

Victorian Legal Services
BOARD + COMMISSIONER

Delivering more together

ANNUAL REPORT 2021



Victorian Legal Services
BOARD + COMMISSIONER

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14 October 2020

Dear Attorney-General

We are pleased to provide you with the 2020-21 Annual Report of the Victorian Legal Services Board and Commissioner.

This report provides an overview of the operations and financial status of the Board and Commissioner for the reporting year to 30 June 2021. It has been prepared in accordance with the requirements of the *Financial Management Act 1994* and the *Legal Profession Uniform Law Application Act 2014*.

Yours sincerely



Fiona Bennett
Chairperson
Victorian Legal Services Board



Fiona McLeay
CEO, Victorian Legal Services Board
Victorian Legal Services Commissioner

Board ABN 82 518 945 610 Commissioner ABN 66 489 344 310

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We acknowledge the Traditional Owners of the land on which our office sits, the Wurundjeri People, and pay our respects to their Elders; past, present and emerging.

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ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

Application Act

*Legal Profession Uniform Law
Application Act 2014 (Vic)*

Bar

Victorian Bar Inc

Board

Victorian Legal Services Board

CLS

Community Legal Service

Commissioner

Victorian Legal Services
Commissioner

CPD

Continuing Professional
Development

FTE

Full Time Equivalent

ILP

Incorporated Legal Practice

LPA

*Legal Profession Act 2004
(Vic)*

Legal Profession Uniform Law

Schedule 1 of the
Application Act

LIV

Law Institute of Victoria Inc

LPLC

Legal Practitioners' Liability
Committee

VLSB

Victorian Legal Services Board

VLSC

Victorian Legal Services
Commissioner

VLSB+C

Victorian Legal Services Board
+ Commissioner

PC

Practising Certificate

PLT

Practical Legal Training

PPF

Public Purpose Fund

SDA

Statutory Deposit Account

Uniform Law

Legal Profession Uniform Law

VCAT

Victorian Civil and
Administrative Tribunal

Introduction

We are the regulator of the Victorian legal profession. We license lawyers and oversee service standards and conduct. This includes handling complaints about lawyers, investigating poor conduct and overseeing management of trust accounts. We are also the stewards of the public purpose fund and administer this to support legal regulation and access to justice in Victoria.



Our strategy

Our strategy, *A Clear Direction*, outlines how we intend to meet our goal of maintaining public trust and confidence in the legal profession in Victoria. It highlights our three main areas of focus to:



**TO PROTECT CONSUMERS
AND THE PUBLIC BY EFFECTIVE
REGULATION OF LAWYERS AND
LEGAL PRACTICE**



**TO ASSIST THE PROFESSION
TO ACHIEVE THE HIGHEST
STANDARDS OF ETHICS AND
LEGAL PRACTICE**



**TO MANAGE OUR FUNDS
TO SUPPORT EFFECTIVE
REGULATION AND PROMOTE
PUBLIC CONFIDENCE IN THE
ADMINISTRATION OF JUSTICE.**

About us



WHO WE ARE

We are the regulator of the Victorian legal profession.

We license lawyers and oversee service standards and conduct. This includes handling complaints about lawyers, investigating poor conduct and overseeing management of trust accounts.

We are also the stewards of the public purpose fund and administer this to support legal regulation and access to justice in Victoria.



WHY WE EXIST

Our goal is to maintain and enhance public trust and confidence in the legal profession in Victoria.

We do this because the integrity of the legal profession is fundamental to the legitimacy of the justice system and the maintenance and protection of the rule of law.



WHAT WE DO

We protect consumers and the public by effective regulation of lawyers and legal practice.

We assist the profession to achieve the highest standards of ethics and legal practice.

We manage our funds to support effective regulation and promote confidence in the administration of justice.



HOW WE DO IT

We achieve these goals through our approach to regulating the legal profession, our stewardship role, and our organisational aims.

Our Functions

OUR ROLE WITH LAWYERS



REGISTER LAWYERS



ASSIST AND INTERVENE IN LAW FIRMS EXPERIENCING ISSUES



PROSECUTE BREACHES OF THE ACT AND RULES IN VCAT



VARY, SUSPEND OR CANCEL PRACTISING CERTIFICATES; APPLY FOR STRIKE-OFF



OVERSEE AND AUDIT TRUST ACCOUNTS



EDUCATE THE LEGAL PROFESSION



OVERSEE PROFESSIONAL INDEMNITY INSURANCE



PROSECUTE UNQUALIFIED LEGAL PRACTICE

OUR ROLE WITH CONSUMERS AND THE COMMUNITY



RECEIVE COMPLAINTS ABOUT LAWYERS AND LAW PRACTICES



RESOLVE DISPUTES BETWEEN LAWYERS AND CLIENTS



RESOLVE COSTS DISPUTES



PROVIDE FRAUD COMPENSATION VIA THE FIDELITY FUND



IMPROVE LEGAL PRACTICE AND REGULATION THROUGH POLICY DEVELOPMENT



EDUCATE AND INFORM THE VICTORIAN COMMUNITY



IMPROVE ACCESS TO JUSTICE VIA OUR PUBLIC PURPOSE FUND PROGRAMS

How we achieve our vision

OUR REGULATORY APPROACH

- Outcome focused – responses which improve legal practice and promote consumer confidence;
- Risk based – identifying and assessing the risks associated with non-compliance and targeting our response accordingly;
- Evidence based – our decisions are grounded in the best available data, information and research;
- Collaborative – working with our Uniform Law partners, the profession and consumers for consistent and practical regulation and guidance;
- Independent, transparent and fair in our processes and decision-making;
- Consumer focused – understanding consumers and helping them make informed choices about legal services;
- Experiment with approaches to emerging issues in the legal profession.

OUR STEWARDSHIP APPROACH

- Manage our funds so that we can:
 - Fund research and collaboration with the profession to respond to current trends in legal practice and help the profession meet the ethical demands of the changing work environment;
 - Support effective regulation and measures to promote confidence in the administration of justice including fidelity cover, improved access to justice and education;
 - Grant funds to projects which will create long-lasting and effective improvements to access to justice;
 - Provide additional funding to Victoria Legal Aid and other important Victorian legal and justice organisations;
- Continuously improve our processes including our capacity to monitor, evaluate and learn from what we do and better manage change;
- Communicate clearly to explain plainly what we do and why.

OUR ORGANISATIONAL APPROACH

- Demonstrate leadership in ethics, legal practice and consumer protection;
- Be responsive and innovative in the face of change;
- Cultivate an engaged and resilient workforce;
- Encourage learning and support professionalism;
- Prioritise collaboration across the organisation.

This report provides an overview of how we implement these approaches, and what we have done to meet our statutory responsibilities and corporate objectives during the 2020-21 reporting year.

OUR COMMITMENTS AND BEHAVIOURS

We are guided by our commitments and behaviours in how we work.

 We collaborate

 We adapt

 We are professional

 We value relationships

 We are courageous and authentic

Embedding risk-based regulation principles

We are a risk-based regulator. This means we target our regulatory resources towards activities that address the areas of greatest potential harm to consumers of legal services. In doing so, we aim to strike a balance between responding to immediate issues and identifying emerging areas of concern.

Over the last 12 months we have undertaken workshops to educate our staff on the principles of risk-based regulation and how these can be practically implemented in our work. In 2019, international expert in regulatory and enforcement strategy, security and risk control, Professor Malcom Sparrow,

held a one-day workshop to help us explore the different versions of risk-based regulation and the implications of adopting a risk-based strategy.

According to Professor Sparrow, the principles of risk-based regulation “at its core is the idea of acting to minimise risks or harms rather than relying on the assumption that existing functional programs and good process-management will necessarily take care of them all”. We have defined how these principles apply to our work.

Our principles

1 We adopt the ‘expert’ rather than the ‘legal’ model of regulation

our role is more than just fulfilling our statutory responsibilities.

2 We focus more on identifying and reducing ‘bads’ (risks or harms) and less on defining and promoting ‘goods’

we strike a balance between broad preventative programs and intervening only where needed.

3 We are problem centric, rather than program centric

we are usually specific about the problem and general about the solution.

4 We practice regulatory craftsmanship, using all of our broad range of tools, organised around specific tasks

we use the right program or intervention for the right problem.

5 We use risk mitigation as the foundation for partnerships

we are respected as the regulator;
we are a ‘light touch not a soft touch’.

6 We fit different regulatory structures to different classes of risk

we have risk identifiers, risk and data analysts, intervention designers and implementers, who each play a different role.

7 We understand that some types of risk pose special challenges

we tailor our response for risks that pose catastrophic challenges, or require a whole of system response.

Snapshot of the year

ASSIST THE PROFESSION ACHIEVE THE HIGHEST STANDARDS



SUPPORTED LAWYERS THROUGH COVID-19



MADE SIGNIFICANT IMPROVEMENTS TO THE PRACTISING CERTIFICATE PROCESS



RESPONDED TO THE ROYAL COMMISSION INTO THE MANAGEMENT OF POLICE INFORMANTS



IMPLEMENTED A NEW CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM



SPOKE TO

1,000s

OF LAWYERS AT SEMINARS, WORKSHOPS AND CONFERENCES



RESPONDED TO

21

QUERIES IN THE INNOVATION INBOX



REGISTERED

25,454

LAWYERS, INCLUDING

2,215

NEW LAWYERS



CONTINUED TO IMPLEMENT OUR SEXUAL HARASSMENT REGULATORY STRATEGY



MANAGED

7,100

ENQUIRIES FROM LAWYERS



PROVIDED FUNDING FOR THE VICTORIAN BAR WELLBEING PORTAL



COMPLETED A REVIEW AND RELEASED A REPORT INTO CONTINUING PROFESSIONAL DEVELOPMENT



ASSUMED SOLE RESPONSIBILITY FOR REGULATING MIGRATION LAWYERS

OUR PEOPLE, TECHNOLOGY AND GOVERNANCE



CONTINUED TO IMPLEMENT OUR ACCESS AND INCLUSION PLAN AND IMPROVED WEBSITE TO AA+ STANDARD



DEVELOPED A RANGE OF NEW POLICIES TO SUPPORT OUR GOVERNANCE



LAUNCHED A STAFF RECOGNITION PROGRAM



14

STAFF UNDERTOOK LEADERSHIP TRAINING



ALMOST DOUBLED THE NUMBER OF VISITORS TO OUR WEBSITE



MAINTAINED A

90%

AVERAGE ENGAGEMENT WITH STAFF ON OUR INTERNAL COMMUNICATIONS

PROTECT CONSUMERS AND THE PUBLIC



RECEIVED

614

COMPLAINTS



FINALISED

10

PROSECUTIONS IN VCAT



LAUNCHED A NEW
ONLINE ENQUIRY FORM
FOR CONSUMERS



CLOSED

574

COMPLAINTS



MANAGED

4,022

ENQUIRIES FROM THE PUBLIC



STRUCK

1

LAWYER OFF THE ROLL



UNDERTOOK

66

DISCIPLINARY
INVESTIGATIONS



CONDUCTED

222

TRUST ACCOUNT
INVESTIGATIONS



PAID

12

FIDELITY FUND COMPENSATION
CLAIMS TOTALING

\$2.14M

MANAGE OUR FUNDS TO SUPPORT EFFECTIVE REGULATION



APPROVED

\$1M

IN GRANTS FUNDING TO

7 PROJECTS

- JUSTICE AND LAW REFORM
PROJECTS



PAID

\$25M

TOWARDS VICTORIA LEGAL
AID FUNDING



NET OPERATING
RESULT OF

\$110M



REVIEWED OUR TRUST
ACCOUNT BANKING
ARRANGEMENTS

Chairperson and CEO/Commissioner's report

INTRODUCTION

The significant uncertainty of early 2020 continued into the new financial year as we faced increasing and extended restrictions that have impacted significantly across the community.

This led to challenges across many fronts as our staff worked from home for long periods of time and grappled with the impact of COVID-19 on their lives. While at times there were some delays in responding to people, we continued to deliver our services and provide oversight of lawyers in pursuit of our goal of maintaining public trust and confidence in the Victorian legal profession.

We responded to a record number of enquiries from lawyers last year. Many enquiries related to working under the constraints imposed by COVID-19 public health orders. We worked closely with the Department of Justice and Community Safety, the Law Institute of Victoria, the Victorian Bar and the Legal Practitioners Liability Committee to provide clear, consistent information to help lawyers navigate the ever-changing circumstances.

The legal profession has proven to be resilient over the last 12 months. The growth of the profession does not so far appear to have been impeded by the pandemic and associated restrictions. The number of lawyers in Victoria grew by 4% to 25,454 and we did not see an increase in indicators that might suggest that law practices are struggling during the pandemic, such as fraud or failing law practices.

The profession has also shown it is capable of adapting quickly when necessary. In some instances, more flexible working and expanded use of online technology has brought benefits for lawyers and clients alike. Many of these changes are likely to become permanent. We commend the profession for its adaptability in response to COVID-19. However, the pandemic is not over yet. We will continue to closely monitor indicators of the health of the profession and adjust our regulatory approach where necessary.

Last year we received over 4,000 enquiries from the public about possible complaints involving lawyers. This was a reduction on previous years. In most cases, we helped the consumer to resolve their problem themselves. We opened 614 new complaints, fewer than in previous years.

The decrease in complaints opened may be due in part to improvements we made to our assessment processes, which aim to ensure we tailor our response to meet the needs of the person seeking our help, including resolving disagreements before they escalate to a formal complaint. At this stage, it is unclear whether COVID-19 restrictions also played a part in the overall reduction in enquiries and complaints.

The pandemic also affected the Board's financial situation. COVID-19 impacted economic markets globally in 2019-20 and, combined with significantly reduced interest rates, resulted in reduced income and a deficit from transactions in the FY2020 year. However, despite continuing low interest rates, exceptional investment gains and distributions in 2020-21 have resulted in a substantial net surplus as at 30 June 2021. Stronger economic market sentiment up to 30 June 2021 reflected positive expectations globally for vaccination rates and easing of restrictions, although it should be noted that significant volatility remains.

IMPROVING LEGAL PRACTICE AND ETHICS

Last year we continued our work to ensure lawyers uphold the highest standards of ethics and legal practice. We launched a range of initiatives to strengthen the integrity of the sector and engender public confidence in our work.

The Royal Commission into the Management of Police Informants released its final report in November 2020. The report made 111 recommendations to restore public confidence in Victoria Police, the legal profession and the criminal justice system; and prevent similar events from happening in the future. We have acquitted two of the four recommendations related to legal regulation. We also applied to the Supreme Court of Victoria to remove Ms Nicola Gobbo's name from the roll of Victorian legal practitioners, which occurred in October 2020.

Addressing sexual harassment in the sector remains a key priority for us, as we continue to implement our sexual harassment regulatory strategy. We worked closely with the profession to lead and support knowledge and skill-development initiatives to tackle the issue, and proposed a range of measures to improve the profession's understanding of, and ability to prevent, sexual harassment in the workplace. This work has been critical in keeping the problem of sexual harassment in the legal profession front of mind and to build the cultural change required to eradicate this pervasive issue.

Continuing professional development (CPD) is fundamental for maintaining the quality of legal services for the Victorian community and enriching legal practice for lawyers. Our Getting the Point? report concluded that although not broken, the CPD system is in need of repair, good leadership and a coordinated strategy. We have begun work with key industry stakeholders to shift lawyers' focus away from pure compliance by raising the profile of CPD as a valuable tool in supporting a lawyers' reflective approach to their own learning and development.

Improving how we license Victorian lawyers was also a focus area this year. We streamlined the process for applying for and renewing a practising certificate, and have received positive feedback from lawyers about the improvements we have made to the information available to them on how to navigate these tasks.

PROTECTING AND EMPOWERING CONSUMERS

The Victorian public deserve to have ready access to high quality legal services. Our role is to ensure that these services are provided by competent and ethical professionals and meet the needs of consumers.

We launched an online consumer enquiry form to improve how consumers engage with us. The form allows anyone experiencing a problem with a lawyer to contact us at any time. It also prompts users to provide information to help us assess their enquiry efficiently and quickly.

Alternative dispute resolution is a critical tool in helping lawyers and consumers settle their issues. In 2021 we conducted our first online mediations, with both lawyers and consumers reporting positive feedback on the process. We also increased the use of Management System Directions to require lawyers or law practices that we have investigated to undertake mandatory work to improve their legal practice.

Where a lawyer has engaged in conduct that is harmful to consumers, we will investigate and take action. This is an important protection to ensure Victorians can have trust and confidence that legal services are provided with the highest standards of practice and ethics.

Investigations can be complex and take considerable time and resources. With the aid of additional resources, our teams had a strong focus last year in finalising investigations older than two years. We prosecuted 10 cases at the Victorian Civil and Administrative Tribunal and a further 20 are awaiting a hearing or final orders.

ACCESS TO JUSTICE

The Board plays an important role to help increase access to justice for Victorians as a funder, investor and regulator. Over the past year we provided funding to a number of key organisations across the legal and justice sectors, including the Victorian Bar, the Law Institute of Victoria, the Law Library of Victoria, Justice Connect, the Victoria Law Foundation and the Victorian Law Reform Commission. We also provided significant funding to help Victoria Legal Aid meet the legal needs of some of the most vulnerable Victorians.

Our grants program continued its important work in providing funding for policy research, law reform, legal education and innovative improvements to legal services. Financial uncertainty early in the financial year resulted in a reduction in the size of our annual grant program. Despite this, we were pleased to be able to award \$1 million in funding to continue the work of seven legal and community organisations to help vulnerable Victorians gain access to legal services. Our grantees worked in challenging circumstances and we were impressed by their determination to continue to deliver their services and projects during the pandemic.

OUR PEOPLE AND STAKEHOLDERS

Our Board continued to meet regularly, albeit virtually, for most of the year. In July 2020 Cate Wood AM retired from the Board, and we thank her for her four years of service. In September 2020 we were pleased to welcome Ian Silk as a non-lawyer member, bringing significant experience in governance and financial management to the Board.

Our Consumer Panel met six times and provided valuable assistance on a number of our projects, including our complaints handling processes review, where the Panel helped to set the project goals and outcomes. They also commenced work on a research program that will help inform improvements to how we regulate lawyers and service consumers.

Like many Victorian organisations, our staff worked from home for most of the year. We continued to have extremely high engagement from our people, supported by regular communications, activities and manager and team check-ins. At the start of 2021, with restrictions having eased, we began transitioning to a hybrid working model. However, continued lockdowns and other restrictions during the first half of 2021 meant that our hybrid working model has not yet fully reached its potential. We look forward to continuing this when we are able to return to the physical office.

We continued to embed our values, commitments and behaviours in our work. We rolled out a new recognition program for our people that rewards staff that demonstrate the commitments in action, and we embedded the commitments within our recruitment and Board processes.

This year more than ever, our strong relationships with stakeholders were very important to our success. We continued to work closely with our Uniform Law partners, and we look forward to welcoming Western Australia into the Uniform Law next year. We also worked collaboratively with the LIV, the Victorian Bar and the Legal Practitioners Liability Committee to ensure the profession was well supported during this time of significant upheaval.

We are very grateful to our staff, who worked tirelessly to provide support to Victorian lawyers and consumers despite the significant challenges of the year. They showed incredible resilience and commitment to our work under very difficult circumstances. We would also like to thank our Board for their support and guidance. And finally, we are proud of the many lawyers in the community who showed great adaptability and perseverance in continuing to provide vital services to our community.



Fiona Bennett
Chairperson



Fiona McLeay
Board Chief Executive Officer
and Commissioner

Board members



Fiona Bennett

Chairperson
Non-lawyer member
(first appointed 22.01.2008,
appointed Chairperson
29.01.2013)

Fiona is a non-executive director of Select Harvests Ltd and BWX Ltd. She has previously held senior executive positions at BHP Limited and Coles Group Limited and has extensive experience in commercial and financial management, governance, risk management and audit. Fiona is a Fellow of the Institute of Chartered Accountants and the Australian Institute of Company Directors.



Jennifer Batrouney AM QC

Lawyer (advocate) member
(elected 01.07.2018)

Jennifer is a barrister with 30 years' experience, mainly in equity, commercial, superannuation and revenue matters, and has a substantial practice in the not-for-profit sector. Appointed a QC in 2000, Jennifer is a past President of the Australian Bar Association. She is a member of the Melbourne Law School Advisory Council and the Melbourne Law School Tax Group Advisory Board. Jennifer is also a Member of the Australian Institute of Company Directors.



Geoff Bowyer

Lawyer (non-advocate) member
(elected 01.07. 2018)

Geoff is an accredited business law specialist and principal of a central Victorian law practice that specialises in mediation and alternative dispute resolution techniques. Over his career, Geoff has built up a broad portfolio of legal experience spanning the public, private and corporate sectors. Geoff is a past President of the Law Institute of Victoria and former executive director of the Law Council of Australia and is a current director and chair of Kangaroo Flat Community Limited and a regular radio commentator on ABC regional radio.



Liz Harris

Lawyer (non-advocate) member
(elected 01.07.2018)

Liz has specialised in consumer complaints relating to lawyers, acting for both lawyers and consumers. She is a recognised expert in costs law as co-author of Quick on Costs. She has run her own legal practice, been a sessional member of the VCAT Legal Practice list, a member of the Victorian Supreme Court Costs Committee, chair of the LIV Advisory Board on costs law specialisation, and chair of LIV Cost Lawyers section. Liz is also currently a member of the Legal Services Council.



Ian Silk

Non-lawyer member
(appointed 15.09.2020)

Ian Silk is the former Chief Executive of AustralianSuper, the largest superannuation fund in Australia. Ian was also the President of the Australian Council of Superannuation Investors and a Director of Industry Super Australia. Ian holds a Bachelor of Economics, a Diploma of Financial Services (Financial Planning) and a Post-Graduate Diploma in Labour Relations Law.



Dr Lynne Williams AM

Non-lawyer member
(appointed 09.10.2013)

Lynne is an economist with over 30 years' experience in the public sector. She is the Acting Chair of the Essential Services Commission of South Australia, a Commissioner with the Commonwealth Grants Commission and Chair of the Victorian Judicial Entitlements Panel and a Board member of the Melbourne Business School. Lynne is Principal Fellow and Board member at St Hilda's College, a Member of the Australian Institute of Company Directors and a Fellow of the Institute of Public Administration Australia.



Catherine Wolthuisen

Non-lawyer member
(appointed 12.12.2017)

Catherine is a consumer advocate and former ombudsman. She is Customer Advocate for NAB, Board Member of the Telecommunications Industry Ombudsman, Panel member for the Australian Financial Complaints Authority and Chair of the Consumer Policy Research Centre. Catherine was previously an Ombudsman and Head of Market Affairs at the UK's Financial Ombudsman Service, Member of the UK Legal Services Consumer Panel, CEO of international human rights NGO Fair Trials, and CEO of the Consumer Law Centre Victoria (later CALC).

Senior leadership team



Fiona McLeay

Victorian Legal Services Board
Chief Executive Officer and
Commissioner

Fiona commenced her tenure as Commissioner and Board CEO in January 2018. Fiona is the former CEO of Justice Connect, and has previously held the positions of General Counsel at World Vision Australia and Special Counsel at Clayton Utz. Fiona was appointed Director and Board Chair of Health Justice Australia in 2016 and is Deputy Chair of Equality Australia.



Matt Anstee

Director, Investigations

Matt has been Director, Investigations since April 2020. He was formerly Head of Legal Operations and Compliance at the UK Foreign and Commonwealth Office focusing on national security, counter terrorism and international relations. Matt also has worked with the National Crime Agency in the UK, the anti-torture NGO Redress, the International Criminal Court in the Hague, the Commonwealth Director of Public Prosecutions and the Victorian Office of Public Prosecutions.



Lucy Fraser

Manager, People and Culture

Lucy is an experienced Human Resources professional with a broad generalist HR background and a passion for innovation, leadership, coaching and conflict resolution. Lucy's previous work has been in HR roles spanning across manufacturing, retail and logistics industries. Lucy holds a Master of Entrepreneurship and Innovation and a Master of Conflict Resolution and Mediation. She is also an accredited coach and trainer, and enjoys working with individuals and groups to develop their potential.



John Casey

Director, Shared Services

John became Director, Shared Services in April 2021. He has more than 20 years' experience in senior executive roles across Commonwealth and State public sectors, most recently as Director, Corporate Services with the Victoria State Emergency Service and Chief Financial Officer with the Australian Building and Construction Commission. John is a graduate of the Australian Institute of Company Directors (GAICD) and is a Certified Practising Accountant (FCPA). He leads the Shared Services division encompassing the Finance & Investment, Information Technology, Corporate Governance and Facilities and Administrative Services teams.



Kerri-anne Millard

Director, Policy and Outreach

Kerri-anne has 20 years' experience in the public service. Specialising in policy and legislation development, Kerri-anne's passion for engagement and collaboration has driven legislative reform for a diverse range of Victorian regulators, including EPA Victoria, Earth Resources, Consumer Affairs Victoria and Biosecurity Victoria. Kerri-anne was appointed as Director, Policy and Outreach in 2018 where she manages teams that deliver policy, regulatory strategy, communications, education, consumer engagement, innovation, data insights and general counsel expertise.



Kelly Spiteri

Senior Strategic Advisor

Kelly was appointed as Senior Advisor to the CEO and Commissioner in 2019. With a background spanning multiple strategic roles across the Victorian Government, Kelly plays a pivotal role providing advice and executive support to the Board and leadership team. She has a background in dispute resolution and specialist expertise in stakeholder management. Kelly is passionate about cultivating positive connections and establishing intuitive, efficient and collaborative processes that benefit both the consumer and the organisation.



Tina Stagliano

Director, Enquiries and
Complaints

Tina is an experienced disciplinary investigator, prosecutor and complaints handler and has held multiple senior roles across the organisation. Tina has built and managed high performing teams and has specialist expertise in the area of Wills and Estates. Tina was appointed to the role of Director, Enquiries and Complaints in 2018 to oversee our licensing function and the area that manages the enquiries and complaints we receive each year.

Governance structure

We were established on 1 July 2015 under the *Legal Profession Uniform Law Application Act 2014* (Vic) (the 'Application Act').

Although the Application Act established us as two independent statutory authorities (the Victorian Legal Services Board and the Victorian Legal Services Commissioner), for practical reasons we operate as one body under a unified name: the **Victorian Legal Services Board and Commissioner**. We function as one body, and therefore present our annual report of operations and financial statements in a combined annual report.

Our Board is a body corporate with perpetual succession. It is a public entity, but does not represent the Crown. Our Commissioner, Fiona McLeay, is also the CEO of our Board.

As statutory authorities, we are accountable to the Victorian Parliament. Our responsible minister is the Attorney-General, The Hon. Jaclyn Symes.

As the regulator of the legal profession in Victoria, we are responsible for implementing the Legal Profession Uniform Law (the 'Uniform Law'). This forms Schedule 1 to the

Application Act. A series of Rules and Regulations underneath the Uniform Law further support the regulatory regime. These serve to protect consumers of legal services and enhance the integrity of the legal profession.

We work closely with the Legal Services Council, the Commissioner for Uniform Legal Services Regulation, the Law Institute of Victoria (LIV) and the Victorian Bar (as the local professional associations), and legal regulators in other jurisdictions. This helps us to ensure that our approach to delivering on our responsibilities is consistent with other Uniform Law jurisdictions.

We also consult with the broader legal sector, and are actively working on ways to improve how we engage with consumers of legal services.

Improving legal practice and ethics

An important part of our role as a regulator is to support Victorian lawyers to achieve the highest standards of ethics and legal practice. We do this by identifying and addressing issues that affect lawyers in their work (such as sexual harassment and poor wellbeing), and by helping to support and encourage the profession to improve (such as education and supporting innovative ideas).



Year highlights



RESPONDED TO

1,000s

OF ENQUIRIES TO SUPPORT LAWYERS THROUGH THE SIGNIFICANT DISRUPTION OF COVID-19



IMPLEMENTED

2

RECOMMENDATIONS BY THE ROYAL COMMISSION INTO THE MANAGEMENT OF POLICE INFORMANTS



CONTINUED TO IMPLEMENT OUR SEXUAL HARASSMENT REGULATORY STRATEGY



COMPLETED A REVIEW AND RELEASED A REPORT INTO CONTINUING PROFESSIONAL DEVELOPMENT



SPOKE TO

1,000s

OF LAWYERS AT SEMINARS, WORKSHOPS AND CONFERENCES



SENT

10

COMMISSIONER UPDATES TO LAWYERS

The story of the legal profession



THERE ARE

25,454

REGISTERED LAWYERS



3.9% HIGHER
THAN 2020

91% 9%

SOLICITORS

BARRISTERS



2,215

NEW LAWYERS JOINED THE PROFESSION



624

LAWYERS RETIRED OR STOPPED PRACTISING

UP FROM 510
IN 2020



10,719

BUSINESSES EMPLOY LAWYERS

MOST ARE LOCATED IN THE CITY
OR SUBURBS

HALF ARE SOLE PRACTITIONERS

THERE ARE MORE FEMALE LAWYERS THAN
MALE LAWYERS



53% 47%

BARRISTERS ARE SIGNIFICANTLY MORE LIKELY
TO BE MALE



55% 68%

SOLICITORS ARE FEMALE

BARRISTERS ARE MALE

MOST LAWYERS WORK IN THE CITY AND SUBURBS

54%

CITY

35%

SUBURBS

8%

COUNTRY



35%

LAWYERS ARE EMPLOYEES

14%

CORPORATE LAWYERS

10%

DIRECTORS

3%

VOLUNTEERS

WOMEN ARE MORE LIKELY TO BE VOLUNTEERS

18%

SOLE PRACTITIONERS (INCLUDING BARRISTERS)

12%

GOVERNMENT LAWYERS

8%

PARTNERS

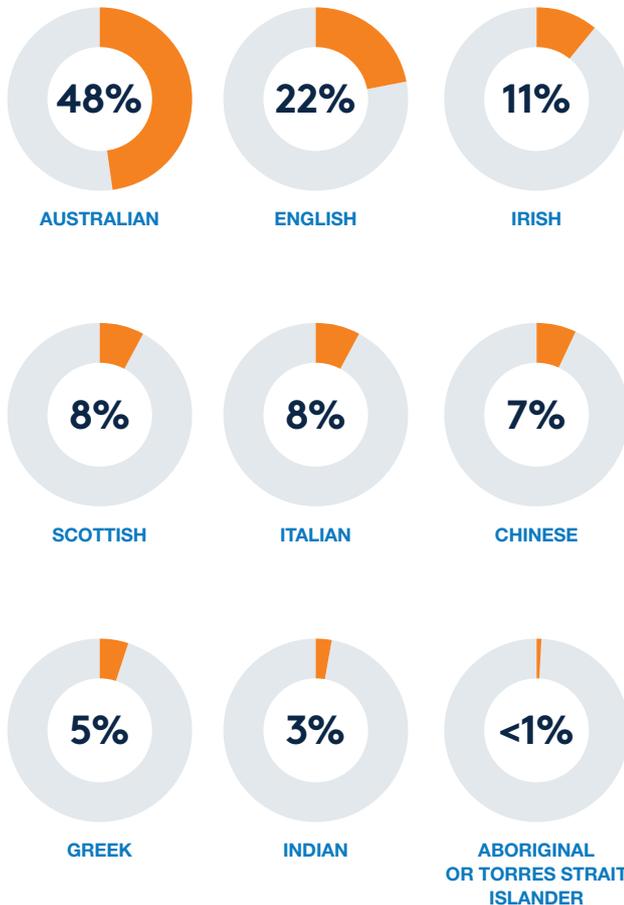
WOMEN LAWYERS ARE MORE LIKELY TO BE EMPLOYEES, WITH ALMOST 44% OF WOMEN HOLDING AN EMPLOYEE CERTIFICATE WHILE LESS THAN ONE THIRD OF MEN DO

MEN ARE MORE THAN TWICE AS LIKELY TO BE PRINCIPALS. OUT OF THE 26% OF LAWYERS WHO HOLD A PRINCIPAL CERTIFICATE, MALES ACCOUNT FOR 64% OF THAT TOTAL

WE COLLECT DATA ANNUALLY FROM THE PRACTISING CERTIFICATE RENEWAL PROCESS.

A MAJORITY OF LAWYERS REPORT EITHER AUSTRALIAN OR WESTERN EUROPEAN ANCESTRY

OF THE 74% OF LAWYERS WHO ANSWERED THIS QUESTION:



78%

LAWYERS BORN IN AUSTRALIA

78% OF LAWYERS WHO RESPONDED TO THIS QUESTION WERE BORN IN AUSTRALIA FOLLOWED BY THE UNITED KINGDOM, MALAYSIA, NEW ZEALAND AND CHINA



31%

LAWYERS

REPORT SPEAKING LANGUAGES OTHER THAN ENGLISH



LAWYERS SPEAK

145

DIFFERENT LANGUAGES

THE TOP LANGUAGES SPOKEN:

- | | | |
|-------------|-----------|---------------|
| 1 MANDARIN | 5 FRENCH | 9 GERMAN |
| 2 ITALIAN | 6 SPANISH | 10 VIETNAMESE |
| 3 GREEK | 7 HINDI | |
| 4 CANTONESE | 8 ARABIC | |

CPD review

CPD REPORT

In June 2020, we announced a review of Continuing Professional Development (CPD) arrangements for lawyers in Victoria, to investigate concerns about the effectiveness of CPD for Victorian lawyers, and to enhance our role as a proactive and strategic regulator. We sought to identify problem areas in the current CPD scheme as well as opportunities for potential improvement.

We engaged an independent expert consultant, Mr Chris Humphreys, to conduct the CPD review, which heard from over 170 organisations and individuals about how the system in Victoria could be improved.

The final report, *Getting the Point?*, was released in November 2020. The report made 28 recommendations for action to improve the current CPD system in Victoria, and concluded that although not broken, the CPD system is in need of repair, good leadership and a coordinated strategy.

The recommendations aim at shifting lawyers' focus away from purely compliance by raising the profile of CPD as a genuinely valuable tool in supporting a lawyers' learning and development. Key recommendations included:

- developing a competency framework that describes the core skills for practising lawyers, differentiated by levels of experience and expertise;
- producing resources for lawyers that provide information, guidance and templates about CPD activities, including reflective practice and planning;
- changing the approach to CPD Ethics programs;
- raising the profile of CPD in key areas such as technology and the law, sexual harassment, family violence, diversity and inclusion, and health and wellbeing;
- engagement with the CPD audit process to gather better information about risk and lawyers' use of CPD; and
- strengthening and re-orienting the profession's culture of learning through stronger leadership and communication of the new approaches.

Importantly, the review found that one reason for the lack of progress in CPD was an absence of a dynamic governance structure to generate new strategic initiatives that support CPD development. To remedy this, the review recommended we establish a CPD Steering Committee of relevant stakeholders to oversee the implementation of the recommendations. We aim to have established this structure by the end of 2021.



It was a pleasure to work with the VLSB+C team to produce Getting the Point? – Continuing Professional Development for Victorian Lawyers' who, despite the difficulties presented by COVID-19, actively sought the views of the profession and its stakeholders in an effort to improve the CPD framework. I was impressed by the enthusiasm and skill shown by the team, and the willingness of the profession, the Law Institute, Victorian Bar and CPD providers to acknowledge the need for change and discuss constructive solutions and new directions.

I give full credit to the VLBS+C, and especially Fiona McLeay, for identifying the need for reform in this vital area and showing the necessary commitment to produce the report. The VLSB+C's subsequent development of an implementation plan and associated governance frameworks should ensure that the recommendations breathe fresh life into the CPD scheme for the benefit of the community, and of the profession at large.

Chris Humphreys Independent Reviewer, author of *Getting the Point?*



The importance of Continuing Professional Development as a tool to maintain relevance and contemporary practice is a hallmark of any profession – it is not just about compliance. Yet, as roles evolve, the legal landscape changes and things like global pandemics change our entire ability to access learning, a fit for purpose CPD scheme is even more important. Meaningful, relevant and accessible CPD ensures standards of excellence in the provision of legal services.

The opportunity for the LIV to participate in and support the VLSB+C's review of CPD in Victoria goes to the heart of the collaborative approach between our organisations. Through our networks, we were able to bring together a diverse range of stakeholders across the profession to discuss the current and future requirements of the CPD framework. Our members confirmed that CPD helps them be better lawyers. From the review, there are some quick wins, but also some longer-term initiatives – that will support the ongoing agility and evolution of the profession through contemporary skill development. The LIV will continue to foster a culture of continuous learning and help drive a focus from compliance-based learning to one that is reflective, and skills based. I look forward to continuing to work with the VLSB+C in rolling out the recommendations of the report in the coming months and years.

Kellie Hamilton General Manager Member Knowledge & Learning, Law Institute of Victoria

LEGAL ETHICS EDUCATION GUIDANCE

A priority area highlighted in the *Getting the Point?* recommendations was the strengthening of ethics training. The Royal Commission into the Management of Police Informants also attributed priority to ethics education for lawyers and recommended that we develop guidance for CPD providers on how they should embed ethics education across the CPD subject matter streams of substantive law, practice management and professional skills. To this end, we produced

a comprehensive consultation paper on the issue and engaged with over 20 CPD providers and stakeholders. Our research culminated in the Legal Ethics Education Guidance, which we published in May 2021. This guidance shows CPD providers how to embed ethics learnings across a range of CPD activities and strengthen delivery of activities offered in the ethics subject matter stream.

Sexual harassment

Following the March 2020 publication of our *Sexual Harassment in the Victorian Legal Sector Report*, this year we continued to implement our sexual harassment regulatory strategy to prevent and address sexual harassment in the Victorian legal profession. The strategy focuses on working with the profession to lead and support knowledge and skill development initiatives to tackle the issue, and includes a range of measures intended to improve the profession's understanding of, and ability to effectively prevent, sexual harassment in the workplace.

KEY ACTIVITIES INCLUDED:

- **Stakeholder engagement and the development of sexual harassment training:** We collaborated with the LIV and the Bar to support them in developing sexual harassment training for the profession that goes beyond the standard legislative description of sexual harassment. We commend the LIV and the Bar on their efforts to raise awareness and capability in relation to sexual harassment prevention and responsiveness within the profession.
- **Advocacy and education:** We met with Victoria's two practical legal training (PLT) providers, Leo Cussen Centre for Law and the College of Law, and talked with other educational institutions, to emphasise the pressing need to educate future lawyers on sexual harassment. These collaborations are particularly important in the context of our research report finding that lawyers in the early years of their careers – particularly young women – are most frequently the targets of sexual harassment.
- **Development of resources for PLT providers and law schools:** We developed practical guidance for new lawyers about what they can do if they are a target of (or bystander to) sexual harassment in a legal workplace, as well as information on reporting and complaints options, and case studies on sexual harassment that can be incorporated into PLT and law school training materials.
- **Regulatory guidance:** We commenced work on regulatory guidance for lawyers on the appropriate use of non-disclosure agreements (NDAs) to settle workplace disputes involving alleged sexual harassment. This will be released in late 2021. We made a number of submissions to reviews and consultations connected with preventing and responding to sexual harassment, which are detailed on page 24 in the 'Legislation Changes and Submissions' section of this report.
- **Supporting the Szoke Review:** We provided information to Dr Helen Szoke as part of her *Review of Sexual Harassment in Victorian Courts: Preventing and Addressing Sexual Harassment in Victorian Courts and VCAT*, commissioned by then Attorney-General, the Hon Jill Hennessy, and the Chief Justice of Victoria, the Hon Anne Ferguson. This included a submission detailing the key findings of our own research into sexual harassment in Victoria's legal workplaces and drawing the link between the over-representation of barristers as perpetrators of sexual harassment, and the risks this creates within the court setting.

Lawyer wellbeing

LAWYER WELLBEING PROJECT – REPORT

The Lawyer Wellbeing Project started in 2019 as an exploration of wellbeing in the Victorian legal profession. We talked to people from across the profession to develop a deeper understanding of the issues affecting lawyer wellbeing. As the industry's regulator, lawyer wellbeing is very important to us; poor wellbeing significantly impacts the lives of lawyers, and there is a growing body of evidence that suggests that it also impacts negatively on consumers of legal services. Unwell, unhappy lawyers do not provide the best possible service to their clients. The aim of our project was to understand the systemic drivers behind poor wellbeing in the sector, and identify ways in which we could support improved wellbeing of legal professionals in Victoria.

In early 2020 we commissioned Dr Michelle Brady from the University of Queensland to analyse the findings of these stakeholder interviews.

The Lawyer Wellbeing Report was released in July 2020 and revealed some interesting findings:

- **Participants described being acculturated early in their career into a professional culture that frequently made it difficult to achieve wellbeing.** Participants cited overwork and stress in law school and inadequate training on interpersonal and personal coping skills in the early stages of their careers as contributing factors. Negative early career experiences, including bullying and being forced to work very long hours, were also very common.
- **Institutional and cultural barriers** exist that prevent lawyers from improving their wellbeing. These include a widespread culture of accepting bullying, poor managerial training and a lack of support to assist with vicarious trauma.

