

ANNUAL REPORTS

2021/2022

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 2021–2022.

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 Chair and Council members were appointed in October 2014 and served until October 2020. The current Chair and Council members were 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.

On 1 July 2022, Western Australia joined the Uniform Law scheme and further details about Western Australia's involvement in the scheme will be reported in the 2022–2023 Annual Reports.

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.

CONTENTS

Annual Report of the Legal Services Council

Chair's Letter	4
Chair's Report	5
CEO'S Report	6
Our Guiding Principles	7
Our Council	8
Our Framework	10
Our Organisation	10
The Uniform Law Scheme	14
Admissions Committee Report	15
Highlights of 2021-2022	17
The Uniform Law in Action	22
Benefits of the Legal Profession Uniform Law	23
Amending the Uniform Law	25
Amending the Uniform General Rules under the Uniform Law	26
Making Guidelines and Directions under the Uniform Law	27
Progress against our Strategic Plan 2021-2022	28
Report of the Commissioner for Uniform Legal Services Regulation	33
Commissioner's Letter to Council	35
Commissioner's Report	36
Roles and Responsibilities	37
Highlights of 2021-2022	38
Legal Profession Snapshot	40
Uniform Law Data Analysis	42
Financial Statements	61
Glossary	87

7 November 2022

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 2021–2022
Annual Report of the Commissioner for Uniform Legal Services Regulation for 2021–2022

I am pleased to submit the Annual Report of the Legal Services Council for 2021–2022 in accordance with clause 26 of Schedule 1 to the Legal Profession Uniform Law. On 28 October 2022, the Standing Committee of Attorneys General extended the period for submission of this Annual Report until 31 December 2022.

I am also pleased to provide the Annual Report of the Commissioner for Uniform Legal Services Regulation for 2021–2022 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



This year has brought exciting changes at the Legal Services Council, with Western Australia taking the final steps towards joining the Uniform Law scheme on 1 July 2022.

The Legal Profession Uniform Law Application Act 2021 (WA) passed the Western Australian Parliament in April and commenced on 1 July 2022. This is an exciting milestone in the expansion of the Uniform Law scheme and a significant step towards Australia having a national legal profession, operating under a national regulatory framework. With Western Australia joining, 75% of all Australian legal practitioners will be regulated by the scheme.

In June, as part of welcoming Western Australia to the Uniform Law scheme, the Council held various events in Perth, in addition to our usual Council meeting and Admissions Committee meeting.

During this trip, the Council was delighted to meet with the Attorney General of Western Australia, the Hon John Quigley LLB JP MLA, and key Western Australia stakeholders, the Legal Practice Board in Western Australia, the Western Australia Bar Association and the Law Society of Western Australia.

The Council was also very pleased to hold our fourth annual Uniform Law Summit in Perth, as part of celebrating this occasion. Over 50 Uniform Law representatives were able to attend the Summit in person or by video link from Sydney, Melbourne and Perth.

The Summit was an important opportunity for attendees to meet their counterparts in other Uniform Law jurisdictions, hear about their roles and work and to celebrate the cooperation and collaboration that exists in the Uniform Law scheme.

As part of our trip to Perth, the Council was also honoured to host a Uniform Law Dinner, with the WA Attorney General as our guest speaker. Over 60 people including members of the judiciary and the legal profession, departmental officers, representatives from Uniform Law bodies, legal profession associations and stakeholders from Sydney, Melbourne, Canberra and Perth were able to attend.

The Summit and Dinner were both successful and showcased the collegiate relationships that exists across the Uniform Law jurisdictions, and importantly, acknowledged our Western Australian colleagues.

This year, the Council made a number of Uniform Rules, including in relation to managed investment schemes and the interest rate payable on fidelity fund claims, and approved amendments to the conduct rules for solicitors and barristers recommended by the Law Council of Australia and the Australian Bar Association.

The Council and its Admissions Committee finalised proposals to improve foreign lawyer admissions, and other significant admission matters are being addressed including consideration of the Solicitors Qualification Examination in England and Wales, as mentioned in this report.

As COVID travel restrictions have now eased, our Council intends to reinstate its practice of holding its meetings in each of the Uniform Law jurisdictions throughout the year. This practice of holding meetings in Sydney, Melbourne and Perth will enable our Council to meet in person with our designated local regulatory authorities and other stakeholders, to discuss their perspectives, views and Uniform Law priorities.

Finally, I would like to acknowledge the important work of the Admissions Committee, chaired by the Hon Arthur Emmett AO KC, throughout the year, as well as the Audit and Risk Committee, chaired by Geoffrey Applebee, and the members of our small and hardworking Secretariat staff.

In October 2022, our CEO and Commissioner, Megan Pitt, will retire. On behalf of the Council, I express our thanks to Ms Pitt for her leadership and very substantial contribution to the Uniform Law scheme over the past five years.

Alan Cameron AO
Chair, Legal Services Council

CEO'S REPORT



I am pleased to present the Legal Services Council's Annual Report for 2021–2022. This year marks the sixth year of the operation of the Uniform Law scheme, and my fifth year as CEO of the Council.

Despite the continued challenges posed by the COVID-19 pandemic, throughout this year the Council, its Committees and our Secretariat have been very productive, working on a range of Uniform Law matters. Highlights that stand out for special mention are as follows.

Achieve national implementation of the Uniform Law

In April, the Legal Profession Uniform Law Application Bill 2021 (WA) passed in the Western Australia Parliament and commenced on 1 July 2022. I have been pleased to continue our liaison with Western Australian stakeholders about Uniform Law matters, to address any regulatory issues and to enhance effective working relationships with them.

During the year, I have also continued to engage with non-participating jurisdictions, through presentations at the Administrators of Australasian Admitting Authorities meeting and at the Conference of Regulatory Officers.

Ensure that the Uniform Law scheme is a responsive regulatory regime

A number of amendments to the Uniform Rules were made over the past year including amendments to the Uniform General Rules in relation to the interest rate payable on fidelity fund claims and managed investment schemes, an amendment to the definition of "Board" in the Uniform Admission Rules and amendments to the Uniform Conduct Rules for solicitors and barristers, recommended by the Law Council of Australia and Australian Bar Association.

Build awareness of the benefits of the Uniform Law

In June, we were delighted to be able to hold our fourth Annual Uniform Law Summit in Perth, in-person and by videoconference, to coincide with other Uniform Law events celebrating Western Australia joining the Uniform Law scheme.

While in Perth, the Council also hosted a Uniform Law Dinner and met with the Attorney General of Western Australia, as well as representatives from the Legal Practice Board in Western Australia, the Law Society of Western Australia and the Western Australian Bar Association.

Our important liaison with the designated local regulatory authorities, the NSW Department of Communities and Justice, Victorian Department of Justice and Community Safety and Western Australia State Solicitor's Office and other Uniform Law stakeholders has successfully continued throughout the year.

Continue to develop a well-governed organisation

This year again, it has been a pleasure to work with the Chair of the Council, Alan Cameron AO; all members of the Council and our WA observer, the WA Solicitor General, Joshua Thomson SC; the Chair of the Admissions Committee, the Hon Arthur Emmett AO KC and Committee members; the Audit and Risk Committee; and our hard working Secretariat.

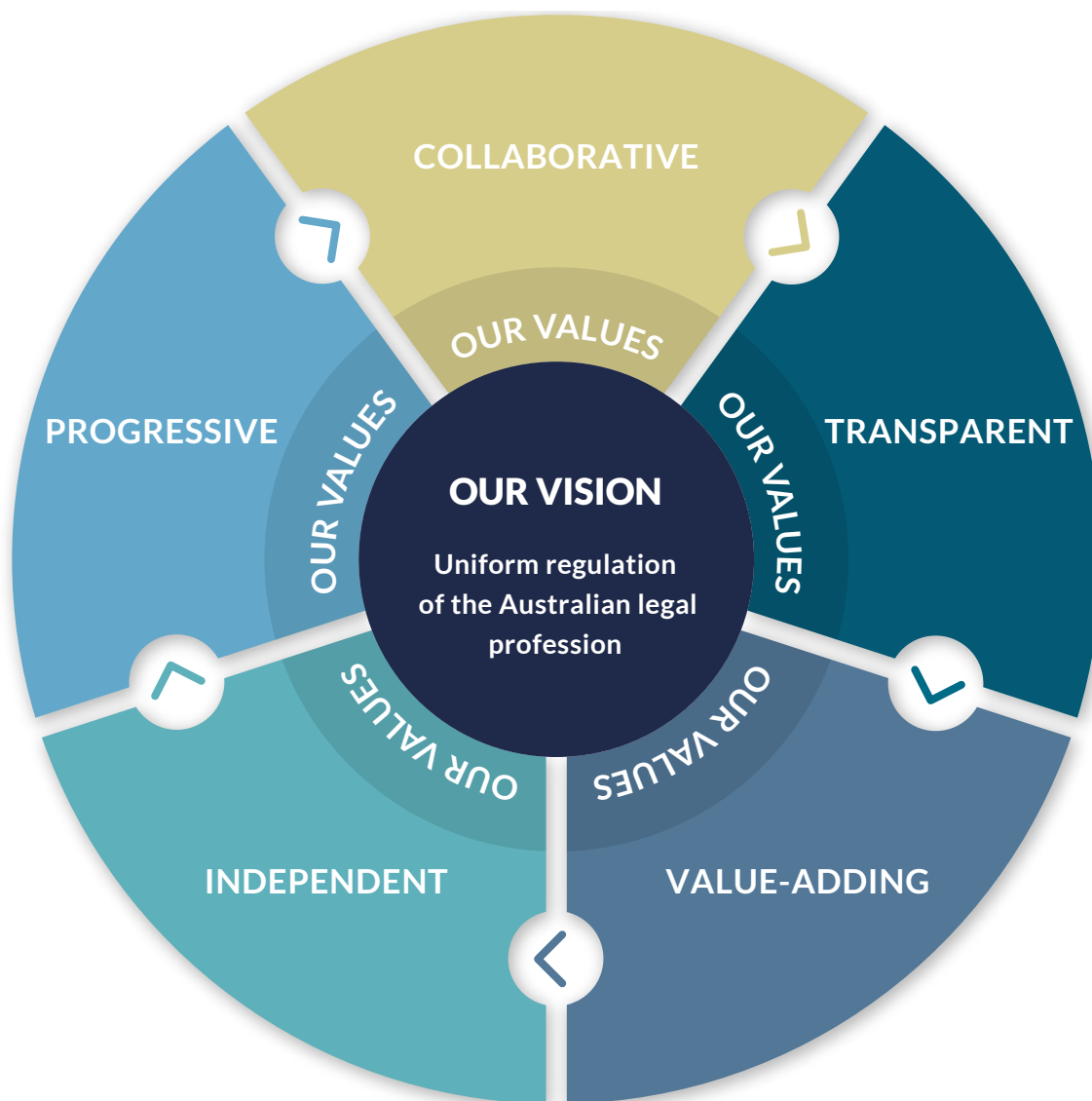
As always, I have enjoyed dealing with all our designated local regulatory authorities and the many other stakeholders who contribute to the work of the Council and the Uniform Law scheme. I would also like to acknowledge the Standing Committee for its consideration and support of our achievements again this year.

My five year term of appointment as CEO and Commissioner ends on 2 October 2022. Looking back, the Uniform Law scheme has continued to progress from strength to strength during this period. With this solid foundation, in combination with the expansion of the Uniform Law scheme to encompass Western Australia, I am confident that this positive trajectory will only continue in the future.

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



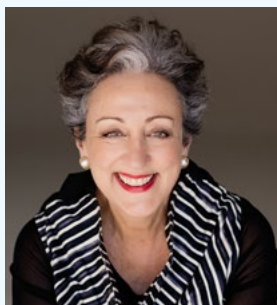
Mr Alan Cameron AO, Chair

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 undertook this role on a part time basis until 2022.



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 a Partner of the Sydney office of Herbert Smith Freehills and was the President of the Law Society of NSW in 2021. 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.



*L-R: Alan Cameron AO, Chair, Murray Baird, Liz Harris, Juliana Warner and Joshua Thomson SC, Observer
Absent: Noel Hutley 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 Jaclyn Symes MP
Victorian Attorney
General



**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.

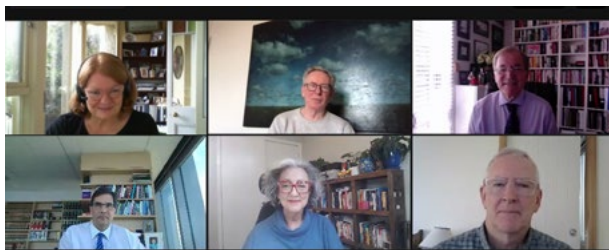
The Council formally makes all the Uniform Rules and to achieve a consistent approach, can issue guidelines and/or directions to local regulatory authorities, except in relation to complaints and professional discipline (which are matters for the Commissioner).

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 once in Sydney (in person and by videoconference), once in Perth (in person and by videoconference) and three times by videoconference alone due to COVID-19 restrictions.



Top row (L-R): Juliana Warner, Noel Hutley SC and Alan Cameron AO
Bottom row (L-R): Joshua Thomson SC, Liz Harris 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 of nearly 40 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 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 33.

THE CHIEF EXECUTIVE OFFICER

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

THE ADMISSIONS COMMITTEE

The Council appoints the Admissions Committee (Committee), following nominations in accordance with clause 21(1) of Schedule 1 to the Uniform Law. The Committee is responsible for developing Admission Rules and has a broader role providing advice to the Council about admissions matters.

The Committee has seven members, who during the period have been:

- The Hon Arthur R Emmett AO KC, Chair, nominee of the Standing Committee of Attorneys General, appointed to 30 June 2023
- The Hon David Habersberger KC, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW, appointed to 30 June 2025
- The Hon Justice Francois Kunc, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW, appointed to 30 June 2025
- Mr Ross Drinnan, nominee of the Law Council of Australia, appointed to 30 June 2024
- Mr Robert Hollo SC, nominee of the Australian Bar Association, appointed to 30 June 2025
- Professor Jenni Lightowlers, nominee of a Faculty of Law, appointed to 30 June 2023
- Professor Tania Sourdin, nominee of a Faculty of Law, appointed to 30 June 2025
- The Hon Justice Trish Henry, nominee of the Chief Justice of Victoria in concurrence with the Chief Justice of NSW, who resigned from the Committee on 6 September 2021
- Professor Lesley Hitchens GAICD, nominee of a Faculty of Law, who resigned from the Committee on 5 October 2021
- Dr Elisabeth Peden SC, nominee of the Australian Bar Association, who resigned from the Committee on 1 April 2022.

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



Admissions Committee

In person (L-R): Mr Robert Hollo SC, the Hon Arthur Emmett AO KC (Chair), Professor Jenni Lightowlers, the Hon David Habersberger KC and the Hon Rene Le Miere KC (Observer)
On screen: The Hon Justice Francois Kunc and Ross Drinnan



L-R: The Hon Arthur Emmett AO KC, the Hon David Habersberger KC, the Attorney General of Western Australia and the Hon Rene Le Miere KC

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



Audit and Risk Committee

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): Tina O'Brien (Executive Assistant), Jessica Wardle (Principal Policy Officer), Bridget Sordo (Senior Executive Officer), Ella Howard (Principal Policy Officer) and Chelly Milliken (Senior Principal Policy Officer)

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 2024.

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 (2022-2024). 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 \$1,773,286 was approved for the 2021-2022 financial year. Audited financial statements are presented in this report from page 61.

The cost of the Uniform Law scheme, that is reflected in the Council's budget, is shared between participating jurisdictions. The notional cost of the national regulatory scheme covering all

practitioners in Australia remains under \$30 per legal practitioner per year.

Corporate operations

During the year, the Council continued to be supported operationally by 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 applies until 30 June 2023, after which it will be renewed.

The CEO met on a monthly basis with the NSW Department's Deputy Secretary, other agency heads and Corporate Services' Directors within the Division, to discuss corporate services issues.



L-R: Ken Chaves (NSW DCJ), Bridget Sordo (LSC) and Tina O'Brien (LSC)

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.

ADMISSIONS COMMITTEE

Develops rules about admission to the legal profession.

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

LEGAL SERVICES COUNCIL

Monitors the Uniform Law's implementation and operation.

Develops General Rules and makes all Uniform Rules.

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

COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION

Promotes compliance with the Uniform Law and Rules.

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

Raises awareness of the Uniform Law framework and its objectives.

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

LOCAL REGULATORY AUTHORITIES FOR FUNCTIONS AND REGULATION OF THE LEGAL PROFESSION

ADMISSION TO THE LEGAL PROFESSION	AUSTRALIAN PRACTISING AND REGISTRATION CERTIFICATES	TRUST MONEY AND TRUST ACCOUNTING	COMPLIANCE AUDITS AND MANAGEMENT SYSTEM DIRECTIONS	CONSUMER COMPLAINTS, DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE
Legal Profession Admission Board (NSW) 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

SUPREME COURT

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

LOCAL COURT OF NSW; MAGISTRATES COURT OF VICTORIA

Prosecution of summary offences.

NSW CIVIL AND ADMINISTRATIVE TRIBUNAL; VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL

Chapter 5 consumer complaints, dispute resolution and professional discipline.

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, and courts and professional associations in relation to Uniform Law issues, and for the mutual recognition for admission purposes of academic and practical legal training courses.

CONSTITUTION OF THE COMMITTEE

From 1 July to 6 September, the Committee comprised of the Hon Arthur Emmett AO KC (Chair), the Hon David Habersberger KC, the Hon Justice Trish Henry, Mr Ross Drinnan, Dr Elisabeth Peden SC, Professor Jenni Lightowlers and Professor Lesley Hitchens GAICD.

On 6 September, the Hon Justice Trish Henry resigned from the Committee. The Council

appointed the Hon Justice Francois Kunc to fill that vacancy.

On 5 October, Professor Lesley Hitchens GAICD resigned from the Committee. The Council appointed Professor Tania Sourdin to fill that vacancy.

On 1 April, Dr Elisabeth Peden SC resigned from the Committee. The Council appointed Mr Robert Hollo SC to fill that vacancy.

Following re-nomination by the Chief Justice of Victoria, with the concurrence of the Chief Justice of NSW, the Council re-appointed the Hon David Habersberger KC for a further term ending on 30 June 2025.

