

ANNUAL REPORT 2018

Victorian Legal Services
BOARD + COMMISSIONER


LEGAL PROFESSION
Uniform Law

24 August 2018

Dear Attorney-General

We are pleased to provide you with the 2017-18 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 2018. It has been prepared in accordance with the requirements of the *Financial Management Act 1994*.

Yours sincerely



Fiona Bennett
Chairperson
Victorian Legal Services Board



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

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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 This legislation was superseded by the *Legal Profession Uniform Law Application Act 2014 (Vic)* (the Application Act) which came into effect on 1 July 2015.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.

The Board and Commissioner work closely with the Legal Services Council, and the Commissioner for Uniform Legal Services Regulation to implement the Legal Profession Uniform Law.

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 2017 to 30 June 2018.

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 the Public Purpose Fund and the Fidelity Fund;
- 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.

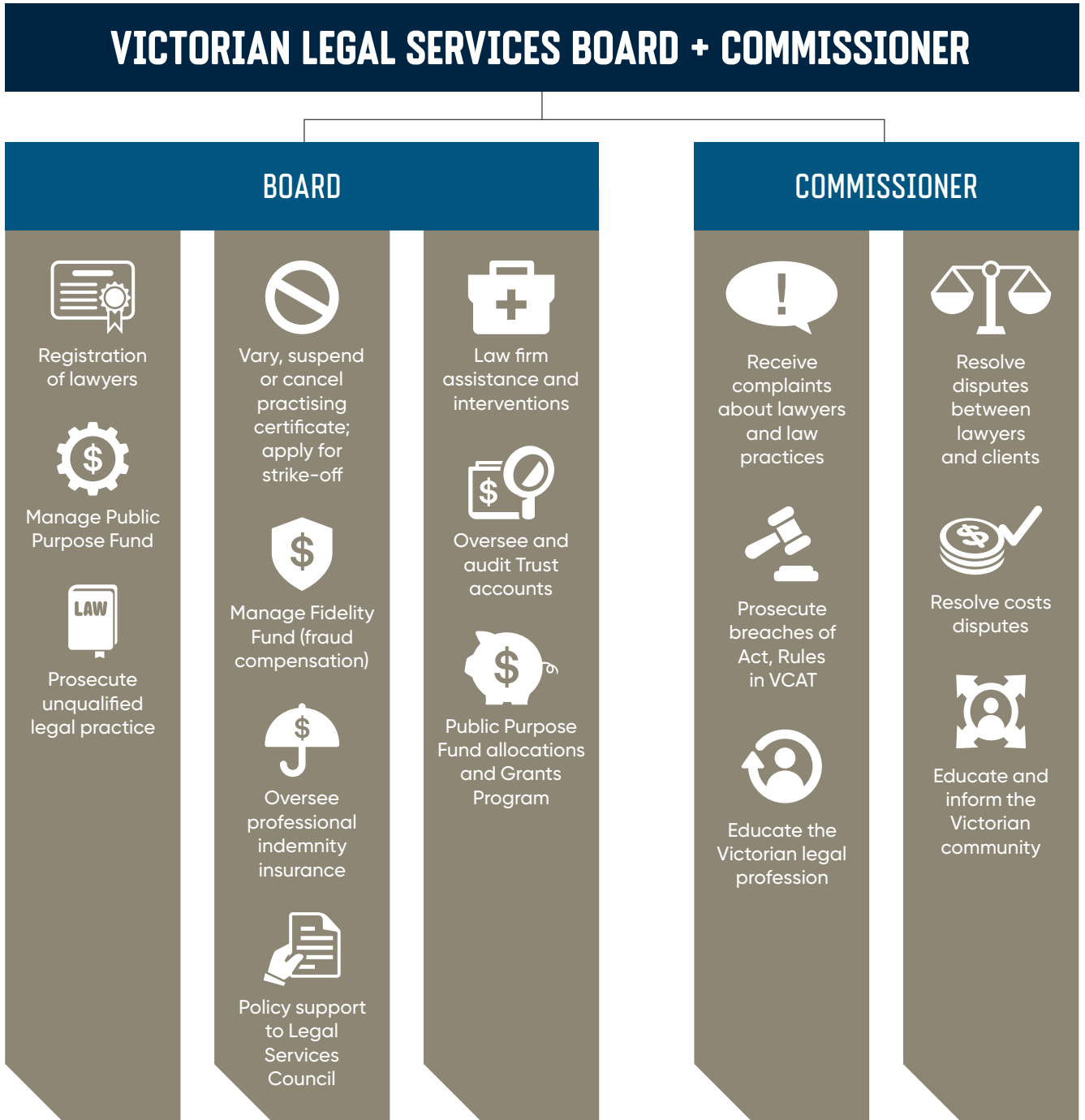
Through its role as the regulator of the legal profession in Victoria, the Board aims to promote the profession's own high standards for lawyers by working with the Victorian Legal Services Commissioner, the Law Institute of Victoria (LIV), the Victorian Bar (the Bar) and a range of other organisations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