- There was, however, **a general sense of optimism** that the conversation on the wellbeing of legal professionals was changing, and that discussion on the issue was becoming increasingly normalised.
- Two thirds of **respondents offered suggestions** for improving wellbeing within the legal profession. These included embracing more comprehensive assistance programs like those in place overseas, increased collaboration with researchers, the increased promotion of counselling and debriefing programs, reforms to court practices, improved management training and the incorporation of a focus on wellbeing into CPD requirements.

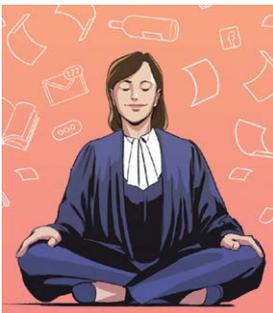
WORKPLACE CULTURE SURVEY

From April to June 2021 we invited lawyers to complete a survey on their workplace culture when they submitted their practising certificate renewals. To assess general wellbeing, the survey asked lawyers to state whether their workplace culture had a more positive than negative effect on their wellbeing overall (or vice versa), and to identify what factors most affected their response. The results revealed that 76% felt that their workplace culture had a more positive than negative impact on their wellbeing, citing supportive colleagues and flexible work arrangements as key factors. Conversely, the most commonly cited factors by lawyers who reported that their workplace had a more negative than positive impact on their wellbeing were unreasonable workload and poor work-life balance.

VICTORIAN BAR WELLBEING PORTAL LAUNCH

In 2018-19 we provided \$160,000 in funding for the Victorian Bar to develop a portal for barristers and their families to locate information and resources to assist with their mental health and wellbeing. The Bar worked closely with a consulting psychologist to develop the portal in a process that included stakeholder engagement and user testing. We were delighted that in February 2021, the Victorian Bar Wellbeing Portal was launched.

WELLBEING PORTAL



The portal contains valuable information on different types of challenges that are not only widespread in the population, but also unique to different stages of a barrister's career, including conflict, fluctuations in finances and workflow, anxiety and stress.

Sally Flynn QC

Victorian Bar Health and Wellbeing Committee Chair

The portal reaffirms the Bar's commitment to the health and wellbeing of members. It is an essential part of the Bar's existing suite of resources designed to empower members and those who support them to seek information and help when they need it.

Christopher Blanden QC

President of the Victorian Bar

2021 WORKPLACE CULTURE SURVEY RESULTS

76%

POSITIVE IMPACT

76% OF RESPONDENTS SAY THAT THEIR WORKPLACE CULTURE HAS A MORE POSITIVE THAN NEGATIVE IMPACT ON THEIR WELLBEING OVERALL

FACTORS THAT IMPACT ON POSITIVE WELLBEING INCLUDE:



SUPPORTIVE COLLEAGUES



FLEXIBLE WORK ARRANGEMENTS



REASONABLE WORK-LIFE BALANCE

24%

NEGATIVE IMPACT

24% SAY THAT THEIR WORKPLACE CULTURE HAS A MORE NEGATIVE THAN POSITIVE IMPACT ON THEIR WELLBEING OVERALL

FACTORS THAT IMPACT ON NEGATIVE WELLBEING INCLUDE:



LONG WORK HOURS



POOR WORK-LIFE BALANCE



LACK OF COLLEGIALLY

Education and support

As a modern regulator, we play a crucial role in preventing harm by ensuring the highest standards of ethics and legal practice. Our communications and education activities help lawyers deliver high quality legal services to Victorian consumers, and we have continued to improve and refine these over the year.

The impacts of COVID-19 and the resultant lockdowns saw us significantly increase the frequency of our communications this year, and we worked closely with industry stakeholders to ensure clear, consistent messages were distributed to lawyers.

While many of our communications across the year related to the impact of COVID-19, we continued our focus on highlighting what it means to be an ethical lawyer and providing guidance on how lawyers could improve their practice and meet their regulatory requirements. We provided regular information about the support available for lawyers, including services we fund, along with regulatory guidance and information about our activities.

IMPROVEMENTS TO OUR WEBSITE

Our new website was launched in early 2020, and in the last year we continued to improve the experience for our website visitors. We made changes to the page designs to improve how users find information.

We saw a significant increase in visitors to the site, with 42% more visitors than the previous year.

In December 2020 we merged the register of lawyers and the register of disciplinary action, providing consumers and lawyers with one place to find out all information about lawyers in Victoria. We also published for the first time on the register the areas of practice, languages and LIV specialist accreditations of lawyers who consented to sharing such information.

We now have four online forms: enquiry forms for consumers and lawyers; as well as an online form for lawyers to apply for a certificate of fitness and a form for consumers to locate documents held by law practices that no longer exist.

We improved the accessibility of the website through a new translation and audio function that enables users to have the content read out loud to them, or to translate any page into hundreds of different languages.

Finally, we continue to update both the content and functionality of the website, including conducting a detailed review of the search function and page and content findability. Work was also done to target search results that have no page content, and to address feedback given via the 'Was this page helpful?' function.

GUIDANCE FOR LAWYERS

A key part of our prevention program is to provide guidance to lawyers via our regulatory guidelines, policies and operational guidance documents. These provide clear information for lawyers about our expectations and what we take into consideration in making regulatory decisions. We publish this guidance on our website and via our Commissioner Updates.

Electronic Conveyancing

In August 2020 we released a guide for lawyers who provide conveyancing services. *eConveyancing: What are my compliance obligations?* sets out our specific expectations of lawyers and law practices when conducting electronic conveyancing.

Embedding ethics education in CPD

In May 2021 we released a guide for CPD providers on embedding legal ethics education across the four mandatory CPD subject streams, a key recommendation of the Royal Commission into the Management of Police Informants. While the guide was for CPD providers, it outlined valuable information for lawyers in choosing appropriate and meaningful CPD.

EVENTS AND EDUCATION OPPORTUNITIES

Despite the setbacks posed by COVID-19, we were able to present and contribute to a number of significant events.

We were well represented at the online International Conference of Legal Regulators in September, with five of our staff speaking on a diverse range of topics spanning sexual harassment and bullying through to continuing professional development. Our Commissioner and CEO, Fiona McLeay, delivered a keynote plenary speech on how regulators should respond to bullying and sexual harassment in the law.

We also participated in a range of events for lawyers over the year, including the Victorian Bar Health and Wellbeing Portal Launch, the Federation of Community Legal Services CPD day, the Legal Laneway Breakfast and the Legal Executive Conference. Most events took place virtually and our presenters adapted well to the change in delivery format. Our Manager of Innovation and Consumer Engagement also presented at numerous events and on podcasts discussing innovation in legal practice and its impact on both the sector and legal regulation.

Students were a key focus of our activities throughout the year. We spoke to law students as well as practical legal training students about ethics, sexual harassment, wellbeing and resilience, innovation in the law and the role of the regulator.

WEBSITE



UNIQUE PAGE VIEWS

1,046,955



UNIQUE VISITORS

246,228



LSB ONLINE HOMEPAGE VIEWS

119,047



REGISTER OF LAWYERS PAGE VIEWS

57,585

COMMISSIONER UPDATES



INFORMATION UPDATES
TO THE PROFESSION

10



OPEN RATES

42%



CLICK THROUGH RATES

14%

SOCIAL MEDIA



LINKEDIN FOLLOWERS

1,412

ENGAGEMENT RATE

3.77%



TWITTER FOLLOWERS

2,450

ENGAGEMENT RATE

2.2%



YOUTUBE VIEWS

2,300

EVENTS AND PRESENTATIONS



SPOKE TO

1,000s

OF LAWYERS, STUDENTS AND LEGAL
SECTOR STAKEHOLDERS ACROSS

29 EVENTS

SOCIAL MEDIA

Our digital channels offer an important opportunity to share updates, stories and messages that support our work. In particular, we use social media to engage with lawyers on issues that may arise in their practice and provide information on areas of regulation we are focusing on.

Since launching LinkedIn just over 12 months ago we have seen a 700% increase in followers and consistently high engagement with content. We merged our separate Board and Commissioner Twitter accounts in 2020 and have seen reasonable growth in these followers and above average engagement. We also reinvigorated our YouTube channel in 2020, posting videos about our grants program, catch-ups of webinars we hosted, a panel discussion on World Consumer Day and instructional videos on how to use our lawyer portal. Over 2,300 people have viewed our videos in the past year, an 86% increase from previous years.

In line with our social media strategy, we created a content calendar which enabled more strategic posting of information. Work is also underway to enable better information sharing across legal industry bodies to provide content. We continue to refine the content and framing of our posts to test how we can best drive engagement with our audiences.

FUNDING SUPPORT FOR LAWYER EDUCATION

We fund the LIV to provide expert advice and support to lawyers on legal practice and ethics. The service is free of charge for all Victorian solicitors who can contact the LIV support services directly to receive confidential guidance on ethical issues or assistance. Topics covered include starting, managing and closing a legal practice; human resources and day to day practice issues; along with ethical topics such as conflict of interest.

The LIV also takes referrals from us to provide expert support to lawyers who need assistance in meeting their compliance obligations. Their panel of experts and lawyers provides help with trust accounting, practice management, costs disclosures and more.

We also provide funding to the Bar for their ethics committee. The committee meets regularly to discuss ethical matters and to provide guidance to barristers about ethical issues and problems.

The Law Library of Victoria offers free CPD to all lawyers on a variety of topics. We funded development of this CPD to ensure lawyers have access to high quality development opportunities no matter their financial circumstances.

CASE STUDY

Recently an elderly sole practitioner was very unwell and had little administrative support. We referred the lawyer to the LIV's Practice Management Consult Service, which was able to assist them to take steps to wind up their practice with dignity.

Royal Commission into Management of Police Informants

On 30 November 2020, the Hon. Margaret McMurdo AC, Commissioner of the Royal Commission into the Management of Police Informants, delivered her final report and recommendations to the Governor of Victoria. The Commission was established following revelations that a criminal barrister, Ms Nicola Gobbo, had been acting as a police informant.

The report made 111 recommendations that focused on: ensuring that conduct of Ms Nicola Gobbo was thoroughly investigated; restoring public confidence in Victoria Police, the legal profession and the criminal justice system; and preventing similar events from happening in the future.

OUR RESPONSE

Although the majority of the Royal Commission's recommendations concerned Victoria Police's processes for recruiting and managing human sources, 15 recommendations were directed at improving legal regulation, of which four were made specifically to us:

- **Providing guidance on embedding legal ethics education across all mandatory CPD streams:** We acquitted this recommendation in May 2021 when we published the document *Enhancing legal ethics education in Continuing Professional Development: Guidance for CPD Providers* on our website.
- **Revoking the delegation held by the Victorian Bar to undertake investigations of complaints involving barristers:** We revoked the Bar's authority to investigate complaints of this nature in June 2021.
- **Restoring public trust and confidence in the profession:** Together with the LIV and the Bar, we will work with Victoria Legal Aid and community legal services to prepare and distribute communications directed at the public to demonstrate integrity and good practice in the sector in 2022.
- **Developing guidance and CPD activities for the legal profession to accompany and support the introduction of a mandatory reporting requirement:** We will commence this work with the LIV and the Bar after the scope of the mandatory reporting requirement has been determined.

Focus on cyber crime

Cybercrime and fraud is a growing area of risk for lawyers and law practices. Cyber criminals are increasingly targeting legal transactions via phishing emails, compromised email accounts and identity theft. We are also seeing an increase in fraud by non-lawyers employed at law practices, such as paralegals and law clerks, stealing trust money.

We assisted several law practices to deal with the effects of cybercrime, particularly when this affected the law practice's trust account and records. In response to the increasing demand for our advice about what to do when dealing with

cybercrime, we identified a series of actions to lessen, or in some circumstances avoid, any damage done to the law practices funds.

A key focus of our communications across the year was therefore on the prevention of cybercrime and fraud in law practices. In collaboration with the LIV, the Legal Practitioner's Liability Committee (LPLC) and property settlement platform PEXA, we provided information to lawyers about how to avoid cybercrime and protect their client's money via our Commissioner Updates and social media.

CASE STUDY

In one case reported to us, a client, expecting a bill from their lawyer, received an invoice via email requesting \$250,000. The invoice looked genuine, and was sent by a recognised sender. However, on closer inspection the client noticed that the bank account number was different to that of previous invoices they had received. Erring on the side of caution, the client called their lawyer, who confirmed that the invoice was in fact fraudulent.

On investigation, it was revealed that the cyber criminals responsible for the attempted theft had hacked the law practice's email and managed to create a 'rule' within Outlook that diverted emails to the hacker's address. The lawyer was lucky on this occasion, but the example illustrates the advanced nature of cybercrimes and the lengths to which cyber criminals will go to trick both lawyers and their clients.



12

REPORTS FROM LAWYERS WHO SUFFERED FROM CYBERCRIME ATTACKS



5

OF THOSE TWELVE REPORTED LOSING MONEY

\$1,834,622

TOTAL LOSSES REPORTED

Changes to migration lawyers' regulation

MIGRATION ACT CHANGES

In preparation for scheduled change to the Commonwealth *Migration Act 1958*, which ended dual registration of migration lawyers, we consulted with a number of key stakeholders to develop online resources for lawyers to support them through

the changes. We also held several training sessions with our staff to ensure they were prepared and able to manage enquiries prior to the change taking effect on 22 March 2021.

Legislation changes and submissions

REVIEW OF AUSTRALIAN SOLICITORS' CONDUCT RULES

The Law Council of Australia conducted a review of the Australian Solicitors' Conduct Rules between 2018 and 2020. From that review they made several recommendations for new and revised rules governing how Australian solicitors practice law. We made submissions to their proposed new Rule 11A (which dealt with conflicts of interest between a lawyer and current or former clients), and their suggested revision of Rule 42 (covering discrimination, sexual harassment and workplace bullying).

REVIEW OF SEXUAL HARASSMENT IN VICTORIA'S COURTS

In July 2020 Dr Helen Szoke AO commenced an independent Review of Sexual Harassment in Victorian Courts to identify ways to build a culture that calls out sexual harassment, and give workers and others across the justice system the confidence to speak up without fear of reprisal.

We made a submission to the Review, detailing the key findings of our own research into sexual harassment in Victoria's legal workplaces. We also shared additional information from our study about sexual harassment reported to have been perpetrated within the court setting by barristers, judicial officers and other court users.

Our submission drew the link between the over-representation of barristers as perpetrators of sexual harassment, and the risks this creates within the court setting both currently and into the future, if such barristers are elevated to the Bench.

We also noted that court setting was likely to worsen the multiple and overlapping barriers to reporting sexual harassment that we identified due to the entrenched hierarchy and potential for greater power differentials between harassers and their targets.

REVIEW OF MODEL DEFAMATION PROVISIONS DISCUSSION PAPER: DEFAMATION WORKING PARTY OF THE COUNCIL OF ATTORNEY-GENERAL

On 31 March 2021, the Council of Attorney-General released a discussion paper for the Stage 2 Review of the Model Defamation Provisions. Among other things, the paper considered whether defamation law impacts reporting of alleged criminal conduct to police and statutory investigative bodies, and reporting of misconduct—including sexual harassment—to employers and professional disciplinary bodies, such as our own.

Our submission to the review was based on the experience of our sexual harassment complaints team, which is that the fear of being sued for defamation for making a sexual harassment complaint against a lawyer appears to be a genuine concern among some lawyers.

Our submission detailed our understanding that complaints of sexual harassment made to us were protected under the *Defamation Act 2005* (Vic) and also at common law. However, we recommended legislative amendments to make clear that protection also attaches to:

- reports or complaints in any form, including incomplete and anonymous reports, to the proper authority (including ourselves) about unlawful conduct (including sexual harassment); and
- all communications (from a complainant, target or witness) to an appropriate person or authority that are related to a complaint, no matter what the regulator decides to do with the information.

REVIEW OF MANAGED INVESTMENT SCHEME RULES

We made a submission to the Legal Services Council's May 2021 consultation paper, supporting proposed changes to two rules relating to managed investment schemes: rules 91B and 91BA. The rule changes subsequently came into effect on 20 August 2021.

Licensing

Last year we supported lawyers to meet their licensing requirements through our ongoing commitment to continuous improvement of the delivery of our services.

1,005

MORE LAWYERS RENEWED THEIR PRACTISING CERTIFICATES THIS YEAR, COMPARED TO LAST YEAR

There were some important changes to the way the licensing process operates and how we engaged with lawyers over the year, and we are confident that our efforts have created an improved and streamlined system for licence renewal and lawyer engagement.

SIMPLIFYING THE PRACTISING CERTIFICATE RENEWAL PROCESS

At the end of last year we conducted a review of our process for receiving and managing practising certificate renewals. The review revealed that every year we received numerous enquiries about how payments for practising certificate renewals were managed. In particular, the option that allowed lawyers to pass on licencing fees to their employer was causing confusion and delays in the renewal processing.

To simplify the payment process we removed this option, instead asking lawyers to pay for their licence renewal with credit card or BPAY themselves and to arrange for their employer to reimburse them at a later date, or pass their BPAY details to their employer to pay. This change addressed the significant problems faced by employers where LSB Online was not able to allocate payment directly to an individual, causing administration and reconciliation problems for many users.

SUPPORTING THE PROFESSION DURING THE PANDEMIC

To relieve some of the financial pressure caused by the pandemic, last year we gave lawyers the option to postpone payment of the fidelity fund contribution until this year. Alternatively, lawyers able to pay the fidelity fund fees last year were given a five percent discount on their fidelity fund fee this year.

TARGETED COMMUNICATIONS AROUND LICENCE RENEWAL

Improvements were made to how we communicate with lawyers about the practising certificate renewal process, including targeted emails, SMS reminders and step-by-step instructions on what to do to successfully renew.

LSB ONLINE

We improved the information available to lawyers about LSB Online, and created additional resources designed to help lawyers navigate the online portal. This included detailed step-by-step online and video user guides, as well as answers to frequently asked questions. We also improved the information available within the portal to enable users to easily navigate their renewals.



It greatly reduces time spent completing forms, including retaining relevant information from previous years. Makes it very easy and pain free to use!

LSB Online user feedback

The form appears more straightforward than in previous years.

LSB Online user feedback

Having the walk-through video-guide was very helpful – even if one has completed it many times before.

LSB Online user feedback

IMPROVING SERVICES FOR LAWYERS

In February we made significant changes to our systems for supporting lawyers.

We set up a lawyer enquiry web form, which replaced the previous system for submitting enquiries that used multiple entry points and often resulted in duplication of enquiry management. This new simplified system has enabled us to better manage workflow during busy periods through a more visible and transparent portal.

To support lawyers to self-service their queries where possible, we produced clear website information, answers to frequently asked questions and other useful resources to help them get the information they need to help themselves.

CASE STUDY

In the past, lawyer enquiries were received via multiple entry points and required manual activity at every stage of processing, from consolidating enquiry data to creating and populating enquiry records. This long and complicated process contributed to a growing backlog of licensing and registration enquiries with delays in resolution.

We wanted to improve this process by reducing manual intervention, streamlining the enquiry pipeline, and delivering an easy-to-use reporting and dashboard functionality to track and monitor progress of case resolution.

Several teams worked closely together to develop and test new solutions, create new resources and train our staff in their use.

The work has significantly improved the time taken to identify priorities, triage and manage enquiries from start to finish, and report on key measures. This project was an excellent example of the constructive team work and collaboration that we promote at VLSB+C, and demonstrated the effectiveness of agile ways of working to improve our service delivery.

Suitability matters

A lawyer must be a 'fit and proper person' to hold a practising certificate. If we consider that a lawyer is not fit and proper to practise, we cannot grant them a new practising certificate, or renew an existing certificate. We also have the power to vary, suspend or cancel a practising certificate, or impose conditions that affect a lawyer's ability to practise law. We refer to these circumstances as 'suitability' matters.

We use these powers where we determine they are necessary to protect clients and the public from harm. There are a range of factors that can impact a lawyer's suitability to practise. These include bankruptcy and insolvency, serious criminal offences, disciplinary findings from other regulatory bodies, tax offences, practising law without holding a current certificate and serious dishonesty.

This year we expanded our capacity to collect and analyse data on suitability matters. This information will enable us to ensure we have a consistent approach to dealing with suitability matters, and will also further assist us in developing policies, procedures and education programs that will support and guide the legal profession.

Empowering and protecting consumers

It is important that members of the public from every background and businesses of every size have ready access to high quality legal services. Our role is to ensure that these services are provided by competent and ethical professionals and meet the needs of consumers. We do this by licensing and supervising the providers of legal services, helping to resolve disputes between lawyers and clients and prosecuting bad or criminal behaviour.



Year highlights



RECEIVED

614

NEW COMPLAINTS



CLOSED

574

COMPLAINTS



LAUNCHED A NEW CONSUMER ENQUIRY FORM TO IMPROVE HOW CONSUMERS ENGAGE WITH US



UNDERTOOK

66

DISCIPLINARY INVESTIGATIONS



FINALISED

10

PROSECUTIONS IN VCAT



CONDUCTED

222

TRUST ACCOUNT INVESTIGATIONS



APPROVED 12 COMPENSATION CLAIMS

TOTALING

\$2.14M

Overview of complaints

GENERAL OVERVIEW



RECEIVED

4,022

ENQUIRIES FROM THE PUBLIC



OPENED

614

NEW COMPLAINTS



CLOSED

574

COMPLAINTS

TYPES OF NEW COMPLAINTS



463

CONSUMER MATTERS



115

DISCIPLINARY MATTERS



36

MIXED*

TYPES OF COMPLAINTS CLOSED



402

CONSUMER MATTERS



122

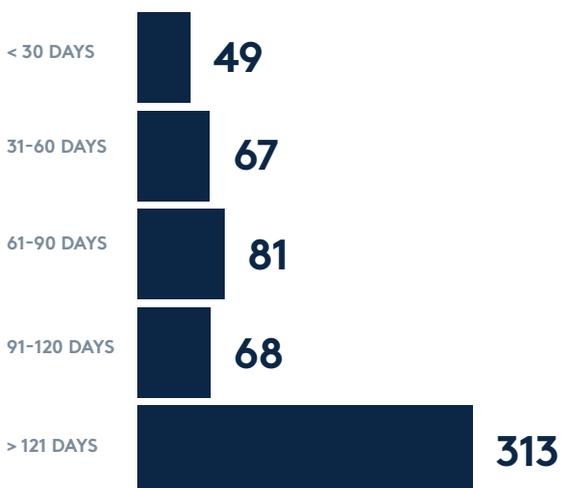
DISCIPLINARY MATTERS



50

MIXED*

CLOSED COMPLAINTS



COMPLAINTS STILL OPEN AT 30 JUNE



* For an explanation of what a 'mixed' complaint is, see page 31.

UNDERSTANDING ENQUIRIES AND COMPLAINTS RECEIVED

HOW WE RESPONDED TO ENQUIRIES



ASSISTANCE NO LONGER
REQUIRED

963



RESOLVED WITH OUR
ASSISTANCE

299



NO ACTION / OUTSIDE
OUR JURISDICTION

390



INFORMATION PROVIDED

1,749



OPENED AS COMPLAINT FILE

465



STILL BEING ASSESSED

156

LAWYERS WHO RECEIVED COMPLAINTS



591 2.5%

OF ALL 23,257 SOLICITORS

SOME COMPLAINTS WILL BE ABOUT
THE SAME LAWYER



23 1.5%

OF ALL 2,197 BARRISTERS

WHAT COMPLAINTS WERE ABOUT

TOP 5 AREAS OF LAW COMPLAINED ABOUT



FAMILY / DE FACTO

192 31%



PROBATE / FAMILY PROVISIONS

58 10%



CONVEYANCING

45 7%



COMMERCIAL / CORPORATE /
FRANCHISE

39 6%



CRIMINAL

24 4%

TOP 5 ISSUES RAISED IN COMPLAINTS



COSTS & BILLS / OVERCHARGING

326 41%



NEGLIGENCE

136 17%



DEFECTIVE COSTS
DISCLOSURE

52 7%



FAILURE TO FOLLOW
INSTRUCTIONS

52 7%



BREACH OF ACT/RULES

39 5%

OUTCOMES OF CLOSED COMPLAINTS

OUTCOMES OF DISCIPLINARY MATTER COMPLAINTS (INCLUDING MIXED MATTERS)



170

TOTAL MATTERS
CLOSED



7

RESOLVED WITH
OUR HELP



21

DETERMINATION
MADE



10

REPRIMAND



10

CAUTION

OUTCOMES OF CONSUMER MATTER COMPLAINTS (INCLUDING MIXED MATTERS)



447

TOTAL MATTERS
CLOSED



209

RESOLVED WITH
OUR HELP



45

GIVEN RIGHTS
TO VCAT



14

SELF-RESOLVED



4

DETERMINATION
MADE

OUTCOMES OF COMMISSIONER INITIATED COMPLAINTS AND LPA OWN MOTION COMPLAINTS



38

TOTAL MATTERS
CLOSED



8

COMMENCE VCAT
PROSECUTION



4

REPRIMAND



1

UNDERTAKE FURTHER
EDUCATION



1

CAUTION

PROSECUTIONS



1

STRIKE-OFF



10

HEARD AND
DETERMINED AT VCAT
(FINALISED)



20

AWAITING HEARING OR
DETERMINATION AT VCAT
(INCOMPLETE)

Resolving disputes and complaints

RECEIVING COMPLAINTS

We receive and manage complaints about Victorian lawyers. Appendix 2 describes the outcomes of all enquiries we received and complaints we investigated in 2020-21.

We received 4,022 enquiries from members of the public about possible complaints involving a lawyer (Table 32 in Appendix 2). In most instances we provided information to help the person with strategies to resolve the problem for themselves. Where we could not help resolve the issue, we referred them on to other organisations better able to assist them.

Types of complaints we handle

We receive complaints involving:

- disputes over legal costs and/or the quality of legal services a lawyer provides (which we call 'consumer matters');
- complaints about the lawyer's behaviour (which are potential 'disciplinary matters'); or
- complaints involving both a consumer matter and a potential disciplinary matter (which we call 'mixed' complaints).

Most consumer matters involve disputes over legal costs. Consumers can come to us with a costs dispute of any amount if their total legal bill does not exceed \$116,635. Where their total bill is above \$116,635, we can only accept a dispute for an amount of less than \$11,665. When consumers wish to dispute larger sums than we can accept, we explain what other avenues are available to them to dispute those amounts. Further details are provided on our website.

INVESTIGATING ALLEGATIONS

In 2021 we improved the way we receive enquiries and complaints from the public. We launched an online web form to help consumers access our services. Each matter we receive is triaged to clarify the issues involved before we open a formal complaint file in line with our Regulatory Approach Statement. Over the year we opened 614 new complaints (Table 33).

The significant decrease in complaint files opened might be explained by both the 18% reduction in enquiries, combined with our process changes. It is unclear, however, whether COVID-19 also played a part in the overall reduction in enquiries and complaints. We do not have any definitive information on changes in consumer behaviour and whether or not they continued to engage lawyers in the same way they did before COVID-19.

The majority of complaints opened were consumer matters (75%) while 18% of complaints involved only disciplinary matters and 7% were a mixture of the two. (Note: these figures may not exactly match those in the Commissioner for Uniform Legal Services Regulation's annual report which also discusses our complaints statistics. The data for the two reports is taken at different times which can lead to small discrepancies.)

Solicitors were complained about more than barristers, reflecting their higher level of contact with consumers (see Table 35). Only 2.5% of all solicitors and 1.5% of all barristers received a complaint. Family law, probate/estate provisions, conveyancing and commercial law attract the most complaints, accounting for over half the number of complaints we received (Table 36). These areas of law typically involve heightened states of emotion and stress, and often involve large sums of money. Table 37 shows that overcharging and negligence were the most common issues raised in complaints.

HOW WE DEAL WITH COMPLAINTS

We use alternative dispute resolution tools to attempt to resolve consumer matters. Where we are unable to help resolve a consumer matter, we may close the matter without taking any further action if it is appropriate to do so.

Disciplinary matters may require an investigation, which can involve a review of the lawyer's files or collecting witness statements. Our website provides further detail about how we handle each type of complaint.

We can also make a formal determination in both consumer and disciplinary matters. In consumer matters, we can make a determination of what we consider to be fair and reasonable costs. We can also caution the lawyer, order them to apologise, to redo work or reduce their fees, undertake further training or supervision, or pay compensation to their client.

In disciplinary matters, we can order a reprimand or caution if we find the lawyer has engaged in unsatisfactory professional conduct. We can also make orders including that the lawyer apologise, redo work, undertake further education or supervision, pay a fine of up to \$25,000 and we can place a condition on their practising certificate.

CLOSING COMPLAINTS AND MATTERS

We closed 574 complaints in 2020-21 (Tables 38 and 39), including two complaints received under the previous *Legal Profession Act 2004* (LPA). Around 70% (402) were consumer matters. We successfully resolved 208 consumer matters, while a further 47 were withdrawn by the complainants. This often happens where a complainant decides not to proceed with their complaint after we help the client to communicate with their lawyer. Of the consumer matters resolved (including from mixed matters), we made two determinations for binding costs orders and cautioned the lawyers, and in one of those matters made a further educational order. Tables 40 and 43 detail all reasons why we closed consumer matters received under the Uniform Law.

We commenced formal investigations into 66 disciplinary matters, including our Commissioner initiated complaints. Not all disciplinary complaints were investigated because of withdrawals by the complainant (34 matters), and some lower level conduct matters were resolved during our early conversations between the complainant and the lawyer (7).

We closed a total of 170 Uniform Law disciplinary matters (including those in mixed complaints), plus another 10 received under the LPA (note that these figures are not comparable

to the number of complaints closed as some complaints contain multiple matters). In addition we made 21 disciplinary determinations, ordering 10 reprimands and 11 cautions for unsatisfactory professional conduct (see Tables 41 to 43).

One of the outcomes refers to our discretion not to file charges at VCAT when we are of the opinion the conduct amounts to professional misconduct. We exercise this discretion in limited circumstances, most notably when there is no ongoing risk to the public as the lawyer has ceased practising and has undertaken not to apply for a practising certificate in any jurisdiction in Australia in future. There were 5 matters this year in which we exercised this discretion.

Table 44 shows we closed 38 Commissioner initiated complaints, the outcomes of which included four reprimands, 1 caution and we commenced VCAT applications for 7 other matters.

COMPLAINTS FINALISED AND OUTSTANDING

The time it takes to finalise a complaint varies depending on a number of factors including the complexity of the matters involved and how cooperative the parties are with our processes. We closed 49 complaints within a 30-day period and 197 complaints were finalised within three months of their receipt (Tables 45 and 46). A total of 313 complaints took more than 120 days to conclude. These matters involved more complex investigations. By 30 June 2021 there were 585 Uniform Law complaints that had not been closed (including Commissioner initiated complaints), and four complaints received under the LPA (see Tables 47 and 48). This year we had a strong focus on finalising disciplinary investigations that were older than 2 years, and this will be a continued focus in the months to come.

MANAGEMENT SYSTEM DIRECTIONS

Under the Uniform Law we have the power to issue Management System Directions following a disciplinary investigation. These are separate to the overall outcome of an investigation, and require a lawyer or a law practice to undertake further mandatory work, or put in place further processes or procedures to improve their conduct and/or service delivery.

One area we have been proactive in using Management System Directions is with law practices that deal with motor vehicle recovery matters. Each year we receive a large number of enquiries and complaints about lawyers and law practices acting in motor vehicle recovery matters or hire car (replacement vehicle) recovery matters. Complainants often allege that lawyers have undertaken legal work on their behalf without their knowledge, after they signed a form at a crash repairer's workshop containing an 'authority to act' to the law practice. Another common allegation involves lawyers issuing or attempting to issue legal proceedings on a complainant's behalf, without the client's instructions to do so.

By issuing Management System Directions to these law practices, we are able to clearly set out the processes and procedures that we expect the lawyers and law practices to follow, and importantly also aim to prevent future consumer harm.

PROSECUTING DISCIPLINARY BREACHES

Appendix 3 shows details of all disciplinary applications we brought before VCAT in 2020-21. Table 49 shows 10 cases were heard and determined at VCAT (one hearing dealing with three separate matters), and two were withdrawn. Table 50 shows 20 further matters were awaiting a hearing or final orders as at 30 June 2021. Table 51 shows the two appeals heard and determined in the Supreme Court in 2020-21. Tables 52 and 53 indicate that there is one current matter on judicial review at the Supreme Court and two applications for strike-off.

CASE STUDY

In January 2021 we were successful in prosecuting a Melbourne lawyer for failing to act in the best interests of his client.

The lawyer worked for a law practice which was owned by a debt collection company. After acting in a debt collection matter, the lawyer was instructed by his client to pay the trust money balance into the client's account. The debt collection company, however, instructed the lawyer to pay the money into their account, which the lawyer did. The company deducted its commission, before returning the balance to the client. The lawyer's failure to follow the client's direction created a deficiency in the law practice's trust account. The lawyer pleaded guilty to two charges of professional misconduct for failing to follow his client's instructions which led to the deficiency and failing to act in his client's best interests.

VCAT reprimanded the lawyer, fined him \$18,000 and suspended him from practising law for three months. The lawyer was also prohibited from receiving or handling trust money until July 2023 and ordered to undertake further training in ethics and professional responsibility.

REMOVAL FROM THE ROLL OF LEGAL PRACTITIONERS

In the most serious of matters, a lawyer may be found to not be a fit and proper person to continue to practise law. The Uniform Law gives us the power to apply to the Supreme Court to have these lawyers removed from ('struck off') the roll of legal practitioners maintained by the Court.

On 12 October 2020, we commenced proceedings in the Supreme Court of Victoria to have Ms Nicola Gobbo struck off the roll. Ultimately, our application was founded upon a statement of agreed facts which Ms Gobbo adopted for the purposes of the proceeding. On 20 October 2020, Her Honour Justice Forbes granted our application and made an order accordingly, with Her Honour's judgment noting and endorsing our approach to the proceeding and clearly identifying the kind of conduct that makes a person unfit to remain on the roll. The judgment will undoubtedly serve as useful authority for future strike-off matters and was a good result for us as well as the profession as a whole.

Intervening in legal practices

Each year we need to intervene in the operation of legal practices to protect the interests of their clients. The Uniform Law grants us the power to appoint a supervisor to manage a practice's trust account, or appoint a suitably qualified lawyer to take over as the manager of a practice. In some circumstances, we may also ask the Supreme Court of Victoria to appoint a receiver to attempt to recover trust money or trust property belonging to clients.

In 2020-21 we appointed managers to eight law practices, and no receivers or supervisors were appointed. Two managers were appointed where a sole practitioner had died or become incapacitated and two were appointed where the principal ceased to hold a practising certificate and was not properly attending to the affairs of the practice. The remaining four managers were appointed where we found that a lawyer had caused serious trust money irregularities.

Three of the managements that commenced during 2020-21 also ceased during the period, and a further 10 managers appointed in previous years ceased during this reporting year, leaving five managements ongoing at the end of 2020-21.

CONTEMPT APPLICATION

During the year we took action against a solicitor who interfered with the manager we had appointed to his law practice. Mr Glenn Thexton was suspended from legal practice in October 2020 and we appointed a manager to run his law practice, Thexton Lawyers. The following month Mr Thexton engaged a locksmith to change the locks on his office, effectively locking the manager out of his practice and preventing his access to the client files. Mr Thexton had already been specifically ordered by the Supreme Court not to obstruct the appointed manager, and his conduct led us to take further action against him. In June 2021 the Supreme Court of Victoria found Mr Thexton guilty of contempt of Court and handed Mr Thexton a 30 day suspended prison sentence.

Unqualified legal practice

Unqualified legal practice is another serious issue for consumers of legal services and for the reputation of the legal profession. It is a criminal offence that can attract up to 2 years' imprisonment.

A person is deemed to be unqualified if they have no legal qualifications, or in the case of a lawyer, if they don't hold a current practising certificate. A business entity can also be unqualified if it is not a registered law practice.

Clients who use an unqualified person or entity to perform legal work are not protected by a lawyer's professional indemnity insurance or our compensation scheme if things go wrong.

In 2020-21 we opened 36 new investigations into potential unqualified legal practice, a number of which involved different allegations against the same person/s. Most of these (88%) were about non-lawyers, with the remainder about lawyers operating without a current practising certificate. We also received many enquiries from the public which did not progress to a formal investigation.

During the year we concluded a total of 20 unqualified practice investigations, some of which were carried over from the 2019-20 year. When deciding what action to take, we look at a range of considerations, especially the risk to the public. We directed nine individuals to cease their activities, and in the remaining 11 cases we were unable to find sufficient evidence of unqualified practice to pursue charges or take other action.

PROSECUTIONS

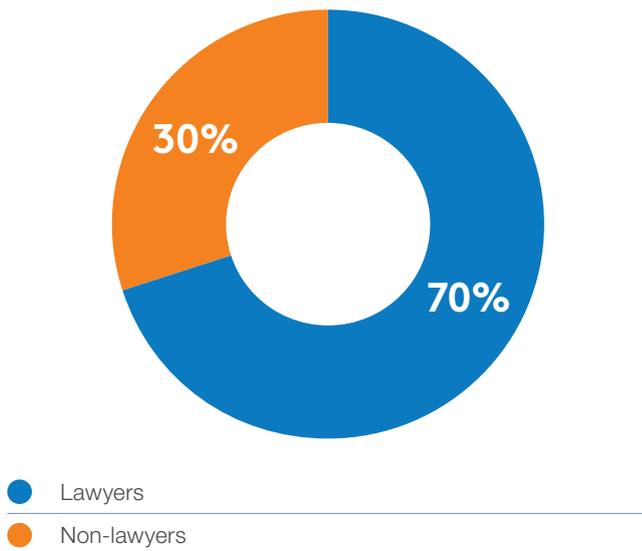
We concluded two prosecutions in 2020-21, both of which commenced prior to the start of the financial year and were heard via the Online Magistrates' Court platform.

Prosecutions from indictable offences

We undertake our own investigations of trust deficiency and indictable fraud offences within law practices involving trust money handling by lawyers or law practice employees.

We now either investigate matters ourselves or in conjunction with Victoria Police. In 2020-21 we had 10 investigations ongoing, with the majority of these involving alleged offences against multiple victims. Seven of these investigations were into lawyers.

FIGURE 1: SUBJECTS OF OTHER CRIMINAL INVESTIGATIONS



CASE STUDY

Investigation leads to prison for theft of trust funds

In August 2019, we received information that a paralegal had diverted \$510,000 in client trust monies from the law practice's trust account into his personal bank account. The paralegal, Mr Dominic Mak, admitted to the law practice principal that he invested the funds on the ASX and lost half of the money.

We commenced a joint investigation with Victoria Police which enabled us both to investigate and quickly uncover the extent of Mr Mak's conduct.

The investigation uncovered further transactions totalling \$1.9M, and identified that Mr Mak was inclined towards risky ventures on the stock market. When interviewed, Mr Mak made full admissions before being formally charged. He pleaded guilty to 5 charges of obtaining financial advantage by deception totalling \$1,919,266.84 and in August 2020 was sentenced to 4 years prison with a 2-year non-parole period.

Trust account investigations

When a law practice receives money from their clients for legal work on their behalf, the money must be held in a trust account. The monies don't belong to the law practice and can only be used for the purpose they were received. Severe penalties apply if the money is misused.

Throughout the year we monitor, and where necessary, investigate legal practices to ensure they maintain high standards of record keeping, and trust monies are held safely and securely according to the law.

HOW WE DETECT BREACHES

There are a range of ways we may become aware of potential trust account breaches. Every trust account has their records audited annually by an external examiner that we approve. External examiners then submit detailed reports to us for verification. These reports can raise issues leading to a more comprehensive trust account investigation.

We receive enquiries or complaints from consumers or from legal practice employees who are concerned and request our intervention. Each year we manage more than 2,500 enquiries from lawyers, consumers and external examiners within our Regulatory Compliance Programs team.

Our routine monitoring and analysis also enables us to identify risky conduct, and these are monitored closely for evidence of wrongdoing.

In the reporting year, there were 2,267 trust accounts held by law practices with monies held in trust. Breaches are uncommon, and most often they are the result of an administrative error, however on rare occasions we find issues that prove more concerning and require a formal investigation.

HOW WE RESPOND TO BREACHES

This year we commenced 222 trust investigations into 161 law practices. We completed 138 investigations by 30 June, with 49 finding very minor or no issues at all. We identified 76 trust accounts that required further education or remedial work, while another three needed minor follow-up action.

In seven law practices we found issues which represented serious problems with the trust accounts which may warrant potential disciplinary action in VCAT. In a further three law practices we found conduct that was significant enough to warrant disciplinary action, external intervention (by appointing a supervisor or manager) or referral to Victoria Police for possible criminal investigation.

