



2017 ANNUAL REPORT

Victorian Legal Services
BOARD + COMMISSIONER

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Victorian Legal Services Board + Commissioner

Level 5, 555 Bourke Street
Melbourne Victoria 3000

GPO Box 492
Melbourne Victoria 3001

Telephone	03 9679 8001
Local call cost	1300 796 344
Fax	03 9679 8101
Ausdoc	DX185 Melbourne
Email	admin@lsbc.vic.gov.au
Website	www.lsbc.vic.gov.au
Board ABN	82 518 945 610
Commissioner ABN	66 489 344 310

Victorian Legal Services
BOARD + COMMISSIONER

Level 5, 555 Bourke Street Melbourne Vic 3000
GPO Box 492 Melbourne Vic 3001 DX 185 Melbourne
T 03 9679 8001 T 1300 796 344 (local call) F 03 9679 8101
E admin@lsbc.vic.gov.au W www.lsbc.vic.gov.au

26 September 2017

Dear Attorney-General

We are pleased to provide you with the 2016-17 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 2017. It has been prepared in accordance with the requirements of the *Financial Management Act 1994*.

Yours sincerely



Fiona Bennett
Chairperson
Victorian Legal Services Board



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

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01

Introduction

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

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 This legislation was superseded by the *Legal Profession Uniform Law Application Act 2014 (Vic)* (the Application Act) which came into effect on 1 July 2015.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

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

This report covers the period 1 July 2016 to 30 June 2017.

ABOUT THE VICTORIAN LEGAL SERVICES BOARD

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

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

- issuing, renewing, suspending, cancelling and imposing conditions upon practising certificates (PCs);
- maintaining the Victorian legal profession register;
- administering funds set out under the Application Act;
- monitoring, inspecting and investigating lawyers' trust accounts;
- investigating and determining claims against the Fidelity Fund;
- administering external intervention into law practices;
- providing advice to the Legal Services Council on legal profession rules and policies;
- prosecuting breaches of the Application Act, including applying for removal of lawyers' names from the Supreme Court roll where necessary; and
- making grants to enhance the legal system, legal services and legal education.

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

ABOUT THE VICTORIAN LEGAL SERVICES COMMISSIONER

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

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

On 26 September 2017, prior to the publication of this report, Michael stepped down from the position of Commissioner, and therefore as the Board CEO. The Governor in Council will have appointed a new Commissioner and Board CEO in September 2017, which will be reflected in future reports.

STATUTORY OBJECTIVES AND VALUES OF THE BOARD AND COMMISSIONER

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

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

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

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

Board and Commissioner functions are illustrated in Figure 1 on page 8.

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

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

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

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

ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

Application Act	<i>Legal Profession Uniform Law Application Act 2014 (Vic)</i>
ART	Assessment and Resolutions Team
Bar	Victorian Bar Inc
Board	Victorian Legal Services Board
Commissioner	Victorian Legal Services Commissioner (Michael McGarvie)
CPD	continuing professional development
DRR	Dispute Resolution and Review team
FTE	full time equivalent
ILP	incorporated legal practice
LPA	<i>Legal Profession Act 2004 (Vic)</i>
Legal Profession Uniform Law	Schedule 1 of the Application Act
LIV	Law Institute of Victoria Inc
PC	practising certificate
PPF	the Public Purpose Fund
RIS	Regulatory impact statement
RODA	Register of Disciplinary Action
SDA	statutory deposit account
Uniform Law	Legal Profession Uniform Law
VCAT	Victorian Civil and Administrative Tribunal
VLSB	Victorian Legal Services Board
VLSC	Victorian Legal Services Commissioner

SNAPSHOT OF LEGAL REGULATION IN 2016-17



**1,400 NEW
LAWYERS**

WERE ADMITTED TO
PRACTISE IN 2016-17



AT 30 JUNE THERE WERE

21,488

LAWYERS REGISTERED IN VICTORIA

49.5%

OF ALL LAWYERS
IN VICTORIA ARE

FEMALE,

INCREASING BY AN AVERAGE OF ALMOST

1% EACH YEAR



RISK ASSESSMENTS ON
98 TRUST ACCOUNT
INVESTIGATIONS REVEALED



CARRIED
TRANSACTION
RECORDING
ERRORS



\$33 MILLION

HAS BEEN PROVIDED THROUGH THE

GRANTS PROGRAM

OVER THE PAST 10 YEARS

THE NET RESULT FROM TRANSACTIONS WAS

**\$19.7 MILLION
SURPLUS**




BOARD AND COMMISSIONER STAFF
PRESENTED TO OVER



2,500
LAWYERS DURING
THE YEAR

THE OFFICE CUT



94%

OF GREENHOUSE GAS
EMISSIONS BY PURCHASING
RENEWABLE ENERGY

1,489
COMPLAINTS

WERE OPENED FOR THE YEAR
INCLUDING 73 INITIATED
BY THE COMMISSIONER



46% OF CONSUMER

MATTERS WERE RESOLVED WITH THE
INVOLVEMENT OF THE COMMISSIONER'S STAFF

THE COMMISSIONER MADE **62**
DETERMINATIONS

ON COMPLAINTS



1,458
COMPLAINTS

WERE CLOSED DURING THE YEAR,

10% HIGHER

THAN LAST YEAR



CHAIRPERSON'S REPORT

The Uniform Law is now well established in Victoria and New South Wales, with the Victorian profession transitioning well to the new regime's requirements. Over this past year we have worked closely with the

Legal Services Council, the Commissioner for Uniform Legal Regulation, the NSW Law Society and the NSW Bar, and with the Law Institute of Victoria and the Victorian Bar as our delegates, to successfully align our two jurisdictions under the one regulatory regime.

Last year we commenced a project which would allow us to take a risk-based approach towards certain regulatory functions. The Board determined that pursuing this model would allow us to allocate our limited resources more effectively given the ever growing size of the Victorian legal profession. This year we started using risk assessments, devised through an intensive process of data analysis, to identify those lawyers who share the highest risk factors for making errors in the handling of clients' money.

Undertaking risk assessments has enabled the Board to streamline the annual trust account investigations program and develop a more focussed program, as opposed to the previous practice of undertaking random investigations across all law practices with trust accounts. This establishes a stronger preventative measure to protect against harm occurring from higher risk practitioners making mistakes, and at the same time takes the pressure off those practices which have a very low risk profile.

Another of the programs which we have had great success with is our Grants Program, which is now in its tenth year. This year the Board approved just over \$3 million in grants to 17 organisations, bringing the total amount granted to \$33 million across 189 individual grants, both large and small. It is encouraging to see the positive impact the program is having across the Victorian Community. These benefits are also being acknowledged more widely. Three organisations which received grants in recent years were recognised with awards for their projects, and the health-justice partnerships concept supported by the Board was again commended in a major report to the Government, the Department of Justice and Regulation's *Access to Justice Review Report*.

This year the Board invested considerable time into a review of the fees Victorian lawyers will pay for their practising certificates for the 2018-19 financial year and beyond. We undertook a thorough consultation process with the profession and the broader community about the potential changes to fee structures and amounts, and in January 2017 released a discussion paper covering a set of draft options. The submissions to that discussion paper have formed the basis for a Regulatory Impact Statement (RIS) which assesses in detail how the various fee options sit against government policy. The RIS is due for release in late 2017.

Also this year we farewelled one Board member and welcomed another. Harvey Kalman, who served on the Board from 2012, concluded his four-year term in July 2016. Harvey's financial and investment expertise served the Board well, and his skills were particularly valuable in helping guide how the Board manages its investments. On behalf of the Board I would like to thank Harvey for his substantial contribution to the Board.

Succeeding Harvey on the Board was Cate Wood, who commenced her four-year term in July 2016. Cate also brings with her a strong background in financial management and investments, as well as broad experience in governance from several other directorships.

I would like to thank my fellow Board members for their continued diligence, hard work and commitment, as well as their support during the year. I also acknowledge the work and dedication of the staff and thank everyone for their contribution to the work of the Board.

Finally, and on behalf of the Board, I wish to acknowledge the outstanding work of Michael McGarvie, who will be stepping down from his dual role as CEO of the Board and Victorian Legal Services Commissioner in September 2017. Michael took up his position in late 2009 and over the ensuing eight years has driven a program of innovation and modernisation. Not only has this brought the Board and Commissioner together to operate as one effective regulator, but it has enabled us, with the support of our highly skilled and hardworking staff, to progressively reduce red tape for the Victorian legal profession.

Michael's leadership has meant the Victorian profession now has an online renewal and registration platform (LSB Online), a supportive mental health disclosure policy, a streamlined process for conciliating and resolving complaints, and a risk assessment approach to regulation and compliance to focus regulatory activities on a minority of lawyers.

Personally I have greatly valued the work Michael has done for the Board over these past eight years, and especially for the support he has given me during my time as Chairperson.

Fiona Bennett

Chairperson, Victorian Legal Services Board



CEO AND COMMISSIONER'S REPORT

After eight years as CEO and Commissioner, I have decided the time is now right for me to step down from the role. I am very proud of the changes we have introduced to

legal regulation in Victoria over this time, both the large and the small.

Perhaps one of the most significant changes was the shift in focus of our entire complaints handling process. The move from time-consuming investigations on every disciplinary complaint to emphasising a resolution process through conciliation and mediation has greatly eased the pressure on lawyers facing a complaint. The quicker results are also valued by consumers. Similarly the changes we introduced to managing the Public Purpose Fund have led to welcome surpluses over several successive years; funds which are then invested in Victoria Legal Aid, the Victorian Law Reform Commission and our impressive Grants program.

Our push towards modernisation and innovation has continued through 2016-17. Over the course of the year we have progressively revised our processes right across our office to streamline how we do things. Not only has this enabled us to reduce red tape for practitioners, but it has also freed up staff and resources which we have been able to apply to other initiatives. One of these was to move from the old paper-based trust account reporting system to an online reporting platform through LSB Online. External Examiners and trust account investigators are now able to upload their reports through LSB Online, enabling our risk assessment staff to access the report information immediately.

Another big change impacting trust accounts was the Board's decision to shift the deadline for the annual trust account examinations. External Examiners are now required to audit lawyers' trust accounts by 31 March each year and submit their reports soon thereafter. This change aligned Victoria's reporting timeframes with those of New South Wales and two other jurisdictions, and was one of many steps towards the harmonisation of processes between Australian legal profession regulators.

We are also developing the capacity to identify lawyers who are at risk of having a complaint made against them based on certain characteristics. The University of Melbourne has greatly assisted us in our research into identifying individual lawyers who exhibit the factors which commonly lead to complaints. Assisted by this knowledge, we will soon be able to proactively reach out to these lawyers and offer them support and guidance, possibly before they make mistakes.

I have great confidence that this kind of proactive regulation will help drive down the numbers of complaints we receive over time. This year, however, the number of complaints increased slightly compared to 2015-16, but they are still down 25% compared to five years ago. We received 1,489 new complaints about lawyers and closed a total of 1,458, 10% more closures than last year. Our efforts to resolve these complaints quickly are visible in the 63% of consumer matters which were closed within three-months of being received. The number of complaints carried over from the old Legal Profession Act have declined sharply so that only a handful remained open by the end of the year.

I exercised my power under the Uniform Law to open my own complaint about a lawyer on 73 occasions during the year. A third of these complaints involved a small number of lawyers who had forgotten or inadvertently neglected to renew their practising certificate at the end of the financial year, yet continued to engage in legal practice. Although these were handled on a case by case basis I tended to caution the lawyers rather than take a more punitive approach to their error. To help prevent this from occurring again, we embarked on an extensive communications campaign involving RPA News bulletins, personalised emails, phone calls, text messages and ultimately sent letters via the post, to remind lawyers who had not renewed of their obligation to renew their practising certificate should they wish to continue to practise.

These proactive regulatory steps are designed to support the profession in providing the highest standards of legal service to the Victorian public. It is all made possible by our dedicated and highly capable staff and delegates, to whom I express my gratitude and thanks.

I also take this opportunity in my final annual report to offer my sincerest thanks to the Board, and particularly our Chairperson, Fiona Bennett, for the trust they have placed in me over these past eight years, and for their willingness to explore the raft of new ideas for legal regulation we have implemented. Without the Board's enthusiasm for innovation the great strides we have made as a regulator would not have eventuated.

It has been a great pleasure to be part of an organisation which has been so effective at making improvements to the quality of legal regulation in this state.

Michael McGarvie

CEO, Legal Services Board
Legal Services Commissioner

Figure 1: Board and Commissioner functions



02 Board Membership and Functions

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

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

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

The lawyer members (one barrister and two solicitors) are elected by a formal election conducted in conjunction with the Victorian Electoral Commission for the legal profession.

MEETING ATTENDANCE

The Board met 10 times in the reporting year, including for two extraordinary meetings.

Table 1: Board membership and meeting attendance in 2016-17

Board member	Number of Board meetings attended
Ms Fiona Bennett	10
Ms Carolyn Bond AO	9
Ms Cate Dealehr	7
Mr Peter Jopling AM QC	5
Ms Cate Wood*	6
Mr Steven Stevens	9
Dr Lynne Williams AM	9

*Cate Wood was appointed in late July 2016.

BOARD COMMITTEES

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

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

The membership of all Board Committees and the Commissioner's Audit Committee is detailed in Figure 2 on page 12.

BOARD MEMBERSHIP DURING 2016-17



MS FIONA BENNETT

CHAIRPERSON, NON-LAWYER MEMBER (first appointed 22 January 2008, appointed Chairperson 29 January 2013, reappointed 30 November 2016)

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



MS CAROLYN BOND AO

NON-LAWYER MEMBER (first appointed 12 December 2005)

Carolyn is a consumer advocate who has worked on a range of consumer policy issues including credit regulation, debt collection, consumer dispute resolution and economic abuse. She has represented consumer interests on a number of bodies and is a former Co-CEO of the Consumer Action Law Centre; a specialist community legal centre which provides legal assistance to consumers and campaigns on consumer issues. Carolyn is a member of the Financial Advisor Standards and Ethics Authority and the Customer Owned Banking Code Compliance Committee. She is a past member of the Commonwealth Consumer Advisory Committee and the National Legal Profession Reform Consultative Group.



MS CATE DEALEHR

LAWYER (NON-ADVOCATE) MEMBER (elected 1 July 2014)

Cate is a lawyer with over 33 years' experience, and is the principal of the Australian Legal Costing Group. Cate has expertise in the Uniform Law and is one of the few accredited specialists in costs law. Cate tutors at Leo Cussen Centre for Law and takes special pride in mentoring young lawyers. Her service was acknowledged with the LIV's pro bono/access to justice award in 2014 and the 2016 Certificate of Service. Cate is a passionate advocate for women in law, business and politics. She has been a director of the International Women's Federation of Commerce & Industry, and was a founder of an annual scholarship for leadership in politics for women. Cate is a fellow of Leadership Victoria and a graduate of the Australian Institute of Company Directors.



MR PETER JOPLING AM QC

LAWYER (ADVOCATE) MEMBER (first elected 1 July 2010)

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



MS CATE WOOD

NON-LAWYER MEMBER (appointed 31 July 2016)

Cate is an experienced Director who holds positions on numerous Boards, providing a depth of knowledge in governance, investment, strategic planning and diversity. A current director and Chair of the industry superannuation fund, CareSuper, Cate is a director on several other superannuation industry boards, and is also a director of the Mother's Day Classic Foundation. She has previously held executive positions as CEO of AGEST Super and The Trade Union Training Authority. Cate holds a Bachelor of Arts (Social Sciences) and is a Graduate and Fellow of the Australian Institute of Superannuation Trustees. Cate was appointed to the Board by the Governor in Council in August 2016.



MR STEVEN STEVENS

LAWYER (NON-ADVOCATE) MEMBER (first elected 9 July 2013)

Steven joined the Board in July 2013 as an elected legal practitioner representative. He is also a Member of the Legal Services Council, established in 2014 under the Legal Profession Uniform Law. Steven is a former President of the LIV and Director of the Law Council of Australia; and is currently President of the Hellenic Australian Lawyers Association. He has been the Chair of the Law Council's Professional Ethics Committee since 2009 and was Co-Chair of the International Bar Association's Professional Ethics Committee in 2016. Steven is an Australian tax practitioner specialising in the taxation of financial services and in state taxation. He is a former tax partner at Herbert Smith Freehills. Prior to commencing legal practice in 1988, Steven practised for 12 years as an economist and was a senior Victorian Treasury officer. He is also a member of the American Bar Association and The Tax Institute.



DR LYNNE WILLIAMS AM

NON-LAWYER MEMBER (appointed 9 October 2013)

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



MR MICHAEL MCGARVIE

CHIEF EXECUTIVE OFFICER (first appointed 22 December 2009, reappointed 9 September 2014)

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

Figure 2: Board Committees and membership as at 30 June 2017



* Denotes external member

03

Report of Operations: Regulation

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

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

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

CONTRIBUTING TO THE EFFECTIVE ADMINISTRATION OF THE LEGAL PROFESSION UNIFORM LAW

REGULATORY CHANGE

During the year, two Bills to amend the Application Act and the Uniform Law were introduced into the Victorian Parliament. The Board and Commissioner were specifically consulted during the development of these legislative amendments.

The *Legal Profession Uniform Law Application Amendment Act 2016* came into operation in November 2016. It amended several aspects of the Application Act and the Uniform Law including sections relating to Australian-registered foreign lawyers and practising certificate conditions. It also reinstated the Register of Disciplinary Action (RODA) for Victorian lawyers, providing the Board with the authority and obligation to publish the RODA.

The *Justice Legislation Amendment (Court Security, Juries and Other Matters) Bill 2017* was introduced into Parliament in May 2017. This Bill amends the Application Act to provide the Board with greater powers to safeguard trust money handled by barristers' clerks. Once passed, the Board will be able to approve a clerk to receive trust money on behalf of a barrister in advance of legal services being provided. This power has previously resided with the Victorian Bar. The Board will also be empowered to revoke or suspend its approval of a clerk, or to appoint a trust account supervisor to an approved clerk. The Board is particularly thankful to the Victorian Bar for its support for this reform.

PRACTISING CERTIFICATE FEES REVIEW

New regulations need to be made under the Application Act to ensure the Board can continue to charge fees for the grant and renewal of practising certificates for the 2017-18 financial year and the decade beyond. The Application Act specifies that regulations setting fees are made on the recommendation of the Board.

During the reporting year the Board embarked on a consultation process with the professional associations and the legal profession more broadly. In January 2017 the Board released a Discussion Paper for public consultation, and is currently preparing a Regulatory Impact Statement (RIS) for public consultation. Set for release during the second half of 2017, the RIS will consider a range of options for setting fees and will detail the costs and benefits of each option. Feedback from public consultation is being considered by the Board in developing the fee options that will form part of the RIS.

ONLINE RENEWAL OF PCS

The renewal period for the 2017-18 practising year ran from 20 March to 30 June 2017. The Victorian profession has embraced online renewals, with 87% using the Board's LSB Online portal to renew their PC by the closing date.

PRACTITIONER STATISTICS

The Board maintains the Register of Lawyers and Law Practices, and uses data within this register to report on the demographics of the legal profession. Figures 3-5 and Tables 2-10 in Appendix 1 provide detailed information on the size, gender balance and geographic distribution of the Victorian legal profession as at 30 June 2017. The Board also publishes monthly updates of legal profession demographics on the website.

The size of the Victorian legal profession continued to increase in 2016-17. As at 30 June 2017 there were 21,488 practitioners across the state; among them were 1,400 new lawyers admitted to practise during the year. The proportion of female to male lawyers continues to increase, with female lawyers now accounting for 49.5% of the Victorian profession, up 0.9% on 2015-16. The continued growth of the Victorian legal profession is notable. Ten years ago our 2008 Annual Report recorded that there were 14,232 members of the profession with practising certificates.

DEVELOPING POLICIES AND GUIDELINES

While the Application Act provides the regulatory framework for the profession, the practical application of regulatory requirements often relies on the development of Board and Commissioner Policies and Guidelines. Board and Commissioner Policies that were significantly revised or updated during 2016-17 were:

- Privacy
- Gifts, Benefits and Hospitality
- Conflicts of interest (Board)
- Conflicts of Interest (Commissioner and staff)

SUBMISSIONS

During 2016-17 the Board and Commissioner made submissions, contributed to reviews or provided information in relation to the following topics:

- Partnerships of Incorporated Legal Practices, requested by the Legal Services Council;
- A proposed draft rule on retainers, put forward by the Legal Services Council;
- The review of the *Insolvency Practice Rules 2016* and other legislative instruments undertaken by the Federal Treasury;
- The review of the *Legal Profession Uniform Law Australian Solicitors' Conduct Rules 2015* undertaken by the Law Council of Australia;
- Consultation Paper on Anti Money Laundering & Counter-Terrorism Financing Regime produced by the Commonwealth Government;
- Regulation of migration agents undertaken by the Federal Department of Immigration and Border Protection; and
- The review of litigation funding undertaken by the Victorian Law Reform Commission.

STATEMENT OF EXPECTATIONS

In June 2016 the Attorney-General issued a Statement of Expectations for how the Board and Commissioner would contribute towards the Victorian Government's Regulatory Reform Program. The Program seeks to reduce red tape and improve regulatory practices aimed at promoting greater efficiency and effectiveness in the administration and enforcement of regulation in Victoria. Initially intended to apply for the 2016-17 reporting year, the Attorney-General has extended the Statement of Expectations to apply until 31 December 2017. Table 11 shows the Board and Commissioner's performance against the targets identified in the Statement of Expectations to 30 June 2017.

Table 11: Board and Commissioner progress toward the Victorian Government’s Regulatory Reform Program Statement of Expectations.

Measure	Target	2016-17 progress
<p>RISK-BASED STRATEGIES</p> <p>Identify and map risk ‘hotspots’ in the legal profession to better understand the risk factors behind those ‘hotspots’ and to efficiently identify lawyers who may be at risk of performance or conduct issues.</p>	Complete identification and analysis by end 2016-17.	Ongoing. The identification phase has been completed. Analysis of the identified ‘hotspots’ has commenced.
<p>COMPLIANCE RELATED ASSISTANCE AND ADVICE</p> <p>Provide assistance and advice to partnerships of Australian-registered foreign lawyers on how to comply with recent changes to regulatory requirements.</p>	31 December 2016.	Achieved.
<p>CLEAR AND CONSISTENT REGULATORY ACTIVITIES</p> <p>Adopt a uniform form to ensure that written reports given by external examiners in relation to the annual examinations of law practices’ trust accounts are produced in a clearer and more risk-based and consistent way across Victoria and NSW.</p>	31 March 2017.	Achieved.
<p>STAKEHOLDER CONSULTATION AND ENGAGEMENT</p> <p>Conduct stakeholder consultation, above the statutory minimum requirement, to inform an assessment of the impact of practising certificate fee changes on small law practices.</p>	Consultation, including publication of a Regulatory Impact Statement, to inform new fee regulations to commence on 1 July 2017.	Ongoing. New fee regulations will now come into operation on 1 July 2018. A process of extensive consultation, above the statutory minimum requirements, is currently underway.

ENSURING EFFECTIVE REGULATION OF THE LEGAL PROFESSION

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

RISK PROFILING

The Board’s risk-based regulation project continued this year with the assistance of findings generated by data analysis work being done by the University of Melbourne researchers. Initially commissioned by the Board and Commissioner in 2015-16, the project is analysing ten-years of regulatory data encompassing complaints, trust account investigations, law practice audits, fidelity fund claims and continuing professional development (CPD) compliance records.

During the year the University of Melbourne delivered a preliminary report setting out the research findings. This will allow the Board and Commissioner to develop a deeper understanding of the associations between characteristics of lawyers and their risk of complaints, disciplinary offending or fidelity fund claims. Ultimately the project will allow proactive strategies to be developed to predict and address improper lawyer conduct sooner.

CONTINUING PROFESSIONAL DEVELOPMENT VERIFICATIONS

The Board has delegated the role of auditing lawyers’ compliance with their CPD obligations to the LIV and the Bar’s Continuing Legal Education Committee. During 2016-17 the LIV audited 550 solicitors for CPD compliance and the Bar audited 98 barristers. Table 12 shows the outcome of both the LIV and Bar audits as at 30 June 2017.

Audited lawyers who fail to comply with their CPD obligations may be asked to submit rectification plans. Lawyers may be granted an exemption under certain limited circumstances, such as for parental leave, illness or disability, ceasing legal practice or other special circumstances. Further details on CPD are available on the Board’s website.

Table 12: CPD Audits conducted by the LIV

Audit details	2015-16		2016-17	
	LIV	Bar	LIV	Bar
Total number of lawyers audited	550	96	550	98
Lawyers who complied	537	94	539	90
Lawyers who did not comply	4	2	5	7
Lawyers exempted	9	0	6	1

COMPLIANCE AUDITS

With the commencement of the Uniform Law, the Board's existing power to audit incorporated legal practices was expanded to cover all types of law practices. This enables the Board to conduct an audit of any law practice if it considers there are reasonable grounds to do so, such as where a complaint or conduct history reveals potential systemic issues with the business practices of the lawyer or law firm. The Compliance Auditing programme is carried out in collaboration with the LIV.

The audit program allows targeted guidance and assistance to be provided to law practices to help prevent further complaints and issues arising in the future. In this way audits benefit both law practices and consumers of legal services.

During 2016-17, the Board commenced 24 new compliance audits. As at 30 June 2017, 21 audits had been concluded (some being commenced in the previous financial year), while 21 further audits were still in progress. The conclusion of the audit and follow-up actions can take some time. Of the completed audits, most of the law practices complied with the Board's requests for further action to meet the audit recommendations. The Board did not issue management systems directions to any practices during the year.

PROVIDING FOR THE PROTECTION OF CONSUMERS OF LEGAL SERVICES

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

UNQUALIFIED LEGAL PRACTICE

During the reporting period, the Board opened 24 new cases regarding possible unqualified legal practice by an entity. A total of 26 unqualified practice matters were concluded within the reporting period. Of these matters:

- 8 resulted in unqualified persons being cautioned;
- 8 involved entities making amendments to their business materials to clarify that they were not entitled to engage in legal practice;
- 1 involved an unqualified person providing a signed undertaking to cease engaging in unqualified legal practice;
- 1 resulted in a disqualification order preventing the unqualified person from participating in the affairs of a law practice (see below); and
- 5 resulted in charges being laid in the Magistrates' Court for unqualified legal practice.

In a further matter, the Board obtained a Supreme Court injunction by consent against one unqualified person arising out of an unqualified legal practice investigation. This injunction required the unqualified person to cease engaging in unqualified legal practice and to remove references from business materials which implied they were entitled to engage in legal practice.

In the remaining matters that were closed during the reporting period, there was insufficient evidence to support the allegations or time limits for charges had expired.

The following unqualified practice prosecutions were concluded in the Magistrates' Court during 2016-17:

- Victorian Legal Services Board v Travis Davidson – Mr Davidson was charged with two counts of engaging in unqualified legal practice and one count of representing an entitlement to engage in legal practice. In March 2017, due to his cooperation and other circumstances, he was judged suitable for a diversion for six months and ordered to donate \$200 to the Court fund and write a letter of apology to the Commissioner.
- Victorian Legal Services Board v Kurt Andrew Reiter – In August 2016, Mr Reiter was convicted of two charges of representing an entitlement to engage in legal practice and one charge of engaging in unqualified legal practice. He was penalised \$5,000.

In April 2017, an Australian lawyer, Mr Cameron Telfer, pleaded guilty to a charge of contempt brought by the Board for breaching a 2004 Supreme Court injunction by engaging in legal practice. He was sentenced to nine months imprisonment, with eight months suspended for two years.

DISQUALIFICATION PROCEEDINGS

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

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

- Mr Te Hira Cooper – 5 year disqualification; and
- Ms Lauren Patrice Godridge – 10 year disqualification.

EXTERNAL INTERVENTIONS

Where the Board is of the opinion the interests of clients are not being met, or are unable to be met, it has three ways it can intervene into the affairs of the firm. First, putting the firm into receivership, second, it can appoint a responsible lawyer to manage the firm, thirdly it can appoint a suitable person to supervise the firm's trust account.

During the reporting period, the Board continued to exercise its statutory power under the Uniform Law to undertake Supervisions and Managements, and to apply to the Supreme Court for Receiverships in relation to law practices. These are detailed in Table 13.

Table 13: External interventions

Type of External Intervention	Continuing from 2015-16	Commenced 2016-17	Closed during 2016-17	Ongoing interventions as at 30 June 2017
Receiverships	3	1	2	2
Managements	7	9	8	8
Supervisions	0	1	1	0

External interventions which commenced in 2016-17 occurred in response to a range of issues, including:

- evidence of inadequate practice management;
- criminal conduct by legal practitioners;
- insolvency and winding up of incorporated legal practices;
- suspected serious trust account breaches and misappropriations; and
- the death or serious illness of a sole practitioner.

Where a potential serious trust account breach is identified, Board and Commissioner staff commence an investigation into possible criminal offences relating to trust account deficiencies. In less serious matters, the Board continues to seek to identify alternatives to statutory external interventions, where possible. For example, in cases where practitioners have suffered serious health issues preventing them from continuing to practice, arrangements were successfully negotiated with other local legal practitioners to assume responsibility for the practice, thereby minimising cost and disruption to the practice.

Where an external intervention has taken place, there is an ongoing emphasis on taking steps to seek to ensure that law practices meet all or some of the external intervener's fees, as provided for by the Uniform Law. It should be noted, however, that the circumstances giving rise to an external intervention often mean that the law practice and the relevant practitioner have little, if any, assets to satisfy the intervention costs, so the cost burden falls to the Board.