Fiona McLeay's appointment as the Commissioner was announced by the Attorney-General in September 2017. Her tenure commenced in January 2018. By virtue of her appointment as Commissioner, Fiona also became the Chief Executive Officer of the Board. The Commissioner is the employer of all staff who support the operations of both the Board and the Commissioner.

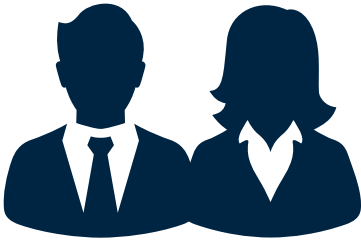
FIGURE 1: BOARD AND COMMISSIONER FUNCTIONS



SNAPSHOT OF LEGAL REGULATION IN 2017-18

REGISTERED LAWYERS
IN VICTORIA GREW BY
TO A TOTAL OF

995
22,483



FEMALE LAWYERS MAKE UP

50.4%

OF THE VICTORIAN
LEGAL PROFESSION



213 NEW

INCORPORATED LEGAL PRACTICES
REGISTERED – THE FASTEST
GROWING LAW PRACTICE TYPE

23 UNQUALIFIED

LEGAL PRACTICE INVESTIGATIONS COMMENCED;

5 SETS OF CHARGES

LAID IN THE MAGISTRATES COURT;

3 PROSECUTIONS

CONCLUDED WITH COURT ORDERS MADE



\$2.8 MILLION

IN GRANTS PROVIDED TO

8 COMMUNITY

PROGRAMS ACROSS VICTORIA

\$2 MILLION

IN PAYMENTS MADE
TO CLIENTS FROM THE

FIDELITY

FUND





THE BOARD AND
COMMISSIONER
ADDRESSED

3,900

**LAWYERS &
LAW STUDENTS**

IN SEMINARS AND WORKSHOPS

1,675 COMPLAINTS
MADE



19 MATTERS BROUGHT
BEFORE VCAT

**FAMILY AND
DEFACTO LAW**



CONTINUES TO ATTRACT THE HIGHEST
NUMBER OF COMPLAINTS AT

24%



30% OF COMPLAINTS
INVOLVED

LEGAL COSTS

OR BEING

OVERCHARGED

1,701
COMPLAINTS FINALISED,
16%
MORE THAN LAST YEAR



COMPLAINTS CLOSED
WITHIN 30 DAYS

42%
HIGHER



COMPARED TO LAST YEAR



CHAIRPERSON'S REPORT

This has been a year of significant change for the Board, with a new CEO and one new Board member appointed and three new Board members elected.

In late September 2017 we farewelled Michael McGarvie,

Board CEO since 2009. Michael's eight years of service was transformative for the Board in many ways: we modernised our regulatory processes; made significant cuts to red tape, saving time and effort for lawyers; and, of course, transitioned across to the Uniform Law. The Board greatly valued Michael's vision and enthusiasm for improving regulation in Victoria.

