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Queensland Law Society

72st Annual Report
1999 – 2000

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Abbreviations

ADR	Alternative Dispute Resolution
AM	Member of the Order of Australia
APPIIL	Australia Pacific Professional Indemnity Insurance Company Limited
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
AVLE	Associate of the Australian Institute of Valuers and Land Economists
BSA	<i>Bills of Sale and Other Instruments Act 1955</i>
CSAC	Companies and Securities Advisory Council
CBA	Commonwealth Bank of Australia
CEO	Chief Executive Officer
CLE	Continuing Legal Education
CLERP	Company Law Economic Review Program
CTP	Compulsory Third Party
DLA	District Law Association
FOI	Freedom of Information
FRICS	Fellow of the Royal Institute of Chartered Surveyors
FVLE	Fellow of the Australian Institute of Valuers and Land Economists
GST	Goods and Services Tax
IPAA	Insolvency Practitioners' Association of Australia
ISC	Independent Solicitor's Certificate
ITA	Interest on Trust Accounts
LAMS	Lawyer Arbitrators and Mediators
LCA	Law Council of Australia
MDP	Multi-disciplinary practices
MVSA	<i>Motor Vehicles Securities Act 1986</i>
NSW	New South Wales
OCA	Office of Consumer Affairs
OFT	Office of Fair Trading
OSR	Office of State Revenue
PACT	Protect All Children Today
PC	Personal Computer
PMC	Practice Management Course
PRMU	Public Relations and Marketing Unit
QAO	Queensland Audit Office
QC	Queen's Counsel
QLD	Queensland
QLS	Queensland Law Society Incorporated
QUT	Queensland University of Technology
REIQ	Real Estate Institute of Queensland
REVS	Register of Encumbered Vehicles System
SAC	Statement of Accounting Concepts
SC	Senior Counsel
SCRAM	Schools Conflict Resolution and Mediation
TAFE	Technical and Further Education
THEMIS	The Electronic Members Information Service
UCPR	<i>Uniform Civil Procedure Rules</i>
UK	United Kingdom
UQ	University of Queensland
VIC	Victoria

President's Report

This is the report of the President, Mr Peter Carne, presented at the Law Society's AGM on 26 July 2000.

During my term as President, I concentrated on three main priorities and they are:

- (1) Opposition to the Government's Green Paper Legal Reform Proposals.
- (2) Consultation with the members of the profession.
- (3) Raising the profile of the Queensland Law Society within the community.

Dealing firstly, with the Green Paper campaign. As well as meeting with members of the profession in Brisbane, I accompanied the Attorney General, Matt Foley, and the President of the Bar, James Douglas, to visit members in regional Queensland to discuss the proposed Green Paper reform. I think many of you will recall, the Green Paper came in just as I came in as President of the Society in July last year. The Council then met with Presidents of all DLAs and we had a meeting here at which the Society, with the assistance of the DLA Presidents, formulated the position taken by the Society in response to the Green Paper.

The Society engaged Mark Nolan, a lobbyist, to facilitate the Society's dealings with both the Government and the Opposition, because, clearly, as an organisation, we were aware that we needed to get our message across to those who, at the end of the day, were going to make the final decision to determine our fate. The Society also engaged a public relations company, Marketplace Communications, to facilitate the Society's marketing campaign, both through TV advertisements and the print media. TV advertisements were run throughout regional Queensland and we conducted an extensive print media campaign, both in the *Courier-Mail* and regional newspapers, and I have in front of me here one of the advertisements that we ran.

When determining the campaign which we carried out over a six month period, we also focused on marginal seats, and that was in the Maryborough and Hervey Bay area, Townsville and Cairns. I met with senior ministers of the Government and

put the Law Society's position in regards to the Green Paper and I had quite a considerable number of meetings with the Attorney General and his ministerial staff in order to put the Society's position. I can say to you that the Attorney General has been responsive to many of the proposals put by the Law Society. I can say to you that the Green Paper that we had provided to us in July last year is no longer the Green Paper that has been worked on so far as the reform of the profession is concerned. We have come a long way in winding back the proposals as outlined in the Green Paper.

With respect to the Fidelity Fund, the Law Society has strenuously argued that the solicitors of Queensland should not be responsible for a fidelity fund. The Attorney General has indicated that he is not prepared to abolish the Fidelity Fund. In every meeting that I have had with him and with senior ministers, I have said that there is no way that we, as a profession in this State, should be subject to a fidelity fund. The response that has been given to me by the Attorney General, time and time again, is 'why should I be the first Attorney General in this country, if not the Commonwealth or World to do away with the Fidelity Fund?'

The Law Society, because of the position taken by the Attorney, and not only him but previous Attorneys, because it has been some 10 years that we have been making that point and before that, but the last 10 years particularly because of the position of the Fidelity Fund, the Law Society has sought to ensure that the fund, if it is to continue, should be prudential. To that end, the Attorney has agreed with me to engage an actuary to look at the operation of the Fidelity Fund and to outline proposals to ensure that the Fidelity Fund will be prudential and the actuary is well advanced in regard to that review and a report is forthcoming.

As well, the amendments to the *Queensland Law Society Act*, which were passed by the Queensland Parliament last year, excluded from the coverage under the Fidelity Fund, loan moneys provided by a client to solicitors. In 1996, the then Attorney General, Denver Beanland, excluded private mortgage lending from the fund. No fidelity fund in any other State has both these areas excluded. The only issue remaining is to amend the legislation to increase the cap on the corpus of

the fund and also ensure that sufficient of the interest is retained in the fund so that it can continue to operate and also meet any anticipated claims.

Last year, the Law Society refused to impose a levy on the solicitors of Queensland. By that, we took it to the Attorney General and said: 'This is our position. Unless you address the problems the Fidelity Fund has in this State, then we are not going to in any way cooperate with you.' In the ensuing negotiations that we had with the Attorney in response to the position taken by us – and I can say to you that in a meeting I had with the Law Society of New South Wales, which is now in the position that we were in two years ago, they acknowledge the position taken by the Queensland Law Society through its Council. We are well ahead of the New South Wales profession so far as the operation of the Fidelity Fund.

As a result of the negotiations that we had with the Attorney, he agreed to exclude, as I said, loan funds from the Fidelity Fund. I'm sure that many of you are aware that the legislation that was passed in December last year, provided that any client who provided to his or her solicitor loan moneys for investment and those funds were stolen by the solicitor, then that client was only entitled to receive back the corpus less any interest that was received.

I'm sure many of you that have been following the debate that has been ongoing for some 12 months now, that has, in a significant way, affected what are known as the Smith claimants, and they are clients of Harry Smith, who is currently at Her Majesty's pleasure. Those claimants had significant amount of their funds reduced pursuant to that provision in the Act. That provided to the solicitors of Queensland a significant benefit in that it reduced the entitlements from something like \$6.4m down to \$2.5m or thereabouts.

Now, in accordance with those provisions, there was an undertaking given by the Queensland Law Society that it would levy its members, sufficient to meet existing claims on the fund and we must be mindful that no payments have been made out of the fund for over 12 months... some 18 months because of the position taken by the Council. It was then that the Council, after wide consultation with the profession and consideration of advice

as to the ongoing operation of the fund, exercised its discretion and determined that a levy for the current claims for a year should be in the sum of \$600 per solicitor.

The discussions with the Attorney about the future of the Fidelity Fund are ongoing. It is hoped that out of these discussions, Queensland will have a fidelity fund that is prudential. As well, I have, through the Australian Law Council, sought to have a position taken by all Law Societies in this country to the Attorneys General in this country for a standard fidelity regime in every State and, as I see it, that's imperative if we are going to have a national practising certificate, which is a priority in all States at this stage. If we don't have a fidelity fund which is standard throughout this country, then it's going to be a significant stumbling block so far as Queensland is concerned.

The other major issue to be addressed in the reform of the profession is that of self-regulation and discipline. In February this year, the Attorney General invited me to travel with him to Sydney to meet with the New South Wales Attorney General and to observe the operation of the New South Wales Legal Services Commission. Travelling with the Attorney General at the time were members of his Parliamentary Committee on Legal Reform. This gave me a valuable opportunity to put, not only to the Attorney General, but also to members of that Parliamentary Committee, the Law Society's position with respect to the issue of self-regulation and discipline and also the other major aspects of the reform of the legal profession. As a result of a focused campaign coordinated by the Queensland Law Society, I believe that we have been successful in ensuring that most of the cumbersome and costly proposals outlined in the Green Paper will not form part of the reform process.

My second issue was consultation with the profession. As a member organisation, it is imperative that the Law Society at all times keeps its members advised. To this end, during my term, I have ensured that the profession is kept up to date on progress with respect to major issues. This has been done by way of e-mail to firms, mailouts to members or to managing partners of firms. As

well, the Society has utilised the *Proctor* Magazine to set out there in detail, what has been occurring in our dealings with the Government and all other major issues that have occurred which affect the profession.

During my term, the Society launched its website. This is an excellent form of communication with members. The Society is continually upgrading the website to meet members' needs and has invited members to give their feedback. I personally see the website as one of the most important services that this Society is able to offer our membership throughout the State.

I have travelled throughout the State meeting with members of the profession. I have held meetings in a lot of areas in regional Queensland. I did hold very focused meetings in Townsville, Cairns, Maryborough, Hervey Bay and Caboolture and at those meetings, I involved Local, Federal, State and Council representatives where I had specific meetings with them throughout the day. I also had extensive media interviews with television, radio and print in each of those communities. I hosted cocktail parties for members to which we invited local, community and business representatives. These functions were very effective in obtaining significant media coverage, while giving the opportunity for our members to meet with their community and business leaders.

On these occasions, in my speech, I emphasised the importance of the rule of law to our community, in that it provides the social and economic stability necessary for our Society to progress and that integral to the implementation of the rule of law is the role of the legal profession. As part of the consultative process with the members of the profession, the Society conducted a survey of members seeking their feedback on how they perceived the role of the Society. Their responses overall were favourable of the Society and the services that it provided to the members.

Finally, the role of the Law Society. In my dealings with political and community leaders and also the media, I have emphasised the important role of the Law Society in our community. As part of this program, the Society formulated public policy forums. The first of such forums was the Elder Abuse Forum held in March this year. The forum

obtained extensive media coverage, favourable media coverage, and, in that regard, I have also left out for you a copy of the insert that was in the June *Proctor* of the media coverage that we had for the Law Week, which was extensive.

At the Elder Abuse Forum, the Honourable Anna Bligh, Minister for Families, Youth and Community Care and Disability Services, and our Attorney General attended and addressed the forum. There is a Children's Forum planned for later this year and a Mental Health Forum for early next year. An important avenue for the Society to be involved in the communities through the schools is the Legal Education Program. Now, I often, in discussions regarding this program, talk about the old Jesuit adage of: 'Give me a child to the age of seven and he's mine forever.'

One of the important issues that we need to address is ignorance within our community of the legal process and the role of the legal profession. Unfortunately, the Education Department and the Justice Department are not active in this area. It has been left to the Law Society to ensure that children, both in secondary and now primary schools, are provided with sufficient material and the teachers are properly educated in regard to what's involved in legal studies because we see out of that a very positive return to the profession as a whole. As well, the Society's School Conflict Resolution and Mediation program, that's the SCRAM program, is a very effective way of introducing young Queenslanders to the importance of legal process and, of course, alternative dispute resolution.

As I outlined at the commencement of my speech, they are the three areas that I've focused on in my year as President. I know many of you are not here to listen to my speech; that there are other issues that you want to deal with which come later, so it's for that reason that I have not gone into detail in regard to many of the other issues that I've had to deal with. But can I say to you that it has been a very full and a very active year. It's been one in which I have engaged with the community as a whole, with specific action groups, and I understand there's one outside right now, and I have had contact with many of such groups throughout my year and I have dealt with their

issues in an up-front way. I have done that also with the media, all areas of the media.

I don't know if any of you recall that one of the first things that I had to deal with upon becoming President was to attend the meeting down at the Gold Coast where we had 1,500 angry pensioners who had lost their life savings through private mortgage lending schemes put to them by solicitors. That was a program that went on the *Money Show* and also on a program with *A Current Affair*. Recently, *Four Corners* did a program with regard to private mortgage lending. There was quite an extensive interview that they had with me, but there have been major issues that the media have followed throughout the year, in particular the *Courier-Mail*.

Now, I have had a lot of letters from members and phone calls in regard to the coverage we get from the *Courier-Mail*. At the end of the day, I believe that this Law Society has been very effective in our dealing with the media. At the end of the day, solicitors of the Law Society are news. I believe that, as a profession, and I've said this as I've travelled throughout the State, as a profession we are outstanding. We do an excellent job and, as I've said to solicitors throughout Queensland when I have had the opportunity to talk to them, you should be proud of what you do. You should believe in what you do. There is too much negativity and, unfortunately, many of our members sometimes believe the negative press.

From my involvement within this profession and the opportunity I've had to be on the Council for some nine years, and in particular my year as President, I have to say to you that I'm proud to be a solicitor in Queensland. I believe that we have an outstanding profession of which all of you should be proud. I also firmly believe, and those of you who know me, I speak it the way it is, this Law Society represents your interests in an outstanding way. I've had the opportunity as President to travel throughout the State and meet

with law societies' representatives in each State, to go to those law societies to see what they do. I've also had the opportunity to travel overseas and see what happens overseas; in particular, what is happening in England, Scotland and Wales, and I've got to say to you, we're well ahead of them so far as dealing with the issues that are affecting our profession, well ahead of them.

This Law Society and the Australian Law Council, in addressing the major issues which are affecting the way we carry out our profession, are well ahead of Great Britain and, in particular, the United States. One of the things that really amazed me from attending the American Bar Conference was the fact that the lawyers in the United States are well behind us when it comes to the delivery of the legal service and also in being a professional in the 21st century.

Having said that, I wish to formally acknowledge my thanks to Tony McMahon, the CEO of the Law Society and to all of the staff for their excellent support of me throughout this year. In particular, I would like to acknowledge the outstanding work done by Daphne McKenzie and Rebecca Derrington of the Public Relations and Marketing Unit. I don't know if many of you know how the media works, but what tends to happen is, at about 4 o'clock or 5 o'clock or 6 o'clock, we get a phone call saying: 'Have you got any comment on this issue?' and it's then we have to work through till 9 or 10 o'clock at night formulating a position that can go back to the media, and it's Daphne McKenzie and Rebecca Derrington who do that work and they've done a great job in that regard.

Finally, I would like to thank my personal assistant, Sharon Armstrong, for her outstanding support during my term as President and to all of you, I'd like to thank you for giving me the opportunity to represent you. Thank you.

Peter Carne
President

Chief Executive Officer's Report

The main issue confronting the Queensland Law Society and the legal profession in 1999/2000 was the Government's Green Paper on Legal Profession Reform issued in June 1999.

The Presidents of the twenty district law associations were invited to attend the meeting of the Council of the Society in July 1999 to obtain their input into the Society's response to the Green Paper. A meeting of solicitors in Brisbane was also convened to discuss the issues. The executive summary of the Society's response to the Green Paper was forwarded to all members and the full response was put onto Themis.

The Society was strongly opposed to the majority of the proposals in the Green Paper as not being in the interests of the profession or the public. The proposals failed to achieve the objectives which the Government announced when it commenced its review of the legal profession in December 1998. The Council of the Society resolved to embark on a professional campaign to oppose the implementation of the Green Paper proposals and to ensure that any reform was appropriate and balanced in the interests of the profession and clients.

The campaign involved engaging marketing consultants and a professional lobbyist and members were kept informed of the progress of the campaign. The campaign included advertisements both in the press and on television as well as letters to all politicians and extensive lobbying.

At the time of writing this report, the Attorney-General has still not announced his proposals for legal profession reform.

The Attorney-General did, however, implement part-reform of the legislation in relation to the Fidelity Fund. This legislation limited the liability of the fund in relation to existing claims for money placed with solicitors for investment and excluded the liability of the fund for future claims for such money. (As a result of these amendments, the liability of the fund is more limited than in any other state or territory). Council resolved to impose a levy of \$600 on practising practitioners

and a full report was made to each member on the issues surrounding the Fidelity Fund and the levy. The Society will continue to press the Government for further reforms to the legislation.

The Attorney did announce that the Society should not expect to receive its share of interest on solicitors' trust accounts in the year 2000/2001. The consequent reduction in the Society's income necessitated a decrease in the Society's proposed expenditure for the current year and a small increase in membership fees with the balance being made up from the Society's reserves. The Council deemed it appropriate to use the Society's reserves pending any proposals by the Government for legal profession reform and the Society's future role under such reform. The Council has commenced a review of the Society's activities which review will also be affected by any reform proposals by the Government.

An Audit Committee was formed during the year and their report is included in this Annual Report. The structure of the Society's financial statements has been revamped to provide more information to members.

In relation to Professional Indemnity Insurance, 2000/2001 is the last year in the five year agreement between the Society and APPIIL and the Society must now look to arrangements for the profession for 2001 and following. The agreement with APPIIL achieved the Society's goal of stabilising premiums over the five year period. The Society rejected an application by GIO/AMP (the purchasers of APPIIL) for a premium increase this year.

A significant development during the year was the launch of the Society's webpage. This is under continuing review and its structure will soon be changed to make it of even more value to members. The amount of information available continues to increase.

The webpage presented the ideal opportunity for disseminating information to members on GST. Law societies in all the states and the territories worked together to produce material for practitioners throughout Australia with financial assistance from the GST Start Up Office. Under this cooperative arrangement, it was agreed that

the Law Society of New South Wales would use the GST Start Up Office funding for a national webpage to which any practitioner in Australia is able to subscribe free of charge. There is a direct link from the Queensland Law Society's webpage.

Our Society produced a GST video and papers which were distributed to each legal firm in Australia. We also conducted seminars throughout Queensland and our Continuing Legal Education Department is to be thanked for rising to meet this enormous challenge. The CLE Department has continued to provide professional development, training and assistance to members in other areas of practice. The webpage provides an efficient means of publicising seminars and making seminar papers available to members. Increased usage of the webpage by members will assist the Society in reducing costs. CLE will be continuing to explore electronic delivery of material to members.

The webpage has also presented the Society's library with the opportunity to make numerous links to legal research sites available to members. The library's catalogue is also available together with research tips and other information for members.

The Society continues to strive to meet members' needs and, to this end, the Society conducted a survey of members which produced valuable information to assist the Society in ensuring that members are aware of the current services provided by the Society and to investigate additional services to meet members' needs. The survey indicated that approximately eighty percent of the members surveyed were aware of the library and the services it offered and virtually all members who use the library were satisfied with its services.

Almost half respondents rated the Society 'very effective or effective' for its provision of services to members and a further one third rated the Society 'average' in the provision of member services. Member services of course include a broad range of services which the Society provides for members.

Proctor ranked highly with ninety-seven percent saying they read the magazine regularly and ninety-two percent saying they find the information in *Proctor* 'valuable'. *Proctor*

continues to communicate important information to members in a quality production. The costs of *Proctor* were reduced further this year.

The member services area of the Society continues to provide a range of benefits to members including special arrangements with the Commonwealth Bank, income protection through Associated Planners, the Law Society shopping service, and a range of commercial privileges with Telstra, Hertz, Jetset and Caltex. Further benefits for members are continuing to be investigated.

The Society's Public Relations and Media Unit had the important role this year of developing and implementing the Society's Green Paper campaign, in conjunction with our consultants. Members have been kept informed of the details of that campaign.

An important initiative during the year was the Society's decision to conduct a series of forums on issues of importance to the public and the profession. The first was on Elder Abuse in February 2000. The forum brought together a range of medical, legal, community and Government experts and aimed to identify issues contributing to Elder Abuse and to recommend solutions. The papers from the forum are on the Society's webpage. A committee is continuing to progress the implementation of recommendations coming out of the forum.

Further forums are planned to raise issues of public importance and to increase the public's awareness of the role of the Society and the legal profession in addressing issues of concern to the community.

The PRMU again coordinated a successful Law Week producing a vast amount of positive media coverage, particularly in the regions. A small sample of clippings was provided to members in an insert in *Proctor* in the June 2000 edition. The media coverage also included the successful community legal awards which were instituted the year before and recognise the amount of voluntary work undertaken by solicitors.

The Society's Schools Program has been further expanded to assist students to appreciate the rule of law, our legal system and the role of the legal profession. The Society's successful SCRAM competition has been linked into the School's Department to maximise synergies. SCRAM was previously part of the Society's ADR Department.

The Director of that department, Bernadette Rogers, left the Society during the year to take up a position with the Federal Court Registry. Ms Rogers had developed a number of initiatives to promote awareness, availability and acceptance of ADR processes in the legal profession and the public. These initiatives were continued by an ADR Coordinator and SCRAM Coordinator. With budgetary constraints and changes in the Society's work in ADR, it was decided that a department devoted to ADR could not be continued. However, the Society's work in relation to ADR and SCRAM will continue.

The reports of the departments of the Society and of the Society's numerous committees in this Annual Report provide more details of the activities of the Society. In the coming year more information will be provided to members on the webpage, particularly as to the invaluable work undertaken by the committees. All members are indebted to the committees whose members give their time freely to further the interests of the profession.

I would like to thank the staff of the Society who continue to serve the profession and the public in a dedicated manner. I congratulate them on their efforts during the year in the face of numerous challenges.

Tony McMahon
Chief Executive Officer

Profile and Objectives

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

It aims to professionally develop, promote and regulate Queensland solicitors; recommend improvements to the law; and increase public understanding and appreciation of, and access to, the law.

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

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

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

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

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

Statutory Obligations

- Complaints and Discipline
- Trust Account Controls
- Receivership of Trust Property
- Management of the Legal Practitioners' Fidelity Guarantee Fund
- Audit Investigations
- Management of the General Trust Accounts Contribution Account
- Registration of the Profession

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

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

Public Activities

Representatives of the Council of the Society serve in a broad range of other public roles. Representatives serve on the Solicitors' Admission Board, the Supreme Court Library Committee, and the Law Faculties of universities.

The Society is also represented on Court Liaison Committees in all jurisdictions in Queensland and on a number of Standing Committees appointed by Ministers of the Government.

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

Mission Statement

The Queensland Law Society serves the interests, which it sees as being mutual, of individual members, the profession and the public by:

- Providing leadership to a cohesive, united, and independent profession in Queensland through recognition and fulfilment of the needs of all members
- Assuring the highest standards of self-regulated professional integrity
- Maintaining the highest standard of professional services
- Providing continuing legal education
- Improving the commercial viability of the profession through:
 - provision of advice and resources to members
 - increasing the community understanding of the law and the benefits that solicitors can provide
 - maintaining effective relations with government
 - maintaining current areas of practice and developing new areas
- Marshalling the human, financial and technical resources of the Society to achieve the Society's objectives
- Providing leadership in the improvement of the law and maintenance of individual rights

Queensland Law Society Incorporated 72nd Annual General Meeting

Minutes of the 72nd Annual General Meeting held at Law Society House, Ann Street, Brisbane on Wednesday, 26 July, 2000 at 6 p.m.