ENSURING THE PROPER MANAGEMENT OF TRUST ACCOUNTS

The Board is responsible for overseeing the management of all trust accounts held by both law practices and barristers' clerks in Victoria. To ensure law firms and barristers' clerks comply with general trust account regulations, trust accounts are investigated regularly. The Board has delegated the investigation of solicitors' general trust accounts to the LIV.

RISK-BASED REGULATION

The Board has continued to pursue a proactive risk-based methodology to the regulation of trust accounts and released a new policy to support its approach. Investigation resources are directed to those areas where the risk of a serious breach is highest, such as new law practices early in their life cycle, older sole practitioners and incorporated legal practices (ILPs) with sole directors.

TRUST ACCOUNT INVESTIGATION OUTCOMES

An analysis of 98 trust investigations concluded between January and April 2017 showed only three accounts recorded no breaches. The remaining 95 accounts had at least one breach, with an average of four breaches identified in each account. 76% of breaches involved the way the law practices recorded transactions, while unauthorised trust money withdrawals and poor maintenance of registers each accounted for 9% of breaches.

Appropriate responses to these breaches were determined based on the number of breaches and their seriousness, together with an assessment of the entity and relevant lawyer's regulatory history.

LAW PRACTICE AUDIT OUTCOMES

A group of 32 law practices were chosen to undertake a Desktop Audit during the year, which allowed trust account inspectors to check their compliance systems and provide support, where necessary, prior to any problems emerging. Reports are also now submitted electronically enabling all information collected to be available for immediate analysis. The Board worked closely with the LIV to develop this approach.

CHANGES TO EXTERNAL EXAMINATIONS

In 2016 the Legal Services Council stipulated that the trust accounting year would change from ending on 31 October to now ending on 31 March. This change aligned Victoria's trust accounting timetable with New South Wales and some other Australian jurisdictions.

Substantial changes have also been made to the statement of trust money and external examiners' reports. Victoria and New South Wales regulators developed a one-day joint training course to be delivered to external examiners in both states. The LIV presented the course in Victoria from early 2017 in preparation for the 31 March deadline.

External examination reports are now submitted electronically. Responses to adverse findings discovered take into consideration the previous disciplinary and other regulatory history of the law practice concerned.

STATUTORY DEPOSIT ACCOUNTS

In accordance with the Uniform Law, law practices and approved clerks who operate a general trust account must also maintain a Statutory Deposit Account (SDA). The Board allocates individual SDAs for each law practice or approved clerk. These SDAs are linked to the law practice or approved clerk's trust account. Details of the SDA holdings and residual trust account balances as at 30 June 2016 are shown in Table 14. Further information on SDAs is available on the website.

Table 14: SDA holdings and residual balances as at 30 June 2017

	SDA \$'000	Residual Balance \$'000	Total \$'000
30 June 2016	1,047,634	2,171,260	3,218,894
30 June 2017	1,361,170	2,908,885	4,270,055

THE FIDELITY FUND

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

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

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

In 2016-17 the Board received 31 fresh claims against the Fidelity Fund totalling \$1,973,772.70. Over the year 55 claims were resolved, with payouts totalling \$5,054,506.99. This includes claims received during the previous reporting years. Of these resolved claims:

- 41 were wholly allowed, partly allowed or otherwise settled, totalling \$2,327,914.03;
- 9 were wholly disallowed, totalling \$2,541,767.51; and
- 5 were withdrawn, totalling \$184,825.45.

Table 15 shows the claims made and payments made during 2016-17.

Table 15: Fidelity Fund claims in 2016-17

	2015-16		2016-17	
	No. of Claims	Amount \$'000s	No. of Claims	Amount \$'000s
Claims received during period	47	2,606	31	1,973
Claim payments made (includes interest) during period	24	1,045	40	2,222
Claims outstanding as at 30 June	56	6,060	25	4,227

04 Report of Operations: Complaints

This chapter discusses the Commissioner's performance in carrying out its complaints handling functions in the 2016-17 reporting year. Detailed statistics are available in a series of tables published in Appendix 2. A full explanation of the complaints handling process is available on the website.

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

The Commissioner's responsibilities in handling disciplinary complaints remain largely the same under the Uniform Law as they were under the Legal Profession Act (LPA); however there have been significant changes in relation to the handling of consumer issues and costs disputes as described below. In addition, some complaints data are now classified in a slightly different way to ensure alignment with New South Wales regulators. This has resulted in some differences between the current and previous year data. These differences are identified in the below text where relevant. LPA matters have also decreased significantly from last year as 2016-17 is the second year of operations under the Uniform Law and no new LPA matters are being received.

ENQUIRIES RECEIVED

The Commissioner received 5,793 enquiries from the public (including both consumers and lawyers) in 2016-17 compared with 5,716 in the previous year. The Commissioner's Assessment and Resolution Team evaluates each enquiry and where possible tries to assist the person making the enquiry with their concerns. Where necessary the Team explains what is required for the Commissioner to consider a complaint. Full details of how we handle enquiries are provided on the website.

In 90% of enquiries callers were either given support to assist with self-resolution of their concerns, or were given general information about the Commissioner's role and functions. In these instances no further action was required. Other enquirers were often guided to relevant forms and information available on the website. Table 16 describes the outcomes of all enquiries received.

COMPLAINTS

Under the Uniform Law the Commissioner can receive complaints involving:

- consumer matters, which are disputes over legal costs and/or the quality of legal services provided;
- potential disciplinary matters, which are complaints relating to the lawyer's conduct; or
- a mixture of the two.

Costs disputes are the most common form of consumer matter or complaint. Under the Uniform Law, the Commissioner may deal with disputes about legal costs up to \$100,000, or higher if the amount in dispute is less than \$10,000.

Costs disputes must generally be made within 60 days of a client receiving the bill. Complaints about disciplinary matters and other consumer matters must be made within three years of the alleged conduct having occurred. The Uniform Law allows these time limits to be extended or waived under certain circumstances.

In addition to receiving complaints from the public, the Commissioner is also able to carry out a 'Commissioner-initiated complaint' based on information received from a source other than a formal external complaint. These are discussed later in this chapter.

PROFILE OF NEW COMPLAINTS RECEIVED IN 2016-17

In 2016-17 there were 1,489 complaints opened. Because of changes under the Uniform Law, we now include Commissioner-initiated complaints in the total number of complaints opened for the year, however these complaints were not included in the 2015-16 figures.

Accounting for the inclusion of Commissioner-initiated complaints, the number of complaint files opened this year was 6% higher than the previous year. Of all complaint files opened, 52% were consumer matters, 44% were disciplinary matters and 4% were a mixture of the two. Full details of the number and type of complaints received in 2016-17 are provided in Table 17. An explanation of how the complaints process works is provided on our website.

As with previous years, a significantly higher proportion of complaints were received about solicitors (94%) than barristers (6%). This reflects the higher level of contact consumers have with solicitors compared to barristers and the numbers of solicitors compared to barristers generally. Table 18 illustrates the number and type of complaints received against solicitors and barristers for 2016-17.

Tables 19 and 20 provide an overview of the areas of law that attract complaints and the specific issues raised in those complaints. The areas of law presented in Table 19 have changed from previous reports to enable Victoria and New South Wales to report on a uniform set of complaint categories under the Uniform Law. Some categories were renamed and some similar themes were combined. Despite these changes, the profile of areas of law complained about remain statistically similar to those of previous years. Table 20 remains unchanged.

PRELIMINARY ASSESSMENTS

When the Commissioner receives a complaint, we first undertake a preliminary assessment. The allegations raised in the complaint are reviewed and, if necessary, further information is sought from the complainant and the lawyer. This process helps identify how the complaint should best be dealt with by the Commissioner. Complaints are often resolved during a preliminary assessment.

Some complaints raise issues that we are unable to consider, including matters that could not amount to a disciplinary breach, are misconceived, or lacking in substance. These complaints are generally withdrawn after a discussion with a member of the Assessment & Resolutions Team, or are closed at preliminary assessment.

DEALING WITH CONSUMER MATTERS: DISPUTE RESOLUTION AND CONCILIATION

The Commissioner received 835 new complaints involving consumer matters in 2016-17, including those made in mixed complaints.

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

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

CLOSED CIVIL DISPUTES – LPA

The Commissioner closed 6 civil complaints during the year which were received under the old LPA. The manner in which these files were closed is set out in Table 21. These are the last of the old LPA civil files.

CLOSED CONSUMER MATTERS – UNIFORM LAW

In 2016-17 the Commissioner closed 823 consumer matters received under the Uniform Law; 510 matters involving costs complaints were closed by the DRR and 301 matters which did not involve costs were closed by the ART, with 14 being closed by other teams. Informal resolution, where the Commissioner helps the parties agree to resolve their differences, was successful in 261 matters, while 117 matters were resolved. 58 complaints withdrawn during the Commissioner's preliminary assessment and a further 90 were withdrawn after the Commissioner began discussing the complaint with the parties. In 28 consumer matters the Commissioner was unable to assist in resolving the issue and the parties were advised they could apply to have their matter determined by VCAT or the Costs Court. See Table 22 for further details.

COMMISSIONER DETERMINATIONS – CONSUMER MATTERS

In some instances the parties involved in a complaint about a consumer matter are unable to settle their dispute, even with the Commissioner's help. In these situations, the Uniform Law enables the Commissioner to resolve the dispute by making a determination of what is fair and reasonable under the circumstances.

For costs disputes under \$10,000, the Commissioner has the power to make a binding determination on what costs are payable. For disputes over the quality of legal services provided, the Commissioner can make a variety of determinations which include cautioning the lawyer, requiring an apology be made to the client, and requiring the lawyer to redo work, where appropriate. Further details on determinations and examples of past determinations are available on the website.

In 2016-17 the Commissioner made determinations in 21 consumer matters: 17 involved a binding costs determination and four did not involve a costs outcome. Many other matters settled once the parties were given notice of what the Commissioner's proposed determination would be, negating the need for a formal determination to be made.

UNRESOLVED CONSUMER MATTERS

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

DEALING WITH DISCIPLINARY MATTERS: INVESTIGATIONS

INVESTIGATIONS UNDERTAKEN

The Commissioner commenced a total of 212 disciplinary investigations (Table 23), which was 16% lower than for 2015-16. The discrepancy between the number of complaints opened as disciplinary matters and the number which qualified for an investigation is due to many of those issues not amounting to a potential disciplinary breach. These are often resolved in the preliminary assessment and closed at this stage. Complaints are only investigated if the allegations made against the lawyer or law practice have some basis and would be serious enough to warrant disciplinary action if they were proven to be true.

The Commissioner can delegate complaints about barristers to the Ethics Committee of the Victorian Bar for handling, including for formal investigation. The outcomes of any such investigations are reported back to the Commissioner who makes the final decision. In 2016-17 the Commissioner delegated 10 investigations to the Bar.

COMMISSIONER INITIATED COMPLAINTS

In 2016-17 a total of 73 complaints were initiated by the Commissioner, with 63 of these proceeding to an investigation and 10 closed after a preliminary investigation. The Commissioner can open a complaint after becoming aware of the issues of concern, for example through media reports, information provided by a court, a trust account investigation or the Board's annual practising certificate renewal process. An explanation of how the Commissioner can use this power is provided on the website. Table 24 shows the reasons for Commissioner initiated investigations commenced in 2016-17.

OUTCOMES OF DISCIPLINARY COMPLAINTS

CLOSED DISCIPLINARY COMPLAINTS

Tables 25 and 26 show the reason disciplinary complaints were closed during the reporting year. A total of 35 complaints were closed under the LPA, while a further 625 were closed under the Uniform Law. These include complaints received both during the 2016-17 year and in previous years.

The most common reasons for closures were because complaints were either resolved or withdrawn by the complainant after a preliminary assessment (three complaints under the LPA and 258 complaints under the Uniform Law). A further five complaints under the LPA and 174 complaints under the Uniform Law were found to be lacking in substance and therefore closed.

In 13 disciplinary investigations undertaken under the LPA, the Commissioner reached the conclusion that VCAT would likely find the lawyer guilty of some form of disciplinary breach. Four of these matters resulted in charges against the lawyer while the remainder were dealt with under the Commissioner's powers. In a further seven matters investigated under the Uniform Law, the Commissioner found professional misconduct may have occurred and prosecution was initiated in VCAT.

ALTERNATIVE DISCIPLINARY ACTIONS (INCLUDING DETERMINATIONS)

Under the LPA, the Commissioner was able to deal with cases of unsatisfactory professional conduct through alternative disciplinary actions, which included issuing the lawyer with a reprimand or a caution, or ordering compensation be paid by consent. Similar but expanded powers exist under the Uniform Law which also enables the Commissioner to make a determination about a lawyer's conduct and, in addition to a reprimand and a caution, order the lawyer to apologise to the complainant, pay compensation or a fine of up to \$25,000, and/or undertake further education. These determinations are explained in greater detail on the website.

During the year, the Commissioner took alternative disciplinary action against lawyers in 12 matters under the LPA and made 41 disciplinary determinations under the Uniform Law. The Commissioner issued a total of 14 reprimands and 32 cautions using his powers under both sets of legislation (see Table 27).

Table 28 provides further detail of the outcomes of both own motion investigations commenced under the LPA and Commissioner initiated complaints commenced under the Uniform Law.

COMPLAINTS FINALISED AND OUTSTANDING

The Commissioner finalised a total of 1,458 complaints in 2016-17, including matters received in previous years. Tables 29 and 30 show the number of complaints finalised this year by complaint type under the LPA and the Uniform Law respectively.

TIME TAKEN TO FINALISE COMPLAINTS

The time it takes to finalise a complaint will vary depending on the complexity of the matters involved and the degree to which the differing sides participate with the Commissioner's processes. The Commissioner closed 478 complaints within a 30 day period in the reporting year, compared with the total of 454 in 2015-16. A majority of complaints were resolved within three months of their receipt. A total of 31% of complaints closed in 2016-17 took more than 120 days to conclude, which typically involved more complex investigations. Tables 31 and 32 illustrate the time taken to resolve complaints in 2016-17 for matters received under the LPA and the Uniform Law respectively.

COMPLAINTS OUTSTANDING

By 30 June 2017 the Commissioner had 505 outstanding complaints, compared with 472 in 2015-16. Commissioner initiated complaints are included in the 2016-17 figure after changes were made under the Uniform Law about classifying complaints. Tables 33 and 34 show the number of complaints outstanding as at 30 June 2017 arranged by complaint type for the LPA and the Uniform Law respectively.

APPLICATIONS TO VCAT

In total the Commissioner made 12 new applications to VCAT during the year. One matter was heard and finalised, while a further 22 applications made in previous years were finalised. Thirteen other matters were yet to be heard or were awaiting VCAT orders (see Table 35 in Appendix 2). Appendix 3 contains the details of all disciplinary matters brought by the Commissioner before VCAT in 2016-17.

APPEARANCES IN VCAT

During the reporting year the Commissioner was a party before VCAT on 51 days. The Commissioner was represented by Counsel on all but one of these days, when staff represented the Commissioner.

STATUS OF VCAT APPLICATIONS AND COURT ACTION

There were 27 matters heard and determined at VCAT during 2016-17. Two additional matters from earlier years were also finalised during the year after their appeals were determined (see Table 36 in Appendix 3). By 30 June 2017, 14 matters were still awaiting a hearing and/or decision (Table 37). One matter was listed for a rehearing at VCAT (see Table 38) and one additional rehearing matter was determined (Table 39). Three matters were appealed to the Supreme Court (Table 40). Three further appeals were heard and determined in the Supreme Court, with one reaching the High Court (Table 41).

REMOVAL FROM THE ROLL OF LEGAL PRACTITIONERS

Three Victorian lawyers were removed from ('struck off') the roll of legal practitioners maintained by the Supreme Court of Victoria during 2016-17. They were:

- Mr David Forster, struck off on 2 December 2016;
- Mr Jan Horak, struck off on 15 December 2016; and
- Mr George Morris Henderson, struck off on 24 March 2017.

05

Corporate operations and governance

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

EDUCATING THE LEGAL PROFESSION AND CONSUMERS OF LEGAL SERVICES

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

The program promotes specific regulatory issues relevant to lawyers and supports the profession in maintaining its own high ethical and practice standards. The program also educates the community about legal issues, and about the rights and obligations that flow from the client-lawyer relationship. In 2016-17, the program also included specific information on costs disclosure requirements under the Uniform Law, client understanding & consent, and mental health in the profession.

EDUCATING THE LEGAL PROFESSION

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

PRESENTATIONS

During 2016-17 the Board and Commissioner delivered 30 presentations to groups of lawyers, reaching a combined audience of over 2,500, including audiences from Melbourne-based law firms, State and Commonwealth Government organisations, law associations, and the Bar.

The Board and Commissioner also gave 12 guest lectures to over 1,000 undergraduate and postgraduate law and legal studies students enrolled at five Victorian universities: University of Melbourne, Monash University, Deakin University, La Trobe University and Victoria University. These typically covered the regulation of the legal profession as well as traps to avoid for new lawyers and awareness of mental health.

SPECIALIST GROUPS AND LAW ASSOCIATIONS

During 2016-17 staff spoke with and presented to representatives from the LIV Commercial Litigation Specialists group, the Bar and in-house counsel groups, as well as with groups of lawyers specialising in wills & estates, family law, employment law, and migration law. Staff also presented to the Macedon Ranges Lawyers group, Bayside Solicitors Group, the Goulburn Valley Law Association and the Eastern Solicitors Law Association.

EDUCATING CONSUMERS OF LEGAL SERVICES

The Board and Commissioner raise awareness among consumers of legal services of their rights and responsibilities when working with lawyers. Information about consumers' rights and responsibilities when engaging a lawyer and the complaint handling regime is also disseminated among the Victorian community.

ENGAGEMENT WITH COMMUNITY GROUPS

Consumers will often turn to community support services and information networks when in need of assistance, including when things go wrong with their lawyer. In addition to providing information to these groups to support their clients throughout the year, staff participated in several forums and group networks, and presented to two Probus community groups.

COMMUNITY ADVOCATE ORGANISATIONS

Community and specialist legal services provide free and low cost legal services to consumers and advocate for the rights of the community. The Board and Commissioner work to maintain a strong relationship with these organisations through the Education and Outreach Program. In 2016-17, seven meetings were held with representatives from Victorian community legal services and Victoria Legal Aid, including a visit to the Shepparton area in June 2017. Board and Commissioner staff also delivered a presentation to community legal service lawyers at an event organised by the Federation of Community Legal Centres.

FEEDBACK ON THE RELATIONSHIP BETWEEN LAWYERS AND CONSUMERS

The Board and Commissioner seek feedback from community groups and from community advocate organisations on the relationship between clients and lawyers. This information assists in understanding current and emerging challenges in the lawyer-client relationship. It also influences the Board and Commissioner's communication, education and outreach activities and messages.

OTHER RELATED PROFESSIONAL ASSOCIATIONS

The Board and Commissioner delivered five presentations to 245 staff members in other government/statutory organisations, including the Department of Defence and to Judges' Associates and judicial staff from the Supreme Court of Victoria. Board and Commissioner staff also gave presentations to other Australian legal regulators through the annual Conference of Regulatory Officers, and to members of the Australasian Legal Practice Managers Association.

GRANTS PROGRAM

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

To manage and monitor the distribution of funds, the Board operates the Grants Program. Since the program was established in 2007 the Board has provided \$33 Million in funding to Victorian organisations. All grants are approved by the Attorney-General.

RECOGNITION AND AWARDS

In October 2016 the Department of Justice and Regulation published its Access to Justice Review report. In it, the Department commended many of the health-justice partnerships funded by the Board and recommended that model be continued and replicated to improve access to legal services.

Several other Board-funded projects also won awards during the year. The SmartSafe+ App, developed by the Domestic Violence Resource Centre Victoria, won the Victorian Premier's iAward for Innovation.

The Creating Collaborative Community Partnerships category of the 2016 Victorian Early Years Awards was won by the MABELS project, a health-justice partnership between the Eastern Community Legal Centre, the Boorndawan Willam Aboriginal Healing Service, Eastern Domestic Violence Service, Maroondah City Council and Yarra Ranges Council.

The InTouch Multicultural Centre against Family Violence project was also recognised for their health-justice partnership project with the Diversity and Law Award in the 2017 Australian Migration and Settlement Awards.

OTHER OUTCOMES

The first year review report of the Health-Justice Partnership projects was published, and a video to promote the model was also released. Over 20 projects have now delivered their final reports to the Board.

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

GRANTS AWARDED IN 2016-17

The Board awarded \$3,045,697 million in funding to 17 projects in 2016-17. These projects are listed in Table 42, with further details provided on the Board's website.

Table 42: 2016-17 Major Grants awarded

Organisation	Summarised project description	Amount awarded
Friends of Castlemaine Library	'Read-Along Dads' project to keep male prisoners in touch with their children through recording a children's audio book, which is sent to their child, and a literacy program to assist prisoners and their children.	\$45,000 over 2.5 years
Loddon Campaspe Community Legal Centre	Identify and deal with poor justice related outcomes for children, youth and families in Victoria's Central Goldfields area.	\$571,282 over 3 years
Victorian Aboriginal Legal Service Co-operative Limited	Reduce family conflict in Aboriginal communities by supporting decision-making for people with cognitive impairment.	\$133,000 over 1 year
Monash University's Castan Centre for Human Rights Law	Review the regulation of education for children with a disability in Victoria's schools.	\$104,638 over 1.5 years
Deakin University	Evaluate the effectiveness of the Equal Opportunity Act 2010 (Vic).	\$23,886 over 1.5 years
Springvale Monash Legal Service Inc.	Prevent youth contact with the justice system by integrating legal education and sport.	\$276,927 over 2 years
Inclusion Melbourne	Develop a best practice guide for the legal system when working with victims of crime with an intellectual disability.	\$38,830 over 1 year
Victorian Bar Incorporated	Implement an online referral and allocation portal for <i>pro bono</i> barristers.	\$53,818 over 1 year
Federation University Australia	Identify strategies to assist justice agencies to enhance their response to people with complex communication needs.	\$57,270 over 2 years
Banyule Community Health in partnership with the Indigenous Peoples' Gathering Place and Banyule City Council	Develop culturally safe and sustainable legal service pathways for Indigenous communities, particularly in regard to child protection matters.	\$366,890 over 3 years
Swinburne University of Technology in partnership with Centre for Forensic Behavioural Science and the Magistrates' Court of Victoria	Improve the consistency and quality of judicial supervision following Victorian sentencing law reforms.	\$47,893 over 1 year
Jesuit Social Services	Improve access to education, training and employment for people on community corrections orders to help reduce recidivism.	\$387,800 over 3 years
Justice Connect	Support for long-term sustainability of Victorian not-for-profit community organisations through free/low-cost legal help.	\$412,657 over 3 years
Social Security Rights	Improve the way generalist community legal services and other community service providers detect, assist, and refer clients with social security law issues.	\$72,500 over 1 year
Eastern Community Legal Centre	Increase the safety of mothers and babies from family violence through a health justice partnership.	\$399,306 over 2 years
Victoria University	Explore how technology is reshaping law, legal institutions and the practice of law, to inform the impacts on the future of the legal profession and access to justice.	\$40,000 over 1 year
Court Services Victoria	Test the community's understanding of the conditions of Family Violence Intervention Orders.	\$14,000 over 1 year

WORKING WITH THE PROFESSIONAL ASSOCIATIONS

The Board and Commissioner work closely with the LIV and the Bar and have the power to delegate functions to the professional associations. A list of the Board's current and revoked delegations is provided in Appendix 5 of this report. The Commissioner's current and revoked delegations for the same period can be found in Appendix 6.

In addition to delegations the Board and Commissioner can contract LIV to provide services such as external interventions and debt collection.

The Board and Commissioner fund the LIV and the Bar to cover the costs associated with delegations and services. Table 43 shows the funding provided to the LIV and Bar in 2016-17.

Table 43: Payments made to the LIV and the Bar for the discharge of Board and Commissioner functions in 2016-17

	2015-16 \$'000	2016-17 \$'000
PUBLIC PURPOSE FUND		
LAW INSTITUTE OF VICTORIA		
Trust account inspections	2,479	2,553
Continuing Professional Development (CPD)	168	173
External interventions and debt collection	396	79
External counsel fees	118	122
Compliance audits	179	134
Total	3,340	3,061
VICTORIAN BAR		
Practising certificates	94	98
FIDELITY FUND INVESTIGATIONS		
Law Institute of Victoria	167	172
COMMISSIONER PAYMENTS FOR COMPLAINTS HANDLING		
Victorian Bar	74	79

STRENGTHENING OUR FINANCIAL PRACTICES

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

PUBLIC PURPOSE FUND

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

GENERAL ACCOUNT

Under the Application Act, the money deposited into the General Account includes interest from law practices' general trust accounts, interest from the SDAs, earnings from PPF investments, any profits from the realisation or revaluation of any PPF investments, fines as a result of decisions at VCAT, practising certificate fees, money transferred from the Fidelity Fund and any other money received by the Board that is not required to be credited to another account in the PPF or the Fidelity Fund.

Expenses of the General Account include:

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

STATUTORY DEPOSIT ACCOUNT

The Application Act requires that each law practice with a general trust account must have a corresponding individual SDA held by the Board. The balance in the Board's SDA account is the sum of each of the individual SDAs held by practitioners. Amounts deposited with the Board are held on trust for the law practice and are repayable on demand. A proportion of the funds held in the account are effectively invested by the Board in accordance with the Board's Investment Policy Statement (explained in further detail on page 30 of this report). This investment is facilitated by a financial arrangement with the Board's main banker. The financial arrangement is authorised by the Application Act and is approved by the Treasurer.

DISTRIBUTION ACCOUNT

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

At the end of the reporting year the surplus in the general account was \$106,552,240 compared with \$67,489,016 at 30 June 2016. The distributions made during 2016-17, as determined by the Board and with the approval of the Attorney-General, are set out in Table 44 and in the financial statements in Appendix 4 of this report.

Table 44 - Board distributions - Actual 2017, Planned 2018

PPF General Account balance	Actual 2016-17 \$'000	Forecast 2017-18 \$'000
General Account balance at the start of the year	67,489	106,552
ALLOCATION OF GENERAL ACCOUNT FUNDS		
Funds allocated to the Distribution Account	(33,745)	(53,276)
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
Commissioner	(8,866)	(8,623)
Payments to professional associations for programs	(2,908)	(3,204)
Victorian Civil and Administrative Tribunal - Legal Practice List	(1,193)	(957)
Victorian Legal Admissions Board	(1,207)	(1,244)
Delegated functions: Law Institute of Victoria	(3,061)	(2,280)
Delegated functions: Victorian Bar	(98)	(101)
Legal Services Council - Uniform Law Scheme	(518)	(530)
General Account payments	(17,850)	(16,938)
Balance	15,894	36,339
Distribution account balance	Actual 2017 \$'000	Forecast 2018 \$'000
Opening balance	59,459	55,897
Transfer from General Account	33,745	53,276
GRANTS AND FUNDING PAID FROM THE DISTRIBUTION ACCOUNT		
Major grants and projects paid ⁽ⁱ⁾⁽ⁱⁱ⁾	(2,511)	(4,000)
Victoria Legal Aid	(31,162)	(30,037)
Victorian Law Reform Commission	(1,784)	(2,046)
Victoria Law Foundation	(1,849)	(1,864)
Sub-total - Funding Grants	(37,307)	(37,946)
Closing balance	55,897	71,227

⁽ⁱ⁾ Major grants approved but unpaid of \$2.801million as at 30 June 2017.

⁽ⁱⁱ⁾ Budgeted new major projects of \$4.000 million in 2017-18 to be approved.

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

Table 45 provides the five-year financial performance and position of the Board and Commissioner.

Table 45: Financial Performance and Position of the Board and Commissioner

Financial Performance (\$'000)	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue from investments and solicitors trust accounts	55,628	56,498	65,280	83,611	78,306
Other revenue	8,529	9,023	9,411	10,191	10,993
Total revenue	64,157	65,521	74,691	93,802	89,299
Total expenditure	(59,933)	(61,567)	(63,491)	(63,403)	(69,619)
Net operating result	4,224	3,954	11,200	30,399	19,680
Net gain/(loss) on financial instruments and other economic flows	16,275	16,915	14,105	(26,831)	16,629
Net results from continuing operations	20,499	20,869	25,305	3,568	36,309
Financial Position (\$'000)	2012-13	2013-14	2014-15	2015-16	2016-17
Total Assets	703,232	841,695	1,053,706	1,280,050	1,629,199
Total Liabilities	(554,430)	(672,024)	(858,730)	(1,081,506)	(1,394,346)
Net Assets	148,802	169,671	194,976	198,544	234,853

OVERVIEW OF FINANCIAL PERFORMANCE

The Board and Commissioner achieved a composite net surplus of \$36.309 million, \$32.741 million higher than the prior year's surplus of \$3.568 million.

The net result significantly improved on the prior year largely driven by strong investment fund performance combined with the full year impact of the Board's decision to expand the investment portfolio in December 2015. The net result also includes a gain from funds written back of \$3.140 million in the Fidelity Fund provision for defalcations, based on actuarial assessment.

REVENUE FROM TRANSACTIONS

Total income from transactions of \$89.299 million was \$4.503 million lower than prior year income of \$93.802 million.