The term of Hon Arthur Emmett AO KC, as Chair, has been extended until 30 June 2023.



The Hon Acting Justice Arthur Emmett AO KC



David Habersberger KC



The Hon Justice Patricia Henry



The Hon Justice Francois Kunc



The Hon Rene Le Miere KC (Observer)



Professor Jenni Lightowlers



Mr Ross Drinnan



Professor Tania Sourdin



Mr Robert Hollo SC

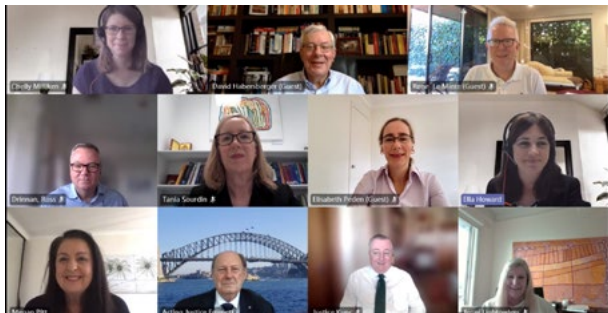


Dr Elisabeth Peden SC



Professor Lesley Hitchens

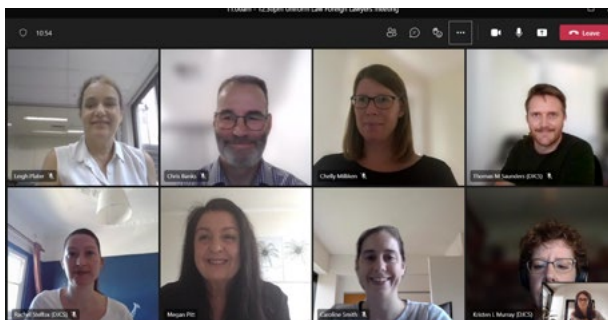
In the lead up to Western Australia adopting the Uniform Law scheme, the Committee has continued to benefit from the inclusion of the Hon Rene Le Miere KC, former Senior Judge of the Supreme Court of Western Australia, as its observer and contributor of the Western Australian perspective on admissions.



*Top row (L-R): Chelly Milliken, the Hon David Habersberger KC and the Hon Rene Le Miere KC
Middle row: Ross Drinnan, Professor Tania Sourdin, Dr Elisabeth Peden SC and Ella Howard
Bottom row: Megan Pitt, the Hon Arthur Emmett AO KC (Chair), the Hon Justice Francois Kunc and Professor Jenni Lightowlers*

ADMISSION OF FOREIGN LAWYERS

During the year, the Secretariat has continued to meet with representatives of the NSW Department of Communities and Justice and the Victorian Department of Justice and Community Safety to discuss the Council's proposed amendments to the Uniform Law in relation to the conditional admission of foreign lawyers and amendments to the Admission Rules, to recognise the previous experience of foreign lawyers.



*Top row (L-R): Leigh Plater (LPAB(NSW)), Chris Banks (LPAB(NSW)), Chelly Milliken (LSC) and Thomas Saunders (Vic DJCS)
Bottom row: Rachel Stelfox (Vic DJCS), Megan Pitt (LSC), Caroline Smith (NSW DCJ), Kristen Murray (VLAB) and Ella Howard (LSC)*

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

SQE WORKING GROUP

In late 2021, the Committee resolved to establish a Working Group to consider the introduction of the Solicitors Qualifying Examination (SQE) for solicitors in England and Wales. The SQE does not require lawyers to have an underlying law degree, which is a significant change for Australian admitting authorities when considering the qualifications of foreign lawyers.

The SQE Working Group has been liaising with the Solicitors Regulation Authority of England and Wales, to gain a better understanding of the SQE assessments, and with the New Zealand Council of Legal Education, to find out about New Zealand's approach to lawyers who have qualified under the SQE.



SQE Working Group

*Top row (L-R): The Hon David Habersberger KC, Megan Pitt (LSC) and Chris Banks (LPAB(NSW))
Bottom row: Kristen Murray (VLAB), Jennifer Sheean (LPAB(QLD)), Sabina Schlink (LPBWA), the Hon Arthur Emmett AO KC (Chair) and Ella Howard (LSC)
Absent: Juliana Warner*

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 the introduction of the SQE in England and Wales and CALD's review into the regulation of legal education and training.

HIGHLIGHTS OF 2021-2022

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

On 5 April, the Legal Profession Uniform Law Application Bill 2021 and the associated Legal Profession Uniform Law Application (Levy) Bill 2021 passed the Western Australian Parliament.

On 1 June, the Attorney General of Western Australia, the Hon John Quigley LLB JP MLA, announced that the Uniform Law will commence in Western Australia on 1 July 2022.

MEETINGS WITH NON-PARTICIPATING JURISDICTIONS

The Council continues to focus on expanding the Uniform Law to other jurisdictions.

In October, the CEO presented a session on the Uniform Law scheme to the Administrators of Australasian Law Admitting Authorities meeting which included representatives of admitting authorities in non-participating jurisdictions.

In November, the CEO participated in a virtual panel discussion on the future of national regulation of the legal profession in Australia at the Conference of Regulatory Officers.

ANNUAL UNIFORM LAW SUMMIT 2022

In June, the Council hosted its fourth annual Uniform Law Summit in Perth, to coincide with other Uniform Law events celebrating the tremendous milestone of Western Australia joining the Uniform Law scheme. Over 50 Uniform Law representatives were able to attend the Summit in person or by video link from Sydney, Melbourne and Perth.

The Summit was an excellent opportunity to acknowledge the past year's achievements, discuss key priorities for the following year and mark the significant progress that has occurred since our last Summit. The Summit was also an important opportunity for attendees to meet their counterparts in other Uniform Law jurisdictions, hear about their roles and work and to celebrate the cooperation and collaboration that exists in the Uniform Law scheme.



L-R: Megan Pitt, CEO, Alan Cameron AO, Chair, Murray Baird, Liz Harris, Juliana Warner and Joshua Thomson SC, Observer



L-R: Alan Cameron, AO, Chair, LSC, Megan Pitt, CEO, LSC, Libby Fulham Executive Director, LPBWA and Russell Daily, Legal Complaints Officer WA



L-R: Jeff O'Halloran, Senior Advisor, WA State Solicitor's Office, Fiona McLeay, Victorian Legal Services Commissioner, Samantha Gulliver, Assistant Commissioner, NSW Office of the Legal Services Commissioner



L-R: Sonja Stewart, CEO, Law Society of NSW, Andreas Heger, Executive Director, NSW Bar Association, The Hon Arthur Emmett AO KC, Presiding Member of the LPAB(NSW)



The Hon David Habersberger KC, Chair of the VLAB, Marian Chapman, Deputy Secretary, Vic DJCS, Michael Tidball, Secretary, NSW DCJ

UNIFORM LAW DINNER

The Council also hosted a Uniform Law dinner while in Perth. The Attorney General of Western Australia was the guest speaker at this event.

Over 60 people including members of the judiciary and the legal profession, departmental officers, representatives of Uniform Law bodies, legal profession associations and stakeholders from Sydney, Melbourne, Canberra and Perth were able to attend the dinner.



Top row (L-R): Sabina Schlink, the Hon David Habersberger KC and Megan Pitt

Bottom row: The Hon Arthur R. Emmett AO KC, the Hon Rene Le Miere KC, Professor Jenni Lightowlers, Deborah Jones and Robert Hollo SC



Top row (L-R): Fiona McLeay, Dr Matt Collins AM KC, Juliana Warner and John Ley SC

Bottom row: Martin Cuerden SC, John Syminton, Libby Fulham and John Fiocco



Top row (L-R): Mitch Hillier, Kerri-anne Millard, Kate Malcolm
Bottom row: Chelly Milliken, Jeff O'Halloran, Clare Thompson SC and Elizabeth Harris



Top row (L-R): Angela Kominos, Liam Nicholls and the Hon Justice Stephen Hall

Bottom row: Joanna Vincent, the Attorney General of WA, Alan Cameron AO, the Hon Chief Justice Peter Quinlan and Joshua Thomson SC



L-R: Stephen Ramsay, Maria Di Palma, Bridget Sordo, Kristen Murray, Rachel Webber, Roxane Marcelle-Shaw, John Rogers and Gary Mack



Top row (L-R): Sonja Stewart, Adam Awty, Mitch Hillier, Debbie Cole and David Price

Bottom row: Rebecca Lee, Tass Liveris, Joanne van der Plaats and Tania Wolff



Top row (L-R): Michelle Marfurt, John-Paul Colella, Sarah Hingston and Dale Wescombe

Bottom row: Tina O'Brien, Jessica Wardle, Catherine Ferrari and Vicki Butler

MEETING WITH THE ATTORNEY GENERAL OF WESTERN AUSTRALIA

During the trip to Perth, the Council was honoured to meet with the Hon John Quigley LLB JP MLA, the Attorney General of Western Australia, together with Joshua Thomson SC, the Solicitor General of Western Australia.



L-R: The Attorney General of Western Australia and Alan Cameron AO

At the meeting were the Council's Chair, Alan Cameron AO, and Council members, Murray Baird, Liz Harris, Juliana Warner, with Noel Hutley SC being an apology. Also in attendance were the Chair of the Council's Admissions Committee, the Hon Arthur Emmett AO KC and the Council's CEO/Commissioner, Megan Pitt.

The meeting discussed the operation of the Uniform Law scheme, matters relating to Western Australia joining the scheme and the future expansion of the Uniform Law to other jurisdictions.



L-R: The Hon Arthur Emmett AO KC, Megan Pitt, Joshua Thomson SC, Juliana Warner, the Attorney General of Western Australia, Alan Cameron AO, Liz Harris and Murray Baird

MEETING WITH THE LEGAL PRACTICE BOARD IN WESTERN AUSTRALIA

As part of trip to Western Australia, the Council was also pleased to meet with the Legal Practice Board in Western Australia including John Fiocco,

Chair; Libby Fulham, Executive Director; John Ley SC, Chair of the Legal Profession Complaints Committee; Russell Daily, Law Complaints Officer; John Syminton, Convenor of the Professional Development Committee and Convenor of the Western Australian Uniform Law Management Committee; Gary Mack, Deputy Convenor of the Professional Affairs Committee; and Sabina Schlink, Convenor of the Admissions Registration Committee.

This meeting was the first opportunity for the Council to meet in person with these Western Australian Chairs and Conveners, although the Council has had involvement with them through consultations and events over the last five years.



*Top row (L-R): John Fiocco, Alan Cameron AO, John Syminton, John Ley SC, Gary Mack and Murray Baird
Bottom row: Liz Harris, Libby Fullham Sabina Schlink and Russell Daily*

MEETING WITH THE WESTERN AUSTRALIAN BAR ASSOCIATION

The Council was also able to connect with Martin Cuerden SC, President of the Western Australian Bar Association, Debbie Cole, Executive Officer and Matthew Curwood SC, member of the Western Australian Bar Association's Legal Costs Committee during its visit to Perth.



L-R: Alan Cameron AO, Liz Harris, Joshua Thomson SC, Juliana Warner, Murray Baird, Martin Cuerden SC, Debbie Cole and Matthew Curwood SC

MEETING WITH THE LAW SOCIETY OF WESTERN AUSTRALIA

During this trip, the Council was very pleased to meet with the Law Society of Western Australia including Rebecca Lee, President, and David Price, Chief Executive Officer during this trip.



*Top row (L-R): Joshua Thomson SC, Murray Baird, David Price
Bottom row: Alan Cameron AO, Rebecca Lee, Juliana Warner and Liz Harris*

UNIFORM LAW SEMINAR FOR WA LEGAL PRACTITIONERS

As part of Western Australia's transition into the Uniform Law scheme, the Council's Chair, Alan Cameron AO and CEO/Commissioner, Megan Pitt presented a CPD session on the Uniform Law to Western Australian legal practitioners.

The seminar was hosted by the Law Society of Western Australia and the panel also comprised Libby Fulham, Executive Director and Russell Daily, Law Complaints Officer, of the Legal Practice Board in Western Australia.

The seminar was attended by 285 Western Australian solicitors and barristers, 25 in person and 260 by webinar. A Q&A session concluded the event.



L-R: Russell Daily, Libby Fulham, Megan Pitt and Alan Cameron AO

MEETING WITH THE NEW ZEALAND LEGAL REGULATION REVIEW

As part of an Independent Review of the Regulation of Lawyers and Legal Services in New Zealand, the LSC's CEO/Commissioner, Megan Pitt together with the NSW Legal Services Commissioner, John McKenzie AM met with its Chair, Emeritus Professor Ron Paterson of the University of Auckland, to discuss the operation of the Uniform Law scheme.

The Law Society of New Zealand has commissioned this Review to examine whether the current arrangements for the regulation and representation of lawyers and legal services in New Zealand are fit for purpose.

The Review panel is examining other legal regulatory regimes including the Uniform Law scheme in Australia and the regimes in England and Wales, Ireland and Scotland as relevant comparators.

The Review Chair also met with the Victorian Legal Services Board CEO and Victorian Legal Services Commissioner and the Legal Practice Board in Western Australia during its consultations, with its Report due in November.



L-R: Ron Paterson, John McKenzie AM and Megan Pitt

INTEREST RATE PAYABLE ON FIDELITY FUND CLAIMS

On 30 July, the Legal Profession Uniform General Amendment (Interest Rate) Rule 2021 commenced. The Rule provides that, for the purposes of section 243 of the Uniform Law, the interest rate payable on fidelity fund claims is equivalent to the Reserve Bank of Australia cash rate plus one 1%. The interest rate only applies to claims made after the commencement of the Rule.

LEGAL PROFESSION UNIFORM ADMISSION RULES 2015

On 14 January, the Legal Profession Uniform Admission Amendment (Board) Rule 2021 commenced. The Rule amends the definition of “Board” in the Legal Profession Uniform Admission Rules 2015 to include the Legal Practice Board in Western Australia before Western Australia joins the Uniform Law scheme, and to accommodate other jurisdictions joining in the future.

LEGAL PROFESSION UNIFORM CONDUCT (BARRISTERS) RULES 2015

On 4 March, the Legal Profession Uniform Conduct (Barristers) Amendment Rule 2022 commenced. The Rule implements amendments rules 123 and 125 of the Legal Profession Uniform Conduct (Barristers) Rules 2015, recommended by the Australian Bar Association.

LEGAL PROFESSION UNIFORM LAW AUSTRALIAN SOLICITORS’ CONDUCT RULES 2015

On 1 April, the Legal Profession Uniform Law Australian Solicitors’ Conduct Amendment Rules 2022 commenced. The Amendment Rules amend the Legal Profession Uniform Law Australian Solicitors’ Conduct Rules 2015 to give effect to amendments recommended by the Law Council of Australia.

On 22 April, the Legal Profession Uniform Law Australian Solicitors’ Conduct Amendment (No 2) Rules 2022 commenced. The Rule amends the Legal Profession Uniform Law Australian Solicitors’ Conduct Rules 2015 by repealing amendments made to rule 38, which relates to returning judicial officers, and reinstating the version of rule 38 that was in force immediately prior to 1 April 2022.

This amendment was made on an urgent basis to alleviate an unintended consequence of the application of rule 38 to Registrars and other non-tenured judicial officers.

FIRST PRIORITY AMENDMENTS TO THE UNIFORM LAW

In December, the Victorian Department of Justice and Community Safety provided the Council with the first draft of a Bill in relation to the 34 proposed amendments to the Uniform Law recommended by the Council to the Standing Committee, following

extensive consultation with local regulatory authorities and other stakeholders.

The Council has established a Working Group comprising representatives from the local regulatory authorities involved in the development of the proposals, to prepare responses to queries from Parliamentary Counsel’s Office and the Victorian Department.

UNIFORM GENERAL RULE 111A ON INDEXATION

In June, the Legal Profession Uniform Law (Indexed Amounts) Notice 2022 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.

MANAGED INVESTMENT SCHEMES

In August, the Legal Profession Uniform General Amendment (Managed Investment Schemes) Rule 2021 commenced. The Rule amends rules 91B and 91BA of the Legal Profession Uniform General Rules 2015, which relate to the involvement of law practices in managed investment schemes and litigation funding schemes.

CONDITIONAL COSTS AGREEMENTS

In November, the Council consulted with designated local regulatory authorities and other key stakeholders about the development of a new Uniform Rule under section 181 of the Uniform Law, to expand the types of matters in which conditional costs agreements are prohibited. In March, the Council consulted with relevant courts and tribunals about this proposal.

VICTORIAN ROYAL COMMISSION INTO THE MANAGEMENT OF POLICE INFORMANTS

On 31 May, the Victorian Attorney-General wrote to the Council to advise that the Victorian Government may seek to implement Recommendations 85 and 86 of the Victorian Royal Commission into the Management of Police Informants by way of reforms to the Uniform Law, pursuant to clause 5.3 of the Intergovernmental Agreement on the Legal Profession Uniform Law Framework.

The Council has sought clarification of some matters and after a response is received, it will consider its position and next steps.

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 Regulations 2015* (Vic)
- *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.

BENEFITS OF THE LEGAL PROFESSION UNIFORM LAW

A COMMON FRAMEWORK FOR REGULATION OF THE LEGAL PROFESSION

- The Legal Profession Uniform Law (Uniform Law) contemplates a national Australian legal profession with benefits for government, lawyers and consumers provided on a nationally consistent basis.
- Currently, 75% of all legal practitioners Australia-wide are covered by the Uniform Law framework.
- Harmonisation of the regulation of the legal profession creates a seamless national legal market.
- A seamless national legal market enhances Australia's international competitiveness, in terms of legal employment and legal service provision.
- This market also enhances Australia's ability to address emerging legal, social and economic issues affecting the legal profession, regulators and consumers in all jurisdictions.

OVERSIGHT OF THE UNIFORM LAW SCHEME

- All participating Attorneys General are members of the Standing Committee of Attorneys General that oversees the Legal Services Council and approves changes to the Uniform Law.
- An Intergovernmental Agreement provides for arrangements between participating jurisdictions and requires consultation on Uniform Law changes.
- As members of the Standing Committee, the Attorneys General ensure that the interests of their jurisdiction are taken into account, in any changes to the Uniform Law and Rules.
- The Legal Services Council and Admissions Committee can be expanded to accommodate members from new participating jurisdictions.
- There is a mandated minimum of 30 days consultation with the Standing Committee for rule changes.