Honorary Member Present:

O'KEEFE, John

Members Present:

ASHTON, Ronald Shaw, AUSTIN, Anthony Cowan William, BARTLEY, Brian David, BEHM, Michael Charles, BENNETT, Joan Margaret, BERRY, Ian Morley, BIGGAR, Anthony Stirling, BLAYNEY, John Peter, BROWN, Ian James, BYRNE, James Roderick, CARNE, Peter Damien, CASTLEY, Drew Anthony, CATTON, Daren John, CHENEY, Jennifer Mary, CONROY, Martin Benedict, CONROY, Patricia Adell, COOKE, Phillip Henry, COOPER, Peter Leigh, CREEDON, Michael John Matthew, CURCURUTO, Mariette Rita, DAVIS, Robert John, DEEB, George William, DICKENSON, Pamela Joyce, EARL, Edward Campbell Patrick, FERGUSON, Janet Nancy, FERGUSON, William Thomas Nils, FIELD, Susan Margaret, FOX, George Cameron, GELDARD, Justin Maxwell, GIBBONS, Guy Austin, GIUDES, Raoul Mario, GRANT, Hugh Chapman, GREGORY, Robert Scott, HARRINGTON, Julie Ann, HEATH, Brett John, HORVATH, Michal, HUGHES, Clifford Christopher, HURST, Michelle, ONES, Richard Brooks, JORDIN, Janice Kay, KILMARTIN, Brian Patrick, KING, Rhonda Grace, KINGSTON, Anthony Michael, KNAPP, Bernard Thomas, LIPPIATT, Frederick Walton, LYNCH, Paul Gerard, MacGILLIVRAY, Alexander, MACNAUGHTON, Alexander John, MANNERS, John Robert, McDONALD, John William, MEADOWS, Michael John Douglas, MINES, Geoffrey Robert, MOORE, Darren Richard, MORIARTY, Susan Lee, MUIR, Catherine Mary, MULLINS, Patrick James, O'BRIEN, David Michael, O'CONNOR, Mark Anthony, O'SULLIVAN, Eugene Bernard Michael, O'SULLIVAN, Justin Francis, PATANE, Bruce Blaise, PHILP, Kenneth, PINDER, Joseph

Nathan Leo, POMMER, Leon David, QUINN, Paula Louise, SEARLES, David Graham, SKELLY, Graham Vincent, SPLATT, Keiron Michael, SULLIVAN, Thomas Michael, TAYLOR, John Bertram, TEGG, Warren John, TOOMA, Joseph Anthony, TUTT, Walter Henry, WALLACE, Richard Harold, WALTERS, Russell Galt, WHITE, Eugene Henry, WHITE, Grant Alan, WHITEHOUSE, Andrew John, WOODBURY, Gregory Charles

QLS Staff Present:

ARMSTRONG, Sharon, BROWN, Joanne, CARTER, Scott, DAVIS, Kerry, FOX, Murray, FRANKLIN, David, HARRIS, Ian, LAGOS, Desley, LOWE, Marissa, MASINELLO, Nick, McCARTHY, Michelle, McMAHON, Tony, MELZER, Wil, MOSES, Howard, O'DONNELL, Bernie, OLIVER, Jane, RICKARDS, Colin, SCHLOSS, Lucinda, THOMPSON, Keith, TRACEY, John

Opening

The appointed time for the meeting having arrived, and there being a quorum of more than 15 members, the President, Mr Peter Carne, welcomed everyone in attendance and formally opened the 72nd Annual General Meeting of the Queensland Law Society.

Apologies

Apologies were received from Michael Baumann, Greg Vickery, Peter Wellington, John McDonald and William Purcell.

Recording of Minutes

The President advised for the purposes of Rule 33 of the Rules of the Society, the proceedings would be tape-recorded and the Minutes would be taken by Mrs Noelene Ives, who was a Court Reporter.

Proxies

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

Minutes

It was moved by Mr Brian Kilmartin and seconded by Mr Richard Wallace that the Minutes of the 71st Annual General Meeting held on 14 July 1999 be confirmed and signed as a correct record.

Carried

Election of Auditors

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

Statement of Accounts

The President said as advised to members in writing, the Financial Statements produced by the Society have this year been available for inspection at the Society's premises, with the exception of the Law Claims Levy Fund. Copies of the statements including the Law Claims Levy Fund have been provided to members as they came in. In view of the provisions of the *Financial Administration and Audit Act*, it is unnecessary for there to be any motion adopting or approving the accounts.

Adoption of the Annual Report

The President advised that members had received a copy of the Annual Report as they came in and accordingly tabled a copy of it.

The President then presented his outgoing speech to the meeting. (The President's Report is published in the first pages of this *Annual Report*.)

Vacation of the Chair

Mr Peter Carne invited Mr Raoul Giudes to come forward and occupy the chair for the remainder of the meeting as Incoming President.

General Business

The Incoming President, Mr Raoul Giudes, drew attention to the eight motions contained in the Notice of Motion proposed by Mr Eugene Henry White. Mr Giudes advised the meeting that the Rules of the Society required that the Society only had to forward the Motions themselves to members and the forwarding of the supporting statements to members accompanying the Motions

on this occasion was not to be seen or to represent any recognition of any obligation by the Society in future to forward anything other than the actual Motions to members.

The President said that the Motions would be dealt with in the following order by agreement with Mr White:

Motions 1 and 8 together;

Nos 2 and 3 together;

Nos 4 to 7 together.

The President outlined the procedure relating to speaking to the motions, objection and debate and right of reply. He advised that Mr Wil Melzer of the Society was appointed as timekeeper for the meeting.

After the discussion of each group of Motions, the President advised he would formally read the motions and call for members to vote on the motions.

The President appointed Keith Thompson, Secretary of the Society, and Bernie O'Donnell, Deputy Secretary as scrutineers and David Franklin, Deputy Secretary, to assist in counting of the votes.

The President then asked Mr White to come forward and speak to Motion Nos 1 and 8.

Mr Eugene White said:

"I am putting these motions as a result of matters that arose at last year's Annual General Meeting and, without revisiting that issue, there are a number of matters of some concern, and I'll deal with those matters specifically in due course. What specifically has disturbed me is the issue of the levy. You will note that the motion is drafted in such a way to criticise that particular decision. It is not a motion of no confidence in the Council. It is not meant to be a sledging attack on what was a lot of hard work by the President and his Council, but in this particular issue, it is my submission they've got it completely wrong. It is simply morally reprehensible to have a situation where our Council levies us. I appreciate that the Government of the day actually went to the trouble of amending the legislation and I will quote you what Hansard said when Matt Foley delivered his second reading speech. He said:

‘The Bill provides that the Minister be able to direct Council in respect of claims and for levies to be able to be imposed by regulation.’

I say and I’m asking you to consider that position, that if the Minister wants to take money from solicitors, which is totally ex-appropriation, in circumstances where – talking about Harry Smith as the major cause of the problem, there are people here who were still at high school at the time, and they’re being penalised for that. Now, I suspect that the Council will say – Oh well, it’s part of the deal, but there are certain steps which, in my submission, are totally irrevocable and having Council take from its own members is one of those issues. It’s a matter which many people are concerned about. \$600 is in fact a very significant amount for young practitioners who are earning small amounts of money.

I raised this issue and both Peter and Raoul have made time available over the last few days and it was suggested that the motions be withdrawn and to try and deal with it in house, but this is a matter which I think needs the membership to have a look at and to express an opinion. I hope you are going to support the view I’m expressing, but it’s a matter for you.

I did raise with Raoul that the Council, in suggesting that the matter be dealt with in house, could take the step by revoking what I understand to be the decision in accordance with the undertaking that the levy for next year be withdrawn, but that doesn’t seem to have occurred. I don’t propose to spend any more time with that. It’s a matter which no doubt most of you will consider at some length as you have to write your cheques.

The other matter is one of discipline and something which arises every now and again and it’s said that the disciplinary function is something which makes us a profession and we can’t give that away. Well, I think it’s fair to say that however true that might have been back in the early part of the century, back in the days when it was a gentlemen’s club, no longer applies. We have a situation where, as we all know, absolute privilege applies to complaints to the Law Society. It’s also well known that numerous vexatious litigants who cause many people difficulties and, in the end result, I think

it’s about time we made a stand and said: ‘The Law Society’s role is no longer to be a disciplinary area.’ It should be out there standing up for members and not get caught with the problem which appears to be mentioned in a different context; should be out there doing good PR for the profession, but then, at the same time, if it is perceived that solicitors are not being punished duly, the Society is caught between a rock and a hard place.

Again, it’s the type of thing which I know to be ventilated in the profession off and on over the years, but we’re coming into the 21st century and I think we need to have a review overall as to where we are going. I am certainly aware that the Council is aware that it has to look to the future and no one questions that, but I think the purpose of the motions, and I had hoped I had drafted them in a way which notwithstanding that I used the word ‘censure’ on a particular decision, it was supposed to be constructive. I’m asking for the membership to look at giving some direction to the Council as to how it should be looking at the future conduct of the profession.

I recommend these motions to you.”

Speaking against the Motions, Mr Brian Kilmartin said:

“Mr President, I’d just like to make a few observations about resolution No 8 where we are urged with great haste to abandon the discipline functions. We’ve heard from Mr White tonight of concerns about the costs of the Fidelity Fund levies. I can assure you all that if the Law Society was to abandon the current disciplinary role and that was to be taken over by somebody external to the Law Society, the costs of administering that regime will sky-rocket.

There is only one way the costs of any of those external disciplinary or regulatory functions can be paid for and that is by a levy on members. You have all got to understand that there is a tremendous amount of voluntary work done in this Society, a tremendous amount. I know there is criticism of some of the gratuities given to people who have kindly given their services, but an awful lot of free work is done. If

discipline or any regulatory functions are stripped away by the Government from this body, they have to be performed in the civil service somewhere and civil servants don't work for nothing. They're not as generous as we are with their time and you and I will be paying for it, so keep that in mind.

Also keep in mind that you've got people administering this system that wouldn't know the first thing that happens in a solicitor's office and you'll also find that the people administering that disciplinary system probably couldn't make a success of being solicitors in private practice and so they gravitate to those types of jobs and try to tell us right from wrong and when we've sinned. They're the kind of people that you're saddled with, so think very carefully before you start directing the Council to surrender powers like disciplinary functions because it's not going to work. There's a cost in all that and we'll all be paying for it.

I don't think it's a very good idea in the negotiation stage with the Government to tie the Council's hands as to what deals we do with Government when we try to negotiate the so-called law reform package."

No speaker for.

Speaker against, Mr Peter Carne, who said:

"I had an hour and a half conversation with Eugene yesterday afternoon. He knows very clearly my position. First of all, if I can deal with motion No 1, I take extreme exception to the use of the term 'censure'. In my speech to you, I have outlined the position taken by me in my dealings with the Attorney General. I also touched upon the position taken by this Law Society over some 10 years with previous Attorneys General in this State. I have to say to you that we are not alone as a profession in this country and in the world so far as problems dealing with the Fidelity Fund, but I can say to you, and I'm speaking from my own experience, I believe that in this State, this profession is in probably the best position, as much as you can be, when dealing with any Government, whatever its political persuasion is, in regard to the issue of the Fidelity Fund.

Now, at all times, in our dealing with the Government, we are conscious of the fact that it's out of our members' pockets that the money is paid. Now, I'm sure many of you have seen the Letters to the Editor in the *Courier-Mail* yesterday. I don't have to tell you what the attitude is of the public, that is, the masses out there; of the media, that is the journalists and, in particular, of the politicians when it comes to lawyers and their pockets.

We have no sympathy and no support at all, but we have been very effective in our dealings with Senior Ministers in saying – listen. In this State, we are regional. Out there, in the regional areas, the solicitors are battling and the solicitors are fundamental to the economies in those country areas where they are struggling. If you keep hitting our solicitors time and time again in regard to payments, particularly in regard to the Fidelity Fund, then you are going to destroy the legal profession in this State. That message has been taken on board. Now, the reality is we will not succeed in doing away with the Fidelity Fund. Sorry, it just will not happen. So what have we got to do, we've got to get a prudential fund and we're working towards that.

So far as the current levy is concerned, \$600, as I mentioned to you, there was no levy last year. We have not paid any money out to claimants and I felt very sympathetic to many of those people who had had their money stolen, and I know that some of us were in school when the money was stolen, but the reality is we came into the profession where, historically, we have said – we will honour any claim where money has been stolen out of a Fidelity Fund. That is something that's done by professions throughout this country and overseas and at a meeting in Vancouver of Societies throughout the World to discuss this issue of Fidelity Funding in late 1998, most legal societies said: 'We believe that having a Fidelity Fund is a real plus for the profession. It is a real marketing plus for the profession.'

Unfortunately, what we've had in this State, we've had two individuals who have stolen the lot. Harry Smith, who, over some 10 years,

managed to steal over \$9m and, as he said in his statement: 'I first started stealing in 1983 and I'm not sure why.' Some of you would have read recently Paul Crowley, who admitted to stealing \$4.3m coming out of a Nigerian scam. How he could be so stupid to do it because I'm sure many of you have had those letters, but he did it. Let's hope there's not going to be anybody else, but let's talk about the dollars. The fact of the matter is, what we have delivered to you, the solicitors of Queensland, is a levy of \$600.

What have we got out of it? Well, first of all, we've been able to save some \$4.8m to \$5.2m, thereabouts, that we would have had to pay for Smith claimants. As a result of the Attorney General bringing in that formula where it is corpus less the interest, we've saved that amount of money. As well as that, loan funds are now excluded.

Can I now deal with No 8. I have just come back from England, where I had a meeting with the President of the Law Society of England and Wales. Over there, they have what's called an OSS, that is the Office of the Supervision of Solicitors which is a bureaucracy, and that is what Eugene is calling upon us to do. Eugene is saying: 'Listen, give it all over to somebody else, a bureaucracy' and we have looked at this very closely. We've gone throughout this country. I've gone down and looked at what's happening in New South Wales and Victoria.

What can be a very salient lesson to us is what's happened in England. This year, they've had to increase the levy for the Practising Certificate on all solicitors by £65 – you've got to multiply it by three because of the exchange rate – on top of the Practising Certificate in England and Wales. Why, because there has been an extra £12.5m – don't forget to multiply by three – that they've had to pay because of the operation of the OSS above its budget. Now, what that means is that we are conscious of in the Council, at least while we control to some extent the investigation of complaints, then we can to some extent control the budget. We are aware that we have the Caesar judging Caesar attack. We will always have that.

In England – and the President of the Law Society said this – in England, the medical profession has recently done away with its right to investigate and discipline its members. Last Wednesday, there was a headline in all the newspapers in London dealing with a doctor who had been found guilty of acting inappropriately with his patients and it said: 'The medical profession has failed the consumers in that country.' Even if you do away with the whole supervision of discipline, you will still get that attack. So there are two benefits while we continue to have some input into it. We can control the budget and as a profession, I firmly believe we should have some input into the regulation of our members.

They're my feelings on those two motions."

In his right of reply, Mr Eugene White said:

"I think Peter actually made the very point that I was trying to make in the comment where he said in his talks to the Attorney, that if he pushes the profession too far with these levies, it will destroy the profession, and that's quite correct. What I'm saying is that type of step is going to be taken and we are going to be pressured with these levies, let the Attorney get out there and do it himself. And then again, on the front page of *Proctor*, the letter where he directs that that money should be taken off solicitors, and I feel very strongly about this. It's not even a dollars and cents issue, it's a matter of principle."

Motion No 1 and No 8 were then read:

No. 1: *That the membership of the Queensland Law Society Inc through this Annual General Meeting censure the 1999 Council for striking the recent levy with respect to the Fidelity Fund shortfall.*

Motion lost

No. 8: *That the Council take immediate steps to submit to the Attorney General for the State of Queensland that its disciplinary function, including that relating to costs disputes between solicitors and clients, be excised from the jurisdiction of the Queensland Law Society Inc.*

Motion lost

The President called upon Mr Eugene White to speak to Motions No 2 and 3.

Mr Eugene White said:

“This is probably the substantive issue from my point of view and it had its genesis in last year’s meeting. Now, as many of you will recall and it’s quite clear from the Minutes, that a number of motions were put up raising both the administration of the Society with respect to its ongoing affairs on the members of the profession and certain financial matters, and I turned up at the meeting perhaps slightly less apathetic than many other members and I was to say the least somewhat disturbed by the attitude of certain senior office bearers at the time in the way they spoke and responded to queries which, in general terms, I suppose could be described as virtually extreme arrogance and highly critical of anybody daring to ask questions or seeking explanations.

Its true and Peter, no doubt, will remind us again that he in fact, on several occasions, made documentation available in respect to the APPIIL issue and we had a further meeting as a result of Rhonda King’s motions which 16 people turned up to. Now, I made a point of going through those papers which I must say were fairly turgid. We seem to have almost as many entities in this Society as we have members. What came out of it was, and again I suppose certain members of the Council are somewhat defensive simply because they work hard and they somehow think they are being criticised.

The end result was, of course, that people will get up, as Peter no doubt will do shortly and say: ‘Well, that’s not right’ or this and that happened and how can you take it all in? The bottom line is you can’t take it all in. You vote accordingly and think – well, that’s a strong motion. We’ll vote against it and if you’re really unhappy, you might vote for it. I have deliberately couched the motions, I thought successfully, but perhaps not, to raise it more as an inquiry and to allow questioning to take place.

It may well be that the concerns that I’ll raise in a moment, there’s nothing wrong with them and I’ve got it wrong. Every expense and every

step taken was justifiable, but I’m certainly not going to pre-empt the issue. What concerns me though is that there is a strong reluctance by the Council, however much they have to talk, to actually respond meaningfully to a number of concerns that arise.

Now, I don’t want to have a debate about each of these points because these are questions that I think need to be answered. One is in relation to the salaries of the staff. Now, I don’t care what Bill Bloggs earns. The purpose of that No 3 motion is to allow members to assess what a job description is, what that job obtains by way of remuneration and then to see if there’s a cost benefit positive for members. It’s couched in terms: Oh yes, we can’t expect to have people to have their private affairs broadcast every audit. That’s not the issue, and even if it were, we should have a closed section on our members website and we can make that assessment.

Now, I was told that apparently there is some problem with that. I’m sure with modern technology we can do it so that the members of the Society can see we’re paying that position – Education Officer for instance – X amount of dollars, is that a reasonable thing? Now, asking that question is not unreasonable. You have no doubt seen various bits and pieces in the paper, which was also on one of the websites, relating to various lunches, one of which was a \$1,000 lunch by a former President, and councillor and a barrister. I raised this with one member of Council and was told they were satisfied with it. It so happens that on that same particular expense account voucher, there was a \$340 lunch with the Editor of the *Courier-Mail*.

Now, we all know that the *Courier-Mail* is our most vexatious critic. Well, quite right, and the point I say is that is a reasonable thing, but the \$1,000 strikes me as strange. It may well be quite reasonable, I don’t know, but I think we should be entitled to ask the question. Now, I don’t want an answer here today because if it was just that one, you’d think – well, these things happen even if it wasn’t quite kosher, but we have President’s expenses of \$69,000. We actually had a letter sent out at whatever expense it was to the Society, saying – no, it

wasn't \$134,000. By the same token, it's accepted that 44% of solicitors in this State earn less than \$50,000. Now, is there value for money? There may well be.

There's the issue with our various entities – APPIIL and THEMIS and they all seem to have been beset by some problems. Certainly, the documentation which I saw, which the Society made available, was talking about voluntary administration and concerns about trading whilst insolvent and, whilst those entities were disposed of – well now, certainly APPIIL seems to be tied up in GIO litigation.

Now, it was said by two former Presidents that some of the questions which were raised related to the beneficiaries of some of these trusts. I must say it took me a bit of time to work out these various trusts run by members of the Society, but the bottom line at the end of the day, however you cut off these various entities, the money is coming out of our pocket and we must have the right to ask what's happening and whether these expenses are justified.

As I've said, I'm not going to be bold enough to make blanket criticisms, even though I have some concerns about these expenses, until such time as it's dealt with. Now, we don't want a Royal Commission for all sorts of obvious reasons and we certainly don't want, or I don't want a KPMG review. I don't see any benefit in paying these high-flying accountants to do what we are quite capable of doing. We are an educated group of people by nature of our profession. We have got quite a number of members who are members of the Australian Corporate Lawyers Association with senior positions who could sit there and join in the Committee of 10 – I chose 10 because I thought that's a reasonable thing to do, where you get a broad group of people to look at these things. After all, they are members, and as Peter said before, many people do volunteer and are prepared to work. I'm prepared to give the Council the benefit of the doubt and say that they can appoint appropriate people to undertake such an investigation.

One of the things that arises is the Law Society letter of 22 June this year relating to study tours and it was quoted:

'The Queensland Law Society approved study tours by the President and CEO only if they were of benefit to the solicitors in Queensland.'

And that may well be fair enough, but why is the CEO's wife going? I have great difficulty in an organisation of 5,500 people seeing that that's justified. Sure, with business travel at a certain level, there are family issues engaged and of course the employer has to look at that, but I, at this stage, just looking at that, have concerns. What I don't like is being told – well, that's perfectly okay. It's justified. It's passed the audit. Who cares if it's passed the audit?

The issue is that we, as members, should be entitled to have an overview and to do so through our committee. It may well be said that the Council should do it, but some of these concerns – and I don't want to put this too strongly, other than to say that of the incumbent Council, the newly elected one, 11 out of the 17 were on the previous Council and, whilst I don't want to go any further than saying that, I would feel much more comfortable with an independent committee of which two Councillors I hope will serve on that.

There are many many other instances, not to mention the \$1.24m in salaries in the Fidelity Fund, which may well be explained, but the time you talk about the round robin of cheques and payments here and administration credits there, I have to say I'm confused. They can't be dealt with on a night like this. It wasn't appropriate to try and deal with it last year. So what I am putting to the members here tonight is not that we accuse people or make criticisms, but we look at things which are matters of concern and we look at a practical cost effective way of dealing with it and doesn't include getting KPMG to do it.

Ladies and gentlemen, I think this is an appropriate time for us to have a review of our Society's undertakings, which of course will include the role of the Society as such. I share with Peter that we have a significant role to play in the rule of law, which does not appear from the reading of that, that we've done much of. Certainly, the last accounts show that on

Human Rights Day having thousand dollar lunches here and there, we've donated the grand sum of \$24.

I commend the motions to you."

Speaking against the Motions – Mr Tom Sullivan said:

Maybe if I speak to Motion 3 initially, that's the motion dealing with the disclosure of the QLS employees. We do have confidentiality agreements with employees. I have been a member of the Audit Committee which was set up this year to review the financial statements of the Society, and the reason the Audit Committee was set up was to ensure that financial statements were more user friendly and disclosed to our members in more detail, by cross-referencing and better breakup, how the moneys of the Society were spent. We have adopted the same procedures that public companies adopt, and that is we have disclosed the bands of income that the senior employees of the Society receive and we think that if we adopt the procedures which public companies adopt, we have done a reasonable job.

I don't think it's fair to any of the staff that their salary packages generally are put across the website, whether it's in confidence for the 5,500 solicitors of Queensland and their staff, which probably amounts to 20,000 or 30,000, or whether it be to two or three people. None of us would like to have our taxation affairs put across the website, would we? In any event, we are precluded, even if the motion were passed, from giving you that information because it would be a breach of the confidentiality agreements we have with staff and, no doubt, all the staff could be an action against the Society in so doing.

In relation to Motion 2, which is the motion of great substance. It never ceases to amuse me that people want to keep talking about issues when time and time again, the issues are brought up, dealt with and lost on motion. We had an AGM last year of which I don't think a lot of people would have been proud and, on my recollection, there was something close to 30 motions put and only two were carried. Some of the great proponents from last year's AGM stood for election this time and, with the

same support, they were unsuccessful in being elected to Council. It probably is worth noting that all Council members from the previous Council who stood on this occasion were again voted in.

If you have a look at Eugene's motion, you will see that it basically reflects the Mission Statement and it's probably fair to say that we're here tonight to welcome the 72nd Council of the Queensland Law Society. That is the Council that all members of the Society voted for and that Council is the proper body to do the things which Eugene has set out in Motion 2. Why have a Council if we have a Council to review the Council? Where does it stop? I say it's stupidity.

Further, there are several things that Eugene has in his motion – the Fidelity Fund has been dealt with ad nauseam. The Queensland Law Foundation is an entity which has been set up. For those of you who have bothered to understand the ramifications of the Foundation, it was set up as a separate and distinct entity and the Law Society doesn't have any control over it. It's a Foundation set up with a trust, the beneficiaries of which are the solicitors of Queensland, and that Foundation stands alone as a stand-alone body.

APPIIL of course is now finished. There's a lot been said about APPIIL and there's been a lot of very different things quoted about it, in particular some of the excesses. I think it's probably timely to reflect on APPIIL now that it's gone. APPIIL was an incredibly successful device brought about by somebody who was very innovative in Tony Tarr and I would think, if you all sat down and realised the saving to you of APPIIL over the period of time that it was in place, you would be surprised. On early estimates, I think our saving per practitioner in Queensland who had to pay compulsory insurance would be somewhere in the order of \$10,000 to \$20,000.

I might leave you with one thing, and that is, it's all very well to criticise. If you want to stand for Council, do so. If you come on Council, you will then realise the difficulties of the profession that those who try to control it and run it are confronted with. It's very simple to say – go to the Government, we don't want to

pay the Fidelity Fund. I don't want to pay taxes. I don't want to pay rates. I don't want to work. I want to play golf, drink and have fun all the time. It just doesn't go along that way. As Malcolm Fraser said: 'Life wasn't meant to be easy.'

Ladies and gentlemen, you can't support Motion 2 and you should not support Motion 3 because legally, you can't."

No speaker in favour.

In his right of reply, Mr Eugene White said:

"I think it's all been said and done. There's one point I feel that needs to be raised because it has been raised with me, and that is if you're going to whinge, get up and stand for Council. Stand for Council I did and got done like a dinner. It has to be remembered that the idea that you've just lost is a true reflection of what is actually happening. Even last year, there were seen to be a lot more aggressive motions than I'm presenting tonight. The motions got support anywhere between 28 and 40% of those members present personally and by proxy.

