

ANNUAL REPORT

1 July 2009 - 30 June 2010

LEGAL PRACTICE BOARD



OF WESTERN AUSTRALIA

REPORT FROM THE CHAIRPERSON

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REPORT FROM THE CHAIRPERSON

The National Legal Profession Reform Project



Chairperson:
Ms Anna M Liscia

Besides its usual statutory obligations as a regulator, the Board has been actively involved during the 2009-2010 year in contributing to, and making submissions on, the Council of Australian Governments (CoAG) driven National Legal Profession Reform Project (NLPRP). This is a Project of significant importance to all practitioners, and the Board has worked diligently in its attempts to have the views of the Board heard by the Project's Taskforce.

By way of background to the NLPRP, in 2009 the Federal Attorney-General, through the auspices of the CoAG established a National Legal Profession Reform Project and appointed a Taskforce to make recommendations and prepare draft legislation for consideration by CoAG within twelve months. Additionally, the Attorney General announced the formation of a Consultative Group to provide advice and recommendations for the consideration of the Taskforce.

The Board was invited by the Attorney-General to suggest a suitable representative to serve on that Consultative Group which is chaired by the Hon Professor Michael Lavarch. The Board recommended that its immediate past President, Mr Steven Penglis, be appointed to the Consultative Group, and Mr Penglis was accordingly appointed.

The original aim of this project was to provide uniformity and harmonisation of regulatory processes across all Australian jurisdictions. This is obviously a desirable outcome and one which the Board supports. However, the Board does not concede that in achieving the sought after outcomes there should be increased costs to Western Australian practitioners. Unfortunately, as currently presented, the structures and frameworks proposed in the draft legislation that has been released for consultation (and proposed for adoption by all state and territory jurisdictions) is, in the view of the Board, going to add two 'national' levels of bureaucracy without any obvious financial benefits to the practitioner. In fact, it appears that the framework can only increase the regulatory costs.

The framework as presented in the draft legislation is to establish a National Legal Services Board and a National Ombudsman, for which current (or new) state and territory regulators will become 'local representatives' for certain specific functions, whilst the national offices will take over other regulatory roles e.g. the admission of practitioners. Accordingly, in its submissions to the Taskforce the Board has strongly advocated that if Western Australia were to benefit from harmonisation processes, it cannot be at the further expense to its practitioners.

The Taskforce's draft legislation has been released for consultation with a return date for submissions of 13 August 2010. The Board will continue to make its submissions and representations on the basis as outlined above.

The Board will continue to actively work at a national level with the other regulators, the Law Societies, the Law Council of Australia (LCA) and the Law Admissions Consultative Committee (LACC) to feed information and views into the NLPRP Taskforce, the Standing Committee of Attorneys General (SCAG) and Council of Australian Governments (CoAG).

The Articles Training Programme

The Board has successfully operated the Articles Training Programme (ATP) since 1995 and over that period of 15 years has provided high level practical legal training to articulated clerks prior to their admission to practice. However, with the introduction of an alternative route to the traditional Articles of Clerkship as a means of gaining admission to practice – namely completion of a practical legal training course, operated in Western Australia by the College of Law, the operation of the ATP has become financially unviable. Accordingly, in April 2010, the Board endorsed a decision of its Management Committee to close the ATP on 31 December 2010. The Board will, however, be actively seeking an alternative, independent provider of articulated clerk practical legal training for 2011 and beyond.

I would like to express my sincere thanks to the dedicated staff of the ATP, both past and present, for their skilled and expert contributions to the preparation of legal practitioners in Western Australia.

Conference of Regulatory Officers

In September 2009 the Board hosted the annual Conference of Regulatory Officers (CORO) at the wonderful venue of Frasers at the beautiful Kings Park in Perth. The Conference attracted a large number of high level participants including the Federal Attorney-General, the Hon Robert McClelland, the State Attorney-General, the Hon Christian Porter, and presenters and participants from overseas, all Australian jurisdictions, legal firms and regulators.

CORO provides an invaluable forum for all regulators of the legal profession in Australia to discuss issues of concern to them and to work together to ensure the regulation of the profession enhances the reputation of Australian practitioners who are some of the best trained, competent and ethical practitioners worldwide.

Feedback from attendees gave me great reason for pride in that we had presented 'the best CORO ever'.

Congratulations are extended to the staff of the Board for their tireless efforts in presenting an event that not only displayed the Board in its best light, but showcased Perth to our distinguished visitors.

Continuing Professional Development

During 2009-2010 the Board completed its first full year of administering the regulation of compulsory Continuing Professional Development (CPD) as a condition for the renewal of practising certificates.

Additionally, the Board undertook an extensive CPD audit process for over 1300 practitioners, including every Board member.

It has been most pleasing to observe the broad acceptance of the CPD process and policy, and the Quality Assurance process for CPD providers.

The Board will continue to monitor and where necessary fine tune CPD processes to meet the objectives of the CPD and experiences of practitioners who participate in CPD activities.

Professional Conduct Rules

The Board has continued with the process of promulgation of professional conduct rules and the Professional Conduct Rules Advisory Committee (Chaired by Steven Penglis and with membership from the Board, the Law Society, The Bar Association and the Legal Profession Complaints Committee) has finalised a draft which is being considered by the Office of Parliamentary Counsel prior to referral to the Board for final approval.

Online renewal of practising certificates

The Board is now in its third year of processing online applications for practising certificate renewals. Western Australia was the first Australian jurisdiction to introduce online renewal facilities and 98% of practitioners now elect to renew online.

Records Management system

The Board has introduced a new Electronic document Record Management System known a 'Objective' during the year and has employed a Records Management Coordinator to oversee its implementation and ongoing maintenance. This will not only provide a superior system by which the Board can comply with its statutory obligations in relation to records management, but will enable Board-wide consistency in its filing systems and a seamless information sharing process between the Board's geographically separated offices.

The Future

Once again, the year ahead may see significant changes in the regulation of the profession, with consequential changes to the operations of the Board. This will be dependent upon progress of the NLPRP. Whilst it is unlikely that we will see a new Act during 2010-2011, in the longer term it is hoped that the NLPRP will realise the aim of the consistent regulation of the legal profession in Australia, and not just the introduction of additional layers of bureaucracy with no benefit to the majority of the profession.

Irrespective of any changes brought about by the NLPRP, the Board is continuing with its plans to modernise and increase efficiencies in all operations of the Board. In addition, the Board is working with other regulatory bodies in Australia to attempt to streamline and standardise processes for practitioners who practice beyond any particular geographical border.

Unfortunately the increasing costs of regulation of the profession are likely to see an increase in the cost of the practising certificate for 2011/12. The Board, unlike its Eastern States counterparts, not only deals with the issue of practising certificates, but also with the entire admission process for local, interstate and overseas applicants, the oversight of practitioners, all disciplinary matters against practitioners (via the LPCC), and the costs of maintaining and operating the Supreme Court Law Library. These are all statutory functions imposed on the Board.

The great majority of the Board's operations are funded by the profession (other than government lawyers) by the payment of annual practising certificate fees. Government funding consists of the provision of premises for the Board and the LPCC, and a yearly contribution of \$250,000 towards the costs of operating the Law Library.

The Board has commenced a review of its operations to identify cost savings. In addition, the Board has commenced discussions with stakeholders in the profession and with government to identify the continuing need for the Law Library, its future and in particular, the future funding of the Law Library.

I also intend to undertake a review of the Board's corporate governance processes in order to ensure that the Board is at the forefront of open and transparent regulation of the profession.

Acknowledgements

I would like to extend sincere thanks to the staff across all divisions of the Board's operations for their expert, dedicated and committed work on behalf of the Board and its Committees. The staff contribution ensures that the most

effective and beneficial regulation of the legal profession is provided for the benefit of the public and the profession itself.

Special thanks are extended to all members of the Board who continue to selflessly give their time and expertise on the Board's committees, various inquiries and other pro bono activities. This 'giving back' to the profession, and maintaining a protective role for members of the public, is something that should be greatly appreciated by both the profession and the community at large.

A particular vote of thanks goes to Grant Donaldson SC (Deputy Chair and Convenor of the Admissions and Registrations Committee), Robert Cock QC (Convenor of the Management Committee), Matt Zilko SC (Convenor of the Professional Affairs Committee), Chris Zelestis QC (Chairperson of the Legal Profession Complaints Committee) , Justice Jeremy Allanson and John Ley (Deputy Convenors of the Legal Professions Complaints Committee), Justice Nicholas Hasluck and Justice Kenneth Martin (Chairpersons of the Law Library Advisory Committee) and Steven Penglis (Chairperson of the Professional Conduct Rules ad hoc committee) for their leadership, not to mention the contribution to the various committees that they lead.

Once again, I look forward to serving the profession in the year ahead during these interesting times for the practice and regulation of law in Australia.

Anna Liscia
Chairperson
September 2010.

REPORT FROM THE EXECUTIVE DIRECTOR

The year under review has seen some highly significant developments within the Board's operations. In summary:

- Participation in the Council of Australian Governments initiated National Legal Profession Reform Project (NLPRP).
- Development of Professional Conduct Rules proposed as subsidiary legislation to the *Legal Profession Act 2008*.
- The completion of the first year of compulsory Continuing Professional Development (CPD) as a condition of practising certificate renewal, and the introduction of the CPD audit process.
- Continued developments under 'Project Arch' to re-develop the Board's I.T. capability, including website re-development.
- The commencement, development and implementation of an electronic document and records management system (EDRMS) known as 'Objective'.
- The hosting of the Conference of Regulatory Officers (CORO).
- The decision to close the Articles Training Programme (ATP).

These activities are all in addition to the day-to-day statutory operations of the Board, which include:

- Reservation of Legal Work (prevention of non-qualified legal practice).
- Admission of both local and foreign legal practitioners.
- Issuing and renewal of practising certificates.
- Co-ordination of inter-jurisdiction regulatory matters.
- Monitoring of Incorporated Legal Practices and Multi-Disciplinary Practices.
- Monitoring of trust account obligations.
- The conduct of the complaints and disciplinary process through the Legal Profession Complaints Committee.

The National Legal Profession Reform Project

The Council of Australian Governments' (CoAG) National Legal Profession Reform Project (NLPRP) continued throughout the year under review. A CoAG appointed Taskforce was convened to draft nationally consistent legislation, and in doing so to seek advice from relevant regulatory and professional bodies (including the Board). To assist in this task, nominees were sought for membership onto a Consultative Group Chaired by the Hon Michael Lavarch, with that Group to provide recommendations to the Taskforce. The Board's past Chairperson, Mr Steven Penglis, became an independent representative on that Consultative Group.



Executive Director:
Mr Graeme Geldart

The ongoing participation in this project significantly influenced the work of the Board offices and staff during the year under review.

The Taskforce has now released for consultation draft legislation and proposals for a framework for national legal regulation. The Board and the Legal Profession Complaints Committee (LPCC) will be making submissions on both the draft legislation and the proposed framework by the August 2010 return date.

There are currently serious reservations on the proposals presented by the Taskforce for consultation. It is the Board's view that the proposed framework and structures are likely to impose additional regulatory costs on the profession in Western Australia. Those proposals include the over-laying of a National Legal Services Board and a National Ombudsman that would delegate specified powers to local representatives to implement standards and processes developed by those national bodies. The proposals are presented as providing efficiencies that would result in reduced regulatory costs, but the Taskforce has not presented any evidence as to where those cost efficiencies and reductions are to be made. Indeed, in Western Australia, where regulation is largely funded by the profession itself (through practising certificate fees) it is difficult to see that the proposals will do anything other than increase costs. Other jurisdictions throughout Australia receive significant government funding for their legal regulation, and the efficiencies proposed appear to relieve some state governments of their financial burden, but certainly not the profession itself.

In the year ahead, the Board will continue to actively participate in the consultation, but will make its recommendations on the basis of its views as to the best regulatory outcomes for the Western Australian public and practitioners.

Professional Conduct Rules

During the year under review the advisory committee convened to promulgate Legal Profession Conduct Rules (chaired by Steven Penglis and comprising representatives from the Board, the Legal Profession Complaints Committee, the Law Society and the Bar Association) continued its work on the development of Legal Conduct Rules that will become subsidiary legislation under the *Legal Profession Act 2008*.

The final draft of the Professional Conduct Rules has been submitted to Parliamentary Counsel for drafting advice, and will then be submitted to the Board for approval and subsequent submission of the legislation for parliamentary approval.

Continuing Professional Development (CPD)

The year under review saw the first year requiring satisfactory completion of compulsory CPD as a condition on the renewal of practising certificates. The assessing and granting of Quality Assured (QA) provider status was continued for providers of CPD as well as provision for practitioners and non QA providers to have other CPD events approved as satisfactory for fulfilling CPD obligations.

The Board also undertook an extensive CPD audit process in this initial year and conducted approximately 1300 individual paper audits which included at least one practitioner from every WA practice and an audit of the CPD undertaken by all Board members.

In this initial year the Board took a flexible view to the completion of CPD, with those practitioners who had not completed their CPD requirements entering arrangements to do so in the year ahead in addition to their 2010-2011 year's CPD requirement. It will be the expectation of the Board for the year ahead that practitioners will now be fully aware of their CPD obligations and will comply accordingly.

Project Arch and the Introduction of 'Objective'

Project Arch is the Information Technology (IT) re-development project – so named as its primary aim is to provide an over-arching connectivity between all of the Board's four geographically separated divisions. During the year under review the Board continued to refine its customisation of the database (known as iMIS) and its associated online renewal process for practice certificates. The staff will continue to develop, configure and customise system improvements.

A significant additional project commenced with the introduction and development of a comprehensive electronic document and records management (EDRMS) system called 'Objective'. As Objective rolls out across all Board divisions, it will provide the final link in the connectivity between all of the Board's geographically separate divisions, and considerably enhance the transparency and information exchange between the divisions. In order to properly facilitate the introduction of Objective and the ongoing maintenance of the Board's records management, the Board employed an experienced records management consultant as the Records Management Co-ordinator.

Re-development of the Board's website continued and will be introduced in the year ahead.

Conference of Regulatory Officers (CORO)

The Board hosted CORO in September 2009 which saw approximately 90 participants and presenters enjoy the best that Perth had to offer, enhanced by the conference venue at Fraser's Convention Centre in Kings Park overlooking the city and the river.

The Board attracted high calibre attendees, including the federal and state Attorneys-General, the Chief Justice of Western Australia, the CEO of the newly formed Legal Services Board of England and Wales, and the President of the Law Society of British Columbia – all of whom presented at the conference.