Fiona McLeay was appointed to the position of CEO and Commissioner in September 2017, and commenced her term in January 2018. Her wealth of experience in both the private and not for profit sectors gives her a first-hand appreciation of regulation from a lawyer's perspective, as well as a strong understanding and appreciation of consumer needs and the importance of consumer protection. These qualities are an excellent match for the Board's remit, and I look forward to working with Fiona in continuing our work towards a more cost-effective, pro-active and risk-based regulatory model.

In December we also farewelled Carolyn Bond AO, who completed her third term with the Board in late 2017. Carolyn was a strong advocate for consumer rights and I thank her for her twelve years of service on the Board. Her seat at the Board was filled by another strong consumer voice, Catherine Wolthuizen, whose background as an ombudsman, and with her remarkable international credentials in consumer advocacy, will be invaluable assets for the Board.

In April 2018 the Board held a full election for its three lawyer member positions, whose four-year terms were set to expire on 30 June 2018. The election offered Victorian lawyers an opportunity to have a say in the regulation of the profession by voting for two solicitors and one barrister to sit on the Board. There was very strong interest, with three barristers and 18 solicitors nominating to stand in the election. The successful candidates were Jennifer Batrouney QC for the barrister position, and Liz Harris and Geoff Bowyer for the solicitor positions. I congratulate Jennifer, Liz and Geoff on their elections and look forward to working with them over the next four years.

I also offer my sincere thanks to the departing Board members: Peter Jopling AM QC, for his service and dedication to the Board since 2010; and to Steven Stevens and Cate Dealehr for the valuable insight and expertise they brought to the Board since 2013 and 2014 respectively.

We continued our work on identifying and responding to trends in mistakes made by lawyers, drawing on the University of Melbourne analysis of our data. Through this process we recognised that principal solicitors with inadequate training in running the business side of their law practice were more likely to get into difficulty. This sometimes had implications for their practice, their mental health and the interests of their clients.

To help them prepare for the challenges of running their own practice, the Board developed a policy requiring all new applicants for a principal practising certificate to demonstrate that they have a minimum level of business management skills before obtaining a principal PC. One way they can show that they have these skills is through the completion of a Practice Management Course, which teaches skills including strategic planning, financial administration, governance and risk management.

This is typical of the educational approach the Board is taking toward risk management in the profession: protecting the interests of consumers by strengthening the capability of the profession to prevent practice and conduct issues arising in the first place. It is pleasing to see aspiring principals already embracing this approach, despite the policy not commencing until January 2019. The success of this initiative could not have been possible without the support of the LIV and the Legal Practitioners' Liability Committee (LPLC), whose assistance in developing both the policy and the course guidelines was invaluable.

Another major piece of work the Board undertook this year was the review of PC fees. With the expiration of the 2012 Regulations that prescribed lawyers' PC fees, new regulations were required. Following an extensive consultation process, and with the benefit of specialist economics advice, the Board finalised its Regulatory Impact Statement examining possible options for PC fees. In February 2018 the Governor in Council made new Regulations, which set out a new fee structure reflecting the real costs of regulating lawyers according to the type of PC they hold. The new fees will apply to all practising certificates from 1 July 2018.

Our Grants program celebrated its ten year anniversary this year. The Board has now distributed over \$35 million from the Public Purpose Fund across 200 projects, supporting much needed access to justice, community legal education, legal administration and legal service improvement programs for all Victorians. Clear highlights of this program are the health-justice partnerships and the numerous programs that have gone on to be recognised through industry, community and government awards, or commendations by the Royal Commission into Family Violence.

No matter the profile of the project, all grants have provided real benefits to the target audiences, including such focussed programs as 'Read along Dads', which provides a literacy program for inmates and keeps them in touch with their young children by recording them reading stories. As one participant said, *'Just because you are in jail, it doesn't mean you stop being a dad'*. The benefits here are immediately obvious.