Ken Philp, who was the leader of our Member Services Team, unfortunately he lost as well, but he got a vote from 46% of those individuals who voted. So, even though the establishment or the incumbents, however you wish to phrase it, were re-elected, 46% of the members who voted were looking at reform and the point I wish to make quite clear is that these concerns that are raised here are not by a lunatic – sometimes I think I am a lunatic, but I'm not by myself. There are lots of people who have got concerns and feelings of disquiet and the Society cannot ignore it.

I urge you to vote for the motions."

The President formally read Motions 2 and 3:

No. 2: *That the Council immediately appoint a Committee of Review to consist of not more than 10 members of whom not more than 2 shall be members of Council to conduct an analysis of the Society's undertakings, assets, expenses and activities (including those of associated entities); to assist Council to make determinations to better utilise the Society's resources to provide member*

benefits. Without limiting the generality thereof, the analysis is to assess costs and benefit of staff remuneration and amenities; the multiplicity of entities associated with the Society, including APPIL, the Queensland Law Foundation and the Fidelity Fund (with a particular emphasis on transfers of funds between various entities), litigation (particularly with respect to GIO and Paul Henderson), engagement of law firms (in particular with respect to costs and relevant costs agreements) and to consider what the objects and mission of the Queensland Law Society should be and how those might be efficiently and cost effectively achieved.

Motion lost

No. 3: *That within 21 days the Council provide for every employee (including those engaged through service entities) of the Queensland Law Society Inc (and its associated entities), job specifications, salary packages (including all commissions, fringe benefits and other considerations) together with the mode of performance assessment upon the website of the Queensland Law Society in the closed members' section.*

Motion lost

The President asked Mr Eugene White to speak to Motions no 4, 5, 6, and 7.

Mr Eugene White said:

"The purpose of these motions, which is probably self-explanatory to a bunch of lawyers, is to fervently take steps to recognise the situation with respect to the 21st century. One thing that has arisen, not only at the present time of these motions, but on the occasional forays that I've had, expressing views in writing, and that is that I get calls, not so much from people in Brisbane, but I get a hell of a lot of calls from people all round the State, usually in the bush, who feel very, very isolated. I was talking to one bloke on Monday and he said he wanted to send a proxy. I asked him if he could do it on the e-mail and he said he didn't have e-mail.

The reality is that the law is changing so quickly, and I'm certainly not telling anyone anything new in that, that if only for no other reason than to prevent negligence claims which affects us with APPIIL or whatever the new insurance company will be, we have to have access to in a timely fashion to legal materials. Now that would entail – one of the things in my view the Society should be doing is assisting people in the smaller practices in the country, if necessary, with low interest loans to be able to get on to the internet, to learn how to use it and conversely, the Society should be putting a lot of useful information on the website. It costs bugger-all in the scheme of things and, as useful as Proctor is – I certainly don't want to see Proctor go myself, but the thousands of brochures that we get for areas of law which many of us may not practise in seems to be a waste of money. Proctor should have a list and then if anyone wants to go to a seminar, they just call up on the internet, press the buttons and register, end of story. I would have thought that's fairly trite, but I've been criticised for that principle as well.

Again, one of the things that came out last year in particular was the issue over the Accident Compensation Committee and, without revisiting what I think Raoul indicated were some unfortunate exchanges, and while true that with Government we don't want to sit there and just flag our hand, but there should be at least something akin to a White Paper that members should be able to say – okay, well that issue's up, what's the contention? Do party/party costs stay; are they modified; are they remaining the same? At least, members can say – okay, that's what's happening if they've got an opinion to express it.

Peter in his last report in Proctor said that there is a great deal of apathy and I think whatever side of the fence you might be on in a number of issues that I've sought to raise tonight, it's very disappointing that something like less than 25% of the members bothered to vote and voted either for the candidates previously or to be here even personally or by proxy. Again, the closed members section is the way to deal with a lot of the concerns about privacy and I recognise the reality with 5,500 members, that

might be a forlorn hope, but if it's in Proctor, it's certainly open to the public.

And the final one relating to two women and one practitioner from the bush, I recognise that may be the case with many committees already, but I think it's appropriate that we, being the most de-regionalised... decentralised State in the Commonwealth, should formally recognise that and ensure that people from the bush can be brought in. Now, I don't want to sound sexist, but the reality is that women still statistically have to look after the children. That's what happens. Little Johnny will be sick and wants mummy home.

The recognition now, again with technology, video conferencing, those people who practise in the Federal Courts, once you get used to it, it's surprisingly effective and we already have the CLE's, the telephone conferencing. We should be pressing that in a full and forward way, and I appreciate I might be told that's already happening, but I say the membership should be pressing upon the Council that this is the right way to go in the future and we should certainly be taking advantage of technology if, for no other reason, than we've got no choice."

Speaking against the Motions – Mr Joe Pinder said:

"The Chair has rightly, in my view, allowed there to be debate on Motion 4, even though if you consider it logically, there's a fundamental problem in it in the sense that it purports to wish to bind the Council to consult. The elected Council of the Queensland Law Society has a statutory obligation and function pursuant to the *Queensland Law Society Act* and it simply can't be usurped by a motion of this kind. Notwithstanding that, the motion raises issues in relation to the Council consulting on various issues, and there's particular criticism of consultation in the accident compensation arena which is the area which, for the last 15 years, I've practised exclusively in, and particularly by relevance to submissions which the Society made to the CTP Review Committee.

The outgoing Council under Peter Carne's Presidency, consulted particularly widely. Peter, as he has indicated, travelled extensively throughout the State. Those members who

served on the Council, many of whom like me were from regional areas, consulted on an almost daily basis with effectively those members who are our constituents; that is, people who are practising in Cairns regularly either saw me personally or spoke to me. In addition to that, the Society has always had a means of providing its members with information about such things as proposed amendments in the personal injuries area. Some material in relation to the CTP Review Committee was widely disseminated, both in *Proctor*, through managing partner mailouts and through the Society contacting the district law associations and in fact organising members from district law associations in regional areas to attend the public hearings of the CTP Review Committee.

One of the members of the CTP Review Committee is a member of our Society, Mr Wally Tutt, is here tonight and I'm sure he will confirm that in fact, by and large, the people who attended the public hearings of the CTP Review Committee were members of our Society. We were very well represented. In addition to all of that, the Society has specific committees on which any member is entitled to serve, that deal with the types of things that go to Council and this Council has to resolve to make some submissions.

The Accident Compensation Committee, which has been the subject of considerable criticism in relation to this area, is probably one of the most broadly representative committees of the Society. It's the longest standing committee of the Society and it has been going now for in excess 25 years. It has members from both plaintiff and defendant firms and in fact, its current constitution and its constitution last year was overwhelmingly more pro-plaintiff practitioners than defendant practitioners.

It's disappointing when criticism is raised in relation to the level of consultation that some of the critics don't become involved in the process, and what I urge people to do is to nominate to serve on the committees of the Society. Generally, you'll find it's a lot of hard work – and, as the point has been made previously, you don't get paid – to either make

submissions directly to the Society that are relevant, and in many instances there are more than one committee of the Society that look at issues to make submissions through district law associations, which certainly happens in regional Queensland or to make submissions directly to the Council.

Unfortunately, my experience on the Council has been that very few submissions ever come forward and, in fact, in relation to the CTP Review Committee, notwithstanding the considerable promulgation of material the committee put out itself and was disseminated by Council, there were relatively very few submissions. The Council already consults very widely in relation to those matters and, again, I simply urge proponents and critics to become involved in the process.

I am also speaking in relation to Motions 6 and 7. Motion 6 deals with the Council making available on the website, copies of Minutes of the Council Meetings. Prior to serving on the Council, I was President of my district law association. I can tell you that you get overwhelmed with material from the Society. It's far from being secretive. In fact, in terms of Minutes of the Council and Minutes of all of the committees of the Society, you got far too much information.

At the request of the district law association President some while ago, what happened was the Minutes of the Council which were, in many respects, just not suitable for a general overview for DLA members, were reduced to a form of summary. That's distributed electronically to the DLAs, the DLAs disseminate them themselves and it is going to be placed on the website, so that in fact is already occurring.

In relation to Motion 7 which deals with some sort of mandatory reservation of places for members of committees in respect to female practitioners and practitioners from the country, most of you would know that in terms of the Society's committees, each year expressions of interest are called for members to serve on those committees. Last year, over 100 expressions of interest were received, of which about one-fifth were from female practitioners. Of the total membership of committees, about 25% of all

members of the committees are female practitioners and on the current number of practising members, that about equates proportionately to about 27% of all our members who are practitioners who are female.

My own experience is that there are a great number of female practitioners who serve on committees of the Society and do a tremendous job. I don't think that we should in any way reduce this in any way to some form of tokenism. Those members who are entitled to serve do serve and get appointed and act on the basis of merit. In relation to regional membership of committees, for as long as I've been involved, I've served on the Accident Compensation Committee for eight years, the Society, through its various presidents and through chairs of the committees, have encouraged regional practitioners to be involved.

I certainly know in the committees I've served on, principally the Accident Compensation Committee and the Equalising Opportunities in the Law Committee, there are regional representatives. The Society makes particular facilities by way of telephone conferencing available at no expense to those members to participate and, in my view, and I'm a practitioner from Cairns – there's only one person further away from this building than me and that's a fellow called David Kempton who practises in Cooktown, certainly regional practitioners have access to and do serve on committees of the Society.

I'd urge you all to vote against Motions 4, 6 and 7."

Speaker against Motion 5 – Mr Richard Wallace, who said:

"I practise in Mackay and I suppose, as a regional practitioner, I have some knowledge of this. I have practised there for 29 years. I think the motion tends to miss the point of what difficulties you do have in rural and provincial areas. There are some, but the difficulties are not those in this motion. The difficulties are more with attending the brief CLE workshops.

With regard to this particular Motion 5, it talks about having access to legal resources, legislation, case law, etc., I acknowledge what Eugene said about joining the 21st century. Most of us in provincial and rural areas did get on the internet in the 20th century. We have been accessing legislation and case law through the free Government data basis and free university ones and the paid sites for some time. Those are not the problem. In fact, they've never really been the problem if you subscribe to legislation and to case law. So the motion itself, I don't think it achieves anything to have an urgent review on that basis.

I also don't think there's any point in having an urgent review into the issue in which we do have some difficulties, as I say attendance at the brief CLE seminars that are on here at 4 o'clock or 5 o'clock or 6 o'clock in the afternoon. Because we already know what the problem is, it's not worth our while to come down for a one hour seminar, spend all day travelling and paying costs and staying overnight, so an urgent review isn't going to change anything on that.

There are, I think, as Joe Pinder just said, about seven members of the new Council that come from Bundaberg and north. There are others from other areas as well. We're very mindful of these issues. I think they'll continue to get addressed. I've spoken with other people in my area – I hope I do keep in touch with them, and I spoke with the President of the North Queensland Association on this yesterday and he expressed a similar view, that the issue is CLE and how we can get the material for that. The issue is not what's raised in the motion, of access to legislation or case law or using the e-mail or internet.

So, personally, I don't see a particular point in asking the Society to have an urgent review on it and I'd urge you to vote against Motion 5."

There were no speakers for Motions 4, 5, 6 and 7.

The President formally read Motions 4, 5, 6 and 7:

No. 4: *That the Council ensure that all matters of direct and real significance to solicitors' livelihood, including without*

limiting the generality thereof submissions with respect to personal injury law, shall not be formally submitted to any body, Government or private, until such time as there has been appropriate consultation with the profession as a whole.

Motion lost

- No. 5:** *That the Council undertake a review on an urgent basis of members' services with particular emphasis on providing legal practitioners outside the Brisbane metropolitan area with access to legal resources, updated legislation and case law (especially relating to the Goods and Services Tax) and to take necessary steps to assist non-metropolitan practitioners to have access to such resources utilising e-mail and the internet.*

Motion lost

- No. 6:** *That the Council shall provide Minutes of all Council Meetings, subject to appropriate discretion for commercial in confidence and privacy matters, to members through the website of the Queensland Law Society in the closed members' section.*

Motion lost

- No. 7:** *The Council shall ensure that all Queensland Law Society Committees will include a minimum of two women and one practitioner from outside the Brisbane metropolitan area provided that it will be sufficient compliance with this resolution if the practitioner from outside the Brisbane metropolitan area is female.*

Motion lost

The President advised that time would not permit during the meeting to finalise the count of the votes for the motions, and ruled that the count would continue after the meeting and everyone would be advised formally in due course.

Incoming President's Address

“First of all, let me thank the outgoing President, Peter Carne, for his untiring efforts on the members' behalf and special emphasis on his efforts during the Green Paper campaign. Those of us who were part of the campaign know how effective Peter was as campaign spokesman and President. I'd ask you now to join with me in thanking Peter in the usual manner.

Democracy is a very healthy thing. Now that the election campaign is over and our members have spoken, let me congratulate my 17 colleagues, including the Attorney General's representative, Brian Kilmartin, on election. With five new faces and 13 continuing, I believe we've got a good strong team on the Council with a fair balance in respect to the city, country and suburbs, and certainly not run by faceless committees from the big end of town.

This new Society is not just a member services organisation, but a Society with an honourable tradition going back to 1928. Since that time, it has played and continues to play a large role in the law and justice system in this State. This is the point we have to keep making to the media, Government and to our critics. A strong law society is important in speaking out about matters that are essential to the rule of law in Queensland. At the same time, QLS is guided by a very, very strong committee system and 20 district law associations, both of which provide many hours of unpaid volunteer work.

Our Council consists of practising solicitors, all of whom are personally affected on a day to day basis by the ongoing changes to our profession. So far as current reform of the profession, the Law Society has sought, and under my leadership will continue to seek, sensible legal reform. Our position is, and will continue to be, that the fidelity fund should be abolished but that, absent that, sufficient fidelity fund money should not be diverted to Legal Aid, ensuring that our members do not have to pay any levy.

During my term, we shall continue to speak out on access to justice issues which are of importance to all Queenslanders. At the same time, we shall continue the process of acting in the best interests of our members. Specifically, we shall continue the process of looking for new work for our members and looking for ways that they can value add to existing services. To that end, our Profession Review Committee is currently examining MDP's. It is my belief this will help big firms with interstate and offshore competition. It will also allow those regional solicitors to go into business with other professions, thus making more services available to regional towns.

Now, that the WorkCover Fund is in the black, we shall also be calling on Government to honour their election commitment to amend the *WorkCover Act* and return it to the Goss Government amendments of 1 January 1996.

Whilst the Law Society has statutory obligations, it is in my view essentially a member service organisation. We have sought, and will continue to seek, expansion of member services. The library is a good example of this. QLS is responsive to members' requests. Last year, as a result of the AGM seeking more information, an Audit Committee was established under the Chair of Richard Wallace, which in my view has seen a new transparent format for the accounts.

My colleagues elected unopposed as Deputy President and Vice President respectively, are Joe Tooma and Tom Sullivan. This collective style Presidency, if you like, will ensure a smooth transition at the end of my term in the interests of the profession. Let me assure you that there is no arrogance among this Council, perceived or otherwise. Our door is always open to informed debate or constructive criticism.

I look forward to working with the new Council, but particularly with you, for the good of the profession and for our vital interests during the ensuing year."

Raoul Giudes
President

Conclusion

The President declared the meeting formally closed at 7.30 p.m.

Council Members

The Council of the Queensland Law Society for 1999/2000 were:

Members

P D Carne, Carne & Herd
(President)
R M Giudes, Giudes & Elliott
(Vice President)
J M Batts, Harrington Batts
J M Bennett, Bennett & Associates
P A Conroy, Conroy & Associates
K R Copley, Collas Moro Ross
P J Dickenson, Murray Lyons Dickenson
G W Ferguson, Ferguson Cannon Lawyers
R A Geldard, South & Geldard
B P Kilmartin, Sciacca's Lawyers
(Attorney-General's nominee)
P E M McCafferty, Bowdens Lawyers
(Immediate Past President)
J F O'Sullivan, Laherty & O'Sullivan
J N L Pinder, Pescott Reaston
L D Pommer, Connolly Suthers
T M Sullivan, Davidson & Sullivan
J A Tooma, J.A. Tooma & Co.
R H Wallace, S.R. Wallace and Wallace

Retired:

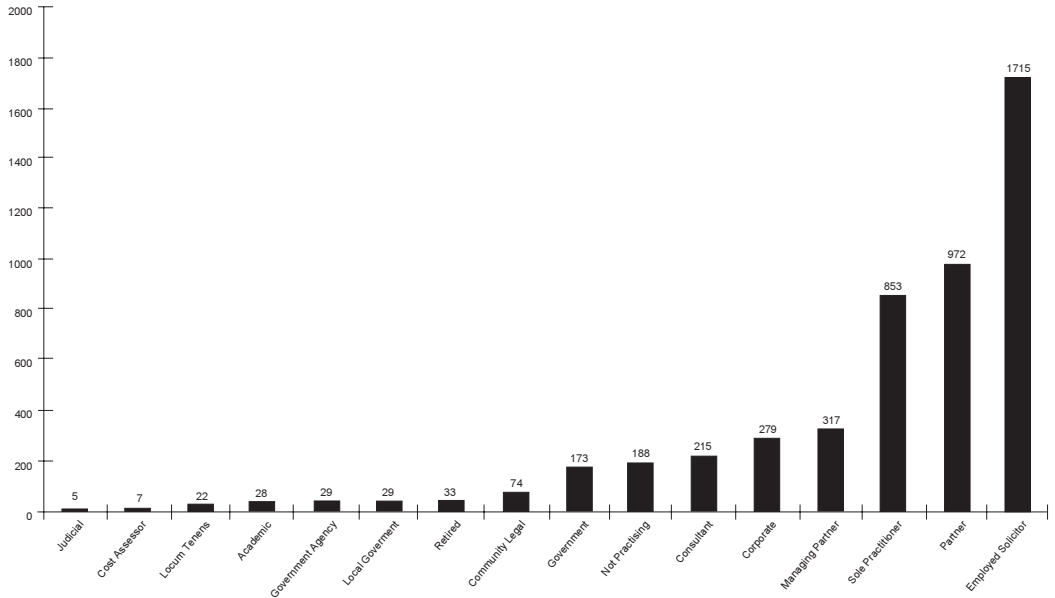
Dr J G Mann AM 13 July 1999

Executive Committee

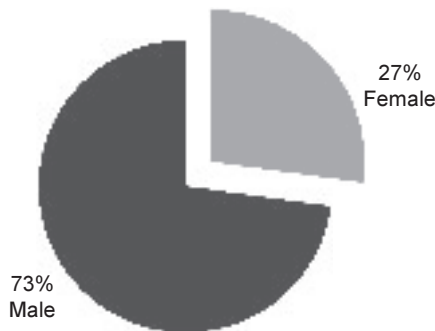
P D Carne
R M Giudes
P E M McCafferty
T M Sullivan
J A Tooma

Statistics of the Profession

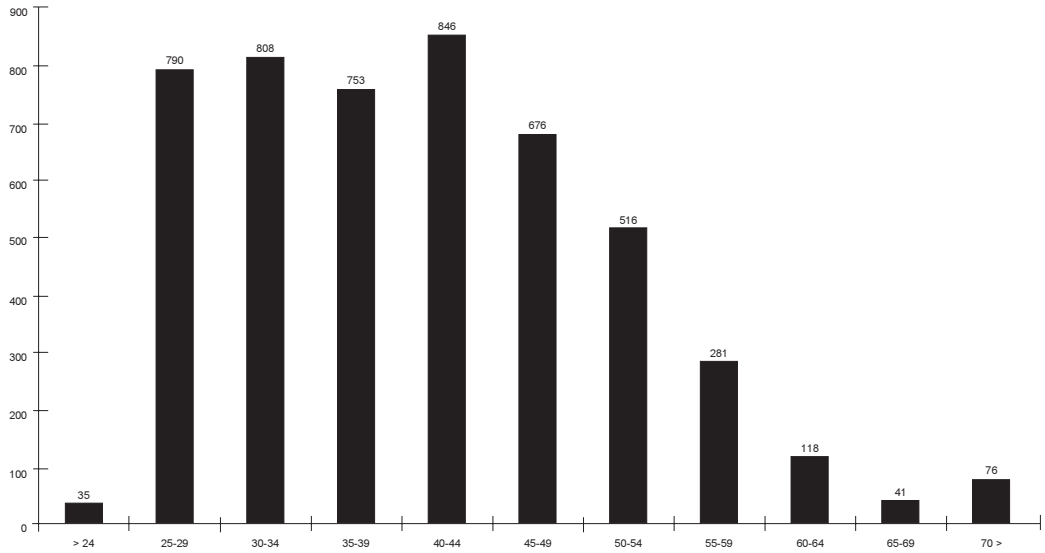
Categories of Solicitors



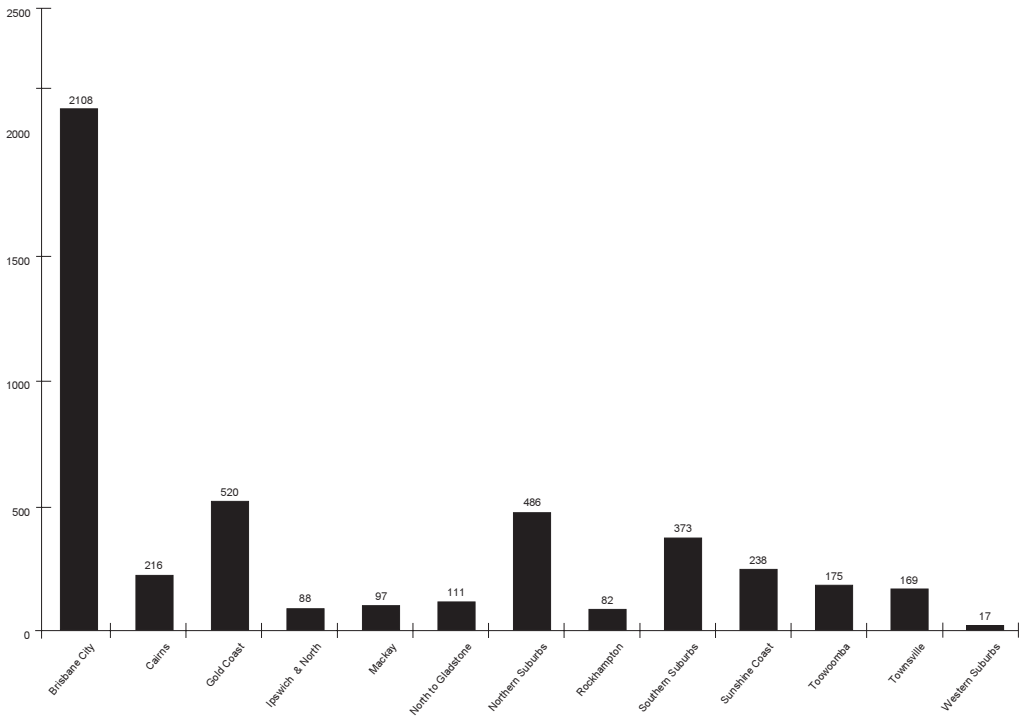
Gender of Solicitors



Age of Solicitors



Geographical Distribution



Senior Counsellors

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

The Society encourages solicitors in doubtful situations to consult a Senior Counsellor.

