



LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA

ANNUAL REPORT
2013 — 2014

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REPORT FROM THE CHAIRPERSON

Introduction

The Legal Practice Board has experienced an active and interesting year with a number of unexpected events arising outside the Board's normal regulatory functions and which consumed a large portion of my time and Board Executive time.

Following the re-appointment of Graeme Geldart as Executive Director on 17 September 2013 it was extremely helpful to have Graeme's experience and knowledge of the Board and its processes available in respect to management and Board issues.

In addition to the appointment of Graeme Geldart the Board appointed Libby Fulham as Deputy Executive Director after Libby had so ably taken on the role of Acting Executive Director pending Graeme's appointment.

This year has required the allocation of extensive management resource outside the work required to fulfil the Board's usual statutory obligations and I am grateful for the assistance of Graeme Geldart and Libby Fulham in this regard.

The Law Library

The Board had agreed that it would work with the Department of the Attorney General to consolidate the library resources of the Department with those of the Law Library at the Supreme Court, which is owned by the Board. This was to be progressed under the sponsorship of the Department with the State Solicitor, Paul Evans, managing the Law Library Integration Project and working with the Board to achieve the integration.

The long term aim of the project was the integration of the Law Library at the Supreme Court with that of the Department of the Attorney General, with a re-structuring of the libraries within the Department of Justice, and the relocation of a combined Department and Practitioners library to the new Court precinct in the Old Treasury Building development. This would relieve the Board of the non-regulatory role of the management of the Law Library at the Supreme Court – a role which is becoming unsustainable due to increasing costs.

Unfortunately, the government, whilst still maintaining its position that it wished the integration to progress, withdrew all funding from the project. As there are considerable complexities in the combining of the catalogues of the libraries and with the management of the physical relocations, funding for that purpose is essential.

Negotiations in regard as to how the integration project can move forward to completion are still ongoing with government and the courts.

Accommodation Funding

The Board had prepared its Budget for 2014-2015 on the basis that the government would continue to meet its historical and long-term commitment to fund the accommodation of the Board premises for the Office of the Board and the Legal Profession Complaints Committee. Without notice or consultation the Board received advice on 24 April 2014 that the government would be phasing out its funding of Board accommodation, and that it would require the Board to enter its own leases for its occupied premises. This decision has serious and wide-ranging implications for the Board and the regulation of the profession and, indeed flow-on implications of the cost of delivery of legal services to consumers should it be necessary to increase the cost of practising certificate fees to fund

the Board operations.

Once again, negotiations are ongoing with government to clarify its decision and the future of accommodation funding for the Board.

Legislative Reform

The Legal Profession Act 2008

The opportunity arose for the Board to make submissions to the State Solicitor on recommended statutory amendments to the Legal Profession Act when the Department of the Attorney General wished to present a proposed amendment of its own.

The Board submitted a number of recommendations to the State Solicitor for amendment based on its observations and experience of issues that had arisen in regulatory operations since the inception of the Legal Profession Act 2008. The State Solicitor has made recommendations to the Attorney General for amendments to the Act based on submissions by the Board. The Board is now awaiting information with regard to progressing amendments to the Act.

The Spent Convictions Act 1988

The Board sought, and an amendment has been approved to the Spent Convictions Act 1988 so that the Legal Practice Board and the Legal Profession Complaints Committee are included as exceptions for disclosure under the Act. Finalisation as to the requested amendments is awaited.

National Uniform Law


Victoria and New South Wales have introduced legislation to provide a structure for uniform regulatory laws in those jurisdictions. The Western Australian government has in the past maintained a position that it would not enter into previously presented national legal profession legislation. However, the Law Society of Western Australia is now requesting the Western Australian government to introduce the uniform laws into Western Australia. Should the government proceed to do so there will be significant impact for regulation of the profession in this jurisdiction and the Board anticipates that it will be called upon to provide submissions in that regard in any further considerations for the introduction of a national uniform legal regulation scheme.

Review of Financial Controls

The Board decided to commission an independent review of its internal financial controls to ensure that appropriate, effective and efficient processes and governance over those processes were in place. This was undertaken by BDO and its report, whilst acknowledging that Board financial operational structures were thorough and secure, did make some recommendations for improvement and future process and technological development which will be taken forward by the Board in the year ahead.

The Professional Development Committee

Arising from increasing concerns raised by both the Board's Professional Affairs Committee and the Legal Profession Complaints Committee that many of the issues with which they were dealing had their bases in poor and inadequate professional practice, a demonstrated lack of knowledge of professional and statutory requirements, and a failure



to observe the expected standards of professional competency and behaviour, the Board decided to establish the Professional Development Committee that was granted delegated power to deal with professional, educational and continuing professional development matters.

The Committee has initiated consideration of the introduction of a practice management scheme (and potentially a Practice Management Course), as well as undertaking a review of the Board's Continuing Professional Development scheme which has now been operational since 2008.

Acknowledgements

I would like to extend my most sincere thanks to my Deputy Chairperson, Peter van Hattem SC, for his sage advice and support and for his tireless contribution in all aspects of the Board's activities.

Special thanks are also extended to Chris Zelestis QC (Chairperson of the Legal Profession Complaints Committee), Patricia Cahill SC (Convenor of the Professional Affairs Committee), Sabina Schlink (Convenor of the Admissions & Registration Committee), Anna Liscia (Convenor of the Management Committee), Joshua Thomson SC (Convenor of the Professional Development Committee), and Justice Kenneth Martin (Chairperson of the Law Library Advisory Committee) for their leadership and guidance in those aspects of the Board's activities for which they carried the responsibility. Thanks also to the Deputy Convenors and Chairs for their support and, of course, to all members of the Board who selflessly give of their time to give back to the profession.

Thank you also to the Board staff across all divisions for their dedicated work without which the Board and its committees could not operate with the effectiveness and efficiency with which they do.

John Syminton
Chairperson
Legal Practice Board

REPORT FROM THE EXECUTIVE DIRECTOR

On the 17 September 2014 I returned to the employment of the Legal Practice Board as Executive Director, a post which I had previously occupied from 2007 to 2011, and from which I was forced to stand down for personal reasons. Fortunately, I have been provided with the opportunity to again take up the role for which I have a particular passion, and I most sincerely appreciate the vote of confidence given to me by the Board in making my current appointment.

During the initial part of the year under review, the role of Acting Executive Director was undertaken by Libby Fulham and I would like to extend my sincere thanks to Libby, not just for her most capable management in that role whilst continuing to meet her own responsibilities as the Legal Officer to the Board, but for facilitating my transition back into the Executive Director role.

The role of the Executive Director is to be responsible for the day to day operations of the Board, and to ensure that:

- ◆ The Board's functions are performed, and its decisions and policies are implemented promptly and efficiently;
- ◆ The Board's human resources are supported, supervised and managed in accordance with best practice; and
- ◆ The Board's financial resources are protected and managed in accordance with effective financial controls.

The regular statutory operations of the Board include:

- ◆ Reservation of legal work (prohibition on unqualified legal practice);
- ◆ Admission of local, interstate and foreign lawyers;
- ◆ Issuing and renewal of practising certificates;
- ◆ Monitoring of continuing professional development (CPD) obligations;
- ◆ Assessment of applicants for Quality Assured CPD provision;
- ◆ Co-ordination of inter-jurisdictional regulatory matters;
- ◆ Monitoring of legal practice structures, including incorporated legal practices and multi-disciplinary partnerships;
- ◆ Monitoring of trust accounts;
- ◆ The conduct of the complaints and disciplinary process through the Legal Profession Complaints Committee;
- ◆ Management and operation of the Law Library at the Supreme Court; and
- ◆ Compliance with relevant public service, government and statutory obligations.

Whilst the Executive Director holds overarching responsibility for the delivery of these obligations and statutory services and operations, these can only be delivered through operational and staffing structures that facilitate same. In this regard I acknowledge that my work colleagues across the Office of the Board, the Legal Profession Complaints Committee and the Law Library at the Supreme Court, are of the highest calibre, thus making delivery of my responsibilities both manageable and enjoyable.

Additionally, the Board staff across all divisions and I are in the most fortunate circumstance of having the most senior and skilled legal practitioners as members of the Board and its committees – a resource so valuable that it cannot be quantified.

There were a number of significant developments within the Board's operations during the year under review that impacted the management requirements in addition to the regular

statutory obligations, these being:

- ◆ Advice from the government that there will be phased withdrawal of accommodation funding for premises occupied by the Office of the Board and the Legal Profession Complaints Committee;
- ◆ Difficulties that have arisen with the Law Library Integration Project caused by the government's withdrawal of funding support for that integration process;
- ◆ The support promulgated by the Law Society for the adoption in Western Australia of the uniform legal profession legislation enacted in New South Wales and Victoria;
- ◆ Submissions for proposed amendments to the Legal Profession Act 2008; and
- ◆ A commissioned external review of the Board's internal financial controls.

I am aware that these matters will be, have been covered in more details by the Chairperson and the Convenor of the Management Committee in their reports, so I do not propose to duplicate that detail.

These identified issues will dominate my attention in the year ahead, both with the implementation of recommendations from the BDO Financial Controls Review (relating to Policy, Procedures and Guideline reviews, and upgrading of accounting and human resource technologies), and with the necessary financial analysis, reviews and implementations that will be required as a result of funding changes impacting the ability of the Board to deliver its services.

Staffing

Staffing levels have remained relatively consistent across the divisions of the Board (Office of the Board, Legal Profession Complaints Committee, and the Law Library) with only minor restructures required to maximise service delivery.

An additional person has been appointed to the Corporate Services team to assist in the developments that will take place in that area of operations in the year ahead.


The Future

Extensive strategic and financial planning for the Board's operations will be undertaken in the year ahead. These have been necessitated by decisions of the government relating to withdrawal of funding, together with potential impacts of any regulatory changes that may arise should Western Australia move toward the adoption of the national uniform regulatory laws.

The Board will continue to promote initiatives to inform, educate, support and advise the members of the legal profession on their obligations and the standards required of the profession and expected by members of the public whom they serve. In that regard, the work of Professional Development Committee, established in the year under review, will be important in its considerations on the introduction of a practice management scheme, as will the expanding work of the Rapid Resolution Team at the Legal Profession Complaints Committee.

Vote of Thanks

Sincere thanks are extended to the Board's Chairperson, John Syminton, to the Deputy



Chairperson, Peter van Hattem SC, and to the Convenor of the Management Committee, Anna Liscia. Their trust, assistance and support has been extremely valuable and greatly appreciated.

Additionally, a sincere thank you to the Convenors and Deputy Convenors of each of the Board's delegated committees, to the Chairperson and Deputy Chairperson of the Legal Profession Complaints Committee, and to the Chairperson of the Law Library Advisory Committee for their most valuable leadership during the year under review.

As I indicated above, the Board has the voluntary contribution of the most distinguished members of our legal community who provide significant personal time to the maintenance of the good standing of the legal profession in Western Australia. I thank all Board members for that contribution and dedication.

Of course, sincere thanks are due to the excellent staff of the Board. Across the divisions of the Board we do our utmost to deliver services as a unified team and I appreciate the efforts that all staff members make in making that so.

Graeme Geldart
Executive Director
Legal Practice Board

THE LEGAL PRACTICE BOARD

Role

The Board is constituted under the Legal Profession Act 2008 (LPA 2008). The Board has statutory responsibility for the regulation of the legal profession in Western Australia. The Board issues annual practising certificates to local lawyers and advises the Supreme Court in relation to eligibility and suitability for admission. Through the Legal Profession Complaints Committee the Board is also responsible for professional disciplinary action.

The Legal Practice Board owns and administers the Law Library located in the Supreme Court building in Stirling Gardens.

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;
 - ❖ who is not a full-time judicial officer; and
 - ❖ who has, in writing, nominated himself or herself as a member; and (stop indent)
- ◆ 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 2014 there were 4 Queens Counsel resident and practising in Western Australia, who had nominated as members 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 2014 there were 27 Senior Counsel resident and practising in Western Australia, who had nominated as members of the Board.

During the Year Under Review:

On 03 December 2013 the following practitioners were appointed as Senior Counsel and nominated as members of the Board:

Ms KJ Farley;
Ms KF Banks-Smith;
Mr MN Solomon;
Mr JC Vaughan; and
Ms L Petrusa.

On 16 May 2014 Mr CG Colvin SC resigned as a member of the Board.

On 11 June 2014 Mr JC Vaughan resigned as a member of the Board.

Total number of Silks at 30 June 2014

At the conclusion of the year under review the Board had a total of 31 Queens Counsel and Senior Counsel as members of the Board.

Elected Members

- ◆ 1 July 2013 to April 2014 election
 - ❖ Elected members in office during this period were: Mr SE Creek, Mr JGM Fiocco, Dr JJ Hockley, Ms VJ Hodgins, Ms NA Hossen, Mr JRB Ley, Ms AM Liscia, Ms EE Macknay, Ms SM Schlink, Mr JG Syminton and Mr RG Wilson.
 - ❖ On 24 June 2013 Mr AJ Pascoe was appointed to the Board to fill a casual vacancy with his term of office expiring in April 2014.
- ◆ April 2014 election to 30 June 2014
 - ❖ Elected members in office during this period were: Mr SE Creek, Mr JGM Fiocco, Dr JJ Hockley, Ms VJ Hodgins, Ms NA Hossen, Mr JRB Ley, Ms AM Liscia, Ms EE Macknay, Mr AJ Pascoe, Ms SM Schlink, Mr JG Syminton and Mr RG Wilson.
- ◆ Appointment of Chairperson and Deputy Chairperson
 - ❖ Mr JG Syminton remained as Chairperson of the Board effective for the ensuing year.
 - ❖ Mr PCS van Hattem SC remained as Deputy Chairperson of the Board effective for the ensuing year.

Board Members as at 30 June 2014

Attorney General	Solicitor General	Chair	Deputy Chair
The Hon. Mr Michael Mischin, MLA	Mr Grant Donaldson SC	Mr John Syminton	Mr Peter van Hattem SC

Queens Counsel	Senior Counsel	Elected Members
Mr CL Zelestis QC	Mr KR Wilson SC	Mr SE Creek
Mr RK O'Connor QC	Mr MH Zilko SC	Mr JGM Fiocco
Mr S Owen-Conway QC	The Hon Mr PMC Dowding SC	Dr JJ Hockley
Mr TF Percy QC	Mr GMG McIntyre SC	Ms VJ Hodgins
	Mr GTW Tannin SC	Ms NA Hossen
	Mr CP Shanahan SC	Mr JRB Ley
	Mr MT Ritter SC	Ms AM Liscia
	Mr B Fiannaca SC	Ms EE Macknay
	Mr T Lampropoulos SC	Mr AJ Pascoe
	Mr PCS van Hattem SC	Ms SM Schlink
	Mr RM Mitchell SC	Mr JG Syminton
	Mr LM Levy SC	Mr KR Wilson
	Ms PE Cahill SC	
	Mr MD Howard SC	
	Mr SM Davies SC	
	Mr SK Dharmananda SC	
	Mr S Vandongen SC	
	Mr PD Quinlan SC	
	Mr JA Thomson SC	
	Mr B Dharmananda SC	
	Mr J McGrath SC	
	Mr RS Hooper SC	
	Mr JA Thomson SC	
	Ms KJ Farley SC	
	Ms KF Banks-Smith SC	
	Mr MN Solomon SC	
	Ms L Petrusa SC	

The full Board met on 2 occasions in the year under review.