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 Legal Services 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 Legal Services Council and Commissioner for Uniform Legal Services Regulation hold regular liaison meetings with the designated local regulatory authorities and an annual Uniform Law Summit to bring legal regulators together to discuss issues and priorities.

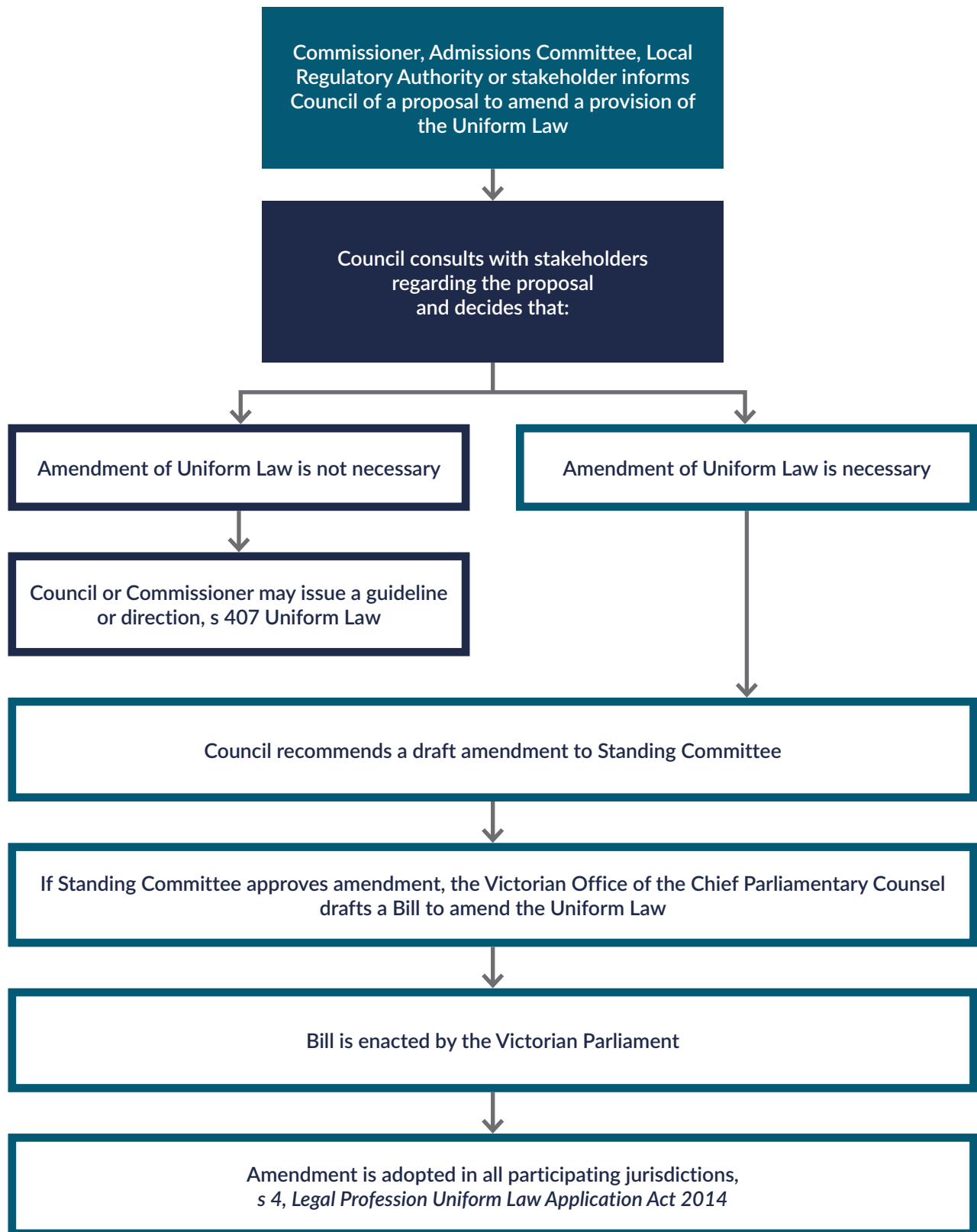
BENEFITS FOR LAW PRACTICES

- Uniform Law legal practitioners can practise seamlessly across Uniform Law jurisdictions and compete seamlessly in a broader legal market.
- Removing jurisdictional differences reduces compliance burdens and red tape for law practices that operate across jurisdictions or nationally.
- Law practices can benefit from the Uniform Law identifying and addressing emerging international or virtual issues facing law practices, taking into account jurisdictional factors and national regulatory imperatives.
- The Uniform Law continues to provide for the profession's involvement in a co-regulatory model including legal profession associations and independent regulators.
- In addition to a formal role in nominating members of the Legal Services Council and Admissions Committee, the Law Council of Australia and Australian Bar Association have legislatively enshrined role to develop uniform rules relating to legal practice, legal professional conduct and continuing professional development, for solicitors and barristers respectively.
- The power to develop uniform rules in these areas preserves the legal profession's ability to set internal standards with which members of the profession must comply.

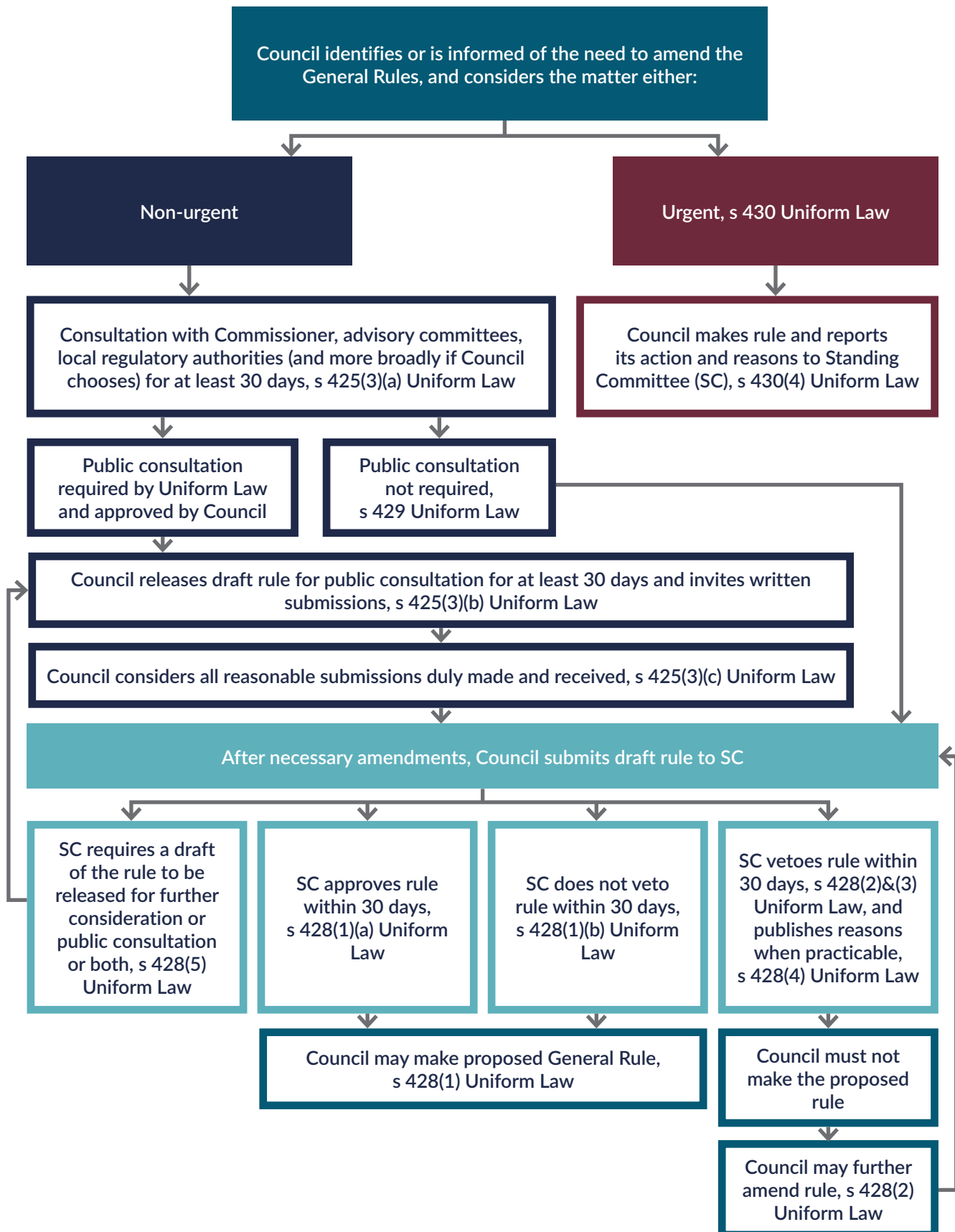
BENEFITS FOR CONSUMERS OF LEGAL SERVICES

- The scheme is designed to provide consumers with greater protection and greater consistency of experience across jurisdictions and from improvements to key regulatory requirements.
- Consumers enjoy the same protections, rights and remedies regardless of whether they live in NSW, Victoria or Western Australia.
- Consumers have access to low costs ways to resolve service complaints and costs disputes with law practices, quickly and informally.
- A tailored set of consumer friendly orders gives consumers access to practical remedies they need such as a simple apology or an order that work be redone at reduced costs.
- Billing practices ensure that principals of law practices are responsible for the legal costs charged by their law practices.
- The duty on law practices to charge fair and reasonable costs and streamlined costs disclosure requirements enhance consumer protections and empower clients of law practices to make informed choices about costs and their legal options.
- The Australian Legal Profession Register, with links to Registers of Disciplinary Action in the Uniform Law jurisdictions, assists consumers to identify legal practitioners and provides consumer protection.

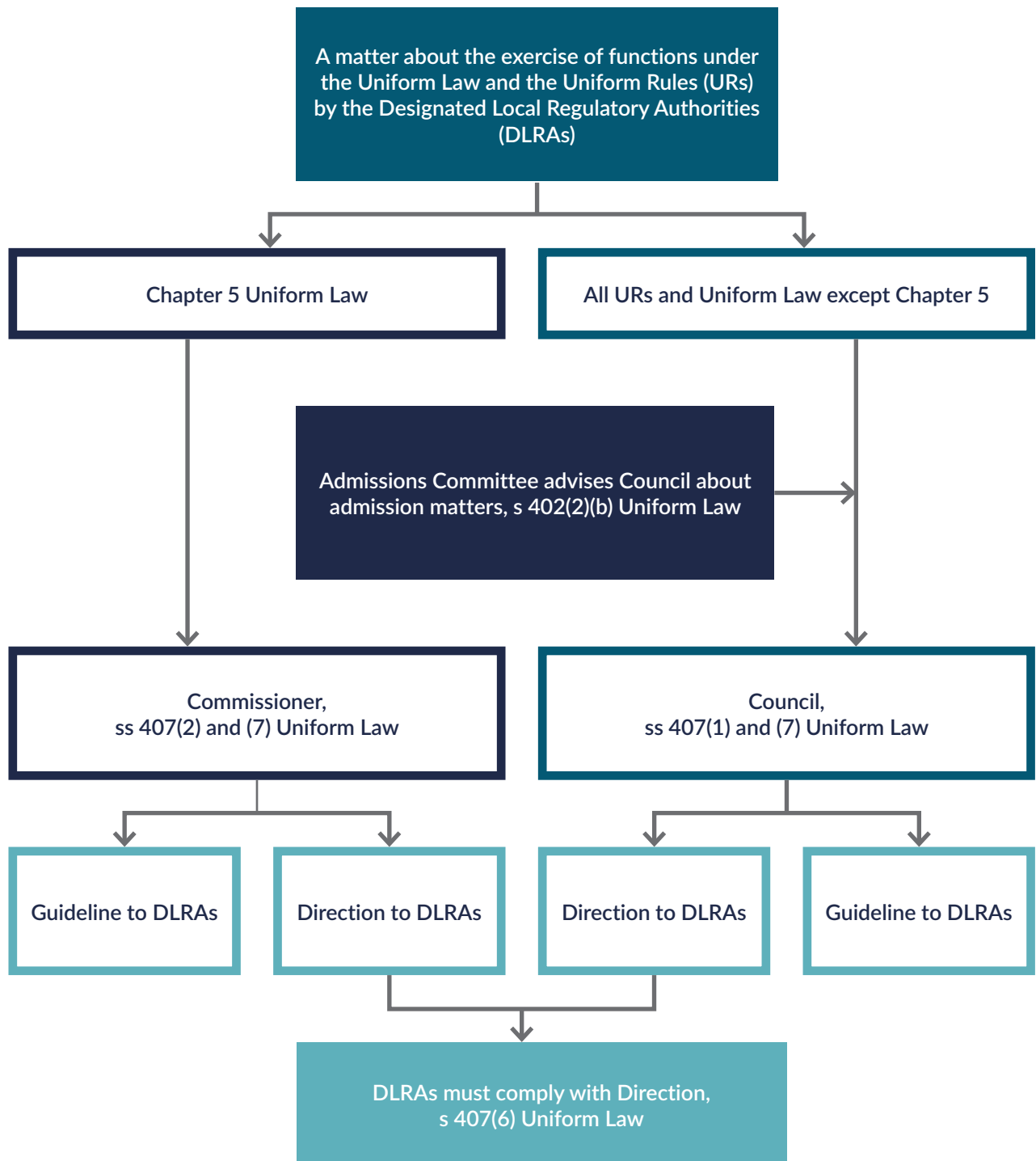
AMENDING THE UNIFORM LAW



AMENDING THE UNIFORM GENERAL RULES UNDER THE UNIFORM LAW



MAKING GUIDELINES AND DIRECTIONS UNDER THE UNIFORM LAW



PROGRESS AGAINST OUR STRATEGIC PLAN 2021-2022

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 and Victoria and the State Solicitor's Office in WA to achieve national implementation	
Standing Committee (SC) <ul style="list-style-type: none"> Meetings and six-monthly reports Annual Reports NSW and Victorian Departments of Justice and the WA State Solicitor's Office (SSO) <ul style="list-style-type: none"> Regular liaison about policy matters and expansion of the Uniform Law (UL) scheme 	<ul style="list-style-type: none"> The Legal Services Council (LSC) sent six-monthly reports to the SC in July and January The LSC and Commissioner for Uniform Legal Services Regulation's (Commissioner) 2020-21 Annual Reports were tabled in the Victorian and NSW Parliaments on 28 October and 24 November respectively Meetings with the Departments and WA SSO were held in October, December, February and April
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"> Meetings with the DLRAs were held in July, October, December, March and May Meetings with the UL admitting authorities were held in November, March 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 October, the CEO presented a session on the UL scheme to the Administrators of Australasian Law Admitting Authorities meeting In November, the CEO participated on a panel on the future national regulation of the legal profession in Australia at the Conference of Regulatory Officers
1.4 Support WA joining the Uniform Law scheme	
<ul style="list-style-type: none"> Regular liaison with the WA Solicitor General Liaison with the Legal Practice Board of WA (LPBWA), Law Society of WA and WA Bar Association 	<ul style="list-style-type: none"> The WA Solicitor General participates as an observer at LSC meetings The Hon Justice Rene Le Miere participates as a WA observer at the Admissions Committee meetings The CEO continued discussions with the LPBWA about issues relevant to WA joining the UL scheme WA stakeholders were consulted on UL issues in accordance with the Intergovernmental Agreement In June, the LSC met with the WA Attorney General, LPBWA, Law Society of WA and WA Bar Association in Perth In June the LSC also held a UL Dinner to mark WA joining the UL scheme in Perth

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"> The Legal Profession Uniform Amendment (Managed Investment Schemes) Rule 2021, commenced on 20 August 2021
First Priority Amendments to the UL <ul style="list-style-type: none"> Finalise the First Priority UL Amendments project 	<ul style="list-style-type: none"> In December, the LSC received the draft Bill in relation to 34 proposed amendments to the UL and is working to progress the amendments
Royal Commission into the Management of Police Informants <ul style="list-style-type: none"> Consider amendments to the UL proposed by the Victorian Government 	<ul style="list-style-type: none"> On 31 May, the Victorian Attorney-General wrote to the LSC outlining proposed reforms to the UL arising from the Royal Commission into the Management of Police Informants
2.3 Recommend Uniform Law, 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"> The Legal Profession Uniform Law Australian Solicitors' Conduct Amendment Rules 2022, commenced on 1 April 2022 The Legal Profession Uniform Law Australian Solicitors' Conduct Amendment (No 2) Rules 2022 relating to rule 38 commenced on 22 April 2022
Indexation Uniform General Rule <ul style="list-style-type: none"> Update and publish indexation amounts 	<ul style="list-style-type: none"> In June, the LSC published the Legal Profession Uniform Law (Indexed Amounts) Notice 2022, which will apply from 1 July 2021 to 30 June 2022
First Priority Amendments to UL Rules <ul style="list-style-type: none"> Finalise amendment 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"> Make the interim rule 91BA an ongoing rule 	<ul style="list-style-type: none"> The Legal Profession Uniform Amendment (Managed Investment Schemes) Rule 2021, which makes Rule 91BA relating to litigation funding schemes an ongoing rule, commenced on 20 August 2021
Interest rate payable on fidelity fund claims <ul style="list-style-type: none"> Review this interest rate 	<ul style="list-style-type: none"> The Legal Profession Uniform Law General Amendment (Interest Rate) Rule 2021, which prescribes the interest rate payable on fidelity fund claims, commenced on 30 July 2021
Barristers Conduct Rules <ul style="list-style-type: none"> Consider amendments proposed by the Australian Bar Association 	<ul style="list-style-type: none"> The Legal Profession Uniform Conduct (Barristers) Amendment Rule 2022, which amends rules 123 and 125 of the Legal Profession Uniform Conduct (Barristers) Rules 2015, commenced on 23 February 2022

