave)	1,111,110	1,038,456
Payroll tax	59,184	62,584
Superannuation	104,139	98,557
Workers compensation insurance	436	476
Long service leave	23,879	-
Total	1,298,748	1,200,073

Employees are provided by the NSW Department of Communities and Justice (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 NSW Department recovers the Council's 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:

- 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.
- Superannuation – the expense for certain superannuation schemes (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.
- 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

	2021 \$	2020 \$
Administration	59,106	72,156
Audit fees	37,265	33,200
Communications	16,143	13,433
Corporate Services – NSW Department of Communities and Justice	41,553	41,553
Legal representation	10,200	10,060
Travel	2,188	32,611
Total	166,455	203,013

The NSW Department provides corporate services to the Council including financial, HR, IT and asset management services.

(c) Depreciation

	2021 \$	2020 \$
Depreciation		
Plant and equipment	47,692	54,862
Right of use asset – premises	71,269	70,250
Total	118,961	125,112

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

(d) Finance costs

	2021 \$	2020 \$
Interest expense on lease liabilities	2,800	3,763
Total	2,800	3,763

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

	2021 \$	2020 \$
Contribution from NSW Department of Communities and Justice	1,192,930	991,200
Contribution from Victorian Legal Services Board	686,690	667,976
Total	1,879,620	1,659,176

Recognition and measurement

Funding contributions were provided by the NSW Department and Victorian Legal Services Board (VLSB) based on the Council's operating budget that was approved by the Standing Committee (comprising the Attorneys General of NSW and Victoria). Funding is split between NSW and Victoria and calculated in accordance with clause 8.2.1 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 admission in NSW. The fee is collected by the NSW Legal Profession Admission Board and is allocated to the NSW Department of Communities and Justice for the purposes of the Council. The source of the VLSB funding is prescribed by s139 of the *Legal Profession Uniform Law Application Act 2014* (Vic) to be the Victorian Public Purpose Fund.

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

(b) Interest revenue

	2021 \$	2020 \$
Interest revenue	1,798	4,972
Total	1,798	4,972

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) Movement of Section 4.7 of the *Government Sector Finance Act 2018* (NSW) (GSF Act) – deemed appropriations

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—

- (i) forms part of the Consolidated Fund, and
- (ii) 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 section 13(1)(b) of the *Government Sector Finance Regulation 2018* (NSW).

The contribution from Victorian Government is not considered deemed appropriation money as, under Section 139 of the *Legal Profession Uniform Law Application Act 2014* (Vic), the Victorian Legal Services Board 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 Legal Services Council.

	2021 \$	2020 \$
Total spending authority from parliamentary appropriations, other than deemed appropriations	-	-
Deemed appropriations balance brought forward from prior years	566,888	395,170
Deemed appropriations earned during the year	1,182,717	1,087,350
Total spending authority from parliamentary appropriations	1,749,605	1,482,520
Less: total expenditure from parliamentary deemed appropriations	(904,027)	(915,632)
Variance	845,578	566,888
Less: the spending authority from appropriations lapsed at 30 June	-	-
Deemed appropriations balance carried forward to following years	845,578	566,888

4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank and on hand	1,353,894	947,011
Total	1,353,894	947,011

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

5. CURRENT ASSETS – RECEIVABLES

	2021 \$	2020 \$
Current receivables		
Amount owed by NSW Department of Communities and Justice	13,382	1,371
Total	13,382	1,371

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

Recognition and measurement

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

The Council holds receivables with the objective to collect the contractual cash flows and therefore measures them 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

The Council recognises an allowance 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 entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Council applies a simplified approach in calculating ECLs. The Council recognises a loss allowance based on lifetime ECLs at each reporting date. There is \$nil allowance for expected credit losses (2020:\$nil).