OUTCOMES OF TRUST ACCOUNT INVESTIGATIONS



49

**MINIMAL
OR NO
BREACHES**



76

**FURTHER
INVESTIGATION
NEEDED**



3

**DIRECT
INTERVENTION
OF A SUPERVISOR
OR MANAGER**



7

**SERIOUS
POTENTIAL
DISCIPLINARY
ISSUES**



3

**MINOR,
LIGHT-TOUCH
FOLLOW UP**

CHALLENGES OF COVID-19

The impacts of COVID-19 public health responses presented unique challenges and opportunities for how we conduct trust account investigations. In 2021, with the exception of investigations that we considered likely to be serious and warrant potential disciplinary action or direct intervention, we conducted all our investigations remotely. This involved the law practices providing their trust account records to us for inspection without us physically attending the law practice. This has proven to be an effective way for us to continue to regulate trust accounts in a proactive and risk-based manner.

Significantly, an unprecedented amount of External Examiner reports were submitted after the due date of 31 May 2021.

The common reason provided for the lateness of reports is due to a lack of ability to access hard copy trust account records by lawyers and External Examiners because of restrictions on travel.

We often base our decisions to conduct investigations on the reports and observations of the External Examiners and these delays have influenced how many investigations we have in progress at the end of the trust year.

Compensation

We manage a compensation scheme called the Fidelity Fund. It protects 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. Our website describes in detail how the compensation scheme works.

In 2020-21 we received 26 new claims for compensation totalling **\$10,452,141.65**. All claims received are investigated to determine whether they meet the law's requirements for compensation.

Over the year we resolved 16 claims, including several received in previous financial years:

- 12 were wholly allowed, partly allowed or otherwise settled, with resulting approved claim payments (including interest) totalling **\$2,141,249.71** (not all of which had been paid by 30 June 2021); and
- four were wholly disallowed, totalling **\$394,426.77**.

We allowed claims where we found there had been a 'default' due to a failure to pay or deliver trust money involving fraud or dishonesty and that the claimant had suffered a financial loss as a result of the default. The majority of allowed/settled claims this year (seven) involved defaults caused or contributed to by non-legal associates of law practices.

We disallowed claims where we or our delegate were not satisfied that a default had occurred (whether because the claim was not made about trust money, or because there was no evidence of fraud or dishonesty).

There were 38 claims unresolved by 30 June; many of these were about the conduct of an associate of one law practice which resulted in 12 separate claims.

TABLE 1: CLAIMS RECEIVED, PAYMENTS TO BE MADE, AND OUTSTANDING CLAIMS FOR 2020-21

	2019-20		2020-21	
	NO. CLAIMS	AMOUNT \$'000	NO. CLAIMS	AMOUNT \$'000
Claims received	15	3,220	26	10,452
Claim payments to be made for allowed/settled claims (includes interest)	6	871	12	2,141
Claims outstanding as at 30 June	28	6,944	38	14,300

CASE STUDY

Compensation claim wholly allowed

When a client of a law practice wanted to purchase a parcel of farmland, a law practice paralegal gave them a bank account number, stating it was the law practice trust account. In fact, the account belonged to the paralegal, who used the money to invest in shares, but his fraud was exposed when the property sale failed to go ahead. After managing to reclaim some money through the Supreme Court, the client made a claim for the \$361,126 they could not recover. After a careful investigation, we approved the claim in full.

Compensation claim wholly disallowed

A client made a claim for settlement money from a real estate sale, which they said the lawyer failed to pass on in full. When we investigated the claim, we found that the client had received more money from the sale than they had told us, and had likely received all payments they were entitled to. Only one payment remained uncertain, but we also found that the client had received other payments from the lawyer which the claimant had not disclosed to us. When we sought further information about this, the client failed to provide it. Because we could not be satisfied that the lawyer had failed to account to the claimant for the funds, as well as because the claimant had failed to cooperate with us, we disallowed the claim.

CPD audits

Each year every practising lawyer must complete a set amount of CPD learning before 31 March – usually a minimum of 10 hours (with a scale of lower requirements for lawyers who worked only part of the year).

When applying to renew their practising certificate, lawyers must declare if they have completed the required CPD points for the year. By 30 June 2021, 36 barristers and 207 solicitors had voluntarily declared they had not met their CPD obligations, and each was required to complete the missing CPD or submit a rectification plan.

The LIV and the Bar also conduct random verification audits of lawyers to check their CPD declarations. Lawyers rarely fail to meet their CPD requirements, and those that do are

quick to rectify their shortcoming. In light of this fact, and the additional pressures posed by the pandemic, we chose not to conduct verification audits of solicitors last year.

The Bar did carry out verification audits of 108 barristers. Just 17 barristers did not achieve the required number of points but successfully completed a rectification plan over the following months, while a further four barristers were exempted due to special circumstances. Our plan going forward is for the LIV to conduct targeted audits of particular cohorts of lawyers. This changed approach is consistent with our strategic aim to be a regulator that adopts a risk and evidence based approach.

Consumer engagement

IMPROVING OUR WEBSITE CONTENT

Throughout the year we revised and expanded the information we provide for consumers on our website. This included simplifying how we explain the things we can help consumers with and what issues we don't have responsibility for. We also provided clearer explanations of time limits for making a complaint, described how our complaints processes work and where else consumers can find help if we are not the appropriate service to address their issues. This gives consumers a clearer understanding of what they can expect if they make a complaint about a lawyer.

CONSUMER ENQUIRY FORM

We introduced a new consumer enquiry web form in February 2021 to help consumers submit their concerns to us about a lawyer's costs, quality of service or professional conduct. Taking only 5-7 minutes to complete, it is a much quicker and easier way to interact with us. Being web-based, it is available at a time that suits the consumer. The form prompts users for the type of information we need to consider when assessing their enquiry, and has reduced the time it takes for us to acknowledge, assess and respond to enquiries. We now receive up to 60% of consumer enquiries via the form.

Not being a legal person this format suits and is easily understood. Thank you for simplifying what could be complex.

Anonymous feedback submission

SOCIAL MEDIA

We expanded our social media presence on Twitter and LinkedIn during the year. We published regular posts aimed at consumers of legal services to connect them with legal resources and support, and promote awareness of consumer rights. We also actively shared content produced by other organisations, such as promoting Victorian Law Week and the national Scams Awareness Week, to help them further the reach of community service messages.

CONSUMER PANEL

The Consumer Panel has provided us with valuable assistance in fulfilling our goal of empowering and protecting consumers of legal services. During 2020-21 the Panel advised on a number of our projects, including our complaints handling processes review, where the Panel helped to set the goals and understand the good outcomes we should aim for.

The Panel commenced its research program this year, commissioning A/Prof. Genevieve Grant of Monash Law School to provide us with a literature review of research into consumers' experiences of legal services and the operation of the market(s) for legal services. Her report highlighted that there was limited evidence and large knowledge gaps in this area. The literature review identified there is huge scope for further research that will help us regulate better and give insights to lawyers who want to make good legal services more available to the average consumer. The report is available on our website.

The Panel also developed a conceptual framework for regulation based on the internationally recognised Consumer Principles of Access, Choice, Information, Quality, Safety, Fairness, Representation and Redress. We tested these concepts with a group of lawyers and other stakeholders with encouraging feedback. We will be using the Consumer Principles to enhance our approach to regulation in the coming year.

Enabling access to justice

We play an important role in helping increase access to justice for Victorians as a funder, investor and regulator. We provide funding to Victoria Legal Aid, and to other government agencies for law reform, legal or judicial education and legal research. We also fund not-for-profit organisations who deliver front line access to justice services and projects.



Year highlights



APPROVED

\$1M

IN GRANT FUNDING TO 7 ACCESS TO JUSTICE AND LAW REFORM PROJECTS



PAID

\$25M

TOWARDS VICTORIA LEGAL AID FUNDING



CONTINUED FUNDING TO VICTORIA LEGAL AID FOR DIGITAL IMPROVEMENTS FOR CLIENTS WHEN INTERACTING WITH THE JUSTICE SYSTEM AND THE LEGAL ASSISTANCE SECTOR



PROVIDED

\$1.836M

TO THE VICTORIAN LAW REFORM COMMISSION



RESPONDED TO

21

CONTACTS TO THE INNOVATION INBOX

Our funding impact

VICTORIA LAW FOUNDATION

We fund the Victoria Law Foundation (VLF), which is a statutory authority and not-for-profit organisation that works to improve the justice system for all Victorians, building understanding of the legal system and supporting better justice through research, education and grants. The VLF run projects that benefit the profession and wider society, including Victorian Law Week, a grants program to support a better understanding of the justice system, along with various research and education programs.

Last year a key VLF project was their Public Understanding of Law Survey, a Victoria-wide survey exploring how people experience, understand and navigate law and everyday life problems. The data from the survey will help the legal sector and government to adapt and tailor services to better reflect the public's legal needs, widening access to justice and supporting the sector to design effective and fair policies. Due to COVID restrictions the survey will now run in early 2022.

LAW LIBRARY OF VICTORIA

We provide funding to the Library to provide judicial officers, the profession and community with ready access to legal information, thereby contributing to the administration of justice and the practice of law in Victoria.



Our highly skilled and professional law librarians provide comprehensive and authoritative legal information, including in-depth legal research, CPD and tailored training.

With the support of the VLSB+C, and in particular Commissioner Fiona McLeay, the Library's professional

services were adapted to assist the Victorian legal community during COVID-19 including by increasing access to online resources. Stable access to essential library resources contributed to lawyer wellbeing during COVID.

The relationship between the Law Library and the VLSB+C is deep and strong. The Commissioner continues to support the Law Library to innovate and increase our service offering and understands the importance of the work of our skilled Library staff and their commitment to the Victorian legal community.

I look forward to continuing the Library's meaningful relationship with the VLSB+C and working in partnership to support the administration of and access to justice in Victoria.

Laurie Atkinson

Director Law Library of Victoria and Supreme Court Librarian

JUSTICE CONNECT

Justice Connect designs and delivers high impact interventions to increase access to legal support, progress social justice, and close the justice gap in Victoria.

Our funding supports Justice Connect's administration of the Victorian Bar Pro Bono Scheme and Law Institute of Victoria Legal Assistance Scheme in collaboration with the Victorian Bar and LIV. With this funding, Justice Connect is able to deliver critical legal services to people experiencing disadvantage who cannot otherwise access help. Last year, Justice Connect responded to emerging areas of unmet legal need in areas including underpayment of wages and entitlements, refugees seeking protection visas, people experiencing sexual harassment in the workplace, and communities impacted by natural disasters. Justice Connect gains insights from the services we fund that enable them to improve their digital tools that connect those seeking help with those providing it.

VICTORIAN LAW REFORM COMMISSION

The Victorian Law Reform Commission (VLRC) is the central agency for law reform in Victoria. The Commission makes a significant contribution to developing a fair, just and inclusive legal system for all Victorians and advises the Attorney-General on how to improve and update Victorian laws. The Commission undertakes inquiries – also called references – which are referred to it by the Victorian Attorney-General, as well as law reform projects proposed by members of the community.

Our annual funding contribution goes directly to the VLRC's operations, ranging from reviewing laws related to stalking and personal safety, to making the jury system more inclusive of those with hearing or sight difficulties.

VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL (LEGAL PRACTICE LIST)

The Legal Practice List is part of the Victorian Civil and Administrative Tribunal (VCAT). It hears disputes between clients and their lawyers over legal services and costs. It also hears applications that we make asking for orders to discipline lawyers who have breached their legal or ethical obligations to their clients or to the Courts. Our funding of the Legal Practice List offers an important protection for the public against poor lawyer conduct. It ensures Victorians have access to a civil forum where they can challenge their lawyer as an equal party. It also provides a robust and fair disciplinary process with the power to sanction lawyers for professional misconduct and restrict their legal practice as needed.

VICTORIA LEGAL AID

Victoria Legal Aid is an independent statutory authority that helps people with legal problems involving family breakdown, child protection, family violence, criminal matters, social security, mental health, discrimination, guardianship and administration, fines, immigration, tenancy and debt. Working predominately with socially and economically disadvantaged clients, VLA provides free legal information and education to Victorians seeking to resolve legal issues. We help to fund VLA's operations, serving the Victorian community in areas including access and equity, family law, mental health support and civil justice. We also fund their Digital Legal Aid project.

Grants program

Our Grants Program plays a critical role in improving access to justice for Victorians. We do this through funding policy research, law reform, legal education and innovative improvements to legal services. Since 2007 we have distributed more than \$45 million in grant funding.

2020 was a year of disruption and upheaval caused by COVID-19. Financial uncertainty and drops in the value of our investments in the first half of the financial year meant that the Board took the difficult decision to significantly reduce the funding available for grants. However, with an improved

financial position in the second half of the year, the Board was pleased to be able to award \$1 million in funding to seven legal and community organisations to help vulnerable Victorians gain access to legal services. We were immensely impressed by our grantees' determination to continue to deliver their services and projects during the pandemic and ongoing lockdowns. Their work provided vital support to some of those most in need during this difficult period.

Successful applicants

FIRST STEP HEALTH JUSTICE PROJECT AND EVALUATION (FIRST STEP HOPE) EXTENSION PROJECT

FIRST STEP LEGAL

\$130,000

OVER 1.5 YEARS

The First Step Legal team will continue to work closely and collaboratively with the Windana Therapeutic Community staff, to build upon the positive preliminary outcomes of their pilot health-justice partnership, First Step HOPE. They will refine processes and systems of best practice integrated care, in support of the ongoing recovery and rehabilitation of residents.

PATHWAYS OUT OF THE JUSTICE SYSTEM FOR WOMEN IN REGIONAL VICTORIA

LAW AND ADVOCACY CENTRE FOR WOMEN

\$100,000

OVER 1 YEAR

Improving access to holistic, legal and support services for women in regional Victoria who are at risk of entrenchment in the criminal justice system.

MARYBOROUGH FAMILY JUSTICE PROJECT

LODDON CAMPASPE COMMUNITY LEGAL CENTRE (ARC JUSTICE)

\$230,000

OVER 1 YEAR

Further development, testing and embedding of an integrated model of legal service delivery and coordination to increase access to wrap-around support for vulnerable families to break intergenerational cycles of disadvantage.

DISABILITY SUPPORT PENSION ACCESS AND APPEALS

MENTAL HEALTH LEGAL CENTRE

\$200,000

OVER 1 YEAR

The project will improve access to the Disability Support Pension for people managing complex health and mental health issues by assisting them to demonstrate the complex eligibility and evidence requirements.

JOINED-UP JUSTICE FOR GIPPSLAND

GIPPSLAND LEGAL ASSISTANCE FORUM (VICTORIA LEGAL AID)

\$60,000

OVER 1 YEAR

Improving the reach of the Gippsland Legal Assistance Forum to improve access to timely, appropriate and culturally safe legal assistance for priority clients and communities in the Gippsland region.

CONTINUED EMPLOYMENT OF INDIGENOUS WOMEN'S ARTS OFFICERS IN PRISONS AND COMMUNITY

THE TORCH

\$100,000

OVER 1 YEAR

Supporting the continued employment of a Women's Indigenous Arts Officer working with imprisoned and post release women across Victoria to receive art, cultural and vocational support.

WOMEN AND MENTORING (WAM)

\$180,000

OVER 1 YEAR

WAM matches women at risk of offending with a supportive trained mentor with the aim of reducing women's engagement with the justice system.

WAM – Project impact

Social connections



69%

OF WOMEN WE WORK WITH REPORTED FEELING SOCIALLY ISOLATED



50%

HAD A MENTORING GOAL OF IMPROVING SOCIAL CONNECTION

Our mentors also helped with:



CHILDREN & FAMILY RELATIONSHIPS



DRUG & ALCOHOL ABUSE



HEALTH & WELLBEING



OFFENDING & LEGAL ISSUES



HOUSING & ACCOMMODATION



DEBT & FINANCES



EMPLOYMENT & TRAINING

CASE STUDY

WOMEN AND MENTORING: EARLY INTERVENTION TO PREVENT WOMEN FROM OFFENDING AND RE-OFFENDING

WAM has provided women with a criminal offence history or at risk of offending, with a trained female mentor, in a program aimed at addressing the rise in female incarceration and reducing women's encounters with the justice system. Over the past three years, the program has helped 65 women in difficult circumstances, pairing them with mentors who supported and guided them in matters including family and relationships, drugs and alcohol and legal issues.

Mentees typically come from difficult backgrounds

88%

EXPERIENCING FAMILY OR DOMESTIC VIOLENCE

95%

BEING DIAGNOSED WITH A MENTAL HEALTH PROBLEM

The results speak for themselves

13%

OF MENTORED WOMEN REPORTED REOFFENDING DURING THEIR INVOLVEMENT WITH WAM, COMPARED TO THE STATE AVERAGE OF

43.3%

We are proud to fund WAM as part of our grants program. Through WAM, our funds directly impact the lives of vulnerable women, and protect communities by preventing crime.

WAM recently celebrated ten years of changing lives in Victoria.

Innovation

Lawyers play an important role in upholding traditional elements of the justice system, but they can also be innovative in how they provide legal services. There are a lot of lawyers who want to change how legal services are done. Technology and new thinking can help the profession to provide more sustainable, accessible and affordable legal services, and it is encouraging to see an increased interest in ‘doing things differently’. Our ‘Innovation In-box’ is a way for lawyers to contact us and have a discussion about new service offerings and how they might work within the existing regulatory scheme.

A recent report from the Solicitors’ Regulation Authority in the UK highlighted the value lawyers place on being able to contact the regulator to ‘run a couple of things by’ them. The quality of the conversations we have had with lawyers about innovation supports this idea.

In 2020-21 we heard from 21 people who wanted to do law differently – an increase from nine contacts in 2019-20.

The types of lawyers who contacted us are as follows:

LAWYER TYPE	CONTACTS
Director/partner/employee – small firm	7
Sole practitioner	7
Non-lawyer/ex-lawyer	2
Interstate lawyer	2
In-house Counsel	2
CLC/ Government	1

More than half of the individuals who contacted us were female, and most were from small or non-traditional practices. This continues a trend we have seen over the past several years where more female lawyers contact us when they seek to develop tools to help consumers deal with the legal system.

Common ideas raised with us include:

- different law practice set-ups;
- providing non-legal services to deliver a more holistic approach to consumer needs (especially in stressful times, such as bereavement or family breakdown);
- developing self-help apps, online education and online services to guide consumers through legal processes; and
- different, more consumer-friendly ways of pricing legal services, particularly fixed fee agreements.

CASE STUDY

Legal Tech Helper is a legal tech startup focused on building accessible client-facing tools. We first engaged with the VLSB+C through their Innovation Inbox in the early stages of our business. We sought reassurance that the ‘guided pathways’ we planned to build for consumers to get targeted legal information did not cross over into giving legal advice or raise other regulatory issues. We were also exploring different service delivery models to reach those ‘missing middle’ consumers and small businesses who do not use lawyers when they have a legal problem. Our first conversation with the VLSB+C gave us confidence that we were on the right track. We built an ‘online helper’, a web application called Divorce Helper, to help consumers navigate separation and divorce in an empathetic way. We have kept in touch with the VLSB+C, showing them and obtaining feedback on our alpha (limited) release. VLSB+C’s open door policy, and their active engagement and promotion of legal innovation has been very encouraging for those seeking to create positive change in the legal industry.

Samantha Lovrich

Co-Founder, Legal Tech Helper

Enabling our work

The public expects government services to be delivered efficiently and without undue process. Our people, tools and governance help us to deliver, refine and improve our processes to increase our transparency and improve our response times and service delivery methods.



Year highlights



MAINTAINED A

90%

AVERAGE ENGAGEMENT WITH STAFF ON OUR INTERNAL COMMUNICATIONS



14

STAFF

UNDERTOOK LEADERSHIP TRAINING



DEVELOPED A RANGE OF NEW POLICIES TO SUPPORT OUR GOVERNANCE



CONTINUED TO IMPLEMENT OUR ACCESS AND INCLUSION PLAN AND IMPROVED WEBSITE TO

A+++

STANDARD



LAUNCHED A RECOGNITION PROGRAM FOR STAFF



Banking Review

Last financial year we worked with the Law Society of New South Wales to review our trust account banking arrangements. The review was conducted to ensure that money held in trust was earning as much interest as possible, as this money is used to provide funding towards vital services such as the regulation of the legal profession, for organisations such as Victoria Legal Aid, and to support grants to programs that provide access to justice in the Victorian community.

We have now entered into new contracts with six banks that are authorised to open general trust accounts for lawyers: CBA, NAB, ANZ, Macquarie, Bendigo and the Westpac group (incorporating St George and the Bank of Melbourne). This has maintained continuity of banking arrangements for the

vast majority of law practices and will deliver long-term stability for Victorian law practices. The new contracts will be in effect for at least five years.

The new agreements are the culmination of a comprehensive and rigorous process to review the existing banking arrangements, enabling us to get the best result for Victorian law practices and the wider Victorian community.

Pandemic response: supporting our staff

In autumn 2020 we laid the foundations for our internal response to COVID-19. Harnessing technology, we adopted a flexible way of working to limit the disruption caused by the pandemic and keep our staff safe. This year the focus turned towards sustaining and evolving our approach to better meet the needs of staff in ever-changing and challenging circumstances.

As a regulator, we understood the importance of leading by example. This meant following government policies, while creating tailored guidance to accommodate the specific requirements of the business.

Our staff worked from home for most of the year, supported by technology and necessary equipment such as keyboards and ergonomic chairs. Managers established regular check-ins with team members, and online wellness activities were made available to staff.

At the start of 2021 we saw a partial return to the office with a COVID Safe Plan in place. Staff checked-in using a QR code system and we ensured that masks were worn when required, in line with Victorian government policy. Through this support, we continued to deliver our services and provide oversight of lawyers to ensure our goal of maintaining public trust and confidence in the Victorian legal profession.

How we manage governance

Every year we evaluate our governance arrangements to ensure continuous improvement. We work to ensure that we are well positioned to respond to our changing environment, placing good governance, transparency and integrity at the heart of what we do.

Last year, despite the challenges we continued to self-evaluate and support staff by ensuring that they had current and relevant information about their legal and governance obligations, including the policies and procedures that affect them.

INTEGRITY FRAMEWORK

Our integrity framework was created to support our commitment to act with integrity. By bringing together a range of corporate policies and procedures, such as procurement, fraud and corruption and public interest disclosure, under the banner of integrity, we demonstrate how our policies work together to support our commitment to integrity.

Last year we revised a range of key policies, including how we receive gifts, benefits and hospitality, and our conflict of interest policy. We also focussed on reviewing and updating our procedures and developed resources and training to keep staff informed and up-to-date.

ENHANCED SUPPORT TO STAFF

We enhanced our support to staff, particularly in the areas of procurement and risk management through a range of activities, including developing additional training and resources, and offering one-on-one mentoring and support.

Our people and culture

Last year the need for staff support was more pronounced than ever, requiring innovative new ways to engage staff remotely, and maintain a strong connection among employees. We launched a series of initiatives to enhance inclusiveness and wellbeing in the workplace.

RECOGNITION PROGRAM LAUNCH

We launched the VLSB+C Recognition Program as a way of acknowledging teams and individual members of staff who strongly display the VLSB+C Commitments and deliver in line with our strategic principles. The initiative encourages staff to nominate colleagues who have gone above and beyond, and rewards outstanding members of staff on a quarterly and yearly basis.

LEADERSHIP DEVELOPMENT

Our Leadership Development Program was paused for much of last year, but we were able to run the program for a period in-between lockdowns. The program involved all newer members of the leadership group and was designed to create a common leadership language through which expectations could be shared and aligned. The response was overwhelmingly positive, spurring us to establish leadership masterclasses that will focus on different aspects of leadership in the coming year.



The Leadership program was a fantastic opportunity to connect with a leadership group, and build healthy relationships to achieve organisational objectives. Understanding creative and reactive leadership domains and qualities through the program were very useful to identify areas for development, measure how you achieve outcomes, become a visionary leader, work on personal and staff development, and create a plan for transformation.

Bek Abdul
Manager, Data Insights



I found attending the Conscious Leadership training rewarding on many different levels. Personally, it allowed me to reflect on events in my life that have impacted and moulded me into the person I am today and how this may influence decisions I make in the future. Professionally, it allowed me to connect with others within the organisation in a management role, some of whom I had known for a number of years and others who I had not even previously met because they were new to the organisation or had come on-board during COVID. Being able to share our thoughts and experiences with one another was really enlightening and I hope in the future to be able to draw on the advice of this group. Moving forward this training will serve to really help me to be more aware about how I lead and how to best utilise and leverage these skills as well as further develop others.

Maria Smith
Assistant Manager, Discipline & Suitability



I found this process to be incredibly worthwhile. Although I had been on management and leadership courses before, this went much deeper. The open feedback from my 360 gave me some genuinely helpful perspectives into strengths, areas for improvement, and illuminated a few blind spots. During the course I was struck by how open and emotionally reflective everyone was. This allowed us to build a reservoir of empathy, trust and understanding with each other that we can draw upon when we engage at work. This will deepen relationships and our understanding of each others' perspectives to help dissolve any silos and support us to work together with a shared sense of mission.

Matt Anstee
Director, Investigations

WORKFORCE DIVERSITY

We continued to build awareness of workforce diversity, and used our Friday News bulletin to promote initiatives and share information. This year we concentrated on making our work more accessible to those living with disabilities, successfully incorporating an audio function to the website to enable those with sight challenges to engage with the web content. We also ensured that all internal communications were accessible.

There were two main focuses on our diversity agenda this year: access and inclusion, and gender.

ACCESS AND INCLUSION PLAN

Although the pandemic limited implementation of some of the goals outlined in our Access and Inclusion Plan, we successfully conducted an organisation-wide Disability Confidence training program, as well as an external audit of the website to ensure compliance of web content with accessibility guidelines. Last year we also reviewed our recruitment processes to ensure they were adequately accessible.

GENDER EQUALITY PROJECT

The *Gender Equality Act* passed in 2020, prompting us to redouble our approach to gender equality in alignment with the Act. We will establish a 4-year action plan based on audit results and have attended training sessions on gender equality, and distributed a range of communications to staff about what the Act entails and our next steps. We are also a signatory to the Law Council of Australia's Equitable Briefing Policy, which aims to brief female barristers in at least 30% of matters.

WORKLOAD RESOURCING

Although the People Matters survey from FY2019-20 revealed generally positive attitudes towards working life, some staff reported very high levels of stress relating to workload pressures. To address these findings, we targeted the divisions that reported the highest levels of stress and used focus groups and workload analyses to identify the triggers. We have allocated additional resources to these divisions to align with manageable caseloads and to work through the backlog of tasks that were contributing to workloads.

ROLE OF MANAGERS

Last year our managers did a fantastic job in supporting their staff through turbulent times, checking in with their teams regularly and offering support where it was needed. Some managers attended mental health first aid training, in an initiative that we hope to continue in the coming year.



YOUTH EMPLOYMENT PROGRAM

The Victorian Public Service Youth Employment Program is a major employment initiative to support unemployed people to find work in roles that respond to the pandemic or improve our community in other ways. The YEP offers young Victorians aged between 17 and 29 with paid employment of 6-12 months in the Victorian Public Service.

Being part of the Working for Victoria Youth Employment Program under the Department of Justice and Community Safety (DJCS) has allowed me the great opportunity to contribute valuable and meaningful support to the Victorian community and build on the necessary skillset to work effectively in the public sector. The program has not only offered professional mentoring and career guidance from industry experts, but a unique workplace transition alongside other program participants who share the same passion for public administration and justice.

Having this experience tailored through the VLSB+C has broadened my knowledge of the protection of consumers of legal services, and how the regulatory system operates to maintain the integrity of the legal profession. In operation, this has developed my interpersonal, strategic thinking, written communication and dispute resolution skills.

The experience through the program has really provided me with insight and greater perspective on some of the most important regulatory functions in the public sector, and practical expertise that will prove invaluable in my future roles.

Edward Gatei

Support Officer

EMPLOYEE ENGAGEMENT AND WELLBEING

We used a new survey platform – Culture Amp – to conduct a pulse survey addressing the key issues identified in the previous year's People Matters survey. This new platform will play a key role in leveraging employee engagement in the future to enable us to better understand the issues affecting our staff.

To improve wellbeing, the Health and Wellbeing Committee organised a series of activities, with a focus on mindfulness.

We offered free meditation sessions in May, and hosted events such as trivia nights throughout the year to bolster team morale and a sense of connection. On returning to the office, we provided 'welcome back packs' as a token of our gratitude. We also continued to embed and extend our Workplace Contact Officer Program as an additional avenue of support for staff seeking guidance or help.

PERFORMANCE DEVELOPMENT PLANS (PDPs)

We restructured the way we set up our goals for senior staff in our PDPs to strengthen the link between employee goals and the organisation's strategic priorities. This was to foster a more strategic and consistent approach to employees' development and to establish PDPs as a tool for guiding constructive conversations around how both managers and employees can improve the way they work.

COMMITMENTS

We continued the roll-out of the Commitments in Focus Program, which encouraged teams to engage with our agreed workplace commitments and behaviours in new ways. The program's activities included team discussions on our commitments, and an integration of our commitments into the recruitment process. The purpose of the program is to bring our commitments to life while building connections within and between divisions.

PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT AND CONDUCT PRINCIPLES

Our staff uphold the Victorian public sector values and employment and conduct principles of managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit. Employees have been correctly classified in workforce data collections.

We are 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.



FLEXIBLE WORKING ARRANGEMENTS

As a person with caring responsibilities, I have accessed a variety of opportunities to recalibrate my work to accommodate these responsibilities at the VLSB+C. This has included working remotely, working varied hours and purchasing leave. A supportive organisational culture that focuses on output and invests in enabling technology is very important, and I think helped us smoothly transition to the forced 'working from home' scenario caused by the pandemic. Flexible work not only helps me to continue to work full time, it supports my wellbeing, and therefore my ability to do my job to the best of my ability.

Natalie Neal
Senior Policy Officer

Managing our funds

The Public Purpose Fund is a vital source of funding for a range of public benefits. It provides funding for the regulation of the legal profession and is a significant source of funds for Victoria Legal Aid, legal research and law reform, and a range of access to justice programs for the community. As the regulator of the legal profession, we are responsible for managing the Public Purpose Fund through sound financial management practices and a strong and transparent governance framework.



Year highlights



\$151M

SURPLUS IN
PPF GENERAL ACCOUNT



\$81M

REVENUE
FROM TRANSACTIONS



\$64M

TOTAL EXPENSES
FROM TRANSACTIONS



\$93M

NET GAIN
ON INVESTMENTS



\$933M

HELD IN INVESTMENTS

The Public Purpose Fund (PPF)

MANAGING THE PPF

The PPF is comprised of three separate accounts: the General Account, the Statutory Deposit Account (SDA), and the Distribution Account. The Application Act sets out what money is to be paid into and withdrawn from each account.

The General Account receives interest from law practices' general trust accounts, PPF investment earnings, lawyers' practising certificate fees, and other ancillary funds described by the Application Act. Its expenses include support of the Legal Profession Uniform Framework, the costs of running Victoria's legal regulatory regime, VCAT's Legal Practice List and the continuing legal education programs run by the Bar and the LIV. Other expenses are listed in the Application Act.

The SDA comprises a series of accounts linked to individual law practice trust accounts. Each quarter law practices with a trust account transfer a set proportion of their trust account balance to the linked SDA. The collective balance of the SDA earns interest from deposits and returns from an investment portfolio in accordance with our Investment Policy Statement (explained in further detail on page 54 of this report). These earnings are paid in to the General Account. All monies in the SDAs are available at call to the law practice.

FUNDING FROM THE PPF

Using a formula specified in the Application Act, the Distribution Account receives 50% of the surplus funds from the General Account at 30 June of a given year. This account is used to provide funding to Victoria Legal Aid, the Victoria Law Foundation, the Victorian Law Reform Commission and to other grant recipients for law-related services and activities.

OUR INVESTMENTS

COVID-19 impacted economic markets globally in 2019-20 and resulted in reduced income and a deficit from transactions in FY2020. However, despite continuing low interest rates, exceptional investment gains and distributions in 2020-21 have resulted in a substantial net surplus as at 30 June 2021.

The unexpectedly strong market results during the year have boosted both PPF and Fidelity Fund gains, recovering the losses incurred in 2019-20. The positive results are contributed by both investment capital gains and end of year distributions income.

At the end of the reporting year, our management of the PPF resulted in a surplus in the General Account of \$151,353,797 compared with \$80,933,879 at 30 June 2020. The distributions we made from the General Account and the Distribution Account during 2020-21 are listed in Table 2 and Appendix 6 of this report. All distributions are made with the approval of the Attorney-General.

TABLE 2: PPF DISTRIBUTIONS – ACTUAL 2021, FORECAST 2022

PPF GENERAL ACCOUNT BALANCE	ACTUAL 2020-21	FORECAST 2021-22
	\$'000	\$'000
General Account balance as at 30 June 2020 and 30 June 2021	80,934	151,354
Allocation of General Account funds		
Funds allocated to the Distribution Account	(40,467)	(75,677)
Funding allocated from the General Account		
Commissioner	(8,749)	(11,821)
Payments to professional associations for programs	(3,066)	(2,970)
Victorian Civil and Administrative Tribunal – Legal Practice List	(955)	(993)
Victorian Legal Admissions Board	(1,517)	(1,414)
Delegated functions: Law Institute of Victoria	(239)	(246)
Delegated functions: Victorian Bar	(286)	(299)
Legal Services Council – Uniform Law Scheme	(687)	(714)
Law Library of Victoria	(479)	(500)
General Account payments	(15,978)	(18,957)
Balance	24,489	56,720

DISTRIBUTION ACCOUNT BALANCE	ACTUAL 2020-21	FORECAST 2021-22
	\$'000	\$'000
Opening balance	141,204	147,571
Transfer from General Account	40,467	75,677
Grants and funding paid from the Distribution Account		
Major grants and projects paid ⁽ⁱ⁾	(3,163)	(2,269)
Victoria Legal Aid	(25,789)	(22,889)
Victorian Law Reform Commission	(1,836)	(1,893)
Victoria Law Foundation	(2,425)	(2,500)
Justice Connect	(887)	(915)
Sub-total – Funding Grants	(34,101)	(30,466)
Closing balance	147,571	192,782

(i) Major grants approved but unpaid of \$1,436 thousand as at 30 June 2021.

OUR FINANCIAL PERFORMANCE AND POSITION

Table 3 provides an overview of our five-year financial performance and position.

TABLE 3: FINANCIAL PERFORMANCE AND POSITION OF THE BOARD AND COMMISSIONER

	2016-17	2017-18	2018-19	2019-20	2020-21
Financial Performance (\$'000)					
Interest and distributions	78,306	77,558	83,815	53,878	68,224
Other revenue	10,993	11,910	12,132	12,942	13,069
Total revenue	89,299	89,468	95,947	66,820	81,292
Total expenditure	(69,619)	(68,466)	(78,354)	(72,804)	(63,788)
Net operating result	19,680	21,002	17,593	(5,984)	17,504
Net gain/(loss) on investments	16,629	15,802	33,401	(32,240)	92,822
Net result from continuing operations	36,309	36,804	50,993	(38,224)	110,326
Financial Position (\$'000)					
Total assets	1,629,199	1,898,539	1,840,117	2,101,353	3,110,127
Total liabilities	(1,394,346)	(1,626,882)	(1,517,468)	(1,816,927)	(2,715,375)
Net assets	234,853	271,657	322,650	284,426	394,752

Our financial performance

The composite net result for 2020-21 was a surplus of \$110.326 million, \$148.550 million higher than the prior year's deficit of \$38.224 million. The net surplus was a combination of a \$17.504 million net operating surplus and \$92.822 million gains on other economic flows, including \$93.355 million capital gains on investments. Total expenses were lower at \$63.788 million (compared with \$72.804 million in the previous year).

The favourable variance in net result is due to strong investment returns, including distributions and capital gains during the year.

REVENUE FROM TRANSACTIONS

Total revenue from transactions of \$81.292 million was \$14.472 million higher than prior year income of \$66.820 million. Interest and distributions revenue was \$68.224 million, compared with \$53.878 million in the previous year. Revenue from transactions was predominantly due to higher investment income than in the prior year. Other revenue, comprised mainly of practising certificate fees and Fidelity Fund contributions, increased slightly to \$13.069 million, up from \$12.942 million in the previous year.

EXPENSES FROM TRANSACTIONS

Total expenses from transactions decreased by \$9.017 million to \$63.788 million compared with 2019-20 expenses of \$72.804 million. This decrease was due mainly to lower funding and grants payments than in the prior year.

Fidelity Fund claims and related administration expenses were \$2.543 million, \$1.128 million higher than the 2019-20 expenses of \$1.415 million.

NET GAIN/(LOSS) ON INVESTMENTS

Net gain on investments was \$93.355 million, \$124.115 million ahead of the 2019-20 loss of \$30.760 million. Stronger economic market sentiment up to 30 June 2021 reflected positive expectations globally as COVID-19 vaccination rates increased and some restrictions began to ease.

MAKING PRUDENT INVESTMENTS

At 30 June 2021 we held \$933.364 million in investments (excluding cash), compared with \$841.523 million last year. Despite continuing low interest rates, exceptional investment gains and distributions in 2020-21 have resulted in a substantial net surplus on transactions as at 30 June 2021.

We engage an external investment adviser to recommend and assist in investment decision-making, and seek to maximise investment returns while limiting risk to an acceptable level. We also directly engage a range of external investment managers to invest funds across a diverse portfolio of asset classes.

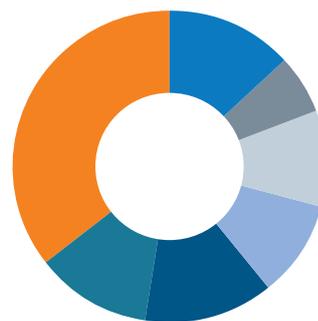
The total value of PPF investments, excluding cash holdings, as at 30 June was \$888.576 million (compared with \$801.775 million last year). The total value of Fidelity Fund investments, excluding cash holdings, as at 30 June was \$44.788 million (compared with \$39.748 million last year). In addition, the Fidelity Fund portfolio includes a cash management allocation of \$24.388 million as at 30 June (compared with \$21.227 million in the prior year). Table 4 shows the types of investments we managed.

TABLE 4: INVESTMENT ASSET ALLOCATIONS FOR 2020-21

2021	PUBLIC PURPOSE FUND \$'000	FIDELITY FUND \$'000	TOTAL INVESTMENTS MANAGED \$'000
Australian equities	90,327	9,229	99,556
Australian small capitalisation equities	44,675	–	44,675
Australian fixed interest	82,077	9,267	91,345
Diversified growth funds	138,188	6,993	145,180
Global fixed interest	193,630	8,555	202,185
Overseas equities hedged	43,940	3,936	47,876
Overseas equities unhedged	127,749	6,808	134,557
Emerging market equities	32,794	–	32,794
Property and infrastructure managed funds	135,196	–	135,196
Cash	–	24,388	24,388
Total	888,576	69,176	957,752

2020			
Australian equities	71,145	7,219	78,364
Australian small capitalisation equities	29,673	–	29,673
Australian fixed interest	86,198	9,389	95,586
Diversified growth funds	127,202	6,365	133,567
Global fixed interest	194,131	8,447	202,578
Overseas equities hedged	32,364	2,899	35,263
Overseas equities unhedged	107,876	5,429	113,306
Emerging market equities	25,544	–	25,544
Property and infrastructure managed funds	127,642	–	127,642
Cash	–	21,227	21,227
Total	801,775	60,976	862,751

FIGURE 2: PPF ASSET ALLOCATION



PUBLIC PURPOSE FUND ASSET ALLOCATION 2020-21		
● Australian equities		10.17%
● Australian small capitalisation equities		5.03%
● Overseas equities hedged		4.94%
● Overseas equities unhedged		14.38%
● Emerging market equities		3.69%
● Diversified growth funds		15.55%
● Property and infrastructure managed funds		15.21%
● Australian fixed interest		9.24%
● Global fixed interest		21.79%

FIDELITY FUND ASSET ALLOCATION 2020-21		
● Australian equities		13.34%
● Overseas equities hedged		5.69%
● Overseas equities unhedged		9.84%
● Diversified growth funds		10.11%
● Australian fixed interest		13.40%
● Global fixed interest		12.37%
● Cash		35.26%

INVESTMENT OBJECTIVES

Our investment objectives for the Public Purpose Fund (offset) are as follows:

- a. We aim to restrict the frequency of a negative return to not exceed 3.5 in every 20 years when modelling its long term asset allocation and risk/return objectives; and
- b. To outperform a range of CPI + 2% to CPI + 2.5% per annum return objective over rolling three-year periods.

Our investment objectives for the Fidelity Fund are as follows:

- a. We aim to restrict the frequency of a negative return to not exceed 3.5 in every 20 years when modelling its long term asset allocation and risk/return objectives; and
- b. To outperform a CPI + 1.5% per annum return objective over rolling five-year periods.

The strategic asset allocations designed to achieve the objectives are set out in Table 5.