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

Priority actions	Work undertaken/completed
Definition of “Board” in Admission Rules <ul style="list-style-type: none"> Include the LPBWA 	<ul style="list-style-type: none"> The Legal Profession Admission Amendment (Board) Rule 2021, which amends the definition of “Board” to include the LPBWA, commenced on 14 January 2022
Conditional costs agreements <ul style="list-style-type: none"> Consider expanding categories of proceedings in which conditional costs agreements are prohibited 	<ul style="list-style-type: none"> The LSC consulted with DLRAAs and other key stakeholders about conditional costs agreements in November and with relevant courts and tribunals in March In June, the LSC resolved to submit the Legal Profession Uniform General Amendment Rule 2022 to the SC
2.4 Undertake Uniform Law projects	
UL data sharing project <ul style="list-style-type: none"> Monitor and review the UL database reports 	<ul style="list-style-type: none"> The Secretariat continues to monitor and review the effectiveness of reports generated from the UL database Meeting with the DLRAAs were held in March, April and May
Australian Legal Profession Register <ul style="list-style-type: none"> Maintain an electronic register of UL legal practitioner details 	<ul style="list-style-type: none"> The ALPR, containing publicly available data about NSW and Victorian legal practitioners, has had over 22,422 views since its launch in December 2019
External Examiners’ (EE) Course <ul style="list-style-type: none"> Complete a five year review of the EE Course 	<ul style="list-style-type: none"> The review of the EE Course was completed in December The next five year review will occur in 2026
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"> Progress proposed amendments relating to the admission of foreign lawyers 	<ul style="list-style-type: none"> In September, the AC and LSC approved proposed amendments relating to the admission of foreign lawyers In January, a meeting was held with the Departments and admitting authorities and further information was provided to the relevant Departments in May
<ul style="list-style-type: none"> Consider implications of the Solicitors Qualifying Examination (SQE) for admission in Australia of lawyers from England and Wales 	<ul style="list-style-type: none"> In November, the AC’s Working Group was established The Working Group met in March and June and is liaising with the Solicitors Regulatory Authority of England and Wales and the New Zealand Council of Legal Education
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 in November, March and June The LSC appointed to the AC Dr Elisabeth Peden SC, Mr Ross Drinnan, Professor Tania Sourdin, the Hon David Habersberger KC and Mr Robert Hollo SC

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

Priority actions	Work undertaken/completed
<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 in November and March

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"> Update the LSC website and advise stakeholders of UL developments 	<ul style="list-style-type: none"> The LSC website published eleven highlights on UL consultations and the LSC's activities during this period
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 LSC and AC Regular meetings with stakeholders to discuss the LSC, AC and the UL 	<ul style="list-style-type: none"> In June, the LSC hosted its fourth annual UL Summit in Perth which was attended by over 50 UL representatives in person or by video-link from Sydney, Melbourne and Perth See 1.1, 1.2 and 1.4 above
3.3 Promote the Uniform Law scheme in non-participating jurisdictions (NPs)	
<ul style="list-style-type: none"> Engage and consult with stakeholders in NPs about joining the UL scheme 	<ul style="list-style-type: none"> The CEO participated in the Australian legal regulators' meetings in September and June See 1.3 above
3.4 Identify, develop and realise opportunities to raise awareness of the Uniform Law scheme	
Strategies include: <ul style="list-style-type: none"> Use LSC website to consult and to advise of UL developments Publish a LSC quarterly newsletter 	<ul style="list-style-type: none"> The LSC website regularly publicises changes to the UL, Rules, consultations and other developments In this period, there were 103,731 visits to the website LSC newsletters have continued to be published quarterly

GOAL 4: CONTINUE TO ADMINISTER A WELL-GOVERNED ORGANISATION

Priority actions	Work undertaken/completed
4.1 Support the LSC and the Audit and Risk Committee	
4.1.1 Legal Services Council	
Effectively support the LSC: <ul style="list-style-type: none"> Convene five LSC meetings per year Undertake policy projects 	<ul style="list-style-type: none"> The Secretariat supported LSC meetings in July, September, November, February and June See items 2.3 and 2.4 above

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 LSC 	<ul style="list-style-type: none"> • The Secretariat supported ARC meetings in July, September and February • The LSC reappointed Geoffrey Applebee as Chair of the ARC from 1 January 2022 to 31 December 2024
4.2 Comply with statutory reporting requirements	
<ul style="list-style-type: none"> • Publish Annual Reports for the LSC and Commissioner 	<ul style="list-style-type: none"> • The 2020-2021 Annual Reports are published on the LSC's website
<ul style="list-style-type: none"> • Monitor and review the LSC triennial budgets 	<ul style="list-style-type: none"> • The LSC's triennial budget was approved by the SC to 30 June 2024
<ul style="list-style-type: none"> • Comply with NSW Audit Office (AO) requirements 	<ul style="list-style-type: none"> • The NSW AO requirements for FY 2021-22 were met, resulting in unqualified audits for the LSC and Commissioner
4.3 Review and implement the LSC's governance and business arrangements	
<ul style="list-style-type: none"> • Annual review and update of LSC's governance documents • Monitor the Corporate Services Agreement (CSA) arrangements 	<ul style="list-style-type: none"> • In February, the ARC recommended and the LSC approved updated LSC 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 reviews process and staff training/development 	<ul style="list-style-type: none"> • The CEO and policy officers met regularly to discuss priorities • Performance reviews were held in December and June and staff training was undertaken



REPORT OF THE COMMISSIONER FOR UNIFORM LEGAL SERVICES REGULATION 2021/2022

ANNUAL REPORT

2021/2022

CONTENTS

Report of the Commissioner for Uniform Legal Services Regulation	33
Commissioner's Letter to Council	35
Commissioner's Report	36
Roles and Responsibilities	37
Highlights of 2021–2022	38
Legal Profession Snapshot	40
Uniform Law Data Analysis	42

7 November 2022

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

Dear Mr Cameron,

Annual Report for 2021–2022

I submit the Annual Report of the Commissioner for Uniform Legal Services Regulation for 2021–2022 to the Legal Services Council, in accordance with clause 10 of Schedule 2 to the Legal Profession Uniform Law. This Annual Report was prepared by my predecessor, Megan Pitt. On 20 October 2022, the Council agreed to extend the period for submission of this Annual Report to 31 December 2022.

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

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



Heather Moore

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

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COMMISSIONER'S REPORT

It is my pleasure to present my fifth 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

This year, I have continued to receive reports from the designated local regulatory authorities in relation to compliance matters and guidance they have issued to promote compliance and increase awareness of the Uniform Law and Rules.

In December, the five-year review of the 2016 Course of Education for External Examiners of the Trust Records of Law Practices, Barristers and Approved Clerks was finalised with assistance from technical experts from the Law Society of NSW, NSW Bar Association, Law Institute of Victoria, Legal Practice Board in Western Australia, Victorian Legal Services Board and Commissioner.

This review was designed to update the Course Assessment Questions, with a view to improving the rigour of requirements for external examiners. The working group also considered trust money and forms and the development of an online format. The next five-year review of the External Examiners Course is due in 2026.

CONSISTENT AND EFFECTIVE IMPLEMENTATION OF CHAPTER 5 PROVISIONS

As Commissioner, I have continued to convene 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 in Western Australia, to promote information sharing and the consistent application of Chapter 5 provisions and to identify best practice in regulatory matters.

Regular liaison meetings between the Secretariat policy officers and the local regulatory authorities' and admitting authorities' policy officers, and with representatives of the NSW Department of Communities and Justice, Victorian Department of Justice and Community Safety and Western Australian State Solicitor's Office.

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.

In the lead up to Western Australia joining the Uniform Law scheme, meetings were convened with the Legal Practice Board in Western Australia to establish a timeline and process for integrating Western Australian complaints and admissions data into the Uniform Law database.

RAISE AWARENESS OF THE UNIFORM LAW FRAMEWORK AND ITS OBJECTIVES

During the year, I have continued to engage with other jurisdictions to encourage their participation in the Uniform Law scheme, including by participating in a regular teleconference attended by legal regulators from all Australian jurisdictions.

I have also had the opportunity to explore and examine international regulatory regimes, as compared with the Uniform Law scheme, in the context of various projects. These international interactions have included meetings with legal regulators in England and Wales, and New Zealand.

Our quarterly newsletter and website have been excellent tools to assist us to raise awareness of the Uniform Law framework. In addition, the Australian Legal Profession Register has had over 22,422 views since its launch in December 2019 and the Legal Profession Uniform Law Library, hosted by AustLII, had over 16,624 enquiries over the past year.

In October 2022, my five year appointment as CEO and Commissioner will come to an end. It has been an honour and a pleasure to have worked with so many dedicated, hardworking colleagues in NSW, Victoria and Western Australia over the past five years.

On a personal note, I wish all our Uniform Law partners the very best for the future, and for the continuing success and expansion of the Uniform Law scheme, in the coming years.

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 42–57), publication of audited information submitted by fidelity funds (pages 56–57) and audited consolidated financial statements (page 61). See also the Highlights section of Commissioner's Report (pages 38–39).

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 2022. 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 2021-2022

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

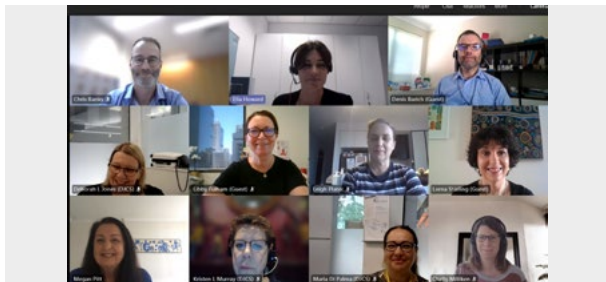
DLRA Executive meetings

During the year, the Commissioner was pleased to host designated local regulatory authority 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 AM, NSW Legal Services Commissioner; Greg Tolhurst, Executive Director, NSW Bar Association; Libby Fulham, Executive Director, Legal Practice Board in Western Australia; and Russell Daily, Law Complaints Officer, Legal Profession Complaints Committee (WA).

Admission authority meetings

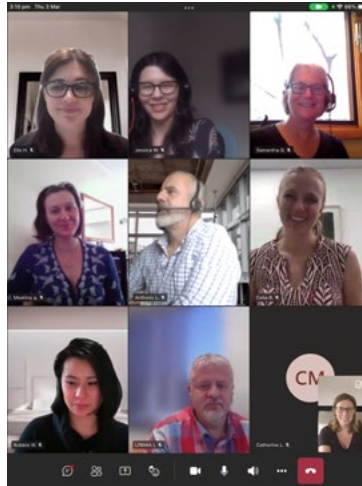
The Commissioner continued to organise liaison meetings with representatives of the Legal Practice Admission Board of NSW, the Victorian Legal Admissions Board and the Legal Practice Board in Western Australia to discuss the work of the Admissions Committee, share admissions issues, and promote consistency and best practices.



Top row (L-R): Chris Banks (LPAB(NSW)), Ella Howard (LSC) and Denis Barich (LPBWA)
Middle row: Deborah Jones (VLAB), Libby Fulham (LPBWA), Leigh Plater (LPAB(NSW)) and Lorna Starling (LPBWA)
Bottom row: Megan Pitt (LSC), Kristen Murray (VLAB), Maria Di Palma (VLAB) and Chelly Milliken (LSC)

DLRA policy officer meetings

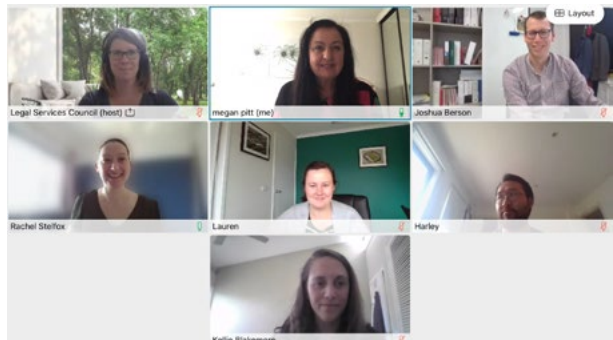
The Commissioner and Secretariat also continued to convene regular meetings with the local regulatory authority policy officers from NSW, Victoria and Western Australia. These meetings provide a forum for enhanced information sharing and collaboration, and the further development of working relationships with these key stakeholders.



Top row (L-R): Ella Howard (LSC), Jessica Wardle (LSC) and Samantha Gulliver (OLSC)
Middle row: Michelle Marfurt (VLSB+C), Anthony Lean (LSNSW) and Celia Barnett-Chu (NSW Bar)
Bottom row: Bobbie Wan (LSNSW), Dale Wescombe (LPBWA) and Chelly Milliken (LSC)

Department meetings

The Commissioner and Secretariat also continued to meet with the policy officers from the NSW Department of Communities and Justice, Victorian Department of Justice and Community Safety and Western Australia State Solicitor's Office to discuss Uniform Law issues and upcoming developments.



Top row (L-R): Chelly Milliken (LSC), Megan Pitt (LSC) and Joshua Berson (WA SSO)
Middle row: Rachel Stelfox (Vic DJCS), Lauren Scholz (Vic DJCS) and Harley Ng (Vic DJCS)
Bottom row: Kellie Blakemore (NSW DCJ)

Australian legal regulators meetings

In September and June, 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.

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 22,422 views since its launch in December 2019.

The ALPR is a useful reference tool for the legal profession and also provides protection to consumers.

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 assists legal practitioners and consumers to stay up to date with relevant Uniform Law developments, with 16,624 enquiries 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 in Western Australia in preparation for the transfer of data from Western Australia in 2022.



*Top row (L-R), Analisa Zainal and Chris Banks (LPAB(NSW))
Bottom row: Bridget Sordo (LSC), Maria Di Palma (VLAB) and Maria Wizbicki (LSNSW)*

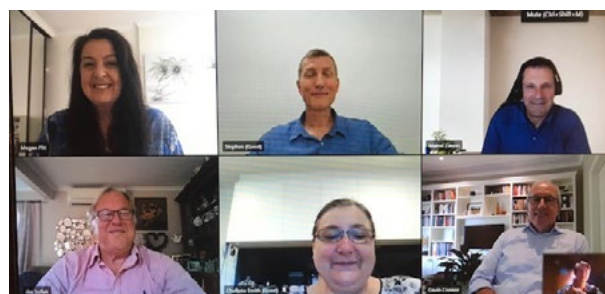
EXTERNAL EXAMINERS' COURSE

In December, the External Examiners' Working Group consisting of representatives from the Victorian Legal Services Board and Commissioner, Law Society of NSW, NSW Bar Association and Legal Practice Board in Western Australia submitted, for approval, the revised Course of Education for External Examiners of the Trust Records of Law Practices, Barristers and Approved Clerks, resulting from a five-year review.

The revised Course was approved under rule 65 of the Legal Profession Uniform General Rules 2015 by the Commissioner under delegation from the Council.

On 21 January, the Commissioner convened a meeting with the Working Group to discuss future reviews of trust money forms and course assessment questions and the development of an online external examination course.

The next five-year review will be held in 2026, and in preparation for that, the Commissioner has sought feedback from the Working Group as to improvements that can be made to the review process.



*Top row (L-R): Megan Pitt (LSC), Stephen Ramsey (LPBWA) and Marco Zanon (LIV)
Bottom row: Jim Sofiak (LSNSW), Chellene Smith (VLSB+C), Gavin Connor (LSNSW) and Bridget Sordo (LSC)*

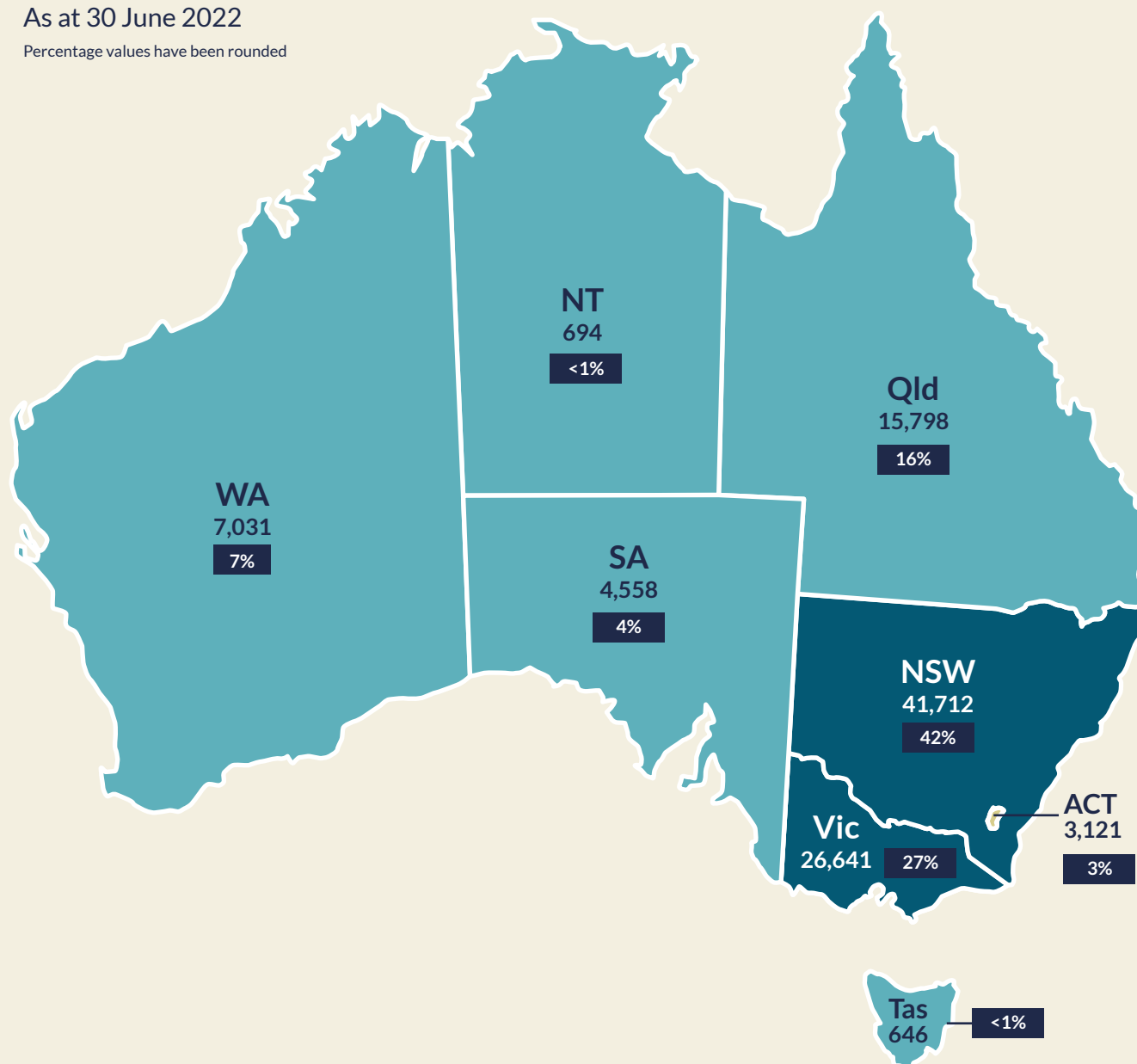
LEGAL PROFESSION SNAPSHOT

NUMBER OF LEGAL PRACTITIONERS (SOLICITORS AND BARRISTERS)

AUSTRALIA-WIDE

As at 30 June 2022

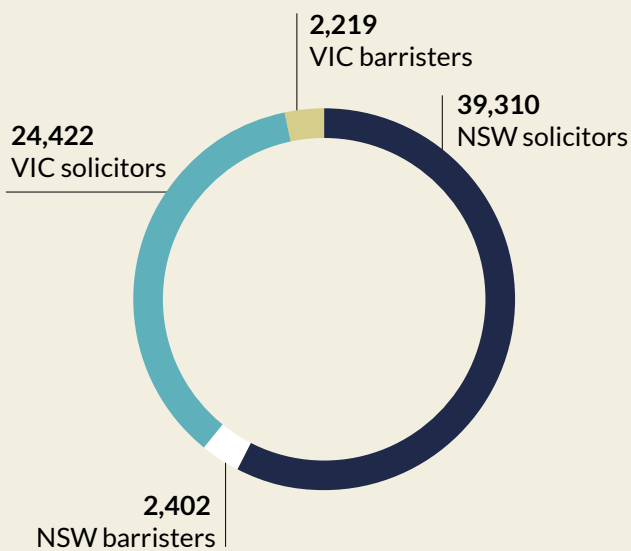
Percentage values have been rounded



Of the 93,682 solicitors Australia-wide, the largest proportion of solicitors are registered in NSW (42%) followed by Victoria (26%)

There are **100,201** 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 **68,353** (3.9% increase since 1 June 2021). This figure represents **68%** of all legal practitioners Australia-wide.