6. PLANT AND EQUIPMENT

(a) Total plant and equipment

	Plant and equipment \$
At 1 July 2020 – fair value	
Gross carrying amount	250,000
Accumulated depreciation and impairment	(91,026)
Net carrying amount	158,974
At 30 June 2021 – fair value	
Gross carrying amount	250,000
Accumulated depreciation and impairment	(138,718)
Net carrying amount	111,282

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 \$
Year ended 30 June 2021	
Net carrying amount at start of year	158,974
Additions	-
Depreciation expense (Note 2(c))	(47,692)
Net carrying amount at end of year	111,282

	Plant and equipment \$
At 1 July 2019 – fair value	
Gross carrying amount	250,000
Accumulated depreciation and impairment	(36,164)
Net carrying amount	213,836

At 30 June 2020 – fair value	
Gross carrying amount	250,000
Accumulated depreciation and impairment	(91,026)
Net carrying amount	158,974

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 \$
Year ended 30 June 2020	
Net carrying amount at start of year	213,836
Additions	-
Depreciation expense (Note 2(c))	(54,862)
Net carrying amount at end of year	158,974

(b) Plant and equipment held and used by the entity

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

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 entity. 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 (TPP14-01). 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. The Council has assessed that 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.

The Council assesses, at each reporting date, 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 entity estimates the asset's recoverable amount. 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 net result 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 minor equipment and office accommodation. Lease contracts are typically made for fixed periods of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do 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 \$
At 1 July 2020 – at cost	
Gross carrying amount	300,770
Accumulated depreciation	(70,250)
Net carrying amount	230,520

At 30 June 2021 – at cost	
Gross carrying amount	300,728
Accumulated depreciation	(141,519)
Net carrying amount	159,209

	Right-of-use asset \$
At 1 July 2019 – at cost	
Gross carrying amount	300,770
Accumulated depreciation	-
Net carrying amount	300,770

At 30 June 2020 – at cost	
Gross carrying amount	300,770
Accumulated depreciation	(70,250)
Net carrying amount	230,520

	2021 \$	2020 \$
Year ended 30 June		
Balance at 1 July	230,520	300,770
Adjustments	(42)	-
Depreciation expense (Note 2(c))	(71,269)	(70,250)
Net carrying amount at end of year	159,209	230,520

(b) Lease liabilities

The following table presents liabilities under leases.

	2021 \$	2020 \$
Balance at 1 July	231,621	300,770
Adjustments	(42)	-
Interest expenses	2,800	3,763
Payments	(72,912)	(72,912)
Balance at 30 June	161,467	231,621

The following amounts were recognised in the Statement of Comprehensive Income for the year ending 30 June 2021 in respect of leases where the entity is the lessee:

	2021 \$	2020 \$
Depreciation expense of right-of-use assets	71,269	70,250
Interest expense on lease liabilities	2,800	3,763
Total amount recognised in the Statement of Comprehensive Income	74,069	74,013

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.

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

Right-of-use assets

The Council recognises right-of-use assets 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(ii) below), 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:

- Buildings 1 to 5 years

The right-of-use assets are also subject to impairment. The Council assesses at each reporting date, 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, the Council recognises lease liabilities 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 entity 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 Council applies the short-term lease recognition exemption to its 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). It also applies the lease of low-value assets recognition exemption 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

	2021 \$	2020 \$
Other		
Creditors and sundry accruals	24,584	34,127
Amount owing to NSW Department of Communities and Justice	99,819	111,377
Accrued payroll expense	19,018	-
Total	143,421	145,504

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

	Note	2021 \$	2020 \$
Current			
Lease liabilities	7	71,184	70,141
		71,184	70,141
Non-current			
Lease liabilities	7	90,283	161,480
		90,283	161,480

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

	2021 \$	2020 \$
Current: Provision for personnel services		
Annual Leave* and related on-costs	216,398	161,995
Long Service Leave* and related on-costs	21,176	-
Total	237,574	161,995
Non-Current: Provision for personnel services		
Long Service Leave and related on-costs	2,095	-
Total	2,095	-

	2021 \$	2020 \$
Aggregate Provision for personnel services		
Provisions – current	237,574	161,995
Provisions – non-current	2,095	–
Accrued salary, wages and on-costs	19,018	–
Total	258,687	161,995
* Expected settlement of current provision for personnel services		
No later than 12 months	52,965	54,312
Later than 12 months	184,609	107,683
Total	237,574	161,995

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 entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an 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 2021 (2020: \$nil).

12. CONTINGENT LIABILITIES

The Council is unaware of any matters that may lead to significant contingent liabilities.