At the end of another year, I offer my sincere thanks to our Board, Fiona McLeay as our new CEO and our staff who all work diligently to deliver the important work the Board does for Victorian lawyers and consumers of legal services. I would also like to thank Russell Daily who stepped into the role as Acting CEO between September and January and kept our momentum going, and thank our partners: the LIV; LPLC and the Victorian Bar for assisting us in our work throughout the year.

Fiona Bennett
Chairperson, Victorian Legal Services Board



CEO AND COMMISSIONER'S REPORT

It was a great privilege to be appointed Board CEO and Commissioner after Michael McGarvie stepped down from the role in September 2017. I was initially attracted to this role because it combined

my personal commitment to social justice with my strong belief in the importance of the role that lawyers serve in upholding the rule of law. These past several months have cemented that early view. The work I am immersed in each day reinforces the critical role that fair and responsive legal regulation plays in protecting both lawyers and their clients and thus supporting the administration of justice and strengthening the rule of law. I have also enjoyed getting to know the terrific staff team here at the Board and Commissioner's office. They share with me a professional commitment to ethical legal practice and access to quality legal services.

We have been working on developing ways to support lawyers, particularly those in small suburban and regional practices, who are reaching retirement age, who are ill or otherwise unable to continue working, and who have no clear line of succession for their practice. Together with the LIV and the LPLC, we have developed a contingency and succession planning policy and a suite of resources which will be released in the coming year. In line with our aim to prevent harm, these resources will help lawyers plan ahead so that unexpected life events don't impact negatively on their livelihoods or their clients.

We have also been exploring the changing nature of legal services, and the impact of digital disruption on law practices. This is a growing field, and we expect accelerating changes in the legal service landscape as traditional law practices seek out new ways of attracting and servicing clients. This is especially important as commerce and society become more digitally dependent and clients demand more convenient and cost effective legal services.

This is not the only part of the legal landscape that is evolving. The demographics of the profession are also changing. As anticipated, in 2017-18 the number of women holding practising certificates officially overtook the number of men. Our annual report shows that as at 30 June there were 188 more women practising law in Victoria than men. For a traditionally male dominated profession, this gradual change is significant, but it is not a uniquely Victorian phenomenon – other jurisdictions have reported the same trend.

This shift in demographics only increases the importance of another area that we are working towards – addressing sexual harassment in the legal profession. As Commissioner, I have noticed that complaints from lawyers alleging sexual harassment by another lawyer are extremely rare, yet anecdotally it appears to be prevalent within the profession. This is a serious concern for the Board and Commissioner – not only because of the breach of ethics and potential criminal conduct, but also for the impact it has on the mental health of those who experience this behaviour.

To address this we are currently laying the groundwork for a significant focus on responding to sexual harassment in the profession, with clear action to be taken in the coming financial year.

To tackle this issue with both the force and the sensitivity it mandates, we are developing a robust policy base, stronger links with the professional associations and support services, and training staff to deal appropriately with the disclosures that we expect will follow.

Notwithstanding this focus, it is worth reflecting on the fact that from 22,438 lawyers, we received 1,675 complaints; the vast majority of which were low-level issues that are quickly resolved. Just 19 matters were brought before the Victorian Civil Administrative Tribunal (VCAT) this year, including the last few matters that arose from disciplinary complaints originally made under the old *Legal Profession Act 2004*. Combined with the 44 disciplinary determinations made in 2017-18, less than 4% of complaints end up with a disciplinary finding.

Many more complaints are resolved in other ways – usually through assisted dispute resolution processes. This is something my office does especially well. The number of complaints finalised within 30 days of their receipt was up 42% up on last year's figure. These are often consumer matters; complaints involving costs disputes or concerns about minor service issues.

Both the lawyer and the client are clear beneficiaries of quick complaint resolution. Our preliminary investigation and informal mediation processes play a major part in this. We have found that once the client's concerns are aired, it is not unusual for a lawyer to offer an apology or provide a better explanation, or for a client to recognise they have misunderstood their lawyer or the legal process and acknowledge nothing untoward has actually happened.