NSW solicitors: 39,310 barristers: 2,402
Total number of legal practitioners in NSW: 41,712

VIC solicitors: 24,422 barristers: 2,219
Total number of legal practitioners in VIC: 26,641

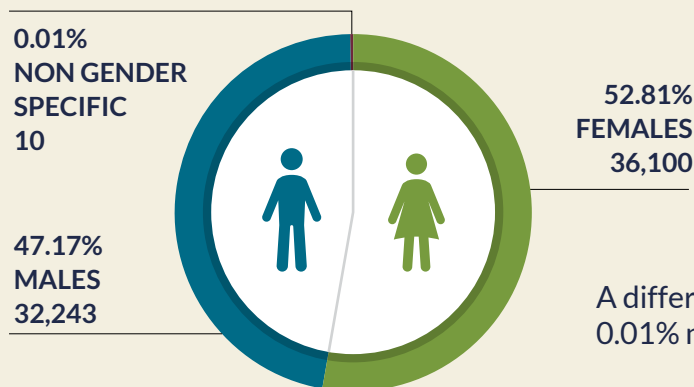
There are **100,201** legal practitioners in Australia: 93,682 solicitors and 6,519 barristers*

Solicitors (63,732) make up 93% of the legal profession across the two Uniform Law jurisdictions

Solicitors in the Uniform Law jurisdictions (63,732) comprise 68.0% of solicitors Australia-wide

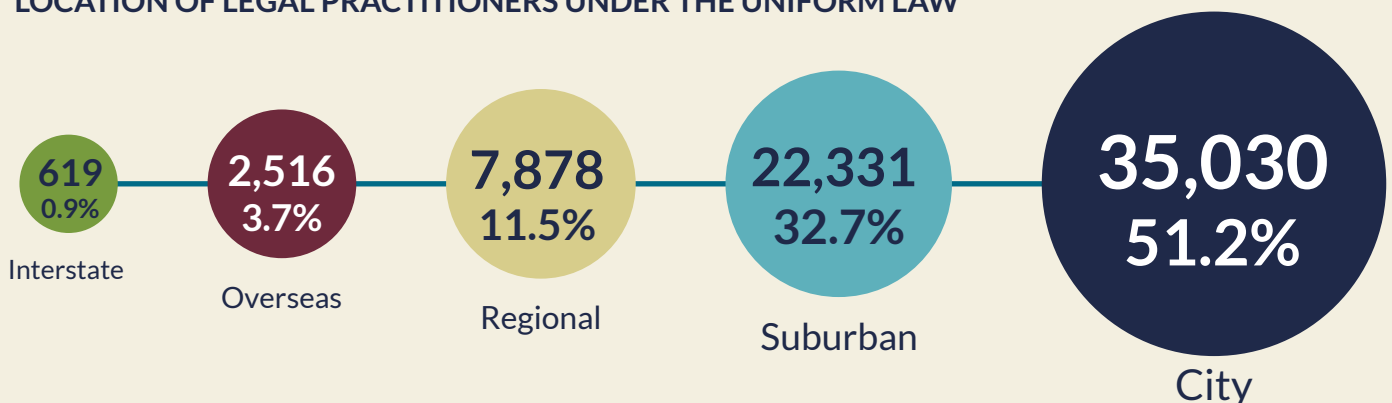
Barristers in the Uniform Law jurisdictions (4,621) represent 70.9% of barristers Australia-wide

LEGAL PRACTITIONERS UNDER THE UNIFORM LAW BY GENDER



A difference of 5.65% 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 2022

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 sixth 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) (LPAB(NSW)) and the Victorian Legal Admissions Board (VLAB). These bodies are designated local regulatory authorities (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 and admissions categories. The Commissioner is grateful for the DLRAs' valuable assistance in the review and for their cooperation each quarter in the necessary data verification process.

During the reporting period, work commenced with the Legal Practice Board of Western Australia for the mapping of Western Australian complaints and discipline data and admissions data from 1 July 2022. Western Australian data will be included in next year's annual report.

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 4001 – 19% more than the previous financial year (3,372) but 4% less than FY2020 (4,189). Both jurisdictions experienced an increase in complaint numbers.

The Victorian Legal Services Commissioner deals with all legal practitioner complaints in Victoria. As in the previous reporting period, many enquiries, previously classed as complaints, were processed and resolved prior to becoming complaints.

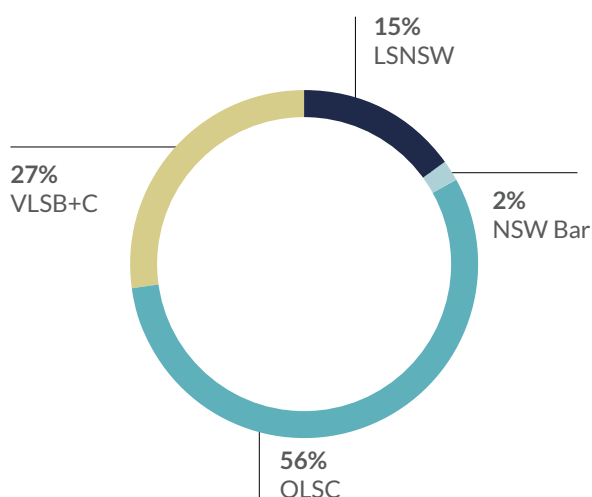
In NSW, the OLSC is the repository of all complaints. Through delegations, the OLSC co-regulates with the LSNSW Council and the NSW Bar Council. Together, the Councils handled 679 or 23% of all NSW complaints. Complaint figures in NSW have increased by approximately 6% in the last year (from

2,758 to 2,929). The proportion of complaints being dealt with by each NSW DLRA has remained largely the same.

Almost two thirds 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 under s 277(1)(a).

1.1 Total number of opened new complaints by jurisdiction

DRLA	NSW	VIC	Total
LSNSW	605		605
NSW Bar	74		74
OLSC	2,250		2,250
VLSB+C		1,072	1,072
TOTAL	2,929	1,072	4,001



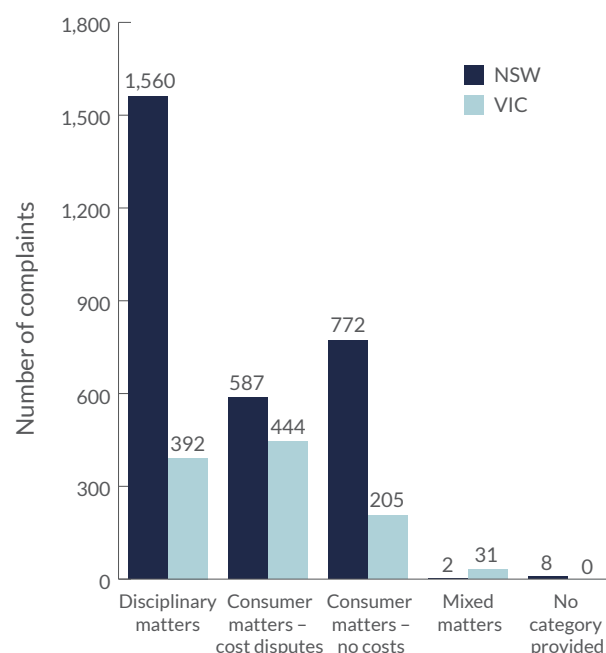
2. OPENED COMPLAINTS BY CATEGORY AND JURISDICTION

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	1,560	392	1,952
Consumer matters – costs disputes	587	444	1,031
Consumer matters – no costs	772	205	977
Mixed matters	2	31	33
No category provided	8		8
TOTAL	2,929	1,072	4,001

2.1.2 Graph of opened complaints by category and jurisdiction



The highest category of complaints was consumer matters, making up half (2,008 or 50%) of all opened complaints. Over half of consumer matters (51%) included a costs dispute. Graph 2.1 shows those consumer matters that are costs disputes. Overall, costs disputes were present in 26%, compared with 29% in 2021 and 31% in 2020.

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 2022 (49%) increasing steadily from previous years: 2021 (46%), and 2020 (43%).

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 2020.

3.1 Opened complaints by issue and jurisdiction

Complaint type	NSW	VIC	Total
Ethical matters	952	372	1,324
Competence and diligence	719	212	931
Costs	384	435	819
Communication	565	34	599
Compliance matters	230	37	267
Trust money and trust accounts	67	48	115
Personal conduct	10	52	62
Complaint with no type provided	6	0	6
TOTAL	2,933	1,190	4,123*

* 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' (1,324 or 32%). 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 increased from previous years: 2021 - 29% and 2020 - 28%.

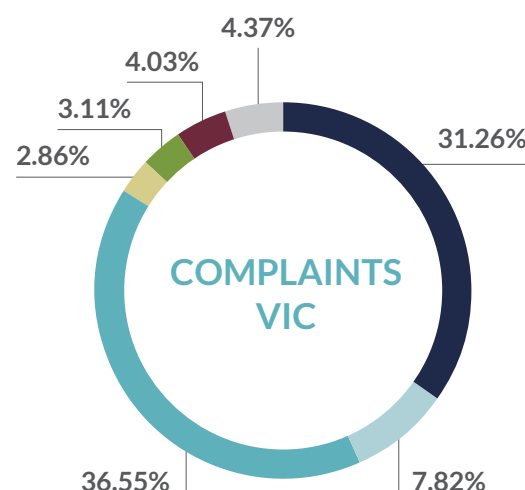
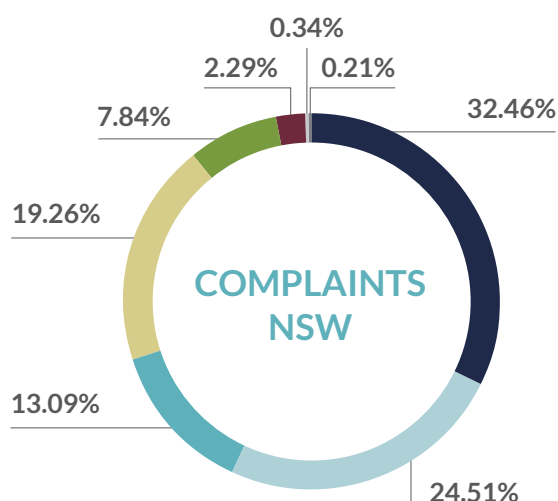
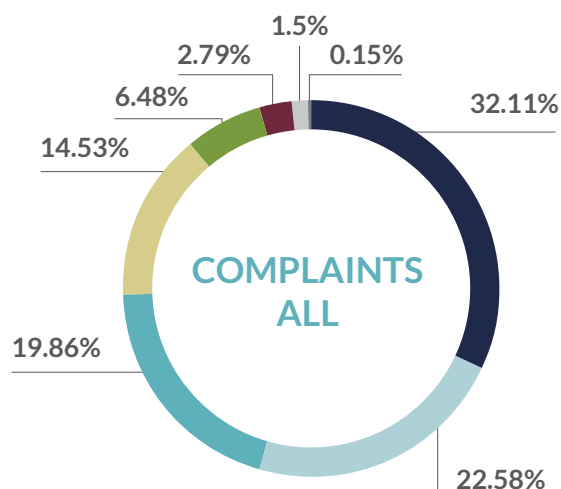
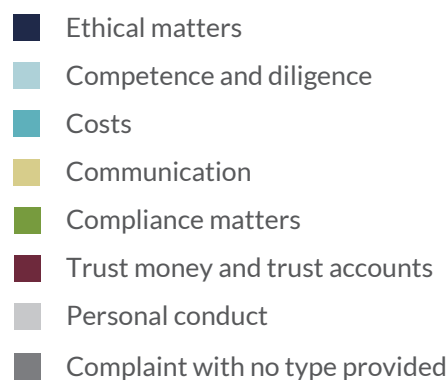
Closely following ethical matters are complaints related to a legal practitioner's competence and diligence (931 or 23% compared with 24% in 2021). This complaint type includes failure to supervise, delay, poor advice/case handling, client capacity, record management, and general incompetence. Poor advice/case handling was the basis of 11% of all complaints, less than the figure of 12% recorded in 2021 and 14% in 2020. General incompetence under this complaint type led to 5% of complaints in 2022.

The complaints relating to trust money and trust accounts were 3%, the same as 2021 and lower than in 2020 (5%).

The most common sub-issue across the two jurisdictions is an allegation of overcharging (15%), identical to the previous year. Billing issues once again comprised 3% of all opened complaints by issue.

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



4. OPENED COMPLAINTS BY INDIVIDUAL PRACTITIONER AND LAW PRACTICE TYPE

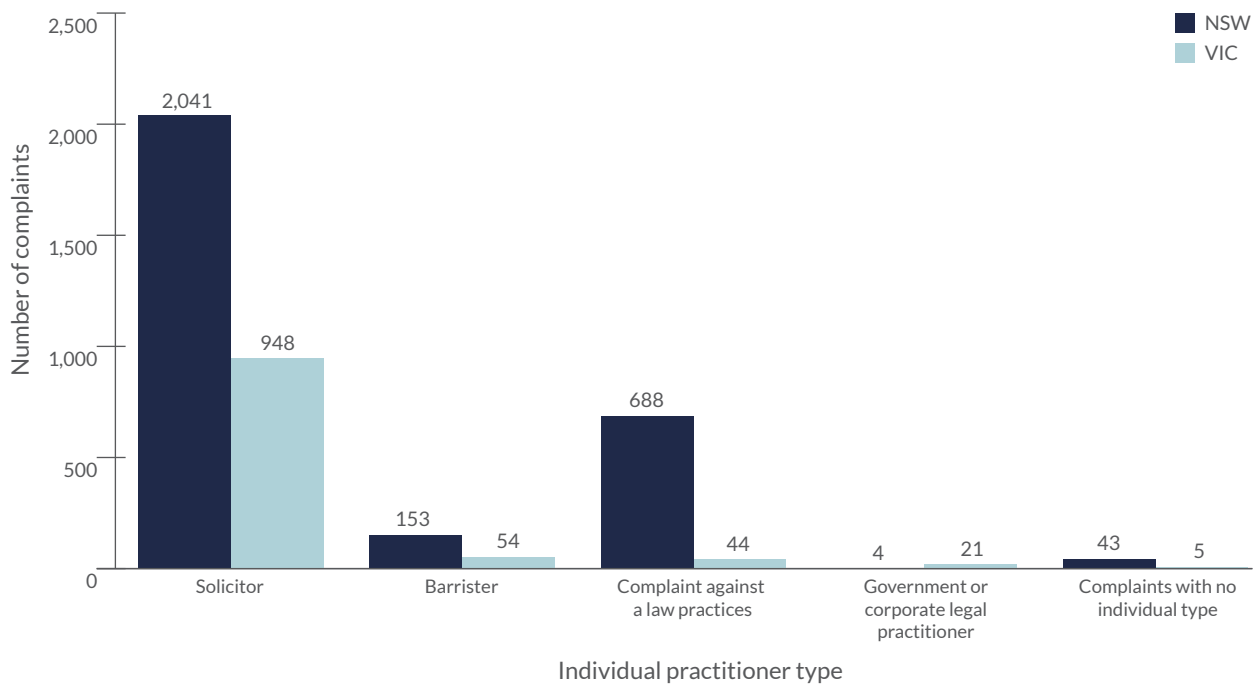
4.1 Opened complaints by individual practitioner type by jurisdiction

Complaints against solicitors in private practice ranked highest at 75%, much lower than in previous years (2021 - 84% and 2020 - 83%). Barristers were the subject of 5% of all complaints, similar to the 2021 figure of 4.6% and less than the 2020 figure of 5.3%. The other individual practitioner types make up the remaining 20%.

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

Individual type	NSW	VIC	Total
Solicitor	2,041	948	2,989
Barrister	153	54	207
Complaint against a law practice	688	44	732
Government or corporate legal practitioner	4	21	25
Complaints with no individual type	43	5	48
TOTAL	2,929	1,072	4,001

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

Less than half of complaints were made against incorporated legal practices 44%, less than in previous years: 2021 - 51% and 2020 - 48%.

Complaints against sole practitioners accounted for 21% of complaints, a decrease from the 2021 figure of 24%, and the 2020 figure of 26%.