The decrease in revenue from investments and solicitors' trust accounts to \$78.306 million (from \$83.611 million in the previous year) was mainly due to a reduction in interest earnings of \$4.117 million. This was a result of the decline in cash rates by 50 basis points during the year, partially negated by increasing trust account balances.

Investment distributions of \$40.856 million were strong; however they were less than previous year distributions of \$42.530 million due to a large one-off distribution in 2015-16.

Other revenue of \$10.993 million, comprised mainly of Practising Certificate fees and Fidelity Fund contributions, increased by \$0.802 million from \$10.191 million in the previous year.

EXPENSES FROM TRANSACTIONS

Total expenses from transactions increased to \$69.619 million, \$6.216 million higher than the 2015-16 expenses of \$63.403 million. The increase in expenses is primarily due to a one-off increase in funding to Victoria Legal Aid, increased legal expenses and higher Fidelity Fund claims. Overall there were modest increases across most other expenses in line with inflation.

Funding and grants increased by \$2.760 million mainly due to additional one-off funding granted to Victoria Legal Aid and most other funded bodies receiving higher funding than the previous year. Funding of major grants and projects within the Board's Grants Program decreased by \$0.245 million due to lower approvals for projects based on relevant suitability criteria.

Legal expenses of \$4.382 million for the year increased by \$1.322 million on prior year spend. The increase in legal expenses was mainly due to the increased use of external providers to handle external interventions in a more active, time conscious approach. Legal expenses can vary year to year depending on the volume and complexity of cases handled by the Board and Commissioner, however such expenditure is closely managed and monitored.

Fidelity Fund claims and related administration expenses were \$3.696 million, compared to \$2.103 million in 2015-16 due to increased activity to resolve outstanding claims.

NET GAIN/(LOSS) FROM OTHER ECONOMIC FLOWS

The net gain on financial instruments and other economic flows of \$16.629 million was significantly above the previous year loss of \$26.831 million. This reflects the strong performance of the Board's investment portfolio, with improved investment performance compared to the more challenging market conditions experienced in the previous year. Total investment returns were positive in both 2016-17 and 2015-16 when distributions are added to these capital movements.

Strong investment performance in growth assets contributed to the significantly higher market gains arising from changes in fair value of investments of \$11.961 million compared to the loss of \$28.367 million last year. Growth assets, which includes Australian and overseas equities, diversified growth funds, property and infrastructure funds, performed well above expectations and compared to defensive assets. The Board introduced a relatively small asset allocation of Australian small capitalisation equities and emerging market equities to the PPF investment portfolio to provide further diversification and enhance expected returns.

The Board also gained \$1.611 million upon its disposal of investments during the year in rebalancing the portfolio in line with the strategic asset allocation.

Fidelity Fund provisions decreased by \$3.140 million from \$15.210 million to \$12.070 million in line with actuarial valuations, further adding to the net surplus for the year.

SUMMARY

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

The 2016-17 net result of \$36.309 million was above the budgeted surplus of \$12.748 million. An operating surplus of \$16.505 million has been budgeted for 2017-18. Budgeted investment returns are based on long-term average investment asset class returns as the best available approximation of this more volatile revenue stream.

INVESTMENT POLICY STATEMENT

The Board held \$744.482 million in investments as at 30 June 2017. The Board engages a range of external investment managers to invest funds across various asset classes. The Board also engages an external investment adviser to recommend and assist in investment decision-making. The Board seeks to maximise investment returns whilst limiting exposure to risk to an acceptable level. Table 46 shows the types of investments managed by the Board.

Table 46: Investments managed by the Board as at 30 June 2017 – \$'000s

2017	General Account	Statutory Deposit Account	Distribution Account	Total Public Purpose Fund	Fidelity Fund	Net Funds Managed by the Board
Australian equities	15,618	34,894	11,761	62,274	7,255	69,529
Australian small capitalisation equities	1,008	15,000	-	16,008	-	16,008
Australian fixed interest	6,533	129,944	9,161	145,638	7,976	153,614
Diversified growth funds	20,179	139,419	5,589	165,187	5,949	171,136
Global fixed interest	10,302	151,300	22,037	183,640	7,751	191,391
Overseas equities hedged	5,228	10,462	4,352	20,041	2,528	22,570
Overseas equities unhedged	3,992	66,650	2,729	73,370	4,202	77,571
Emerging market equities	2,179	20,000	-	22,179	-	22,179
Property and infrastructure managed funds	(316)	20,800	-	20,484	-	20,484
Total	64,723	588,469	55,629	708,821	35,661	744,482
2016						
Australian equities	8,601	41,845	21,762	72,208	6,223	78,431
Australian fixed interest	10,618	148,514	9,161	168,293	8,217	176,510
Diversified growth funds	16,002	141,345	5,589	162,936	5,803	168,739
Global fixed interest	3,018	193,000	15,600	211,618	7,753	219,371
Overseas equities hedged	5,710	14,850	4,352	24,912	4,170	29,082
Overseas equities unhedged	5,408	31,650	2,728	39,786	2,589	42,375
Property and infrastructure managed funds	549	20,800	-	21,349	-	21,349
Total	49,906	592,004	59,192	701,102	34,755	735,857

INVESTMENT OBJECTIVES

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

- The Board aims to restrict the frequency of a negative return to not exceed 3 in every 20 years when modelling its long term asset allocation and risk/return objectives; and
- To outperform a CPI + 2% per annum return objective over rolling 3 year periods.

The investment objectives for the Fidelity Fund are as follows:

- The Board aims to restrict the frequency of a negative return to not exceed 2 in every 20 years when modelling its long term asset allocation and risk/return objectives; and
- To outperform a CPI + 1.5% per annum return objective over rolling 5 year periods.

The strategic asset allocations designed to achieve the objectives are set out in Table 47.

Table 47: Asset allocations for 2016-17

Asset Allocation	Public Purpose Fund		Fidelity Fund	
	Benchmark Ranges	Actual 30/6/17	Benchmark Ranges	Actual 30/6/17
Australian equities	0 – 20%	9%	5 – 15%	13%
Australian small capitalisation equities	0 – 5%	2%	0%	0%
Overseas equities hedged	0 – 10%	3%	5 – 15%	5%
Overseas equities unhedged	0 – 20%	10%	5 – 15%	7%
Emerging market equities	0 – 10%	3%	0%	0%
Diversified growth funds	10 – 30%	23%	5 – 15%	11%
Property and infrastructure managed funds	0 – 15%	3%	0%	0%
Growth Assets	40 – 70%	53%	0 – 40%	36%
Australian fixed interest	10 – 30%	21%	10 – 20%	14%
Global fixed interest	0 – 30%	26%	10 – 20%	14%
Cash	0 – 50%	0%	30 – 70%	36%
Defensive Assets	30 – 60%	47%	60 – 100%	64%
Total	100%	100%	100%	100%

Figure 6: Asset allocations for 2016-17

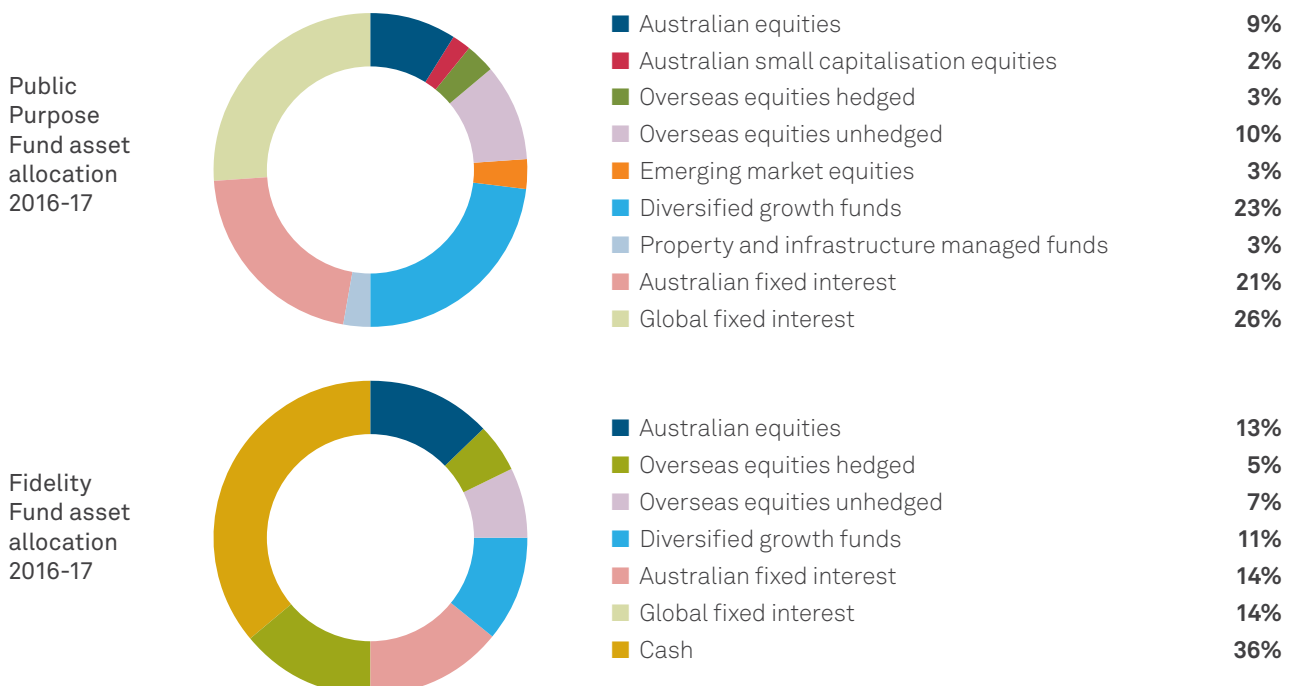
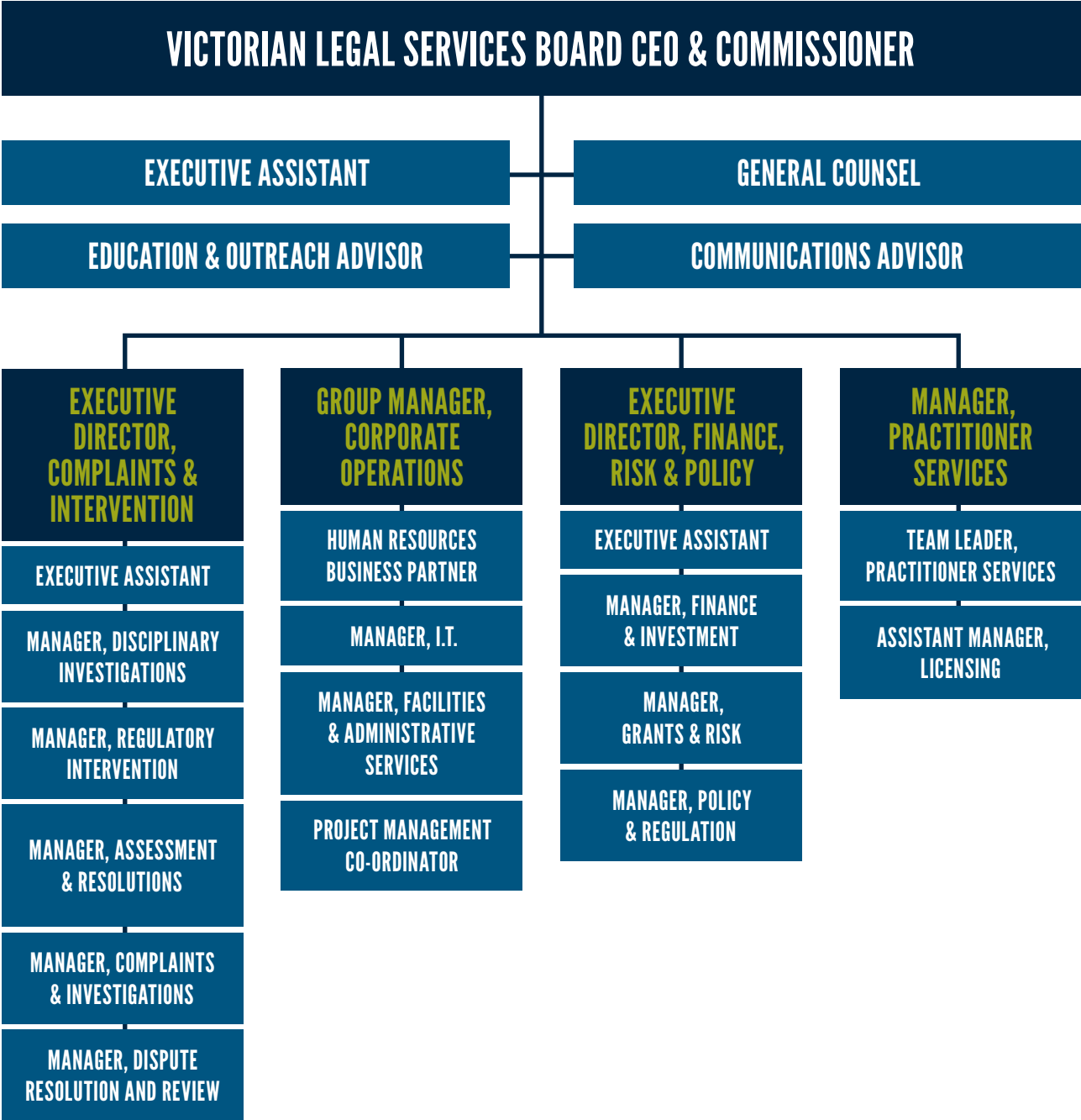


Figure 7: Organisational structure and employment arrangements for the Board and Commissioner



WORKFORCE DATA AND STAFFING TRENDS

ORGANISATIONAL STRUCTURE OF THE BOARD AND COMMISSIONER

The Application Act prescribes that the Commissioner is the employer of staff for both the Board and Commissioner. As previously stated, the Commissioner, Michael McGarvie, is also the CEO of the Board. The organisational structure of the Board and Commissioner as at 30 June 2017 is shown in Figure 7 on page 33. Staff are employed under Part 3 of the *Public Administration Act 2004* (Vic).

WORKFORCE DATA AND STAFFING TRENDS

Table 48 shows the profile of the workforce (headcount) employed by the Commissioner as at 30 June 2017 compared with the previous reporting year.

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

EXECUTIVE AND SENIOR OFFICER DATA

An executive officer is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004*, or a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. All figures reflect employment levels as at the last full pay period in June of the current and corresponding previous reporting years.

The definition of an executive officer does not include a statutory office holder or an accountable officer. The Executive Officer figures therefore do not include the Board Chairperson or the non-lawyer members of the Board who have all been appointed by the Governor in Council.

Tables 49 and 50 disclose details for the executive officers employed by the Commissioner for 2016-17.

Table 49: Number of executive officers

Classification	2015-16		2016-17	
	Male	Female	Male	Female
EO-1	0	0	0	0
EO-2	1*	0	1*	0
EO-3	2	0	2	0
Total	3	0	3	0

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

The number of executives in this report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 8.2 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 8.2 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 50: Reconciliation of executive numbers

Category	2015-16	2016-17
Executives (see Financial Statement Note 8.2)	2	2
Accountable Officer (Commissioner)	1	1
Less Separations	0	0
Total executive numbers as at 30 June	3	3

Table 51 discloses total salaries in \$20,000 bands for executive and senior non-executive staff.

Table 51: Annualised total salary for senior staff

Income band (salary)	Executives	STS
\$200,000 – \$219,999		1
\$220,000 – \$239,999	2	
\$300,000 – \$319,000	1*	
Total	3	1

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

Table 48: Employees of the Commissioner

	30-Jun-16										30-Jun-17																			
	All Employees					Ongoing					Fixed term & Casual					All Employees					Ongoing					Fixed term & Casual				
	Number (h/count)	FTE (rounded)	Full time (h/count)	FTE (rounded)	Part time (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Full time (h/count)	FTE (rounded)	Part time (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)				
GENDER																														
Male	28	27	25	25	1	1	2	1	1	1	1	2	1	1	1	20	25	20	20	1	1	1	4	4	4	4	4			
Female	52	49	37	37	9	7	6	5	5	5	5	6	5	12	9	39	58	39	39	12	9	9	11	11	10	10				
Total	80	76	62	62	10	8	8	6	6	6	6	8	6	13	10	59	83	59	59	13	10	15	15	14	14					
AGE																														
Under 25	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
25-34	18	18	11	11	1	1	6	4	4	4	4	6	4	2	1	15	24	15	15	2	1	8	8	8	8					
35-44	26	24	19	19	6	5	1	1	1	1	1	1	1	6	5	12	22	12	12	6	5	6	6	5	5					
45-54	16	15	13	13	2	2	0	0	0	0	0	0	0	2	2	15	17	15	15	2	2	0	0	0	0					
55-64	15	15	15	15	0	0	1	1	1	1	1	1	1	0	0	15	16	15	15	1	1	0	0	0	0					
Over 64	4	3	3	3	1	0	0	0	0	0	0	0	0	1	2	4	4	2	2	2	1	1	1	1	1					
Total	80	76	62	62	10	8	8	6	6	6	8	8	6	13	10	59	83	59	59	13	10	15	15	14						
CLASSIFICATION																														
VPS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
VPS2	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0					
VPS3	13	12	10	10	1	1	2	1	1	1	2	1	1	1	1	11	14	11	11	1	1	2	2	2	2					
VPS4	25	23	18	18	2	1	5	4	4	4	5	4	4	3	2	14	24	14	14	3	2	9	8	8						
VPS5	23	23	17	17	5	5	1	1	1	1	1	1	1	9	7	17	28	17	17	9	7	4	4	4						
VPS6	14	13	12	12	2	1	0	0	0	0	0	0	0	2	0	13	13	13	0	0	0	0	0	0						
STS	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0						
Executives	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	2	2	2	2	0	0	0	0	0						
Other#	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0	0	0	0	0						
Total	80	76	62	62	10	8	8	6	6	6	8	8	6	13	10	59	83	59	59	13	10	15	15	14						

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

PUBLIC ADMINISTRATION VALUES AND EMPLOYMENT AND CONDUCT PRINCIPLES

The Board and Commissioner continue to uphold the public sector conduct principles of managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit. Employees have been correctly classified in workforce data collections.

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

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Committee is comprised of staff and management representatives. The Committee met five times in 2016-17 and offered staff a range of wellbeing activities aimed at improving physical and mental health.

Table 52: Occupational Health and Safety issues for 2016-17

OHS indicator	2014-15	2015-16	2016-17
Number of reported hazards per 100 FTE	0	0	4
Number of 'lost time' claims per 100 FTE	0	0	2
Average cost per claim	0	0	\$1000 (one claim not yet determined)

In January 2017 a critical incident involving a significant police response occurred directly outside the Board and Commissioner offices on Bourke Street, Melbourne. While no staff were directly involved, several staff witnessed the incident. Management immediately arranged for professional counselling support for all staff who required it. Ongoing support was provided via the employee assistance program in the weeks following the incident.

PERFORMANCE PLANNING AND PROFESSIONAL DEVELOPMENT

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

As the employer, the Commissioner places a high value on strengthening staff knowledge and specialist skills. During 2016-17 training was provided to staff on a range of topics including callers at risk of self-harm, privacy principles, professional resilience, file costing, bankruptcy and insolvency Law. Staff members also attended various external courses, workshops and conferences, and two managers completed the Mt Eliza Leadership Training program.

GOVERNANCE AND COMPLIANCE STATEMENTS

FREEDOM OF INFORMATION

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

REQUESTS RECEIVED AND PROCESSED DURING THE YEAR

During 2016-17, the Board and Commissioner received nine new valid requests made under the FOI Act. Access was denied in full to four requests as the material requested was exempted under the FOI Act. Three requests were made outside the FOI Act's powers, two requests were withdrawn, and apart from one VCAT appeal, all requests were finalised by 30 June 2017.

There were no complaints made to the FOI Commissioner about FOI decisions made by the Board or Commissioner. There was one application for review by the FOI Commissioner about a Commissioner decision during 2016-17.

APPLICATIONS TO VCAT DURING THE YEAR

There was one VCAT appeal lodged against a decision made by the Commissioner during 2016-17.

MAKING A REQUEST

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

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

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

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

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

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

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

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

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*.

PROTECTED DISCLOSURE ACT 2012

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

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

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

NATIONAL COMPETITION POLICY

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

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

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

DISCLOSURE OF MAJOR CONTRACTS

The Board and Commissioner did not engage in any major contracts with a value of greater than \$10 million during 2016-17.

LOCAL JOBS FIRST – VICTORIAN INDUSTRY PARTICIPATION POLICY

The *Victorian Industry Participation Policy Act 2003* requires public bodies and departments to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy. Departments and public sector bodies are required to apply the policy in all procurement activities valued at \$3 million or more in metropolitan Melbourne, and \$1 million or more in regional Victoria. For the reporting period, the Board and Commissioner did not commence any contracts to which the policy applies.

CONSULTANCIES

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

In 2016-17, the Board and the Commissioner engaged five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2016-17 in relation to these consultancies is \$423,471 (excluding GST). Details of individual consultancies are outlined in Table 53 below.

Table 53: Board and Commissioner Consultancies for 2016-17

Consultant	Purpose of consultancy	Total approved project fee \$	Expenditure 2017 \$	Future expenditure \$
The University of Melbourne	Risk based regulation data analysis project	346,001	135,211	155,790
Mercer	Investment advisory services	503,822	168,089	70,798
Rivers Economic Consulting	Practising Certificate fees review	87,000	36,000	51,000
am Actuaries	Actuarial services	70,141	70,141	-
Eyres and Associates	Business planning	14,030	14,030	-

*Above amounts are GST exclusive

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2016-17 the Board and Commissioner engaged 11 consultancies during the year, where total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2016-17 in relation to these consultancies was \$42,973 (excluding GST).

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

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

INFORMATION AND COMMUNICATIONS TECHNOLOGY

Extensive work was undertaken to harmonise forms and align the timing for the Trust Audit year with other Uniform Law agencies. In addition a new system to provide external access to the case management system for Trust Account Investigations was implemented, meaning that data for investigations are now captured in real-time and outcome timeframes have been reduced.

Cyber-security processes were reviewed during 2016-17 with networking hardware and software protection tools upgraded or replaced. Preventative measures have also been implemented with the corresponding policy and procedures updated. ICT expenditure for the year is detailed in Table 54.

Table 54: ICT expenditure for 2016-17:

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 (non-BAU) ICT expenditure \$'000
498	675	245

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of publications produced by the Board or Commissioner, and how these can be obtained
- details of any major external reviews carried out on the operation of the Board and/or Commissioner
- details of major research and development activities undertaken by the Board and Commissioner
- details of any overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional and public relations activities undertaken by the Board and Commissioner to develop community awareness of our services

- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on Industrial relations within the Board and Commissioner and details of 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.

This information is available on request from:

Communications Advisor
Victorian Legal Services Board and Commissioner
Tel: 03 9679 8001
Email: admin@lsbc.vic.gov.au

OFFICE-BASED ENVIRONMENTAL IMPACTS

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

ENERGY CONSUMPTION

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

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

TARGET: ACHIEVED

Table 55: Electricity consumption

Total electricity usage	Baseline 2007-08	2013-14	2014-15	2015-16	2016-17
Total usage (MJ)	591,185	567,246	540,000	527,496	515,172
Total green power usage (MJ)	0	242,340	17,825	0	515,172
Greenhouse gas emissions associated with electricity use (tonnes)	217.65	121.8	175	200.76	0
Percentage of electricity purchased as Green Power	0	42.72	3.28	0	100
Electricity used per FTE (MJ/FTE)	10,070	7,666	6,667	6,941	6,206
Electricity used per unit of office area (MJ/m ²)	398	313.74	246.24	240.54	234.92

2016-17 ACTIVITIES

Total electricity usage in 2016-17 decreased by 2.4% compared with the previous year (Table 55). Energy consumption per FTE remains 38% below the 2007-08 baseline figure.

The Board and Commissioner moved to a 100% renewable electricity supply through a new contract in July 2016. This switch to renewable sources of electricity has meant the Board and Commissioner have exceeded the target for greenhouse gas emission reductions against the 2007-08 baseline.

WASTE GENERATION

The building owner provides a commingled office waste management facility through which the Board and Commissioner recycled an average of 48% of all daily office waste generated in 2016-17. This recycling rate decreased by 5% from the previous year, however the total level of waste generation also decreased by approximately 48% (or approximately 11kg of waste per FTE staff member).

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

TARGET: ACHIEVED

Table 56: Waste generation

Daily waste generation	Baseline 2007-08	2013-14	2014-15	2015-16	2016-17
Total waste to landfill (kg)	10.9	7.41	10.51	11.00	6.7
Waste to landfill / FTE (kg)	0.19	0.10	0.12	0.14	0.08

2016-17 ACTIVITIES

A waste audit conducted by an independent contractor recorded a significant decrease in the total volume of waste generated (extrapolated across the year) compared to 2015-16. Despite the increase in FTEs over time, the total volume of waste generated per person was less than half that of the 2007-08 baseline figure (Table 56), exceeding the target for waste reduction.

The Board and Commissioner also use other recycling facilities to dispose of office waste. A secure paper disposal service recycled 3.8 tonnes of paper, a majority of which were old law practice files held by the LIV and intended for destruction, and a further 210 kilograms of stationery equipment, printer cartridges, e-waste, batteries etc, was sent for recycling through the social enterprise, Green Collect.

PAPER CONSUMPTION

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

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

TARGET: ACHIEVED

Table 57: Paper consumption

Total paper usage	Baseline 2007-08	2013-14	2014-15	2015-16	2016-17
Number of A4 reams of copy paper used	718	1,237	1,478	1,117	779
Number of A4 reams of copy paper used per FTE	26.5	16.72	18.25	14.7	11
Percentage of 75-100% recycled content copy paper purchased (%)	5.8	0.16	0	0	0.11
Percentage of 50-75% recycled content copy paper purchased (%)	91.3	96.2	96.1	93.1	88.0
Percentage of 0-50% recycled content copy paper purchased (%)	2.9	3.64	3.9	6.9	11.88

2016-17 ACTIVITIES

Paper consumption for 2016-17 was 18% lower than in 2015-16. This represents a 55% reduction in paper use per FTE from the baseline figure, and a total of 15.5 fewer reams of paper per FTE (Table 57). The consistent decrease in FTE paper usage can be attributed to the Board and Commissioner's efficient electronic document management processes.

WATER CONSUMPTION

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

TRANSPORT USE

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

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

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

TARGET: ONGOING

Table 58: Transport use

Business related travel	Baseline 2007-08	2013-14	2014-15	2015-16	2016-17
Total distance travelled by aeroplane (km)	57,370	84,226	125,749	37,160	37,437
Total distance travelled by car (km) (excluding taxis)	Not recorded	1,590	0	510	357
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking, or car-pooling to and from work or working from home.	90.48	93.75	93.75	95.12	96.47

2016-17 ACTIVITIES

In line with previous years, a majority of employees continued to use public transport, car-pooling, cycling or walking to commute to and from the office. The Board and Commissioner continued to promote the use of public transport to destinations throughout Victoria, including encouraging staff to use public transport to attend meetings and seminars in the metropolitan area. Use of the Shared Services Vehicle Pool was limited, and only when other transport options were impractical. For details of transport use for 2016-17 see Table 58.

GREENHOUSE GAS EMISSIONS

Table 59 summarises the greenhouse gas emissions of the Board and Commissioner for the 2016-17 year. This data is collated from energy utility accounts, data from the state government authorised travel agent and an independent waste audit conducted for the Board and Commissioner by Great Forests Australia.

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

TARGET: ACHIEVED

Table 59: Board and Commissioner greenhouse gas emissions

Greenhouse gas emissions	Baseline 2007-08	2013-14	2014-15	2015-16	2016-17
Total greenhouse gas emissions associated with energy use (t CO ₂ -e)	217.65	121.8	166.48	200.76	0
Total greenhouse gas emissions associated with vehicle hire (t CO ₂ -e)	Not recorded	Not recorded	Not recorded	0.08	0.06
Total greenhouse gas emissions associated with air travel (t CO ₂ -e) (approximate)	17.36	17.9	34.3	12.90	12.21
Total greenhouse gas emissions associated with waste production (t CO ₂ e)	N/A	0.94	0.8	1.29	0.88
Greenhouse gas emissions offsets purchased (t CO ₂ -e)*	N/A	N/A	N/A	N/A	N/A

2016-17 ACTIVITIES

This year saw a 94% decrease in the total volume of greenhouse gas emissions produced by the office. This is due to the purchase of 100% renewable-sourced electricity from July 2017 (Table 59).

PROCUREMENT

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

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

TARGET: ONGOING

2016-17 ACTIVITIES

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

Victorian Legal Services
BOARD + COMMISSIONER

June 2017 Attestation on compliance with Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes

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



Fiona Bennett
Chairperson, Victorian Legal Services Board

5 July 2017

June 2017 Attestation on compliance with the Australian/New Zealand International Risk Management Standard

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



Michael McGarvie
Victorian Legal Services Commissioner

5 July 2017

D-16-112691

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Appendices

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Snapshot of Victoria's Legal Profession

The Board is responsible for maintaining a register of legal practitioners and law practices. The register contains information about all lawyers in Victoria including their name, address for service, PC status and the name of their employer or the business name they trade under. The register is publicly accessible, enabling consumers to confirm whether a lawyer is currently registered to practice law. There is no charge for inspecting the register. For further information on the register, and to access the register itself, visit the 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 and is 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.

Unincorporated legal practice (ULP) is a partnership between one or more Australian legal practitioners and persons who are not Australian legal practitioners, or in an unincorporated body or group as approved by the Legal Services Council, where the business of the partnership includes the provision of legal services.