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:

	2021 \$	2020 \$
Net cash flows from operating activities	476,995	393,303
Depreciation expense	(118,961)	(125,112)
Increase / (decrease) in receivables and prepayments	12,011	(181,835)
Decrease in payables	2,083	45,831
Increase in provisions	(77,674)	-
Net Result for the year	294,454	132,187

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 Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Council on a continuous basis.

(a) Financial instrument categories

Class	Notes	Category	Carrying amount 2021 \$	Carrying amount 2020 \$
Financial assets				
Cash and cash equivalents	4	N/A	1,353,894	947,011
Receivables ¹	5	Receivables at amortised cost	13,324	1,371
Financial liabilities				
Payables ²	8	Financial liabilities measured at amortised cost	143,421	145,504
Lease liabilities	9	Financial liabilities measured at amortised cost	161,467	231,621

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 Council determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this 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 entity 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, it evaluates if, 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.

The Council considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset 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 Council applies the AASB 9 simplified approach 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 2021.

ii. Liquidity risk

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

During the current and prior year, there was no default or breach on any 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 \$
2021							
Financial liabilities							
Payables	-	143,421	-	-	143,421	-	-
Lease liabilities	1.42%	161,467	161,467	-	-	72,912	88,555
		304,888	161,467	-	143,421	72,912	88,555

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 \$
2020							
Financial liabilities							
Payables	-	145,504	-	-	145,504	-	-
Lease liabilities	1.42%	231,621	231,621	-	-	72,912	158,709
		377,125	231,621	-	145,504	72,912	158,709

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.

	2021		2020	
	\$	\$	\$	\$
	-1%	+1%	-1%	+1%
Net Result	(13,539)	13,539	(9,470)	9,470
Equity	(13,539)	13,539	(9,470)	9,470

(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

Management 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:

	2021	2020
	\$	\$
Short-term employee benefits		
Salaries	444,979	425,000
Total remuneration	444,979	425,000

The Council did not enter into 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.

During the year, the Council received funding contributions from the VLSB. A member of the VLSB is also member of the Council pursuant to Schedule 1, Part 2 of the *Legal Profession Uniform Law 2014 (NSW) No. 16a*. The aggregate value of the material transactions and related outstanding balances as at and for the year ending 30 June 2021 are as follows:

Nature of transactions	Notes	2021	
		Transaction value \$	Net receivable/ (payable) \$
Contribution from NSW Department of Communities and Justice *	3	1,192,930	-
Contribution from Victorian Legal Services Board	3	686,690	-
Receivable from NSW Department of Communities and Justice	5	-	13,382
Payable to NSW Department of Communities and Justice	8	-	(118,837)
		1,879,620	(105,455)

* Contributions do not include June 2021 contribution of \$86,400 which as at balance date had not been invoiced or received by the Council.

Nature of transactions	Notes	2020	
		Transaction value \$	Net receivable/ (payable) \$
Contribution from NSW Department of Communities and Justice	3	991,200	-
Contribution from Victorian Legal Services Board	3	667,976	-
Receivable from NSW Department of Communities and Justice	5	-	1,371
Payable to NSW Department of Communities and Justice	8	-	(111,377)
		1,659,176	(110,006)

* Contributions do not include June 2020 contribution of \$82,000 which as at balance date had not been invoiced or received by the Council.

16. COVID-19 DISCLOSURES

As at 30 June 2021, the pandemic has not prevented the Council from operating and there has not been any significant financial impact not already disclosed.

17. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2021 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.

18. RECLASSIFICATION OF PRIOR YEAR INFORMATION

During the year ended 30 June 2021, the Council modified the comparatives of payables into payables and provisions for personnel services. The update is related to provision for employee benefits. These movements have been disclosed in Note 8, Note 10 and Note 14. This update has no impact to the comparative Statement of Income or Statement of Cash Flow. The result is as follows:

Statement of Financial Position	Previously Reported \$	30 June 2020 Reclassification \$	Reclassified \$
Current liabilities			
Payables	307,499	(161,995)	145,504
Provisions for personnel services	-	161,995	161,995