TABLE 5: ASSET ALLOCATIONS FOR 2020-21

ASSET ALLOCATION	PUBLIC PURPOSE FUND		FIDELITY FUND	
	BENCHMARK RANGES	ACTUAL 30/06/21	BENCHMARK RANGES	ACTUAL 30/06/21
Australian equities	0-20%	10.17%	5-15%	13.34%
Australian small capitalisation equities	0-10%	5.03%	0%	0.00%
Overseas equities hedged	0-10%	4.94%	5-15%	5.69%
Overseas equities unhedged	0-20%	14.38%	5-15%	9.84%
Emerging market equities	0-10%	3.69%	0%	0.00%
Diversified growth funds	0-20%	15.55%	5-15%	10.11%
Property and infrastructure managed funds	0-20%	15.21%	0%	0.00%
Growth Assets	50-75%	68.97%	0-45%	38.98%
Australian fixed interest	0-20%	9.24%	10-20%	13.40%
Global fixed interest	0-30%	21.79%	10-20%	12.37%
Cash	0%	0.00%	25-70%	35.26%
Defensive Assets	30-50%	31.03%	55-100%	61.02%
Total	100%	100.00%	100%	100.00%

Funding for the professional associations

We work closely with the LIV and the Victorian Bar and have the power to delegate functions to these professional associations. Lists of our delegations are provided in Appendices 4 and 5 of this report. We fund the LIV and the Victorian Bar to cover the costs associated with delegations and services. Furthermore, we provide funding subsidies for some professional association non-regulatory programs.

Table 6 shows the funding provided to the LIV and the Victorian Bar in 2020-21 for regulatory activities.

TABLE 6: REGULATORY PAYMENTS MADE TO THE LIV AND THE VICTORIAN BAR FOR THE DISCHARGE OF DELEGATED FUNCTIONS AND CONTRACTED WORKS IN 2020-21

	2019-20 \$'000	2020-21 \$'000
Public Purpose Fund		
Law Institute of Victoria		
Continuing Professional Development (CPD)	250	239
Total Regulatory Payments	250	239
Victorian Bar		
Practising certificates	295	286
Total Regulatory Payments	295	286
Payments for Complaints handling		
Victorian Bar	88	81

Corporate governance

Our internal frameworks enable us to function in a fair, efficient and compliant way. As statutory authorities we are accountable to the Victorian Parliament, and are governed by a Board made up of both lawyer and non-lawyer members. Our governance processes help us not only comply with rules and regulations, but also foster a culture of continuous improvement.



Year highlights



6

OHS MEETINGS WERE HELD



1

HAZARD REPORTED TO OHS PER

100 FTE



24%

REDUCTION

REDUCTION IN ELECTRICITY USAGE COMPARED WITH PREVIOUS YEAR



97%

REDUCTION

IN PAPER USE



100%

RENEWABLY-SOURCED ELECTRICITY



100%

DECREASE

IN GREENHOUSE GAS EMISSIONS COMPARED TO 2014-15 BASELINE

Our 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. Our 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.

MEETING ATTENDANCE

Our Board met eight times in the reporting year.

TABLE 7: BOARD MEMBERSHIP AND MEETING ATTENDANCE IN 2020-21

Fiona Bennett (Chairperson)	7
Jennifer Batrouney AM QC	8
Geoff Bowyer	8
Liz Harris	8
Ian Silk*	6
Dr Lynne Williams AM	8
Catherine Wolthuizen	7

* Ian Silk commenced his term in September 2020

The Governor in Council reappointed our Chairperson for a further four-year term on 29 January 2021. Our lawyer members (one barrister and two solicitors) are elected by a formal election conducted by the Victorian Electoral Commission. The next election is scheduled for 2022.

MEMBERSHIP OF BOARD COMMITTEES AND CONSUMER PANEL

Our Board operates three ordinary committees, each with a Board member appointed as Chair. The functions of these Committees do not change from year to year. Below we list the membership of our Committees as at 30 June 2021. A detailed description of our committees' functions can be found on our website. Our Board also operates a Consumer Panel comprised of independent experts in consumer policy, research and advocacy.

Victorian Legal Services Board & Victorian Legal Services Commissioner Audit Committee (4 meetings)

Dr Lynne Williams AM, Chair
Fiona Bennett
Liz Harris

Grants Committee (1 meeting)

Geoff Bowyer, Chair
Catherine Wolthuizen
Fiona Bennett (ex officio)

Finance and Investment Committee (5 meetings)

Ian Silk, Chair
Geoff Bowyer
Dr Lynne Williams AM
Fiona Bennett (ex officio)

Consumer Panel (6 meetings)

Catherine Wolthuizen, Chair
Ben Martin Hobbs*
Bronwen Jennings*
Karen Willis*
Lee Archer*
Paula Giles*
Sharon Barker*

* Denotes an external member.

OHS incidents

Our Occupational Health and Safety Committee, comprised of staff and management representatives, met six times in 2020-21 to discuss the management of health and safety issues within the context of the pandemic. The Committee addressed potential hazards in the workplace – both at home and in the office – and produced a risk register to identify, treat and monitor areas of risk. Our COVID-19 Recovery Group also provided leadership and guidance to senior management on pandemic related matters.

We provided a range of support measures for staff working remotely, repeatedly promoting our Employee Assistance Program, offering COVID-19 leave arrangements and encouraging staff to check-in with each other (formally and informally) to provide support and motivation.

Staff were encouraged to report health and safety issues that occurred while working from home or in the office to OHS. In FY2020-2021, one health and safety incident was reported, and no WorkCover claims were made.

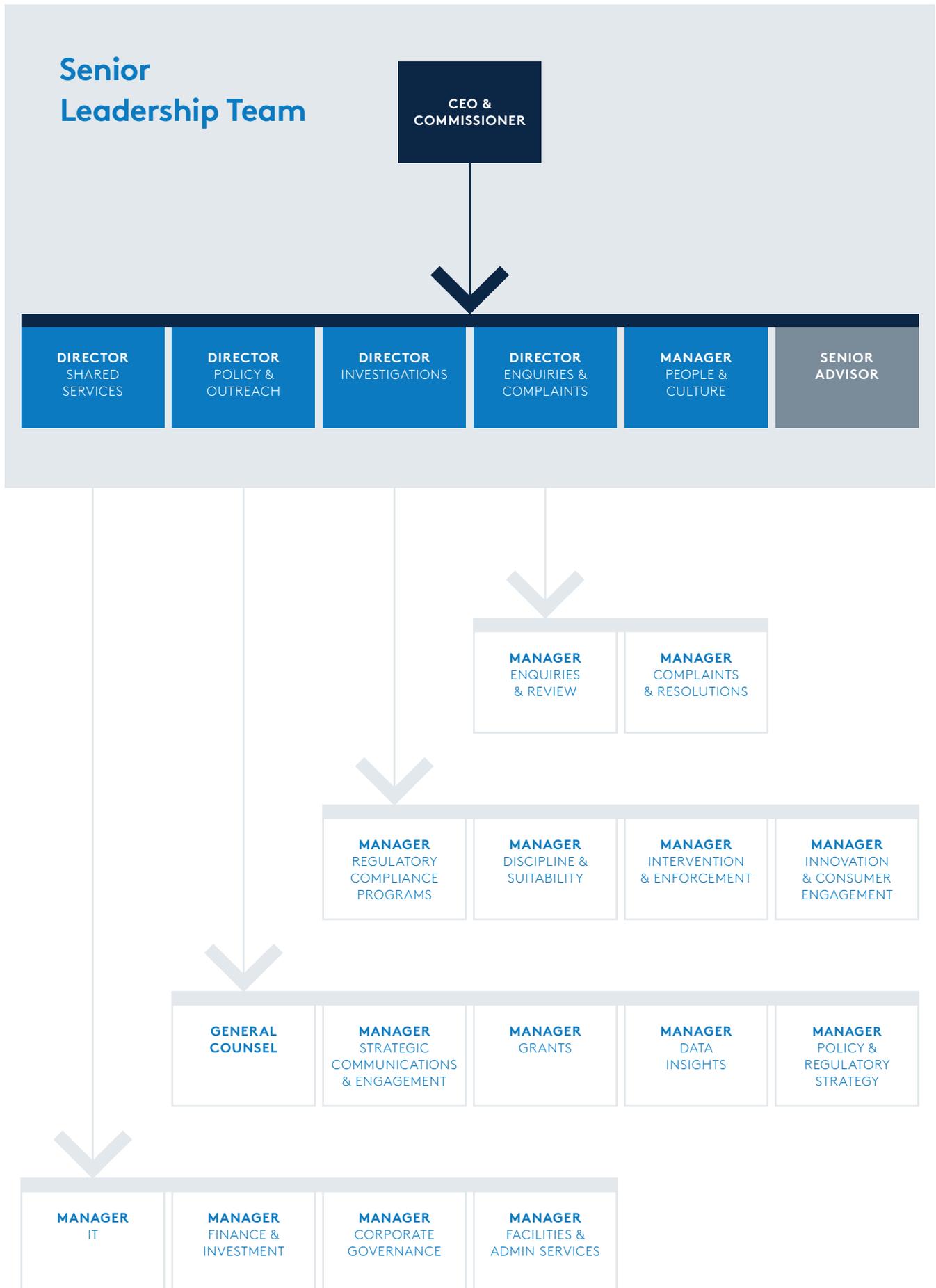
No. OHS Meetings 2020-21	6
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TABLE 8: OCCUPATIONAL HEALTH AND SAFETY INCIDENTS DURING 2020-21

OHS INDICATOR	2016-17	2017-18	2018-19	2019-20	2020-21
Number of reported hazards per 100 FTE	4	3	4	7	1
Number of 'lost time' claims per 100 FTE	2	1	1	1	1
Average cost per claim	\$1000	\$1095	\$795	\$707	\$0

Our organisational structure

FIGURE 3



Workforce data

	30 JUNE 2020						
	All employees		Ongoing			Fixed term & casual	
	Number	FTE	Full time	Part time	FTE	Number	FTE
	(h/count)	(rounded)	(h/count)	(h/count)	(rounded)	(h/count)	(rounded)
Gender							
Male	26	26	25	1	24	2	2
Female	67	62	48	19	57	5	5
Self-described							
TOTAL	93	88	73	20	81	7	7
Age							
Under 25	0	0	0	0	0	0	0
25-34	27	26	21	6	24	2	2
35-44	22	20	16	6	18	2	2
45-54	23	22	18	5	21	1	1
55-64	17	16	15	2	14	2	2
65+	4	4	3	1	4	0	0
TOTAL	93	88	73	20	81	7	7
Classification							
VPS 1	0	0	0	0	0	0	0
VPS 2	0	0	0	0	0	0	0
VPS 3	17	16	13	4	15	1	1
VPS 4	21	20	15	6	19	1	1
VPS 5	33	32	27	7	27	5	5
VPS 6	16	14	12	3	14	0	0
STS	1	1	1	0	1	0	0
Executives	4	4	4	0	4	0	0
Other*	1	1	1	0	1	0	0
TOTAL	93	88	73	20	81	7	7

* Employee reported as 'Other' is the Commissioner, Fiona McLeay, who is a statutory office holder.

30 JUNE 2021

All employees		Ongoing			Fixed term & casual	
Number	FTE	Full time	Part time	FTE	Number	FTE
(h/count)	(rounded)	(h/count)	(h/count)	(rounded)	(h/count)	(rounded)
31	31	25	1	26	5	5
75	69	49	18	62	8	7
106	100	74	19	88	13	12
2	2	1	0	1	1	1
30	29	21	4	24	5	5
31	28	19	9	25	3	3
22	21	19	2	20	1	1
16	15	10	3	12	3	3
5	5	4	1	5	0	0
106	100	74	19	87	13	13
1	1	0	0	0	1	1
0	0	0	0	0	0	0
17	15	10	4	12	3	3
25	24	18	4	21	3	3
38	35	25	8	30	5	5
18	18	15	3	18	0	0
2	2	1	0	1	1	1
4	4	4	0	4	0	0
1	1	1	0	1	0	0
106	100	74	19	87	13	13

Executive Officer data

An executive officer is defined by Part 3 of the *Public Administration Act 2004*, or is a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. This does not include a statutory office holder or an accountable officer. The Executive Officer figures below therefore do not include our CEO and Commissioner, Chairperson or the non-lawyer members of our Board who have all been appointed by the Governor in Council.

All figures below reflect employment levels as at the last full pay period in June of the current and corresponding previous reporting years. Tables 9 and 10 disclose details for all executive officers for 2020-21.

TABLE 9: NUMBER OF EXECUTIVE OFFICERS

CLASSIFICATION	2019-20		2020-21	
	MALE	FEMALE	MALE	FEMALE
SES-3 (EO-1)	0	0	0	0
SES-2 (EO-2)	0	0	0	0
SES-1 (EO-3)	2	2	2	2
Total	2	2	2	2

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 8 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 8 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 10: RECONCILIATION OF EXECUTIVE NUMBERS

CATEGORY	2019-20	2020-21
Executives (see Financial Statement Note 8)	4	4
Less separations	1	1
Total executive numbers as at 30 June	4	4

EXECUTIVE AND SENIOR OFFICER DATA

Table 11 discloses total salaries in \$20,000 bands for executive and senior non-executive staff.

TABLE 11: ANNUALISED TOTAL SALARY FOR SENIOR STAFF

INCOME BAND (SALARY)	EXECUTIVES	STS
\$180,000 – \$199,999	2	1
\$200,000 – \$219,999	1	1
\$220,000 – \$239,999	1	0
Total	4	2

Victorian Attorney-General's Statement of Expectations

This Victorian Government initiative provides a framework for regulators across different sectors to make efficiency gains in their operations and to reduce red tape for businesses and consumers. Our current Statement of Expectations (SOE) was issued to us by the Attorney-General on 1 July 2019.

Table 12 provides a brief update on the progress of our three current SOE projects ('improvement strategies') in the categories of timeliness, risk-based strategies and compliance-related assistance and the status of agreed targets or ('improvement measures'). Both the statement and our response can be viewed on our website.

TABLE 12: STATEMENT OF EXPECTATIONS FOR 2019-21

IMPROVEMENT STRATEGIES	IMPROVEMENT MEASURES / EVIDENCE	UPDATE
<p>Timeliness</p> <p>To improve e-access to information for legal practitioners and consumers of legal services by improving responsiveness of, and broader access to, the VLSB+C website from handheld devices.</p>	<p>By June 2021</p> <p>Improve timely access for consumers and legal practitioners by enabling access to the VLSB+C website from all mobile device types and a range of web browsers.</p> <p>By June 2021</p> <p>Enable legal practitioners to complete and submit the full range of forms online and allow consumers a broader range of options to initiate contact with the VLSB+C.</p>	<p>MET in March 2020</p> <p>MET</p> <p>Lawyers: The online lawyer enquiry form launched in March 2020 and has been highly successful, with over 10,000 enquiries lodged. A program of converting other forms to online has commenced, with a certificate of fitness application form launching in April 2021.</p> <p>Consumers: An online enquiry form for consumers was launched in December 2020 opening a new way for consumers to contact us.</p>
<p>Risk-based strategies</p> <p>To develop a better understanding of the consumer perspective on legal services, so we can regulate more effectively.</p>	<p>By December 2020</p> <p>Collect data to understand the interaction of consumers of legal services with the legal industry and inform risk-based regulation.</p> <p>By June 2021*</p> <p>Prepare actions to respond to any potential consumer harms identified in the consumer research.</p>	<p>Delayed</p> <p>Due to budget impacts data collection was delayed and will now be collected in late 2021 to early 2022.</p> <p>Delayed</p> <p>This measure is also delayed due to its dependence on the data collection measure above.</p>
<p>Compliance-related assistance and advice</p> <p>To provide advice to the legal profession to raise awareness, knowledge and skill development in workplace safety and the prevention and management of sexual harassment in the workplace.</p>	<p>By June 2020</p> <p>The VLSB+C will have undertaken 10-20 awareness raising proactive initiatives.</p> <p>By June 2021</p> <p>The VLSB+C will have undertaken 10-20 knowledge and skill development proactive initiatives.</p> <p>By June 2021</p> <p>The VLSB+C will have undertaken an evaluation of the quality of the proactive initiatives to determine success of uptake of practice change.</p>	<p>MET in June 2020</p> <p>MET</p> <p>Bespoke resources provided to the LIV and the Victorian Bar to assist in the development of training and CPD materials. Tailored resources developed following discussions with PLT providers about preparing future lawyers in relation to the issue of sexual harassment, including practical guidance for targets of and bystanders to sexual harassment. Online sexual harassment reporting tool developed to encourage reports to the VLSB+C. Guidance on the appropriate use of non-disclosure agreements prepared for consultation.</p> <p>MET</p> <p>During April to June 2021 we surveyed lawyers about their workplace culture, including questions relating to sexual harassment training and CPD, and the extent to which sexual harassment is tolerated in their workplaces. This survey will be repeated annually to track changes in attitudes and experiences.</p>

* The June 2021 conclusion date has been extended to at least December 2021 and is yet to be confirmed.

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*.

ACCESS AND INCLUSION PLAN (DISABILITY ACT 2006)

This was the first full year of work implementing our Access and Inclusion Plan: our strategy to improve how people living with disability access our organisation and services. Through the plan we identified 36 actions to be implemented across three years. In 2020-21 we were able to complete seven of the 14 actions scheduled for year one, with the remaining seven delayed or deferred due to the impacts of COVID-19 lockdowns on our operations. We anticipate these actions will be completed in FY2021-22.

Examples of some actions finalised include:

- our website is now compliant with the Web Content Accessibility Guidelines – Level AA;
- social procurement principles are now embedded into our standard procurement practices;
- we reviewed our internal communications and guidelines to ensure accessibility principles were included;
- all staff attended training on understanding issues faced by people living with disability.

We have also progressed work towards improving our event management processes, customer service charter and our workplace adjustments policy.

FREEDOM OF INFORMATION

We are subject to the *Freedom of Information Act 1982* (the FOI Act). This Act provides every person with a legally enforceable right to access documents in our possession, subject to certain exemptions. Due to the sensitive nature of the majority of the documents we hold, an exemption often applies to preclude access.

Requests received and processed during the year

During 2020-21, we received five new requests made under the FOI Act. Three requests were finalised during the year with partial access granted and two requests were withdrawn by the applicants. All material denied was exempted under the FOI Act. In one request the applicant has sought review by the Office of the Victorian Information Commissioner. The other request is ongoing.

Activity in VCAT during the year

One application that was appealed to VCAT during 2019-20 was carried over into this reporting year. It was finalised when VCAT ordered a permanent stay on the matter.

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 our possession should be addressed to:

**Freedom of Information Officer
Victorian Legal Services Board and 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 has been made. Our Freedom of Information Policy is available from our website or from our office on request.

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

PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosures Act 2012* (formerly the *Protected Disclosure Act 2012*) encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The Act provides protections to people who make disclosures in accordance with the Act.

As a government entity, we are subject to the Public Interest Disclosures Act. We have established procedures for protecting people against detrimental action that might be taken in reprisal for making protected disclosures. Our policy on how we handle protected disclosures is available on our website, or from our office upon request.

Under this legislation, we cannot receive disclosures. Disclosures of improper conduct or detrimental action by our Board members, the Commissioner, our 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**

Tel: 1300 735 135

Fax: 03 8635 6444

Website: www.ibac.vic.gov.au

COMPETITIVE NEUTRALITY POLICY

The government's Competitive Neutrality Policy ensures that government run services do not have a competitive advantage because of their public ownership if they are in competition with similar services offered by the private sector. The nature of these services as an independent regulator do not fall within the scope of the Competitive Neutrality Policy.

LOCAL JOBS FIRST

The *Local Jobs First Act 2003* brings together the Victorian Participation Policy and the Major Projects Skills Guarantee Policy, which were previously administered separately. Departments and public sector bodies are required to apply the Local Jobs First Policy to projects valued at \$3 million or more in metropolitan Melbourne or for state-wide activities, and \$1 million or more in regional Victoria. The Major Projects Skills Guarantee Policy applies to all construction projects of \$20 million or more in value.

Minimum local content requirements are set for government projects worth \$50 million or more or for other projects as agreed.

For the reporting period, we did not commence any projects to which either policy applies.

DISCLOSURE OF MAJOR CONTRACTS

We did not engage in any major contracts with a value of greater than \$10 million during 2020-21.

CONSULTANCIES

Details of consultancies valued at \$10,000 or greater

In 2020-21, we engaged 10 consultancies where the total fees payable to the consultants were \$10,000 or greater. Our total expenditure incurred during 2020-21 on these consultancies was \$974,682 (excluding GST). Details of individual consultancies are outlined in Table 13 below.

Details of consultancies under \$10,000

In 2020-21, we engaged six consultancies where the total fees payable to the consultants was less than \$10,000 per consultancy. Our total expenditure incurred during 2020-21 on these consultancies was \$23,422 (excluding GST).

TABLE 13: CONSULTANCIES FOR 2020-21

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED FEE (EXCL. GST) \$	EXPENDITURE 2020-21 (EXCL. GST) \$	FUTURE EXPENDITURE (EXCL. GST) \$
am actuaries	Actuarial services	38,000	38,300	–
Mercer (Australia) Pty Ltd	Investment advisory services	259,468	185,351	74,116
Fujitsu Australia	Application and maintenance support	377,093	234,140	142,953
Deloitte Touche Tohmatsu**	Project management and strategic advice	220,017	271,369	–
Herbert Smith Freehills**	Legal advice	64,000	76,841	–
Dench McClean Carlson**	Probity advice	11,200	10,080	1,120
Elmo Software	Software service agreements	30,500	30,500	–
See Your Change Consulting	Report consultancy	20,373	10,000	10,373
Chris Humphreys	CPD review	46,000	38,100	7,900
Proximity	Organisational plan development	108,000	80,000	28,000

* Above amounts are GST exclusive.

** Costs sharing applied between VLSB+C and Law Society of New South Wales.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

TABLE 14: ICT EXPENDITURE FOR 2020-21

ALL OPERATIONAL ICT EXPENDITURE \$'000	ICT EXPENDITURE RELATED TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
	BUSINESS AS USUAL (BAU) ICT EXPENDITURE \$'000	NON-BUSINESS AS USUAL OPERATIONAL EXPENDITURE \$'000	NON-BUSINESS AS USUAL CAPITAL EXPENDITURE \$'000
974	743	0	0

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

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

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

We hold other information which is available to the Attorney-General, Members of Parliament and the public on request (subject to Freedom of Information requirements, if applicable). This information covers:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of our publications, and how these can be obtained;
- details of changes in prices, fees, charges, rates or levies charged;
- details of any major external reviews carried out on our operations;
- details of major research and development activities we have undertaken;

- details of any staff or Board Member overseas visits undertaken, including a summary of the objectives and outcomes of each visit;
- details of any major promotional and public relations activities we have undertaken to develop community awareness of our services;
- details of assessments and measures undertaken to improve the occupational health and safety of our staff;
- a general statement on industrial relations within our organisation, and details of any time lost through industrial accidents and disputes;
- 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.

To request any of this information, contact:

Victorian Legal Services Board and Commissioner

Tel: 03 9679 8001

Website: www.lsb.vic.gov.au/contact-us

Office-based environmental impacts

We monitor our office-based environmental impacts and coordinate actions to address waste production, resource use and greenhouse gas generation across the business.

Our baseline dataset for environmental monitoring is set at the 2014-15 year (the first year of operations in the current office).

ENERGY CONSUMPTION

We monitor our use of electricity on a month-by-month basis. As consumption of natural gas use is not metered separately under our office lease, we are unable to report on its use.

Target: To reduce electricity consumption to 80% of the 2014-15 baseline per FTE.

Status: Achieved.

TABLE 15: ELECTRICITY CONSUMPTION

TOTAL ELECTRICITY USAGE	BASELINE 2014-15	2017-18	2018-19	2019-20	2020-21
Total usage (MJ)	540,000	533,668	541,113	483,978	376,702
Total green power usage (MJ)	17,825	533,668	541,113	483,978	376,702
Greenhouse gas emissions associated with electricity use (tonnes)	175	0	0	0	0
Percentage of electricity purchased as Green Power	3.28	100	100	100	100
Electricity used per FTE (MJ/FTE)	6,667	6,353	6,292	5,500	4,016
Electricity used per unit of office area (MJ/m ²)	246.24	243.35	246.75	220.69	171.77

2020-21 activities

Total electricity usage in 2020-21 decreased significantly (24%) compared with the previous year (Table 15), and was 30% below the 2014-15 baseline. Consumption per FTE also decreased, and was 40% below the baseline figure, meaning that both our targets were met. The reduction in energy consumption was largely a result of office closures and the shift to home working.

WASTE GENERATION

The building owner provides a commingled waste service through which we recycled a portion of our general office waste. We also use a separate secure paper disposal service, and a social enterprise service (Green Collect) that recycles stationery items and e-waste.

Target: Reduce waste to landfill by 20%, compared to the 2014-15 baseline.

Status: In progress.

TABLE 16: GENERAL OFFICE WASTE GENERATION

DAILY WASTE GENERATION	BASELINE 2014-15	2017-18	2018-19	2019-20	2020-21
Waste to landfill (kg)	10.51	9.43	12.5	N/A	N/A
Waste recycled (kg)*	6.74	3.09	1.5	N/A	N/A
Total waste (kg)*	17.25	12.52	14.0	N/A	N/A
Waste to landfill / FTE (kg)	0.12	0.11	0.15	N/A	N/A

* Excludes secure paper, stationery and e-waste.

2020-21 activities

Due to the COVID-19 restrictions, we were unable to arrange for a general waste audit prior to closing the office, so no data is available for the year (Table 16).

Our secure paper disposal service recycled approximately 2.6 tonnes of paper and cardboard, and we sent 4.16 tonnes of documents (comprised of files obtained from law practices) for destruction, totalling 6.76 tonnes. A further 394kg of waste including stationery equipment, printer cartridges, e-waste and batteries was recycled through Green Collect.

PAPER CONSUMPTION

Due to the nature of our work, we are often required to use a significant volume of paper to carry out our regulatory functions. However in 2020-21 we managed to achieve significant savings in copy paper use. because of our extensive absence from the office during the year.

Target: Reduce FTE paper consumption by 40% compared to the 2014-15 baseline.

Status: Achieved.

TABLE 17: PAPER CONSUMPTION

TOTAL PAPER USAGE	BASELINE 2014-15	2017-18	2018-19	2019-20	2020-21
Number of A4 reams of copy paper used	1,478	1,165	858	621	34
Number of A4 reams of copy paper used per FTE	18.25	13.87	9.98	8.2	0.4
Percentage of 75-100% recycled content copy paper purchased (%)	0	0	0	0	0.0
Percentage of 50-75% recycled content copy paper purchased (%)	96.1	97.25	96.74	95	88.2
Percentage of 0-50% recycled content copy paper purchased (%)	3.9	2.75	3.26	5	11.8

2020-21 activities

Our copy paper consumption was 94% lower than in 2019-20, in part due to our office closure, but also because of our ongoing adoption of paperless records. The actual volume of copy paper consumed during the year was 98% below the 2014-15 baseline, representing a 97% reduction in paper use per FTE. This figure exceeds our target of a 40% reduction in paper use per FTE (Table 17).

WATER CONSUMPTION

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

TRANSPORT USE

We do not operate a fleet of vehicles for business use. Instead, where transport is required for our staff to attend meetings or events, we encourage public transport. Taxi vouchers are also issued for staff use where necessary.

Target: To continue to support the use of public transport for business-related travel.

Status: Ongoing.

TABLE 18: TRANSPORT USE

BUSINESS RELATED TRAVEL	BASELINE 2014-15	2017-18	2018-19	2019-20	2020-21
Total distance travelled by aeroplane (km)	125,749	48,640	175,503	46,266	0
Total distance travelled by car (km) (excluding taxis)	0	0	0	0	0
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.	93.75	96.15	94.2	88.6	0

2020-21 activities

In line with previous years, a majority of employees continued to use public transport, car-pooling, cycling and/or walking to commute to and from the office (Table 18). COVID-19 restrictions meant that staff were required to work from home for a large portion of the year, and most meetings and presentations were held using video conferencing, thereby negating the need for travel.

GREENHOUSE GAS EMISSIONS

Table 19 summarises our greenhouse gas emissions for the 2020-21 year. This data is collated from energy utility accounts and data from the state government authorised travel agent.

Target: To maintain greenhouse gas emissions below 80% of the 2014-15 baseline.

Status: Achieved.

TABLE 19: BOARD AND COMMISSIONER GREENHOUSE GAS EMISSIONS

GREENHOUSE GAS EMISSIONS	BASELINE 2014-15	2017-18	2018-19	2019-20	2020-21
Total greenhouse gas emissions associated with energy use (t CO2-e)	166.48	0	0	0	0
Total greenhouse gas emissions associated with vehicle hire (t CO2-e)	Not recorded	0	0	0	0
Total greenhouse gas emissions associated with air travel (t CO2-e) (approximate)	34.3	15.66	59.01	8.87	0
Total greenhouse gas emissions associated with waste production (t CO2 e)	0.8	1.85	2.16	0	0
Greenhouse gas emissions offsets purchased (t CO2-e)	0	0	502	75.8	0

2020-21 activities

We continued to purchase 100% renewable-sourced electricity, which helps us to minimise our carbon emissions. In total there was a 100% decrease in greenhouse gas emissions over the year compared to the baseline. Working from home was also a factor in the zero figures for carbon emissions.

PROCUREMENT

As a standard practice in all procurement decisions, we seek to identify products and services which minimise negative environmental impacts, and where possible and feasible, align our purchasing decisions with social benefits.

Target: To continue to factor environmental sustainability into our procurement decisions.

Status: Ongoing.

2020-21 activities

The majority of reports that we produce are published electronically only. The annual report is the only document that we have printed, and we limit this to 60 copies which are provided to Parliament, various library collections, and for internal use. Our office paper contains a minimum of 50% recycled content.

As explained above in the section on 'Waste generation', we engaged the services of the social enterprise Green Collect to help us manage and recycle our office waste, including end of life electronics and stationery items.

Victorian Legal Services BOARD + COMMISSIONER

Victorian Legal Services Board Financial Management Compliance Attestation Statement

I, Fiona Bennett, on behalf of the Responsible Body, certify that the Victorian Legal Services Board has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Fiona Bennett
Chairperson, Victorian Legal Services Board
17 August 2021

Victorian Legal Services Commissioner Financial Management Compliance Attestation Statement

I, Fiona McLeay, certify that the Victorian Legal Services Commissioner has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Fiona McLeay
Victorian Legal Services Commissioner
17 August 2021

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Snapshot of Victoria's legal profession

We maintain 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 our website.

Glossary

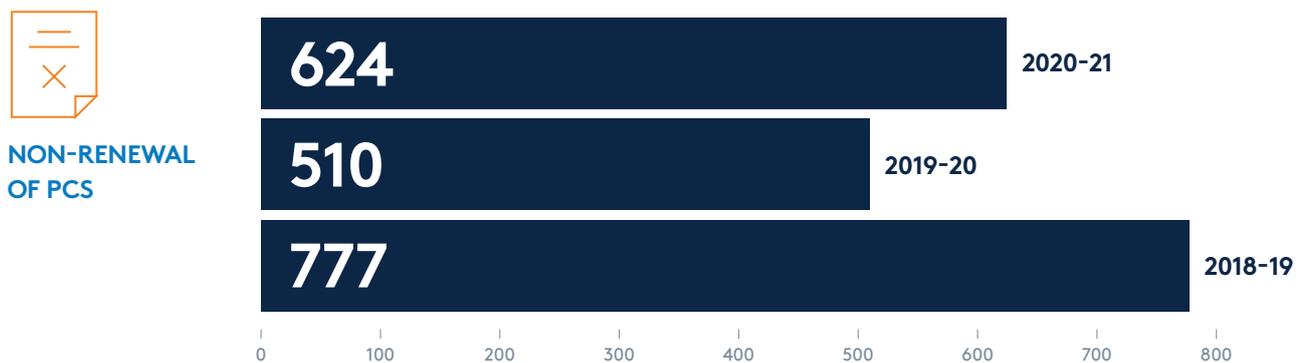
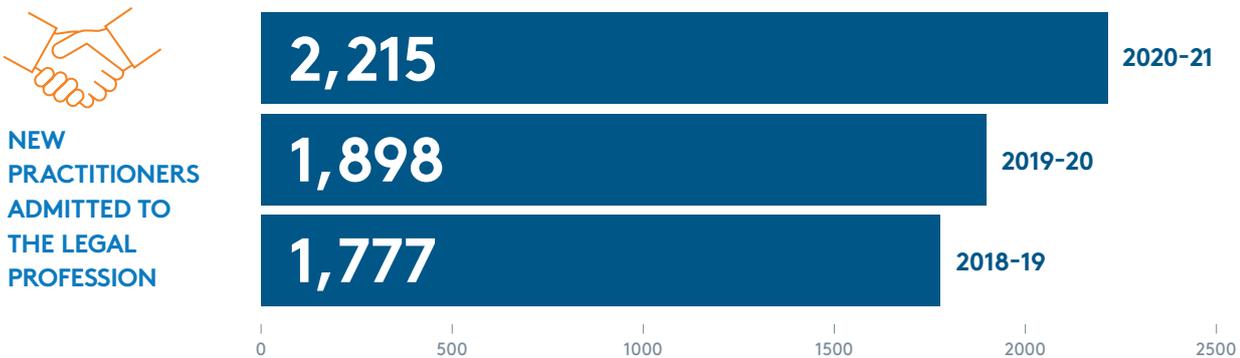
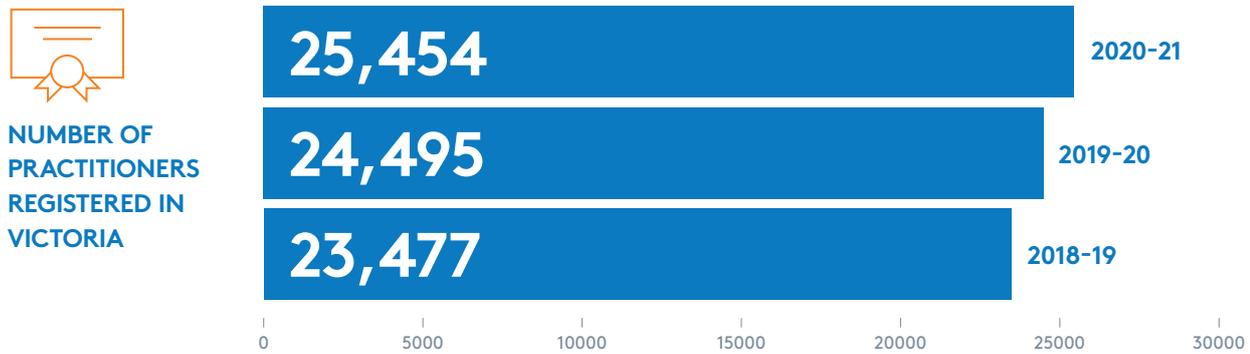
Below are the definitions of words and terms featured in this appendix.

- **Australian legal practitioner** is an Australian lawyer who holds a current Australian practising certificate (PC)
- **Australian-registered foreign lawyer** is a person who holds a current Australian registration certificate.
- **Authorised Principal** is a principal who is authorised by his or her Australian PC to supervise others.
- **Barrister** is an Australian Legal Practitioner whose PC 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 PC 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, and may also provide non-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 ILP, ULP or CLS.
- **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 (of either a law firm or ULP), a 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.
- **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.
- **Volunteer at CLS** is an Australian legal practitioner who provides legal services in a volunteering capacity at a CLS and otherwise on a pro bono basis only.

Practitioner statistics

There were 25,454 lawyers registered in Victoria at 30 June 2021. This is an increase of 959, or 3.9% from the previous year. 2,215 new lawyers were admitted between 1 July 2020 and 30 June 2021, 317 more than recorded last year. 624 lawyers informed us that they would not be renewing their PCs for the coming 2021-22 practising certificate year. Figure 4 illustrates this change.

FIGURE 4: NUMBERS OF LAWYERS REGISTERED IN VICTORIA



CULTURAL DIVERSITY

Of the 21,824 Victorian lawyers who provided their cultural diversity data to us this year, most (78%) said they were born in Australia, while the remaining 22% were born in one of 138 other countries (Table 20). A total of 7,740 lawyers indicated that they spoke one of 145 languages other than English, with Mandarin and Italian again the most common languages known (Table 21). The drop in the number of languages reported this year compared to the 150 reported last year is due to fewer languages being volunteered by respondents.

TABLE 20: COUNTRY OF BIRTH OF VICTORIAN LAWYERS

COUNTRY OF BIRTH	NUMBER
Australia	16,898
United Kingdom	704
Malaysia	452
New Zealand	402
China	284
South Africa	262
India	218
Sri Lanka	214
Singapore	192
USA	179
Hong Kong	155

TABLE 21: LANGUAGES SPOKEN BY VICTORIAN LAWYERS

LANGUAGE SPOKEN	NUMBER
Mandarin	948
Italian	875
Greek	786
Cantonese	535
French	522
Spanish	350
Hindi	286
Arabic	271
German	268
Vietnamese	230

PRACTITIONERS BY AGE AND GENDER

As with recent years, female lawyers outnumber their male counterparts in the first three age brackets as illustrated in Table 22. Male lawyers still dominate the 51-60 and above age brackets.

TABLE 22: LAWYERS BY AGE AND GENDER

	AGE IN YEARS						TOTAL
	20-30	31-40	41-50	51-60	61-70	>70	
Female							
2020-21	3,244	5,006	2,989	1,402	623	124	13,388
2019-20	3,040	4,804	2,812	1,345	567	114	12,682
Male							
2020-21	1,811	3,243	2,446	1,939	1,828	791	12,058
2019-20	1,782	3,127	2,365	1,959	1,818	755	11,806
Non-binary							
2020-21	4	2	0	2	0	0	8
2019-20	2	4	0	1	0	0	7
Total							
2020-21	5,059	8,251	5,435	3,343	2,451	915	25,454
2019-20	4,824	7,935	5,177	3,305	2,385	869	24,495

LAWYER PRACTICE TYPE AND GENDER

As shown in Table 23, the majority of lawyers registered in Victoria (91%) practise as non-advocates (usually as a solicitor), while 9% practise as advocates (usually as a barrister). Females make up 55% of non-advocates, while males constitute 68% of all Victorian advocates. Note: Tables 24 and 25 show the type of legal practise lawyers engage in. Because not all advocates hold a barrister practising certificate, these tables will not exactly match the totals in Tables 26 to 28, which show practising certificate type.

TABLE 23: LAWYER PRACTISE TYPE AND GENDER

GENDER	NON-ADVOCATE		ADVOCATE		TOTAL	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
	TYPE					
Female	11,997	12,686	684	702	12,682	13,388
Male	10,310	10,563	1,495	1,495	11,806	12,058
Non-binary	6	8	1	0	7	8
Total	22,313	23,257	2,180	2,197	24,495	25,454

The majority of lawyers registered in Victoria are based in the inner city area (54%) followed by the suburbs (35%). Table 24 shows the geographic distribution of lawyers.

TABLE 24: LOCATION OF LAWYERS BY TYPE

LOCATION	NON-ADVOCATE		ADVOCATE		TOTAL	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
	TYPE					
City	10,974	11,685	1,953	2,007	12,927	13,692
Suburb	8,634	8,747	196	157	8,825	8,904
Country	1,840	1,947	23	25	1,863	1,972
Interstate	249	285	5	3	254	288
Overseas	618	595	3	3	621	598
Total	22,315	23,259	2,180	2,195	24,495	25,454

LAWYERS BY POSITION TYPE

There were 29,089 individual legal positions registered in Victoria as at 30 June 2021. 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.

The types of positions occupied by Victorian lawyers remained relatively similar to those recorded for previous years. Table 25 indicates that the Employee position type was the most populous, followed by that of Sole practitioner.

TABLE 25: LAWYERS BY POSITION TYPE

POSITION TYPE	2019-20	2020-21
Employee	9,694 (35%)	10,176 (35%)
Sole practitioner (includes barristers)	5,209 (19%)	5,177 (18%)
Corporate lawyer	3,932 (14%)	4,087 (14%)
Government	3,176 (11%)	3,417 (12%)
Director	2,782 (10%)	2,935 (10%)
Partner	2,372 (8%)	2,402 (8%)
Volunteer at CLS	793 (3%)	762 (3%)
Supervising lawyer	127 (<1%)	133 (<1%)
Total	28,085	29,089

LAWYERS BY PC TYPE AND AGE

Tables 26 to 28 show the number of lawyers registered in Victoria broken down by gender, the type of PC held and their age. Employee PCs were the most common certificate type held with almost half of all female lawyers and less than a third male lawyers holding this PC type. Female lawyers also hold more corporate and government practising certificates. Just on 26% of all lawyers held a principal PC (with or without trust authorisation) with male lawyers accounting for almost two-thirds (64%) of that number.