Non-legal employer is an entity that is not a registered legal entity and employs lawyers for the provision of in-house legal services.

Partner is an Australian legal practitioner engaging in legal practice as the principal of a law practice.

Principal means an Australian legal practitioner who is either a sole practitioner, lawyer partner (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.

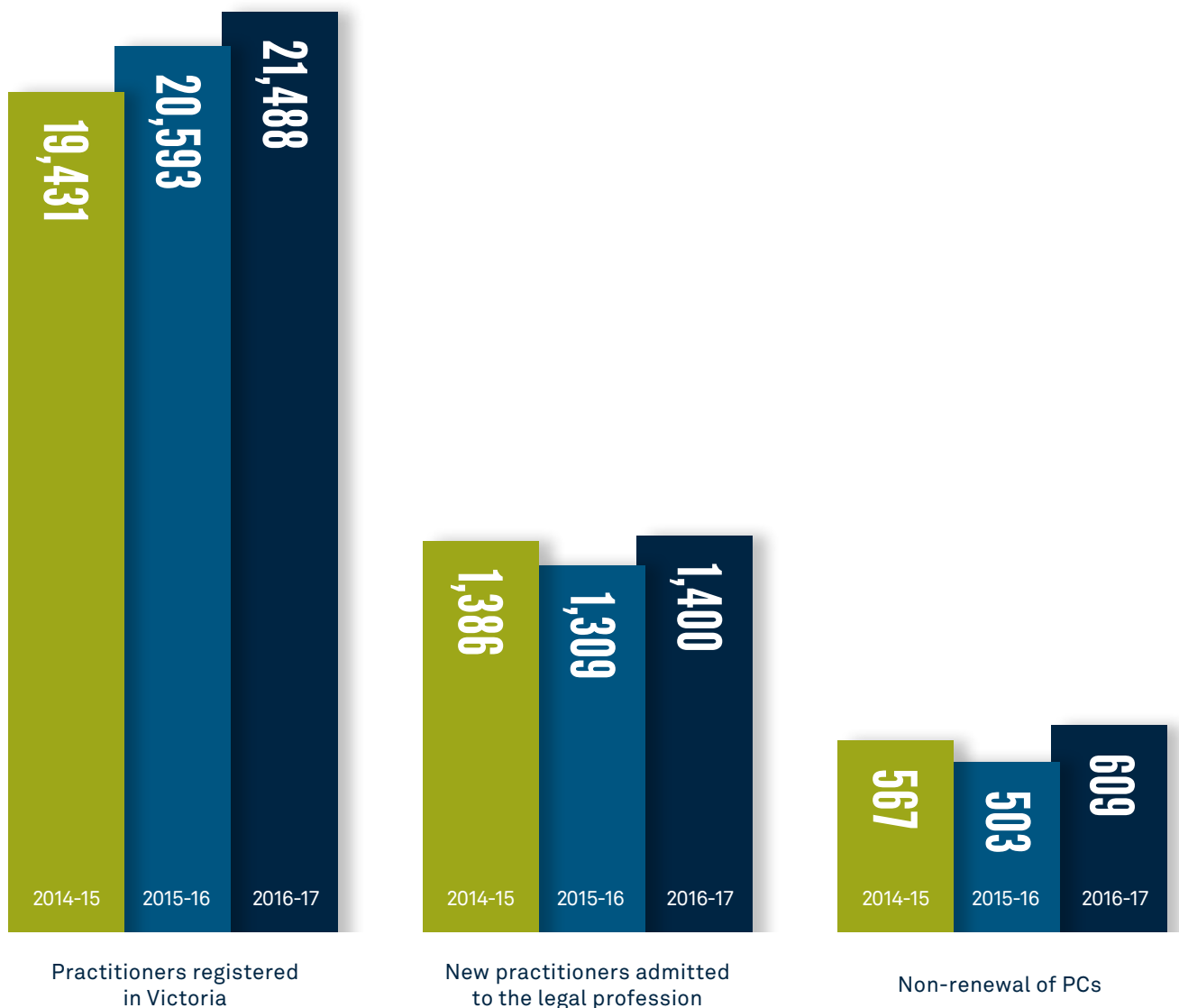
Supervising legal practitioner is an Australian legal practitioner who is the principal for the legal services provided by a CLS.

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

Below is a summary of the profile of the legal profession in Victoria as at 30 June 2017. There were 21,488 lawyers registered in Victoria at 30 June 2017. The number of lawyers registered in the state grew by 895, a 4% increase over the previous year. 1,400 new lawyers were admitted to the legal profession between 1 July 2016 and 30 June 2017, 91 more new admittees than recorded last year. 609 lawyers did not renew their PCs for the year end 30 June 2017. Figure 3 illustrates this change.

Figure 3: Numbers of lawyers registered in Victoria



PRACTITIONERS BY AGE AND GENDER

The total number of male lawyers registered in Victoria as at 30 June 2017 was marginally greater than female lawyers, with the gender gap continuing to narrow. By the end of the reporting year 50.48% of Victorian lawyers were male while 49.52% were female, with only 210 fewer female lawyers than male lawyers.

For several years female lawyers have outnumbered their male counterparts in the 20-30 and 31-40 age brackets. In 2016-17 they also dominated the 41-50 age bracket.

All subsequent age brackets are occupied by a majority of male lawyers. Table 2 illustrates the registered lawyers by age and gender in 2016-17.

LAWYER TYPE AND GENDER

As shown in Table 3, the majority of lawyers registered in Victoria practise as solicitors (90%) while 10% practise as barristers. Males account for approximately 71% of all Victorian barristers.

Table 2: Lawyers by age and gender

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
MALE							
2015-16	1,478	2,554	2,229	2,118	1,691	501	10,571
2016-17	1,529	2,687	2,263	2,049	1,770	551	10,849
FEMALE							
2015-16	2,566	3,817	2,126	1,098	361	54	10,022
2016-17	2,626	4,057	2,335	1,138	415	68	10,639
TOTAL							
2015-16	4,044	6,371	4,355	3,216	2,052	555	20,593
2016-17	4,155	6,744	4,598	3,187	2,185	619	21,488

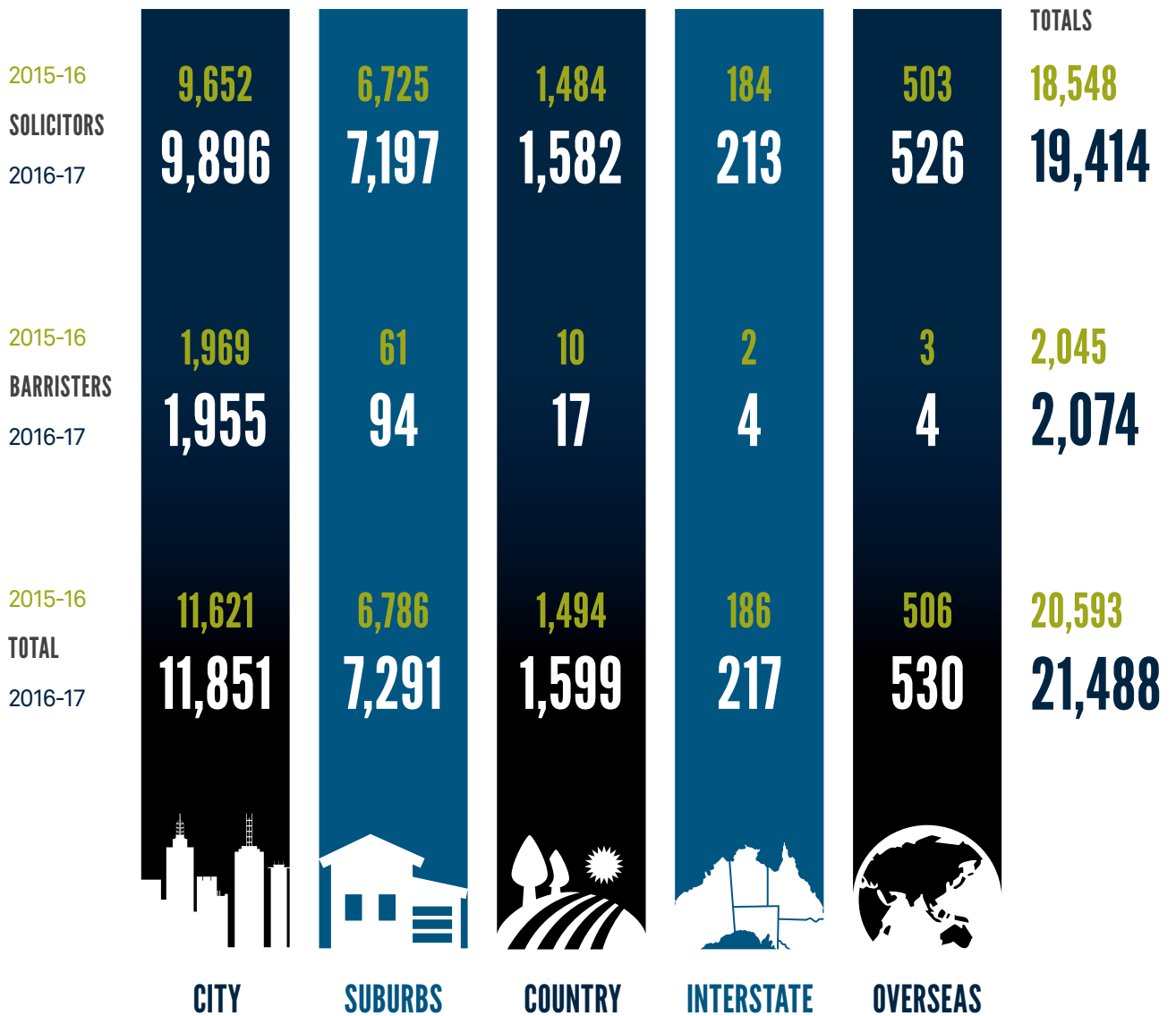
Table 3: Lawyer type and gender

	Type					
	Solicitors		Barristers		Total	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Male	9,094	9,378	1,477	1,471	10,571	10,849
Female	9,454	10,036	568	603	10,022	10,639
Total	18,548	19,414	2,045	2,074	20,593	21,488

LOCATION OF PRACTICE

The majority of lawyers registered in Victoria are based in the inner city area (55%) followed by the suburbs (34%). Figure 4 shows the geographic distribution of lawyers.

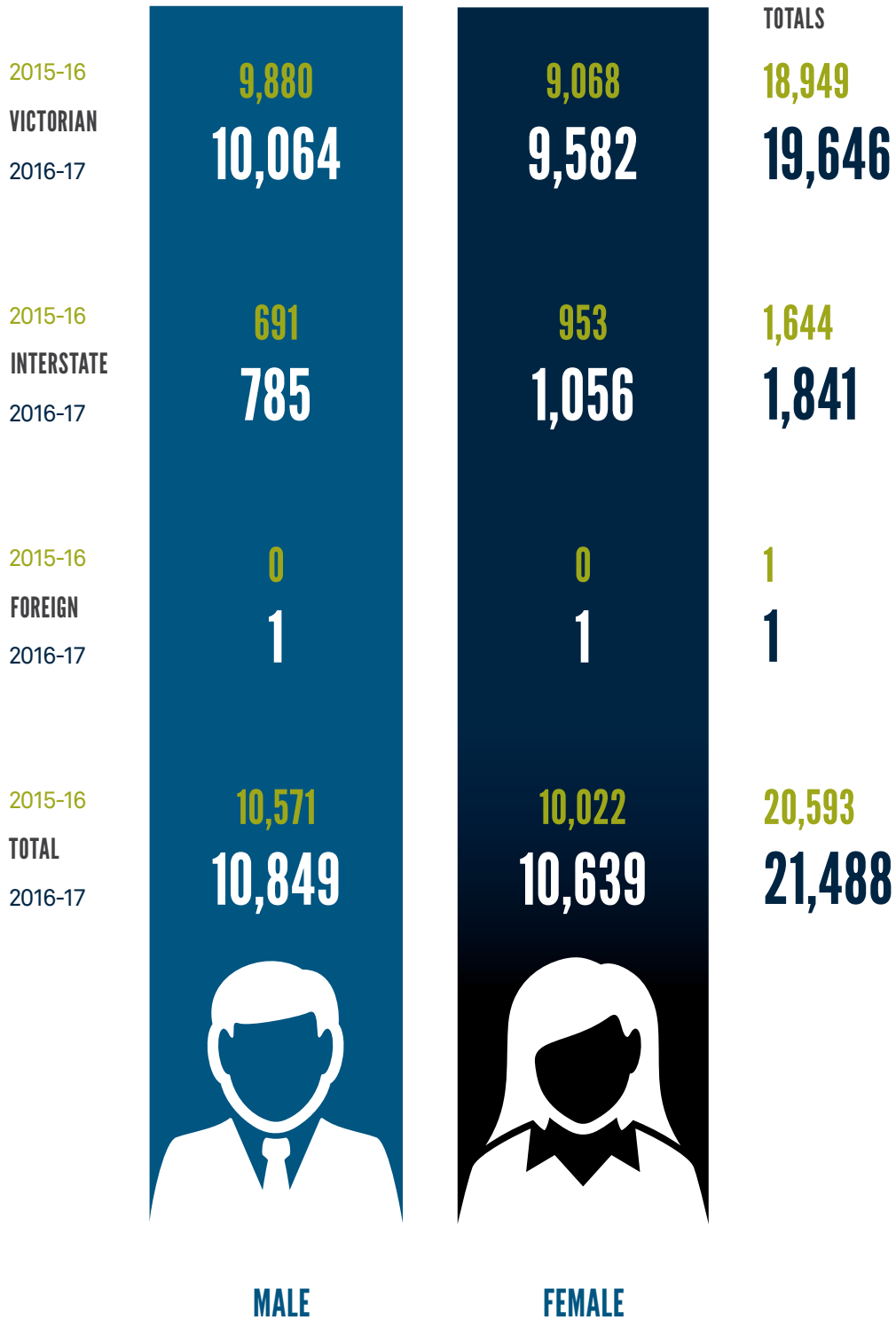
Figure 4: Location of lawyers by type



LAWYERS BY ADMISSION ORIGIN AND GENDER

Figure 5 shows the number of lawyers registered in Victoria as at 30 June 2017 by the origin of their admission and their gender. Lawyers who obtained admission to practice in an interstate jurisdiction accounted for approximately 9% of the total number of lawyers registered in Victoria. Note: Foreign lawyers are not included in the total number of admitted lawyers for each year.

Figure 5: Numbers of lawyers by gender and origin of admission



LAWYERS BY POSITION TYPE

There were 24,053 individual legal positions registered in Victoria as at 30 June 2017. This is higher than the total number of registered lawyers as some lawyers maintain positions with more than one entity. For example, a solicitor employee of a law firm may also be a volunteer with a community legal service. Position type therefore does not always reflect the type of PC held.

The types of positions occupied by Victorian lawyers remained relatively similar to those recorded for the 2015-16 year. Table 4 indicates that the Employee position type was the most populous, followed by that of Sole practitioner.

Table 4: Lawyers by position type

Position Type	2015-16	2016-17
Employee	8,080 (35%)	8,455 (35%)
Sole practitioner (includes barristers)	5,321 (23%)	5,258 (22%)
Corporate lawyer	3,141 (14%)	3,251 (14%)
Government	1,615 (7%)	1,939 (8%)
Partner	2,204 (9%)	2,217 (9%)
Director	1,810 (8%)	2,013 (8%)
Volunteer at CLS	774 (3%)	785 (3%)
Supervising lawyer	124 (<1%)	135 (<1%)
Total	23,069	24,053

LAWYERS BY PC TYPE AND AGE

Table 5 and 6 show the number of male and female lawyers registered in Victoria broken down by the type of PC held and their age. Employee PCs were the most common certificate type held with almost half of all female lawyers holding this PC type. Approximately 29% of all lawyers held a principal PC (with or without trust authorisation), while 13% of lawyers held a corporate PC. A new category of Employee with Trust authorisation was introduced during 2016-17.

MALE LAWYERS

Table 5 shows the number of male lawyers in Victoria broken down by PC type and age. There was little change in the types of PCs held by male lawyers at 30 June 2017 compared to the previous year.

Table 5: Male lawyers by PC type and age

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2015-16	1,154	1,016	330	223	199	99	3,021
2016-17	1,212	1,128	372	217	224	103	3,256
PRINCIPAL WITH TRUST AUTHORISATION							
2015-16	27	249	611	910	688	153	2,638
2016-17	23	249	568	847	713	172	2,572
PRINCIPAL							
2015-16	75	629	786	711	707	231	3,139
2016-17	42	349	427	353	364	158	1,693
CORPORATE							
2015-16	139	587	455	248	76	12	1,517
2016-17	94	417	369	160	55	5	1,100
GOVERNMENT							
2015-16	32	36	23	12	4	1	108
2016-17	93	244	132	114	38	6	627
BARRISTER (INTRODUCED LATE 2015-16)							
2015-16	9	8	3	4	4	1	29
2016-17	34	258	366	347	358	102	1,465
VOLUNTEER							
2015-16	42	29	21	10	13	4	119
2016-17	31	39	29	11	17	5	132
EMPLOYEE WITH TRUST AUTHORISATION (INTRODUCED 2016-17)							
2015-16	0	0	0	0	0	0	0
2016-17	0	3	0	0	1	0	4
TOTAL							
2015-16	1,478	2,554	2,229	2,118	1,691	501	10,571
2016-17	1,529	2,687	2,263	2,049	1,770	551	10,849

FEMALE LAWYERS

Table 6 shows the number of female lawyers in Victoria broken down by PC type and age. The rate of change in distribution of female lawyers across the profession was little different to that of the previous year.

Table 6: Female lawyers by PC type and age

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2015-16	1,975	1,776	555	236	81	13	4,636
2016-17	20,21	1,949	610	241	94	19	4,934
PRINCIPAL WITH TRUST AUTHORISATION							
2015-16	19	199	301	221	96	16	852
2016-17	24	205	311	222	104	22	888
PRINCIPAL							
2015-16	91	570	525	355	133	23	1,697
2016-17	50	372	383	237	97	13	1,152
CORPORATE							
2015-16	342	1,086	645	249	35	0	2,357
2016-17	194	731	526	178	35	0	1,664
GOVERNMENT							
2015-16	64	124	57	12	5	0	262
2016-17	242	536	280	117	19	0	1,194
BARRISTER (INTRODUCED LATE 2015-16)							
2015-16	5	10	3	0	0	0	18
2016-17	34	200	179	119	56	10	598
VOLUNTEER							
2015-16	70	52	40	25	11	2	200
2016-17	61	64	45	24	10	4	208
EMPLOYEE WITH TRUST AUTHORISATION (INTRODUCED 2016-17)							
2015-16	0	0	0	0	0	0	0
2016-17	0	0	1	0	0	0	1
TOTAL							
2015-16	2,566	3,817	2,126	1,098	361	54	10,022
2016-17	2,626	4,057	2,335	1,138	415	68	10,639

EMPLOYMENT STATISTICS

NUMBER OF ENTITIES EMPLOYING LAWYERS IN VICTORIA

The Board records all law firms, companies, charities and other organisations which employ lawyers. As at 30 June 2017 there were 9,171 entities registered in Victoria. The largest change was a decrease in the number of sole practitioners. Table 7 shows the number of entities registered in Victoria as at 30 June 2017.

Table 7: Number of employer entities in Victoria

Type	2015-16	2016-17
Sole practitioner	5,680 (62%)	5,437 (59%)
Non-legal employer	1,595 (17%)	1,689 (18%)
Incorporated legal practice	1,382 (15%)	1,547 (17%)
Law firm	241 (3%)	231 (3%)
Government employer	146 (2%)	159 (2%)
Community legal service	60 (<1%)	62 (<1%)
Unincorporated legal practice	25 (<1%)	30 (<1%)
Foreign law practice	28 (<1%)	16 (<1%)
Total	9,157	9,171

LOCATION OF EMPLOYERS

Table 8 shows the number of employer entities registered in Victoria by entity type and location as at 30 June 2017. Almost half (48%) of sole practitioners are city-based while a further 40% are located in the suburbs. 45% of registered law firms are also located in the city.

Table 8: Location of employers

Type	City	Suburb	Country	Interstate	Overseas	Total
SOLE PRACTITIONER						
2015-16	2,651	2,275	411	56	287	5,680
2016-17	2,614	2,190	395	66	171	5,436
NON-LEGAL EMPLOYER						
2015-16	660	634	45	62	194	1,595
2016-17	701	680	47	70	191	1,689
ILP						
2015-16	510	648	149	75	0	1,382
2016-17	566	715	172	94	0	1,547
LAW FIRM						
2015-16	116	69	31	11	14	241
2016-17	120	65	33	10	3	231
GOVERNMENT EMPLOYER						
2015-16	104	30	7	4	1	146
2016-17	113	33	7	5	1	159
CLS						
2015-16	18	31	7	3	1	60
2016-17	19	32	7	3	1	62
ULP						
2015-16	14	4	3	4	0	25
2016-17	17	5	3	5	0	30
FOREIGN LAW PRACTICE						
2015-16	5	7	0	0	16	28
2016-17	4	6	0	0	6	16
TOTAL						
2015-16	4,078	3,697	653	215	513	9,157
2016-17	4,154	3,726	654	253	373	9,171

ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

The vast majority of entities only employ one principal (sole practitioners). Table 9 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 9: Entities by type and number of principals

Type	0 – 1 #	2-3	4-5	6-10	11-20	21-40	>40	Total
SOLE PRACTITIONER								
2015-16	5,349	0	0	0	0	0	0	5,349
2016-17	5,294	0	0	0	0	0	0	5,294
ILP								
2015-16	1,093	194	32	14	7	0	0	1,340
2016-17	1,231	233	30	16	4	0	0	1,514
LAW FIRM								
2015-16	13	145	15	15	15	10	12	225
2016-17	12	142	13	19	11	12	11	220
CLS								
2015-16	31	21	3	0	0	1	0	56
2016-17	33	21	3	0	0	0	1	58
ULP								
2015-16	11	3	1	2	3	1	4	25
2016-17	10	5	3	2	3	3	4	30
FOREIGN LAW PRACTICE								
2015-16	11	1	1	0	0	0	0	13
2016-17	9	1	0	0	0	0	0	10
TOTAL								
2015-16	6,508	364	52	31	25	12	16	7,008
2016-17	6,589	402	49	37	18	15	16	7,126

#Entities with no principal positions assigned are due to processing times for registering changes. In most instances these entities are in the process of ceasing practice, but have not yet formally notified the Board. 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.

ENTITIES BY ENTITY TYPE AND NUMBER OF EMPLOYEES

Sole practitioners, as an entity type, continue to be the largest single employer of lawyers. Table 10 shows the number of legal entities registered in Victoria by entity type and the number of employees.

Table 10: 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								
2015-16	4,942	331	61	21	4	0	0	5,359
2016-17	4,882	342	55	21	3	0	0	5,303
NON-LEGAL EMPLOYER								
2015-16	711	271	71	63	30	4	4	1,154
2016-17	684	270	74	76	30	9	4	1,147
ILP								
2015-16	673	363	127	108	56	18	4	1,349
2016-17	741	419	154	123	63	14	5	1,519
LAW FIRM								
2015-16	11	73	42	47	23	13	29	238
2016-17	0	74	34	48	20	14	29	228
GOVERNMENT EMPLOYER								
2015-16	30	32	11	18	16	6	13	126
2016-17	25	39	13	14	19	7	14	131
CLS								
2015-16	5	7	7	10	12	11	8	60
2016-17	5	8	4	13	16	5	10	61
ULP								
2015-16	9	2	0	2	6	0	6	25
2016-17	8	4	0	1	7	2	8	30
FOREIGN LAW PRACTICE								
2015-16	24	1	1	1	0	0	0	27
2016-17	12	0	0	1	0	0	0	13
TOTAL								
2015-16	6,405	1,080	320	270	147	52	64	8,338
2016-17	6,366	1,156	334	297	158	51	70	8,432

*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.

APPENDIX 02 Complaints and related data

Table 16: Number and outcome of enquiries

Year	Information given, including support to enable self-resolution	Conciliated outcome	Complaint form sent	Referral to other body / No jurisdiction	Total enquiries handled
2016-17	5,229 (90%)	95 (1.6%)	465 (8%)	4 (0.06%)	5,793
2015-16	5,162 (90%)	73 (1%)	475 (8%)	6 (0.1%)	5,716
2014-15	4,761 (90%)	117 (2%)	407 (8%)	32 (0.6%)	5,317

Table 17: Number and type of complaint files opened

Year	Consumer matter only	Disciplinary matter only	Mixed matter	Total complaints
2016-17	781 (52%)	654 (44%)	54 (4%)	1,489*
2015-16	716 (53%)	557 (42%)	67 (5%)	1,340
2014-15	637 (40%)	815 (52%)	119 (8%)	1,571

*Note: From 2016-17 all complaints initiated by the Commissioner are now included in complaints opened. In previous years investigations that were initiated under a similar power under the LPA were not included in these totals as these were not termed 'complaints'. See Table 24: Commissioner initiated complaints.

Table 18: New complaint files opened by lawyer type

	Consumer matter	Disciplinary matter	Mixed matter	Total 2016-17
Solicitors	748 (50%)	604 (41%)	51 (3%)	1,403 (94%)
Barristers	34 (2%)	50 (3%)	3 (0.2%)	86 (6%)
Total	781	654	54	1,489

Table 19: Areas of law featured in new complaints*

Area of Law	2014-15	2015-16	2016-17
Family / Defacto	347 (22%)	351 (26%)	411 (28%)
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.)	227 (14%)	175 (13%)	249 (17%)
Conveyancing	140 (9%)	146 (11%)	163 (11%)
Probate / Family Provisions (renamed from Probate and estate)	173 (11%)	162 (12%)	134 (9%)
Commercial / Corporations / Franchise (combines previous Commercial, Company and Banking)	151 (10%)	125 (9%)	118 (8%)
Criminal	105 (7%)	68 (5%)	58 (4%)
Wills / Powers of Attorney (combines previous Wills and Guardianship/Administration)	68 (4%)	34 (3%)	53 (4%)
Personal Injuries (combines Personal Injury, Motor Vehicle Accident)	72 (5%)	49 (4%)	46 (3%)
Employment (renamed from Industrial Relations)	47 (3%)	43 (3%)	46 (3%)
Leases / Mortgages (combines previous Leasing, Mortgages)	83(5%)	53 (4%)	45 (3%)
Professional Negligence (New)	-	-	40 (3%)
Workers Compensation	54 (3%)	32 (2%)	31 (2%)
Building	53 (3%)	45 (3%)	29 (2%)
Immigration	13 (<1%)	11 (<1%)	18 (1%)
Trust Account Breaches (New)	-	-	17 (1%)
Victims Compensation (renamed from Crimes compensation)	1 (<1%)	7 (<1%)	9 (<1%)
Land and Environment (combines Planning, Environmental)	10(<1%)	16 (1%)	8 (<1%)
Strata Bodies / Corporates (renamed Body Corporate / Strata Title)	14 (1%)	10 (<1%)	8 (<1%)
Insolvency	13 (<1%)	13 (<1%)	6 (<1%)
Total	1,571	1,340	1,489

*Note: the areas of law reported above have changed from previous reports. This is to enable Victoria and New South Wales to report on the same categories. Data above for 2014-15 and 2015-16 have been adjusted to provide a comparison with the current year data.

Table 20: 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	2014-15	2015-16	2016-17
Costs/Bills - overcharging	598 (34%)	505 (31%)	622 (31%)
Negligence – including bad case handling	245 (14%)	253 (16%)	369 (18%)
Trust money – including failure to account, mismanagement of funds	91 (5%)	56 (4%)	109 (5%)
Defective costs disclosure communications	46 (3%)	67 (4%)	91 (4%)
Dishonest / Misleading	97 (6%)	101 (6%)	100 (5%)
Delays	46 (3%)	72 (5%)	80 (4%)
Communication with client – including failure to return calls, give progress reports	45 (3%)	45 (3%)	88 (4%)
Breach of Act, rules, court order or undertaking	80 (5%)	68 (4%)	81 (4%)
Documents / Trust property – including retention and lost	118 (7%)	57 (4%)	69 (3%)
Duress / Pressure / Bullying / Harassment	53 (3%)	61 (4%)	70 (3%)
Conflict of interest	61 (3%)	57 (4%)	69 (3%)
Instructions – including failure to comply	29 (2%)	48 (3%)	53 (3%)
Abusive/Rude	47 (3%)	42 (3%)	46 (2%)
Debts – including practitioner's failure to pay	21 (1%)	20 (1%)	25 (1%)
Confidentiality breach	16 (<1%)	8 (<1%)	20 (<1%)
Improper personal conduct	2 (<1%)	0	13 (<1%)
Gross overcharging	38 (2%)	16 (<1%)	9 (<1%)
Communication with other party	7 (<1%)	10 (<1%)	6 (<1%)
Court system	3 (<1%)	1 (<1%)	6 (<1%)
Advertising	1 (<1%)	0	2 (<1%)
Other disciplinary issues	109 (6%)	30 (2%)	80 (4%)
Total*	1,753	1,517	2,008

*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 including anti-competitiveness, taking executors commission, failing to check capacity, practising while unqualified and refusal of legal aid.