CORO is an annual gathering of the chief representatives from the legal regulators from all Australian jurisdictions, and provides a forum for discussions on process and working towards cross-border consistency of those processes. The Conference took on an additional high level of interest arising from the NLPRP.

All feedback on the conference was exemplary and this was due to the greatly appreciated and tireless efforts of the Board staff in putting together stimulating conference content combined with a social programme that show-cased the best of Perth hospitality.

Closure of the Articles Training Programme

During the year under review the Board's Management Committee made a decision that the Articles Training Programme (ATP) will be closed on 31 December 2010. This was not a decision taken lightly, as the Board has successfully operated the ATP since 1995 and has provided skilled and expert training to hundreds of articled clerks since that time. However, with the introduction of an alternative route to fulfillment of pre-admission practical legal training through the College of Law, registrations for the ATP dropped dramatically and rendered its ongoing operation financially unviable.

Independent training of articled clerks will continue to be offered in 2011 by the Leo Cussens Institute.

I would like express my thanks to all those members of the profession who have over the years participated in the training of articled clerks to a high standard.

My sincere appreciation is extended to the ATP Director, Deborah Milton, and the staff at ATP for their dedicated work on the Programme and their continued support as we move towards the ATP closure, and I wish them well in the future.

Staffing

Staff levels remained consistent, with only a single person increase to 56 over the four offices (Office of the Board, Legal Profession Complaints Committee, Articles Training Programme, and the Law Library).

The Future

Further Strategic Planning for the Board's operations will continue to be somewhat constrained pending outcomes and outputs from the NLPRP, but the Board will continue with its co-operative consultation with regulators and Legal Service Commissioners from other jurisdictions, and engagement with the LCA and Law Societies from all jurisdictions, and with the Law Admissions Consultative Committee (LACC) with a view to ensure that the Board's views on jurisdictional harmonisation are heard.

It remains my strongly felt view that the Board's role is to not only be an interpreter and enforcer of statutory regulation, but should include activities to inform, educate, support and advise the profession on its obligations and the expectations of the standards expected by the profession and members of the public whom they serve. In that regard, I will continue to expand the Board's educative role.

Vote of thanks

Thank you to my Chairperson, Anna Liscia, for her continuing and valued support and advice and to Robert Cock QC, Convenor of the Management Committee, for his ongoing trust in the management of the Board's operations. Additionally, to the Convenors of each of the Board Committees and Advisory Committees during the year under review – Grant Donaldson SC (Admissions & Registration), Matt Zilko SC (Professional Affairs), Steven Penglis (Legal Profession Conduct Rules Advisory Committee), Chris Zelestis QC, Michael Corboy SC and Jeremy Allanson SC (Legal Profession Complaints Committee), the Hon. Justice Nicholas Hasluck and the Hon. Justice Ken Martin (Law Library Advisory Committee) - and to the committee members – I extend my sincere gratitude for your selfless pro-bono contributions made to the Board and the regulation of the profession and for guiding the policy behind the operations of the Board.

Thanks also to the directors of the Board's divisions – Di Howell, the Law Complaints Officer at the LPCC; Deborah Milton at the ATP and Alice Anderson at the Law Library – for understanding the issues faced by the Board and working with me towards their best delivery.

And finally, my sincere appreciation and congratulations are extended to all staff members for their dedication and expertise in the delivery of the important tasks that we undertake in the regulation of the legal profession and the associated protection of the public interest in that regard.

Graeme Geldart
Executive Director
September 2010

THE LEGAL PRACTICE BOARD

Role

The Board is constituted under the *Legal Profession Act 2008* (LPA 2008). The Board has statutory authority for the admission, supervision and discipline through the Legal Profession Complaints Committee (LPCC) and the State Administrative Tribunal (SAT) for all the legal practitioners in Western Australia.

The Board regulates the issue of annual practising certificates and administers the Law Library in the Supreme Court and its Branch Library in the Central Law Courts. The Board also provides a practical legal training course through the Articles Training Programme (ATP) for the training of articulated clerks.

Membership

The Board as constituted under section 536 of the LPA 2008 consists of:

- the Attorney-General;
- the Solicitor-General, or, if there is no Solicitor General, the State Solicitor;
- each Queen's Counsel, and each Senior Counsel –
 - ◆ whose principal place of practice is in this State;
 - ◆ is not a full-time judicial officer; and
 - ◆ has, in writing, nominated himself or herself as a member; and
- 12 legal practitioners of at least 3 years' standing and practice who are elected as members.

Queens Counsel

Prior to the introduction of the LPA 2008 all Queens Counsel whose principal place of practice was this State, were automatically members of the Board. Following the introduction of the LPA 2008 Queens Counsel had to nominate as members of the Board. At 30 June 2010 there were 6 Queens Counsel resident and practising in Western Australia, who had nominated as members of the Board.

During the year under review:

- On 2 March 2010 Mr PI Jooste QC stood down as a member of the Board.
- On 22 June 2010 Mr RE Birmingham QC was sworn in and welcomed as a Judge of the District Court of Western Australia and so ceased to be a member of the Board.

Senior Counsel

Prior to the introduction of the LPA 2008 all Senior Counsel whose principal place of practice was this State, were automatically members of the Board. Following the introduction of the LPA 2008 Senior Counsel had to nominate as members of the Board. At 30 June 2010 there were 17 Senior Counsel resident and practising in Western Australia, who had nominated as members of the Board.

During the year under review:

- On 24 November 2009 the following practitioners were appointed as Senior Counsel and nominated as members of the Board:
 - ◆ Ms PE Cahill SC;
 - ◆ Mr MD Howard SC;
 - ◆ Mr AS Derrick SC; and
 - ◆ Mr SM Davies SC.

- On 24 February 2010 Mr MT Ritter SC nominated as a member of the Board.
- On 31 August 2009 Mr SR Moncrieff SC was sworn in and welcomed as a Judge of the Family Court of Western Australia and so ceased to be a member of the Board.
- On 19 April 2010 Mr EM Corboy SC was sworn in and welcomed as Judge of the Supreme Court of Western Australia and so ceased to be a member of the Board.
- On 8 June 2010 MR AS Derrick SC was sworn in and welcomed as a Judge of the District Court of Western Australia and so ceased to be a member of the Board.

Total number of Silks at 30 June 2010:

At the conclusion of the year under review the Board had a total of 23 Queens Counsel and Senior Counsel as members of the Board.

Elected Members

1 July 2009 to April 2010 election

- Elected members in office during this period were: Mr KJ Edwards, Mr JGM Fiocco, Ms NA Hossen, Mr JRB Ley, Ms AM Liscia, Ms EE Macknay, Mr S Penglis, Ms SM Schlink, Mr JL Sher, Mr JG Syminton, Ms AM Van Onselen, Ms FB Walter, and Mr I Weldon.
- On 3 August 2009 Ms AM Van Onselen stood down as a member of the Board.
- On 14 August 2009 Ms NA Hossen was appointed to the Board to fill a casual vacancy with her term of office expiring in April 2011.
- On 14 August 2010 Mr KJ Edwards was appointed to the Board to fill a casual vacancy with his term of office expiring in April 2010.

April 2010 election to 30 June 2010

- Elected members in office during this period were: Mr KJ Edwards, Mr JGM Fiocco, Dr JJ Hockley, Ms NA Hossen, Mr JRB Ley, Ms AM Liscia, Ms EE Macknay, Mr S Penglis, Ms SM Schlink, Mr JG Syminton, Ms FB Walter, and Mr I Weldon.
- Mr JL Sher was not re-elected and therefore stood down as a member of the Board having served on the Board since his election in 2008.

Appointment of Chairperson and Deputy Chairperson

Ms AM Liscia was re-appointed Chairperson on 7 April 2010, effective for the ensuing year and Mr GR Donaldson SC was re-appointed Deputy Chairperson on 7 April 2010, effective for the ensuing year.

Board Members as at 30 June 2010

Attorney-General	Solicitor-General	Chair	Deputy Chair
The Hon. Mr CC Porter, MLA	Mr RJ Meadows QC	Ms AM Liscia	Mr GR Donaldson SC
Queens Counsel	Senior Counsel	Elected Members	
Mr MJ McCusker AO QC Mr CL Zelestis QC Mr RK O'Connor QC Mr S Owen-Conway QC Mr TF Percy QC Mr RE Cock QC Mr PI Jooste QC	Mr KR Wilson SC Mr MH Zilko SC The Hon Mr PMC Dowding SC Mr GMG McIntyre SC Mr GTW Tannin SC Mr CP Shanahan SC Mr MT Ritter SC Mr GR Donaldson SC Mr B Fiannaca SC Mr T Lampropoulos SC Mr PCS van Hattem SC Mr JD Allanson SC Mr RM Mitchell SC Mr LM Levy SC Ms PE Cahill SC Mr MD Howard SC Mr SM Davies SC	Mr KJ Edwards Mr JGM Fiocco Dr JJ Hockley Ms NA Hossen Mr JRB Ley Ms AM Liscia Ms EE Macknay Mr S Penglis Ms SM Schlink Mr JG Syminton Ms FB Walter Mr I Weldon	

Committees

LPA 2008 Section 552 Committees

Pursuant to section 552 of the LPA 2008, the Board may appoint committees of its members and pursuant to section 547 of the LPA 2008, the Board may delegate to a committee established under section 552 any power or duty of the Board under the LPA 2008 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. (Ceased December 2009)

A summary of the main areas of responsibility and activities of the above committees during the 2008-2009 reporting year is set out further in this report.

Information required to be provided in the Board's annual report pursuant to section 551 of the LPA 2008 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.

Other Committees

The Board has two advisory committees whose members include representatives of key stakeholders. In this reporting year, the Law Library Advisory Committee continued to hold meetings to run the business of the Law Library. The Professional Conduct Rules Advisory Committee was established to advise the Board on the promulgation of professional conduct rules under the provisions of the LPA 2008.

Meeting Overview

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

Board/Committee	No
Full Board (every 3 months)	4
Full Board – Special Meetings	1
Full Board – Electronic Quorums	1
Admissions and Registrations Committee	11
Admissions and Registrations Committee – Special Meetings	2
Admissions and Registrations Committee – Electronic Quorums	6
Professional Affairs Committee	11
Professional Affairs Committee – Special Meetings	3
Professional Affairs Committee – Electronic Quorums	3
Management Committee (every 2 months)	6
Management Committee – Electronic Quorums	2
Legal Education Committee	2
Law Library Advisory Committee	6
Total Meetings	58

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 Programme in Alvan Street, Mt Lawley;
- the Law Library in the Supreme Court and a Branch Library in the Central Law Courts; and
- the LPCC at 55 St Georges Terrace, Perth.

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 *Legal Profession Act 2008*. The Office of the Board also ensures the Board complies with considerable additional legislation that is 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 practising certificates and the administration of other practitioner compliance matters;
- conducting the Board's annual election; and
- management of the Board's human, financial and physical resources.

Articles Training Programme

The ATP is a post-graduate pre-admission course designed to enhance practical legal training with direction from the Board. Part-time lecturers are engaged to conduct the courses. The Report of the ATP Director is included in this report.

Law Library

The Law Library located in the Supreme Court of Western Australia is owned and administered by the Board and operates a Branch Library at the Central Law Courts.

The Law Library provides reference and research facilities for the legal profession in Western Australia and through Rule 48 of the *Legal Profession Rules 2009* (Rules) gives wide access to members of the Judiciary, certificated practitioners, articulated 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 Advisory Committee.

The operation of the Law Library is supported by the Law Library Advisory Committee, currently chaired by the Hon. Ken Martin. The Report by the Law Librarian is included in this report.

Legal Profession Complaints Committee

The LPCC is responsible for supervising the conduct of legal practitioners and the practice of law. Pursuant to the LPA 2008, 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 571 of the LPA 2008, the LPCC provides a separate annual report in relation to its activities to the Attorney-General.

Staff

As at 30 June 2010, the following numbers of staff were in full-time, part-time or contract employment with the Board:

Divisions	No. of Staff
Office of the Board	19
ATP	4
Law Library and Branch Library	8
LPCC	22
Trust Account Inspector	3
Total Staff	56

PROFILE OF THE CURRENT WA LEGAL PROFESSION

Practising Certificates

The number of practising certificates issued during 2009-2010 was 4501 which represents a 4.6% increase in the number of certificates issued in the previous period.

COMPOSITION TABLE

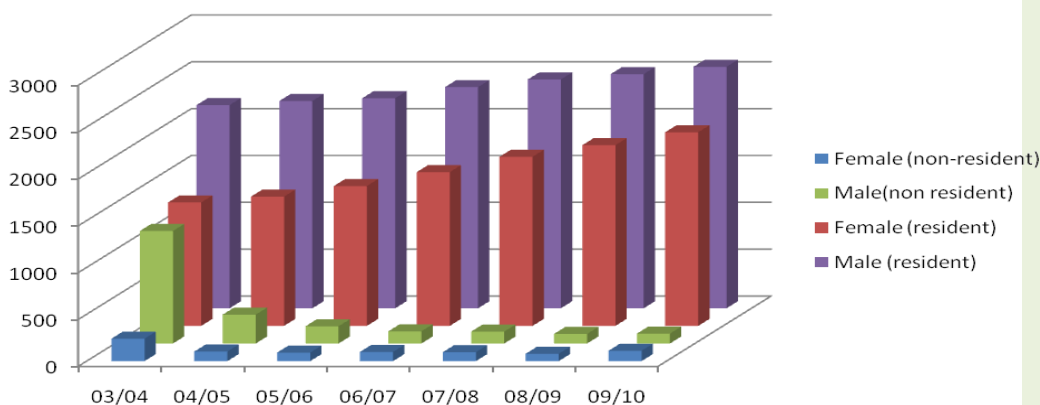
	Resident Females	Non-Resident Females	Resident Males	Non-Resident Males	Totals
Barristers	37	0	161	1	199
Commonwealth Government	34	0	25	0	59
Consultants	21	1	42	0	64
Director	57	0	247	1	305
Employees	1167	60	906	55	2188
Equity Partner	38	0	294	4	336
Fixed Profit-share Partner	6	0	24	1	31
In-house	164	16	191	15	386
Locum	1	0	0	0	1
Not practising (certificated)	159	30	96	23	308
Salaried Partner	16	0	38	2	56
Sole Practitioners	111	1	351	1	464
Judiciary [^]	0	0	7	0	7
Deceased [^]	1	0	0	0	1
Struck Off /Suspended [^]	0	0	2	0	2
State Government [*]	40	0	16	0	56
A Person of Interest	1	0	0	0	1
Practising Certificates Issued	1853	108	2400	103	4464
S.36 Practitioners					
** State Solicitor's Office	62	0	50	0	112
** Director of Public Prosecutions (State)	55	0	51	0	106
** Other Departments	137	2	93	2	234
TOTAL PRACTITIONERS	2067	110	2578	105	4916

[^] held a practising certificate during 2009/2010, however by 30 June 2010, were appointed judiciary/deceased/struck off/suspended.