TABLE 26: FEMALE LAWYERS BY PC TYPE AND AGE

	AGE IN YEARS						TOTAL
	20-30	31-40	41-50	51-60	61-70	>70	
Employee							
2020-21	2,487	2,310	750	251	109	20	5,927
2019-20	2,306	2,163	709	236	99	17	5,530
Principal with trust authorisation							
2020-21	24	305	361	272	120	41	1,123
2019-20	25	276	333	254	121	33	1,042
Principal							
2020-21	10	302	441	288	170	29	1,240
2019-20	13	330	425	281	155	32	1,236
Corporate							
2020-21	222	905	697	260	59	1	2,144
2019-20	201	886	640	242	48	1	2,018
Government							
2020-21	450	863	475	186	63	4	2,041
2019-20	431	826	442	192	54	4	1,949
Barrister							
2020-21	19	248	216	121	77	21	702
2019-20	27	233	216	114	71	18	679
Volunteer							
2020-21	29	47	34	22	23	8	163
2019-20	35	68	34	25	19	9	190
Employee with Trust							
2020-21	3	26	15	2	2	0	48
2019-20	2	22	13	1	0	0	38
Total							
2020-21	3,244	5,006	2,989	1,402	623	124	13,388
2019-20	3,040	4,804	2,812	1,345	567	114	12,682

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							
2020-21	1,447	1,388	404	226	224	120	3,809
2019-20	1,413	1,296	375	225	247	123	3,679
Principal with trust authorisation							
2020-21	22	340	603	683	710	279	2,637
2019-20	23	324	575	723	688	251	2,584
Principal							
2020-21	18	254	414	336	394	200	1,616
2019-20	22	279	418	338	387	206	1,650
Corporate							
2020-21	118	536	444	197	66	11	1,372
2019-20	130	514	435	181	62	9	1,331
Government							
2020-21	149	355	215	149	66	6	940
2019-20	134	357	194	142	53	5	885
Barrister							
2020-21	30	310	326	324	346	159	1,495
2019-20	31	300	331	325	358	146	1,491
Volunteer							
2020-21	19	35	24	11	11	9	109
2019-20	21	36	28	15	12	8	120
Employee with Trust							
2020-21	8	25	16	13	11	7	80
2019-20	8	21	9	10	11	7	66
Total							
2020-21	1,811	3,243	2,446	1,939	1,828	791	12,058
2019-20	1,782	3,127	2,365	1,959	1,818	755	11,806

TABLE 28: NON-BINARY LAWYERS BY PC TYPE AND AGE

	AGE IN YEARS				TOTAL
	20-30	31-40	41-50	51-60	
Barrister					
2020-21	0	0	0	0	0
2018-19	0	1	0	0	1
Employee					
2020-21	3	1	0	1	5
2019-20	1	3	1	0	5
Government					
2020-21	1	1	0	0	2
2019-20	1	0	0	0	1
Principal					
2020-21	0	0	0	1	1
2019-20	0	0	0	0	0
Total					
2020-21	4	2	1	2	8
2019-20	2	4	1	0	7

EMPLOYMENT STATISTICS

Number of entities employing lawyers in Victoria and location

We record all law firms, companies, charities and other organisations that employ lawyers. As at 30 June 2021 there were 10,719 entities registered as employing lawyers in Victoria.

Table 29 shows the number of employer entities registered in Victoria by entity type and location as at 30 June 2021. Half of all sole practitioners are city-based, while a further 39% are located in the suburbs. 50% of registered law firms are also located in the city, down from 51% last year.

TABLE 29: LOCATION OF EMPLOYERS

TYPE	CITY	SUBURB	COUNTRY	INTERSTATE	OVERSEAS	TOTAL
Sole practitioner						
2020-21	2,821	2,203	431	39	111	5,605
2019-20	2,743	2,169	412	35	113	5,472
Non-legal employer						
2020-21	957	901	82	128	190	2,258
2019-20	893	841	72	101	190	2,097
ILP						
2020-21	824	1,067	256	185	0	2,332
2019-20	769	973	231	152	0	2,125
Law firm						
2020-21	101	59	27	12	3	202
2019-20	104	60	25	9	3	201
Government employer						
2020-21	130	43	14	7	1	195
2019-20	126	42	12	7	1	188
CLS						
2020-21	15	32	8	6	0	61
2019-20	15	33	8	5	0	61
ULP						
2020-21	21	8	4	4	0	37
2019-20	20	8	4	5	0	37
Foreign law practice						
2020-21	9	11	1	0	8	29
2019-20	6	7	1	0	7	21
Total						
2020-21	4,878	4,324	823	381	313	10,719
2019-20	4,676	4,133	765	314	314	10,202

ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

The vast majority of entities only employ one principal (sole practitioners). Barristers are included as sole practitioners. Table 30 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 30: ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

TYPE	1	2-3	4-5	6-10	11-20	21-40	>40	TOTAL
Sole practitioner								
2020-21	5,182	2	0	0	0	0	0	5,184
2019-20	5,195	0	0	0	0	0	0	5,195
ILP								
2020-21	1,821	318	44	13	8	3	0	2,207
2019-20	1,673	289	43	9	10	3	0	2,027
Law firm								
2020-21	15	111	13	14	11	11	13	188
2019-20	12	119	11	14	13	11	11	191
CLS								
2020-21	15	32	6	2	0	0	0	55
2019-20	22	28	4	4	0	0	0	58
ULP								
2020-21	11	6	2	1	4	4	5	33
2019-20	14	6	1	2	3	4	5	35
Foreign law practice								
2020-21	22	1	0	0	0	0	0	23
2019-20	14	1	0	0	0	0	0	15
Total								
2020-21	7,066	470	65	30	23	18	18	7,690
2019-20	6,930	443	59	29	26	18	16	7,521

ENTITIES BY ENTITY TYPE AND NUMBER OF EMPLOYEES

Sole practitioners, as an entity type, continue to be the largest single employer of lawyers, while the number of lawyers employed by ILPs continues to grow. Table 31 shows the number of legal entities registered in Victoria by entity type and the number of employees.

TABLE 31: 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								
2020-21	4,815	310	53	18	3	1	0	5,200
2019-20	4,832	309	50	18	2	1	0	5,212
Non-legal employer								
2020-21	791	330	106	84	44	12	5	1,372
2019-20	761	309	94	88	41	11	5	1,309
ILP								
2020-21	1,116	600	223	165	80	24	14	2,222
2019-20	1,000	570	202	158	63	30	11	2,034
Law firm								
2020-21	12	58	28	33	19	16	26	192
2019-20	8	61	31	34	20	16	25	195
Government employer								
2020-21	32	43	16	20	17	14	19	161
2019-20	40	32	20	19	20	11	17	159
CLS								
2020-21	4	4	6	6	17	13	7	57
2019-20	6	4	7	7	16	12	7	59
ULP								
2020-21	10	5	2	0	2	3	12	34
2019-20	13	3	3	1	1	5	9	35
Foreign law practice								
2020-21	24	1	0	1	0	0	0	26
2019-20	16	2	0	1	0	0	0	19
Total								
2020-21	6,804	1,351	434	327	182	83	83	9,264
2019-20	6,676	1,290	407	326	163	86	74	9,022

* 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. However, 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.

Complaints and related data

TABLE 32: NUMBER AND OUTCOME OF ENQUIRIES RECEIVED IN 2020-21

PROVIDED INFORMATION	ASSISTED TO RESOLVE ISSUE	OUTSIDE OUR JURISDICTION / NO FURTHER ACTION TAKEN	ASSISTANCE NO LONGER REQUIRED / UNABLE TO RETURN CONTACT	OPENED AS COMPLAINT FILE	STILL BEING ASSESSED AT 30 JUNE	TOTAL
1,749	299	390	963	465	156	4022

TABLE 33: NUMBER AND TYPE OF COMPLAINT FILES OPENED

CONSUMER MATTER ONLY	DISCIPLINARY MATTER ONLY	MIXED MATTER	TOTAL COMPLAINTS
463	115	36	614

TABLE 34: COMMISSIONER INITIATED COMPLAINT

BASIS FOR COMMISSIONER INITIATED INVESTIGATION	PRELIMINARY INVESTIGATION	COMMISSIONER INITIATED INVESTIGATION
VLSC complaint file	3	2
Arises from PC process	1	1
Other	11	3
Total	15	6

TABLE 35: NEW COMPLAINT FILES OPENED BY LAWYER TYPE

	CONSUMER MATTER	DISCIPLINARY MATTER	MIXED MATTER	TOTAL
Solicitors	449	108	34	591
Barristers	14	7	2	23
Total	463	115	36	614

TABLE 36: AREAS OF LAW FEATURED IN NEW COMPLAINTS

AREA OF LAW	NUMBER
Family / Defacto	192 (31%)
Other Civil (combines Breach Legal Profession Act / Regulations, Civil Liberties, Debt Collection, Defamation, Equal Opportunity, Freedom of Information, Intellectual Property, Taxation, Trade Practices, Motor Vehicle Repairs / Claims, Other / Unsure. Includes new categories of Constitutional, Otherwise unfit.)	106 (17%)
Probate / Family Provisions (formerly Probate and estate)	58 (10%)
Conveyancing	45 (7%)
Commercial / Corporations / Franchise (combines previous Commercial, Company and Banking)	39 (6%)
Criminal	24 (4%)
Wills / Powers of Attorney (combines previous Wills and Guardianship/Administration)	23 (4%)
Employment (formerly Industrial Relations)	22 (4%)
Personal Injuries (combines Personal Injury, Motor Vehicle Accident)	19 (3%)
Building	14 (2%)
Workers Compensation	11 (2%)
Leases / Mortgages (combines previous Leasing, Mortgages)	8 (1%)
Professional Negligence (New)	5 (1%)
Immigration	4 (1%)
Insolvency	3 (<1%)
Land and Environment (combines Planning, Environmental)	3 (<1%)
Strata Bodies / Corporates (formerly Body Corporate / Strata Title)	1 (<1%)
Victims Compensation (formerly Crimes compensation)	1 (<1%)
Trust Account Breaches (New)	0
Unallocated	36 (6%)
Total	614

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, which means there are more allegations than complaints opened.

NATURE OF ALLEGATION	NUMBER
Costs/Bills – overcharging	326 (41%)
Negligence – including bad case handling	136 (17%)
Defective costs disclosure communications	52 (7%)
Instructions – including failure to comply	52 (7%)
Breach of Act, rules, court order or undertaking	39 (5%)
Delays	35 (4%)
Dishonest / Misleading	31 (4%)
Trust money – including failure to account, mismanagement of funds	19 (2%)
Duress / Pressure / Bullying / Harassment	16 (2%)
Other disciplinary issues*	16 (2%)
Conflict of interest	15 (2%)
Communication with client – including failure to return calls, give progress reports	13 (2%)
Communication with other party	11 (1%)
Gross overcharging	12 (1%)
Improper personal conduct	10 (1%)
Documents / Trust property – including retention and lost	7 (1%)
Abusive/Rude	5 (1%)
Confidentiality breach	3 (<1%)
Advertising	2 (<1%)
Debts – including practitioner’s failure to pay	1 (<1%)
Total*	801

Note: A complaint may contain a number of allegations, which means there are more allegations than complaints opened.

* Other disciplinary issues’ covers a range of allegations that are less common and may include such allegations as anti-competitiveness, taking executors commission, failing to check capacity, practising while unqualified and refusal of legal aid.

TABLE 38: FINALISED COMPLAINTS RECEIVED UNDER THE LPA

CIVIL	DISCIPLINARY	MIXED	TOTAL
0	2	0	2

TABLE 39: FINALISED COMPLAINTS RECEIVED UNDER THE UNIFORM LAW

CONSUMER MATTERS	DISCIPLINARY MATTERS	MIXED MATTERS	TOTAL
402	120	50	572

TABLE 40: OUTCOMES OF CLOSED UNIFORM LAW MATTERS WHERE THERE WERE ONLY CONSUMER MATTER OUTCOMES MADE ON A COMPLAINT IN THE YEAR

OUTCOME	NUMBER
Closed following a binding costs determination – s 292(1)	2
Informal resolution successful	164
Informal resolution not successful (Close – no determination)	3
Closure – s 277(1)(a) – vexatious, misconceived, frivolous or lacking in substance	51
Closure – s 277(1)(b) – complaint made out of time	12
Closure – s 277(1)(c) – complainant has not responded, or has responded inadequately, to a request for further information	22
Closure – s 277(1)(d) – matter was already investigated	1
Closure – s 277(1)(g) – client is sued. No jurisdiction over consumer matter	6
Closure – s 277(1)(i) – complaint is not one that we have power to deal with	12
Closure – s 291(2)	1
No jurisdiction > \$100,000	
Not resolved – Rights given > \$10,0000 – s 293(2)(b)(i)	31
Not resolved – Rights given < \$10,0000 – s 293(2)(b)(ii)	7
Parties self-resolve	13
Preliminary Assessment – resolved	26
Preliminary Assessment – withdrawn	7
Mediation – resolved – s 288(3)	3
Consumer matter – withdrawn	40
Closed – Abeyance ongoing proceedings	1
Total	402

s 277, s 292 etc refer to sections of the Legal Profession Uniform Law under which the decision was made.

TABLE 41: OUTCOMES OF CLOSED LPA DISCIPLINARY COMPLAINTS (INCLUDING THE OUTCOMES OF THE DISCIPLINARY ISSUES IN 'MIXED' COMPLAINTS)

INVESTIGATION OUTCOME	NUMBER
VCAT likely to find lawyer guilty of a disciplinary breach – Caution issued	1
VCAT unlikely to find lawyer guilty of a disciplinary breach	9
Total	10*

* Note: the total of outcomes will be more than the total number of complaints closed reported in Table 38 as there were multiple issues involved in each of these complaints.

TABLE 42: OUTCOMES OF CLOSED UNIFORM LAW MATTERS WHERE THERE WERE ONLY DISCIPLINARY OUTCOMES MADE ON A COMPLAINT IN THE YEAR

OUTCOME	NUMBER
Abeyance – ongoing proceedings	4
Closure – s 277(1)(a) – vexatious, misconceived, frivolous or lacking in substance	7
Closure – s 277(1)(c) – the complainant has not responded, or has responded inadequately, to a request for further information	3
Closure – s 277(1)(e) – the complaint better investigated or dealt with by police or another investigatory or law enforcement body	3
Closure – s 277(1)(h) – complaint cannot result in a disciplinary outcome and requires no further investigation	38
Closure – s 277(1)(j) – it is otherwise in the public interest to close the complaint	3
May be professional misconduct – Initiate VCAT prosecution s300	11
Preliminary assessment – resolved	6
Preliminary assessment – withdrawn	5
Unsatisfactory professional conduct determination – Caution – s 299(1)(a)	8
Unsatisfactory professional conduct determination – Education, training, counselling or supervision – s 299(1)(e)	1
Unsatisfactory professional conduct determination – Reprimand – s 299(1)(b)	5
Withdrawn – Disciplinary	17
Decline to commence VLSC initiated investigation s 266(2)	2
Management system direction made	3
May be professional misconduct – VLSC discretion not to prosecute (s 300)	4
Total	120

s 277, s 292 etc refer to sections of the Legal Profession Uniform Law under which the decision was made.

TABLE 43: OUTCOMES OF UNIFORM LAW MIXED MATTERS WHERE THERE WERE OUTCOMES MADE ON A COMPLAINT DURING THE YEAR

OUTCOME	NUMBER
CM*: Binding Costs Determination – s292 > DM: Closure s 277(1)(h)	1
CM: Close – no determination > DM: UPC Determination – Caution s 299(1)(a)	1
CM: Closure s 277(1)(a) > DM: Closure s 277(1)(h)	4
CM*: Closure s 277(1)(a) > DM: May be Professional Misconduct – initiate VCAT prosecution s300	1
CM: Closure s 277(1)(a) > DM: UPC Determination – Reprimand s 299(1)(b)	1
CM: Closure s 277(1)(b) > DM: Closure s 277(1)(h)	2
CM*: Closure s 277(1)(b) > DM: UPC Determination – Reprimand s 299(1)(b)	2
CM: Closure s 277(1)(c) > DM: Closure s 277(1)(a)	1
CM: Closure s 277(1)(c) > DM: Closure s 277(1)(c)	1
CM: Closure s 277(1)(i) > DM: Closure s 277(1)(h)	2
CM**: Closure s 277(1)(j) > DM: Closure s 277(1)(h)	2
CM: Closure s 291(2) > DM: Closure s 277(1)(h)	1
CM: Complaint unresolved > DM: Closure s 277(1)(h)	1
CM: Complaint withdrawn > DM: Withdrawn – Disciplinary	1
CM: Determination – Compensation Order – s 308(2) > DM: UPC Determination – Caution s 299(1)(a)	1
CM: Determination – Compensation Order – s 308(2) > DM: UPC Determination – Reprimand s 299(1)(b)	1
CM: Informal resolution successful > DM: Abeyance ongoing proceedings/investigation	1
CM: Informal resolution successful > DM: Closure s 277(1)(h)	3
CM: Informal resolution successful > DM: s 300 discretion – PM no VCAT	1
CM: Informal resolution successful > DM: UPC Determination – Reprimand s 299(1)(b)	1
CM: Informal resolution successful > DM: Withdrawn – Disciplinary	7
CM: Not resolved – Rights given – Over \$10,000 s 293(2)(b)(i) > DM: Abeyance ongoing proceedings/inve	2
CM: Not resolved – Rights given – Over \$10,000 s 293(2)(b)(i) > DM: Closure s 277(1)(h)	2
CM*: Not resolved – Rights given – Over \$10,000 s 293(2)(b)(i) > DM: May be Professional Misconduct	1
CM: Not resolved – Rights given – Under \$10,000 s 293(2)(b)(ii) > DM: Closure s 277(1)(a)	1
CM: Not resolved – Rights given – Under \$10,000 s 293(2)(b)(ii) > DM: Closure s 277(1)(c)	1
CM: Parties self resolve > DM: Closure s 277(1)(h)	1
CM: Preliminary Assessment – resolved > DM: Closure s 277(1)(a)	1
CM: Preliminary Assessment – resolved > DM: Preliminary Assessment – resolved	1
CM: Preliminary Assessment – resolved > DM: Withdrawn – Disciplinary	1
CM: Withdrawn – Consumer matter > DM: Withdrawn – Disciplinary	1
CM: Withdrawn – Consumer matter > DM: Withdrawn – Disciplinary	2
Total	50

CM = Consumer matter; DM = Disciplinary matter

* denotes Consumer matter component was closed in a previous year

** denotes one of the two Consumer matters was closed in a previous year

TABLE 44: OUTCOMES OF OWN MOTION INVESTIGATIONS (LPA) AND COMMISSIONER INITIATED COMPLAINTS (UNIFORM LAW)

OUTCOME	NUMBER
VCAT likely to find lawyer guilty of Professional misconduct, application made to VCAT	7
VCAT likely to find lawyer guilty of Unsatisfactory profession conduct, application made to VCAT	1
May be professional misconduct – VLSC discretion not to prosecute (s 300)	5
Unsatisfactory professional conduct determination – Education, training, counselling or supervision – s 299(1)(e)	1
Commissioner reprimanded lawyer (likely finding of unsatisfactory professional conduct)	4
Commissioner cautioned lawyer (likely finding of unsatisfactory professional conduct)	1
Closure s 277(1)(a) – misconceived, lacking in substance	2
Decline to commence VLSC initiated investigation s 266(2)	1
Closure s 277(1)(j) – otherwise in the public interest to close	4
Commissioner forms the view no further investigation required (Uniform Law s 277(1)(h))	12
Total	38

TABLE 45: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED – LPA

DAYS SINCE RECEIPT OF COMPLAINT	<30	31-60	61-90	91-120	>120	TOTAL
Civil Dispute	0	0	0	0	0	0
Disciplinary	0	0	0	0	2	2
Mixed	0	0	0	0	0	0
Total	0	0	0	0	2	2

TABLE 46: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED – UNIFORM LAW

DAYS SINCE RECEIPT OF COMPLAINT	<30	31-60	61-90	91-120	>120	TOTAL
Consumer matter	44	58	71	57	172	402
Disciplinary	1	4	2	5	108	120
Mixed	1	5	8	5	31	50
Total	49	67	81	68	311	572

TABLE 47: NUMBER OF COMPLAINTS OUTSTANDING AT 1 JULY 2021 RECEIVED UNDER THE LPA

DAYS SINCE RECEIPT OF COMPLAINT	<30	31-60	61-90	91-120	>120	TOTAL
Civil Dispute	0	0	0	0	0	0
Disciplinary	0	0	0	0	4	4
Mixed	0	0	0	0	0	0
Total	0	0	0	0	4	4

TABLE 48: NUMBER OF COMPLAINTS OUTSTANDING AT 1 JULY 2021 RECEIVED UNDER THE UNIFORM LAW (INCLUDING COMMISSIONER INITIATED COMPLAINTS)

DAYS SINCE RECEIPT OF COMPLAINT	<30	31-60	61-90	91-120	>120	TOTAL
Consumer matter	0	5	18	29	169	221
Disciplinary	0	0	6	5	278	289
Mixed	0	0	2	3	70	75
Total	0	5	26	37	517	585

Prosecutions in VCAT and the Courts

TABLE 49: DISCIPLINARY APPLICATIONS MADE BY THE COMMISSIONER WHICH WERE HEARD AND DETERMINED AT VCAT IN 2020-21 (BY DATE OF APPLICATION)

NO.	MATTER IDENTIFICATION	SUMMARY OF VCAT FINDINGS	DATE AND SUMMARY OF ORDERS MADE
1	Name: Alan McDONALD VCAT reference: J50/2013 Application date: 15/03/2013 Hearing date (on penalty): 02/10/20	Unsatisfactory professional conduct: Failed to ensure communications with another practitioner were courteous, and/or avoiding offensive or provocative language or conduct (x2).	02/10/20 – Reprimanded, fine of \$10,000 and VLSC costs fixed in the sum of \$50,000.
2	Name: OAG (a pseudonym) VCAT reference: J35/2017 Application date: 30/06/2017 Amended on: 17/08/2020 Hearing date: 01/06/2021 (on the papers)	Misconduct at common law: Failed to supervise non-lawyer conveyancer of the law practice; Failed to ensure clients received clear advice. Professional misconduct: failure to ensure that was listed with ASIC as director of incorporated legal practice; Provided false information to the VLSC without making reasonable enquiries as to truthfulness of that information. Unsatisfactory Professional Conduct: failure to securely retain a file.	01/06/21 – Reprimanded, pay VLSC costs fixed in the sum of \$15,000; Section 150F(2) of Uniform Law until 1 June 2024 cannot record information in register of disciplinary action; Order limiting parties that may inspect the file and various other orders made under the Open Courts Act 2013 assigning pseudonym to various parties and limiting reporting of the proceeding. Undertaking to Tribunal.
3	Name: Sergio GUERRA VCAT reference: J86/2018 Application date: 01/08/2018 Amended on: 27/02/2020 Hearing date: 24/08/2020	Professional misconduct: Failed to appear or arrange for counsel appearance in the Federal Circuit Court and/or inform clients of hearing (x2); Failed to respond to communications (x2); Failed to respond to VLSC request for information; Failed to pay relevant monies from estate; Failed to deposit trust money into law practice trust account as soon as received.	31/08/2020 and 04/09/2020 – Reprimanded (x2). Engage a supervisor until 30/06/2021 to provide quarterly reports. Pay a fine of \$1,000. VLSC costs fixed at \$10,000.
4	Name: N/A VCAT reference: J26/2019 Application date: 12/02/2019 Hearing date (on papers): 24/11/2020	Application withdrawn.	Application withdrawn.
5	Name: Matthew STIRLING VCAT reference: J39/2019 Application date: 23/04/2019 Hearing date: 26/11/2019 Hearing date (penalty): 28/08/2020	Professional misconduct: Failed to appear at a County Court hearing; Failed to respond to s 371 notices. Unsatisfactory professional conduct: Delay in drafting a Statement of Claim; Delay in drafting an Amended and Further Amended Statement of Claim.	06/10/2020 – Reprimanded; no practising certificate to be granted before 30/11/2020; costs to be determined by the Costs Court in default of agreement.

NO.	MATTER IDENTIFICATION	SUMMARY OF VCAT FINDINGS	DATE AND SUMMARY OF ORDERS MADE
6	<p>Name: Thomas FLITNER VCAT reference: J11/2020 Application date: 14/02/2020 Hearing date: 24/02/2021 (on the papers)</p>	<p>Professional Misconduct: Failed to provide counterclaim and supporting material to client; Failed to provide summons for judgment in default of defence to counterclaim and supporting material to client; Failed to inform client of Court date; Making false statements; Failed to ensure employee solicitor complied with obligations under Uniform Law.</p> <p>Unsatisfactory professional conduct: Failed to serve a copy of Notice of Discontinuance; Failed to obtain leave to file a Notice of Solicitor Ceasing to Act.</p>	<p>24/02/2021 – Reprimanded. Repayment of \$5,000 to client. VLSC costs fixed at \$5,000. Written apology to client. Undertaking to Tribunal.</p>
7	<p>Name: Jessica ARORA VCAT reference: J17/2020 Application date: 02/03/2020 Amended on: 14/10/2020 Hearing date: 26/02/2021</p>	<p>Misconduct at common law: Created false documents (x4); Filed false documents (x4).</p>	<p>18/03/2021 – Reprimanded. PC suspended for 18 months, which was wholly suspended for 2 years. 4 CPD points by 31/03/2022. Quarterly reports from supervisor until 31/03/2022. 1 hour counselling session by 31/03/2022 and by 31/03/2023. VLSC costs fixed at \$16,000.</p>
8	<p>Name: Michael HOUSTON VCAT References: J38/2020, J39/2020, J40/2020 Application date: 30/04/2020 Hearing date: 17/12/2020</p>	<p>J38/2020: Professional misconduct: Failed to brief counsel properly; Caused a trust account deficiency.</p> <p>J39/2020: Professional misconduct: Dishonestly caused trust account deficiencies (x6); Failed to comply with instructions; Conflict of interest.</p> <p>J40/2020: Professional misconduct: Failed to provide costs disclosure; Caused a trust account deficiency; Failed to keep trust account records properly; Failed to furnish a trust account statement.</p> <p>Misconduct at common law: Purported to act for a person without instructions; Failed to give advice as to possible recovery and risks involved.</p>	<p>19/01/2021 – Accepted the lawyer's undertaking that he will not, in future, apply for an Australian practising certificate.</p> <p>Reprimand; no Australian practising certificate to be granted for a period of 5 years; costs to be assessed by the Costs Court in default of agreement.</p>
9	<p>Name: Michael ANDERSON VCAT reference: J55/2020 Application date: 16/06/2020 Amended on: 10/11/2020 Hearing date: 15/12/2020 (on the papers)</p>	<p>Professional misconduct: Caused a trust account deficiency; Failed to act in the best interests of his client.</p>	<p>15/12/2020 – Suspended for 3 months. Conditions on PC until 30/06/2023. Reprimanded. 5 CPD points by 31/03/2022. VLSC costs fixed at \$18,000.</p>
10	<p>Name: N/A VCAT reference: J95/2020 Application date: 21/12/2020 Hearing date: 17/6/2021 (on the papers)</p>	<p>Application withdrawn.</p>	<p>Application withdrawn.</p>

TABLE 50: DISCIPLINARY APPLICATIONS TO VCAT MADE BY THE COMMISSIONER, WHERE APPLICATION IS AWAITING HEARING AND/OR DETERMINATION

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS AS AT 30 JUNE 2021
1	29/06/2017	Professional Misconduct: Conferring with a witness under cross-examination; deliberately or recklessly providing false or misleading information to VLSC.	Substantive hearing completed and findings made. Waiting on listing for penalty hearing.
2	12/06/2018	Professional misconduct (x7): Holding himself out as a solicitor and then acting as a solicitor contrary to a condition of his practising certificate; misleading the Federal Circuit Court by representing an entitlement to act and appear as a legal practitioner; knowingly and dishonestly making misleading responses to the Federal Circuit Court and failing to correct the responses. Unsatisfactory professional conduct: Making a false declaration in an application for a practising certificate.	Penalty hearing 19/11/2020. Decision reserved.
3	28/6/2018	Misconduct at common law: Purported to have made accusations of fraud or serious misconduct against the opposing party in a matter before the Costs Court and the Supreme Court, without instructions from his client and reasonable grounds to support such an accusation (alternatively professional misconduct).	Order made 13/07/2021. Adjourned to a further administrative mention on 8 October 2021 to allow VLSB to consider strike-off application against the Respondent.
4	08/01/2019	Misconduct at common law: Grossly neglected duties to client; Gross overcharging; Failed to pay or deliver trust money to client; Placed inappropriate pressure on the client; Prevented the client from ending her retainer with the law practice and transferring the file; Further and/or alternatively professional misconduct. Professional misconduct: Failed to account for trust money; Failed to provide costs disclosure; Charged uplift fee without a conditional fee agreement; Failed to maintain client file, Failed to communicate adequately with client or to give appropriate advice and delay; Failed to communicate adequately with the client; Failed to provide competent or diligent legal services to client; Inappropriately informed other party that had ceased to act for client and failed to seek instructions from client when seeking agreement of other law practice to take over conduct of client file; Caused trust account deficiency; Grossly neglected duties to client; Made false and/or misleading statements to the VLSC; Further and/or alternatively misconduct at common law. Unsatisfactory professional conduct: Failed to make costs disclosures; Charged legal costs which was greater than agreed fixed fee amount.	Substantive hearing completed and findings made. Waiting on listing for penalty hearing.
5	11/06/2019 (Amended on 25/08/2020)	Professional misconduct: Provided misleading statements to VLSC. Unsatisfactory professional conduct: Failed to release file to client; Failed to provide costs disclosure regarding barrister costs; Improperly charged client after completion of retainer.	Listed for hearing on 05/08/2021.
6	28/06/2019 (Amended on 05/10/2020)	Professional misconduct: Failed to adequately supervise employees in allowing them to send false and misleading messages to the Magistrates' Court; Failed to correct misleading statements to the Magistrates' Court. Unsatisfactory professional conduct: Failed to adequately supervise employees regarding affidavits.	Awaiting decision.
7	28/06/2019 (Amended on 05/10/2020)	Professional misconduct: Recklessly made a misleading statement to the Magistrates' Court; Failed to correct misleading statements to the Court and failed in role as supervisor to maintain direct control and supervision of proceedings. Unsatisfactory professional conduct: Witnessed and filed false and misleading affidavits.	Awaiting decision.

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS AS AT 30 JUNE 2021
8	17/08/2020	Misconduct at common law: attempted to dishonestly and/or deceptively obtain a financial benefit by asking client to pay legal costs charged by the law practice into his personal bank account; knowingly made a false statement to the VLSC; charged a client grossly excessive legal costs; repeatedly disobeyed the lawful Direction of the Board appointed Manager which forbade him communicating with any client or employee of the law practice; Further and/or alternatively professional misconduct.	Substantive hearing completed and findings made. Waiting on listing for penalty hearing.
9	23/09/2020	Misconduct at Common Law: Misappropriation of trust money (x6). Professional misconduct: Failure to deposit trust money into trust account (x2); causing a deficiency in trust account by withdrawing trust money when not authorised to do so (x4); unlawfully dealing with trust money by withdrawing trust money and applying to payment of a law practice bill; Persistent failure to pay or delay payment of barrister fees. Unsatisfactory professional conduct: Failure to provide a costs disclosure as soon as practicable after instructions given; Failure to include particulars in a receipt of trust money.	Awaiting decision.
10	11/11/2020	Professional misconduct: failure to provide cost disclosure, preparation and facilitating lodgement of erroneous and defective caveats. Unsatisfactory professional conduct: failing to keep proper account of disbursements, failing to keep adequate file notes. Misconduct at common law: failing to disclose to clients her error led to a hearing date being vacated and misleading clients about why hearing was vacated (alternative professional misconduct charge).	Respondent pleaded guilty to all charges (minus alternative charge which is withdrawn) and matter proceeding on papers.
11	30/11/2020	Misconduct at Common Law: Taking executor's commission without proper basis; Taking unjust and unreasonable amount of executor's commission. Professional misconduct: Taking executor's commissioner without proper basis; Taking unjust and unreasonable amount of executor's commission; Taking executor's commission without proper basis and/or unjust and unreasonable amount of executor's commission thereby causing a deficiency in estate trust account.	Listed for penalty hearing on 26/08/21.
12	09/12/2020	Misconduct at Common Law: Forging client's signature on a mortgage discharge authority; misrepresenting to the NAB that signature was that of the client's (alternatively professional conduct). In the alternative, misconduct at common law: Forging client's signature on a mortgage discharge authority and misrepresenting to the NAB that signature was that of the client's (alternatively professional conduct).	Listed for administrative mention on 02/09/2021.
13	17/12/2020	Misconduct at common law: Falsely attesting 3 x affidavits in family law proceedings. Unsatisfactory professional conduct: Preparing the draft affidavits in the manner the respondent did, the respondent was reckless as to whether her conduct would have the effect of influencing the deponent's evidence.	Respondent has pleaded guilty to both charges. Admin mention took place on 22/07/2021. Parties have requested that the matter be dealt with on the papers, should VCAT deem appropriate. Otherwise matter will be set down for a penalty hearing in due course.

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS AS AT 30 JUNE 2021
14	21/12/2020	Misconduct at Common Law: Sending emails which breached fiduciary obligations and/or duties to act fairly, in client's best interests and of loyalty and trust, and/or breached obligations of confidentiality and/or legal professional privilege; Deliberately or recklessly misled and/or deceived client; Failing to act in best interests of client in corresponding and communicating with third party; Failure to cease acting and continuing to perform legal work, invoicing for that legal work and recovery payment for legal work following instructions from client to cease acting; Failing to transfer client file or client funds to new law practice (alternatively professional misconduct).	Listed for hearing on 16/08/2021.
15	21/01/2021	Professional misconduct: Failed to ensure that a client's public liability file was conducted to a reasonable standard.	Substantive hearing completed and findings made. Waiting on listing for penalty hearing.
16	21/05/2021	Professional misconduct: Allowed employee to remain at law practice and/or failed to adequately supervise and control employee. Unsatisfactory professional conduct: Failed to keep trust records in accordance with the Uniform Rules.	Listed for directions hearing on 08/07/2021.
17	25/06/2021	Misconduct at Common Law: Improperly borrowing money from a client; taking steps to give false/misleading impression to Commissioner that he did not borrow money from a client (alternatively professional conduct). In the alternative, professional misconduct: Breach of the Uniform Rules by borrowing money from a client, failing to act honestly and courteously in the course of legal practice, and failing to be open and frank in dealings with Commissioner. Professional misconduct: breach of the Uniform Rules by failing to act in best interests of client and failing to avoid compromise to integrity and professional independence.	Listed for directions hearing on 23/09/2021.
18	28/06/2021	Misconduct at Common Law: Conflict of interest with that of his client (x2) (alternatively professional conduct x2).	Listed for directions hearing on 09/09/2021.
19	30/6/2021	Professional misconduct: Engaged in legal practice when not the holder of a current practising certificate; wilfully or recklessly engaged in legal practice contrary to a condition of his practising certificate.	Listed for administrative mention on 18/01/2022.
20	30/06/2021	Professional Misconduct (x11): Receiving trust money when not authorised to do so, failing to place trust money into a trust account, providing confidential client information to another party, creating false documents, failing to act promptly in progressing client matter, failing to respond to client notice.	Listed for administrative mention on 09/09/2021.

TABLE 51: APPEALS HEARD AND DETERMINED IN THE SUPREME COURT IN 2020-21

NO.	NAME OF LAWYER	DATE OF APPLICATION	HEARING DATES	APPEALED GROUNDS	SUMMARY OF ORDERS MADE
1	Xiao Yi CHEN AKA Anna CHEN	24/03/2020	N/A	Appeal on following questions of law: 1. Did the Tribunal fail to comply with statutory obligation under s 117 of the Victorian Civil and Administrative Act 1998 to give reasons or adequate reasons for its finding 2. Did the Tribunal fail to apply correctly the legal principles relating to professional misconduct 3. Were charges 1 and 7 proved in conformity with the Briginshaw principles	14/02/2020 Court Orders – proceeding be dismissed Within structure of LPUL, findings of Senior Member in VCAT J38/2017 were not an order within meaning of s 148 of the Victorian Civil and Administrative Act 1998 and therefore the appeal is incompetent. 23/02/2021 – Court Orders – Appellant to pay Respondent’s costs of the proceeding on a standard basis
2	Andrew BURGESS	30/01/2019	On the papers	Appeals on the following questions of law: whether the Tribunal gave adequate reasons for finding that it had jurisdiction in relation to various matters; inadequate reasons otherwise than in relation to jurisdiction; the interpretation of the operation of section 3.4.27 of the Legal Profession Act; finding unsupported by evidence; manifestly excessive penalty; inappropriate omnibus penalty; use of ‘priors’.	27/08/2020 1. Appellant granted leave to appeal. 2. VCAT Order 1 (17/01/2019) set aside. 3. In place of order 1 made in the VCAT Proceeding, the Court orders, in respect of charge 9, that the appellant’s practising certificate be cancelled as at 28/06/2019 and no Australian PC to be applied for or issued to the appellant prior to 28/03/2020. 4. VCAT Order 5 set aside. 5. In place of order 5 made in the VCAT Proceeding, the Court orders that the appellant is to pay the Commissioner’s costs of the VCAT proceeding, including witness expenses, fixed at \$10,000, within 30 days. 6. The remaining orders in the VCAT Proceeding are confirmed. 7. There is no order for costs in this proceeding. 8. The appeal is otherwise dismissed.

TABLE 52: CASES ON APPEAL AND JUDICIAL REVIEW TO THE SUPREME COURT

NAME OF LAWYER	DATE SC /VCAT ORDERS WERE MADE ON	DATE OF APPEAL APPLICATION TO SUPREME COURT	STATUS AS AT 30 JUNE 2021
N/A	N/A	03/12/2020	The proceeding be listed for trial on 4 November 2021 with an estimate of one to two days

TABLE 53: STRIKE-OFF APPLICATIONS BEFORE THE SUPREME COURT OF VICTORIA

NO.	DATE ORIGINATING MOTION FILED	STATUS AS AT 30 JUNE 2021
1	28/05/2020	Proceeding to be determined on a date to be fixed
2	21/06/2021	Listed for directions hearing on 9 August 2021

TABLE 54: STRIKE-OFF DECISIONS MADE BY SUPREME COURT OF VICTORIA DURING 2020-21

DATE ORIGINATING MOTION FILED	NAME	STATUS AS AT 30 JUNE 2021
12/10/2020	Nicola Maree Gobbo	Strike-off order made 20 October 2020

Board delegations

Under s.44 of the Application Act the Victorian Legal Services Board may delegate certain functions to a Board member, an employee, the Victorian Legal Services Commissioner, a local professional association, or a prescribed person. Copies of all instruments of delegation in force can be viewed on our website.

CURRENT DELEGATIONS

Table 55 lists all of the internal delegations and Table 56 lists all of the external Board delegations in force as at 30 June 2021.