Table 21: Outcomes of closed civil complaints made under LPA (including the civil complaint outcomes from 'mixed' complaints)

Civil complaint outcome	2014-15	2015-16	2016-17
Commissioner assisted dispute resolution between lawyer and consumer	421 (56%)	92 (58%)	1 (17%)
Dispute was unable to be settled and parties were advised of their right to apply to VCAT	159 (21%)	35 (22%)	1 (17%)
Complainant failed to lodge unpaid disputed costs	56 (7%)	7 (4%)	0
Complaint made out of time	20 (3%)	7 (4%)	1 (17%)
Complaint involved costs dispute which exceeded \$25,000	21 (3%)	3 (2%)	1 (17%)
Complainant failed to provide further information when requested	9 (1%)	2 (1%)	0
Complaint made before (or subject of another complaint)	3 (0.4%)	3 (2%)	0
Complaint not one that the Commissioner has power to deal with (eg. matter has already been dealt with/should be dealt with by a court)	20 (3%)	5 (3%)	0
Complaint lacked legal substance (eg. dispute already settled)	23 (3%)	7 (4%)	2 (33%)
Lawyer had already issued debt collection proceedings	25 (3%)	0	0
Total	755	160	6

**Table 22: Outcomes of closed Uniform Law Consumer matters
(including the consumer matter outcomes from 'mixed' complaints)**

Consumer complaint outcome	2015-16	2016-17
Closed following a binding costs determination - s292(1)	8 (2%)	17 (2%)
Informal resolution successful	160 (30%)	261 (32%)
Closure - s277(1)(a) Closed because vexatious, misconceived, frivolous or lacking in substance	40 (7%)	102 (12%)
Closure - s 277(1)(b) Complaint made out of time	19 (4%)	51 (6%)
Closure - s 277(1)(c) Closed because the complainant has not responded, or has responded inadequately, to a request for further information	10 (2%)	26 (3%)
Closure - s 277(1)(d) Matter was already investigated	0	1 (<1%)
Closure - s 277(1)(g) Client is sued. No jurisdiction over consumer matter	9 (2%)	15 (2%)
Closure - s 277(1)(i) Closed because the complaint is not one that the designated local regulatory authority has power to deal with	12 (2%)	29 (3%)
Closure - s 277(1)(j) Closed because the designated local regulatory authority is satisfied that it is otherwise in the public interest to close the complaint	4 (<1%)	8 (1%)
Closure - s291(2) No jurisdiction > \$100,000	2 (<1%)	1 (<1%)
Determination - Caution – s290(2)(a) An order requiring cautioning the respondent or a legal practitioner associate of the respondent law practice	0	1 (<1%)
Determination - Compensation Order - s308(2) An order requiring the respondent to pay monetary compensation costs	0	1 (<1%)
Determination - Compensation Order - s308(3) An order requiring the respondent to pay monetary compensation NOT costs	1 (<1%)	1 (<1%)
Determination - Education – s290(2)(d) An order requiring respondent to undertake training, education or counselling or be supervised	0	1 (<1%)
Not resolved - Rights given > \$10,0000 - s293(2)(b)(i)	8 (2%)	26 (3%)
Not resolved - Rights given < \$10,0000 - s293(2)(b)(ii)	2 (<1%)	2 (<1%)
Parties self-resolve	19 (4%)	14 (2%)
Preliminary Assessment – resolved	107 (20%)	117 (14%)
Preliminary Assessment – withdrawn	48 (9%)	58 (7%)
Mediation – resolved - s288(3)	0	1 (<1%)
Consumer matter – withdrawn	79 (15%)	90 (11%)
Total	528	823

Table 23: Disciplinary investigations undertaken

Investigations	2014-15	2015-16	2016-17
Disciplinary investigations undertaken by Commissioner	333	235	202
Disciplinary investigations delegated/handled by Bar	9	16	10
Total Investigations	342	251	212

Table 24: Commissioner-initiated complaints

Basis for Commissioner initiated complaint	Preliminary investigation		Commissioner initiated complaint		Total	
	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
Trust account report	0	2	6	14	6	16
Referral from other agency (including a court)	1	3	13	14	14	17
VLSC complaint file	2	2	10	7	12	9
Media	1	0	1	2	2	2
Possible unqualified practice	3	0	2	2	5	2
Arises from PC process	0	0	0	24	0	24
Other	0	3	4	0	4	3
Total	7	10	36	63	43	73

Table 25: Outcomes of closed LPA disciplinary complaints (including the outcomes of the disciplinary issues in 'mixed' complaints)

Investigation outcome	2014-15	2015-16	2016-17
VCAT likely to find lawyer guilty of a disciplinary breach	106 (11%)	64 (27%)	13 (37%)
VCAT unlikely to find lawyer guilty of a disciplinary breach	130 (13%)	60 (27%)	6 (17%)
Lawyer already struck off – not in the public interest to pursue further action	25 (3%)	0	0
Complainant satisfied with lawyer's explanation & withdrew complaint	338 (35%)	52 (23%)	3 (9%)
Complaint made out of time	18 (2%)	1 (<1%)	0
Complaint made before (or subject of another complaint)	13 (1%)	3 (1%)	0
Complainant failed to provide further information when requested	14 (1%)	3 (1%)	0
Complaint lacked legal substance etc. (e.g. alleged conduct was not inappropriate)	145 (15%)	11 (5%)	5 (14%)
Complaint about lawyer/client relationship and duties but made by third party (e.g. not the client)	44 (5%)	9 (4%)	0
Commissioner formed the view that complaint required no further investigation (e.g. lawyer not obliged to accept instructions from complainant)	63 (7%)	19 (8%)	4 (11%)
Commissioner has no power to deal with the complaint (e.g. involves question of law and therefore should be dealt with by a court)	66 (7%)	2 (<1%)	0
Lawyer deceased	0	0	0
Lawyer ill health or not located	1 (<1%)	0	0
Closed due to ongoing proceedings	8 (<1%)	2 (<1%)	4 (11%)
Other regulatory action being taken	0	3 (1%)	0
Total	973	225	35

Table 26: Outcomes of closed Uniform Law disciplinary complaints, including outcomes of disciplinary issues in 'mixed' complaints

Investigation outcome	2015-16	2016-17*
Abeyance - ongoing proceedings	2 (<1%)	0
Closure - s277(1)(a) Closed - vexatious, misconceived, frivolous or lacking in substance	142 (31%)	174 (38%)
Closure - s 277(1)(b) Complaint made out of time	4 (<1%)	6 (1%)
Closure - s 277(1)(c) Closed - the complainant has not responded, or has responded inadequately, to a request for further information	21 (5%)	15 (2%)
Closure - s277(1)(d) Closed - the subject matter of the complaint has been or is already being investigated	3 (<1%)	7 (1%)
Closure - s 277(1)(e) Closed - the subject matter of the complaint would be better investigated or dealt with by police or another investigatory or law enforcement body	7 (2%)	11 (2%)
Closure - s 277(1)(h) Closed - the designated local regulatory authority, having considered the complaint, forms the view that the complaint cannot result in a disciplinary outcome and requires no further investigation	42 (9%)	98 (16%)
Closure - s 277(1)(i) Closed - the complaint is not one that the designated local regulatory authority has power to deal with	2 (<1%)	3 (<1%)
Closure - s 277(1)(j) Closed - the designated local regulatory authority is satisfied that it is otherwise in the public interest to close the complaint	5 (1%)	5 (<1%)
May be Professional misconduct – Initiate VCAT prosecution	0	7 (<1%)
Preliminary Assessment - resolved	52 (11%)	72 (12%)
Preliminary Assessment - withdrawn	121 (26%)	149 (24%)
Unsatisfactory professional conduct determination - Apology - s299(1)(c) An order requiring an apology from the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)	1 (<1%)
Unsatisfactory professional conduct determination - Caution - s299(1)(a) An order cautioning the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)	31 (5%)
Unsatisfactory professional conduct determination - Fine - s299(1)(f) An order fining the respondent or a legal practitioner associate of the respondent law practice	0	1 (<1%)
Unsatisfactory professional conduct determination - Education - s299(1)(e) An order requiring the respondent to undertake training, education or counselling or be supervised	2 (<1%)	0
Unsatisfactory professional conduct determination – Reprimand - s299(1)(b) An order reprimanding the respondent or a legal practitioner associate of the respondent law practice	0	8 (1%)
Withdrawn - Disciplinary	54 (12%)	37 (6%)
Total	459	625

*Figures for 2016-17 include Commissioner-initiated complaints which were not included in the 2015-16 figures.

Table 27: Alternative disciplinary outcomes (LPA) and disciplinary determinations (Uniform Law) made by the Commissioner

Alternative disciplinary action	2014-15	2015-16	2016-17*
Commissioner reprimanded lawyer	32	23	16
Commissioner cautioned lawyer	15	6	32
Lawyer found generally competent: no further action	24	12	3
Lawyer paid compensation to complainant	4	1	0
Lawyer required to provide an apology (as per Uniform Law)	N/A	1	1
Lawyer required to undertake education (as per Uniform Law)	N/A	2	0
Lawyer required to pay a fine (as per Uniform Law)	N/A	0	1
Total	75	45	53

*Note: Uniform Law outcomes include outcomes of Commissioner initiated complaints.

Table 28: Outcomes of Own motion investigations (LPA) and Commissioner initiated complaints (Uniform Law)

Outcome	2014-15	2015-16	2016-17
VCAT likely to find lawyer guilty of Professional misconduct, application made to VCAT	10	6	6
VCAT likely to find lawyer guilty of Unsatisfactory profession conduct, application made to VCAT	0	0	1
Commissioner reprimanded lawyer (likely finding of unsatisfactory professional conduct)	12	8	4
Commissioner cautioned lawyer (likely finding of unsatisfactory professional conduct)	0	3	13
Lawyer found generally competent: no further action (likely finding of unsatisfactory professional conduct)	6	1	0
Lawyer is fined (likely finding of unsatisfactory profession conduct)	N/A	0	1
Compensation to be paid by the lawyer to the client (likely finding of unsatisfactory professional conduct)	0	1	0
Commissioner forms the view no further investigation required (Uniform Law s277(1)(h))	18	13	11
Closure s277(1)(c) – further information not provided	N/A	0	1
Closure s277(1)(e) – subject matter better investigated by another investigatory body	N/A	0	1
Closure s277(1)(j) – otherwise in the public interest to close	N/A	0	1
Abeysance - ongoing proceedings	0	1	0
Total	46	33	39

Table 29: Finalised complaints received under the LPA

Year	Civil	Disciplinary	Mixed	Total
2016-17	2 (5%)	38 (86%)	4 (9%)	44
2015-16	112 (31%)	205 (56%)	48 (13%)	365
2014-15	617 (39%)	835 (52%)	138 (9%)	1,590

Table 30: Finalised complaints received under the Uniform Law

Year	Consumer matters	Disciplinary matters	Mixed matters	Total
2016-17	785 (55%)	590 (42%)	39 (3%)	1,414
2015-16	491 (51%)	435 (45%)	37 (4%)	963

Table 31: Time taken to finalise complaints received - LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2016-17	0	0	0	0	2	2
2015-16	9	17	18	14	54	112
2014-15	216	143	76	70	112	617
DISCIPLINARY						
2016-17	0	0	0	0	38	38
2015-16	13	16	7	10	159	205
2014-15	319	129	73	57	257	835
MIXED						
2016-17	0	0	0	0	4	4
2015-16	2	2	1	4	41	48
2014-15	15	12	6	10	95	138
Total						
2016-17	0	0	0	0	44	44
2015-16	22	35	26	28	254	365
2014-15	550	284	155	137	207	1,590

Table 32: Time taken to finalise complaints received - Uniform Law

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CONSUMER MATTER						
2016-17	205	171	118	77	214	785
2015-16	175	97	80	45	94	491
DISCIPLINARY MATTER						
2016-17	265	112	39	38	136	590
2015-16	246	78	42	25	44	435
MIXED MATTERS						
2016-17	8	7	3	7	14	39
2015-16	11	2	11	5	8	37
Total						
2016-17	478	290	160	122	408	1,414
2015-16	432	177	133	75	146	963

Table 33: Number of complaints outstanding at 1 July 2017 received under the LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2016-17	0	0	0	0	0	0
2015-16	0	0	0	0	2	2
2014-15	43	24	21	11	18	117
DISCIPLINARY						
2016-17	0	0	0	0	13	13
2015-16	0	0	0	0	51	51
2014-15	37	22	17	14	124	214
MIXED						
2016-17	0	0	0	0	2	2
2015-16	0	0	0	0	6	6
2014-15	5	1	11	4	30	51
Total						
2016-17	0	0	0	0	15	15
2015-16	0	0	0	0	59	59
2014-15	85	47	49	29	172	382

Table 34: Number of complaints outstanding at 1 July 2017 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						
2016-17	64	40	25	22	58	209
2015-16	52	40	41	19	70	222
DISCIPLINARY MATTER						
2016-17	36	22	21	19	124	222
2015-16	38	29	14	13	68	162
MIXED MATTER						
2016-17	1	6	5	2	45	59
2015-16	4	4	4	0	17	29
Total						
2016-17	101	68	51	43	227	490
2015-16	94	73	59	32	155	413

Table 35: Disciplinary applications made to VCAT

Disciplinary applications under Legal Profession Uniform Law	Heard and finalised by VCAT during 2016-17	Filed and yet to be heard and/or awaiting orders by VCAT as at 30 June 2017	Total
Disciplinary applications made in 2016-17	1	11	12
Disciplinary applications made in previous year(s)	22	2	24
Total	23	13	36

03 Prosecutions in VCAT and the Courts

Table 36: Disciplinary applications heard and determined at VCAT in 2016-17 (by date of application)

No	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and orders made
1	J166/2011 J167/2011 J168/2011 J169/2011 J170/2011 J2/2012 J6/2012	December 2011 / January 2012	11/01/2017 (date of discontinuance)	FORSTER, David	Discontinued.	VCAT - 11/01/2017: Pursuant to s 93(1) of the VCAT Act, the Tribunal ordered each proceeding (x7) be discontinued. Parties to bear own costs.
2	J9/2014	15/01/2014	17/07/2014; 21/07/2014	PHAM, Quan	Professional misconduct - misconduct at common law: acted in gross breach of professional duty.	22/12/2014: PC suspended until 30/06/2016; next issued PC to be subject to conditions; complete an extra two CPD points in ethics prior to 30/06/2015; provide VLSB with evidence of completion. Pay VLSC costs. (See also Table 41)
3	J68/2014	09/05/2014	20/06/2016	HENDERSON, Morris	Professional misconduct: failure to lodge income tax returns for 11 years; failure to comply with Magistrate Court orders RE tax convictions; failure to notify the VLSB; failure to respond to the VLSC.	02/08/2016: Reprimanded. no PC to be granted for five years; recommendation made to Supreme Court of Victoria to remove respondent from local roll. Pay VLSC costs.
4	J43/2015, J34/2016	01/04/2015	03/06/2016	MINGOS, John	Misconduct at common law: engaged in dishonourable or disgraceful conduct (x2). Professional misconduct: substantial or consistent failure to reach or maintain a reasonable standard of competence and diligence.	3/06/2016: Reprimanded. PC cancelled, no PC to be issued before 14/06/2017; no principal PC to be granted before 14/06/2019. Pay VLSC costs fixed at \$20,605. (See also Table 39)

No	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and orders made
5	J66/2015	20/05/2015	11/11/2015 & 17/03/2016	O'BRIEN, Denis	Misconduct at common law: engaged in dishonourable or disgraceful conduct.	29/10/2016: Penalty Hearing; reprimanded; fined \$45,000; PC suspended for six months (order suspended for a period of two years); complete 10 hours of additional CPD units and 6 hours of professional counselling before next PC is issued. Pay VLSC costs fixed at \$29,749.74 Note: VCAT Finding made on 30/06/2016 and reported in 2015-16 annual report.
6	J88/2015	30/06/2015	08/03/2016; 09/03/2016; 23/03/2016; 24/03/2016; 18/05/2016	GERON, Chaim	Not guilty of professional misconduct.	24/08/2016: Respondent found not guilty; file sealed by VCAT.
7	J86/2015	30/06/2015	08/06/2016	PINTO, Nelson	Unsatisfactory professional conduct: allowed practice to fail to comply with Court Orders.	28/11/2016: Reprimanded; no principal PC to be granted until 01/07/2019. Pay VLSC costs fixed at \$3,500.
8	J86/2015	30/06/2015	08/06/2016	FULTON, Angus	Professional misconduct: failed to complete work despite Court orders; failed to correspond with the VLSC. Unsatisfactory professional conduct: conduct fell short of competence and diligence.	28/11/2016: Reprimanded. Fined \$5,000; for next five years PC renewal subject to conditions. Pay VLSC costs fixed at \$5,350.
9	J110/2015	14/08/2015	29/03/2016; 11/04/2016; 18/07/2016; 29/11/2016	HESSION, Robert	Professional Misconduct: created false documents (x3); made false and misleading statements to VLSC; breached trust account rules (x3); created a trust account deficiency (x5); failed to respond to the VLSC.	VCAT - 22/09/2016 & 8/12/2016: Reprimanded. No PC to be granted before 8/12/2021; Recommended for strike-off. Pay VLSC costs fixed at \$18,714.27.

No	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and orders made
10	J47/2015	Amended Application 03/09/2015	08/04/21016	LOGAN, Nicholas	Misconduct at common law: acting, issuing and maintaining proceedings without any, or any proper instructions; acting without seeking or clarifying instructions or providing any legal advice; Professional misconduct: dishonest or false or misleading correspondence.	18/07/2016: PC suspended until 30/06/2017. Pay VLSC costs to be assessed. Respondent gave undertaking pertaining to seeking instructions and communicating with clients. Note: Finding made on 08/04/2016 and reported in 2015-16 annual report. (See also Table 41)
11	J154/2015	22/12/2015	04/08/2016	KOLTAY, Alexander	Professional misconduct: breach of trust account rules (x2)	04/08/2016: Respondent gave undertaking to not apply for PC or engage in legal practice in any Australian jurisdiction; pay \$25,000 compensation to former client, pay VLSC costs fixed at \$9,000.
12	J153/2015	23/12/2015	22/04/2016	LOW, Karen	Unsatisfactory professional conduct: made baseless allegations in correspondence to unrepresented third party.	16/09/2016 & 17/02/2017: Reprimanded. Pay VLSC costs agreed at \$10,000.
13	J12/2016	23/02/2016 Amended Application dated 11/7/2016	12/07/2016	NG, Peter Lee Tong	Professional misconduct: breach of fiduciary duties to client and charging commission to client when no entitlement to do so; failed to provide full and frank information to VCAT's Guardianship List. Unsatisfactory professional conduct: failed to disclose changes to how fees were to be charged.	25/07/2016: Respondent gave undertaking to not accept an appointment as Power of Attorney, and to renounce any existing appointment save for any appointment as Power of Attorney for a family member. PC suspended from 01/09/2016 to 31/01/2017; Pay VLSC costs fixed at \$8,500. (See also item 3, Table 41)

No	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and orders made
14	J126/2013	13/04/2016	25-Dec-16 & 3-Feb-17	JAMES, Paul (Reinstated application)	Professional misconduct: substantial and consistent failure to maintain reasonable standard of competence and diligence (x2). Misconduct at common law: disgraceful and dishonourable conduct.	VCAT - 08/12/2016 & 10/03/2017: No PC to be granted before 10/09/2018; no PC to practise as principal until 3 years' practice as an employee; complete 5 CPD units in practice management and trust account requirements before applying for PC. Pay VLSC costs fixed at \$26,824.07.
15	J22/2016	20/04/2016	30/11/2016	KOTSIFAS, John	Professional misconduct: Caused trust account deficiency (x13); Breached trust rules (x3); Dishonest communication; failed to communicate with client; failed to respond to VLSC (x2); misled VLSC (x2); failed to act with competence and diligence (x3); failed to provide costs disclosure (x2); caused delay (x2); not fit and proper (x7); misled Supreme Court; misled trust account inspectors; dishonestly created invoice.	VCAT - 07/04/2017: Finding made without penalty. Penalty hearing held on 13/06/2017. Awaiting decision.
16	J25/2016	28/04/2016	21/10/2016	WATERS, Barry	Professional misconduct, failed to communicate a Calderbank offer to client prior to expiry. Professional misconduct – misconduct at common law: provided false and/or misleading statements to VLSC.	28/10/2016: Reprimanded; fined \$9000. Pay VLSC costs fixed at \$11,000.
17	J30/2016, J29/2016	04/05/2016 Amended application for J29/2016: 20/06/2016	13/09/2016	WISE, James	Professional misconduct: unauthorised receipt of trust money (x2); falsely implied entitlement to engage in legal practice.	13/12/2016: Reprimanded; no principal with trust PC to be granted before 01/07/2021; fined \$10,000; pay VLSC costs agreed at \$10,000.

No	VCAT ref.	Application date	Hearing dates	Lawyer	Summary of VCAT findings	Date and orders made
18	J37/2016	06/06/2016	16/11/2016	De MARCHI, Dino	Professional misconduct: failed to inform client in writing of costs clause inserted into Will. Unsatisfactory professional conduct: failed to immediately decline to act where Will provided lawyer a substantial benefit.	08/12/2016: Reprimanded; fined \$5000. Pay VLSC costs fixed at \$15,000.
19	J40/2016	30/06/2016	25/08/2016	KARAKOULAKIS, Matthew	Professional misconduct - misconduct at common law: falsified information in resume, LinkedIn profile and on website; plagiarised articles on website.	25/08/2016: Reprimanded; fined \$5000. Complete extra 6 CPD points in ethics before renewal of PC. Pay VLSC costs fixed at \$6,708.09.
20	J41/2016	30/06/2016	21/11/2016	LOGAN, Nicholas	Professional misconduct: made payments contrary to agreement (x2) Unsatisfactory professional conduct; made payments contrary to agreement.	24/11/2016: Reprimanded; fined \$5,000. Pay VLSC costs fixed at \$15,000.
21	J54/2016	03/08/2016 Amended Application: 23/12/2016	30/01/2017	LOGAN, Nicholas	Misconduct at common law: acted without instructions (x2); failed to advise client (x2). Professional misconduct: made false and misleading statements; failed to comply with undertaking (x2).	21/02/2017: PC cancelled with effect from 01/05/2017 for two years. After this time, if PC issued, Respondent must complete 18 months as employee under supervision before applying for principal PC. Pay VLSC costs, agreed at \$31,000.

Table 37: Disciplinary applications to VCAT, where application is awaiting hearing and/or determination as at 30 June 2017

No.	Date application made	Type of charges	Status
1	27/05/2015	Professional misconduct: failure to exercise proper care and conduct of proceedings before Court; failure to adequately advise clients (x2); providing insufficient advice preventing clients from giving proper instructions	Heard. Awaiting decision.
2	01/07/2015	Professional misconduct: providing financial advice without a licence; causing a trust account deficiency Misconduct at common law: creating false documents including invoices and trust statements (alternatively - professional misconduct)	Listed for administration on 01/12/2017.
3	22/01/2016 Amended Application	Professional misconduct: breach of undertaking; failure to comply with a condition on PC; failure to respond to VLSC; failure to inform the Court of a misapprehension by the Court as to the effect of an Order it made and a failure to inform Court of the true location of funds paid under mistake; conduct in dealing with money mistakenly transferred was prejudicial to the administration of justice. Misconduct at common law: failure to obtain agreement of relevant parties before disbursing money contrary to an undertaking given on behalf of his client. Unsatisfactory professional conduct: acting for client in conflict with his duties to the Court(x2); failure to comply with a condition on PC.	Findings that the practitioner is guilty made on 21/02/2017. Penalty hearing held on 18/04/2017. Awaiting decision
4	23/12/2016	Unsatisfactory professional conduct: withdrew from family law proceeding without complying with rule 9.03 of the Court rules. Professional misconduct: knowingly making misleading statement to the court; failure to provide full written explanation of conduct and other information or documents.	Awaiting hearing date.
5	13/04/2017	Professional misconduct: failure to provide costs disclosure; making improper conditional costs agreement; failing to use best endeavours to complete legal work; substantial failure of competence and diligence; conflict of interest; failure to comply with VLSC request to provide file. Unsatisfactory professional conduct: failure to provide costs disclosure (x3); Misconduct at common law: filing false and/or misleading affidavit with Court.	Awaiting hearing date.
6	22/05/2017	Professional misconduct: substantial or consistent failure to reach or maintain a reasonable standard of competence and diligence by sending various emails; sending inappropriate, harassing, threatening, gratuitous, discourteous, offensive and/or provocative communications with allegations that were unfounded and/or had no reasonable basis.	Listed for hearing on 08/11/2017 and 09/11/2017.
7	22/12/2016 (Amended on 30/05/2017)	Professional misconduct - misconduct at common law: falsely attesting to witnessing multiple documents; falsely attesting to having carried out legal work and obtained client acknowledgement; sending written statements to VLSC that the practitioner knew were, or were probably, false or misleading.	Plea hearing on 28 June 2017. Orders pending.

No.	Date application made	Type of charges	Status
8	09/06/2017	<p>Misconduct at common law: failure to ensure client received any or any proper advice and/or acting without any or any proper instructions (x2) (alternatively, professional misconduct (x2)); failure to ensure client received any or any proper advice (alternatively, professional misconduct); caused or allowed firm to knowingly make misleading statement to opponent (alternatively, professional misconduct); created false file note and/or amended file note to give false impression (alternatively, professional misconduct); provided file note to the VLSC that was false or misleading (alternatively, professional misconduct); ceasing to act without instructions or just cause (alternatively, professional misconduct (x2)).</p> <p>Professional misconduct: failure to keep proper records and/or failure to keep client informed (alternatively, unsatisfactory professional conduct (x2)).</p> <p>Further, and/or in the alternative, misconduct at common law for acting and/or allowing the firm to act in the manner in which they did (alternatively, professional misconduct).</p> <p>Misconduct at common law: caused or allowed firm to act where client's interests were, or would be, in conflict with an associate of the firm (alternatively, professional misconduct); caused or allowed firm to act against client having previously acted for client (alternatively, professional misconduct (x2)); caused or allowed firm to advise client he would not incur any charges (alternatively professional misconduct (x2)); knowingly made misleading statement to the Tribunal (alternatively, professional misconduct).</p>	Listed for Directions hearing on 11/08/2017.
9	19/06/2017	Professional misconduct: creating a conflict of interest by borrowing from a client; rendering an invoice and receiving payment for legal fees other than through his clerk, in breach of the Bar Rules; evading the effect of a Court of Appeal order requiring part of fees to be remitted to a separate account for payment of tax.	Awaiting hearing date.
10	29/06/2017	Misconduct at common law: breaching common law and statutory duties by preparing and sending an email that undermined the administration of justice (alternatively the lawyer was reckless and/or careless in preparing and sending the email).	Awaiting hearing date.
11	30/06/2017	<p>Misconduct at common law: improper use of client funds (alternatively professional misconduct - failure to act honestly and fairly in the client's best interests); failure to inform client (alternatively professional misconduct - failure to act honestly and fairly in the client's best interests); giving false explanations to VLSC (alternatively professional misconduct – engaged in dishonest conduct); falsified trust ledger (alternatively professional misconduct -engaged in dishonest conduct).</p> <p>Professional misconduct: permitted or assisted an associate to borrow money from client; failed to respond to requests about client's money; failed to retain legal file; failed to honour an undertaking; multiple trust account breaches; incurred deficiencies in the trust account.</p>	Awaiting hearing date.
12	30/06/2017	Professional misconduct: borrowing money from a client of law firm; Misconduct at common law: providing inaccurate information to VLSC (alternatively professional misconduct)	Awaiting hearing date.
13	30/06/2017	Professional misconduct: conferred with client about trial and preparing an affidavit relevant to these issues while client was a witness under cross-examination and without obtaining the consent of the cross-examiner; witnessed signing of affidavit that had not been interpreted to client; provided a copy of affidavit to other side when known that the affidavit and declaration were false and/or misleading; and deliberately or recklessly provided false and/or misleading information to VLSC	Awaiting hearing date.
14	30/06/2017	<p>Professional misconduct: failure to supervise non-lawyer conveyancer of the law practice; failed to ensure that clients received clear advice; made a false representation to ASIC; made a false representation to VLSC.</p> <p>Unsatisfactory professional conduct: failure to securely retain client file.</p>	Awaiting hearing date.

Table 38: Ongoing Re-hearing applications to VCAT in 2016-17

Lawyer	Date application made	Details	Status as at 30 June 2017
MCDONALD, Alan	02/06/2015 – Supreme Court Judicial Review and Appeals list ordered matter remitted to VCAT, as originally constituted, for reconsideration	Unsatisfactory professional conduct: failure to ensure communications with other practitioners were courteous, and/or avoiding offensive or provocative language or conduct	Listed for admin mention on 07/08/2017. (On appeal. See also Table 40)

Table 39: Re-hearing applications HEARD in VCAT in 2016-17

Lawyer	VCAT reference	Date application made	Hearing dates	Charge	Date and orders made
MINGOS, John	J34/2016	08/06/2016	03/08/2016 - In Chambers	10/06/2016 – Respondent’s application for stay of Tribunal decision in J43/2015 is refused.	03/08/2016 - The application for re-hearing is struck out. Pay VLSC costs fixed at \$2,940.