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

Brisbane

J R Byrne, James Byrne & Rudz,
G P O Box 900, Brisbane, 4001
M B Conroy, Conroy & Associates,
P O Box 586, Toowong, 4066
P L Cooper, Hunt & Hunt,
G P O Box 834, Brisbane, 4001
C C Endicott, Macrossans Lawyers,
P O Box 7907, Waterfront Place, 4001
J D Fitzgerald, Biggs & Fitzgerald,
P O Box 15, Aspley, 4034
R V Forgione, Ross Forgione & Co.,
P O Box 3086, Sunnybank South, 4109
A C Freeleagus AO CBE RFD, Clayton Utz,
G P O Box 55, Brisbane, 4001
G A Gasteen, Blake Dawson Waldron,
P O Box 7074, Riverside Centre, 4001
R J Grainger-Smith, Clayton Utz,
G P O Box 55, Brisbane, 4001
W A Hart, Hemming & Hart,
G P O Box 142, Brisbane, 4001
G J Hutchinson, Cooke & Hutchinson,
P O Box 130, Redcliffe, 4020
J P Kelly, Corrs Chambers Westgarth,
G P O Box 9925, Brisbane, 4001
G E Klein, Public Trustee of Queensland,
G P O Box 1449, Brisbane, 4001
M O Klug, Clayton Utz,
G P O Box 55, Brisbane, 4001

S Leonard, Hatzis & Associates,
P O Box 3063, Sunnybank South, 4109
M R Lockhart, Flower & Hart,
G P O Box 219, Brisbane, 4001
A MacGillivray, MacGillivrays,
G P O Box 2582, Brisbane, 4001
J G Mann AO, Mallesons Stephen Jaques,
G P O Box 1406, Brisbane, 4001
P E M McCafferty, Bowdens Lawyers,
G P O Box 2587, Brisbane, 4001
M A Miller, Quinlan Miller & Treston,
G P O Box 2500, Brisbane, 4001
G A Murphy AM, MurphySchmidt,
P O Box 7042, Riverside Centre, 4001
J A Nagel, John Nagel & Co.,
P O Box 44, Mount Gravatt, 4122
P G Nolan, Gilshenan & Luton,
P O Box 295, Brisbane Roma Street, 4003
T P O'Gorman, Robertson O'Gorman,
P O Box 26, Roma Street, 4003
J S P O'Keeffe, Corrs Chambers Westgarth,
G P O Box 9925, Brisbane, 4001
W T Purcell, W.T. Purcell Chadwick & Skelly,
G P O Box 958, Brisbane, 4001
M P Quinn, Gilshenan & Luton,
P O Box 295, Brisbane Roma Street, 4003
O Rinaudo, Rinaudo & Co.,
P O Box 66, New Farm, 4005
J Schafer, Thynne & Macartney,
G P O Box 245, Brisbane, 4001
D G Searles, McCullough Robertson,
G P O Box 1855, Brisbane, 4001
P J Short, Gilshenan & Luton,
P O Box 295, Brisbane Roma Street, 4003
D P Spence, Thynne & Macartney,
G P O Box 245, Brisbane, 4001
W H Tutt, Tutt & Quinlan,
P O Box 12180, Brisbane Elizabeth Street
Mac., 4002
G J Vickery AM, Deacons Graham & James,
G P O Box 407, Brisbane, 4001

Atherton

F J Liston, Lilley Grose & Long,
P O Box 156, Atherton, 4883

Ayr

B J Baxter, Ruddy Tomlins & Baxter,
P O Box 590, Ayr, 4807

Bundaberg

T W Young, Finemore Walters & Story,
P O Box 704, Bundaberg, 4670

Caboolture

G P D Maskiell, Maskiells,
P O Box 779, Caboolture, 4510

Cairns

A L English, Bottoms English,
P O Box 5196, Cairns Mail Centre, 4870
R J Reaston, Pescott Reaston,
P O Box 1569, Cairns, 4870

Gladstone

K M Bates, V.A.J. Byrne & Co.,
P O Box 273, Gladstone, 4680

Gold Coast

K R Copley, Collas Moro Ross,
P O Box 8, Broadbeach, 4218
R B Attwood, Attwood Marshall,
P O Box 334, Coolangatta, 4225
I A M Short, Short, Punch & Greaterix,
P O Box 5164, Gold Coast MC, 9726
B F Cronin, Primrose Couper Cronin Rudkin,
P O Box 413, Southport, 4215
J M McCaughan, Jan M. McCaughan,
P O Box 912, Southport, 4215
W M Potts, Price & Roobottom,
P O Box 455, Southport, 4215

Gympie

G R Neilson, Neilson Stanton & Parkinson,
P O Box 356, Gympie, 4570

Innisfail

V J Vandeleur, Vandeleur & Todd,
P O Box 862, Innisfail, 4860

Ipswich

P M Fallu, Dale & Fallu,
P O Box 30, Ipswich, 4305
R Zande, Richard Zande & Associates,
P O Box 42, Ipswich, 4305

Mackay

A P F Ghush, Macrossan & Amiet,
P O Box 76, Mackay, 4740
S B Wright, S.B. Wright & Wright and Condie,
P O Box 38, Mackay, 4740

Sunshine Coast

M D Bray, Bradley & Bray,
P O Box 243, Nambour, 4560
M Buck,
P O Box 314, Landsborough, 4550
R G Hyett, Richard Hyett,
P O Box 964, Mooloolaba, 4572
P D Lohrisch, Lohrisch Solicitors,
P O Box 408, Nambour, 4560
S J McDermott, Butler McDermott & Egan,
P O Box 117, Nambour, 4560
M O Richardson, Cartwright Richardson &
Stringer,
P O Box 132, Noosa heads, 4567

Rockhampton

A R Batts, Connolly Schirmer & Batts,
P O Box 309, Rockhampton, 4700
H C Grant, Grant & Simpson,
P O Box 50, Rockhampton, 4700
V N Jackson, South & Geldard,
P O Box 560, Rockhampton, 4700
J L Shaw, Swanwick Murray Roche,
P O Box 111, Rockhampton, 4700

Stanthorpe

M C Bathersby, Neil Sullivan & Bathersby,
P O Box 271, Stanthorpe, 4380

Toowoomba

J C Blakeney, Bernays & Bernays,
P O Box 31, Toowoomba, 4350
J D Carroll, Murdochs Solicitors,
P O Box 963, Toowoomba, 4350
J E Cleary, Cleary & Lee,
P O Box 75, Toowoomba, 4350
G C Fox, Groom & Lavers,
P O Box 52, Toowoomba, 4350
K M Walker, Walkers,
P O Box 1514, Toowoomba, 4350

Townsville

R C Barnes, Roberts Nehmer McKee,
P O Box 5374 M.C., Townsville, 4810
A J Boulton, Boulton Cleary & Kern,
P O Box 1099, Townsville, 4810
C O Harkness, Wilson, Ryan & Grose,
P O Box 1113, Townsville, 4810
P G B Mackey, Mackey & Wales
3rd Fl Walker House, 122 Walker Street,
Townsville, 4810

Warwick

N D Maxwell, Maxwell & McMeniman,
P O Box 200, Warwick, 4370

Retired:

M P Baumann	12 May 2000
N J Clarke	1 August 1999
B M Johnson	23 August 1999
N B Roberts	31 December 1999

District Law Associations

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

The vastness of Queensland has nurtured the growth and strength of 20 district law associations which have the opportunity to communicate as often and as closely with the Queensland Law Society as their Brisbane-based colleagues. The enthusiastic involvement of regional solicitors in a wide range of local community activities is of enormous importance in the Society's efforts to educate and inform the community about their rights and responsibilities under the law.

Bundaberg Law Association
Caboolture Law Association
Central Queensland Law Association
Downs & South-Western Law Association
Far North Queensland Law Association
Fraser Coast Law Association
Gladstone Law Association
Gold Coast Law Association
Gympie Law Association
Ipswich & District Law Association
Logan City/Beenleigh Law Association
Mackay District Law Association
North Brisbane Lawyers' Association
North Queensland Law Association
North West Law Association
Redcliffe, Pine Rivers & District Law Association
South Burnett Law Association
Southern District Law Association
Sunshine Coast Law Association
Townsville Solicitors Association

Directors of the Law Society

Director of Continuing Legal Education

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

Director of Finance

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

Director of Professional Standards/ Secretary to the Society

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

Solicitor to the Society

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

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

Scott S Carter

Solicitor to the Society

Continuing Legal Education (CLE) Department

The department’s key objective is to provide professional development training and resources to the solicitors of Queensland. CLE is acutely aware of the profession’s diverse range of educational and training requirements which vary according to size and location of practice, and the areas of law offered by each firm. Throughout the reporting period, the department has continued to refine its focus on meeting this objective in the most timely and cost-effective manner. Static training modules (seminar papers and video and audiotaped presentations) complement the large number of live seminars (face-to-face sessions and teleconferences) on offer. On-line CLE is the next stage in the developmental process to make training both accessible and affordable for all members.

Adult learning theory suggests that training is best imparted in an interactive mode. With this in mind, we continue to explore ways to deliver equity of access to interactive training, whether it is live or

self-paced. We issue invitations regularly to regional members to contact CLE through their DLA presidents to request face to face training in their regions. This method ensures that appropriate training is delivered regionally at a cost participants are willing and able to bear.

GST

In a coup for the Department, substantial funding was sought and received from the Commonwealth government's GST Start-Up Office to provide training free of charge to all solicitors across Queensland in how the GST will impact legal practices. We are grateful to our stable of loyal GST expert speakers who participated in the statewide road show.

In addition, as a joint national initiative, the Department produced a videotaped GST training session for distribution to all Australian legal firms and barristers' chambers. I record our thanks to GST Project Officer, Sandie Angus, who came in at short notice to co-ordinate each of these GST initiatives. Training initiatives to ready the profession for GST continued beyond the reporting period.

Seminars

The Seminars Division led by Angela Kurtz conducted more than 100 seminars and conferences during the reporting period. The annual Practice Area Survey provides valuable insights into the areas of law in which training is required. Seminars via teleconference continue to grow in popularity as firms and individuals alike tune in to receive timely updates in law and practice issues. A further popular initiative is the Member Benefit Teleconference Series in which the administration fee is waived.

Symposium 2000

The annual legal symposium is one of most time- and resource-intensive yet rewarding initiatives co-ordinated by CLE. The Department works closely with the Symposium Committee in co-ordinating this flagship educational conference, offering not only a cutting edge professional development program but also networking and practice development opportunities. Growing attendance figures are attributed to the opportunity for members to access experts in a great variety of legal and practice-related specialties.

Publications

Electronic publishing remains high on the Publication Division's agenda. CLE papers are posted regularly to the Society's web site and large conference papers are provided on CD-Rom enabling entire firms to establish electronic libraries for all to access these valuable resources. Publications Manager, Dorothy Henderson, reports that the Land Titles Practice Manual, which is produced as both a loose-leaf service and as an electronic service, was the Division's best selling publication during the reporting period.

Management Education

Michele McNamara assumed the position of Management Education Co-ordinator in June 1999, her primary role being to promote and co-ordinate the Practice Management Course which is offered from the University of Queensland's Graduate School of Management. Ninety-seven (97) practitioners completed the course in the reporting period.

Ms McNamara also co-ordinated the Duty Lawyer Accreditation program on behalf of the Society and Legal Aid Queensland. Sixty-seven (67) practitioners became accredited in the reporting period.

Schools

The Society's Schools Program aims to improve awareness in schools and the broader community of legal issues. In addition to publishing the quarterly magazine *Broker*, Schools Manager, Anthony Gray, traveled the state visiting schools and assisting students and teachers in the area of legal studies. As a further service, visits to courts and other legal-themed sites such as Parliament House can be arranged on request.

Specialist Accreditation

The Director services the Specialist Accreditation Board and Advisory Committees. Accreditation programs were offered in both Family Law and Personal Injuries Law during the reporting period. Candidates undertook assessment in the form of peer review, written examination, submission of a mock file and participation in a simulated client interview. We congratulate the 29 newly accredited Family Specialists and the 31 newly accredited Personal Injuries Specialists. Their

accreditation brings to 217 the total number of accredited specialists in Queensland. Expansion of this program into further practice areas is being considered currently by the Board.

The Department appreciates the generosity shown by members of the profession in terms of the hours and work donated to producing each of our professional development products and services. We acknowledge also the valuable input provided by the practitioner-driven CLE Consultative Committee. Finally, I take this opportunity to thank each member of the CLE Department for their enthusiasm and effort throughout the reporting period.

Ann-Maree David
Director

Finance Department

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

The Finance Department continues to be responsible for all accounting matters relating to the Law Claims Levy Fund 1987-95. Administration of law claims files is handled by APPIIL with all claims payments made by the Finance Department. Levy Fund investments are managed by the Finance Department with Bankers Trust.

The department is responsible for the receipt and distribution of interest received on solicitors' trust accounts.

The Director of Finance is also responsible for information technology systems and in the past year significant effort and resources have been allocated to GST related issues. Where necessary, existing computer programs have been modified and tested. The first test of the new GST systems was the production of practising certificate renewal notices and the subsequent banking of fees received. This GST amended software has been successfully implemented. Fine tuning of GST enhancements will continue in the coming year.

The Queensland Law Society web page was launched in 1999 and provides a wide range of information to both the profession and the public. The web site is constantly being reviewed to best meet the needs of members.

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

Murray Fox
Director

Professional Standards Department

The Department's primary functions include:

- Investigation of complaints
- Examination of solicitors' trust accounts
- Management of the Fidelity Guarantee Fund
- Receivership of solicitors' trust property

There were 419 current complaint files at the end of April, 2000, compared with 379 at the end of the previous Law Society year. The number of written complaints received during the year was 751 (previous year, 761) and miscellaneous enquiries during the year totalled 702 (previous year, 665).

The department continues to provide significant assistance to solicitors, their bookkeepers and auditors, in relation to enquiries regarding their duties and responsibilities under the *Trust Accounts Act and Regulations*. The Department conducted 217 examinations of solicitors' trust accounts during the year, 46 more than the previous year.

Forty-four claims against the Fund were considered during the year. These claims were dealt with by the Society's Committee of Management with ratification, where appropriate, from the Council of the Society.

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

During the year, 18,995 calls were received by the department from members of the public requesting a referral to a solicitor, an increase of over 17% from the previous year.

Keith Thompson

Director

Secretary

The Society issued 5,300 Practising Certificates during the year consisting of 359 conditional Employee level certificates, 2,714 Employee level certificates and 2,227 Principal level certificates.

A total of 633 solicitors were admitted in Queensland during the year. Four hundred and five of those solicitors took out Practising Certificates with the Society.

There are presently 5,516 full members of the Society and 135 Honorary, Complimentary and Associate members of the Society.

The Library's Information Request Service had a busy year. It was able to provide information from its collection to approximately 20,000 requests for information from members and their staff.

Seven issues of ADDLIB, the library's newsletter, were published during the year. ADDLIB keeps members informed of current developments in the library, assists them in conducting their own research and brings to their attention significant cases, legislation and articles of interest to the legal profession.

In recognition of the impact of the Internet on legal research, the library has increased access for members to the Internet from one PC to five PCs. The library's Internet guidelines ensure equitable access for members who wish to use the Internet for legal research.

The Society's homepage was launched in the latter half of 1999. The Library's section of the homepage provides detailed information which includes links to legal research sites, a general research guide and more specific research tips. The library's catalogue can also be accessed from the homepage.

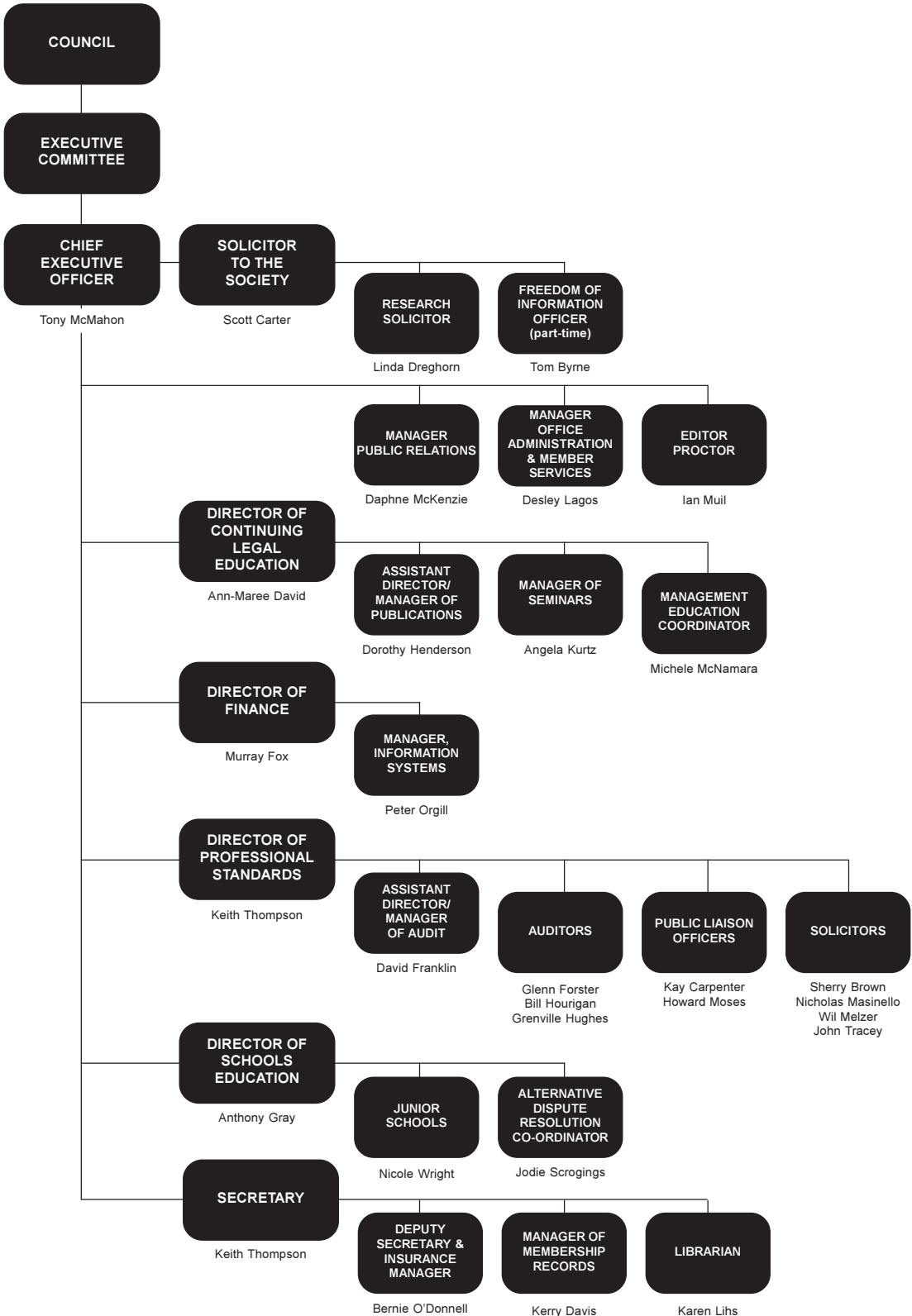
In the recent Members' Survey conducted by the Society, approximately 80% of the members surveyed were aware of the library and the services it offered. Virtually all of the members surveyed who used the library were satisfied with its services. It is pleasing to see that members continue to use and support the library's services.

Keith Thompson

Secretary of the Society

Organisational Chart

as at 1 July 2000



Committee Lists

For the period ending 1 May 1999 to 30 April 2000.

Membership of Society committees is reviewed annually by the Council.

Access to Justice

P J Mullins (Chair)
 P A Conroy
 A B C Douglas
 D B Greer
 S D Guttridge
 B J Hamilton
 J A Harrington
 S Kift
 L S Reidy
 P S Russo
 D G Searles
 H R Watson
 L M Dreghorn

Retired

M P Baumann 1 March 2000

Accident Compensation

G A Murphy AM (Chair)
 T S Balaam
 The Hon P Braddy
 J P Cameron
 S P Charles
 R J Davis
 P C Eardley
 S A Falvey
 G W Ferguson
 R M Giudes
 D Hamblin
 J Hand
 B P Kilmartin
 P Koutsoukis
 R A McConaghy
 M A Miller
 M A O'Connor
 G P O'Driscoll
 J N L Pinder
 The Hon C A Sciacca MHR
 G R Senior
 K M Splatt
 W H Tutt
 S S Carter

Retired

S Carter 16 December 1999
 J K Cunningham 16 December 1999
 S E Davies 16 December 1999
 K McKenzie 16 December 1999
 J F O'Sullivan 16 December 1999
 J M Rowell 16 December 1999
 A J Shah 16 December 1999

Administrative Law

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

Aged Care & Accommodation

R A Lyons (Chair)
 G R Chapman
 B J Herd
 G J Hutchinson
 T J Longwill
 A S O'Connor
 M R Streeting
 D C D Sutherland
 C L Tupicoff
 J D Wrathmall
 U Zeller
 T P Byrne

Retired

H M Baldwin 27 August 1999
 L M Dreghorn 17 October 1999
 S L L Enever 20 January 2000
 H S Sia 6 April 2000

Alternative Dispute Resolution

O Rinaudo (Chair)
 M E H Anning
 D G Bancroft
 P J Cavanagh
 S M Cibau
 Ass. Professor G Clarke
 M P Corkery
 M O Klug
 W K Lehmann

A McDiarmid
 P J Mullins
 P B Scott
 G G Shoebridge
 G R Smith
 G J Vickery AM
 J M Scrogings

Retired

M B Rogers	24 September 1999
B P McCafferty	16 December 1999
P W Venus	16 December 1999
S L L Enever	20 January 2000
P Condliffe	1 April 2000

Audit

R H Wallace (Chair)
 P A Conroy
 G W Ferguson
 A J McMahan
 T M Sullivan
 M A Fox
 Children's
 J A Harrington (Chair)
 D Atkinson
 S J Cleary
 N L Davies
 R A Finney
 K L Fretwell
 R M Giudes
 K Mandla
 L Moynihan
 P J Mullins
 G J Quinlivan
 T J Ryan
 N J Straker
 J L Wight
 L M Dreghorn

Claims

M J D Meadows (Chair)
 B D Bartley
 P D Carne
 R M Giudes
 P E M McCafferty
 P J Mullins
 J F O'Sullivan
 M C Behm

CLE Consultative

M J Crouch (Chair)
 C A Adams
 M L Carkeet

A P Colman
 G M Cranny
 P W Evans
 S M Field
 M L Logan
 J K R Miller
 J G Wilson
 P Wilson
 A M David

Retired

B T Dunphy	13 August 1999
J L Wight	5 April 2000

Company Law

G J Vickery AM (Chair)
 Prof P E von Nessen
 R J Burrell
 N F Coburn
 Prof B J Collier
 J R Cooper
 B C Cowley
 S A Cranston
 S C Fisher
 D J Grace
 T G Handicott
 J B L Heading
 J J Hutson
 P A Jolly
 A E Knox
 P Little
 D R Magarey
 Prof M McGregor-Lowndes
 R C McNally
 J D Story
 G M Tanzer
 Ass Prof M J Whincop
 N P Withnall
 L M Dreghorn

Retired

H M Baldwin	27 August 1999
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Construction Law

J B Cooper (Chair)
 R D Backstrom
 K D Broadfoot
 R V Ensbey
 J P Feehely
 A Fletcher
 R A Holt
 S J Lambert
 R P Landsberg

M J Luchich
 W G Morrissey
 A C Orange
 S J Pyman
 R W Quick
 J Scrivens
 L M Tracey
 R N Wensley QC
 R S Williams
 M Williams
 L M Dreghorn

Retired

H M Baldwin 27 August 1999

Court Practice and Procedure

T J McBride (Chair)
 D J Abernethy
 S Carter
 S B Collins
 M P Corkery
 J H Davies
 P D Garrett
 W A Hickey
 P A Hunter
 S M Jackson
 M G Johnston
 J A McDonnell
 L J Preston
 J E Tudberry
 R G Whitton
 J J Tracey

Retired

B J Bathersby 16 December 1999
 A W Duffy 16 December 1999
 T E Harrip 16 December 1999
 K M Splatt 16 December 1999
 J A McVeigh 17 February 2000

Criminal Law

L S Reidy (Chair)
 M F Bosscher
 G M Cranny
 D J Creevey
 R L Devereaux
 J A Hopes
 J E Magoffin
 E M Marchetti
 L R Middleton
 P T Murphy
 M E O'Connor
 T P O'Gorman

W M Potts
 M P Quinn
 S S Carter

Retired

M J Shanahan 19 August 1999
 R M C Burns 16 December 1999
 R W T Carew 16 December 1999
 H A Mellick (Jnr.) 16 December 1999

Equalising Opportunity in Law

M P Ryan (Chair)
 J M Batts
 S J Booth
 G H Kahlert
 J R Logan
 G M Neal
 J N L Pinder
 S F Purdon
 G J Quinlivan
 K A Ryan
 G R Smith
 J A Tooma
 K M Torlach
 L M Dreghorn

Retired

M B Rogers 24 September 1999
 C M Taylor 24 March 2000

Family Law

J M Batts (Chair)
 K A Atkins
 C J Bowrey
 P D Carne
 S M Cibau
 B J Doyle
 M J Emerson
 H J Frew
 J A Hamilton
 S R Hirst
 T A Kane
 T D Newman
 K A Phillips
 P J Sheehy
 L M Dreghorn

Retired

A Edwards 16 December 1999
 M L Keogh 16 December 1999
 D M Leembruggen 16 December 1999
 G J Quinlivan 16 December 1999
 C M Taylor 13 April 2000

Family Law Specialist Accreditation

D M D M Leembruggen (Chair)
 J M Batts
 A J Black
 I T Davies
 T A Dick
 P J Dickenson
 B S Hartley
 G K W Page SC
 A M David

Retired

S M Tonkin 06 September 1999
 P D Carne 08 December 1999
 P B Carter 08 December 1999
 R M Giudes 08 December 1999
 G A Murphy AM 08 December 1999
 S W Woodward 08 December 1999
 T A Kane 21 January 2000

Finance and Securities

A MacGillivray (Chair)
 R A Bridges
 G Brown
 Prof B J Collier
 R J Dennings
 K D Dorney QC
 J R Fitchett
 D B Fraser QC
 J N Gallimore
 G Kennedy
 P M O'Shea
 G T Smith
 Ass Prof C Turner
 C C Wappett
 U Zeller
 L M Dreghorn