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:

- ◆ Management Committee;
- ◆ Admissions and Registration Committee;
- ◆ Professional Affairs Committee; and
- ◆ Professional Development Committee.

A summary of the main areas of responsibility and activities of the above committees during the 2012 - 2013 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

In this reporting year, the Law Library Advisory Committee continued to hold meetings to supervise the business of the Law Library.

Meeting Overview

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

Management Committee		Total Meetings Held - 7
Name	Meetings Applicable	Attended
Ms Anna Liscia (Convenor)	7	6
Mr John Syminton (Deputy convenor)	7	6
Mr Mark Ritter SC	7	1
Mr Peter van Hattem SC	7	6
Mr Robert Mitchell SC	7	1
Mr Kanagammah Dharmananda SC	7	2
Mr San Vandongen SC	7	2
Mr Joshua A Thomson SC	7	2
Dr John Hockley	7	3
Ms Valerie Hodgins	7	1
Mr Simon Creek	6	2
Ms Sabina Schlink	7	2
Mr John Ley	7	7
Admissions and Registrations Committee		Total Meetings Held 12
Name	Meetings Applicable	Attended
Ms Sabina Schlink (Convenor)	12	10
Ms Elizabeth Macknay (Deputy Convenor)	12	5
Mr Laurie Levy SC	12	8
Mr Matthew Howard SC	12	5
Mr Simon Davies SC	12	5
Mr Sam Vandongen SC	12	2
Mr Joshua Thomson SC	12	8
Mr Joseph McGrath SC	12	5
Dr John Hockley	12	8
Mr John Fiocco	12	8
Ms Noelle Hossen	12	4
Mr John Ley	12	9
Ms Anna Liscia	12	10
Mr John Syminton	12	11
Mr Robert Wilson	12	8
Mr Andrew Pascoe	3	3

Professional Affairs Committee		Total Meetings held – 11
Name	Meetings Applicable	Attended
Ms Patricia Cahill SC (Convenor)	11	10
Mr Bruno Fiannaca SC (Deputy Convenor)	11	8
Mr Matthew Zilko SC	11	6
Mr Gregory McIntyre SC	11	6
Mr George Tannin SC	11	10
Mr Peter van Hattem SC	11	11
Mr Peter Quinlan SC	11	1
Mr Rodney Hooper SC	11	5
Mr Marcus Solomon SC	3	2
Mr Joshua Thomson SC	5	2
Ms Valarie Hodgins	11	7
Ms Elizabeth Macknay	11	4
Mr Andrew Pascoe	11	6
Mr John Syminton	11	8
Mr Simon Creek	11	1
Professional Development Committee		Total meetings held - 3
Name	Meetings Applicable	Attended
Mr Joshua A Thomson SC (Convenor)	3	2
Mr Andrew Pascoe (Deputy Convenor)	3	3
Mr Christopher Shanahan SC	3	1
Mr Laurie Levy SC	2	1
Ms Karen Farley SC	2	1
Ms Katrina Banks-Smith SC	2	0
Ms Linda Petrusa SC	2	1
Mr John Vaughan SC	2	1
Mr John Syminton	3	3
Mr Simon Creek	3	0

Organisational Structure

As presently structured, the Board carries out its functions in 3 distinct locations:

- ◆ The Office of the Board in the Kings Building, Hay Street, Perth;
- ◆ The Law Library in the Supreme Court; and
- ◆ The Legal Profession Complaints Committee 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.

Law Library

The Law Library located in the Supreme Court of Western Australia is owned and administered by the Board. A Branch Library was operated 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. Justice Kenneth 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

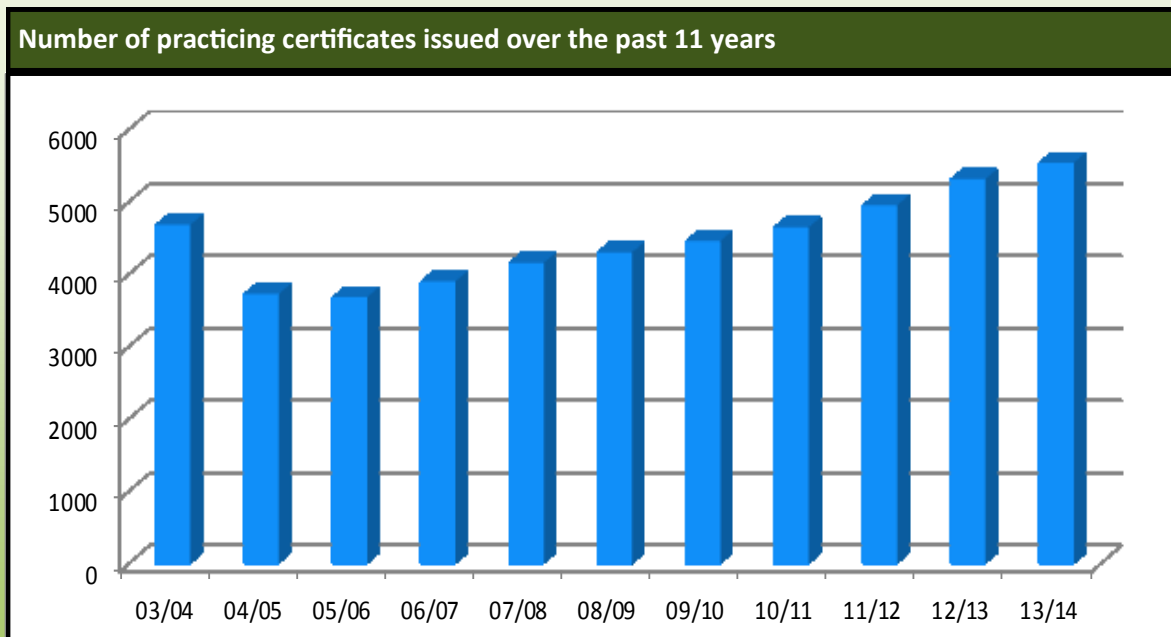
relation to its activities to the Attorney General.

Staff

As at 30 June 2014, 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	18
Law library	5
LPCC	21
Trust Account Inspector	3

PROFILE OF THE CURRENT WA LEGAL PROFESSION



Practising Certificates

The number of practising certificates issued during the 2013/2014 financial year was 5545 which represents a 4.2% increase in the number of certificates issued in the previous period.

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.

Application forms received for the renewal of a practising certificate for 2011/2012 period			
Application Format	Standard Renewal Period	Late Fee Period	Total Applications Received
Online Application Form	4576	283	4859
Manual Paper Forms	210	47	257
Total Applications Receive	4786	330	5116
Non Renewals	129	23	152

Format of application forms for the renewal of a practising certificate for the last 3 years		
Reporting Year	Manual Paper	Online Application
2009/2010	3%	97%
2010/2011	5%	95%
2011/2012	10%	90%
2012/2013	5.9%	94.1%
2013/2014	5%	95%

For the financial year 2013/2014 the Board recorded a increase in the number of practitioners not renewing their practising certificates by 30 June 2013:

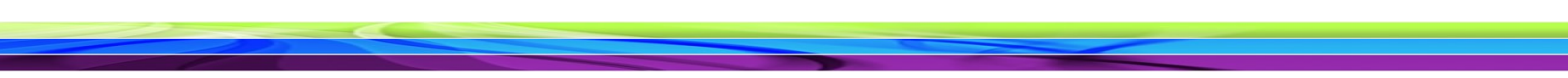
- ◆ 47 practising certificate renewals were lodged up to two weeks late; and
- ◆ 31 practising certificate renewals were lodged more than two weeks late.

For the financial year 2013/2014 the Board once again used the online renewal process.

Once again there was no discount for applying on line, resulting in on line applications and manual applications paying the standard application fee of \$1000. Again, if a practitioner requested a manual application Board staff no longer pre-populated the application form with information contained within the Board's database. However, the on-line applications continued to be pre-populated with the information contained within the Board's database.

Renewal notices were issued once again electronically via email. On 30 April 2014 an email 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 either apply to renew their practising certificate on line or apply on line for the grant of a local practising certificate. Each practitioner was sent a log in and if they could not remember their password from last year was asked to use the forgotten password link to receive a new automatically generated password by email.

Letters were only issued to practitioners who did not have an email address registered with the Board. 157 letters were issued to practitioners who did not have an email address registered with the Board. This is a increase of 49% on the same period last year and is an



area the Board has worked hard on to improve.

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 2014 a total of 5116 applications for the renewal of practising certificates for the financial year 2013/2014 had been received. Of these 4858 applications were made on line and 257 were manual applications. In addition a total of 152 non-renewal notices had been received by the Board.

During the standard renewal period a total of 4786 applications for renewal of practising certificates were received, of these 210 were manual applications. In addition a total of 129 non-renewal notices were received.

During the late fee period a total of 330 applications for renewal of practising certificates were received, of these 47 were manual applications. A further 23 non-renewal notices were received during this period.

The number of application received during the standard renewal period decreased compared to last year. In the last financial year 94.1% of the applications were received in the standard renewal period compared to 93.6% in the year under review. The reason for the decrease is unknown at this stage.

The number of manual applications received decreased. In the period under review the number of manual applications decreased to 257 which is a decrease of 17.5% on the number received the previous year. This reversal on previous years means that the percentage of applications made on line increased to 95% of all applications received for the grant or renewal of a local practicing certificate.

Composition of the Legal Profession	Resident Females	Non-Resident Females	Resident Males	Non-Resident Males	Totals
Barristers	36	0	179	0	215
Commonwealth Government	30	0	23	0	53
Consultants	15	0	33	1	49
Director	116	1	361	2	480
Employees	1444	37	1033	27	2541
Equity Partner	38	1	250	6	295
Fixed Profit-share Partner	18	3	33	4	58
Inhouse	343	19	290	16	668
Lay Associates	0	0	0	0	0
Locum	0	0	0	0	0
Legal Practitioner Partner	7	0	37	2	46
Not practising (certificated)	329	11	168	13	521
Salaried Partner	22	1	38	3	64
Sole Practitioners	139	1	339	2	481
Judiciary [^]	1	0	2	0	3
Deceased [^]	1	0	5	0	6
Struck Off /Suspended [^]	0	0	0	0	0
State Government [*]	43	0	21	1	65
Practice Certificates ISSUED	2582	74	2812	77	5545
Practising Certificates CANCELLED	18	2	12	4	36
S.36 Practitioners					
** State Solicitor's Office	66	0	55	1	122
**Director of Public Prosecutions (State)	56	0	51	1	108
**Other Departments	190	3	131	1	325
TOTAL PRACTITIONERS	2869	79	3040	83	6064

[^] held a practice certificate during 2013/2014, however by 30 June 2014, were appointed judiciary/deceased/struck off/suspended.

^{*} State Government employees who held a practice certificate during 2013 - 2014

^{**} State Government employees taken to be certificate pursuant to Section 36 of the Legal Profession Act 2008

MANAGEMENT COMMITTEE

The Role of the Management Committee

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 usually 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 address a pressing issue, either special meetings are called or resolutions are determined by electronic quorum. The Management Committee's primary focus is on strategic direction of the Board and the implementation and maintenance of appropriate policies, systems and processes.

Financial Resources

The Board is primarily self-funded, and to date approximately 10% of its funding has come from 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 Profession Complaints Committee.

Accommodation Funding

In April 2014 the Government advised that it was progressively withdrawing its funding of the Board's accommodation so that the Board would be fully responsible for its accommodation costs from the 2016-2017 year. Historically the Government has funded the accommodation of the Board since its inception 127 years ago on the basis that certain legal regulatory services that would otherwise fall to the Government to provide are instead provided by the Board. The decision to withdraw funding was made without any prior notice to or consultation with the Board. The Board is currently reviewing its activities and the regulatory costs to the profession in order to be in a position to properly budget for its statutory duties, whilst not unduly burdening the profession or the public. It is a concern to the Board that the Government is apparently ignoring the pro bono contributions of Board members and the financial benefits that accrue to Government through those contributions and the expertise available.

Representatives of the Management Committee are seeking an audience with the Attorney General to raise with him the implications of this withdrawal of funding and to request a reversal of his decision.

The Law Library

The Management Committee, guided by the recommendations of the Law Library Committee, administers the Law Library in the Supreme Court.

Additional financial considerations have arisen for the Management Committee with the Government withdrawing its funding support for the integration of the Board owned Law Library at the Supreme Court with the law libraries within the Department of the Attorney General and Department of Justice and those to be established for the Supreme Court in its new premises.

National Regulation

Another issue that has arisen during the reporting year is that of whether Western Australia will introduce the uniform regulatory laws that have been enacted in New South Wales and Victoria. The Law Society of Western Australia is supporting that proposition, but the committee notes that there will be significant negative fiscal impacts if Western Australia takes that path, with the imposition of an additional national governance structure on top of the existing structures of the Board within this jurisdiction, without any corresponding savings in efficiencies or cost to the Western Australian profession and public.

All of these issues will be considered in the following financial year and may have considerable implications for the committee's consideration of appropriate practising certificate fees for 2015-2016.

Review of Internal Financial Controls

To coincide with the re-appointment of Graeme Geldart to the role of Executive Director, the committee considered it timely to appoint external consultants, BDO, to undertake a review of the Board's internal financial controls and fiscal governance.

This review was undertaken during the reporting year and I am pleased to say that the BDO report confirmed that the controls and risk management processes in place are rigorous and effective and fulfil the required governance responsibilities of Board members.

The report did identify some accounting hardware and software improvements that could be made to introduce greater rigour and efficiency and also recommended a review and further development of internal policies and procedures. The Committee has adopted these recommendations and they will be implemented in the year ahead.

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 from 46 to 48 (43 full time equivalents).

A number of significant senior staff appointments were made. As mentioned above, Graeme Geldart came into the role of Executive Director and Libby Fulham (who had been Acting Executive Director) was appointed as Deputy Executive Director. That appointment has been made to provide a platform for succession planning and staff development.

Additional support has been added to the Corporate Services team with the appointment of an additional person to supplement the need for policy and procedure development and additional human resource support.

Physical Resources

The Management Committee has responsibility for the physical resources of the Board i.e. accommodation, information technology etc.



The leases for both the premises occupied by the Office of the Board and the Legal Profession Complaints Committee expired at the conclusion of the reporting year. As reported above, due to the Government decision to withdrawing its funding support for accommodation, the committee is currently in negotiations with regard to the entering of leases in the name of the Board. This, however, is dependent upon discussions with the Attorney General on the final structures for accommodation funding and will therefore not be finalised until the next reporting year. At the time of this report the Board is currently occupying its premises under leases being held over in the name of the Government.