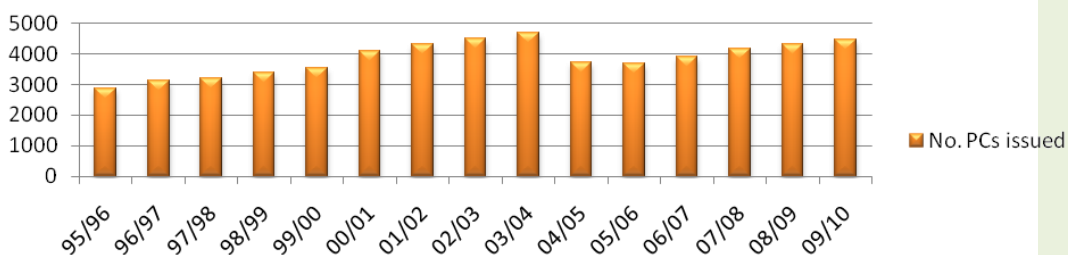
* State Government employees who held a practising certificate during 2009 - 2010

** State Government employees taken to be certificated pursuant to Section 36 of the Legal Profession Act 2008

Since 2003/2004 there has been a steady growth in the number of females entering the legal profession as is depicted in the graph below. There has also been a dramatic decrease in the numbers of non resident male practitioners.



Number of practising certificates issued over 15 years



Renewal of Practising Certificates

The timing of the renewal of practising certificates is contained with the *Legal Profession Act 2008* (LPA) and the *Legal Profession Rules 2009* (Rules). A certificated practitioner must apply for the renewal of the practising certificate during the standard renewal period or the late fee period as prescribed by the Rules.

The Rules prescribe the standard renewal period as 01 May to 31 May and the late fee period as 01 June to 30 June. Applications received during the late fee period are subject to a 25% penalty surcharge. Applications for renewal of practising certificates made during the standard renewal period and the late fee period are renewed from 01 July.

Pursuant to section 44(4) of the LPA 2008, the Board may reject an application for renewal of a practising certificate made during the late fee period and must

reject an application for renewal made outside of the renewal periods. However, pursuant to section 44(5) of the LPA 2008 the Board may accept an application outside of the late fee period if it is made within 6 months after the late fee period and the Board is satisfied that the delay was caused by reasons beyond the control of the applicant or other special circumstances warranting acceptance.

For the financial year 2009/2010 the Board recorded a small increase in the number of practitioners not renewing their practising certificates by 30 June 2010:

27 practising certificate renewals were lodged up to two weeks late; and

86 practising certificate renewals were lodged more than two weeks late.

For the financial year 2010/2011 the Board once again used the online renewal process. Practitioners who renewed using the online renewal system receive a 5% discount from the standard practising certificate application fee. If a practitioner requested a manual application Board staff continued to populate the application form with information contained within the Board's database.

At the end of April 2010 a letter was sent to each practitioner who held a current WA practising certificate and every interstate practitioner resident in WA practising on their interstate practising certificate inviting them to renew their practising certificate on line. Each practitioner was sent a log in and if they could not remember their password from last year were asked to use the forgotten password link to receive a new automatically generated password by email. Once again an additional 'administrator's' log in was made available upon request to law practices to allow the law practices to monitor the renewals status of their practitioners and to allow for bulk payment of the practising certificate application fees.

By 30 June 2010 a total of 4142 applications for the renewal of practising certificates for the financial year 2010/2011 had been received. Of these 4023 applications were made on line and 119 were manual applications. In addition a total of 39 non renewal notices had been received by the Board.

During the standard renewal period a total of 3839 applications for renewal of practising certificates were received, of these 98 were manual applications. In addition a total of 28 non renewal notices were received.

During the late fee period a total of 303 applications for renewal of practising certificates were received, of these 21 were manual applications. A further 11 non renewal notices were received during this period.

With the introduction of the new timing for the renewal of practising certificates, 92.7% of all applications for renewal of practising certificates for the financial year 2010-2011 were made during the standard renewal period.

The online renewal process continues to be welcomed by the profession with the percentage of practitioners using the online renewal process in the year under review increasing to 97.1% of the profession.

MANAGEMENT COMMITTEE



Convenor:
Mr RE Cock QC

Deputy Convenor:
Ms AM Liscia

Members
Dr John Hockley
Mr Ian Weldon
Mr John G Syminton
Mr John RB Ley
Mr Matther H Zilko SC
Ms Sabrina M Schlink
Mr Steven S Penglis

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

Committee Process

The Management Committee meets every second month and receives and considers information and reports from the Executive Director and the Corporate Support Officer in regard to resourcing and financial issues. When the need arises to resolve a pressing issue, resolutions are determined by electronic quorum. The management committee's primary focus is on strategic issues.

Closure of the Articles Training Programme

The most significant decision by the committee during the year under review was to close the Articles Training Programme (ATP) effective from 31 December 2010. The ATP has been conducted and administered by the Board since 1995 and currently operates from leased premises at Mount Lawley.

Following the introduction of an alternative route for law graduates to complete practical legal training prior to admission through the College of Law, registrations for the ATP dropped dramatically, and have since continued to decline.

The ATP had been required by the Board to fully fund its operations through its registration fees, but following the significant drop in registrations, it was no longer financially viable for the Board to continue to operate the ATP in its present format. The management committee was unable to identify any way in which it could achieve an efficient restructuring to meet the reduced demand. There were also concerns expressed as to whether as regulator the Board should continue to deliver pre-admission training, effectively in competition with private providers. Moreover, the Board has no statutory duty to provide preadmission training. In all those circumstances the committee decided to close the Programme, this decision was endorsed by the Full Board.

The dramatic drop in ATP registrations was the primary cause for the budget deficit incurred by the Board in the year under review. This is expected to be a one off 'spike', although there will be some additional costs incurred during the process of closure in the year ahead.

As a result of its decision to close the ATP the Management Committee will be determining the issues arising from the re-deployment and redundancy of the staff at the ATP in the year ahead.

Additionally, negotiations have commenced for the sub-letting or re-letting of the premises at Mount Lawley from which the ATP is conducted. The Board's lease on those premises expires in December 2012.

Human Resources

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

The year under review saw the number of staff increase by only 1, from 55 to 56, across all four divisions of the Board. There were two additional senior appointments being made, those of Records Management Coordinator and a Trust Account Inspector.

The Board also made required adjustments to its employment structures arising from the introduction of the federal *Fair Work Act 2010* which came into effect on 1 January 2010.

Physical Resources

The lease periods on both the Board's office premises at Level 5, 533 Hay Street, Perth, and the Legal Professions Complaint Committee premises at Level 2, 55 St Georges Terrace, Perth expired during the year under review. The Government has entered into a new lease for the LPCC premises, and exercised the further option for the leasing of level 5, 533 Hay Street until 30 June 2014.

The IT. re-development (Project Arch) continued during this review year and will progress to finalisation during 2010-2011. Additionally, the Board commenced a project for the development and implementation of an electronic document and records management system (EDRMS) known as 'Objective'. Both of these projects will provide connectivity between all of the Board's separate locations, accessibility to information across the separate locations, an enhanced reporting capability, a re-developed website and ultimately a consistent records management system. These projects are being funded from Board reserves.

Financial Resources

The Board is primarily self funded, with approximately 10% of its funding coming from the State Government through contribution by grant toward the cost of maintaining the Law Library and also funding the cost of the accommodation of the Offices of the Board and the Legal Practitioners Complaints Committee.

During the year under review the Board again sought review of the financial relationship with the government, primarily in regard to the funding of the Law Library at the Supreme Court and the Branch Library at the Central Law Courts. These discussions will continue into 2010-2011. The Board will continue to work towards a more equitable and appropriate funding model for the Board's operations, although it is noted that the issue of Board funding will need further attention if national structures are adopted under the Council of Australian Governments National Legal Profession Reform Project.

The Committee has continued to secure the Board's deposited reserves by remaining in the Government Deposit Guarantee Scheme implemented after the Global Financial Crisis. Once again this had a resultant negative impact on the interest earned on those reserves.

The Law Library

The Management Committee, guided by the recommendations of the Law Library Advisory Committee, administers the Law Library in the Supreme Court and the branch library in the Central Law Courts. Whilst this is not a regulatory activity, and maintaining a library might seem incongruous with its other functions, it is a statutory obligation placed upon the Board. During the year under review the Board initiated further discussions with library stakeholders (the Department of the Attorney-General, the Chief Justice, the Law Society, and the Bar Association) to re-visit the funding model currently in place for the Library.

Acknowledgements

I acknowledge the support and assistance of my deputy convenor, Anna Liscia, and the dedication of my fellow members of the committee for their conscientious preparation for and rigorous debate at our regular meetings. I thank every one of the Board's employees for their efforts during the year. It was a difficult decision to decide to close the ATP, made even more difficult in light of the hard work and commitment of all the staff who have worked to deliver a well regarded Programme, and I express my thanks to them for their efforts and wish each the very best for their future careers. Finally, I thank the Executive Director, Graeme Geldart for his continued support, and congratulate him on his leadership on the many initiatives which have been progressed during the year, several of which are about to achieve conclusion.

Robert Cock QC
Convenor
September 2010

ADMISSIONS AND REGISTRATIONS COMMITTEE

Resignations

- Ms Ainslie van Onselen
Resigned from the Board on 1 July 2009. Ms van Onselen served on the Admissions and Registrations Committee (**ARC**) from May 2005 and served as Deputy Convener from April 2008.
- Mr Julian Sher
Not reelected to the Board in April 2010. Mr Sher served on ARC from May 2008.
- Mr Mark Ritter SC
Appointed in April 2010 and resigned in May 2010.

Appointments

Ms S Schlink	Appointed Deputy Convener 5 August 2009
Mr Kevin Edwards	September 2009
Ms Noelle Hossen	February 2010
Mr Matthew Howard SC	February 2010
Dr John Hockley	May 2010

Pursuant to the instrument of delegation from the Full Board, ARC is responsible for those functions and powers of the *Legal Profession Act 2008 (Act)* that regulate the admission of lawyers and the registration and practice of foreign lawyers. To assist the Committee in performing these functions the Board has delegated some powers and duties associated with the admission of lawyers to the Executive Director.

Approved Academic Qualifications

In the first half of 2009 ARC considered a proposal by Edith Cowan University (ECU) to offer Western Australia's first approved on-line law degree. ARC researched on-line education generally, and on-line legal education specifically, both in Australia and overseas. ARC also met with representatives from ECU to discuss the proposal. On 24 July 2009 ARC approved the provision of an on-line law degree course by ECU. ECU will progressively roll out subjects until the full degree course is available on-line. ECU continues to offer an approved law degree on campus. Approved law degrees are also offered by the University of Western Australia, Murdoch University, and The University of Notre Dame. In addition, ARC continues to recognise as "corresponding" any Australian law degree that meets admission requirements in the State or Territory in which it was completed.

Convener:
Mr GR Donaldson SC

Deputy Convener:
Ms S Schlink

Members:
Ms A Liscia
Dr JJ Hockley
Ms G Braddock
Mr JGM Fiocco
Mr JRB Ley
Mr K Edwards
Mr LM Levy SC
Mr M Howard
Ms N Hossen

Approved Practical Legal Training

There are two practical legal training (PLT) options in Western Australia, i.e. completion of an approved PLT course or 12 months articles of clerkship (which includes completion of a Programme of PLT for articulated clerks).

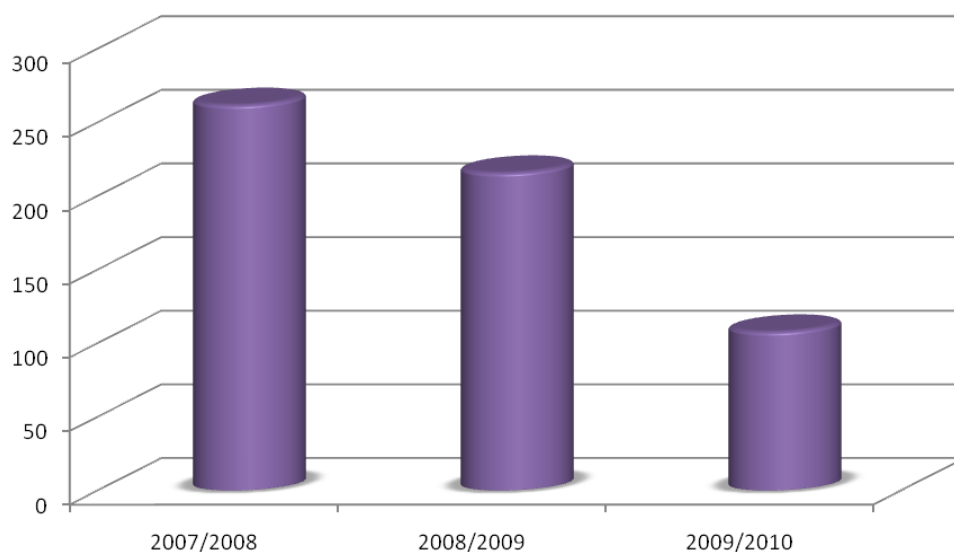
PLT Courses

The WA College of Law PLT Course remains the only approved PLT course in Western Australia. However, ARC continues to recognise as “corresponding” any Australian PLT course that meets admission requirements in the State or Territory in which it was completed.

During the year under review ARC considered submissions from the WA College of Law in relation to various aspects of their course, in particular, the work experience rules. ARC confirmed that, in some circumstances, up to 8 weeks of the 15 week work experience component could be undertaken prior to completion of the law degree. ARC also agreed that work experience could be completed on a voluntary basis.

Articles of Clerkship

Following the approval of the WA College of Law PLT Course in March 2009, the number of law graduates applying for registration of articles has decreased dramatically. In the 2008/2009 year the number of articles registrations was 216 (down from 262 in the previous year). In the year under review there were 108 articles registrations. It is projected that registrations for the 2010/2011 year may be as low as 50.



As a result of the decreasing registrations, the Management Committee resolved in May 2010 that the Board would cease to operate the Articles Training Programme (ATP) effective 31 December 2010. The ATP offers a 4 week Core Course, a 2 day course in Basic Accounting, and 2-3 day courses in the optional areas of Property Law Practice and Corporate and Commercial Law Practice. Articled clerks are required to complete the two optional areas at the ATP unless their principal trains them in the required competencies.