Retired

H M Baldwin 27 August 1999
 S J Cleary 12 February 2000

Franchising

J S Panettiere (Chair)
 G J Barnes
 A J Bates
 M L Carkeet
 B Edwards
 P W Evans
 F M Julius
 C G Londy
 P A McLaughlin

J Reginato
 D C D Sutherland
 T P Byrne

Retired

A J Conaghan RFD 16 December 1999
 P E M McCafferty 16 December 1999
 R Melin 16 December 1999
 M A Owens 16 December 1999
 S W Woodward 16 December 1999
 S L L Enever 20 January 2000

Government Lawyers

T G Beale (Chair)
 R M L Beer
 S J Booth
 D G Campbell
 N R N Camphorst
 J C Carey
 A R Chadwick
 L G Clarkson
 M P Corkery
 D N Durack
 F M FitzPatrick
 P L Friedman
 M R Green
 G E Klein
 M L Logan
 A M David

Retired

R J Davis 28 June 1999
 Dr J G Mann AM 28 July 1999
 C J Strofield 21 January 2000

Grants

B P Kilmartin (Chair)
 P D Carne
 R M Giudes
 V C McCarthy
 T J O'Dwyer
 A J McMahon

Retired

O Rinaudo 1 September 1999

Industrial Law

K F Watson (Chair)
 T A Allingham
 A J Coulthard
 P J Gallagher
 I G Humphreys
 B P Kilmartin

H A Lepahe
 D R Miller
 E A Milner
 B F Ward
 D C Williams
 S S Carter

Insolvency

J N Conomos (Chair)
 J W C Broadley
 Prof B J Collier
 L M Copley
 J B Daniel
 P Kar
 G J Litster
 Ass Prof R F Mason
 L S Nash
 P Y Pan
 D F Pennicott
 S B Roberts
 G W Rodgers
 J L Saunders
 P W Sayer
 A J Wilson
 S S Carter

Insurance Law

A S Anderssen (Chair)
 J P Cameron
 J D Kent
 P M Murdoch
 G A Murphy AM
 L D Pommer
 J J Power
 M S Sammut
 P A Tully
 J D Wrathmall
 A M David

International Relations

J F O'Sullivan (Chair)
 P L Chiang
 G W Ferguson
 G C Fox
 R M Giudes
 A J McMahon
 I G Prentice
 S M Schofield
 S P Sia
 D G Thomas
 V Q Tran
 R J B Winter

IT & T

J V Swinson (Chair)
 J A About
 A C W Austin
 P T Bolam
 P L Chiang
 H K B Fraser
 M Hallas
 P A Hourigan
 Dr C G R Lawson
 P McDonald
 P Mendes
 S D G Newcomb
 N O'Brien
 J C Sherman
 Dr A D Gray

Retired

H M Baldwin	27 August 1999
C L Taylor	16 December 1999
L G Wiseman	16 December 1999
L M Dreghorn	7 February 2000

LawCare

M P Quinn (Chair)
 B H Crawford
 R J Grainger-Smith
 L A Lingard
 G P D Maskiell
 P M Paxton-Hall
 R P S Smith
 T P Byrne

Retired

M B Rogers	24 September 1999
S L L Enever	20 January 2000

Legal Education

M J Crouch (Chair)
 Prof S Berns
 A J Chay
 E Colvin
 Prof M Cope
 Prof J Dewar
 Prof P Fairall
 Prof M E Hiscock
 E J P F Lennon QC
 C A C MacDonald
 G Orr
 A A Rouyanian
 L Taylor
 Dr K Vaggelas

G J Vickery AM
A M David

Management

J A Tooma (Chair)
J M Batts
P A Conroy
P J Dickenson
R A Geldard
Dr J G Mann AM
D G Thomas
R H Wallace
W Melzer

Marketing

J A Tooma (Chair)
I M Berry
A S Biggar
B F King
M T Mole
S M Schofield
M D Yarwood
R A Derrington
D L McKenzie

Retired

Dr J G Mann AM 21 June 1999

Mining Law

I R Bannerman
P S Careless
D J Gately
W B Smith
W R Stubbs
J W K Young
S S Carter

Mortgage Lending

K R Copley (Chair)
T J Boyce
P J Dickenson
M McIvor
P J Morgan
R W Spencer
S S Carter

Personal Injury Specialist Accreditation

J N L Pinder (Chair)
W G Bradley
J L Garrett
R E R Miller
M T Morton
P J Mullins

P M Schmidt
Dr K Vaggelas
A M David

Retired

R J Davis 08 December 1999
B T Dunphy 08 December 1999

Plain English

J A Tooma (Chair)
J Buttner
D Clark-Dickson
A J Deane
W T N Ferguson
A M Hancock
D A Henderson
R M Macdonald
R C Penny
T B Ogge
G M Ryan
G R Smith
Dr A D Gray

Planning and Environment

R R Bowie (Chair)
G J Banks
L M Bowie
C O Harkness
R M Meurling
P J Rowell
B W Smith
K M Trainor
I B Walker
M G M Walton
L M Dreghorn

Retired

H M Baldwin 27 August 1999

Practice Course

P E M McCafferty (Chair)
M J Crouch
T P Fynes-Clinton
Z J Harris
P J Lynch
N W Macrossan
A R McKernan
D J O'Connell
T W J Young
M A McNamara

Retired

V Peters 31 May 1999

Pro Bono

Dr J G Mann AM (Chair)
 R S Ashton
 K J Carl
 A J Conaghan RFD
 M Darian-Smith
 S J Daveson
 P J Heraghty
 G McFadyen
 Prof M McGregor-Lowndes
 D G Thorne
 K J Wright
 T P Byrne

Retired

S L L Enever 20 January 2000

Proctor

P D Carne (Chair)
 M A de Groot
 G M Cranny
 C S Doherty
 B P Fisher
 B Hocking
 K L Johnston
 R C McNally
 J J Turnbull
 P W Venus
 A E Wallace
 P Wilson
 J D Wrathmall
 I L Muil

Retired

P E M McCafferty 18 January 2000
 M M Hay 23 March 2000

Profession Review

P D Carne (Chair)
 R S Ashton
 R M Giudes
 P E M McCafferty
 R G Perrett
 J D Story
 T M Sullivan
 J A Tooma
 A J McMahan

Retired

Dr J G Mann AM 15 November 1999
 J F O'Sullivan 15 November 1999
 M A Steen 15 November 1999

W J Tegg

15 November 1999

G N Harley

28 January 2000

Professional Standards

R M Giudes (Chair)
 P D Carne
 B Codd
 K R Copley
 K J Hinds
 B P Kilmartin
 L D Pommer
 T M Sullivan
 K W Thompson

Property Law and Practice

P G Newman (Chair)
 G F Bugden
 P D Burton
 S A Christensen
 R P Clarke
 B G Cronin
 W G Denny
 A L Greenhow
 R S Gregory
 A M Huelin
 S E Jones
 W L LeMass
 R D Praeger
 R H Seymour
 K D Waddington
 A M T Weil
 L M Dreghorn

Retired

W R Heatley 16 August 1999
 H M Baldwin 27 August 1999
 R J Beer 16 December 1999
 K R Copley 16 December 1999
 A D R McNab 16 December 1999

Revenue Law

P J Allen (Chair)
 X F Clarke
 D S Clifford
 D G Cominos
 A J Eden
 M S Kelly
 H G Lakis
 Dr J G Mann AM
 D S Morrison
 W B Prescott

T R Puryer
 D A Stitt
 W D Thompson
 S S Carter

Section 31 (Audit)

R M Giudes (Chair)
 P D Carne
 K R Copley
 B P Kilmartin
 L D Pommer
 T M Sullivan
 D J Franklin

Small Practices

J A Tooma (Chair)
 M A de Groot
 M B Conroy
 G A Gibbons
 M Hannan
 G Hatzis
 N E Jensen
 G P D Maskiell
 M M Meehan
 J P O'Brien
 R P S Smith
 W J Tegg
 L M Townsend
 B B O'Donnell

Retired

V Peters 31 May 1999

Specialist Accreditation Board

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

Succession Law

J K de Groot (Chair)
 M A de Groot
 G R Dickson
 G R Funnell
 G F Lanham
 K J Lynch
 G L Mann
 T C Whitney
 P Wilson
 A M Wilson SC
 A C Wordsworth
 L M Dreghorn

Retired

H M Baldwin 27 August 1999
 D Priala 5 October 1999

Superannuation

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

Retired

E Feros 16 December 1999

Symposium

J A Tooma (Chair)
 J D Batch
 J M Batts
 I M Berry
 K Carmody
 S B Collins
 P A Conroy
 A B Crowe
 A L Greenhow
 G E Hiley QC
 L C Johnston
 S M Macgroarty
 A I Philippides SC
 A J Shah
 L M Townsend
 A M David

Committee Reports

For the period 1 May 1999 to 30 April 2000.

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

Access to Justice

On the recommendation of the Access to Justice Committee, the Council of the Society has approved funding to allow Queensland University of Technology (QUT) Law School to undertake further research on the sufficiency of government funding of legal aid. This research will pick up where the Griffith Legal Aid Report left off. The current research is being undertaken by a team headed by Associate Professor Phillip Tahmindjis.

The committee continues to monitor the preferred supplier project of Legal Aid Queensland and has met with the Legal Aid Board on several occasions during the year.

With the Council's approval, the committee is engaged in raising funding for a research project: a comparative study of legal expenses insurance schemes in the UK and other countries.

The committee is strongly committed to the promotion of legal expenses insurance.

During the reporting year, the federal government announced funding increases for legal aid which commence 1 July 2000. Though such increases were not as much as the Society and the Law Council had called for, the increases are welcome.

However, the underfunding of legal aid throughout the country is still scandalous and presents us with a major problem with access to justice.

The Access to Justice Committee is committed to continuing its work in encouraging government at both state and federal level to fund the legal aid system fairly and appropriately and so to ensure that disadvantaged Australians have real access to justice.

We also continue to promote the idea of legal expenses insurance which the committee sees as having potential to deliver real access to justice to those very many Australians who (although not financially disadvantaged) are still not able to afford the major costs of litigation.

Pat Mullins

Chair

Accident Compensation

The committee was again active during the year under review with six meetings of the full committee and a considerable number of ad hoc sub-committee meetings to deal with specific issues.

The major task of the committee was to develop a response to and liaise with the CTP Review Committee following publication of its Terms of Reference in June 1999. The liaison with the Review Committee and with the Motor Accident Insurance Commissioner and her staff addressed many issues. The result of the work of the Review Committee will be a *Motor Accident Insurance Bill* due to be introduced into the House in May 2000. Members of the committee are reasonably confident that the bill will effectively address problems identified by the Review Committee without the introduction of caps or thresholds or other significant interference with the maintenance of common law rights. The Commissioner has also provided the Society with actuarial briefings and quarterly claims statistics and I am confident that the scheme will remain viable and attractive to the significant number of private insurers presently involved.

The year has also seen the bedding down of the first leg of the Government's promised amendments to the WorkCover regime. Notwithstanding the sensible amendments to the definition of 'worker' and 'injury', it seems likely that the WorkCover fund will conclude its first year under the amended regime fully funded and, hopefully, will also achieve the appropriate reserves (above full funding) now required by the

Government. The committee will commence work on submissions to the government for the introduction of the balance of the promised reforms in the immediate future so that equitable arrangements for injured workers will be restored, at least to the position of the Goss Government amendments.

It is abundantly clear that the alarmist cries of a previous government that there was a bottomless black hole facing WorkCover were nothing more than that; alarmist cries.

Members of the committee have also represented the Society at several national WorkCover and CTP conferences and good liaison has been maintained with the Insurance Council of Australia and other interested parties.

The committee has also developed submissions for the Law Council's campaigns in respect of various areas of federal interest. It is hoped that one area in which progress will be achieved is in reform of the very onerous and extensive procedures required to achieve compliance with the *Health and Other Services (Compensation) Act*.

G A Murphy AM
Chair

Administrative Law

The committee became more active in the second half of the year with involvement in submissions to the Legal, Constitutional and Administrative Review Committee of the Legislative Assembly in response to that committee's discussion paper on freedom of information (FOI). The committee also reviewed the operation of the Uniform Civil Procedure Rules (UCPR) with particular reference to judicial review of administrative decisions.

The committee has commenced an initiative to develop uniform tribunal practices at state level and will, in the near future, open discussion with presidents of the principal tribunals in an endeavour to achieve greater uniformity. Those discussions will also address the availability of tribunal determinations and the practice of registrars generally.

The committee has renewed regular liaison with the Administrative Appeals Tribunal and is grateful to the Council in facilitating that liaison. The committee is also involved in initiatives to improve advocacy in tribunals and will work with the Society's continuing legal education (CLE) program in that regard.

A C Wood
Chair

Aged Care and Accommodation

The committee met six times during the year under review.

The committee's main objectives are to:

- provide continuing legal education to the Society's members;
- communicate information to consumers on aged care issues;
- liaise with Government and make submissions to Government on legislation, and
- increase the profile of the Society and solicitors in the aged care area.

During the year, the committee was involved in a number of projects including:

- The Queensland Law Society's Elder Abuse Forum held in February 2000. This forum attracted considerable media attention and raised the issue of elder abuse in the community and at all levels of Government.
- Involvement in Seniors Week during 1999.
- Continued involvement with and sponsorship of the University of Queensland's research project entitled *Legislative change in Aged Care: the implications for older people and legal practitioners in Queensland*. This project continues to provide valuable insight into a multitude of issues affecting older people in Queensland and to provide a valuable insight into this growing area.
- The committee held a teleconference to update the Society's members on the new *Retirement Villages Act 1999* which came into effect from 1 July 2000, repealing and replacing the

Retirement Villages Act 1998. The overwhelming response to this teleconference from the profession prompted the Society's CLE department to conduct a half day seminar on the new Act and its implications for the profession.

Brian Herd from the committee also presented a paper at this year's Symposium. His session was well attended and informative.

The committee has also made various submissions to Government on issues in relation to the new *Retirement Villages Act*, and aspects of that Act which would affect retirees entering retirement villages.

I record my appreciation to the members of the committee for their contributions during the year under review and have no doubt that their upcoming year will be equally as busy and productive.

R Lyons

Chair

Alternative Dispute Resolution

In the 1999-2000 year the committee met five times and a LAMS Night was conducted for Legal Aid Chairpersons to revisit the Legal Aid Conferencing Program.

The committee wrote to each co-ordinator of the Introduction to Law subject at the universities to offer a solicitor mediator as a guest speaker. Consequently, a local solicitor mediator attended the University of Southern Queensland and spoke with the students who advised that the presentation was appreciated and suggested it should continue annually.

A Mediation Kit for Clients, endorsed by the committee, was developed for the Queensland Law Society website.

The committee met with Ms Fingleton, Chief Stipendiary Magistrate to discuss the use of ADR in the Magistrate Court.

The committee also considered the process of conducting Professional Standard Mediations. It formed the view that members of the ADR Committee could conduct these mediations as a free service with a time limit of 2½-3 hours.

The committee also met with Mr Kerr of the Retail Shop Leases Registry to discuss the ADR process in the Retail Shop Leases Tribunal and how well the process works at the early stage of the proceedings in which ADR is invoked.

The committee considered the report prepared by the Early Dispute Resolution Taskforce of The Law Society of New South Wales. The taskforce had examined certain areas in its search for ways to embed an early dispute resolution culture. The committee also considered the Policy Review Paper – Review of the Retail Shop Leases Act 1994. The committee formed the view that no response was necessary for either report.

The committee is currently considering:

- ways of promoting solicitor mediators; and
- an application for approval of a proposed mediation course from The Accord Group, Sydney.

The committee welcomed four new members and resignations were received from Mr McCafferty, Ms McDiarmid and Mr Condliffe. Their contribution during their time on the committee is greatly appreciated.

Ray Rinaudo

Chair

Audit

This committee was formed during the year. Its main objective is to assist Council to satisfy its corporate governance role and to recommend approval of the accounts to Council prior to the annual general meeting. Its other objectives include improving the credibility and objectivity of the accountability process; assisting Council to discharge its responsibility for financial reporting, financial management, accounting policies, internal controls, legislative compliance, and business risk; enabling Council to improve its efficiency by delegation of relevant tasks to the committee; compliance with financial related legislation; and formal liaison with senior management and the external auditors.

The committee commenced meeting in February 2000 and met three times during the year under review. It set as its main priority during the present year the task of reviewing the format and

presentation of the yearly financial statements with a view to those statements being more informative and user friendly to members whilst complying with the requirements of the *Financial Administration and Audit Act*; and undertaking the review process of the 1999-2000 accounts on Council's behalf. Other areas have been identified for attention in the future.

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

Richard Wallace
Chair

Children's

The committee was formed in February 2000 and met officially for the first time in March 2000.

The committee is in the process of finalising an action plan. The plan will not be formalised until after the Society's public forum on children's issues is held. The committee understands that the forum is expected to be held in August 2000.

The committee aims, through its action plan, to advocate in the interests of the State's children, to promote children's understanding of and access to justice. The committee will also report to members about the law and changes to the law as they affect children. The committee also has a liaison function with the courts, with other Queensland groups which act for or advocate in the interests of children, and also with interstate Law Society committee's which have been operating for some time now.

Since its inception the committee has submitted

- a short submission to the Criminal Justice Commission's inquiry into strip searching;
- commented on a CD/video being produced by PACT (Protect All Children Today) for children who are involved as witnesses in court proceedings;
- a detailed submission on the new Children's Commission and Tribunal draft bills

The committee also met with Kathy Mandla from the Children's Commission, and with Judge Robertson and Tina Previtera SM about issues of joint interest.

Julie Harrington
Chair

CLE Consultative

The role of this committee is to review the professional development initiatives pursued by the CLE Department and to provide advice from our perspective as practitioner- recipients of the department's services. In that respect, the membership of the committee reflects the diverse demographics of the Queensland profession.

The committee met five times during the reporting period. Issues such as pricing of seminars and distance delivery modes have been canvassed extensively in the last twelve months. The committee supports the department in its endeavours to offer an interactive seminar program over the internet or by other electronic means.

The committee applauds the department's efforts in providing a service which is equal to, if not surpasses, that available from commercial providers at substantially reduced rates. Particularly noteworthy is the Department's practice orientation evidenced by the availability of the valuable *Law Office Guide* precedents series, the *Land Titles Practice Manual* and the *Duty Lawyer Handbook*.

Steady enrolments in the Practice Management Course are noted. With the assistance of the University of Queensland's Graduate School of Management, this program continues to meet the needs of practitioners who require business management training prior to setting out in partnership or sole practice.

The department's resources are further utilised in administering the Society's Specialist Accreditation programs which continue to grow in strength and popularity, 95 candidates undertaking the assessment programs in family law and personal injuries law this year.

Finally I record my thanks to all committee members for their ongoing contribution.

M Crouch

Chair

Company Law

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

The Queensland Regional Commissioner of the Australian Securities Investment Commission and a senior legal officer in the employ of the Commission are members of the committee and greatly assist in ensuring the committee and the profession are kept up to date about ASIC initiatives and changes to procedures. The balance of members are practitioners who specialise in corporate law and knowledgeable legal academics.

The committee met 10 times during the period under review. Matters considered by the committee include:

- Company Law Economic Review Program (CLERP)
- Directors' Duties and Corporate Governance
- Managed Investments Act
- Cross vesting of the Australian Courts following the Wakim and Hughes decisions
- Proposed Australian Stock Exchange Listing Rule Amendments
- CSAC discussion papers on Corporate Groups and Shareholder Democracy
- Employee Entitlements Bill

The committee has kept members of the profession informed of developments by articles in *Proctor* and liaison with the Continuing Legal Education (CLE) Department of the Society. The committee has also contributed to the Society's CLE program, a successful Company Law Intensive being held in October 1999 and a series of CLERP seminars in March 2000.

I record my appreciation to the members of the committee who give so freely of their time and expertise to ensure that the committee is able to carry out its functions efficiently and effectively. I must also thank our hardworking committee secretary, Linda Dreghorn and the Law Council's Business Law officer, Carol O'Sullivan who are both extraordinarily efficient.

G Vickery

Chair

Construction Law

The committee which represents members of the Queensland Law Society who practise predominantly in the construction and engineering industries, met six times during the year under review.

The 1999/2000 year was another busy year for the committee. During the year industry reform has again dominated the committee's agenda. The reform package has now been finalised with amendments to the *Queensland Building Services Authority Act* and the passing of the *Domestic Building Contracts Act* and the *Queensland Building Tribunal Act*. The committee will keep watch over the introduction of these reforms and raise any concerns that arise with the Government and other industry stakeholders.

The committee presented two CLE seminars during the year (both aimed at the recent reforms) which were both well received by members of the Society.

Members of the committee have also participated in various working groups of Construction Queensland.

J B Cooper

Chair

Court Practice and Procedure

During the last 12 months the Committee has been primarily concerned, as in previous years, with the *Uniform Civil Procedure Rules*.

The Committee has made several recommendations to the Supreme Court Rules Committee and had input into the proposed amendments.

In addition, the Committee has lodged a number of submissions on reforms to Court practice, including the Federal Court Magistrates system.

The Committee has provided speakers for various CLE seminars.

Terry McBride

Chair

Criminal Law

The committee's role is to consider all aspects of criminal law. It comments on and drafts submissions in relation to law reform initiatives, and also attempts to initiate reform of legislation and procedure. Members of the committee represent the Law Society before public hearings and in liaison committees with various bodies considering criminal law matters. Members of the committee assist in formulating press releases on behalf of the Society and provide comment to the press about current criminal law issues. They also contribute to continuing legal education activities and often receive members' inquiries through the Society regarding specific areas of criminal law.

The committee met twice during the period.

The committee addressed much of its business through sub-committees.

The committee's workload was enormous as there was a rolling campaign by the State Government on criminal justice law reform.

The committee developed commentary and formal submissions for the Law Society to various bodies in respect of issues including:

- Stipendiary Magistrates Amendment Bill 1999
- Criminal Law Amendment Bill 1999
- Witness Protection Bill
- Private Member's Bill – Criminal Code – Self Defence
- Taskforce on Women and the Criminal Code
- Handcuffing Prisoners
- Witness Anonymity

The chair, Mr Reidy, represented the Society in submissions to the Criminal Justice Commission inquiries into misuse of confidential information by police and into strip searching. He continues to represent the Society on the steering committee of the Court Liaison Project with the Department of Corrective Services in respect of community based orders for certain offenders. He has attended various meetings with Officers of the Attorney General's Department in relation to a range of issues including the Drugs Court reforms.

Mr Michael O'Connor represents the Society at Criminal Law National Liaison Committee meetings

The last six months, particularly, has seen a rash of legislation with minimal consultation periods. Particularly concerning is the introduction of the Police Powers and Responsibilities legislation on 29 February 2000, without consultation with the Society. A further 150 page amending Bill to the same legislation was introduced, yet again without consultation, by the Police Minister on 17 May 2000.

A large amount of the committee's time has been taken in developing a response to the significant and voluminous report of the Women's Taskforce on the Criminal Code and consequential proposals to change the criminal justice system.

As well, the committee has dealt with the issue of mandatory sentencing particularly in talks to the public, dealing with the media and preparing information for the President.

Matters currently under review include:

- Witness Protection legislation
- Witness Anonymity legislation
- Changes to Police Powers and Responsibilities
- Developing initiatives in the area of privacy
- Dealing with proposed amendments restricting rights to committals and/or cross examination at committals
- Analysing the Women's Taskforce Recommendations
- Criminal Justice Commission
- Criminal trial procedure, both Federal and State

- Legal representation in trials including *Dietrich*, legal aid funding for crime etc
- Coroner's Act review
- Sentencing

LS Reidy
Chair

Equalising Opportunity in Law

In the period under review the committee met five times.

In February this year, the Council changed the name of the committee from the *Equity Committee* to the *Equalising Opportunities in Law Committee* not only to bring it into line with the name of the Law Council's Committee but also because the name is more reflective of the types of issues that are dealt with by the committee.

A submission has been made to Council recommending the Society adopt a policy regarding discrimination and sexual harassment.

The committee facilitated a forum, held at Law Society House, to assist with the preparation of the report of the Task Force on 'Women and the Criminal Code'.

One of the aims of the committee throughout this twelve months has been to attempt to raise awareness of equity issues in the profession. This has been primarily done through a series of *Proctor* articles, particularly in the February 2000 edition.