In the vast majority of complaints we see, it is this disconnect between the lawyers' delivery of their service and their clients understanding of what to expect, or what has happened, that leads to problems; not actual wrongdoing. This demonstrates that good communication between a lawyer and his or her client is crucial in ensuring that each understands the other. This in turn supports a healthy and productive relationship; a theme we emphasise in our presentations to groups of lawyers, legal studies students and now in the new Practice Management Courses for prospective law practice principals. It is also something we will be focussing more attention on in the coming year.

My first six months in this dual role has given me a clear understanding of the complex work that goes in to regulating the 22,000 lawyers we have in Victoria. I extend my personal thanks to the Board and our Chairperson, Fiona Bennett, for the guidance and support they have given me in this time. I also offer my gratitude to our staff for their professionalism and skill in serving the needs of Victorian lawyers and protecting the interests of consumers of legal services. I especially look forward to developing further links over the coming years with the professional associations and other legal bodies, both in Victoria and other jurisdictions, so we can further strengthen the Victorian legal regulatory regime.

Fiona McLeay
Board CEO and Commissioner

ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

Application Act	<i>Legal Profession Uniform Law Application Act 2014 (Vic)</i>
Bar	Victorian Bar Inc
Board	Victorian Legal Services Board
Commissioner	Victorian Legal Services Commissioner (Michael McGarvie)
CPD	continuing professional development
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
SDA	statutory deposit account
SOE	Statement of Expectations
Uniform Law	Legal Profession Uniform Law
VCAT	Victorian Civil and Administrative Tribunal
VLSB	Victorian Legal Services Board
VLSC	Victorian Legal Services Commissioner

STATUTORY OBJECTIVES AND VALUES OF THE BOARD AND COMMISSIONER

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

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

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

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.

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 by the Victorian Electoral Commission.

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.

MEETING ATTENDANCE

The Board met eight times in the reporting year.

TABLE 1: BOARD MEMBERSHIP AND MEETING ATTENDANCE IN 2017-18

Board member	No. of Board meetings attended
Ms Fiona Bennett	8
Ms Cate Dealehr	8
Mr Peter Jopling AM QC	6
Ms Cate Wood	7
Mr Steven Stevens	8
Dr Lynne Williams AM	8
Ms Catherine Wolthuizen ¹	4
Ms Carolyn Bond AO ²	3

¹ Catherine Wolthuizen was appointed in late December 2017 and only eligible to attend five meetings.

² Carolyn Bond AO concluded her term in December 2017.

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 the following pages.

BOARD MEMBERSHIP AND EXECUTIVE AT 30 JUNE 2018



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 Hills Ltd and 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.



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 an accredited specialist 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 Chair of the Menzies Foundation Ltd, the Ian Potter Museum of Art, and the Peter O'Callaghan Gallery Foundation, a Governor of the Florey Neurosciences Institutes, and a member of the Victorian College of the Arts Foundation.



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. 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 and has been Principal of Stenas Legal since 2012. Prior to commencing legal practice in 1988, Steven practised 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. She is 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 and is the former Chair of the Victorian Government Procurement Board. 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.



MS CATHERINE WOLTHUIZEN

NON-LAWYER MEMBER (APPOINTED 12 DECEMBER 2017)

Catherine brings her considerable experience as a consumer advocate and ombudsman to the Board. She is the Independent Customer Advocate at NAB, where her role includes making decisions about complex and sensitive complaints and advising on how to improve complaints handling and the customer experience. She is also an independent consumer representative to the Financial Ombudsman Service. Catherine was previously an Ombudsman and Head of Market Affairs at the UK's Financial Ombudsman Service, and is a former CEO of the Consumer Law Centre Victoria (which later became the Consumer Action Legal Centre). She was Senior Policy Officer at Choice, and is a former Chair of the Consumers Federation of Australia. As well as running a human rights legal NGO and the UK's whistleblower NGO, she was a member of the Legal Services Consumer Panel in England – the expert advisory body to the UK's Legal Services Board.