All entry level lawyers must demonstrate that they have met the PLT competency standards set out in the *Uniform Admission Rules*. The decision of the Board to cease operating the ATP meant that articles of clerkship would cease to be an option in Western Australia unless another provider of PLT training for articled clerks could be found.

The profession and other stakeholders were advised of the position in May 2010 and three proposals from prospective providers were received almost immediately. ARC took the view that it was only viable to have one provider of PLT for articled clerks in WA and in June 2010 approved a Programme proposed by the Leo Cussen Institute.

Their first course will commence on 4 April 2011. The structure of the course will be similar to that provided by the ATP, in that there will be an on-site core course, an accounting module, and two optional practice area modules. However, Property Law Practice and Corporate and Commercial Law Practice will now be included in the core course.

ARC is required to approve a practitioner to be the principal to an articled clerk. In determining whether a practitioner should be approved, ARC takes into account any completed or pending disciplinary matters. In the year under review, ARC resolved to hold formal hearings to determine whether two practitioners subject to disciplinary matters should be approved to take an articled clerk. As one of the prospective articled clerks withdrew his application in order to complete the College of Law PLT course and the other was articled to another partner of the same firm, the hearings did not proceed.

Assessment of Overseas Applicants for Admission

ARC assesses overseas qualified and admitted applicants for admission. In considering applications ARC has regard to the *Uniform Principles for Assessing Qualifications of Overseas Applicants for Admission To the Australian Legal Profession* (Uniform Principles) prepared by the Law Admissions Consultative Committee (LACC). The following significant policy changes were effected in the year under review:

- It was agreed to exempt applicants who have studied Property Law and Administrative Law in a common law jurisdiction from studying these

subjects in Australia. Previously most overseas applicants were required to complete these subjects in Australia.

- It was agreed to relax requirements for very experienced practitioners. Previously applicants were required to demonstrate that they had studied 11 prescribed academic areas as part of their overseas law degree. Any academic area not studied in a substantially equivalent manner in their overseas law degree had to be studied at an Australian university. Exemptions are now frequently given for subjects not studied if the applicant has more than 7 year's prior legal experience in a common law jurisdiction.

All overseas qualified applicants must complete Constitutional Law at an Australian university, and all must complete practical legal training in the areas of Trust Accounting and Ethics and Professional Responsibility.

In light of the changes to legislation and policy, many previously assessed applicants sought a review of their requirements in the 2009/2010 year.

Law Admissions Consultative Committee (LACC)

LACC is a consultative committee that provides recommendations to Australian Admitting Authorities with the aim of achieving uniformity of admission requirements across the country. The Chair of the Board continues to sit as a member of LACC.

In addition to considering LACC's proposals for amendments to the Uniform Principles, including those outlined in the previous section, ARC considered discussion papers from LACC relating to:

- The COAG National Legal Profession Reform Project;
- A template for reviewing and approving Law Schools and law degrees; and
- Commonwealth Government proposals to establish a new Tertiary Education Quality and Standards Agency.

Suitability for Admission and Readmission

ARC must determine whether applicants are suitable for admission or readmission to the legal profession. Suitability is considered when the applicant applies for admission, unless an application for an early determination is lodged.

In the year under review ARC considered one application for an early determination from a prospective applicant who had been the subject of an official reprimand by the Police Department nine years ago for poor behaviour.

ARC also considered the suitability of 4 applicants for admission who had disclosed incidents of academic misconduct; plagiarism and shoplifting; unlawful possession of a firearm; and multiple repeat traffic convictions, respectively.

All were determined to be suitable to be admitted on the papers and/or after a personal interview and no formal hearings were conducted.

Registered Foreign Lawyers

One application was received from a foreign lawyer intending to practice “in-house”. ARC formed the view that there is no power in the Act to register a foreign lawyer to practice in an in-house capacity as an employee of a corporation that is not an incorporated legal practice.

The six foreign lawyers registered in the previous year maintained their registration. There were no new registrations in the year under review.

Statistics pertaining to matters considered by ARC from 1 July 2009 to 30 June 2010

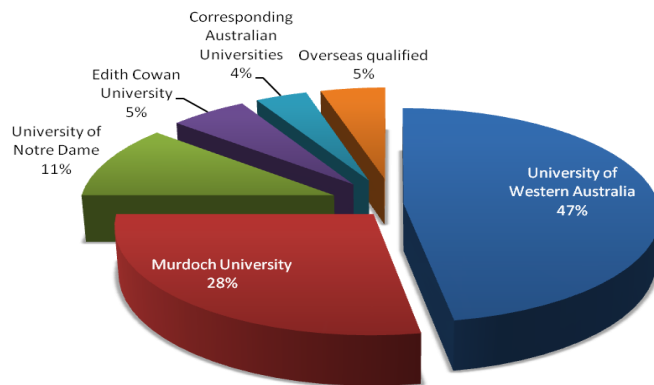
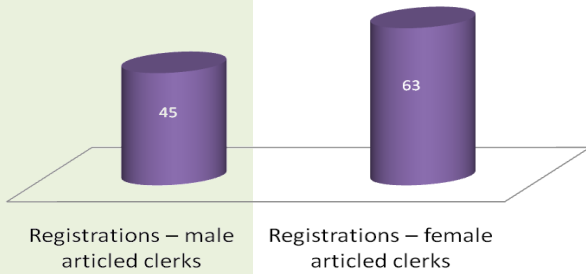
Assessment of Qualifications

ARC assessed 58 new applications from overseas qualified applicants as follows:

Qualified	Admitted	Number
Australia	Malaysia	1
England & Wales	Not Admitted	4
England & Wales	England & Wales	19
England & Wales	England & Wales/Malaysia	1
England & Wales	England & Wales/Singapore	1
England & Wales	England & Wales/USA	2
England & Wales	Malaysia	2
England & Wales	Singapore	1
Scotland	Scotland/England & Wales	1
Ireland	Ireland	2
South Africa	South Africa	8
Bangladesh	Bangladesh	1
Canada	Canada	1
China	China	1
Columbia	Columbia	1
Germany	Germany	2
Egypt	Egypt	1
India	India	4
Italy	Italy	1
Netherlands	Netherlands	1
Philippines	Philippines	1
Turkey	Turkey	1
United States of America	United States of America	1

Profile of Articles of Clerkship Registrations

Law Graduates From	No.
University of Western Australia	51
Murdoch University	30
University of Notre Dame	12
Edith Cowan University	6
Corresponding Australian Universities	4
Overseas qualified	5
Total articulated clerks	108

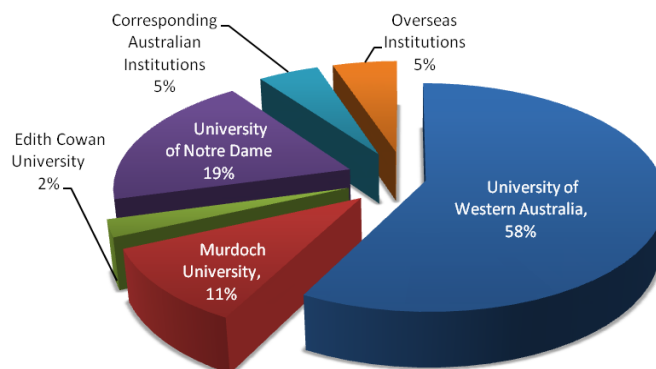


Profile of Practitioners Admitted in 2009/2010

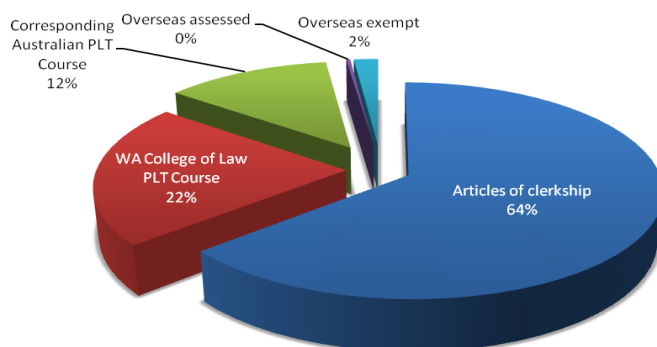
Admitted/Readmitted Pursuant to :	No.
Admitted pursuant to s26 of the <i>Legal Profession Act 2008</i>	328
Admitted pursuant to the <i>Mutual Recognition (WA) Act 2001</i>	21
Admitted pursuant to the <i>Trans-Tasman Mutual Recognition (WA) Act 2008</i>	7
Total New Admission	356

Of the **328** lawyers admitted pursuant to the *Legal Profession Act 2008*, 117 were male and 211 were female, and they were qualified as follows:

Academic Qualifications	No.
University of Western Australia	189
Murdoch University	35
University of Notre Dame	63
Edith Cowan University	8
Corresponding Australian Universities	16
Overseas qualified	17
Total articulated clerks	328



Practical Legal Training Completed	No.
Articles of Clerkship	209
WA College of Law PLT Course	71
Corresponding Australian PLT Course	41
Overseas assessed	1
Overseas exempt	6



7 practitioners had previously been admitted overseas:

Previously Admitted in:	No.
England and Wales	3
South Africa	2
Malaysia	1
United States of America	1

Registered Foreign Lawyers

6 existing foreign lawyers renewed their registration and no new foreign lawyer registrations were approved in the year under review. At 30 June 2010 foreign lawyers were registered to practice the law of:

Registered to Practice Law In:	No.
England & Wales	1
France/ England & Wales	1
Germany	3
India	1
Total Foreign Lawyers	6

Grant Donaldson SC
Convener
October 2010

PROFESSIONAL AFFAIRS COMMITTEE



Convenor:
Mr MH Zilko SC

Deputy Convenor:
Mr GMG McIntyre SC

Members:
Mr GTW Tannin SC
Mr B Fiannaca SC
Mr PCS van Hattem SC
Ms PE Cahill SC*
Mr MD Howard SC*
Mr AS Derrick SC*
Mr SM Davies SC*
Ms NA Hossen
Ms AM Liscia
Ms EE Macknay
Ms FB Walter
Mr I Weldon

* Part year

The Professional Affairs Committee (PAC) met on 17 occasions between 1 July 2009 and 30 June 2010. This included 11 scheduled meetings and 6 special meetings.

The PAC exercises delegated decision-making power in relation to:

- the renewal of practising certificates, subject to conditions in certain circumstances;
- ensuring that practitioners adhere to the practising certificate regime;
- the regulation of business structures, including incorporated legal practices and the legal practitioner directors who control and manage them;
- ensuring that the requirements prescribed for the administration and management of trust accounts are met;
- external intervention; and
- the prosecution of unqualified practice.

Practising Certificates

The PAC has delegated power to issue annual practising certificates and must only do so if it is satisfied that the applicant is a fit and proper person to hold one.

The term ‘fit and proper person’ is not defined in the Act. However the Act sets out various matters that may be taken into account when considering whether a person is a fit and proper person to hold a practising certificate, including:

Suitability matters (set out in sections 8 of the Act)

Including whether a person:

- “(a) is currently of good fame and character;
- (b) is or has been an insolvent under administration;
- (c) has been convicted of an offence in Australia or a foreign country;
- (d) has engaged in unauthorised legal practice in Australia;
- (e) has engaged in unauthorised legal practice in a foreign country;
- (f) is currently subject to an unresolved complaint or investigation;
- (g) is the subject of current disciplinary action, or has been the subject of disciplinary action involving a finding of guilt, in another profession or occupation in Australia or a foreign country;
- (h) has been removed from the Roll in Australia or a foreign country;
- (i) has had the right to engage in legal practice suspended or cancelled in Australia or a foreign country;

- (j) *has contravened, in Australia or a foreign country, a law about trust money or trust accounts;*
- (k) *has had a supervisor, manager or receiver appointed to their law practice under the Act or a corresponding Australian law;*
- (l) *is or has been disqualified from being involved in a law practice under the Act or corresponding Australian law;*
- (m) *is currently unable to carry out the inherent requirements of practice as an Australian legal practitioner.”*

Other matters (set out in sections 38(2) of the Act)

Include whether a person:

- “(a) obtained an Australian practising certificate because of incorrect or misleading information;*
- (b) has contravened a condition of an Australian practising certificate held by them;*
- (c) has contravened the Act or corresponding Australian law;*
- (d) has contravened an order of the Legal Profession Complaints Committee or the State Administrative Tribunal or Supreme Court (full bench) or relevant appellate body or an order of a corresponding body exercising jurisdiction under the Act or a previous Act;*
- (e) (i) has failed to pay a required contribution or levy to the Guarantee Fund; or*
(ii) has contravened a requirement imposed under this Act about professional indemnity insurance; or
(iii) has failed to pay other costs, expenses or fines for which the person is liable under this Act or a previous Act; and
- (f) any other matters relating to the person the Board considers are appropriate.”*

Each practising certificate application disclosing a relevant ‘suitability matter’ is carefully considered and determined on a case-by-case basis by the PAC to ensure that the applicant is a fit and proper person to hold a practising certificate. The PAC also considers any relevant matters as they arise during the year and may, if necessary, amend, suspend or cancel a practising certificate.

During the 2009-2010 year, 202 suitability matters were considered.

Suitability Matter	Outcome	No
Pending disciplinary matter before the Legal Profession Complaints Committee	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued (140) ➤ Certificate issued subject to conditions (1) ➤ Certificate issued subject to appointment of Manager (1) 	142
Applicant has not held a local practising certificate within 5 years preceding application / Absence from local legal practice	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued (14) ➤ Certificate issued subject to conditions requiring legal education and/or supervision (3) 	17
Traffic offences, including drink driving	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued (16) ➤ Certificate issued subject to conditions (1) 	17
Is or has been an insolvent under administration	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued (3) ➤ Certificate issued subject to conditions (6) 	9
Health condition affecting fitness to practise	<ul style="list-style-type: none"> ➤ Certificate issued subject to conditions (2) ➤ Certificate suspended then later restored with conditions (1) 	3
Failure to comply with CPD requirements	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued subject to agreement that practitioner take remedial action 	2
Uncertificated legal practice	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	2
Failure to comply with court order	<ul style="list-style-type: none"> ➤ Application refused 	1
Conviction arising out of failure to lodge income tax returns	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Conviction arising out of failure to ensure that firearm stored correctly as required by Firearms Act 1973	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Convictions (now spent) for common assault and escaping lawful custody	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Conviction in foreign jurisdiction relating to fraud and dishonesty	<ul style="list-style-type: none"> ➤ Application refused. Decision currently subject of review by State Administrative Tribunal 	1
Failure to comply with Notices to Provide Written Information and Summonses to Produce Documents issued by Law Complaints Officer	<ul style="list-style-type: none"> ➤ Suspension of practising certificate 	1
Conviction of shoplifting, over 20 years ago when practitioner 18	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Conviction for drinking in public place, over 20 years ago	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Failure to lodge income tax return by due date	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Conviction for false pretences, over 20 years ago when practitioner aged 18 (now spent)	<ul style="list-style-type: none"> ➤ Unrestricted practising certificate issued 	1
Total		202

Conditions on Practising Certificates

In some circumstances, the PAC is only able to be satisfied that a practitioner should be granted a practising certificate if certain conditions are attached to the certificate. These conditions may entail such things as requiring the practitioner to be subject to a certain form of employment or supervision, or may include a restriction on dealing with trust money, or a requirement to undergo medical treatment or, further legal education.