END OF AUDITED FINANCIAL STATEMENTS

Glossary

ABA: Australian Bar Association

AC, Admissions Committee: a committee established by the Legal Services Council that develops Legal Profession Uniform Admission Rules for the legal profession and advises the Council on admissions policy

ACT: Australian Capital Territory

Admitting Authorities: those entities responsible for the assessment of applications for admission as an Australian lawyer by the relevant Supreme Court

APLEC: Australasian Professional Legal Education Council

ARC, Audit and Risk Committee: a committee established by the Legal Services Council that deals with the financial governance responsibilities of the Council

ASCRs: Australian Solicitors' Conduct Rules

AustLII: the Australasian Legal Information Institute

Australian lawyer: a person admitted to the Australian legal profession in an Australian state or territory

Australian legal practitioner: an Australian lawyer who holds a current Australian practising certificate. A legal practitioner may be a solicitor or a barrister

Australian-registered foreign lawyer: a person who has overseas legal qualifications and is registered to practice foreign law in Australia

Boards: Admitting Authorities

CAANZ: Chartered Accountants Australia and New Zealand

CALD: Council of Australian Law Deans

CCJ: Council of Chief Justices of Australia and New Zealand

CEO, Chief Executive Officer: the CEO of the LSC is the CULSR, Ms Megan Pitt

Commissioner: Commissioner for Uniform Legal Services Regulation, an office established under the Uniform Law

Council, Legal Services Council and LSC: five people, including the Chair, who are members of the statutory body called the Legal Services Council. References to the Legal Services Council are also references to the roles, responsibilities and work

performed by the Council, the Chair, the CEO and the Secretariat

CULSR: Commissioner for Uniform Legal Services Regulation, Ms Megan Pitt

DLRA: Designated Local Regulatory Authority

IGA/Intergovernmental Agreement: Trilateral Agreement on the Legal Profession Uniform Framework dated 28 February 2019 between the States of New South Wales, Victoria and Western Australia

IPA: Institute of Public Accountants

LACC: Law Admissions Consultative Committee, a committee comprising a delegate of each Australian State or Territory by the CCJ, together with a nominee of APLEC, CALD and the LCA

Law practice: includes sole practitioners, traditional law firm structures, community legal services and incorporated and unincorporated legal practices

LCA: Law Council of Australia

Legal costs: the amount a person has been or may be charged or become liable to pay a law practice for legal services, including disbursements (or other costs) but not including interest

Legal Profession Uniform Framework, Scheme: the legislative framework or scheme for regulation of the legal profession, including the Legal Profession Uniform Law, Uniform Regulations and Uniform Rules

Legal Profession Uniform Law: that law applied in Victoria by the *Legal Profession Uniform Law Application Act 2014 (Vic)* and in NSW by the *Legal Profession Uniform Application Act 2014 (NSW)*

LFA: Law Firms Australia

LPAB: Legal Profession Admission Board (NSW), the Admitting Authority for NSW

LPBWA: Legal Practice Board of Western Australia

LSC: Legal Services Council, Council

LSNSW: Law Society of New South Wales

MIS: Managed Investment Scheme/s

NCAT: NSW Civil and Administrative Tribunal

Non-participating jurisdictions, NPs: those States and Territories that have not yet adopted the Uniform Law

NT: Northern Territory

OLSC: Office of the Legal Services Commissioner, NSW

Participating jurisdiction: an Australian State or territory that has adopted the Uniform Law, currently NSW and Victoria

Qld: Queensland

SA: South Australia

Standing Committee or SC: a committee comprising the Attorneys General of the participating jurisdictions, but according to the terms of the IGA, for the practical purposes of changing the Uniform Law, Regulations and Rules, includes the Attorney General of WA

Trust money: money entrusted to the law practice to hold on behalf of another in the course of or in connection with the provision of legal services

UARs: Legal Profession Uniform Admission Rules 2015

UGRs: Legal Profession Uniform General Rules 2015

Uniform Law or UL: Legal Profession Uniform Law applied in each participating jurisdiction

Vic: Victoria

VCAT: Victorian Civil and Administrative Tribunal

VLAB: Victorian Legal Admissions Board, the Admitting Authority for Victoria

VLSB: Victorian Legal Services Board

VLSB+C: Victorian Legal Services Board and Commissioner

WA: Western Australia



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