Mark Ryan
Chair

Family Law

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

The committee met eight times during the period 1 May 1999 to 30 April 2000. Among the more significant matters considered by the Committee were:

- Input into the de facto property laws and liaison with the Justice Department in relation to the amendments to the *Property Law Act*
- Submissions about and monitoring of the introduction of the Federal Magistrates Service
- Submissions to the Federal Attorney-General on the lack of judicial resources in the Brisbane Registry of the Family Court and the lack of funding to Legal Aid Queensland, particularly for family law matters
- Participation in the Chief Justice's Family Court Future Directions Conferences which were attended by the President, Peter Carne and Chair, Jennifer Batts
- Consideration of the *Domestic Violence (Family Provision) Act 1999*
- Input into the new Family Court forms
- Liaison with the Australian Law Reform Commission particularly about Discussion Paper 62 pertaining to the Family Court
- Introduction of the duty lawyer scheme in the Brisbane Registry of the Family Court
- Property and Family Law Discussion Paper and providing support to the Law Council's submission

Jennifer Batts resigned as Chair in June 2000 upon her appointment as Stipendiary Magistrate. On behalf of the Society and the committee, I express my appreciation to Jennifer for her efforts and wish her all the best for her future career as a magistrate.

Ms Jennifer Hamilton is an ex-officio member of the committee due to her membership of the Family Law Section of the Law Council of Australia. Ms Hamilton acts as a valuable liaison between the two bodies.

The Chair of the committee has attended regular meetings with Family Court Judges in Brisbane and Case Management Committee meetings where any issues of concern to solicitors are raised.

Peter Sheehy
Acting Chair

Family Law Specialist Accreditation

The committee met four times during the reporting period. Together with representatives from the Law Institute of Victoria and the Law Society of New South Wales, the committee planned and executed a national program of accreditation in family law. Forty-five candidates sat the assessment program in Queensland, 29 becoming accredited. This brings the number of accredited family law specialists in this State to 117. The Queensland Law Society also supervised the assessment program for one candidate from the Northern Territory where the program is currently unavailable.

We also recognise the ongoing commitment and demonstrated professionalism of all accredited family law specialists throughout Queensland who actively participate in training programs to maintain and enhance their level of knowledge and expertise in this practice area.

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

D Leembruggen
Chair

Finance and Securities Law

Outline of role of Committee

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

The work of the committee includes:

- Considering as appropriate, at the request of Council or other committees or of its own motion, the law relating to finance and securities;
- Advising the Council as requested;
- Meeting with Government officials;
- Considering draft legislation;

- Preparing submissions to Government for the improvement of legislation; and
- Providing speakers for Continuing Legal Education seminars and arranging specialised CLE seminars as required.

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

Meetings

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

A most useful meeting was held between members of the committee and the members of the Uniform Consumer Credit Code Management Committee, comprising officials of all eight jurisdictions who were in Brisbane for a conference.

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

CLE events

Members of the committee participated in two CLE events – the 1999 Securities Intensive and the Banking & Finance segment of Symposium 2000 in March 2000.

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

I list the principal pieces of legislation etc dealt with by the Committee. Details of the committee's activities in these matters appear in the monthly 'Finance & Securities Updates' published in *Proctor*.

1. Credit legislation:

(a) The Consumer Credit Code

The committee had a substantial involvement in the preparation of a major report on the first three years of operation of the Code, which report was released on 23 December 1999. It is the Final Report on the Post Implementation Review of the Code, commissioned by the Ministerial Council on Consumer Affairs and was prepared by Fair Trading Officers of all eight jurisdictions.

The Code is at present undergoing a National Competition Policy Review.

(b) The Consumer Credit (Queensland) Amendment Act 1998

A few of the 65 sections of the *Consumer Credit (Queensland) Amendment Act 1998* commenced on 1 November 1998. These inserted into the Code provisions to replace the special transitional regulations made in 1996 to overcome various practical difficulties with the Code, and dealt with termination of tied credit contracts if the related sale contract is terminated, and with s169A which provides a broad new provision to allow for indemnities against any liability under the Code.

Commencement of the bulk of the amendments was deferred. They are now scheduled to commence on 28 October 2000.

This more substantive group of amendments will have a considerable impact on credit providers' operations. The amendments deal with disclosure requirements, statements of account, changes to obligations and enforcement expenses.

2. Bills of Sale and Other Instruments Act 1955

The *Bills of Sale and Other Securities Amendment Act 1999* – modernisation of the Bills of Sale Register

3. Hire-purchase Act 1959

The *Equity and Fair Trading (Miscellaneous Provisions) Act 1999* assented to on December 6 1999

Office of Fair Trading issues paper titled *The possible repeal of the Queensland Hire-purchase Act 1959* – February 2000

4. Motor Vehicles Securities Act 1986

The Office of Fair Trading consultation paper *Proposed amendments to the MVSA (including Revs for boats)* – March 2000

5. Financial Services Reform Bill 2000 (Cth) (CLERP 6)

On 11 February 2000, Federal Financial Services & Regulation Minister Joe Hockey announced the preparation of a draft wide-ranging Financial Services Reform Bill, following the 1997 Wallis federal financial system inquiry.

The interest of the Committee in CLERP 6 and the draft legislation was confined to the obvious problems, and the possibility of regulatory 'overkill, which would be associated with the Minister's proposal for the creation of a new Commonwealth regulatory regime for non-consumer credit to 'sit beside' the existing Uniform Consumer Credit Code regulatory regime.

That is no longer an issue, at least for the present. When recently releasing the draft bill the Minister announced that the proposal had been dropped. It is to be reviewed in 2003.

Personal property securities law reform

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

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

Independent Solicitors Certificates Sub-Committee

This subcommittee comprises representatives of the Finance & Securities Law Committee, the Property Law & Practice Committee and APPIL. In 1997 the subcommittee put together a recommended 'ISC Package' comprising:

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

The package which was approved by the QLS Council and released to the profession appears to be working reasonably well. The subcommittee is at present liaising with the Law Council of Australia (LCA) in respect of developments in the other jurisdictions including the latest NSW regime, which is quite different from most other regimes.

Liaison with the Bar and Universities

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

Law Council of Australia

The committee has in place a good working relationship with the LCA's Banking Finance and Consumer Credit Committee. A member of our committee, Glen Smith, is the national Chair of the Law Council Committee which assists in liaison between the two Committees.

Liaison with Government

The committee continued its tradition of useful liaison with the Queensland Government and, in particular, the Office of Consumer Affairs. I would especially mention the high degree of co-operation which exists between the committee and Ms Ulla Zeller, the OCA's Official Solicitor and Deputy Commissioner who is a member of the Committee.

Support Function

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

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

Available Material – Comments Welcome

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

Lex MacGillivray

Chair

Franchising

The Franchising Committee met three times during the year as well as several smaller, more informal meetings. The bulk of the committee's time was taken up with the review of the Franchising Code of Conduct.

The focus of the committee for the year has been in finalising the committee's submission to the Franchising Policy Council, a non statutory body

established by Government to provide independent advice on relevant issues in franchising.

The submission, submitted in early May 2000, was the result of incredibly long and arduous drafting by committee members, and those committee members directly involved in drafting this submission deserve congratulations.

The Franchising Policy Council seems to have adopted several of the proposals made by the committee, and the committee's focus for the remainder of the year will be on informing the profession of the changes to the Franchising Code of Conduct. It is envisaged that this will be achieved through a series of CLE seminars and teleconferences for practitioners who have an interest in this area.

It should not be taken as a reflection of the committee's workload that the committee met three times officially during the year, as the drafting of the submission to the Franchising Policy Council was onerous and incredibly time consuming for those involved.

Tom Byrne

Committee Secretary

Government Lawyers

A major objective of this committee is to promote and strengthen the ties between the private and government branches of the profession. To this end, the committee co-ordinates a range of activities, including conducting educational seminars which have joint appeal to private and public sector lawyers, and committee visits to government departments to promote the role that the Queensland Law Society plays on behalf of all its members. The committee is pleased to note the growing representation of public sector lawyers at the annual legal symposium. In particular, we would like to thank those government lawyers who participate as speakers in this and other educational initiatives undertaken by the committee.

The committee meets bi-monthly. I extend my thanks to all members of the committee for their contribution during the reporting period.

T Beale

Chair

Insolvency

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

Scott Carter

Committee Secretary

Insurance Law

This year the committee continued its professional development agenda, staging the fifth annual Insurance Law Intensive on the Gold Coast in May 1999 in conjunction with the Queensland Branch of the Australian Insurance Law Association. The committee has met on a number of occasions to plan and co-ordinate the 2000 Insurance Law Intensive which will be staged at the Marriott Surfers Paradise Resort on 19 and 20 October. Apart from fulfilling an educational objective, this conference provides an opportunity to bring together representatives of the various sectors within the Australian insurance industry.

The committee also provides commentary on proposed reforms and on matters of public interest, and continues to foster ties with the Insurance Institute and the Insurance Council of Australia.

A Anderssen

Chair

International Relations

The committee has been meeting regularly each month to coincide with Council meetings.

Eleven meetings were held in the 12 month period.

The members of the committee are George Fox, Suzanne Schofield, Glenn Ferguson, Ian Prentice, Rob Winter, Peter Sia, Peter Chiang and Vinh Tran. Mr Tran joined the committee in April.

Suzanne Schofield has established and maintained communication with the Taipei Bar Association and is now investigating a possible exchange arrangement.

Mr Prentice delivered QLS practice management course material and the *Solicitors Handbook* to the President of the Bar Association in the

Solomon Islands and maintained contact with that Bar Association from time to time. Mr Prentice suggested the committee consider recommending that the Society offer to run the adapted version of the Practice Management Course in the Solomon Islands similar to one that was conducted in Fiji. Developments are awaiting communication from the Solomon Islands Bar Association.

The committee sought financial assistance to send a member of the committee and a member of the CLE Department to New Guinea to assist the Law Society in New Guinea to develop more effective services for their members. The application for the grant has been unsuccessful and the committee is considering approaching the Council for such assistance. The committee has been in touch with the Law Council of Australia about the Attorneys Legal Services Mission to China and Thailand and correspondence has been entered into with the Malaysian Bar Association to ascertain the details of their exchange program with American lawyers with a view to developing an exchange program. A highlight of the year was the visit of a group of Chinese lawyers to Brisbane.

Other committee activities included investigating provision of assistance to the Fiji Law Society, contact with the Scottish Law Society and assistance to East Timor.

Justin F O'Sullivan
Chair

IT & T

The recently formed IT & T Committee now has over 12 active members interested in information technology and telecommunications law. This committee focuses on legal developments relating to IT & T, rather than how technology can assist lawyers in their practices. The committee met twice in 2000. At the first meeting, we discussed pending state and federal privacy legislation and proposed state electronic commerce legislation. We were fortunate to have Tim Beale, from the Queensland Attorney-General's Department, as a guest speaker at our second meeting. Mr Beale detailed the State's proposed Electronic Transactions Bill and other Queensland e-commerce initiatives.

John Swinson
Chair

LawCare

The committee had four formal meetings during 1999/2000 as well as a series of special planning meetings.

In line with its goals for the year, the committee has undertaken a review of the provision of LawCare services to the profession and called for tenders for the provision of this service from the new financial year onwards. The response to the tender was overwhelming with shortlisting and interviewing taking place at the time of this report being drafted. This approach is in line with the committee's goal to continue to offer an excellent counselling service to members of the legal profession on a multitude of issues facing professionals. The review of the service is a total review and will take into consideration such issues as marketing, promotion, the profile of the LawCare service, and the provision of the service itself.

Members of the Society and solicitors and their families throughout Queensland can expect the LawCare service to continue to offer a quality confidential counselling along with an ongoing needs analysis of the profession to ensure the continued provision of a world class service.

During the year Ms Louise Lingard resigned her position on the committee and I would like to acknowledge her valuable contribution and wish her all the best as she embarks on the next stage of her career south of the border.

MP Quinn
Chair

Legal Education

The Committee meets as required to discuss issues relating to pre- and post-admission legal education. Consideration of practical legal training as a pre-cursor to admission is ongoing.

M Crouch
Chair

Management

The committee met eleven (11) times during the period.

The committee's responsibilities include:

- Consideration of claims against the Practitioners' Fidelity Guarantee Fund (subject to Council exercising its discretion in respect of claims in excess of \$60,000.00);
- Supervision of receiverships of solicitors' trust property as appropriate;
- Supervision of actions commenced by the Society in relation to claims paid against the Fund, or as receiver of solicitors' trust property;
- Supervision of the investment of the assets of the fund;
- Monitoring the accounts of the fund; and
- Approval of solicitors' accounts and counsel's fees in excess of \$5,000.00.

Consideration of claims against the fund is the most significant of these responsibilities.

During the period, the committee considered 44 claims against the fund; 31 of these claims were admitted and a first dividend of 45 cents in the dollar paid. Nine claims were rejected as not being valid and four were deferred.

J A Tooma

Chair

Marketing

Due to the expertise of staff in the Society's Public Relations and Marketing Unit (PRMU), it was decided this year to make the Marketing Committee a consultative committee to meet as and when required by the Society or committee members.

J A Tooma

Chair

Personal Injuries Specialist Accreditation

In compliance with the Society's specialist accreditation regulations, the committee conducted an assessment program for the second year. The committee's work includes specifying requisite areas of knowledge, creating and conducting assessment, and moderating results.

Of the 40 candidates who applied for and undertook the entire program of assessment, 31 were successful. This brings to 100 the number of Accredited Personal Injuries Law Specialists in Queensland.

I wish to record my thanks to the members of the committee who gave of their time and expertise to present such a professional program. I also thank those members of the CLE Department who administer this program.

J Pinder

Chair

Plain English

The Plain English Committee has continued over the past 12 months to promote the use by the legal profession of plain English in communication.

The committee has worked on a number of initiatives to achieve this goal, including:

- A regular column in *Proctor* giving examples of good and bad drafting, and suggesting improvements in the drafting of documents;
- A plain English drafting competition. This year, entrants were asked to simplify a consent to lease document presently in use;
- The completion of a plain English text by two Committee members; and
- Regular guest lectures on plain English to Universities, TAFE Colleges and community groups.

I take this opportunity to extend my thanks to the committee whose collective expertise in private practice, government and academia has been extremely valuable.

Joe Tooma

Chair

Planning and Environment

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

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

The committee formulated a submission to the Queensland Government in response to the review of the *Integrated Planning Act*. The committee also considered the *Environmental Protection and Biodiversity Conservation Act 1999*.

The committee has kept members informed of developments in this area of practice by liaising with the Continuing Legal Education Department of the Society.

A member of the committee serves on the Queensland Heritage Council.

During the year under review, Gordon Banks was appointed to the committee.

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

R Bowie
Chair

Practice Course

The committee met twice during the 1999/00 year to discharge its function of ensuring that the Practice Course quality and relevance to the solicitors of Queensland are maintained, and that the requirements of the *Continuing Legal Education Rules 1988* are complied with.

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

The Minter Ellison prize for outstanding achievement in the course was awarded to David O'Connell, an employee in the firm Macrossan & Amiet who was admitted in 1991. He achieved the highest marks of the 86 candidates in the four

courses from 1 July 1998 to 30 June 1999. The award was presented by Mr Ron Ashton, a partner with Minter Ellison, at the annual Queensland Law Society end of year function. The prize increases awareness of the existence and value of the course and recognises the time and effort required to successfully complete the course.

P McCafferty
Chair

Pro Bono

The Pro Bono Committee has been active this year, despite not having met formally.

The Federal Court Pro Bono scheme is now in operation. Practitioners registered with the scheme have represented litigants in the areas of immigration, bankruptcy, compensation and one AAT matter. A strong relationship is being forged with the Court and the scheme is expected to grow over the next year.

The committee has also arranged pro bono representation for an unrepresented litigant in a High Court matter. This was a joint effort between the QLS and the Bar Association and is a real feather in the cap of those involved.

The most pressing matter facing the committee is the first national Pro Bono Law Conference to be held in Canberra in August 2000. This will be an important conference and it will be interesting to see how pro bono is put on the national agenda. The conference will be well attended, with speakers from the Australian Law Reform Commission, Law Council of Australia and various Bar Associations, universities and legal interest groups.

The committee is looking forward to a more proactive year and to responding in a positive and productive way on behalf of Queensland lawyers to the issues raised at the first national Pro Bono Law Conference.

Tom Byrne
Committee Secretary

Proctor

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

Proctor publicises to members the work of the various Queensland Law Society departments and committees. The monthly magazine regularly features articles on legislative change and case law of interest not only to the profession but also the wider community.

Proctor is also thus a valuable public relations and marketing tool for the Society and the magazine's strategic role during a year in which Green Paper issues loomed large cannot be underestimated.

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

Proctor can also be accessed through the Law Society web page, linking to the LawNow site, offering practitioners a useful electronic index searching facility.

During my term a survey of Law Society members was undertaken by an independent marketing firm and that survey established that *Proctor* is an extremely effective means of communicating with members.

According to the survey of members 97% throughout the State read the magazine regularly and 92% of those find the information in the magazine valuable. And 89% said *Proctor* is an effective/very effective communications method used by the Society, outranking all other forms, including direct-mail letters.

The magazine enjoys credibility and readership within the greater legal profession in the State, and contributions and Letters to the Editor come from legal academics, judges and magistrates, barristers, and solicitors in government. No article is paid for yet *Proctor* has a steady flow of material submitted for consideration. Publication in *Proctor* is considered desirable, both professionally and academically.

Proctor's editorial philosophy is grounded on the basis that it is an official journal but the publishing philosophy is commercial to maximise revenue – production costs are covered by advertising revenue. During the year management initiatives resulted in continued control of costs and by year-end the magazine was achieving a small surplus on production costs.

This was achieved by:

- Ensuring competitive printing and production costs;
- Keeping the page size at a constant 48 pages yet increasing the editorial content, as advertising has slowly increased, by using tighter design criteria and different typefaces and fonts;
- Using color only when paid for by advertisers;
- Being more innovative with cover designs, reducing the costs of outside design;
- Ensuring the magazine is produced on schedule, thus meeting basic industry standards required by advertisers;
- Ensuring the magazine is well read, thus encouraging greater response for advertisers.

I take this opportunity to thank members of the committee for their input. I also thank and congratulate *Proctor* editor, Mr Ian Muil, and Ms Helen Meadows, editorial assistant, for their consistent dedication and hard work.

Peter Carne
Chair

Profession Review

The Profession Review Committee was re-formed in late 1999 to consider a number of particular issues which had arisen. Foremost among these was the proposal announced by the NSW Attorney General to introduce legislation to enable solicitors to practise within companies incorporated under the Corporations Law.

The committee initially considered the public pronouncements of the NSW Attorney General and also looked at the available information in relation to similar proposals in Western Australia.

The committee also considered related proposals in relation to multi disciplinary practices in New South Wales.

The proposed legislation in New South Wales was tabled in Parliament in March 2000 and the committee considered the proposals and also specific issues in relation to the proposals raised with the Law Society by the Queensland Attorney General. The committee's recommendations were approved by the Council of the Law Society and these recommendations were put to the Queensland Attorney General. A summary of these recommendations was included in a letter to all members of the Society.

The main recommendations were that, while the Law Society was firmly committed to the principle that legal practices should be able to incorporate under the Corporations Law, the incorporated legal practice should be required to hold a practising certificate and not merely the solicitors/directors, as proposed in the New South Wales bill. The Society is also opposed to the New South Wales provision which, in effect, makes a solicitor/director vicariously liable for professional misconduct of any solicitors employed by the corporation and for the conduct of any other director and even for 'the unsuitability' of any other director to be a director.

The Profession Review Committee will continue to consider relevant issues concerning the legal profession which are referred to it by the Council.

Peter Carne
Chair

Professional Standards

There were 11 meetings of the committee between 1 May 1999 and 30 April 2000.

The committee's primary role includes:

- consideration of complaints against solicitors and solicitors' employees referred to it by the Council, the Professional Standards Department or the Legal Ombudsman
- consideration of reports of unsatisfactory section 31 examinations of solicitors' trust accounts referred to it by the Section 31 Committee or the Professional Standards Department

- authorisation and monitoring of disciplinary proceedings before the Solicitors' Complaints Tribunal or the Court, for charges relating to unprofessional conduct or professional misconduct by a solicitor, or misconduct, or default by a solicitor's clerk or employee where such action is considered to be warranted
- review of the Secretary's policies and procedures in relation to investigation of complaints and disciplinary proceedings
- provision of rulings and advice on ethics and professional conduct and practice
- the imposition of censures or admonitions on practitioners where the committee considers a practitioner's conduct has been unsatisfactory

In addition to its primary role, the committee considered a number of policy matters during the year, including the Society's referral list, valuation reports, solicitors' advertising in the personal injuries field, complaints made out of time and rulings in the *Solicitors' Handbook*.

During the year Council member Glen Ferguson joined the committee.

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

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

Raoul Giudes
Chair

Property Law and Practice

The committee has again been very active during the year. The committee meets monthly to deal with very full agendas.

A broad cross section of the profession is represented on the committee. It is particularly useful to have representation from suburban

practices, provincial towns and country areas. The committee is also appreciative of the assistance given by practitioners with particular expertise on matters referred to the committee from time to time, for example water industry reform issues, where there are no committee members with relevant expertise.

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

Activities of the committee during the year included:

- considering proposed amendments to *Retail Shop Leases Act*, including assisting in settling the proposed form of legal certificate for the purpose of the regulations;
- considering issues related to the standard REIQ contracts and liaising with the REIQ about proposed amendments to the contract;
- finalising with REIQ arrangements for the continued licensing of practitioners to use REIQ contracts;
- consideration of the possibility of specialist accreditation for property lawyers;
- participation in review of the *Body Corporate and Community Management Act*;
- reviewing, and making submissions in relation to, the Accommodation Providers Liability Bill, bills on water industry reform, First Home Owners Grants Scheme, amendments to the *Auctioneers and Agents Act*;
- submissions to the Registrar of Titles regarding amendments to the *Land Title Act*;
- liaising with banks, including their mortgage processing centres, about the conduct of conveyancing practice;
- meetings with the Office of Fair Trading about standard land contracts;
- liaising with the Department of Natural Resources about the proposed review of Form 24 and the proposed forms to deal with sales by instalments;

- reviewing the QLS publication on buying and selling a home.

The committee continues to promote good relations with Government departments relevant to property transactions. In particular, the Registrar of Titles has regularly attended committee meetings to discuss issues of concern and to keep the committee informed of progress in titling reforms.

Where appropriate, issues considered by, or brought to the attention of, the committee are published in *Proctor* for the information of practitioners.

This year a number of new members have been added to the committee. All members have, as usual, responded willingly to responsibilities assigned to them. Richard Clark is retiring from the committee effective 30 June 2000. He has been a significant contributor to the committee's work and will be missed.

P Newman
Chair

Revenue Law

It has not been necessary to hold formal meetings of the committee during the year. However we have had an active year commenting on draft Office of State Revenue (OSR) rulings and various other proposals. The most important have dealt with a submission on the OSR valuation proposal for goodwill of legal practices and a compulsory returns stamping proposal of the OSR.

We have also made submissions to the Federal Treasurer in relation to certain amendments of the *Income Tax Assessment Act* which may have impacted on the ability of practitioners to provide taxation advice.

P J Allen
Chair

Section 31 (Audit)

The Section 31 (Audit) Committee meets on a monthly basis to consider audit reports prepared by the Society's employed accountants in relation to the handling of trust money by legal practices. Meetings are generally held on Council meeting days.

The audit process is vitally important. It assists solicitors to keep their trust accounting records in a proper manner, thus minimising the risk of trust money being incorrectly applied through inadvertence. It has also been effective in the detection of fraud and other types of unsatisfactory professional conduct but, of course, is not fail proof.

A statistical analysis of the year's results is:

- 217 Section 31 reports were finalised
- three of those reports resulted in a decision to bring charges of professional misconduct, or unprofessional conduct, against practitioners before the Solicitors Complaints Tribunal. One of these matters has been heard. The tribunal ordered that the solicitor's name be struck off the roll of solicitors. The other two matters have not yet been heard
- 18 reports disclosed that the trust account had not been satisfactorily maintained and resulted in decisions being made to conduct follow-up audits. In most of those cases, one or more of the following types of irregularities had occurred on a fairly regular basis:
 - trust account deficiencies as the result of trust ledger accounts being overdrawn
 - delays in restoring trust account deficiencies as the result of trust transactions not being promptly recorded
 - delays in completing end of month reconciliations resulting in extended delays in restoring trust deficiencies
 - trust moneys being received into the general account in respect of unexpended outlays

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

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

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

Raoul Giudes

Chair

Small Practices

The role of the Small Practice Committee is to identify ways in which Queensland Law Society can assist small practices to effectively manage their businesses in a changing commercial environment.

The committee met on 11 occasions during the year with our country committee members joining by teleconference.