TABLE 55: INTERNAL BOARD DELEGATIONS IN FORCE AS AT 30 JUNE 2021

LEGAL PROFESSION ACT 2004		
Part 3.6, Division 3 – Claims about defaults	s 3.6.8(1) – Allow further period to lodge fidelity fund claim	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.9 – Advertise for claims	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.10 – Extension of period for making claims	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.12(1) – Investigate fidelity fund claims	Victorian Legal Services Commissioner (19 Mar 21)
	s 3.6.12(2) – Require fidelity fund claimant to produce security, document or statement of evidence	Victorian Legal Services Commissioner (19 Mar 21)
	s 3.6.12(3) – Disallow claim if requirement for security or document etc. under s.3.6.12(2) is not met	Victorian Legal Services Commissioner (19 Mar 21)

Part 3.6, Division 4 – Determination of claims	s 3.6.14-- Determination of claims but only in respect of claims up to \$250,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.15 – Set maximum amount allowable	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.16 – Order payment of reasonable legal costs	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.17 – Determine interest payable	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.18 – Reduce claim because of other benefits	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 3.6.19 – Subrogation on payment of fidelity fund claim	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014		
Part 2 – Application of Uniform Law	s 13(2) – Approve terms and conditions of a policy of professional indemnity insurance	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21)
Part 4 – Admission, practising certificates and registration certificates	s 73(4) – Refund all or part of a surcharge paid in relation to a grant of a practising certificate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Senior Enquiries and Review Liaison (19 Mar 21)
	s 75(2) – Refund all or any part of a surcharge payable for late application for renewal	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Review (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Senior Enquiries and Review Liaison (19 Mar 21)
Part 5 – Trust accounts	s 80 – Determine required quarterly deposit amounts for a law practice or approved clerk to deposit into the Statutory Deposit Account and notification to law practices/approved clerks	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 85 – Exempt law practice or approved clerk from SDA deposit requirements	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21) Trust Account Analyst (19 Mar 21)
Part 10 – General	s 153(1) – Appoint a person to investigate an offence or contravention	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21)
	s 154 – Filing of a charge-sheet charging a person with an offence under the Act, the Legal Profession Uniform Law or the regulations	Victorian Legal Services Commissioner (19 Mar 21)

LEGAL PROFESSION UNIFORM LAW

Part 2.1 – Unqualified Legal Practice	s 14(b) – Institute prosecutions and other proceedings	Victorian Legal Services Commissioner (19 Mar 21)
Part 2.2 – Admission to the Australian Legal Profession	s 23 – Make recommendation to the Supreme Court	Victorian Legal Services Commissioner (19 Mar 21)
Part 3.3 – Australian Legal Practitioners	s 44 – Grant or renewal of an Australian practising certificate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review, excluding power to refuse certificate (Mar 21) Senior Enquiries and Review Liaison (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (excluding the function of refusing to grant and renew practising certificates) (19 Mar 2021) Manager, Regulatory Compliance Programs (19 Mar 21) Trust Account Analyst (19 Mar 21)
	s 45 – Consideration of prerequisites for grant or renewal of practising certificate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (s45(1), (3) and (4) excluding power to refuse certificate) (Mar 21) Senior Enquiries and Review Liaison (s45(1), (3) and (4) only) (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (s45(1), (3) and (4) only) (19 Mar 21) Assistant Manager, Discipline and Suitability (s45(1), (3) and (4) excluding the function of refusing to grant and renew practising certificates) (19 Mar 2021) Manager, Regulatory Compliance Programs (19 Mar 21) Trust Account Analyst (19 Mar 21)
	s 46(2) – Rejection of notification of principal place of practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21)
	s 47 – Grant of practising certificate subject to conditions	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)

	s 49(4) – Exempt a person or class of persons from the requirement to engage in supervised legal practice or reduce the period for a person or class of persons	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Senior Enquiries and Review Liaison (19 Mar 21) Enquiries and Review Liaison (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)
	s 49(5) – Ability to place conditions on the exemption	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (19 Mar 21) Senior Enquiries and Review Liaison (19 Mar 21) Enquiries and Review Liaison (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)
	s 50(2) – (5) – Impose conditions or exempt a barrister from the statutory condition to undertake the reading program	Victorian Legal Services Commissioner (19 Mar 21)
	s 53 – Impose discretionary conditions on practising certificates	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)
	s 55 – Alteration or substitution of varied certificate	Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21)
Part 3.4 – Foreign Lawyers	s 62 – Grant or renew Australian registration certificate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Senior Enquiries and Review Liaison (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21)
	s 63(2) – Reject notification of principal place of practice for foreign lawyer	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21)
	s 64 – Determination whether foreign lawyer can receive trust money as part of registration certificate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21)
	s 67 – Impose discretionary conditions on foreign lawyers	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21)

**Part 3.5 –
Variation, Suspension
and Cancellation of,
and refusal to renew
certificates**

<p>s 74 – Vary a practising certificate for formal or clerical reasons</p> <p>Vary suspend or cancel at the request or with the concurrence of the holder</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Enquiries and Complaints (19 Mar 21)</p> <p>Manager, Enquiries and Review (19 Mar 21)</p> <p>Senior Enquiries and Review Liaison (19 Mar 21)</p> <p>Assistant Manager, Enquiries and Review (Mar 21)</p> <p>Director, Investigations (19 Mar 21)</p> <p>Manager, Discipline and Suitability (19 Mar 21)</p> <p>Assistant Manager, Discipline and Suitability (19 Mar 2021)</p>
<p>s 76 – Vary, suspend or cancel in accordance with certain grounds under Division 3 or Division 4 in relation to show cause events</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Enquiries and Complaints (19 Mar 21)</p> <p>Manager, Enquiries and Review (19 Mar 21)</p> <p>Director, Investigations (19 Mar 21)</p> <p>Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 77 – Immediate variation or suspension before or during consideration of proposed action</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p>
<p>s 78 – Ability to lift a suspension and power to renew a certificate while it is suspended until the it is cancelled or the suspension is lifted</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p>
<p>s 82 – Power to vary, suspend or cancel a certificate on specific grounds:</p> <ul style="list-style-type: none"> • Contravention of a condition • Failure without reasonable excuse to comply with a requirement under Chapter 7 or has committed an offence under Chapter 7 in connection with an investigation • Recommendation from the Commissioner for immediate suspension • Unable to fulfil the inherent requirements. <p>Also power to vary or suspend on public interest grounds where a holder has been charged with certain offences</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Enquiries and Complaints (19 Mar 21)</p> <p>Manager, Enquiries and Review (19 Mar 21)</p> <p>Director, Investigations (19 Mar 21)</p> <p>Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 83 – Giving practising certificate holder notice of intention to take action under section 82 and inviting a response</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Enquiries and Complaints (19 Mar 21)</p> <p>Manager, Enquiries and Review (19 Mar 21)</p> <p>Director, Investigations (19 Mar 21)</p> <p>Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 84 – Power to take action following consideration of response under section 83</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Enquiries and Complaints (19 Mar 21)</p> <p>Manager, Enquiries and Review (19 Mar 21)</p> <p>Director, Investigations (19 Mar 21)</p> <p>Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 88 – Enable receipt of a statement about an automatic show cause event out of time</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p> <p>Director, Investigations (s88(4) only) (19 Mar 21)</p> <p>Manager, Discipline and Suitability (s88(4) only) (19 Mar 21)</p> <p>Assistant Manager, Discipline and Suitability (s88(4) only) (19 Mar 2021)</p>

<p>s 89 – Determine fitness following receipt of notice of automatic show cause event</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints, determine if fit and proper and take appropriate action only in circumstances where the Commissioner has declared a conflict of interest (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)</p>
<p>s 91(3) – Accept a statement regarding a designated show cause event out of time</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)</p>
<p>s 92 – Determine fitness following receipt of notice of designated show cause event</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints – determine if fit and proper and take appropriate action only in circumstances where the Commissioner has declared a conflict of interest (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021)</p>
<p>s 93 – Power to take no action in relation to events that occurred before a person was admitted to the profession or first registered as a foreign lawyer</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review 19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Senior Enquiries and Review Liaison (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 94 – Apply restriction on making further applications for a practising certificate as part of decision to refuse to grant, renew or cancel a certificate</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21)</p>
<p>s 95 – Give notice to applicant or holder requiring provision of further information as part of consideration and investigation of licensing decisions</p>	<p>Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review 19 Mar 21) Assistant Manager, Enquiries and Review (Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Assistant Manager, Discipline and Suitability (19 Mar 2021) Senior Investigator (16 Jun 19) Investigator (section 95(1)(a) only) (19 Mar 21)</p>
<p>s 96 – Deferral of action or temporary renewal for limited purposes</p>	<p>Victorian Legal Services Commissioner (19 Mar 21)</p>

Part 3.7 – Incorporated and Unincorporated Legal Practices	s 106 – Appoint a practitioner to exercise the responsibilities of a principal where law practice does not have a principal	Victorian Legal Services Commissioner (19 Mar 21)
Part 3.9 – Disqualifications	s 119 – Apply for an order for disqualification of individuals	Victorian Legal Services Commissioner (19 Mar 21)
	s 120 – Apply for an order for disqualification of an entity	Victorian Legal Services Commissioner (19 Mar 21)
	s 121(2) – Approve a person as a lay associate	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review 19 Mar 21)
Part 4.2 – Trust Money and Trust Accounts	s 130(4) – Exempt a particular law practice from complying with the trust account provisions of Part 4.2 – exemption may be subject to conditions	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 146 – Authorisation of intermixing trust money – may be subject to conditions	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 151(3) – Set manner for notification of details of its trust accounts	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 152 – Make determinations about status of trust money	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s155 – Appointment of external examiner to conduct external examination of trust records	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 160(2) and (3) – Recover costs of external examinations from law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 162 – Investigate or appoint external investigator to investigate the affairs of a law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 163 – Authorise external investigator to undertake external investigations in relation to particular allegations or suspicions	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 166 – Recover costs of external investigation as a debt payable to the law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	Part 4.4 – Professional indemnity insurance	s 215(2), (4) and (6) – Exemptions from the requirement to obtain an approved insurance policy

Part 4.5 – Fidelity cover	s 235 – Publish notice inviting claims about a default	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 236(1) and (2) – Extension of period for making claims	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 238 – Making advance payments to a claimant in advance of a determination	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 240 – Determination of claims up to \$250,000 and shortfall claims resulting from Supreme Court orders for <i>pari passu</i> distribution to clients of the balance of funds from the trust account of a defunct law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 242 – Order payment of reasonable legal costs	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 243 – Determine interest payment on a claim	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 244 – Reduce claim because of other benefits	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 246 – Exercising rights of subrogation	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 250 – Treatment of claims involving interjurisdictional elements where there is more than one associate involved in the default	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 251 – Treatment of claims involving interjurisdictional elements where default was committed by only one associate	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	s 252(1) and (2) – Request a fidelity authority of another jurisdiction to act as its agent in processing or investigating a claim in another jurisdiction	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
Part 4.6 – Business management and control	s 256 – Conducting or appointing a suitably qualified person to conduct a compliance audit	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	s 257 – Giving a management system direction to a law practice	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Discipline and Suitability (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
Part 7.3 – Entry and search of premises	s 374(2)(c)(ii) – Authorise an investigator to enter non-residential premises without consent or a warrant (in writing or orally)	Victorian Legal Services Commissioner (19 Mar 19) Director, Investigations (19 Mar 21)

Part 9.6 – Injunctions	s 447 – Apply to Supreme Court for an injunction	Victorian Legal Services Commissioner (19 Mar 21)
Part 9.7 – Criminal and Civil Penalties	s 453 (1) and (4) – Apply for pecuniary penalty in respect of breaches of civil penalty provision	Victorian Legal Services Commissioner (19 Mar 21)
Part 9.9 – General	s 473(2) – Approval of forms	Victorian Legal Services Commissioner (19 Mar 21)

LEGAL PROFESSION UNIFORM GENERAL RULES 2015

	rr 20(3) and (4) – Application for an Australian registration certificate	Victorian Legal Services Commissioner (19 Mar 21)
	r 54 – Statements regarding receipt or holding of trust money	Victorian Legal Services Commissioner (19 Mar 21)
	r 65A – Power to revoke external examiner appointment	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	r 66(4) & (5) – Approve termination of appointment and require evidence	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	r 67 – Exempt examiner from requirement to report using standard form	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Regulatory Compliance Programs (19 Mar 21)
	r 81 – Regulatory authority may inspect policies	Victorian Legal Services Commissioner (19 Mar 21)
	r 82(1)(d) – Exempt community legal service from requirement to hold or be covered by approved insurance policy	Victorian Legal Services Commissioner (19 Mar 21) Director, Enquiries and Complaints (19 Mar 21) Manager, Enquiries and Review (19 Mar 21) Assistant Manager, Enquiries and Review (19 Mar 21)
	r 86(1) – Receive claim against Fidelity Fund in specified form	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	r 87 – Require information and/or security related to claim	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)
	r 90 – Notify claimant of delay in determination of claim.	Victorian Legal Services Commissioner (19 Mar 21) Director, Investigations (19 Mar 21) Manager, Intervention and Enforcement (19 Mar 21)

TABLE 56: BOARD EXTERNAL DELEGATIONS IN FORCE AS AT 30 JUNE 2021

LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014		
Part 4, Division 2 – Australian practising certificates	s 73(4) – refund all or part of a surcharge	Victorian Bar (1 Aug 2016)
	s 75(2) – refund all or part of a surcharge	Victorian Bar (1 Aug 2016)
Part 5, Division 3 – Approved Clerks	s 88(1) – approve barristers’ clerks receiving trust money on account of legal costs of one or more barristers	Victorian Bar (1 Aug 2016)
Part 4.2, Division 2 – Trust money and trust accounts	s 151 – receive notice of accounts	Law Institute of Victoria (1 Aug 16)
	s 152 – determine whether money is trust money	Law Institute of Victoria (1 Aug 16)
Part 10 of the Act – General	s 153(1) – appoint person to investigate offence	Victorian Bar (1 Aug 2016)
	s 154 – file charge sheet	Victorian Bar (1 Aug 2016)
LEGAL PROFESSION UNIFORM LAW (VICTORIA)		
Part 3.3, Division 2 – Australian practising certificates	s 44 – grant or renew Australian practising certificate	Victorian Bar (1 Aug 2016)
	s 45 – determine prerequisites for grant or renewal of Australian practising certificate	Victorian Bar (1 Aug 2016)
Part 3.3, Division 3 – Conditions of Australian practising certificates	s 47 – grant Australian practising certificate subject to conditions	Victorian Bar (1 Aug 2016)
	s 50(2)-(5) – impose conditions and grant exemptions in respect of the reading condition	Victorian Bar (1 Aug 2016)
	s 53 – impose discretionary conditions on Australian practising certificates	Victorian Bar (1 Aug 2016)
Part 3.5, Division 2 – Variation, suspension or cancellation of certificates	s 74 – vary a certificate	Victorian Bar (1 Aug 2016)
	s 76 – vary, suspend or cancel certificate	Victorian Bar (1 Aug 2016)
	s 77 – vary or suspend certificate	Victorian Bar (1 Aug 2016)
	s 78 – lift suspension of a certificate and renew certificate while suspended	Victorian Bar (1 Aug 2016)
Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds	s 82 – vary, suspend or cancel certificate	Victorian Bar (1 Aug 2016)
	s 83 – give certificate holder notice of variation, suspension or cancellation	Victorian Bar (1 Aug 2016)
	s 84 – take proposed action after giving notice	Victorian Bar (1 Aug 2016)
Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation, or refusal to renew, certificates	s 87 – receive notice of show cause event	Victorian Bar (1 Aug 2016)
	s 88 – receive notice of show cause event	Victorian Bar (1 Aug 2016)
	s 89 – determine fitness following receipt of notice of show cause event	Victorian Bar (1 Aug 2016)
	s 91 – receive statement from certificate holder	Victorian Bar (1 Aug 2016)
	s 92 – determine fitness following receipt of notice of show cause event	Victorian Bar (1 Aug 2016)
	s 93 – take no action on disclosed event that occurred before admission	Victorian Bar (1 Aug 2016)
	s 94 – apply restriction on making practising certificate applications	Victorian Bar (1 Aug 2016)
Part 3.5, Division 5 – Miscellaneous	s 95 – require further information	Victorian Bar (1 Aug 2016)

Part 3.9, Division 1 – Making of disqualification orders	s 119 – apply for an order for disqualifications of individuals	Victorian Bar (1 Aug 2016)
Part 4.2, Division 2 – Trust money and trust accounts	s 151 – receive notice of accounts	Victorian Bar (1 Aug 2016)
	s 152 – determine whether money is trust money	Victorian Bar (1 Aug 2016)
Part 4.2, Division 3 – External examination of trust records	s 159 – receive written report from external examiners	Law Institute of Victoria (1 Aug 16)
Part 4.2, Division 4 – External Investigations	s 162 – investigate or appoint external investigator	Law Institute of Victoria (1 Aug 16)
	s 163 – undertake or authorise external investigations	Law Institute of Victoria (1 Aug 16)
	s 165 – receive written report on investigation	Law Institute of Victoria (1 Aug 16)
Part 4.5, Division 4 – Claims about defaults	s 237 – process and investigate claims	Law Institute of Victoria (1 Aug 16)
Part 4.6 – Business Management and Control	s 256 – conduct compliance audits	Law Institute of Victoria (1 Aug 16)
Part 9.5 – Notices and Evidentiary Matters	s 446 – seal or sign certificate confirming a person held an Australian practising certificate	Law Institute of Victoria (1 Aug 16)
Part 9.5 – Notices and Evidentiary Matters	s 446 – seal or sign certificate confirming a person held an Australian practising certificate	Victorian Bar (1 Aug 2016)
Part 9.6 – Injunctions	s 447 – apply to Supreme Court for injunction	Victorian Bar (1 Aug 2016)
LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (BARRISTERS) RULES 2015		
	r 13 – receive certification of CPD compliance	Victorian Bar (1 Aug 2016)
	r 14 – require verification of compliance	Victorian Bar (1 Aug 2016)
	r 15 – give written notice requiring rectification plan	Victorian Bar (1 Aug 2016)
	r 16 – exempt from requirement to undertake CPD activities	Victorian Bar (1 Aug 2016)
LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (SOLICITORS) RULES 2015		
	r 13 – receive certification of CPD compliance	Law Institute of Victoria (1 Aug 16)
	r 14 – require verification of compliance	Law Institute of Victoria (1 Aug 16)
	r 15 – give written notice requiring rectification plan	Law Institute of Victoria (1 Aug 16)
	r 16 – exempt from requirement to undertake CPD activities	Law Institute of Victoria (1 Aug 16)

LEGAL PROFESSION UNIFORM GENERAL RULES 2015

Chapter 4, Division 2 – Trust Money and Trust Accounts	r 54 – require statement on trust money	Law Institute of Victoria (1 Aug 16)
Part 3.3, Division 2 – Australian practising certificates	s 44 – grant or renew Australian practising certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 45 – determine prerequisites for grant or renewal of Australian practising certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
Part 3.3, Division 3 – Conditions of Australian practising certificates	s 47 – grant Australian practising certificate subject to conditions in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 53 – impose discretionary conditions on Australian practising certificates in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
Part 3.5, Division 2 – Variation, suspension or cancellation of certificates	s 74 – vary a certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 76 – vary, suspend or cancel certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 77 – vary or suspend certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 78 – lift suspension of a certificate and renew certificate while suspended in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds	s 82 – vary, suspend or cancel certificate in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 83 – give certificate holder notice of variation, suspension or cancellation in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 84 – take proposed action after giving notice in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)

Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation, or refusal to renew, certificates	s 87 – receive notice of show cause event in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 88 – receive notice of show cause event in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 89 – determine fitness following receipt of notice of show cause event in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 91 – receive statement from certificate holder in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 92 – determine fitness following receipt of notice of show cause event in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 93 – take no action on disclosed event that occurred before admission in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
	s 94 – apply restriction on making practising certificate applications in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
Part 3.5, Division 5 – Miscellaneous	s 95 – require further information in respect of a particular solicitor only	Law Institute of Victoria (6 June 2021)
Part 4.2, Division 2 – Trust money and trust accounts	s 151 – receive notice of accounts	Law Institute of Victoria (1 Aug 16)
	s 152 – determine whether money is trust money	Law Institute of Victoria (1 Aug 16)

REVOKED DELEGATIONS

The following table lists all of the Board delegations revoked during 2020-21 and the reasons for their revocation.

TABLE 57: REVOKED DELEGATIONS DURING 2020-21

LEGAL PROFESSION ACT 2004		
Part 3.6, Division 4 – Determination of claims	s 3.6.14 – Determination of claims but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for <i>pari passu</i> distribution to clients of the balance of funds from the trust account of a defunct law practice	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 3.6.15 – Set maximum amount allowable	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 3.6.16 – Order payment of reasonable legal costs	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 3.6.17 – Determine interest payable	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 3.6.18 – Reduce claim because of other benefits	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 3.6.19 – Subrogation on payment of fidelity fund claim	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014		
Part 2 – Application of Uniform Law	s 13(2) – Approve terms and conditions of a policy of professional indemnity insurance	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.

Part 4 – Admission, practising certificates and registration certificates	s 73(4) – Refund all or part of a surcharge paid in relation to a grant of a practising certificate	Director, Investigations Director, Corporate Services Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Manager, Discipline and Suitability Assistant Manager, Discipline and Suitability Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 75(2) – Refund all or any part of a surcharge payable for late application for renewal	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Manager, Discipline and Suitability Assistant Manager, Discipline and Suitability Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
Part 5 – Trust accounts	s 80 – Determine required quarterly deposit amounts for a law practice or approved clerk to deposit into the Statutory Deposit Account and notification to law practices/approved clerks	Director, Corporate Services Director, Enquiries and Complaints General Counsel Manager, Enquiries and Review Manager, Complaints and Resolutions Assistant Manager, Discipline and Suitability Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 85 – Exempt law practice or approved clerk from SDA deposit requirements	Director, Corporate Services Director, Enquiries and Complaints General Counsel Manager, Enquiries and Review Manager, Complaints and Resolutions Assistant Manager, Discipline and Suitability Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
Part 10 – General	s 153(1) – Appoint a person to investigate an offence or contravention	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.

LEGAL PROFESSION UNIFORM LAW

Part 3.3 – Australian Legal Practitioners	s 44 – Grant or renewal of an Australian practising certificate	Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 45 – Consideration of prerequisites for grant or renewal of practising certificate	Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 47 – Grant of practising certificate subject to conditions	Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 49(4) – Exempt a person or class of persons from the requirement to engage in supervised legal practice or reduce the period for a person or class of persons	Director, Corporate Services General Counsel Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 49(5) – Ability to place conditions on the exemption	Director, Corporate Services General Counsel Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 53 – Impose discretionary conditions on practising certificates	Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
Part 3.4 – Foreign Lawyers	s 62 – Grant or renew Australian registration certificate	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 63(2) – Reject notification of principal place of practice for foreign lawyer	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 64 – Determination whether foreign lawyer can receive trust money as part of registration certificate	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.

	<p>s 66 – Notification of certain events by foreign lawyer</p>	<p>Victorian Legal Services Commissioner Director, Investigations Director, Corporate Services Director, Enquiries and Complaints General Counsel Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: This section places requirements on foreign lawyers to notify the Board of certain events. There is no power that requires delegation under this section.</p>
	<p>s 67 – Impose discretionary conditions on foreign lawyer</p>	<p>Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
<p>Part 3.5 – Variation, Suspension and Cancellation of, and refusal to renew certificates</p>	<p>s 74 – Vary a practising certificate for formal or clerical reasons</p> <p>Vary suspend or cancel at the request or with the concurrence of the holder</p>	<p>General Counsel Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>s 76 – Vary, suspend or cancel in accordance with certain grounds under Division 3 or Division 4 in relation to show cause events</p>	<p>Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>s 82 – Power to vary, suspend or cancel a certificate on specific grounds:</p> <ul style="list-style-type: none"> • Contravention of a condition • Failure without reasonable excuse to comply with a requirement under Chapter 7 or has committed an offence under Chapter 7 in connection with an investigation • Recommendation from the Commissioner for immediate suspension • Unable to fulfil the inherent requirements. <p>Also power to vary or suspend on public interest grounds where a holder has been charged with certain offences</p>	<p>Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>s 83 – Giving practising certificate holder notice of intention to take action under section 82 and inviting a response</p>	<p>Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>s 84 – Power to take action following consideration of response under section 83</p>	<p>Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>s 87 – Receive notice of automatic show cause event by applicant for a practising certificate</p>	<p>Victorian Legal Services Commissioner Director, Investigations Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: this section places requirements on lawyers to notify the Board of automatic show cause events. There is no power that requires delegation under this section.</p>

	s 88 – Enable receipt of a statement about an automatic show cause event out of time	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 90 – Definition of designated show cause event	<p>Victorian Legal Services Commissioner Director, Investigations Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Manager, Discipline and Suitability Assistant Manager, Discipline and Suitability</p> <p>Reason for revocation: This section defines a designated show cause event. There are no powers delegated under this section.</p>
	s 91(3) – Accept a statement regarding a designated show cause event out of time	<p>Director, Enquiries and Complaints Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 93 – Power to take no action in relation to events that occurred before a person was admitted to the profession or first registered as a foreign lawyer	<p>Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 95 – Give notice to applicant or holder requiring provision of further information as part of consideration and investigation of licensing decisions	<p>Director, Corporate Services General Counsel Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
<p>Part 3.9 – Disqualifications</p>	s 121(2) – Approve a person as a lay associate	<p>Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>

Part 4.2 – Trust Money and Trust Accounts	s 130(4) – Exempt a particular law practice from complying with the trust account provisions of Part 4.2 – exemption may be subject to conditions	Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 162 – Investigate or appoint external investigator to investigate the affairs of a law practice	Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 163 – Authorise external investigator to undertake external investigations in relation to particular allegations or suspicions	Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 165 – Receive written report on investigation	Victorian Legal Services Commissioner Director, Investigations Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: This section places requirements on external investigators to provide written reports to the Board. There are no powers that require delegation.
Part 4.4 – Professional indemnity insurance	s 215(2), (4) and (6) – Exemptions from the requirement to obtain an approved insurance policy	Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
Part 4.5 – Fidelity cover	s 236(1) and (2) – Extension of period for making claims	Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Reason for revocation: Limiting the delegation to positions who actively exercise the functions.
	s 237 – Processing and investigation of claims	Victorian Legal Services Commissioner Reason for revocation: This section does not require delegation as it simply enables the fidelity authority to process and investigate claims in any manner it considers appropriate.
	s 240 – Determination of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice	Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions Board members who are members of the Fidelity Fund Claims Advisory Committee Reason for revocation: Limiting the delegation to positions who actively exercise the functions.

	s 241 – Maximum amount allowable	<p>Victorian Legal Services Commissioner Director, Investigations Manager, Intervention and Enforcement Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: This section states the amount payable in respect of a default must not exceed the pecuniary loss resulting from the default. There are no Board powers to delegate under this section.</p>
	s 242 – Order payment of reasonable legal costs	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 243 – Determine interest payment on a claim	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 244 – Reduce claim because of other benefits	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 246 – Exercising rights of subrogation	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 252(1) and (2) – Request a fidelity authority of another jurisdiction to act as its agent in processing or investigating a claim in another jurisdiction	<p>Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
Part 4.6 – Business management and control	s 256 – Conducting or appointing a suitably qualified person to conduct a compliance audit	<p>Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Intervention and Enforcement Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	s 257 – Giving a management system direction to a law practice	<p>Director, Corporate Services General Counsel Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>

<p>Part 7.3 – Entry and search of premises</p>	<p>s 374(2)(c)(ii) – Authorise an investigator to enter non-residential premises without consent or a warrant (in writing or orally)</p>	<p>Director, Enquiries and Complaints General Counsel Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
<p>Part 9.4 – Cooperative and Other Arrangements</p>	<p>s 439 – Enables disclosure of information between relevant persons</p>	<p>Victorian Legal Services Commissioner Director, Investigations Director, Corporate Services Director, Enquiries and Complaints General Counsel) Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: This section enables disclosure of certain information by a relevant person. No need to delegate as staff are covered by the definition of 'relevant person' in the definition.</p>
<p>Part 9.9 – General</p>	<p>s 462(2) – Disclosure of information by relevant person</p>	<p>Victorian Legal Services Commissioner (21 Apr 20)</p> <p>Reason for revocation: This section is an offence provision that prevents disclosure of information by a relevant person except in certain circumstances. No need to delegate as the Commissioner is already covered by the definition of 'relevant person' in the definition.</p>

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	<p>rr 66(4) & (5) – Approve termination of appointment and require evidence</p>	<p>Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>r 67 – Exempt examiner from requirement to report using standard form</p>	<p>Director, Corporate Services Director, Enquiries and Complaints Manager, Enquiries and Review Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>
	<p>r 82(1)(d) – Exempt community legal service from requirement to hold or be covered by approved insurance policy</p>	<p>Director, Investigations Director, Corporate Services General Counsel Manager, Complaints and Resolutions</p> <p>Reason for revocation: Limiting the delegation to positions who actively exercise the functions.</p>

Commissioner delegations

Under s.56 of the Application Act the Victorian Legal Services Commissioner may delegate certain functions to an employee, a local professional association, or a prescribed person. Copies of all instruments of delegation in force can be viewed on our website.

CURRENT DELEGATIONS

Table 58 lists all of the internal Commissioner delegations in force as at 30 June 2021. There were no external delegations in force as at 30 June 2021.

TABLE 58: INTERNAL COMMISSIONER DELEGATIONS IN FORCE AS AT 30 JUNE 2021

LEGAL PROFESSION ACT 2004		
Part 3.3, Division 3 – Investigations	s 3.3.44(2) – Obtain information from financial institutions and other specified bodies	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
Part 4.1, Division 2 – Application of Chapter	s 4.1.4(3) – Consent to deal with issue under corresponding law	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.1.4(5) – Consent to deal with issue under corresponding law	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
Part 4.2 – Making a complaint	s 4.2.7 – Vary time limit for complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.2.8 – Give written notification of a complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.2.9 – Require further information from complainant	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.2.10 – Summarily dismiss complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)

Part 4.3, Division 2 – Dealing with civil complaints	s 4.3.3 – Lodgement of disputed legal costs	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.3.4 – Deposit disputed legal costs in ADI	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.3.5 – Attempt to resolve civil dispute	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.3.5A(1) – Prepare written agreement	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.3.6 – Give written notice dispute	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.3.7 – Give written notice dispute unable to be resolved	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	Part 4.3, Division 3 – Mediation	s 4.3.9 – Appoint a mediator
s 4.3.13 – Dismiss complaint or give rights to apply to VCAT		Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
Part 4.3, Division 4 – Resolution of civil disputes by the Tribunal	s 4.3.15 – Make application to the Tribunal	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
Part 4.4, Division 3 – Investigations	s 4.4.7 – Investigate complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.8 – Investigate without complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.9 – Refer complaint to prescribed investigatory body	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.10(3) – Deal with complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.11 – Require further information and documents	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.12 – Investigate expeditiously	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.12A – Suspend investigation	Director, Investigations (16 Oct 20)
	s 4.4.12B – Take no further action	Director, Investigations (16 Oct 20)
	s 4.4.12C – Notify practitioner of decision	Director, Investigations (16 Oct 20)
	s 4.4.13 – Take appropriate action	Director, Investigations (16 Oct 20)
	s 4.4.13(1), (3)(b), (3)(c), (4), (5) and (6) – Take appropriate action	Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.14 – Give notice of decision	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)

Part 4.4, Division 7 – Inter-jurisdictional provisions	s 4.4.33 – Request another jurisdiction to investigate	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.34 – Receive request from another jurisdiction to investigate	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	s 4.4.36 – Cooperate with corresponding authorities	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
Part 7.2 – General provisions	s 7.2.14 – Disclose information	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
Schedule 2, Part 6 – Disputes and discipline	Clause 6.1 – Handle disputes lodged under old Act	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	Clause 6.2 – Handle disputes lodged under old Act	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
	Clause 6.3 – Handle disputes lodged under old Act	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20)
LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014		
Part 3, Division 4 – General provisions for the Victorian Legal Services Board and Victorian Commissioner	s 60 – Appoint a panel of mediators	Director, Investigations (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20)
LEGAL PROFESSION UNIFORM LAW (VICTORIA)		
Part 5.2, Division 1 – Making complaints and other matters about complaints	s 266(2) – Initiate a complaint containing a disciplinary matter	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20)
	s 267 – Making a complaint	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20)

s 269(1) – Definition of consumer matter	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Senior Investigator (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p> <p>Senior Resolutions Advisor (16 Oct 20)</p> <p>ADR Specialist (16 Oct 20)</p> <p>Senior Enquiries and Review Liaison (16 Oct 20)</p> <p>Enquiries and Review Liaison (16 Oct 20)</p>
s 271 – Priority given to resolving consumer matter where there is a mixed complaint	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Senior Investigator (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p> <p>ADR Specialist (16 Oct 20)</p> <p>Senior Resolutions Advisor (16 Oct 20)</p> <p>Assistant Resolutions Officer (16 Oct 20)</p> <p>Resolutions Officer (16 Oct 20)</p>
s 272 – Making complaint within 3 year time limit	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Senior Investigator (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p> <p>Senior Resolutions Advisor (16 Oct 20)</p> <p>ADR Specialist (16 Oct 20)</p> <p>Senior Enquiries and Review Liaison (16 Oct 20)</p>
s 273(2) – Ability to continue investigation even where complaint is withdrawn	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p>

Part 5.2, Division 2 – Preliminary assessment of complaints

<p>s 276 – Conduct preliminary complaint</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15) Paralegal (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) ADR Specialist (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)</p>
<p>s 277 – Ability to close complaint after conducting preliminary assessment</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>
<p>s 278 – Ability to make recommendation that a practising certificate be suspended</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>

**Part 5.2, Division 3 –
Notifications to
and submissions
by respondents**

<p>s 279 – Notify respondent of complaint as soon as practicable</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Investigator (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) ADR Specialist (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)</p>
<p>s 280 – Response to complaint by respondent</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)</p>
<p>s 281 – Ability to not notify a respondent of a complaint under certain circumstances</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>

**Part 5.2, Division 4 –
Investigation
of complaints**

<p>s 282 – Investigate internally or appoint externally</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Paralegal (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)</p>
<p>s 282 (1) – Investigate internally or appoint externally</p>	<p>Trust Account Analyst (21 Aug 15)</p>
<p>s 283 – Extend scope of investigation</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) ADR Specialist (16 Oct 20)</p>
<p>s 284 – Arrange assessment of costs charged or claimed by respondent</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20)</p>

**Part 5.3, Division 2 –
Provisions applicable
to all consumer
matters**

s 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	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)
s 287 – Resolve consumer matter by informal means as soon as practicable	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)
s 288 – Order parties to the complaint attend mediation	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20)

	<p>s 289 – Prepare written record of agreement to mediation</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20)</p>
	<p>s 290 – Resolve consumer matter by making determination</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20)</p>
<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p>	<p>s 291 – Deal with costs disputes the same way as consumer matters or inform parties of right to apply for costs assessment or to VCAT if total bill is over \$100,000 or the amount in dispute is over \$10,000 where the bill is over \$100,000 (indexed).</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) Resolutions Officer (16 Oct 20) Assistant Resolutions Officer (16 Oct 20) ADR Specialist (16 Oct 20) Enquiries and Review Liaison (16 Oct 20)</p>
	<p>s 291(1) – Deal with costs disputes the same way as consumer matters</p>	<p>Senior Resolutions Advisor (16 Oct 20) Senior Investigator (16 Oct 20) Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15)</p>
	<p>s 292 – Make a binding determination about costs</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>

	s 293 – Cease to act where dispute is less than \$10,000	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Senior Investigator (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p> <p>ADR Specialist (16 Oct 20)</p> <p>Senior Enquiries and Review Liaison (16 Oct 20)</p>
Part 5.4, Division 1 – Preliminary	s 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>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Trust Account Analyst (21 Aug 15)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p>
Part 5.4, Division 2 – Determination by local regulatory authority	s 299 – Determine unsatisfactory professional conduct and make orders to rectify that conduct	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p> <p>Manager, Enquiries and Review (16 Oct 20)</p> <p>Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Complaints and Resolutions (16 Oct 20)</p> <p>Assistant Manager, Enquiries and Review (16 Oct 20)</p>
Part 5.4, Division 3 – Role of designated tribunal	s 300 – Initiate and prosecute proceedings against respondent lawyer in the designated tribunal	<p>Director, Investigations (16 Oct 20)</p> <p>Manager, Discipline and Suitability (16 Oct 20)</p> <p>Assistant Manager, Discipline and Suitability (16 Oct 20)</p> <p>Director, Enquiries and Complaints (20 Oct 20)</p>

Part 5.5 – Compensation Orders	s 306 – Make compensation order	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)
	s 307(4) – Request may be made at any time after complaint made	Senior Investigator (16 Oct 20) Trust Account Analyst (21 Aug 15)
	s 308 – Order to compensate aggrieved person	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)
	s 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	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (25 Jul 19) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)
Part 5.6 – Appeal or Review	s 313 – Conduct an internal review	Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) ADR Specialist (16 Oct 20)
	s 313(2) – Conduct an internal review	Trust Account Analyst (21 Aug 15)

<p>Part 5.7 – General Duties of Local Regulatory Authorities</p>	<p>s 318 – Provide the complainant and respondent written notice of decisions or determinations</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>
	<p>s 320 – Make order directing or refraining action</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</p>
<p>Part 9.9 – General</p>	<p>s 466(7) – Recommend practising certificate or registration certificate be suspended</p>	<p>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Manager, Regulatory Compliance Programs (16 Oct 20) Manager, Intervention and Enforcement (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Intervention and Enforcement (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20)</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>Director, Investigations (16 Oct 20) Manager, Discipline and Suitability (16 Oct 20) Assistant Manager, Discipline and Suitability (16 Oct 20) Senior Investigator (16 Oct 20) Director, Enquiries and Complaints (20 Oct 20) Manager, Enquiries and Review (16 Oct 20) Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Complaints and Resolutions (16 Oct 20) Assistant Manager, Enquiries and Review (16 Oct 20) Senior Resolutions Advisor (16 Oct 20) Senior Enquiries and Review Liaison (16 Oct 20) ADR Specialist (16 Oct 20)</p>

**Schedule 4,
Division 7 –
Dispute resolution
and professional
discipline**

Clause 26 – Complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation

Director, Investigations (16 Oct 20)
 Manager, Discipline and Suitability (16 Oct 20)
 Assistant Manager, Discipline and Suitability (16 Oct 20)
 Senior Investigator (16 Oct 20)
 Investigator (16 Oct 20)
 Trust Account Analyst (21 Aug 15)
 Director, Enquiries and Complaints (20 Oct 20)
 Manager, Enquiries and Review (16 Oct 20)
 Manager, Complaints and Resolutions (16 Oct 20)
 Assistant Manager, Complaints and Resolutions (16 Oct 20)
 Assistant Manager, Enquiries and Review (16 Oct 20)
 Senior Resolutions Advisor (16 Oct 20)
 Senior Enquiries and Review Liaison (16 Oct 20)
 Resolutions Officer (16 Oct 20)
 ADR Specialist (16 Oct 20)
 Enquiries and Review Liaison (16 Oct 20)

Clause 27 – Investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation

Director, Investigations (16 Oct 20)
 Manager, Discipline and Suitability (16 Oct 20)
 Assistant Manager, Discipline and Suitability (16 Oct 20)
 Senior Investigator (16 Oct 20)
 Investigator (16 Oct 20)
 Trust Account Analyst (21 Aug 15)
 Director, Enquiries and Complaints (20 Oct 20)
 Manager, Enquiries and Review (16 Oct 20)
 Manager, Complaints and Resolutions (16 Oct 20)
 Assistant Manager, Complaints and Resolutions (16 Oct 20)
 Assistant Manager, Enquiries and Review (16 Oct 20)
 Senior Resolutions Advisor (16 Oct 20)
 Senior Enquiries and Review Liaison (16 Oct 20)
 Resolutions Officer (16 Oct 20)
 ADR Specialist (16 Oct 20)
 Enquiries and Review Liaison (16 Oct 20)

REVOKED DELEGATIONS

The following table lists all of the Commissioner delegations revoked during 2020-21 and the reasons for their revocation.

All were revoked on 16 October 2020 with the exception of delegations to the position of Director, Enquiries and Complaints which was revoked on 20 October 2020.

Each of the delegations were revoked to better align functions with the teams performing those functions.

TABLE 59: INTERNAL COMMISSIONER DELEGATIONS REVOKED DURING 2020-21

LEGAL PROFESSION UNIFORM LAW (VICTORIA)		
Part 5.2, Division 1 – Making complaints and other matters about complaints	Section 269(1) – definition of consumer matter	Resolutions Officer Assistant Resolutions Officer
Part 5.2, Division 3 – Notifications to and submissions by respondents	Section 281 – ability to not notify a respondent under certain circumstances	Senior Resolutions Advisor Senior Investigator ADR Specialist
Part 5.2, Division 4 – Investigation of complaints	Section 284 – arrange assessment of costs charged or claimed by respondent	Assistant Manager, Complaints and Resolutions Assistant Manager, Enquiries and Review Assistant Manager, Discipline and Suitability Senior Resolutions Advisor Senior Investigator ADR Specialist
Part 5.4, Division 1 – Preliminary	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	Investigator Manager, Enquiries and Review Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Assistant Manager, Enquiries and Review Senior Investigator
Part 5.5 – Compensation Orders	Section 307(4) – request may be made at any time after complaint made	Director, Investigations Director, Enquiries and Complaints Manager, Discipline and Suitability Manager, Enquiries and Review Manager, Complaints and Resolutions Assistant Manager, Complaints and Resolutions Assistant Manager, Enquiries and Review Assistant Manager, Discipline and Suitability Senior Resolutions Advisor Investigator ADR Specialist Resolutions Officer
Part 5.6 – Appeal or Review	Section 313(2) – conduct an internal review	Investigator

On 30 June 2021, the Commissioner revoked the Victorian Bar's complaint handling delegations. This followed a specific recommendation from the Royal Commission into the Management of Police Informants which the Commissioner accepted. Each of the powers revoked are set out in the table below.