The electronic document and records management system known as 'Objective' was developed further during the reporting year with the addition of 'Objective Connect' that allows the web-based loading and access for all committee and meeting documentation. This is a further step in the reduction of paper based administration.

Practising Certificates

Despite continuing upward cost pressures, the Committee decided to retain the fee level of \$1,000 for the issue and renewal of practising certificates for the year under review. However, this decision was based on considerations made prior to Government advice on accommodation funding withdrawal and its withdrawal of funding support for the Law Library Integration Project.

The committee will be undertaking a full financial review in the year ahead to address the need for practising certificate fee increases to appropriately fund its statutory regulatory obligations.

Acknowledgements

I would like to acknowledge the support and assistance of my Deputy Convenor, John Syminton, and the dedication of my fellow committee members for their conscientious preparation for debate at our meetings. Thanks are extended to all of the Board's employees for their efforts during the year, and to the Executive Director, Graeme Geldart, Deputy Executive Director, Libby Fulham, and Corporate Support Officer, Linda MacPherson, for their management of the Board's resources and support to the committee.

Anna Liscia
Convenor
Management Committee

ADMISSIONS AND REGISTRATION COMMITTEE

Convenor:	Ms Sabina Schlink
Deputy Convenor:	Ms Elizabeth Macknay
Resignations:	Mr Andrew Pascoe resigned in December 2013 Mr Peter Quinlan SC resigned in June 2014.
New members:	Mr John Syminton (Chairperson) – appointed July 2013 Mr Steven Davies SC – appointed – appointed July 2013
Ongoing members:	Mr John Fiocco; Dr JJ Hockley; Ms Noelle Hossen; Mr Matthew Howard SC; Mr Laurie Levy SC; Mr John Ley; Ms Anna Liscia; Mr Joseph McGrath SC; Mr Jim Thomson SC; Mr Sam Vandongen SC; Mr Robert Wilson SC

Pursuant to the instrument of delegation from the Full Board, the Admissions and Registration Committee (Admissions Committee) is responsible for the majority of the functions and powers of the Legal Profession Act 2008 (Act) that regulate:

- ◆ The admission of lawyers;
- ◆ The registration and practice of foreign lawyers;
- ◆ The grant of practising certificates, and imposition of conditions, when an applicant has not previously held a local practising certificate, or has not held an Australian practising certificate in the past 5 years; and
- ◆ Restricted practice requirements.

Eligibility for Admission

Academic Qualifications and Practical Legal Training

Approved Academic Qualifications

There are five universities offering approved law degrees in Western Australia:

- ◆ The University of Western Australia;
- ◆ Murdoch University;
- ◆ The University of Notre Dame;
- ◆ Edith Cowan University * and
- ◆ Curtin University.

(*This university has been approved to offer a law degree on line.)

A Bachelor of Laws or Juris Doctor degree from one of the above universities will only be accepted as an approved academic qualification for admission to the legal profession in Western Australia, if the granting of the qualification required the successful completion of coursework covering all the prescribed areas of knowledge described in the Uniform Admission Rules, as published by the Law Admissions Consultative Committee (LACC).

The term “Juris Doctor” will no longer be used to describe the law degrees offered by Murdoch University. Murdoch University has restructured all of its degree courses,

including the Bachelor of Laws degree. The first units under the newly structured Bachelor of Laws degree will commence in the first semester of 2015.

The University of Western Australia is well into the transition of offering a Juris Doctor law degree, and phasing out the Bachelor of Laws Degree. The first students in the Juris Doctor course commenced in semester 1 of 2013.

During the year under review, the Admissions Committee approved changes to the structure of the graduate entry Bachelor of Laws degree course offered by Edith Cowan University. The result of those changes was to reduce, from seven to two, the number of electives required to complete the course.

The Admissions Committee continues to recognise as “corresponding academic qualifications”, any Australian law degree that meets admission requirements in the Australian state or territory in which it was obtained, provided all of the prescribed areas of knowledge as set out in the Uniform Admission Rules, have been successfully completed.

Approved Practical Legal Training

Two practical legal training (PLT) options are available in Western Australia, i.e. the WA College of Law PLT course, or 12 months articles of clerkship.

PLT Courses

The WA College of Law PLT Program remains the only approved PLT course in Western Australia. In late 2013, the Admissions Committee noted that a 5 year reaccreditation review of the Western Australian College of Law PLT Program was to be undertaken in March 2014. The Admissions Committee devised criteria to be addressed by the Western Australian College of Law in a submission for reaccreditation. In early 2014, the Western Australian College of Law provided a submission for consideration by the Admissions Committee. On 4 June 2014, after careful consideration of the submission, the Admissions Committee re-accredited the course for a further 5 years.

The Admissions Committee continues to accept Australian PLT courses that were completed in another Australian jurisdiction as “corresponding PLT requirements” for admission in Western Australia, if those PLT courses are accepted as meeting the PLT requirements for admission in the Australian state or territory in which it was completed.

Practical legal training completed	
Articles of clerkship	42
WA College of Law PLT Course	298
Corresponding Aust PLT course - ANU	67
Corresponding Aust PLT course - other	17
Overseas assessed	26

It remained an ongoing matter of concern for the Admissions Committee that students can commence PLT in some other Australian jurisdictions, well before they have completed their academic qualification. However, the LACC has developed revised PLT Competency Standards for Entry Level Lawyers (Revised PLT Competency Standards). The Revised PLT Competency Standards have been accepted by all Australian admitting authorities and boards and are due to take effect from January 2015. The revised PLT Competency Standards require students to obtain the pre-approval of the admitting authority or board, if the student intends to commence PLT before completion of the academic requirements. The admitting authority or board must only give approval for early commencement of PLT, if the law student has completed all the units covering the prescribed areas of knowledge of the Uniform Admission Rules, and has only one or two other academic subjects to complete.

The Admissions Committee also became aware that one PLT course, accepted for admission purposes in several other Australian jurisdictions and actively marketed to Western Australian law students, had not been formally reviewed and approved by any other admitting authority or board. The PLT provider has advised the Admissions Committee that it is applying for formal accreditation in at least one Australian jurisdiction.

In the meantime, the Admissions Committee will continue to monitor the situation. The Admissions Committee will consider amending the policy regarding the recognition of “corresponding PLT”, if the Admissions Committee is not satisfied that the same minimum criteria applies to other Australian PLT courses, as applies to PLT courses approved by the Admissions Committee for the purpose of admission in this jurisdiction.

Articles of Clerkship

Law graduates who have been offered articles of clerkship must apply for registration with the Board. In addition to completing the 12 month term of articles, the articulated clerks must complete the Leo Cussen articles training program.

Legal practitioners must apply for Board approval each time they take an articulated clerk.

The number of articulated clerk registrations decreased from 41 in the year ended 30 June 2013, to 20 in the current year. As a result of the decreasing number of registrations, the Leo Cussen Institute has advised that it is only able to offer one articles training program in Western Australia in the 2014 calendar year. The Leo Cussen Institute has also committed to offering one articles training program in Western Australia in 2015. However, unless

Articled clerks were graduated from	
University of Western Australia	9
Murdoch University	4
University of Notre Dame	5
Edith Cowan University	1
Corresponding Australian Law Schools	1
Overseas qualified	20

Number of articles of clerkship registrations	
Registrations – male articulated clerks	6
Registrations – female articulated clerks	14
Total Registrations	20
i.e. approx. 50% decrease from 2012/2013 period	

Admissions	
Admitted pursuant to s26 of the <i>Legal Profession Act 2008</i>	450
Admitted pursuant to the <i>Mutual Recognition (WA) Act 2001</i>	19
Admitted pursuant to the <i>Trans-Tasman Mutual Recognition (WA) Act 2008</i>	8
Total Admissions	477

Assessment of overseas qualifications		
Qualified	Admitted	Number
England & Wales	Not admitted.	22
England & Wales	England & Wales	11
England & Wales	Ireland	1
England & Wales	England & Wales/India	1
England & Wales	India	2
England & Wales	England & Wales/Singapore	1
England & Wales	England & Wales/Malaysia	2
England & Wales	England & Wales/Malaysia/Singapore	1
England & Wales	Malaysia	1
England & Wales	Malaysia/Singapore	1
England & Wales	Fiji	1
Ireland	Not admitted	5
Ireland	Ireland	4
Ireland	England & Wales	1
Scotland	Not admitted	1
Scotland	Scotland	1
Russia	Not admitted	1
Sweden	Not admitted	1
Belgium	Belgium	1
Germany	Not admitted	1
Italy	Not admitted	1
Poland	Not admitted	1
Poland	Poland	1
Greece	Not admitted	1
Israel	Israel	1
Kenya	Not admitted	2
Zimbabwe	Zimbabwe	1
Nigeria	Nigeria	2
South Africa	Not admitted	5
South Africa	South Africa	8
Sri Lanka	Sri Lanka	4
India	Not admitted	1
India	India	7
Pakistan	Pakistan	2
South Korea	Not admitted	1
China	Not admitted	1
China	China	1
China	United States	1
Singapore	Singapore	1
Indonesia	Not admitted	2
Fiji	Fiji	1
Philippines	Philippines	-1
Canada	Canada	1
Canada	Not admitted	1
United States	Not admitted	1
United States	United States	4
United States	United States/Philippines	1
Brazil	Not admitted	1
Brazil	Brazil	1
Total assessments		116

Of the 450 lawyers admitted pursuant to the *Legal Profession Act 2008*, 178 were male and 272 were female, and they were qualified as follows:

Academic qualifications	
University of Western Australia	172
Murdoch University	127
University of Notre Dame	55
Edith Cowan University	18
Corresponding Australian Law Schools	43
Overseas qualified	35**
Total	450

**Of the 35 overseas qualified persons admitted, 23 had previously been admitted overseas as follows:

England & Wales	8
Ireland	1
Canada	2
Scotland	3
Singapore/UK	1
South Africa	4
South Africa/UK	1
USA/Canada	1
USA/Canada/UK	1
Rhodesia (Now Zimbabwe)	1
Total	23

there is an increase in the number of registrations of articles, it may not be viable for the Leo Cussen Institute to continue to offer the articles training program in subsequent years.

Assessment of Overseas Applicants for Admission

The Admissions Committee assesses overseas qualified law graduates and legal practitioners for admission to the legal profession in Western Australia. In considering applications the Admissions Committee 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 Uniform Principles require all overseas applicants to complete Constitutional Law at a Western Australian law school and practical legal training in Office and Trust Accounting and Ethics and Professional Responsibility at the WA College of Law. Other requirements are considered on a case by case basis.

There was an 18% increase in the number of overseas assessments, i.e. up from 98 last year to 116 in the year under review.

There was a slight decrease in the number of overseas legal practitioners admitted to practice in Western Australia. In the year ended 30 June 2013, 29 of the new admittees had previously been admitted overseas. In the year ended 30 June 2014, 23 of the new admittees had previously been admitted overseas.

Registered Foreign Lawyers

At 1 July 2013 there were 6 registered foreign lawyers.

There were no new registrations and 4 renewed their registration for the 2014/2015 year.

The renewals approved for the 2014/2015 year were:

France/England & Wales	1
Germany	3

Admission Policies: Law Admissions Consultative Committee

The Law Admissions Consultative Committee (LACC) is a consultative committee that makes recommendations to Australian admitting authorities and admissions boards, with the aim of achieving uniformity of admission requirements in Australia. Ms Liscia is the Admissions Committee representative on the LACC.

During the year under review the Admissions Committee continued to consider matters raised by LACC including:

- ◆ Approaches to teaching statutory interpretation in Western Australian law schools;
- ◆ Revised Practical Legal Training Competency Standards for Entry Level Lawyers (Revised PLT Standards). The final version has been adopted by the Admissions Committee. The Revised PLT Standards are due to come into effect in January 2015;
- ◆ Proposals to amend the Uniform Admission Rules and the Uniform Principles for Assessing Overseas Applicants to include provisions for the assessment of “stale” qualifications. Under the new provisions, admission boards may impose further study on applicants for admission, or overseas applicants who apply for assessment, if the person completed their legal qualification or PLT five years or more before the application is lodged. The admission boards will exchange information about any study imposed under the new provisions, with the aim of achieving national consistency in the way the stale qualification provisions are applied.; and
- ◆ Ongoing review of the Uniform Principles for Assessing Overseas Applicants.

Suitability for Admission and Readmission

The Admissions Committee considers the suitability for admission of any applicant who has disclosed a suitability matter in their application.

In most cases the Admissions Committee decides the application on the papers. An applicant with several disclosures, recent disclosures, or disclosures of a serious nature, are often required to meet with two members of the Admissions Committee to discuss the disclosures before the application is progressed.

In the past, the Admissions Committee sometimes held formal hearings to consider applications, if the disclosures were such that there was a high probability that the Admissions Committee would not be satisfied that the application was a fit and proper person to be admitted.

However, recognising the high cost of retaining external counsel to assist the Admissions Committee with the hearings, and the amount of unremunerated time Admissions Committee members must put aside to sit on a panel to hear an application determined by hearing, the Admissions Committee will endeavour to decide the majority of applications on the papers, if feasible.

For an application to be determined on the papers, two Admissions Committee members must volunteer to meet with the applicant, peruse submissions, distal the issues for consideration, request further information from the applicant, make recommendations to the Admissions Committee, and draft reasons for the decision made by the Admissions Committee. This requires a significant contribution from Admissions Committee members,

without which it would have been difficult for the Admissions Committee to exercise its obligations under the Act.

Most disclosures during the year were of matters such as traffic offences, parking fines, transport infringements, disorderly conduct, minor assault and academic misconduct, and were dealt with at the meeting at which they were first tabled.

However, there were nine applicants required to meet with two members of the Admissions Committee before their applications were progressed. Collectively, the disclosures related to apparent dishonesty or overstatements made in their application, matters coming to light that had not been disclosed in their initial application, a matter relating to alleged dishonesty in previous employment, shoplifting, multiple traffic offences including more than one driving under the influence offence, Centrelink overpayment, spent convictions for disorderly conduct, and possible unqualified legal practice prior to admission.

During one meeting, the applicant disclosed a past history of alcohol abuse arising from family trauma. Reports from the applicant's treating medical practitioner and counsellor were subsequently requested and received.

In the case of those applicants required to meet with two members of the Admissions Committee, the Admissions Committee was subsequently satisfied that the applicants were fit and proper persons to be admitted.

There is one application that is still under consideration and has not as yet been determined. In that application, the applicant made many disclosures, including traffic offences, failure to pay fines, bankruptcy, a history of engaging in escort work, a history of drug use, child support debt and tax matters that have not been finalised.

Applications for an Early Declaration of Suitability to be Admitted

Prospective applicants for admission may apply for an early determination of suitability to be admitted.

There were no applications pending at 1 July 2013.

Five applications for an early declaration of suitability to be admitted were lodged in the year under review.

- ◆ Three of those applications were dealt with at the meeting at which they were first tabled. Those applications related to disclosure of a traffic offence, a 2013 academic misconduct matter, and a 2008 spent conviction respectively. The applicants were given the requested declaration;
- ◆ A fourth applicant, who disclosed multiple traffic offences, including a 2013 offence for driving under the influence, was required to meet with two members of the Admissions Committee. The applicant was given the requested declaration; and
- ◆ A fifth applicant lodged an application in October and withdrew the application the following May, before the application had been determined. The application contained multiple disclosures including damage, possession of an offensive weapon, aggravated burglary, common assault, using a carriage service to

harass, failure to comply with an order, and multiple traffic offences.

Applications for the Grant of a Practising Certificate

The Admissions Committee considers all applications for the grant of a practising certificate in circumstances where an applicant has disclosed a suitability matter or show cause in the application. The Admissions Committee also considers applications for the grant of a practising certificate from applicants who had not held an Australian practising certificate for 5 years or more.

It is common for the Admissions Committee to impose a 12 month restricted practice condition if the applicant has been absent from practice for a significant period of time.

Restricted Practice and Supervised Legal Practice

The Admissions Committee considers submissions from practitioners relating to restricted practice and supervised legal practice including:

- ◆ Applications for reductions in the required period of supervised legal practice under s.50(7) of the Act, particularly in relation to practitioners, recently admitted in Western Australia, who have previously practised overseas. A reduction from 2 years to 12 months is generally given if an applicant has more than 2 years recent post-admission experience in a common law jurisdiction;
- ◆ Applications for exemptions under s.50(7) of the Act from the requirement to engage in restricted legal practice, having regard to the practitioner's prior legal practice and supervision arrangements. Newly admitted legal practitioners who have extensive overseas experience and intend only to work in-house in Western Australia, are sometimes granted an exemption from having to complete a period of restricted practice, subject to a condition that the practitioner only engages in legal practice of a specified in-house corporation and does not operate a trust account;
- ◆ Retrospective approval of part-time employment and supervision arrangements; and
- ◆ Approval of proposed supervision arrangements, where the supervising practitioner is not located primarily in the same physical location as the restricted practitioner.

During the year under review, the Admissions Committee considered a breach of the restricted practice requirements of the Act by a restricted practitioner who had engaged in legal practice, unsupervised and outside of his usual employment. The Admissions Committee referred the matter to the Professional Affairs Committee of the Board, for consideration as to whether the restricted practitioner was a fit and proper person to continue to hold a practising certificate. The Professional Affairs Committee subsequently referred the matter to the Legal Practitioners Complaints Committee.

In September 2013, the Admissions Committee requested the Full Board to amend rule 19 of the Legal Profession Rules 2009 (Rules), to allow the Admissions Committee greater discretion to approve restricted practice and supervised legal practice arrangements that fall outside of the current definitions of "restricted legal practice" and "supervised legal practice" in the Legal Profession Act 2009. The requested amendments will, for example, give the Admissions Committee power to approve arrangements for external supervision of a restricted practitioner who is employed by a sole practitioner, during periods when the

sole practitioner is take annual leave.

Parliamentary Counsel have now been instructed to make the amendments. The amendments were not effected as at 30 June 2014.

Law Admissions Consultative Committee (LACC)

As referred to earlier in this report, the LACC is a consultative committee that provides recommendations to Australian admitting authorities and admissions boards, with the aim of achieving uniformity of admission requirements in Australia. The Committee meets in Melbourne at least 3 times per year. Ms Liscia is the Committee's representative on LACC. Ms Liscia attended 3 LACC meetings in Melbourne during the year under review.

Administrators of Australasian Law Admitting Authorities (AALAA)

The AALAA meets annually, on the day preceding the CORO conference, to discuss matters of mutual interest and to exchange information about admission policies and practices in the various Australian jurisdictions, and in New Zealand.

The Admissions & Registrations Coordinator, Ms Deb MacDonald, and the Admissions Officer, Ms Lorna Starling, attended the 14th Annual Meeting of the AALAA on Darwin in October 2013.

Conference of Regulatory Officers (CORO)

This annual conference addresses all aspects of regulation of the legal profession, including matters relating to the admission of practitioners, the granting of practising certificates, and restricted practice requirements in Australian jurisdictions and New Zealand. Ms MacDonald and Ms Starling attended this conference in Darwin in October 2013, along with other officers of the Board.

Western Australian Law Schools

The Convenor, Ms Liscia and Ms MacDonald met with the law deans of all of the Western Australian law schools during the year under review, with a view to formulating an approach that will enable the Admissions Committee to periodically review and reaccredit the law schools and law courses, as required under the Uniform Admission Rules. This project is still underway.

Sabina Schlink
Convenor

PROFESSIONAL AFFAIRS COMMITTEE

Convenor:	Ms PE Cahill SC
Deputy Convenor:	Mr B Fiannaca SC
Members:	Mr MH Zilko SC Mr GMG McIntyre SC Mr GTW Tannin SC Mr PCS van Hattem SC Mr PD Quinlan SC Mr RS Hooper SC Mr MN Solomon SC* Mr JA Thomson SC* Mr JG Syminton Mr AJ Pascoe Ms AM Liscia* Ms EE Macknay Mr SE Creek Ms VJ Hodgins <i>* Part year</i>

The Professional Affairs Committee (**PAC**) convened on 17 occasions between 1 July 2013 and 30 June 2014. This included 11 scheduled meetings and 1 special meeting and included the PAC making resolutions without meeting on 5 occasions.

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

- ◆ The grant and renewal of local practising certificates, subject to conditions in certain circumstances;
- ◆ Regulation of interstate practitioners practising in Western Australia;
- ◆ Regulation of local practising certificates, including:
 - ❖ monitoring of compliance with conditions imposed on practising certificates; including the variation and revocation of conditions; and
 - ❖ the amendment, suspension or cancellation of local practising certificates.
- ◆ The regulation of business structures, including incorporated legal practices and The legal practitioner directors who control and manage them;
- ◆ The regulation of the administration and management of trust accounts;
- ◆ External intervention in respect of law practices; and
- ◆ The reservation of legal work and related matters, including the prosecution of persons engaging in unqualified practice and approval of lay associates.

Prior to November 2013 the PAC was also responsible on behalf of the Legal Practice Board (**Board**) for monitoring compliance with continuous professional development requirements. At its meeting held on 27 November 2013 the Full Board approved the establishment of a Professional Development Committee (**PDC**). The PDC has been established to exercise delegated powers of the Board in the area of professional development (including professional education and continuing professional development). The PAC retains delegated power in relation to compliance with professional development, but it will not be exercising that delegated power unless it is in

relation to conditions imposed by the PAC and where there are other matters before the PAC that require it to exercise that delegated power. Further information on the PDC is set out in this section of the report under the headings “Conditions on Practising Certificates” and “Compliance with Continuous Professional Development Requirements”, and at page 48 of the overall report.

Practising Certificates - Suitability Matters

With respect to its delegated power to issue annual local practising certificates the PAC:

- ◆ Must not grant a local practising certificate unless it is satisfied that the applicant is a fit and proper person to hold the certificate (s.45(4)(b) of the *Legal Profession Act 2008 (Act)*; and
- ◆ Must not renew a local practising certificate if it is satisfied that the applicant is not a fit and proper person to continue to hold the certificate(s.45(5)(b) of the Act).

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 local practising certificate, including:

Suitability matters (s.8 of the Act)

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 or in a foreign country;
- (f) is currently subject to an unresolved complaint or an investigation, charge or order under the Act, any of its predecessor(s) or a corresponding law;
- (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 had their name removed from a roll of practitioners in Australia (and their name has not since been restored to that roll) or in a foreign country;
- (i) has had their right to engage in legal practice suspended or cancelled in Australia or in 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, any of its predecessor(s) or a corresponding Australian law;
- (l) is or has been disqualified from being involved in a law practice under the Act, any of its predecessor(s) or corresponding Australian law;
- (m) is currently unable to carry out the inherent requirements of practice as an Australian legal practitioner.

Other matters (s.38(2) of the Act)

Include whether a person:

- (a) has 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, any of its predecessor(s) or a 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 exercising jurisdiction under the Act or any of its predecessors or an order of a corresponding disciplinary body, tribunal or court;
- (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 any of its predecessors;and
- (f) any other matters relating to the person the Board considers are appropriate.

Each practising certificate application where a relevant 'suitability matter' arises is considered and determined on a case-by-case basis by the PAC as to whether the applicant is a fit and proper person to hold a local practising certificate.

Where a suitability matter in relation to a particular practitioner comes to the attention of the PAC during the currency of that practitioner's local practising certificate, the PAC will consider whether to cancel or suspend the certificate, whether to impose conditions on the certificate or whether to take no action.

During the 2013-2014 year, 218 separate suitability matters were considered by the PAC. This is a significant reduction from the previous reporting period, which is primarily attributable to the imposition of the '*Barrister only*' condition on the practising certificates of all practitioners at the independent bar in the 2012-2013 year.

Conditions on Practising Certificates

In some circumstances, the PAC is only satisfied that a practitioner should be granted or retain a local practising certificate if certain conditions are attached to the certificate. These conditions can be concerned with matters such as restricting the holder to particular conditions concerning employment or supervision, restrictions on dealing with trust money, a requirement to undergo medical treatment, a requirement to obtain a mentor.

Where appropriate, the PAC maintains a monitoring role as to the continued necessity, appropriateness and sufficiency of the conditions imposed to meet public interest objectives.

Between 1 July 2013 and 30 June 2014, conditions were imposed on practitioners' practising certificates on 27 occasions, and conditions were removed from practitioners'

practising certificates on 6 occasions. These figures do not indicate any difference from the previous reporting period.

The establishment of the PDC, in conjunction with the revision of the Board's Instrument of Delegation on 2 April 2014 to delegate to the PDC, Executive Director and the Deputy Executive Director, the power to grant exemptions from CPD requirements, vary CPD requirements and to approve single activities by an applicant and a QA provider, has reduced the number of conditions imposed and managed by the PAC relating to CPD requirements.

The PAC retains delegated power to manage CPD conditions imposed by the PAC, and to impose conditions relating to CPD.

Further information on CPD and the PDC can be found in the overall report at page 46.

During the reporting period there was an increase in the number of practitioners required to have a mentor approved by the Board, and there was a minor increase in the imposition of conditions in relation to practitioners where those practitioners were an undischarged bankrupt.

'Barrister only' condition

Since 1 July 2012 the Board has made available a '*Barrister only*' condition for imposition on a barrister's local practising certificate issued.

The wording of the '*Barrister only*' condition states:

The holder requests and agrees pursuant to section 47(3)(i) of the Legal Profession Act 2008 that the following conditions be imposed upon this practising certificate, namely:

1. *The holder will while engaging in legal practice work solely as an independent barrister, which comprises*
 - (a) *appearing as an advocate;*
 - (b) *preparing to appear as an advocate;*
 - (c) *negotiating for a client with an opponent to compromise a case;*
 - (d) *representing a client in a mediation or arbitration or other method of alternative dispute resolution;*
 - (e) *giving legal advice;*
 - (f) *preparing or advising on documents to be used by a client or by others in relation to the client's case or other affairs;*
 - (g) *carrying out work properly incidental to the kinds of work referred to in (a) - (f); and*
 - (h) *such other work as is from time to time commonly carried out by barristers.*

2. *The holder must while engaging in legal practice be a sole practitioner, and must not:*
 - (a) *practise in partnership with any person;*
 - (b) *practise as the employer of any legal practitioner who acts as a legal*

- practitioner in the course of that employment;*
- (c) *practise as the employee of any person;*
- (d) *be a legal practitioner director of an incorporated legal practice; or*
- (e) *be a member of a multi-disciplinary partnership.*

The condition is set out in its entirety in an annexure attached to a barrister's local practising certificate. The following is displayed on the face of the certificate:

'Barrister only' condition - see details in Annexure A

Once imposed, the condition remains on a barrister's local practising certificate until the Board removes the condition after accepting the barrister's application to the Board for its removal.

Barristers with the '*Barrister only*' condition imposed on their local practising certificates must still comply with professional indemnity insurance and continuing professional development requirements.

The '*Barrister only*' condition can only be imposed by the Board on a barrister's local practising certificate with the agreement of the holder, pursuant to s.47(3)(i) of the Act. The arrangement is voluntary. However a legal practitioner who does not agree to the '*Barrister only*' condition will not be entitled to use the name, title or description of "barrister" (see: item 7 in reg 5(2) of the *Legal Profession Regulations 2009*).

The PAC is responsible for considering requests for the imposition and removal of the '*Barrister only*' condition on local practising certificates. During the 2013-2014 year, the Board received 16 requests to impose the condition. The PAC imposed the condition on all 16 local practising certificates. There were 4 applications to have the '*Barrister only*' condition removed during the year, which were accepted by the Board's Executive Director under delegated authority.

'Volunteer or Pro Bono Only' Condition

The Board has since 1 July 2012 made available a nil fee '*Volunteer or pro bono only*' condition for imposition on a local practising certificate.

The wording of the '*Volunteer or pro bono only*' condition states:

This practising certificate is issued free of fees on condition that the holder is only engaged in the provision of legal services on a not-for-profit basis and does not charge any person nor seek to recover a fee from any person, save that the holder may:

- 1 receive remuneration via a costs order in a matter if the holder has accepted a referral to act in that matter under Order 4.14 of the Federal Court of Australia Rules 2011 or under Order 12 of the Federal Magistrates Court of Australia Rules;*
- 2 recover from a person any out of pocket disbursements reasonably paid by the holder on behalf of a person.*

The condition is set out in its entirety in an annexure attached to a practitioner's local practising certificate. The following is displayed on the face of the certificate:

Volunteer or pro bono only condition - see details in Annexure A

Once imposed, the condition remains on the practitioner's local practising certificate until the Board removes the condition after accepting the practitioner's application to the Board for its removal.

Practitioners with the '*Volunteer or pro bono only*' condition imposed on their certificates must still comply with professional indemnity insurance and continuing professional development requirements.

The '*Volunteer or pro bono only*' condition can only be imposed on a practitioner's local practising certificate with the agreement of the holder, pursuant to s.47(3)(i) of the Act.

The PAC exercises delegated power for considering requests for the imposition and removal of the '*Volunteer or pro bono only*' condition on local practising certificates.

Since 1 July 2013, the PAC has imposed the condition on 15 local practising certificates with no requests being refused. There have been 4 applications to have the '*Volunteer or pro bono only*' condition removed, which were accepted by the Board's Executive Director under delegated authority.

However the Admissions and Registration Committee (**ARC**) will also impose the '*Volunteer or pro bono only*' condition on practising certificates if the practitioner has not previously held a local practising certificate or has not held a practising certificate in the previous 5 years.

Further information on the ARC can be found in the overall report at page 22.

The following table sets out the matters considered by the PAC during the reporting period and the outcome of that consideration, including the consideration of suitability matters, and the imposition and removal of conditions on local practising certificates. The table also includes the 'Barrister only' and 'Volunteer or pro bono only' conditions imposed on local practising certificates during the reporting period.

Matter	Outcome	No
Pending disciplinary matter before the Legal Profession Complaints Committee / interstate disciplinary tribunal	Local practising certificate issued notwithstanding the pending complaint (48). Local practising certificate issued subject to condition requiring practitioner to restrict legal practice (1). Application for renewal deferred pending further information (1).	50 (including 8 who had failed to disclose the pending complaint)
Disciplinary action relating to another profession or occupation that involved a finding of guilt	With explanation and supporting evidence provided, local practising certificate issued	1
Traffic offences, including drink driving	With details provided, local practising certificate issued (4). Local practising certificate already issued at time of consideration. With details provided and noted, no action taken (4). Local practising certificate already issued at time of consideration. Possible health issues, matter still pending (1).	9
Convicted of a tax offence	Application refused (1) (later acquitted on appeal and decision reconsidered). Local practising certificate issued subject to conditions requiring practitioner to provide the Board with periodic reports of compliance with BAS obligations (2).	3
Possible breach of undertaking, failure to comply with CPD requirements	Local practising certificate issued subject to conditions, and undertaking given not to engage in legal practice without giving the Board notice.	1
Consented to violence restraining order	Local practising certificate already issued. Explanation provided and noted, no action taken	1
Name removed from foreign roll but eligible to be reinstated on payment of fee**	Local practising certificate issued.	2
Contravened a condition on a practising certificate	Local practising certificate cancelled (reconsidered in July 2014 consequent upon application by practitioner for review) (1). Practitioner issued with notice pursuant to s.56(4) to cancel practising certificate if requests not complied with, compliance resulted in no further action (2)	3
Contravened a law about trust money or trust accounts	Practising certificate issued (1). Local practising certificate issued with conditions that the practitioner provide periodic trust account reconciliations and report from the law practice's external examiner (3). Local practising certificate issued with conditions that the practitioner not operate a trust account (1).	5

Matters considered by the PAC during the reporting year (continued):

Matter	Outcome	No
Health condition	<p>Local practising certificate issued subject to the following conditions: Practitioner required to attend appointments for periodic assessments by treating practitioner. Practitioner required to comply with treatment regime recommended by treating consultant psychiatrist. Requirement to provide a periodic report from treating practitioner (1). Local practising certificate issued, other matters referred to Legal Profession Complaints Committee (1). Local practising certificate issued subject to the following conditions: Practitioner required to undergo medical treatment, the provision of periodic reports to the Board. Requirement to provide a periodic report from a practitioner approved by the Board. Requirement to provide a periodic report from a mentor approved by the Board (1).</p>	3
Education condition	Local practising certificate condition removed following completion of education course.	1
Is or has become bankrupt	<p>Local practising certificate issued subject to the following conditions: Practitioner not to operate or be involved in a trust account. Requirement to provide quarterly reports from trustee on compliance with bankruptcy requirements (3). Local practising certificate already issued, issued with notice to impose the following conditions: Practitioner not to operate or be involved in a trust account. Requirement to provide quarterly reports from trustee on compliance with bankruptcy requirements (5) (includes removal of condition due to discharge from bankruptcy)</p>	8 (including 2 who have had the condition removed due to discharge from bankruptcy)
Formerly bankrupt, now discharged	Local practising certificate issued.	1
Applied to take the benefit of any law for the relief of bankruptcy and failure to disclose matter to interstate regulatory +body	<p>Local practising certificate issued subject to the following conditions: Practitioner not to operate or be involved in a trust account. Requirement to provide quarterly reports from body responsible for creditor payments under a debtor's agreement. (includes removal of second condition upon completion of creditor payments under debtors agreement)</p>	2
Failure to provide proof of professional indemnity insurance	<p>Local practising certificate not issued as application withdrawn, with explanation provided and compliance with insurance, no further action taken (1). Refused to consider application to renew and no practising certificate issued (2). Refused to consider application to renew, application for grant accepted and practising certificate issued (1).</p>	4

Matters considered by the PAC during the reporting year (continued):

Matter	Outcome	No
Failure to comply with Board's requests (other than non compliance with requirement to provide prescribed fees with application)	Refused to consider application and no practising certificate issued (1). Conduct referred to Legal Profession Complaints Committee (2). Practising certificate cancelled (decision later reconsidered consequent upon application by practitioner for review (1).	4
Failure to provide required information with application	Excused from complying with Rules, local practising certificate issued (3). Excused from complying with Rules, with other matters considered separately, local practising certificate issued (1).	4
Failure to comply with CPD requirements	Local practising certificate issued subject to following conditions that the practitioner complete a minimum number of CPD points for the following CPD year and to provide periodic reports to the Board on progress together with evidence of the completion of appropriate CPD activities (5). In the case of 2 practitioners, the condition was satisfied and formally removed during the reporting period.	5 (including 2 with conditions removed)
Contravened the Act	Breached requirement to only engage in restricted legal practice. With explanation no further action taken. Matter referred to Admissions and Registration Committee (1). Failure to request lay associate approval (5). Failure to obtain approval to be employed as a lay associate of a law practice. With explanation no further action taken (18) (including 5 matters where there was no practising certificate application, 7 practising certificates issued, 4 practising certificate applications being referred to the Admissions and Registration Committee, and 1 practising certificate application being withdrawn). Failure to give notice of commencement of an incorporated legal practice (9) (including 6 matters where the incorporated legal practice wrote to all affected clients, 1 matter where no further action was taken, 1 matter remains unresolved and 1 matter was reconsidered). Failure to give notice of an incorporated legal practice ceasing (4). Failure to give notice of commencement of partner of multi-disciplinary partnership (3). Failure by interstate practitioner to notify commencement of practice in WA (3).	43

Matters considered by the PAC during the reporting year (continued):

Matter	Outcome	No
Applicant subject to imposed mentoring conditions	Local practising certificate issued subject to conditions that the practitioner meets with an approved mentor who provides periodic reports to the Board. Carried over from previous year (1). Carried over from previous year and reporting frequency amended (1). Initial imposition of condition (1).	3
Applicant subject to orders of the State Administrative Tribunal imposing conditions on practice	Local practising certificate issued subject to conditions in accordance with Tribunal order. Carried over from previous year (2). Carried over from previous year and amended (1). Initial imposition of condition (3).	6
Subject to orders of the State Administrative Tribunal or the Supreme Court	Noted that practitioner found guilty of unsatisfactory professional conduct (5). Noted that practitioner found guilty of unsatisfactory professional conduct, professional misconduct, misled the Court, lack of competence (1). Noted that practitioner found guilty of professional misconduct and unsatisfactory professional conduct (1). Noted that practitioner found guilty of professional misconduct (2). Noted that practitioner found guilty of professional misconduct and referred to full bench of Supreme Court of Western Australia seeking order for name to be struck from roll of practitioners (4). Noted that name struck from roll of practitioners at Supreme Court of Western Australia (4). Noted appeal dismissed (1).	18
'Barrister only' condition	'Barrister only' condition imposed at the request of the practitioner on the practitioner's practising certificate (16). 'Barrister only' condition removed at the request of the practitioner from the practitioner's practising certificate (4).	20
'Volunteer or pro bono only' condition	'Volunteer or pro bono only' condition imposed at the request of the practitioner on the practitioner's practising certificate (15). 'Volunteer or pro bono only' condition removed at the request of the practitioner, from the practitioner's practising certificate (4).	19
Total		218

**In April 2014 this suitability matter was delegated to the Executive Director and Deputy Executive Director, resulting in a significant decrease in the consideration of these matters by the PAC.

Failure To Apply For Renewal Of A Practising Certificate Within The Renewal Period Of 1 May 2014 To 30 June 2014

Section 44 of the Act provides that a person who holds a current local practising certificate must make an application to renew that certificate before that certificate expires. Section 44(4) provides that the Board may exercise its discretion to accept an application for renewal of a certificate lodged after the expiry of that certificate and treat it as if it were received prior to the expiry of the original certificate. That discretion is limited to the Board being satisfied that the delay was caused by 1) reasons beyond the control of the applicant or; 2) other special circumstances warranting acceptance of the application.

During 2013-2014, the PAC was referred 35 applications to renew practising certificates lodged with the Board after 30 June 2013.

28 applications to renew practising certificates were considered and accepted.

6 applications to renew practising certificates, as at 1 July 2014, were considered and refused. Those applications were accepted as applications for the grant of a practising certificate and practising certificates were issued effective the date of consideration, with 3 practitioners being required to advise clients that there was a period of time where they did not hold a practising certificate.

One application involved the situation where the practitioner had submitted late applications in previous years which had been accepted. The current year's application to renew was refused. However the application was accepted by the PAC as an application for a grant of a practising certificate issued on the date of approval by PAC and on the basis that the practitioner, being an in-house practitioner, was required to advise the practitioner's employer of the date of issue of the practice certificate.

These figures do not indicate any significant difference from the previous reporting period.

Refund of Fees

Rule 2 of the *Legal Profession Rules 2009 (Rules)* provides that the fee payable for an application for the grant or renewal of a practising certificate is the relevant fee payable in Schedule 1 of the Rules.

Rule 55 provides that if the Board determines that, in a particular case, it is not practicable for a person to comply with any of the rules or that there are other special circumstances, the Board may excuse a person from complying with that rule to the extent and subject to any conditions determined by the Board.

During 2013-2014, the PAC considered 24 applications for the refund of the fee payable for an application for the grant or renewal of a local practising certificate. 19 applications were accepted and the applicants excused from complying with the Rules. Of the 19 applications were accepted, and the applicants excused from complying with the rules.

Of the 19 applications that were accepted, 6 were approved for a refund of the late fee payable, 7 were approved for the refund of the fee payable for an application for the grant or renewal of a local practising certificate, 4 were approved for the refund of the fee payable after refusal to accept a late application, and 2 were approved for the refund of the fees payable after the PAC refused to renew a local practising certificate due to failure to obtain the required professional indemnity insurance. 5 applications were refused and the applicants were required to comply with the Rules.

These figures indicate a significant difference from the previous reporting period in relation to those refunds being accepted, increasing from 4 to 19. The increase is in part attributable to the refund of fees for applications that were not accepted by the Board and the accompanying fee were refunded accordingly; and in part due to an increase in applications for a refund due to special circumstances warranting that refund. The workload for the Board in this regard is not expected to increase in the next reporting period. The Board is updating its policy on the refund of fees accompanying an application for a local practising certificate.

Lay Associate Applications

Section 15(2)(a) of the Act provides that a law practice must not have a lay associate whom any principal or other legal practitioner associate of the practice knows to be an Australian lawyer unless the lay associate is approved by the Board under s.15(3).

Section 15(3) provides that the Board may, on application by a law practice or the lay associate, approve a lay associate. The Executive Director has the delegated power to approve a prospective lay associate application, except in cases where the approval would be conditional. In those instances and where the Executive Director does not approve the application, the application is considered by the PAC.

During the 2013-2014 year, the PAC considered 9 applications for prospective approval, approving 8 and refusing 1. The PAC also considered 23 lay associate applications where the associate had commenced working for the law practice prior to obtaining approval from the Board. The PAC considers that it does not have the power under the Act to give approval retrospectively. In each of those 23 cases, the PAC considered an explanation from either or both the law practice and the lay associate, and resolved not to take the apparent breach of s.15 of the Act any further. The PAC considered that 1 person was not a lay associate of the law practice.

These figures indicate a difference in the consideration of lay associate matters from the previous reporting period, increasing from 19 to 33. The increase is attributable to increased awareness of matters where a lay associate has failed to obtain approval from the Board prior to commencing at a law practice. A policy of the approval of lay associates is being considered by the Board. The workload for the Board in this regard is not expected to increase in the next reporting period.

Business Structures – Incorporated Legal Practices and Multi Disciplinary Practices

During 2013-2014, the Board was notified of the commencement of 74 Incorporated Legal

Practices (**ILPs**) and the Board was notified that 14 ILPs ceased practice. This brings the total number of ILPs in Western Australia to 523. There were no new Multi Disciplinary Practices (**MDPs**) commencing practice and no MDPs ceased practice. The total number of MDPs in Western Australia remains at 8.

During the 2013-2014 year, the PAC considered 8 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 in possible contravention of s.102 of the Act. A corporation that contravenes s.102 is not entitled to recover any amount for any legal services provided during the period of time it was in default and is also liable to be fined.

Of the 8 matters considered:

- ◆ The PAC considered 7 ILPs may have breached their obligations under s.102 of the Act, and they were required to write to each affected client to inform those clients of the position and advise them of their right to request a refund of fees pursuant to s.102 of the Act, and then to advise the Board in writing that this had been done;
- ◆ The PAC considered that 1 ILP may have breached their obligations under s.102 of the Act, and proposed to commence a prosecution for the offence under s.102 (1). The apparent breach of the obligation under s.102 was reconsidered and no prosecution was commenced on the basis that the breach could not be established; and
- ◆ The PAC considered 1 ILP had not breached their obligations under s.102 of the Act and took the matter no further.

The PAC also considered 4 instances of an ILP's failure to give the Board the required notice of its ceasing to provide legal services in possible contravention of s.104 of the Act. A corporation that contravenes s.104 is liable to be fined. In both cases, the PAC noted explanations from the corporations as to the circumstances of their apparent breach of the Act.

The PAC also considered 1 instance of an ILP becoming insolvent. Section 122 of the Act entitles the Board to intervene in proceedings in any court under the Corporations Act Chapter 5 in relation to the insolvency of an incorporated legal practice. In this case, the PAC required the liquidator to keep the Board informed of any orders made by the Court and appointed an external intervener to the practice to close the trust account and transfer the client files.

During the 2013-2014 year, the PAC considered 3 instances of a new partner in an existing MDP failing to give the Board the required notice of its intention to commence practice before starting to provide legal services in possible contravention of s.133 of the Act. A partner who contravenes s.133 is liable to be fined. In these 3 instances, the Board noted explanations from either, or both of the MDP's and the legal practitioner as to the circumstances of the apparent breach of the Act.

The PAC also noted that a restricted practitioner sought to provide legal services through an MDP. The matter was considered by the Admissions and Registration Committee

(ARC). The ARC resolved to exempt the practitioner from the requirements of restricted legal practice under s.50 of the Act subject to a condition that the practitioner limits his practice to giving specific advice as a legal practitioner of the subject MDP.

The number of ILPs is increasing and it is expected that there will be a steady increase in the number of matters where the law practice has failed to give the Board the required notice of its commencement or ceasing to provide legal services in Western Australia. In April 2014 the Board issued a notice and amnesty to all practitioners in relation to the requirements to notify the Board prior to providing legal services as an ILP, the possible consequences not notifying the Board and providing a conditional amnesty on prosecution until 30 September 2014 to encourage non-complying law practices to notify the board as required under the Act. There may be increased work load in relation to managing insolvent ILPs.

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.

During the 2013-2014 period the PAC considered 21 matters where the law practice was seeking exemption from the requirement to lodge an external examiner's report or a final external examiner's report.

On 7 occasions the law practice sought and was granted an exemption from compliance with the requirement to obtain an external examiner's report on the basis that the law practice did not receive any trust money for the period.

On 3 occasions the law practice sought and obtained an exemption from compliance with the requirement to obtain an external examiner's report due to the inactivity of the trust account, however the exemption was granted on the condition that the next external examiner's report included the period for which the exemption was granted.

On 2 occasions the law practice sought and was granted an exemption from providing an external examiner's report as the practitioner was no longer practising. The PAC however resolved that if the practitioner were to re-apply for a practising certificate the PAC would reconsider that decision. On 8 occasions the law practice sought and was granted an exemption from compliance with the requirement to obtain a final external examiner's report as the law practice did not receive any trust money during the reporting period.

In 1 matter the PAC noted the law practice's difficulties in relation to overcoming deficiencies in the trust account records.

The PAC revoked the accountant designation for 1 external examiner.

As indicated above, during the reporting period the PAC exempted law practices from the requirement to provide an external examiner's report on an annual basis. That exemption was pursuant to r.77 of the *Legal Profession Regulations 2009* (**Regulations**). The PAC has noted that because the obligation to have trust records externally examined is imposed by the Act, and not by any provision of Part 7 of the Regulations, r.77 does not confer power on the Board to exempt a law practice from complying with that requirement. In that regard, the Board has written to the State Solicitor requesting that r.77 be amended

to permit the Board to give exemptions from any specified requirement of both Part 9 of the LPA and Part 7 of the Regulations. The Board has discretion whether it will take any action in relation to any omission to have an external examination in the current financial year, and future matters will involve the exercise of that discretion.

Information on Trust Account Investigations can be found in this report at page 54.

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, to appoint a supervisor of trust money of a law practice, to appoint manager for a law practice or to apply to the State Administrative Tribunal for an order appointing a receiver for a law practice. In making its determination, the PAC considers, amongst other things, the interests of the clients of the practice in relation to trust money or trust property.

The table below shows the number of external interventions undertaken in 2012-2013. When appropriate, the PAC also provided informal assistance to practitioners to help them

Part of Act	Type of External Intervention	Opening Balance	Commenced	Closed	Closing Balance
Part 14 – Division 3	Supervisor of trust money	0	1	1	0
Part 14 – Division 4	Manager	7	2	2	7
Part 14 – Division 5	Receiver	0	0	0	0

manage or wind up their practices without the need for formal intervention.

The number of external intervention matters has not significantly increased from the last reporting period and the current workload in relation to external intervention is not expected to vary in the forthcoming reporting period.

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 exposed to the risks of unqualified people offering so called 'legal services'. A member of the public utilising such services can have no confidence that the person providing them has any minimum level of legal training or competence. Unqualified people are not subject to the statutory and professional obligations that are imposed upon legal practitioners for the purpose of safeguarding the interests of clients, and who have dealings with other legal practitioners and the administration of justice.

If a member of the public is dissatisfied with the legal services provided by an unqualified person or that person's conduct towards them, there is no recourse to the Legal Profession Complaints Committee nor, in the case of loss or damage being suffered, is there recourse to the statutory professional indemnity scheme.

During 2013-2014, the Board was notified or became aware of 42 new matters regarding possible unqualified legal practice.

This is to be contrasted with the 28 matters during the previous reporting period. The instances of unqualified legal practice are rapidly increasing for reasons unknown to the Board. It is expected that the increased number of unqualified legal practice matters will steadily increase in the future and create additional work for the Board.


The Board is developing guidelines on the prosecution of unqualified legal practice that will assist in the investigation consideration of these matters.

Of the new matters considered:

- ◆ Prosecution proceedings have commenced in 2 matters with one listed for hearing in November 2014 and the other yet to be listed for hearing;
- ◆ 1 matter was referred to the WA Police and was not taken any further;
- ◆ 3 matters were resolved after the unqualified person removed offending material from their website;
- ◆ 1 matter was resolved after obtaining an undertaking from the unqualified person the conduct complained of would not be repeated and the unqualified person would not set up a law practice. That matter is currently being investigated for a possible breach of the undertaking;
- ◆ 1 matter was not taken any further after obtaining advice from counsel;
- ◆ 2 matters have been referred to obtain advice from counsel on the implications of s.12 of the Act;
- ◆ 30 matters were resolved after the unqualified persons provided explanations for the conduct complained of. Of those matters:
 - ❖ 4 matters related to law students;
 - ❖ 10 matters related to an Australian lawyer not holding a local practising certificate; and
 - ❖ 16 matters related to persons who were not Australian lawyers, or held a practising certificate.
- ◆ 2 matters related to persons who the Board was unable to locate and those matters remain unresolved.

Of the 2 matters carried over from the previous reporting period:

- ◆ Prosecution proceedings were ongoing in one matter, where there were 2 persons involved. In September 2013 and January 2014 was heard with both persons being found guilty and each ordered to pay a fine, and costs to the Board. 1 of the convicted offenders has lodged an appeal which is yet to be listed for directions; and
- ◆ Police instituted prosecution proceedings in the other matter, with the accused pleading guilty to fraud.



The PAC does not believe the public interest always requires it to bring prosecution proceedings whenever it is satisfied there are reasonable prospects of success. The PAC recognises that there are in some instances other more cost-effective ways to protect the interests of the public and the reputation of the profession than by prosecuting through the court system and in those cases exercises its discretion accordingly.

Libby Fulham

Deputy Executive Director and Legal Officer to the PAC

November 2014

PROFESSIONAL DEVELOPMENT COMMITTEE

Through the Board's work at the Legal Profession Complaints Committee, the Professional Affairs Committee and the Trust Account Inspectors it had become clear that a high percentage of matters that are brought before, or come to the attention of the Board are the result of poor professional practice and often poor practice management. In considering this issue the Board has looked at how the Board could take responsibility for assessing how practice management knowledge and training could be best delivered to the profession.

The Board also deemed that as the current continuing Professional Development Scheme has been in operation since 2008 a review of the scheme should be undertaken. July 2014 marks the 6th year that the mandatory continuing professional development compliance scheme has been in operation. As a part of the Board's commitment to promoting continuing legal education in the profession in Western Australia, the Board has taken this opportunity to review the Boards functions in this area.

In considering these issues the Board resolved at its meeting on 27 November 2013 to approve the establishment of the Professional Development Committee. The Committee has been granted the responsibility to exercise the delegated powers in the area of professional development (including professional education and continuing professional development).

The following members of the Board were initially appointed to the Committee:

Convenor: Mr Joshua Thomson SC
Deputy Convenor: Mr Andrew Pascoe
Members: Mr Laurie Levy SC
Mr Christopher Shanahan SC
Mr Simon Creek
Mr John Syminton

The following members have subsequently joined the committee:

Ms Katrina Banks-Smith SC
Ms Karen Farley SC
Ms Linda Petrusa SC
Mr John Vaughan SC

The Committee has met on 3 occasions during the year in review.

The first meeting of the Professional Development Committee was held on 19 March 2014.

The role of the Professional Development Committee is to consider a broad range of issues and processes in regard to continuing legal education in the profession as well as having the delegated powers to deal with issues relating to Continuing Professional Development compliance that were previously dealt with by the Professional Affairs Committee.

The initial issues addressed by the committee have been the review of the current continuing professional development scheme and issues relating to the regulation of a practitioners entitlement to participate in the management of a law practice. Work is currently underway in both these areas.

Practice Management Scheme

The Committee has undertaken research and analysis, both locally and inter-jurisdictionally, on both complaints statistics and existing Practice Management Courses. It has also consulted with stakeholders – The Law Society, Legal Aid, College of Law. The outcome of these activities has been that the committee has resolved to introduce a Practice Management Scheme in Western Australia. The Committee is currently considering whether a mandatory Practice Management Course for practitioners wishing to become practice principals will form part of that scheme.

CPD Review

The Committee has undertaken a full review of the existing CPD scheme and is currently considering recommendations arising from that review.

CPD Audit

The Board undertook a CPD audit for the CPD year 1 April 2012 to 31 March 2013 in August 2013. 455 practitioners were contacted for audit and of these all but 53 replied. The 53 were followed up with further correspondence and subsequently all practitioners responded. Arising from the audit 6 practitioners had not met their 2012/2013 CPD compliance and subsequently applied for and were granted variations requiring them to make up the outstanding points in the current CPD year.

Reporting year	Responses		Non responses followed up		Total audited
	Number	Percentage	Number	Percentage	
2013-2014	402	88%	53	12%	455
2012-2013	421	88%	59	12%	480
2011-2012	376	91%	39	9%	415
2010-2011	324	89%	41	11%	365

Approval of QA Providers and Activities

Currently the Board has 115 approved QA Providers of which half are law firms and the remainder include educational institutions, commercial providers, specialist professional bodies and community organisations. There have been 13 New QA Providers approved during the year in review.

There are also a number of organisations who have chosen not to become QA Providers but who on a regular basis seek to have appropriate activities approved on an individual basis. The number of requests for approval of these activities has increased significantly during the year in review as more CPD providers seek to enter the West Australian market and some existing providers have increased the number of events they have conducted in the year under review.

The Board also continues to regularly receive applications from individual practitioners who have attended events that have not been pre approved by the Board. These have remained reasonably stable over the last 3 years. Many of these applications come from the same practitioners each year who attended CPD events in quite specialised areas.


Application Type (1 July – 30 June)	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	Total approved
QA Providers	64	14	10	9	14	13	124 (Current number active 115)
Individual Activities by Non QA providers	36	71	84	93	118	148	550
Single activities by an Individual practitioner	96	124	117	142	143	146	768
Applications for variations/ Exemptions	103	66	64	57	83	113	486

Applications for variations or exemptions have increased significantly for the year under review as a result the CPD policy clarifying the delegated power to grant variations and exemptions. A number of variations have been granted to practitioners who either contacted the Board before they renewed their practising certificate or declared on their “Application for a Local Practising Certificate” that they had not met their CPD Compliance. In these cases the Executive Director has considered each application and where appropriate varied the CPD requirements down for the CPD year 2012/2013 on the understanding that the points would be made up in the current CPD year. Of the 40 variations granted all but one practitioner had completed the extra points for the 2013/2014 CPD year. The practitioner who did not complete the points required for the 2013/2014 CPD year was referred to the Professional Development Committee and the Committee imposed conditions on the issue of the practising certificate for 1 July 2014.

Practice Certificate Renewal

Of the practising certificate renewals received for 2014-2015 to date 49 practitioners indicated that they had not met their CPD compliance this is a slight decrease on the 51 noted last year. Of these:

- ◆ 20 were practising overseas and subsequently applied for exemptions;
- ◆ 3 were admitted post 1 April 2014 or had not held practising certificates;
- ◆ 2 had been on maternity leave;
- ◆ 1 practitioner had been practising for over 40 years;
- ◆ 7 had answered “No” by mistake and on review were found to have complied;
- ◆ 15 admitted they had not completed by 31 March in the CPD year but applied for and were granted a variation; and
- ◆ 1 practitioner declared non compliance and because of the nature of the non compliance the matter was referred to the Professional Development Committee for consideration. The committee imposed conditions on the issue of the practising certificate for 1 July 2014.



It was pleasing to note that many practitioners who were concerned that they had not met their CPD compliance contacted the Legal Education Coordinator before the end of the CPD year or at least prior to renewing their practising certificate and any problems were able to be addressed immediately in most instances through an application for a variation.

Acknowledgements

I would like to extend my thanks to the Deputy Convenor of the committee Mr Andrew Pascoe, fellow Committee members and the Board staff for their support in the establishment of the Professional Development Committee and ongoing commitment to the activities of the Committee.

Joshua Thomson SC
Convenor
Professional Development Committee

REPORT FROM THE LAW LIBRARIAN

Introduction

The Law Library at the Supreme Court was established in 1898. Under the provisions of the Legal Profession Act 2008 ownership of the Law Library is vested in the Legal Practice Board.

The Law Library at the Supreme Court holds one of the major legal research collections of the State of Western Australia and provides an effective reference and research service for the legal community of Western Australia.

The Law Library Advisory Committee

The Legal Practice Board is supported in the management of the library by The Law Library Advisory Committee:

Justice Kenneth Martin. Chairperson Supreme Court of WA
Justice Hall Supreme Court of WA
Mr John Syminton. Chairperson of the Legal Practice Board
Ms Sabina Schlink. (Thomas Legal) Elected member of the Legal Practice Board WA
Mr. Rod Hooper. (John Toohey Chambers) Legal Practice Board of WA,
Mr Gavan Jones. Director of Higher Courts DotAG
Mr. Paul D. Evans. State Solicitor
Dr. John Hockley. (Francis Burt Chambers) WA Bar Association Elected member of the Legal Practice Board
Mr. Konrad de Kerloy. (Herbert Smith Freehills) Law Society of WA

Thanks are extended to the members of the Committee for past advice and support.

Library Services


Subscriptions to the PLEAS databases which provide online access to the judgments of the Western Australian District and Family courts increased in the past year while the standard PLEAS subscriptions remained steady.

Reference desk inquiries were on a par with the previous year. General clients and court clients remained steady and there was slight increase in use from government departments. There was a significant decrease in the number of loans for practitioners' use in court.

The number of hard copy resources used has continued to fall significantly from 10,128 in 2012-13 to 8,379 in the past year. Of the clients who visit the library to access the resources, 40% do not require any assistance from staff.

Document deliveries to practitioners fell very slightly in 2013 -14 by comparison to the previous year, though it was higher than the period 2011 -12. There was a small increase in the number of inter-library loans to participating libraries.

Registered visitors (self-represented litigants, students and others) numbered 322 during the year. Of these 317 were self-represented litigants. This significant increase can be attributed to the regular daily use of the library by two litigants.



During the 2013 - 2014 financial year the Law Library maintained the decreased collection budget. The budget required further cancellations of loose-leaf services and journals and a minimal expenditure on texts.

Tours and information sessions were conducted for articulated clerks, legal support staff in private firms and government agencies and for the new associates working with the Supreme Court and Court of Appeal judges during the summer of 2014. In all 88 participants attended these sessions which were coordinated by the customer services librarian, Mrs. Lisa Webb.

Library Resources

Major library resources were maintained though not expanded. The detrimental effect of the cancellations has been commented on by library clients.

The library continued to subscribe to the major law reports series and some commentary online.

Staff

Senior librarian, Ms. Belinda Eisenhauer attended the Australian Law Librarians' Association annual conference in Sydney in September 2013.

Library clerk, Mrs. Michele McDonald-Williams retired early in 2014. Our thanks go to Michele for over eight years' service in the library.

A total of 89 hours for staff training was completed across the year in the areas of product familiarisation, attendance at library CPD's, association conferences and occupational health training.

Community Involvement

Practitioners from the public and private sector attended the 6 CPD sessions in the use of Lexis Nexis and Westlaw AU. Practitioners qualified for one CPD point for legal skills and practice (Competency Area 1) through attending the hour long sessions. The library facilitated 121 hours of training during the year.

Future

Representatives from the Department of the Attorney General, the Legal Practice Board, the Law Society of WA and the WA Bar Association continue to hold discussions for planning the integrated library project.

Thanks

My thanks to the library staff for their ongoing professional service.

Catherine Macgill
Law Librarian

REPORT FROM THE SENIOR TRUST ACCOUNT INSPECTOR

Annual Report 2013-2014 Solicitors' Trust Accounts:

The Legal Practice Board (Board) has two full time Trust Account Inspectors.

Educative Trust Accounts:

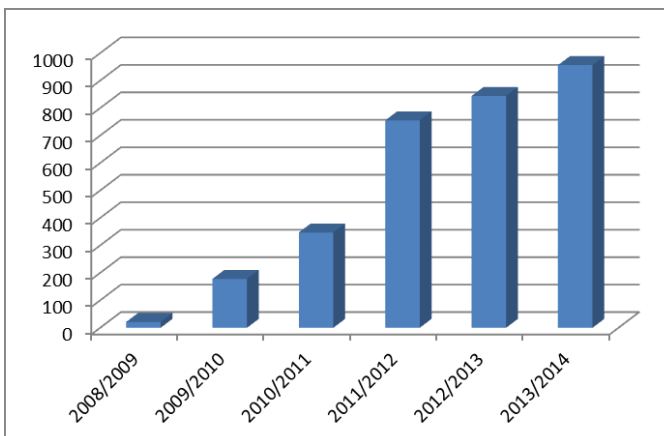
Seminars

Three trust account related seminars attended by 238 persons were conducted in Perth. Regional seminars were also conducted in Geraldton, Kalgoorlie and Narrogin. The focus of the seminars continued to be on perceived deficiencies in trust record keeping, the external examination processes and trust requirements of the *Legal Profession Act 2008* ("LPA") and the *Legal Profession Regulations 2009* ("Regulations").

Reporting of Trust Irregularities

The reporting of irregularities to the Board is a requirement of s.227 of the LPA. The number of reported irregularities continues to increase as practitioners become aware of the requirement and the continued education of the profession. For the 2013/14 financial

Quarter Ended	30/9/2008	31/12/2008	31/3/2009	30/6/2009
Reported	N/A	4	7	10
Quarter Ended	30/9/2009	31/12/2009	31/3/2010	30/6/2010
Reported	40	44	38	56
Quarter Ended	30/9/2010	31/12/2010	31/3/2011	30/6/2011
Reported	45	54	66	182
Quarter Ended	30/9/2011	31/12/2011	31/3/2012	30/6/2012
Reported	175	135	198	247
Quarter Ended	30/9/2012	31/12/2012	31/3/2013	30/6/2013
Reported	208	160	199	277
Quarter Ended	30/9/2013	31/12/2013	31/3/2014	30/6/2014
Reported	239	218	221	278



year 956 irregularities were reported which is a growth of 13% on 2013. Figures for irregularities do not include irregularities identified and reported as part of the annual external examination, or audit, process.

One of the more frequently reported irregularities is the client transfer of trust money to the general account of the law practice. Irregularities that resulted in a deficiency in a client trust account were in excess of 30% of the total reported irregularities. Most

irregularities were identified within the month or as part of the monthly trust reconciliation

process.

The irregularities reported since 1 July 2008 to June 2014 have been reported from 360 law practices. 360 law practices represent just 57% of law practices that maintained a trust account as at 30 June 2014.

Given the nature of the reported irregularities it is improbable that any law practice would not have had an irregularity in relation to the maintenance of its trust records.

External Examiners Reports (EER)

636 law practices maintained trust accounts in WA as at 30TH June 2014.

A law practice that maintains a trust account is required to have its trust records externally examined at least once a year by an external examiner (auditor). The external examiner is required to lodge an external examiner's report ("Report") with the Board by 31 May each year. From 2010 the Board has requested that a Declaration and Trust Money Statement ("Declaration") be lodged with each report. The Declaration is designed to seek answers to specific areas of concern in relation to trust accounts and have generally been well accepted by law practices and practitioners.

	2014	2013	2012	2011	2010	2009
Law Practices with Trust Accounts	636	637	595	620	617	492
EERs Lodged and Approved	586	585	586	575	557	465
Waivers Granted	13	15	10	20	9	4
EERs Outstanding	28	37	27	25	51	23
EERs Qualified & Trivial	111	121	77	89	149	53
EERs Qualified & Trivial %	19%	20%	13%	16%	27%	11%

Contact with the auditors following a review of the Report and Declaration by Board based trust inspectors, along with auditor attendance at Board seminars, has resulted in an increase in auditor qualifications in the Reports lodged. Many of the contraventions reported are contraventions that would normally be identified during routine field inspections of trust records

As the Reports lodged are for the 12 month period ended 31 March and due for lodgement by 31 May, detailed statistics are not available as at the end of each financial year due to processing delays and late or non lodgement of the Reports. Many unqualified Reports following review are considered qualified and as a result data relating to qualified reports can be amended in subsequent reporting years when the lodged Reports are reviewed by board staff.

Inspections

Formal field inspections are being conducted on a targeted basis. Targeting is based upon intelligence received, the analysis of the Reports and Declarations received by the Board and Reports or Declarations not received by the Board.

Inspection conducted				
Year	Commenced	Finalised	Pending	Conducted by
2007/2008	16	16	0	Board & Complaints
2008/2009	50	35	15	Board & Complaints
2009/2010	8	9	6	Board only
2010/2011	8	10	4	Board only
2011/2012	19	21	2	Board only
2012/2013	17	16	4	Board Only
2013/2014	17	17	0	Board Only

NB: since the 2009/2010 year the Legal Profession Complaint Committee has reported independently of the Board.

Scams

During 2013/2014 local practitioners continue to be targeted as part of international scams. Practitioners are being approached to act on behalf of overseas based clients in respect of debt collection, conveyancing and family law. Clients will complete client agreements and will provide forged bank cheques in anticipation of the bank cheques being drawn upon before clearance.

Bruce Bentley
Senior Trust Account Inspector

REPORT FROM THE RECORDS COORDINATOR

The Legal Practice Board (Board) records are managed within, the framework of the State Records Act 2000, and the Principles and Standards 2002 produced by the State Records Commission.

The Board utilises the Objective Electronic Document Records Management System (EDRMS) to facilitate the management of all Board records.

Objective was successfully upgraded last October to version 8.1, to provide improved search and indexing capabilities. Inclusive of the upgrade, 'Ezescan' was added to improve the Optical Character Recognition (OCR) function when searching for scanned documents within Objective.

Records Management Team

The Records Management section has two dedicated and experienced staff to ensure efficient management of the Board's corporate information, through its compliance with the State Records Act 2000, and internal management processes.

Record Keeping Plan

The Board has an approved Recordkeeping Plan dependent on the finalisation of the Retention and Disposal Schedule, which is currently in process through liaison with the State Records Office.

In accordance with the State Records Act, a revised Record Keeping Plan is to be provided, where changes or additions are required, to the State Records Office by December 2014.

Record Keeping Improvement Strategy

To provide an efficient and cost effective records management system, the records team will continue to review processes in line with this strategy.

The compactus area is currently in the process of being culled of inactive practitioner files, not accessed in the past 10 years, are being sent to offsite storage. This will provide space to store new files and to re locate others in the compactus.

To continuously improve record keeping practices, the current Business Classification Structure (BCS), Keyword AAA, is being restructured to the functions, activities and processes of the Legal Practice Board. This will streamline the level structure to a maximum of five levels and improve management of file titling, document storage and access.

The 'Electronic Document – Correspondence' registration screen in Objective will be re designed to streamline registration processes and remove duplicated and obsolete screen fields.

Recordkeeping policy and procedures are reviewed on an annual basis, or as required and updated to reflect legislative or operational changes.

Retention and Disposal of Records

The Records Team is reviewing all LPB/LPCC items currently stored at Compu-stor, our

offsite storage provider. The review will identify records for authorised destruction/retention, in accordance with the General Disposal Authority for State Government Information [GDASGI]. This is only applicable to Finance and Accounting Records /Human Resources Management and Administrative Records.

It excludes our agency-specific Retention and Disposal Schedule for sentencing 'core' business records, which the LPB/LPCC GDA Working Group was involved in developing in January this year. This is currently with the State Records Office for review and approval.

Once the Board's Retention and Disposal Authority (RDA) has been approved and in place, a review of all corporate hardcopy records located in offsite storage will be carried out. Records identified and approved for destruction or resentencing, will be actioned accordingly, in compliance with the State Records Act 2000. This will provide the Board with significant savings in storage costs.

Record Keeping Training, Seminars & Conferences

Efficient Record keeping is an important asset to any organisation, therefore the Board supports records management training as essential and ongoing for all staff.

All new staff under take induction, within which records management and EDRMS training is included, as part of their introduction to employment with the Board.

Apart from basic induction records management training, the records team will also conduct record keeping awareness sessions, to keep staff informed of their record keeping responsibilities.

We have also provided Curtin University students doing Records & Library studies, the opportunity to do short term practicum work and to gain valuable work experience. One student was on 3 month part time work experience, and we currently have another on 3 weeks full time work experience.

The Records team attended the 2013 Objective Collaborate conference to develop new ideas to implement within LPB and gain professional skills that will help us improve the way we work with our document management system. It was also an opportunity to get an insight into upcoming trends in information management.

In February, I attended the State Records Office (SRO) WA information session of the new General Disposal Authority for State Government Information (GDASG) within State government. The session explained amalgamating the Finance and Accounting Records / Human Resources Management, and Administrative Records into one authority. The session will assist us in managing these records in our archival retention/disposal program.

Larry Knowles
Records Coordinator

DISCLOSURES AND OTHER LEGAL REQUIREMENTS

Compliance with Public Sector Standards and Ethical Codes – As per the Public Sector Management Act (PSMA) 1994, s.31(2) .

The Legal Practice Board of Western Australia (The Board) has fully complied with PSMA 1994 s.31(2) as it relates to the operations of The Board. The Board continues to be fully compliant with regard to the public sector standards, the Code of Ethics and the Commission's code of conduct.

The Board is committed to maintaining a high standard of accountability, integrity and transparency in all its functions and activities in line with the public sector standards. As part of this the Board continues to undertake a programme to review and update all the Board's policies relating to both its internal and external functions, including but not limited to human resource and workforce management and the Board's commitment to continuing to develop its own Code of Conduct both for Board members and Board staff in line with the Commissioners Instruction No 8.

In accordance with the PSMA 1994 s.31(2) the Board provides the following information regarding compliance during the period under review.

Public Sector Standards:

- ◆ Nil breach claims;
- ◆ Information on standards is provided at recruitment and the Code of Ethics is included in the Offer of Employment contract;
- ◆ All employees receive an induction manual on employment with the Board. The Code of Ethics is included in the Board's employee induction manual. The employee induction manual sets out all the Board's policies and conditions of employment and all employees are required to sign a document stating they have read the manual.;
- ◆ Training is provided to persons on recruitment panels to ensure compliance with relevant standards.;
- ◆ The Board's policies are consistent with ethical principals and are subject to regular review and updating.

The Board is committed to continually seeking to review and update its current practices through avenues such as; the auditing and review of its functions, performance management, ongoing training and seeking feedback from all stakeholders.

Occupational Safety, Health and Injury Management

In accordance with the "Public Sector Commissions Circular 2009-11 Code of Practice: Occupational Safety and Health (OS&H)" in the Western Australia Public Sector, The Board is committed to promoting a safe and healthy workplace. To this end the Board has a comprehensive OS&H policy document which outlines the Board's procedures for dealing with OS&H matters.

The Board has a duly appointed OS&H Coordinator and safety representatives for each of the Boards office locations. The Board provides information on OS&H to all new staff on induction. The Board also has an appointed Injury Management Coordinator. There were no reported cases of OS&H injury for the year in review.

Freedom of Information

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

One application carried over and was resolved in the year under review.

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 participates from time to time in Public Sector Misconduct Awareness Surveys received from the Corruption and Crime Commission.

Public Interest Disclosure

In accordance with the Public Interest Disclosure Act 2003 the Board has a duly appointed Public Interest Disclosure Officer and policies and procedures in place for making a public interest disclosure.

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

Substantive Equality

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.

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**Special Purpose Financial Report
For the financial year ended 30 June 2014**

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

STATEMENT BY EXECUTIVE DIRECTOR

For the year ended 30 June 2014

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 there are unlikely to exist users of the financial report who are unable to command the preparation of the reports tailored so as to satisfy specially all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Board's reporting requirements under Section 549, 550 and 551 of the Legal Profession Act 2008.

The Board declares that:

- (a) In the Board's 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; and
- (b) In the Board's opinion, the attached financial statements and notes thereto are in accordance with the Legal Profession Act 2008, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity.



Mr Graeme Geldart
Executive Director

Date: 5 December 2014
Perth WA

Independent Auditor's Report to the Board of 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 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and statement by the Executive Directors as set out on pages 1, 4 to 20.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of Section 549, 550 and 551 of the Legal Professional Act 2008 and is appropriate to meet the needs of the Board. The Board's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 management, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Legal Practice Board as at 30 June 2014 and its financial performance for the year then ended in accordance with the financial reporting requirements of the Section 549, 550 and 551 of the Legal Professional Act 2008 as described in Note 1.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Legal Practice Board of Western Australia to meet the financial reporting requirements of Sections 549, 550 and 551 of the Legal Profession Act 2008. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Board and should not be distributed to or used by parties other than the Board.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith

Neil Smith
Partner
Chartered Accountants
Perth, 5 December 2014

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	<u>2014</u> \$	<u>2013</u> \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	8,486,150	7,416,362
Trade and Other Receivables	4	337,615	793,134
Other Current Assets	5	15,555	8,355
TOTAL CURRENT ASSETS		8,839,320	8,217,851
NON-CURRENT ASSETS			
Plant and Equipment	6	518,845	488,672
Software Systems	7	153,742	104,840
TOTAL NON-CURRENT ASSETS		672,587	593,512
TOTAL ASSETS		9,511,907	8,811,363
CURRENT LIABILITIES			
Trade and Other Payables	8	374,228	559,835
Provisions	9	456,270	326,694
Income in Advance	10	5,243,722	5,242,767
TOTAL CURRENT LIABILITIES		6,074,220	6,129,296
NON-CURRENT LIABILITIES			
Provisions	11	73,639	174,879
TOTAL NON-CURRENT LIABILITIES		73,639	174,879
TOTAL LIABILITIES		6,147,859	6,304,175
NET ASSETS		3,364,048	2,507,188
EQUITY			
Retained Earnings	12	3,364,048	2,507,188
TOTAL EQUITY		3,364,048	2,507,188

Notes to the financial Statements are included on Pages 7 to 20

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Note	<u>2014</u>	<u>2013</u>
		\$	\$
REVENUE			
Office of the Board	13	6,163,448	6,025,324
Trust Account Inspector	14	645,770	663,133
Legal Profession Complaints Committee	15	182,084	131,682
Law Library	16	350,300	398,866
Income from State Government	17	1,668,597	893,384
TOTAL REVENUE		9,010,199	8,112,389
EXPENDITURE			
Office of the Board	13	2,535,384	2,526,848
Trust Account Inspector	14	459,626	467,251
Legal Profession Complaints Committee	15	2,709,225	2,573,196
Law Library	16	780,507	826,572
Expenditure from State Government	17	1,668,597	893,384
TOTAL EXPENDITURE		8,153,339	7,287,251
Profit for the year from continuing operations		856,860	825,138

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Note	<u>2014</u>	<u>2013</u>
		\$	\$
Cash flows from operating activities			
Receipts from customers		7,617,541	6,882,617
Payments to suppliers and employees		(6,369,116)	(6,025,204)
Interest received		173,335	260,536
Net cash provided by operating activities	19(b)	1,421,760	1,117,949
Cash flows from investing activities			
Payment for property, plant and equipment		(351,973)	(60,162)
Net cash used in investing activities		(351,973)	(60,162)
Net increase in cash and cash equivalents		1,069,787	1,057,787
Cash and cash equivalents at the beginning of the financial year		7,416,362	6,358,575
Cash and cash equivalents at the end of the financial year	19(a)	8,486,150	7,416,362

Notes to the financial Statements are included on Pages 7 to 20

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings
	\$
Balance at 1 July 2012	1,682,050
Loss for the year	825,138
Total comprehensive income	<u>825,138</u>
Balance at 30 June 2013	<u>2,507,188</u>
Balance at 1 July 2013	2,507,188
Profit for the year	856,860
Total comprehensive income	<u>856,860</u>
Balance at 30 June 2014	<u><u>3,364,048</u></u>

Notes to the financial Statements are included on Pages 7 to 20

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

1. Significant Accounting Policies

Financial Reporting Framework

The Legal Practice Board is not a reporting entity because in the opinion of the Board there are unlikely to exist users of the financial report who are unable to command the preparation of the report tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have 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 statements have been prepared on the basis of recognition and measurement specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 'Australian Additional Disclosure'.