The committee is currently working on areas in which the Society can assist small practices and is reporting to the profession through regular articles and practice updates in the Proctor Magazine.

In particular, at the moment, the committee is considering ways of assisting with practice management and business planning and specific marketing issues for small practices.

The committee welcomes input from any practitioners who have suggestions on how the Society can be of assistance to them.

Joe Tooma

Chair

Specialist Accreditation Board

The Specialist Accreditation Board is charged with overseeing all policies, procedures and appeals within the Society's specialist accreditation programs. The board constituted appeal review panels to hear appeals arising from each of the family law and personal injuries specialist accreditation programs conducted during the reporting period.

The board continues to consider the issue of expansion of the program beyond the existing areas of family law and personal injuries law and welcomes input from members of the profession who would like to see accreditation offered in additional practice areas. The board has canvassed the profession through *Proctor* and has written to Law Society committees seeking their input. The board notes that accreditation is offered in the following areas in Victoria and New South Wales.

New South Wales

- Advocacy
- Business Law
- Commercial Litigation Law
- Criminal Law
- Employment and Industrial Law
- Family Law
- Immigration Law
- Local Government and Planning Law
- Mediation
- Personal Injury Law

- Property Law
- Business & Personal Tax Law
- Wills and Estate Law

Victoria

- Commercial Litigation
- Commercial Tenancy
- Criminal Law
- Environmental Law
- Family Law
- Immigration Law
- Income Tax Law
- Mediation
- Personal Injury Law
- Property Law
- Wills & Estate

In an effort to ensure consistency with the other eastern sea board States and to maintain the integrity of the scheme as a whole, the chair and the executive officer met with representatives of the Victorian and New South Wales specialist accreditation schemes to discuss mutual policy issues.

During the reporting period, Ms Stephanie Tonkin retired from the committee to take up a position as Stipendiary Magistrate. Ms Theresa Kane and Ms Iyla Davies were elevated to the Board from their positions on the family law specialist accreditation advisory committee. I take this opportunity to thank them and all other members of the Board for their efforts to date.

P Carne

Chair

Succession Law

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

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

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

- Consideration and preparation of a comprehensive submission to the National Committee for Uniform Succession Laws on Administration of Estates of Deceased Persons
- Ongoing liaison and monitoring with the Judges Rules Committee on the impact of the new rules and forms under the *Uniform Civil Procedure Rules*
- Taxation implications for testamentary trusts including the impact of the Ralph Report on estate administration
- Communicating with the Government on the abolition of the statutory right to appoint a testamentary guardian of infant children, the abolition of the *Children's Services Act 1965* and liaising with the Government on the new provisions which have been incorporated in Amendment Bill to the *Succession Law Act*.

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

John de Groot
Chair

Superannuation

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

- A forum to liaise with the various regulatory authorities such as APRA, ASIC and the OSR in relation to matters which affect the law of superannuation
- A point of liaison with the Law Council of Australia Superannuation Practice Group. The committee provides commentary and makes submissions on proposed legislation regulating the superannuation industry

- Education for members of the profession on the practice of law in the superannuation arena. This objective is met by the committee in the submission of relevant articles to *Proctor* and by participation in the Society's CLE program.

The immediate past-chair, Erin Feros, retired from the committee in December 1999. I take this opportunity to thank her and all other members of the committee for their contributions.

J Peterson
Chair

Symposium

The 39th annual Legal Symposium was staged at the Surfers Paradise Marriott Resort from 3 to 5 March 2000. Organised on behalf of members of the Queensland Law Society and Bar Association of Queensland, this educational and social gathering is again growing in popularity, attracting nearly 600 participants drawn from the public and private sectors.

A comprehensive professional development program included streams devoted to popular practice areas such as commercial law, property law, and litigation. GST and other tax reforms featured prominently in the program also. Whilst both association presidents waxed lyrical on the future of the profession, delegates were treated to some practical glimpses of legal practice in the future within the Symposium technology display. The social program, including an evening under the Big Top, provided an opportunity for all to relax and catch up with colleagues old and new.

We record our thanks again this year to the many sponsors, exhibitors and other supporters for their financial or other assistance.

J Tooma
Chair

Financial Statements

Queensland Law Society Incorporated Income and Expenditure Statement For the Year Ended 30 April 2000

	NOTES	2000 \$	1999 \$
INCOME			
Practitioner Fees	3	3,546,151	3,703,281
Fidelity Fund Special Levy	2	–	2,518,696
Costs Recovered	4	1,345,857	1,533,631
Continuing Legal Education	5	1,452,488	1,166,159
Interest		260,727	305,736
Proctor Advertising and Subscriptions		194,536	206,526
Rent Received	6	370,896	374,631
Other Income	7	462,934	338,324
Total		<u>7,633,589</u>	<u>10,146,984</u>
EXPENDITURE			
Administration	8	4,585,718	4,517,371
Continuing Legal Education	5	856,097	597,963
Council and Committee Costs	9	584,708	619,205
Law Claims Management Fee – APPIL		–	336,814
Law Council Capitation Fees		312,911	302,420
Legal Profession Reform Costs		157,362	–
Media and Public Affairs	10	144,414	162,567
Member Services and Events	11	269,310	267,126
Proctor Production Costs		192,047	236,316
		<u>7,102,567</u>	<u>7,039,782</u>
Surplus for the year before abnormal items		531,022	3,107,202
Abnormal Item – Fidelity Fund	2	1,849,407	1,000,000
Surplus/(Deficiency) for the year		<u>(1,318,385)</u>	<u>2,107,202</u>
Retained Funds at the beginning of the Financial Year			
Aggregate of amounts transferred from reserves		6,430,719	5,946,672
		<u>1,898,398</u>	<u>1,000,000</u>
Total available for appropriation			
Aggregate of amounts transferred to reserves		7,010,732	9,053,874
		<u>48,991</u>	<u>2,623,155</u>
Retained Funds at the end of the Financial Year			
		<u>6,961,741</u>	<u>6,430,719</u>

The accompanying notes form part of the accounts.

Queensland Law Society Incorporated

Balance Sheet

As at 30 April 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash		11,664	187,122
Receivables	12	517,737	416,243
Investments		3,864,091	4,063,488
Inventories		13,396	15,403
TOTAL CURRENT ASSETS		4,406,888	4,682,256
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	8,276,298	8,512,627
TOTAL NON-CURRENT ASSETS		8,276,298	8,512,627
TOTAL ASSETS		12,683,186	13,194,883
CURRENT LIABILITIES			
Creditors	13	777,614	610,880
Provisions for Employee Benefits		170,000	160,000
TOTAL CURRENT LIABILITIES		947,614	770,880
NON-CURRENT LIABILITIES			
Provisions for Employee Benefits		210,000	155,000
TOTAL NON-CURRENT LIABILITIES		210,000	155,000
TOTAL LIABILITIES		1,157,614	925,880
NET ASSETS		11,525,572	12,269,003
EQUITY			
Retained Funds		6,961,741	6,430,719
Contribution Distribution Account	15	1,190,139	683,885
Reserves	16	3,373,692	5,154,399
TOTAL EQUITY		11,525,572	12,269,003

The accompanying notes form part of the accounts.

Queensland Law Society Incorporated
Statement of Cash Flows
For the Year Ended 30 April 2000

	NOTES	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from the Profession		22,463,108	25,993,206
Payments to Suppliers and Employees		(23,016,606)	(24,003,146)
Interest and Bill Discounts Received		306,619	333,956
Net Cash (Used)/Provided By Operating Activities	21	(246,879)	2,324,016
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for New Plant and Equipment etc.		(127,976)	(220,574)
Proceeds from sale of assets		—	—
Net Cash (Used) in Investing Activities		(127,976)	(220,574)
Net Increase (Decrease) in Cash Held		(374,855)	2,103,442
Cash at the Beginning of the Financial Year		4,250,610	2,147,168
Cash at the End of the Financial Year	21	3,875,755	4,250,610

The accompanying notes form part of the accounts.

Queensland Law Society Incorporated

Notes To and Forming Part of the Accounts

For the Year Ended 30 April 2000

Notes

1 Statement of Significant Accounting Policies

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

(a) Basis of Preparation

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

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

(b) Non-Current Assets

General

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

Acquisition

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

Revaluations

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

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

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

Disposal of Revalued Assets

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

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

Queensland Law Society Incorporated

Notes To and Forming Part of the Accounts – Continued

Depreciation

Items of plant and equipment, including strata title buildings are depreciated over their estimated useful life. The estimated useful life for all assets is reassessed annually. The straight line method is used and assets are depreciated from the date of acquisition. Depreciation rates are usually standardised within each class of asset and the following rates have been applied.

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

(c) Recovery of Expenditure

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

(d) Income Tax

The Society has been granted exemption from income tax by the Australian Taxation Office per Section 23(d) of the *Income Tax Assessment Act*.

(e) Investments

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

(f) Inventory

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

(g) Employee Entitlements

Annual Leave

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

Long Service Leave

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

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

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

**Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued**

(h) Bad and Doubtful Debts

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

(i) Comparative Figures

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

2 Advance – Legal Practitioners’ Fidelity Guarantee Fund

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

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

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

As a result of the amendments to the *Queensland Law Society Act 1952* the amount of \$1,849,407 plus interest of \$48,991 was transferred from reserves and written-off as an abnormal expense.

3 Membership and Practitioners’ Fees

	2000 \$	1999 \$
Practising Certificate Fees	1,891,523	1,814,143
Law Claims Administration Levy	2,000	496,750
Member Fees	1,088,963	782,594
Corporate Marketing Levy	208,400	206,200
Professional Indemnity Insurance	355,215	396,844
Other	50	6,750
	3,546,151	3,703,281

4 Costs Recovered

	2000 \$	1999 \$
Legal Practitioners’ Fidelity Guarantee Fund	594,771	621,209
General Trust Accounts Contribution Fund	29,058	28,782
Interest on Trust Accounts	57,829	55,432
Grants Fund	25,579	25,147
Contribution Distribution Account	638,620	803,061
	1,345,857	1,533,631

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

5 Continuing Legal Education

	2000 \$	1999 \$
Income		
Seminars	883,694	617,341
Texts and Other Publications	306,743	337,933
Practice Management Course	157,564	117,141
Specialisation	101,257	88,812
Other	3,230	4,932
	<u>1,452,488</u>	<u>1,166,159</u>
Expenditure		
Seminars	580,347	356,793
Text and Other Publications	117,520	120,828
Practice Management Course	134,319	87,120
General Expenses	–	888
Specialisation	23,911	32,334
	<u>856,097</u>	<u>597,963</u>

6 Rent Received

	2000 \$	1999 \$
Legal Practitioners Fidelity Guarantee Fund	266,396	270,396
Car Parking Bays	97,500	97,235
Other	7,000	7,000
	<u>370,896</u>	<u>374,631</u>

7 Other Income

	2000 \$	1999 \$
Body Corporate Administration Fees	17,417	22,000
Commissions Received	85,817	37,676
Diary Profit	74,749	61,347
Fines and Costs Recovered	11,600	9,802
FOI Income	341	231
Grants Received – Grants Fund	103,723	42,154
Media & PR Sales	–	205
Mediation Services	7,947	13,023
Member Services Centre	13,538	7,847
Other Income	25,962	8,331
Schools Program	48,557	58,588
Sponsorship	73,000	76,700
Terms Discount Received	283	420
	<u>462,934</u>	<u>338,324</u>

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

8 Administration

	2000 \$	1999 \$
Advertising	–	3,492
Audit Fees	19,800	20,850
Bad Debts	1,540	1,024
Bank Charges	8,001	4,380
Computer Maintenance	181,487	162,063
Depreciation – Equipment	216,705	290,207
Electricity	33,461	38,837
Fringe Benefits Tax	15,629	33,809
Insurance	111,483	93,486
Law Society House		
– Body Corporate Levies	86,776	108,232
– Depreciation – Building	216,300	214,600
– Rates & Taxes	57,948	57,436
– Repairs and Maintenance – Building	5,576	19,694
Payroll Tax	113,843	103,663
Postage	112,855	86,696
Presentations and Gifts	5,614	5,271
Printing and Stationery	187,332	176,406
Professional and Consulting Fees	352,853	372,059
Registrations and Subscriptions	31,400	36,627
Repairs and Maintenance	88,996	60,688
Salaries and Wages	2,308,374	2,201,511
Staff Advertising	8,773	21,808
Staff Amenities	9,067	10,759
Staff Training	31,607	22,808
Staff Travel	8,250	7,449
Sundry Expenses	62,629	56,856
Superannuation	193,801	188,089
Taxis and Couriers	21,097	24,255
Telephone	94,521	94,314
	<u>4,585,718</u>	<u>4,517,371</u>

9 Council and Committee Costs

	2000 \$	1999 \$
Committee Room Catering	69,185	65,683
Convocation	9,008	6,467
District Law Associations Presidents Travel	7,255	3,804
Functions and Entertainment	42,546	46,066
Honorarium	213,300	213,300
Travel and Accommodation including study tours	243,414	283,885
	<u>584,708</u>	<u>619,205</u>

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

10 Media and Public Affairs

	2000 \$	1999 \$
Advertising and Promotional brochures	65,886	79,102
Community Donations and Programs	11,663	11,460
District Law Association Sponsorship	8,000	5,662
Law Week	12,791	29,655
Law Walk	3,314	–
Human Rights Day	24	3,095
Senior Citizens Week	1,221	427
Schools Program	30,287	28,755
SCRAM	11,228	4,411
	<u>144,414</u>	<u>162,567</u>

11 Member Services and Events

	2000 \$	1999 \$
Annual General Meeting	3,647	2,680
LawCare	35,023	42,390
Members Library	194,243	180,283
Members Shopping Service	11,345	23,631
Membership Cards	21,773	17,444
Sporting Events	3,279	698
	<u>269,310</u>	<u>267,126</u>

12 Receivables

	2000 \$	1999 \$
Debtors	56,633	35,912
Less Provision for Doubtful Debts	<u>2,000</u>	<u>2,000</u>
	54,633	33,912
Prepaid Expenses and Accruals	<u>463,104</u>	<u>382,331</u>
	<u>517,737</u>	<u>416,243</u>

13 Creditors

	2000 \$	1999 \$
Creditors and Accruals	503,585	448,807
Subscriptions/Registrations in Advance	<u>274,029</u>	<u>162,073</u>
	<u>777,614</u>	<u>610,880</u>

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

14 Property, Plant and Equipment

	2000	1999
	\$	\$
Strata Title Building at independent valuation	8,654,400	8,585,700
Less Accumulated Depreciation	850,900	634,600
	7,803,500	7,951,100
Office Furniture and Equipment at cost	1,156,462	2,267,197
Less Accumulated Depreciation	683,664	1,705,670
Balance	472,798	561,527
	8,276,298	8,512,627

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

An independent valuation of the strata title building was carried out as at 18 March 1996 by Ms L M Doherty, AVLE and Mr C J Wheeler FRICS FVLE and is on the basis of the open market value of Law Society House in vacant possession with all units combined. The Council are of the opinion that this basis provides a reasonable estimate of recoverable amount.

The valuation is in accordance with the Society's policy of obtaining an independent valuation every five years with interim adjustments made in the intervening years. For the year ended April 2000 an adjustment of 0.8% was made based on the Price Index Of Materials Used In Buildings Other Than Housing and issued by the Australian Bureau of Statistics.

15 Contributions Distribution Account

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

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

Queensland Law Society Incorporated
Contributions Distribution Account
Statement of Receipts and Payments
For the Year Ended 30 April 2000

	2000	1999
	\$	\$
Balance 1 May	683,885	480,020
Receipts		
Distribution Received:		
General Trust Accounts' Contribution Fund	1,098,446	969,501
Interest	46,428	37,425
	<u>1,144,874</u>	<u>1,006,926</u>
Payments		
Continuing Legal Education	445,829	609,626
Library	145,000	145,000
Law Week	12,791	13,435
LawCare	35,000	35,000
	<u>638,620</u>	<u>803,061</u>
Balance 30 April	<u>1,190,139</u>	<u>683,885</u>

16 Reserves

	2000	1999
	\$	\$
Asset Revaluation	3,373,692	3,304,992
Legal Practitioners' Fidelity Guarantee Fund	—	1,849,407
	<u>3,373,692</u>	<u>5,154,399</u>
Movements during the year		
Asset Revaluation		
Balance at beginning of year	3,304,992	3,186,492
Add: Revaluation increment on Strata Title Building (refer note 14)	68,700	118,500
Balance at end of year	<u>3,373,692</u>	<u>3,304,992</u>
Legal Practitioners Fidelity Guarantee Fund		
Balance at beginning of year	1,849,407	226,252
Add: Special Levy	—	2,518,696
Interest on Special Levy	48,991	104,459
	<u>1,898,398</u>	<u>2,849,407</u>
Less: Transfer to Legal Practitioners Fidelity Guarantee Fund	1,898,398	1,000,000
Balance at end of year	<u>—</u>	<u>1,849,407</u>

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

17 Heal Street Building – Grants Fund

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

18 Commitments

(a) Operating Lease

	2000 \$	1999 \$
Not later than one year	20,850	–
Later than one year and not later than five years	60,812	–
Later than five years	–	–
	81,662	–

(b) Capital

Capital expenditure contracted for at 30 April 2000 but not provided for was nil.

19 Remuneration

(a) Council Members

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

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

(b) Executive Staff

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

	2000	1999
\$100,000 – \$109,999	1	1
\$120,000 – \$129,999	–	1
\$130,000 – \$139,999	1	–
\$160,000 – \$169,999	1	1
Total remuneration received, or due and receivable from the Society by executive officers of the Society whose income is \$100,000 or more	\$399, 450	\$389,950

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

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

20 Contingent Liabilities

(a) Litigation

In November 1999 a statement of claim was delivered in proceedings in the Supreme Court of Queensland on behalf of Mr Paul Henderson, a member of the Queensland Law Society Incorporated, alleging over payments have been made from the Society, the Legal Practitioners' Fidelity Guarantee Fund, the Law Claims Levy Fund, and that these over payments be repaid to the respective funds. The amount of alleged over payments has not been specified in the claim. The action is being defended and Senior Counsel has been retained. The Society believes no provision is required.

(b) Other

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

21 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2000 \$	1999 \$
Cash	11,664	187,122
Short Term Deposits	3,864,091	4,063,488
	<u>3,875,755</u>	<u>4,250,610</u>

(b) Financing Facilities

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

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

	2000 \$	1999 \$
Surplus/(Deficit) for the Year	(1,318,385)	2,107,202
Depreciation	433,005	504,807
Contributions Distribution Account	506,254	203,865
Change in Assets and Liabilities		
Increase in		
Receivables	(101,494)	(9,577)
Employee Benefits	65,000	45,000
Creditors	166,734	(526,621)
Decrease		
Inventory	2,007	(660)
Net Cash (Used)/Provided by Operating Activities	<u>(246,879)</u>	<u>2,324,016</u>

The variance in net cash provided by operating activities between the 1999 and 2000 financial years is mainly due to the special Fidelity Fund Levy raised in the 1999 financial year (refer Note 2).

Queensland Law Society Incorporated
Notes To and Forming Part of the Accounts – Continued

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

22 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in a range 4.55% to 5.55%.

(c) Receivables

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

(d) Creditors

Creditors are carried at actual amounts and represent accrued expenses applicable to the financial year ended April 2000 and paid in the months after balance date.

(e) Net Fair Value

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

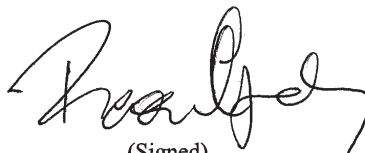
**CERTIFICATE OF
QUEENSLAND LAW SOCIETY INCORPORATED**

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

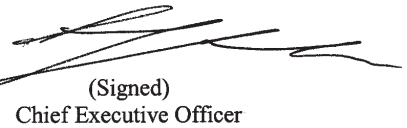
- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Queensland Law Society Incorporated;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Queensland Law Society Incorporated for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the close of that year.

22 JUNE 2000

(Date)



(Signed)
President - Elect



(Signed)
Chief Executive Officer

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society Incorporated

Scope

I have audited the general purpose financial statements of the Queensland Law Society Incorporated for the year ended 30 April 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the financial statements and certificates given by the President and Chief Executive Officer.

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

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

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

Audit Opinion

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

the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Queensland Law Society Incorporated for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the end of that year.



J E HARTEN

Acting Assistant Auditor-General
As Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Legal Practitioners' Fidelity Guarantee Fund

Income and Expenditure Statement

For the Year Ended 30 April 2000

	NOTES	2000 \$	1999 \$
INCOME			
Contributions by Practitioners		86,592	84,192
Interest on Investments		89,593	11,366
Distribution received from Interest on Trust Accounts		1,673,394	1,503,010
Solicitors Complaints Tribunal Fines		20,550	29,000
Sundry Income		—	30
Costs Recovered		<u>1,139,359</u>	<u>56,688</u>
		<u>3,009,488</u>	<u>1,684,286</u>
EXPENDITURE			
Audit Fees		6,600	7,300
Administration Expenses	3	2,101,845	2,142,173
Legal Ombudsman Expenses		83,161	49,776
Claims and Investigations	4	<u>3,645,779</u>	<u>398,145</u>
		<u>5,837,385</u>	<u>2,597,394</u>
Deficiency before abnormal item		(2,827,897)	(913,108)
Abnormal Item	2	<u>1,849,407</u>	<u>1,000,000</u>
(Deficiency)/Surplus for the Year		<u>(978,490)</u>	<u>86,892</u>
Retained Funds at the beginning of the Financial Year		289,091	202,199
Retained Funds at the end of the Financial Year		<u>(689,399)</u>	<u>289,091</u>

The accompanying notes form part of the accounts.

Legal Practitioners' Fidelity Guarantee Fund
Balance Sheet
As at 30 April 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash		166,227	15,968
Receivables	5	8,934	1,759
Investments		<u>1,213,066</u>	<u>625,753</u>
TOTAL ASSETS		<u>1,388,227</u>	<u>643,480</u>
CURRENT LIABILITIES			
Creditors	6	1,215,001	148,889
Provisions for Employee Benefits		<u>90,000</u>	<u>82,000</u>
TOTAL CURRENT LIABILITIES		<u>1,305,001</u>	<u>230,889</u>
NON-CURRENT LIABILITIES			
Creditors	6	639,125	-
Provisions for Employee Benefits		<u>133,500</u>	<u>123,500</u>
TOTAL NON-CURRENT LIABILITIES		<u>772,625</u>	<u>123,500</u>
TOTAL LIABILITIES		<u>2,077,626</u>	<u>354,389</u>
NET ASSETS		<u>(689,399)</u>	<u>289,091</u>
EQUITY			
Retained Funds		<u>(689,399)</u>	<u>289,091</u>

The accompanying notes form part of the accounts.

Legal Practitioners' Fidelity Guarantee Fund
Statement of Cash Flows
For the Year Ended 30 April 2000

	NOTES	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions by Practitioners and Cost Recoveries		3,098,385	155,606
Distribution Received from Interest on Trust Accounts		1,673,394	1,503,010
Claim Payments and Administration Expenses		(4,115,520)	(2,650,719)
Interest Received		81,313	11,327
Net Cash Used in Operating Activities	7	737,572	(980,776)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from: Advance Qld Law Society Inc		-	1,500,000
Net Cash Provided by Financing Activities		-	1,500,000
Net Increase/(Decrease) in Cash held		737,572	519,224
Cash at the beginning of the Financial Year		641,721	122,497
Cash at the end of the Financial Year	7	1,379,293	641,721

The accompanying notes form part of the accounts.

Legal Practitioners' Fidelity Guarantee Fund

Notes To and Forming Part of the Accounts

Scope of Operation

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

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

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

The major source of income for the Fund is a share of interest earned on solicitors' trust accounts. The Fund is subject to a statutory cap under section 20(5) of the Act. Because of this cap the Fund has had no opportunity to build up reserves in periods of high interest rates. The current period of low interest rates has significantly reduced the income of the Fund and consequently the financial position of the Fund has been deteriorating.

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

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

Notes

1 Statement of Significant Accounting Policies

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

(a) Basis of Preparation

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

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

(b) Investments

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

(c) Income Tax

The Fund has been granted exemption from income tax by the Australian Taxation Office per Section 23(d) of the *Income Tax Assessment Act*.

Legal Practitioners' Fidelity Guarantee Fund Notes To and Forming Part of the Accounts – Continued

(d) Employee Entitlements

Annual Leave

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

Long Service Leave

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

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

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

(e) Claims

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

(f) Comparative Figures

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

2 Abnormal Item – Advance – Legal Practitioners' Fidelity Guarantee Fund

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

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

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

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

The Council of the Queensland Law Society has again resolved to raise a levy of \$600 per practitioner in accord with S21 of the *Queensland Law Society Act* which will be paid direct to the Legal Practitioners' Fidelity Guarantee Fund. It is anticipated this levy will raise \$3,000,000 in the next financial year.