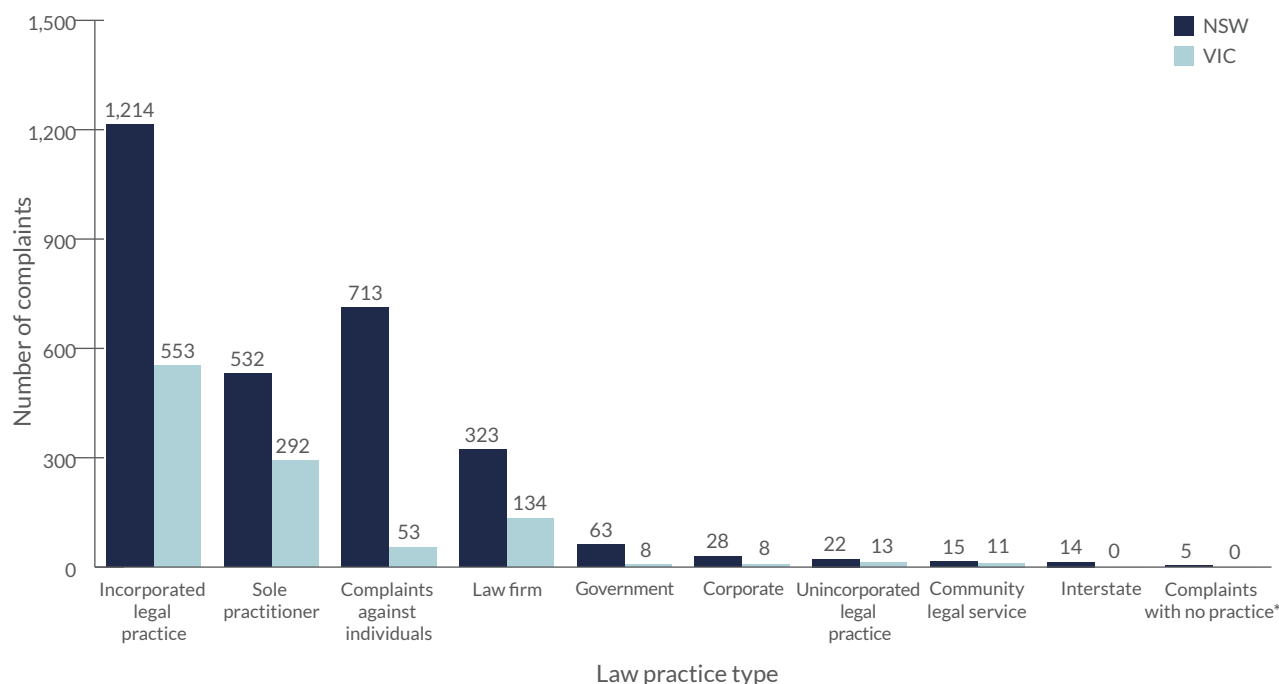
Complaints made against law firms comprise only 11% of all complaints, comparable to the proportion of complaints against law firms in 2021 (13%) and 2020 (13%).

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	1,214	553	1,767
Sole practitioner	532	292	824
Complaints against individuals	713	53	766
Law firm	323	134	457
Government	63	8	71
Corporate	28	8	36
Unincorporated legal practice	22	13	35
Community legal service	15	11	26
Interstate	14	0	14
Complaints with no law practice*	5	0	5
TOTAL	2,929	1,072	4,001

* Complaints with no law practice type are captured in 'individual practitioner type' in 4.1.1 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 (15%), followed closely by commercial/corporations/ franchise matters (9%). Complaints involving conveyancing matters made up 8% of the total number; a decrease from 11% in 2021.

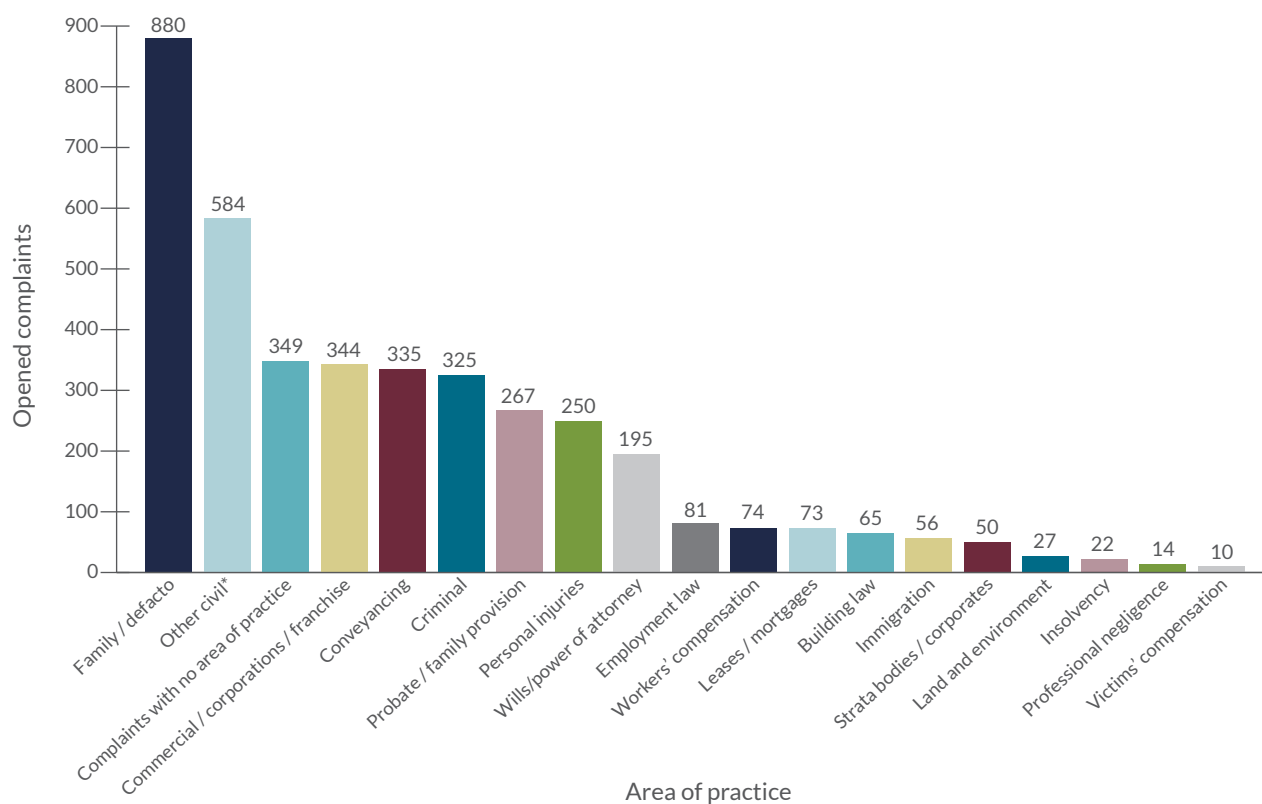
Complaints in probate/family provision claims were down at 7% compared to last year's figure of 8%. Taken together with the areas of practice of wills and powers of attorney, this group of claims, also referred to as 'elder law' complaints, made up 12% of all complaints.

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	880
Other civil*	584
Complaints with no area of practice	349
Commercial/corporations/franchise	344
Conveyancing	335
Criminal	325
Probate/family provision	267
Personal injuries	250
Wills/power of attorney	195
Employment law	81
Workers' compensation	74
Leases/mortgages	73
Building law	65
Immigration	56
Strata bodies/corporates	50
Land and environment	27
Insolvency	22
Professional negligence	14
Victims' compensation	10
TOTAL	4,001

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

During the reporting year 4,001 complaint files were opened and 3,536 complaint files were closed. This figure includes the closure of complaints that were opened prior to 1 July 2021. More complaints were opened than closed, with an average monthly ratio of 333 opened to 295 closed.

During the reporting year, 1,822 of the total 4,001 opened complaints were closed. By 30 June 2022, 45.5% of the opened complaints were finalised (compared to 51% in 2021), while 54.5% of complaints remained opened (compared to 49% in 2021).

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

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

The total of 3,559 includes matters commenced prior to the reporting period and excludes duplicate complaints. This figure exceeds the figure for closed complaints (3,536) because a complaint may be closed against more than one Uniform Law 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	2022	2021
273	Withdrawal of complaint	332	355
277	Closure of whole or part of complaint (any reason, any stage) after preliminary assessment ¹	2,306	1,828
287	Informal resolution of consumer matters	691	936
288	Mediation	18	6
289	Settlement agreements	0	0
290	Determination of consumer matters by local regulatory authority	10	9
292	Binding determinations in costs disputes	7	7
293	Cases where binding determinations are not made in costs disputes	54	51
299	Determination by local regulatory authority – unsatisfactory professional conduct	82	76
300	Initiation and prosecution of proceedings in designated tribunal	28	31
None	No Uniform Law section ²	31	99
TOTAL		3,559	3,398

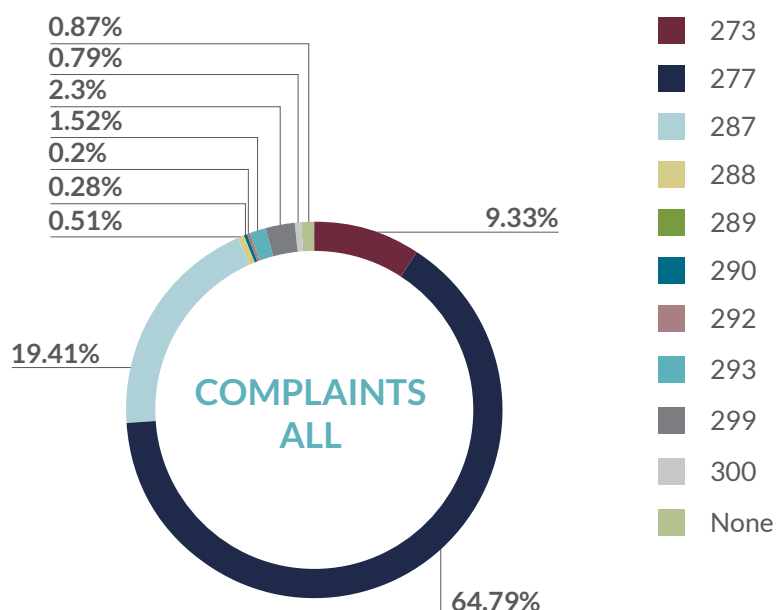
1 This covers matters from pre-assessment stage through to matters that have been fully investigated. See breakdown of s 277 closures below. It excludes duplicate complaints, the subject matter of which has been or is being investigated (s 277(1)(d)).

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, 9% of complaints were withdrawn compared with 10% in 2021. Withdrawal of a complaint may occur at any stage of an investigation. In most of these cases, the DLRA 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, 28 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)

Almost two thirds (65%) of the total complaints were closed under s 277, an increase of 11% 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	896
277(1)(h)	DLRA views that complaint cannot result in a disciplinary outcome	669
277(1)(c)	Complainant has not responded or responded inadequately	196
277(1)(i)	No DLRA power to deal with complaint	133
277(1)(j)	DLRA is satisfied that it is in the public interest to close	125
277(1)(b)	Time limit for making complaint was not waived	104
277(1)(e)	Subject matter better investigated by police or investigatory or law enforcement body	88
277(1)(d)	Subject matter of the complaint has been or is being investigated	81
277(1)(g)	Subject matter is the subject of civil proceedings, except where a disciplinary matter	39
277(1)(f)	DLRA has made a recommendation under section 82(4)	3
TOTAL		2,334

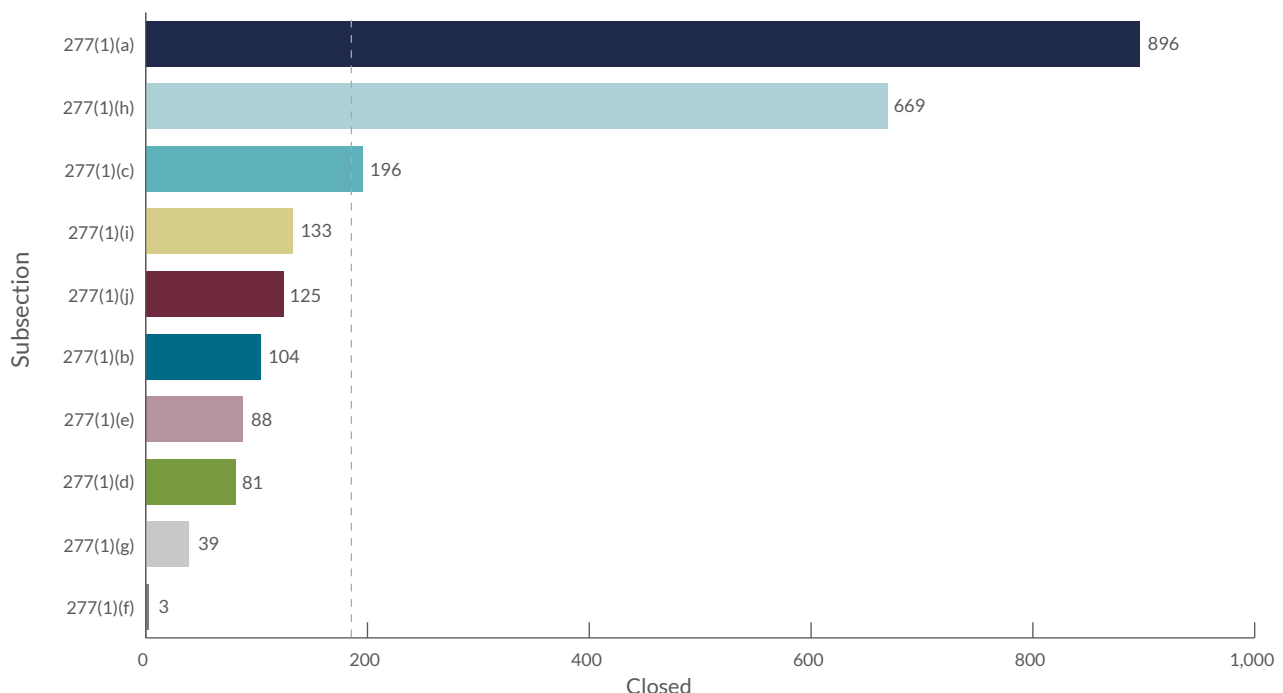
* This figure is more than the figure for all complaints closed under s 277 in table 6.3 (2,306) because a complaint may be closed under more than one subsection of s 277.

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 (38%) of all complaints)
- the DLRA forms the view that the complaint cannot result in disciplinary action (29%)
- a failure by the complainant to respond or provide adequate information (8%).

Closure may also occur when the complaint is outside the jurisdiction of the relevant DLRA's powers (6%), or because the complaint would be more appropriately investigated by the police or other investigatory or law enforcement agency (4%).

6.3.3 Graph of closed complaints under s 277(1)



6.4 Top ten types of closed complaints by outcome and jurisdiction

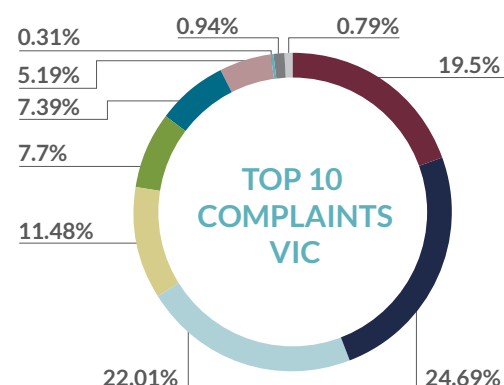
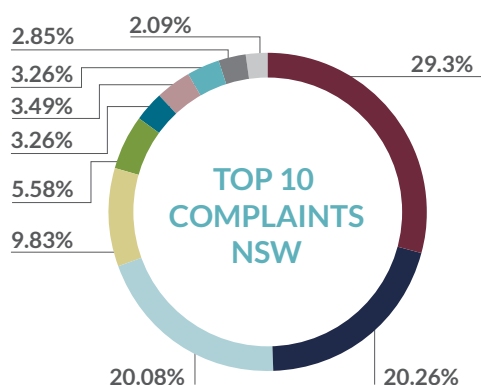
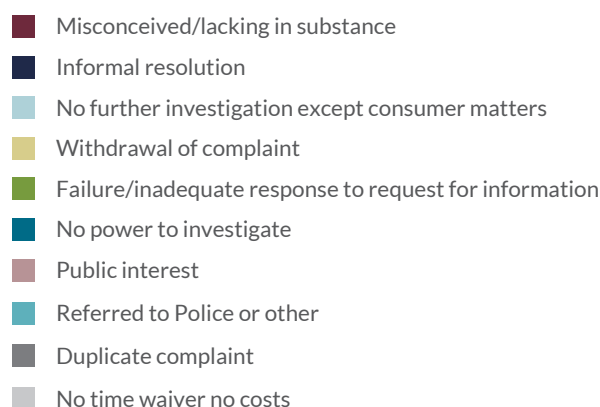
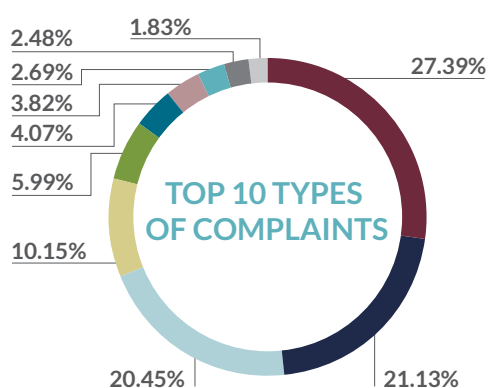
In total, 19% of all consumer matters settled through informal dispute resolution under s 287 of the Uniform Law. When a matter is not resolved by these means, an assessment of the information provided by the parties is undertaken and the complaint may be closed for any of the reasons contained in s 277(1).

In addition to the 35% of all complaints closed for being misconceived/lacking in substance or withdrawn, a further 19% of complaints consisted of non-consumer matters requiring no further investigation. Taken together this group of complaints made up over half (54%) 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., 3,271) of all closed complaints (i.e., 3,559).

