

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**ANNUAL REPORT
1 JULY 2006 – 30 JUNE 2007**

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1. REPORT FROM THE CHAIRPERSON

This year has been one of significant changes for the Board. I took over the role of Chairperson from Steven Penglis, who ably led and guided the Board in the prior 5 years, establishing solid foundations which will allow the Board to continue to build a more flexible and efficient regulatory system for the legal profession in WA.

I personally wish to thank Steven for all the time and effort he has invested in the Board, much of which forms the basis of the Board's future.

1.1 Board Staff

This year also saw major changes to the Board's staff.

Since April 2007, the Board has been without a Secretary and General Manager. The Board wishes to thank Ms Mary-Anne Paton for all her hard work as Secretary and General Manager of the Board during the prior 5 years.

During this period Robert Cock QC and I have acted as the de facto secretary and managing Director of the Board. I wish to thank Robert for working with me and thereby enabling the Board to operate seamlessly during this period.

The bulk of the year has been spent locating a suitable person to take on the newly created role of Executive Director, which will have a greater leadership and strategic planning role.

It is with pleasure that I can report that Mr Graeme Geldart, from New South Wales, has accepted employment with the Board as Executive Director, with a start date of mid January 2008. Mr Geldart's role will be to review and assess all the Board's activities and to provide strategic and managerial advice to the Board to allow it to better meet its statutory obligations in an ever changing world.

Ms Debbie Cole left the Board in August to take on the role of Executive Officer and Co-ordinator of Continuing Professional Development with the Bar Association of WA. Ms Cole had been with the Board for over 26 years, commencing as an office assistant and progressing to the role of Executive Officer of the Admissions and Registration Committee. The workload of this committee is large, dealing as it does with the regulation and admission of articulated clerks, practitioners from interstate and overseas, the accrediting of universities, and on a national level, the development of guidelines for all regulatory authorities. It is only due to Ms Cole's dedication, experience and competency that the Committee operated as well as it did. I know that I speak for all Board members when I say thank you to Debbie and that the Board wishes her all the best for her future.

On a positive note, the Board has engaged 2 legal practitioners to assist the Board in performing its functions. The employment of Ms Miranda Breisch as the Professional Affairs Office and Ms Alice Yap as the Legal Research Officer has greatly improved the efficiency of the Board's operations and thereby lessened the load on Board members.

A number of the Board's staff have transferred to other positions within the Board in response to the Board's changing needs. These moves have provided staff with the opportunity to challenge themselves in their work environment.

This flexibility has enabled the Board to retain the interest of staff and to be able to offer them a career path within the Board.

1.2 IT Project

The Board is in the process of introducing a new IT project which will increase the Board's efficiency and ability to react to the profession, as well as introduce changes to the way the Board and the profession interact.

It is planned that by May 2008 the first stage of the IT project will be complete. This will allow all practitioners to complete and lodge their application for the renewal of their practice certificates and to pay for the same online and be certain that from 1 July they are certificated, subject to providing proof of compliance with the insurance requirements and if relevant, the provision of a trust account audit certificate.

Future stages of the IT project will ensure that all information held by the Board is held in an electronic format, with the ability of practitioners to access the same and where appropriate make changes to their individual details, thereby keeping the Board fully informed of changes to their circumstances. In addition, the IT project will provide for the online application for all the Board's processes, including the admission of practitioners, lodgement of applications relating to articulated clerks, registration for the Articled Training Program, as well as the possibility of the online regulation of practitioners' continuing professional obligations.

The IT project will be funded from the Board's reserves.

1.3 Refurbishment

A project that was commenced under the stewardship of Steven Penglis is the major refurbishment of the Board's premises. The Board's current premises, situated at Hay Street, are in a deplorable state, not having been renovated or modernised since the Board moved into the premises. Not only will the refurbishment give the Board's staff a decent working environment, it will also allow the Board to improve efficiency by the simple act of providing the physical infrastructure needed by staff to carry out their jobs. Whilst there will be a period of disruption while the refurbishment is undertaken, I am sure the end result will be welcomed by the staff and Board members, and by those who have cause to visit the Board's premises.

The refurbishment will be funded from the Board's reserves.

1.4 Legal Profession Bill 2007

Like others in the profession, the Board reviewed and made submissions to Government on the (then draft) Legal Profession Bill 2007.

The Bill will implement the final stages of the project establishing a national profession. The major changes relate to the ability to practice anywhere in Australia on a practice certificate issued by any of the Australian regulatory bodies. In addition, the Bill will empower the Board to introduce mandatory legal education for all practitioners, a matter that the Board has been working on for some time.

Another other major change will be the ability for law graduates to gain admission by a means other than completing a term as an articulated clerk. The

Bill will allow for law graduates to be able to gain admission as practitioners if they have completed a course with a Board accredited provider of practical legal training. This may ease the shortage of articled clerk positions available and is a matter that the Board will keep under review.

In addition the Bill will introduce some structural changes to the Board to allow it to meet the demands made of it and hence of its members. The greatest change will be that Senior Counsel will not automatically be members of the Board. This will permit Senior Counsel to make a decision as to whether they wish to serve the Board.

1.5 The Future

It must be stressed that the Board is a public body established by legislation and as such has various obligations and duties imposed upon it by public sector legislation. These obligations impose restrictions upon the Board's activities, and whilst in the main such add to the Board's accountability and effectiveness, some do not necessarily do so, being geared towards larger public authorities with much greater infrastructure and resources than the Board.

The Board also provides services and facilities which some would argue do not fall within the current ambit of the Board's functions or if they do, they should not. With the introduction of a new act, the time is ripe for a further review of the Board's functions.

The immediate changes that the Board will be facing will require the commitment and hard work of all Board staff and members – and I have no doubt that, as in the past, they will rise to the occasion.

The Board continues to evolve its structure so as to be able to meet its obligations to the profession, the Judiciary and to the community. With good will and hard work, I have no doubt that the Board will succeed.

1.6 Acknowledgments

I would like to acknowledge and thank the staff for their continuing hard work, dedication and commitment to the Board. This year has been difficult and I could not have performed my duties as Chairperson without their assistance, guidance and at times bullying!

Thanks should also be expressed to the Board staff who operate the Articled Training Program, the Law Library and the Legal Practitioners Complaints Committee. These divisions may be geographically separated from the Office of the Board, but all the same, the Board appreciates their work and dedication.

I would especially like to thank my fellow Board members who so willingly give up their time to be members of the Board's various committees and to sit on various inquiries conducted throughout the year. The profession should be proud of those who work so diligently on a pro bono basis.

I would also like to acknowledge the members of the profession who provide legal services to the Board on either a reduced fee or pro bono basis.

The contributions to the workings of the Board by its members and the profession have allowed practice certificate fees to remain at their current rate.

I particularly wish to thank Grant Donaldson SC (the Board's Deputy Chair and Convenor of the Admissions and Registration Committee), Robert Cock QC

(Convenor of the Management Committee, who assisted me throughout the year in running the Board in the absence of an Executive Director), Matt Zilko QC (Convenor of the Professional Affairs Committee), Clare Thompson (Convenor of the Legal Education Committee), and Chris Zelestis QC and Ken Martin QC (Convenor and Deputy Convenor of the Legal Practitioners Complaints Committee).

A handwritten signature in black ink, appearing to be 'AL', with a large, stylized flourish at the end.

Anna Liscia
Chairperson
18 December 2007



2. THE LEGAL PRACTICE BOARD

2.1 Role

The Legal Practice Board ("Board") is constituted under the *Legal Practice Act 2003* ("LPA"). The Board has statutory authority for the admission, supervision and discipline through the Legal Practitioners Complaints Committee ("LPCC") and the State Administrative Tribunal ("SAT") for all the legal practitioners in Western Australia.

The Board regulates the issue of annual practice certificates and administers the Law Library in the Supreme Court and its Branch Library in the Central Law Courts. The Board provides a practical legal training course through the Articles Training Program for the training of articled clerks.

2.2 Membership

The Board as constituted under section 7 of the LPA consists of:

- (a) The Attorney General;
- (b) The Solicitor General, or, if there is no Solicitor General, the State Solicitor;
- (c) Each Queen's Counsel, and each Senior Counsel, whose principal place of practice is in this State and who is not a full-time judicial officer; and
- (d) 12 legal practitioners of at least 3 years standing and practice in this State who are elected as members.

2.2.1 Queens Counsel

At 30 June 2007 there were 19 Queens Counsel resident and practising in Western Australia, and therefore members of the Board.

2.2.2 Senior Counsel

At 30 June 2007 there were 15 Senior Counsel resident and practising in Western Australia, and therefore members of the Board.

During the year under review:

- On 11 December 2006 Mr John Gilmour QC was sworn in and welcomed as a Judge of the Federal Court of Australia and so ceased to be a member of the Board.
- On 25 June 2007, Mr Andrew Beech SC was sworn in and welcomed as a Judge of the Supreme Court of Western Australia and so ceased to be a member of the Board.

2.2.3 Total Number of Senior Counsel as at 30 June 2007

At the conclusion of the year under review the Board had a total of 34 Queens Counsel and Senior Counsel as members of the Board.

2.2.4 Elected Members

- 1 July 2006 to April 2007 election:

Elected members in office during this period were: Mr BK Davies, Mr JGM Fiocco, Ms RJ Lee, Mr JRB Ley, Ms AM Liscia, Mr S Penglis, Ms SM Schlink, Mr JG Syminton, Ms CH Thompson, Ms AM Van Onselen, Ms FB Walter and Mr I Weldon.

- April 2007 election to 30 June 2007:

Elected members in office during this period were: Ms LB Black, Mr BK Davies, Mr JGM Fiocco, Mr JRB Ley, Ms AM Liscia, Mr S Penglis, Ms SM Schlink, Mr JG Syminton, Ms CH Thompson, Ms AM Van Onselen, Ms FB Walter, Mr I Weldon.

Ms Rebecca Lee stood down as a member of the Board having served on the Board since her appointment in April 2005. Her invaluable contribution to the Board during this period is acknowledged.

- Appointment of Chairperson and Deputy Chairperson

Ms AM Liscia was appointed Chairperson on 9 May 2007, effective for the ensuing year.

Mr GR Donaldson SC was appointed Deputy Chairperson on 9 May 2007, effective for the ensuing year.