All conditions are monitored by the PAC to ensure that the condition remains appropriate and is sufficient to protect the public.

Between 1 July 2009 and 30 June 2010, 25 practitioners had conditions imposed on their practising certificates. These conditions covered the following circumstances:

Circumstances	Condition	No
Health condition	Requirement to undergo medical treatment and the provision of periodic reports to the Board	2
Health condition	Requirement to undergo medical treatment, the provision of periodic reports to the Board and to obtain a senior legal practitioner peer to act as a mentor and report to the Board	1
Health condition	Requirement to undergo medical treatment, the provision of periodic reports to the Board and supervised legal practice condition	1
Health condition	Practitioner practise only as an employee	1
Bankruptcy	Requirement for periodic financial reports to the Board including reports from Trustee in Bankruptcy	3
Bankruptcy	Requirement for periodic financial reports to the Board including reports from Trustee in Bankruptcy and practitioner must not be involved in the maintenance of a trust account or receive trust money	1
Bankruptcy	Requirement for periodic financial reports to the Board including reports from Trustee in Bankruptcy and practitioner must not be involved in the maintenance of a trust account or receive trust money and practitioner practise only as an employee	1
Bankruptcy and pending disciplinary proceedings before the State Administrative Tribunal	Requirement for periodic financial reports to the Board including reports from Trustee in Bankruptcy and practitioner must not be involved in the maintenance of a trust account or receive trust money and practitioner practise only as an employee	1
Practitioner awaiting outcome of proceedings before the State Administrative Tribunal reviewing PAC decision to refuse to renew practising certificate on basis applicant not a fit and proper person to hold practising certificate	Practitioner practise only as an employed practitioner of a law practice	1
Practitioner awaiting the determination of disciplinary proceedings before the State Administrative Tribunal	Requirement for the practitioner to practise under direct supervision of a Board appointed Manager	1
Series of driving offences	Practitioner is required to notify the Board of the particulars of any driving offence (including receipt of infringement notices but not including parking infringement notices) within 7 days of being charged with such offence	1
Practitioner re-entering the profession after an absence of over 30 years	Practitioner must complete an approved practical legal training course. Note: practitioner also subject to statutory restricted legal practice condition requiring completion of 24 months supervised legal practice	1
Practitioner re-entering the profession after being struck off the roll in 1994	Practitioner must engage in supervised legal practice only until he has completed a period of two years supervised legal practice and practitioner is required to complete the Articles Training Core Course	1
Practitioner with UK qualifications and experience entering the profession	Practitioner must complete a study of constitutional law	1
Practitioners who each had over 40 years' practice experience and who consented to a condition that they could practise only as employed practitioners in order to obtain an exemption from CPD requirements in accordance with Board policy	Practitioner practise only as an employee practitioner	8
Total		25

Restricted Practitioners

The Act imposes a statutory condition on each local practising certificate that the holder must engage only in supervised legal practice for a specified period after the grant of his or her first practising certificate. If a practitioner's pathway to admission was articles of clerkship then they are ordinarily subject to 18 months supervised legal practice. If a practitioner's pathway to admission was via a practical legal training course, such as the College of Law Programme, the supervised legal practice period is ordinarily two years.

The PAC has delegated power to grant an exemption or reduce a practitioner's required period of supervised legal practice if it is satisfied that the practitioner does not need to be supervised or needs to be supervised for a shorter period only. During 2009-2010, the PAC considered 11 applications for exemptions or reductions of the supervised legal practice obligations, approving 8 and disallowing 3.

The Act permits supervised legal practice to be completed on a part-time basis but only if the part-time work arrangements have been approved by the Board (or, in this instance its delegate the PAC) and amount to the equivalent of the required period worked on a full-time basis.

The PAC's policy regarding part-time supervised legal practice is:

- supervised legal practice may be undertaken on a part-time basis if a practitioner attends at the office of their employer on at least 3 separate days per week, for a period of not less than 20 hours in total;
- absent exceptional circumstances, this policy will be strictly adhered to; and
- if any variation is proposed, a practitioner and/or prospective employer will be required to demonstrate why the policy ought not to apply.

The PAC recognises the advances in technology used in the workplace providing for flexible work arrangements and now also allows up to 4 hours of the required 20 hours to be worked remotely in a "virtual office" setting.

During 2009-2010, the PAC received 22 applications for approval of part-time supervised legal practice. The PAC approved 18 applications and disallowed 4.

Although it is ultimately the responsibility of the practitioner seeking to complete restricted practice to ensure and evidence compliance with the requirements for "supervised legal practice", the PAC developed a policy during 2009/2010 that represents its interpretation of the relevant legislative provisions to help guide practitioners as to the types of arrangements that the PAC regards as ordinarily satisfying the statutory requirements.

According to the PAC's policy, the supervision requirements include the following.

- At least one person (ie the supervisor) must accept responsibility for the supervision of the restricted practitioner during the period of supervised legal practice.
- The period of supervised legal practice can be overseen by more than one supervisor, consecutively, provided that there is continuity of direct supervision over the entire period of supervised legal practice.
- The supervision requirement does not preclude any other Australian legal practitioner employed within the same organisation from settling or supervising work of the restricted practitioner.
- Similarly, other Australian legal practitioners are not precluded from assisting with the supervision and instruction of the restricted practitioner.

The following minimum arrangements should be put in place:

- that there be daily contact between the supervising practitioner and the restricted practitioner for the purpose of review, guidance and instruction;
- that any legal advice or assistance provided by the restricted practitioner (verbal or written) to a client has been approved by the supervising practitioner before it is provided to the client; and
- that the supervising practitioner scrutinises and signs-off on correspondence and other documents prepared by the restricted practitioner.

The PAC considers circumstances that vary from the above policy on a case by case basis. For example, if it is proposed that supervision be provided by a practitioner who is not physically located at the same office as the restricted practitioner, then face to face contact may not be required if the PAC is satisfied that alternative arrangements have been put in place to ensure that the supervising practitioner is fully aware of the work being undertaken by the restricted practitioner and is providing the necessary supervision, guidance and instruction.

For further information, refer to the PAC's policy on supervised legal practice available on the Board's website www.lpbwa.org.

Business Structures – Incorporated Legal Practices

During 2009-2010, 41 new Incorporated Legal Practices (ILPs) commenced practice and 11 ILPs ceased practice. This brings the total number of ILPs to 233.

During the 2009-2010 year, the PAC considered four instances of an ILP's failure to give the Board the required notice of its intention to commence practice before starting to provide legal services. The legislative consequence of failing to comply

with this requirement is that the offending ILP is not entitled to recover any amount for any legal services provided during the period of time it was in default (section 102 of the Act).

The Board's work on developing an online audit process is an ongoing project and, when established, will assist the PAC in its broad supervisory role in respect of ILPs and the legal practitioner directors who control and manage them.

Trust Account Investigations

The PAC has responsibility for ensuring that practitioners are complying with the requirements prescribed for the administration and management of trust accounts.

Information on Trust Account Investigations can be found in this report at page 52.

External Intervention

Part 14 of the Act empowers the Board (or, in this instance its delegate the PAC), when it becomes aware of specific circumstances which require it, such as the death or incapacity of a practitioner, to appoint a supervisor or manager to a law practice or to apply to the State Administrative Tribunal for an order appointing a receiver to a law practice. In making its determination, the PAC considers, amongst other things, the interests of the clients of the practice.

The table below shows the number of external interventions undertaken in 2009-2010.

Part of Act	Type of External Intervention	Opening Balance	Commenced	Closed	Closing Balance
Part 14 – Division 3	Supervisor of trust money	0	0	0	0
Part 14 – Division 4	Manager	3	2	2	3
Part 14 – Division 5	Receiver	0	0	0	0

When appropriate, the PAC also provided informal assistance to practitioners to help them manage or wind up their practices without the need for formal intervention.

Unqualified Legal Practice

The PAC is responsible for investigating complaints regarding, and if required, instituting proceedings against, unqualified persons who perform legal work for reward or who hold themselves out as legal practitioners.

It is an ongoing concern to the PAC that the community is being disadvantaged by persons purporting to offer 'legal services' without the appropriate legal training and with no financial protection against claims of negligence and/or unprofessional conduct. Unqualified legal practice by persons holding themselves out as legal practitioners while not being bound by the ethical and legal obligations of members of the profession has the potential to damage the reputation of the profession

During 2009-2010, the Board received 31 new complaints regarding possible unqualified legal practice, which is an increase from the 18 complaints received during the previous reporting period but consistent with the 33 complaints received during the 2006-2007 year.

Of the new matters considered:

- the PAC did not take 6 matters further after obtaining an undertaking from the unqualified person not to repeat the offending actions;
- 15 matters were not taken any further due to no evidence or insufficient evidence to prove a breach of the legislation; and
- 10 matters are still under investigation.
- 4 matters were carried over from the previous reporting period, of which:
 - ◆ 2 are being held in abeyance pending the determination of related legal proceedings;
 - ◆ prosecution proceedings were commenced for one and remain outstanding; and
 - ◆ the Board successfully prosecuted the other: *Legal Practice Board v Giraud* [2010] WASC 4.

The PAC exercises its discretion carefully as to the circumstances in which the objectives of protecting the public and protecting the reputation of the profession will be served by prosecution being pursued.

Matthew H Zilko SC
Convenor
October 2010

REPORT FROM THE LEGAL EDUCATION COORDINATOR

The Legal Education Committee met on 2 occasions for the year under review in July and November 2009.

The year under review saw the first year in which completion of Continuing Professional Development (CPD) obligations were imposed as a condition upon renewal of practising certificates in Western Australia.

As the CPD requirements were fully listed in the *Legal Profession Rules 2009* it was decided that the (CPD) Policy Document had been superseded by the Rules and was no longer relevant or current. Accordingly, guidelines documents with accompanying explanatory notes to the Rules were developed and made available to the profession.

With the operational implementation of the CPD processes having been finalised the Legal Education Committee resolved to recommend to the Full Board that the Legal Education Committee be dissolved. In dissolving the Legal Education Committee the Board noted that since the delegations for the CPD scheme had been transferred to the Executive Director for the procedural administration of the Scheme, and to the Professional Affairs Committee for issues of non compliance, there ceased to be a role for the Legal Education Committee. These changes were approved by the Board on 9 December 2009.

Administration of the CPD Scheme

The Board is very pleased with the acceptance by the profession of the CPD processes and the profession has demonstrated its willingness to engage with the Board on issues relating to CPD compliance.

At the completion of the 2009/2010 practice certificate renewal period the Board undertook to conduct a comprehensive audit of the profession relating to CPD compliance. The Board sent a written request to some 1300 practitioners requesting they complete and return an audit form. The target groups included:

- all sole practitioners;
- all Barristers;
- all Board Members;
- at least one in-house practitioner from all in-house practices;
- and 10% of all practitioners from a legal firm.

The Board had an 80% return rate, with the majority of practitioners having met their compliance requirements. As this was the first year of auditing of CPD compliance the Board took a flexible and educative approach with regard to any

non compliance, and entered into arrangements with practitioners to ensure their compliance with both the audit process and in the fulfillment of their CPD obligations.

Following a review of the first CPD Audit process the Board has developed a CPD Audit Policy which provides that it will undertake to audit annually 10 per cent of the certificated legal practitioners at the end of each practising certificate year.

For the practising certificate renewal year of 2010/2011 81 practitioners indicated that they had not met their CPD requirements. However, this figure included a number of practitioners who had applied for exemptions, particularly overseas practitioners and practitioners who had contacted the Board before they renewed their certificates to advise that they would not meet their compliance requirements and who had either since completed their points or given an undertaking to the Board that they would do so by 30 June 2010. The Board sent 12 follow up letters to the remaining practitioners and all have responded. In the year ahead the Board will again take an educative approach to non compliance by generally setting a requirement for practitioners to make up any uncompleted CPD points in the new CPD year.

The requirement by the Board for all CPD Quality Assured (QA) providers, Non QA Providers and individuals to seek approval from the Board for the allocation of CPD points has continued. Despite some criticism from other states regarding the WA approval process the scheme has continued to be widely accepted locally and the charging of a fee has enabled the administration of the CPD scheme to be self funding. As QA Provider approvals will fall due for renewal early in the year ahead, the Board has reviewed the fee structure and has streamlined the categories of provider status. In most cases this will enable the Board to offer a reduction of fee for QA providers who choose to renew their approval, but will also encourage additional providers to apply for QA status. It is pleasing to report that to date there has been almost a 100% take up of renewal. It is also interesting to note that there has been some discussion between other jurisdictions on the need to have some type of control over the quality and standard of CPD that is being offered throughout Australia.

The table below sets out the applications received up to 30 June 2010.

Application type	2008/2009	2009/2010	Total
QA Providers	64	14	78
Individual activities by Non QA Provider	36	71	107
Single activities by an individual practitioner	96	124	220
Applications for variation/exemptions	103	66	169

The reduced number of applications for approval as a QA Provider reflects the fact that the majority of providers of CPD applied for approval in the first year and that the approval is granted for a 2 year period. It is pleasing to note though that there continues to be interest from organisations including from other states in seeking to be approved as a QA Provider for the provision of CPD for WA legal practitioners.

Individual activities by Non QA providers have almost doubled as many organisations seek approval for specific activities that relate to the legal Profession and thus entitle them to offer CPD points to practitioners.

In the year under review applications for variations and exemptions were down on the previous year due to the decision to allow practitioners on parenting leave to automatically apply a pro rata points allocation (as per the Parenting Leave guidelines document posted on the Board's web site) depending on their time absent during the CPD year on the undertaking that they advise the Board in advance of their expected dates of absence from practice.