6.4.1 Top ten types of closed complaints by outcome and jurisdiction

Section	Outcome	NSW	VIC	Total
277	Misconceived/lacking in substance	772	124	896
287	Informal resolution	534	157	691
277	No further investigation except consumer matters	529	140	669
273	Withdrawal of complaint	259	73	332
277	Failure/inadequate response to request for information	147	49	196
277	No power to investigate	86	47	133
277	Public interest	92	33	125
277	Referred to Police or other	86	2	88
277	Duplicate complaint	75	6	81
277	No time waiver no costs	55	5	60
TOTAL		2,635	636	3,271



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 2022, the total requests for internal reviews received by the OLSC were 168 (including 129 internal reviews of OLSC decisions, 32 internal reviews of LSNSW decisions and 7 internal reviews of NSW Bar decisions).

During the reporting period, a total of 173 internal reviews were completed. This figure consists of 126 OLSC decisions, 37 LSNSW decisions and 10 NSW Bar decisions. A total of 81 requests for internal review were declined.

VICTORIA

In Victoria, only one request for internal review was considered and was declined.

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 consumer 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)	13 (OLSC) 31 (LSNSW) 13 (NSW Bar)	44	101
Costs dispute	5	2	7
Consumer (non-costs)	9	2	11
TOTAL	71	48	119

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 Legal Profession Uniform Law Library in AustLII identified seven decisions by the NSW Court of Appeal, eight decisions by the Supreme Court of NSW and three decisions by the Supreme Court of Victoria. There were no decisions by the Victorian Court of Appeal.

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

Muriniti v Mercia Financial Solutions Pty Ltd [2021] NSWCA 180

In this case, the Court of Appeal considered Schedule 2 to the Legal Profession Uniform Law Application Act 2014 (NSW) (NSW Application Act) which deals with costs in civil claims, where there were no reasonable prospects of success. Clause

6(1) of Schedule 2 provides that, if in certain court proceedings the established facts fail to form a basis for a reasonable belief that the claim or the defence had reasonable prospects of success, there is a presumption that legal services provided on the claim or the defence were provided without reasonable prospects of success.

When considering cl 6(1), the Court of Appeal stated that the clause is a “forensically significant provision” because it creates a statutory presumption by reference to findings in the underlying proceedings. While the presumption built on the findings may be rebutted, the legal practitioner is bound by the findings, even though the practitioner is not a party to the underlying proceedings.

As the appellant failed to rebut the presumption that arose from the findings in the underlying proceedings, a personal costs order was made against him on the basis of the NSW Application Act and s 99 of the *Civil Procedure Act 2005* (NSW).

Council of the New South Wales Bar Association v EFA (a pseudonym) [2021] NSWCA 339

In the original proceedings, the NSW Civil and Administrative Tribunal had found that the respondent’s conduct, at an event outside of his legal practice, amounted to unsatisfactory professional conduct but not professional misconduct. The Tribunal reprimanded the respondent under s 299(1) of the Uniform Law and ordered that he pay the Council of the New South Wales Bar Association’s (Council) costs but declined to impose a fine or counselling. The Council appealed seeking an order that the conduct amounted to professional misconduct at common law and/or pursuant to ss 297 and 298 of the Uniform Law, and an order that the respondent pay a fine and undertake a counselling course.

The Court of Appeal rejected the Council’s argument that the Tribunal had erred in applying the incorrect test for professional misconduct, by failing to find that the respondent’s conduct occurred in connection with the practice of law and that the conduct did not constitute professional misconduct at common law. In doing so, the Court considered the definition of “professional misconduct” in s 297 of the Uniform Law and held that the traditional common law definition of professional misconduct was incorporated into the definition in s 297. The Court rejected that there existed a distinct common law definition of professional misconduct in NSW which was defined by conduct regarded

as “disgraceful or dishonourable” in reference to professional peers. Rather, the Court stated that the correct test was the “fit and proper test” which had been endorsed by the High Court repeatedly, most recently in *A Solicitor v Council of the Law Society of New South Wales* (2004) 216 CLR 253, and that “[p]rofessional misconduct” determined against the ‘critical criterion’ of ‘a fit and proper person’ is indistinguishable from ‘professional misconduct’ as defined in s 297(1)(b) of the Uniform Law.”

The Court also found that the Tribunal had correctly found the conduct to be “poorly judged, vulgar and inappropriate” but that it was not conduct that would justify a finding of unfitness. The Court stated that, conduct which would justify a finding of unfitness to practice is not necessarily conduct which must result in such a finding. The Court stated that s 297(1)(b) is concerned with the capacity of the conduct to constitute unfitness and that a finding of unfitness is more than just an objective analysis. It also focuses on the personal qualities of the lawyer and other circumstances that bear upon the conduct. Although conduct plays an important role when evaluating character, ultimately a finding of unfitness is a finding regarding character. The Court found that the respondent’s conduct was an isolated instance, albeit appalling conduct.

Overdean Developments Pty Ltd v Garslev Holdings Pty Ltd (No 3) [2021] NSWSC 1482

In this case, the Court considered the question of what constitutes engaging in legal practice within the meaning of s 10 of the Uniform Law. The Court noted that the definition of “engage in legal practice” in s 6 of the Uniform Law specifically includes not only practising law but also the provision of legal services. The word “or” in the definition “practise law or provide legal services” indicates that an activity may constitute the provision of legal services (and therefore engaging in legal practice within the meaning of s 10) even if it does not constitute practising law.

The Court noted that “the definition of ‘legal services’ as ‘work done, or business transacted, in the ordinary course of legal practice’ means work or business of a kind that is done or transacted in the ordinary course of legal practice, irrespective of whether it is in fact done in such a manner as might lead third parties to reasonably infer that the person is acting as a legal practitioner and irrespective of whether the person holds themselves out as an Australian legal practitioner.”

This preferred construction of “provide legal services” is consistent with the objective of Part 2.1 of the Uniform Law to ensure that legal work is carried out only by those who are properly qualified to do so. It would be inconsistent with the objective, if persons who are not Australian legal practitioners could avoid sanction for providing legal services merely by disclosing relevantly that they do not hold a practising certificate, or by creating some other construct within which to provide the services, such as the Power of Attorney and Consultancy Agreement in this case.

Angeleska v Victorian Legal Admissions Board [2021] VSC 829

In this case, the Court considered an appeal against a refusal for a certificate of compliance and considered the preliminary question on whether it was necessary to identify an error at first instance. It was the first decision in Victoria of an appeal under s 26 of the Uniform Law. Under the former *Legal Practice Act 1996* (Vic) an appeal against a decision of the Board of Examiners was provided for as a hearing de novo.

Section 17(1) of the Uniform Law sets out the prerequisites of a compliance certificate and includes that the applicant is a “fit and proper person to be admitted to the Australian legal profession”. Section 26 allows for an appeal to the Supreme Court and states that the Supreme Court “may make any order it considers appropriate on appeal”. Section 28, which governs the process of appeals, states the appeal is to be way of rehearing and that the Supreme Court may make any order as it thinks fit, other than an order against the designated local regulatory authority in favour of an applicant where the appeal was not successful.

After considering the NSW authorities on s 26, the Court considered that a s 26 appeal was a hearing de novo, that is where the appellate court hears the matter without any consideration of the prior hearing and regardless of whether there was an error at first instance, rather than a rehearing. The Court noted that, as had previously been observed by the High Court, what should be looked at is the substance of the appeal rather than the descriptor.

Bowers v NSW Legal Services Commissioner [2022] NSWCA 34

In this case, the Court considered the exercise of the broad decision of the NSW Legal Services Commissioner not to pursue or further pursue an investigation into a complaint made by the

applicant. The applicant argued that the decision of the Commissioner was manifestly unreasonable. The Court noted that this was a high bar, as otherwise judicial review for legal error would be indistinguishable from an appellate review of the merits of a decision.

The Court found that the Commissioner’s substantive decisions to close consumer complaints can be characterised as decisions under s 290(1) of the Uniform Law and decisions to the effect that he was not satisfied that it was “fair and reasonable” to make orders set out in s 290(2). The Commissioner had made his decisions not to review these earlier substantive decisions under s 313(1), under which he is empowered “at its absolute discretion” to conduct an internal review of an earlier decision, if considered appropriate to do so.

In resolving the complaint, the Court stated that the criterion is the Commissioner’s opinion as to what is “fair and reasonable in all the circumstances”. The Court noted that this made the Commissioner’s decision to close the file difficult to challenge on the ground of manifest unreasonableness. The Court found that the primary judge was correct in concluding that there was no reasonable cause of action identified. The Court concluded that the applicant “had to establish that it was not open to the Commissioner not to be satisfied that the respondent lawyer had engaged in unsatisfactory professional conduct; or not to be satisfied that it was fair and reasonable to make none of the orders referred to in s 290(2)” and he had failed to clear this high bar.

Buckley v Council of the Law Society of New South Wales [2022] NSWSC 328 (24 March 2022)

In this case, the Court considered whether a designated local regulatory authority exercising their jurisdiction to suspend a practising certificate required them to consider the implied freedom of political communication or to apply “proportionality testing”.

Section 82(1)(d) of the Uniform Law allows the designated local regulatory authority to vary, suspend or cancel a practicing certificate on the grounds that they reasonably believe that the holder is unable to fulfil the inherent requirements of an Australian legal practitioner.

The Court stated that there was nothing in the Uniform Law generally or s 82(1)(d) specifically that required the designated local regulatory authority to consider the implied freedom of

political communication or the proportionality principle in exercising their jurisdiction to suspend a practising certificate. Section 82(1)(d) requires the decision maker to form the reasonable belief that the legal practitioner is unable to fulfil the inherent requirements of an Australian legal practitioner. Further, in circumstances where the plaintiff had available a merits appeal and elected not to take that course, and where the suspension was shortly to come to an end, the Court noted that even if it was persuaded that there was jurisdiction error, it would have declined to exercise the discretion to grant relief.

7.3 By Tribunals

The Legal Profession Uniform Law Library in AustLII identified 20 decisions by the NSW Civil and Administrative Tribunal and 16 decisions by the Victorian Civil and Administrative Tribunal.

8. EMERGING TRENDS IN COMPLAINTS

The DLRA's 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 a costs estimate exceeds \$750 and must provide full disclosure if a costs estimate 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 significant 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, 29.4% raised issues about costs, as compared with 35% in 2021 and 41% in 2020.

The OLSC records a maximum of five issues for each complaint. Accordingly, 853 complaints about costs raised a total of 994 issues. Of these:

- 14% related to costs disclosure, compared to 18% in 2021
- 6.4% related to failure to disclose costs increases, compared to 7% in 2021.

Cost Estimate Guideline

The OLSC also provided disclosure threshold specific data which indicates that the number of complaints concerning costs under \$5,000 remained steady. The details are provided in the table below.

Complaints by costs disclosure range	2022	2021
\$0-\$750	41	40
\$751-\$1,000	16	13
\$1,001-\$1,500	25	30
\$1,501-\$5,000	124	122
TOTAL	206	205

Compliance audits

With Sydney entering a lockdown at the end of June 2021 until mid-October, an increase in the numbers of complaints received at the OLSC, periods of unplanned absences and other personal leave, OLSC

resources were not available to conduct any on site audits in the current reporting period.

Instead, remote auditing of electronic files was undertaken. A review continued of periodic reports provided by one law practice that was the subject of a management system direction in the previous reporting period.

The Practice Compliance Manager and Assistant Commissioner (Legal) continued to liaise with the LSNSW where there were concerns about principals who were unable to fulfil the inherent requirements of an Australian legal practitioner.

The phase 2 enhancements of the OLSC document management system enabled case officers to more easily nominate law practices who may be suitable candidates for compliance audit, which will streamline the process of identifying reasonable grounds to conduct a compliance audit in the future.

No complaints arose from the external examiners' reports into barristers' trust money accounts.

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

Generally, when a barrister is retained by a solicitor, the barrister makes a disclosure under s 175. There were no complaints relating to costs disclosure in this reporting period.

There were six complaints made during the reporting period which were related to the costs category. These are classified as follows:

Costs issues	2022	2021
Costs/billing	3	1
Overcharging/over-servicing	0	1
Other	3	6
TOTAL	6	8

Victorian Legal Services Board and Commissioner

The VLSB+C has continued to see 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.

Issue	2021-22	2020-21
Fail to give initial disclosure	17	12
Fail to give revised disclosure	7	9
Delay in providing disclosure	3	2
No informed consent given	1	3
No disclosure given	13	14
TOTAL	41	40

Cost Estimate Guideline

In recent years, the VLSB+C has taken a firmer approach to compliance with the costs disclosure provisions under the Uniform Law to improve costs disclosure compliance by the Victorian legal profession. To this end, the VLSB+C is building a monitoring and evaluation tool to assess the impact.

The VLSB+C responds to non-compliance with the Uniform Law costs disclosure provisions in a range of ways. 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. In other cases, a formal written warning is provided to a legal practitioner, or a determination is made for unsatisfactory professional conduct, especially where costs disclosure is not provided in high-value disputes.

Where there is repeated behaviour and a history of non-compliance by the lawyer regardless of efforts to educate/warn the legal practitioner, matters are escalated to the VLSB+C investigation team. They consider whether the conduct of the legal practitioner amounts to professional misconduct.

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, 229 claims in NSW and 129 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 operate 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.

2021–2022 Financial Year	NSW	Victoria
Practitioners contributing to the Fidelity Fund	26,702	13,624
Balance of the Fidelity Fund as at 30 June 2022	\$48,560,000	\$78,468,100
Claims outstanding as at 1 July 2021	46	38
Claims received during the FY2022	15	24
Classification of claims	All new claims were classified as being claims relating to trust money	Claims relates to "limb (a)" type defaults - being alleged failure to pay or deliver trust money or property arising from an act or omission of an associate of a law practice involving fraud or dishonesty
Value of claims received	\$5,143,714.40	\$4,707,126.30
Number of claims allowed/partly allowed/settled	17	14
Value of payments made	\$689,487.12	\$593,890.40
Reasons for allowing claims	Claims were allowed because the claimant suffered a pecuniary loss as a result of a default as defined in s 219 of the Uniform Law	Claims were allowed where it was found 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 as a result of the default
Disallowed claims	32	13
Reasons for disallowing claims	Claims were disallowed because there was no pecuniary loss suffered by the claimant and no default	Claims were disallowed primarily because the Board or its authorised delegate was not satisfied a default occurred (whether because the claims was not made in relation to trust money, or because there was no evidence of a failure to pay or deliver trust money involving fraud or dishonesty)
Appeals made by unsuccessful claimants	1	0
Claims outstanding at end of FY2022	12	33
Court proceedings commenced as a result of claim	1	0

10. UNIFORM LAW ADMISSIONS BOARDS

Role of the admitting authorities

The LPAB(NSW) and the 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, accrediting and re-accrediting academic courses and practical legal training providers.

In addition, the LPAB(NSW) 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(NSW) 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(NSW) and VLAB for their diligence in verifying and, where necessary, reconciling the data reports every quarter.

The LPAB(NSW) 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:

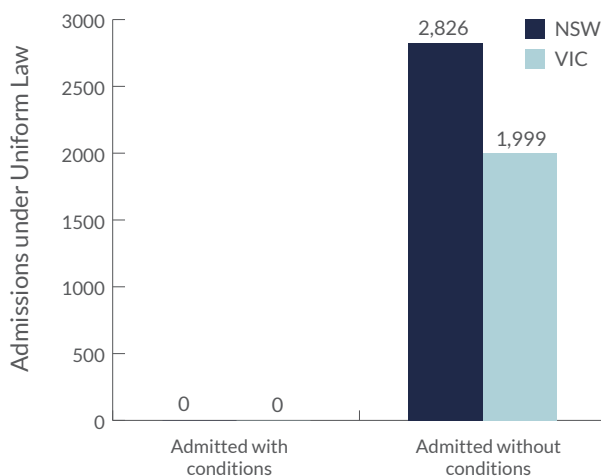
1. Total admissions under the Uniform Law
2. Total admissions by gender
3. Total admissions by age
4. Admissions by gender of foreign lawyers
5. Admissions by country of foreign lawyers
6. Admissions by Australian University and Institution.

10.1 Total admissions under the Uniform Law by jurisdiction

There were fewer admissions in NSW and Victoria during this reporting period, with an overall decrease of 7.3% from 2021. As in previous years, 58.6% of admissions were processed in NSW and 41.4% were processed in Victoria. There were no admissions with conditions during the reporting period. The reference to conditions is a reference to conditional admission under s 20 of the Uniform Law.

Admission status	NSW admissions	Victorian admissions*	Total
Admitted with conditions	0	0	0
Admitted without conditions	2,826	1,999	4,825
TOTAL	2,826	1,999	4,825

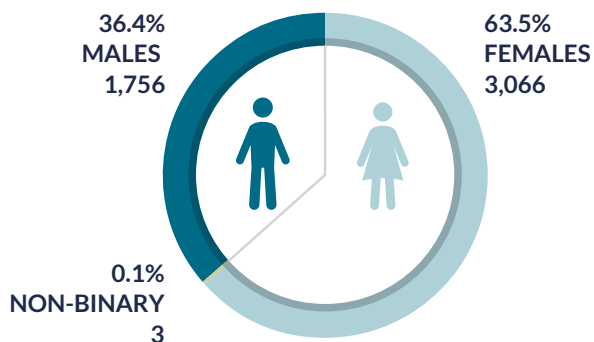
* The total for Victorian and NSW admissions do not include admissions under Mutual Recognition legislation.



10.2 Total admissions by gender and jurisdiction

Sex	NSW admissions	Victorian admissions	Total
Male	1,037	719	1,756
Female	1,788	1,278	3,066
Non-binary	1	2	3
TOTAL	2,826	1,999	4,825

Of Uniform Law admittees who had not been previously admitted overseas, 63.5% identified as female, an increase from 63% in the previous year.



A difference of 27% between the sexes with 0.01% 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

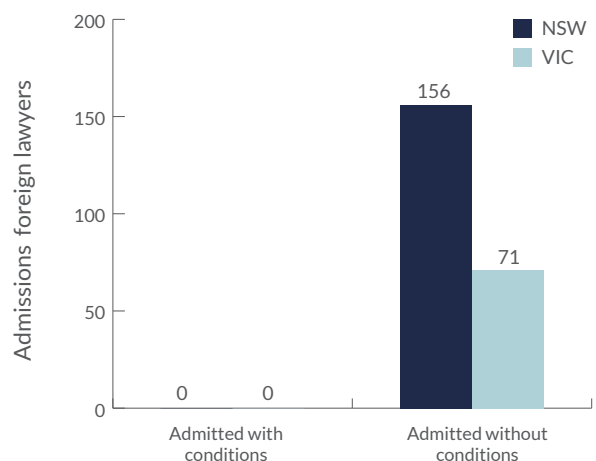
Approximately 4.7% of admittees had previously been admitted overseas. The table below shows the jurisdictional breakdown of the admission of foreign lawyers in the Uniform Law jurisdictions.