2.2.5 Board members as at 30 June 2007

Attorney General The Hon. Mr J McGinty, MLA

Solicitor General Mr RJ Meadows QC

Chair Ms AM Liscia

Deputy Chair Mr GR Donaldson SC

Queens Counsel

Mr MJ McCusker AO QC

The Hon. D Williams AM QC

Mr RJ Davies QC

The Hon Mr RI Viner AO QC

Mr CL Zelestis QC

Mr RK O'Connor QC

Mr S Owen-Conway QC

Dr AF Dickey QC

Mr RJ Meadows QC

The Hon Mr P Foss QC

Senior Counsel

Mr KR Wilson SC

Mr MH Zilko SC

Mr CG Colvin SC

Ms G Braddock SC

Mr KM Pettit SC

The Hon Mr PMC Dowding SC

Mr GMG McIntyre SC

Mr EM Corboy SC

Mr GTW Tannin SC

Mr SD Hall SC

Mr GH Murphy SC

Elected Members

Ms LB Black,

Mr BK Davies,

Mr JGM Fiocco,

Mr JRB Ley,

Ms AM Liscia,

Mr S Penglis,

Ms SM Schlink,

Mr JG Syminton,

Ms CH Thompson,

Ms AM Van Onselen,

Ms FB Walter,

Mr I Weldon.

Queens Counsel

Mr MW Odes QC
 Mr RE Birmingham QC
 Mr KJ Martin QC
 Mr F Castiglione QC
 Mr NW McKerracher QC
 Mr TF Percy QC
 Mr RE Cock QC
 Mr PI Jooste QC
 Mr MT Trowell QC

Senior Counsel

Mr GA Calcutt AM SC
 Mr CP Shanahan SC
 Mr GR Donaldson SC
 Mr B Fiannaca SC

Elected Members**2.3 Committees****2.3.1 LPA Section 10 Committees**

Pursuant to section 10 of the LPA, the Board may appoint committees of its members and pursuant to section 11 of the LPA, the Board may delegate to a committee established under section 10 any power or duty of the Board under the Act, other than this power of delegation.

The Board's Committees so constituted in the year under review are:

- Admissions and Registrations Committee;
- Professional Affairs Committee;
- Management Committee; and
- Legal Education Committee.

A summary of the main areas of responsibility and activities of the above committees during the 2006/2007 reporting year is set out further in this report.

Information required to be provided in the Board's annual reports pursuant to section 17 of the LPA is provided in each of the Committee's reports below. These Committees' reports also detail significant issues and trends relating to each of the Committee's areas of administration in the performance of the Board's statutory functions.

2.3.2 Other Committees

The Board has a number of advisory Committees whose members include representatives of key stakeholders. In this reporting year, the Law Library Committee continued to hold meetings to run the business of the Law Library.

2.3.3 Meetings Overview

During this reporting year, the Board met on the following occasions:

Full Board (every 3 months)	4
Admissions and Registrations Committee	9
Special Admissions and Registrations Committee	3
Admissions and Registrations Committee – (including Electronic Quorums)	13

Professional Affairs Committee	12
Special Professional Affairs Committee	3
Management Committee	9
Special Management Committee	1
Legal Education Committee	1

The Law Library Committee met 7 times during this reporting year.

2.4 Organisational Structure

As presently structured, the Board carries out its functions in 4 distinct locations:

- the Office of the Board in the Kings Building, Hay Street, Perth;
- the Articles Training Program in Alvan Street, Mt Lawley;
- the Law Library in the Supreme Court and a Branch Library in the Central Law Courts;
- the LPCC at 55 St Georges Terrace, Perth.

2.4.1 Office of the Board

The Office of the Board provides administrative and executive support to the Board and its Committees as well as undertaking other core regulatory functions of the Board as provided for in the LPA. The Office of the Board also ensures the Board complies with considerable additional legislation that are applicable to the Board and its organisation as a public regulatory authority.

Accordingly, key responsibilities of the Office of the Board include, but are not limited to:

- executive support of the Board and Committees;
- maintenance of the practitioner register (a record of all practitioners admitted to practice in Western Australia) plus various other records pertaining to legal practitioners in this State;
- processing of admission and registration applications;
- issue and renewal of annual practice certificates and the administration of other practitioner compliance matters;
- conducting the Board's annual election;
- management of the Board's human, financial and physical resources.

2.4.2 Articles Training Program

The ATP is a post-graduate pre-admission course designed to enhance practical legal training. Lecturers are engaged to conduct the courses.

The Report of the ATP Director is found below.

2.4.3 Law Library

The Law Library located in the Supreme Court of WA and the Branch Library located at the Central Law Courts are owned and administered by the Board.

The Law Library provides reference and research facilities for the legal profession in WA and through Rule 64 of the Legal Practice Board Rules 2004 ("Rules") gives wide access to members of the Judiciary, certificated

practitioners, articled clerks, members of Parliament (and their department staff), members of the Police Force, holders of an office, post or position established under an Act and public service officers and employees. Several groups such as law students, interstate practitioners, foreign lawyers and litigants in person may use the library subject to any restrictions, including payment of a fee, determined by the Law Library Committee.

The operation of the Law Library is supported by the Law Library Committee, chaired by the Hon. Justice Hasluck.

The Report by the Law Librarian is included in this report.

2.4.4 Legal Practitioners Complaints Committee

The Legal Practitioners Complaints Committee, (“LPCC”) is responsible for supervising the conduct of legal practitioners and the practice of law. Pursuant to the LPA, it has investigative and conciliation powers, and also initiates disciplinary proceedings.

The LPCC is comprised of members of the Board and Community Representatives. Pursuant to section 166 of the LPA, the LPCC provides a separate annual report in relation to its activities to the Attorney General.

2.4.5 Staff

As at 30 June 2007, the following numbers of staff were in full-time, part-time or contract employment with the Board:

<u>Divisions</u>	<u>No. of Staff</u>
Office of the Board	15
ATP	6
Law Library and Branch Library	8
LPCC	21
Trust Account Inspector	1
Total Staff	51



3. PROFILE OF THE CURRENT WA LEGAL PROFESSION

3.1 New Business Structures – Incorporated Legal Practices

In the period under review, 53 incorporated legal practices gave notice of their intention to commence practice pursuant to section 50(1) of the LPA and 4 incorporated legal practices ceased practice.

3.2 Composition of the WA Legal Profession

As at 30 June 2007, the WA legal profession was composed of the following:

	Resident Females	Non- Resident Females	Resident Males	Non- Resident Males	Totals
Barristers	29	1	158	2	190
Commonwealth Government	23	1	24		48
Consultants	21		56		77
Director	27		182		209
Employees	930	41	769	59	1799
Equity Partner	45	1	317	9	372
Fixed Profit-share Partner	7		20		27
In-house	120	8	194	21	343
Locum					0
Not practising (certificated)	99	44	75	29	247
Salaried Partner	21	1	40	2	64
Sole Practitioners	98	1	350	8	457
Judiciary [^]	2		8		10
Deceased [^]			1		1
Struck Off /Suspended [^]	1		3		4
State Government [*]	34		21		55
Practice Certificates ISSUED	1457	98	2218	130	3903
S.36 Practitioners State Solicitor's Office ^{**}	59		41		100
Director of Public Prosecutions (State) ^{**}	56		57		113
Other Departments ^{**}	103		66		169
TOTAL PRACTITIONERS	1641	98	2361	130	4230

[^] Held practice certificate during 2006-2007, however by 30 June 2007, were appointed judiciary/deceased/struck off/suspended.

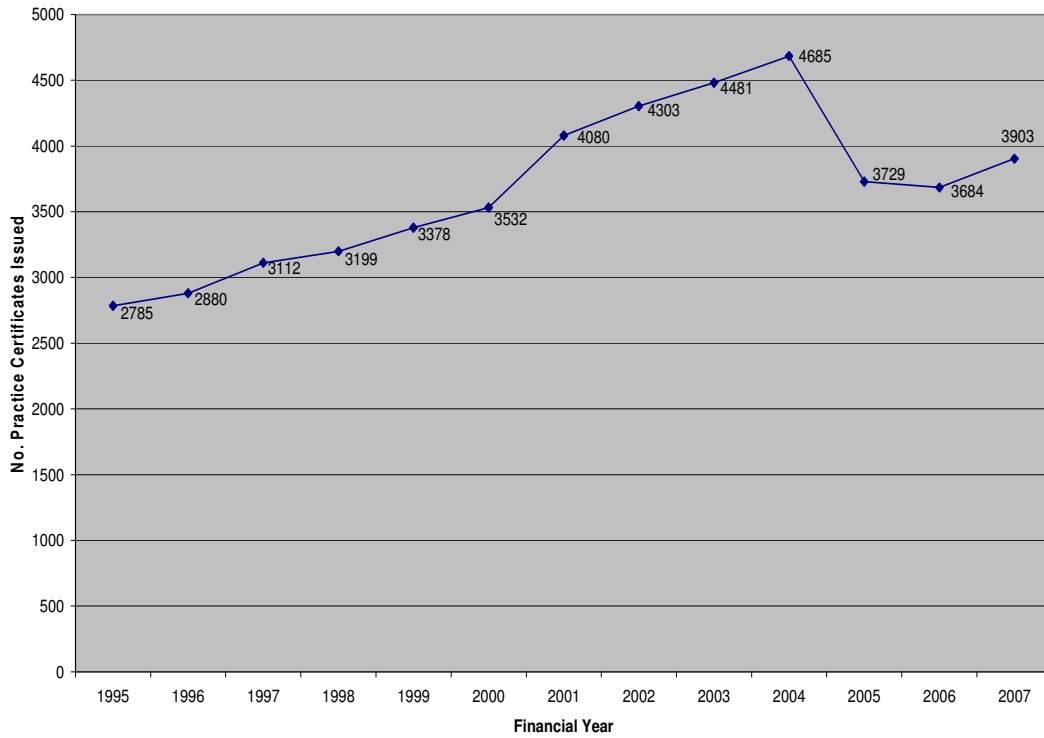
^{*} State Government employees who held a practice certificate during 2006 – 2007.

^{**} State Government employees taken to be certificated pursuant to Section 36 of the Legal Practice Act 2003.

3.3 Practice Certificates

The number of practice certificates issued during 2006/2007 was 3903 which represents a 6% increase in the number of certificates issued in the previous period.

CHART 1: Number of Practice Certificates Issued from 1995



4. ADMISSIONS & REGISTRATIONS COMMITTEE

Convener: Mr GR Donaldson SC.

Deputy Convener: No deputy formally appointed, however, Ms AM Liscia has undertaken the role of Acting Convener.

The Admissions and Registrations Committee ("A & R Committee") has been delegated the power and duty of the Board to deal with all matters relevant to:

- to articulated clerks;
- the admission of legal practitioners (pursuant to section 27(2) of the LPA and the *Mutual Recognition (WA) Act 2001* ("MRA");
- the imposition of conditions on practice certificates (practitioners admitted pursuant to the MRA and those applying for renewal pursuant to section 38(4) of the LPA);
- restricted practice matters;
- interstate practitioners; and
- registration of foreign lawyers.

4.1 Articles of Clerkship

Articles of clerkship (supplemented by the Articles Training Program) has, during the 2006/2007 year, remained the only form of pre-admission practical legal training in Western Australia.

Changes were made to the structure of the Articles Training Program that applied to all articulated clerks where the Deed of Articles was dated on or after 1 December 2006. More information is contained in the Report from the Director of the Articles Training Program.

4.1.1 Suitability Issues

In considering applications for registration of articles, the A & R Committee has a statutory obligation to consider the suitability of a prospective articulated clerk and principal. In considering the suitability of an articulated clerk the A & R Committee will have regard to, inter alia, whether the articulated clerk has disclosed convictions or other suitability matters within their application.

In considering the suitability of a practitioner to take an articulated clerk, the A & R Committee will have regard to, inter alia, whether a practitioner has a disciplinary record/s arising from proceedings before the SAT, the Legal Practitioners Disciplinary Tribunal or the LPCC, or is the subject of a pending matter/s before the LPCC or a pending Application/s by the LPCC in the SAT.

In circumstances where there may cause for concern with respect to a prospective Articled Clerk or Principal, the A & R Committee may defer consideration of an application pending receipt of further information. Having considered further information the A & R Committee may make a determination, or may conduct an Inquiry to determine whether:

- (a) it is satisfied that that a person is of good fame and character to be articulated to be a legal practitioner; or

- (b) to grant approval, pursuant to section 20(1)(c), for a legal practitioner to take an articled clerk.

4.1.2 Significant matters considered by the A & R Committee during the period under review were the following.

- An application for registration of articles from an applicant who had prior convictions related to alcohol-related health issues:

Registration was approved, subject to the provision of regular reports as to the steps that were being taken by the articled clerk to address the underlying health issues. The applicant was advised that the A & R Committee would address the issue of fitness for admission at the time the articled clerk made application for admission.

An application for assignment of the articles was considered and, in light of concerns as to the articled clerk's performance during service under articles, the A & R Committee approved the assignment, subject to the provision of regular reports from the principal and the articled clerk.

As at 30 June 2007 the A & R Committee was continuing to monitor the progress of the articled clerk.

- Allegations of plagiarism and poor performance of an articled clerk attending the Articles Training Program:

As at 30 June 2007 the articled clerk's eligibility to be admitted was still under review.

- A principal to two articled clerks was found to be in breach of the LPA in that the practitioner was not certificated on two separate occasions, and for more than a month on each occasion:

The A & R Committee considered that, as the principal was not an "unfit practitioner", he was able to retain the articled clerks. However, the periods during which the principal was uncertificated would not count as service under articles and accordingly the admission of the two articled clerks was delayed by approximately two months.

- The A & R Committee resolved that, although applicants are not required to disclose spent convictions, in the event that disclosure was made, the A & R Committee would make enquiry as to whether the prospective principal was aware of the spent conviction.

Details of Inquiries conducted by the A & R Committee are listed later in this report.

4.1.3 Five Year Articles of Clerkship

The system of "Five year articles of clerkship" was abolished when the *Legal Practitioners Act 1893* was repealed. However, clerks registered prior to 1 January 2004, have continued service under five year articles of clerkship.

Between 1 July 2006 and 30 June 2007, five clerks were admitted to practice and approval was granted for the cancellation of one registration.

As at 30 June 2007 four articled clerks are in the process of completing five year articles.

4.2 Admission of Legal Practitioners pursuant to the MRA

During the year under review, the A & R Committee dealt with applications for admission pursuant to the Mutual Recognition Act (“MRA”).

- In May 2006, in considering an application for admission pursuant to the MRA from an applicant who had been convicted in WA for fraud (prior to the applicant having been admitted to practice in NSW), the A & R Committee resolved that it could not provide a Certificate pursuant to section 28(1)(c) certifying that the applicant was of good fame and character.

This matter was heard before the Full Court on 5 December 2006. After hearing argument, the Court held that the application for admission be allowed and the applicant was admitted on 20 December 2006.

- In November 2006, in considering an application for admission pursuant to the MRA from an applicant who was the subject of a pending complaint in Queensland, the A & R Committee resolved that it could not provide a Certificate pursuant to section 28(1)(c).

This matter was initially heard before the Full Court on 5 December 2006. The Court formally postponed the application. Advice was subsequently received from the Legal Services Commissioner in Queensland that the Commission had completed its investigation and determined there was sufficient evidence to establish either unsatisfactory professional conduct or professional misconduct.

However, the Commission determined that, as the applicant was no longer practising in Queensland, there was no public interest in commencing proceedings.

The matter was re-listed and heard by the Full Court on 27 March 2007. The Court held that, given that no adverse finding had been made against the applicant, there was no basis for the Court to exercise its inherent jurisdiction and the applicant was subsequently admitted on 5 June 2007.

In considering these MRA matters, the Court revised the administrative arrangements for the processing of MRA applications, and issued a Practice Direction whereby (as the Court is the “local registration authority” for admission pursuant to the MRA), MRA applicants are required to apply for admission directly to the Court as of 1 July 2007.

As the Board is the “local registration authority” for entitlement to practice and the issue of practice certificates in WA. As of 1 July 2007, practitioners are required to lodge a Notice for Grant of Registration (annexing a copy of their current practice certificate) with the Board, if they wish to have a right of practice in WA pursuant to the MRA prior to their admission.

Following admission in WA, all practitioners must hold a current Western Australian practice certificate before engaging in legal practice (unless that practitioner is “taken to be certificated” pursuant to section 36 of the LPA).

A practice certificate cannot be issued until the A & R Committee has considered what conditions, if any, ought to apply thereto.

4.3 Admission of Legal Practitioners pursuant to section 27(2) of the LPA

The A & R Committee deals with applications for admission which are made pursuant to section 27(2) of the LPA.

A person intending to apply for admission pursuant to section 27(2)(a)(i) of the LPA is required to have, inter alia, "fulfilled the requirements as to the taking of a degree in law at a university specified in the rules".

A person intending to apply for admission pursuant to section 27(2)(a)(ii) and (b) of the LPA, is required to apply to the A & R Committee for assessment of his or her qualifications. Each application is considered on its own merits and a determination is made as to whether an applicant's qualifications are, in the opinion of the Board, substantially equivalent to a degree in law at a university specified in the Rules.

The fourth year of a Bachelor of Laws degree to be provided by Edith Cowan University was approved in March 2007 and the A & R Committee resolved to amend the Rules to include Edith Cowan University as the fourth approved university at which an approved degree in law can be obtained.

During the period under review the A & R Committee continued to consider drafts of "Uniform Principles for Assessing Qualifications of Overseas Applicants for Admission to the Australian Legal Profession".

At 30 June 2007, the project, which is being conducted by the Law Admissions Consultative Committee, was nearing completion.

4.4 Applications for Re-Admission

An application for re-admission (received in January 2005) remained active from the preceding year.

In December 2006 the Board resolved to hold an Inquiry pursuant to section 34(3) of the LPA to determine whether the applicant was suitable for re-admission. The matter was pending as at 30 June 2007.

4.5 Inquiries Pursuant to the LPA

The A & R Committee may conduct an Inquiry for the purpose of determining whether –

- a person seeking to be articled is of good fame and character [section 19(2)];
- a legal practitioner should be approved to take an articled clerk under s 20(1)(c) [section 20(2)];
- a person seeking a certificate under section 28(1)(c) is of good fame and character and fit and proper to be admitted [section 28(2)];
- a person is suitable for re-admission within the meaning of section 34(2) [section 34(3)].

During the period under review:

- In the previous period the A & R Committee had resolved to hold an Inquiry pursuant to section 20(2) as to whether a practitioner ought to be approved to take an articled clerk, given a disciplinary record relating to a

trust account matter. The Inquiry was conducted in November 2006 and the practitioner was approved.

- The A & R Committee resolved to hold 4 Inquiries pursuant to section 20(2). Two Inquiries did not proceed (at the request of the prospective principal) and two Inquiries were pending at the 30 June 2007.
- The A & R Committee resolved to hold 1 Inquiry pursuant to section 34(3). The matter was pending at 30 June 2007.

4.6 Conditions on Practice Certificates

Under section 40 of the LPA, the Board may issue a practice certificate unconditionally or subject to conditions.

The A & R Committee determines the imposition of conditions on practice certificates issued to practitioners admitted pursuant to the MRA.

When determining whether a practice certificate will be issued to a practitioner admitted pursuant to the MRA (who does not hold a practice certificate in the jurisdiction in which the MRA application is based) and if so whether it should be issued subject to conditions, the A & R Committee will consider, amongst other things:

- whether the applicant has completed service under articles of clerkship or a practical legal training course; and
- the length and nature of the applicant's post-admission practical experience as a legal practitioner.

In the year under the review the A & R Committee considered several requests for review of the attachment of a two year restricted practice period to practice certificates issued to practitioners who had been admitted pursuant to the MRA. Review was sought on the bases that:

- the two year restricted practice condition contravened the requirements of the MRA in that conditions must not be "more onerous" than would ordinarily be applied;
- the nature and length of the practitioner's pre-admission experience ought be taken into account; and/or
- post-admission experience as a Judge's Associate ought to be taken into account.

No request for review was successful and the A & R Committee provided extensive Reasons for Decision. None of the practitioners lodged a request for review of the A & R Committee's decision at the SAT.

The A & R Committee also considers applications for renewal of practice certificates from practitioners who have not held a practice certificate in this State during the preceding five years (section 38(4) of the LPA). When determining whether a practice certificate will be issued to a practitioner and if so whether it should be issued subject to conditions, the A & R Committee will consider, amongst other things, the practitioner's past practice particulars and/or other employment/personal particulars since the date the practitioner last held a practice certificate in Western Australia.

4.7 Restricted Practice

The A & R Committee has a statutory obligation to ensure that a practitioner who is subject to a restricted practice condition is appropriately supervised. The A & R Committee frequently considers submissions for approval to undertake restricted practice working under the supervision of a legal practitioner who is not otherwise authorised under the LPA to supervise a 'restricted' practitioner.

Applications are considered by the A & R Committee on their own merits, on a case by case basis. Matters relevant to the exercise of the A & R Committee's discretion are –

- length and nature of the post-admission experience of the prospective 'supervising practitioner';
- the capacity in which the practitioner currently practises and the nature of the legal work undertaken;
- the structure of the organisation, including details of other legal practitioners employed by the organisation and the nature of the legal work undertaken by those legal practitioners - with respect to the structure of the organisation, the A & R Committee will have particular regard to whether there is an established, clearly defined legal department.

The A & R Committee also considers applications to complete restricted practice on a part-time basis, secondments during restricted practice and approval of external supervision arrangements.

In April 2007 the A & R Committee gave authority to the Administrative Officer to process applications noting the satisfaction and lifting of restricted practice conditions administratively. Accordingly applications are only dealt with by the A & R Committee if there is an issue that requires consideration by the A & R Committee.

The A & R Committee resolved to develop "Restricted Practice Guidelines" to be published on the Board's website.

4.8 Interstate Practitioners

Pursuant to section 35(2)(c) and Part 7 of the LPA, an interstate practitioner who holds a current practice certificate in another Australian State/Territory and whose principal place of practice is in another State/Territory, is entitled to engage in legal practice in Western Australia.

Pursuant to Part 7 of the LPA, an interstate practitioner is required to lodge a Notice of Establishment of Office with the Board if an interstate practitioner "*offers and provides legal services to the public in this State from an office maintained by the interstate practitioner, or by the employer or a partner in legal practice of the interstate practitioner, for that purpose in this State*".

The processing of Notices of Establishment of Office and the development of "Guidelines" to facilitate the application of Part 7 of the LPA is pending before the A & R Committee.

4.9 Foreign Lawyers

There were no applications for registration as a Foreign Lawyer lodged during the period under review.

4.10 Applications to the State Administrative Tribunal

There were no requests for review of the A & R Committee's decisions lodged in SAT during the period under review.

4.11 Applications to the Australian Administrative Tribunal

There was one request for review of a decision of the A & R Committee lodged in the AAT during the period under review.

The applicant, who had been admitted pursuant to the MRA, requested a review of the A & R Committee's resolution to attach a two year restricted practice condition to the issue of a practice certificate. As the practitioner had advised the Board of intermittent periods of post-admission practise (totalling 19 months) in the 6 years since his admission to practice in NSW in 2001, the A & R Committee advised the practitioner that it was open for him to seek a reduction of the period of restricted practice by providing evidence from past employers of his periods of post-admission employment.

The application lodged at AAT was subsequently dismissed as, in the interim, the practitioner provided the requested evidence and completed the remaining period of restricted practice within WA. Accordingly, the A & R Committee lifted the condition from his practice certificate.

4.12 Statistics pertaining to matters considered by the Admissions & Registration Committee during 1 July 2006 to 30 June 2007

4.12.1 Articles of Clerkship Registrations

Registrations - Male articulated clerks	94
Registrations - Female articulated clerks	156
Total new registrations	250

Law Graduates from:	
University of Western Australia	116
Murdoch University	73
University of Notre Dame	53
Overseas Institutions	5
Interstate tertiary institutions	3

4.12.2 Notices for Registration Pursuant To Mutual Recognition (WA) Act 2001

Total lodged = 169

4.12.3 Admissions

Admitted pursuant to s27(2)(a) of the <i>Legal Practice Act 2003</i>	223
Admitted pursuant to s27(2)(b) of the <i>Legal Practice Act 2003</i>	4*
Admitted pursuant to Mutual Recognition (WA) Act 2001	167
Total new admissions	394

*of the 4 applicants admitted pursuant to s27(2)(b), one (1) was required to complete articles prior to admission.

New admissions - Male	176
New admissions - Female	218
Total new admissions	394

The 223 practitioners admitted pursuant to s27(2)(a) of the *Legal Practice Act 2003* were law graduates from:

Western Australian Institutions	206
▪ University of WA	91
▪ Murdoch University	65
▪ University of Notre Dame	50
Interstate tertiary institutions	2
From overseas institutions	10
Completed 5 years articles after having completed studies at the University of WA, Murdoch University and the University of Notre Dame, respectively	5

The 4 practitioners admitted pursuant to s27(2)(b) had previously been admitted:

England & Wales	1
South Africa	1
United States of America	1
Republic of Singapore	1

4.12.4 Assessments

17 assessments were made for approval of qualifications pursuant to s27(2)(a)(ii) for law graduates from:

Interstate Law Degrees:		4
India	1	
Scotland	3	
South Africa	1	
United Kingdom	8	
Total Overseas Law Degrees		13
Total		17

36 Assessments were made for approval of qualifications and experience pursuant to s27(2)(b) for practitioners previously admitted in the following jurisdictions:

Israel	1
Both India & UK (Qualifications in India)	1
Malaysia (Qualifications in UK)	4
Malaysia (Qualifications in Tasmania)	1
Malaysia (Qualifications in Victoria)	1
Malaysia & UK (Qualifications in UK)	1
Malaysia & NZ (Qualifications in NZ)	1
Sri Lanka	1
Sri Lanka (Qualifications in UK)	1
Singapore	1
South Africa	10
Both South Africa & UK (Qualifications in South Africa)	1

United Kingdom	10
Both UK & Singapore (Qualifications in UK)	1
Both Hong Kong & UK (Qualifications in NSW)	1
Total Admitted Overseas	36

4.12.5 Foreign Lawyers

There have been no foreign lawyers registered with the Board in the year under review.



5. PROFESSIONAL AFFAIRS COMMITTEE

Convenor: Mr MH Zilko SC
Deputy Convenor: Mr GMG McIntyre SC

The Professional Affairs Committee exercises powers delegated to it by the Board in relation to the following areas –

- the issue of practice certificates;
- the imposition of conditions on practice certificates;
- monitoring of trust accounts;
- business structures ;
- unqualified and prohibited practice; and
- general professional conduct matters.

5.1 Unqualified and Prohibited Practice: Part 9 of the LPA

5.1.1 Unqualified Legal Practice

The Board is responsible for investigating and instituting proceedings against unqualified persons who perform legal work for reward or who hold themselves out as admitted legal practitioners. These matters are considered by the Professional Affairs Committee and referred to the Board's solicitors for investigation and possible prosecution.

Since 1996, the Board has considered and investigated over 100 major complaints. A significant number of these matters involve several complaints against the one person requiring separate investigations. Additionally, a number of matters involve ongoing behaviour in breach of the Act and may run for several years.

During the year under review, the Board received 33 new complaints. This is an increase from the 27 complaints received during the previous reporting period. Nine of these complaints were referred to the Board's solicitors for investigation and possible prosecution.

The investigation and prosecution of persons holding themselves out as legal practitioners for reward is an area which absorbs a significant proportion of the Board's financial resources. Going forward, the Board is aiming to increase its in-house legal capabilities. The Board commenced this initiative by employing a certificated legal practitioner to support the Committee towards the end of the reporting period.

It is an ongoing concern that the community is being disadvantaged by persons offering so called 'legal services' without the appropriate legal training and with no financial protection against claims of negligence and/or unprofessional conduct. The Board encourages the profession to continue to bring these matters to its attention and, if in any doubt, to check with the Board to determine whether or not a person is an admitted legal practitioner in this State.

5.1.2 Uncertified Legal Practitioners

The Professional Affairs Committee considers the late renewal of annual practice certificates and instances of practitioners apparently engaging in legal practice whilst uncertificated. Practitioners are invited to provide submissions as to the circumstances of their late renewals and/ or possible uncertificated

legal practice. The Committee will then use its discretion in determining whether a matter should be referred to the LPCC.

These matters place a continuing drain on the Board's resources and thereby represent a cost to the whole profession. The Board is particularly concerned at the apparent lack of awareness of, or the failure to give due regard to, an individual practitioner's professional obligations under the LPA. Employed practitioners need to be aware that it is not sufficient to assume that an employer will have systems in place to attend to such matters. In the vast majority of cases that is so, but the Board has noted examples where firms, whether non-legal corporations who employ legal practitioners, small legal firms and even large legal firms, cannot be assumed to have systems in place or if they have systems, it cannot be assumed that the system is always adhered to.

During 2006/2007 a total of 162 practitioners were referred to the Professional Affairs Committee for apparently engaging in the practice of law whilst uncertificated. This is a slight decrease on the last reporting period. Sixty-eight practitioners were uncertificated for a period of less than 14 days and 94 were uncertificated for a period in excess of 14 days. Of these 96 were a consequence of the late renewal of a practitioner's practice certificate and occurred during the period of July and August. This is a decrease of 16% on the last reporting period. A percentage of these late applications were from practitioners either taking a break from the law and/or outside the jurisdiction and neglecting to either renew on time or inform the Board of their change in circumstances. However the Board is required to follow up every instance until the situation for each practitioner is determined and regrettably this all too frequently can take several months.

A further 66 practitioners were referred to the LPCC during the remainder of the period under review. This is an increase of 25% on the last reporting period.

Analysing the circumstances as set out in the submissions provided by practitioners who were referred to Professional Affairs Committee, it seems uncertificated legal practice most commonly arises out of the following situations:

- practitioners applying for a practice certificate after they had commenced employment;
- practitioners leaving employment where they were taken to be certificated by virtue of section 36 of the LPA for new employment and not obtaining a practice certificate;
- practitioners not applying for a practice certificate when working as 'in house counsel'; and
- practitioners not applying for a practice certificate immediately following admission as a legal practitioner of the Supreme Court of Western Australia.

5.1.3 Renewal of Practice Certificates

For those seeking to renew their practice certificates, correctly completed applications and payment must be lodged with the Board by 30 June in order that practice certificates are issued with effect from 1 July.

Applications received after 30 June (the expiry date of the preceding year's practice certificate) take effect on the date upon which a complete and correct

application is lodged with the Board, or if extenuating or exceptional circumstances exist, such earlier date as is determined by the Board.

The Board endeavours to complete the fields on the application form with information contained within the Board's database. This reduces the workload for Board staff and allows the practitioner to monitor the information held by the Board.

With regard to the practice certificate renewal period:

- 22 practice certificate renewal forms were received up to one week late;
- 52 practice certificate renewal forms were received between one week and one month late; and
- 22 practice certificate renewal forms were lodged over one month late.

5.2 Conditions on Practice Certificates

Pursuant to section 40 of the LPA, the Board may issue a practice certificate unconditionally or subject to conditions. The Board may also add to, vary or revoke a condition of a practice certificate, whether or not the certificate was originally issued unconditionally. The Act contains a list of possible conditions at section 40(3). This list is not exhaustive but includes:

- (a) restricting the entitlement of the holder of the certificate to practise to certain specified classes of legal practice;
- (b) prohibiting the holder of the certificate from engaging in certain specified classes of legal practice;
- (c) requiring the holder of the certificate to undertake all legal practice or certain specified classes of legal practice subject to supervision of a specified type;
- (d) requiring the holder of the certificate to engage in legal practice only in a type or types of legal practice or in the employment of a specified person;
- (e) requiring the holder of the certificate to undertake and complete to the satisfaction of the Board legal education or training of a type or types specified by the Board;
- (f) requiring the holder of the certificate to undergo periodic medical examinations which will be the subject of reports to the Board; and
- (g) requiring the holder of the certificate to cease employing a specified person or persons.

During the period under review, the Board monitored eleven practitioners' compliance with various conditions attached to their practice certificates. Six of these practitioners had new conditions imposed by the Board during the reporting period, with the remaining five practitioners having conditions carried forward from the previous reporting period.

The majority of conditions imposed by the Board during the reporting period related to cases where the relevant practitioner was suffering from a mental health condition. The Board is concerned with the urgent need to educate the profession regarding the management of mental health issues. The increasing occurrence of mental health in the profession was reflected in a survey produced in April 2006 by Beyondblue, the national depression initiative, which suggests that the legal profession has the highest proportion of workers suffering from depressive symptoms.

Other conditions were imposed by the Board following –

- concerns arising out of the conduct of practitioners;
- notice to the Board that a practitioner had entered into bankruptcy or a Part X Arrangement; and
- a practitioner’s failure to pay outstanding costs to the Board.

5.3 Appointment of Supervising Solicitors

Pursuant to Section 151(1) of the LPA, the Board has the special power to appoint a supervising solicitor to a legal practice. The necessity for such an appointment is most likely due to the death of a practitioner or the suspension of a practitioner from practice.

During the period under review three new appointments were made.

5.4 Business Structures

Refer to the section entitled “Profile of the Current WA Legal Profession” - *New Business Structures* in paragraph 3.1 of this report.



6. MANAGEMENT COMMITTEE

Convenor: Mr R Cock QC

Deputy Convenor: Ms AM Liscia

The Management Committee exercises powers delegated to it by the Board in relation to the management of the Boards human, physical and financial resources.

6.1 Human Resources

The Management Committee determines policy in relation to the appointment and management of Board staff and directs the implementation of policy.

The year under review saw the number to the staff increase with additional staff being employed in all four divisions of the Board. Additional senior staff were employed at the Articles Training Program to assist with the delivery of the new course structure. Due to the ever increasing demands placed on the Board in the area of professional conduct, unqualified or prohibited practice and the appointment of supervising solicitors, a legally qualified Professional Affairs Officer was appointed to provide advice and support to the Professional Affairs Committee. A legally qualified Legal Research Officer was appointed to provide the Board with in depth research and advice on current issues facing the Board and to assist the Board with the implementation of the forthcoming Continuing Legal Education scheme.

Additional legal officers have been employed to assist the Law Complaints Officer with the aim of reducing the number of outstanding complaints.

The Board now employs an additional librarian who is assigned to the branch library at the Central Law Courts. This position, whilst employed by the Board, continues to be funded by the Department of the Attorney General.

Following the resignation of the Secretary and General Manager in April 2007, the Management Committee restructured the position. After implementing an extensive recruitment process, the position has recently been filled.

6.2 Physical Resources

Additional office space was obtained and refitted early in the year under review for the offices of the LPCC, enabling the accommodation of additional legal officers to assist the Law Complaints Officer.

The IT system at the Articles Training Program has undergone a major overhaul to be able to provide better resources for the clerks attending courses and to complete the alignment of all divisions of the Board onto a standard operating system.

The Board has commissioned architects to design a refurbishment of the Offices of the Board at Hay Street, with the project expected to commence in early 2008.

6.3 Financial Resources

The financial relationship between the Board and the State Government has come under review during the reporting year. Although the Board is mainly self funded, approximately 10% of its funding comes from the State Government.

Currently the State Government contribute toward the cost of maintaining the Law Library and also fund the cost of the accommodation and associated expenses of the Offices of the Board and the Legal Practitioners Complaints Committee. This financial relationship is still being reviewed by the government.



7. LEGAL EDUCATION COMMITTEE

Convenor: Ms CH Thompson

Deputy Convenor: Mr J Syminton to December 2006; Ms AM Liscia from December 2006

The Legal Education Committee ("LEC") is responsible for administering a scheme of Continuing Professional Development ("CPD") for Western Australian legal practitioners.

Because of doubts regarding the Board's legislative powers to implement a scheme of CPD for the profession, the LEC was only required to meet once in the year 2006-2007. At that meeting, in December 2006, the Convenor reported on developments in CPD throughout Australia and recommended a series of amendments to the Board's draft policy, including amending its name from Mandatory Continuing Legal Education to CPD.

It is hoped that a sufficient legislative basis for the introduction of CPD will be introduced in 2007-2008, enabling the Board to implement its stated policy of CPD. To that end, the Committee anticipates 2008 will be an active year for the Committee given the introduction of the Legal Profession Bill.

8. REPORT FROM THE LAW LIBRARIAN

The role of the Law Library at the Supreme Court is to provide a comprehensive legal reference and research facility for the legal profession in Western Australia.

Its objective is to serve the Judiciary, the legal profession and other eligible users, through the provision of a high quality legal research collection associated with professional support services. The Law Library also administers a branch library on the sixth floor of the Central Law Courts building

8.1 Work of the Law Library Committee

The Hon. Justice Hasluck chairs the Law Library Committee which meets on a monthly basis and provides support for the Law Libraries and advice on the libraries to the Board. The main focus this year has been the planning for the future of the Law Library, giving consideration to the need to define its position within the legal and general community of Western Australia. Recommendations arising from the community forum held the previous year form the basis for much of the planning.

8.2 Key Result Areas for 2006 / 2007

8.2.1 Collections and Services

The main focus for collection development is ensuring that the legal material accessible in the libraries continues to meet the information needs of the legal community in Western Australia. Discussions with stakeholders re-affirm that there is the expectation the Law Library will continue to hold and preserve the most authoritative copies of primary and secondary material, as well as to provide access to an appropriate range of online information sources.

8.2.2 Preservation

A binding program continues in order to maintain and preserve the collection. During the past financial year 455 volumes were bound and 19 of the older reports expertly repaired. A successful application was made to the Public Purposes Trust for a grant to restore two sets of Howell's State Trials.

8.2.3 Resource Development

The range of online legal research material continues to grow as the expenditure on acquisitions reflects.

New Acquisitions – Supreme Court Law Library and Central Law Courts Branch Library from 1 July 2006 – 30 June 2007.

	Supreme Court	Central Law Courts	Total
Serials	\$ 391,665.00	\$ 101,347.00	\$ 493,002.00
Monographs	\$ 18,144.00	\$ 3,867.00	\$ 22,011.00
Electronic publications	\$ 149,992.00	N/A*	\$ 149,992.00
	<hr/>	<hr/>	<hr/>
	\$ 559,791.00	\$ 105,214.00	\$ 665,005.00

* Supreme Court cost centre.

8.2.4 Services

The provision of court judgments, both onsite and remotely, was facilitated by the continued support and administration of PLEAS (Practitioner Legal Electronic Access Service) on behalf of the Board. The Law Library also offers a weekly judgment catchword alerting service. During this financial year email delivery was implemented, resulting in an increased number of subscribers to the service. Off-site document delivery requests from country and other practitioners are steadily increasing as well as Inter-library loans from other law libraries.

The use of the library catalogue available online via the Internet from the Board's web page is increasing. The catalogue software was upgraded this year in order to maintain currency and enhance the functionality of the web browser.

8.2.5 Promoting Legal Information Literacy

The Law Library continues to be active in promoting information literacy by means of library induction tours and training sessions. The Law Library took part in the Court's Summer Clerk program in December. Two groups received library orientation training.

During the first four months of 2007, 86 Articled Clerks in 16 groups were instructed on the resources available in the library and during January, the Law Library participated in the Court Services Associate Induction Program for the annual intake of new judicial support staff.

One to one training, especially in the use of the various online products is given by the Librarians to library users on a daily, as needs, basis.

The Library contributed to Law Week in May 2006 by setting up a display of library material in the foyer of the Supreme Court. The display indicated how the resources of the Law Library support the function of legal processes.

8.3 Staff

Debra Harvey, the librarian assigned to the branch library at the Central Law Courts, transferred to the Legal Aid library in January 2006. Services at the branch library are now maintained by the librarians on a rostered system.

Ms. Erin Smith joined the library team as Legislation Officer and Ms. Belinda Eisenhower as Librarian on a six-month contract.

A trainee, Krystal Websdale, spent six weeks working in the library during the first half on 2007 as part of the Court Services traineeship initiative.

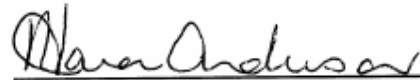
There has been a strong focus on the professional development this year. In total, staff attended 165 hrs of training sessions and seminars. These include training sessions given by publishers throughout the year on searching online products, copyright seminars, seminars on legislation and parliamentary procedure, training in safe manual handling and first aid courses.

Librarians have participated in professional training and workshops presented by the Australian Law Librarian's Group and all staff had the opportunity to attend sessions of the Australian Library and Information Association conference which was held in Perth during September 2006. The Law Library

contributed to this conference by participating in the library tour program devised for conference delegates.

The Librarian attended the annual Law Librarian's symposium in Melbourne during September 2006. She also attended the AIJA Court Librarian's meeting which was held in conjunction with this symposium.

I would like to thank library staff for the enthusiastic team work during 2006/2007 which enabled The Law Library to respond effectively to evolving legal information needs and expectations in the legal community.

A handwritten signature in black ink, appearing to read "Alice Anderson", written over a thin horizontal line.

Alice Anderson
Law Library Manager
November 2007



9. REPORT FROM THE ARTICLES TRAINING PROGRAM DIRECTOR

9.1 Introduction

Post graduate pre admission training of legal practitioners in Western Australia is by way of Articles of Clerkship. Typically law graduates complete 12 months articulated to a Principal who must be a legal practitioner approved by the Board. During the period of articles, clerks must complete a course of structured training and assessment at the Articles Training Program ("ATP"). The course covers practical legal skills reasonably expected of an entry level lawyer. In requiring all clerks to complete the course the Board ensures as far as is practicable that all applicants for first time admission have the minimum level of competence in the Skills, Values and Practice Areas taught and assessed at the ATP.

During the second half of 2006 the ATP commenced a new format of course structure.

9.2 Core Course

Pursuant to the provisions of the Rules, all Articled Clerks must complete a four week Core Course at the ATP. The first of the Core Courses commenced in June 2006.

The Core Course has been designed to train and assess clerks in the Elements of the Assessment Criteria described in the Competency Standards for Entry Level Lawyers in the Uniform Admission Rules for the following Skills, Values and Practice Areas:

Skills	Practice Area	Values
Business skills	Civil Litigation	Ethics and Professional Responsibility
Lawyer's skills	Consumer Law	
Trust and office Accounting	Criminal Law	
Work Practice Management		

During the Core Course clerks are trained and assessed using a variety of teaching and assessment methods. Much of the training is via participation in practical exercises. Some of the exercises are carried out in collaboration with other clerks, and some are completed individually. Each assessment exercise is designed to assess a number of the Elements of the Assessment Criteria across the Skills, Practice Areas and Skills described above.

Clerks are provided with comprehensive written and oral feedback on all aspects of their assessment tasks and have the opportunity to resubmit work for further assessment if their work is judged not to meet the minimum level of competence for an entry level lawyer. Clerks complete around 25 pieces of assessment during the four week Core Course. In addition to the group

teaching sessions, teaching staff are available to provide clerks with individual assistance as required.

Clerks are encouraged to provide feedback on all aspects of ATP course. It is pleasing that via this feedback we know that most clerks appreciate and understand the aims of the course and acknowledge the benefit of the course, particularly the practical nature of much of the content.

During the second half of 2006 the ATP delivered 5 Core Courses. Each course operated with the maximum number of enrolments, viz 40 clerks.

9.3 Optional Courses

9.3.1 Commercial and Corporate Practice

Following amendments to the Rules, clerks who registered their articles with the Board on or after 1 December 2006 must lodge with the Board an Undertaking As to Practical Legal Training, advising the Board of the terms of the agreement reached between the clerk and the clerk's Principal as to whether the clerk's PLT in Commercial and Corporate Law Practice and Property Law Practice will be by way of:

- attendance at optional courses run by the ATP in those subjects; or
- by or on behalf of the Principal.

The Optional Courses operated by the ATP are scheduled to commence in the second half of 2007. Preparation of the course content and assessment tasks has been undertaken during the current reporting year.

9.3.2 Trust and Office Accounting

The ATP continues to operate a two day intensive Basic Accounting Course which must be completed by all clerks who have not completed an introductory accounting unit at tertiary level. This course is designed to teach and assess some of the Elements described in the trust and Office Accounting Skill.

9.4 Staff

Director	Ms Deborah Milton
Senior Lecturers	Ms Natalie Kent (until March 2007) Ms Lisa Abbott (until March 2007) Ms Franca Sala Tenna Ms Catherine Stokes (from April 2007) Ms Paula Conway (from May 2007)
Course Administrator Assistant to CA	Ms Linda Norrish Mrs Amanda Ferrante

9.5 Links with the Profession

In addition to the practitioner instructors, who include members of the independent bar, the private profession and government lawyers, the ATP has maintained its links with the profession during the reporting period. Ms Milton has continued as a tutor at the University of Western Australia and has served on the Clear Writing Committee of the Law Society. She is a member of the

Executive of APLEC and attended Heads of Courses meetings in Sydney and Melbourne during the reporting period.

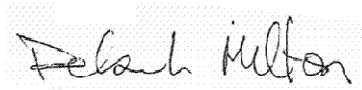
Ms Sala Tenna has undertaken some training and duty lawyer work with the Legal Aid Commission in conjunction with her work primarily in the Criminal law Practice component of the Core Course.

Professional staff are members of the Law Society of Western Australia and are encouraged to participate in appropriate seminars.

9.6 Issues for the Future

The 2007-08 year will see the implementation of the Optional Courses. There will be significant challenges in this regard in recruiting suitably qualified members of the profession to assist in the preparation of materials and to participate in teaching sessions. Another challenge is to ensure that the necessary teaching and assessment can be completed within the period of the three days allocated for the courses.

Consolidation and refinement of all aspects of the training and assessment carried out at the ATP is an ongoing challenge.



**Deborah Milton
Director**



10. REPORT FROM THE SENIOR TRUST ACCOUNT INSPECTOR

10.1 Current Situation

The Board continues to employ one trust account inspector, funded by the Legal Contribution Trust.

10.2 National Model Bill

Western Australia and South Australia are the only two States who have yet to adopt the model Bill, however our Bill is currently tabled in Parliament.

This Bill has enabled the legal profession to establish various standard approaches to specific issues affecting the legal profession. One of the issues is the procedures for trust accounting and providing a uniform approach when dealing with practitioners, auditors and any other parties dealing with trust moneys.

At the recent national conference of regulatory officers, various audit forms were established to standardise our approach when dealing with practitioners and auditors all over Australia. This will assist all parties to understand their obligations and provide continuity of format of documents to be used when dealing with trust accounting.

10.3 Inspections 2007

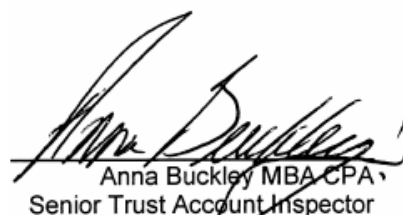
From inspections undertaken in 2007, it is apparent that practitioners are still not placing enough emphasis on the reconciliation process of their trust bank account in line with the requirements of the Rules.

During the year, various complex investigations have been undertaken which have consumed a great deal of my resources. A small number of other trust account inspections were also completed.

10.4 Seminars

This year I conducted seminars for practitioners on 22 May 2007 (with 94 attendees in the city) and 12 May 2007 (with 15 attendees in Bunbury).

It is intended that the country seminar should be continued every two years so that the country practices can receive training in the trust accounting area. I hope to establish further seminars directed at bookkeepers dealing with the actual day to day requirements of managing a trust bank account for legal practices.



Anna Buckley MBA CPA
Senior Trust Account Inspector

December 2007

11. OTHER LEGAL REQUIREMENTS

11.1 Equal Employment Opportunity Outcomes

The Board is committed to promoting Equal Employment Opportunity ("EEO") for all its employees and has devised policy statements with a view to encouraging and supporting staff development and new staff employment opportunities.

Data for the CEO's Performance Agreement and the Board's responses to the EEO Initiatives collected by the Office of Equal Employment Opportunity are reproduced below.

Data for your CEO's Performance Agreement and your Annual Report for financial year ending 30 June 2007

Date: 30/06/07

Organisation Code:

341

Agency: Legal Practice Board of WA

	% Actual Representation	Equity Index	2007 Objective set by your agency (%)	% Above or below objective
Women Management Tiers 2 & 3	100.0	103	*	-
People from Culturally Diverse Backgrounds	20.8	-	*	-
Indigenous Australians	0.0	-	*	-
People with Disabilities	2.1	-	*	-
Youth	11.3	N/A	*	-

- A meaningful Equity Index can not be calculated for a diversity group with less than 10 individuals.

* No objective set

Noted by CEO

Yearly Reporting

Equal Employment Opportunity - Initiatives

Please provide the name and contact details of the person responsible for preparation and monitoring of your office's EEO Management Plan.

First Name: Anna
 Surname: Liscia
 Position Title: Chairperson
 Phone Number: 9325 1311
 Email: lpblaw@bigpond.com

- Q1. Has your agency resurveyed its staff in the last 3 years using either:
- a. the updated OEE0 recommended Diversity Questionnaire, or
 - b. a customised survey that includes the OEE0's Diversity questions?

No

Q2. What were your organisation's Key EEO Initiatives implemented in 2006-07? Please list and provide the respective outcomes using the table below.

Upon employment, new staff are provided with copies of the Board's equal opportunity policy and elimination of harassment in the workplace policy. Approximately 30% of the Boards employees are part time and the Board supports flexible work arrangements for their staff which assists staff in maintaining a work/life balance.

During 2006-07, a climate survey was completed by staff which indicated some positive views on the acceptance of part time and flexible work arrangements, a culture that supports work life balances and an acceptance of all diversity groups.

Q3. Looking forward, what opportunities and/or risks have you identified for attention in the year ahead?

At this stage, no risks or opportunities have been identified for the forthcoming year.

Q4. If you intend to review or re-submit your EEO Management Plan in the year ahead, would you like some assistance in this process from the Office of EEO? (please delete options not applicable)

Yes

11.2 Public Sector Standards and Ethical Codes

In accordance with section 31(1) of the *Public Sector Management Act* 1994, the Board provides the following information regarding compliance with the relevant standards and codes.

Compliance Issues	Significant action taken to monitor and ensure compliance
Public Sector Standards (PSS) <ul style="list-style-type: none"> • Nil breach claims 	<ul style="list-style-type: none"> • Information about Standards is provided at recruitment • A climate survey was undertaken during 2006-2007 • Training is provided to persons on recruitment panels to ensure compliance with relevant Standards
WA Code of Ethics <ul style="list-style-type: none"> • Nil reports on non compliance with WA Code of Ethics 	<ul style="list-style-type: none"> • WA Code of Ethics forms part of the induction materials • Any change to the WA Code of Ethics is distributed to all staff • Policies are consistent with ethical principles

Compliance Issues	Significant action taken to monitor and ensure compliance
Agency Code of Conduct <ul style="list-style-type: none"> • Is currently being developed 	

11.3 Recordkeeping Plans

The Board will be evaluating the efficiency and effectiveness of the organisation's recordkeeping systems in March 2008.

The Board has yet to adopt a recordkeeping training program. It is however an initiative that will be developed in June 2008 and implemented by August 2008. Within this reporting year, staff have been attending various training courses covering such topics as Implementing an EDRMS, keyword classification and records disposal.

Understanding employee roles and responsibilities is a key to the successful workings of the Board and therefore as an integral part of the organisation's induction program. While the Board is spread over five sites every effort is made to ensure that all new employees have the opportunity to visit all sites and getting to know their colleagues and their roles.



12. GOVERNMENT POLICY REQUIREMENTS

12.1 Corruption Prevention

The Board has acknowledged the risk of corruption when managing organisational risk. As part of the induction of new staff, they are trained in the policies, practice and procedures of the Board in dealing with private and confidential information collected and held by the Board.

During meetings of the Board and its Committees, the policy of the disclosure of conflicting interests and the related self-disqualification from deliberating a matter because of a potential rise of conflicting interests is strongly upheld and adhered to.

The Board in the reporting year did not have a written strategy for identifying, managing and preventing misconduct and corruption.

13. SPECIAL PURPOSE FINANCIAL REPORT

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**Special Purpose Financial Report
For the financial year ended 30 June 2007**

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

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Cash Flow Statement	6
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LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

STATEMENT BY CHAIRPERSON

For the year ended 30 June 2007

As detailed in Note 1 to the financial statements, the Legal Practice Board of Western Australia is not a reporting entity because in the opinion of the Board it is unlikely that users of the financial report exist, who are not themselves in a position to prepare reports to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the Board's reporting requirements under Sections 14, 15 and 17 of the Legal Practice Act 2003.

The Board declares that:

- a) The attached financial statements and notes thereto comply with accounting standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the entity;
- c) In the Boards' opinion, the attached financial statements and notes thereto are in accordance with the Legal Practice Act 2003; and
- d) In the Boards' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



Ms A Liscia
Chairperson

Date: _____
Perth WA

14/12/07

Independent Auditor's Report to the Legal Practice Board of Western Australia

We have audited the accompanying financial report, being a special purpose financial report, of Legal Practice Board of Western Australia, which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Statement by the Chairperson as set out on page 1 and pages 4 to 22.

The Responsibility of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of Sections 14, 15 and 17 of the Legal Practice Act 2003 and are appropriate to meet the needs of the Board. The responsibility of the Board also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Board. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

Deloitte.