TABLE 60: COMMISSIONER EXTERNAL DELEGATIONS REVOKED DURING 2020-21

LEGAL PROFESSION UNIFORM LAW (VICTORIA)		
Part 5.2, Division 1 – Making complaints and other matters about complaints	s 266(2) – Initiate a complaint containing a disciplinary matter (only in respect of disciplinary matters arising as a result between Victorian barristers)	Victorian Bar
	s 269(1) – Definition of consumer matter	Victorian Bar
	s 271 – Priority given to resolving consumer matter where there is a mixed complaint	Victorian Bar
Part 5.2, Division 2 – Preliminary assessment of complaints	s 276 – Conduct preliminary complaint	Victorian Bar
	s 277 – Ability to close complaint after conducting preliminary assessment (only in respect of disciplinary matters arising as a result between Victorian barristers)	Victorian Bar
	s 278 – Ability to make recommendation that a practising certificate be suspended (but recommendation can only be made to the Victorian Legal Services Board, not the Victorian Bar as delegate of the Board)	Victorian Bar
Part 5.2, Division 3 – Notifications to and submissions by respondents	s 279 – Notify respondent of complaint as soon as practicable	Victorian Bar
	s 280 – Response to complaint by respondent	Victorian Bar
	s 281 – Ability to not notify a respondent of a complaint under certain circumstances	Victorian Bar
Part 5.2, Division 4 – Investigation of complaints	s 282 – Investigate internally or appoint externally	Victorian Bar
	s 283 – Extend scope of investigation (only in respect of disciplinary matters arising as a result between Victorian barristers)	Victorian Bar
	s 284 – Arrange assessment of costs charged or claimed by respondent	Victorian Bar
Part 5.3, Division 2 – Provisions applicable to all consumer matters	s 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	Victorian Bar
	s 287 – Resolve consumer matter by informal means as soon as practicable	Victorian Bar
	s 288 – Order parties to the complaint attend mediation	Victorian Bar
	s 289 – Prepare written record of agreement to mediation	Victorian Bar
Part 5.3, Division 3 – Further provisions applicable to costs disputes	s 291(1) – Deal with costs disputes the same way as consumer matters or inform parties of right to apply for costs assessment or to VCAT if total bill is over \$100,000 or the amount in dispute is over \$10,000 where the bill is over \$100,000 (indexed)	Victorian Bar
Part 5.4, Division 1 – Preliminary	s 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	Victorian Bar
Part 5.5 – Compensation orders	s 307(4) – Request may be made at any time after complaint made	Victorian Bar

Board and Commissioner consolidated financial report

Financial Statements

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Victorian Legal Services
BOARD + COMMISSIONER

FINANCIAL STATEMENTS DECLARATION

The attached consolidated financial statements for the Victorian Legal Services Board and Victorian Legal Services Commissioner have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under 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 accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and financial position of the Victorian Legal Services Board and Victorian Legal Services Commissioner at 30 June 2021.

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

We authorise the attached financial statements for issue on 7 October 2021.



F Bennett
Chairperson,
Victorian Legal Services Board
Melbourne
7 October 2021



F McLeay
CEO, Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
7 October 2021



J Casey
Chief Finance and Accounting Officer,
Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
7 October 2021

D-21-196270

Independent Auditor's Report

To the Board members of the Victorian Legal Services Board and the Victorian Legal Services Commissioner

<p>Opinion</p>	<p>I have audited the financial report of the Victorian Legal Services Board (the Board) and the Victorian Legal Services Commissioner (the Commissioner), which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • financial statements declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Board and the Commissioner as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<p>Basis for opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Board and the Commissioner in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>The Board members' and the Commissioner's responsibilities for the financial report</p>	<p>The Board members of the Victorian Legal Services Board and 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 <i>Financial Management Act 1994</i>, and for such internal control as the Board members and the Commissioner determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board members and the Commissioner are responsible for assessing the Board's and Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Board's and Commissioner's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board and the Commissioner.
- conclude on the appropriateness of the Board's and the Commissioner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's and the Commissioner's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board and the Commissioner to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board members and the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
13 October 2021



Janaka Kumara
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTES	2021 \$'000	2020 \$'000
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Interest and distributions	3.1	68,224	53,878
Practising certificate fees and Fidelity Fund contributions	3.2	12,853	12,591
Other income	3.3	215	351
Total income from transactions		81,292	66,820
EXPENSES FROM TRANSACTIONS			
Employee benefits expenses	4.1	(13,952)	(13,798)
Funding and grants	4.2	(38,897)	(48,678)
Payments to service providers	4.3	(606)	(633)
Fidelity Fund claims and expenses	4.4	(2,321)	(1,202)
Depreciation and amortisation expense	5.3.2	(2,159)	(2,105)
Board and committee member fees		(310)	(359)
Legal expenses	4.5	(2,861)	(3,115)
Other operating expenses	4.6	(2,682)	(2,914)
Total expenses from transactions		(63,788)	(72,804)
Net result from transactions		17,504	(5,984)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial instruments	9.1	93,355	(30,760)
Net gain/(loss) on non-financial assets	9.1	–	6
Other gain/(loss) from other economic flows	9.1	(533)	(1,486)
Total other economic flows included in net result		92,822	(32,240)
Net result from continuing operations		110,326	(38,224)
Net result		110,326	(38,224)
Other economic flows – other comprehensive income		–	–
Comprehensive result		110,326	(38,224)

The accompanying notes form part of these financial statements.

Balance sheet

AS AT 30 JUNE 2021

	NOTES	2021 \$'000	2020 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	5.1.1	2,120,930	618,324
Receivables	5.4.1	43,942	17,700
Investments and other financial assets	5.2	938,364	1,457,523
Total financial assets		3,103,236	2,093,547
NON-FINANCIAL ASSETS			
Plant and equipment	5.3.3	4,601	6,032
Intangible assets		1,771	1,577
Prepayments		519	197
Total non-financial assets		6,891	7,806
Total assets		3,110,127	2,101,353
LIABILITIES			
Payables	6.3.1	5,211	6,207
Lease liabilities	6.3.3	3,355	4,163
Provisions	6.4	18,463	17,613
Income received in advance	6.2	13,611	12,157
Statutory deposit account balances	6.1	2,674,735	1,776,787
Total liabilities		2,715,375	1,816,927
Net assets		394,752	284,426
EQUITY			
Contributed equity		29	29
Accumulated surplus		394,723	284,397
Net worth		394,752	284,426

The accompanying notes form part of these financial statements.

Statement of changes in equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	CONTRIBUTED EQUITY	ACCUMULATED SURPLUS	TOTAL EQUITY
	\$'000	\$'000	\$'000
Balance at 1 July 2019	29	322,621	322,650
Net result for the year	–	(38,224)	(38,224)
Other comprehensive income for the year	–	–	–
Balance at 30 June 2020	29	284,397	284,425
Net result for the year	–	110,326	110,326
Other comprehensive income for the year	–	–	–
Balance at 30 June 2021	29	394,723	394,752

The accompanying notes form part of these financial statements.

Cash flow statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTES	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest and distributions received		69,733	59,154
Receipts from practising certificates fees and Fidelity Fund contributions		14,165	12,729
Other receipts		(27,623)	(1,199)
Goods and Services Tax recovered from the ATO		48	96
Total receipts		56,323	70,780
PAYMENTS			
Payments to suppliers and employees		(19,160)	(20,425)
Payments of Fidelity Fund claims, costs and other expenses		(2,237)	(1,208)
Payments of grants		(41,076)	(52,460)
Total payments		(62,473)	(74,093)
Net cash flows from/(used in) operating activities	5.1.2	(6,150)	(3,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of non-financial assets		(151)	(197)
Payments for intangible assets		(677)	(568)
Purchases of financial assets		-	(14,240)
Redemption/sale of financial assets		612,619	27,900
Net cash flows from/(used in) investing activities		611,791	12,895
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of leases		(983)	(1,589)
Deposits into statutory deposit accounts by solicitors		2,033,259	1,588,046
Withdrawals from statutory deposit accounts by solicitors		(1,135,311)	(1,290,156)
Net cash flows from/(used in) financing activities		896,965	296,301
Net increase/(decrease) in cash and cash equivalents		1,502,606	305,883
Cash and cash equivalents at the beginning of the financial year		618,324	312,441
Cash and cash equivalents at the end of the financial year	5.1.1	2,120,930	618,324

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 ABOUT THIS REPORT

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 consolidated entities (collectively VLSB+C) for the period ended 30 June 2021.

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) on 12 December 2005. Both agencies' roles and functions now come under the Legal Profession Uniform Law Application Act 2014 (the Act) which repeals the former Act, effective from 1 July 2015.

The principal address is:

- Level 5, 555 Bourke Street Melbourne VIC 3000

A description of the nature of the operations of the Board and Commissioner and their principal activities is included in the report of operations which does not form part of this financial report. Further information on the roles of the Board and Commissioner and funds administered are provided in Note 2.

1.1 Basis of preparation

Reporting entity

These consolidated financial statements cover the Board and the Commissioner as consolidated entities following the Minister for Finance making a determination pursuant to section 53(1)(b) of the FMA on 25 May 2013. The Board is comprised of the Public Purpose Fund (Note 2.1.1) and Legal Practitioners' Fidelity Fund (Note 2.1.2).

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

Currency and Rounding

These financial statements are in Australian dollars and have been rounded to the nearest \$1,000 unless otherwise stated. Figures in the financial statements may not equate due to rounding.

Measurement and accounting basis

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. Items not recorded at historical cost include:

- the Fidelity Fund claims provision that is calculated at fair value with regard to actuarial assessments and employee long service leave provisions; and

- financial instruments including managed investment schemes after initial recognition, which are measured at fair value with movements reflected in the 'other economic flows – other comprehensive income' (refer to Note 7.1 and Note 7.2 for further detail).

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.

Judgements, estimates and assumptions

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed, including in Note 5.4.2 Impairment of receivables and Note 7.2 Fair value determination.

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.

Comparatives

Where applicable, comparative figures have been updated to reflect more current information, including for changes in accounting policy. 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.

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.

Changes in accounting policy

No new accounting standards have come into effect for the 2020-21 financial year that are applicable to the Board and the Commissioner:

Accounting standards changes not yet in effect but applicable to future years are presented at Note 9.6.

Impact of COVID-19 and going concern

The COVID-19 pandemic impacted economic markets globally in 2019-20 and, combined with significantly reduced interest rates, resulted in reduced income and a deficit from transactions last year.

However, despite continuing low interest rates, exceptional investment gains and distributions in 2020-21 have resulted in a substantial net surplus on transactions as at 30 June 2021. Stronger economic market sentiment up to 30 June 2021 reflected positive expectations globally for vaccination rates and easing of restrictions.

The Board and Commissioner have a strong balance of reserves in the form of investment assets that can be drawn upon in the short term for cash flow purposes if required. Evidence confirms that there is not a going concern issue for the Board and Commissioner.

1.2 Compliance information

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.

1.3 Scope of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions', 'other economic flows included in net result', and '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.

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 they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

2 FUNDS ADMINISTERED

2.1 The Board

The Board is an independent statutory authority; a public entity but it does not represent the Crown. Ms Fiona McLeay is the Chief Executive Officer of the Board. The Attorney-General, the Hon. Jaclyn Symes, 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
- contribute to the effective administration of a Legal Profession Uniform Law Framework through cooperation with other involved entities.

The Board is established as a body corporate with perpetual succession under section 28 of the Act. Under the provisions of the Act it is required to maintain two funds:

- the Public Purpose Fund (section 133); and
- the Legal Practitioners Fidelity Fund (section 121)

2.1.1 Public Purpose Fund

The Board must maintain a fund called the Public Purpose Fund under section 133 of the Act. The Public Purpose Fund is comprised of three separate accounts below:

General Account – section 136

The General Account derives income from the following:

- 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; and

- 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 Practice 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.

Statutory Deposit Account – section 137

Each law practice or approved clerk with trust accounts has an individual Statutory Deposit Account (SDA) held in their name by the Board; the balance in this account is linked to their trust account. The SDA balance in the Board's financial statements is the sum of the individual SDAs.

Law practices or approved clerks with trust accounts must deposit the "required deposit amount" (if any) into the SDA on a quarterly basis. The required deposit amount is 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)).

Distribution Account – section 138

The Act requires that 50% of the amount standing to the credit of the General Account at 30 June is transferred to the Distribution Account during the following year.

Funding and grants made under sections 143 and 146 for Victoria Legal Aid and section 144 for law-related services and activities are paid from the Distribution Account. Grants are approved by the Board on an annual basis and amounts are decided with consideration given to available resources.

2.1.2 Legal Practitioners' Fidelity Fund

The Board must maintain a fund called the Fidelity Fund under section 121 of the Act. All monies held in the Fidelity Fund are kept separate from any other money held by the Board and is held in trust.

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.

2.2 The Commissioner

The Commissioner is an independent statutory office holder accountable to the Victorian Parliament. Ms Fiona McLeay is the Commissioner.

The Commissioner is responsible for the following objectives as 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;
- 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.

2.3 Funds administered

2021	CASH AND CASH EQUIVALENTS (NOTE 5.1.1)	INVESTMENTS AND OTHER FINANCIAL ASSETS (NOTE 5.2)	TOTAL
	\$'000	\$'000	\$'000
PUBLIC PURPOSE FUND			
General Account	13,670	142,256	155,926
Less: Inter Entity – due to Commissioner	(4,572)	–	(4,572)
Net General Account	9,098	142,256	151,354
Distribution Account	154	147,416	147,571
Statutory Deposit Account	2,075,831	598,904	2,674,735
Total Public Purpose Fund	2,085,083	888,576	2,973,659
FIDELITY FUND			
Total Fidelity Fund	30,514	49,788	80,302
Total Board funds	2,115,597	938,364	3,053,961
COMMISSIONER			
Total Commissioner funds	5,333	–	5,333
Total Board and Commissioner funds administered	2,120,930	938,364	3,059,295
2020			
PUBLIC PURPOSE FUND			
General Account	14,698	70,993	85,691
Less: Inter Entity – due to Commissioner	(4,757)	–	(4,757)
Net General Account	9,941	70,993	80,934
Distribution Account	327	140,878	141,204
Statutory Deposit Account	577,883	1,198,904	1,776,787
Total Public Purpose Fund	588,151	1,410,775	1,998,925
FIDELITY FUND			
Total Fidelity Fund	24,021	46,748	70,769
Total Board funds	612,171	1,457,523	2,069,694
COMMISSIONER			
Total Commissioner funds	6,153	–	6,153
Total Board and Commissioner funds administered	618,324	1,457,523	2,075,847

3 FUNDING DELIVERY OF OUR SERVICES – INCOME FROM TRANSACTIONS

The Board predominantly earns interest income from Law Practice Residual Trust Accounts and Statutory Deposit Accounts, as well as investment distribution income from the investment portfolios of the Public Purpose Fund and Fidelity Fund. In addition, the Board receives income from practising certificate fees and Fidelity Fund contributions as it is responsible for the registration of all lawyers in Victoria.

All income received by the Board is generally required to be paid into the Public Purpose Fund, with the exception

of Fidelity Fund contributions which is paid into the Legal Practitioners Fidelity Fund.

Other income of the Board and Commissioner includes other interest, fines and cost recoveries.

Recognition of income

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.

3.1 Interest and distribution income

	2021 \$'000	2020 \$'000
Public Purpose Fund		
Distributions from Investments	50,109	23,872
Interest on Statutory Deposit Account	11,422	16,581
Interest on Law Practice Residual Trust accounts	3,826	11,529
Interest on Operating Accounts	178	573
Total Public Purpose Fund interest and distributions	65,535	52,554
Fidelity Fund		
Distributions from Investments	2,597	1,185
Interest on Operating Account	92	138
Total Fidelity Fund interest and distributions	2,689	1,324
Victorian Legal Services Commissioner		
Total Victorian Legal Services Commissioner	-	-
Total interest and distributions	68,224	53,878

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 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 of any applicable management fees.

Distribution income should be considered in conjunction with the 'net gains/(losses) on financial instruments arising from changes in fair value' to assess total investment returns for the year (refer to Note 9.1).

3.2 Practising certificate fees and fidelity fund contributions

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Practising certificate fees	10,071	9,601
Fidelity Fund		
Fidelity Fund contributions	2,782	2,990
Total Practising certificate fees and Fidelity Fund contributions	12,853	12,591

Practising certificate fees are prescribed by regulation under section 73 of the Act in order to engage in legal practice in Australia. The fees for an application for the grant or renewal of an Australian practising certificate are payable by practitioners where their principal place of practice is Victoria.

Fidelity Fund contributions are determined by the Board pursuant to section 128 of the Act. Practising certificate

fees are to be accompanied by a contribution to the Fidelity Fund pursuant to section 73 of the Act for certain classes of practitioners.

Practising certificate fees and Fidelity Fund contributions for the financial year 1 July 2021 to 30 June 2022 are payable prior to 30 June 2021. This income has been accounted for as income received in advance (refer to Note 6.2).

3.3 Other income

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Income from fines	15	56
Income from Commissioner – asset usage	906	876
Sundry income	23	145
Total Public Purpose Fund other income	943	1,076
Fidelity Fund		
Fidelity Fund recoveries	1	20
Total Fidelity Fund other income	1	20
Victorian Legal Services Commissioner		
Board funding to the Commissioner	8,749	9,020
Employee benefits recharged	7,486	6,738
Income from the Board – asset usage	12	8
Costs recoveries	164	123
Sundry income	12	8
Total Commissioner other income	16,423	15,897
Elimination of inter-entity income	(17,153)	(16,642)
Total other income	215	351

The Board receives income from fines and the Commissioner receives income from cost order recoveries. 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.

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.

Income for asset usage is inter-entity charges between the Commissioner and the Board for use of assets i.e. recharge of depreciation. These charges are eliminated upon consolidation.

4 COST OF DELIVERING SERVICES – EXPENSES FROM TRANSACTIONS

This section provides an account of the expenses incurred by the Board and the Commissioner in carrying out its responsibilities. The Board is responsible for regulating the legal profession in Victoria while the Commissioner is responsible for handling complaints about lawyers and educating lawyers and the community about legal issues.

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.

Recognition of expenses

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

4.1 Employee benefits

4.1.1 Employee benefits in the comprehensive operating statement

	2021	2020
	\$'000	\$'000
Victorian Legal Services Commissioner		
Salaries and wages, annual leave, long service leave	(12,081)	(11,953)
Superannuation contributions	(1,056)	(908)
Other employee on-costs and training	(815)	(822)
Termination benefits	–	(115)
Total employee benefits expense	(13,952)	(13,798)

Employee benefits expense include all costs related to employment including wages and salaries, leave entitlements, superannuation contributions, fringe benefits tax, payroll tax, WorkCover premiums, staff training and development and termination benefits.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Commissioner is demonstrably committed to 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.

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.

Employee benefits in the balance sheet are disclosed in Note 6.4.2.

4.1.2 Superannuation contributions

The amount recognised in the comprehensive operating statement is the employer contributions for members of both **defined benefit** and **defined contribution (accumulation)** superannuation plans that are paid or payable during the reporting period. The defined benefit plan provides benefits based on years of service and final average salary.

Defined benefit liabilities are not recognised by the Board and the Commissioner because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

4.2 Funding and grants expenses

Funding and grants are paid from either the Distribution Account or General Account of the Board's Public Purpose Fund (refer to Note 2.1.1) as follows:

	2021 \$'000	2020 \$'000
Public Purpose Fund		
Funding and grants allocated from the Distribution Account		
Other funding		
Victoria Legal Aid	25,789	35,039
Victorian Law Reform Commission	1,836	2,243
Victoria Law Foundation	2,425	2,500
Justice Connect	887	915
Grants		
Major grants and projects approved	1,256	910
Total funding and grants allocated from the Distribution Account	32,193	41,606
Funding allocated from the General Account		
Funding to perform functions under the Act		
Victorian Civil and Administration Tribunal – Legal Practice List	955	993
Victorian Legal Admissions Board	1,517	1,414
Other funding		
Professional association programs to the Law Institute and Victorian Bar	3,066	3,640
Law Library of Victoria	479	355
Legal Profession Uniform Framework	687	669
Total funding allocated from the General Account	6,704	7,071
Total funding and grants	38,897	48,678

Funding represents payments made to law-related entities in performing functions under the Act or other funding allowed for under the Act. Other payments are recognised in the reporting period in which they are paid or payable.

Grant expenses are discretionary contributions of the Board's resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services). Amounts granted from year to year vary depending on the level of discretionary resources available.

Grants can either be operating or capital in nature. 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.

Grant expenses are recognised in the reporting period in which they are paid or payable. All grants take the form of monetary payments.

4.3 Payments to service providers

Payments to services providers are payments to professional associations, Law Institute of Victoria and Victorian Bar, for delegated functions or provision of other services. These payments are recognised in the reporting period in which they are paid or payable.

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Recharge from the Victorian Legal Services Commissioner		
Employee benefits ⁽ⁱ⁾	7,486	6,738
Functions delegated to the Law Institute of Victoria		
Continuing professional development	239	250
Total Regulatory payments to the Law Institute of Victoria⁽ⁱ⁾	239	250
Functions delegated to the Victorian Bar		
Issuing barrister practising certificates	286	295
Total Regulatory payments to the Victorian Bar	286	295
Total payments from Public Purpose Fund	8,011	7,282
Victorian Legal Services Commissioner		
Functions delegated to the Victorian Bar		
Complaints handling	81	88
Total Regulatory payments to the Victorian Bar	81	88
Elimination of payment to the Commissioner⁽ⁱ⁾	(7,486)	(6,738)
Net payments to service providers	606	633

(i) Elimination of payments to the Commissioner are recharges of salaries from the Commissioner to the Board.

4.4 Fidelity fund claims and other expenses

	2021	2020
	\$'000	\$'000
Fidelity Fund		
Fidelity Fund claims		
Capital claims paid	1,954	837
Interest claims paid	88	25
Increase/(decrease) in claims payable	100	(11)
Cost claims paid	14	58
Total Fidelity Fund claims	2,155	910
Fidelity Fund other expenses		
Legal expenses	115	203
Consultants	38	76
Investment advice	13	13
Total Fidelity Fund operating expenses	166	292
Functions delegated to the Law Institute of Victoria		
Fidelity Fund Investigations		
Total Fidelity Fund claims and other expenses	2,321	1,202

Fidelity Fund claims for capital and interest are compensation payments to people who have lost money or property due to the dishonest or fraudulent behaviour of a lawyer, an employee of a law practice or an approved clerk. Some compensation for related costs is allowed. Fidelity Fund claims are recognised in the reporting period in which they are paid or payable, as approved by the Board.

Details relating to the calculation of the Fidelity Fund claims provisions are reported at Note 6.4.1

Fidelity Fund Other expenses are expenses incurred in administering the Fidelity Fund. Employee benefits related to administering the Fidelity Fund are included in Note 4.1.1.

4.5 Legal expenses

	2021	2020
	\$'000	\$'000
Legal expenses		
Investigations	535	764
Litigation and other legal expenses	1,057	964
External interventions	1,226	1,373
Compliance audits	43	15
Total legal expenses	2,861	3,115

Legal expenses are legal fees and associated costs incurred by the Board and the Commissioner in regulating the legal profession in Victoria and handling complaints about lawyers. Legal fees are recognised in the reporting period in which they are paid or payable.

Legal expenses of the Fidelity Fund are disclosed at Note 4.4.

4.6 Other operating expenses

	2021	2020
	\$'000	\$'000
Other operating expenses		
Information technology	972	1,175
Occupancy	350	(28)
Administration	644	861
External audit fees	74	77
Internal audit fees	70	32
Investment advice	173	168
Consultants	348	549
Other staff costs	51	69
Community and education	–	11
Total other operating expenses	2,682	2,914

Other operating expenses generally represent the day to day running costs incurred in normal operations. Operating expenses are recognised as an expense in the reporting period in which they are incurred.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases where the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

5 ASSETS AVAILABLE TO SUPPORT DELIVERY OF SERVICES

This section includes disclosures on balances of financial assets and non-financial assets that represent the resources entrusted to the Board and Commissioner.

The Board and Commissioner control plant and equipment, intangibles assets, cash balances and other assets that are utilised in conducting its activities and fulfilling its objectives.

The Board also has a portfolio of investments held under the Public Purpose Fund and Fidelity Fund that generates investment returns.

5.1 Cash balances and cash flow information

5.1.1 Reconciliation of cash and cash equivalents

CASH AND CASH EQUIVALENTS	2021	2020
	\$'000	\$'000
Public Purpose Fund		
General Account		
Cash on hand	1	1
General operating account	10,337	1,927
Practising Certificate Fees account	4,094	14,166
Deposits	20,000	–
Inter-entity balance – Fidelity Fund	(761)	(1,396)
Total General Account	33,670	14,698
Distribution Account	154	327
Statutory Deposit Account – cash trust accounts	2,055,831	577,883
Total Public Purpose Fund – cash and cash equivalents	2,089,655	592,907
Fidelity Fund		
Fidelity Fund operating account	6,126	2,793
Managed cash	24,388	21,227
Total Fidelity Fund – cash and cash equivalents	30,514	24,021
Victorian Legal Services Commissioner		
Cash on hand	0	0
Total Victorian Legal Services Commissioner	0	0
Elimination of inter-entity balances		
Inter-entity balance – Board	761	1,396
Total amounts eliminated	761	1,396
Balances per cash flow statement	2,120,930	618,324

All cash and deposits are current.

Cash and deposits, including cash equivalents, 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.

5.1.2 Reconciliation of net result for the period to net cashflows from operating activities

	2021	2020
	\$'000	\$'000
Net result for the year	110,326	(38,224)
Non-cash movements		
Depreciation	2,159	2,105
Net (gain)/loss on financial instruments	(93,460)	30,689
Net (gain)/loss on non-financial instruments	0	(6)
Other net (gain)/loss from other economic flows	533	1,486
Other non-cash movements	80	98
Movements in assets and liabilities		
(Increase)/decrease in receivables	(26,306)	3,743
(Increase)/decrease in prepayments	(323)	238
Increase/(decrease) in payables	(892)	(3,648)
Increase/(decrease) in provisions	317	(17)
Increase/(decrease) in income received in advance	1,414	222
Net cash inflow/(outflow) from operating activities	(6,150)	(3,313)

5.2 Investments and other financial assets

	2021	2020
	\$'000	\$'000
Current		
Public Purpose Fund investments		
Australian fixed interest	82,077	86,198
Global fixed interest	193,630	194,131
Diversified growth funds	138,188	127,202
Australian equities	90,327	71,145
Australian small capitalisation equities	44,675	29,673
Overseas equities – unhedged	127,749	107,876
Overseas equities – hedged	43,940	32,364
Emerging market equities	32,794	25,544
Property and infrastructure managed funds	135,196	127,642
Total Public Purpose Fund investments	888,576	801,775
Fidelity Fund investments		
Australian fixed interest	9,267	9,389
Global fixed interest	8,555	8,447
Diversified growth funds	6,993	6,365
Australian equities	9,229	7,219
Overseas equities – unhedged	6,808	5,429
Overseas equities – hedged	3,936	2,899
Total Fidelity Fund investments	44,788	39,748
Total investments	933,364	841,523
Non-current		
Public Purpose Fund other financial assets		
Term deposits – Statutory Deposit Accounts	0	600,000
Term deposits – Operating cash	0	9,000
Fidelity Fund other financial assets		
Term deposits – Operating cash	5,000	7,000
Total other financial assets	5,000	616,000
Total investments and other financial assets	938,364	1,457,523

Investments are categorised as financial assets at fair value through profit or loss and include investments in equities and managed investment schemes that are managed externally by fund managers, as recommended by independent investment advisers. Investments are held in the Public Purpose Fund and the Fidelity Fund in line with the Board's investment policy and objectives.

Other financial assets include term deposits with a maturity greater than 90 days.

Refer to Note 7.1 for information on financial instrument specific disclosures including categorisation and the nature and extent of risk arising from investments and other financial assets.

5.2.1 Ageing analysis of investments and other financial assets

Investments and other contractual financial assets are not past due and not impaired as at 30 June 2021 (and 30 June 2020).

AASB 9 introduced a new impairment (expected loss) model. The VLSB+C applies the AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Refer to table at Note 7.1.4.

5.3 PLANT AND EQUIPMENT

5.3.1 Initial recognition, subsequent measurement, impairment and revaluation

Initial recognition

Items of plant and equipment are measured initially at cost. 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.

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 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.

Right-of-use asset acquired by lessees – initial measurement

A right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

	GROSS CARRYING AMOUNT 2021	ACCUMULATED DEPRECIATION 2021	NET CARRYING AMOUNT 2021
	\$'000	\$'000	\$'000
Accommodation leasehold	4,882	(1,858)	3,024
Equipment	48	(32)	16
Total right-of-use assets	4,930	(1,890)	3,040

Subsequent measurement

Property, plant and equipment (PPE) as well as right-of-use assets under leases are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following pages by asset category. In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

Right-of-use assets are depreciated on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets are determined on the same basis as property, plant and equipment. Right-of-use assets are also subject to revaluation as required by FRD 103I. As at 30 June 2021 right-of-use assets did not require an adjustment to their values.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Impairment of non-financial assets

Non-financial physical assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

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 – included in net result', except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

5.3.2 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Leasehold improvements	351	307
Right-of-use assets	945	945
Office equipment	3	5
Computer equipment	356	391
Intangible assets	482	446
Total Public Purpose Fund depreciation and amortisation	2,138	2,094
Victorian Legal Services Commissioner		
Motor vehicles	22	11
Total Commissioner depreciation	22	11
Total depreciation and amortisation	2,159	2,105

All plant and equipment and other non-financial physical assets, with cost values exceeding \$5,000, that have finite useful lives are depreciated and intangible produced assets with finite useful lives are amortised.

Depreciation and amortisation are 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. However, leasehold improvements are depreciated

over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

CLASS OF ASSET	USEFUL LIFE	USEFUL LIFE
	2021	2020
Leasehold asset and improvements	10 years	10 years
Right-of-use assets	5 to 10 years	5 to 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

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

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).

5.3.3 Carrying values of Non-Financial Assets

The **carrying value** of plant and equipment is the historical cost of the asset, less accumulated depreciation and any impairment.

PUBLIC ADMINISTRATION	2021	2020
	\$'000	\$'000
Computer equipment		
Historical Cost	1,986	1,920
Less: accumulated depreciation	(1,706)	(1,350)
Net carrying amount – Computer equipment	280	570
Office equipment		
Historical Cost	44	44
Less: accumulated depreciation	(39)	(37)
Net carrying amount – Office equipment	5	7
Right-of-use assets		
Historical Cost	4,930	4,930
Less: accumulated depreciation	(1,890)	(945)
Net carrying amount – Right-of-use assets⁽ⁱ⁾	3,040	3,985
Leasehold improvements		
Historical Cost	3,083	2,988
Less: accumulated depreciation	(1,913)	(1,562)
Net carrying amount – Leasehold improvements	1,171	1,426
Office furniture and fittings		
Historical Cost	31	31
Less: accumulated depreciation	(31)	(31)
Net carrying amount – Office furniture and fittings	0	0
Motor vehicles		
Historical Cost	133	48
Less: accumulated depreciation	(27)	(5)
Net carrying amount – Motor vehicles	106	43
Total net carrying amount – Plant and equipment	4,601	6,032
Assets in progress		
Computer equipment	–	–
Total plant and equipment	4,601	6,032

All balances are non-current.

(i) AASB 16 Leases has been applied for the first time from 1 July 2019.

5.4 Receivables

5.4.1 Statutory and contractual receivables

	NOTE	2021 \$'000	2020 \$'000
Public Purpose Fund			
Contractual receivables			
Trade receivables		101	97
Provision for impairment of receivables	5.4.2	(69)	(72)
Accrued investment distributions		40,052	13,447
Accrued interest – Residual Trust Accounts		335	52
Accrued interest – Statutory Deposit Accounts		1,247	237
Accrued other interest and income		34	2,890
Total contractual receivables		41,699	16,651
Statutory receivables			
GST recoverable		108	157
Total statutory receivables		108	157
Total Public Purpose Fund receivables		41,808	16,808
Fidelity Fund			
Contractual receivables			
Accrued investment distributions		1,668	500
Accrued interest		4	26
Total contractual receivables		1,671	525
Statutory Receivables			
Total statutory receivables		-	-
Total Fidelity Fund receivables		1,671	525
Victorian Legal Services Commissioner			
Contractual receivables			
Trade receivables		899	774
Provision for impairment of receivables	5.4.2	(439)	(408)
Accrued other income		3	-
Total contractual receivables		463	366
Statutory Receivables			
Total statutory receivables		-	-
Total Commissioner receivables		463	366
Total receivables		43,942	17,700

All receivables are current.

Receivables consist of:

- **Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost', e.g. debtors in relation to goods and services. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

- **Statutory receivables** are accounted for in accordance with AASB 9, as if they are financial assets when statutory requirements establish a right to receive cash or another financial asset as a result of a past event. Therefore, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs.

Further information on the nature and extent of risks arising from contractual and statutory receivables is in Note 7.1.

5.4.2 Movement in the provision for impairment of receivables

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

	2021	2020
	\$'000	\$'000
Balance at beginning of the year	479	551
Increase in provision recognised in the net result	29	64
Receivables written off during the year as uncollectable	–	(136)
Balance of provision for impairment of receivables at 30 June	508	479

Bad and doubtful debts

Receivables are assessed for expected credit loss. A provision for loss allowance is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

The AASB 9 simplified approach has been applied for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

Bad debts written off are classified as a transaction expense. Bad debts not written off, but included in the provision for credit loss allowance, are classified as 'other economic flows in the net result'.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts when there is objective evidence that an individual receivable is impaired.

5.4.3 Ageing analysis of contractual receivables

2021	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	
Contractual receivables						
Accrued investment distributions	41,719	41,719	–	–	–	–
Accrued interest – Residual Trust Accounts	335	335	–	–	–	–
Accrued interest – Statutory Deposit Account	1,247	1,247	–	–	–	–
Trade receivables – Board	32	–	–	2	99	(69)
Trade receivables – Commissioner	460	15	–	13	871	(439)
Accrued other income	37	37	–	–	–	–
Total receivables	43,830	43,354	–	15	970	(508)
2020						
Contractual receivables						
Accrued investment distributions	13,946	13,946	–	–	–	–
Accrued interest – Residual Trust Account	52	52	–	–	–	–
Accrued interest – Statutory Deposit Account	237	237	–	–	–	–
Trade receivables – Board	25	5	–	–	92	(72)
Trade receivables – Commissioner	366	5	–	3	766	(408)
Accrued other Income	2,916	2,916	–	–	–	–
Total receivables	17,543	17,161	–	3	858	(479)

General terms of receivables are outlined below:

- Investment distributions are generally received from managed investment schemes within 30 days of the distribution date determined by fund managers.
- Interest from Residual Trust Accounts and Statutory Deposit Accounts are received from the banks on a monthly basis generally within 30 days of the interest period ending.
- Income from fines and cost recoveries are payable within 14 days of the invoice date and are generally received within this period.

Currently the Board or Commissioner does not hold any collateral as security nor credit enhancements relating to any of the 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 generally are stated at the carrying amounts as indicated.

6 LIABILITIES

6.1 Statutory deposit account balances

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Current		
Bank – Statutory Deposit Account	2,674,735	1,776,787
Total Statutory Deposit Account balances	2,674,735	1,776,787

Each law practice or approved clerk with Trust Accounts has an individual Statutory Deposit Account (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 2.1.1 for further detail on the SDA.

Accounts held by the Board in individual law practices names totalled and were represented by the following investments:

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Cash trust accounts	2,055,831	577,883
Deposits	20,000	600,000
Australian fixed interest	57,632	57,632
Global fixed interest	151,300	151,300
Diversified growth funds	97,349	97,349
Australian equities	43,794	43,794
Australian small capitalisation equities	20,000	20,000
Overseas equities – unhedged	78,850	78,850
Overseas equities – hedged	19,262	19,262
Emerging market equities	20,000	20,000
Property and infrastructure managed funds	110,717	110,717
Total Statutory Deposit Account balances	2,674,735	1,776,787

6.2 Income received in advance

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Practising certificate fees	11,198	9,858
Fidelity Fund		
Fidelity Fund contributions	2,413	2,299
Total income received in advance	13,611	12,157

Income received in advance (contract liability under AASB 15) includes practising certificate fees and Fidelity Fund contributions for the financial year 1 July 2021 to 30 June 2022 that are payable prior to 30 June 2021.

6.3 Payables

6.3.1 Contractual and statutory payables

	2021 \$'000	2020 \$'000
Current payables		
Public Purpose Fund		
Contractual payables and accrued expenses	2,487	1,320
Major grants and projects	2,269	4,187
Total Public Purpose Fund current payables	4,756	5,508
Fidelity Fund		
Contractual payables and accrued expenses	110	50
Total Fidelity Fund current payables	110	50
Victorian Legal Services Commissioner		
Contractual payables and accrued expenses	325	369
Disputed costs	-	-
Total Commissioner current payables	325	369
Non-current payables		
Public Purpose Fund		
Major grants and projects	20	280
Total non-current payables Public Purpose Fund	20	280
Total payables	5,211	6,207

Payables consist of:

Contractual payables (such as accounts payable) are classified as financial instruments and measured at amortised cost. 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) 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.

Major grants and projects includes the Board's liability for grants in respect of grants approved during the financial year ended 30 June 2021 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.

6.3.2 Maturity analysis of contractual liabilities

2021	CARRYING AMOUNT \$'000	NOMINAL AMOUNT \$'000	Maturity dates			
			LESS THAN 1 MONTH \$'000	1-3 MONTHS \$'000	3 MONTHS – 1 YEAR \$'000	1-5 YEARS \$'000
			Contractual payables			
Contractual payables and accrued expenses – Public Purpose Fund	2,487	2,487	2,487	–	–	–
Contractual payables and accrued expenses – Fidelity Fund	110	110	110	–	–	–
Contractual payables and accrued expenses – Victorian Legal Services Commissioner	325	325	325	–	–	–
Major grants and projects	2,289	2,289	–	–	2,269	20
Statutory Deposit Account balances	2,674,735	2,674,735	2,674,735	–	–	–
Total	2,679,945	2,679,945	2,677,657	–	2,269	20
2020						
Contractual payables						
Contractual payables and accrued expenses – Public Purpose Fund	1,320	1,320	1,320	–	–	–
Contractual payables and accrued expenses – Fidelity Fund	50	50	50	–	–	–
Contractual payables and accrued expenses – Victorian Legal Services Commissioner	369	369	369	–	–	–
Major grants and projects	4,467	4,467	–	–	4,187	280
Statutory Deposit Account balances	1,776,787	1,776,787	1,776,787	–	–	–
Total	1,782,994	1,782,994	1,778,526	–	4,187	280

Payables for supplies and services have an average credit period of 30 days. The terms and conditions of amounts payable for other liabilities vary according to the particular agreements.

Further information on the nature and extent of risks arising from contractual payables is disclosed in Note 7.1.

6.3.3 Lease liabilities

	2021 \$'000	2020 \$'000
Current lease liabilities		
VicFleet vehicle lease	106	43
Accommodation lease	872	833
Multi-function devices lease	16	16
Total current lease liabilities	994	892
Non-current lease liabilities		
Accommodation lease	2,361	3,255
Multi-function devices lease	0	16
Total non-current lease liabilities	2,361	3,271
Total Lease liabilities	3,355	4,163

6.4 Provisions

	NOTE	2021 \$'000	2020 \$'000
Current provisions			
Fidelity Fund claims provision			
Fidelity Fund current provision for claims lodged and anticipated	6.4.1	4,930	3,300
Total current Fidelity Fund claims provision		4,930	3,300
Employee benefits provisions			
Annual leave			
Unconditional and expected to be settled within 12 months		693	562
Unconditional and expected to be settled after 12 months		326	209
Long service leave			
Unconditional and expected to be settled within 12 months		102	78
Unconditional and expected to be settled after 12 months		1,257	1,382
Employee on-costs			
Unconditional and expected to be settled within 12 months		147	121
Unconditional and expected to be settled after 12 months		267	256
Total current employee benefits provisions		2,792	2,608
Total current provisions		7,722	5,908
Non-current provisions			
Fidelity Fund non-current provision for claims lodged and anticipated	6.4.1	10,440	11,450
Employee benefits		259	221
Employee on-costs		42	34
Total non-current provisions		10,741	11,705
Total provisions		18,463	17,613

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.

6.4.1 Fidelity Fund claims provision

The Board appoints actuaries to independently assess the liability of the Legal Practitioners Fidelity Fund. The Board has recognised a provision for Fidelity Fund liabilities based on the actuarial assessment.

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

IBNL claims 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.

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	2021	2020
Later than one year discount rate ⁽ⁱ⁾	0.27%	0.47%

(i) The discount rate shown above for the discounting of the outstanding defalcations liability as at 30 June 2021 is a term structure of rates based on current yields for medium term dated Commonwealth Government bonds.

Estimated outstanding defalcation liability as at 30 June 2021 and 30 June 2020

	2021	2020
	\$'000	\$'000
Undiscounted liability of lodged claims	5,780	3,400
Plus: Estimated liability for claims incurred but not lodged	4,570	6,620
Estimated undiscounted liability for incurred defalcations	10,350	10,020
Plus/(minus) adjustments		
Less: Discounted to net present value	(70)	(150)
Plus: Internal management expenditure	1,540	1,480
Plus: Risk margin (30%) (2020: 30%)	3,550	3,400
Plus: Allowance for large claim dispute settlement	-	-
Net provision per actuarial report	15,370	14,750
Plus: Allowance for specific legal case	-	-
Net provision including allowance for costs	15,370	14,750

Movements in Fidelity Fund claims provision

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

	2021	2020
	\$'000	\$'000
Opening balance	14,750	13,340
Additions/(reductions) in provisions recognised	620	1,410
Closing balance	15,370	14,750

6.4.2 Employee benefits provision in the balance sheet

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 and recorded as an expense during the period the services are delivered. Further information on employee benefits in the comprehensive operating statement is disclosed in Note 4.1.1.