National CPD Taskforce

The Legal Education Coordinator is the WA representative on the National CPD Taskforce which is a group of representatives from the various states and territories who are involved in the administration, provision, or regulation of CPD. The National Taskforce was formed to have a forum for discussion of the issues involved in the provision of CPD and to work towards developing a national framework for the provision and regulation of CPD for the legal profession. The Legal Education Coordinator has participated in several meetings of the national CPD Taskforce. It is hoped that the National CPD Taskforce will continue to have a role in the national reform process of the legal profession.

Country Lawyers Programme

The Legal Education Coordinator is the Board's representative on the Western Australian Country Lawyers Programme (CLP) and, amongst other issues, this helps to ensure that access to CPD for country lawyers remains a high priority as part of the Programme. The Executive Director and the Legal Education Coordinator attended a planning meeting of the CLP held in Port Hedland to underline to the members of the committee the problems facing lawyers in remote country areas. The Board would particularly like to acknowledge the role that Legal Aid has taken as part of the CLP in its efforts to provide CPD to not only to its own country lawyers but to the wider community of country lawyers particularly those in the more isolated areas in the North of Western Australia.

Julie Bain
Legal Education Coordinator
October 2010

REPORT FROM THE LAW LIBRARIAN

Role of the Law Libraries

The Law Library was established at the Supreme Court in 1898. Ownership of the Law Library is vested in the Legal Practice Board under the provisions of the Legal Profession Act 2009. The Law Library is a major provider of legal information in Western Australia, serving the judiciary, legal practitioners and other eligible users.

The Law Library at the Supreme Court holds the main collection and provides an effective reference and research centre for the legal community.

A Practitioners Branch Library, established in 1982, is situated in the Central Law Courts building for the convenience of practitioners appearing in the District Court and the Magistrate's Court.

The Law Library Advisory Committee

The Law Library Advisory Committee assists the Legal Practice Board with the policy and the ongoing development of the Law Libraries. There were several changes to the membership of the Committee during this reporting period:

- The Hon. Justice Simmonds resigned in October 2009
- The Hon. Justice Hasluck resigned as Chairperson of the Committee in December 2009, pending the retirement of His Honour in 2010.
- Mr. Peter Jooste QC resigned as from January 2010
- The Hon. Justice Stephen Hall was appointed to the Committee as of December 2009
- The Hon. Justice Kenneth Martin was appointed to the Committee as Chairperson from January 2010

Sincere thanks are extended to those retiring members of the Advisory Committee for their valued contribution to the management and operations of the Law Library.

The Law Library Advisory Committee met six times during this reporting period.

Collections

The Legal Practice Board continues to develop the resources of the Law Library. Currently the collection contains:

Collections	Totals
Serials, including loose-leaf monographs	1,818 titles
Monographs	11,044 titles
Legislation	over 7,000 vols

The library continues to expand the access to online legal material. Apart from subscribing to the major case law and legislation databases for Australian, United Kingdom and American jurisdictions, an increasing range of online commentaries is available.

The preservation of the collection remains a top priority. An active binding programme is in place to maintain the integrity of the law report, legislation and journal collections. Repairs to the older materials are effected on a regular basis.

During this reporting period 468 volumes were sent for binding and 28 volumes were repaired.

The project of scanning the older Supreme Court judgments continues with the objective of preserving the material and making it accessible online.

The library has long maintained a framed collection of photographs of the previous judges of the Supreme Court and its predecessors. The first photograph is that of George Fletcher Moore, Commissioner of the Civil Court, 1832. The collection has been updated to include photographs of the judges and masters who have retired during recent years.

Library Services

The development in-house of the library web site has greatly enhanced access to the services and to the collection. Thanks to the work of Erin Smith and other library staff, the Catalogues can be viewed off site and information about Document Delivery Services, Training Programmes and the PLEAS online subscription service is conveniently available to practitioners. The web site also allows logon access to the PLEAS online Family Court decisions database.

The PLEAS (Practitioners Legal Electronic Access System) continues to provide off-site access to the unreported decisions of the various courts of Western Australia as well as to the Sentencing Remarks of the Supreme Court. Subscriptions to the Family Court decisions database continue to grow.

Library user training has continued throughout the year. Thirteen groups of Articled Clerks attended induction sessions in the library. The Law Library participated in the Supreme Court's Associate and Summer Clerks induction Programmes, with four groups attending sessions in the library. One-to-one training in the use of the electronic products proceeds on a daily basis in the libraries.

The pilot Continuing Professional Development Programme offering training to practitioners in the use of legal research resources was evaluated at the end of 2009. As a result of the success of this pilot Programme, with a total of eighty-five practitioners attending six lunch time sessions, it was decided to continue this

service to the profession. Participants in each session are eligible for 1 CPD point in the area of Legal Skills and Practice.

Accommodation

The Practitioner's Branch Library situated on the 6th floor of the Central Law Courts building closed for extensions and renovations in October 2009.

It was of some concern to library users that the branch library remained closed for the rest of the financial year owing to unforeseen delays in the structural alterations to the 6th floor. The enlarged and refurbished branch library is expected to re-open November/December 2010.

Staff

A permanent librarian was appointed on 7 September 2009 by the Department of the Attorney General to assist at the branch library.

This was the only staff change during the reporting period.

The nine library staff members attended a total of 337 hours training, including professional development, library software and legal product training during the year. This includes training on the Objective records management system which is being introduced by the Legal Practice Board.

The Law Librarian attended the National ALLA (Australian Law Librarians Association) Conference held in Darwin during September 2009 as well as the associated national Court Librarians meeting.

Ms. Macgill, the Senior Librarian responsible for managing the collection, attended the VALA conference in Melbourne during February 2010.

VALA was established as the Victorian Association for Library Automation in 1978 in response to the emergence of automated library catalogues and other technologies.

The Library and the Community

The library supports the community activities of the Supreme Court and the Law Society of Western Australia. During this reporting period the Law Library participated in the Law Week court tours organized by the Law Society in September 2009 as well as in May 2010. Seventy-four members of the public visited the Law Library as a part of the tours of the Supreme Court building.

The Supreme Court holds an annual open day. On Sunday 18 October 2009 542 people took the opportunity of visiting the Law Library

The Law Library has close links with the law libraries attached to the law schools at Western Australian universities and offers tours of the library to law students. A group of pre-law students from Murdoch University attended an induction tour in January 2010. Practicum placements in the library are offered to students studying at the library schools.

The Librarians and Library Technicians actively participate in Australian Law Librarians Association (WA) and the Australian Court Librarians Group.

The year ahead

The emphasis for the financial year ahead will be on the following projects:

- The re-establishment and promotion of the Practitioner's Branch Library in the Central Law Courts building.
- Continuing the digitization of early judgments.
- Continue to offer the successful CPD Legal Resource Training Programme.
- Promote the web-enabled Family Court decisions database on PLEAS
- Ongoing enhancement of the Law Library web site to promote and facilitate access to the library collections and services.
- Continuing collection development, striving for a cost-effective balance between the print and online resources according to the needs of library users.

I would like to express my appreciation to the Law Library Advisory Committee members for the support and guidance given during the year. I would also like to commend the staff of the Law Library for the enthusiasm and professionalism with which they deliver the best possible library service.

Alice Anderson
Law Librarian
October 2010

REPORT FROM THE ARTICLES TRAINING PROGRAMME DIRECTOR

Introduction

In order to qualify for admission to practice as a Legal Practitioner in Australia a law graduate must complete a period of practical legal training prescribed by the relevant admitting authority (being the admitting authority in the jurisdiction in which they seek first time admission). In this regard in Western Australia the *Legal Practice Board Rules 2008* require the completion of a period of articles of clerkship and a course of practical legal training provided by the Articles Training Programme (ATP).

The ATP was established in 1995 to provide articled clerks with a Programme of structured training in practical aspects of the practice of the law in Western Australia.

ATP courses are designed to teach and assess the competence of articled clerks across a number of Skills, Values and Practice Areas identified by the Australasian Professional Legal Education Council (APLEC) and the Law Admissions Consultative Committee (LACC) as necessary to practice law (refer “*Competency Standards For Entry Level Lawyers*” published jointly by APLEC and LACC in November 2000¹).

A number of different courses are run by the ATP details of which are described below. The course is largely funded through the fees paid upon enrolment. Fees are set by the Legal Practice Board as part of its annual budget considerations. Fees are maintained at a level sufficient to cover the Programme’s operating costs.

Core Course

Every articled clerk must complete the four week core course. The course is designed to teach and assess clerks across the following Skills, Practice Area and Values

Skills	Practice Areas	Values
Lawyers Skills Problem Solving Work Management and Business Skills Trust and Office Accounting	Civil Litigation Criminal law Practice Consumer Law Practice	Ethics and Professional Responsibility

¹ A link to the text of this document is available on the Resources page of the APLEC website www.cleaa.asn.au

Before commencing the Core Course a clerk must complete a minimum of 12 weeks employment in their Principal's office. This ensures that they have a degree of context for the teaching and learning covered in the course.

The course runs Monday to Friday for four weeks. Classes operate from 8.45am to 5.00pm on each day and the Course Rules require attendance at all classes unless prior permission is obtained from the Director to be absent.

Teaching is by lectures, tutorials, workshops and practical exercises. There is a strong emphasis on the practical aspects of the practice of law and most of the clerk's time is spent engaged in practical exercises. Clerks are required to complete around 25 written or oral assessment tasks including the conduct of a mock criminal and civil trial, an argued chambers application, an application for bail and a plea in mitigation. Written assessment tasks include letter writing, drafting court documents and the gathering and presentation of written evidence. A clerk who does not demonstrate the minimum level of competence on an assessment is provided with individual tuition to enable them to be reassessed.

There is a significant emphasis on Ethics and Professional Responsibility in the Core Course. The lecture content of this part of the course is usually presented by a member of the independent bar or a member of the judiciary, thereby ensuring a practical and relevant focus. The lectures cover the professional obligations of legal practitioners to their clients, the courts, and to society generally. *The Law Society Professional Conduct Rules* are examined in detail and are fleshed out in tutorials designed to engage the clerks in discussions of hypothetical situations based on the facts of reported cases. There are a number of sessions devoted to raising the awareness of clerks as to the importance of managing work and living so as not to impair health and family life. Clerks are made aware of the resources available to practitioners in this regard.

At the conclusion of the course clerks and their principals are provided with advice certifying that through their participation in the course they have demonstrated the minimum level of competence in each of the Skills, Practice Areas and Values described above.

In order to accommodate the number of articled clerks registered with the LPB during the reporting period the ATP ran six Core Courses. Courses were spread through the year to enable as many clerks as possible to commence a Core Course within 6 months of the registration of their articles of clerkship. Course numbers are limited to 40 per course.

Optional Courses-Property Law practice and Corporate and Commercial Practice

The admission rules require applicants for admission at the time of their application for admission to have demonstrated the minimum level of competence in two Practice Areas not taught or assessed in the Core Course viz:

- Property Law Practice
- Commercial and Corporate Practice

Following the proclamation of the 2004 *Legal Practice Board Rules* articled clerks may be trained and assessed in these Practice Areas by attending an ATP course **or** their principal may make alternative arrangements to teach and assess their competence against the Competency Standards. Such arrangements may include in house training and assessment or the provision of such by a third party provider.

The courses are intensive. They each run for three full consecutive days. Due to time constraints much of the teaching is by way of lectures a number of which are delivered by visiting practitioners with current practice experience in the subject matter. The emphasis of the lectures is on the practical aspects of practice in these areas rather than legal theory. For example in the property practice course clerks are taught how to effect common types of transactions rather than the theory of property law, which they have studied at university.

Assessment of clerks' competence in Property Law Practice and Commercial and Corporate Practice is by way of an examination and an assignment in each subject. Clerks receive detailed written feedback on their work which is designed to supplement the clerks' knowledge and understanding of the material which has been taught. Clerks who are unable to demonstrate the minimum level of competence on their first attempt at an assessment task are offered further tuition before completing supplementary assessment tasks.

Basic Accounting

The National Competency Standards requires applicants for first time admission to have demonstrated a minimum level of competence in Trust and Office Accounting. The Descriptor for this Skill provides:

“an entry level lawyer should have a sound knowledge of the significance of, and the principles governing, trust and general accounting in legal practice and sufficient knowledge, skills and values to maintain trust and general account records according to law and good practice, to the extent usually permitted and expected of an employed solicitor”.

Many clerks have undertaken a study of accounting principles as part of a double degree at undergraduate level. The LPB does not require those clerks to complete

any further study or assessment in this area as part of their practical legal training. Clerks who fall into this category may apply to the Director of the ATP from an exemption from attendance at the Basic Accounting course. All other clerks must attend a two day intensive Basic Accounting course run by the ATP. Clerks' competence in this area is assessed via a 1 hour test which requires a score of at least 60% to pass.

Staffing

During the reporting period the ATP was staffed by two full time administrative staff and 5 teaching staff (four of whom are employed on a part time basis). We are fortunate to be supported by a number of experienced members of the profession who participate by delivering lectures and participating in tutorials, workshops and mock court hearings. The participation of these practitioners contributes significantly to the quality of the Programme by ensuring that clerks are provided with current information about the practice of the law in Western Australia.

The Future

The changes to the State legislation regulating the legal profession which came into force on 1 March 2009 in the *Legal Profession Act 2008* permits law graduates to complete their PLT requirements other than by way of articles of clerkship. A number of firms have indicated that they intend to make use of the new regime and by pass the articles of clerkship system. It is expected that this will have the effect of decreasing the number of articulated clerks registering with the LPB. If that does occur it will become difficult for the cost of the Programme to be recouped via enrolment fees. In the event of such a scenario the Board will no doubt be forced to consider the future viability of the ATP.

Deborah Milton
Director of Articles Training Programme
October 2010

REPORT FROM THE OFFICE OF THE BOARD'S SENIOR TRUST ACCOUNT INSPECTOR

Following the appointment of a new Trust Account Inspector in March 2010 the Board now has two full time Trust Account Inspectors in addition to the Senior Trust Account Inspector based with the Legal Profession Complaints Committee.

Education

Seminars

The focus of the seminars conducted continued to be on practitioners and their support staff in relation to compliant maintenance of and identified deficiencies in relation to trust accounts and supporting records. For the first time seminars were conducted specifically for external examiners and these proved to be very popular.

Approximately 225 persons attended the 12 seminars conducted at the Board's premises, Bunbury, Broome and at the Law Society of Western Australia.

Perth based seminars were fully booked within days of opening.

Guidance Notes

Guidance notes continued to be placed onto the Board's web site. These guidance notes provide some clarity and feedback in relation to the areas of most frequent query or failure in relation to the administration and reporting in relation to trust accounts. They remain a valuable resource for practitioners, practitioner's staff and the External Examiners who report on the operation of law practice trust accounts.