Claims approved at 30 April 2000 have had a part payment of 45 cents in the dollar paid. Subject to availability of anticipated funds a further part payment of 35 cents is proposed to be paid by 31 July 2000 with the final payment of 20 cents proposed for payment by 31 July 2001.

Legal Practitioners' Fidelity Guarantee Fund
Notes To and Forming Part of the Accounts – Continued

3 Administration Expenses *

	2000 \$	1999 \$
Computer Costs	95,563	99,551
Council Travel and Honoraria	39,452	31,284
General Expenses	33,233	21,916
General Professional Fees	7,925	13,506
Insurance	27,302	20,430
Payroll Tax	62,195	61,914
Postage	36,521	32,482
Printing and Stationery	49,153	48,028
Rent and Electricity	340,681	346,871
Salaries	1,247,818	1,297,662
Staff Advertising	2,580	3,163
Staff Training	5,747	5,142
Superannuation	111,844	119,399
Taxi and Couriers	6,018	5,409
Telephone	35,813	35,416
	<u>2,101,845</u>	<u>2,142,173</u>

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

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

4 Claims and Investigations

	2000 \$	1999 \$
Claims Approved for Payment	3,225,035	79,976
Solicitors Complaints Tribunal Expenses	374,710	222,596
General Disciplinary Investigations	214	1,103
Receivership Expenses	24,114	30,561
Trust Account Audits	21,706	63,909
	<u>3,645,779</u>	<u>398,145</u>

5 Receivables

	2000 \$	1999 \$
Prepaid Fees and Accruals	337	1,442
Accrued Interest	8,597	317
	<u>8,934</u>	<u>1,759</u>

**Legal Practitioners' Fidelity Guarantee Fund
Notes To and Forming Part of the Accounts – Continued**

6 Creditors

	2000 \$	1999 \$
CURRENT		
Approved Claims *	1,118,470	–
Other Creditors and Accruals	96,531	148,889
	<u>1,215,001</u>	<u>148,889</u>
 NON CURRENT		
Approved Claims*	<u>639,125</u>	<u>–</u>

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

7 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2000 \$	1999 \$
Cash	166,227	15,968
Short Term Investments	1,213,066	625,753
	<u>1,379,293</u>	<u>641,721</u>

(b) Financing Facilities

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

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

	2000 \$	1999 \$
(Deficiency)/Surplus for the Year	(978,490)	86,892
Changes in Assets and Liabilities		
Increase/(Decrease) in Creditors	1,705,237	(91,366)
Increase in Provision for Employees Benefits	18,000	24,200
(Increase)/Decrease in Receivables	(7,175)	499,498
Advance from Qld Law Society Inc	–	(1,500,000)
Net Cash Used in Operating Activities	<u>737,572</u>	<u>(980,776)</u>

Legal Practitioners' Fidelity Guarantee Fund
Notes To and Forming Part of the Accounts – Continued

8 Contingent Liability

(a) Claims

Due to the nature of the Fund, it is not possible or practical to determine a definite value of contingent liabilities. At 30 April 2000 the Fund was in the process of considering a number of claims, the estimated value of which was approximately \$1,386,000 without regard to the value of any rights which may accrue to the Fund upon payment being made in relation to such contingent liabilities or to the value of any set-offs in respect of such claims.

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

9 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in the range 4.55% to 5.55%.

(c) Receivables

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

(d) Creditors

Creditors are carried at actual amounts and represent accrued expenses applicable to the financial year ended April 2000 and paid in the months after balance date.

(e) Net Fair Value

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

**CERTIFICATE OF
LEGAL PRACTITIONERS' FIDELITY GUARANTEE FUND**

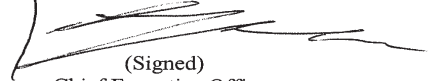
We have prepared the foregoing financial statements pursuant to the provisions of the *Financial Administration and Audit Act 1977* and other prescribed requirements and certify that –

- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Legal Practitioners' Fidelity Guarantee Fund;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Legal Practitioners' Fidelity Guarantee Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the close of that year.

22 JUNE 2000
(Date)



(Signed)
President - Elect



(Signed)
Chief Executive Officer

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society - Legal Practitioners' Fidelity Guarantee Fund

Scope

I have audited the general purpose financial statements of Legal Practitioners' Fidelity Guarantee Fund prepared by the Queensland Law Society Incorporated for the year ended 30 April 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise the Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the President and Chief Executive Officer.

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

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

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

Audit Opinion

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

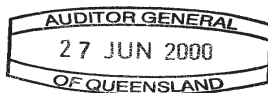
- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of the Legal Practitioners' Fidelity Guarantee Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the end of that year.

Inherent Uncertainty Regarding Long Term Financial Viability of the Fund

Without qualification to the opinion expressed above, attention is drawn to the following matter. The accounts have been prepared on a going concern basis that assumes continuity of normal activities of the Fund and the realisation of assets and the settlement of liabilities in the ordinary course of business. However limitations existing for the income available to the Fund and financial operations for the year ended 30 April 2000 resulting in a deficiency before abnormal item of \$2,827,897 (1999 deficiency \$913,108; 1998 deficiency \$2,224,352) continues to raise concern over the long term viability of the Fund.

The note in the accounts entitled "Scope of Operations" discloses limitations in the income of the Fund and statutory constraints prevailing over the Fund's operations. To address these limitations, the Council of the Society has resolved to levy practitioners during the financial year 2000-2001 as well as to pay approved claims by instalments. As stated in the note, the Society has made submissions to Government for legislative changes to achieve long term financial viability of the Fund.


 L J SCANLAN
 Auditor-General of Queensland



Queensland Audit Office
 Brisbane

General Trust Accounts' Contribution Fund Income and Expenditure Statement For the Year Ended 30 April 2000

	NOTES	2000 \$	1999 \$
INCOME			
Interest earned on Solicitors' Trust Accounts		10,940,167	9,662,257
Interest on Investments		<u>74,798</u>	<u>62,841</u>
		11,014,965	9,725,098
EXPENDITURE			
Administration	2	30,508	30,081
Distributions –			
Legal Aid Commission of Queensland		8,238,342	7,271,262
Department of Justice – Supreme Court Library		1,098,446	969,502
Queensland Law Society Inc Contributions			
Distribution Account		1,098,446	969,502
Grants Fund		<u>549,223</u>	<u>484,751</u>
		11,014,965	9,725,098
Surplus (Deficiency) for the Year		–	–
Retained Funds at the beginning of the Financial Year		<u>–</u>	<u>–</u>
Retained Funds at the end of the Financial Year		<u>–</u>	<u>–</u>

The accompanying notes form part of the accounts.

General Trust Accounts' Contribution Fund Balance Sheet As at 30 April 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash		189	861
Receivables	3	979,274	796,145
Investments		1,026,542	827,989
		2,006,005	1,624,995
TOTAL ASSETS		2,006,005	1,624,995
CURRENT LIABILITIES			
Creditors	4	2,006,005	1,624,995
		2,006,005	1,624,995
TOTAL LIABILITIES		2,006,005	1,624,995
NET ASSETS		—	—
EQUITY			
Retained Funds		—	—

The accompanying notes form part of the accounts.

General Trust Accounts' Contribution Fund
Statement of Cash Flows
For the Year Ended 30 April 2000

	NOTES	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest earned on Solicitors' Trust Accounts		10,758,049	9,771,757
Distributions and Administration		(10,633,955)	(9,605,503)
Interest Received		73,787	62,187
Net Increase (Decrease) in Cash held	5	197,881	228,441
Cash at the beginning of the Financial Year		828,850	600,409
Cash at the end of the Financial Year	5	1,026,731	828,850

The accompanying notes form part of the accounts.

General Trust Accounts' Contribution Fund Notes To and Forming Part of the Accounts For the Year Ended 30 April 2000

Notes

1 Accounting Policies

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

(a) Basis of Preparation

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

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

(b) Investments

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

2 Administration

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

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

3 Receivables

	2000 \$	1999 \$
Accrued Bank Contributions	976,220	794,102
Accrued Interest on Investments	3,054	2,043
	979,274	796,145

4 Creditors

	2000 \$	1999 \$
Administration Fees	6,307	6,033
Funds accumulated at 30 April 2000 to be included in 30 June 2000 distribution		
Legal Aid Commission of Queensland	1,499,773	1,214,222
Department of Justice – Supreme Court Library	199,970	161,896
Queensland Law Society Inc Contributions		
Distribution Account	199,970	161,896
Grants Fund	99,985	80,948
	2,006,005	1,624,995

**General Trust Accounts' Contribution Fund
Notes To and Forming Part of the Accounts – Continued**

5 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2000 \$	1999 \$
Cash	189	861
Short Term Investments	1,026,542	827,989
	<u>1,026,731</u>	<u>828,850</u>

(b) Financing Facilities

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

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

	2000 \$	1999 \$
Result for the Year	-	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	(183,129)	108,845
Increase/(Decrease) in Creditors	381,010	119,596
Net Increase/(Decrease) in Cash Held	<u>197,881</u>	<u>228,441</u>

6 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in a range 4.55% to 5.55%.

(c) Receivables

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

(d) Creditors

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

General Trust Accounts' Contribution Fund
Notes To and Forming Part of the Accounts – Continued

(e) Bank Contributions

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

(f) Net Fair Value

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

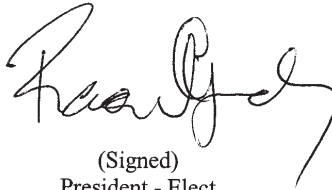
**CERTIFICATE OF
GENERAL TRUST ACCOUNTS' CONTRIBUTION FUND**

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

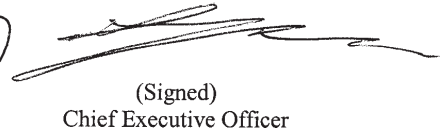
- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the General Trust Accounts' Contribution Fund;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the General Trust Accounts' Contribution Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the close of that year.

22 JUNE 2000

(Date)



(Signed)
President - Elect



(Signed)
Chief Executive Officer

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society – General Trust Accounts Contribution Fund

Scope

I have audited the general purpose financial statements of the General Trust Accounts Contribution Fund prepared by the Queensland Law Society Incorporated for the year ended 30 April 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the financial statements and certificates given by the President and Chief Executive Officer.

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

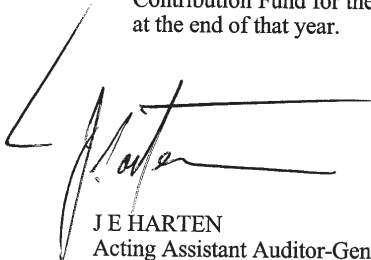
The audit has been conducted in accordance with *QAO Auditing Standards*, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence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

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

Audit Opinion

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

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of General Trust Accounts Contribution Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the end of that year.



J E HARTEN
Acting Assistant Auditor-General
As Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Grants Fund Income and Expenditure Statement For the Year Ended 30 April 2000

	NOTES	2000 \$	1999 \$
INCOME			
Distribution from General Trust Accounts' Contribution Fund (Trust Account Interest)		549,223	484,751
Interest on Investments		18,726	20,198
Grants Recovered		3,333	4,166
		571,282	509,115
EXPENDITURE			
Administration and Committee Expenses	2	27,220	28,006
Grants Approved		210,457	249,024
Legal Aid for Community Legal Centres		340,769	302,969
		578,446	579,999
Surplus (Deficiency) for the Year		(7,164)	(70,884)
Retained Funds at the beginning of the Financial Year		290,187	361,071
Retained Funds at the end of the Financial Year		283,023	290,187

The accompanying notes form part of the accounts.

Grants Fund Balance Sheet As at 30 April 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash		4,655	1,443
Receivables	3	106,703	87,535
Investments		<u>418,409</u>	<u>399,684</u>
TOTAL ASSETS		529,767	488,662
CURRENT LIABILITIES			
Creditors and Borrowings	4	<u>246,744</u>	<u>198,475</u>
TOTAL LIABILITIES		246,744	198,475
NET ASSETS		<u>283,023</u>	<u>290,187</u>
EQUITY			
Retained Funds		<u>283,023</u>	<u>290,187</u>

The accompanying notes form part of the accounts.

Grants Fund Statement of Cash Flows For the Year Ended 30 April 2000

	NOTES	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Distribution from General Trust Accounts'			
Contributions Fund		533,951	480,201
Grants Paid and Administration Expenses		(530,177)	(503,263)
Interest Received		18,163	19,737
Net (Decrease) Increase in Cash held	5	21,937	(3,325)
Cash at the beginning of the Financial Year		401,127	404,452
Cash at the end of the Financial Year	5	423,064	401,127

The accompanying notes form part of the accounts.

Grants Fund

Notes To and Forming Part of the Accounts

Notes

1 Statement of Significant Accounting Policies

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

(a) Basis of Preparation

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

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

(b) Investments

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

2 Administration and Committee Expenses

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

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

3 Receivables

	2000	1999
	\$	\$
Accrued Distribution Due from the –		
General Trust Accounts' Contribution Fund	99,985	80,948
Accrued Interest	2,297	1,734
Administration Fees	4,421	4,853
	106,703	87,535

4 Creditors and Borrowings

	2000	1999
	\$	\$
Grants Approved but not yet Paid	183,704	146,295
Audit Fees	1,200	1,200
Legal Aid for Community Legal Centres	61,840	50,980
	246,744	198,475

Grants Fund
Notes To and Forming Part of the Accounts – Continued

5 Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

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

	2000	1999
	\$	\$
Cash/(Bank Overdraft)	4,655	1,443
Short Term Investments	418,409	399,684
	<u>423,064</u>	<u>401,127</u>

(b) Financing Facilities

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

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

	2000	1999
	\$	\$
Surplus/(Deficiency) for the Year	(7,164)	(70,884)
Changes in Assets and Liabilities		
Decrease/(Increase) in Receivables	(19,168)	(9,177)
Increase/(Decrease) in Creditors and Borrowings	48,269	76,736
Net cash movement from operating activities	<u>21,937</u>	<u>(3,325)</u>

6 Heal Street Building Grant

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

7 Contingent Liabilities

There were no known contingent liabilities at 30 April 2000.

8 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11am call account. The rate of return for the year was in a range 4.55% to 5.55%.

(c) Receivables

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

Grants Fund
Notes To and Forming Part of the Accounts – Continued

(d) Creditors

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

(e) Net Fair Value

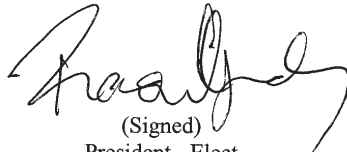
Cash, investments, receivables and creditors carrying amounts all approximate fair value.

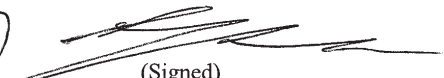
**CERTIFICATE OF
GRANTS FUND**

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

- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Grants Fund;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards of the transactions of the Grants Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the close of that year.

22 JUNE 2000
(Date)


(Signed)
President - Elect


(Signed)
Chief Executive Officer

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society – Grants Fund

Scope

I have audited the general purpose financial statements of the Grants Fund prepared by the Queensland Law Society Incorporated for the year ended 30 April 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the financial statements and certificates given by the President and Chief Executive Officer.

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

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

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

Audit Opinion

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

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Grants Fund for the financial year 1 May 1999 to 30 April 2000 and of the financial position as at the end of that year.


J E HARTEN
Acting Assistant Auditor-General
As Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Law Claims Levy Fund Income and Expenditure Statement For the Year Ended 30 June 2000

	NOTES	2000 \$	1999 \$
INCOME			
Additional Levies		85,000	184,500
Investment Income	3	1,519,942	1,120,676
Solicitors' Deductibles		<u>154,466</u>	<u>236,986</u>
		1,759,408	1,542,162
EXPENDITURE			
Claims and Legal Expenses – Levy Fund		2,318,008	4,018,835
Claims and Legal Expenses – Deductibles		146,966	234,190
Solicitors' Deductible Refunds		7,500	2,795
Investment Manager's Fees		94,115	89,305
Administration Expenses		177,232	67,941
Brokerage Fees		<u>99,900</u>	<u>107,500</u>
		2,843,721	4,520,566
(Deficiency) for the year		(1,084,313)	(2,978,404)
Retained Funds at the beginning of the Financial Year		<u>26,056,405</u>	<u>29,034,809</u>
Retained Funds at the end of the Financial Year		<u><u>24,972,092</u></u>	<u><u>26,056,405</u></u>

The accompanying notes form part of the accounts.

Law Claims Levy Fund Balance Sheet As At 30 June 2000

	NOTES	2000 \$	1999 \$
CURRENT ASSETS			
Cash		16,127	54,541
Receivables		3,240	3,028
Investments	4	<u>24,993,864</u>	<u>26,050,749</u>
TOTAL ASSETS		25,013,231	26,108,318
CURRENT LIABILITIES			
Solicitors' Deductibles		<u>41,139</u>	<u>51,913</u>
TOTAL LIABILITIES		<u>41,139</u>	<u>51,913</u>
NET ASSETS		<u>24,972,092</u>	<u>26,056,405</u>
EQUITY			
Retained Funds		<u>24,972,092</u>	<u>26,056,405</u>

The accompanying notes form part of the accounts.

**Law Claims Levy Fund
Statement of Cash Flows
For the Year Ended 30 June 2000**

	NOTES	2000 \$ Inflows (Outflows)	1999 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from the Profession and Commutation Benefits		228,692	405,679
Claims and Expenses		(2,843,721)	(4,520,566)
Interest Received		<u>1,519,730</u>	<u>1,119,465</u>
Net (Decrease) in cash held		(1,095,299)	(2,995,422)
Cash at the Beginning of the Financial Year		<u>26,105,290</u>	<u>29,100,712</u>
Cash at the End of the Financial Year	5	<u><u>25,009,991</u></u>	<u><u>26,105,290</u></u>

The accompanying notes form part of the accounts.

Law Claims Levy Fund

Notes To and Forming Part of the Accounts

For the Year Ended 30 June 2000

Notes

1 Statement of Significant Accounting Policies

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

(a) Basis of Preparation

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

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

(b) Investments

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

(c) Income Tax

The Fund has been granted exemption from income tax by the Australian Taxation Office per Section 23(d) of the *Income Tax Assessment Act*.

(d) Additional Levies

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

(e) Solicitors' Deductibles

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

(f) Administration Expenses

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

(g) Claims

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

Law Claims Levy Fund
Notes To and Forming Part of the Accounts – Continued

(h) Professional Indemnity Insurance

The Queensland Law Society Incorporated entered into a Master Policy agreement with Professional Indemnity Insurers to limit the maximum liability of the Fund for both individual claims and aggregate amounts. The Fund incurs all expenses up to a prescribed amount per individual claim until such time as the aggregate amount has been reached at which time the Professional Indemnity Insurers incur all future costs. The respective individual liability per claim is listed in Note 6.

(i) Comparative Figures

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

2 Scope of Operation

The Queensland Law Society Incorporated passed administrative responsibility of the Law Claims Levy Fund to Australia Pacific Professional Indemnity Insurance Company Ltd (APPIIL) on 25 March 1996 as per the Funds and Claim Management Agreement. From the year of insurance commencing 1 July 1996 insurance levies raised and collected by the Society will be paid to APPIIL and the company accepts sole responsibility for the provision of professional indemnity insurance to Queensland solicitors.

The Council of the Queensland Law Society Incorporated obtained an actuarial report of the Law Claims Levy Fund which disclosed a surplus of \$8,597,000 as at 30 November 1995. The Council resolved to transfer part of the actuarial surplus to APPIIL and an amount of \$7,300,000 was paid to APPIIL on 28 February 1996.

The Law Claims Levy Fund will receive no further premium income and its net asset position will progressively decline until all funds are extinguished or the respective years of insurance are closed off. Stop loss insurance cover was purchased to cap the remaining liability of the 1987-1994 insurance years and this was funded from the remainder of the actuarial surplus.

3 Investment Income

	2000	1999
	\$	\$
Interest Received	23,446	19,493
Changes in Net Market Value of Investments	<u>1,496,496</u>	<u>1,101,183</u>
Total	<u><u>1,519,942</u></u>	<u><u>1,120,676</u></u>

4 Investments

	2000	1999
	\$	\$
Managed Funds at Market Value	24,479,935	25,327,554
Short Term Deposits at Cost	<u>513,929</u>	<u>723,195</u>
Total	<u><u>24,993,864</u></u>	<u><u>26,050,749</u></u>

Law Claims Levy Fund
Notes To and Forming Part of the Accounts – Continued

5 Notes to the Statements of Cash Flows

(a) Reconciliations of Cash

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

	2000 \$	1999 \$
Cash	16,127	54,541
Investments	24,993,864	26,050,749
	<u>25,009,991</u>	<u>26,105,290</u>

(b) Financing Facilities

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

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

	2000 \$	1999 \$
(Deficiency) for the Year	(1,084,313)	(2,978,404)
Changes in Asset and Liabilities		
Decrease/(Increase) in Receivables	(212)	(1,212)
(Decrease) in Creditors	—	—
(Decrease) in Solicitors' Deductibles	(10,774)	(15,806)
Net Cash Used in Operating Activities	<u>(1,095,299)</u>	<u>(2,995,422)</u>

6 Contingent Liabilities

The nature of the Fund prohibits a definitive value to be determined for contingent liabilities. Under the present insurance agreements the total liability of the Fund for the respective years of insurance is limited to \$100,000 (1987-1994) and \$500,000 (1995) per individual claim and this amount is reduced by the amount of the solicitors' deductible. Also an aggregate limit per respective year of insurance applies and this limits the total liability of the Fund.

Based on the actuarial advice in respect of the position of the Fund as at 30 September 2000, the insurance in place with regard to the limits per file, the overall Fund's aggregate limit as at 30 June 2000 the Council are of the opinion that the funds on hand of \$25,009,991 together with future investment income and deductibles, and in conjunction with Stop Loss cover (see note 2) will ensure that all future claims (estimated gross value \$7,188,250) will be met as and when they fall due.

Law Claims Levy Fund
Notes To and Forming Part of the Accounts – Continued

7 Financial Instruments

(a) Cash

Cash is represented by amounts held in bank accounts.

(b) Investments

Investments include cash invested on the short term money market 11 am call account and an Australian bond/cash portfolio managed by BT Funds Management Limited. The average term of the bond portfolio matches the liability profile of the Law Claims Levy Fund with the majority of bonds in the 0-3 years maturity range. The bond/cash portfolio managed by BT Funds Management Limited returned 6.1% for the year. The bond portfolio is carried at market value.

The rate of return for money invested on the short term money market was in the range 4.55% – 5.8% for the year.

(c) Receivables

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

(d) Solicitors' Deductibles

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

(e) Net Fair Value

Cash, investments, receivables and solicitors' deductibles carrying amounts all approximate fair value.

**CERTIFICATE OF
LAW CLAIMS LEVY FUND**

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

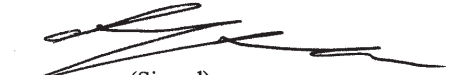
- (a) the foregoing financial statements with other information and notes to and forming part thereof are in agreement with the accounts and records of the Law Claims Levy Fund;
- (b) in our opinion –
 - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the foregoing financial statements have been drawn up so as to present a true and fair view in accordance with prescribed Accounting Standards of the transactions of the Law Claims Levy Fund for the period 1 July 1999 to 30 June 2000 and of the financial position as at the close of that year.

25 July 2000

(Date)



(Signed)
President



(Signed)
Chief Executive Officer

INDEPENDENT AUDIT REPORT

To the President, Queensland Law Society – Law Claims Levy Fund

Scope

I have audited the general purpose financial statements of the Law Claims Levy Fund prepared by the Queensland Law Society Incorporated for the year ended 30 June 2000 in terms of section 46F of the *Financial Administration and Audit Act 1977*. The financial statements comprise Income and Expenditure Statement, Balance Sheet, Statement of Cash Flows and Notes to and forming part of the financial statements and certificates given by the President and Chief Executive Officer responsible for financial administration.

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

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

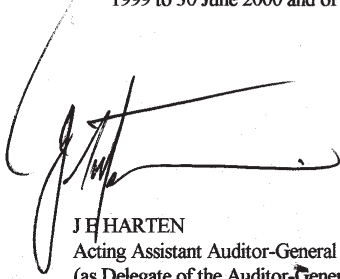
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

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

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and

- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Law Claims Levy Fund for the financial year 1 July 1999 to 30 June 2000 and of the financial position as at the end of that year.



J E HARTEN
Acting Assistant Auditor-General
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane