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ANNUAL REPORT 2016

Victorian Legal Services
BOARD + COMMISSIONER

VICTORIAN LEGAL SERVICES BOARD + COMMISSIONER

ANNUAL REPORT 2016

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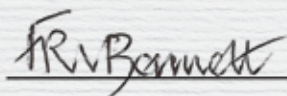
Dear Attorney General

We are pleased to provide you with the 2015-16 Annual Report of the Victorian Legal Services Board + Commissioner.

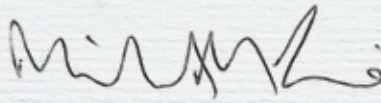
This report provides an overview of the operations and financial status of the Board and Commissioner for the first year of operations under the new *Legal Profession Uniform Law Application Act 2014*, which commenced operation on 1 July 2015.

This report has been prepared in accordance with the requirements of the *Financial Management Act 1994*.

Yours sincerely



Fiona Bennett
Chairperson
Victorian Legal Services Board



Michael McGarvie
CEO, Victorian Legal Services Board
Victorian Legal Services Commissioner

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INTRODUCTION

The Victorian Legal Services Board and the Victorian Legal Services Commissioner are independent statutory authorities responsible for the regulation of the legal profession in Victoria. The Board and Commissioner are accountable to the Victorian Parliament.

The Board and Commissioner were initially established on 12 December 2005 under the *Legal Profession Act 2004 (Vic)*. This legislation was superseded by the *Legal Profession Uniform Law Application Act 2014 (Vic)* (the Application Act) which came into effect on 1 July 2015. The responsible minister is the Attorney-General, The Hon. Martin Pakula MP.

As the Board and Commissioner function effectively as one body, the annual report of operations and the financial statements have been consolidated.

This report covers the period 1 July 2015 to 30 June 2016, the first full year of operation under the Application Act and the Legal Profession Uniform Law.

ABOUT THE VICTORIAN LEGAL SERVICES BOARD

The Board is a body corporate with perpetual succession. It is a public entity, but does not represent the Crown.

The Board is responsible for a broad range of functions, including:

- issuing, renewing, suspending, cancelling and imposing conditions upon practising certificates (PCs);
- maintaining the Victorian legal profession register;
- administering funds set out under the Application Act;
- monitoring, inspecting and investigating lawyers' trust accounts;
- investigating and determining claims against the Fidelity Fund;

- administering external intervention into law practices;
- advising the Legal Services Council on legal profession rules and policies;
- prosecuting breaches of the Application Act, including applying for removal of lawyers' names from the Supreme Court roll where necessary; and
- making grants to enhance the legal system, legal services and legal education.

Through its role as the regulator of the legal profession in Victoria, the Board aims to promote the profession's own high standards for lawyers by working with the Victorian Legal Services Commissioner, the Law Institute of Victoria (LIV), the Victorian Bar (the Bar) and a range of other organisations in support of these standards.

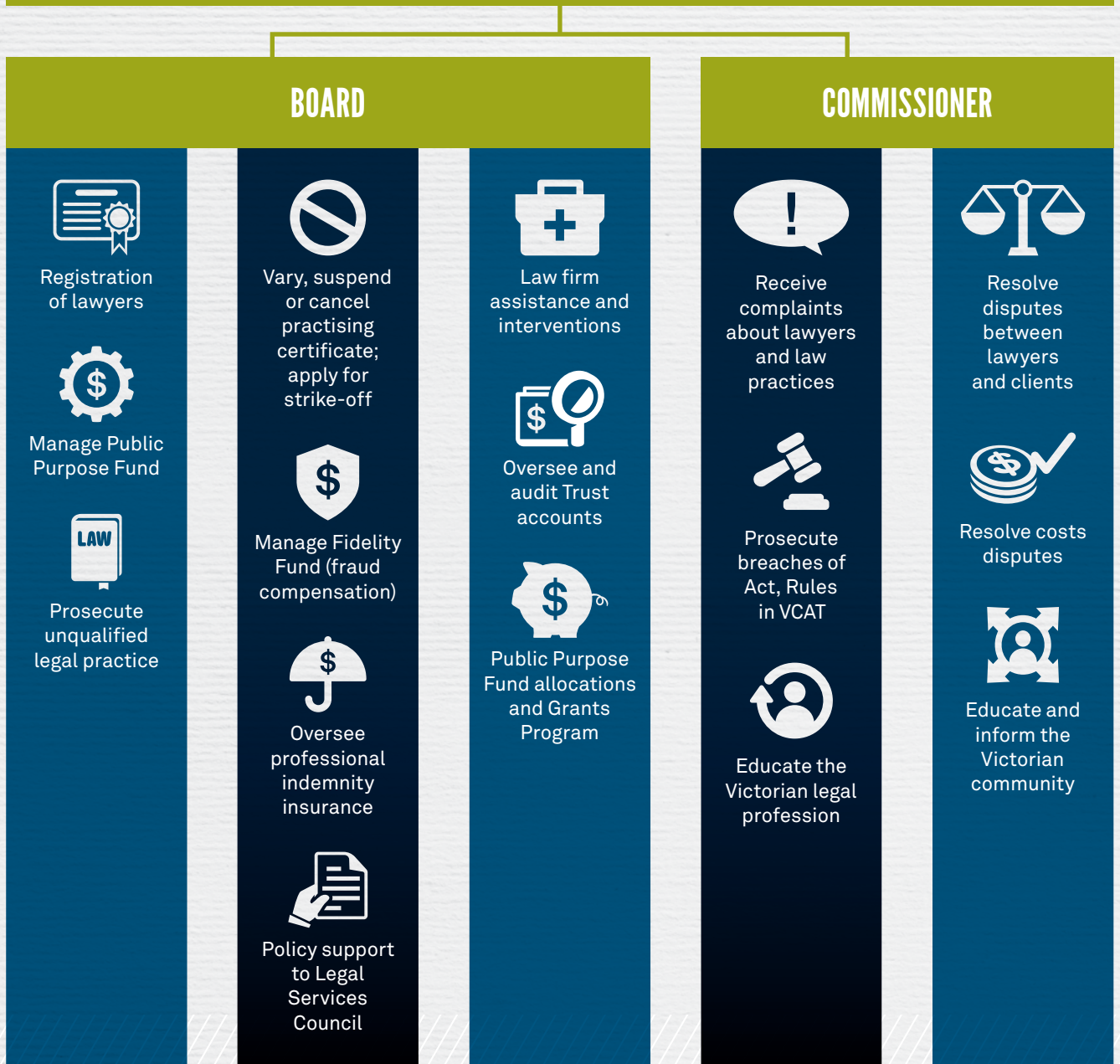
ABOUT THE VICTORIAN LEGAL SERVICES COMMISSIONER

The Commissioner is responsible for the receipt and handling of complaints about lawyers in Victoria, including disputes over fees. The Commissioner also seeks to keep lawyers and consumers of legal services informed about issues which affect them.

Michael McGarvie was appointed as the Commissioner in 2009, and by virtue of that appointment, also became the Chief Executive Officer of the Board. He was reappointed for a further five-year term in 2014. The Commissioner is the employer of all staff who support the operations of both the Board and the Commissioner.

FIGURE 01: BOARD AND COMMISSIONER FUNCTIONS

VICTORIAN LEGAL SERVICES BOARD + COMMISSIONER



STATUTORY OBJECTIVES AND VALUES OF THE BOARD AND COMMISSIONER

Under the Application Act, the Board has the following statutory objectives:

- to ensure the effective regulation of the legal profession and the maintenance of professional standards;
- to address the concerns of clients of law practices and lawyers through the regulatory system and provide for the protection of consumers of legal services;
- to ensure the adequate management of trust accounts; and
- to contribute to the effective administration of the Legal Profession Uniform Framework through cooperation with other involved entities and jurisdictions.

The Application Act and the Uniform Law do not contain any explicit statutory objectives for the Commissioner. Instead Chapter 5 of the Uniform Law, which the Commissioner is responsible for administering, lists the below objectives:

- to provide a framework for the timely and effective resolution of disputes or issues between clients and lawyers or law practices;
- to provide a scheme for the discipline of the Australian legal profession, in the interests of the administration of justice and for the protection of clients of law practices and the general public; and
- to monitor, promote and enforce the professional standards, competency and honesty of the Australian legal profession.

The Board and Commissioner uphold the Victorian Public Sector values of:

- **Impartiality:** Making decisions objectively;
- **Integrity:** Earning and sustaining public trust;
- **Accountability:** Taking responsibility for results;
- **Responsive service:** Demonstrating a spirit of service;
- **Human rights:** Ensuring a fair go for everyone;
- **Respect:** Providing fair and objective treatment;
- **Leadership:** Leading by example.

In addition the Board and Commissioner uphold our own corporate values of

- **Agility:** Responsiveness to change;
- **Collaboration:** Working in partnership with other regulators;
- **Ingenuity:** Creative problem solving;
- **Fairness:** Balancing the needs of practitioners and consumers.

SNAPSHOT OF 2015-16

Implementation of the **UNIFORM LAW**

was carried out smoothly with no disruption to the Board and Commissioner operations

26 COMPLIANCE AUDITS

were commenced

14 COMPLIANCE AUDITS

were concluded, and

12 COMPLIANCE AUDITS

were still in progress as at 30 June 2016
(page 15)

ONLY 55

of 20,000 licence renewals were submitted on paper forms

The Board awarded **\$1.975 MILLION**

in grants to 13 organisations (page 24)

70% FEWER COMPLAINTS

were given their rights to seek a determination from VCAT, compared to last year (page 20)

The Board launched a

NEW ONLINE TOOL

to simplify the reporting process for solicitors and barristers' clerks who hold trust accounts

405 TRUST ACCOUNT

investigations were undertaken by the LIV as the Board's delegate

The Commissioner used the new determinations powers

9 TIMES

in consumer matters, and for

4 MATTERS

involving unsatisfactory professional development (page 20-21)

Two new projects commenced to help target

REGULATORY ACTIVITIES

on high-risk practitioners and legal practices (pages 14 and 17)

1,340

complaints were received, and

1,328

were finalised for the year

Complaints about lawyers were

DOWN 15%

on the previous year (page 19)



CHAIRPERSON'S REPORT

This year saw the commencement of the long anticipated Legal Profession Uniform Law; a harmonised regulatory scheme for the legal profession, and the first spanning jurisdictional boundaries.

On 1 July 2015 the Victorian and New South Wales Governments adopted new legislation which brought 70% of Australia's legal profession under the one regulatory system. With the Uniform Law came a suite of Uniform Rules, providing a consistent set of requirements for all aspects of legal practice; from admission and registration obligations, to continuing professional development and conduct standards. The new scheme allows a lawyer to practise in both states on the one practising certificate (PC), makes it easier for lawyers wanting to practise overseas and facilitates the supervision of new lawyers within most law practices, among other benefits.

The size of the profession in Victoria continues to grow, with the number of PC holders breaking through the 20,000 mark for the first time this year. Of particular note the gender balance has almost reached parity, with women lawyers now making up 48.7% of the total number of PC holders in Victoria. The number of women in legal practice increased by an average of 0.15% each month in 2015-16. By early 2017 it is likely that more than 50% of Victorian lawyers will be women.

In light of the constantly changing legal landscape, the Board has acknowledged the importance of continually updating its own approach to legal regulation. This year we initiated two innovative new projects which will help us move to a risk-based approach for some of our functions. In February 2016 we entered into a research partnership with the University of Melbourne to analyse our extensive regulatory dataset. This project will help us to better identify risk patterns and predict areas of concern within the Victorian profession. A second project was initiated by the Board in partnership with the LIV to develop a risk-based framework for conducting trust account investigations.

Taking such a strategic approach to streamline and enhance our regulatory actions has other benefits. By reducing regulatory interference for low-risk practitioners and law practices, we will be cutting both red tape and the cost of doing business in Victoria. These new processes will help to identify practitioners to whom we can offer further support, where appropriate, and consumers of legal services will also benefit with more proactive protection of their interests.

The Victorian Government's Regulation Reform Program has shown interest in these steps, and the Board will be reporting to the Attorney-General on their progress in the coming year.

The Board's Grants Program continues to deliver tangible benefits to the Victorian community with its funding of new and innovative projects. In 2015-16 the Board allocated \$1.975 million in funding to 13 organisations, bringing the total amount of funding granted to \$29 million since the program was established in 2007. This year the Board provided funding to various initiatives including youth justice reinvestment, support for victims of family violence and two projects involving the co-location of legal services within health service providers – known as health-justice partnerships.

The value of health-justice partnerships, and the Board's work in funding them through the 2014-15 grants round, was recognised by the Victorian Government's Royal Commission into Family Violence. The Royal Commission's final report, published in March 2016, recognised the important role the Board played in supporting the provision of services to vulnerable women and children. Several of the projects funded via the Board's past themed grants rounds were mentioned in the report, with the health-justice partnership model particularly highlighted for its contribution towards addressing family violence issues.

Another strong positive was the financial result recorded for the composite Board and Commissioner accounts. Our prudent financial management and investment program delivered a \$3.568 million operating surplus for the year ended 30 June. This result continues the run of positive returns, despite the challenging market conditions, including record-low interest rates, and highlights our sound management of the Public Purpose Fund and control over expenditure. It also ensures the Board can provide surety of funding to entities dependent on us, such as Victoria Legal Aid, as well as continuing to fund legal regulation and a healthy, proactive Grants program.

The legal profession has undergone significant change this year, and this will only continue with digital disruption and globalisation driving its evolution. Having a stable but responsive regulator in such times is vital. I offer my thanks to my fellow Board members, for their professionalism and depth of experience which have been key reasons for our continued achievements this year. I would also like to sincerely thank our CEO and staff for their solid work these past 12 months, especially for their outstanding efforts on the transition to the Uniform Law, and our delegates, the LIV and the Bar, for their valued assistance in legal regulation.

Fiona Bennett
Chairperson, Victorian Legal Services Board



CEO AND COMMISSIONER'S REPORT

The past year has seen many changes for the Board and Commissioner. A major focus of our operations early in the year was to ensure the Victorian profession was aware of the new requirements which came

with the Legal Profession Uniform Law. Our extensive educative program, which commenced well before the Uniform Law start date, reached out to every PC holder to explain the changes under the new scheme. Special emphasis was placed on meeting and communicating with groups that were particularly impacted by the Uniform Law, such as government lawyers, which for the first time in Victoria were required to hold a PC.

There were several changes to the way complaints against lawyers are received and handled. The Uniform Law recognises that many problems between lawyers and consumers can usually be resolved quickly with continued communication between the disputing parties. In light of this, disputing parties must make a reasonable effort to settle their differences before the Commissioner can accept a complaint about legal costs or about the quality of legal services. We have found that this requirement has led to a greater proportion of matters being resolved between the parties themselves without our intervention.

With more matters resolved by mutual agreement and with careful front-end management of enquiries to our office, there has been a corresponding decrease in the number of formal complaints received. By 30 June, the number of complaints had dropped by 15% compared to the previous year. This is a very encouraging result, and anecdotal feedback we have received from both lawyers and complainants is that they acknowledged the support they have received from my office in settling their differences.

Another major change which is also helping to resolve disputes is the new power for the Commissioner to make binding determinations. In matters where the disputing parties have reached a stalemate, and where the disputed amount is below \$10,000, I now have the power to determine what is fair and reasonable in the circumstances. In such instances, after I flag what my determination is likely to be, it is not unusual for the parties to recommence negotiations and reach a settlement themselves. The power to make determinations has taken some pressure off the Victorian Civil and Administrative Tribunal (VCAT). Under the previous legislation I was required to refer matters which could not be resolved to VCAT. Now, however, a much smaller number of disputes are being referred.

There were also changes made to costs disclosures under the Uniform Law. Practitioners are required to take all reasonable steps to ensure their clients have understood and consented to the proposed legal work and the fees before it commences. Also now required is the provision of an actual total costs estimate, rather than a range of costs. These changes will help ensure clients are able to make informed choices about their legal options and the associated costs. We anticipate they will help reduce costs disputes by giving clients a better understanding of the work they are asking their lawyer to undertake. This can only be a positive for both clients and their lawyers.

Over the year we further developed our already strong and productive relationships with the Legal Services Council, the Commissioner for Uniform Legal Services Regulation and the NSW regulators. Our regular communications and free flow of information helps to ensure that the Uniform Law is being applied consistently between the two states. We continue to refine our practitioner and complaints data to harmonise with our NSW counterparts in line with the objectives of the Uniform Law, and these changes will be reflected in future annual reports.

Another new direction we have pursued is in exploring different models for risk-based regulation. In late 2015 we commenced a joint project with the LIV which is looking at opportunities to prioritise how we allocate our resources in trust account investigations. Factors now used to assess risk include an assessment of a practitioner or legal practice's complaints history, any previous trust account issues, past failure to respond to requests from the regulator, and information provided by External Examiners and other practitioners. This approach differs from the old practice of conducting routine inspections of trust accounts held by every law practice, and aims to make better use of resources. Further work in establishing this project will continue in 2016-17.

I was particularly pleased to learn last year that the Queensland Law Society indicated they intended to adopt the Board's Mental Health policy in its entirety. The Board broke new ground when it launched this policy in 2011 that relieved lawyers of disclosing mental health issues in many circumstances. To see it adopted in its entirety by another regulator is something our Board can rightfully be proud of.

I am deeply appreciative of the leadership shown by the Board Chairperson, Fiona Bennett, and indeed the guidance I have received from all Board members throughout the year. It is also gratifying to have the support of, and trust in, such a highly skilled and professional staff body over such a demanding period of time as the introduction of new legislation. Our hard work this year will set us up for even more significant achievements in the years to come.

Michael McGarvie
CEO, Victorian Legal Services Board
Victorian Legal Services Commissioner

ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

Application Act	<i>Legal Profession Uniform Law Application Act 2014 (Vic)</i>	Legal Profession Uniform Law	Schedule 1 of the Application Act
Bar	Victorian Bar Inc	LIV	Law Institute of Victoria Inc
Board	Victorian Legal Services Board	LPA	<i>Legal Profession Act 2004 (Vic)</i>
Commissioner	Victorian Legal Services Commissioner (Michael McGarvie)	VLSB	Victorian Legal Services Board
CPD	continuing professional development	VLSC	Victorian Legal Services Commissioner
DRT	Dispute Resolution Team	PC	practising certificate
FTE	full time equivalent	PPF	the Public Purpose Fund
ILP	incorporated legal practice	RRT	Rapid Resolution Team
		SDA	statutory deposit account
		Uniform Law	Legal Profession Uniform Law
		VCAT	Victorian Civil and Administrative Tribunal

CHAPTER 02

BOARD MEMBERSHIP AND FUNCTIONS

This chapter covers the composition of the Board and the committees operated by the Board. Biographies of all Board members and the Board CEO are found on the following pages.

The Board consists of a Chairperson, three non-lawyer members and three lawyer members.

The Chairperson and the non-lawyer members are appointed by the Governor in Council on the recommendation of the Attorney General. Non-lawyer members bring with them extensive experience in finance, investment, accounting, public sector management, governance processes, consumer protection and an understanding of community needs.

The lawyer members (one barrister and two solicitors) are elected by a formal election held with the legal profession.

MEETING ATTENDANCE

The Board met seven times during 2015-16. Board member attendance at these meetings is detailed in Table 01.

TABLE 01: BOARD MEMBERSHIP AND MEETING ATTENDANCE IN 2015-16

Board member	No. of Board meetings attended
Ms Fiona Bennett	7
Ms Carolyn Bond AO	6
Ms Cate Dealehr	7
Mr Peter Jopling AM QC	7
Mr Harvey Kalman	6
Mr Steven Stevens	7
Dr Lynne Williams	5

BOARD COMMITTEES

The Board operates four ordinary committees, each with a Board member appointed as Chair.

The Board and Commissioner each operate an Audit Committee, however these committees meet together for operational reasons. The functions of Board Committees do not change from year to year. A detailed description of Committee functions can be found on the Board and Commissioner's website.

The membership of all Board Committees and the Commissioner's Audit Committee is detailed in Figure 01 on the following pages.

BOARD MEMBERSHIP DURING 2015-16



MS FIONA BENNETT

CHAIRPERSON, NON-LAWYER MEMBER

Fiona is a non-executive director of Beach Energy Ltd and Hills Ltd. She is a Chartered Accountant with extensive experience in commercial and financial management, governance, risk management and auditing. Fiona has held senior executive positions at BHP Billiton Ltd and Coles Group Ltd, and has been Chief Financial Officer of several organisations in the health sector. She is a Fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Australian Institute of Management. Fiona was appointed to the Board in January 2008 and appointed Chairperson by the Attorney General in January 2013. Fiona was appointed as a member of the Legal Services Council in October 2014.



MS CAROLYN BOND AO

NON-LAWYER MEMBER

Carolyn is a consumer advocate who has worked on a range of consumer policy issues including credit regulation, debt collection and consumer dispute resolution. She has represented consumer interests on a number of bodies and is a former Co-CEO of the Consumer Action Law Centre; a specialist community legal centre which provides legal assistance to consumers and campaigns on consumer issues. Carolyn was a member of the Commonwealth Consumer Advisory Committee, the National Legal Assistance Body and the National Legal Profession Reform Consultative Group.



MS CATE DEALEHR

LAWYER (NON-ADVOCATE) MEMBER

Cate is a lawyer with over 30 years' experience, and is the principal of the Australian Legal Costing Group. Cate has been a long-term member of the LIV's costs policy committee and other costs committees, and became one of Victoria's first LIV accredited specialists in costs law. Cate regularly tutors at Leo Cussen Centre for Law and is a mentor to young lawyers. Her service was acknowledged in 2016 with a Certificate of Service for her outstanding service to the legal profession. Cate is a passionate advocate for women in business and politics. Her roles have included director of the International Women's Federation of Commerce & Industry, and being a founder of an annual scholarship for leadership in politics for women. Cate is a fellow of Leadership Victoria and a graduate of the Australian Institute of Company Directors.



MR PETER JOPLING AM QC

LAWYER (ADVOCATE) MEMBER

Peter is a Queen's Counsellor specialising in commercial law and trade practices law. He was admitted to practice in 1978 and signed the Victorian roll in 1980. Peter served as an Associate to High Court Justices Sir Keith Aickin and Sir Ninian Stephen. He was appointed QC in 1996. Peter has held positions as director, member and chair for a range of organisations and committees. He is currently a Governor of the Florey Neurosciences Institutes, Chair of the Ian Potter Museum of Art, member of the Victorian Legal Admissions Committee, member of the Victorian College of the Arts Foundation, a member of the advisory board of the Centre for Ethical Leadership at the University of Melbourne, a director of the Menzies Foundation and a trustee of the McClelland Sculpture Park and Gallery.



MR HARVEY KALMAN

NON-LAWYER MEMBER

Harvey was appointed as a non-lawyer member of the Board in August 2012. Harvey has over 20 years' experience in the financial sector and is currently responsible for the corporate fiduciary roles and wholesale financial services roles at Equity Trustees. He has occupied several senior positions with KPMG and ANZ Bank, and Ford Credit. Harvey was also the Deputy Director, Research and Policy at the Australian Society of Corporate Treasurers (now Finance and Treasury Society) and Senior Policy Advisor, Environment and Heritage for the Federal coalition parties.



MR STEVEN STEVENS

LAWYER (NON-ADVOCATE) MEMBER

Steven joined the Board in July 2013 as an elected legal practitioner representative. He is also a Member of the Legal Services Council, established in 2014 under the Legal Profession Uniform Law. Steven is a former President of the LIV and Director of the Law Council of Australia. He has been the Chair of the Law Council's Professional Ethics Committee since 2009 and is Co-Chair of the International Bar Association (IBA)'s Professional Ethics Committee. Steven is an Australian tax practitioner specialising in the taxation of financial services and in state taxation. He is a former tax partner at Herbert Smith Freehills. Prior to commencing legal practice in 1988, Steven practised for 12 years as an economist and was a senior Victorian Treasury officer. He is also a member of the American Bar Association and The Tax Institute.



DR LYNNE WILLIAMS

NON-LAWYER MEMBER

Lynne is an economist with over 30 years' experience with the public sector, and is currently the Chair of the Victorian Government Procurement Board, the Deputy Chair of the Essential Services Commission of South Australia and a Commissioner with the Victorian Building Authority. Lynne is a member of the Faculty of Business and Economics Advisory Board of the University of Melbourne and has previously held senior executive roles within several government departments. Lynne has Masters degrees in economics from the University of Melbourne and the London School of Economics, a PhD from Monash University and is also a Member of the Australian Institute of Company Directors. Lynne was appointed to the Board by the Governor in Council on 9 October 2013.

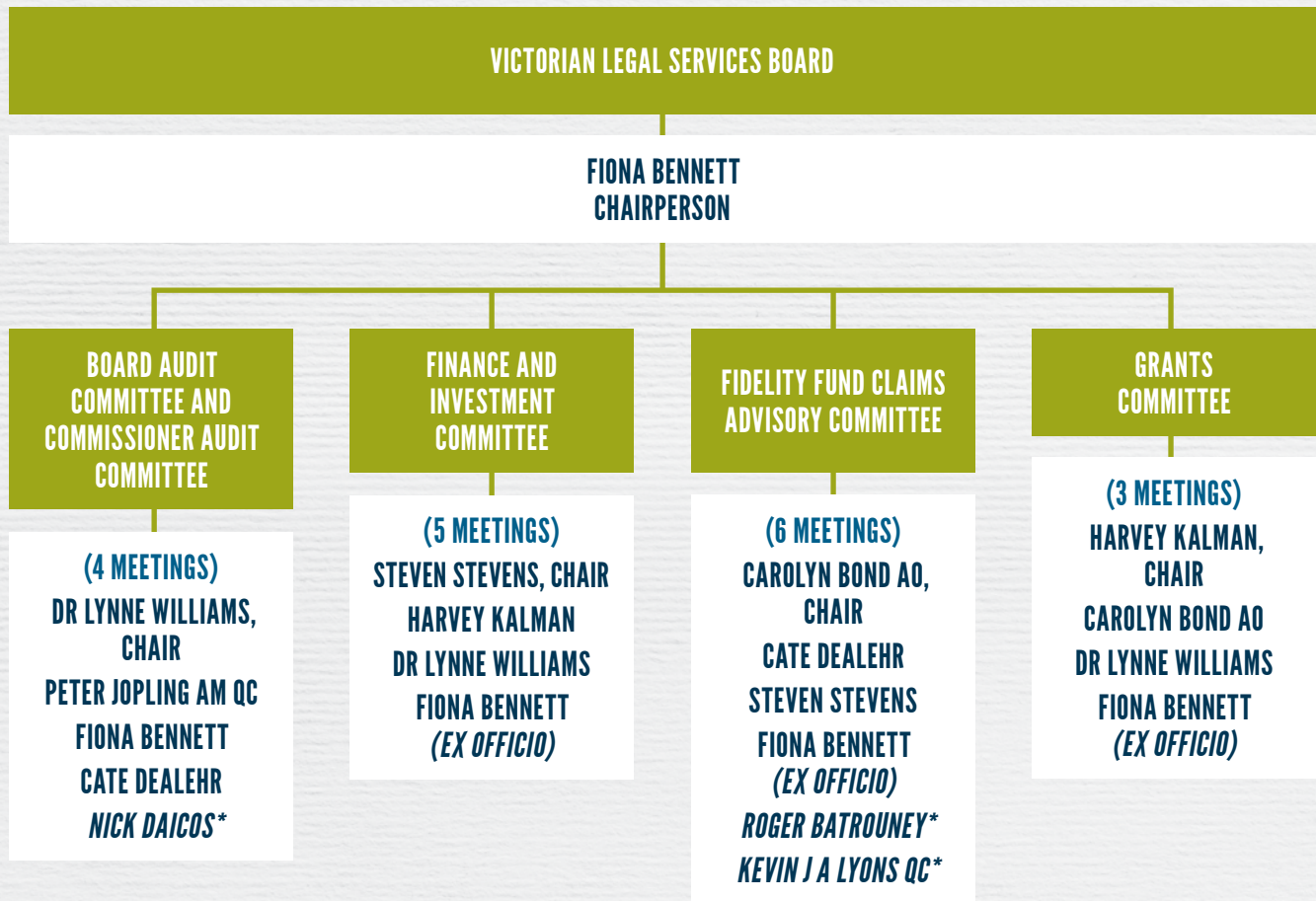


MR MICHAEL MCGARVIE

CHIEF EXECUTIVE OFFICER

Michael was appointed as the Commissioner and Board CEO in December 2009 and reappointed for a second five-year term in September 2014. Prior to this, Michael was the CEO of the Supreme Court of Victoria for three years. He practised as a solicitor at Holding Redlich for 23 years, where he specialised in personal injuries, civil litigation and dispute resolution. In 2015 Michael was appointed as a Board member of Western Water. Michael is a Graduate of the Australian Institute of Company Directors and also a graduate in strategic management of regulatory and enforcement agencies from the John Kennedy School of Government, Harvard.

FIGURE 02: BOARD COMMITTEES AND MEMBERSHIP AS AT 30 JUNE 2016



* Denotes external member

REPORT OF OPERATIONS: REGULATION

The Application Act names the Victorian Legal Services Board and the Victorian Legal Services Commissioner as the *local regulatory authorities* for Victoria. The Board and Commissioner are therefore responsible for the implementation and administration of the Legal Profession Uniform Law, which forms Schedule 1 to the Application Act. The Uniform Law provides a single regulatory framework for all lawyers across participating jurisdictions.

The Board is responsible for the registration of all lawyers in Victoria, for responding to breaches of the legislation and regulations, and for maintaining professional standards. At the same time the Commissioner works to resolve complaints about lawyers, and in circumstances where it is appropriate, will prosecute lawyers for poor or unethical conduct.

The regulatory processes employed by the Board are described below, while Chapter 4 discusses how the Commissioner handles and resolves complaints.

CONTRIBUTING TO THE EFFECTIVE ADMINISTRATION OF THE LEGAL PROFESSION UNIFORM LAW

REGULATORY CHANGE

On 1 July 2015 Victoria and New South Wales became the first two jurisdictions to operate under a unified legal regulatory scheme. On this date in Victoria the *Legal Profession Act 2004* (Vic) was repealed and the *Legal Profession Uniform Law Application Act 2014* (Vic) commenced operation. A similar change occurred with legislation in NSW.

The Board and Commissioner work closely with the Legal Services Council, the Commissioner for Uniform Legal Services Regulation, the New South Wales regulators and the Victorian professional associations to ensure the efficient and fair regulation of Victorian lawyers under the Uniform Law.

GOVERNMENT LEGAL PRACTITIONERS

Under the Uniform Law, government legal practitioners are required to hold a practising certificate (PC). Government legal practitioners are subject to the same obligations as all other classes of lawyers but they do not need to make fidelity fund contributions and are not required to hold professional indemnity insurance.

ONLINE PC RENEWAL

The renewal period for the 2016-17 practising year ran from 21 March to 30 June 2016. Of all lawyers who held a Victorian PC as at 30 June 2016, over 99% had applied online to renew their PC by the closing date. The number of calls to the Board's renewal help desk decreased by more than 50% compared to last year, indicating the usability of the Board's online renewal system.

PRACTITIONER STATISTICS

The Board maintains the Register of Lawyers and Law Practices, and uses data within this register to report on the demographics of the legal profession. Figures 04-06 and Tables 24-32 in Appendix 01 provide detailed information on the size, gender balance and geographic distribution of the Victorian legal profession as at 30 June 2016. The Board also publishes monthly updates of legal profession demographics on the website.

With the commencement of the Uniform Law, new PC categories were introduced for government lawyers and barristers. As described earlier, under the previous legislation government legal practitioners were not required to hold a PC, however many chose to hold a corporate PC. Table 26 in Appendix 01 shows a drop in corporate lawyer positions, which is due to government practitioners now holding a separate category of PC. Barristers were always required to hold a PC, however they were previously categorised as sole practitioners. As the category for barristers commenced mid-way through the year, the number of lawyers recorded as holding this PC type does not yet capture all barristers (see Tables 27 and 28 in Appendix 01).

DEVELOPING POLICIES AND GUIDELINES FOR THE PROFESSION

While the Act provides the regulatory framework for the profession, the practical application of regulatory requirements often relies on the development of Board and Commissioner Policies and Guidelines. Existing Board and Commissioner Guidelines were updated to ensure compliance with the Uniform Law upon its commencement.

Under the Uniform Law the Legal Services Council and Uniform Commissioner have policy and guideline making functions which are designed to ensure uniformity amongst the participating jurisdictions. The Board and Commissioner in Victoria work with the Legal Services Council, the Uniform Commissioner, and the NSW regulators to help with the Uniform Commissioner's and the Council's development of policies and guidelines.

SUBMISSIONS

During 2015-16 the Board and Commissioner made submissions (or contributed to reviews) in relation to the following:

- Amendments to the Uniform Law;
- Amendments to the Application Act in relation to the Uniform Law;
- Amendments to the *Legal Profession Uniform Continuing Professional Development (Barristers) Rules 2015*;
- Amendments to *Legal Profession Uniform Conduct (Barristers) Rules 2015*;
- Development of draft Internal Review Guidelines;
- Proposed amendments to the *Legal Profession Uniform General Rules 2015* (including on anti-voiding and trust account statements); and
- Submission to the Council on partnerships of Australian-registered foreign lawyers.

ENSURING EFFECTIVE REGULATION OF THE LEGAL PROFESSION

The regulatory regime maintained by the Board assists Victorian lawyers in maintaining the legal profession's own high standards of legal service and ethical conduct. The following are examples of work undertaken by the Board during the year which help ensure the efficient and effective regulation of the profession.

RISK PROFILING

A new, long-term research project was initiated to assist the Board and Commissioner in understanding the risks facing Victorian legal practitioners. The University of Melbourne was commissioned to analyse ten-years of regulatory data including complaints, trust account investigations, law practice audits, and CPD compliance records. The objective is to develop an understanding of risk profiles for the Victorian profession for use in targeted regulatory actions.

The study will be conducted in three phases:

1. Identifying associations between characteristics of lawyers and regulatory issues;
2. Catalogue risk hot-spots and incidences of concern amongst particular categories of lawyers; and
3. A detailed analysis of all data to better understand the risk factors behind the hot spots of concern, and to identify opportunities for early intervention.

Scheduled to conclude in 2018, the completed project will enable the Board and Commissioner to identify patterns of risk which contribute to breaches of regulatory and ethical obligations. This in turn will allow regulatory and educative resources to be better targeted to address those risks.

CONTINUING PROFESSIONAL DEVELOPMENT VERIFICATIONS

The Board has delegated the role of auditing lawyers' compliance with their continuing professional development (CPD) obligations to the LIV and the Bar's Continuing Legal Education Committee. During 2015-16 the LIV audited 550 solicitors for CPD compliance and the Bar audited 96 barristers. Table 02 shows the outcome of both the LIV and Bar audits as at 30 June.

Both the Bar and the LIV can require practitioners to submit rectification plans for those who fail to meet their CPD requirements. Further details on CPD are available on the Board's website.

TABLE 02: CPD AUDITS CONDUCTED

Audit details	2014-15		2015-16	
	LIV	BAR	LIV	BAR*
Total number of lawyers audited	550	94	550	96
Lawyers who complied	542	87	537	94
Lawyers who did not comply	3	7	4	2
Lawyers exempted (e.g. recently audited)	5	0	9	0

COMPLIANCE AUDITS

With the commencement of the Uniform Law, the Board's existing power to audit incorporated legal practices was expanded to cover all types of law practices. This enables the Board to conduct an audit of any law practice if it considers there are reasonable grounds to do so, such as where a complaint or conduct history reveals potential systemic issues with the business practices of the lawyer or law firm. Audits allow targeted guidance and assistance to be provided to law practices to help prevent further complaints and issues arising in the future. In this way audits benefit both law practices and consumers of legal services.

During 2015-16, the Board commenced 26 compliance audits. As at 30 June 2016, 14 audits had been concluded and 12 were still in progress. Of the completed audits, 13 law practices complied with the Board's requests for further action to meet the audit recommendations. The Board issued management systems directions to only one law practice.

SELF-ASSESSMENT AUDITS

As a part of its educative strategy to assist the profession, in early 2016 the Board further developed its existing self-assessment audit resource for law practices. Self-assessment audits assist users to benchmark their business practices against their regulatory obligations. They describe several key concepts relevant to each of ten objectives which the Board expects law practices to be mindful of, and provides suggested approaches to help ensure those objectives are met.

PROVIDING FOR THE PROTECTION OF CONSUMERS OF LEGAL SERVICES

The Board has an important role in protecting the interests of consumers of legal services in their dealings with lawyers, as well as from people falsely claiming to be lawyers. The Board, through its delegates, pursues non-compliance matters using various means, ranging from education and counselling for minor breaches and escalating as appropriate to referrals for disciplinary investigation, external interventions of law practices, suspension or cancellation of PCs, and in rare or extreme cases, strike-off applications or criminal prosecution.

UNQUALIFIED LEGAL PRACTICE

The Board continues to be responsible for investigating suspected cases of unqualified legal practice. If required the Board will prosecute unqualified persons who perform, or represent an entitlement to perform, legal work.

Under the Uniform Law an 'entity' (which includes individuals, incorporated bodies and unincorporated bodies or other organisations) is prohibited from engaging in legal practice unless it is qualified to do so. This prohibition gives the Board a wider reach than provided for under the previous legislation.

During the reporting period, the Board opened 27 new cases regarding possible unqualified legal practice by an entity. A total of 58 unqualified practice matters were concluded within the reporting period. Of these matters:

- 12 resulted in unqualified persons being cautioned;
- six involved entities making amendments to their business materials to clarify that they were not entitled to engage in legal practice (a further three requests were also made in ongoing investigations);
- three involved an unqualified person providing a signed undertaking to cease engaging in unqualified legal practice;
- two involved cautions being issued to lawyers who notified the Board that they had unknowingly been practising without holding a PC; and
- one involved a lawyer who was cautioned for being likely to have acted beyond a condition on their PC.

In addition, the following two unqualified practice prosecutions were concluded in the Magistrates' Court during 2015-16:

- **Ms Kylie Campbell** (unqualified): On 28 August 2015 Ms Campbell pleaded guilty to one charge of engaging in legal practice for her conduct over a period of five weeks in 2013. Ms Campbell was fined \$4,000, with no conviction recorded. She was also ordered to pay the Board's costs of \$3,450.
- **Mr Te Hira Cooper** (unqualified): On 4 February 2016, Mr Cooper pleaded guilty to two charges of representing an entitlement to engage in legal practice, encompassing conduct under both the previous legislation and the new Uniform Law. This outcome followed a lengthy investigation of multiple commercial entities and witnesses. Mr Cooper was fined \$8,500, with no conviction recorded.

In the reporting period, increased resources were deployed for investigating the conduct of non-practitioner employees at law practices. This was in addition to the continued efforts in dealing with unqualified practice matters involving individuals who either once held a PC, have completed some legal study, or who have had some legal training.

DISQUALIFICATION PROCEEDINGS

The Uniform Law empowers the Board to seek orders from VCAT for an individual to be declared a *disqualified person* under certain circumstances. The disqualification order prevents a person from working in, or being associated with, a law practice. The Uniform Law further empowers the Board to apply for orders disqualifying an entity that is or was a law practice from providing legal services, where the practice has failed to comply with a relevant provision under the Uniform Law.

During the reporting period, disqualification orders were obtained in relation to the following individuals:

- **Mr Cheong Tak 'Petrus' Chow:** On 1 July 2015 the Board obtained a five-year disqualification order against Mr Chow after VCAT found him guilty of representing an entitlement to engage in legal practice. The disqualification period expires on 29 September 2019.
- **Mr Dorian Swies:** On 1 December 2015 the Board obtained a ten-year disqualification order against Mr Swies after the Magistrates' Court found Mr Swies guilty of attempting to obtain property by deception. Mr Swies had falsified payslips when applying for finance, and dishonestly provided incorrect academic results in job applications for law graduate positions.

EXTERNAL INTERVENTIONS

During the reporting period, the Board exercised its statutory power under the Uniform Law to undertake Supervisions and Managements, and to apply to the Supreme Court for Receiverships in relation to law practices. These are detailed in Table 03.

TABLE 03: EXTERNAL INTERVENTIONS

Type of External Intervention	Continuing from 2014-15	Commenced 2015-16	Closed during 2015-16	Ongoing interventions as at 30 June 2016
Receiverships	3	1	1	3
Managements	4	14	9	9
Supervisions	0	1	1	0

External interventions which commenced in 2015-16 occurred in response to a range of issues, including:

- The death or serious illness of a sole practitioner;
- Evidence of inadequate practice management;
- Disqualified persons possibly engaging in legal practice;
- Extensive complaints histories; and
- Suspected serious trust account breaches and misappropriations (in this instance, Board and Commissioner staff have commenced investigations into possible criminal offences relating to trust account deficiencies).

In less serious matters, the Board has continued, where possible, to seek to identify alternatives to statutory external interventions. For example, in cases where practitioners have suffered serious health issues preventing them from continuing to practice, arrangements were successfully negotiated with other local legal practitioners, thereby minimising cost and disruption to the practice.

Where an external intervention has taken place, emphasis continues to be placed on law practices meeting all or some of the external intervener's fees, as provided for by the Uniform Law.

ENSURING THE PROPER MANAGEMENT OF TRUST ACCOUNTS

The Board is responsible for overseeing the management of all trust accounts held by both law practices and barristers' clerks in Victoria. To ensure law firms and barristers' clerks comply with general trust account regulations, trust accounts are investigated regularly. The Board has delegated its general trust account investigations to the LIV. In 2015-16 the LIV carried out 405 trust account inspections.

OUTCOMES OF INVESTIGATIONS

In December 2015, the Board issued an email bulletin to all External Examiners of trust accounts engaged by law practices. This bulletin summarised the findings of a focussed investigation into a selected group of similar trust accounts. The investigation revealed several common and often interconnected issues which were of utmost importance to the Board, involving breaches of both the legislation and the trust account regulations. The breaches related to the recording of transaction information, intermixing of trust money, reporting of irregularities and reconciliation of trust accounts. Each of the trust account holders in the focussed investigation was notified of the identified breaches and instructions were given on their rectification. A follow-up check revealed that each account holder had taken adequate steps to address the issues identified in their individual investigation.

RISK-BASED REGULATION

During late 2015, the Board commenced a joint project with the LIV designed to move the trust account investigations function towards a risk-based approach. The project identified opportunities to prioritise trust accounts for inspection, based on an assessment of the risk each law practice posed to the regulator's objectives. Risk factors identified include complaints data, prior trust account issues, failure to respond to Board or Commissioner requests for information, as well as information provided by External Examiners and other practitioners. This approach differs from the former practice of conducting a routine inspection of each law practice's trust account. Further work in establishing this project will continue in 2016-17.

STATUTORY DEPOSIT ACCOUNTS

In accordance with the Uniform Law, law practices and approved clerks who operate a general trust account must also maintain a Statutory Deposit Account (SDA). The Board allocates individual SDAs for each law practice or approved clerk. These SDAs are linked to the law practice or approved clerk's trust account. Details of the SDA holdings and residual trust account balances as at 30 June 2016 are shown in Table 04. Further information on SDAs is available on the website.

TABLE 04: SDA HOLDINGS AND RESIDUAL BALANCES AS AT 30 JUNE 2016

	SDA \$'000	Residual Balance \$'000	Total \$'000
30 June 2015	825,465	1,873,727	2,699,192
30 June 2016	1,047,634	2,171,260	3,218,894

TABLE 05: FIDELITY FUND CLAIMS IN 2015-16

	2014-15		2015-16	
	NO. OF CLAIMS	AMOUNT \$'000S	NO. OF CLAIMS	AMOUNT \$'000S
Claims received during period	39	57,994	47	2,606
Claims paid during the period	30	3,711	24	1,045
Claims outstanding as at 30 June	44	15,124	56	6,060
Fidelity Fund recoveries	-	22	-	-

THE FIDELITY FUND

The Fidelity Fund is managed by the Board to provide compensation to people who have lost trust money or property due to the dishonest or fraudulent behaviour of a lawyer, an employee of a law practice or a barrister's clerk. The Fidelity Fund receives revenue through its own holdings and investments, as well as through annual contributions from solicitors licensed to deal with trust money, community legal centres and approved barristers' clerks.

The Uniform Law and associated Rules set out how the Board investigates and determines claims, as well as what may be excluded from the scheme and under what circumstances the Board may disallow or reduce a claim even though a default has occurred. For a detailed explanation of how the Fidelity Fund operates, including how claims are processed, refer to the Board's website.

Under the Uniform Law, all claims against the Fidelity Fund must be determined independently at arm's length from the legal profession. The Board fulfils this requirement as it is a statutory entity, independent of any professional association. Further, both the Board and its Fidelity Fund Claims Advisory Committee include members who are not legal professionals. The Board remains committed to independent consideration of claims against the Fidelity Fund on their individual merit.

In 2015-16 the Board received 47 claims against the Fidelity Fund. Over the year 24 payments were made for claims, totalling in excess of \$1.04 million. This includes claims received during the previous reporting years. Table 05 shows the claims made and those paid during 2015-16.

REPORT OF OPERATIONS: COMPLAINTS

This chapter discusses the Commissioner's performance in carrying out its complaints handling functions in the 2015-16 reporting year. Detailed statistics are available in Appendix 02. A full explanation of the complaints handling process is available on the website.

The Commissioner is responsible for handling all complaints about lawyers in Victoria, including resolving disputes between clients and lawyers or law practices. The Commissioner works with all parties to ensure the processes are clear, that each party understands what is required of them and that they are informed of the outcomes.

The Commissioner's responsibilities in handling disciplinary complaints remain largely the same under the Uniform Law as they were under the Legal Profession Act (LPA), however there are significant changes in relation to the handling of consumer issues and costs disputes as described below.

ENQUIRIES RECEIVED

The Commissioner received 5,716 enquiries from the public (both consumers and lawyers) in 2015-16 compared with 5,317 in the previous year. The Commissioner's Intake and Assessment Team evaluates each enquiry and tries to assist the caller with their concerns where possible. Where necessary the Team explains to the caller what is required for the Commissioner to consider a complaint.

In 90% of enquiries callers were either given support to assist with self-resolution of their concerns, or were given general information about the Commissioner's role and functions. In these instances no further action was required. Other enquirers were often guided to relevant forms and information available on the website. Table 33 in Appendix 02 describes the outcomes of all enquiries received.

COMPLAINTS

CHANGES TO HOW COMPLAINTS ARE RECEIVED

The broad types of complaints the Commissioner can receive have not changed under the Uniform Law, however the terminology has changed slightly.

The Commissioner can receive complaints involving:

- disputes over legal costs or the quality of legal services provided (now called consumer matters);
- complaints relating to the lawyer's conduct (called disciplinary matters); or
- a mixture of the two.

Costs disputes are the most common form of consumer matter or complaint. Under the LPA the Commissioner could only handle costs disputes of up to \$25,000. Under the Uniform Law, the Commissioner may now deal with disputes about legal costs up to \$100,000, or higher if the amount in dispute is less than \$10,000. Complainants are no longer required to pay outstanding disputed legal costs into the Commissioner's Disputed Funds account before the Commissioner can attempt to resolve a complaint.

Some complaints that would have been classified as minor disciplinary matters under the LPA are now treated as consumer matters under the Uniform Law; for example, complaints about poor service and communication that would not amount to a disciplinary breach.

Costs disputes must still generally be made within 60 days of the bill; however complaints about disciplinary matters and other consumer matters must now be made within three years of the alleged conduct having occurred. This change brings Victoria into line with the previously existing timeframes in NSW, although the Uniform Law allows this time limit to be waived under certain circumstances.

PROFILE OF NEW COMPLAINTS RECEIVED IN 2015-16

In 2015-16 there were 1,340 complaints lodged; 15% below the 2014-15 figure. Of these 53% were consumer matters, 42% were disciplinary matters and only 5% were mixed. Full details of the number and type of complaints received in 2015-16 are provided in Table 34 in Appendix 02.

The continued decline in complaints received reflects the Commissioner's success in assisting callers to resolve issues without the need for a formal complaint to be made. The Uniform Law reinforces this approach, in particular with its requirement that before a complaint about a consumer matter can be accepted, at least one of the parties to the dispute must first have made a reasonable attempt to resolve the matter (where practicable). In many instances, the Commissioner's assistance enables the disputing parties to negotiate the dispute, which often results in disputes being resolved without the need for a complaint to be made.

As with previous years, a significantly higher proportion of complaints were received about solicitors (95%) than barristers (5%). This reflects the higher level of contact consumers have with solicitors compared to barristers. Table 35 in Appendix 02 illustrates the number and type of complaints received against solicitors and barristers for 2015-16.

Tables 36 and 37 in Appendix 02 provide an overview of the areas of law that attract the most complaints and the issues raised in those complaints. Declines were recorded in the numbers of allegations made involving certain consumer matters, such as costs and bills, the handling of trust money, and the retention of documents and/or trust property.

PRELIMINARY ASSESSMENTS

When the Commissioner receives a complaint, it first undergoes a preliminary assessment. The allegations raised in the complaint are reviewed and, if necessary, further information is sought from the complainant and the lawyer. The aim of this process is to resolve the issues quickly, if possible, or otherwise to work out how the complaint should be dealt with; whether as a costs dispute or a consumer matter, by investigation as a possible disciplinary breach, or by closure in part or in full. It is not uncommon for a complaint to be resolved during a preliminary assessment.

DEALING WITH CONSUMER MATTERS: DISPUTE RESOLUTION AND CONCILIATION

The Commissioner received 783 new complaints involving consumer matters in 2015-16, including those made in mixed complaints.

Consumer matters can usually be addressed without the need for a formal investigation process. Most consumer matters received by the Commissioner are handled by two teams skilled in mediation and conciliation. The Dispute Resolution Team (DRT) deals most commonly with disputes about legal costs and bills, and the Rapid Resolution Team (RRT) primarily deals with conciliation of complaints relating to service issues.

The DRT and RRT use direct discussions with the lawyer and complainant over the phone, in person, or by email to try and resolve complaints. An important part of the process involves managing the parties' expectations. The processes used for resolving consumer matters are described on the website.

CLOSURES

CLOSED CONSUMER MATTERS – LPA

The Commissioner closed 160 civil complaints received under the LPA during the year; 87 of these were closed by the DRT and 40 were closed by the RRT, while the remainder were closed by other teams. Of all closed matters, the Commissioner was able to assist the parties to resolve their concerns in 92 matters. There were 35 matters where settlement was unable to be reached and the parties were advised of their rights to have their matter determined by VCAT. A further 34 matters were dismissed for reasons set out in Table 38 in Appendix 02.

CLOSED CONSUMER MATTERS – UNIFORM LAW

In 2015-16 the Commissioner closed 528 consumer matters received under the Uniform Law; 222 of these matters were closed by the DRT and 279 were closed by the RRT, with 27 being closed by other teams. Informal resolution was successful in 160 matters, and 107 matters were resolved during the Commissioner's preliminary assessment of the complaints. In only 10 consumer matters the Commissioner was unable to assist in resolving the issue and the parties were advised they could apply to have their matter determined by VCAT or the Costs Court. The balance were either withdrawn or closed after preliminary assessment.

CONSUMER AND CIVIL MATTERS OVERALL

In 45 complaints, the parties were given the ability to apply to VCAT during the year, compared to 159 in 2014-15. A full explanation of the outcome of all consumer matters closed under the Uniform Law is set out in Table 39 in Appendix 02.

BINDING DETERMINATIONS

A new provision under the Uniform Law means that if the parties cannot settle a costs dispute with the Commissioner's help, generally they no longer have to apply to VCAT to have it resolved. Now, where the parties are unable to resolve their costs dispute and the amount in dispute is under \$10,000, the Commissioner has the power to make a binding costs determination as to what costs are fair and reasonable under the circumstances. In 2015-16 the Commissioner exercised this new power to make a binding costs determination in eight consumer matters. A notable consequence of this power was that when many proposed determinations were foreshadowed in writing for the parties' comment, many matters settled without the need to issue the binding determination.

In other complaints raising a consumer matter that is not a costs dispute, the Commissioner also has the power to make a determination that a lawyer pays compensation to a complainant, if appropriate. This power was used in one instance during this reporting year. The Commissioner also has other more general powers in determining consumer matters whether they involve costs or not.

UNRESOLVED CONSUMER MATTERS

In some instances consumer matters involving servicing issues were not able to be resolved with the assistance of the RRT. Depending on the nature of the allegation some were closed without further action, however in a small number of matters the preliminary assessment established that the allegations raised were sufficiently serious to amount to a possible disciplinary breach. Those matters were then considered for a formal disciplinary investigation.

DEALING WITH DISCIPLINARY MATTERS: INVESTIGATIONS

INVESTIGATIONS UNDERTAKEN

During the reporting year the Commissioner commenced approximately 250 disciplinary investigations. These are matters where the concerns alleged in a complaint would be serious enough to warrant disciplinary action if the allegations were proven. By comparison, in 2014-15 there were 342 matters investigated.

The Commissioner can delegate complaints about barristers to the Ethics Committee of the Victorian Bar for handling, including for formal investigation.

The outcomes of any such investigations are reported back to the Commissioner who makes the final decision. In 2015-16 the Commissioner referred 16 investigations to the Bar (see Table 40 in Appendix 02).

COMMISSIONER INITIATED INVESTIGATIONS

Of the approximately 250 disciplinary investigations undertaken, 43 were initiated by the Commissioner. These can occur where the Commissioner has become aware of issues, for example through the media or from court information, and initiates a complaint himself. The requirements for these investigations are explained in more detail on the website. Table 41 in Appendix 02 shows the reasons for Commissioner initiated investigations commenced in 2015-16.

OUTCOMES OF DISCIPLINARY COMPLAINTS

CLOSED DISCIPLINARY COMPLAINTS – LPA

In 2015-16 the Commissioner closed 225 complaints received in 2014-15 or earlier. These were handled under the LPA. Not all of these complaints required investigation; for example, complaints withdrawn after the complainant receives further information from the lawyer will generally not be investigated.

In 64 disciplinary investigations the Commissioner reached the conclusion that VCAT would likely find the lawyer guilty of some form of disciplinary breach. Most of these instances involved likely unsatisfactory professional conduct, which the Commissioner was able to deal with summarily. Where the Commissioner considered the matters were likely to amount to professional misconduct, the Commissioner was required to bring disciplinary proceedings at VCAT. A detailed breakdown of the 2015-16 outcomes for disciplinary complaints handled under the LPA is provided in Table 42 in Appendix 02.

CLOSED DISCIPLINARY COMPLAINTS – UNIFORM LAW

The Commissioner closed 459 complaints received during 2015-16 under the Uniform Law. Similarly, many of these complaints did not require an investigation. For example, a total of 142 matters were closed because the preliminary assessment revealed the complaint was lacking in substance, 121 were withdrawn during the preliminary assessment, and a further 52 were resolved before an investigation could commence. There were two matters in which the Commissioner brought professional misconduct charges against lawyers and applied to VCAT for a hearing. A detailed breakdown of the 2015-16 disciplinary complaint outcomes is provided in Table 43 in Appendix 02.

ALTERNATIVE DISCIPLINARY ACTIONS AND CONDUCT DETERMINATIONS

For matters dealt with under the LPA, the Commissioner is able to deal with cases of unsatisfactory professional conduct through alternative disciplinary actions. These include issuing the lawyer with a reprimand or a caution, or ordering compensation be paid.

For matters dealt with under the Uniform Law, the Commissioner has the power to make a conduct determination in matters involving unsatisfactory professional conduct. These involve a range of sanctions, including issuing a reprimand or a caution, ordering an apology be given or work be redone, and issuing a fine of up to \$25,000. Conduct determinations are explained in greater detail on the website.

During the year, the Commissioner took alternative disciplinary action against lawyers in 41 matters under the LPA, including issuing 23 reprimands and 6 cautions. There were also four matters where the Commissioner made a conduct determination under the Uniform Law by either cautioning the lawyer, ordering an apology be provided, or ordering the lawyer to undertake further education. Table 44 in Appendix 02 illustrates the outcomes of these matters.

The Commissioner also reprimanded nine lawyers and cautioned three others as a result of Commissioner initiated investigations. In six instances charges were laid against the lawyer (see Table 45 in Appendix 02).

COMPLAINTS FINALISED AND OUTSTANDING

The Commissioner finalised 1,328 complaints in 2015-16, including matters received in previous years. Tables 46 and 47 in Appendix 02 shows the number of complaints finalised this year by complaint type under the LPA and the Uniform Law respectively.

TIME TAKEN TO FINALISE COMPLAINTS

The time it takes to finalise a complaint will vary depending on the complexity of the matters involved and the degree to which the differing sides participate with the Commissioner's processes. The Commissioner closed 454 complaints within a 30 day period (mostly under the Uniform Law) compared with 550 in 2014-15. A majority of complaints were resolved within three months of their receipt. A total of 30% of complaints closed in 2015-16 took more than 120 days to conclude, the majority of which were received under the LPA. Typically, these involved more complex investigations. Table 48 and 49 in Appendix 02 illustrate the time taken to resolve complaints in 2015-16 for matters received under the LPA and the Uniform Law respectively.

COMPLAINTS OUTSTANDING

By 30 June 2016 the Commissioner had 472 outstanding complaints (excluding Commissioner-initiated investigations), compared with 382 in 2014-15. This increase is attributable to the new processes under the Uniform Law, where the Commissioner retains most consumer matters until they are resolved, rather than advising disputing parties of their rights to apply to VCAT for a decision.

As a result the Commissioner handles most consumer matters for a longer period of time. Tables 50 and 51 in Appendix 02 show the number of complaints outstanding as at 30 June 2016 arranged by complaint type for the LPA and the Uniform Law respectively.

APPLICATIONS TO VCAT

In 2015-16 the Commissioner made 17 new disciplinary applications to VCAT following investigations where the Commissioner believed there was a reasonable likelihood that VCAT would find the lawyer guilty of a disciplinary breach. Three of these applications were heard and determined during the year while 14 were yet to be heard or were awaiting orders. Table 52 in Appendix 02 shows the status of disciplinary applications made to VCAT in 2015-16. Appendix 03 contains the details of all disciplinary matters brought by the Commissioner before VCAT.

APPEARANCES IN VCAT

During the reporting year the Commissioner was a party before VCAT on 88 days. The Commissioner was represented by Counsel on 68 days, including 13 days where the Commissioner was represented by a Senior or Queen's Counsel. Staff appeared for the Commissioner on 20 days.

STATUS OF VCAT APPLICATIONS AND COURT ACTION

A total of 22 matters were heard and determined at VCAT during 2015-16, including matters carried over from previous years (see Table 53 in Appendix 03). By 30 June 2016, 26 matters were still awaiting a hearing and/or decision. By 30 June 2016, 26 matters were still awaiting a hearing and/or decision (see Table 54). Two matters were listed for a rehearing at VCAT (see Table 55 in Appendix 03) and four outcomes were appealed to the Supreme Court. Only one appealed matter was determined during the year (Table 56), while three others were yet to be heard as at 30 June 2016 (see Tables 57 in Appendix 03).

REMOVAL FROM THE ROLL OF LEGAL PRACTITIONERS

Mr Philip Hamilton Rhoden was removed from the roll of legal practitioners in March 2016. VCAT had previously found Mr Rhoden guilty of 21 charges of professional misconduct after he took over \$350,000 in executor's commissions from eight deceased estates without proper consent.

CORPORATE OPERATIONS AND GOVERNANCE

The Board and Commissioner have a range of non-regulatory and support functions which are largely proactive. They include providing education to the legal profession and consumers of legal services, and the administration of grant money from the Public Purpose Fund (PPF). In addition there is a considerable volume of work involved in administration and support of the work of the Board and Commissioner's regulatory responsibilities. This Chapter describes those other functions and obligations.

EDUCATING THE LEGAL PROFESSION AND CONSUMERS OF LEGAL SERVICES

The Board and Commissioner take a proactive approach to regulation, compliance and consumer protection. This involves communication with and education of lawyers and consumers across Victoria. Much of this work is done via the Board and Commissioner's Education and Outreach Program.

The program promotes specific regulatory issues relevant to lawyers, thereby supporting the profession in maintaining its own high ethical and practice standards. The program also serves to educate the community about legal issues, and about the rights and obligations that flow from the client-lawyer relationship. In 2015-16, the program included information on the Uniform Law and on mental health in the profession.

EDUCATING THE LEGAL PROFESSION

The Board and Commissioner regularly communicate with lawyers and law students to educate them on a range of relevant topics.

PRESENTATIONS

During 2015-16 the Board and Commissioner delivered 27 presentations to groups of lawyers, reaching a combined audience of over 1,670 including audiences from Melbourne-based law firms, State and Commonwealth Government organisations, law associations, and the Bar.

The Board and Commissioner also gave 16 guest lectures to over 1,189 undergraduate and postgraduate law and legal studies students enrolled at six Victorian universities: University of Melbourne, Monash University, Deakin University, Australian Catholic University, La Trobe University and Victoria University. These typically covered the regulation of the legal profession as well as traps to avoid for new lawyers.

SPECIALIST GROUPS AND LAW ASSOCIATIONS

During 2015-16 staff spoke to representatives from the LIV Commercial Litigation Specialists group, criminal lawyers, in-house counsel and the Bar. Staff also presented to members of the Bayside Solicitors Group and the Western District Law Association.

EDUCATING CONSUMERS OF LEGAL SERVICES

The Board and Commissioner work to help consumers of legal services become aware of their rights and responsibilities when working with lawyers, and to raise awareness of the complaint handling regime among the Victorian community.

ENGAGEMENT WITH COMMUNITY GROUPS

Consumers will often turn to community support services and information networks when in need of assistance, such as when things go wrong with their lawyer. Accordingly, the Board and Commissioner engage with a cross-section of community groups, including those who offer services in the following areas: counselling, crisis relief, disability, mental health, youth, the aged and family support.

Information is distributed to community groups about consumers' rights and responsibilities when engaging a lawyer, and the process for making a complaint with the Commissioner. Staff participated in several forums and group networks, which allows the regulator to engage with both users and providers of legal and non-legal services at the same time.

FEEDBACK ON THE RELATIONSHIP BETWEEN LAWYERS AND CONSUMERS

The Board and Commissioner also seek feedback from community groups, both positive and negative, on the relationship between clients and lawyers. This information assists in understanding current and emerging challenges in the lawyer-client relationship. It also influences the Board and Commissioner's education activities and messages communicated through seminar presentations.

COMMUNITY ADVOCATE ORGANISATIONS

Community and specialist legal centres provide free and low cost legal services to consumers and advocate for the rights of the community. The Board and Commissioner endeavour to maintain a strong relationship with these organisations through the Education and Outreach Program. In 2015-16, four meetings and presentations were held with representatives from the Federation of Community Legal Centres, Victoria Legal Aid and the Aboriginal Family Violence Prevention Centre. Representatives from the Board and Commissioner also attended a fundraising event for AED Legal Centre, and in February, 2016, the Commissioner attended the opening of the legal year event hosted by the Victoria Law Foundation.

OTHER RELATED PROFESSIONAL ASSOCIATIONS

The Board and Commissioner delivered five presentations to 166 staff members in other government/statutory organisations, including Victoria Police, the Victorian Ombudsman and State Trustees. Board and Commissioner staff also delivered two presentations to members of related professional associations: the Australasian Legal Practice Managers Association and the Society of Consumer Affairs Professionals Australia.

GRANTS PROGRAM

The Application Act provides the Board with an opportunity to fund law-related services and activities for the benefit of the Victorian community. These services and activities can be for the purposes of law reform, legal education, judicial education, legal research or any other purpose which the Board considers appropriate.

To manage and monitor the distribution of funds, the Board operates the Grants Program. Since the program was established in 2007 the Board has provided \$29 million in funding to Victorian organisations. All grants are approved by the Attorney-General.

THEMED FUNDING ROUNDS

The Board has conducted two themed funding rounds since its inception. In 2011 the Board funded nine projects under the theme of the Prevention of Violence Against Women, allocating \$3 million over three years. In 2014 another themed round was held concentrating on Justice and Health Partnerships, an emerging trend internationally where health and legal support services are co-located to improve access to justice for vulnerable people. A total of \$2.6 million was allocated across nine health-justice partnership projects for the 2014-15 year.

The projects have been highly successful in making legal services more accessible to and less intimidating for consumers who may otherwise not have recognised the opportunity or sought assistance for their legal problem. The projects provide regular progress reports to the Board on their achievements in trialling new service delivery models, developing policy recommendations, collecting data and evidence, and describing the outcomes of their advocacy for clients.

ROYAL COMMISSION INTO FAMILY VIOLENCE

In 2015 the Victorian Government announced a Royal Commission into Family Violence. Many of the projects that were funded in both of the above-mentioned themed grants rounds made submissions to the Royal Commission referencing work that the Board had funded. The projects, and the Board itself, were commended for their work by the Royal Commission in its final report, with the Justice and Health Partnerships highlighted as a model worthy of replication.

More information on the Grants Program, including how the Board calls for and allocates grant funding, is available on the Board's website.

GRANTS AWARDED IN 2015-16

The Board awarded \$1.975 million in funding to 13 recipients in 2015-16. The projects receiving funding are listed in Table 06, with further details provided on the Board's website.

TABLE 06: 2015-16 GRANTS AWARDED

Organisation	Summarised project description	Amount awarded
Monash University	Legal responses to one punch homicide in Victoria: Understanding the impact of law reform.	\$24,000 over 1 year
Gippsland Community Legal Service	Doing Our Duty: Increasing Access to Justice in Gippsland	\$49,445 over 1.5 years
Human Rights Law Centre Pty Ltd	Realising the potential of Victoria's Human Rights Charter	\$68,994 over 2 years
Mental Health Legal Centre Inc.	Partners in the Community – Mental Health Legal Centre & Royal District Nursing Service (RDNS) Homeless Person Project	\$239,800 over 2 years
Youthlaw	Smart Justice for Young People: building the case for youth justice reinvestment	\$230,000 over 2 years
The Youth Junction Incorporated	Youth Community and Law Program (YCLP)	\$150,000 over 1 year
Aboriginal Family Violence Prevention & Legal Service Victoria (FVPLS)	Employment of a Policy and Advocacy Officer	\$100,000 over 1.5 years
Western Community Legal Centre Ltd.	Health Agency to Court	\$200,000 over 2 years
Centre for Innovative Justice; RMIT	Restorative Justice Conferencing: An Innovative Approach to Serious Driving Offences	\$200,000 over 2 years
Consumer Action Law Centre	Owning your own home – on your own terms, not vendor terms	\$100,000 over 1 year
Hume Riverina Community Legal Service (auspiced by Upper Murray Family Care)	The Invisible Hurdles – Better outcomes for young people experiencing family violence in North East Victoria	\$220,000 over 2 years
Women's Legal Service Victoria	Small claims, large battles: Improving access to justice for women with small property claims in family law	\$250,000 over 2 years
Flemington Kensington Community Legal Centre	Police Accountability and Human Rights Clinic	\$143,156 over 2 years

WORKING WITH THE PROFESSIONAL ASSOCIATIONS

The Board and Commissioner work closely with the LIV and the Bar and have the power to delegate functions to the professional associations. A list of the Board's current and revoked delegations is provided in Appendix 05 of this report. The Commissioner's current and revoked delegations for the same period can be found in Appendix 06.

The Board and Commissioner fund the LIV and the Bar to cover the costs associated with functions delegated to them. Table 07 shows the funding provided to the LIV and Bar in 2015-16.

TABLE 07: PAYMENTS MADE TO THE LIV AND THE BAR FOR THE DISCHARGE OF BOARD FUNCTIONS IN 2015-16

	2014-15 \$'000	2015-16 \$'000
PUBLIC PURPOSE FUND		
LAW INSTITUTE OF VICTORIA		
Trust accounts	2,407	2,479
Continuing Professional Development (CPD)	163	168
External interventions and debt collection	685	396
External counsel fees	115	118
Compliance audits	255	179
Total	3,625	3,340
VICTORIAN BAR		
Practising certificates	90	94
FIDELITY FUND INVESTIGATIONS		
Law Institute of Victoria	162	167
COMMISSIONER PAYMENTS FOR COMPLAINTS HANDLING		
Victorian Bar	71	74

STRENGTHENING OUR FINANCIAL PRACTICES

The Board is responsible for supervising a number of key accounts and funds. Accordingly, it is important that the Board has sound financial practices in place. One of the fundamental aims of the Board is to continue to strengthen its own financial position and practices.

PUBLIC PURPOSE FUND

The Application Act requires the Board to maintain a Public Purpose Fund (PPF) in three separate accounts; the General Account, the Statutory Deposit Account (SDA) and the Distribution Account. The Application Act sets out details about what money is to be paid into and withdrawn from each account.

GENERAL ACCOUNT

Under the Application Act, the money deposited into the General Account includes interest from law practices' general trust accounts, interest from the SDAs, earnings from PPF investments, any profits from the realisation or revaluation of any PPF investments, fines as a result of decisions at VCAT, practising certificate fees, money

transferred from the Fidelity Fund and any other money received by the Board that is not required to be credited to another account in the PPF or the Fidelity Fund.

Expenses of the General Account include:

- Funding of the Legal Profession Uniform Framework
- Expenses and liabilities of the Board and Commissioner
- the VCAT Legal Practice List
- External intervener/law practice intervention costs
- Loss on realisation or revaluation of PPF investments
- PPF audit expenses
- Costs awarded against the Board or Commissioner
- Reasonable expenses of the Victorian Legal Admissions Board
- Payments to local professional associations for continuing legal education programs
- Payments to the Fidelity Fund, and
- the amount required to be credited to the Distribution Account.

STATUTORY DEPOSIT ACCOUNT

The Application Act requires that each law practice with a general trust account have a corresponding individual SDA held by the Board. The balance in the SDA account is the sum of each of the individual SDAs. Amounts deposited with the Board are held on trust for the law practice and are repayable on demand. A proportion of the funds held in the account are effectively invested by the Board in accordance with the Board's Investment Policy Statement (explained in further detail on page 29 of this report). This investment is facilitated by a financial arrangement with the Board's main banker as approved by the Treasurer.

DISTRIBUTION ACCOUNT

Under the Application Act, 50% of the surplus in the General Account at 30 June of a given year is to be transferred to the Distribution Account during the following year. Funding is provided from this account to Victoria Legal Aid, Victoria Law Foundation, Victorian Law Reform Commission and to other grant recipients for law-related services and activities.

At the end of the reporting year the surplus in the general account was \$67,489,016 compared with \$94,354,704 as at 30 June 2015. The distributions made during 2015-16, as determined by the Board and with the approval of the Attorney-General, are set out in Table 08 and in the financial statements in Appendix 04 of this report.

TABLE 08: BOARD DISTRIBUTIONS – ACTUAL 2016, PLANNED 2017

PPF General Account Balance	Actual 2016 \$'000	Planned 2017 \$'000
General Account balance as at 30 June of the prior year	94,355	67,489
ALLOCATION OF FUNDS		
Allocated to Distribution Account	(47,177)	(33,745)
Commissioner	(8,372)	(8,866)
Payments to professional associations for programs	(2,598)	(2,865)
Victorian Civil and Administrative Tribunal – Legal Practice List	(1,529)	(1,193)
Victorian Legal Admissions Board	(1,172)	(1,207)
Delegated functions: Law Institute of Victoria	(3,340)	(3,444)
Delegated functions: Victorian Bar	(94)	(98)
Legal Services Council – Uniform Law Scheme	(519)	(530)
Sub-total	(17,624)	(18,202)
Funding available for Board & Investment	29,553	15,543
Distribution Account Balance		
	Actual 2016 \$'000	Planned 2017 \$'000
Opening balance	46,706	59,459
Transfer from General Account	47,177	33,745
Major grants and projects paid #*	(2,657)	(4,000)
Sub-total – Grants	(2,657)	(4,000)
FUNDING/GRANTS APPROVED FOR DISTRIBUTION		
Victoria Legal Aid	(28,313)	(29,162)
Victorian Law Reform Commission	(1,732)	(1,784)
Victoria Law Foundation	(1,757)	(1,849)
Sub-total – Funding Grants	(31,802)	(32,796)
Closing balance	59,425	56,408
*Major grants approved but unpaid as at 30 June	(3,046)	
*Budgeted new major projects to be approved		(4,000)

REVIEW OF THE BOARD AND COMMISSIONER'S FINANCIAL PERFORMANCE AND POSITION

Table 09 provides the five-year financial performance and position of the Board and Commissioner.

TABLE 09: FINANCIAL PERFORMANCE AND POSITION OF THE BOARD AND COMMISSIONER

	2011-12	2012-13	2013-14	2014-15	2015-16
FINANCIAL PERFORMANCE (\$'000)					
Revenue from investments and solicitors trust accounts	62,228	55,628	56,498	65,280	83,611
Other revenue	8,449	8,529	9,023	9,411	10,191
Total revenue	70,677	64,157	65,521	74,691	93,802
Total expenditure	(60,138)	(59,933)	(61,567)	(63,491)	(63,403)
Net operating result from transactions	10,539	4,224	3,954	11,200	30,399
Net gain/(loss) on financial instruments and other economic flows	(6,184)	16,275	16,915	14,105	(26,831)
Net results from continuing operations	4,355	20,499	20,869	25,305	3,568
FINANCIAL POSITION (\$'000)					
Total assets	620,791	703,232	841,695	1,053,706	1,280,050
Total liabilities	492,488	554,430	672,024	858,730	1,047,634
Net Assets	128,303	148,802	169,671	194,976	198,544

EXPLANATION OF RESULTS

The composite net result for the Board and Commissioner for 2015-16 is a surplus of \$3.568 million; \$21.737 million less than the prior year's surplus of \$25.305 million.

The net result is significantly less than the prior year due to lower investment market returns than the exceptionally strong gains experienced in the three prior years. The net result also includes a gain from funds written back of \$1.641 million in the Fidelity Fund provision for defalcations, based on an actuarial assessment.

REVENUE FROM TRANSACTIONS

Total income from transactions was \$93.802 million, \$19.111 million higher than the prior year's income of \$74.691 million.

The increase in revenue to \$83.611 million from \$65.280 million in the prior year was primarily driven by the increase in interest and investment distributions revenue of \$18.331 million. Despite the continuing fall in interest rates, interest income increased due to higher Statutory Deposit Account and residual trust balances.

The significant increase in distribution revenue is a result of higher than expected distributions from managed investment funds, along with the Board's decision during the year to invest a further \$300 million from the Statutory Deposit Account Offset arrangement into the Public Purpose Fund's investment portfolio.

Other revenue, comprised mainly of Practising Certificate fees and Fidelity Fund contributions, increased by \$0.780 to \$10.191 million from \$9.411 million in the prior year.

EXPENSES FROM TRANSACTIONS

Total expenses from transactions showed a slight reduction of \$0.088 million, from \$63.491 million in the prior year to \$63.403 million.

Fidelity Fund claims paid/costs and related administration expenses reduced to \$2.103 million, compared to \$3.210 million in the prior year due to lower claims paid out during the year. Payments to service providers reduced slightly by \$0.278 million due to an arrangement with the LIV to pay for external interventions, debt collection and compliance audits on invoice. Funding for these regulatory activities have moved from monthly block funding to fee for service on approved invoices. Administration expenses reduced to \$2.767 million, from \$3.454 million in the prior year with cost savings from information technology, occupancy and administration expenses.

Overall there were modest increases across most other expenses in line with inflation. Grants and funding increased by \$0.784 million with most funded bodies receiving higher funding than the prior year. Major grants and projects approved increased by \$1.107 million, providing additional funding for projects that aim to improve the administration of laws, increase access to justice, improve legal services and inform and educate the wider community about legal services. Legal expenses of \$3.060 million increased by \$0.917 million on the prior year mainly due to the increased use of external providers to handle the volume of external interventions.

NET GAIN/(LOSS) FROM OTHER ECONOMIC FLOWS

Due to the volatility of investment markets experienced during the year, there was a net loss of \$28.384 million on financial instruments reflecting the challenging market conditions. This compares to a gain of \$11.916 million in the previous year, highlighting the inherent volatility in the Board's investment returns. A significant proportion of this reduction in gains is due to the significantly higher level of investment distributions made during the year. This means that a significant proportion of the loss on financial instruments is fully offset by higher investments distributions revenue.

Defensive assets consisting of Australian Fixed Interest and Global Fixed Interest performed well amidst the environment of economic uncertainty. Growth assets, Global Equities and Property and Infrastructure managed funds also provided net positive returns. However, Australian Equities and Diversified Growth Funds performed below expectations with local market challenges.

Fidelity Fund provisions decreased by \$1.640 million from \$16.850 million to \$15.210 million, in line with actuarial valuations.

SUMMARY

The Board and Commissioner are conservative and prudent financial managers and seek opportunities to increase revenue within acceptable risk parameters whilst controlling cost increases. The improvement in the financial position reflects the continued strong investment returns and sound cost control maintained by the Board and Commissioner, against a prolonged period of historically low interest rates that continue to fall.

The 2015-16 net result of \$3.568 million was above the budgeted surplus of \$0.198 million. An operating surplus of \$12.748 million has been budgeted for 2016-17. Budgeted investment returns are based on long-term average investment asset class returns as the best available approximation of this volatile revenue stream.

INVESTMENT POLICY STATEMENT

The Board held \$736.857 million in investments as at 30 June 2016. Table 10 shows the types of investments managed by the Board.

TABLE 10: INVESTMENTS MANAGED BY THE BOARD AS AT 30 JUNE 2016 – \$'000S

2016	General account	Statutory deposit account	Distribution account	Total	Fidelity Fund	Net funds managed by the Board
Australian equities	8,601	41,845	21,762	72,208	6,223	78,431
Australian fixed interest	10,618	148,514	9,161	168,293	8,217	176,510
Diversified growth funds	16,002	141,345	5,589	162,936	5,803	168,739
Global fixed interest	3,018	193,000	15,600	211,618	7,753	219,371
Overseas equities hedged	5,710	14,850	4,352	24,912	4,170	29,082
Overseas equities unhedged	5,408	31,650	2,728	39,786	2,589	42,375
Property and infrastructure managed funds	549	20,800	-	21,349	-	21,349
Total	49,906	592,004	59,192	701,102	34,755	735,857
2015						
Australian equities	9,193	41,845	21,761	72,799	6,753	79,552
Australian fixed interest	7,613	53,214	9,161	69,988	8,011	77,999
Diversified growth funds	25,582	112,345	-	137,927	5,935	143,862
Global fixed interest	3,958	45,000	15,600	64,558	8,007	72,565
Overseas equities hedged	21,575	14,850	-	36,425	3,786	40,211
Overseas equities unhedged	15,143	31,650	-	46,793	4,928	51,721
Total	83,064	298,904	46,522	428,490	37,420	465,910

The investment objectives for the Public Purpose Fund (offset) and Fidelity Fund are as follows:

- The Board aims to restrict the frequency of a negative return to not exceed three in every 20 years for the Public Purpose Fund (offset) when modelling its long term asset allocation and risk/return objectives;
- The Board aims to restrict the frequency of a negative return to not exceed two in every 20 years for the Fidelity Fund when modelling its long term asset allocation and risk/return objectives;
- To outperform a CPI + 2% per annum return objective over rolling 3 year periods (net returns) for the Public Purpose Fund (offset);
- To outperform a CPI + 2% per annum return objective over rolling 3 year periods (net returns) for the Fidelity Fund.

The asset allocations determined to achieve the objectives are set out in Table 11.

TABLE 11: ASSET ALLOCATIONS FOR 2015-16

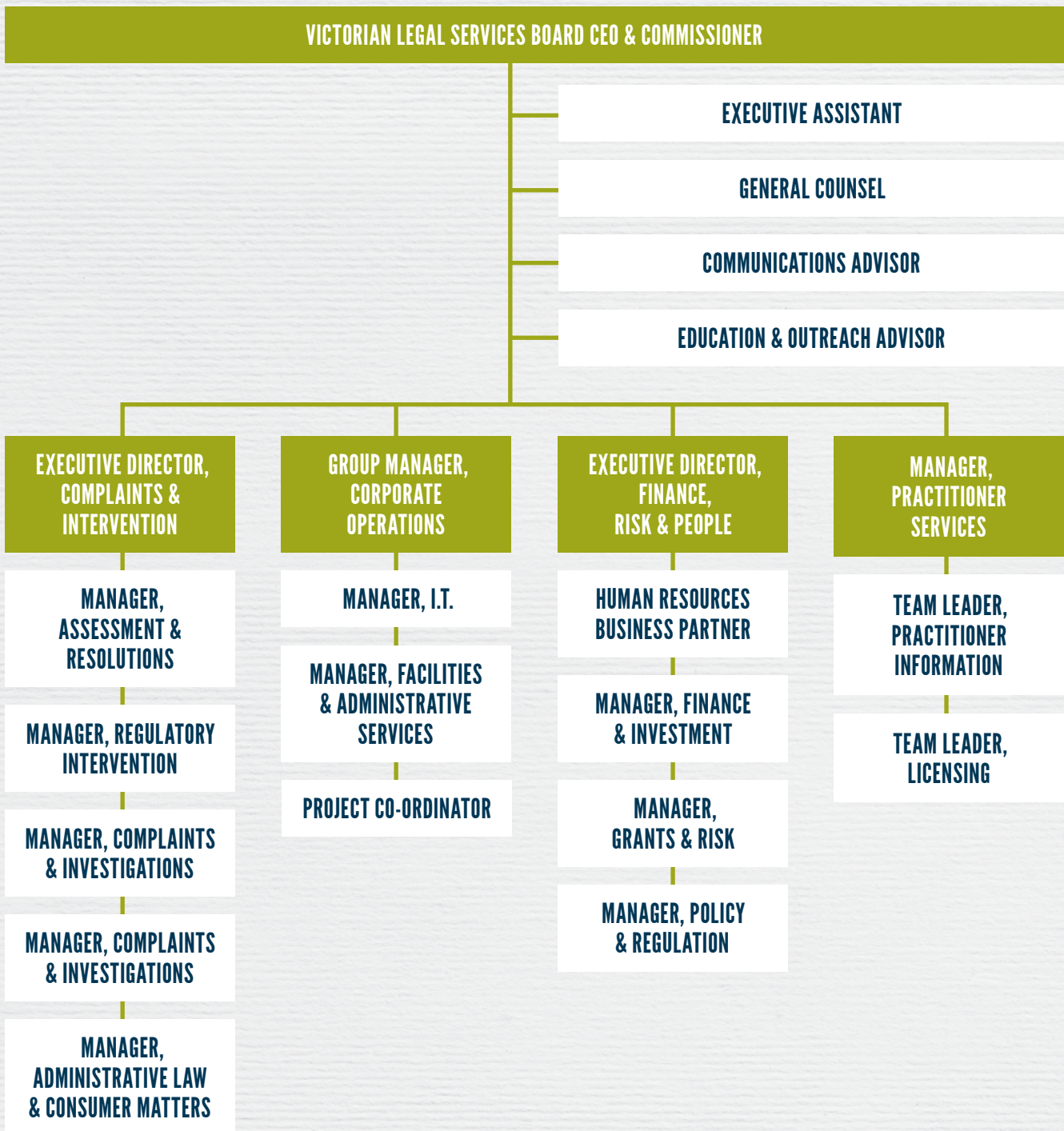
Asset Allocation	Public Purpose Fund		Fidelity Fund	
	Benchmark ranges	Actual 30/6/16	Benchmark ranges	Actual 30/6/16
Australian equities	5-25%	10%	0-20%	11%
Overseas equities	5-25%	9%	0-20%	12%
Diversified growth funds	10-50%	23%	5-15%	11%
Property and infrastructure managed funds	0-10%	3%	0%	0%
Growth Assets	40-60%	46%	0-40%	34%
Australian fixed interest	10-40%	24%	10-20%	15%
Global fixed interest	10-40%	30%	10-20%	14%
Cash	0-50%	0%	30-70%	37%
Defensive Assets	40-60%	54%	60-100%	66%
Total	100%	100%	100%	100%

WORKFORCE DATA AND STAFFING TRENDS

ORGANISATIONAL STRUCTURE OF THE BOARD AND COMMISSIONER

The Application Act prescribes that the Commissioner is the employer of staff for both the Board and Commissioner. As previously stated, the Commissioner, Michael McGarvie, is also the CEO of the Board. The organisational structure of the Board and Commissioner as at 30 June 2016 is shown in Figure 03. Staff are employed under Part 3 of the *Public Administration Act 2004 (Vic)*.

FIGURE 03: ORGANISATIONAL STRUCTURE AND EMPLOYMENT ARRANGEMENTS FOR THE BOARD AND COMMISSIONER



WORKFORCE DATA AND STAFFING TRENDS

The following tables show the profile of the workforce (headcount) employed by the Commissioner as at 30 June 2016.

Note: Full time equivalent (FTE) numbers have been rounded to the nearest whole number. This rounding causes the inconsistencies between the FTE tallies and the headcount figure.

TABLE 12: FIVE-YEAR STAFFING TREND (HEADCOUNT)

	2012	2013	2014	2015	2016
Total	76	76	79	85	80

TABLE 13: PROFILE OF ONGOING, FIXED TERM AND CASUAL EMPLOYEES

	Ongoing Employees				Fixed term & casual
	Number (headcount)	Fulltime (headcount)	Part time (headcount)	FTE (rounded)	FTE (rounded)
June 2016	72	62	10	68	8
June 2015	74	61	13	70	11

TABLE 14: EMPLOYEES OF THE COMMISSIONER

	30 June 2015				30 June 2016			
	Ongoing		Fixed term & Casual		Ongoing		Fixed term & Casual	
	Number (headcount)	FTE (rounded)	FTE (rounded)		Number (headcount)	FTE (rounded)	FTE (rounded)	
GENDER								
Male	25	24	4		26	25	2	
Female	49	46	7		46	43	6	
Total	74	70	11		72	68	8	
AGE								
Under 25	1	1	3		1	1	0	
25-34	13	122	5		12	12	6	
35-44	27	24	3		25	23	1	
45-54	15	15	0		16	15	0	
55-64	13	13	0		14	14	1	
Over 64	5	4	0		4	3	0	
Total	74	70	11		72	68	8	
CLASSIFICATION								
VPS 1	0	0	0		0	0	0	
VPS 2	1	1	0		1	1	0	
VPS 3	13	12	4		10	10	2	
VPS 4	13	13	5		19	19	5	
VPS 5	26	24	1		24	21	1	
VPS 6	17	16	1		14	13	0	
STS	1	1	0		1	1	0	
Executives	2	2	0		2	2	0	
Other [#]	1	1	0		1	1	0	
Total	74	70	11		72	68	8	

[#]Employee reported as 'Other' is the Commissioner, Michael McGarvie, who is a statutory office holder.

EXECUTIVE OFFICER DATA

An executive officer is defined as a person employed by a public service body head or other executive under Part 3, Division 5 of the *Public Administration Act 2004* (Vic). All figures reflect employment levels as at 30 June 2016.

The Definition of an executive officer does not include Governor in Council appointments as statutory office holders, therefore the Executive Officer figures do not include the Board Chairperson or the non-lawyer members of the Board who have all been appointed by the Governor in Council.

'Ongoing' executives are executives who are responsible for functions or outputs that are expected to be ongoing at the reporting date. As at 30 June 2016 there were no vacant executive positions. There were no 'Special Projects' executives employed by the Commissioner during 2015-16. Tables 15 and 16 disclose details for the executive officers employed by the Commissioner for 2015-16.

TABLE 15: NUMBER OF EXECUTIVE OFFICERS CLASSIFIED AS 'ONGOING'

Classification	2014-15		2015-16	
	MALE	FEMALE	MALE	FEMALE
EO-1	0	0	0	0
EO-2	1*	0	1*	0
EO-3	2	0	2	0

*This position is the Commissioner, Michael McGarvie, who is a statutory office holder.

The number of executives in this report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 23 in the Financial Report lists the actual number and amount of remuneration paid to executive officers over the course of the reporting period. The Financial Report Note 23 does not distinguish between executive levels, nor does it disclose separations, vacant positions or executives whose remuneration is below \$100,000. To assist readers, these two disclosures are reconciled below.

TABLE 16: RECONCILIATION OF EXECUTIVE NUMBERS

	Category	2014-15	2015-16
Add	Executives with remuneration over \$100,000	2	2
	Vacancies	0	0
	Executives employed with a total remuneration below \$100,000	0	0
	Accountable Officer (Commissioner)	1	1
Less	Separations	0	0
	Total executive numbers as at 30 June	3	3

PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT AND CONDUCT PRINCIPLES

The Board and Commissioner continue to uphold the public sector conduct principles of managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit.

The Victorian Legal Services Commissioner, as employer of all staff, is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

OCCUPATIONAL HEALTH AND SAFETY

The Board and Commissioner's Occupational Health and Safety Committee is comprised of representatives from across the organisation. The Committee met five times during the reporting year. There were no reported incidents.

PERFORMANCE PLANNING AND PROFESSIONAL DEVELOPMENT

Each year staff complete a professional development plan which includes provision for further training activities. Staff are also encouraged to rotate into other work groups or undertake specific projects or activities. This allows the Commissioner to more effectively manage changing priorities and workloads, and mitigates the impact which staff leave and departures have on the organisation. It also serves to further develop staff skills and knowledge.

As the employer, the Commissioner places a high value on strengthening staff knowledge and specialist skills. During 2015-16 training was provided to staff on a range of topics including the Legal Profession Uniform Law, dealing with callers at risk of self-harm, mental health in the workplace and various areas of law. Three managers also attended the Mt Eliza Leadership training program.

GOVERNANCE AND COMPLIANCE STATEMENTS

BUILDING ACT 1993

Neither the Board nor the Commissioner own or control any government buildings and consequently are both exempt from notifying their compliance with the building and maintenance provisions of the *Building Act 1993* (Vic).

FREEDOM OF INFORMATION

The Board and Commissioner are subject to the *Freedom of Information Act 1982* (Vic) (the FOI Act). The FOI Act provides every person with a legally enforceable right to access documents in the possession of the Board and Commissioner, subject to certain exemptions. Due to the sensitive nature of the majority of the documents held by the Board and Commissioner, an exemption often applies to preclude access.

REQUESTS RECEIVED AND PROCESSED DURING THE YEAR

During 2015-16, the Board and Commissioner received 14 new valid requests made under the FOI Act. Access was denied in full to six requests as the material requested was exempted from FOI under the Application Act. Five requests were made outside the FOI Act's powers, two requests were withdrawn, and one request had not been finalised by 30 June 2016.

There were no complaints made to the FOI Commissioner about FOI decisions made by the Board or Commissioner. Similarly, there were no applications for review by the FOI Commissioner about Board or Commissioner decisions during 2015-16.

APPLICATIONS TO VCAT DURING THE YEAR

There were no VCAT appeals lodged against decisions made by the Board or the Commissioner during 2015-16.

MAKING A REQUEST

A request for access to documents made under the FOI Act must:

- be in writing;
- provide such information as is reasonably necessary to enable identification of the relevant documents; and
- be accompanied by the prescribed application fee.

Requests for documents in the possession of the Victorian Legal Services Board should be addressed to:

**Freedom of Information Officer
Victorian Legal Services Board
Level 5, 555 Bourke Street
MELBOURNE VIC 3000**

Requests for documents in the possession of the Victorian Legal Services Commissioner should be addressed to:

**Freedom of Information Officer
Victorian Legal Services Commissioner
Level 5, 555 Bourke Street
MELBOURNE VIC 3000**

Access charges (for example, photocopying and search and retrieval charges) may also apply once documents have been processed and a decision on access made. The Board and Commissioner's Freedom of Information Policy is available from the website or from the office on request.

Further information regarding Freedom of Information can be found at FOI Online at www.foi.vic.gov.au.

PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012* (Vic) encourages and assists people to make disclosures of improper conduct and detrimental action by public officers and public bodies. It also provides certain protections for people who make disclosures, and those who may suffer detrimental action in reprisal for disclosures. The Board and Commissioner are subject to the Protected Disclosure Act and have established procedures for protecting people against detrimental action that might be taken in reprisal for the making of protected disclosures. Those procedures are available on the Board and Commissioner's websites or at the Board and Commissioner's offices on request.

Under this Act, the Board and Commissioner cannot receive disclosures. Disclosures of improper conduct or detrimental action by the Board, Commissioner, their members, officers or employees should be made to the Independent Broad-based Anti-corruption Commission:

**Independent Broad-based Anti-corruption Commission
Level 1, North Tower, 459 Collins Street
Melbourne VIC 3000
Telephone: 1300 735 135
Fax: 03 8635 6444
Website: www.ibac.vic.gov.au**

NATIONAL COMPETITION POLICY

Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The Board and Commissioner comply with the requirements of the National Competition Policy.

DISCLOSURE OF MAJOR CONTRACTS

The Board and Commissioner did not engage in any major contracts with a value of greater than \$10 million during 2015-16.

VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy. Departments and public bodies are required to apply the policy in all tenders over \$3 million in metropolitan Melbourne, and \$1 million in regional Victoria. For the reporting period, the Board and Commissioner did not commence any contracts to which the policy applies.

CONSULTANCIES

DETAILS OF CONSULTANCIES VALUED AT \$10,000 OR GREATER

In 2015-16, the Board and the Commissioner engaged four consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2015-16 in relation to these consultancies is \$199,900 (excluding GST). Details of individual consultancies are outlined in Table 17 below.

TABLE 17: CONSULTANCIES OF \$10,000 OR GREATER

Consultant	Purpose of consultancy	Total approved project fee \$	Expenditure 2016 \$	Future expenditure \$
The University of Melbourne	Risk based regulation data analysis project	346,001	55,000	291,001
am Actuaries	Actuarial services	111,600	111,600	-
Eyres and Associates	Business planning and facilities and administration review	23,100	23,100	-
Digital Storytellers Ltd	Grants digital media	10,200	10,200	-

*Above amounts are GST exclusive.

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2015-16 the Board Commissioner engaged eight consultancies during the year, where total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2015-16 in relation to these consultancies was \$27,527 (excluding GST).

DETAILS OF GOVERNMENT ADVERTISING EXPENDITURE (CAMPAIGNS OF \$100,000 OR GREATER)

The Board and Commissioner did not undertake any government or campaign advertising during the reporting year. All advertising purchased was for recruitment and functional purposes only.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

During the year the Board and Commissioner upgraded server and data backup infrastructure both at the office location and our offsite data centre. A new rigorous backup procedure was implemented which has introduced multiple restoration points and reduced time for backup and recovery. There was also significant effort invested in business systems development and relevant application configuration changes to meet the new requirements of the Uniform Law. Information and communications technology expenditure for 2015-16 is detailed in Table 18.

TABLE 18: ICT EXPENDITURE FOR 2015-16:

Expenditure type	Amount \$'000
Business As Usual	487
Non-Business As Usual operational	-
Business As Usual capital	298
Non-Business As Usual capital	336

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

The Board and Commissioner maintain further information which is available to the relevant Ministers, the Members of Parliament and the public on request (subject to Freedom of Information requirements, if applicable). This includes:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of publications produced by the Board or Commissioner, and how these can be obtained;
- details of any major external reviews carried out on the operation of the Board and/or Commissioner;
- details of any overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a list of major committees sponsored, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors.

OFFICE-BASED ENVIRONMENTAL IMPACTS

The Board and Commissioner monitor their office-based environmental impacts and coordinate actions to address waste production, resource use and greenhouse gas generation across the business. Environmental targets are measured against a baseline dataset established in 2007-08.

ENERGY CONSUMPTION

The use of electricity is monitored monthly. Consumption of natural gas use is not metered separately under the office lease, therefore its use cannot be reported on.

TARGET: TO REDUCE GREENHOUSE GAS EMISSIONS FROM ELECTRICITY USAGE TO 50% OF THE 2007-08 BASELINE.

TABLE 19: ELECTRICITY CONSUMPTION

Total electricity usage	Baseline 2007-08	2012-13	2013-14	2014-15	2015-16
Total usage (MJ)	591,185	625,403	567,246	*540,000	527,496
Total green power usage (MJ)	0	235,723	242,340	17,825	0
Greenhouse gas emissions associated with electricity use (tonnes)	217.65	133.09	121.8	*175	200.76
Percentage of electricity purchased as Green Power	0	44.08	42.72	*3.28	0
Electricity used per FTE (MJ/FTE)	10,070	8,808	7,666	*6,667	6,941
Electricity used per unit of office area (MJ/m ²)	398	345.91	313.74	*246.24	240.54

*A revised estimate been provided for 2014-15 due to miscalculations in previously reported figures.

2015-16 ACTIVITIES

Total electricity usage in 2015-16 decreased by 2.88% compared with the previous year (Table 19). Despite this decrease, electricity used per FTE increased by 4.1% due to a reduction in FTE staff. Importantly, energy consumption per FTE remains below the 2007-08 baseline figure with a reduction of 31%. The continued decrease in electricity consumption may be attributed to modern office design and energy efficient equipment.

Although renewable electricity was not purchased this year, in June 2016 the Board and Commissioner negotiated a new electricity supply contract to purchase 100% renewable electricity commencing July 2016. This switch to renewable power will significantly reduce the greenhouse gas emissions associated with office energy usage.

WASTE GENERATION

The building owner provides commingled waste management facilities. Through this facility the Board and Commissioner recycled an average of 53% of all daily office waste generated in 2015-16.

TARGET: REDUCE WASTE TO LANDFILL BY 50%, COMPARED TO THE 2007-08 BASELINE.

TABLE 20: WASTE GENERATION

Daily waste generation	Baseline 2007-08	2012-13	2013-14	2014-15	2015-16
Total waste to landfill (kg)	10.9	8.04	7.41	10.51	11.00
Waste to landfill / FTE (kg)	0.19	0.11	0.10	0.12	0.14

2015-16 ACTIVITIES

A waste audit conducted by an independent contractor recorded a negligible increase of 0.04% in the total volume of waste sent to landfill (extrapolated across the year) compared to 2014-15. Although total waste slightly exceeds the 2007-08 baseline figure, on a per FTE basis the waste generated 26% below the baseline (Table 20). Organic waste comprised 16% of waste sent to landfill.

The Board and Commissioner also use other recycling facilities to dispose of office waste. A secure paper disposal service recycled seven tonnes of confidential documents, and a further 126 kilograms of printer cartridges, stationery equipment, e-waste, batteries etc, was sent for recycling through the social enterprise, Green Collect.

PAPER CONSUMPTION

Due to the nature of the work undertaken by both the Board and Commissioner, a significant volume of paper is used within the office.

TARGET: REDUCE FTE PAPER CONSUMPTION BY 15% COMPARED TO THE 2007-08 BASELINE.

TABLE 21: PAPER CONSUMPTION

Total paper usage	Baseline 2007-08	2012-13	2013-14	2014-15	2015-16
Number of A4 reams of copy paper used	718	1,209	1,237	1,478	1,117
Number of A4 reams of copy paper used per FTE	26.5	17.03	16.72	18.25	14.7
Percentage of 75-100% recycled content copy paper purchased (%)	5.8	0.2	0.16	0	0
Percentage of 50-75% recycled content copy paper purchased (%)	91.3	96.3	96.2	96.1	93.1
Percentage of 0-50% recycled content copy paper purchased (%)	2.9	3.6	3.64	3.9	6.9

2015-16 ACTIVITIES

There was a 24% decrease in total paper consumption compared with the previous reporting year. This was 44% below the FTE baseline figure (or 11.8 reams per person fewer) and almost tripled the target performance (Table 21). The long-term decrease in FTE paper usage is attributable to the increasing adoption of electronic document management processes, such as electronic meeting papers and electronic correspondence with external stakeholders.

WATER CONSUMPTION

As water consumption is not metered separately under the office lease, the Board and Commissioner are not able to monitor or report on its use.

TRANSPORT USE

The Board and Commissioner do not operate a fleet of vehicles for business use. Instead, where transport is required for staff to attend meetings or events, public transport is the preferred travel option. Taxi vouchers are issued for staff use where necessary.

For areas beyond the normal reach of public transport or taxis, vehicles may be hired through the state government's Shared Services Vehicle Pool. Hire charges include the purchase of carbon offsets for each journey. Occasionally other short business trips are made using a car leased to an Executive Director. Kilometres travelled for these trips are not recorded.

TARGET: TO CONTINUE TO SUPPORT THE USE OF PUBLIC TRANSPORT FOR BUSINESS TRAVEL.

TABLE 22: TRANSPORT USE

Business related travel	Baseline 2007-08	2012-13	2013-14	2014-15	2015-16
Total distance travelled by aeroplane (km)	57,370	52,342	84,226	125,749	37,160
Total distance travelled by car (km) (excluding taxis)	Not recorded	2,499	1,590	0	510
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking, or car-pooling to and from work or working from home.	90.48	93.06	93.75	93.75	95.12

2015-16 ACTIVITIES

In line with previous years, a growing majority of employees continued to use public transport, car-pooling, cycling or walking to commute. The Board and Commissioner continued to promote the use of public transport to destinations throughout Victoria, including encouraging staff to use public transport to attend meetings and seminars in the metropolitan area. Use of the Shared Services Vehicle Pool was limited, and only when other transport options were impractical. Air travel was significantly lower this year. For details of transport use for 2015-16 see Table 22.

GREENHOUSE GAS EMISSIONS

Table 23 summarises the greenhouse gas emissions of the Board and Commissioner for the 2015-16 year. This data is collated from energy utility accounts, data from the state government authorised travel agent and an independent waste audit conducted for the Board and Commissioner by Great Forests Australia.

TARGET: TO REDUCE GREENHOUSE GAS EMISSIONS BY 50% COMPARED TO THE 2007-08 BASELINE.

TABLE 23: BOARD AND COMMISSIONER GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions	Baseline 2007-08	2012-13	2013-14	2014-15	2015-16
Total greenhouse gas emissions associated with energy use (t CO2-e)	217.65	133.09	121.8	166.48	200.76
Total greenhouse gas emissions associated with vehicle hire (t CO2-e)	Not recorded	0.08	Not recorded		
Total greenhouse gas emissions associated with air travel (t CO2-e) (approximate)	17.36	12.4	17.9	34.3	12.90
Total greenhouse gas emissions associated with waste production (t CO2 e)	N/A	1.24	0.94	0.8	1.29
Greenhouse gas emissions offsets purchased (t CO2-e)*	N/A		Not recorded		

2015-16 ACTIVITIES

This year saw a slight increase (2%) in the total greenhouse gas emissions produced by the office. This can be partly attributed to the lack of renewable energy purchased, unlike in previous years (Table 23). With the transition to a 100% renewable electricity supply contract in 2016-17, greenhouse gas emissions for the office are expected to decline sharply.

PROCUREMENT

As a standard practice in all procurement decisions, the Board and Commissioner seek to identify products and services which will have minimal negative environmental impacts right throughout the life of the product.

TARGET: TO CONTINUE TO FACTOR ENVIRONMENTAL SUSTAINABILITY INTO PROCUREMENT DECISIONS MADE BY THE BOARD AND COMMISSIONER.


2015-16 ACTIVITIES

The modern Board and Commissioner office design incorporates energy smart technology, such as motion sensors on lights in meeting rooms and energy efficient kitchen amenities. Annual reports are printed on certified carbon neutral, 100% post-consumer recycled paper. The majority of office paper purchased for office use contains a minimum of 50% recycled content.

Victorian Legal Services **BOARD + COMMISSIONER**

June 2016 Attestation on compliance with *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes*

I, Fiona Bennett, certify that the Victorian Legal Services Board has complied with the *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes*. The Victorian Legal Services Board Audit Committee verifies this assurance and that the risk profile of the Victorian Legal Services Board has been critically reviewed within the last 12 months.

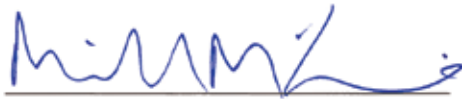


Fiona Bennett
Chairperson, Victorian Legal Services Board

21 June 2016

June 2016 Attestation on compliance with the Australian/New Zealand International Risk Management Standard

I, Michael McGarvie, certify that the Victorian Legal Services Commissioner has complied with the *Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes*. The Victorian Legal Services Commissioner Audit Committee verifies this assurance and that the risk profile of the Victorian Legal Services Commissioner has been critically reviewed within the last 12 months.



Michael McGarvie
Victorian Legal Services Commissioner

21 June 2016

D-15-116868

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SNAPSHOT OF VICTORIA'S LEGAL PROFESSION

The Board is responsible for maintaining a Register of Legal Practitioners and Law Practices. The Register contains information about all lawyers in Victoria including their name, address for service, PC status and the name of their employer or the business name they trade under. The Register is publicly accessible, enabling consumers to confirm whether a lawyer is currently registered to practice law. There is no charge for inspecting the register.

For further information on the register, and to access the register itself, visit the Board's website.

GLOSSARY

Below are the definitions of words and terms featured in this appendix.

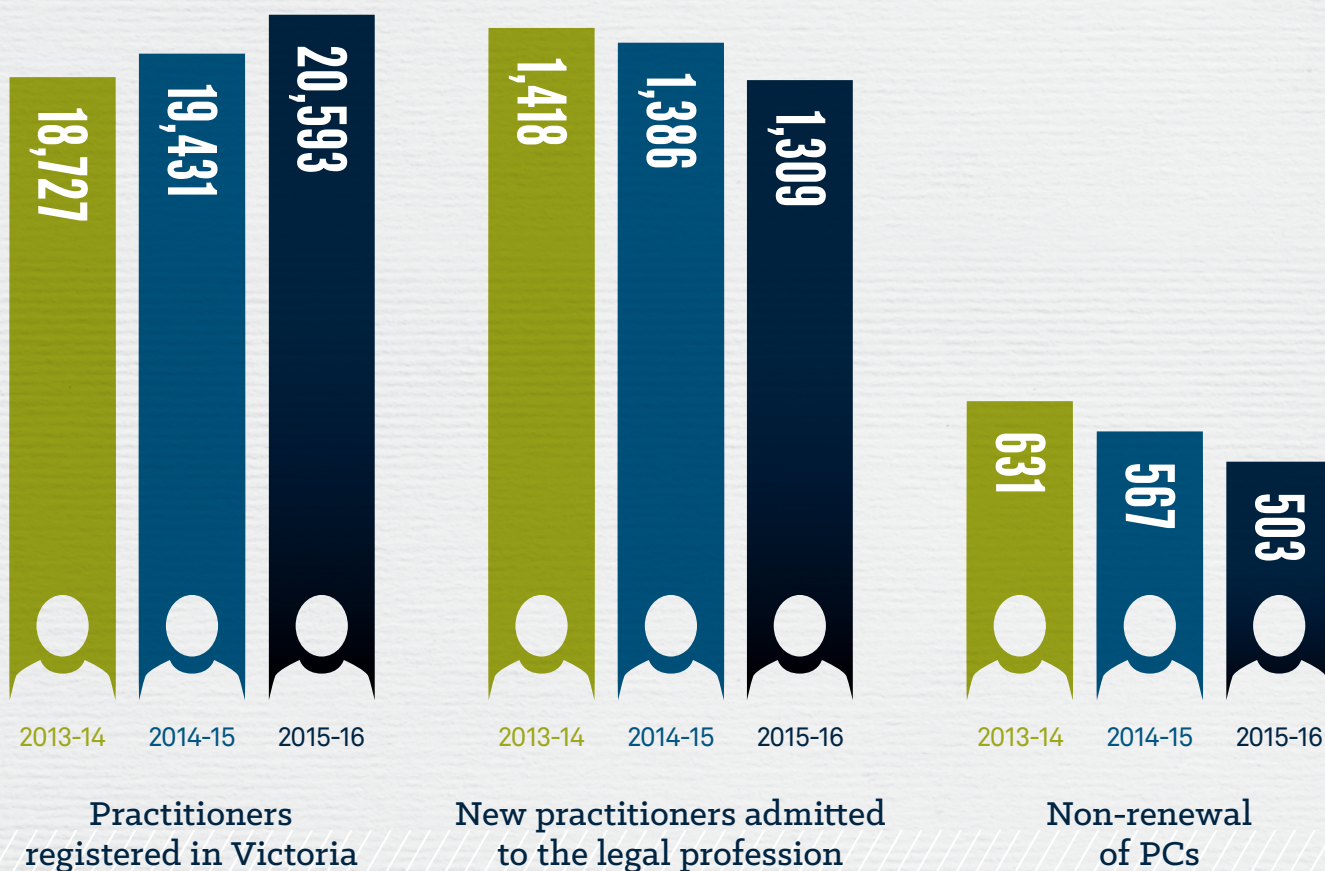
- **Australian-registered foreign lawyer** is a person who holds a current Australian registration certificate.
- **Australian legal practitioner** is an Australian lawyer who holds a current Australian Practising certificate.
- **Authorised principal** is a principal who is authorised by his or her Australian Practising certificate to supervise others.
- **Barrister** is an Australian Legal Practitioner whose Australian practising certificate is subject to a condition that the holder is authorised to engage in legal practice as or in the manner of a barrister only.
- **Community legal service (CLS)** is an organisation that provides free legal services to members of the community who generally do not have financial means to obtain privately funded legal services.
- **Corporate legal practitioner** means an Australian legal practitioner who provides legal services to an employer or agency that is not a legal entity or law practice.
- **Director** is an Australian legal practitioner engaging in legal practice as the principal of an ILP.
- **Employee** is an Australian legal practitioner holding an employee practising certificate employed by a law practice for the provision of legal services.
- **Foreign law practice** means a partnership or corporate entity that is entitled to engage in legal practice in a foreign country.
- **Government lawyer** is a person who engages in legal practice only as an officer or employee of a government authority or as the holder of a statutory office of the Commonwealth or of a jurisdiction or in another category specified in the Uniform Rules.
- **Incorporated legal practice (ILP)** is an incorporated company registered with ASIC that engages in legal practice, regardless of whether it also provides services other than legal services.
- **Law firm** is a partnership consisting of Australian legal practitioners and/or one or more ILPs and/or one or more Australian registered foreign lawyers.
- **Law practice** means either an Australian sole practitioner, a law firm, an unincorporated legal practice, an ILP or a CLS.
- **Unincorporated legal practice (ULP)** is a partnership between one or more Australian legal practitioners and persons who are not Australian legal practitioners, or in an unincorporated body or group as approved by the Legal Services Council, where the business of the partnership includes the provision of legal services.
- **Non-legal employer** is an entity that is not a registered legal entity and employs lawyers for the provision of in-house legal services.
- **Partner** is an Australian legal practitioner engaging in legal practice as the principal of a law practice.

- **Principal** means an Australian legal practitioner who is either a sole practitioner, lawyer partner (either of a law firm or ULP, lawyer director of an ILP or supervising lawyer of a CLS).
- **Principal with trust authorisation** can be either a sole practitioner, a partner in a law firm or ULP, a lawyer director in an ILP, or a supervising lawyer in a CLS who is authorised to receive trust money and/or operate a trust account.
- **Sole practitioner** is an Australian legal practitioner who engages in legal practice on his or her own account.
- **Supervising legal practitioner** is an Australian legal practitioner who is the principal for the legal services provided by a CLS.
- **Volunteer at CLS** is an Australian legal practitioner who provides legal services in a volunteering capacity at a CLC and otherwise on a *pro bono* basis only.

PRACTITIONER STATISTICS

Below is a summary of the profile of the legal profession in Victoria as at 30 June 2016. There were 20,593 lawyers registered in Victoria at 30 June 2016. The number of lawyers registered in the state grew by 1,162, a 6% increase over the previous year. 1,309 new lawyers were admitted to the legal profession between 1 July 2015 and 30 June 2016, 77 fewer new admittees than recorded last year. 503 lawyers did not renew their PCs for the year end 30 June 2016. Figure 04 illustrates this change.

FIGURE 04: NUMBERS OF LAWYERS REGISTERED IN VICTORIA



PRACTITIONERS BY AGE AND GENDER

Consistent with the trend in previous years, a marginally greater percentage of lawyers registered in Victoria as at 30 June 2016 were male (51.33%) compared to female (48.66%). Of note, for the first time the number of female practitioners with a current practising certificate exceeded 10,000. The gender gap has been steadily narrowing for the past several years, with female lawyers increasing by a further 1.19% of the profession in 2016.

Female lawyers still outnumber their male counterparts in the 20-30 and 31-40 age brackets. All subsequent age brackets are occupied by a majority of male lawyers. Table 24 illustrates the registered lawyers by age and gender in 2015-16.

LAWYER TYPE AND GENDER

As shown in Table 25, the majority of lawyers registered in Victoria practise as solicitors (90%) while 10% practise as barristers. Males account for approximately 72% of all Victorian barristers.

TABLE 24: LAWYERS BY AGE AND GENDER

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
MALE							
2014-15	1,453	2,424	2,150	2,138	1,596	445	10,206
2015-16	1,478	2,554	2,229	2,118	1,691	501	10,571
FEMALE							
2014-15	2,503	3,433	1,912	1,019	314	44	9,225
2015-16	2,566	3,817	2,126	1,098	361	54	10,022
TOTAL							
2014-15	3,956	5,857	4,062	3,157	1,910	489	19,431
2015-16	4,044	6,371	4,355	3,216	2,052	555	20,593

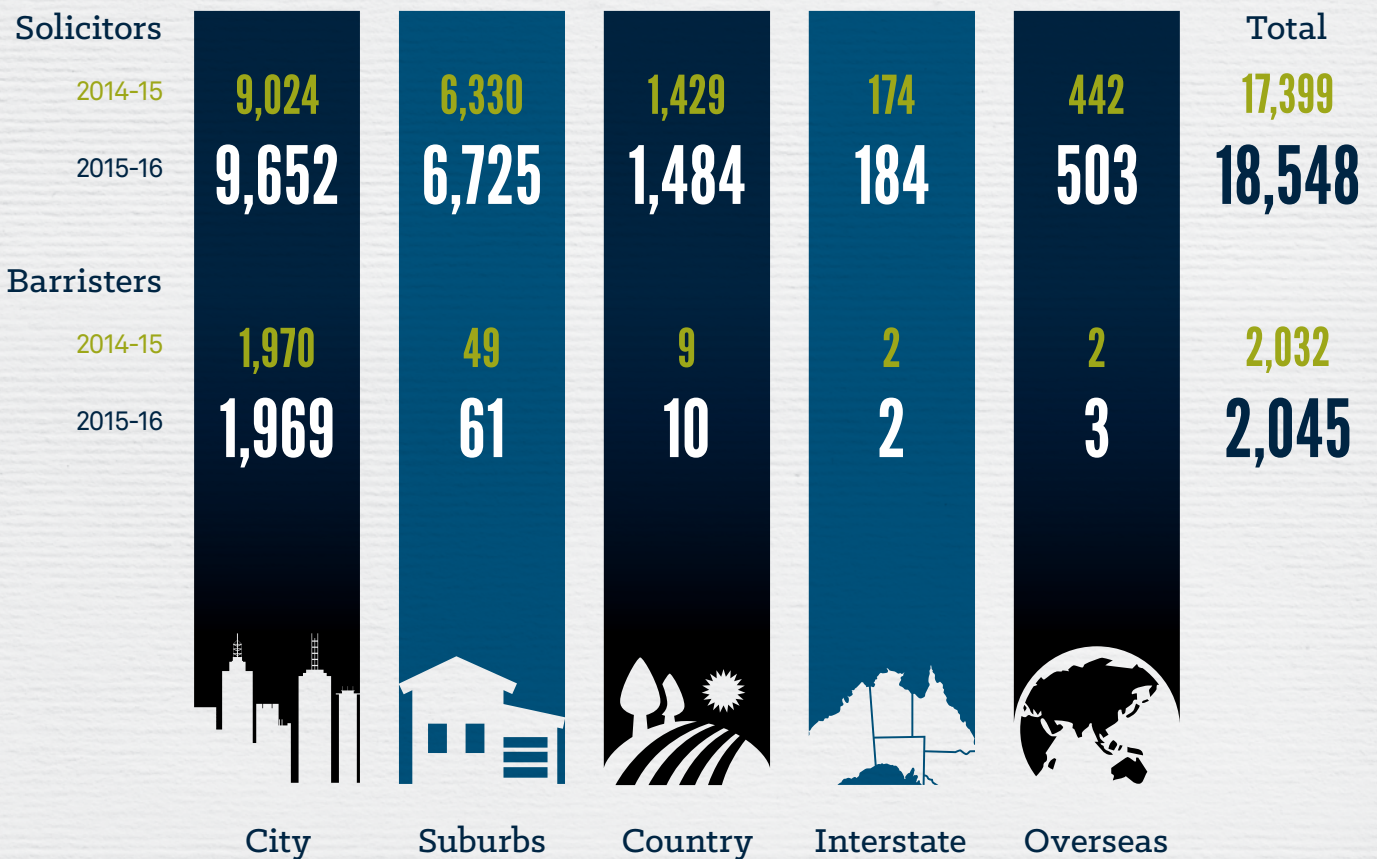
TABLE 25: LAWYER TYPE AND GENDER

	Type					
	Solicitors		Barristers		Total	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Male	8,729	9,094	1,477	1,477	10,206	10,571
Female	8,670	9,454	555	568	9,225	10,022
TOTAL	17,399	18,548	2,032	2,045	19,431	20,593

LOCATION OF PRACTICE

The majority of lawyers registered in Victoria are based in the inner city area (56%), followed by the suburbs (33%). Figure 05 shows the geographic distribution of lawyers.

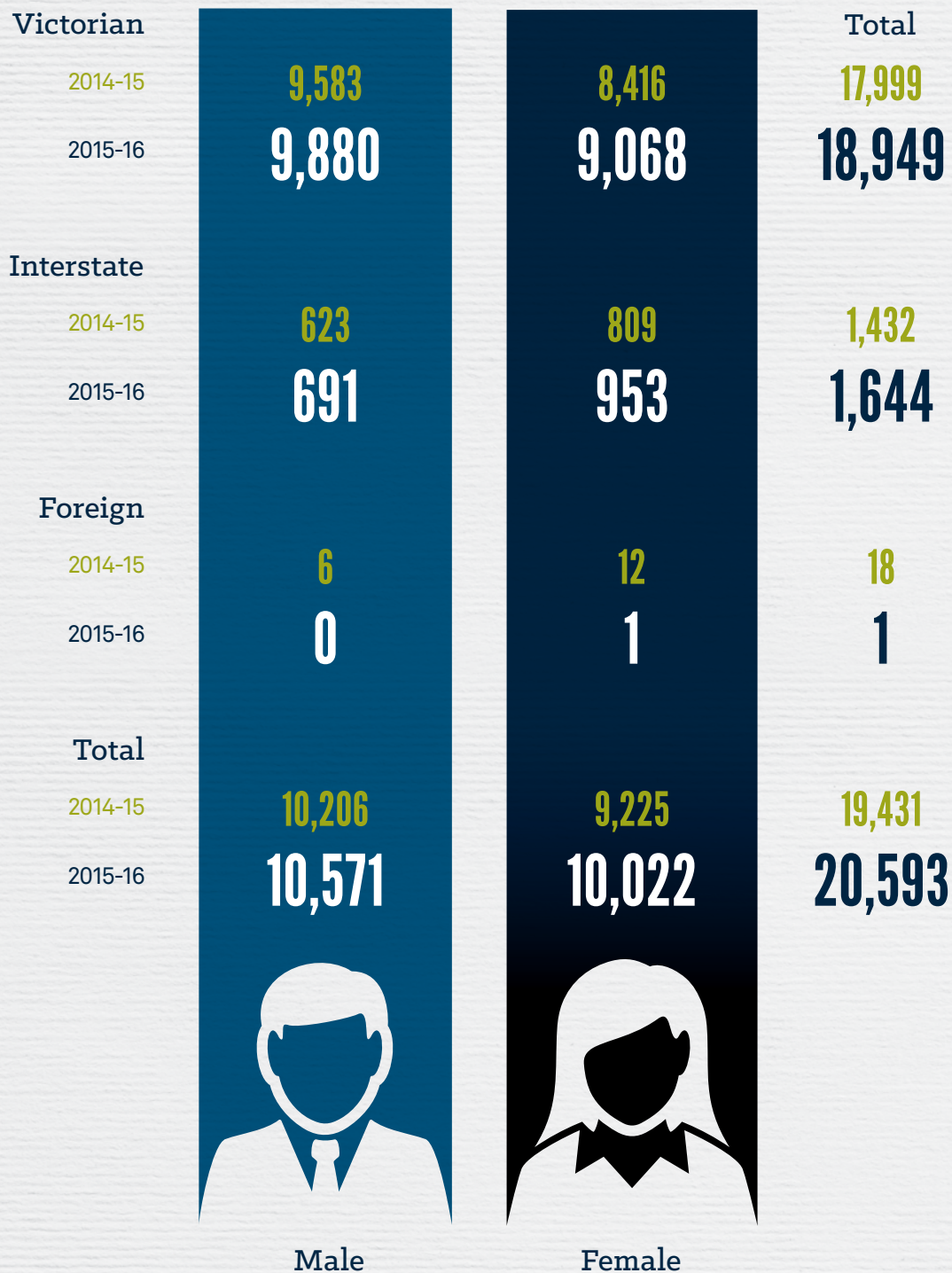
FIGURE 05: LOCATION OF LAWYERS BY TYPE



LAWYERS BY ADMISSION ORIGIN AND GENDER

Figure 06 shows the number of lawyers registered in Victoria as at 30 June 2016 by the origin of their admission and their gender. Lawyers who obtained admission to practice in an interstate jurisdiction accounted for approximately 8% of the total number of lawyers registered in Victoria. Note: Foreign lawyers are not included in the total number of admitted lawyers for each year.

FIGURE 06: NUMBERS OF LAWYERS BY GENDER AND ORIGIN OF ADMISSION



LAWYERS BY POSITION TYPE

There were 23,069 individual legal positions registered in Victoria as at 30 June 2016. This is higher than the total number of registered lawyers as some lawyers maintain positions with more than one entity. For example, a solicitor employee of a law firm may also be a volunteer with a community legal service. Position type does not therefore always reflect the type of PC held. The types of positions occupied by Victorian lawyers remained relatively similar to those recorded for the 2014-15 year. A new category of 'Government lawyer' was introduced in 2015-16 under the Uniform Law, thus there was no data recorded in the 2014-15 year. Table 26 indicates that the Employee position type was the most populous, followed by that of Sole practitioner.

TABLE 26: LAWYERS BY POSITION TYPE

Position Type	2014-15	2015-16
Employee	7,413 (35%)	8,080 (35%)
Sole practitioner (includes barristers)	5,355 (25%)	5,321 (23%)
Corporate lawyer	4,005 (19%)	3,141 (14%)
Government	-	1,615 (7%)
Partner	2,051 (9.5%)	2,204 (9%)
Director	1,592 (7.5%)	1,810 (8%)
Volunteer at CLS	763 (3.5%)	774 (3%)
Supervising lawyer	112 (<1%)	124 (<1%)
TOTAL	21,291	23,069

LAWYERS BY PRACTICING CERTIFICATE TYPE AND AGE

Tables 27 and 28 show the number of male and female lawyers registered in Victoria broken down by the type of PC held and their age. Employee PCs were the most common certificate type held with almost half of all female lawyers holding this PC type. Approximately 40% of all lawyers held a principal PC (with or without trust authorisation), while 19% of lawyers held corporate PC. The barrister PC classification commenced in November 2015 after the conclusion of the renewal period for that year. The data for barrister PC types therefore shows only those who applied for a new PC or varied their existing PC after the classification was introduced.

MALE LAWYERS

Table 27 shows the number of male lawyers in Victoria broken down by PC type and age. There was little change in the types of PCs held by male lawyers at 30 June 2016 compared to the previous year.

TABLE 27: MALE LAWYERS BY PC TYPE AND AGE

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2014-15	1,144	932	319	202	202	90	2,889
2015-16	1,154	1,016	330	223	199	99	3,021
PRINCIPAL WITH TRUST AUTHORISATION							
2014-15	28	246	650	950	656	130	2,660
2015-16	27	249	611	910	688	153	2,638
PRINCIPAL							
2014-15	100	657	739	748	675	211	3,130
2015-16	75	629	786	711	707	231	3,139
CORPORATE							
2014-15	139	562	422	227	58	10	1,418
2015-16	139	587	455	248	76	12	1,517
GOVERNMENT							
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	32	36	23	12	4	1	108
BARRISTER							
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	9	8	3	4	4	1	29
VOLUNTEER							
2014-15	42	27	20	11	5	4	109
2015-16	42	29	21	10	13	4	119
TOTAL							
2014-15	1,453	2,424	2,150	2,138	1,596	445	10,206
2015-16	1,478	2,554	2,229	2,118	1,691	501	10,571

FEMALE LAWYERS

Table 28 shows the number of female lawyers in Victoria broken down by PC type and age. The rate of change in distribution of female lawyers across the profession was little different to that of the previous year.

TABLE 28: FEMALE LAWYERS BY PC TYPE AND AGE

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2014-15	1,960	1,618	523	220	72	10	4,403
2015-16	1,975	1,776	555	236	81	13	4,636
PRINCIPAL WITH TRUST AUTHORISATION							
2014-15	16	187	285	220	84	17	809
2015-16	19	199	301	221	96	16	852
PRINCIPAL							
2014-15	115	590	502	334	118	15	1,674
2015-16	91	570	525	355	133	23	1,697
CORPORATE							
2014-15	330	978	557	220	30	0	2,115
2015-16	342	1,086	645	249	35	0	2,357
GOVERNMENT							
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	64	124	57	12	5	0	262
BARRISTER							
2014-15	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015-16	5	10	3	0	0	0	18
VOLUNTEER							
2014-15	82	60	45	25	10	2	224
2015-16	70	52	40	25	11	2	200
TOTAL							
2014-15	2,503	3,433	1,912	1,019	314	44	9,225
2015-16	2,566	3,817	2,126	1,098	361	54	10,022

EMPLOYMENT STATISTICS

NUMBER OF ENTITIES EMPLOYING LAWYERS IN VICTORIA

The Board records all law firms, companies, charities and other organisations which employ lawyers. As at 30 June 2016 there were 9,157 entities registered in Victoria; a 6% increase on last year. The largest change was an increase of 194 new ILP's, followed by an increase of 128 new non-legal employers. Table 29 shows the number of entities registered in Victoria as at 30 June 2016.

TABLE 29: NUMBER OF EMPLOYER ENTITIES IN VICTORIA

Type	2014-15	2015-16
Sole practitioner	5,559 (64%)	5,680 (62%)
Non-legal employer	1,457 (17%)	1,595 (17%)
ILP	1,188 (14%)	1,382 (15%)
Law firm	224 (3%)	241 (3%)
Government employer	123 (1%)	146 (2%)
CLS	60 (<1%)	60 (<1%)
ULP	20 (<1%)	25 (<1%)
Foreign law practice	9 (<1%)	28 (<1%)
TOTAL	8,640	9,157

LOCATION OF EMPLOYERS

Table 30 shows the number of employer entities registered in Victoria by entity type and location as at 30 June 2016. Approximately 47% of sole practitioners are city-based while a further 40% are located in the suburbs. 48% of registered law firms are based in the city.

TABLE 30: LOCATION OF EMPLOYERS

Type	City	Suburb	Country	Interstate	Overseas	Total
SOLE PRACTITIONER						
2014-15	2,598	2,202	403	48	308	5,559
2015-16	2,651	2,275	411	56	287	5,680
NON-LEGAL EMPLOYER						
2014-15	619	563	45	50	180	1,457
2015-16	660	634	45	62	194	1,595
ILP						
2014-15	441	558	136	53	0	1,188
2015-16	510	648	149	75	0	1,382
LAW FIRM						
2014-15	115	71	28	9	1	224
2015-16	116	69	31	11	14	241
GOVERNMENT EMPLOYER						
2014-15	87	127	6	2	1	123
2015-16	104	30	7	4	1	146
CLS						
2014-15	17	33	7	3	0	60
2015-16	18	31	7	3	1	60
ULP						
2014-15	11	3	3	3	0	20
2015-16	14	4	3	4	0	25
FOREIGN LAW PRACTICE						
2014-15	3	6	0	0	0	9
2015-16	5	7	0	0	16	28
TOTAL						
2014-15	3,891	3,463	628	168	490	8,640
2015-16	4,078	3,697	653	215	513	9,157

ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

The vast majority of entities only employ one principal (sole practitioners), with law firms and ULPs the only entity types employing more than 40 principals. Table 31 shows the number of employer entities by entity type and the number of principals. Non-legal entities and Government employers have been excluded from this table as they do not employ principals.

TABLE 31: ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

Type	0 – 1 #	2-3	4-5	6-10	11-20	21-40	>40	Total
SOLE PRACTITIONER								
2014-15	5,404	1	0	0	0	0	0	5,405
2015-16	5,349	0	0	0	0	0	0	5,349
ILP								
2014-15	931	190	22	11	6	0	0	1,160
2015-16	1,093	194	32	14	7	0	0	1,340
LAW FIRM								
2014-15	7	151	11	14	16	10	11	220
2015-16	13	145	15	15	15	10	12	225
CLS								
2014-15	29	19	190	0	0	1	0	60
2015-16	31	21	3	0	0	1	0	56
ULP								
2014-15	8	3	2	1	1	2	3	20
2015-16	11	3	1	2	3	1	4	25
FOREIGN LAW PRACTICE								
2014-15	7	0	1	0	0	0	0	8
2015-16	11	1	1	0	0	0	0	13
TOTAL								
2014-15	6,391	364	37	26	23	13	14	6,873
2015-16	6,508	364	52	31	25	12	16	7,008

Entities with no principal positions assigned are due to processing times for registering changes. In most instances these entities are in the process of ceasing practice, but have not yet formally notified the Board. In some instances the absence of a principal is due to a practitioner's failure to notify the Board of his or her commencement in this role.

ENTITIES BY ENTITY TYPE AND NUMBER OF EMPLOYEES

Sole practitioners, as an entity type, continue to be the largest single employer of lawyers. Table 32 shows the number of legal entities registered in Victoria by entity type and the number of employees.

TABLE 32: ENTITIES BY ENTITY TYPE AND NUMBER OF EMPLOYEES

Type	0-1*	2-3	4-5	6-10	11-20	21-40	>40	Total
SOLE PRACTITIONER								
2014-15	4,967	355	60	26	1	1	0	5,410
2015-16	4,942	331	61	21	4	0	0	5,359
NON-LEGAL EMPLOYER								
2014-15	684	246	75	66	22	5	5	1,103
2015-16	711	271	71	63	30	4	4	1,154
ILP								
2014-15	562	311	120	105	52	13	4	1,167
2015-16	673	363	127	108	56	18	4	1,349
LAW FIRM								
2014-15	5	77	34	44	23	13	26	222
2015-16	11	73	42	47	23	13	29	238
GOVERNMENT EMPLOYER								
2014-15	26	25	11	15	14	8	7	106
2015-16	30	32	11	18	16	6	13	126
CLS								
2014-15	4	7	9	6	17	10	7	60
2015-16	5	7	7	10	12	11	8	60
ULP								
2014-15	6	3	2	1	2	1	5	20
2015-16	9	2	0	2	6	0	6	25
FOREIGN LAW PRACTICE								
2014-15	6	0	1	1	0	0	0	8
2015-16	24	1	1	1	0	0	0	27
TOTAL								
2014-15	6,260	1,024	312	264	131	51	54	8,096
2015-16	6,405	1,080	320	270	147	52	64	8,338

* Entities with no employees assigned are due to processing times for registering changes. In most instances these entities are in the process of ceasing practice, but have not yet formally notified the Board. In some instances the absence of a principal is due to a practitioner's failure to notify the Board of his or her commencement in this role.

APPENDIX 02

COMPLAINTS AND RELATED DATA

TABLE 33: NUMBER AND OUTCOME OF ENQUIRIES

Year	Information given, including support to enable self-resolution	Conciliated outcome	Complaint form sent	Referral to other body / No jurisdiction	Total enquiries handled
2015-16	5,162 (90%)	73 (1%)	475 (8%)	6 (0.1%)	5,716
2014-15	4,761 (90%)	117 (2%)	407 (8%)	32 (0.6%)	5,317
2013-14	3,996 (75%)	258 (5%)	968 (18%)	83 (2%)	5,305

TABLE 34: NUMBER AND TYPE OF COMPLAINTS RECEIVED

Year	Consumer matter only	Disciplinary matter only	Mixed matter	Total complaints
2015-16	716 (53%)	557 (42%)	67 (5%)	1,340
2014-15	637 (40%)	815 (52%)	119 (8%)	1,571
2013-14	831 (46%)	888 (49%)	93 (5%)	1,812

TABLE 35: NEW COMPLAINTS BY LAWYER TYPE

	Consumer matter	Disciplinary matter	Mixed matter	Total 2015-16
Solicitors	697 (52%)	514 (43%)	61 (5%)	1,270 (95%)
Barristers	19 (1%)	43 (3%)	6 (0.4%)	70 (5%)
TOTAL	716	557	67	1,340

TABLE 36: AREAS OF LAW FEATURED IN NEW COMPLAINTS

Area of Law	2013-14	2014-15	2015-16
Family / Defacto	408 (23%)	347 (22%)	351 (26%)
Probate & Estate	211 (12%)	173 (11%)	162 (12%)
Conveyancing	173 (10%)	140 (9%)	146 (11%)
Commercial	156 (9%)	133 (8%)	110 (8%)
Criminal	128 (7%)	105 (7%)	68 (5%)
Personal Injury	69 (4%)	61 (4%)	45 (3%)
Building	38 (2%)	53 (3%)	45 (3%)
Industrial Relations	53 (3%)	47 (3%)	43 (3%)
Debt Collection	58 (3%)	52 (3%)	35 (3%)
Workers Compensation	47 (3%)	54 (3%)	32 (2%)
Mortgages	50 (3%)	48 (3%)	28 (2%)
Breach Legal Profession Act / Regulations	11 (0.6%)	28 (2%)	26 (2%)
Leasing	52 (3%)	35 (2%)	25 (2%)
Wills	37 (2%)	49 (3%)	24 (2%)
Civil Liberties	12 (0.6%)	30 (2%)	22 (2%)
Planning	10 (0.6%)	9 (<1%)	13 (<1%)
Insolvency	19 (1%)	13 (<1%)	13 (<1%)
Company	12 (0.6%)	16 (1%)	12 (<1%)
Motor Vehicle Repairs / Claims	35 (2%)	24 (2%)	11 (<1%)
Immigration	12 (0.6%)	13 (<1%)	11 (<1%)
Guardianship / Administration	19 (1%)	19 (1%)	10 (<1%)
Body Corporate / Strata Title	21 (2%)	14 (1%)	10 (<1%)
Taxation	6 (0.3%)	7 (<1%)	10 (<1%)
Defamation	12 (0.6%)	9 (<1%)	7 (<1%)
Crimes Compensation	11 (0.6%)	1 (<1%)	7 (<1%)
Intellectual Property	11 (0.6%)	15 (1%)	6 (<1%)
Personal Injury – Motor Vehicle Accident	10 (0.6%)	11 (<1%)	4 (<1%)
Trade Practices	1 (0.5%)	14 (1%)	3 (<1%)
Banking	2 (0.1%)	2 (<1%)	3 (<1%)
Environmental	3 (0.2%)	1 (<1%)	3 (<1%)
Equal Opportunity	7 (0.4%)	10 (<1%)	1 (<1%)
Freedom of Information	2 (0.1%)	1 (<1%)	0 (0%)
Other / Unsure	116 (6%)	37 (2%)	54 (4%)
TOTAL	1,812	1,571	1,340

TABLE 37: ALLEGATIONS FEATURED IN NEW COMPLAINTS

The following table shows the type of allegation featured in new complaints. A complaint may contain a number of allegations. This means there are more allegations than complaints.

Nature of Allegation	2013-14	2014-15	2015-16
Costs/Bills – overcharging	665 (32%)	598 (34%)	505 (31%)
Negligence – including bad case handling	328 (16%)	245 (14%)	253 (16%)
Dishonest / Misleading	131 (6%)	97 (6%)	101 (6%)
Delays	53 (3%)	46 (3%)	72 (5%)
Breach of Act, rules, court order or undertaking	82 (4%)	80 (5%)	68 (4%)
Defective costs disclosure communications	49 (2%)	46 (3%)	67 (4%)
Duress / Pressure / Bullying / Harassment	62 (3%)	53 (3%)	61 (4%)
Conflict of interest	80 (4%)	61 (3%)	57 (4%)
Documents / Trust property – including retention and lost	86 (4%)	118 (7%)	57 (4%)
Trust money – including failure to account, mismanagement of funds	110 (5%)	91 (5%)	56 (4%)
Instructions – including failure to comply	58 (3%)	29 (2%)	48 (3%)
Communication with client – including failure to return calls, give progress reports	63 (3%)	45 (3%)	45 (3%)
Abusive/Rude	43 (2%)	47 (3%)	42 (3%)
Debts – including practitioner’s failure to pay	41 (2%)	21 (1%)	20 (1%)
Gross overcharging	48 (2%)	38 (2%)	16 (<1%)
Communication with other party	9 (0.4%)	7 (<1%)	10 (<1%)
Confidentiality breach	12 (0.6%)	16 (<1%)	8 (<1%)
Court system	5 (0.2%)	3 (<1%)	1 (<1%)
Sexual impropriety	3 (0.1%)	2 (<1%)	0 (0%)
Advertising	1 (0.05%)	1 (<1%)	0 (0%)
Other disciplinary issues	162 (8%)	109 (6%)	30 (2%)

TABLE 38: OUTCOMES OF CLOSED CIVIL COMPLAINTS MADE UNDER LPA (INCLUDING THE CIVIL COMPLAINT OUTCOMES FROM ‘MIXED’ COMPLAINTS)

Civil complaint outcome	2013-14	2014-15	2015-16
Commissioner assisted dispute resolution between lawyer and consumer	606 (57%)	421 (56%)	92 (58%)
Dispute was unable to be settled and parties were advised of their right to apply to VCAT	159 (15%)	159 (21%)	35 (22%)
Complainant failed to lodge unpaid disputed costs	91 (9%)	56 (7%)	7 (4%)
Complaint made out of time	34 (3%)	20 (3%)	7 (4%)
Complaint involved costs dispute which exceeded \$25,000	27 (3%)	21 (3%)	3 (2%)
Complainant failed to provide further information when requested	8 (0.7%)	9 (1%)	2 (1%)
Complaint made before (or subject of another complaint)	7 (0.6%)	3 (0.4%)	3 (2%)
Complaint not one that the Commissioner has power to deal with (eg. matter has already been dealt with/should be dealt with by a court)	27 (3%)	20 (3%)	5 (3%)
Complaint lacked legal substance (eg. dispute already settled)	60 (6%)	23 (3%)	7 (4%)
Lawyer had already issued debt collection proceedings	38 (3%)	25 (3%)	0 (0%)
TOTAL	1,057	755	160

**TABLE 39: OUTCOMES OF CLOSED UNIFORM LAW CONSUMER MATTERS
(INCLUDING THE CONSUMER MATTER OUTCOMES FROM 'MIXED' COMPLAINTS)**

Consumer complaint outcome	2015-16
Closed following a binding costs determination s292(1)	8 (2%)
Informal resolution successful	160 (30%)
Closure 277(1)(a) Closed because vexatious, misconceived, frivolous or lacking in substance	40 (7%)
Closure 277(1)(b) Complaint made out of time	19 (4%)
Closure 277(1)(c) Closed because the complainant has not responded, or has responded inadequately, to a request for further information	10 (2%)
Closure 277(1)(g) Client is sued. No jurisdiction over consumer matter	9 (2%)
Closure 277(1)(i) Closed because the complaint is not one that the designated local regulatory authority has power to deal with	12 (2%)
Closure 277(1)(j) Closed because the designated local regulatory authority is satisfied that it is otherwise in the public interest to close the complaint	4 (<1%)
Closure s291(2) No jurisdiction > \$100,000	2 (<1%)
Determination – Compensation Order – s308(3) An order requiring the respondent to pay monetary compensation NOT costs	1 (<1%)
Not resolved – Rights given > \$10,0000 s293(2)(b)(i)	8 (2%)
Not resolved – Rights given < \$10,0000 s293(2)(b)(ii)	2 (<1%)
Parties self resolve	19 (4%)
Preliminary Assessment – resolved	107 (20%)
Preliminary Assessment – withdrawn	48 (9%)
Consumer matter – withdrawn	79 (15%)
TOTAL	528

TABLE 40: INVESTIGATIONS UNDERTAKEN

Investigations	2013-14	2014-15	2015-16
Investigations undertaken by Commissioner	330	333	235
Investigations referred to Bar	4	9	16
TOTAL INVESTIGATIONS	334	342	251

TABLE 41: COMMISSIONER-INITIATED INVESTIGATIONS

Basis for Commissioner initiated investigation	Preliminary investigation		Commissioner initiated investigation		Total	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
Trust account report	4	0	15	6	19	6
Referral from other agency (including a court)	5	1	11	13	16	14
VLSC complaint file	1	2	11	10	12	12
Media	1	1	0	1	1	2
Possible unqualified practice	0	3	2	2	2	5
Other	3	0	4	4	7	4
TOTAL	14	7	43	36	57	43

TABLE 42: OUTCOMES OF CLOSED DISCIPLINARY COMPLAINTS (INCLUDING THE OUTCOMES OF THE DISCIPLINARY ISSUES IN 'MIXED' COMPLAINTS) – LPA

Investigation outcome	2013-14	2014-15	2015-16
VCAT likely to find lawyer guilty of a disciplinary breach	100 (9%)	106 (11%)	64 (27%)
VCAT unlikely to find lawyer guilty of a disciplinary breach	135 (12%)	130 (13%)	60 (27%)
Lawyer already struck off – not in the public interest to pursue further action	2 (<1%)	25 (3%)	0 (0%)
Complainant satisfied with lawyer's explanation & withdrew complaint	323 (29%)	338 (35%)	52 (23%)
Complaint made out of time	12 (1%)	18 (2%)	1 (<1%)
Complaint made before (or subject of another complaint)	13 (1%)	13 (1%)	3 (1%)
Complainant failed to provide further information when requested	25 (2%)	14 (1%)	3 (1%)
Complaint lacked legal substance etc. (e.g. alleged conduct was not inappropriate)	175 (16%)	145 (15%)	11 (5%)
Complaint about lawyer/client relationship and duties but made by third party (e.g. not the client)	76 (7%)	44 (5%)	9 (4%)
Commissioner formed the view that complaint required no further investigation (e.g. lawyer not obliged to accept instructions from complainant)	120 (11%)	63 (7%)	19 (8%)
Commissioner has no power to deal with the complaint (e.g. involves question of law and therefore should be dealt with by a court)	94 (8%)	66 (7%)	2 (<1%)
Lawyer deceased	0	0	0 (0%)
Lawyer ill health or not located	5 (<1%)	1 (<1%)	0 (0%)
Closed due to ongoing proceedings	11 (1%)	8 (<1%)	2 (<1%)
Other regulatory action being taken			3 (1%)
TOTAL	1,091	973	225

TABLE 43: OUTCOMES OF CLOSED DISCIPLINARY MATTERS (EXCLUDING COMMISSIONER INITIATED INVESTIGATIONS BUT INCLUDING OUTCOMES OF DISCIPLINARY ISSUES IN 'MIXED' COMPLAINTS) – UNIFORM LAW

Investigation outcome	2015-16
Abeyance on ongoing proceedings	2 (<1%)
Closure 277(1)(a) Closed – vexatious, misconceived, frivolous or lacking in substance	142 (31%)
Closure 277(1)(b) Complaint made out of time	4 (<1%)
Closure 277(1)(c) Closed – the complainant has not responded, or has responded inadequately, to a request for further information	21 (5%)
Closure 277(1)(d) Closed – the subject matter of the complaint has been or is already being investigated	3 (<1%)
Closure 277(1)(e) Closed – the subject matter of the complaint would be better investigated or dealt with by police or another investigatory or law enforcement body	7 (2%)
Closure 277(1)(h) Closed – the designated local regulatory authority, having considered the complaint, forms the view that the complaint cannot result in a disciplinary outcome and requires no further investigation	36 (8%)
Closure 277(1)(i) Closed – the complaint is not one that the designated local regulatory authority has power to deal with	2 (<1%)
Closure 277(1)(j) Closed – the designated local regulatory authority is satisfied that it is otherwise in the public interest to close the complaint	5 (1%)
No determination for Unsatisfactory professional conduct or Professional misconduct s277(1)(h)	6 (1%)
Preliminary Assessment – resolved	52 (11%)
Preliminary Assessment – withdrawn	121 (26%)
Unsatisfactory professional conduct determination – Apology s299(1)(c) An order requiring an apology from the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)
Unsatisfactory professional conduct determination – Caution s299(1)(a) An order cautioning the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)
Unsatisfactory professional conduct determination – Education s299(1)(e) An order requiring the respondent to undertake training, education or counselling or be supervised	2 (<1%)
Withdrawn – Disciplinary	54 (12%)
TOTAL	459

TABLE 44: ALTERNATIVE DISCIPLINARY OUTCOMES (LPA) AND CONDUCT DETERMINATIONS (UNIFORM LAW) MADE BY THE COMMISSIONER

Alternative disciplinary action	2013-14	2014-15	2015-16
Commissioner reprimanded lawyer	36	32	23
Commissioner cautioned lawyer	20	15	6
Lawyer found generally competent: no further action	20	24	12
Lawyer paid compensation to complainant	5	4	1
Lawyer required to provide an apology (as per Uniform Law)	N/A	N/A	1
Lawyer required to undertake education (as per Uniform Law)	N/A	N/A	2
TOTAL	81	75	45

TABLE 45: COMMISSIONER INITIATED INVESTIGATIONS OUTCOMES

Outcome	2013-14	2014-15	2015-16
VCAT likely to find lawyer guilty of professional misconduct, therefore charges laid	14	10	6
Commissioner reprimanded lawyer (likely finding of unsatisfactory professional conduct)	8	12	8
Commissioner cautioned lawyer (likely finding of unsatisfactory professional conduct)	5	0	3
Lawyer found generally competent: no further action (likely finding of unsatisfactory professional conduct)	5	6	1
Compensation to be paid by the lawyer to the client (likely finding of unsatisfactory professional conduct)			1
No conduct identified	14	11	9
Commissioner forms the view no further investigation required	13	7	4
Abeyance on ongoing proceedings			1
Lawyer unable to be located	3	0	0
TOTAL	62	46	33

TABLE 46: FINALISED COMPLAINTS RECEIVED UNDER THE LPA

Year	Civil	Disciplinary	Mixed	Total
2015-16	112 (31%)	205 (56%)	48 (13%)	365
2014-15	617 (39%)	835 (52%)	138 (9%)	1,590
2013-14	854 (42%)	1,056 (52%)	110 (5%)	2,020

TABLE 47: FINALISED COMPLAINTS RECEIVED UNDER THE UNIFORM LAW

Year	Consumer matters	Disciplinary matters	Mixed matters	Total
2015-16	491 (51%)	435 (45%)	37 (4%)	963

TABLE 48: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED – LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2015-16	9	17	18	14	54	112
2014-15	216	143	76	70	112	617
2013-14	291	190	140	77	156	854
DISCIPLINARY						
2015-16	13	16	7	10	159	205
2014-15	319	129	73	57	257	835
2013-14	394	147	79	63	373	1,056
MIXED						
2015-16	2	2	1	4	41	48
2014-15	15	12	6	10	95	138
2013-14	13	6	8	12	110	71
TOTAL						
2015-16	22	35	26	28	254	365
2014-15	550	284	155	137	207	1,590
2013-14	698	343	227	152	600	2,020

TABLE 49: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED – UNIFORM LAW

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CONSUMER MATTER						
2015-16	175	97	80	45	94	491
DISCIPLINARY MATTER						
2015-16	246	78	42	25	44	435
MIXED MATTERS						
2015-16	11	2	11	5	8	37
TOTAL						
2015-16	432	177	133	75	146	963

TABLE 50: NUMBER OF COMPLAINTS OUTSTANDING AT 30 JUNE 2016 RECEIVED – LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2015-16	0	0	0	0	2	2
2014-15	43	24	21	11	18	117
2013-14	47	18	18	8	14	105
DISCIPLINARY						
2015-16	0	0	0	0	51	51
2014-15	37	22	17	14	124	214
2013-14	54	28	20	37	134	239
MIXED						
2015-16	0	0	0	0	6	6
2014-15	5	1	11	4	30	51
2013-14	10	2	5	5	35	57
TOTAL						
2015-16	0	0	0	0	59	59
2014-15	85	47	49	29	172	382
2013-14	111	48	43	50	183	401

TABLE 51: NUMBER OF COMPLAINTS OUTSTANDING AT 30 JUNE 2016 RECEIVED – UNIFORM LAW

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CONSUMER MATTER						
2015-16	52	40	41	19	70	222
DISCIPLINARY MATTER						
2015-16	38	29	14	13	68	162
MIXED MATTER						
2015-16	4	4	4	0	17	29
TOTAL						
2015-16	94	73	59	32	155	413

TABLE 52: DISCIPLINARY APPLICATIONS MADE TO VCAT

Disciplinary applications under Legal Profession Uniform Law	Heard and finalised by VCAT during 2015-16	Filed and yet to be heard and/or awaiting orders by VCAT as at 30 June 2016	Total
Disciplinary applications made in 2015-16	3	14	17
Disciplinary applications made in previous year(s)	19	12	31
TOTAL	22	26	48

APPENDIX 03

PROSECUTIONS IN VCAT AND THE COURTS

TABLE 53: DISCIPLINARY APPLICATIONS HEARD AND DETERMINED AT VCAT IN 2015-16 (BY DATE OF APPLICATION)

No.	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and summary of orders made
1	J122/2014	24/07/2014	14/08/2015 (penalty hearing after earlier decision)	BURGESS, Andrew	Professional misconduct: failure to comply with VLSC requests (x2); failure to use best endeavours to complete work as soon as reasonably possible (x2). Unsatisfactory professional conduct: failure to communicate effectively and promptly (x2); failure to provide the clients with costs disclosure	24/04/2015 & Penalty 14/08/2015 – Respondent provided undertaking to provide a copy of this decision to any prospective employer; restricted to practice only as an employee solicitor for next four years; Pay VLSC costs.
2	J155/2014	10/10/2014	08/07/2015 & 24/12/2015	SPAULDING, Lewis	Professional misconduct: substantial or consistent failure to reach or maintain a reasonable standard of competence and diligence (x5); failure to provide information and documents; failure to comply with orders of the VCAT.	12/08/2015 & 24/12/2015 – No PC to be granted before 01/01/2021; to be eligible for a principal PC, respondent must complete 18 months as an employee in addition to the 18 months previously ordered on 17/12/2013; recommended to the Supreme Court that respondent's name be removed from roll of practitioners. Pay VLSC costs.
3	J11/2015	23/01/2015	27/08/2015	RHODEN, Philip	Professional misconduct: failure to inform client in writing of required matters before client signed Will (x4). Misconduct at common law: Breach of fiduciary duties (x9); charged executors' commission when not entitled to do so (x8); misled beneficiaries with respect to a third party claim made against a deceased estate.	24/09/2015 – Reprimanded (x21). Undertaking given not to apply for any future PC or otherwise seek to engage in legal practice in any Australian jurisdiction; make restitution payments of \$357,382.92; recommendation to Supreme Court that respondent's name be removed from roll of practitioners; Pay VLSC costs fixed at \$26,766. Practitioner's name removed from the Roll by order of the Court on 2 March 2016.

No.	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and summary of orders made
4	J8/2015	27/01/2015	16/07/2015	KOTSIFAS, John (aka John James)	Professional misconduct: failure to deposit trust money into general trust account as soon as practicable; causing a deficiency in the trust account (x4). Unsatisfactory professional conduct: failure in trust account record keeping; failure to provide trust account statements.	16/07/2015 – condition to be placed on respondent's local PC to at all times engage services of a qualified accountant/bookkeeper to maintain trust account records; Complete trust account course; provide certificate of completion prior to PC renewal. Fined \$20,000.00; pay VLSC costs fixed at \$10,864.83.
5	J19/2015	29/01/2015	22/10/2015	VOITIN, John	Professional misconduct: intermixing trust money with other money (x57)	22/10/2015 – Reprimanded; banned from receiving trust money for six months; complete three CPD points in trust accounting; complete trust accounting course by LIV before applying authorisation to receive trust money. Pay VLSC costs fixed at \$17,000.
6	J33/2015	27/02/2015	24/11/2015	WILSON, Christopher	Unsatisfactory professional conduct: acting in conflict of interest; making misleading statements to VLSC.	24/11/2015 – Reprimanded. Fined \$2000; pay VLSC costs fixed at \$10,000.
7	J48/2015	10/04/2015	24/08/2015	RKZ	Professional misconduct: intentionally mislead client; failing to communicate promptly and effectively with client.	24/08/2015 – Undertaking given not reapply for a PC anywhere in Australia before 1/7/2017; any future application for PC to be accompanied by medical report. Pay VLSC costs fixed at \$10,000.
8	J47/2015	10/04/2015 Amended Application 03/09/2015	08/04/2016	LOGAN, Nicholas	Misconduct at common law: acting, issuing and maintaining proceedings without instructions; conducting litigation without properly advising client of risks. Professional misconduct: engaging in conduct adversely affecting provision of legal services by the firm.	08/04/2016: Guilty finding without penalty. Penalty hearing held 17/05/2016, awaiting decision.
9	J52/2015	15/04/2015	25/08/2015	BODEN, Kimani	Withdrawn.	25/08/2015 – VLSC to pay the respondent's costs; VLSC to pay witness expenses; Certify for Counsel's fees agreed as fixed in the sum of \$19,200.
10	J51/2015	15/04/2015	22/07/2015	ANDERSON, Michael	Professional misconduct: purported to act for party without proper instructions; purported to act for party without clarifying instructions, providing advice as to possible liability for costs, or providing advice as to obligations under <i>Civil Procedure Act 2010</i> ; failed to reach or maintain reasonable standard of competence and diligence in handling proceedings.	31/07/2015 – Reprimanded. Fined \$20,000.00. Complete 5 additional CPD units. Pay VLSC costs fixed at \$8,000.

No.	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and summary of orders made
11	J50/2015	15/04/2015	31/08/2015	FOSTER AM, Margot	Professional misconduct: failure to use best endeavours to complete legal work as soon as reasonably possible; failure to provide information to VLSC.	31/08/2015 – Reprimanded. Pay VLSC costs fixed at \$2,798.72.
12	J58/2015	24/04/2015	06/10/2015	ELLINGHAUS, Rainer	Professional misconduct: failed to respond to VLSC request for information. Unsatisfactory professional conduct: delayed provision of itemised bill and failed to communicate costs with client's new solicitors; failed to provide response to VLSC pursuant to a VCAT Order; failed to give a written report of legal costs and failed to provide trust account statement.	22/10/2015 – Reprimanded (x4). Fined \$1,000.00. Pay VLSC costs.
13	J57/2015	06/05/2015 Amended Application on 19/10/2015	11/11/2015	HUME, Edwin	Professional misconduct: breaching duty as a trustee by withholding trust property	19/11/2015 – Reprimanded. Fined \$4,000.00. Complete three additional CPD units in legal ethics and/or duties to clients. Pay VLSC costs fixed at \$11,000.00.
14	J61/2015	12/05/2015	09/09/2015	MCBAIN, Robert	Professional misconduct: gross breach of fiduciary duties (x5); trust money breaches (x5) dishonest dealings with trust account inspector and the VLSC (x6)	24/09/2015 – Reprimanded (x16). Undertaking given not to act as an executor or administrator of any estate other than that of a member of own immediate family; he will immediately renounce any other appointment if made; practice only in family law; disqualified from holding a PC until 30/06/2016; no PC to be issued thereafter until provides VLSC with psychological report; restricted to practise only as an employee until 30/06/2020. Pay VLSC costs fixed at \$28,307.11.

No.	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and summary of orders made
15	J66/2015	20/05/2015	11/11/2015 & 17/03/2016	O'BRIEN, Denis	Misconduct at common law: executing withdrawals of caveat without caveator's authority, and producing false or misleading statement.	Finding made on 30/06/2016 without penalty. Penalty hearing set for 09/09/2016.
16	J77/2015	29/05/2015; Amended Application on 25/09/2015	20/11/2015	KYRIACOU, Lazaros	Unsatisfactory professional conduct: failure to provide full, accurate and appropriate information on executor's commission to beneficiaries (x3).	26/11/2015 – Reprimanded. Complete 3 additional CPD units in legal ethics and/or wills and probate matters. Pay VLSC costs fixed at \$2,773.20.
17	J72/2015	04/06/2015	17/08/2015	IBRAHIM, Terence	Withdrawn.	17/08/2015 – Leave granted to withdraw. No order as to costs.
18	J75/2015	16/06/2015	15/12/2015	JOHANSSON, Terence	Professional misconduct: entering into an improper costs agreement.	15/12/2015 – Reprimanded. Complete 2 additional CPD units in practice management. Pay VLSC costs fixed at \$4,200.
19	J85/2015	29/06/2015	19/05/2016	NEEDHAM, Gary	Misconduct at common law: borrowing money from client (x1); recklessly made false or misleading statements to VLSC (x1).	19/05/2016 – Undertaking given to never again apply for a PC in any state or territory of Australia. Reprimanded. Pay VLSC costs fixed at \$23,506.18.
20	J104/2015	07/08/2015	06/11/2015	ROBSON, Andrew	Unsatisfactory professional conduct: failed to provide notification to claimant of an estate that the estate had been distributed.	20/01/2016 – Reprimanded. Pay VLSC costs fixed at \$11,563.63.
21	J124/2015	01/09/2015	10/03/2016	GALATAS, Nick	Professional misconduct: disbursing money from trust account without consent of both parties on behalf of whom the practitioner was holding the monies.	10/03/2016 – Reprimanded. Fined \$7,500.00. Complete 3 additional units of CPD in the area of trust accounting and practice management. Pay VLSC costs fixed at \$7,235.76.
22	J144/2015	27/10/2015	06/04/2016	LEWENBERG, Alex	Professional misconduct: Making statements which were likely to be prejudicial to the administration of justice, or diminish public confidence in the administration of justice.	23/03/2016 & 12/04/2016 – Reprimanded. PC suspended for a period of 15 months from 01/06/2016; Complete additional course of legal education in ethics and professional responsibility. Pay VLSC costs fixed at \$55,455.41.

TABLE 54: DISCIPLINARY APPLICATIONS TO VCAT, WHERE APPLICATION IS AWAITING HEARING AND/OR DETERMINATION AS AT 30 JUNE 2016

No.	Date application made	Type of charges	Status
1-7	December 2011 / January 2012	<p>Seven separate 'sets' of charges against respondent arising out of complaints by seven former clients of the law practice. Each set alleges professional misconduct by gross overcharging; charging otherwise than in accordance with costs agreements and various breaches of fiduciary duties.</p> <p>Following the commencement of proceedings, the respondent sought numerous adjournments. The first hearing before VCAT commenced in February 2015 as a quasi 'test case'. Due to ongoing adjournment requests and various applications by the respondent, this matter has not yet concluded.</p>	Next directions hearing listed on a date to be fixed in March 2017
8	9/05/2014	Professional misconduct: For each of the financial years from 01/07/1998 to 30/06/2009 – failure to lodge on time income tax returns; conviction in Magistrates' Court on tax offences for failing lodge on time income tax returns; failure to pay amounts owing for income tax; failure to comply with Magistrates' Court orders for lodgement of income tax returns; failure to pay Magistrates' Court-ordered fine; failure to notify VLSB of these matters and failure to respond to VLSC for a written explanation of conduct.	Heard. Awaiting decision
9	28/05/2015	Professional misconduct: failure to exercise proper care and conduct of proceedings before the Court and charging fees above agreed amount; failure to adequately advise clients (x2); providing insufficient advice preventing clients from giving proper instructions.	Originally listed for hearing on 17/07/2015. Adjourned and re-listed for hearing from 07/11/2016 for five days
10	30/06/2015	Unsatisfactory professional conduct: allowing practice to fail to comply with Court Orders.	Heard. Awaiting decision
11	30/06/2015	Professional misconduct: failure to complete work required despite court orders; failure to respond to VLSC. Unsatisfactory professional conduct: directing staff of opposing firm to make a false statement.	Heard. Awaiting decision
12	30/06/2015	Professional misconduct: issuing bill to client without solicitor/client relationship and without having provided any legal services; providing fabricated documents to VLSC; attempting to intimidate using a completed but unsigned application for intervention order.	Heard. Awaiting decision
13	14/08/2015	Professional misconduct: Creating false records of costs and disbursements; improper transfer of funds; creating deficiencies in the trust account; failure to deposit trust money; making false assertion to VLSC with intention to mislead; failure to provide a costs disclosure statement to client; failure to make out receipts for trust money deposited; failure to provide itemised bill; failure to comply with VLSC's request.	Listed for hearing on 18/07/2016
14	16/11/2015	Professional misconduct: Substantial or consistent failure to reach or maintain a reasonable standard of competence and diligence by improperly corresponding with the Court, Magistrate and Judicial Commission of NSW without promptly providing copies to, or having consent from, plaintiff's legal representatives (alternatively misconduct at common law).	Listed for hearing from 09/11/2016 for three days
15	22/12/2015	Professional misconduct: failure to pay or deliver trust money; misappropriated trust monies. Unsatisfactory professional conduct: failure to provide client with bill of costs and statement of rights before deducting legal fees.	Listed for hearing on 04/08/2016

No.	Date application made	Type of charges	Status
16	22/01/2016	<p>Professional misconduct: breach undertaking; failure to comply with a condition on PC (x4); failure to respond to VLSC (x2); failure to inform the Court of a misapprehension by the Court as to the effect of an order it made; failure to inform Court of true location of funds paid under mistake; dishonest dealings with money mistakenly transferred; failure to deposit trust money in a general trust account; intermixing trust money with other money; acting for client in conflict with his duties to the Court; failure to refund money in accordance with instructions.</p> <p>Misconduct at common law: withdrawing and disbursing trust money in part to pay own legal fees in breach of an undertaking, and without authority; failure to obtain agreement of relevant parties before disbursing money contrary to an undertaking given on behalf of his client.</p> <p>Unsatisfactory professional conduct: acting for client in conflict with his duties to the Court.</p>	Listed for compulsory conference on 11/08/2016
17	23/12/2015	Unsatisfactory professional conduct: Improper and misleading correspondence.	Heard. Awaiting decision
18	23/02/2016	<p>Professional misconduct: acting in a conflict of interest; failing to disclose to client substantial changes on legal costs calculations.</p> <p>Misconduct at common law: charging commission to client without entitlement; failing to provide information to VCAT (alternatively professional misconduct).</p>	Listed for hearing on 12/07/2016
19	13/04/2016	Reinstated Application (28 June 2016): failure to complete legal work as soon as possible; failure to communicate effectively and promptly; failure to make and provide required disclosure; failure to provide itemised account on request; failing to deliver trust money receipts; failure to furnish trust account statements; misleading client; failure to provide an explanation of conduct to VLSC; failure to refund trust money on request; engaging in conduct that justifies a finding of not fit and proper (alternatively misconduct at common law in that not a fit and proper person to engage in legal practice in breach of s32(1) of <i>Legal Aid Act 1978</i> (Vic)).	Listed for mention on 01/08/2016
20	20/04/2016	Professional misconduct: causing a deficiency in trust ledger and trust account (x14); failure to furnish clients trust account statements; dishonestly taking trust money; dishonestly creating records to mislead investigators; failure to provide costs disclosure to clients; misleading Supreme Court; dishonest use of funds; failure to comply with statutory demands for records/information; failure to properly advise clients; failure to communicate promptly and effectively with clients; failure appear or arrange for an appearance with respect to client court cases; repeated failures to comply with Court orders; failure to file defences; failure to obtain/seek instructions; knowingly drawing correspondence that contained untrue statements with the intention of misleading an opponent; swearing affidavits and statutory declarations in the knowledge that the documents contained untrue statements with the intention of misleading the Court and the Commissioner; (failure to act on instructions as soon as reasonably possible; entering into an unlawful conditional costs agreement.	Listed for plea hearing on 22 and 23 August 2016
21	28/04/2016	Professional misconduct: failure to communicate a Calderbank offer to client prior to expiry; providing false and/or misleading statements to VLSC.	Listed for mention on 22/07/2016

No.	Date application made	Type of charges	Status
22	4/05/2016, amended on 20/06/2016	Professional misconduct: unauthorised receipt of trust money; falsely implying entitlement to engage in legal practice.	Listed for hearing on 09/08/2016
23	4/05/2016	Professional misconduct: unauthorised receipt of trust money.	Listed for hearing on 09/08/2016
24	6/06/2016	Misconduct at common law: failure to inform client of administration costs clause inserted into Will (alternatively professional misconduct); continuing to act in conflict of interest and/or failure to ensure the client received an independent legal advice (alternatively professional misconduct).	Listed for hearing from 15/11/2016 for three days
25	30/06/2016	Professional misconduct: creating or causing to be created and submitting a resume containing false or inaccurate information; plagiarising legal articles.	Listed for directions hearing on 05/08/2016
26	30/06/2016	Misconduct at common law: causing or allowing the law practice to knowingly assist a breach of trust (x3).	Listed for directions hearing on 05/08/2016

TABLE 55: RE-HEARING APPLICATIONS TO VCAT IN 2015-16

No.	Lawyer	Date application made	Details / Findings	Status as at 30 June 2016
1	McDONALD, Alan	02/06/2015 – Supreme Court Judicial Review and Appeals list ordered matter remitted to VCAT, as originally constituted, for reconsideration	Unsatisfactory professional conduct: failure to ensure communications with other practitioners were courteous and/or avoiding offensive or provocative language or conduct.	12/01/2016 – VCAT order made. On appeal (see also Table 57 below).
2	MINGOS, John	08/06/2016	10/06/2016 – Respondent's application for stay of Tribunal decision in J43/2015 is refused.	Listed for hearing of the balance of the application on 04/08/2016.

TABLE 56: APPEALS HEARD AND DETERMINED AT SUPREME COURT IN 2015-16

No.	Date of application	Hearing dates	Name of lawyer	Appealed grounds	Order made at Supreme Court
1	11/12/2014	26/10/2015	HARLE, Matthew	Leave to appeal the decision of VCAT made on 10/09/2014 and 10/10/2014 by Senior Member Jonathan Smithers in the proceeding J57/2014.	16/12/2015 – Appeal dismissed. Plaintiff pays defendant's costs of proceeding.

TABLE 57: CASES ON APPEAL AND JUDICIAL REVIEW TO THE SUPREME COURT

No.	Date VCAT orders were made on	Date of appeal application to Supreme Court	Name of lawyer	Status as at 30 June 2016
1	22/12/2014	12/01/2015	Quan Pham	Listed for hearing on 19/08/2016.
2	12/01/2016	09/02/2016	Alan McDonald	Listed for hearing on 6/12/2016. See also Table 55 above.
3	No orders made by VCAT as yet	15/06/2016	Francis Cahill	Judicial review application listed for hearing on 27/9/2016.

BOARD AND COMMISSIONER CONSOLIDATED FINANCIAL REPORT

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This financial report covers the Victorian Legal Services Board and the Victorian Legal Services Commissioner (Board and Commissioner) as composite entities and is presented in Australian currency.

The Board and Commissioner are not-for-profit government agencies of the state of Victoria. The Board and Commissioner were originally established under the *Legal Professional Act 2004* (the former Act). Both agencies' roles and functions now come under the *Legal Profession Uniform Law Application Act 2014* (the Act). The principal address is:

- **Level 5, 555 Bourke Street Melbourne VIC 3000**

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A description of the nature of the operations of the Board and Commissioner and their principal activities is included in the report of operations on pages 01 to 40 which does not form part of this financial report.

For queries in relation to the Board or Commissioner's reporting, contact:

- **Phone: 03 9679 8001 or 1300 796 344 (local call)**
- **Email: admin@lsbc.vic.gov.au**

Victorian Legal Services BOARD + COMMISSIONER

Chairperson's, Accountable Officer's and Chief Finance and Accounting Officer's declaration

The attached financial statements for the Victorian Legal Services Board and Victorian Legal Services Commissioner have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994 (FMA)*, applicable Financial Reporting Directions, Australian Accounting Standards, including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of the Victorian Legal Services Board and Victorian Legal Services Commissioner at 30 June 2016.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial statements for issue on 16 August 2016.



F Bennett
Chairperson,
Victorian Legal Services Board
Melbourne
16 August 2016



M McGarvie
CEO, Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
16 August 2016



J Ireson
Chief Finance and Accounting Officer
Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
16 August 2016

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Notes	2016 \$'000	2015 \$'000
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Interest and distributions	3(A)	83,611	65,280
Other income	3(B)	10,191	9,411
Total income from transactions		93,802	74,691
EXPENSES FROM TRANSACTIONS			
Employee benefits expenses		(10,199)	(9,971)
Grants and other payments	4(A)	(40,662)	(39,878)
Payments to service providers	4(B)	(3,508)	(3,786)
Fidelity Fund claims/costs and administration expenses	4(C)	(2,103)	(3,210)
Depreciation and amortisation expense	4(D)	(780)	(752)
Board and Committee members fees	4(E)	(324)	(297)
Legal expenses	4(F)	(3,060)	(2,143)
Other operating expenses	4(G)	(2,767)	(3,454)
Total expenses from transactions		(63,403)	(63,491)
Net result from transactions		30,399	11,200
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial instruments	5	(28,384)	11,916
Net gain/(loss) on non-financial assets	5	-	5
Other gain/(loss) from other economic flows	5	1,553	2,184
Total other economic flows included in net result		(26,831)	14,105
Net result from continuing operations		3,568	25,305
NET RESULT			
Other economic flows – other comprehensive income		-	-
Comprehensive result		3,568	25,305

The comprehensive operating statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016 \$'000	2015 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6,20	424,237	562,334
Receivables	7	39,398	21,728
Investments and other financial assets	8	812,757	465,910
Total financial assets		1,276,392	1,049,972
NON-FINANCIAL ASSETS			
Property, plant and equipment	9	2,336	2,540
Intangible assets	10	1,115	1,056
Prepayments		207	138
Total non-financial assets		3,658	3,734
Total assets		1,280,050	1,053,706
LIABILITIES			
Payables	11	7,043	5,615
Borrowings	12	31	46
Provisions	13	17,275	18,820
Income received in advance	15	9,523	8,784
Statutory deposit account balances	17	1,047,634	825,465
Total liabilities		1,081,506	858,730
Net assets		198,544	194,976
EQUITY			
Contributed equity		29	29
Accumulated surplus		198,515	194,947
Net worth		198,544	194,976

The balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance at 1 July 2014	29	169,642	169,671
Net result for the year	-	25,305	25,305
Other comprehensive income for the year	-	-	-
Balance at 30 June 2015	29	194,947	194,976
Balance at 1 July 2015	29	194,947	194,976
Net result for the year	-	3,568	3,568
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	29	198,515	198,544

The statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Notes	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest and distributions received		65,978	62,457
Receipts from practising certificates fees and fidelity fund contributions		10,216	9,241
Other receipts		731	536
Goods and Services Tax recovered from the ATO		1,103	1,336
Total Receipts		78,029	73,570
PAYMENTS			
Payments to suppliers and employees		(19,827)	(20,545)
Payments of Fidelity Fund claims/costs and administration expenses		(2,121)	(3,323)
Payments of grants		(40,379)	(38,861)
Total Payments		(62,327)	(62,729)
Net cash flows from/(used in) operating activities	6(B)	15,702	10,841
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments and other financial assets		10,000	-
Purchases of non-financial assets		(278)	(1,545)
Payment for intangible assets		(461)	(246)
Payments for investments and other financial assets		(385,214)	(51,054)
Net cash flows from/(used in) investing activities		(375,953)	(52,845)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases		(15)	(15)
Deposits into statutory deposit accounts by solicitors		985,588	499,461
Withdrawals from statutory deposit accounts by solicitors		(763,419)	(310,983)
Net cash flows from/(used in) financing activities		222,154	188,463
Net increase/(decrease) in cash and cash equivalents		(138,097)	146,459
Cash and cash equivalents at the beginning of the financial year		562,334	415,875
Cash and cash equivalents at the end of the financial year	6(A)	424,237	562,334

The cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for the Victorian Legal Services Board (Board) and the Victorian Legal Services Commissioner (Commissioner) as composite entities for the period ended 30 June 2016.

The purpose of the report is to provide users with information about the Board and the Commissioner's stewardship of resources entrusted to them.

(A) STATEMENT OF COMPLIANCE

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those paragraphs of the AASs applicable to not-for-profit entities have been applied.

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.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 27.

These annual financial statements were authorised by the Chairperson of the Board, for the Board, and the Victorian Legal Services Commissioner, for the Commissioner, being the responsible officers, of the Board and the Commissioner on 16 August 2016.

(B) BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

In the application of AASs judgements, estimates and assumptions are required to be made about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of the AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of plant and equipment (refer Note 1(J) *Non-financial assets*);
- superannuation expense (refer Note 1(F) *Expenses from transactions*);
- actuarial assumptions for Fidelity Fund claims based on claims lodged, estimates for claims not yet lodged, allowances for non-client claims and large claims dispute settlements and future discount rates (refer Note 1(K) *Liabilities*); and
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer Note 1(K) *Liabilities*).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the Fidelity Fund claims provision that is calculated with regard to actuarial assessments and employee long service leave provisions; and
- financial instruments and managed investment schemes after initial recognition, which are measured at fair value with movements reflected in the 'other economic flows – other comprehensive income'.

Consistent with AASB 13 *Fair Value Measurement*, the Board determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Board has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

(C) REPORTING ENTITY

Following the Minister for Finance making a determination pursuant to section 53(1)(b) of the FMA on 25 May 2013, these accounts have been prepared on a composite accounts basis comprising the accounts of the Victorian Legal Services Board and the Victorian Legal Services Commissioner.

The composite report presents an aggregation of the transactions and balances of the two entities as a single reporting entity with all inter-group transactions eliminated. Additional disclosure has been included in the notes to the financial statements for the Public Purpose Fund, Legal Practitioners Fidelity Fund and the Legal Services Commissioner.

The Board and the Commissioner are not-for-profit government agencies of the state of Victoria. The Victorian Legal Services Board is a public entity but does not represent the Crown.

Both the Board and the Commissioner commenced on 12 December 2005 following the proclamation of the *Legal Profession Act 2004*. The new *Legal Profession Uniform Law Application Act 2014* (LPULA Act) took effect on 1 July 2015. The LPULA Act repeals the *Legal Profession Act 2004* and replaces it with new template legislation. Under the LPULA Act the names of the Legal Services Board and Legal Services Commissioner in Victoria changes to the Victorian Legal Services Board and the Victorian Legal Services Commissioner. Their principal address is:

- Victorian Legal Services Board and Commissioner, Level 5, 555 Bourke Street Melbourne VIC 3000

(D) SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

'Other economic flows' are changes arising from market re-measurements. They include:

- gains or losses from disposals of non-financial assets;
- revaluations and impairments of non-financial physical and intangible assets;
- actuarial gains and losses; and
- fair value changes of financial instruments.

BALANCE SHEET

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Board and the Commissioner does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

CASH FLOW STATEMENT

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included in current borrowings on the balance sheet.

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

ROUNDING

Amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding. Please refer to the end of Note 27 for a style convention for explanations of minor discrepancies resulting from rounding.

COMPARATIVES

Where applicable comparative figures have been updated to reflect more current information. The nature of the reclassification, the amount of the items or class of items reclassified and the reason for reclassification is shown in relevant notes.

(E) INCOME FROM TRANSACTIONS

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

INTEREST AND DISTRIBUTION INCOME

Interest income includes interest received on bank accounts, bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Distribution income is recognised when the right to receive payment is established. Distributions represent the income arising from the entity's investments in financial assets.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains or losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

PRACTISING CERTIFICATE FEES

Practising certificate fees are prescribed by regulation under section 73 of the Act in order to engage in legal practice in Australia. The fees are payable by practitioners where their principal place of practice is Victoria.

Practising certificates for the financial year 1 July 2016 to 30 June 2017 are required by legislation to be paid and issued prior to 30 June 2016. Income from such practising certificates has been accounted for as income received in advance (refer to Note 15).

FIDELITY FUND CONTRIBUTIONS

Pursuant to section 128 of the Act, Fidelity Fund contributions are determined by the Board.

The contributions for the financial year 1 July 2015 to 30 June 2016 are payable at the same time as the practising certificate fees and accounted for in the same way i.e. treated as income received in advance (refer to Note 15).

FIDELITY FUND RECOVERIES

Fidelity Fund recoveries are received by the Board as a result of the exercise of a right and remedy. The recoveries are recognised when received.

All income received by the Board is generally required to be paid into the Public Purpose Fund with the exception of the Fidelity Fund contributions which are paid into the Legal Practitioners Fidelity Fund.

Dividend income is recognised when the right to receive payment is established.

INCOME FROM FINES AND COST ORDER RECOVERIES

The Board receives income from fines. The Commissioner receives income from recovery of costs orders.

Fines and cost orders granted are recognised when the amount of revenue from the fines or cost orders can be measured reliably and the settlement date is determined or agreed and it is probable that the economic benefits associated with the transaction will flow to the Board or the Commissioner.

(F) EXPENSES FROM TRANSACTIONS

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

EMPLOYEE EXPENSES

Refer to Note 1(K) *Liabilities* regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their annual Financial Statements disclose on behalf of the State as sponsoring employer, the net defined benefit cost related to members of these plans as an administered liability. Refer to DTF's Annual Financial Statements for more detailed disclosures in relation to these plans.

DEPRECIATION

All plant and equipment and other non-financial physical assets, with cost values exceeding \$5,000, that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Refer to Note 1(J) *Non-financial assets* for the depreciation policy for leasehold improvements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

The Board and the Commissioner have adopted a policy of only capitalising both physical and intangible assets with a cost exceeding \$5,000. All assets with a value of \$5,000 or less are expensed on acquisition.

The following are typical estimated useful lives for the different asset classes for current and prior years:

Class of Asset	2016	2015
Leasehold improvements	10 years	10 years
Office equipment	5 to 10 years	5 to 10 years
Office furniture and fittings	5 to 10 years	5 to 10 years
Computer equipment	3 to 5 years	3 to 5 years
Motor vehicles	3 years	3 years
Intangible assets (capitalised software development costs)	5 years	5 years

Leasehold improvements capitalised as an asset are depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Intangible produced assets with finite useful lives are depreciated as an expense from transactions on a systematic (straight-line) basis over the asset's useful life. Depreciation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

BOARD MEMBERS FEES

The amount charged to the comprehensive operating statement in respect of board members fees represents fees set by the Governor-in-Council.

GRANTS AND OTHER PAYMENTS

Grants and other payments to third parties (other than contributions to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals and other transfer payments made to State-owned agencies and community groups. Refer to Glossary of terms and style conventions in Note 27 for an explanation of grants and other transfers.

OTHER OPERATING EXPENSES

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

Refer to Note 1(l) *Financial Assets*.

RECHARGES OF SERVICES BETWEEN THE BOARD AND THE COMMISSIONER

Where expenses for costs such as occupancy, depreciation and other relevant operating costs have been incurred in the normal course of operations by either the Board or the Commissioner, on behalf of the other, these costs have been apportioned and expenses recovered.

Under section 59 of the Act, staff supporting the activities of the Board are classified as employees of the Commissioner, who employs all staff under Part 3 of the *Public Administration Act 2004*.

The Commissioner recharges staff costs to the Board for those staff undertaking Board functions.

For consolidation purposes all inter-entity expenses and associated recoveries have been eliminated.

(G) OTHER ECONOMIC FLOWS INCLUDED IN THE NET RESULT

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

NET GAIN/ (LOSS) ON NON-FINANCIAL ASSETS

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 1(J) *Non-financial assets*

Net gain/ (loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Amortisation of non-produced intangible assets

Intangible non produced assets with finite lives are amortised as an 'other economic flow' on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. The recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(J) *Non-financial assets* in relation to the recognition and measurement of non-financial assets.

NET GAIN/ (LOSS) ON FINANCIAL INSTRUMENTS

Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets.

Revaluations of financial instruments at fair value

Refer to Note 1(H) *Financial instruments*.

FIDELITY FUND CLAIMS COST AND MOVEMENT IN PROVISIONS

Fidelity Fund claims costs include capital and interest claims paid, the movement in the outstanding claims liability and costs associated with the administration of the Fidelity Fund.

Details relating to the Fidelity Fund provisions are reported in Note 1(K) *Liabilities*.

OTHER GAINS/ (LOSSES) FROM OTHER ECONOMIC FLOWS

Other gains/ (losses) from other economic flows include:

- the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- the gains or losses from reclassified amounts relating to available for sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument.

(H) FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

CATEGORIES OF NON-DERIVATIVE FINANCIAL INSTRUMENTS

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(l) *Financial assets*), term deposits with maturity greater than three months, trade receivables and other receivables.

Available for sale financial assets

Available for sale financial instrument assets are those designated as available for sale or not classified in any other category of financial instrument asset.

Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investments are disposed.

Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'other economic flows – other comprehensive income' is transferred to other economic flows in the net result.

Fair value is determined in the manner described in Note 20 *Financial instruments*.

Available for sale category includes certain equity investments and those debt securities that are designated as available for sale.

Held to maturity financial assets

If the Board has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. Held to maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Board makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available for sale. The Board would also be prevented from classifying investment securities as held to maturity for the current and the following two financial years.

The held to maturity category includes certain term deposits and debt securities for which the entity concerned intends to hold to maturity.

Financial assets and liabilities at fair value through profit and loss

Financial assets are categorised at fair value through profit or loss at trade date if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed by the entity concerned based on their fair values, and have their performance evaluated in accordance with documented risk management and investment strategies.

Financial instruments at fair value through profit or loss are initially measured at fair value and attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Any distributions or interest on a financial asset is recognised in the net result from transactions.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all payables, deposits held and advances received, and interest-bearing arrangements other than those designated at fair value through profit or loss.

RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available for sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

(I) FINANCIAL ASSETS

CASH AND DEPOSITS

Cash and deposits (including cash equivalents) recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings on the balance sheet.

RECEIVABLES

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and accrued investment income; and
- statutory receivables, such as amounts owing for Goods and Services Tax (GST) input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as loans and receivables (refer to Note 1(H) *Financial Instruments* for recognition and measurement). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

INVESTMENTS AND OTHER FINANCIAL ASSETS

Investments are classified in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity; and
- available-for sale financial assets

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any distributions or interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the assets have expired; or
- the Board and Commissioner retains the right to receive cash flows from the asset, but have assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Board and Commissioner have transferred their rights to receive cash flows from the asset and either:
 - a. has transferred substantially all the risks and rewards of the asset, or
 - b. has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Board and Commissioner have neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board and Commissioner's continuing involvement in the asset.

IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period the Board and the Commissioner assess whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments professional judgement is applied in assessing materiality and using estimates, averages and other computational shortcuts in accordance with AASB 136 *Impairment of Assets*.

(J) NON-FINANCIAL ASSETS

PLANT AND EQUIPMENT

All non-financial current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount. More information about the inputs used in determining the fair value of non-financial assets are discussed in Note 9.

The initial cost for non-financial physical assets under a finance lease (refer Note 1(L) *Leases*) is measured at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(G) *Other economic flows included in the net result at Impairment of non-financial assets*.

LEASEHOLD IMPROVEMENTS

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

REVALUATIONS OF NON-FINANCIAL PHYSICAL ASSETS

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows – other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in the 'other economic flows – other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus (if any).

INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to either the Board or the Commissioner.

Where the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if and only if, the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

OTHER NON-FINANCIAL ASSETS

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Impairment of non-financial assets

Refer to Note 1(G) *Other economic flows included in net result.*

(K) LIABILITIES

PAYABLES

Payables consist of:

- contractual payables, such as accounts payable. Accounts payable represent liabilities for goods and services provided to the Board and the Commissioner prior to the end of the financial year that are unpaid, and arise when the Board or the Commissioner become obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(H)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

PAYABLES – GRANTS

The Board's liability for grants is in respect of grants approved during the financial year ended 30 June 2016 or earlier which have not yet been paid. In some cases, the grants will be paid in instalments over a period of two or three years.

PROVISIONS

Provisions are recognised when the Board or the Commissioner has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using the discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

PROVISIONS – FIDELITY FUND

The Board appoints actuaries to carry out the annual independent actuarial assessment of the liability of the Legal Practitioners Fidelity Fund. Based on the actuarial assessment the Board has recognised a provision for Fidelity Fund liabilities.

The Fidelity Fund liability for outstanding claims is in respect of claims incurred but not yet paid, claims incurred but not yet lodged, and the anticipated direct and indirect costs of settling those claims.

Incurred But Not Lodged (IBNL) are incidents where a defalcation has occurred but the claim amount has not yet been lodged. IBNL claims arise from solicitors in respect of whom some claims amounts have already been lodged as well as solicitors whose defalcations have yet to be discovered.

EMPLOYEE BENEFITS

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in the provision for employee benefits, classified as 'current liabilities', because the Board and the Commissioner does not have an unconditional right to defer settlement of these liabilities. Those liabilities which are expected to be wholly settled within 12 months of the reporting period are measured at their nominal values.

Those liabilities which are not expected to be wholly settled within 12 months are to be recognised in the provision for employee benefits as non-current liabilities, and measured at a discounted value similar to other long term employee benefits. The discounted value of this liability is not material and therefore no separate disclosure is made in these statements.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, and annual leave are measured at:

- nominal value – if the Board and the Commissioner expects to wholly settle within 12 months; or
- present value – if the Board and the Commissioner does not expect to wholly settle within 12 months.

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statement as a current liability, even where the Commissioner does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

- nominal value – component that the Commissioner expects to settle within 12 months; and
- present value – component that the Commissioner does not expect to settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes on bond interest rates for which it is then recognised as an other economic flow (refer Note 1(G)).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Commissioner recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

EMPLOYEE BENEFITS ON-COSTS

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

STATUTORY DEPOSIT ACCOUNT (SDA) BALANCES

Each law practice or approved clerk with Trust Accounts has an individual SDA held in their name by the Board; the balance in this account is linked to their Trust Account. The liability represents the total sum of their individual SDA balances. Refer to Note 2 *Funds Administered* for further detail on the SDA.

DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an other economic flow in the estimated consolidated comprehensive operating statement.

(L) LEASES

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

OPERATING LEASES

Board as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis.

FINANCE LEASES

Commissioner as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

(M) EQUITY

CONTRIBUTIONS BY OWNERS

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital.

Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distribution to owners.

(N) COMMITMENTS

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 19) at their nominal value and inclusive of the goods and services tax (GST) payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(O) CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(P) ACCOUNTING FOR THE GOODS AND SERVICES TAX (GST)

Income, expenses and assets are recognised net of the amount of associated GST, except where GST incurred is not recoverable from the taxation authority.

In this case, the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note 1(N) and Note 1(O)).

(Q) EVENTS AFTER THE REPORTING PERIOD

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Board or the Commissioner and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

(R) MATERIALITY

In accordance with the transitional requirement in the revised AASB 1031 *Materiality*, accounting policies need only be identified in the summary of accounting policies where they are considered material. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- a. influence the economic decisions that users make on the basis of the financial statements; and
- b. affect the discharge of accountability by the management or governing body of the entity

(S) CHANGES IN ACCOUNTING POLICY

There are no changes to the accounting policies during the reporting period.

(T) AUSTRALIAN ACCOUNTING STANDARDS (AASS) ISSUED THAT ARE NOT YET EFFECTIVE

Certain new AASs have been published that are not mandatory for 30 June 2016 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Board and the Commissioner of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards have been issued by the AASB but are not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as follows:

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows: <ul style="list-style-type: none"> the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. 	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI). Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge. For entities with significant lending activities, an overhaul of related systems and processes may be needed.
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9 Financial Instruments.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods.</p> <p>Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> • the entity's right to receive payment of the dividend is established; • it is probable that the economic benefits associated with the dividend will flow to the entity; and • the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 Jan 2018.	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p>	<p>This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is ‘distinct’ to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	<p>1 Jan 2018</p>	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.</p>
<p>AASB 16 <i>Leases</i></p>	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.</p>	<p>1 Jan 2019</p>	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]</i></p>	<p>Amends AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets to:</p> <ul style="list-style-type: none"> establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; prohibit the use of revenue based methods to calculate the depreciation or amortisation of an asset, tangible or intangible, because revenue generally reflects the pattern of economic benefits that are generated from operating the business, rather than the consumption through the use of the asset. 	1 Jan 2019	The assessment has indicated that there is no expected impact as the revenue-based method is not used for depreciation and amortisation.
<p>AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]</i></p>	<p>Amends the methods of disposal in AASB 5 Non-current assets held for sale and discontinued operations.</p> <p>Amends AASB 7 Financial Instruments by including further guidance on servicing contracts.</p>	1 Jan 2016	<p>The assessment has indicated that when an asset (or disposal group) is reclassified from 'held to sale' to 'held for distribution', or vice versa, the asset does not have to be reinstated in the financial statements.</p> <p>Entities will be required to disclose all types of continuing involvement the entity still has when transferring a financial asset to a third party under conditions which allow it to derecognise the asset.</p>
<p>AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]</i></p>	<p>The amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities.</p> <p>Guidance has been included to assist the application of the Standard by not-for-profit public sector entities.</p>	1 Jan 2016	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
<p>AASB 2016-4 <i>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p>	<p>The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.</p>	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.

2 FUNDS ADMINISTERED

The Board and Commissioner were established on 12 December 2005 by the former Act.

THE BOARD

The Board is an independent statutory authority with perpetual succession, and a public entity, but it does not represent the Crown. The Attorney-General, the Hon. Martin Pakula, MP is the responsible Minister.

The Board's statutory objectives as stated in section 30 of the Act are to:

- ensure the effective regulation of the legal profession and the maintenance of professional standards;
- address the concerns of clients of law practices and legal practitioners through the regulatory system and provide for the protection of consumers of legal services;
- ensure the adequate management of trust accounts; and
- to contribute to the effective administration of the Legal Profession Uniform Framework through cooperation with other involved entities.

The Board is established as a body corporate under section 28 of the Act. Under the provisions of the Act it is required to maintain two funds. These are the Public Purpose Fund (section 133) and the Legal Practitioners Fidelity Fund (section 121).

THE COMMISSIONER

The Commissioner is an independent statutory office holder accountable to the Victorian Parliament. Michael McGarvie is the Commissioner and the Commissioner is the Chief Executive Officer of the Board.

The Commissioner is responsible for the following objectives specified in Chapter 5 of the Act:

- to provide a framework for the timely and effective resolution of disputes or issues between clients and lawyers or law practices; and
- to provide a scheme for the discipline of the Australian legal profession, in the interests of the administration of justice and for the protection of clients of law practices and the public generally; and
- to monitor, promote and enforce the professional standards, competence and honesty of the Australian legal profession.

In addition to this the Commissioner has an important educative role which involves:

- educating lawyers about issues of concern to the legal profession and consumers of legal services, and
- educating the community about legal issues and the rights and obligations that flow from the client-lawyer relationship

PUBLIC PURPOSE FUND COMPRISES:

Statutory Deposit Account (SDA): Section 137

Each law practice or approved clerk with Trust Accounts has an individual SDA held in their name by the Board; the balance in this account is linked to their trust account. Law practices or approved clerks are required to have deposited in their SDA, 70% of the sum of the lowest daily balance in their trust account at any time during the quarter plus the SDA balance on the last day of the previous quarter (section 79(1)) unless the calculated figure using that formula in respect of any quarter is less than \$10,000, in which case the required deposit amount in respect of that quarter is zero (section 79(2)). The SDA balance in the Board's financial statements is the sum of the individual SDAs.

General Account: Section 136

The General Account derives income from fines imposed by an order of VCAT, money transferred to the Public Purpose Fund from the Fidelity Fund under section 147, money derived from any investment of the Public Purpose Fund, any profits arising on the realisation or revaluation of any investment of the Public Purpose Fund, any fees that are paid to the Board in relation to an application for, or the grant or renewal of, an Australian practising certificate, and any other money received by the Board that is not required to be credited to another account in the Public Purpose Fund or to the Fidelity Fund, including (but not limited to) interest amounts received in accordance with arrangements made with Approved Deposit Institutions (from Law Practices Residual Trust Accounts) and interest earned from cash held in the Statutory Deposit Account not invested.

Under section 87 the Board can make arrangements with banks for the keeping of trust accounts. Under the arrangements in place, interest earned on law practices' trust accounts is received by the Board and paid to the General Account of the Public Purpose Fund.

Funding for the Board, VCAT (Legal List), the Victorian Legal Admissions Board, the Commissioner, and payments to professional associations for continuing legal education programs and other programs are debited to this account.

The Board has two operating bank accounts for administration purposes:

- Practising Certificate Fees: for the receipt of practising certificate fees; and
- General Account: for the payment of expenses incurred in carrying out its functions other than grants made from the Distribution account and receipt of income.

Distribution Account: Section 138

The Act requires that 50% of the surplus in the General Account at 30 June is transferred to the Distribution Account during the following year. Grants made under sections 143 and 144 are paid from the Distribution Account.

Legal Practitioners Fidelity Fund: Section 121

Receipts include Fidelity Fund contributions and levies, income from investments of the Fidelity Fund, monies transferred from the Public Purpose Fund (General Account), and monies received as a result of the exercise of any right or remedy arising from the claim. Payments include any claim including interest, costs and disbursements allowed against the Fund, and legal and other expenses incurred by the Board in investigating or defending claims against the Fund.

All monies held in the Fidelity Fund are kept separate from any other money held by the Board and is held in trust.

	Cash and Deposits \$'000	Investments \$'000	Total \$'000
2016			
NET GENERAL ACCOUNT			
General Account	20,467	49,906	70,373
less Loan from Commissioner	(2,885)	-	(2,885)
Net General Account	17,582	49,906	67,488
NET BOARD AND COMMISSIONER FUNDS			
Net General Account	17,582	49,906	67,488
Distribution Account	268	59,192	59,460
Statutory Deposit Account	378,730	592,004	970,734
Public Purpose Fund	396,579	701,102	1,097,682
Legal Practitioners Fidelity Fund	24,763	34,755	59,518
Total Victorian Legal Services Board Funds	421,342	735,857	1,157,200
Victorian Legal Services Commissioner Funds	2,894	-	2,894
Total composite entity funds per balance sheet	424,236	735,857	1,160,093
2015			
NET GENERAL ACCOUNT			
General Account	13,290	83,064	96,354
less Loan from Commissioner	(1,999)	-	(1,999)
Net General Account	11,291	83,064	94,355
NET BOARD AND COMMISSIONER FUNDS			
Net General Account	11,291	83,064	94,355
Distribution Account	184	46,522	46,706
Statutory Deposit Account	526,561	298,904	825,465
Public Purpose Fund	538,036	428,490	966,526
Legal Practitioners Fidelity Fund	22,135	37,420	59,555
Total Victorian Legal Services Board Funds	560,170	465,910	1,026,081
Victorian Legal Services Commissioner Funds	2,164	-	2,164
Total composite entity funds per balance sheet	562,334	465,910	1,028,244

3 INCOME FROM TRANSACTIONS

(A) INTEREST AND DISTRIBUTIONS

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND – INTEREST AND DISTRIBUTIONS		
Statutory Deposit Account	50,703	33,553
Law Practice Residual Trust Accounts	28,369	28,473
Operating Accounts	778	471
Total Public Purpose Fund	79,850	62,497
LEGAL PRACTITIONERS FIDELITY FUND – INTEREST AND DISTRIBUTIONS		
Legal Practitioners Fidelity Fund ⁽ⁱ⁾	3,684	2,734
Operating Account ⁽ⁱ⁾	77	49
Total Fidelity Fund	3,761	2,783
Total interest and distributions	83,611	65,280

⁽ⁱ⁾ Prior year comparatives have been restated to separately disclose distributions earned on the Legal Practitioners Fidelity Fund and interest earned on the Fidelity Fund operating account.

(B) OTHER INCOME

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	7,128	6,535
Income from fines	55	68
Income from Commissioner – asset usage	255	286
Sundry income	73	118
Total Public Purpose Fund	7,511	7,007
FIDELITY FUND		
Fidelity Fund contributions	2,348	2,342
Fidelity Fund recoveries	255	39
Total Fidelity Fund	2,603	2,381
VICTORIAN LEGAL SERVICES COMMISSIONER		
Board funding	8,372	8,128
Employee benefits	5,144	4,558
Income from Board – asset usage	8	8
Costs recoveries	332	292
Sundry income	1	17
Total Victorian Legal Services Commissioner	13,857	13,003
Elimination of inter-entity income	(13,780)	(12,980)
Total Other Income	10,191	9,411

4 EXPENSES FROM TRANSACTIONS

(A) GRANTS AND OTHER PAYMENTS

	2016 \$'000	2015 \$'000
GRANTS AND OTHER PAYMENTS (PUBLIC PURPOSE FUND)		
GRANTS PAID DURING THE YEAR FROM PRIOR YEAR ACCUMULATED SURPLUS IN THE DISTRIBUTION ACCOUNT		
Victoria Legal Aid	28,313	29,273
Victorian Law Reform Commission	1,732	1,682
Victoria Law Foundation	1,757	1,620
	31,802	32,575
OTHER PAYMENTS DURING THE YEAR FROM THE GENERAL ACCOUNT		
Payments to professional associations for programs	2,598	2,523
Victorian Civil and Administration Tribunal – Legal Practice List	1,529	1,484
Victorian Legal Admissions Board	1,172	1,138
Legal Services Council – Uniform Law Scheme	519	219
	5,818	5,364
Unused major grants and projects funding returned	(4)	-
	37,616	37,939
Major grants and projects approved during the year	3,046	1,939
Total grants and other payments	40,662	39,878

(B) PAYMENTS TO SERVICE PROVIDERS

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
RECHARGE FROM THE VICTORIAN LEGAL SERVICES COMMISSIONER		
Employee benefits	5,144	4,558
COST OF FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Trust account inspections	2,479	2,407
Total cost of functions delegated to the Law Institute of Victoria	2,479	2,407
OTHER PAYMENTS TO THE LAW INSTITUTE OF VICTORIA		
Cost of professional development	168	163
External interventions and debt collection ⁽ⁱ⁾	396	685
Compliance audits	179	255
External counsel fees ⁽ⁱ⁾	118	115
Total other payments to the Law Institute of Victoria	861	1,218
Total payments to the Law Institute of Victoria	3,340	3,625
PAYMENTS TO THE VICTORIAN BAR		
Issuing of practising certificates	94	90
Total payments to the Victorian Bar	94	90
Total payments from Public Purpose Fund	8,578	8,273
VICTORIAN LEGAL SERVICES COMMISSIONER		
Victorian Bar – Complaints Handling	74	71
Total payments by the Victorian Legal Services Commissioner	74	71
Elimination of payment to the Victorian Legal Services Commissioner	(5,144)	(4,558)
Net payments to service providers	3,508	3,786

⁽ⁱ⁾ Prior year comparatives have been adjusted to separately disclose external counsel fees from external interventions.

(C) FIDELITY FUND CLAIMS, COSTS AND ADMINISTRATIVE EXPENSES

	2016 \$'000	2015 \$'000
LEGAL PRACTITIONERS FIDELITY FUND		
FIDELITY FUND CLAIMS DETAILS		
Capital claims paid	1,531	2,766
Interest claims paid	12	100
Costs paid	89	71
Increase/(decrease) in claims payable	(17)	(114)
Legal expenses	195	80
Consultants ⁽ⁱ⁾	113	126
Investment advice ⁽ⁱ⁾	11	-
Administration expenses ⁽ⁱ⁾	2	19
Payment to LIV for claims administration	167	162
Total Fidelity Fund claims cost and movements in provisions	2,103	3,210

⁽ⁱ⁾ Prior year comparative figures for administration expenses have been adjusted to separately disclose consultants and investment advice expenses.

(D) DEPRECIATION AND AMORTISATION EXPENSE

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
Leasehold improvements	256	248
Office equipment	6	5
Office furniture and fittings	1	4
Computer equipment	100	97
Intangible assets	402	383
Public Purpose Fund – depreciation and amortisation	765	737
VICTORIAN LEGAL SERVICES COMMISSIONER		
Motor vehicles	15	15
Victorian Legal Services Commissioner – depreciation and amortisation	15	15
Total depreciation and amortisation	780	752

(E) BOARD AND COMMITTEE FEES

	2016 \$'000	2015 \$'000
BOARD AND COMMITTEE MEMBERS FEES		
Board members remuneration	293	269
Board members superannuation	28	25
Commissioner audit committee fees	3	3
Total Board and committee members fees	324	297

(F) LEGAL EXPENSES

	2016 \$'000	2015 \$'000
LEGAL EXPENSES⁽ⁱ⁾		
Investigations	531	958
Litigation and other legal expenses	1,095	1,185
External interventions	1,426	-
Compliance audits	8	-
Total Legal expenses	3,060	2,143

⁽ⁱ⁾ Prior year comparatives have been adjusted to disclose consultants expenses at Note 4(G) Other operating expenses.

(G) OTHER OPERATING EXPENSES

	2016 \$'000	2015 \$'000
OTHER OPERATING EXPENSES		
Information technology	487	623
Occupancy	995	1,178
Administration	719	1,205
External audit fees	80	78
Internal audit fees	50	76
Investment advice	153	160
Consultants ⁽ⁱ⁾	115	57
Other staff costs	82	65
Provision for doubtful debts	78	10
Community and education	8	-
Ex-gratia payments	-	2
Total other operating expenses	2,767	3,454

⁽ⁱ⁾ Prior year comparatives have been adjusted to include consultants expenses previously disclosed at Note 4(F) Consultants and legal expenses.

5 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows by entity	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	(25,657)	10,943
Bad debts written off	-	(5)
Net gain/(loss) on disposal of property, plant and equipment	-	5
Total net gain/(loss) on financial instruments	(25,657)	10,943
LEGAL PRACTITIONERS FIDELITY FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	(2,710)	1,007
Change due to actuarial valuations	1,641	2,220
Provision for costs settlement	-	-
Total net gain/(loss) on non-financial instruments	(1,069)	3,227
VICTORIAN LEGAL SERVICES COMMISSIONER		
Bad debts written-off	(17)	(29)
Net gain/(loss) from the revaluation of present value of long service leave	(88)	(36)
Total net gain/(loss) on non-financial instruments	(105)	(65)
Total other economic flows included in net result	(26,831)	14,105

Other economic flows by type	2016 \$'000	2015 \$'000
NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Net gain/(loss) on financial instruments arising from changes in fair value	(28,367)	11,950
Bad debts written off	(17)	(34)
Total net gain/(loss) on financial instruments	(28,384)	11,916
NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS		
Net gains/(losses) on disposal of property, plant and equipment	-	5
Total net gain/(loss) on non-financial instruments	-	5
OTHER GAINS/(LOSS) FROM OTHER ECONOMIC FLOWS		
Change due to actuarial valuations	1,641	2,220
Net gain/(loss) from the revaluation of present value of long service leave	(88)	(36)
Total Other gains/(loss) from other economic flows	1,553	2,184
Total other economic flows included in net result	(26,831)	14,105

6 CASH AND DEPOSITS

(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
GENERAL ACCOUNT		
Cash on hand	-	-
General Operating Account	8,857	5,929
Practising Certificate Fees Account	2,295	7,377
Term deposits – operating cash	10,000	-
Inter-entity balance – FF	(685)	(17)
Total General Account – cash and cash equivalents	20,467	13,289
DISTRIBUTION ACCOUNT	268	184
STATUTORY DEPOSIT ACCOUNT		
Cash trust accounts	378,730	526,561
Total Statutory Deposit Account – cash and cash equivalents	378,730	526,561
Total Public Purpose Fund – cash and cash equivalents	399,465	540,034
LEGAL PRACTITIONERS FIDELITY FUND		
Legal Practitioners Fidelity Fund Operating Account	3,776	1,841
Managed cash	20,302	20,277
Total Fidelity Fund – cash and cash equivalents	24,078	22,118
VICTORIAN LEGAL SERVICES COMMISSIONER		
Cash on hand	1	1
Operating account	8	164
Total Victorian Legal Services Commissioner	9	165
ELIMINATION OF INTER-ENTITY BALANCES		
Inter-entity balance – Board	685	17
Total amounts eliminated	685	17
Balances per statement of cash flows	424,237	562,334

All cash and deposits are current.

(B) RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2016 \$'000	2015 \$'000
Net result for the year	3,568	25,305
NON-CASH MOVEMENTS:		
Depreciation	780	752
Net (gain)/loss on financial instruments	28,384	(11,916)
Net (gain)/loss on non-financial instruments	-	(5)
Other net (gain)/loss from other economic flows	(1,553)	(2,184)
MOVEMENTS IN ASSETS AND LIABILITIES:		
(Increase)/decrease in receivables	(17,699)	(2,814)
(Increase)/decrease in prepayments	(67)	2,028
Increase/(decrease) in payables	1,428	(895)
Increase/(decrease) in provisions	121	206
Increase/(decrease) in income received in advance	740	364
Net cash inflow (outflow) from operating activities	15,702	10,841

7 RECEIVABLES

	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
CONTRACTUAL RECEIVABLES		
Trade receivables	259	133
Provision for impairment of receivables 7(A)	(47)	(51)
Accrued investment distributions	32,452	16,266
Accrued interest – Residual Trust Accounts	2,188	2,253
Accrued interest – Statutory Deposit Accounts	648	1,009
Accrued interest – other	572	32
Total contractual receivables	36,072	19,642
STATUTORY RECEIVABLES		
GST recoverable	248	195
Total statutory receivables	248	195
Total receivables – Public Purpose Fund	36,320	19,837
FIDELITY FUND		
CONTRACTUAL RECEIVABLES		
Accrued investment distributions	2,969	1,637
Accrued interest	5	2
Total contractual receivables	2,974	1,639
Total receivables – Fidelity Fund	2,974	1,639
VICTORIAN LEGAL SERVICES COMMISSIONER		
CONTRACTUAL RECEIVABLES		
Trade receivables	513	578
Provision for impairment of receivables 7(A)	(409)	(326)
Total contractual receivables	104	252
Total receivables – Victorian Legal Services Commissioner	104	252
Total receivables	39,398	21,728

(A) MOVEMENT IN THE PROVISION FOR DOUBTFUL DEBTS

Movements in the provision for impairment of receivables are as follows:

	2016 \$'000	2015 \$'000
Balance at beginning of the year	378	368
Increase in provision recognised in the net result	95	43
Receivables written off during the year as uncollectable	(17)	(33)
Balance at 30 June	456	378

(B) AGEING ANALYSIS OF CONTRACTUAL AND STATUTORY RECEIVABLES

Please refer to Note 20(E) for the ageing analysis of contractual and statutory receivables.

(C) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL AND STATUTORY RECEIVABLES

Please refer to Note 20(A) for the nature and extent of risks arising from contractual and statutory receivables.

8 INVESTMENTS AND OTHER FINANCIAL ASSETS

Current investments and other financial assets	2016 \$'000	2015 \$'000
PUBLIC PURPOSE FUND		
Australian fixed interest	168,293	69,988
Global fixed interest	211,618	64,558
Diversified growth funds	162,936	137,927
Australian equities	72,207	72,799
Overseas equities – unhedged	39,786	46,793
Overseas equities – hedged	24,912	36,425
Property and infrastructure managed funds	21,349	-
Total Public Purpose Fund	701,102	428,490
LEGAL PRACTITIONERS FIDELITY FUND		
Australian fixed interest	8,217	8,011
Global fixed interest	7,753	8,007
Diversified growth funds	5,803	5,935
Australian equities	6,223	6,753
Overseas equities – unhedged	4,170	4,928
Overseas equities – hedged	2,589	3,786
Total Legal Practitioners Fidelity Fund	34,755	37,420
Total investments	735,857	465,910
Term deposits – Statutory Deposit Accounts	76,900	-
Total investments and other financial assets	812,757	465,910

All investments and other financial assets are current.

(A) AGEING ANALYSIS OF INVESTMENTS AND OTHER FINANCIAL ASSETS

Please refer to Note 20(E) for the ageing analysis of investments and other financial assets.

(B) NATURE AND EXTENT OF RISK ARISING FROM INVESTMENTS AND OTHER FINANCIAL ASSETS

Please refer to Note 20(A) for the nature and extent of risks arising from investments and other financial assets.

9 PLANT AND EQUIPMENT

Plant and equipment are classified primarily by the purpose for which the assets are used according to one of the five 'Purposes Groups' based upon Government Classification (GPC). All assets within a 'Purposes Group' are further sub-categorised to the asset's nature, with each sub-category being classified as a separate class of asset for financial reporting purposes.

(A) CLASSIFICATION BY 'PURPOSE GROUPS' – CARRYING AMOUNTS

Public Administration	2016 \$'000	2015 \$'000
COMPUTER EQUIPMENT		
Fair value	717	552
less: accumulated depreciation	(514)	(423)
Net carrying amount – Computer equipment	203	129
OFFICE EQUIPMENT		
Fair value	31	31
less: accumulated depreciation	(22)	(15)
Net carrying amount – Office equipment	9	16
LEASEHOLD IMPROVEMENTS		
Fair value	2,556	2,556
less: accumulated depreciation	(468)	(211)
Net carrying amount – Leasehold improvements	2,089	2,345
OFFICE FURNITURE AND FITTINGS		
Fair value	38	38
less: accumulated depreciation	(34)	(33)
Net carrying amount – Office furniture and fittings	4	5
MOTOR VEHICLES		
Fair value	68	68
less: accumulated depreciation	(37)	(23)
Net carrying amount – Motor vehicles	31	45
Net carrying amount – Property, plant and equipment	2,336	2,540

All balances are non-current.

(B) MOVEMENTS IN CARRYING AMOUNTS – CLASSIFICATION BY 'PUBLIC ADMINISTRATION' PURPOSE GROUP

Year ended 30 June 2016	Opening balance \$'000	Additions \$'000	Transfer \$'000	Disposals \$'000	Depreciation \$'000	Closing balance \$'000
Computer equipment	129	174	-	-	(100)	203
Office furniture & fittings	5	-	-	-	(1)	4
Office equipment	16	-	-	-	(7)	9
Leasehold improvements	2,345	-	-	-	(256)	2,089
Motor vehicles	45	-	-	-	(14)	31
Total	2,540	174	-	-	(378)	2,336
Year ended 30 June 2015	Opening balance \$'000	Additions \$'000	Transfer \$'000	Disposals \$'000	Depreciation \$'000	Closing balance \$'000
Computer equipment	132	94	-	-	(97)	129
Office furniture & fittings	4	5	-	-	(4)	5
Office equipment	10	11	-	-	(5)	16
Leasehold improvements	395	2,198	-	-	(248)	2,345
Motor vehicles	60	-	-	-	(15)	45
Total	601	2,308	-	-	(369)	2,540

(C) FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

Year ended 30 June 2016	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Computer equipment	203	-	-	203
Office equipment	9	-	-	9
Leasehold improvements	2,089	-	-	2,089
Office furniture & fittings	4	-	-	4
Motor vehicles	31	-	-	31
Total	2,336	-	-	2,336
Year ended 30 June 2015	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Computer equipment	129	-	-	129
Office equipment	16	-	-	16
Leasehold improvements	2,345	-	-	2,345
Office furniture & fittings	5	-	-	5
Motor vehicles	45	-	-	45
Total	2,540	-	-	2,540

Notes:

- (i) Classified in accordance with the fair value hierarchy, see Note 1(B).
- (ii) There is no transfer between classes during the year.

(D) RECONCILIATION OF LEVEL 3 FAIR VALUE

Year ended 30 June 2016	Opening Balance \$'000	Gains or losses recognised in net result		Acquisition / (Disposal) \$'000	Closing Balance \$'000
		Depreciation \$'000	Impairment \$'000		
Computer equipment	129	(100)	-	174	203
Office equipment	16	(7)	-	-	9
Leasehold improvements	2,345	(256)	-	-	2,089
Office furniture & fittings	5	(1)	-	-	4
Motor vehicles	45	(14)	-	-	31
Total	2,540	(378)	-	174	2,336
Year ended 30 June 2016	Opening Balance \$'000	Gains or losses recognised in net result		Acquisition / (Disposal) \$'000	Closing Balance \$'000
		Depreciation \$'000	Impairment \$'000		
Computer equipment	132	(97)	-	94	129
Office equipment	10	(5)	-	11	16
Leasehold improvements	395	(248)	-	2,198	2,345
Office furniture & fittings	4	(4)	-	5	5
Motor vehicles	60	(15)	-	-	45
Total	601	(369)	-	2,308	2,540

(E) DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

Asset	Valuation Technique	Significant unobservable inputs
Motor vehicles	Depreciated replacement cost	Cost per unit Useful life
Computer equipment	Depreciated replacement cost	Cost per unit Useful life
Office furniture & fittings	Depreciated replacement cost	Cost per unit Useful life
Office equipment	Depreciated replacement cost	Cost per unit Useful life
Leasehold improvements	Depreciated replacement cost	Cost per unit Useful life

10 INTANGIBLE ASSETS

Computer software	2016 \$'000	2015 \$'000
At cost	5,346	4,885
less: accumulated amortisation and impairment	(4,231)	(3,829)
Net book value at end of financial year	1,115	1,056
MOVEMENTS		
Opening balance	1,056	1,192
Additions	461	296
Transfer	-	(49)
Amortisation expense	(402)	(383)
Closing balance	1,115	1,056

Intangible assets are non-current.

11 PAYABLES

	2016 \$'000	2015 \$'000
CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Contractual payables and accrued expenses	2,541	1,415
Major grants and projects ⁽ⁱ⁾	2,511	2,622
Total current payables Public Purpose Fund	5,052	4,037
FIDELITY FUND		
Contractual payables and accrued expenses	137	198
Total current payables Fidelity Fund	137	198
VICTORIAN LEGAL SERVICES COMMISSIONER		
Contractual payables and accrued expenses	298	201
Disputed costs	7	164
Total current payables Victorian Legal Services Commissioner	305	365
NON-CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Major grants and projects ⁽ⁱ⁾	1,549	1,015
Total non-current payables Public Purpose Fund	1,549	1,015
Total payables	7,043	5,615

⁽ⁱ⁾ Prior year comparatives have been adjusted to reflect the current and non-current major grants and projects payable.

(A) MATURITY ANALYSIS OF CONTRACTUAL AND STATUTORY PAYABLES

Please refer to Note 20(G) for the maturity analysis of contractual and statutory payables.

(B) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL AND STATUTORY PAYABLES

Please refer to Note 20(A) for the nature and extent of risks arising from contractual and statutory payables.

12 BORROWINGS

Borrowings	2016 \$'000	2015 \$'000
Lease liabilities (Note 16)	31	46
Total borrowings	31	46

Secured by assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of a default.

(A) MATURITY ANALYSIS OF BORROWINGS

Please refer to Note 20(G) for maturity analysis of borrowings.

(B) DEFAULTS AND BREACHES

During the current and prior years, there were no defaults and breaches of any of the borrowings.

13 PROVISIONS

Provisions	2016 \$'000	2015 \$'000
CURRENT PROVISIONS		
FIDELITY FUND – CURRENT PROVISION		
Fidelity Fund provision current claims lodged and anticipated 13(A)	2,860	3,390
Fidelity Fund – current provision	2,860	3,390
EMPLOYEE BENEFITS – ANNUAL LEAVE		
Unconditional and expected to be settled within 12 months	436	433
Unconditional and expected to be settled after 12 months	52	66
Employee benefits – annual leave	488	499
EMPLOYEE BENEFITS – LONG SERVICE LEAVE		
Unconditional and expected to be settled within 12 months	92	107
Unconditional and expected to be settled after 12 months	911	778
Employee benefits – long service leave	1,003	885
PROVISIONS RELATED TO EMPLOYEE BENEFITS ON-COSTS		
Unconditional and expected to be settled within 12 months	99	102
Unconditional and expected to be settled after 12 months	154	137
Provisions related to employee benefits on-costs	253	239
Total current provisions	4,604	5,013
NON-CURRENT PROVISIONS		
Fidelity Fund non-current claims lodged and anticipated 13(A)	12,350	13,459
Employee benefits	277	300
Provisions relating to employee on-costs	44	48
Total non-current provisions	12,671	13,807
Total provisions	17,275	18,820

(A) PROVISIONS FOR FIDELITY FUND CLAIMS

The Fidelity Fund claims provision at balance date has been set by the members of the Board after appropriate consideration of actuarial advice provided by an independent actuarial firm.

The following discount rates were used in estimating the liability for outstanding claims. No explicit rate of defalcation is adopted. Defalcations are assumed to increase at the same rate as experienced in the past.

Claims expected to be paid	2016	2015
Later than one year discount rate	1.86%	2.44%

The discount rate shown above for the discounting of the outstanding defalcations liability as at 30 June 2016 is a term structure of rates based on current yields for medium dated Commonwealth Government bonds.

Estimated outstanding defalcation liability as at 30 June 2015 and 30 June 2016:

Actuarial central estimate	2016 \$'000	2015 \$'000
Undiscounted liability of lodged claims	6,590	7,000
Plus: Estimated liability for claims incurred but not lodged	3,070	4,120
Estimated undiscounted liability for incurred defalcations	9,660	11,120
PLUS/(MINUS) ADJUSTMENTS		
Less: Discounted to net present value	(500)	(800)
Plus: Claim expenditure	1,406	1,550
Plus: Risk margin (30%) (2015: 30%)	3,167	3,560
Plus: Allowance for large claim dispute settlement	1,477	1,420
Net provision per actuarial report	15,210	16,850
Plus: Allowance for specific legal case	-	-
Net provision including allowance for costs	15,210	16,850

Movements in provisions for Fidelity Fund

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2016 \$'000	2015 \$'000
Opening balance	16,850	19,070
Additions/ (reductions) in provisions recognised	(1,640)	(2,220)
Closing balance	15,210	16,850

(B) EMPLOYEE PROVISIONS – VICTORIAN LEGAL SERVICES COMMISSIONER

(I) EMPLOYEE BENEFITS AND RELATED ON-COSTS

	2016 \$'000	2015 \$'000
CURRENT EMPLOYEE BENEFITS		
Annual leave entitlements	488	499
Long service leave entitlements	1,003	886
Total current employee benefits	1,491	1,385
NON-CURRENT EMPLOYEE BENEFITS		
Long service leave entitlements	277	300
Total non-current employee benefits	277	300
Total employee benefits	1,768	1,685
EMPLOYEE ON-COSTS		
Current on-costs	253	239
Non-current on-costs	44	48
Total on-costs	297	287
Total employee benefits and related on-costs	2,065	1,972

Net movement in employee on-costs provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2016 \$'000	2015 \$'000
Opening balance	287	252
Unwind of discount and effect of changes in the discount rate	11	5
Additional provisions recognised	(1)	30
Closing balance	297	287

14 SUPERANNUATION

Employees of the Commissioner are entitled to receive superannuation benefits and the Commissioner contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

The Commissioner does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefit liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Commissioner.

The Board also made direct superannuation contributions for members of the Board. The contributions totalled \$27,611 (2015: \$25,459).

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Commissioner are as follows:

	Paid contribution		Outstanding	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
DEFINED BENEFIT PLANS⁽ⁱ⁾:				
State Superannuation Fund – revised and new	8	13	-	1
DEFINED CONTRIBUTION PLANS:				
VicSuper	339	335	31	32
AMP Flexible	11	19	1	2
Australian Super	73	60	9	6
Care	21	15	2	2
Legal Super	74	75	7	8
MLC Masterkey	19	26	2	2
Other	166	146	17	14
Total	711	689	69	67

Notes:

⁽ⁱ⁾ The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

15 INCOME RECEIVED IN ADVANCE

	2016 \$'000	2015 \$'000
Practising certificate fees	7,329	6,675
Fidelity Fund contributions	2,194	2,109
Total income received in advance	9,523	8,784

Income received in advance is current.

16 FINANCE LEASES

The Commissioner leases motor vehicles with a carrying amount of \$30,798 (2015: \$45,505) under finance leases expiring within the next 1-2 years. Under the terms of the leases, the Commissioner is not entitled to acquire the leased assets for a discount of the agreed fair value on expiry of the leases.

	2016 \$'000	2015 \$'000
COMMITMENTS IN RELATION TO FINANCE LEASES ARE PAYABLE AS FOLLOWS:		
Less than one year	31	17
Greater than one year and not longer than five years	-	31
Minimum future lease payment	31	48
less future finance charges	-	(2)
Present value of minimum lease payments	31	46
INCLUDED IN FINANCIAL STATEMENTS AS:		
Current	31	15
Non-current	-	31
Total lease liabilities	31	46

17 STATUTORY DEPOSIT ACCOUNT BALANCES – PUBLIC PURPOSE FUND

	2016 \$'000	2015 \$'000
ACCOUNTS HELD BY THE BOARD IN INDIVIDUAL LAW PRACTICES NAMES TOTALLED AND WERE REPRESENTED BY THE FOLLOWING INVESTMENTS:		
Bank – Statutory Deposit Account	1,047,634	825,465
Cash trust accounts	378,730	526,561
Term deposits – Statutory Deposit Accounts	76,900	-
Australian fixed interest	148,514	53,214
Global fixed interest	193,000	45,000
Diversified growth funds	141,345	112,345
Australian equities	41,845	41,845
Overseas equities – unhedged	31,650	31,650
Overseas equities – hedged	14,850	14,850
Property and infrastructure managed funds	20,800	-
Total Statutory Deposit Account balances	1,047,634	825,465

Monies are required to be paid by the Board to a law practice or an approved clerk under the Act. All balances above are current.

18 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

At balance date there were no contingent assets or contingent liabilities (2015: nil).

19 COMMITMENTS FOR EXPENDITURE

(A) CAPITAL COMMITMENTS

Capital expenditure (inclusive of GST) contracted for by the Board at the reporting date but not recognised as liabilities is as follows:

	2016 \$'000	2015 \$'000
LAND & BUILDING – LEASEHOLD		
Less than 1 year	-	-
Total Land & Building – Leasehold	-	-

(B) OPERATING COMMITMENTS

	2016 \$'000	2015 \$'000
COMMITMENTS IN RELATION TO OPERATING CONTRACTS CONTRACTED FOR BY THE BOARD AT THE REPORTING DATE BUT NOT RECOGNISED AS LIABILITIES, PAYABLE:		
Less than 1 year	367	242
Greater than 1 year but not later than 5 years	393	471
Total commitments in relation to operating contracts	760	713

Note : The figures presented are inclusive of GST.

(C) STATUTORY COMMITMENTS

The Act requires that 50% of the Public Purpose Fund General Account balance as at 30 June each year is to be transferred to the Distribution Account in the following year. The amount to be transferred from the 2016 balance is \$33.745m (2015: \$47.178m). Funding under sections 143 and 144 are paid to recipients from the Distribution Account. Recipients include the Victoria Legal Aid, the Victorian Law Reform Commission and successful Project and Major Grants applicants. For further details refer to the report of operations.

(D) OPERATING LEASE COMMITMENTS

The Board holds a lease for Level 5, 555 Bourke Street, Melbourne. The lease is effective from September 2014 to August 2024.

	2016 \$'000	2015 \$'000
FUTURE OPERATING LEASE PAYMENTS NOT RECOGNISED AS LIABILITIES, PAYABLE:		
Less than 1 year	858	821
Greater than 1 year but less than 5 years	3,833	3,670
Greater than 5 years	3,633	4,654
Total future operating lease payments	8,324	9,145

Note : The figures presented are inclusive of GST.

20 FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- investments in equities and managed investment schemes;
- payables (excluding statutory payables); and
- statutory deposit account balances.

The Board uses different methods to measure and manage the different risks to which it is exposed and has established a sub-committee of the Board, the Finance and Investment Committee, to oversee the management of these risks.

The Board's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Board manages these financial risks in accordance with its investment management policy.

The Commissioner's principal financial instruments comprise:

- cash assets;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- finance lease payables.

The Commissioner uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risk rests with the Commissioner and is monitored by the Finance and Investment Committee of the Commissioner.

The Commissioner's main financial risks include credit risk, liquidity risk and interest rate risk. The Commissioner manages these financial risks in accordance with its financial risk management policy.

The main purpose of holding financial instruments is to prudentially manage financial commitments and risks within policy parameters.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

(B) CATEGORISATION OF FINANCIAL INSTRUMENTS

The carrying amounts of contractual financial assets and financial liabilities are disclosed below. Loans between the Board and the Commissioner have been eliminated.

2016	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets – loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	-	424,237	-	424,237
RECEIVABLES:				
Trade receivables – Board	-	212	-	212
Trade receivables – Commissioner	-	104	-	104
Accrued investment distributions	-	35,421	-	35,421
Accrued interest – Residual Trust Account	-	2,188	-	2,188
Accrued interest – Statutory Deposit Account	-	648	-	648
Accrued other income	-	577	-	577
Total Receivables	-	39,150	-	39,150
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS:				
Managed investment schemes	735,857	-	-	735,857
Term deposits – Statutory Deposit Accounts	-	76,900	-	76,900
Total contractual financial assets	735,857	540,287	-	1,276,144
CONTRACTUAL FINANCIAL LIABILITIES				
Contractual payables and accrued expenses	-	-	2,975	2,975
Major grants and projects	-	-	4,061	4,061
Disputed costs	-	-	7	7
Total	-	-	7,043	7,043
BORROWINGS:				
Lease liabilities	-	-	31	31
Statutory Deposit Account balances	-	-	1,047,634	1,047,634
Total contractual financial liabilities	-	-	1,054,708	1,054,708

(B) CATEGORISATION OF FINANCIAL INSTRUMENTS (CONTINUED)

2015	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets – loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	-	562,334	-	562,334
RECEIVABLES:				
Trade receivables – Board	-	82	-	82
Trade receivables – Commissioner	-	251	-	251
Accrued investment distributions	-	17,903	-	17,903
Accrued interest – Residual Trust Account	-	2,253	-	2,253
Accrued interest – Statutory Deposit Account	-	1,009	-	1,009
Accrued other income	-	35	-	35
Total Receivables	-	21,533	-	21,533
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS:				
Managed investment schemes	465,910	-	-	465,910
Total contractual financial assets	465,910	583,867	-	1,049,777
CONTRACTUAL FINANCIAL LIABILITIES				
Contractual payables and accrued expenses	-	-	1,814	1,814
Major grants and projects	-	-	3,638	3,638
Disputed costs	-	-	164	164
TOTAL	-	-	5,615	5,615
BORROWINGS:				
Lease liabilities	-	-	46	46
Statutory Deposit Account balances	-	-	825,465	825,465
Total contractual financial liabilities	-	-	831,126	831,126

(C) NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

2016	Net holding gain/(loss) \$'000	Total distribution income \$'000	Total \$'000
Financial assets designated at fair value through profit/loss	(28,367)	42,530	14,163
Total contractual financial assets	(28,367)	42,530	14,163
2015			
Financial assets designated at fair value through profit/loss ⁽ⁱ⁾	11,950	23,618	35,568
Total contractual financial assets	11,950	23,618	35,568

⁽ⁱ⁾ Prior year total distribution income comparative figures have been adjusted to record distribution income of \$23,618 only. The comparative figures previously included \$41,661 of interest on financial assets not designated at fair value through profit/loss.

(D) CREDIT RISK

Credit risk arises from the contractual financial assets of the Board and the Commissioner, which comprise cash and cash deposits and receivables. The Board and Commissioner's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to either the Board or the Commissioner. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Board and the Commissioner's contractual financial assets is minimal because the main assets are cash at bank and other investments. The Board's policy is to deal with banks and other financial institutions with high credit ratings. A bank must be an approved deposit taking institution. The majority of all financial assets are held by Commonwealth Bank of Australia. For the Commissioner, management has assessed the risk associated with receivables as minimal.

The Board has an investment policy detailing controls in regard to credit risk. Any investments in a financial institution must be approved by the Board. Investments are regularly monitored by management and an external asset consultant and are reported to the Board on a monthly basis. Any investment deposit or redemption is approved by the Board.

In addition, neither the Board nor the Commissioner engage in active hedging for their contractual financial assets and they have contractual financial assets that are mainly cash at bank but also includes funds invested by the Board in approved fund managers after considering advice from an independent expert investment advisor.

Provisions for impairment of contractual financial assets are recognised when there is objective evidence that the Board and the Commissioner will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default on payments, debts which are more than 60 days overdue, and changes in debtor creditor ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of contractual financial assets that are neither past due nor impaired:

	2016 \$'000	2015 \$'000
CASH AND DEPOSITS		
Financial institutions: AA- (S&P)	403,934	542,056
Financial institutions: A (Mercer)	20,301	20,277
Other	1	1
	424,236	562,334
RECEIVABLES		
Financial institutions: AA- (S&P)	3,412	3,262
Financial institutions: A (Mercer)	35,421	17,903
Other (excludes GST receivables)	316	368
	39,149	21,533
INVESTMENTS AND OTHER FINANCIAL ASSETS		
Financial institutions: AA- (S&P)	76,900	-
Financial institutions: A (Mercer)	553,325	375,538
Financial institutions: A (P) (Mercer)	6,857	-
Financial institutions: A (T) (Mercer)	41,271	41,069
Financial institutions: A (W) (Mercer)	74,021	-
Financial institutions: B+(Mercer)	60,383	49,303
Total investments	812,757	465,910

Guide to ratings

A	Above average performance
B	Average performance
B+	Above average performance but need more evidence to support assessment
(P)	Provisional – there are issues/developments currently impacting the strategy/product creating uncertainty
(T)	High level active risk (tracking error) relative to benchmark index
(W)	Under watch – level of uncertainty about the rating
AA-	High grade

(E) AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impairment \$'000
			Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	
2016						
RECEIVABLES:						
Accrued investment distributions	35,421	35,421	-	-	-	-
Accrued interest – Residual Trust Account	2,188	2,188	-	-	-	-
Accrued interest – Statutory Deposit Account	648	648	-	-	-	-
Trade receivables – Board	212	17	-	127	68	47
Trade receivables – Commissioner	104	33	-	7	63	409
Accrued other income	577	577	-	-	-	-
Total receivables	39,150	38,884	-	134	131	456
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS						
Cash and deposits	424,237	424,237	-	-	-	-
Term deposits – Statutory Deposit Accounts	76,900	76,900	-	-	-	-
Investments at fair value through profit or loss	735,857	735,857	-	-	-	-
Total investments and other contractual financial assets	1,236,994	1,236,994	-	-	-	-
Total	1,276,143	1,275,878	-	134	131	456
2015						
RECEIVABLES:						
Accrued investment distributions	17,903	17,903	-	-	-	-
Accrued interest – Residual Trust Account	2,253	2,253	-	-	-	-
Accrued interest – Statutory Deposit Account	1,009	1,009	-	-	-	-
Trade receivables – Board	82	40	1	-	41	51
Trade receivables – Commissioner	251	65	10	26	150	326
Accrued other Income	35	35	-	-	-	-
Total receivables	21,533	21,305	11	26	191	377
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS						
Cash and deposits	562,334	562,334	-	-	-	-
Investments at fair value through profit or loss	465,910	465,910	-	-	-	-
Total investments and other contractual financial assets	1,028,244	1,028,244	-	-	-	-
Total	1,049,777	1,049,549	11	26	191	377

(E) AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS (CONTINUED)

NOTES

(i) Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Board and the Commissioner do not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(F) LIQUIDITY RISK

Liquidity risk is the risk that either the Board or the Commissioner would be unable to meet their financial obligations as and when they fall due. Both the Board and the Commissioner operate under the Government's fair payment policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Board or the Commissioner manage their liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligation, including honouring all Statutory Deposit Account withdrawal requests.
- holding investments and other contractual financial assets that are readily tradable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Board's and Commissioner's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the Board and the Commissioner's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for the Board and Commissioner's contractual financial liabilities.

(G) MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

2016	Carrying amount \$'000	Interest rate exposure	Maturity dates			
		Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months -1 year \$'000	1-5 years \$'000
CONTRACTUAL LIABILITIES:						
Contractual payables and accrued expenses – Public Purpose Fund	2,541	2,541	2,541	-	-	-
Contractual payables and accrued expenses – Victorian Legal Practitioners Fidelity Fund	137	137	137	-	-	-
Contractual payables and accrued expenses – Victorian Legal Services Commissioner	298	298	298	-	-	-
Disputed costs	7	7	7	-	-	-
Lease liabilities	31	31	1	30		
Major grants and projects	4,061	4,061	-	-	2,511	1,549
Statutory Deposit Account balances	1,047,634	1,047,634	1,047,634	-	-	-
Total	1,054,708	1,054,708	1,050,618	30	2,511	1,549
2015						
CONTRACTUAL LIABILITIES:						
Contractual payables and accrued expenses – Public Purpose Fund	1,415	1,415	1,415	-	-	-
Contractual payables and accrued expenses – Victorian Legal Practitioners Fidelity Fund	198	198	198	-	-	-
Contractual payables and accrued expenses – Victorian Legal Services Commissioner	201	201	201	-	-	-
Disputed costs	164	164	164	-	-	-
Lease liabilities	46	46	1	2	12	31
Major grants and projects	3,638	3,638	3,638	-	2,622	1,016
Statutory Deposit Account balances	825,465	825,465	825,465	-	-	-
Total	831,127	827,325	831,082	2	2,634	1,047

(H) MARKET RISK

The Board's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below:

(I) FOREIGN CURRENCY RISK

The Board's exposure to foreign currency risk is through two investment streams:

- Global equities; and
- Global fixed interest.

This exposure to foreign currency risk is in accord with the Board's agreed investment strategy which also sets target investment allocations for investment types.

The investment policy is to invest 50% of all global equities in a fully hedged investment product and 50% in an unhedged investment product. The target investment allocation is to invest 11.5% for the Public Purpose Fund and 10% for the Fidelity Fund of the total investments in global equities. Investments in global equities are \$71.46m as at 30 June 2016 compared with \$91.93m for prior year.

The target investment allocation for global fixed interest funds is to invest 29.3% of the Public Purpose Fund and 15% of the Fidelity Fund in those funds. Investments in global fixed interest funds as at 30 June 2016 is \$219.37m compared with \$72.57m in the prior period.

All investments in global equities and global fixed interest funds are reported in Australian dollars and the exposure is managed by investment fund managers based on parameters set by the Board. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Board to enter into any further hedging arrangements to manage the risk.

The Commissioner is not exposed to direct foreign currency risk as it does not hold any foreign financial instruments.

(II) INTEREST RATE RISK

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Board has significant exposure to both Australian and global fixed interest investments.

The Board also has significant exposure to cash flow interest rate risks through its cash, term deposits and deposits that are at floating rates. Note 20(J) illustrates the potential impact of a 50 basis points movement on the Board's revenue.

The Board manages this interest rate risk through a diversified assets allocation strategy and by the establishment and maintenance of Deeds of Arrangement with Approved Deposit Institutions and SDA management contracts in place with Commonwealth Bank of Australia. The diversified asset allocation strategy is reviewed at least annually and the banking arrangements are subject to periodic review and re-negotiation. Management monitors movement in interest rates on a daily basis.

The Commissioner does not hold any interest bearing instruments that are measured at fair value and therefore has no exposure to fair value interest rate risk.

As at 30 June 2016 the Commissioner has minimal exposure to cash flow interest rate risk as its operating bank account is transferred overnight to the Board's General Account. The Disputed Cost Account is a trust account and all interest received is paid to disputing parties when disputes are resolved.

The inter-entity loan balance owed by the Board to the Commissioner (which has been eliminated on consolidation) attracts no interest as under the Act, the Board must only pay out of the Public Purpose Fund each year an amount determined by the Board to meet the expenses of, and discharge the liabilities incurred by, the Commissioner in performing functions under the Act during the year under section 141 of the Act.

(III) EQUITY PRICE RISK

The Board is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated and traded to match the approved investment objectives. The Board has appointed Mercer Asset Consultants to review and provide recommendations on its investment strategies, asset allocation and fund managers. Management and Mercer closely monitor investment performance and provide reporting to the Board on a monthly basis. Equity price risk is managed through the diversification of its investment portfolio.

(I) INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

2016	Weighted average interest rate %	Interest rate exposure			
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
FINANCIAL ASSETS					
Cash and deposits	2.19%	424,237	-	424,237	-
RECEIVABLES:					
Trade receivables – Public Purpose Fund		212	-	-	212
Trade receivables – Victorian Legal Services Commissioner		104	-	-	104
Accrued investment distributions		35,421	-	-	35,421
Accrued interest – Residual Trust Account		2,188	-	-	2,188
Accrued interest – Statutory Deposit Account		648	-	-	648
Accrued other income		577	-	-	577
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes		735,857	395,881	-	339,976
Term deposits – Statutory Deposit Accounts	3.07%	76,900	-	76,900	-
Total Financial assets		1,276,144	395,881	501,137	379,126
FINANCIAL LIABILITIES					
PAYABLES					
Payables and accrued expenses		2,975	-	-	2,975
Major grants and projects		4,061	-	-	4,061
Disputed costs		7	-	-	7
Borrowings	4.62%	31	31	-	-
Statutory Deposit Account balances		1,047,634	-	-	1,047,634
Total Financial liabilities		1,054,708	31	-	1,054,677

(I) INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS (CONTINUED)

2016	Weighted average interest rate %	Interest rate exposure			
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
FINANCIAL ASSETS					
Cash and deposits	2.55%	562,334	-	562,334	-
RECEIVABLES:					
Trade receivables – Public Purpose Fund		82	-	-	82
Trade receivables – Victorian Legal Services Commissioner		251	-	-	251
Accrued investment distributions		17,903	-	-	17,903
Accrued interest – Residual Trust Account		2,253	-	-	2,253
Accrued interest – Statutory Deposit Account		1,009	-	-	1,009
Accrued other income		35	-	-	35
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes		465,910	141,403	-	324,507
Total Financial assets		1,049,777	141,403	562,334	346,040
FINANCIAL LIABILITIES					
PAYABLES					
Payables and accrued expenses		1,814	-	-	1,814
Major grants and projects		3,638	-	-	3,638
Disputed costs		164	-	-	164
Borrowings	4.62%	46	46	-	-
Statutory Deposit Account balances		825,465	-	-	825,465
Total Financial liabilities		831,127	46	-	831,081

(I) SENSITIVITY DISCLOSURE ANALYSIS AND ASSUMPTIONS

The Board's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding four year period, with all variables other than the primary risk variable held constant. The Board's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down (2015: 50 down and 50 up) in market interest rates (AUD).

The impact on the Board's net result for each category of financial instrument held by the Board at year end as presented to key management personnel, if the above movements were to occur, is as follows:

The Board has no financial liabilities subject to movements in market rates and prices.

(J) INTEREST RATE SENSITIVITY

	Carrying amount \$'000	Interest rate risk			
		-50 basis points (2015: -100 basis points)		+50 basis points (2015: +100 basis points)	
		Net result \$'000	Impact on retained earnings \$'000	Net result \$'000	Impact on retained earnings \$'000
At 30 June 2016					
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits	424,237	(2,121)	(2,121)	2,121	2,121
Term deposits – Statutory Deposit Accounts	76,900	(385)	(385)	385	385
Investments and other financial assets	735,857	-	-	-	-
Total impact		(2,506)	(2,506)	2,506	2,506
At 30 June 2015					
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits	562,334	(5,623)	(5,623)	5,623	5,623
Investments and other financial assets	465,910	-	-	-	-
Total impact		(5,623)	(5,623)	5,623	5,623

The above analysis does not reflect the impact on the Board's revenue from interest rate changes on returns from Residual Trust accounts.

Under the provisions of the Act, the Board receives interest from Approved Deposit Institutions for funds deposited in non-SDA Residual Trust accounts held by legal practitioners or approved clerks. The quantum of interest received on residual trust funds for the year ended 30 June 2016 was \$28.37m (2015: \$28.47m).

Based on a rolling average balance in Residual Trust Funds as at 30 June 2016 of \$1,833m (2015 \$1,485m), a 100 basis point movement would impact the revenue attributable to the Board by \$18.33m (2015 \$14.85m).

(K) OTHER PRICE RISK SENSITIVITY

Exposure to other price risk arises due to the inherent risk due to the possibility of falls in the market value of the investments held for trading.

The Board's objective of managing other price risk is to minimise negative impacts on investment value due to the volatility of the stock market.

Policy in managing other price risk:

The Board has appointed Mercer as its external, independent investment managers to monitor the volatility of stock market investments in light of performance benchmarks. The investment manager is expected to manage this risk with parameters set by the Board and with appropriate oversight by management and the Board. The risk is managed through the appropriate diversification of managed investment funds and diversification through different asset classes as per the mandated allocations.

The Board oversees the management of other price risk throughout the year.

The Board's Management has estimated according to past performance and future expectations an average maximum decrease in the value of AUD when exchanging foreign currencies of 10%.

- The Board's Management has estimated according to past performance and future expectations an average maximum increase in the value of AUD when exchanging foreign currencies of 5%.
- The currency risk has been estimated based on the closing balance for global equities as at 30 June (Note 8). The balance of Other Financial Assets includes the investments in global equities subject to exchange rate movements. Sensitivity to + or -10% movement is \$26.333m in absolute terms, similarly a + or -5% movement is \$13.166m.

The Board's Management has estimated that movements in Other Price Risk will be from positive 10% to negative 15% in the next 12 months. The Board's Management does not believe that it is possible to reasonably estimate the variables used (interest rates) further than for 12 months.

(K) OTHER PRICE RISK SENSITIVITY (CONTINUED)

At 30 June 2016	Carrying amount \$'000	Foreign exchange risk				Other price risk			
		10% (a)		-5% (b)		-15% (a)		10% (b)	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
FINANCIAL ASSETS									
Investments at fair value through profit or loss	735,857	26,333	26,333	(13,166)	(13,166)	(110,379)	(110,379)	73,586	73,586
Total increase/(decrease)		26,333	26,333	(13,166)	(13,166)	(110,379)	(110,379)	73,586	73,586
At 30 June 2015									
FINANCIAL ASSETS									
Investments at fair value through profit or loss	465,910	12,429	12,429	(6,214)	(6,214)	(69,887)	(69,887)	46,591	46,591
Total increase/(decrease)		12,429	12,429	(6,214)	(6,214)	(69,887)	(69,887)	46,591	46,591

(L) FAIR VALUE

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using observable market inputs.

The Board currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short term nature of the financial instruments or with the expectation that they will be paid in full by the end of the 2015-16 reporting period. These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	<i>Payables:</i>
<i>Receivables:</i>	For supplies and services
Sale of goods and services	Amounts payable to government and agencies
Accrued investment income	Other payables
Other receivables	<i>Borrowings:</i>
<i>Investments and other contractual financial assets:</i>	Bank overdraft
Term deposits	

The following table shows that the fair values of the contractual financial assets and liabilities are the same as the carrying amounts.

Note: (i) The carrying amount disclosed here excludes statutory amounts (e.g. amounts owing from Victorian Government, GST input tax credits recoverable or GST payable).

(L) FAIR VALUE (CONTINUED)

	2016		2015	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	424,237	424,237	562,334	562,334
RECEIVABLES				
Accrued investment distributions	35,421	35,421	17,903	17,903
Accrued interest – Residual Trust Account	2,188	2,188	2,253	2,253
Accrued interest – Statutory Deposit Account	648	648	1,009	1,009
Trade receivables – Public Purpose Fund	212	212	82	82
Trade receivables – Victorian Legal Services Commissioner	104	104	251	251
Accrued other income	577	577	35	35
Total Receivables	39,150	39,150	21,533	21,533
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Investments at fair value through profit or loss held for trading	735,857	735,857	465,910	465,910
Term deposits – Statutory Deposit Accounts	76,900	76,900	-	-
Total contractual financial assets	1,276,144	1,276,144	1,049,777	1,049,777
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses – Public Purpose Fund	2,541	2,541	1,415	1,415
Contractual payables and accrued expenses – Legal Practitioners Fidelity Fund	137	137	198	198
Contractual payables and accrued expenses – Victorian Legal Services Commissioner	298	298	201	201
Major grants and projects	4,061	4,061	3,638	3,638
Disputed costs	7	7	164	164
Lease liabilities	31	31	46	46
Statutory Deposit Account balances	1,047,634	1,047,634	825,465	825,465
Total contractual financial liabilities	1,054,708	1,054,708	831,127	831,127

(M) FINANCIAL ASSETS MEASURED AT FAIR VALUE

Financial assets at fair value through the profit and loss:

	30 June 2016		30 June 2015	
	Carrying amount \$'000	Fair value measurement at end of reporting period – Level 1 \$'000	Carrying amount \$'000	Fair value measurement at end of reporting period – Level 1 \$'000
Investments and other financial assets at fair value through profit and loss	735,857	735,857	465,910	465,910

21 EX-GRATIA PAYMENTS

	2016 \$'000	2015 \$'000
The Victorian Legal Services Commissioner made ex-gratia payments under section 4.2.16 of the Act to complainants	-	2

The former Act allowed the Commissioner to make ex-gratia payments to complainants under section 4.2.16. The replacing Act no longer provides for ex-gratia payments.

22 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

(A) NAMES

The persons who held the positions of Responsible Minister, Board Member and Accountable Officer in the Victorian Legal Services Board and Victorian Legal Services Commissioner are as follows:

Position	Responsible Person	Period
Attorney-General	The Hon. Martin Pakula, MP	1 July 2015 to 30 June 2016
Accountable Officer	Mr Michael McGarvie	1 July 2015 to 30 June 2016
Chairperson	Ms Fiona Bennett	1 July 2015 to 30 June 2016
Board Member	Ms Carolyn Bond AO	1 July 2015 to 30 June 2016
Board Member	Mr Peter Jopling QC	1 July 2015 to 30 June 2016
Board Member	Mr Harvey Kalman	1 July 2015 to 30 June 2016
Board Member	Mr Steven Stevens	1 July 2015 to 30 June 2016
Board Member	Dr Lynne Williams	1 July 2015 to 30 June 2016
Board Member	Ms Cate Dealehr	1 July 2015 to 30 June 2016

(B) REMUNERATION

Of the number of members included below, 1 member (2015: 1 member) served only as a member of the Board and the Commissioner's Audit & Risk Committee.

Remuneration received or receivable by the Responsible Persons and Accountable officer, excluding the responsible Minister during the reporting period was in the range:

	2016 No.	2015 No.
INCOME BAND		
less than \$9,999	1	1
\$10,000 to \$19,999	-	-
\$20,000 to \$29,999	-	-
\$30,000 to \$39,999	-	6
\$40,000 to \$49,999	6	-
\$50,000 to \$59,999	-	-
\$60,000 to \$69,999	-	-
\$70,000 to \$79,999	-	1
\$80,000 to \$89,999	1	-
\$290,000 to \$299,999	-	1
\$300,000 to \$309,999	1	-
Total Numbers	9	9
Total Amount (\$)	634,197	595,586

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding related party transactions of ministers, the register of members' interests is publicly available from: www.parliament.vic.gov.au/publications/register-of-interests.

Board members superannuation

The Board made direct superannuation contributions for its members during the year ended 30 June 2016 of \$27,611 (2015: \$25,459).

23 REMUNERATION OF EXECUTIVES AND PAYMENTS TO OTHER PERSONNEL

Executive officers

The number of executive officers, other than the minister and accountable officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of the executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Bonus payments affected total remuneration payable to executives over the year and these depend on the terms of the individual employment contracts.

	Total Remuneration		Base Remuneration	
	2016	2015	2016	2015
INCOME BAND				
less than \$100,000	-	-	-	-
\$170,000 – \$179,999	-	-	-	-
\$180,000 – \$189,999	-	-	-	-
\$190,000 – \$199,999	-	-	-	1
\$200,000 – \$209,999	-	-	2	1
\$210,000 – \$219,999	-	1	-	-
\$220,000 – \$229,999	2	1	-	-
Total numbers	2	2	2	2
Total annualised employee equivalent (AEE)	2.0	2.0	2.0	2.0
Total amount (\$)	450,667	444,332	410,606	402,912

* Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Other personnel i.e. Contractors with significant management responsibilities

There were no contractors charged with significant management responsibilities during the period 1 July 2015 to 30 June 2016 (2015: nil).

24 REMUNERATION OF AUDITORS

Victorian Auditor-General's Office

	2016 \$'000	2015 \$'000
Audit of financial statements	80	78
Total remuneration for audit and other assurance services	80	78

25 RELATED PARTY TRANSACTIONS

	2016 \$'000	2015 \$'000
Expenses recovered from the Commissioner by the Board	255	286
Expenses recovered from the Board by the Commissioner	13,523	12,694
Inter-entity loan (eliminated) as per Note 1 (F)	2,885	1,999

The Commissioner and the Board share costs and services. All transactions are at arm's length. Shared costs are recharged on agreed rates. Expenses, revenues and associated loan balances shown above are eliminated on consolidation.

26 SUBSEQUENT EVENTS

No material subsequent events occurred after the reporting date.

27 GLOSSARY OF TERMS AND STYLE CONVENTIONS

ACT

Legal Profession Uniform Law Application Act 2014 (replaces the *Legal Profession Act 2004*)

AMORTISATION

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

BORROWINGS

Borrowings refer to interest bearing liabilities raised from finance leases.

COMMITMENTS

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

COMPREHENSIVE RESULT

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

DEPRECIATION

Depreciation is an expense that arises from the consumption through wear and tear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

EFFECTIVE INTEREST METHOD

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and superannuation contributions.

EX-GRATIA PAYMENTS

Ex gratia payment is the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity i.e. the gratuitous payment of money where no legal obligation exists.

FIDELITY FUND

The Fidelity Fund is maintained under section 121 of the Act. The purpose of the Fidelity Fund is to compensate clients for losses arising out of defaults by law practices arising from acts or omissions of associates and defaults by approved clerks. The amount in the Fidelity Fund must be kept separate from any other money held by the Board and be held in trust. The Board may invest any money in the Fidelity Fund that is not immediately required for the purposes of the Fidelity Fund in the manner in which money may be invested under the Trustee Act 1958.

FINANCIAL ASSET

A financial asset is any asset that is:

- a. cash;
- b. an equity instrument of another entity;
- c. a contractual or statutory right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- d. a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

27 GLOSSARY OF TERMS AND STYLE CONVENTIONS (CONTINUED)

FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual are not financial instruments.

FINANCIAL LIABILITY

A financial liability is any liability that is:

- a. a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
 - a contract that will or may be settled in the entity's own equity instrument and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own instruments.

FINANCIAL STATEMENTS

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statement and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007) which means it may include the main financial statements and the notes.

GRANTS

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods and services, to particular taxpayers in return for their taxes. For this reason, grants are referred to by the AASB as involuntary transfers and are termed nonreciprocal transfers.

The Board provide grants for any of the following purposes under s 144 of the Act:

- a. law reform;
- b. legal education;
- c. judicial education;
- d. legal research; and
- e. any purpose relating to the legal profession or the law that the Board considers appropriate.

The conditions of the grant payments are provided in the Act.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

INTANGIBLE ASSETS

Intangible assets represent identifiable non-monetary assets without physical substance.

INTEREST INCOME

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

NET RESULT

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows – other comprehensive income'.

NET RESULT FROM TRANSACTIONS/NET OPERATING BALANCE

A net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains or losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

NET WORTH

Assets less liabilities, which is an economic measure of wealth.

NON-FINANCIAL ASSETS

Non-financial assets are all assets that are not 'financial assets'. It includes plant and equipment and intangible assets.

OTHER ECONOMIC FLOWS

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets, fair value changes in financial instruments and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

PAYABLES

Includes short and long term trade debt and accounts payable, grants and interest payable.

PUBLIC PURPOSE FUND

The Public Purpose Fund is maintained under section 133 of the Act. The Fund is comprised of three separate accounts – the General Account, Statutory Deposit Account and the Distribution Account. The funding and expenditure requirements of each of the accounts are detailed in the Act. The amount in the Public Purpose Fund must be kept separate from any other money held by the Board and be held in trust. The Board may invest any money standing to the credit of the Fund that is not immediately required for the purposes of the Public Purpose Fund in the manner in which money may be invested under the Trustee Act 1958.

RECEIVABLES

Includes short and long term credit and accounts receivable, grants, taxes and interest receivable.

STATUTORY DEPOSIT ACCOUNT BALANCES (SDA)

Each law practice with Trust Accounts has an individual SDA held in their name by the Board; the balance in this account is linked to their Trust Account. The liability represents the total sum of the individual SDA balances.

TRANSACTIONS

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Board or the Commissioner.

STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding.

The notation used in the tables is as follows:

- zero, or rounded to zero

(xxx) negative numbers

200x year period

200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2015- 16 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Board or the Commissioner's annual reports.



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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Victorian Legal Services Board and the Commissioner, Victorian Legal Services Commissioner

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Victorian Legal Services Board and the Victorian Legal Services Commissioner, prepared pursuant to Section 53(1)(b) of the *Financial Management Act 1994*, which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the chairperson's, accountable officer's and chief finance and accounting officer's declaration.

The Board Members' and Commissioner's Responsibility for the Financial Report

The Board Members of the Victorian Legal Services Board and Commissioner of the Victorian Legal Services Commissioner are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members and Commissioner 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

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 audit procedures selected depend on 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, consideration is given to the 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 the accounting policies used and the reasonableness of accounting estimates made by the Board Members and Commissioner, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Legal Services Board and the Victorian Legal Services Commissioner as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
19 August 2016

for
T.F.H.
Dr Peter Frost
Acting Auditor-General

APPENDIX 05

BOARD DELEGATIONS

Under s.44 of the Application Act the Victorian Legal Services Board may delegate certain of its functions to a member of the Board, an employee, the Victorian Legal Services Commissioner, a local professional association, or a prescribed person.

CURRENT DELEGATIONS

Table 58 lists all of the internal delegations and Table 59 lists all of the external delegations made by the Board and in force as at 30 June 2016.

TABLE 58: INTERNAL DELEGATIONS MADE BY THE BOARD, CURRENT AS AT 30 JUNE 2016

Date	Delegate	Functions delegated
13 Oct 2015	Victorian Legal Services Commissioner	LEGAL PROFESSION ACT 2004
		Part 3.6, Division 3 – Claims about defaults
		Section 3.6.12(1) – investigate fidelity fund claims
		Section 3.6.12(2) – require fidelity fund claimant to produce security, document or statement of evidence
		Part 3.6, Division 4 – Determination of claims
		Section 3.6.19 – subrogation on payment of fidelity fund claim
		LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014
		Part 2, Division 2 – Further application provisions
		Section 13(2) – approve professional indemnity insurance policy
		Part 4, Division 2 – Australian practising certificates
		Section 73(4) – refund all or part of a surcharge
		Section 75(2) – refund all or part of a surcharge
		Part 5, Division 1 – Statutory deposits into Public Purpose Fund
		Section 80 – determine of required deposit amount
Section 85 – exempt of law practice or clerk		
Part 10 – General		
Section 153(1) – appoint person to investigate offence		
Section 154 – file charge sheet		

Date	Delegate	Functions delegated
13 Oct 2015 (continued)	Victorian Legal Services Commissioner (continued)	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 2 – Australian practising certificates</p> <p>Section 44 – grant or renew Australian practising certificate</p> <p>Section 45 – grant or renew Australian practising certificate</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 47 – grant Australian practising certificate subject to conditions</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>Section 50(2) – (5) – impose on or exempt barrister from conditions</p> <p>Section 53 – impose discretionary conditions on Australian practising certificates</p> <p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p> <p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Section 76 – vary, suspend or cancel certificate</p> <p>Section 77 – vary or suspend certificate</p> <p>Section 78 – lift suspension of a certificate and renew certificate while suspended</p> <p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds</p> <p>Section 82 – vary, suspend or cancel certificate</p> <p>Section 83 – give certificate holder notice of variation, suspension or cancellation</p> <p>Section 84 – take proposed action after giving notice</p> <p>Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates</p> <p>Section 87 – receive notice of show cause event</p> <p>Section 88 – receive notice of show cause event</p> <p>Section 89 – determine if fit and proper and take appropriate action</p> <p>Section 91 – receive statement from certificate holder</p> <p>Section 92 – determine if fit and proper and take appropriate action</p> <p>Section 93 – take no action on event occurred before admission</p> <p>Section 94 – decide person not entitled to apply for specified period</p>

Date	Delegate	Functions delegated
13 Oct 2015 (continued)	Victorian Legal Services Commissioner (continued)	<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p> <p>Part 3.9, Division 1 – Making of disqualification orders</p> <p>Section 119 – make an order for disqualifications of individuals</p> <p>Section 120 – make an order for disqualifications of entities</p> <p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p> <p>Part 4.2, Division 2 – Trust money and trust accounts</p> <p>Section 151 – receive notice of accounts</p> <p>Section 152 – determine money is not trust money</p> <p>Part 4.2, Division 4 – External investigations</p> <p>Section 160(2) and (3) – recover costs of external examinations from law practice</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p> <p>Section 166 – recover costs of external investigation</p> <p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p> <p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p> <p>Section 237 – process and investigate claims</p> <p>Part 4.5, Division 5 – Determination of claims</p> <p>Section 246 – subrogate rights and remedies of claimant</p> <p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements</p> <p>Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <p>Part 4.6 – Business Management and Control</p> <p>Section 256 – conduct compliance audits</p> <p>Section 257 – give management system directions</p> <p>Part 9.4 – Cooperative and Other Arrangements</p> <p>Section 439 – receive information from relevant persons</p> <p>Part 9.6 – Injunctions</p> <p>Section 447 – apply to Supreme Court for injunction</p> <p>Part 9.9 – General</p> <p>Section 462(2) – disclose information obtained</p> <p>Section 473(2) – approve forms</p>

Date	Delegate	Functions delegated
13 Oct 2015 (continued)	Victorian Legal Services Commissioner (continued)	<p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 20(3) and (4) – require evidence and require payment of expenses</p> <p>Rule 54 – require statement on trust money</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence</p> <p>Rule 67 – exempt examiner from requirement to report using standard form</p> <p>Rule 81 – require insurance policy be submitted for assessment</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p> <p>Rule 86 (1) – receive claim against fidelity fund in specified form</p> <p>Rule 87 – require information and/or security related to claim</p> <p>Rule 90 – notify claimant of delay in determination of claim</p>
1 Jul 2015	Executive Director, Complaints and Intervention	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 2, Division 2 – Further application provisions</p> <p>Section 13(2) – approve professional indemnity insurance policy</p> <hr/> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p> <p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p> <p>Part 10 – General</p> <p>Section 153(1) – appoint person to investigate offence</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – impose conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <hr/> <p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p> <p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p> <hr/> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <hr/> <p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p>

Date	Delegate	Functions delegated
1 Jul 2015 (continued)	Executive Director, Complaints and Intervention (continued)	<p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p> <p>Part 4.2, Division 4 – External investigations</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p> <p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p> <p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p> <p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements</p> <p>Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <p>Part 4.6– Business Management and Control</p> <p>Section 256 – conduct compliance audits</p> <p>Part 9.4– Cooperative and Other Arrangements</p> <p>Section 439 – receive information from relevant persons</p> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence</p> <p>Rule 67 – exempt examiner from requirement to report using standard form</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
1 July 2015	Executive Director, Finance, Investment and Risk	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 2, Division 2 – Further application provisions</p> <p>Section 13(2) – approve professional indemnity insurance policy</p> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p> <p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p>

Date	Delegate	Functions delegated
1 July 2015 (continued)	Executive Director, Finance, Investment and Risk (continued)	<p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p> <p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p> <p>Part 4.2, Division 4 – External investigations</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p> <p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p> <p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p> <p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements</p> <p>Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence</p> <p>Rule 67 – exempt examiner from requirement to report using standard form</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
1 Jul 2015	General Counsel	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 2, Division 2 – Further application provisions</p> <p>Section 13(2) – approve professional indemnity insurance policy</p> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 75(2) – refund all or part of a surcharge</p> <p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p>

Date	Delegate	Functions delegated
1 Jul 2015 (continued)	General Counsel (continued)	<p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p> <p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p> <p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p> <p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p> <p>Part 9.4 – Cooperative and Other Arrangements</p> <p>Section 439 – receive information from relevant persons</p> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
1 Jul 2015	Manager, Practitioner Services	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p>
1 Jul 2015	Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 4.6 – Business Management and Control</p> <p>Section 256 – conduct compliance audits</p>

Date	Delegate	Functions delegated
18 Aug 2015	Manager, Administrative Law and Consumer Matters	LEGAL PROFESSION ACT 2004
		Part 3.6, Division 3 – Claims about defaults
		Section 3.6.8(1) – allow further period to lodge fidelity fund claim
		Section 3.6.9 – advertisements
		Section 3.6.10 – time limit for making claims following advertisements
		LEGAL PROFESSION UNIFORM LAW (VICTORIA)
		Part 4.5 – Claims and defaults
		Section 236(1) and (2) – time limit for making claims
18 Aug 2015	Board members who are members of the Fidelity Fund Claims Advisory Committee	LEGAL PROFESSION ACT 2004
		Part 3.6, Division 4 – Determination of Fidelity Fund Claims
		Section 3.6.14 – determination of claims
		Section 3.6.15 – maximum amount allowable
		Section 3.6.16 – costs
		Section 3.6.17 – interest
		Section 3.6.18 – reduction of claim because of other benefits
		LEGAL PROFESSION UNIFORM LAW (VICTORIA)
		Part 4.5, Division 5 – Determination of claims
		Section 240 – determination of claims
		Section 241 – maximum amount allowable
		Section 242 – costs from fidelity fund
		Section 243 – interest from fidelity fund
Section 244 – reduction of claim because of other benefits		

TABLE 59: EXTERNAL DELEGATIONS MADE BY THE BOARD CURRENT AS AT 30 JUNE 2016

Date	Delegate	Functions delegated
1 July 2015	Law Institute of Victoria	LEGAL PROFESSION UNIFORM LAW (VICTORIA)
		Part 4.2, Division 2 – Trust money and trust accounts
		Section 151 – receive notice of accounts
		Section 152 – determine money is not trust money
		Part 4.2, Division 3 – External examination of trust records
		Section 159 – receive written report from external examiners
		Part 4.2, Division 4 – External Investigations
		Section 162 – investigate or appoint external investigator
		Section 163 – undertake or authorise external investigations
		Section 165 – receive written report on investigation
		Part 4.5, Division 4 – Claims about defaults
		Section 237 – process and investigate claims
		Part 4.6 – Business Management and Control
Section 256 – conduct compliance audits (ILPs)		

Date	Delegate	Functions delegated
1 July 2015 (continued)	Law Institute of Victoria (continued)	<p>Part 9.5– Notices and Evidentiary Matters</p> <p>Section 446 – seal or sign certificate confirming a person held an Australian practising certificate</p> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Chapter 4, Division 2 – Trust Money and Trust Accounts</p> <p>Rule 54 – require statement on trust money</p> <p>LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (SOLICITORS) RULES 2015</p> <p>Rule 13 – receive certification of CPD compliance</p> <p>Rule 14 – require verification of compliance</p> <p>Rule 15 – give written notice requiring rectification plan</p> <p>Rule 16 – exempt from requirement to undertake CPD activities</p>
18 Aug 2015	Victorian Bar	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p> <p>Part 10 of the Act – General</p> <p>Section 153 (1) – appoint person to investigate offence</p> <p>Section 154 – file charge sheet</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 2 – Australian practising certificates</p> <p>Section 44 – grant or renew Australian practising certificate</p> <p>Section 45 – grant or renew Australian practising certificate Section 47 – determine conditions to impose on Australian practicing certificates</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 47 – grant Australian practising certificate subject to conditions</p> <p>Section 53 – impose discretionary conditions on Australian practising certificates</p> <p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Section 76 – vary, suspend or cancel certificate</p> <p>Section 77 – vary or suspend certificate</p> <p>Section 78 – lift suspension of a certificate and renew certificate while suspended</p> <p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds</p> <p>Section 82 – vary, suspend or cancel certificate</p> <p>Section 83 – give certificate holder notice of variation, suspension or cancellation</p> <p>Section 84 – take proposed action after giving notice</p>

Date	Delegate	Functions delegated
18 Aug 2015 (continued)	Victorian Bar (continued)	<p>Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates</p> <p>Section 87 – receive notice of show cause event</p> <p>Section 88 – receive notice of show cause event</p> <p>Section 89 – determine if fit and proper and take appropriate action</p> <p>Section 91 – receive statement from certificate holder</p> <p>Section 92 – determine if fit and proper and take appropriate action</p> <p>Section 93 – take no action on event occurred before admission</p> <p>Section 94 – decide person not entitled to apply for specified period</p> <p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p> <p>Part 3.9, Division 1 – Making of disqualification orders</p> <p>Section 119 – make an order for disqualifications of individuals</p> <p>Part 4.2, Division 2 – Trust money and trust accounts</p> <p>Section 151 – receive notice of accounts</p> <p>Section 152 – determine money is not trust money</p> <p>Part 9.5– Notices and Evidentiary Matters</p> <p>Section 446 – seal or sign certificate confirming a person held an Australian practising certificate</p> <p>Part 9.6 – Injunctions</p> <p>Section 447 – apply to Supreme Court for injunction</p> <p>LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (BARRISTERS) RULES 2015</p> <p>Rule 13 – receive certification of CPD compliance</p> <p>Rule 14 – require verification of compliance</p> <p>Rule 15 – give written notice requiring rectification plan</p> <p>Rule 16 – exempt from requirement to undertake CPD activities</p>

REVOKED DELEGATIONS

Table 60 lists all of the external delegations revoked by the Board during 2015-16..

TABLE 60: EXTERNAL DELEGATIONS REVOKED BY THE BOARD DURING 2015-16

Delegate	Function
Victorian Bar Ltd	<p>Part 4.2, Division 4 – External investigations</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p>

Standard Delegation Conditions (apply to all unless otherwise noted):

1. The delegation does not prevent the discharge, exercise or performance by the Board of the functions duties and powers delegated, and
2. If the Board gives notice to the delegate that the Board intends to discharge, exercise or perform its functions duties and powers delegated, the delegate shall not commence to discharge, exercise or perform those functions duties and powers, or shall cease to do so, as the case may be.

APPENDIX 06

COMMISSIONER DELEGATIONS

Under s.56 of the Application Act the Victorian Legal Services Commissioner may delegate certain of its functions to an employee, a local professional association, or a prescribed person.

CURRENT DELEGATIONS

The following tables list all internal and external delegations made by the Commissioner during 2015-16.

TABLE 61: INTERNAL DELEGATIONS MADE BY THE COMMISSIONER AND IN FORCE AS AT 30 JUNE 2016

Date	Delegate	Functions delegated
2 Jul 2015	Executive Director, Complaints and Intervention	LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014
		Part 3, Division 4 – General provisions for the Victorian Legal Services Board and Victorian Commissioner
		Section 60 – appoint a panel of mediators
		LEGAL PROFESSION UNIFORM LAW (VICTORIA)
		Part 5.2, Division 1 – Making complaints and other matters about complaints
		Section 266(2) – initiate a complaint containing a disciplinary matter
		Section 267 – making a complaint
		Section 269(1) – definition of consumer matter
		Section 271 – priority given to resolving consumer matter where there is a mixed complaint
		Section 272 – making complaint within 3 year time limit
		Section 273(2) – ability to continue investigation even where complain is withdrawn
		Part 5.2, Division 2 – Preliminary assessment of complaints
		Section 276 – conduct preliminary complaint
		Section 277 – ability to close complaint after conducting preliminary assessment
		Section 278 – ability to make recommendation that a practicing certificate be suspended
		Part 5.2, Division 3 – Notifications to and submissions by respondents
		Section 279 – notify respondent of complaint as soon as practicable
Section 280 – response to complaint by respondent		
Section 281 – ability to not notify a respondent under certain circumstances		

Date	Delegate	Functions delegated
2 Jul 2015 (continued)	Executive Director, Complaints and Intervention (continued)	<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.4, Division 3 – Role of designated tribunal</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>

Date	Delegate	Functions delegated
2 Jul 2015 (continued)	Executive Director, Complaints and Intervention (continued)	<p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Manager, Regulatory Intervention (continued)	<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.4, Division 3 – Role of designated tribunal</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Assistant Manager, Regulatory Intervention (continued)	<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
2 July 2015	Manager, Complaints and Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>

Date	Delegate	Functions delegated
2 July 2015 (continued)	Manager, Complaints and Investigations (continued)	<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.4, Division 3 – Role of designated tribunal</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>

Date	Delegate	Functions delegated
2 July 2015 (continued)	Manager, Complaints and Investigations (continued)	<p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Manager, Complaints and Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Assistant Manager, Complaints and Investigations (continued)	<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Manager, Administrative Law and Consumer Matters	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Manager, Administrative Law and Consumer Matters (continued)	<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
10 Aug 2015	Assistant Manager, Administrative Law and Consumer Matters	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5 – Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
10 Aug 2015	Manager, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Manager, Assessment and Resolutions (continued)	<p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Administrative Officer, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Administrative Officer, Assessment and Resolutions (continued)	<p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Manager, Practitioner Services	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Manager, Practitioner Services (continued)	<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p> <p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Investigations Officer (continued)	<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Assistant Investigations Officer (continued)	<p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2016	Assistant Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p>

Date	Delegate	Functions delegated
10 Aug 2016 (continued)	Assistant Dispute Resolution Officer (continued)	<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Conciliator	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Conciliator (continued)	<p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Intake and Assessment Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Principal Advisor	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Principal Advisor (continued)	<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Principal Advisor (continued)	<p>Part 5.7 – General Duties of Local Regulatory Authorities</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Senior Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>

Date	Delegate	Functions delegated
10 Aug 2015 (continued)	Senior Investigations Officer (continued)	<p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
21 Aug 2015	Trust Account Analyst	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p> <p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

TABLE 62: EXTERNAL DELEGATIONS MADE BY THE COMMISSIONER AND IN FORCE AS AT 30 JUNE 2016

Date	Delegate	Functions delegated
28 Aug 2015	Victorian Bar	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <p>Part 5.5– Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>

REVOKED DELEGATIONS

The following table lists all of the delegations revoked by the Commissioner during 2015-16.

TABLE 63: INTERNAL DELEGATIONS REVOKED BY THE COMMISSIONER DURING 2015-16

Delegate	Function
Manager, Administrative Law and Consumer Matters	LEGAL PROFESSION UNIFORM LAW (VICTORIA)
	Part 5.4, Division 3 – Role of designated tribunal
Manager, Assessment and Resolutions	Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal
Assistant Manager, Administrative Law and Consumer Matters	LEGAL PROFESSION UNIFORM LAW (VICTORIA)
	Part 5.2, Division 1 – Making complaints and other matters about complaints
	Section 266(2) – initiate a complaint containing a disciplinary matter
	Section 267 – making a complaint
	Section 272 – making complaint within 3 year time limit
	Section 273(2) – ability to continue investigation even where complain is withdrawn
	Part 5.2, Division 2 – Preliminary assessment of complaints
	Section 277 – ability to close complaint after conducting preliminary assessment
	Part 5.3, Division 2 – Provisions applicable to all consumer matters
	Section 290 – resolve consumer matter by making determination
	Part 5.3, Division 3 – Further provisions applicable to all consumer matters
	Section 292 – make a binding determination about costs
	Part 5.4, Division 2 – Determination by local regulatory authority
	Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct
	Part 5.4, Division 3 – Role of designated tribunal
	Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal
	Part 5.5– Compensation Orders
Section 306 – make compensation order	
Section 308 – order to compensate aggrieved person	
Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund	
Part 5.7 – General Duties of Local Regulatory Authorities	
Section 318 – provide the complainant and respondent written notice of decisions or determinations	
Section 320 – make order directing or refraining action	

Investigations Officer Assistant Investigations Officer Dispute Resolution Officer Assistant Dispute Resolution Officer Conciliator Intake and Assessment Officer	LEGAL PROFESSION UNIFORM LAW (VICTORIA)
	Part 5.2, Division 2 – Preliminary assessment of complaints
	Section 278 – ability to make recommendation that a practicing certificate be suspended
	Part 5.2, Division 4 – Investigation of complaints
	Section 283 – extend scope of investigation
	Section 284 – arrange assessment of costs charged or claimed by respondent
	Part 5.3, Division 2 – Provisions applicable to all consumer matters
	Section 288 – order parties to the complaint attend mediation
	Section 289 – prepare written record of agreement to mediation
	Part 5.3, Division 3 – Further provisions applicable to costs disputes
Section 293 – cease to act where dispute is less than \$10,000	

TABLE 64: EXTERNAL DELEGATIONS REVOKED BY THE COMMISSIONER DURING 2015-16

Delegate	Function
Victorian Bar Inc	LEGAL PROFESSION UNIFORM LAW (VICTORIA)
	Part 5.2, Division 1 – Making complaints and other matters about complaints
	Section 267 – making a complaint
	Section 272 – making complaint within 3 year time limit
	Section 273(2) – ability to continue investigation even where complain is withdrawn
	Part 5.3, Division 3 – Further provisions applicable to costs disputes
	Section 292 – make a binding determination about costs
	Section 293 – cease to act where dispute is less than \$10,000
	Part 5.4, Division 2 – Determination by local regulatory authority
	Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct
	Part 5.4, Division 3 – Role of designated tribunal
	Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal
	Part 5.5– Compensation Orders
	Section 306 – make compensation order
	Section 308 – order to compensate aggrieved person
	Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund
Part 5.6 – Appeal or Review	
Section 313 – conduct an internal review	
Part 5.7 – General Duties of Local Regulatory Authorities	
Section 318 – provide the complainant and respondent written notice of decisions or determinations	
Section 320 – make order directing or refraining action	

APPENDIX 07

DISCLOSURE INDEX

The Annual Report of the Board and Commissioner is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Board and Commissioner's compliance with the statutory disclosure requirements.

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Legislation	Requirement	Page reference
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