Accounting standards applicable to 'not-for-profit' entities have been applied.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the financial statements, the entity is a for profit entity.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

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 Accounting Standards 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 2014; the comparative information presented in these financial statements for the year ended 30 June 2013.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

1. Significant Accounting Policies (cont'd)

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:

Office of the Board	15 – 50%
Law Library	15 – 27%
Legal Profession Complaints Committee	15 – 27%
Trust Account Inspector	15 – 27%
Software	15 – 27%

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

Library publications have a carrying value of \$100,000 being their deemed cost. All purchases incurred for library publications or replacement publications, are expensed 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 are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits 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 arising on disposals or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset. It is recognised in profit or loss.

d) Intangible Assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

1. Significant Accounting Policies (cont'd)

e) Income Tax

The entity is exempt from income tax under Chapter 2 Division 50 s.50-25 of the Income Tax Assessment Act 1997.

f) Revenue Recognition

Interest Revenue

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

Government 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.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which 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.

g) Goods and Services Tax

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

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

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

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

h) 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.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

1. Significant Accounting Policies (cont'd)

i) Cash and Cash Equivalents

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

j) Provisions

Provisions are recognised when the entity has a present obligation as a result of a past event and it is probable that the entity will be required to settle 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 end of reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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.

k) Financial Assets

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

l) 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.

m) 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.

n) Application of new and revised Accounting Standards

Standards and Interpretations adopted with no effect on financial statements

There are no new or revised Standards and Interpretations have been adopted in the current period. Other Standards and Interpretations that were adopted in these financial statements have no effect on amounts reported.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

	<u>2014</u>	<u>2013</u>
	\$	\$
2 Auditors Remuneration		
Deloitte Touche Tohmatsu Audit of the financial report	<u>21,700</u>	<u>21,700</u>
3 Cash and Cash Equivalents		
Cash at Bank	4,878,511	3,852,891
Cash on Hand	1,300	935
Term Deposits	3,606,339	3,562,536
	<u>8,486,150</u>	<u>7,416,362</u>
4 Trade and Other Receivables		
Trade Receivables	418,885	795,098
Less Allowance for Doubtful Debts	(174,249)	(160,749)
Other Receivables	92,979	158,785
	<u>337,615</u>	<u>793,134</u>
Refer to Note 1(k)		
5 Other Current Assets		
Accrued Interest	<u>15,555</u>	<u>8,355</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

6. Plant and Equipment

	Office of the Board \$	Law Library \$	Legal Profession Complaints Committee \$	Trust Account Inspectors \$	Library Books \$	Total \$
Gross Carrying Amount						
Balance at 30 June 2013	1,074,748	208,745	557,764	13,518	100,000	1,954,775
Additions	208,249	-	5,508	-	-	213,757
Disposals	(18,613)	(6,666)	-	-	-	(25,279)
Balance at 30 June 2014	1,264,384	202,079	563,272	13,518	100,000	2,143,253
Accumulated Depreciation						
Balance at 30 June 2013	(962,634)	(173,688)	(317,965)	(11,816)		(1,466,103)
Current Dep'n	(115,864)	(18,321)	(49,357)	(41)		(183,583)
Disposals	18,613	6,666	-	-		25,279
Balance at 30 June 2014	(1,059,885)	(185,343)	(367,322)	(11,857)		(1,624,407)
Net Book Value						
As at 30 June 2013	112,114	35,057	239,799	1,702	100,000	488,672
As at 30 June 2014	204,499	16,736	195,950	1,661	100,000	518,845

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 2014

7. Software Systems

	EDRMS	iMIS	Total
	\$	Database	\$
	\$	\$	\$
Gross Carrying Amount			
Balance at 30 June 2013	293,526	269,611	563,137
Additions	75,216	63,000	138,216
Balance at 30 June 2014	<u>368,742</u>	<u>332,611</u>	<u>701,353</u>
Accumulated Depreciation			
Balance at 30 June 2013	(235,049)	(223,248)	(458,297)
Current Depreciation	(69,776)	(19,538)	(89,314)
Balance at 30 June 2014	<u>(304,825)</u>	<u>(242,786)</u>	<u>(547,611)</u>
Net Book Value			
As at 30 June 2013	<u>58,477</u>	<u>46,363</u>	<u>104,840</u>
As at 30 June 2014	<u>63,917</u>	<u>89,825</u>	<u>153,742</u>

	<u>2014</u>	<u>2013</u>
	\$	\$
8 Trade and Other Payables		
Trade Payables	78,097	101,685
Other Payables	151,934	275,006
Accruals	144,197	183,144
	<u>374,228</u>	<u>559,835</u>
9 Current Provisions		
Provision for Annual Leave	248,298	208,671
Provision for Long Service Leave	207,972	118,023
	<u>456,270</u>	<u>326,694</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

10	Income in Advance	<u>2014</u>	<u>2013</u>
		\$	\$
	Publication Sales in Advance	6,150	6,700
	Continuing Professional Development Fees in Advance	86,020	150,760
	Photocopying in Advance	18,676	22,107
	PLEAS - Subscriptions in Advance	76,536	106,755
	Practice Certificates in Advance	5,019,840	4,923,390
	Solicitors Guarantee Fund	36,500	33,055
		<u>5,243,722</u>	<u>5,242,767</u>
11	Non-Current Provisions		
	Provision for Long Service Leave	<u>73,639</u>	<u>174,879</u>
12	Retained Earnings	<u>2014</u>	<u>2013</u>
		\$	\$
	Balance at Beginning of the year	2,507,188	1,682,050
	Net Profit for the year	856,860	825,138
	Balance at End of Year	<u>3,364,048</u>	<u>2,507,188</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

13 Office of the Board	<u>2014</u>	<u>2013</u>
	\$	\$
Income		
Assessment of Qualifications	34,400	32,200
Admissions	163,860	161,040
Articles Registration Fees	4,800	8,600
Bank Interest	180,535	229,613
Continuing Professional Development	156,191	151,903
Evidentiary Certificates	24,900	21,800
Fines	24,126	10,656
Foreign Lawyers	4,750	11,000
External Examiner Reimbursement	62,477	57,401
Practice Certificates	5,497,425	5,253,750
Miscellaneous Income	9,984	60
Rent – Alvan St	-	87,301
	<u>6,163,448</u>	<u>6,025,324</u>
Expenditure		
Advertising	19,936	19,847
Audit and Accounting Fees	31,746	23,225
Bank Charges	38,548	41,685
Computer Expenses	104,676	93,232
Conference	17,196	15,510
Depreciation	205,178	186,928
Facsimile & Phone	975	922
Fringe Benefits Tax	8,000	4,550
HR Consultant	33,011	8,090
Insurance	2,321	2,449
Legal Costs – LPB	87,017	241,509
Miscellaneous Costs	9,625	7,061
Parking	13,535	6,268
Payroll Tax	78,680	69,951
Postage and Petties	27,794	33,094
Professional Memberships	3,827	6,155
Printing and Stationery	16,824	17,009
Reference Materials	-	63
Relocation Costs	324	7,521
Salaries	1,646,948	1,485,816
Service and Maintenance	4,317	7,692
Storage	11,049	10,276
Superannuation Contributions	139,763	117,250
Training	14,009	6,100
Transcripts	1,048	19,454
Travel & Accommodation	13,450	3,065
Workers' Compensation	5,587	4,825
	<u>2,535,384</u>	<u>2,526,848</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

14 Trust Account Inspector	<u>2014</u>	<u>2013</u>
	\$	\$
Income		
TAI Reimbursements	465,036	480,385
General Admin Costs	171,629	175,130
Seminar Fees	9,105	7,618
	<u>645,770</u>	<u>663,133</u>
Expenditure		
Conference Attendance	3,288	5,466
CPA Membership	1,827	4,610
Depreciation	41	153
Fringe Benefits Tax	2,000	1,400
Insurance	418	337
Mileage	1,027	1,297
Parking	7,847	7,576
Payroll Tax	23,577	22,313
Printing & Stationery	51	-
Salary	376,467	383,614
Seminars	4,341	2,750
Superannuation Contributions	36,029	33,239
Training	1,178	664
Travel and Accommodation	225	2,631
Workers' Compensation	1,310	1,201
	<u>459,626</u>	<u>467,251</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

15	Legal Profession Complaints Committee	<u>2014</u>	<u>2013</u>
		\$	\$
	Income		
	Costs Recovered	113,694	77,134
	Fines	34,500	47,000
	Fines – Summary Jurisdiction	4,000	7,500
	Miscellaneous Income	29,891	48
		<u>182,085</u>	<u>131,682</u>
	Expenditure		
	Advertising	1,913	7,303
	Computer Expenses	1,471	463
	Conference Attendance	9,113	10,238
	Depreciation	49,357	66,696
	Fringe Benefits Tax	2,000	4,500
	Insurance	631	581
	Legal Costs	76,707	211,643
	Payroll Tax	104,983	96,937
	Postage and Petties	19,855	23,086
	Printing and Stationery	15,751	15,462
	Allowance for Doubtful Debts	-	(51,644)
	Professional Fees & Memberships	20,865	17,702
	Reference Materials	7,059	5,180
	Salaries	2,168,258	1,953,372
	Service and Maintenance	4,085	3,125
	Storage	11,299	10,063
	Superannuation Contributions	196,341	174,905
	Training	7,312	12,551
	Transcripts	2,753	1,897
	Workers' Compensation	7,078	6,648
	Miscellaneous Expenses	2,394	2,488
		<u>2,709,225</u>	<u>2,573,196</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

16 Law Library	<u>2014</u>	<u>2013</u>
	\$	\$
Income		
Library Photocopier and other income	27,064	41,662
PLEAS	73,236	107,204
Annual Grant	250,000	250,000
	<u>350,300</u>	<u>398,866</u>
Expenditure		
Serials	203,366	218,996
Monographs	4,762	17,907
Electronic Publications	183,245	194,340
Online/Library Services	1,913	374
Bank Charges	1,469	1,069
Cleaning and Binding	4,042	18,011
Computer & Consultancy	21,614	27,919
Conferences and Meetings	845	3,487
Depreciation	18,321	15,152
Fringe Benefits Tax	600	550
Institutional & Professional Memberships	454	516
Insurance	10,942	10,680
Minor Assets/ Office Equipment	-	114
Payroll Tax	13,903	12,028
Postage and Petties	3,053	3,489
Printing and Stationery	244	944
Promotions	-	896
Salaries	276,435	265,209
Staff Professional Memberships	700	492
Superannuation Contributions	25,015	21,909
Training	776	2,220
Workers' Compensation	928	1,079
Miscellaneous Expenses	551	835
Photocopier Costs	5,255	6,266
PLEAS - Costs	2,074	2,090
	<u>780,507</u>	<u>826,572</u>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

17 Income from State Government

Resources received free of charge	<u>2014</u>	<u>2013</u>
	\$	\$
Determined on the basis of the following estimates provided by the Department of the Attorney General:		
Office space rental	<u>1,668,597</u>	<u>893,384</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>2014</u>	<u>2013</u>
	\$	\$
Current (note 9)	456,270	326,694
Non-current (note 11)	73,639	174,879
	<u>529,909</u>	<u>501,573</u>

19 Notes to the cash flow statement

19(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, 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 statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	<u>8,486,150</u>	<u>7,416,362</u>
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19(b) Reconciliation of profit for the period to net cash flows from operating activities

	<u>2014</u>	<u>2013</u>
	\$	\$
Profit for the year	856,860	825,138
Loss on sale or disposal of non-current assets	-	-
Depreciation and amortisation of non-current assets	272,897	268,929

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2014

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

Changes in net assets and liabilities:	<u>2014</u>	<u>2013</u>
	\$	\$
(Increase)/decrease in assets:		
Current receivables	389,713)	(448,093)
Other current assets	58,606	30,923
Increase/(decrease) in liabilities:		
Current payables	(185,607)	118,224
Current provisions	129,576	(4,802)
Income in advance	955	341,318
Non-current provisions	<u>(101,240)</u>	<u>(13,688)</u>
Net cash from operating activities	<u>1,421,760</u>	<u>1,117,949</u>

20 Subsequent events

No subsequent events have occurred since that would impact on the accounts.

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	-	-
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Longer than 1 year and not longer than 5 years	-	-
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Longer than 5 years	-	-
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<u>-</u>	<u>-</u>
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23 Contingent liabilities

There are certain cases under appeal. Depending on the outcome of the cases there may be some orders for costs. As the outcome is not yet determined the amounts cannot be reliably estimated so there is no adjustment to the accounts at the statement of financial position date.

24 Related party transactions

During the financial year ended 30 June 2014, the following transactions occurred between the Legal Practice Board and Board members:

- Board Member P. E. Cahill SC provided legal services amounting to \$23,965.00;
- Board Member C. G. Colvin SC provided legal services amounting to \$3,500.00;
- Board Member K .F. Bank-Smith SC provided legal services amounting to \$2,181.82;
- Board Member P. D. Quinlan SC provided legal services amounting to \$12,180.00;
- Board Member M. N. Solomon SC provided legal services amounting to \$660.00.