Admission status	NSW admissions	Victorian admissions	Total
Admitted with conditions	0	0	0
Admitted without conditions	156	71	227
TOTAL	156	71	227

The United Kingdom, South Africa, Hong Kong and India were the main jurisdictions from which foreign lawyer applications for admissions are made.

In NSW, 5.5% of total admissions were previously admitted overseas. Of these, 85 identified as female and 70 identified as male and one identified as non-binary.

In Victoria, out of 1,999 admissions, 3.6% were previously admitted overseas. Of these 39 identified as female and 32 identified as male.



10.5 Admissions by Australian University and Institution

0	Admissions by University or Institution	NSW	Victoria	TOTAL
1	Australian Catholic University	32	88	120
2	Australian National University	122	31	153
3	Bond University	16	7	23
4	Central Queensland University	8	4	12
5	Charles Darwin University	9	11	20
6	Charles Sturt University	14	3	17
7	Curtin University	4	1	5
8	Deakin University	11	392	403
9	Edith Cowan University	2	1	3
10	Griffith University	6	5	11
11	James Cook University	1	3	4
12	La Trobe University	3	226	229
13	Macquarie University	433	0	433
14	Monash University	19	550	569
15	Murdoch University	2	2	4
16	NSW LPAB	95	1	96
17	Queensland University of Technology	12	8	20
18	Royal Melbourne Institute of Technology	2	40	42
19	Southern Cross University	52	7	59
20	Swinburn University of Technology	1	39	40
21	The University of Newcastle	116	0	116
22	The University of Notre Dame Australia	43	1	44
23	The University of Western Australia	4	0	4
24	The University of Canberra	8	0	8
25	Top Education Institute	5	0	5
26	University of Adelaide	12	11	23
27	University of Melbourne	13	253	266
28	University of New England	93	26	119
29	University of New South Wales	363	3	366
30	University of Queensland	5	7	12
31	University of South Australia	1	0	1
32	University of Southern Queensland	6	6	12
33	University of Sydney	374	1	375
34	University of Tasmania	8	4	12
35	University of Technology Sydney	365	1	366
36	University of the Sunshine Coast	1	0	1
37	University of Wollongong	162	0	162
38	Victoria University	2	154	156
39	Western Sydney University	178	0	178
40	Foreign qualification admitted and non-admitted	223	113	336
		2,826	1,999	4,825

The most popular Universities were Monash University (569), Macquarie University (433), Deakin University (403), University of Sydney (375), University of New South Wales (366), and University of Technology Sydney (366), which accounted for more than half of all admissions in FY2021–2022.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS

Financial statement summary	62
Statement by Chief Executive Officer and Commissioner	63
Independent Auditor's Report	64
Statement of comprehensive income	66
Statement of financial position	67
Statement of changes in equity	68
Statement of cash flows	69
Notes to the financial statements	70
1. Statement of significant accounting policies	70
2. Expenses excluding losses	71
3. Revenue	73
4. Current assets – cash and cash equivalents	74
5. Current assets – receivables	74
6. Plant and equipment	75
7. Leases	77
8. Current liabilities – payables	79
9. Current / non-current lease liabilities	79
10. Current / non-current provisions	80
11. Commitments	81
12. Contingent assets and liabilities	81
13. Reconciliation of cash flows from operating activities to net result	81
14. Financial instruments	81
15. Related party disclosures	84
16. Covid-19 disclosures	85
17. Prior period adjustment	85
18. Events after the reporting period	86

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 7 November 2022, 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 2022 was a surplus of **\$16,000** (2021: \$297,000).

Revenue

The revenue for the Legal Services Council for the year ended 30 June 2022 was **\$1,781,000** (2021: \$1,882,000).

Expenses

The expenditure for the Legal Services Council for the year ended 30 June 2022 was **\$1,765,000** (2021: \$1,585,000).

Assets

The total assets for the Legal Services Council as at 30 June 2022 were **\$1,896,000** (2021: \$1,774,000).

Liabilities

The total liabilities for the Legal Services Council as at 30 June 2022 were **\$713,000** (2021: \$607,000) representing employee related provisions and other accrued liabilities.

STATEMENT BY CHIEF EXECUTIVE OFFICER AND COMMISSIONER

FOR THE YEAR ENDED 30 JUNE 2022

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

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

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

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

Heather Moore

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

7 November 2022
Sydney



INDEPENDENT AUDITOR'S REPORT

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

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Legal Services Council, incorporating the Commissioner for Uniform Legal Services Regulation (the Council), which comprise the Statement by Chief Executive Officer and Commissioner, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, 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 Regulation and Treasurer's Directions. The Chief Executive Officer and Commissioner's responsibility also includes such internal control as the Chief Executive Officer and Commissioner determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

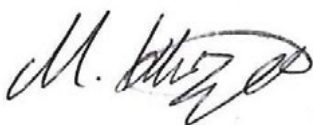
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. 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 Services

Delegate of the Auditor-General for New South Wales

14 November 2022
SYDNEY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	Restated 2021 \$'000
Expenses excluding losses			
Operating expenses			
Personnel services expenses*	2(a)	1,380	1,296
Other operating expenses	2(b)	263	167
Depreciation and amortisation	2(c)	119	119
Finance costs	2(d)	3	3
Total expenses excluding losses		1,765	1,585
Revenue			
Grants and contributions	3(a)	1,779	1,880
Interest revenue	3(b)	2	2
Total revenue		1,781	1,882
Net result		16	297
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		16	297

The accompanying notes form part of these financial statements.

* Refer to Note 17 for details of restatement.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	2022 \$'000	Restated 2021 \$'000	Restated 1 July 2020 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	4	1,478	1,354	947
Receivables*	5	147	150	101
Total current assets		1,625	1,504	1,048
Non-current assets				
Plant and equipment	6	63	111	159
Right of Use Assets	7	208	159	231
Total non-current assets		271	270	390
Total assets		1,896	1,774	1,438
LIABILITIES				
Current liabilities				
Payables*	8	159	206	175
Lease liabilities	9	70	71	70
Provisions	10	337	238	162
Total current liabilities		566	515	407
Non-current liabilities				
Lease liabilities	9	143	90	161
Provisions	10	4	2	-
Total non-current liabilities		147	92	161
Total liabilities		713	607	568
Net assets		1,183	1,167	870
EQUITY				
Accumulated funds		1,183	1,167	870
Total equity		1,183	1,167	870

The accompanying notes form part of these financial statements.

* Refer to Note 17 for details of restatement.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated funds \$'000	Total equity \$'000
Restated Balance at 1 July 2021*	1,167	1,167
Net result for the year	16	16
Other comprehensive income	-	-
Total comprehensive income for the year	16	16
Transactions with owners in their capacity as owners	-	-
Balance at 30 June 2022	1,183	1,183
Balance at 1 July 2020	799	799
Prior period adjustment (Note 17)*	71	71
Restated Balance at 1 July 2020*	870	870
Restated Net result for the year*	297	297
Other comprehensive income	-	-
Total comprehensive income for the year	297	297
Transactions with owners in their capacity as owners	-	-
Restated Balance at 30 June 2021*	1,167	1,167

The accompanying notes form part of these financial statements.

* Refer to Note 17 for details of restatement.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Payments			
Employee related		(1,285)	(1,202)
Suppliers for goods and services		(331)	(210)
Finance Cost		(3)	(3)
Total payments		(1,619)	(1,415)
Receipts			
Grants & contributions received		1,792	1,868
Interest		2	2
GST refunded		17	22
Total receipts		1,811	1,892
Net cash flows from operating activities	13	192	477
Cash flows from investing activities			
Net cash flows from investing activities		-	-
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(68)	(70)
Net cash flows from financing activities		(68)	(70)
Net increase in cash		124	407
Opening cash and cash equivalents		1,354	947
Closing cash and cash equivalents	4	1,478	1,354

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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 2022 have been authorised for issue by the Council on 7 November 2022.

(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**

Policies: Tier 2 and Other Australian Accounting Standards

(i) **Effective for the first time in 2021-22**

Several other amendments and interpretations apply for the first time in FY2021-22, but do not have an impact on the financial statements of the Council.

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.

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

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

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

The following new Accounting Standards have not been applied and are not yet effective as per NSW Treasury Circular NSW TPG 22-07:

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

- 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
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting

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

2. EXPENSES EXCLUDING LOSSES

(a) **Personnel services expenses**

	2022 \$'000	Restated 2021 \$'000
Salaries and wages (including annual leave)*	1,199	1,145
Payroll tax	64	59
Superannuation*	75	67
Workers compensation insurance	–	–
Long service leave	42	25
Total	1,380	1,296

* Refer to Note 17 for details of restatement.

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:

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

(b) Other operating expenses

	2022 \$'000	2021 \$'000
Administration	124	59
Audit fees	33	37
Communications	4	16
Corporate Services – NSW Department of Communities and Justice	42	42
Legal representation	–	10
Rental	3	–
Travel	57	3
Total	263	167

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

(c) Depreciation

	2022 \$'000	2021 \$'000
Depreciation		
Plant and equipment	48	48
Right of use asset – premises	71	71
Total	119	119

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

(d) Finance costs

	2022 \$'000	2021 \$'000
Interest expense on lease liabilities	3	3
Total	3	3

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

	2022 \$'000	2021 \$'000
Contribution from NSW Department of Communities and Justice	1,093	1,193
Contribution from Victorian Legal Services Board	686	687
Total	1,779	1,880

Recognition and measurement

Funding contributions were provided by the NSW Department and the 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

	2022 \$'000	2021 \$'000
Interest revenue	2	2
Total	2	2

Recognition and measurement

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

(c) Deemed appropriations and Summary of Compliance

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

- (a) forms part of the Consolidated Fund, and
- (b) is not appropriated under the authority of an Act.

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

The NSW Department responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the Government Sector Finance Act, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the NSW Department responsible Minister(s) from deemed appropriation money has been delegated or sub-delegated to officers of the Council for its own services. The delegation/sub-delegations for FY21/22 and FY20/21, authorising officers of the

Council to spend NSW Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Council. The individual transaction limits have been properly observed.

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

The contribution from 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.

4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2022 \$'000	2021 \$'000
Cash at bank and on hand	1,478	1,354
Total	1,478	1,354

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

	2022 \$'000	Restated 2021 \$'000
Current receivables		
Amount owed by NSW Department of Communities and Justice	1	13
Other Receivable*	146	137
Total	147	150

* Refer to Note 17 for details of restatement.

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

The Council was informed after the end of the reporting period that it was required to recognise the amount of \$146 (in thousands) as a receivable having regard to overpayments of payroll by its service provider. NSW Department of Communities and Justice, being the service provider, has assumed responsibility to reimburse the Council for the total amount.

Recognition and measurement

Receivables are recognised for accounting purposes only when they comply with established asset recognition criteria, when the debts can be reliably measured and provide a future economic benefit.

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

Subsequent measurement

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 (2021:\$nil).

6. PLANT AND EQUIPMENT

(a) Total plant and equipment

	Plant and equipment \$'000
At 1 July 2021 – fair value	
Gross carrying amount	250
Accumulated depreciation and impairment	(139)
Net carrying amount	111
At 30 June 2022 – fair value	
Gross carrying amount	250
Accumulated depreciation and impairment	(187)
Net carrying amount	63

Reconciliation

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

	Plant and equipment \$'000
Year ended 30 June 2022	
Net carrying amount at start of year	111
Additions	–
Depreciation expense (Note 2(c))	(48)
Net carrying amount at end of year	63
At 30 June 2021 – fair value	
Gross carrying amount	250
Accumulated depreciation and impairment	(139)
Net carrying amount	111

Reconciliation

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

	Plant and equipment \$'000
Year ended 30 June 2021	
Net carrying amount at start of year	159
Additions	–
Depreciation expense (Note 2(c))	(48)
Net carrying amount at end of year	111

(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 (TPP21-09). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

Non specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. 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 \$'000	
At 1 July 2021 – cost		
Gross carrying amount		301
Accumulated depreciation and impairment		(142)
Net carrying amount		159
At 30 June 2022 – cost		
Gross carrying amount		420
Accumulated depreciation and impairment		(212)
Net carrying amount		208
	2022 \$'000	2021 \$'000
Year ended 30 June		
Balance at 1 July	159	230
Adjustments	120	-
Depreciation expense (Note 2(c))	(71)	(71)
Net carrying amount at end of year	208	159

(b) Lease liabilities

The following table presents liabilities under leases.

	2022 \$'000	2021 \$'000
Balance at 1 July	161	232
Adjustments	120	(1)
Interest expenses	3	3
Payments	(71)	(73)
Balance at 30 June	213	161

The following amounts were recognised in the Statement of Comprehensive Income for the year ending 30 June 2022 in respect of leases where the entity is the lessee:

	2022 \$'000	2021 \$'000
Depreciation expense of right-of-use assets	71	71
Interest expense on lease liabilities	3	3
Total amount recognised in the Statement of Comprehensive Income	74	74

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 above), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

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

- Office space accommodation 1 to 5 years

The right-of-use assets are also subject to impairment. 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

	2022 \$'000	Restated 2021 \$'000
Other		
Creditors and sundry accruals	25	24
Amount owing to NSW Department of Communities and Justice*	50	163
Accrued payroll expense	84	19
Total	159	206

* Refer to Note 17 for details of restatement.

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

	2022 \$'000	2021 \$'000
Current		
Lease liabilities (Note 7)	70	71
	70	71
Non-current		
Lease liabilities (Note 7)	143	90
	143	90

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

	2022 \$'000	2021 \$'000
Current: Provision for personnel services		
Annual Leave* and related on-costs	290	217
Long Service Leave* and related on-costs	47	21
Total	337	238
Non-Current: Provision for personnel services		
Long Service Leave and related on-costs	4	2
Total	4	2
Aggregate Provision for personnel services		
Provisions – current	337	238
Provisions – non-current	4	2
Accrued salary, wages and on-costs	84	19
Total	425	259
* Expected settlement of current provision for personnel services.		
No later than 12 months	63	53
Later than 12 months	274	185
Total	337	238

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 2022 (2021: \$nil).

12. CONTINGENT ASSETS AND LIABILITIES

The Council does not have any contingent assets and liabilities as at 30 June 2022 (2021 (\$nil)).

13. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

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

	2022 \$'000	Restated 2021 \$'000
Net cash flows from operating activities	192	477
Depreciation expense	(119)	(119)
(Decrease) / Increase in receivables and prepayments	(3)	49
Decrease / (Increase) in payables	47	(32)
(Increase) in Provisions	(101)	(78)
Net Result for the year	16	297

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 2022 \$'000	Carrying amount Restated 2021 \$'000
Financial assets				
Cash and cash equivalents	4	N/A	1,478	1,354
Receivables ¹	5	Receivables at amortised cost	147	150
Financial liabilities				
Payables ²	8	Financial liabilities measured at amortised cost	159	206
Lease liabilities	9	Financial liabilities measured at amortised cost	213	161

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 2022.

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

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

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

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

Maturity analysis and interest rate exposure of financial liabilities

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

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	–	–	143	–	–
Lease liabilities	1.42%	161	161	–	–	72	89
		304	161	–	143	72	89

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.

	2022		2021	
	\$'000	\$'000	\$'000	\$'000
	-1%	+1%	-1%	+1%
Net Result	(15)	15	(14)	14
Equity	(15)	15	(14)	14

(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:

	2022 \$'000	Restated 2021 \$'000
Short-term employee benefits		
Salaries	442	442
Total remuneration	442	442

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

The Council's key management personnel and their compensation disclosures are limited to the key decision makers, i.e. CEO and all members of the Council.

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 2022 are as follows:

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

* Contributions do not include June 2022 contribution of \$88,450 which as at balance date had not been invoiced or received by the Council.

	Notes	Restated 2021 Transaction value \$	Net receivable/ (payable) \$
Nature of transactions			
Contribution from NSW Department of Communities and Justice *	3	1,193	–
Contribution from Victorian Legal Services Board	3	687	–
Receivable from NSW Department of Communities and Justice	5	–	13
Payable to NSW Department of Communities and Justice	8	–	(182)
		1,880	(169)

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

16. COVID-19 DISCLOSURES

As at 30 June 2022, the pandemic has not prevented the Council from operating and there has not been any significant financial impact not already disclosed.

17. PRIOR PERIOD ADJUSTMENT

The Council identified an adjustment to align with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as follows:

- The amount of the correction for each financial line affected.
- The amount of the correction at the beginning of the earliest prior period presented.

The adjustment is in relation to payroll errors over the period 1 July 2017 to 30 September 2021.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2020) and taking the adjustment through to Accumulated Funds at that date. Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below:

	As previously reported 2021 \$'000	Adjustment 2021 \$'000	As restated 2021 \$'000
Statement of Comprehensive Income			
Personnel services expenses	1,299	(3)	1,296
Total expenses excluding losses	1,588	(3)	1,585
Net result	294	3	297
Total Comprehensive Income	294	3	297

	As previously reported 2021 \$'000	Adjustment 2021 \$'000	As restated 2021 \$'000
Statement of Financial Position			
Receivables	13	137	150
Total Assets	1,637	137	1,774
Payables	143	63	206
Total Current Liabilities	452	63	515
Total Liabilities	544	63	607
Net Assets	1,093	74	1,167
Accumulated Funds	1,093	74	1,167
Total equity	1,093	74	1,167

	Balance at 1 July 2020 \$'000	Adjustment 2020 \$'000	Restated balance at 1 July 2020 \$'000
Statement of Financial Position			
Receivables	1	100	101
Total Assets	1,338	100	1,438
Payables	146	29	175
Total Current Liabilities	378	29	407
Total Liabilities	539	29	568
Net Assets	799	71	870
Accumulated Funds	799	71	870
Total equity	799	71	870

18. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Council's operations, the results of those operations, or the Council's state of affairs in future financial years.

END OF AUDITED FINANCIAL STATEMENTS

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

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

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 in 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, NPJs: 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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