Table 40: Cases on appeal and judicial review to the Supreme Court in 2016-17

No.	Name of lawyer	Date VCAT orders were made on	Date of appeal application to Supreme Court	Status as at 30 June 2017
1	MCDONALD, Alan	12/01/2016	9/02/2016	Awaiting judgment (See also Table 38)
2	CAHILL, Francis	Awaiting VCAT decision	15/06/2016	Judicial review of VLSC’s decision to commence VCAT proceedings; decision quashed by Keogh J; VLSC appeal listed for 04/09/2017
3	GULLQUIST, Michael	03/01/2017	31/01/2017	08/03/2017 - if leave to appeal is granted, listed to be heard on 14/08/2017

Table 41: Appeals heard and determined 2016-17

No.	Name of lawyer	Date of application	Hearing dates	Appealed grounds	Order made	
1	PHAM, Quan	12/01/2015	17/09/2015	Leave to appeal against VCAT decision J9/2014 made on 22/12/2014	Supreme Court - 07/01/2016: 1) Leave to appeal granted; 2) Appeal dismissed. PC suspended for five months from 01/02/2016; PC will be granted subject to conditions; required to complete an extra two CPD points in ethics and provide VLSC with evidence of completion. Pay VLSC costs	
		18/01/2016	19/08/2016	Leave to appeal against the judgment handed down on 27/11/2015 and orders made on 7/1/2016	Supreme Court - 25/10/2016: Application for leave is refused. Further Order made on 03/11/2016. Pay VLSC costs of the application for leave to appeal.	
		08/11/2016	09/02/2017	Special leave to appeal from the whole judgment of the Court of Appeal of the Supreme Court given on 25/10/2016	High Court - 09/02/2017: Application for special leave is dismissed.	
		Defamation	9/11/2015	20/05/2016	Writ filed in the Supreme Court against the Commissioner alleging defamation	Supreme Court - 05/08/2016: Summary judgement in favour of VLSC.
		22/08/2016	On papers	Leave to appeal against the orders made on 05/08/2016	Supreme Court - 20/04/2017 Leave to appeal refused	
2	LOGAN, Nicholas	15/08/2016	N/A orders made in chambers	Leave to appeal the decision made in J47/2015 on 18/07/2016	10/04/2017 - By consent, application for leave to appeal is dismissed as at 01/05/2017, order made on 31/08/2016 staying order #2 of VCAT decision dated 18/07/2016 in proceeding J47/2015 is vacated as at 01/05/2017. No order as to costs. (See also Table 36)	
3	NG, Peter	19/08/2016	22/06/2017	Leave sought to appeal paragraph 5 of VCAT orders made in proceeding J12/2016 on 25/07/2016 in relation to penalty.	22/06/2017 - In substitution for Order 5 of the VCAT order dated 25/07/2016 (J12/2016) lawyer's PC is to be suspended with effect from 01/10/2017 until 28/02/2018; lawyer otherwise abandons his application for leave to appeal; Pay VLSC costs fixed at \$20,000. (See also to item 13, Table 36)	

APPENDIX 04 Board and Commissioner consolidated financial report

The Victorian Legal Services Board and Victorian Legal Services Commissioner has presented its audited general purpose financial statements for the financial year ended 30 June 2017 in the following structure to provide users with information about the stewardship of resources entrusted to it.

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Victorian Legal Services BOARD + COMMISSIONER

FINANCIAL STATEMENTS DECLARATION

The attached 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 *Financial Management Act 1994* (FMA), applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

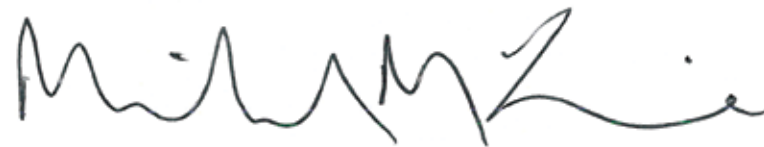
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the Victorian Legal Services Board and Victorian Legal Services Commissioner at 30 June 2017.

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 15 August 2017.



F Bennett
Chairperson,
Victorian Legal Services Board
Melbourne
15 August 2017



M McGarvie
CEO, Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
15 August 2017



J Ireson
Chief Finance and Accounting Officer,
Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
15 August 2017

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Interest and distributions	3.1	78,306	83,611
Practising certificate fees and Fidelity Fund contributions	3.2	10,144	9,476
Other income	3.3	849	715
Total income from transactions		89,299	93,802
EXPENSES FROM TRANSACTIONS			
Employee benefits expenses	4.1.1	(10,800)	(10,199)
Funding and grants	4.2	(43,422)	(40,662)
Payments to service providers	4.3	(3,238)	(3,508)
Fidelity Fund claims and expenses	4.4	(3,696)	(2,103)
Depreciation and amortisation expense	5.3.2	(800)	(780)
Board and committee member fees		(334)	(324)
Legal expenses	4.5	(4,382)	(3,060)
Other operating expenses	4.6	(2,947)	(2,767)
Total expenses from transactions		(69,619)	(63,403)
Net result from transactions		19,680	30,399
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial instruments	9.1	13,409	(28,384)
Net gain/(loss) on non-financial assets	9.1	11	-
Other gain/(loss) from other economic flows	9.1	3,209	1,553
Total other economic flows included in net result		16,629	(26,831)
Net result from continuing operations		36,309	3,568
Net result		36,309	3,568
Other economic flows - other comprehensive income		-	-
Comprehensive result		36,309	3,568

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	5.1.1	685,643	424,237
Receivables	5.5.1	34,772	39,398
Investments and other financial assets	5.2	904,917	812,757
Total financial assets		1,625,332	1,276,392
NON-FINANCIAL ASSETS			
Plant and equipment	5.3.3	2,340	2,336
Intangible assets	5.4	1,270	1,115
Prepayments		257	207
Total non-financial assets		3,867	3,658
Total assets		1,629,199	1,280,050
LIABILITIES			
Payables	6.3.1	8,261	7,043
Lease liabilities	6.4	55	31
Provisions	6.5	14,305	17,275
Income received in advance	6.2	10,555	9,523
Statutory deposit account balances	6.1	1,361,170	1,047,634
Total liabilities		1,394,346	1,081,506
Net assets		234,853	198,544
EQUITY			
Contributed equity		29	29
Accumulated surplus		234,824	198,515
Net worth		234,853	198,544

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
Balance at 1 July 2015	29	194,947	194,976
Net result for the year	-	3,568	3,568
Other comprehensive income for the year	-	-	-
Balance at 30 June 2016	29	198,515	198,544
Balance at 1 July 2016	29	198,515	198,544
Net result for the year	-	36,309	36,309
Other comprehensive income for the year	-	-	-
Balance at 30 June 2017	29	234,824	234,853

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest and distributions received		82,943	65,978
Receipts from practising certificates fees and Fidelity Fund contributions		11,175	10,216
Other receipts		680	731
Goods and Services Tax recovered from the ATO		1,427	1,103
Total receipts		96,225	78,029
PAYMENTS			
Payments to suppliers and employees		(22,098)	(19,827)
Payments of Fidelity Fund claims, costs and other expenses		(3,509)	(2,121)
Payments of grants		(43,132)	(40,379)
Total payments		(68,739)	(62,327)
Net cash flows from/(used in) operating activities	5.1.2	27,486	15,702
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments and other financial assets		95,146	10,000
Purchases of non-financial assets		(391)	(278)
Payments for intangible assets		(622)	(461)
Payments for investments and other financial assets		(173,735)	(385,214)
Net cash flows from/(used in) investing activities		(79,602)	(375,953)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases		(14)	(15)
Deposits into statutory deposit accounts by solicitors		1,113,652	985,588
Withdrawals from statutory deposit accounts by solicitors		(800,116)	(763,419)
Net cash flows from/(used in) financing activities		313,522	222,154
Net increase/(decrease) in cash and cash equivalents		261,406	(138,097)
Cash and cash equivalents at the beginning of the financial year		424,237	562,334
Cash and cash equivalents at the end of the financial year	5.1.1	685,643	424,237

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 for the period ended 30 June 2017.

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 on pages 1 to 8 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.

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

Phone: 03 9679 8001 or 1300 796 344 (local call)

1.1 BASIS OF PREPARATION

Reporting entity

These 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:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value (refer to Notes 5.3.1 and 7.2 for further detail);
- the Fidelity Fund claims provision that is calculated with regard to actuarial assessments and employee long service leave provisions (refer to Note 6.5.1 for further detail); 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.

Contributions by owners

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Board and Commissioner.

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

Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners. Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distribution to owners.

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.

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. 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

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

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.

Statement of changes in equity

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

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*.

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

2 FUNDS ADMINISTERED

2.1 THE BOARD

The Board is an independent statutory authority; a public entity but it does not represent the Crown. Michael McGarvie is the Chief Executive Officer of the Board. The Attorney-General, the Hon. Martin Pakula, MP is the responsible Minister.

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

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

The Board is established as a body corporate 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;
- 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 surplus in 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.

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. Michael McGarvie 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

2017	Cash and Deposits (Note 5.1.1) \$'000	Investments and other financial assets (Note 5.2) \$'000	Total \$'000
PUBLIC PURPOSE FUND			
General Account	45,704	64,723	110,427
Less: Loan from Commissioner	(3,782)	-	(3,782)
Net General Account	41,922	64,723	106,645
Distribution Account	268	55,629	55,897
Statutory Deposit Account	612,266	748,904	1,361,170
Total Public Purpose Fund	654,456	869,256	1,523,712
FIDELITY FUND			
Total Fidelity Fund	27,404	35,661	63,065
Total Board funds	681,860	904,917	1,586,777
COMMISSIONER			
Total Commissioner funds	3,783	-	3,783
Total Board and Commissioner funds administered	685,643	904,917	1,590,560
2016			
PUBLIC PURPOSE FUND			
General Account	20,467	49,906	70,373
Less: Loan from Commissioner	(2,885)	-	(2,885)
Net General Account	17,582	49,906	67,488
Distribution Account	268	59,192	59,460
Statutory Deposit Account⁽¹⁾	378,730	668,904	1,047,634
Total Public Purpose Fund	396,580	778,002	1,174,582
FIDELITY FUND			
Total Fidelity Fund	24,763	34,755	59,518
Total Board funds	421,343	812,757	1,234,100
COMMISSIONER			
Total Commissioner funds	2,894	-	2,894
Total Board and Commissioner funds administered	424,237	812,757	1,236,994

⁽¹⁾Prior year comparatives have been restated for investments and other financial assets of the Statutory Deposit Account to include Statutory Deposit Account term deposits held.

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

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Distributions from Investments ⁽ⁱ⁾	38,392	38,846
Interest on Statutory Deposit Account ⁽ⁱ⁾	12,075	11,857
Interest on Law Practice Residual Trust accounts	24,034	28,369
Interest on Operating Accounts	1,179	778
Total Public Purpose Fund interest and distributions	75,680	79,850
FIDELITY FUND		
Distributions from Investments	2,464	3,684
Interest on Operating Account	162	77
Total Fidelity Fund interest and distributions	2,626	3,761
Total interest and distributions	78,306	83,611

⁽ⁱ⁾Prior year comparatives have been restated to separately disclose 'Distributions from Investments' from 'Interest on Statutory Deposit Account'.

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

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	7,641	7,128
FIDELITY FUND		
Fidelity Fund contributions	2,503	2,348
Total Practising certificate fees and Fidelity Fund contributions⁽ⁱ⁾	10,144	9,476

⁽ⁱ⁾Prior year comparatives have been restated to separately disclose practising certificate fees and Fidelity Fund contributions from other income in Note 3.3.

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 2017 to 30 June 2018 are payable prior to 30 June 2017. This income has been accounted for as income received in advance (refer to Note 6.2).

3.3 OTHER INCOME

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Income from fines	84	55
Income from Commissioner - asset usage	278	255
Sundry income	411	73
Total Public Purpose Fund other income	773	383
FIDELITY FUND		
Fidelity Fund recoveries	-	255
Total Fidelity Fund other income	-	255
VICTORIAN LEGAL SERVICES COMMISSIONER		
Board funding to the Commissioner	8,866	8,372
Employee benefits recharged	4,984	5,144
Income from Board - asset usage	8	8
Income from fines	2	-
Costs recoveries	250	332
Sundry income	102	1
Total Commissioner other income	14,212	13,857
Elimination of inter-entity income	(14,136)	(13,780)
Total other income⁽ⁱ⁾	849	715

⁽ⁱ⁾Prior year comparatives have been restated to separately disclose practising certificate fees and Fidelity Fund contributions in Note 3.2.

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 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

	2017 \$'000	2016 \$'000
VICTORIAN LEGAL SERVICES COMMISSIONER		
Salaries and wages, annual leave, long service leave	(9,319)	(8,618)
Superannuation contributions	(801)	(772)
Other employee on-costs and training	(680)	(659)
Termination benefits	-	(150)
Total employee benefits expense	(10,800)	(10,199)

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.

Further detail on superannuation contributions is provided in Note 4.1.2.

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 6.5.2.

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 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).

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

	Paid contribution		Outstanding contribution	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
DEFINED BENEFIT PLANS⁽¹⁾				
State Superannuation Fund	-	8	-	-
Total defined benefit plans	-	8	-	-
DEFINED CONTRIBUTION PLANS				
VicSuper	308	339	36	31
AMP Flexible	11	11	1	1
Australian Super	99	73	10	9
Care	21	21	3	2
Legal Super	84	74	9	7
MLC Masterkey	18	19	2	2
Other	191	166	18	17
Total defined contribution plans	732	703	79	69
Total superannuation contributions	732	711	79	69

⁽¹⁾The bases for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

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:

Public Purpose Fund	2017 \$'000	2016 \$'000
FUNDING AND GRANTS ALLOCATED FROM THE DISTRIBUTION ACCOUNT		
OTHER FUNDING		
Victoria Legal Aid	31,162	28,313
Victorian Law Reform Commission	1,784	1,732
Victoria Law Foundation	1,849	1,757
GRANTS		
Major grants and projects approved	2,801	3,046
Unused major grants and projects funding returned	-	(4)
Total funding and grants allocated from the Distribution Account	37,596	34,844
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
FUNDING TO PERFORM FUNCTIONS UNDER THE ACT		
Victorian Civil and Administration Tribunal - Legal Practice List	1,193	1,529
Victorian Legal Admissions Board	1,207	1,172
OTHER FUNDING		
Professional association programs	2,908	2,598
Legal Profession Uniform Framework	518	519
Total funding allocated from the General Account	5,826	5,818
Total funding and grants	43,422	40,662

Funding are payments 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 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).

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

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
RECHARGE FROM THE VICTORIAN LEGAL SERVICES COMMISSIONER		
Employee benefits	4,984	5,144
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Trust account inspections	2,553	2,479
Continuing professional development	173	168
OTHER PAYMENTS TO THE LAW INSTITUTE OF VICTORIA		
External interventions and debt collection	79	396
Compliance audits	134	179
External counsel fees	122	118
Total payments to the Law Institute of Victoria	3,061	3,340
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Issuing barrister practising certificates	98	94
Total payments to the Victorian Bar	98	94
Total payments from Public Purpose Fund	8,143	8,578
VICTORIAN LEGAL SERVICES COMMISSIONER		
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Complaints handling	79	74
TOTAL PAYMENTS TO THE VICTORIAN BAR	79	74
Elimination of payment to the Commissioner	(4,984)	(5,144)
Net payments to service providers	3,238	3,508

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.

Payments to the Law Institute of Victoria for Fidelity Fund investigations are disclosed at Note 4.4.

4.4 FIDELITY FUND CLAIMS AND OTHER EXPENSES

	2017 \$'000	2016 \$'000
FIDELITY FUND		
FIDELITY FUND CLAIMS		
Capital claims paid	2,329	1,531
Interest claims paid	109	12
Increase/(decrease) in claims payable	385	(17)
Cost claims paid	51	89
Total Fidelity Fund claims	2,874	1,615
FIDELITY FUND OTHER EXPENSES		
Legal expenses	563	195
Consultants	75	113
Investment advice	12	11
Administration expenses	-	2
Total Fidelity Fund operating expenses	650	321
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Fidelity Fund Investigations	172	167
Total Fidelity Fund claims and other expenses	3,696	2,103

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 6.5.1.

Other Fidelity Fund expenses are expenses incurred in administering the Fidelity Fund, including payment to the LIV for investigating Fidelity Fund claims. Employee benefits related to administering the Fidelity Fund are included in Note 4.1.1.

4.5 LEGAL EXPENSES

	2017 \$'000	2016 \$'000
LEGAL EXPENSES		
Investigations	479	531
Litigation and other legal expenses	1,462	1,095
External interventions	2,412	1,426
Compliance audits	29	8
Total legal expenses	4,382	3,060

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

	2017 \$'000	2016 \$'000
OTHER OPERATING EXPENSES		
Information technology	498	487
Occupancy	1,040	995
Administration	787	719
External audit fees	73	80
Internal audit fees	92	50
Investment advice	156	153
Consultants	223	115
Other staff costs	76	82
Bad and doubtful debts	-	78
Community and education	2	8
Total other operating expenses	2,947	2,767

Other operating expenses generally represent the day-to day running costs incurred in normal operations. It also includes bad debts expense from transactions that are mutually agreed. Operating expenses are recognised as an expense in the reporting period in which they are incurred.

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

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.

5.1.1 Reconciliation of cash and cash equivalents

Cash and cash equivalents	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
GENERAL ACCOUNT		
Cash on hand	1	-
General operating account	23,956	8,857
Practising Certificate Fees account	916	2,295
Term deposits - operating cash	21,557	10,000
Inter-entity balance - Fidelity Fund	(726)	(685)
Total General Account	45,704	20,467
Distribution Account	268	268
Statutory Deposit Account - cash trust accounts	612,266	378,730
Total Public Purpose Fund - cash and cash equivalents	658,238	399,465
FIDELITY FUND		
Fidelity Fund operating account	1,352	3,776
Term deposits - operating cash	5,000	-
Managed cash	20,326	20,302
Total Fidelity Fund - cash and cash equivalents	26,678	24,078
VICTORIAN LEGAL SERVICES COMMISSIONER		
Cash on hand	1	1
Operating account	-	8
Total Victorian Legal Services Commissioner	1	9
ELIMINATION OF INTER-ENTITY BALANCES		
Inter-entity balance - Board	726	685
Total amounts eliminated	726	685
Balances per cash flow statement	685,643	424,237

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

	2017 \$'000	2016 \$'000
Net result for the year	36,309	3,568
NON-CASH MOVEMENTS		
Depreciation	800	780
Net (gain)/loss on financial instruments	(13,409)	28,384
Net (gain)/loss on non-financial instruments	(11)	-
Other net (gain)/loss from other economic flows	(3,209)	(1,553)
MOVEMENTS IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	4,462	(17,699)
(Increase)/decrease in prepayments	(50)	(67)
Increase/(decrease) in payables	1,323	1,428
Increase/(decrease) in provisions	240	121
Increase/(decrease) in income received in advance	1,031	740
Net cash inflow/(outflow) from operating activities	27,486	15,702

5.2 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2017 \$'000	2016 \$'000
CURRENT		
PUBLIC PURPOSE FUND INVESTMENTS		
Australian fixed interest	145,638	168,293
Global fixed interest	183,640	211,618
Diversified growth funds	165,187	162,936
Australian equities	62,274	72,207
Australian small capitalisation equities	16,008	-
Overseas equities - unhedged	73,370	39,786
Overseas equities - hedged	20,041	24,912
Emerging market equities	22,179	-
Property and infrastructure managed funds	20,484	21,350
Total Public Purpose Fund investments	708,821	701,102
FIDELITY FUND INVESTMENTS		
Australian fixed interest	7,976	8,217
Global fixed interest	7,751	7,753
Diversified growth funds	5,949	5,803
Australian equities	7,255	6,223
Overseas equities - unhedged	4,202	4,170
Overseas equities - hedged	2,528	2,589
Total Fidelity Fund investments	35,661	34,755
Total investments	744,482	735,857
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	84,435	76,900
NON-CURRENT		
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	76,000	-
Total other financial assets	160,435	76,900
Total investments and other financial assets	904,917	812,757

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 2017 (and 30 June 2016).

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. Further information about the inputs used in determining the fair value of non-financial assets is discussed in Note 7.2.

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.

The initial cost for **non-financial physical assets under a finance lease** (refer to Note 6.4) is measured at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Plant and equipment 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).

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned. Fair value determination is discussed further in Note 7.2.

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.

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Revaluations of non-financial physical assets

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

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

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

5.3.2 Depreciation and amortisation

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Leasehold improvements	260	256
Office equipment	3	6
Office furniture and fittings	1	1
Computer equipment	122	100
Intangible assets	400	402
Total Public Purpose Fund depreciation and amortisation	786	765
VICTORIAN LEGAL SERVICES COMMISSIONER		
Motor vehicles	14	15
Total Commissioner depreciation	14	15
Total depreciation and amortisation	800	780

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 2017	Useful life 2016
Leasehold improvements	10 years	10 years
Office equipment	5 to 10 years	5 to 10 years
Office furniture and fittings	5 to 10 years	5 to 10 years
Computer equipment	3 to 5 years	3 to 5 years
Motor vehicles	3 years	3 years
Intangible assets (capitalised software development costs)	5 years	5 years

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 by 'purpose groups'

The carrying value of plant and equipment is the initial cost of the asset, subsequently revalued at fair value less accumulated depreciation and any impairment.

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

Public Administration	2017 \$'000	2016 \$'000
COMPUTER EQUIPMENT		
Fair value	869	717
Less: accumulated depreciation	(556)	(514)
Net carrying amount - Computer equipment	313	203
OFFICE EQUIPMENT		
Fair value	31	31
Less: accumulated depreciation	(25)	(22)
Net carrying amount - Office equipment	6	9
LEASEHOLD IMPROVEMENTS		
Fair value	2,616	2,556
Less: accumulated depreciation	(728)	(468)
Net carrying amount - Leasehold improvements	1,888	2,089
OFFICE FURNITURE AND FITTINGS		
Fair value	38	38
Less: accumulated depreciation	(35)	(34)
Net carrying amount - Office furniture and fittings	3	4
MOTOR VEHICLES		
Fair value	65	68
Less: accumulated depreciation	(10)	(37)
Net carrying amount - Motor vehicles	55	31
Total net carrying amount - Plant and equipment	2,265	2,336
ASSETS IN PROGRESS		
Computer equipment	75	-
Total plant and equipment	2,340	2,336

All balances are non-current.

5.3.4 Movement in carrying amounts – classification by ‘public administration’ purpose group

2017	Opening balance \$'000	Additions \$'000	Transfer \$'000	Disposals \$'000	Depreciation \$'000	Closing balance \$'000
Computer equipment	203	232	-	-	(122)	313
Office furniture & fittings	4	-	-	-	(1)	3
Office equipment	9	-	-	-	(3)	6
Leasehold improvements	2,089	59	-	-	(260)	1,888
Motor vehicles	31	65	-	(27)	(14)	55
Assets in progress	-	75	-	-	-	75
Total	2,336	431	-	(27)	(400)	2,340
2016						
Computer equipment	129	174	-	-	(100)	203
Office furniture & fittings	5	-	-	-	(1)	4
Office equipment	16	-	-	-	(7)	9
Leasehold improvements	2,345	-	-	-	(256)	2,089
Motor vehicles	45	-	-	-	(14)	31
Total	2,540	174	-	-	(378)	2,336

5.4 INTANGIBLE ASSETS

Software development costs	2017 \$'000	2016 \$'000
At cost	5,805	5,346
less: accumulated amortisation and impairment	(4,624)	(4,231)
Net book value at end of financial year	1,181	1,115
Software development costs in progress	89	-
Total intangible assets	1,270	1,115
MOVEMENTS		
Opening balance	1,115	1,056
Additions	466	461
Transfer	-	-
Amortisation expense	(400)	(402)
Software development costs in progress	89	-
Closing balance	1,270	1,115

Intangible assets are non-current.

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

Initial recognition of intangible assets

Where the recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated amortisation and impairment.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if and only if, the following are demonstrated:

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

Impairment of intangible assets

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

Impairment testing is the same as for plant and equipment under 'Impairment of non-financial assets' of Note 5.3.1.

5.5 RECEIVABLES

5.5.1 Statutory and contractual receivables

	Notes	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND			
CONTRACTUAL RECEIVABLES			
Trade receivables		363	259
Provision for impairment of receivables	5.5.2	(204)	(47)
Accrued investment distributions		27,469	32,452
Accrued interest - Residual Trust Accounts		2,302	2,188
Accrued interest - Statutory Deposit Accounts		893	648
Accrued other interest and income		1,706	572
Total contractual receivables		32,529	36,072
STATUTORY RECEIVABLES			
GST recoverable		248	248
Total statutory receivables		248	248
Total Public Purpose Fund receivables		32,777	36,320
FIDELITY FUND			
CONTRACTUAL RECEIVABLES			
Accrued investment distributions		1,775	2,969
Accrued interest		51	5
Total contractual receivables		1,826	2,974
Total Fidelity Fund receivables		1,826	2,974
VICTORIAN LEGAL SERVICES COMMISSIONER			
CONTRACTUAL RECEIVABLES			
Trade receivables		539	513
Provision for impairment of receivables	5.5.2	(370)	(409)
Total contractual receivables		169	104
Total Commissioner receivables		169	104
Total receivables		34,772	39,398

All receivables are current.

Receivables consist of:

- **Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables' 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** do not arise from transactions (such as amounts owing for Goods and Services Tax input tax credits recoverable) and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

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

5.5.2 Movement in the provision for doubtful debts

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

	2017 \$'000	2016 \$'000
Balance at beginning of the year	456	378
Increase in provision recognised in the net result	162	95
Receivables written off during the year as uncollectable	(44)	(17)
Balance of provision for doubtful debts at 30 June	574	456

Bad and doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. 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. 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.

A provision is made for estimated irrecoverable amounts from receivables when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as 'other economic flows in the net result'.

5.5.3 Ageing analysis of contractual receivables

2017	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	29,244	29,244	-	-	-	-
Accrued interest - Residual Trust Accounts	2,302	2,302	-	-	-	-
Accrued interest - Statutory Deposit Account	893	893	-	-	-	-
Trade receivables - Board	159	120	-	-	39	204
Trade receivables - Commissioner	169	26	-	43	100	370
Accrued other income	1,757	1,757	-	-	-	-
Total receivables	34,524	34,342	-	43	139	574
2016						
CONTRACTUAL RECEIVABLES						
Accrued investment distributions	35,421	35,421	-	-	-	-
Accrued interest - Residual Trust Account	2,188	2,188	-	-	-	-
Accrued interest - Statutory Deposit Account	648	648	-	-	-	-
Trade receivables - Board	212	17	-	127	68	47
Trade receivables - Commissioner	104	33	-	8	63	409
Accrued other Income	577	577	-	-	-	-
Total receivables	39,150	38,884	-	135	131	456

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 costs 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 its financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

6 LIABILITIES

6.1 STATUTORY DEPOSIT ACCOUNT BALANCES

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
CURRENT		
Bank - Statutory Deposit Account	1,361,170	1,047,634
Total Statutory Deposit Account balances	1,361,170	1,047,634

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:

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Cash trust accounts	612,266	378,730
Term deposits - Statutory Deposit Accounts	160,435	76,900
Australian fixed interest	129,944	148,514
Global fixed interest	151,300	193,000
Diversified growth funds	139,419	141,345
Australian equities	34,894	41,845
Australian small capitalisation equities	15,000	-
Overseas equities - unhedged	66,650	31,650
Overseas equities - hedged	10,462	14,850
Emerging market equities	20,000	-
Property and infrastructure managed funds	20,800	20,800
Total Statutory Deposit Account balances	1,361,170	1,047,634

6.2 INCOME RECEIVED IN ADVANCE

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	8,160	7,329
FIDELITY FUND		
Fidelity Fund contributions	2,395	2,194
Total income received in advance	10,555	9,523

Income received in advance is current.

Income received in advance includes practising certificate fees and Fidelity Fund contributions for the financial year 1 July 2017 to 30 June 2018 that are payable prior to 30 June 2017.

6.3 PAYABLES

6.3.1 Contractual and statutory payables

	2017 \$'000	2016 \$'000
CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Contractual payables and accrued expenses	3,220	2,541
Major grants and projects	2,079	2,511
Total Public Purpose Fund current payables	5,299	5,052
FIDELITY FUND		
Contractual payables and accrued expenses	326	137
Total Fidelity Fund current payables	326	137
VICTORIAN LEGAL SERVICES COMMISSIONER		
Contractual payables and accrued expenses	364	298
Disputed costs	-	7
Total Commissioner current payables	364	305
NON-CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Major grants and projects	2,272	1,549
Total non-current payables Public Purpose Fund	2,272	1,549
Total payables	8,261	7,043

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 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 payable includes the Board's liability for grants in respect of grants approved during the financial year ended 30 June 2017 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

2017	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 LIABILITIES						
Contractual payables and accrued expenses - Public Purpose Fund	3,220	3,220	3,220	-	-	-
Contractual payables and accrued expenses - Fidelity Fund	326	326	326	-	-	-
Contractual payables and accrued expenses - Victorian Legal Services Commissioner	364	364	364	-	-	-
Major grants and projects	4,351	4,351	-	-	2,079	2,272
Statutory Deposit Account balances	1,361,170	1,361,170	1,361,170	-	-	-
Total	1,369,431	1,369,431	1,365,080	-	2,078	2,272
2016						
CONTRACTUAL LIABILITIES						
Contractual payables and accrued expenses - Public Purpose Fund	2,541	2,541	2,541	-	-	-
Contractual payables and accrued expenses - Victorian Legal Practitioners Fidelity Fund	137	137	137	-	-	-
Contractual payables and accrued expenses - Victorian Legal Services Commissioner	298	298	298	-	-	-
Disputed costs	7	7	7	-	-	-
Major grants and projects	4,060	4,060	-	-	2,511	1,549
Statutory Deposit Account balances	1,047,634	1,047,634	1,047,634	-	-	-
Total	1,054,677	1,054,677	1,050,617	-	2,511	1,549

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

6.4 FINANCE LEASES

The Commissioner leases motor vehicles with a carrying amount of \$54,814 (2016: \$30,798) under finance leases expiring within the next 3 years. Under the terms of the leases, the Commissioner is not entitled to acquire the leased assets for a discount of the agreed fair value on expiry of the leases.

Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default. During the current and prior years there were no defaults and breaches of any borrowings.

Commitments in relation to finance leases are payable as follows:

	2017 \$'000	2016 \$'000
VICTORIAN LEGAL SERVICES COMMISSIONER		
FINANCE LEASE COMMITMENTS		
Less than one year	14	31
Greater than one year and not longer than five years	43	-
Minimum future lease payment	57	31
Less future finance charges	(2)	-
Present value of minimum lease payments	55	31
INCLUDED IN FINANCIAL STATEMENTS AS:		
Current	13	31
Non-current	42	-
Total lease liabilities	55	31

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

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

The AASB issued the new leasing standard AASB 16 Leases to supersede the existing standard AASB 117 Leases. The new standard will be operative from reporting periods commencing 1 January 2019. The key change introduced by AASB 16 includes the recognition of most operating leases on the balance sheet. Note 9.6 provides further details of the change in accounting standard.

Operating leases - Board as lessee

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

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

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

Finance leases - Commissioner as lessee

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

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

6.5 PROVISIONS

	Notes	2017 \$'000	2016 \$'000
CURRENT PROVISIONS			
FIDELITY FUND CLAIMS PROVISION			
Fidelity Fund current provision for claims lodged and anticipated	6.5.1	2,480	2,860
Total current Fidelity Fund claims provision		2,480	2,860
EMPLOYEE BENEFITS PROVISIONS			
ANNUAL LEAVE			
Unconditional and expected to be settled within 12 months		470	436
Unconditional and expected to be settled after 12 months		89	52
LONG SERVICE LEAVE			
Unconditional and expected to be settled within 12 months		88	92
Unconditional and expected to be settled after 12 months		1,022	911
EMPLOYEE ON-COSTS			
Unconditional and expected to be settled within 12 months		103	99
Unconditional and expected to be settled after 12 months		177	154
Total current employee benefits provisions		1,949	1,744
Total current provisions		4,429	4,604
NON-CURRENT PROVISIONS			
Fidelity Fund non-current provision for claims lodged and anticipated	6.5.1	9,590	12,350
Employee benefits		247	277
Employee on-costs		39	44
Total non-current provisions		9,876	12,671
Total provisions		14,305	17,275

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.

6.5.1 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, and the anticipated direct and indirect costs of settling those claims.

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

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	2017	2016
Later than one year discount rate ⁽ⁱ⁾	2.25%	1.86%

⁽ⁱ⁾The discount rate shown above for the discounting of the outstanding defalcations liability as at 30 June 2017 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 2017 and 30 June 2016

	2017 \$'000	2016 \$'000
Undiscounted liability of lodged claims	3,730	6,590
Plus: Estimated liability for claims incurred but not lodged	3,400	3,070
Estimated undiscounted liability for incurred defalcations	7,130	9,660
PLUS/(MINUS) ADJUSTMENTS		
Less: Discounted to net present value	(430)	(500)
Plus: Internal management expenditure	1,400	1,406
Plus: Risk margin (30%) (2016: 30%)	2,430	3,167
Plus: Allowance for large claim dispute settlement	1,540	1,477
Net provision per actuarial report	12,070	15,210
Plus: Allowance for specific legal case	-	-
Net provision including allowance for costs	12,070	15,210

Movements in Fidelity Fund claims provision

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

	2017 \$'000	2016 \$'000
Opening balance	15,210	16,850
Additions/(reductions) in provisions recognised	(3,140)	(1,640)
Closing balance	12,070	15,210

6.5.2 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

	2017 \$'000	2016 \$'000
CURRENT EMPLOYEE BENEFITS		
Annual leave entitlements	559	488
Long service leave entitlements	1,110	1,003
Total current employee benefits	1,669	1,491
NON-CURRENT EMPLOYEE BENEFITS		
Long service leave entitlements	247	277
Total non-current employee benefits	247	277
Total employee benefits	1,916	1,768
EMPLOYEE ON-COSTS		
Current on-costs	280	253
Non-current on-costs	39	44
Total on-costs	319	297
Total employee benefits and related on-costs	2,235	2,065

Reconciliation of movement in employee on-costs provision

	2017 \$'000	2016 \$'000
Opening balance	297	287
Unwind of discount and effect of changes in the discount rate	10	11
Additional provisions recognised	12	(1)
Closing balance	319	297

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 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 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 Statement of Comprehensive Income 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.

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*.

7.1.1 Categories of financial instruments

Financial instruments are classified in the following categories:

- loans and receivables (including cash);
- available-for-sale;
- held-to-maturity;
- fair value through profit or loss; and
- amortised cost.

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

Loans and receivables (including cash) are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

The following category of assets is recognised by the Board and Commissioner:

- cash and deposits;
- term deposits; and
- receivables (excluding statutory receivables).

Available-for-sale financial instrument assets are those designated as available for sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investments are disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows.

On disposal, the cumulative gain or loss previously recognised in 'other economic flows – other comprehensive income' is transferred to other economic flows in the net result. Available-for-sale category includes certain equity investments and those debt securities that are designated as available for sale.

Held-to-maturity financial assets include financial assets where the Board or Commissioner has the positive intent and ability to hold nominated investments to maturity. These financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Board makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes certain term deposits and debt securities for which the Board or Commissioner intends to hold to maturity.

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.

Impairment of financial assets

At the end of each reporting period the Board and Commissioner assess whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial assets, except those measured at fair value through profit or loss, are subject to annual review for impairment. The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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

Reclassification of financial instruments

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

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

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

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 2017

2017	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	-	685,643	-	685,643
RECEIVABLES				
Trade receivables - Board	-	158	-	158
Trade receivables - Commissioner	-	169	-	169
Accrued investment distributions	-	29,244	-	29,244
Accrued interest - Residual Trust Account	-	2,302	-	2,302
Accrued interest - Statutory Deposit Account	-	893	-	893
Accrued other interest and income	-	1,758	-	1,758
Total receivables	-	34,524	-	34,524
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Managed investment schemes	744,482	-	-	744,482
Term deposits - Statutory Deposit Account	-	160,435	-	160,435
Total investments and other financial assets	744,482	160,435	-	904,917
Total contractual financial assets	744,482	880,602	-	1,625,084
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses	-	-	3,910	3,910
Major grants and projects	-	-	4,351	4,351
Total payables	-	-	8,261	8,261
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	-	-	55	55
Statutory Deposit Account balances	-	-	1,361,170	1,361,170
Total borrowings and deposits at call	-	-	1,361,225	1,361,225
Total contractual financial liabilities	-	-	1,369,486	1,369,486

Financial instruments categorisation for the year ended 30 June 2016

2016	Contractual financial assets/liabilities designated at fair value through profit/loss \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	-	424,237	-	424,237
RECEIVABLES				
Trade receivables - Board	-	212	-	212
Trade receivables - Commissioner	-	104	-	104
Accrued investment distributions	-	35,421	-	35,421
Accrued interest - Residual Trust Account	-	2,188	-	2,188
Accrued interest - Statutory Deposit Account	-	648	-	648
Accrued other income	-	577	-	577
Total receivables	-	39,150	-	39,150
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Managed investment schemes	735,857	-	-	735,857
Term deposits - Statutory Deposit Account	-	76,900	-	76,900
Total investments and other financial assets	735,857	76,900	-	812,757
Total contractual financial assets	735,857	540,287	-	1,276,144
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses	-	-	2,976	2,976
Major grants and projects	-	-	4,060	4,060
Disputed costs	-	-	7	7
Total payables	-	-	7,043	7,043
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	-	-	31	31
Statutory Deposit Account balances	-	-	1,047,634	1,047,634
Total borrowings and deposits at call	-	-	1,047,665	1,047,665
Total contractual financial liabilities	-	-	1,054,708	1,054,708

Net holding gain/(loss) on financial instruments by category

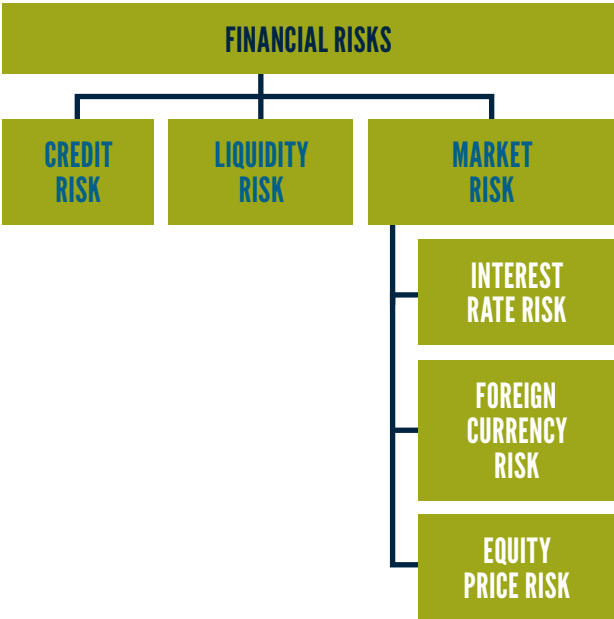
2017	Net holding gain/(loss) \$'000	Total distribution income \$'000	Total \$'000
Financial assets designated at fair value through profit/loss	11,961	40,856	52,817
Total contractual financial assets	11,961	40,856	52,817
2016			
Financial assets designated at fair value through profit/loss	(28,367)	42,530	14,163
Total contractual financial assets	(28,367)	42,530	14,163

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 includes funds invested by the Board in approved fund managers after considering advice from an independent expert investment advisor.

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

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

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

2017	Credit rating								
	AA-	A				B+		Other	Total
	\$'000	A \$'000	A (P) \$'000	A (T) \$'000	A (W) \$'000	B+ \$'000	B+ (W) \$'000	\$'000	\$'000
Cash and deposits	665,315	20,327	-	-	-	-	-	1	685,643
Receivables	4,952	15,600		3,087	-	5,653	4,904	328	34,524
Investments and other financial assets	160,435	470,489	22,179	132,416	-	58,009	61,389	-	904,917
Total contractual financial assets	830,702	506,416	22,179	135,503	-	63,662	66,293	329	1,625,084
2016									
Cash and deposits	403,934	20,302	-	-	-	-	-	1	424,237
Receivables ⁽ⁱ⁾	3,412	33,583	5	1,348	429	56	-	316	39,149
Investments and other financial assets	76,900	553,325	6,857	41,271	74,021	60,383	-	-	812,757
Total contractual financial assets⁽ⁱⁱ⁾	484,246	607,210	6,862	42,619	74,450	60,439	-	317	1,276,143

⁽ⁱ⁾Prior year comparatives have been restated to appropriately rate investment distributions receivable.

⁽ⁱⁱ⁾Amounts disclosed exclude statutory financial assets.

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
(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

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 in the face of the balance sheet. The Board or the Commissioner manage their liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligation, including honouring all Statutory Deposit Account withdrawal requests.

- holding investments and other contractual financial assets that are readily tradable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

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

The carrying amount 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 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 50 basis points movement on the Board's revenue.

The Board manages this interest rate risk through:

- a diversified assets 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 2017 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 2017

2017	Weighted average interest rate %	Interest rate exposure			
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
FINANCIAL ASSETS					
Cash and deposits	1.78%	685,643	-	685,643	-
RECEIVABLES					
Trade receivables - Public Purpose Fund		158	-	-	158
Trade receivables - Victorian Legal Services Commissioner		169	-	-	169
Accrued investment distributions		29,244	-	-	29,244
Accrued interest - Residual Trust Account		2,302	-	-	2,302
Accrued interest - Statutory Deposit Account		893	-	-	893
Accrued other income		1,758	-	-	1,758
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes	2.24%	744,482	345,004	-	399,478
Term deposits - Statutory Deposit Accounts	2.70%	160,435	-	160,435	-
Total financial assets		1,625,084	345,004	846,078	434,002
FINANCIAL LIABILITIES					
PAYABLES					
Payables and accrued expenses		3,910	-	-	3,910
Major grants and projects		4,351	-	-	4,351
BORROWINGS AND DEPOSITS					
Borrowings	3.25%	55	55	-	-
Statutory Deposit Account balances		1,361,170	-	-	1,361,170
Total financial liabilities		1,369,486	55	-	1,369,431

Interest rate exposure of financial instruments for the year ended 30 June 2016

2016	Weighted average interest rate %	Interest rate exposure			
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
FINANCIAL ASSETS					
Cash and deposits	2.19%	424,237	-	424,237	-
RECEIVABLES					
Trade receivables - Public Purpose Fund		212	-	-	212
Trade receivables - Victorian Legal Services Commissioner		104	-	-	104
Accrued investment distributions		35,421	-	-	35,421
Accrued interest - Residual Trust Account		2,188	-	-	2,188
Accrued interest - Statutory Deposit Account		648	-	-	648
Accrued other income		577	-	-	577
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes ⁽ⁱ⁾	4.79%	735,857	395,881	-	339,976
Term deposits - Statutory Deposit Accounts	3.07%	76,900	-	76,900	-
Total financial assets		1,276,144	395,881	501,137	379,126
FINANCIAL LIABILITIES					
PAYABLES					
Payables and accrued expenses		2,976	-	-	2,976
Major grants and projects		4,060	-	-	4,060
Disputed costs		7	-	-	7
BORROWINGS AND DEPOSITS					
Borrowings	4.62%	31	31	-	-
Statutory Deposit Account balances		1,047,634	-	-	1,047,634
Total financial liabilities		1,054,708	31	-	1,054,677

⁽ⁱ⁾Prior year figures have been restated to include the weighted average interest rate for managed investment schemes subject to interest rate exposure.

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 of 50 basis points up and down (2016: 50 down and 50 up) in market interest rates (AUD) is reasonably possible over the next 12 months.

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:

2017	Carrying amount \$'000	Interest rate risk			
		-50 basis points (2016: -50 basis points)		+50 basis points (2016: +50 basis points)	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits ⁽ⁱ⁾	685,643	(3,428)	(3,428)	3,428	3,428
Term deposits - Statutory Deposit Account ⁽ⁱⁱ⁾	160,435	(422)	(422)	422	422
Investments	744,482	-	-	-	-
Total impact		(3,850)	(3,850)	3,850	3,850
2016					
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits ⁽ⁱ⁾	424,237	(2,121)	(2,121)	2,121	2,121
Term deposits - Statutory Deposit Account ⁽ⁱⁱ⁾	76,900	(385)	(385)	385	385
Investments	735,857	-	-	-	-
Total impact		(2,506)	(2,506)	2,506	2,506

⁽ⁱ⁾Cash and deposits includes cash and deposits of \$685,643 thousand (2016: \$424,237 thousand) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2017: \$685,643 thousand x (-)/+0.5% = (-)/+\$3,428 thousand; and
- 2016: \$424,237 thousand x (-)/+0.5% = (-)/+\$2,121 thousand.

⁽ⁱⁱ⁾Term deposits - SDA includes term deposits of \$84,435 thousand (2016: \$76,900 thousand) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2017: \$84,435 thousand x (-)/+0.5% = (-)/+\$422 thousand; and
- 2016: \$76,900 thousand x (-)/+0.5% = (-)/+\$385 thousand.

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 2017 was \$24.03m (2016: \$28.37m). Based on a rolling average balance in Residual Trust Funds as at 30 June 2017 of \$2.1b (2016 \$1.8b), a 100 basis point movement would impact the revenue attributable to the Board by \$20.89m (2016 \$18.33m).

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 the stock market.

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

The Board's Management has estimated that movements in equity price risk will be from negative 15% to positive 10% 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.

2017	Carrying amount \$'000	Equity price risk			
		-15%		+10%	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	744,482	(111,672)	(111,672)	74,448	74,448
Total impact		(111,672)	(111,672)	74,448	74,448
2016					
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	735,857	(110,379)	(110,379)	73,586	73,586
Total impact		(110,379)	(110,379)	73,586	73,586

⁽ⁱ⁾Investments of \$744,482 thousand (2016: \$735,857 thousand) are exposed to equity price movements. Sensitivities to these movements are calculated as follows:

- 2017: \$744,482 thousand x -15% = \$(111,672) thousand; and \$744,482 thousand x 10% = \$74,448 thousand; and
- 2016: \$735,857 thousand x -15% = \$(110,379) thousand; and \$735,857 thousand x 10% = \$73,586 thousand

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 50% of all global equities in a fully hedged investment product and 50% in an unhedged investment product. The target investment allocation is to invest 14% for the Public Purpose Fund and 10% for the Fidelity Fund of the total investments in global equities. Investments in global equities are \$100.14m as at 30 June 2017 compared with \$71.46m for prior year.
- The target investment allocation for global fixed

interest funds is to invest 25% of the Public Purpose Fund and 55% of the Fidelity Fund in those funds. Investments in global fixed interest funds as at 30 June 2017 is \$191.39m compared with \$219.37m in the prior period.

- The target investment allocation for emerging markets funds is to invest 3% of the Public Purpose Fund in those funds. Investments in emerging markets funds as at 30 June 2017 is \$22.18m. This is a new asset class invested during the year.

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 5% to positive 10% 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.

2017	Carrying amount \$'000	Equity price risk			
		-5%		+10%	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	744,482	(14,557)	(14,557)	29,114	29,114
Total impact		(14,557)	(14,557)	29,114	29,114
2016					
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	735,857	(13,166)	(13,166)	26,333	26,333
Total impact		(13,166)	(13,166)	26,333	26,333

⁽ⁱ⁾Investments include unhedged global equities, global fixed interest and emerging market investments of \$291,142 thousand (2016: \$263,327 thousand) that are exposed to foreign currency movements. Sensitivities to these movements are calculated as follows:

- 2017: \$291,142 thousand x -5% = \$(14,557) thousand; and \$291,142 thousand x 10% = \$29,114 thousand; and
- 2016: \$263,327 thousand x -5% = \$(13,166) thousand; and \$263,327 thousand x 10% = \$26,333 thousand

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.

This section sets out information on how the Board and Commissioner determined fair value for financial reporting purposes.

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; and
- plant and equipment.

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
Cash and deposits	Payables
Receivables	<ul style="list-style-type: none"> For supplies and services Amounts payable to government and agencies Other payables
<ul style="list-style-type: none"> Sale of goods and services Accrued investment income Other receivables 	Borrowings
Investments and other contractual financial assets	<ul style="list-style-type: none"> Bank overdraft
<ul style="list-style-type: none"> Term deposits 	

Fair value of financial instruments measured at amortised cost

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

	2017		2016	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	685,643	685,643	424,237	424,237
RECEIVABLES				
Accrued investment distributions	29,244	29,244	35,421	35,421
Accrued interest - Residual Trust Account	2,302	2,302	2,188	2,188
Accrued interest - Statutory Deposit Account	893	893	648	648
Trade receivables - Public Purpose Fund	158	158	212	212
Trade receivables - Commissioner	169	169	104	104
Accrued other interest and income	1,758	1,758	577	577
Total receivables	34,524	34,524	39,150	39,150
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Investments at fair value through profit or loss held for trading	744,482	744,482	735,857	735,857
Term deposits - Statutory Deposit Accounts	160,435	160,435	76,900	76,900
Investments and other financial assets	904,917	904,917	812,757	812,757
Total contractual financial assets	1,625,084	1,625,084	1,276,144	1,276,144
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses - Public Purpose Fund	3,220	3,220	2,541	2,541
Contractual payables and accrued expenses - Fidelity Fund	326	326	137	137
Contractual payables and accrued expenses - Commissioner	364	364	298	298
Major grants and projects	4,351	4,351	4,060	4,060
Disputed costs	-	-	7	7
Total payables	8,261	8,261	7,043	7,043
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	55	55	31	31
Statutory Deposit Account balances	1,361,170	1,361,170	1,047,634	1,047,634
Total borrowings and deposits at call	1,361,225	1,361,225	1,047,665	1,047,665
Total contractual financial liabilities	1,369,486	1,369,486	1,054,708	1,054,708

Financial assets measured at fair value

2017	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Investments at fair value through profit or loss	744,482	737,142	7,340	-
Total	744,482	737,142	7,340	-
2016	Carrying amount \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 \$'000
Investments at fair value through profit or loss	735,857	728,999	6,858	-
Total	735,857	728,999	6,858	-

⁽ⁱ⁾Prior year comparatives have been restated to reallocate unlisted investments from Level 1 to Level 2.

7.2.3 Fair value determination of non-financial assets

Capitalised plant and equipment of \$2.27m at 30 June 2017 (2016: \$2.34m) are 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 2017. 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 Ministerial Directions issued by the Minister for Finance 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. Martin Pakula MP	1 July 2016 to 30 June 2017
Accountable Officer	Mr Michael McGarvie	1 July 2016 to 30 June 2017
Chairperson	Ms Fiona Bennett	1 July 2016 to 30 June 2017
Board Member	Ms Carolyn Bond AO	1 July 2016 to 30 June 2017
Board Member	Mr Peter Jopling QC, AM	1 July 2016 to 30 June 2017
Board Member	Mr Harvey Kalman	1 July 2016 to 31 July 2016
Board Member	Mr Steven Stevens	1 July 2016 to 30 June 2017
Board Member	Dr Lynne Williams AM	1 July 2016 to 30 June 2017
Board Member	Ms Cate Dealehr	1 July 2016 to 30 June 2017
Board Member	Ms Cate Wood	31 July 2016 to 30 June 2017

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:

	2017 Number	2016 ⁽ⁱ⁾ Number
INCOME BAND		
less than \$9,999	1	-
\$10,000 to \$19,999	-	-
\$20,000 to \$29,999	-	-
\$30,000 to \$39,999	1	-
\$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
\$300,000 to \$309,999	-	1
\$310,000 to \$319,999	1	-
Total numbers	9	8
Total amount (\$)	649,385	631,497

⁽ⁱ⁾Prior year comparatives have been restated to exclude audit committee fees for a non-board member that is not classified as a responsible person.

8.2 REMUNERATION OF EXECUTIVES

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.

Termination benefits include termination of employment payments, such as severance packages.

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.

	Compensation 2017
REMUNERATION OF EXECUTIVE OFFICERS	
Short-term employee benefits	\$447,923
Post-employment benefits	\$40,453
Other long-term benefits	\$25,164
Termination benefits	-
Total remuneration	\$513,540
Total number of executives⁽ⁱⁱ⁾	2
Total annualised employee equivalents⁽ⁱⁱⁱ⁾	2

⁽ⁱ⁾No comparatives have been reported for 2015-16 because remuneration in the prior year was determined in line with the basis and definition under FRD 21B (now replaced with FRD 21C). Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

⁽ⁱⁱ⁾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.

⁽ⁱⁱⁱ⁾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 \$31.16m under sections 143 and s 146 of the Act;
- Funding to Victorian Law Reform Commission of \$1.78m to continue performing functions under the *Victorian Law Reform Commission Act 2000*;
- Funding to Victoria Law Foundation of \$1.85m to continue performing functions under the *Victoria Law Foundation Act 2009* (Vic);
- Funding to Victorian Civil and Administrative Tribunal of \$1.19m for the Legal Practice List; and
- Funding to Victorian Legal Admissions Board of \$1.21m to perform functions under the Act - primarily to regulate entry to the legal profession in Victoria.

Key management personnel of the Board and Commissioner includes Portfolio Minister, the Hon. Martin Pakula, MP and members of the Board and Senior Executive Team as follows:

Position	Key management personnel	Period
Attorney-General	The Hon. Martin Pakula MP	1 July 2016 to 30 June 2017
Accountable Officer	Mr Michael McGarvie	1 July 2016 to 30 June 2017
Chairperson	Ms Fiona Bennett	1 July 2016 to 30 June 2017
Board Member	Ms Carolyn Bond AO	1 July 2016 to 30 June 2017
Board Member	Mr Peter Jopling QC, AM	1 July 2016 to 30 June 2017
Board Member	Mr Harvey Kalman	1 July 2016 to 31 July 2016
Board Member	Mr Steven Stevens	1 July 2016 to 30 June 2017
Board Member	Dr Lynne Williams AM	1 July 2016 to 30 June 2017
Board Member	Ms Cate Dealehr	1 July 2016 to 30 June 2017
Board Member	Ms Cate Wood	31 July 2016 to 30 June 2017
Executive Director, Complaints & Intervention	Russell Daily	1 July 2016 to 30 June 2017
Executive Director, Finance, Risk & Policy	John Ireson	1 July 2016 to 30 June 2017
Manager, Practitioner Services	Shirley Joseph	1 July 2016 to 30 June 2017
Group Manager, Corporate Operations	Julie Thomson	1 July 2016 to 30 June 2017

Compensation of key management personnel

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

	Compensation 2017
COMPENSATION OF KEY MANAGEMENT PERSONNEL	
Short-term employee benefits	\$1,333,691
Post-employment benefits	\$124,318
Other long-term benefits	\$35,407
Termination benefits	-
Total	\$1,493,416

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 transactions occurred during the year:

- a community legal centre of which the spouse of Ms Carolyn Bond is the CEO received \$100,000 of a total \$200,000 grant awarded on terms and conditions equivalent for those that prevail in arm's length transactions under the VLSB Grants program. Ms Carolyn Bond was excluded from discussions and decision-making regarding the outcome of the application; and

- Ms Fiona Bennett and Mr Steven Stevens are members of the Legal Services Council which received \$512,666 for Victoria's contribution to the national Uniform Law Scheme. The payment is allowed under s 139 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 professional Uniform Framework.

All amounts are GST exclusive and there is no outstanding amount payable as at 30 June 2017.

All other transactions that have occurred with KMP 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.

9 OTHER DISCLOSURES

9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows – by entity

	2017 \$'000	2016 \$'000
PUBLIC PURPOSE FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	11,087	(25,657)
Net gain/(loss) on disposal of financial instruments through profit and loss	1,611	-
Bad debts written off unilaterally and doubtful debts	(158)	-
Total net gain/(loss) on financial instruments	12,540	(25,657)
FIDELITY FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	874	(2,710)
Change due to actuarial valuations	3,140	1,641
Total net gain/(loss) on non-financial instruments	4,014	(1,069)
VICTORIAN LEGAL SERVICES COMMISSIONER		
Bad debts written off unilaterally and doubtful debts	(5)	(17)
Net gains/(losses) on disposal of property, plant and equipment	11	-
Net gain/(loss) from the revaluation of present value of long service leave	69	(88)
Total net gain/(loss) on non-financial instruments	75	(105)
Total other economic flows included in net result	16,629	(26,831)

Other economic flows – by type

	2017 \$'000	2016 \$'000
NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Net gain/(loss) on financial instruments arising from changes in fair value	11,961	(28,367)
Net gain/(loss) on disposal of financial instruments through profit and loss	1,611	-
Bad debts written off unilaterally and doubtful debts	(163)	(17)
Total net gain/(loss) on financial instruments	13,409	(28,384)
NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS		
Net gains/(losses) on disposal of property, plant and equipment	11	-
Total net gain/(loss) on non-financial instruments	11	-
OTHER GAINS/(LOSS) FROM OTHER ECONOMIC FLOWS		
Change due to actuarial valuations	3,140	1,641
Net gain/(loss) from the revaluation of present value of long service leave	69	(88)
Total other gains/(loss) from other economic flows	3,209	1,553
Total other economic flows included in net result	16,629	(26,831)

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 (Note 5.3.1).
- Net gain/(loss) on disposal of non-financial assets – any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

- Amortisation of non-produced intangible assets – intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
- Impairment of non-financial assets (Notes 5.3.1 and 5.4).

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

2017	Notes	Less than 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
Operating commitments	9.2.1	593	109	-	702
Operating lease commitments	9.2.2	900	4,017	2,579	7,496
Total commitments		1,493	4,126	2,579	8,198
2016					
Operating commitments	9.2.1	367	393	-	760
Operating lease commitments	9.2.2	858	3,833	3,633	8,324
Total commitments		1,225	4,226	3,633	9,084

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:

	2017 \$'000	2016 \$'000
OPERATING COMMITMENTS		
Less than 1 year	593	367
Greater than 1 year but not later than 5 years	109	393
Total commitments in relation to operating contracts	702	760

Figures presented are inclusive of GST.

9.2.2 Operating lease commitments

The Board holds a lease for Level 5, 555 Bourke Street, Melbourne. The lease is effective from September 2014 to August 2024. Future operating lease payments not recognised as liabilities payable:

	2017 \$'000	2016 \$'000
OPERATING LEASE COMMITMENTS		
Less than 1 year	900	858
Greater than 1 year but less than 5 years	4,017	3,833
Greater than 5 years	2,579	3,633
Total future operating lease payments	7,496	8,324

Figures presented are inclusive of GST.

9.2.3 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 2017 balance is \$53.276m (2016: \$33.745m).

Funding under sections 143, 144 and 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

	2017 \$'000	2016 \$'000
VICTORIAN AUDITOR-GENERAL'S OFFICE⁽¹⁾		
Audit of financial statements	73	80
Total remuneration of auditors	73	80

⁽¹⁾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.

At balance date there were no contingent assets or contingent liabilities (2016: nil).

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.