Employee benefits provisions

	2021	2020
	\$'000	\$'000
Current employee benefits		
Annual leave entitlements	1,019	771
Long service leave entitlements	1,359	1,460
Total current employee benefits	2,378	2,231
Non-current employee benefits		
Long service leave entitlements	259	221
Total non-current employee benefits	259	221
Total employee benefits	2,637	2,451
Employee on-costs		
Current on-costs	414	377
Non-current on-costs	42	34
Total on-costs	456	412
Total employee benefits and related on-costs	3,093	2,863

Reconciliation of movement in employee on-costs provision

	2020	2019
	\$'000	\$'000
Opening balance	412	400
Unwind of discount and effect of changes in the discount rate	(33)	(33)
Additional provisions recognised	78	44
Closing balance	456	412

Salaries and wages and annual leave

Liabilities for salaries and wages (including non-monetary benefits and annual leave) are recognised as part of the provision for employee benefits as 'current liabilities', because the Board and the Commissioner does not have an unconditional right to defer settlement of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Board and the Commissioner expect the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Board and Commissioner does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Long service leave

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

Unconditional LSL is disclosed 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:

- undiscounted value – if the Board or Commissioner expects to settle within 12 months; and
- present value – if the Board or 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 to Note 9.1.3).

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 on-costs

Employee on-costs such as payroll tax, workers compensation and superannuation are disclosed separately from the provision for leave entitlements when the employment to which they relate has occurred.

Superannuation

Employees of the VLSB+C are entitled to receive superannuation benefits and the VLSB+C contributes to defined contribution plans. Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement.

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

7 FINANCIAL RISKS AND VALUATION JUDGEMENTS

The Board and Commissioner are exposed to risk from its activities and outside factors. In certain circumstances it is necessary to make reasonable judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out specific information on financial instruments (including exposure to financial risks), items that are contingent in nature and valuation judgements associated with fair valuation determination.

7.1 Financial instruments specific disclosures

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 and Commissioner's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Movements in the fair value of financial instruments will continue to be accounted for through net result (profit and loss).

7.1.1 Categories of financial instruments

Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the organisation to collect the contractual cash flows: and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Board and Commissioner recognise the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities

Financial assets and liabilities at fair value through profit and loss are categorised as such at trade date, or 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. The Board recognises investments in equities and managed investment schemes in this category.

Financial instrument liabilities at amortised cost 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 (excluding statutory payables), deposits held and advances received, and interest-bearing arrangements (including finance lease liabilities) other than those designated at fair value through profit or loss.

7.1.2 Derecognition, impairment and reclassification of financial instruments

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:
 - has transferred substantially all the risks and rewards of the asset, or
 - 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.

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.

7.1.3 Financial instruments categorisation

The carrying amounts of contractual financial assets and financial liabilities are disclosed below with loans between the Board and the Commissioner eliminated:

Financial instruments categorisation for the year ended 30 June 2021

2021	CONTRACTUAL FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT/LOSS \$'000	CONTRACTUAL FINANCIAL ASSETS AT AMORTISED COST \$'000	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	–	2,120,930	–	2,120,930
Receivables				
Trade receivables – Board	–	32	–	32
Trade receivables – Commissioner	–	460	–	460
Accrued investment distributions	–	41,719	–	41,719
Accrued interest – Residual Trust Account	–	335	–	335
Accrued interest – Statutory Deposit Account	–	1,247	–	1,247
Accrued other interest and income	–	41	–	41
Total receivables	–	43,834	–	43,834
Investments and other contractual financial assets				
Managed investment schemes	933,364	–	–	933,364
Term deposits – operating cash	–	5,000	–	5,000
Total investments and other financial assets	933,364	5,000	–	938,364
Total contractual financial assets	933,364	2,169,764	–	3,103,128
CONTRACTUAL FINANCIAL LIABILITIES				
Payables				
Contractual payables and accrued expenses	–	–	2,922	2,922
Major grants, projects and lease incentive	–	–	2,289	2,289
Total payables	–	–	5,210	5,210
Borrowings and deposits at call				
Lease liabilities	–	–	3,355	3,355
Statutory Deposit Account balances	–	–	2,674,735	2,674,735
Total borrowings and deposits at call	–	–	2,678,090	2,678,090
Total contractual financial liabilities	–	–	2,683,300	2,683,300

Financial instruments categorisation for the year ended 30 June 2020

2020	CONTRACTUAL FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT/LOSS \$'000	CONTRACTUAL FINANCIAL ASSETS – LOANS AND RECEIVABLES HELD TO MATURITY \$'000	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and cash equivalents	–	618,324	–	618,324
Receivables				
Trade receivables – Board	–	25	–	25
Trade receivables – Commissioner	–	366	–	366
Accrued investment distributions	–	13,946	–	13,946
Accrued interest – Residual Trust Account	–	52	–	52
Accrued interest – Statutory Deposit Account	–	237	–	237
Accrued other interest and income	–	2,890	–	2,890
Total receivables	–	17,517	–	17,517
Investments and other contractual financial assets				
Managed investment schemes	841,523	–	–	841,523
Term deposits – Statutory Deposit Account	–	600,000	–	600,000
Term deposits – operating cash	–	16,000	–	16,000
Total investments and other financial assets	841,523	616,000	–	1,457,523
Total contractual financial assets	841,523	1,251,841	–	2,093,364
CONTRACTUAL FINANCIAL LIABILITIES				
Payables				
Contractual payables and accrued expenses	–	–	1,739	1,739
Major grants and projects	–	–	4,467	4,467
Disputed costs	–	–	–	–
Total payables	–	–	6,207	6,206
Borrowings and deposits at call				
Lease liabilities	–	–	4,163	4,163
Statutory Deposit Account balances	–	–	1,776,787	1,776,787
Total borrowings and deposits at call	–	–	1,780,950	1,780,950
Total contractual financial liabilities	–	–	1,787,156	1,787,156

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

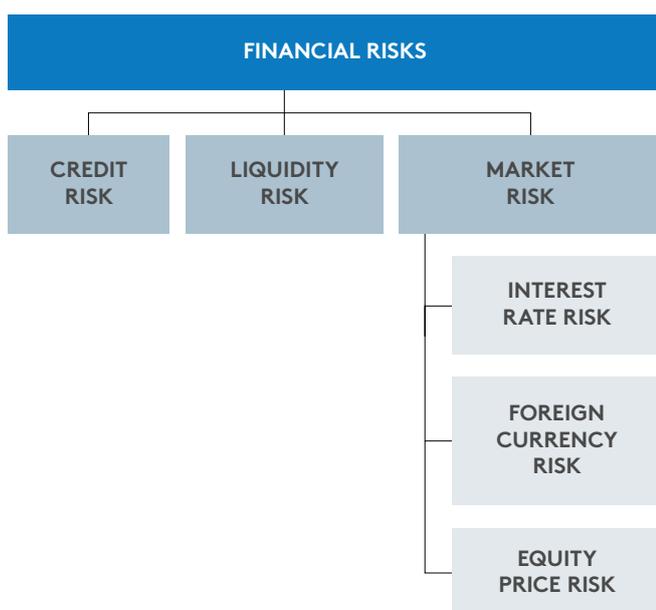
2021	NET HOLDING GAIN/(LOSS)	TOTAL DISTRIBUTION INCOME	TOTAL
	\$'000	\$'000	\$'000
Financial assets at fair value through profit/loss	93,460	52,803	146,262
Total contractual financial assets	93,460	52,803	146,262
2020			
Financial assets designated at fair value through profit/loss	(30,689)	25,057	(5,632)
Total contractual financial assets	(30,689)	25,057	(5,632)

7.1.4 Financial risk management objectives and policies

The Board and Commissioner's principal financial instruments comprise:

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

The Board and Commissioner's main financial risks include credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and equity price risk). The Board and Commissioner manage 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.



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

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 the relevant notes to the financial statements.

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. 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 the Board or 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 Commonwealth Bank of Australia holds the majority of financial assets. 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. Investments are regularly monitored by management and an external investment adviser 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 include 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

2021	CREDIT RATING									
	AA-	A				B+			OTHER	TOTAL
	\$'000	A	A (P)	A (T)	A (W)	B+	B+ (T)	B+ (W)		
Cash and cash equivalents	2,096,542	24,388	–	–	–	–	–	–	1	2,120,930
Receivables ⁽ⁱ⁾	1,619	–	–	–	–	–	–	40,052	2,163	43,834
Investments and other financial assets	5,000	495,296	96,045	94,055	–	206,600	–	17,371	23,997	938,364
Total contractual financial assets	2,103,161	519,684	96,045	94,055	–	206,600	–	57,423	26,162	3,103,129
2020										
Cash and cash equivalents	597,096	21,227	–	–	–	–	–	–	1	618,324
Receivables ⁽ⁱ⁾	3,205	500	–	–	–	–	–	13,447	392	17,543
Investments and other financial assets	616,000	422,708	97,973	82,649	–	169,688	29,565	16,464	22,476	1,457,523
Total contractual financial assets	1,216,301	444,436	97,973	82,649	–	169,688	29,565	29,911	22,868	2,093,391

(i) Amounts disclosed exclude statutory financial assets.

Impairment of financial assets under AASB 9

Consistent with AASB 9, the allowance for expected credit loss approach is applied to the relevant financial instruments. Subject to AASB 9, impairment assessment includes contractual receivables and statutory receivables.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, no impairment loss was identified.

Contractual receivables at amortised cost

A simplified approach is applied for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

2021	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	OVER 3 MONTHS	TOTAL
Expected loss rate (%)	55%	0%	65%	51%	
Gross carrying amount of contractual receivables (\$'000)	15	–	15	970	1,000
Loss allowance (\$'000)	8	–	10	491	508
2020	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	OVER 3 MONTHS	TOTAL
Expected loss rate (%)	73%	0%	60%	55%	
Gross carrying amount of contractual receivables (\$'000)	10	–	3	858	871
Loss allowance (\$'000)	7	–	2	470	479

Statutory receivables at amortised cost

Non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

RATINGS GUIDE:

RATING	RATINGS AGENCY	EXPLANATION
AA-	S&P	High grade
A	Mercer	Above average prospects of outperformance
B+	Mercer	Above average prospects of outperformance but there are other strategies in which Mercer has greater conviction that outperformance will be achieved and/or more evidence required to support assessment
B	Mercer	Average prospects of outperformance
C	Mercer	Below average prospects of outperformance
N	Mercer	Not rated
R	Mercer	Early stage research or research no longer maintained
(P)	Mercer	Provisional – there are issues/developments currently impacting the strategy/product creating uncertainty
(T)	Mercer	High level active risk (tracking error) relative to benchmark index
(W)	Mercer	Under watch – level of uncertainty about the ratings
Other	-	Credit rating not applicable

(i) Mercer ratings are designed to identify the quality of investment strategies.

Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as 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 on the face of the balance sheet. The Board and 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 periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments held at fair value through net result (profit or loss).

The carrying amount of contractual financial liabilities detailed in the table of 'fair value of financial instruments measured at amortised cost' under Note 7.2.2 represents the Board and the Commissioner's maximum exposure to liquidity risk.

Market risk

The Board is exposed to market risk which includes interest rate risk, equity price risk and foreign currency risk. The Commissioner is exposed to interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below:

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 through managed investment schemes.

The Board also has significant exposure to cash flow interest rate risk through its cash, term deposits and deposits that are at floating rates. Interest rate sensitivity analysis in the following section illustrates the potential impact of a 25 basis points movement on the Board's revenue.

The Board manages this interest rate risk through:

- a diversified asset allocation strategy;
- 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 2021 and 2020 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 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.

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2021

2021	INTEREST RATE EXPOSURE				
	WEIGHTED AVERAGE INTEREST RATE %	CARRYING AMOUNT \$'000	FIXED INTEREST RATE \$'000	VARIABLE INTEREST RATE \$'000	NON-INTEREST BEARING \$'000
Financial assets⁽ⁱ⁾					
Cash and cash equivalents	0.65%	2,120,930	–	2,120,930	–
Receivables					
Trade receivables – Public Purpose Fund		32	–	–	32
Trade receivables – Victorian Legal Services Commissioner		460	–	–	460
Accrued investment distributions		41,719	–	–	41,719
Accrued interest – Residual Trust Account		335	–	–	335
Accrued interest – Statutory Deposit Account		1,247	–	–	1,247
Accrued other income		41	–	–	41
Investments and other contractual financial assets					
Managed investment schemes	17.76%	933,364	246,268	–	687,096
Term deposits – operating cash	0.34%	5,000	–	5,000	–
Total financial assets		3,103,127	246,268	2,125,930	730,929
Financial liabilities⁽ⁱ⁾					
Payables					
Payables and accrued expenses		2,922	–	–	2,922
Major grants and projects		2,289	–	–	2,289
Borrowings and deposits					
Lease liabilities	2.44%	3,355	3,355	–	–
Statutory Deposit Account balances		2,674,735	–	–	2,674,735
Total financial liabilities		2,683,300	3,355	–	2,679,945

(i) Excludes statutory financial assets and liabilities.

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS FOR THE YEAR ENDED 30 JUNE 2020

2020	INTEREST RATE EXPOSURE				
	Weighted average interest rate ⁽ⁱ⁾	CARRYING AMOUNT	FIXED INTEREST RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING
	%	\$'000	\$'000	\$'000	\$'000
Financial assets⁽ⁱ⁾					
Cash and cash equivalents	1.16%	618,324	–	618,324	–
Receivables					
Trade receivables – Public Purpose Fund		25	–	–	25
Trade receivables – Victorian Legal Services Commissioner		366	–	–	366
Accrued investment distributions		13,946	–	–	13,946
Accrued interest – Residual Trust Account		52	–	–	52
Accrued interest – Statutory Deposit Account		237	–	–	237
Accrued other income		2,890	–	–	2,890
Investments and other contractual financial assets					
Managed investment schemes	2.26%	841,523	189,230	–	652,293
Term deposits – Statutory Deposit Accounts	2.01%	600,000	–	600,000	–
Term deposits – operating cash	1.49%	7,000	–	7,000	–
Total financial assets		2,084,364	189,230	1,225,324	669,809
Financial liabilities⁽ⁱ⁾					
Payables					
Payables and accrued expenses		1,739	–	–	1,739
Major grants, projects and lease incentives		4,467	–	–	4,467
Borrowings and deposits					
Finance lease liabilities	2.44%	4,163	4,163	–	–
Statutory Deposit Account balances		1,776,787	–	–	1,776,787
Total financial liabilities		1,787,156	4,163	–	1,782,993

(i) Excludes statutory financial assets and liabilities.

Interest rate sensitivity analysis

The Board and Commissioner's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-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.

A movement in market interest rates (AUD), up or down, is not expected over the next 12 months. However, sensitivity analysis is presented in the table below for a movement of 10 basis points up and down (2020: 25 down and 0 up).

The impact on the Board and Commissioner'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:

	CARRYING AMOUNT \$'000	INTEREST RATE RISK			
		-10 BASIS POINTS (2020: -25 BASIS POINTS)		+10 BASIS POINTS (2020: +0 BASIS POINTS)	
		NET RESULT \$'000	EQUITY \$'000	NET RESULT \$'000	EQUITY \$'000
Contractual financial assets					
Cash and cash equivalents ⁽ⁱ⁾	2,120,930	(2,121)	(2,121)	2,121	2,121
Term deposits – Statutory Deposit Account ⁽ⁱⁱ⁾	–	–	–	–	–
Term deposits – operating cash	5,000	(5)	(5)	5	5
Investments	933,364	–	–	–	–
Total impact		(2,126)	(2,126)	2,126	2,126
2020					
Contractual financial assets					
Cash and cash equivalents ⁽ⁱ⁾	618,324	(1,546)	(1,546)	–	–
Term deposits – Statutory Deposit Account ⁽ⁱⁱ⁾	600,000	(1,500)	(1,500)	–	–
Term deposits – operating cash	7,000	(18)	(18)	–	–
Investments	841,523	–	–	–	–
Total impact		(3,063)	(3,063)	–	–

(i) Cash and cash equivalents includes cash and deposits of \$2.12bn (2020: \$618.3m) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2021: \$2.12bn x (-)/+0.10% = (-)/+\$2.12m; and
- 2020: \$618.3m x (-)0.25% = (\$1.55m).

(ii) Term deposits – at 30 June 2021 there are no term deposits that are exposed to floating rates movements (2020: \$600.0m). Sensitivities to these movements are calculated as follows:

- 2021: \$0.00 x (-)0.10% = (-)/+(\$0.00); and
- 2020: \$600.0m x (-)0.25% = (\$1.5m).

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

Residual Trust accounts

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 2021 was \$3.83m (2020: \$11.53m). Based on a rolling average balance in Residual Trust Funds as at 30 June 2021 of \$3.42b (2020: \$2.87b), a 10 basis point movement would impact the revenue attributable to the Board by \$3.42m (2020: \$7.16m with 25 basis point in June 2020).

Equity price risk

Exposure to equity 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 is exposed to equity price risk through its investments in listed and unlisted managed investment schemes (the Commissioner does not hold investments in managed investment schemes). Such investments are allocated and traded to match the approved investment objectives appropriate for the Board's liabilities.

The Board oversees the management of equity price risk throughout the year. The Board's objective of managing other price risk is to minimise negative impacts on investment value due to the volatility of financial markets.

The Board has appointed Mercer as its external, independent investment managers 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.

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.

Equity price risk sensitivity analysis

Mercer estimates that movements in equity price risk will be from negative 20% to positive 20% in the next 12 months. Management does not believe that it is possible to reasonably estimate the variables used further than for 12 months.

2021	EQUITY PRICE RISK				
	CARRYING AMOUNT	-20%		+20%	
		NET RESULT	EQUITY	NET RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Investments at fair value through profit or loss ⁽ⁱ⁾	933,364	(186,673)	(186,673)	186,673	186,673
Total impact		(186,673)	(186,673)	186,673	186,673
2020					
Financial assets					
Investments at fair value through profit or loss ⁽ⁱ⁾	841,523	(168,305)	(168,305)	168,305	168,305
Total impact		(168,305)	(168,305)	168,305	168,305

(i) Investments of \$933.4m (2020: \$841.2m) are exposed to equity price movements. Sensitivities to these movements are calculated as follows:

- 2021: \$933.4m x -20% = (\$186.7m); and \$933.4m x 20% = \$186.7m; and
- 2020: \$841.2m x -20% = (\$168.3m); and \$841.2m x 20% = \$168.3m.

Foreign currency risk

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

- Global equities;
- Global fixed interest; and
- Emerging markets.

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

The Board's exposure to foreign currency risk is in accordance with the Board's agreed investment strategy which also sets target investment allocations for investment types as outlined below:

- The investment policy is to invest 25% of all global equities in a fully hedged investment product and 75% in an unhedged investment product for the Public Purpose Fund, and 50% of all global equities in a fully hedged investment product and 50% in an unhedged investment product for the Fidelity Fund.
- The target investment allocation is to invest between 0% and 30% for the Public Purpose Fund and between 10% and 30% for the Fidelity Fund of the total investments in global equities. Investments in global equities are \$182.43m as at 30 June 2021 compared with \$148.57m for prior year.

- The target investment allocation for global fixed interest funds is to invest between 0% and 30% of the Public Purpose Fund and 10% and 20% of the Fidelity Fund in those funds. Investments in global fixed interest funds as at 30 June 2021 is \$202.19m compared with \$202.58m in the prior period.
- The target investment allocation for emerging markets funds is to invest between 0% and 10% of the Public Purpose Fund in those funds. Investments in emerging markets funds as at 30 June 2021 is \$32.79m compared with \$25.54m in the prior period.

All investments 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.

Foreign currency risk sensitivity

The Board's management has estimated according to past performance and future expectations that movements in foreign currency will be from negative 10% to positive 15% in the next 12 months. The Board's management does not believe that it is possible to reasonably estimate the variables used further than for 12 months.

2021	FOREIGN CURRENCY RISK				
	CARRYING AMOUNT	-10%		+15%	
		NET RESULT	EQUITY	NET RESULT	EQUITY
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Investments at fair value through profit or loss ⁽ⁱ⁾	933,364	(36,954)	(36,954)	55,430	55,430
Total impact		(36,954)	(36,954)	55,430	55,430
2020					
Financial assets					
Investments at fair value through profit or loss ⁽ⁱ⁾	841,523	(34,143)	(34,143)	34,143	34,143
Total impact		(34,143)	(34,143)	34,143	34,143

(i) Investments include unhedged global equities, global fixed interest and emerging market investments of \$369.5m (2020: \$341.4m) that are exposed to foreign currency movements. Sensitivities to these movements are calculated as follows:

- 2021: \$369.5m x -10% = (\$37.0m); and \$369.5m x 15% = \$55.4m; and
- 2020: \$341.4m x -10% = (\$34.1m); and \$341.4m x 10% = \$34.1m.

7.2 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Board and Commissioner.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result.

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

The Board and Commissioner determine the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

7.2.1 Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The three levels of the fair value hierarchy and fair value determination are 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 (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – the fair value is determined using inputs other than quoted prices for which the lowest level input that is significant to fair value measurement is directly or indirectly observable for the financial asset or liability; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. Fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using observable market inputs.

The Board and Commissioner determine 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.

7.2.2 Fair value determination of financial instruments

The Board and Commissioner 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 reporting period. These financial instruments include:

FINANCIAL ASSETS	FINANCIAL LIABILITIES
<p>Cash and deposits</p> <p>Receivables</p> <ul style="list-style-type: none"> • Sale of goods and services • Accrued investment income • Other receivables <p>Investments and other contractual financial assets</p> <ul style="list-style-type: none"> • Term deposits • Investments at fair value through profit or loss 	<p>Payables</p> <ul style="list-style-type: none"> • For supplies and services • Amounts payable to government and agencies • Other payables • Statutory Deposit Account Balances • Lease liability

Fair value of financial instruments

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

	2021		2020	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	\$'000	\$'000	\$'000	\$'000
Contractual financial assets				
Cash and cash equivalents	2,120,930	2,120,930	618,324	618,324
Receivables				
Accrued investment distributions	41,719	41,719	13,946	13,946
Accrued interest – Residual Trust Account	335	335	52	52
Accrued interest – Statutory Deposit Account	1,247	1,247	237	237
Trade receivables – Public Purpose Fund	32	32	25	25
Trade receivables – Commissioner	460	460	366	366
Accrued other interest and income	41	41	2,890	2,890
Total receivables ⁽ⁱ⁾	43,833	43,833	17,517	17,517
Investments and other contractual financial assets				
Investments at fair value through profit or loss held for trading	933,364	933,364	841,523	841,523
Term deposits – Statutory Deposit Accounts	–	–	600,000	600,000
Term deposits – operating cash	5,000	5,000	16,000	16,000
Investments and other financial assets	938,364	938,364	1,457,523	1,457,523
Total contractual financial assets	3,103,128	3,103,128	2,093,364	2,093,364
Contractual financial liabilities				
Payables				
Contractual payables and accrued expenses – Public Purpose Fund	2,487	2,487	1,320	1,320
Contractual payables and accrued expenses – Fidelity Fund	110	110	50	50
Contractual payables and accrued expenses – Commissioner	325	325	369	369
Major grants and projects	2,289	2,289	4,467	4,467
Total payables	5,211	5,211	6,207	6,207
Borrowings and deposits at call				
Lease liabilities	3,355	3,355	4,163	4,163
Statutory Deposit Account balances	2,674,735	2,674,735	1,776,787	1,776,787
Total borrowings and deposits at call	2,678,090	2,678,090	1,780,950	1,780,950
Total contractual financial liabilities	2,683,300	2,683,300	1,787,157	1,787,157

(i) Excludes GST recoverable

FINANCIAL ASSETS MEASURED AT FAIR VALUE

2021	CARRYING AMOUNT \$'000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1	LEVEL 2 ⁽ⁱ⁾	LEVEL 3
		\$'000	\$'000	\$'000
Investments at fair value through profit or loss	933,364	798,169	135,196	–
Total	933,364	798,169	135,196	–

2020	CARRYING AMOUNT \$'000	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1	LEVEL 2 ⁽ⁱ⁾	LEVEL 3
		\$'000	\$'000	\$'000
Investments at fair value through profit or loss ⁽ⁱⁱ⁾	841,523	713,882	127,642	–
Total	841,523	713,882	127,642	–

(i) Level 2 assets relate to unlisted property and infrastructure fund holdings.

(ii) Prior year figures have been restated due to reclassification of unlisted infrastructure fund holdings.

7.2.3 Fair value determination of non-financial assets

Capitalised plant and equipment, including right-of-use assets, of \$4.60m at 30 June 2021 (2020: \$6.03m) is measured at level 3 of the fair value hierarchy. There have been no transfers between levels during the period.

Motor vehicles are valued using the depreciated replacement cost method.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2021. For all assets measured at fair value, the current use is considered the highest and best use.

8 RESPONSIBLE PERSONS, REMUNERATION AND RELATED PARTIES

8.1 Responsible persons

In accordance with the Standing Directions 2018 under the Financial Management Act 1994 (FMA), the following disclosures are made regarding responsible persons for the reporting period.

8.1.1 Names of responsible persons

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. Jill Hennessy MP	1 July 2020 to 16 December 2020
	The Hon. Jaclyn Symes MP	22 December 2020 to 30 June 2021
Acting Attorney-General	The Hon. Daniel Andrews, MP	17 December 2020 to 21 December 2020
	The Hon. Martin Pakula, MP	11 January 2021 to 26 January 2021
Accountable Officer	Ms Fiona McLeay	1 July 2020 to 30 June 2021
Chairperson	Ms Fiona Bennett	1 July 2020 to 30 June 2021
Board Member	Ms Jennifer Batrouney AM QC	1 July 2020 to 30 June 2021
Board Member	Mr Geoff Bowyer	1 July 2020 to 30 June 2021
Board Member	Ms Liz Harris	1 July 2020 to 30 June 2021
Board Member	Dr Lynne Williams AM	1 July 2020 to 30 June 2021
Board Member	Ms Catherine Wolthuizen	1 July 2020 to 30 June 2021
Board Member	Ms Catherine Wood AM	1 July 2020 to 31 July 2020
Board Member	Mr Ian Silk	15 September 2020 to 30 June 2021

8.1.2 Remuneration of responsible persons

Remuneration received or receivable by the Responsible Persons and Accountable Officer in connection with the management of the Board and Commissioner (excluding the responsible Minister) during the reporting period is as per the below table:

	2021 NO.	2020 NO.
Income band		
less than \$9,999	2	–
\$10,000 to \$19,999	–	–
\$20,000 to \$29,999	–	–
\$30,000 to \$39,999	–	–
\$40,000 to \$49,999	5	6
\$50,000 to \$59,999	–	–
\$60,000 to \$69,999	–	–
\$70,000 to \$79,999	–	–
\$80,000 to \$89,999	1	1
\$130,000 to \$139,999	–	–
\$250,000 to \$259,999	–	–
\$310,000 to \$319,999	1	1
Total numbers	9	8
Total amount (\$)	645,582	684,343

8.2 Remuneration of executives

The number of Executive Officers, other than the responsible Minister and Accountable Officer, and their total remuneration during the reporting period are shown in the table on the following page. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by or on behalf of the Commissioner, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

The number of executive officers, other than the Minister and Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	COMPENSATION 2021	COMPENSATION 2020
Remuneration of executive officers		
Short-term employee benefits	\$833,713	\$813,010
Post-employment benefits	\$76,821	\$69,686
Other long-term benefits	\$21,954	\$19,640
Total remuneration	\$932,489	\$902,335
Total number of executives⁽ⁱ⁾	5	5
Total annualised employee equivalents⁽ⁱⁱ⁾	4	4

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures.

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

8.3 Related parties

Related parties of the Board and Commissioner include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the year, the Board had the following government-related entity transactions:

- Funding to Victoria Legal Aid of \$25.79m (2020: \$35.04m) under Sections 143 and 146 of the *Legal Profession Uniform Law Application Act 2014*;
- Funding to Victoria Law Reform Commission of \$1.84m (2020: \$2.24m) to continue performing functions under the *Victorian Law Reform Commission Act 2000*.
- Funding to Victoria Law Foundation of \$2.43m (2020: \$2.50m) to continue performing functions under the *Victoria Law Foundation Act 2009 (Vic)*;
- Funding to Victoria Civil and Administrative Tribunal of \$0.96m (2020: \$0.99m) for the Legal Practice List; and
- Funding to Victoria Legal Admissions Board of \$1.52m (2020: \$1.41m) to perform functions under *Legal Profession Uniform Law Application Act 2014* – primarily to regulate entry to the legal profession in Victoria.

Key management personnel of the Board and Commissioner includes Portfolio Minister, the Hon. Jaclyn Symes MP, and members of the Board and Senior Executive Team as follows:

POSITION	KEY MANAGEMENT PERSONNEL	PERIOD
Attorney-General	The Hon. Jill Hennessy MP	1 July 2020 to 16 December 2020
	The Hon. Jaclyn Symes MP	22 December 2020 to 30 June 2021
Acting Attorney-General	The Hon. Daniel Andrews, MP	17 December 2020 to 21 December 2020
	The Hon. Martin Pakula, MP	11 January 2021 to 26 January 2021
Accountable Officer	Ms Fiona McLeay	1 July 2020 to 30 June 2021
Chairperson	Ms Fiona Bennett	1 July 2020 to 30 June 2021
Board Member	Ms Jennifer Batrouney AM QC	1 July 2020 to 30 June 2021
Board Member	Mr Geoff Bowyer	1 July 2020 to 30 June 2021
Board Member	Ms Liz Harris	1 July 2020 to 30 June 2021
Board Member	Dr Lynne Williams AM	1 July 2020 to 30 June 2021
Board Member	Ms Catherine Wolthuizen	1 July 2020 to 30 June 2021
Board Member	Ms Catherine Wood AM	1 July 2020 to 31 July 2020
Board Member	Mr Ian Silk	15 September 2020 to 30 June 2021
Director, Investigations	Matthew Anstee	1 July 2020 to 30 June 2021
Director, Corporate Services	John Ireson	1 July 2020 to 4 March 2021
Director, Shared Services	John Casey	26 April 2021 to 30 June 2021
Director, Policy & Outreach	Kerri-anne Millard	1 July 2020 to 30 June 2021
Director, Enquiries & Complaints	Tina Stagliano	1 July 2020 to 30 June 2021
Manager, People & Culture	Lucy Fraser	1 July 2020 to 30 June 2021
Senior Advisor	Kelly Spiteri	1 July 2020 to 30 June 2021

Compensation of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

	COMPENSATION 2021	COMPENSATION 2020
Compensation of key management personnel		
Short-term employee benefits	\$1,863,866	2,016,415
Post-employment benefits	\$173,470	164,442
Other long-term benefits	\$44,756	43,084
Termination benefits	\$-	75,000
Total	\$2,082,093	\$2,298,941

Transactions and balances with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with the Board and Commissioner, the following related party transaction occurred during the year:

- Ms Fiona Bennett was a member of the Legal Services Council (LSC) up to October 2020. Ms Liz Harris is a current member of the LSC.

The LSC received \$686,690 for Victoria's contribution to the national Uniform Law Scheme. The payment is allowed under s139 of the Act and states that the Board must pay out of the Public Purpose Fund each financial year an amount determined by the Attorney-General as Victoria's contribution to the funding of the Legal Profession Uniform Framework.

All amounts are GST exclusive and there is no outstanding amount payable as at 30 June 2021.

All other transactions that have occurred with Key Management Personnel and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Board and Commissioner's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

9 OTHER DISCLOSURES

9.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. 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
- 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. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

OTHER ECONOMIC FLOWS – BY ENTITY

	2021	2020
	\$'000	\$'000
Public Purpose Fund		
Net gain/(loss) on financial instruments arising from changes in fair value	86,616	(29,102)
Net gain/(loss) on disposal of financial instruments through profit and loss	(172)	(6)
Bad debts written off unilaterally and doubtful debts	2	1
Total net gain/(loss) on financial instruments	86,445	(29,108)
Total net gain/(loss) on non-financial instruments	0	0
Fidelity Fund		
Net gain/(loss) on financial instruments arising from changes in fair value	6,941	(1,587)
Change due to actuarial valuations	(620)	(1,410)
Total net gain/(loss) on financial instruments	6,321	(2,997)
Victorian Legal Services Commissioner		
Bad debts written off unilaterally and doubtful debts	(31)	(65)
Net gains/(losses) on disposal of property, plant and equipment	–	6
Net gain/(loss) from the revaluation of present value of long service leave	87	(76)
Total net gain/(loss) on financial instruments	56	(135)
Total other economic flows included in net result	92,822	(32,240)

OTHER ECONOMIC FLOWS – BY TYPE

	2021	2020
	\$'000	\$'000
Net gain/(loss) on financial instruments		
Net gain/(loss) on financial instruments arising from changes in fair value	93,556	(30,689)
Net gain/(loss) on disposal of financial instruments through profit and loss	(172)	(6)
Bad debts written off unilaterally and doubtful debts	(29)	(64)
Total net gain/(loss) on financial instruments	93,355	(30,760)
Net gain/(loss) on non-financial assets		
Net gains/(losses) on disposal of property, plant and equipment	–	6
Total net gain/(loss) on non-financial instruments	–	6
Other gains/(loss) from other economic flows		
Change due to actuarial valuations	(620)	(1,410)
Net gain/(loss) from the revaluation of present value of long service leave	87	(76)
Total other gains/(loss) from other economic flows	(533)	(1,486)
Total other economic flows included in net result	92,822	(32,240)

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

Types of other economic flows included in net result include:

- net gain/(loss) on financial instruments;
- net gain/(loss) on non-financial assets; and
- other gain/(loss) from other economic flows.

9.1.1 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;
- disposals of financial assets; and
- bad debts written off unilaterally and increase or decrease in provision for doubtful debts.

9.1.2 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;
- 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; and
- Impairment of non-financial assets.

9.1.3 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.

9.2 Commitments for expenditure

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

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.

TOTAL COMMITMENTS PAYABLE

	NOTES	LESS THAN 1 YEAR	1-5 YEARS	5+ YEARS	TOTAL
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Operating commitments	9.2.1	1,721	2,986	–	4,707
Total commitments		1,721	2,986	–	4,707
2020					
Operating commitments	9.2.1	1,730	4,290	–	6,021
Operating lease commitments	9.2.2	1,197	4,206	–	5,403
Total commitments		2,927	8,497	–	11,424

Figures presented are inclusive of GST.

9.2.1 Operating commitments

Commitments in relation to operating contracts contracted for by the Board at the reporting date but not recognised as liabilities payable:

	2021	2020 ⁽ⁱ⁾
	\$'000	\$'000
Operating commitments		
Less than 1 year	1,721	1,730
Greater than 1 year but not later than 5 years	2,986	4,290
Total commitments in relation to operating contracts	4,707	6,021

Figures presented are inclusive of GST.

(i) Prior year figures have been restated to include amounts previously reported as operating lease commitments.

9.2.2 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 2021 balance is \$75.677m (2020: \$40.467m).

Funding under sections 143, 144 and s 146 are paid to recipients from the Distribution Account as per section 138 of the Act. Recipients include Victoria Legal Aid, Victorian Law Reform Commission, Victoria Law Foundation and successful project and major grants applicants. For further details, refer to the report of operations.

9.3 Remuneration of auditors

	2021	2020
	\$'000	\$'000
Victorian Auditor-General's Office ⁽ⁱ⁾		
Audit of financial statements	74	77
Total remuneration of auditors	74	77

(i) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

9.4 Contingent assets and liabilities

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

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities are also classified as either quantifiable or non-quantifiable and include:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

At balance date there were no contingent assets (2020: nil contingent assets). A non-quantifiable contingent liability exists relating to matters against the Board and the Commissioner in which negotiations are underway to determine the likelihood and quantum of any relevant costs for which the Board and the Commissioner may be liable.

Other potential obligations that are non-quantifiable at this time arise from unclaimed monies, which may be subject to future claims by the general public against the State.

9.5 Subsequent events

No material subsequent events occurred after the reporting date.

The policy in connection with recognising subsequent events for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- Adjustments are made to amounts recognised in the financial statements for events where those events provide information about conditions which existed at the reporting date; and/or
- Note disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

9.6 Australian accounting standards issued that are not yet effective

Certain new Australian Accounting Standards (AASs) have been published that are not mandatory for the 30 June 2021 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 2021, 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 on or after the stated operative dates as follows:

STANDARD/ INTERPRETATION	KEY REQUIREMENTS	EFFECTIVE DATE ⁽¹⁾	IMPACT ON VLSB+C FINANCIAL STATEMENTS
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted; however, the AASB has recently issued ED 301 <i>Classification of Liabilities as Current or Non-Current – Deferral of Effective Date</i> with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The VLSB+C will not early-adopt the Standard.	1 Jan 2023	The standard is not expected to have a material impact on the VLSB+C.
<i>AASB 14 Regulatory Deferral Accounts – in relation to Rates Regulated activities</i>	<p>Rate regulated companies supply goods and services at rates determined by regulatory agreement and recognise revenue based on these rates. The rates charged to customers are determined based on estimated input cost. When the actual input cost differs to the estimate, the rate regulatory company has the right to charge under/overcharges in the future period.</p> <p>The rate regulated project has been an ongoing project for almost a decade. In January 2021, an Exposure Draft was released, with an opportunity for the regulator and industry participants to respond to the proposed standard by July 2021. The standard is expected to be available in 1 January 2023 or 2024, depending on time takes to review the submission.</p> <p>The new standard proposed seeks to address revenue/expense timing mismatched for entities that are regulated through regulatory accruals (assets or liabilities). This means the new standard will introduce accrual accounting, so that the relevant businesses would not only record the revenue or expenses in the year they are received or paid. Further, this introduces new disclosures to supplement existing AASB 15 requirements specific to regulatory assets/liabilities/ revenues and expenses.</p>	1 Jan 2023	The standard is not expected to have an impact on VLSB+C.
<i>AASB 17 Insurance Contracts</i>	<p>AASB17 requires all insurance contracts to be accounted for in a consistent manner and requires insurance obligations to be accounted for using current values.</p> <p>The current AASB 17 applicable from 1 January 2021 was not issued with public sector in mind, therefore the Board is in the process of deciding whether substantial amendments will be required. The potential revised standard will look at scoping and aim to provide guidance for identifying insurance-like arrangements and activities that should be accounted for, in the public sector. It will also focus on specific considerations to make this standard more relevant in the public sector context.</p>	1 Jan 2023	VLSB+C will undertake an assessment of the impact of any revisions to AASB 17 released by the AASB. However, based on preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the financial year 2023.

STANDARD/ INTERPRETATION	KEY REQUIREMENTS	EFFECTIVE DATE ⁽ⁱ⁾	IMPACT ON VLSB+C FINANCIAL STATEMENTS
AASB 17 <i>Insurance Contracts cont.</i>	<p>The key question is to determine whether public sector scheme or arrangement has similar attributes to those insurance contract in private sector. As this is not easily apparent, the following indicators have been provided as a guide to determine if the scheme is applicable under AASB17:</p> <ul style="list-style-type: none"> • Similarity to insurance contracts in private sector • Similarity in respect of the binding nature of scheme/arrangement • Identifiable coverage period • Substantive terms relating to risks and benefits • Contribution from scheme participants • Assessment of claims based on the beneficiary's needs • Cost management focus on both income and costs • How the scheme is managed, whether there is existence of insurance liability management or risk mitigation such as reinsurance • Existence of assets held in a separate fund 		
AASB 2014-10 <i>Amendments to Australian Accounting Standards – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<p>The amendments address a current inconsistency between AASB 10 <i>Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures</i>.</p> <p>The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 <i>Business Combinations</i>. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.</p>	1 Jan 2022	The standard is not expected to apply to the VLSB+C as the VLSB+C does not engage in Associate or Joint Venture agreements.
AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 Entities</i>	<p>AASB 1060 sets out a new separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>.</p> <p>The Standard has been developed based on a new methodology and principles to be used in determining the Tier 2 disclosures that are necessary for meeting user needs, to replace the current Reduced Disclosure Requirements (RDR) framework.</p>	1 July 2021	The standard is not expected to apply to the VLSB+C as VLSB+C does not fall into the classification of Tier 2 entity.
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	<p>This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.</p>	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.

(i) Effective date denotes that a "Standard applies to annual periods beginning on or after" the date specified.

10 GLOSSARY OF TERMS AND STYLE CONVENTIONS

The following is a summary of major technical terms used in this report.

Act

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

Actuarial gains or losses

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

Administered item

Administered item generally refers to a department or entity lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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, representing total change in net worth other than transactions with owners as owners.

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.

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.

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
- (b) 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

Financial statements comprise:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

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 expense

Represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

Interest income

Interest income includes interest received on bank term deposits, interest from investments, and other interest received.

Law Practice Residual Trust Accounts

Trust accounts held by law practices that receive trust money held on behalf of a client or other people in the course of, or in connection with, the provision of legal services.

Leases

Leases are rights conveyed in a contract, or part of a contract, to use an asset (the underlying asset) for a period of time in exchange for consideration.

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 non-owner movements in equity'.

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

Is calculated as 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 included in net result

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.

Supplies and services

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.

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

The notation used in the tables is as follows:

– zero, or rounded to zero

(xxx) negative numbers

201x year period

201x-xx year period

The financial statements and notes are presented based on the illustration for a government department in the 2020-21 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.

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.

MINISTERIAL DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS: REPORT OF OPERATIONS

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