The financial report has been prepared for distribution to the Board for the purpose of fulfilling the Board's financial reporting requirements under Sections 14, 15 and 17 of the Legal Practice Act 2003. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Board, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Legal Practice Board of Western Australia as at 30 June 2007 and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Peter Rupp

Partner

Chartered Accountants

Perth, 14 December 2007

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
BALANCE SHEET
AS AT 30 JUNE 2007

	Note	<u>2007</u>	<u>2006</u>
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	3	6,466,853	5,788,641
Trade and Other Receivables	4	228,485	317,258
Other	5	181,300	86,994
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		6,876,638	6,192,893
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Plant and Equipment	6	441,601	370,664
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		441,601	370,664
		<hr/>	<hr/>
TOTAL ASSETS		7,318,239	6,563,557
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and Other Payables	7	342,602	362,939
Provisions	8	279,089	278,434
Income in Advance	9	3,771,044	3,504,501
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		4,392,735	4,145,874
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Provisions	10	101,868	91,068
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		101,868	91,068
		<hr/>	<hr/>
TOTAL LIABILITIES		4,494,603	4,236,942
		<hr/>	<hr/>
NET ASSETS		2,823,636	2,326,615
		<hr/>	<hr/>
EQUITY			
Retained Earnings	11	2,823,636	2,326,615
		<hr/>	<hr/>
TOTAL EQUITY		2,823,636	2,326,615
		<hr/>	<hr/>

Notes to the financial Statements are included on Pages 8 to 22

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	<u>2007</u> \$	<u>2006</u> \$
REVENUE			
Office of the Board	12	4,665,733	4,301,657
Articles Training Program	13	564,000	324,136
Trust Account Inspector	14	123,310	115,466
Legal Practitioners Complaints Committee	15	133,925	250,782
Law Library	16	194,855	163,648
Other Income	17	331,204	-
		-----	-----
TOTAL REVENUE		6,013,027	5,155,689
		-----	-----
EXPENDITURE			
Office of the Board	12	1,293,251	1,111,280
Articles Training Program	13	673,059	627,953
Trust Account Inspector	14	114,628	108,597
Legal Practitioners Complaints Committee	15	2,002,300	1,708,334
Law Library	16	1,101,564	1,040,343
Other Expenditure	17	331,204	-
		-----	-----
TOTAL EXPENDITURE		5,516,006	4,596,507
		-----	-----
Profit for the year	11	497,021	559,182
		-----	-----

Notes to the financial Statements are included on Pages 8 to 22

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	<u>2007</u>	<u>2006</u>
		\$	\$
Cash flows from operating activities			
Receipts from customers		5,744,793	5,210,702
Payments to suppliers and employees		(5,082,368)	(4,392,029)
Interest received		<u>200,653</u>	<u>215,334</u>
Net cash provided by operating activities	19(b)	<u>863,078</u>	<u>1,034,007</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(184,866)	(94,717)
Proceeds from sale of property, plant and equipment		<u>-</u>	<u>-</u>
Net cash used in investing activities		<u>(184,866)</u>	<u>(94,717)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>-</u>	<u>-</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>678,212</u>	<u>939,290</u>
Cash and cash equivalents at the beginning of the financial year		5,788,641	4,849,351
Cash and cash equivalents at the end of the financial year	19(a)	6,466,853	5,788,641

Notes to the financial Statements are included on Pages 8 to 22

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings \$
Balance at 1 July 2005	1,767,433
Profit for the year	<u>559,182</u>
Total recognised income and expense for the year	559,182
Balance at 30 June 2006	<u>2,326,615</u>
Balance at 1 July 2006	2,326,615
Profit for the year	<u>497,021</u>
Total recognised income and expense for the year	497,021
Balance at 30 June 2007	<u>2,823,636</u>

Notes to the financial Statements are included on Pages 8 to 22

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2007

1. Summary of Accounting Policies

General System of Accounting Underlying the Financial Statements

The Legal Practice Board is not a reporting entity because there are unlikely to exist users of the accounts who are dependent on general-purpose financial reports of the entity for information. These accounts are therefore a "Special Purpose Financial Report".

This special purpose financial report has been prepared to satisfy the Board's accountability requirements under Section 14, 15 and 17 of the Legal Practice Act 2003.

The financial report has been prepared on the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'

Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The historical cost convention has been adopted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007; the comparative information presented in these financial statements for the year ended 30 June 2006.

Accounting Policies which have been significant in the Preparation and Presentation of the Accounts

a) Depreciation

All assets are carried at cost less provision for depreciation. Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset during its expected useful life to its estimated residual value at the following rates:

Legal Practice Board	15 – 27%
Law Library	15 – 27%
Legal Practitioners Complaints Committee	15 – 27%
Trust Account Inspector	15 – 27%
Articles Training Program	15 – 27%

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2007

1. Summary of Accounting Policies (cont'd)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

All purchases incurred for library publications or replacement publications, are expended in the purchase period rather than capitalized. In the opinion of the Board, the estimated insurance value of library books is approximately \$5,000,000. As residual value of Law Library books exceeds net costs, Law Library books are not depreciated.

b) **Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Defined Contribution Plans

Contributions to defined contribution superannuation plans are expensed when incurred.

c) **Property, Plant and Equipment**

All plant and equipment received as donations are brought to account at fair value in the financial report as revenue and assets of the Board.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

d) **Income Tax**

The entity is exempt from income tax under s.23 (d) of the Income Tax Assessment Act (1936).

e) **Revenue Recognition**

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Grants

Government grants are assistance by the government in the form of transfer of resources to the Legal Practice Board where there are no conditions specifically relating to the operating activities of the Legal Practice Board other than the requirements imposed on the Board under the Legal Practice Act 2003.

Other grants are assistance from the Public Purpose Trust for the purchase of specific library resources.

Grants relating to income are recognised as income over the period necessary to match them with the related costs. Government grants that are receivable as compensation for expenses already incurred are recognised as income in the period it becomes receivable.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

1. Summary of Accounting Policies (cont'd)

Certifications

Revenue from the issuance of certifications is recognised proportionately over the period to which the certification relates.

Rendering of Services

Revenue to provide services is recognised in the period to which the services relate.

f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except: Where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognized as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

g) Impairment of assets

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where the carrying values exceed the recoverable amount, the asset is written down to the recoverable amount.

h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in term deposits.

i) Provisions

Provisions are recognised when there is a present obligation as a result of a past event that will likely require settlement of the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2007

1 Summary of Accounting Policies (cont'd)

j) Financial Assets

Receivables

Receivables are recognised and carried at the original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The provision for doubtful debts is raised where there is objective evidence that the Board will not be able to collect the debt. Receivables are measured at cost less impairment.

k) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

l) Resources received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate at fair value.

m) Adoption of new and revised Accounting Standards

At the date of authorisation of the financial report, the following Standards and Interpretations issued by the IASB/ IFRIC where an Australian equivalent has not been made by the AASB, were in issue but not yet effective:

AASB 7 'Financial Instruments: Disclosures'	Effective for annual reporting periods beginning on or after 1 January 2007
AASB 101 'Presentation of Financial Statements' – revised standard	Effective for annual reporting periods beginning on or after 1 January 2007
AASB 2007-2 "Amendments to Australian Accounting Standards arising from AASB Interpretation 12"	Effective for annual reporting periods beginning on or after 1 January 2008
AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and other amendments'	Effective for annual reporting periods beginning on or after 1 July 2007
AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	Effective for annual reporting periods beginning on or after 1 January 2009
AASB 2007-7 'Amendments to Australian Accounting Standards'	Effective for annual reporting periods beginning on or after 1 July 2007

The Board note that the impact of the initial application of the Standards / Interpretations is not yet known or is not reasonably estimable. These Standards and Interpretations will be first applied in the financial report of the Legal Practice Board that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
2 Auditors Remuneration		
Deloitte Touche Tohmatsu Audit of the financial report	14,469	15,158
	<hr/>	<hr/>
	14,469	15,158
	<hr/>	<hr/>
3 Cash and cash equivalents		
Cash at Bank	914,002	626,893
Cash on Hand	1,538	550
Term Deposits	5,551,313	5,161,198
	<hr/>	<hr/>
	6,466,853	5,788,641
	<hr/>	<hr/>
4 Trade and Other Receivables		
Trade and Other Receivables	317,966	368,285
Less Allowance for Doubtful Debts	(89,481)	(51,027)
	<hr/>	<hr/>
	228,485	317,258
	<hr/>	<hr/>
5 Other Current Assets		
Accrued Interest	174,924	83,231
Prepayments	6,376	3,763
	<hr/>	<hr/>
	181,300	86,994
	<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

6. Plant and Equipment

	Office of the Board \$	Law Library \$	Legal Practitioners Complaints Committee \$	Trust Account Inspector \$	Articles Training Program \$	Library Books \$	Total \$
Gross Carrying Amount							
Balance at 30 June 2005	178,100	237,398	164,448	17,768	255,740	100,000	953,454
Additions	10,334	17,879	33,000	-	33,505	-	94,178
Disposals	(7,529)	(12,521)	(4,196)	-	(61,038)	-	(85,284)
Transfers	169	-	(984)	-	637	-	(178)
Balance at 30 June 2006	181,074	242,756	192,268	17,768	228,844	100,000	962,710
Accumulated Depreciation/ Amortisation							
Balance at 30 June 2005	(111,301)	(161,519)	(81,704)	(2,625)	(224,382)	-	(581,531)
Current Dep'n	(20,375)	(29,982)	(30,791)	(1,279)	(11,404)	-	(93,831)
Disposals	7,311	11,176	4,196	-	60,455	-	83,138
Transfers	-	-	178	-	-	-	178
Balance at 30 June 2006	(124,365)	(180,325)	(108,121)	(3,904)	(175,331)	-	(592,046)
Net Book Value							
As at 30 June 2005	66,799	75,879	82,744	15,143	31,358	100,000	371,923
As at 30 June 2006	56,709	62,431	84,147	13,864	53,513	100,000	370,664

All plant and equipment are office equipment with the exception of the Law Library books.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

6. Plant and Equipment cont

	Office of the Board \$	Law Library \$	Legal Practitioners Complaints Committee \$	Trust Account Inspector \$	Articles Training Program \$	Library Books \$	Total \$
Gross Carrying Amount							
Balance at 30 June 2006	181,074	242,756	192,268	17,768	228,844	100,000	962,710
Additions	25,328	8,271	112,972	4,324	35,796	-	186,691
Disposals	(6,958)	(5,613)	(17,436)	-	(12,132)	-	(42,139)
Balance at 30 June 2007	199,444	245,414	287,804	22,092	252,508	100,000	1,107,262
Accumulated Depreciation/ Amortisation							
Balance at 30 June 2006	(124,365)	(180,325)	(108,121)	(3,904)	(175,331)	-	(592,046)
Current Dep'n	(19,882)	(23,079)	(42,740)	(2,225)	(21,927)	-	(109,853)
Disposals	5,133	5,613	15,974	-	9,518	-	36,238
Balance at 30 June 2007	(139,114)	(197,791)	(134,887)	(6,129)	(187,740)	-	(665,661)
Net Book Value							
As at 30 June 2006	56,709	62,431	84,147	13,864	53,513	100,000	370,664
As at 30 June 2007	60,330	47,623	152,917	15,963	64,768	100,000	441,601

All plant and equipment are office equipment with the exception of the Law Library books.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

	<u>2007</u>	<u>2006</u>
	\$	\$
7 Trade and Other Payables		
Trade Payables	146,648	203,045
Other Payables	132,088	83,909
Accruals	63,866	75,985
	<hr/>	<hr/>
	342,602	362,939
8 Current Provisions		
Provision for Annual Leave	182,976	206,408
Provision for Long Service Leave	96,113	72,026
	<hr/>	<hr/>
	279,089	278,434
	<hr/>	<hr/>
9 Income in Advance		
Publication Sales in Advance	8,200	5,450
Course Fees in Advance	327,820	309,820
Photocopying in Advance	25,230	23,744
PLEAS - Subscriptions in Advance	62,300	71,400
Practice Certificates in Advance	3,335,512	3,083,567
Solicitors Guarantee Fund	11,982	10,520
	<hr/>	<hr/>
	3,771,044	3,504,501
	<hr/>	<hr/>
10 Non-Current Provisions		
Provision for Long Service Leave	101,868	91,068
	<hr/>	<hr/>
	101,868	91,068
	<hr/>	<hr/>
11 Accumulated Funds		
Balance at Beginning of the year	2,326,615	1,767,433
Net Profit	497,021	559,182
	<hr/>	<hr/>
Balance at End of Year	2,823,636	2,326,615
	<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

12	<u>Office of the Board</u>	<u>2007</u>	<u>2006</u>
		\$	\$
	Income		
	Assessment of Qualifications	13,250	12,750
	Admissions	188,250	176,000
	Advertising - Admissions	13,200	13,620
	Annual Grant	250,000	250,000
	Articles Registration Fees	52,600	46,200
	Bank Interest	292,346	219,936
	Fines - LPDT	129,500	101,464
	Supervising Solicitors reimbursement	71,909	-
	Practice Certificates	3,654,510	3,481,350
	Miscellaneous Income	168	337
		<hr/>	<hr/>
		4,665,733	4,301,657
		<hr/>	<hr/>
	Expenditure		
	Advertising	34,805	16,641
	Audit and Accounting Fees	13,158	11,900
	Bank Charges	11,312	10,930
	Computer Expenses	17,019	6,804
	Web Page Development	-	360
	Conference Attendance	5,938	4,194
	Depreciation	19,882	20,375
	Facsimile	1,089	994
	Fringe Benefits Tax	2,950	2,139
	HR Consultant	11,849	38,684
	Insurance	1,307	2,533
	Legal Costs - LPB	287,217	139,848
	Loss on Sale of Non-Current Assets	-	218
	Miscellaneous Costs	25,324	5,996
	Payroll Tax	33,776	30,296
	Postage and Petties	19,110	20,198
	Printing and Stationery	20,698	20,630
	Allowance for Doubtful Debts	7,000	-2,740
	Reference Materials	2,223	2,598
	Salaries	702,722	693,853
	Service and Maintenance	5,014	5,536
	Storage	5,393	3,023
	Superannuation Contributions	58,382	61,871
	Training	4,156	9,349
	Transcripts	-	1,486
	Workers' Compensation	2,927	3,564
		<hr/>	<hr/>
		1,293,251	1,111,280
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

13	<u>Articles Training Program</u>	<u>2007</u>	<u>2006</u>
		\$	\$
	Income		
	Course Fees	564,000	324,000
	Miscellaneous Income	-	136
		<hr/>	<hr/>
		564,000	324,136
		<hr/>	<hr/>
	Expenditure		
	Accommodation	123,983	130,430
	Advertising	4,440	17
	Cleaning and Gardening	17,664	16,439
	Conference Attendance	3,661	2,233
	Computer Expenses	2,954	4,835
	Depreciation	21,927	11,404
	Electricity	9,569	11,498
	Fringe Benefits Tax	363	662
	Insurance	766	1,511
	Loss on Sale of Non-Current Assets	2,614	581
	Miscellaneous Expenses	2,337	6,711
	Payroll Tax	17,370	15,614
	Postage and Petties	4,114	5,548
	Printing & Stationery	11,031	11,070
	Professional Memberships	5,685	4,825
	Reference Materials	4,950	5,403
	Salaries	391,997	356,012
	Service and Maintenance	8,340	6,036
	Student Amenities	2,756	1,979
	Superannuation Contributions	28,921	25,961
	Teaching Materials	-	742
	Telephone and Facsimile	4,603	4,737
	Training	1,760	1,566
	Workers' Compensation	1,254	2,139
		<hr/>	<hr/>
		673,059	627,953
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

14	<u>Trust Account Inspector</u>	<u>2007</u>	<u>2006</u>
		\$	\$
	Income		
	Seminar Fees	3,946	2,947
	TAI Reimbursements	119,364	112,519
		<hr/>	<hr/>
		123,310	115,466
		<hr/>	<hr/>
	Expenditure		
	Computer Consultancy	360	-
	Conference Attendance	802	1,828
	CPA Membership	842	534
	Depreciation	2,225	1,279
	Fringe Benefits Tax	761	1,239
	Insurance	102	148
	Mileage	3,973	2,068
	Parking	3,536	3,643
	Payroll Tax	5,467	5,150
	Printing & Stationery	542	374
	Reference Materials	51	154
	Room Hire	1,611	769
	Salary	83,541	80,559
	Superannuation Contributions	7,488	7,250
	Telephone Reimbursement	344	109
	Training	1,604	748
	Travel and Accommodation	1,090	1,210
	Workers' Compensation	289	1,143
	Miscellaneous Expenses	-	392
		<hr/>	<hr/>
		114,628	108,597
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

15	Legal Practitioners Complaints Committee	<u>2007</u>	<u>2006</u>
		\$	\$
	Income		
	Costs Recovered	128,968	249,222
	Fines - Summary Jurisdiction	4,750	1,500
	Miscellaneous Income	207	60
		<hr/>	<hr/>
		133,925	250,782
		<hr/>	<hr/>
	Expenditure		
	Advertising	4,949	5,345
	Bad Debts Written Off	-	10,894
	Computer Expenses	3,454	4,106
	Conference Attendance	8,063	3,045
	Depreciation	42,740	30,791
	Fringe Benefits Tax	1,179	659
	Insurance	207	395
	Legal Costs	365,226	371,143
	Loss on Sale of Non-Current Assets	1,462	-
	Payroll Tax	56,139	45,340
	Postage and Petties	19,317	18,157
	Printing and Stationery	23,450	19,415
	Allowance for Doubtful Debts	34,904	-11,173
	Professional Fees & Memberships	24,262	16,257
	Reference Materials	6,487	6,039
	Salaries	1,265,100	1,067,876
	Service and Maintenance	6,658	3,066
	Storage	6,067	5,024
	Superannuation Contributions	113,236	95,877
	Training	4,790	7,645
	Transcripts	1,535	328
	Workers' Compensation	4,765	5,680
	Miscellaneous Expenses	8,310	2,425
		<hr/>	<hr/>
		2,002,300	1,708,334
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

16	Law Library	<u>2007</u> \$	<u>2006</u> \$
	Income		
	Library Photocopier and other income	80,109	87,948
	PLEAS	65,200	75,700
	Reimbursement Dept of Attorney General	29,546	-
	Grants	20,000	-
		<hr/>	<hr/>
		194,855	163,648
		<hr/>	<hr/>
	Expenditure		
	Serials	493,002	496,793
	Monographs	22,011	21,202
	Electronic Publications	149,992	110,513
	Online/Library Services	240	720
	Bank Charges	426	559
	Cleaning and Binding	15,795	19,207
	Computer Consultancy	36,622	27,527
	Conferences and Meetings	1,845	1,836
	Depreciation	23,079	29,982
	Fringe Benefits Tax	401	257
	Institutional & Professional Memberships	659	890
	Insurance	10,583	20,317
	Inter Library Loan Costs	36	-
	Loss on Sale of Non-Current Assets	-	1,346
	Minor Assets/ Office Equipment	538	73
	Payroll Tax	12,705	10,740
	Postage and Petties	1,990	2,386
	Printing and Stationery	1,696	1,480
	Promotions	101	609
	Salaries	285,534	248,067
	Service and Maintenance	150	848
	Staff Professional Memberships	844	494
	Superannuation Contributions	25,321	21,926
	Training	1,924	3,167
	Workers' Compensation	988	1,168
	Miscellaneous Expenses	1,445	1,708
	Photocopier Costs	10,406	12,598
	PLEAS - Costs	3,231	3,930
		<hr/>	<hr/>
		1,101,564	1,040,343
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

17 Income from State Government

Resources received free of charge	<u>2007</u>	<u>2006</u>
	\$	\$

Determined on the basis of the following estimates provided by the Department of the Attorney General:

Office space rental	331,204	-
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Where assets or services have been received free of charge or for nominal consideration, the Legal Practice Board recognises revenues equivalent to the fair value of the assets and/ or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

Comparative figures are not available

18 Employee Benefits

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee benefits:	<u>2007</u>	<u>2006</u>
	\$	\$
Current (note 8)	279,089	278,434
Non-current (note 10)	101,868	91,068
	380,957	369,502

	<u>No.</u>	<u>No.</u>
Number of employees at end of financial year	45	40

19 Notes to the cash flow statement

19(a) Reconciliation of cash and cash equivalents

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

Cash and cash equivalents	<u>6,466,853</u>	<u>5,788,641</u>
	6,466,853	5,788,641

19(b) Reconciliation of profit for the period to net cash flows from operating activities

	<u>2007</u>	<u>2006</u>
	\$	\$
Profit for the period	497,021	559,182
Loss on sale or disposal of non-current assets	4,076	2,145
Depreciation and amortisation of non-current assets	109,853	93,831

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2007

19(b) Reconciliation of profit for the period to net cash flows from operating activities cont.

	<u>2007</u>	<u>2006</u>
	\$	\$
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Current receivables	88,773	(173,373)
Other current assets	(94,306)	2,154
Increase/(decrease) in liabilities:		
Current payables	(20,337)	45,252
Current provisions	655	(3,372)
Income in advance	266,543	448,322
Non-current provisions	10,800	59,866
Net cash from operating activities	863,078	1,034,007

20 Subsequent events

To the best of our knowledge there are no subsequent events that require disclosure or adjustment to the accounts at balance sheet date.

21 Additional Company Information

The Legal Practice Board of Western Australia is a statutory authority.

Registered Office

5th Floor
Kings Building
533 Hay Street
PERTH WA 6000
Tel: (08) 9325 1311

Principal Place of Business

5th Floor
Kings Building
533 Hay Street
PERTH WA 6000
Tel: (08) 9325 1311

22 Commitments for Expenditure

	<u>2007</u>	<u>2006</u>
	\$	\$
Operating Lease Commitments		
Not longer than 1 year		
Longer than 1 year and not longer than 5 years	291,564	157,986
Longer than 5 years	-	-
	291,564	157,986

23 Contingent liabilities

Following the Full Court Decision in re Tkacz, there is some doubt regarding the ability of the Legal Practice Board to have charged a fee of \$750 for its role in processing applications by practitioners seeking admission via mutual recognition, and if so whether the Board is liable to refund the fee to those who have been charged it. The Board is awaiting legal advice on those matters. The maximum amount that would be refunded as at 30 June 2007 is \$111,000