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, that are, 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 2017 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 2017, the following standards have been issued by the AASB but are not yet effective. They become effective for the first financial statements for the reporting periods commencing after the stated operative dates as follows:

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

Standard/ Interpretation	Key requirements	Effective date	Impact on public sector entity financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	<p>Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> the entity's right to receive payment of the dividend is established; it is probable that the economic benefits associated with the dividend will flow to the entity; and the amount can be measured reliably. 	1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply 1 Jan 2018.	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-17 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2019	This amending standard will further defer the application period of AASB 15 to the 2019-20 reporting period for Not-for-Profit Entities in accordance with the transition requirements.

Standard/ Interpretation	Key requirements	Effective date	Impact on public sector entity financial statements
<p>AASB 2016-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p>	<p>This standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> • A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; • For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and • For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	<p>1 Jan 2018</p>	<p>The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified in AASB 15.</p>
<p>AASB 16 Leases</p>	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.</p>	<p>1 Jan 2019</p>	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>
<p>AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p>	<p>This standard amends AASB 9 and AASB 15 to include requirements and implementation guidance to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	<p>1 Jan 2019</p>	<p>The amending implementation guidance for not-for-profit entities to AASB 9 addresses the initial measurement and recognition of non-contractual receivables arising from statutory requirements. They include taxes, rates and fines.</p> <p>The amending implementation guidance for not-for-profit entities to AASB 15 addresses identifying a contract with a customer, identifying performance obligations, and allocating a transaction price to performance obligations.</p>

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)

AMORTISATION

Amortisation is the expense which results from the consumption, extraction or use over time of a nonproduced 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 to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

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.

NON-PRODUCED ASSETS

Non-produced assets are assets needed for production that have not themselves been produced e.g. certain 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.

PRODUCED ASSETS

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

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

200x year period

200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2016-17 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.

Independent Auditor's Report

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

Opinion	<p>I have audited the financial report of the Victorian Legal Services Board (the board) and the Victorian Legal Services Commissioner (the commissioner), prepared pursuant to Section 53(1)(b) of the <i>Financial Management Act 1994</i>, which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • 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 a summary of 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 2017 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 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 Australia. 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>
Board's and Commissioner's responsibilities for the financial report	<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 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 Commissioner are responsible for assessing the board's and commissioner's ability to continue as a 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 our 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 commissioner
- conclude on the appropriateness of the board's and 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 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 authority 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 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
18 August 2017


Travis Derricott
as delegate for the Auditor-General of Victoria

APPENDIX 05 Board Delegations

Under s.44 of the Application Act the Victorian Legal Services Board may delegate certain of its functions to a member of the Board, an employee, the Victorian Legal Services Commissioner, a local professional association, or a prescribed person.

CURRENT DELEGATIONS

Table 60 lists all of the internal delegations and Table 61 lists all of the external delegations made by the Board and in force as at 30 June 2017.

Table 60: Internal Delegations made by the Board, current as at 30 June 2017

Date	Delegate	Functions delegated
1 Aug 2016	Victorian Legal Services Commissioner	LEGAL PROFESSION ACT 2004
		PART 3.6, DIVISION 3 – CLAIMS ABOUT DEFAULTS
		Section 3.6.12(1) – investigate fidelity fund claims
		Section 3.6.12(2) – require fidelity fund claimant to produce security, document or statement of evidence
		Section 3.6.12(3) – investigation of claims
		PART 3.6, DIVISION 4 – DETERMINATION OF CLAIMS
		Section 3.6.19 – subrogation on payment of fidelity fund claim
		LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014
		PART 2, DIVISION 2 – FURTHER APPLICATION PROVISIONS
		Section 13(2) – approve professional indemnity insurance policy
PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES		
Section 73(4) – refund all or part of a surcharge		
Section 75(2) – refund all or part of a surcharge		
PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND		
Section 80 – determine of required deposit amount		
Section 85 – exempt of law practice or clerk		
PART 10 – GENERAL		
Section 153(1) – appoint person to investigate offence		
Section 154 – file charge sheet		
LEGAL PROFESSION UNIFORM LAW (VICTORIA)		
PART 3.3, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES		
Section 44 – grant or renew Australian practising certificate		
Section 45 – grant or renew Australian practising certificate		

Date	Delegate	Functions delegated
		<p>PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 47 – grant Australian practising certificate subject to conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 50(2) – (5) – impose on or exempt barrister from conditions Section 53 – impose discretionary conditions on Australian practising certificates</p>
		<p>PART 3.4, DIVISION 3 – REGISTRATION Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p>
		<p>PART 3.4, DIVISION 4 – CONDITIONS OF AUSTRALIAN REGISTRATION CERTIFICATES Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p>
		<p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate Section 76 – vary, suspend or cancel certificate Section 77 – vary or suspend certificate Section 78 – lift suspension of a certificate and renew certificate while suspended</p>
		<p>PART 3.5, DIVISION 3 – VARIATION, SUSPENSION OR CANCELLATION ON SPECIFIC GROUNDS Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice</p>
		<p>PART 3.5, DIVISION 4 – SHOW CAUSE PROCEDURE FOR VARIATION, SUSPENSION OR CANCELLATION OR, OR REFUSAL TO RENEW, CERTIFICATES Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 89 – determine if fit and proper and take appropriate action Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder Section 92 – determine if fit and proper and take appropriate action Section 93 – take no action on event occurred before admission Section 94 – decide person not entitled to apply for specified period</p>
		<p>PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information</p>
		<p>PART 3.9, DIVISION 1 – MAKING OF DISQUALIFICATION ORDERS Section 119 – make an order for disqualifications of individuals Section 120 - make an order for disqualifications of entities</p>
		<p>PART 4.2, DIVISION 1 – PRELIMINARY Section 130(4) – exempt law practice from complying with provisions</p>

Date	Delegate	Functions delegated
		<p>PART 4.2, DIVISION 2 – TRUST MONEY AND TRUST ACCOUNTS Section 151 – receive notice of accounts Section 152 – determine money is not trust money</p> <hr/> <p>PART 4.2, DIVISION 4 – EXTERNAL INVESTIGATIONS Section 160(2) and (3) – recover costs of external examinations from law practice Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation Section 166 – recover costs of external investigation</p> <hr/> <p>PART 4.4, PROFESSIONAL INDEMNITY INSURANCE Section 215(2), (4) and (6) – exempt from insurance requirement</p> <hr/> <p>PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 236(1) and (2) – time limit for making claims Section 237 – process and investigate claims</p> <hr/> <p>PART 4.5, DIVISION 5 – DETERMINATION OF CLAIMS Section 246 – subrogate rights and remedies of claimant</p> <hr/> <p>PART 4.5, DIVISION 6 – DEFAULTS INVOLVING INTERJURISDICTIONAL ELEMENTS Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <hr/> <p>PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits Section 257 – give management system directions</p> <hr/> <p>PART 9.4 – COOPERATIVE AND OTHER ARRANGEMENTS Section 439 – receive information from relevant persons</p> <hr/> <p>PART 9.6 – INJUNCTIONS Section 447 – apply to Supreme Court for injunction</p> <hr/> <p>PART 9.7 – CRIMINAL AND CIVIL PENALTIES Section 453(1) and (4) – order payment of pecuniary penalty</p> <hr/> <p>PART 9.9 – GENERAL Section 462(2) – disclose information obtained Section 473(2) – approve forms</p> <hr/> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 Rule 20(3) and (4) – require evidence and require payment of expenses Rule 54 – require statement on trust money Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 81 – require insurance policy be submitted for assessment Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy Rule 86 (1) – receive claim against fidelity fund in specified form Rule 87 – require information and/or security related to claim Rule 90 – notify claimant of delay in determination of claim</p>
1 Jul 2015	Executive Director, Complaints and Intervention	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 2, DIVISION 2 – FURTHER APPLICATION PROVISIONS Section 13(2) – approve professional indemnity insurance policy PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p>

Date	Delegate	Functions delegated
		<p>PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p> <hr/> <p>PART 10 – GENERAL Section 153(1) – appoint person to investigate offence</p> <hr/> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – IMPOSE CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <hr/> <p>PART 3.4, DIVISION 3 – REGISTRATION Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p> <hr/> <p>PART 3.4, DIVISION 4 – CONDITIONS OF AUSTRALIAN REGISTRATION CERTIFICATES Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p> <hr/> <p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate</p> <hr/> <p>PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information</p> <hr/> <p>PART 4.2, DIVISION 1 – PRELIMINARY Section 130(4) – exempt law practice from complying with provisions</p> <hr/> <p>PART 4.2, DIVISION 4 – EXTERNAL INVESTIGATIONS Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p> <hr/> <p>PART 4.4, PROFESSIONAL INDEMNITY INSURANCE Section 215(2), (4) and (6) - exempt from insurance requirement</p> <hr/> <p>PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 236(1) and (2) – time limit for making claims</p> <hr/> <p>PART 4.5, DIVISION 6 – DEFAULTS INVOLVING INTERJURISDICTIONAL ELEMENTS Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <hr/> <p>PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits</p> <hr/> <p>PART 9.4 – COOPERATIVE AND OTHER ARRANGEMENTS Section 439 – receive information from relevant persons</p> <hr/> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
6 Nov 2016	Executive Director, Finance, Risk and Policy	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 2, DIVISION 2 – FURTHER APPLICATION PROVISIONS Section 13(2) – approve professional indemnity insurance policy PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p>

Date	Delegate	Functions delegated
		<p>PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p> <hr/> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <hr/> <p>PART 3.4, DIVISION 3 – REGISTRATION Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p> <hr/> <p>PART 3.4, DIVISION 4 – CONDITIONS OF AUSTRALIAN REGISTRATION CERTIFICATES Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p> <hr/> <p>PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information</p> <hr/> <p>PART 4.2, DIVISION 1 – PRELIMINARY Section 130(4) – exempt law practice from complying with provisions</p> <hr/> <p>PART 4.2, DIVISION 4 – EXTERNAL INVESTIGATIONS Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p> <hr/> <p>PART 4.4, PROFESSIONAL INDEMNITY INSURANCE Section 215(2), (4) and (6) – exempt from insurance requirement</p> <hr/> <p>PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 236(1) and (2) – time limit for making claims</p> <hr/> <p>PART 4.5, DIVISION 6 – DEFAULTS INVOLVING INTERJURISDICTIONAL ELEMENTS Section 252(2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p> <hr/> <p>PART 9.4 – COOPERATIVE AND OTHER ARRANGEMENTS Section 439 – receive information from relevant persons</p> <hr/> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
1 Jul 2015	General Counsel	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 2, DIVISION 2 – FURTHER APPLICATION PROVISIONS Section 13(2) – approve professional indemnity insurance policy</p> <hr/> <p>PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 75(2) – refund all or part of a surcharge</p> <hr/> <p>PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p> <hr/> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p>

Date	Delegate	Functions delegated
		<p>PART 3.4, DIVISION 3 – REGISTRATION Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p> <hr/> <p>PART 3.4, DIVISION 4 – CONDITIONS OF AUSTRALIAN REGISTRATION CERTIFICATES Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p> <hr/> <p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate</p> <hr/> <p>PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information</p> <hr/> <p>PART 4.2, DIVISION 1 – PRELIMINARY Section 130(4) – exempt law practice from complying with provisions</p> <hr/> <p>PART 4.4, PROFESSIONAL INDEMNITY INSURANCE Section 215(2), (4) and (6) – exempt from insurance requirement</p> <hr/> <p>PART 9.4– COOPERATIVE AND OTHER ARRANGEMENTS Section 439 – receive information from relevant persons</p> <hr/> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
1 Jul 2015	Manager, Practitioner Services	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge</p> <hr/> <p>PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p> <hr/> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <hr/> <p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate</p>
30 Aug 2016	Assistant Manager, Licensing	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p> <p>PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates Section 90 – require statement for show cause events</p>

Date	Delegate	Functions delegated
30 Aug 2016	Manager, Regulatory Intervention	LEGAL PROFESSION ACT 2004 PART 3.6, DIVISION 3 – CLAIMS ABOUT DEFAULTS Section 3.6.8(1) – allow further period to lodge fidelity fund claim Section 3.6.9 – advertisements Section 3.6.10 – time limit for making claims following advertisements
		PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 236(1) and (2) – time limit for making claims
		LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits
11 Oct 2016	Manager, Assessment and Resolutions	LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits
1 Aug 2016	Manager Complaints and investigations	LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits (ILPs)
18 Aug 2015	Board members who are members of the Fidelity Fund Claims Advisory Committee	LEGAL PROFESSION ACT 2004 PART 3.6, DIVISION 4 – DETERMINATION OF FIDELITY FUND CLAIMS Section 3.6.14 – determination of claims Section 3.6.15 – maximum amount allowable Section 3.6.16 – costs Section 3.6.17 – interest Section 3.6.18 – reduction of claim because of other benefits
		LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.5, DIVISION 5 – DETERMINATION OF CLAIMS Section 240 – determination of claims Section 241 – maximum amount allowable Section 242 – costs from fidelity fund Section 243 – interest from fidelity fund Section 244 – reduction of claim because of other benefits

Table 61: External Delegations made by the Board current as at 30 June 2017

Date	Delegate	Functions delegated
1 Jul 2015	Law Institute of Victoria	LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.2, DIVISION 2 – TRUST MONEY AND TRUST ACCOUNTS Section 151 – receive notice of accounts Section 152 – determine money is not trust money
		PART 4.2, DIVISION 3 – EXTERNAL EXAMINATION OF TRUST RECORDS Section 159 – receive written report from external examiners
		PART 4.2, DIVISION 4 – EXTERNAL INVESTIGATIONS Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation
		PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 237 – process and investigate claims
		PART 4.6 – BUSINESS MANAGEMENT AND CONTROL Section 256 – conduct compliance audits (ILPs)

Date	Delegate	Functions delegated
		<p>PART 9.5– NOTICES AND EVIDENTIARY MATTERS Section 446 – seal or sign certificate confirming a person held an Australian practising certificate</p> <hr/> <p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 CHAPTER 4, DIVISION 2 – TRUST MONEY AND TRUST ACCOUNTS Rule 54 – require statement on trust money</p> <hr/> <p>LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (SOLICITORS) RULES 2015 Rule 13 – receive certification of CPD compliance Rule 14 – require verification of compliance Rule 15 – give written notice requiring rectification plan Rule 16 – exempt from requirement to undertake CPD activities</p>
27 Jun 2017	Victorian Bar	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p> <hr/> <p>PART 10 OF THE ACT – GENERAL Section 153 (1) – appoint person to investigate offence Section 154 – file charge sheet</p> <hr/> <p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 44 – grant or renew Australian practising certificate Section 45 – grant or renew Australian practising certificate Section 47 – determine conditions to impose on Australian practicing certificates</p> <hr/> <p>PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 47 – grant Australian practising certificate subject to conditions Section 50(2)-(5) – apply discretionary conditions and exempt from statutory conditions Section 53 – impose discretionary conditions on Australian practising certificates</p> <hr/> <p>PART 3.5, DIVISION 2 – VARIATION, SUSPENSION OR CANCELLATION OF CERTIFICATES Section 74 – vary a certificate Section 76 – vary, suspend or cancel certificate Section 77 – vary or suspend certificate Section 78 – lift suspension of a certificate and renew certificate while suspended</p> <hr/> <p>PART 3.5, DIVISION 3 – VARIATION, SUSPENSION OR CANCELLATION ON SPECIFIC GROUNDS Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice</p> <hr/> <p>PART 3.5, DIVISION 4 – SHOW CAUSE PROCEDURE FOR VARIATION, SUSPENSION OR CANCELLATION OR, OR REFUSAL TO RENEW, CERTIFICATES Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 89 – determine if fit and proper and take appropriate action Section 91 – receive statement from certificate holder Section 92 – determine if fit and proper and take appropriate action Section 93 – take no action on event occurred before admission Section 94 – decide person not entitled to apply for specified period</p> <hr/> <p>PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information</p>

Date	Delegate	Functions delegated
		PART 3.9, DIVISION 1 – MAKING OF DISQUALIFICATION ORDERS Section 119 – make an order for disqualifications of individuals
		PART 4.2, DIVISION 2 – TRUST MONEY AND TRUST ACCOUNTS Section 151 – receive notice of accounts Section 152 – determine money is not trust money
		PART 9.5– NOTICES AND EVIDENTIARY MATTERS Section 446 – seal or sign certificate confirming a person held an Australian practising certificate
		PART 9.6 – INJUNCTIONS Section 447 – apply to Supreme Court for injunction
		LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (BARRISTERS) RULES 2015 Rule 13 – receive certification of CPD compliance Rule 14 – require verification of compliance Rule 15 – give written notice requiring rectification plan Rule 16 – exempt from requirement to undertake CPD activities

REVOKED DELEGATIONS

The following table lists all of the delegations revoked by the Board during 2016-17 and the reasons for their revocation. Table 62 covers delegations to internal positions. There were no delegations revoked for external entities.

Table 62: Internal Delegations revoked by the Board during 2016-17

Delegate	Function
Executive Director, Finance, Investment and Risk (position title changed to Finance, Risk and People)	LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 2, DIVISION 2 – FURTHER APPLICATION PROVISIONS Section 13(2) – approve professional indemnity insurance policy PART 4, DIVISION 2 – AUSTRALIAN PRACTISING CERTIFICATES Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge PART 5, DIVISION 1 – STATUTORY DEPOSITS INTO PUBLIC PURPOSE FUND Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk
Executive Director, Finance, Risk and People (position title changed to Finance, Risk and Policy)	LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 3.3, DIVISION 3 – CONDITIONS OF AUSTRALIAN PRACTISING CERTIFICATES Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition PART 3.4, DIVISION 3 – REGISTRATION Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice PART 3.4, DIVISION 4 – CONDITIONS OF AUSTRALIAN REGISTRATION CERTIFICATES Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate PART 3.5, DIVISION 5 – MISCELLANEOUS Section 95 – require further information PART 4.2, DIVISION 1 – PRELIMINARY Section 130(4) – exempt law practice from complying with provisions

Delegate	Function
	<p>PART 4.2, DIVISION 4 – EXTERNAL INVESTIGATIONS Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p>
	<p>PART 4.4, PROFESSIONAL INDEMNITY INSURANCE Section 215(2), (4) and (6) – exempt from insurance requirement</p>
	<p>PART 4.5, DIVISION 4 – CLAIMS ABOUT DEFAULTS Section 236(1) and (2) – time limit for making claims</p>
	<p>PART 4.5, DIVISION 6 – DEFAULTS INVOLVING INTERJURISDICTIONAL ELEMENTS Section 252(2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p>
	<p>PART 9.4– COOPERATIVE AND OTHER ARRANGEMENTS Section 439 – receive information from relevant persons</p>
	<p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015 RULE 66(4) AND (5) – APPROVE TERMINATION OF APPOINTMENT AND REQUIRE EVIDENCE Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
<p>Manager, Administrative Law and Consumer Matters (position title changed)</p>	<p>LEGAL PROFESSION ACT 2004 PART 3.6, DIVISION 3 – CLAIMS ABOUT DEFAULTS Section 3.6.8(1) – allow further period to lodge fidelity fund claim Section 3.6.9 – advertisements Section 3.6.10 – time limit for making claims following advertisements LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 4.5 – CLAIMS AND DEFAULTS Section 236(1) and (2) – time limit for making claims</p>

Standard Delegation Conditions (apply to all unless otherwise noted):

1. The delegation does not prevent the discharge, exercise or performance by the Board of the functions duties and powers delegated, and
2. If the Board gives notice to the delegate that the Board intends to discharge, exercise or perform its functions duties and powers delegated, the delegate shall not commence to discharge, exercise or perform those functions duties and powers, or shall cease to do so, as the case may be.

APPENDIX 06 Commissioner delegations

Under s.56 of the Application Act the Victorian Legal Services Commissioner may delegate certain of its functions to an employee, a local professional association, or a prescribed person.

CURRENT DELEGATIONS

Table 63 lists all of the internal delegations and Table 64 lists all of the external delegations made by the Commissioner and in force as at 30 June 2017.

Table 63: Internal Delegations made by the Victorian Legal Services Commissioner, current as at 30 June 2017

Date	Delegate	Functions delegated
2 Jul 2015	Executive Director, Complaints and Intervention	LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014 PART 3, DIVISION 4 – GENERAL PROVISIONS FOR THE VICTORIAN LEGAL SERVICES BOARD AND VICTORIAN COMMISSIONER Section 60 – appoint a panel of mediators
		LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn
		PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended
		PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances
		PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent

Date	Delegate	Functions delegated
		<p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>PART 5.4, DIVISION 3 – ROLE OF DESIGNATED TRIBUNAL</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
		<p>PART 5.5 – COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p>
		<p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p>
		<p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>
		<p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
10 Aug 2015	Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.4, DIVISION 3 – ROLE OF DESIGNATED TRIBUNAL</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p>

Date	Delegate	Functions delegated
		<p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
2 Jul 2015	Manager, Complaints and Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.4, DIVISION 3 – ROLE OF DESIGNATED TRIBUNAL</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p>

Date	Delegate	Functions delegated
		<p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Manager, Complaints and Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>

Date	Delegate	Functions delegated
		<p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
22 Dec 2016	Manager, Disciplinary Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.4, DIVISION 3 – ROLE OF DESIGNATED TRIBUNAL</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>

Date	Delegate	Functions delegated
		<p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <hr/> <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> <hr/> <p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
22 Dec 2016	Assistant Manager, Disciplinary Investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>

Date	Delegate	Functions delegated
		<p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
22 Dec 2016	Manager, Dispute Resolution and Review	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291 – deal with costs disputes the same way as consumer matters Section 292 – make a binding determination about costs Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>

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		<p>PART 5.5– COMPENSATION ORDERS Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
22 Dec 2016	Assistant Manager, Dispute Resolution and Review	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p>

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		<p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Manager, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291 – deal with costs disputes the same way as consumer matters Section 292 – make a binding determination about costs Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p>

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		<p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
24 Jan 2017	Assistant Manager, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p>

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		<p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <hr/> <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> <hr/> <p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
27 Jul 2016	Assessment and Resolutions Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p>

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		<p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Administrative Officer, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
10 Aug 2015	Manager, Practitioner Services	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p>

Date	Delegate	Functions delegated
		<p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
24 Jan 2017	Assistant Manager, Licensing	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291 – deal with costs disputes the same way as consumer matters Section 292 – make a binding determination about costs Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>

Date	Delegate	Functions delegated
		<p>PART 5.5 – COMPENSATION ORDERS Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
4 Jul 2016	Senior Investigations Officer – Criminal Prosecutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate whole or part of complaint Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p>

Date	Delegate	Functions delegated
		<p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – consider if decision dealt with appropriately</p> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>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</p> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p>

Date	Delegate	Functions delegated
		<p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
4 Jul 2016	Senior Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>

Date	Delegate	Functions delegated
		<p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Assistant Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 307(4) – request may be made at any time after complaint made</p>

Date	Delegate	Functions delegated
		<p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Conciliator	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p> <hr/> <p>PART 5.5 – COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Intake and Assessment Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p>

Date	Delegate	Functions delegated
		<p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Senior Investigations Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Date	Delegate	Functions delegated
21 Aug 2015	Trust Account Analyst	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 280 – response to complaint by respondent</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

Table 64: External Delegations made by the Victorian Legal Services Commissioner, current as at 30 June 2017

Date	Delegate	Function
28 Aug 2015	Victorian Bar	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p> <hr/> <p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282 – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p>

Date	Delegate	Function
		<p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>
		<p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p>
		<p>PART 5.4, DIVISION 1 – PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 307(4) – request may be made at any time after complaint made</p>

REVOKED DELEGATIONS

The following table lists all of the delegations revoked by the Commissioner during 2016-17 and the reasons for their revocation.

Table 65: Internal Delegations revoked by the Victorian Legal Services Commissioner during 2016-17

Delegate	Function
<p>Manager, Administrative Law and Consumer Matters (position title changed)</p>	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>
	<p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
	<p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
	<p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>

Delegate	Function
	<p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>PART 5.4, DIVISION 1 - PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p> <hr/> <p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p> <hr/> <p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p> <hr/> <p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p> <hr/> <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> <hr/> <p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
<p>Assistant Manager, Administrative Law and Consumer Matters (position title changed)</p>	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>PART 5.2, DIVISION 3 – NOTIFICATIONS TO AND SUBMISSIONS BY RESPONDENTS</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>

Delegate	Function
	<p>PART 5.2, DIVISION 4 – INVESTIGATION OF COMPLAINTS Section 282(1) – investigate internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p> <hr/> <p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt Section 287 – resolve consumer matter by informal means as soon as practicable Section 288 – order parties to the complaint attend mediation Section 289 – prepare written record of agreement to mediation</p> <hr/> <p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES Section 291(1) – deal with costs disputes the same way as consumer matters Section 293 – cease to act where dispute is less than \$10,000</p> <hr/> <p>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</p> <hr/> <p>PART 5.5– COMPENSATION ORDERS Section 307(4) – request may be made at any time after complaint made</p> <hr/> <p>PART 5.6 - APPEAL OR REVIEW Section 313(2) – conduct an internal review</p> <hr/> <p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p> <hr/> <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 Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
<p>Principal Advisor (position title changed)</p>	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>PART 5.2, DIVISION 1 – MAKING COMPLAINTS AND OTHER MATTERS ABOUT COMPLAINTS Section 266(2) – initiate a complaint containing a disciplinary matter Section 267 – making a complaint Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint Section 272 – making complaint within 3 year time limit Section 273(2) – ability to continue investigation even where complain is withdrawn</p> <hr/> <p>PART 5.2, DIVISION 2 – PRELIMINARY ASSESSMENT OF COMPLAINTS Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended</p> <hr/> <p>Part 5.2, Division 3 – Notifications to and submissions by respondents Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances</p>

Delegate	Function
	<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
	<p>PART 5.3, DIVISION 2 – PROVISIONS APPLICABLE TO ALL CONSUMER MATTERS</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
	<p>PART 5.3, DIVISION 3 – FURTHER PROVISIONS APPLICABLE TO COSTS DISPUTES</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
	<p>PART 5.4, DIVISION 1 - PRELIMINARY</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
	<p>PART 5.4, DIVISION 2 – DETERMINATION BY LOCAL REGULATORY AUTHORITY</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
	<p>PART 5.5 – COMPENSATION ORDERS</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
	<p>PART 5.6 – APPEAL OR REVIEW</p> <p>Section 313 – conduct an internal review</p>
	<p>PART 5.7 – GENERAL DUTIES OF LOCAL REGULATORY AUTHORITIES</p> <p>Section 318 – provide the complainant and respondent written notice of decisions or determinations</p> <p>Section 320 – make order directing or refraining action</p>
	<p>SCHEDULE 3, PART 4 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>
	<p>SCHEDULE 4, DIVISION 7 – DISPUTE RESOLUTION AND PROFESSIONAL DISCIPLINE</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>

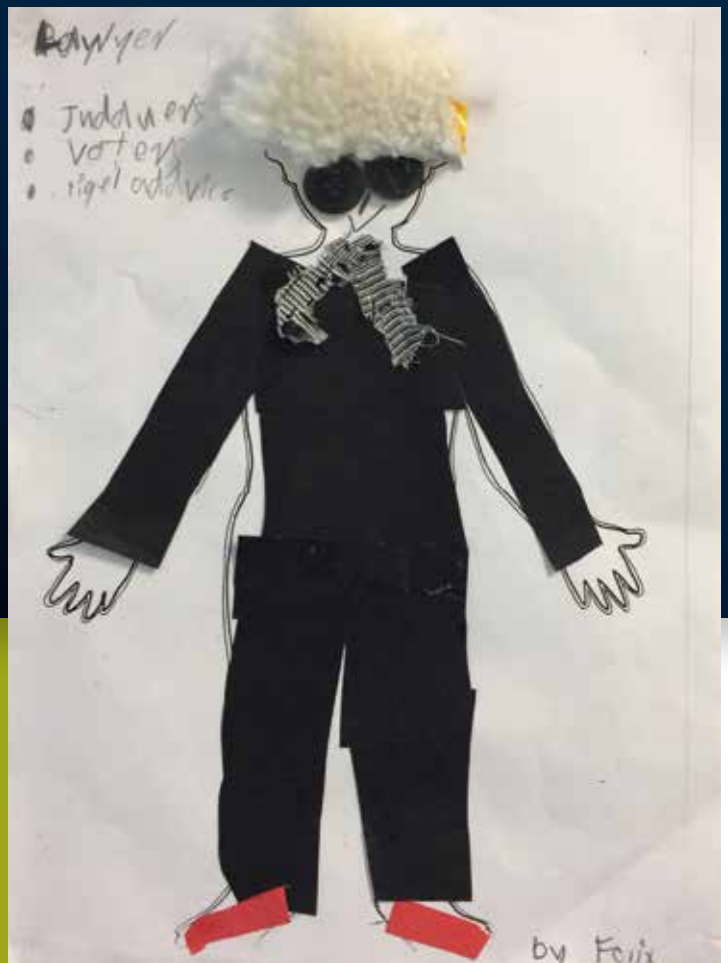
APPENDIX 07 Disclosure index

The Annual Report of the Board and Commissioner is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Board and Commissioner's compliance with the statutory disclosure requirements.

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'Lawyer: Judges, voters, legal advice', by Felix, 7 years, after a representative of the Board and Commissioner spoke at his primary school careers day.



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Victorian Legal Services
BOARD + COMMISSIONER

Level 5, 555 Bourke Street, Melbourne Victoria 3000

Telephone 03 9679 8001

Local call within Victoria 1300 796 344

Fax 03 9679 8101

Email admin@lsbc.vic.gov.au

Website www.lsbc.vic.gov.au