Updated information was prepared in relation to identified deficiencies in respect of trust accounts and was incorporated into a Guidance Note for External Examiners.

Reporting of Irregularities

Quarter Ended	30/9/2008	31/12/2008	31/3/2009	30/6/2009
Irregularities Reported	Not Available	4	7	10
Frequency (Days)		19 Days	13 Days	9 Days
Quarter Ended	30/9/2009	31/12/2009	31/3/2010	30/6/2010
Irregularities Reported	40	44	38	56
Frequency (Days)	2.5 days	2.0 Days	2.3 Days	1.6 Days

Reported irregularities are analysed to determine the recurring problems and to develop appropriate remedial or educational strategies to avoid recurrence. Although previously reported under the Legal Practice Act 2003, the Legal Profession Act 2008 imposed a specific reporting obligation. As a result the frequency of reporting has increased dramatically for 2009/2010. Figures for the final quarter to 30 June 2010 do not include irregularities identified and reported as part of the annual external examination (audit) process. It is believed that the increased incidence of reporting is not due to a deterioration of standards but rather due to the effectiveness of the educational seminars; increased practitioner awareness of their obligations and the use of a “Law Practice Declaration and Trust Money Statement” provided to the Board as part of the annual external examination process and also used on a random basis throughout the year.

External Examiners Reports (EER)

External Examiners Reports	2010	2009	2008
Trust Accounts Maintained	617	492	563
Lodged and Approved	557	465	N/A
Waivers Granted	9	4	N/A
Outstanding	51	23	N/A
Qualified & Trivial	149	53	59
Qualified & Trivial %	27%	11%	10%

A significant increase in the level of qualified external examiners’ reports is attributable to the fact that more specific information regarding the maintenance of law practice trust accounts was sought by way of a “Declaration and Trust Money Statement” used in Western Australia for the first time. The Declaration and Trust Money Statement has been in use in other States for some years.

A significant number of reports were lodged as unqualified by the external examiners. Outstanding reports are being followed up and with the introduction of the Legal Profession Act 2008 the failure to lodge these reports is a prescribed offence with specific penalties of \$10,000.

POINT OF INTEREST

Scams

Local practitioners continue to be targeted as part of international scams. Practitioners are being approached to act on behalf of overseas based companies to recover debt from Australian customers and to participate in collaborative law agreements in respect of family law issues. As part of these scams forged bank cheques have been receipted into trust accounts and subsequently dishonoured. To date no trust funds have been lost.

Declaration by a Law Practice Regarding Trust Money

With the introduction of the Legal Profession Regulations 2008 and as part of the “educative” initiative of the Board, practitioners maintaining trust accounts were asked during 2008/2009 to voluntarily complete a declaration regarding trust money.

Due to the high incidence of issues identified following a review of the lodged declaration, declarations were continued to be utilised during 2009/2010, independently of the external examination process.

Trust Declarations Reviewed	2010	2009
Declarations Requested and Undertaken	239	84
Declarations with Identified Issues	154 (64%)	44 (56%)
Declarations without Identified Issues	85 (36%)	35 (44%)
Closed	153	74 (95%)

The most frequent issues identified were, like the previous period:

- Bank Reconciliations:
 - ◆ Stale cheques, some as old as 5 years being carried forward on bank reconciliations;
 - ◆ Unpresented cheques for significant amounts and to Government agencies that remained outstanding for more than 3 months;
 - ◆ Deposits not credited that were up to two years old;
 - ◆ Bank errors carried forward on reconciliations for up to two years;
 - ◆ Unexplained adjustments to bank reconciliations;
 - ◆ Use of suspense accounts.
- Small and Stagnant Trust Account Balances: including many small and stagnant balances which should have been returned to clients or transferred to unclaimed monies.
- Trust Account Signatories: there were several instances where staff or family members of practitioners were able to transact on the trust account contrary to the *Legal Profession Regulations 2009* which require such persons to only act as joint signatories.
- Computerised Accounting Systems: practitioners continuing to use computerised accounting systems that failed to meet the requirements of the regulations.

Inspections

From September 2008 the Board has conducted inspections of solicitors' trust accounts independently of the Legal Profession Complaints Committee. The objective of the inspections is to:

- educate practitioners in respect of their obligations;
- confirm compliance with the act and regulations; and
- prevent, detect and mitigate fraud.

The following inspections have been conducted:

Inspections conducted:

Year	Commenced	Finalised	Pending
2007/2008	N/A	N/A	N/A
2008/2009	15	12	3
2009/2010	8	9	2

Issues were identified in all eight inspections conducted.

Law Practice Trust Accounts Incorrectly Established

Through seminars, external examiners' reporting; declarations by legal practitioners, inspections and a trust account reconciliation process, it is evident that some 10% of all trust accounts have been incorrectly established by the Approved Deposit Taking Institutions (Banks).

Bruce Bentley
Senior Trust Inspector
Office of the Board
October 2010

REPORT FROM THE RECORDS COORDINATOR

This year has been a busy one in the recordkeeping environment with a number of significant milestones being achieved. Following the Recordkeeping Review undertaken in January 2009 the Board accepted the recommendations of the consultants, and is in the process of implementing those recommendations.

In July 2009 a consultant was engaged to develop a Business Classification Scheme (to ensure consistent titling of Board files) as well as progress associated tasks as much as possible during the six month engagement. Tasks included reviewing and updating the Recordkeeping Plan to incorporate changes resulting from the promulgation of the *Legal Professions Act 2008*, and coordination of the evaluation process for a suitable Electronic Records and Document Management System (ERDMS). The position for coordination of the Board's records was subsequently advertised and filled in January 2010.

Recordkeeping Plan

The Board's Recordkeeping Plan was formally approved for 5 years at the State Records Commission meeting held on 4 December 2009, pending approval of the Board's Retention and Disposal Schedule. The Board has a Retention and Disposal Schedule in process which is being progressed through the State Records Office.

Controlled Terminology and Retention and Disposal of Records

The development of a keyword based Business Classification Scheme (BCS) was completed during the reporting year. The BCS reflects the core business processes as well as all the support processes. An additional Retention and Disposal Schedule is scheduled to be developed to reflect the BCS.

Policies and Procedures

An overarching Records and Information Management Policy has been developed and individual policies and procedures are in development and will be amalgamated to provide a holistic recordkeeping manual. While procedures will be consistent throughout the divisions of the Board, some processes and procedures may be adjusted to suit individual business needs.

Recordkeeping Training

Various forms of Recordkeeping training have been undertaken throughout the reporting year. All staff have undertaken training in regard to the Board's Business Classification Scheme and how it is used for titling the Board's files. In addition, staff from the Office of the Board have been given initial training in the use of the Board's ERDMS and the business rules surrounding use of the system. Staff from the other divisions will be given training prior to the system implementation within their home division. Short "how to" and tip sheets have been developed to

assist staff and these will increase as questions arise and the system further develops.

Ongoing system as well as recordkeeping training will be undertaken at intervals and via various methods throughout the coming year to further develop recordkeeping knowledge.

An overview of the recordkeeping responsibilities and mail management is included with the induction package for each incoming staff member. Further recordkeeping training is undertaken as the new staff member settles in.

Electronic Records and Document Management System

Throughout the first half of the reporting year, considerable effort was placed on researching, evaluating, and deciding upon a suitable ERDMS to facilitate management of the Boards Records, resulting in purchase of the Objective system in January 2010. The final half of the reporting year has seen the implementation of Objective at the Office of the Board, with implementation at other divisions to occur early in the 2010-2011 financial year. While Objective is still in its infancy, with much more work to be undertaken, the implementation is a significant milestone which takes the Board ever closer to full records management compliance and a more comprehensive approach to the management of Board records through their lifecycle.

Trish Fallen
Records Coordinator
October 2010

OTHER LEGAL REQUIREMENTS

Public Interest Disclosure

In accordance with the *Public Interest Disclosure Act 2003* the Board has a duly appointed Public Interest Disclosure Officer.

No requests for public disclosure were received during the period under review.

Equal Employment Opportunity

The Board is committed to providing equal employment opportunity (EEO) for all its employees and has devised policy statements with a view to encouraging and supporting staff development opportunities. Policy statements are provided to all new staff as part of their induction.

Public Sector Standards and Ethical Codes

In accordance with the *Public Sector Management Act 1994* the Board provides the following information regarding compliance during the period under review:

Public Sector Standards

- Nil breach claims.
- Information on standards was provided at recruitment.
- Training was provided to persons on recruitment panels to ensure compliance with relevant standards.

Western Australia Code of Ethics

- Nil reports on non-compliance.
- Western Australia Code of Ethics forms part of staff induction materials.
- Policies are consistent with ethical principles.

Occupation Health and Safety

- Nil breach claims
- Information is provided on recruitment

Staff Training and Information Sessions

The Board has identified the requirement for an ongoing recordkeeping education and training programme and will begin to address this from June 2009.

Freedom of Information

In accordance with the *Freedom of Information Act 1992* the Board has a duly appointed a Freedom of Information Officer.

Three freedom of information applications were received during the period under review.

GOVERNMENT POLICY REQUIREMENTS

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.

Financial Report

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**Special Purpose Financial Report
For the financial year ended 30 June 2010**

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

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LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

STATEMENT BY EXECUTIVE DIRECTOR

For the year ended 30 June 2010

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 549, 550 and 551 of the Legal Profession Act 2008.

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 Profession Act 2008; 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.



Mr Graeme Geldart
Executive Director

Date: 10th November 2010
Perth WA

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 the Legal Practice Board of Western Australia, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, the statement of cash flows 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 Executive Director as set out on page 1 and pages 4 to 23.

The Responsibility of the Board for the Financial Report

The Board of the entity are 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 549, 550 and 551 of the Legal Profession Act 2008 for the period 1 July 2009 to 30 June 2010 and are appropriate to meet the needs of the Board. The responsibility of 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.

The financial report has been prepared for distribution to the Board for the purpose of fulfilling the Board's financial reporting requirements under Sections 549, 550 and 551 of the Legal Profession Act 2008. 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.

Deloitte.

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 the Legal Practice Board of Western Australia as at 30 June 2010 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

Kathleen Bozanic

Kathleen Bozanic

Partner

Chartered Accountants

Perth, 10 November 2010

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	<u>2010</u> \$	<u>2009</u> \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	6,449,188	7,226,541
Trade and Other Receivables	4	243,668	342,757
Other Current Assets	5	67,246	113,901
TOTAL CURRENT ASSETS		6,760,102	7,683,199
NON-CURRENT ASSETS			
Plant and Equipment	6	836,804	872,040
TOTAL NON-CURRENT ASSETS		836,804	872,040
TOTAL ASSETS		7,596,906	8,555,239
CURRENT LIABILITIES			
Trade and Other Payables	7	403,032	459,328
Provisions	8	544,054	391,383
Income in Advance	9	4,299,086	4,344,337
TOTAL CURRENT LIABILITIES		5,246,172	5,195,048
NON-CURRENT LIABILITIES			
Provisions	10	121,635	99,719
TOTAL NON-CURRENT LIABILITIES		121,635	99,719
TOTAL LIABILITIES		5,367,807	5,294,767
NET ASSETS		2,229,099	3,260,472
EQUITY			
Retained Earnings	11	2,229,099	3,260,472
TOTAL EQUITY		2,229,099	3,260,472

Notes to the financial Statements are included on Pages 8 to 23

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	<u>2010</u>	<u>2009</u>
		\$	\$
REVENUE			
Office of the Board	12	5,339,659	5,057,748
Trust Account Inspector	14	288,011	244,229
Legal Profession Complaints Committee	15	125,027	174,275
Law Library	16	125,482	208,624
Income from State Government	17	509,613	554,349
TOTAL REVENUE		6,387,792	6,239,225
EXPENDITURE			
Office of the Board	12	2,447,482	2,020,867
Trust Account Inspector	14	294,735	260,529
Legal Profession Complaints Committee	15	2,502,159	2,226,671
Law Library	16	1,200,775	1,184,027
Expenditure from State Government	17	509,613	554,349
TOTAL EXPENDITURE		6,954,764	6,246,443
(Loss)/ Profit for the year from continuing operations		(566,972)	(7,218)
DISCONTINUED OPERATIONS			
(Loss)/ Profit for the year from discontinuing operations	13	(464,401)	48,756
(Loss)/profit for the year	11	(1,031,373)	41,538
Total comprehensive (loss)/ profit for the year	11	(1,031,373)	41,538

The combined results from the discontinued operations included in the Statement of Comprehensive Income are included in Note 13. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current period.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	<u>2010</u> \$	<u>2009</u> \$
Cash flows from operating activities			
Receipts from customers		6,605,068	6,994,433
Payments to suppliers and employees		(7,243,863)	(6,873,704)
Interest received		258,427	441,319
Net cash provided by operating activities	19(b)	<u>(380,368)</u>	<u>562,048</u>
Cash flows from investing activities			
Payment for property, plant and equipment		<u>(396,985)</u>	<u>(126,884)</u>
Net cash used in investing activities		(396,985)	(126,884)
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		<u>7,226,541</u>	<u>6,791,377</u>
Cash and cash equivalents at the end of the financial year	19(a)	<u>6,449,188</u>	<u>7,226,541</u>

Notes to the financial Statements are included on Pages 8 to 23

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Retained Earnings
	\$
Balance at 1 July 2008	3,218,934
Profit for the year	41,538
Total comprehensive income	<u>41,538</u>
Balance at 30 June 2009	<u>3,260,472</u>
Balance at 1 July 2009	3,260,472
Profit for the year	(1,031,373)
Total comprehensive income	<u>(1,031,373)</u>
Balance at 30 June 2010	<u><u>2,229,099</u></u>

Notes to the financial Statements are included on Pages 8 to 23

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2009

1. Significant Accounting Policies

Financial Reporting Framework

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 549, 550 and 551 of the Legal Profession Act 2008.

Statement of Compliance

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').

Basis of Preparation

The historical cost convention has been adopted. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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 2010; the comparative information presented in these financial statements for the year ended 30 June 2009.

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 – 50%
Law Library	15 – 27%
Legal Profession 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 2010

1. Significant Accounting Policies (cont'd)

a) Depreciation (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 capitalised. 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, the depreciation on the Law Library books is nil.

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 employees have rendered service entitling them to the contributions.

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 Chapter 2 Division 50 s.50-25 of the Income Tax Assessment Act 1997.

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 Profession Act 2008.

Other grants in 2009 are assistance from the Legal Contribution Trust to fund educational seminars on Continuing Professional Development to regional areas.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

1. Significant Accounting Policies (cont'd)

e) Revenue Recognition (cont'd)

Grants (cont'd)

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.

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 recognised 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

At each reporting date the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

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, 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 2010

1 Significant Accounting Policies (cont'd)

i) Provisions (cont.)

Present obligations arising under an onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Legal Practice Board has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Legal Practice Board has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

j) Financial Assets

Trade and Other Receivables

Trade and other 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 allowance for doubtful debts is raised where there is objective evidence that the Board will not be able to collect the debt. Trade and other receivables are measured at amortised cost less impairment.

k) Trade and Other Payables

Trade and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value, net of transaction costs and subsequently recorded at amortised cost.

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

The following new and revised standards and interpretations have been adopted in the current period and have not affected the amounts reported in these financial statements but affected presentation and disclosure.

AASB 101 'Presentation of Financial Statements' (Revised September 2007)	Effective for annual reporting periods beginning on or after 1 January 2009
AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101	
AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101	

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

1 Significant Accounting Policies (cont'd)

m) Adoption of new and revised Accounting Standards (cont'd)

At the date of authorisation of the financial report, a number of Standards and Interpretations were on issue but not yet effective. Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Legal Practice Board's financial report:

AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from Annual Improvement Process'	Effective for annual reporting periods beginning on or after 1 January 2010
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Initial application of the Standards/ Interpretations is not expected to have any material impact on the financial report of the Legal Practice Board of Western Australia.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
2 Auditors Remuneration		
Deloitte Touche Tohmatsu Audit of the financial report	<u>17,000</u>	<u>16,500</u>
3 Cash and Cash Equivalents		
Cash at Bank	914,053	614,166
Cash on Hand	1,135	770
Term Deposits	5,534,000	6,611,605
	<u>6,449,188</u>	<u>7,226,541</u>
4 Trade and Other Receivables		
Trade Receivables	459,586	381,237
Less Allowance for Doubtful Debts	(228,982)	(64,981)
Other Receivables	13,064	26,501
	<u>243,668</u>	<u>342,757</u>
Refer to Note 1(j)		
5 Other Current Assets		
Accrued Interest	<u>67,246</u>	<u>113,901</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

6. Plant and Equipment

	Office of the Board	Law Library	Legal Profession Complaints Committee	Trust Account Inspectors	Articles Training Program	Library Books	Total
	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount							
Balance at 30 June 2008	995,649	243,802	299,079	22,092	249,797	100,000	1,910,419
Additions	114,267	5,970	4,822	-	1,825	-	126,884
Disposals	(3,724)	(11,557)	(12,128)	-	(7,526)	-	(34,935)
Balance at 30 June 2009	1,106,192	238,215	291,773	22,092	244,096	100,000	2,002,368
Accumulated Depreciation							
Balance at 30 June 2008	(148,104)	(215,383)	(175,324)	(8,432)	(203,229)	-	(750,472)
Depreciation Expense	(338,598)	(13,065)	(41,377)	(2,304)	(18,971)	-	(414,315)
Disposals	3,724	11,497	12,128	-	7,110	-	34,459
Balance at 30 June 2009	(482,978)	(216,951)	(204,573)	(10,736)	(215,090)	-	(1,130,328)
Net Book Value							
As at 30 June 2008	847,545	28,419	123,755	13,660	46,568	100,000	1,159,947
As at 30 June 2009	623,214	21,264	87,200	11,356	29,006	100,000	872,040

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 2010

6. Plant and Equipment (cont'd)

	Office of the Board	Law Library	Legal Profession Complaint Committee	Trust Account Inspectors	Articles Training Program	Library Books	Total
	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount							
Balance at 30 June 2009	1,106,192	238,215	291,773	22,092	244,096	100,000	2,002,368
Additions	376,625	9,383	9,849	658	470	-	396,985
Disposals	(11,114)	(18,298)	(1,696)	-	(2,528)	-	(33,636)
Balance at 30 June 2010	1,471,703	229,300	299,926	22,750	242,038	100,000	2,365,717
Accumulated Depreciation							
Balance at 30 June 2009	(482,978)	(216,951)	(204,573)	(10,736)	(215,090)	-	(1,130,328)
Depreciation Expense	(368,260)	(10,378)	(38,103)	(2,118)	(12,869)	-	(431,728)
Disposals	10,855	18,298	1,696	0	2,294	-	33,143
Balance at 30 June 2010	(840,383)	(209,031)	(240,980)	(12,854)	(225,665)	-	(1,528,913)
Net Book Value							
As at 30 June 2009	623,214	21,264	87,200	11,356	29,006	100,000	872,040
As at 30 June 2010	631,320	20,269	58,946	9,896	16,373	100,000	836,804

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 2010

	<u>2010</u>	<u>2009</u>
	\$	\$
7 Trade and Other Payables		
Trade Payables	165,016	228,722
Other Payables	113,639	151,284
Accruals	124,377	79,322
	<u>403,032</u>	<u>459,328</u>
8 Current Provisions		
Provision for Annual Leave	271,395	269,696
Provision for Long Service Leave	121,135	121,687
Provision for Restructure	151,524	-
	<u>544,054</u>	<u>391,383</u>
<p>The intent to close the Articles Training Program as 31 December 2010 has resulted in the above Provision for Restructure as required by AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.</p>		
9 Income in Advance	<u>2010</u>	<u>2009</u>
	\$	\$
Publication Sales in Advance	7,400	6,650
Continuing Professional Development Fees in Advance	48,161	143,764
Course Fees in Advance	267,966	369,348
Photocopying in Advance	25,686	26,398
PLEAS - Subscriptions in Advance	55,550	57,900
Practice Certificates in Advance	3,866,063	3,719,737
Solicitors Guarantee Fund	28,260	20,540
	<u>4,299,086</u>	<u>4,344,337</u>
10 Non-Current Provisions		
Provision for Long Service Leave	<u>121,635</u>	<u>99,719</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

11	Accumulated Funds	<u>2010</u>	<u>2009</u>
		\$	\$
	Balance at Beginning of the year	3,260,472	3,218,934
	Net (Loss)/Profit for the year	(1,031,373)	41,538
	Balance at End of Year	<u>2,229,099</u>	<u>3,260,472</u>
12	<u>Office of the Board</u>	<u>2010</u>	<u>2009</u>
		\$	\$
	Income		
	Assessment of Qualifications	19,300	22,442
	Admissions	129,180	76,840
	Advertising - Admissions	-	14,663
	Annual Grant	250,000	250,000
	Articles Registration Fees	22,800	43,400
	Bank Interest	211,772	373,123
	Conference	20,395	-
	Continuing Professional Development	140,457	94,635
	Evidentiary Certificates	22,520	18,900
	Fines	96,400	84,034
	Foreign Lawyers	6,700	2,200
	Interest charge	2,108	
	Other Grants	-	20,000
	External Examiner Reimbursement	212,749	31,631
	Practice Certificates	4,202,030	4,009,670
	Miscellaneous Income	3,248	16,210
		<u>5,339,659</u>	<u>5,057,748</u>
	Expenditure		
	Advertising	17,380	21,333
	Audit and Accounting Fees	17,825	18,157
	Bad Debts Written Off	16,359	4,500
	Bank Charges	34,209	24,377
	Computer Expenses	43,432	27,014
	Conference	39,534	1,957
	Depreciation	368,260	338,598
	Facsimile	1,273	1,440
	Fringe Benefits Tax	13,619	10,955
	Insurance	1,300	1,258
	Legal Costs - LPB	305,470	225,981
	Loss on Sale of Non-Current Assets	259	-
	Miscellaneous Costs	6,507	27,102
	Parking	5,987	5,451
	Payroll Tax	61,250	50,136
	Postage and Petties	31,186	30,096

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
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Office of the Board (cont'd)	<u>2010</u>	<u>2009</u>
	\$	\$
Expenditure (cont'd)		
Professional Memberships	3,000	2,756
Printing and Stationery	22,272	24,426
Allowance for Doubtful Debts	29,284	7,000
Records Management Review	45,496	11,644
Reference Materials	418	1,154
Salaries	1,229,661	1,039,073
Seminars	-	10,585
Service and Maintenance	6,986	3,923
Storage	7,332	8,837
Superannuation Contributions	103,701	89,499
Training	8,530	13,613
Transcripts	238	3,369
Travel & Accommodation	22,196	12,534
Workers' Compensation	4,518	4,099
	<u>2,447,482</u>	<u>2,020,867</u>

13 Articles Training Program

The combined results from the discontinued operations included in the Statement of Comprehensive Income are set out below. The comparative profit and cash flows from discontinued operations have been represented to include those operations classified as discontinued in the current period.

Stakeholders were notified of the intent to close the Articles Training Program as of 31 December 2010 on 13 May 2010.

(Loss)/ Profit for the year from discontinued operations

	<u>2010</u>	<u>2009</u>
	\$	\$
Revenue	666,179	999,818
Expenses	(1,130,580)	951,062
(Loss)/ Profit for the year from discontinued operations	(464,401)	48,756

Cash flows from discontinued operations

Net cash outflows from operating activities	(513,157)	17,607
Net cash outflows	<u>(513,517)</u>	<u>17,607</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

14	Trust Account Inspector	<u>2010</u>	<u>2009</u>
		\$	\$
	Income		
	TAI Reimbursements	288,011	244,229
		<u>288,011</u>	<u>244,229</u>
	 Expenditure		
	Conference Attendance	1,402	3,003
	CPA Membership	1,503	1,323
	Depreciation	2,118	2,304
	Fringe Benefits Tax	2,118	1,286
	Insurance	130	258
	Mileage	1,128	3,159
	Parking	6,148	5,994
	Payroll Tax	14,747	12,168
	Printing & Stationery	13	308
	Salary	238,502	205,423
	Superannuation Contributions	21,312	18,065
	Telephone Reimbursement	15	208
	Training	277	1,723
	Travel and Accommodation	3,124	3,970
	Workers' Compensation	818	760
	Miscellaneous Expenses	1,380	577
		<u>294,735</u>	<u>260,529</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
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15	Legal Profession Complaints Committee	<u>2010</u>	<u>2009</u>
		\$	\$
	Income		
	Costs Recovered	118,623	159,761
	Fines - Summary Jurisdiction	6,200	14,000
	Miscellaneous Income	204	514
		<u>125,027</u>	<u>174,275</u>
	Expenditure		
	Advertising	7,836	7,103
	Bad Debts Written Off	-	7,149
	Computer Expenses	2,133	15,214
	Conference Attendance	4,281	283
	Depreciation	38,102	41,377
	Fringe Benefits Tax	2,000	1,530
	Insurance	208	207
	Legal Costs	245,014	257,473
	Payroll Tax	84,515	75,421
	Postage and Petties	21,762	22,806
	Printing and Stationery	25,669	23,091
	Allowance for Doubtful Debts	134,718	-
	Professional Fees & Memberships	22,834	21,112
	Reference Materials	9,010	8,271
	Salaries	1,696,493	1,552,990
	Service and Maintenance	15,308	11,970
	Storage	9,908	7,236
	Superannuation Contributions	149,173	138,246
	Training	20,740	16,661
	Transcripts	2,222	8,074
	Workers' Compensation	6,246	6,433
	Miscellaneous Expenses	3,987	4,024
		<u>2,502,159</u>	<u>2,226,671</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

16 Law Library	<u>2010</u> \$	<u>2009</u> \$
Income		
Library Photocopier and other income	56,546	69,398
PLEAS	55,734	59,800
Reimbursement- Department of Attorney General	13,202	79,426
	<hr/> <u>125,482</u>	<hr/> <u>208,624</u>
Expenditure		
Serials	492,229	466,745
Monographs	30,811	23,524
Electronic Publications	202,666	192,480
Online/Library Services	350	273
Bank Charges	670	600
Bad Debts Written Off	49	-
Cleaning and Binding	20,527	20,827
Computer Consultancy	26,034	31,927
Conferences and Meetings	3,527	2,930
Depreciation	10,378	13,065
Fringe Benefits Tax	440	633
Institutional & Professional Memberships	968	1,050
Insurance	10,628	10,599
Loss on Sale of Non-Current Assets	-	60
Minor Assets/ Office Equipment	805	365
Payroll Tax	15,893	16,537
Postage and Petties	2,674	2,159
Printing and Stationery	817	1,667
Promotions	50	119
Salaries	325,406	338,400
Service and Maintenance	495	-
Staff Professional Memberships	764	1,322
Superannuation Contributions	28,666	30,582
Training	2,704	2,366
Workers' Compensation	1,143	1,437
Miscellaneous Expenses	530	2,394
Photocopier Costs	14,008	9,519
PLEAS - Costs	7,543	12,447
	<hr/> <u>1,200,775</u>	<hr/> <u>1,184,027</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

17 Income from State Government

Resources received free of charge	<u>2010</u>	<u>2009</u>
	\$	\$
Determined on the basis of the following estimates provided by the Department of the Attorney General:		
Office space rental	<u>509,613</u>	<u>554,349</u>

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.

18 Employee Benefits

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

Provision for employee benefits:	<u>2010</u>	<u>2009</u>
	\$	\$
Current (note 8)	544,054	391,383
Non-current (note 10)	121,635	99,719
	<u>665,689</u>	<u>491,102</u>

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>6,449,188</u>	<u>7,226,541</u>
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19(b) Reconciliation of profit for the period to net cash flows from operating activities

	<u>2010</u>	<u>2009</u>
	\$	\$
(Loss)/ Profit for the year	(1,031,373)	41,538
Loss on sale or disposal of non-current assets	493	476
Depreciation and amortisation of non-current assets	431,728	414,315

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2010

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

Changes in net assets and liabilities:	<u>2010</u>	<u>2009</u>
	\$	\$
(Increase)/decrease in assets:		
Current receivables	99,089	(8,313)
Other current assets	46,655	68,196
Increase/(decrease) in liabilities:		
Current payables	(56,296)	(494,869)
Current provisions	152,671	34,912
Income in advance	(45,251)	479,449
Non-current provisions	21,916	26,344
Net cash from operating activities	<u>(380,368)</u>	<u>562,048</u>

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 and Principal Place of Business

5th Floor
Kings Building
533 Hay Street
PERTH WA 6000
Tel: (08) 6211 3600

22 Commitments for Expenditure

Operating Lease Commitments		
Not longer than 1 year	150,717	58,740
Longer than 1 year and not longer than 5 years	236,652	443,517
Longer than 5 years	-	-
	<u>387,369</u>	<u>502,257</u>

The commitments for expenditure includes the provision for restructuring on the lease for 5 Alvan St, Mt Lawley.

23 Contingent liabilities

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