MS CATE WOOD

NON-LAWYER MEMBER (APPOINTED 31 JULY 2016)

Cate is an experienced Director and Chair who has held positions on numerous Boards, providing a depth of knowledge in governance, investment, strategic planning and diversity. Cate is a director of the industry superannuation fund, CareSuper, ISPT Pty Ltd (property trust) and a member of the ACT Professional Standards Council. Cate is a director/member of several other superannuation industry bodies including Women in Super, and 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.



MS FIONA MCLEAY

BOARD CHIEF EXECUTIVE OFFICER

Fiona was appointed as the CEO of the Board in September 2017 before commencing her tenure in January 2018. Fiona is the former CEO of the access to justice organisation, Justice Connect, and has also previously held the positions of General Counsel at World Vision Australia and Special Counsel at Clayton Utz. Fiona has a BA (Hons) from the University of Melbourne majoring in psychology with honours in criminology, an LLB from the University of NSW and an LLM in public and international law from the University of Melbourne. She also has an LLM in public service law from the New York University Law School and has attended both the Harvard and Stanford Business Schools. Fiona was appointed Director and Board Chair of Health Justice Australia in 2016 and is a Board member of The Intrepid Foundation.

FIGURE 2: BOARD COMMITTEES AND MEMBERSHIP AS AT 30 JUNE 2018



*Denotes and external member.

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

WORKING WITH THE LEGAL SERVICES COUNCIL

The Board and Commissioner worked closely with the Legal Services Council, and the new Commissioner for Uniform Legal Services Regulation, Megan Pitt, on the continued implementation of the Uniform Law. During the year the Board and Commissioner consulted with the Council on the development of new Uniform General Rules in the area of external examiners, and to support the commencement of the prohibition on lawyers promoting and operating management investment services and solicitor mortgage practices.

LEGISLATIVE CHANGE

During the reporting year, the Victorian Parliament considered two bills that included amendments to the Application Act:

- The *Justice Legislation Amendment (Court Security, Juries and Other Matters) Act 2017* amended the Application Act, providing the Board with expanded powers in relation to barristers' clerks. This included powers to suspend or revoke approval of a barristers' clerk. The Board's power to approve clerks has been delegated to the Bar.
- The *Justice Legislation Amendment (Access to Justice) Act 2018* amended section 143(2) of the Application Act. This increased the cap on funding to Victoria Legal Aid from the Public Purpose Fund's (PPF) General Account from 35% to 40%. It also amended section 144(1) of the Application Act to add a new category of grant funding from the PPF of 'innovative improvements to access to justice' for the Board to consider when making such grants.

This Act also amended section 258 of the Uniform Law, which contains various prohibitions on lawyers' promoting or operating managed investment schemes, and providing legal services in relation to them in certain circumstances.

The amendment clarifies that internal fund sharing operations within law practices are not intended to be classified as managed investment schemes.

The Department of Justice & Regulation consulted the Board and Commissioner during the development of both amending Acts.

PRACTISING CERTIFICATE FEES REVIEW – REGULATIONS MADE

During the reporting year, the Board continued its extensive consultation process toward setting new practising certificates fees for the 2018-19 practising certificate year and beyond. On 25 October 2017, the Attorney-General released the Board's Regulatory Impact Statement (RIS) for formal public consultation. The RIS was independently assessed by the Office of the Commissioner for Better Regulation as being adequate for the purposes of public consultation. The Board received 11 submissions: 10 were published on the Board and Commissioner's website together with the Board's response, while one was a confidential submission.

The new practising certificates fees were finalised on 6 February 2018 with the making of the *Legal Profession Uniform Law Application (Practising Certificate Fees) Regulations 2018*. These Regulations set a stratified fee structure which better reflects the costs of regulating the different classes of legal practitioners, and reflect the Board's preferred RIS option. The new fees will apply to all practising certificates from 1 July 2018.

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 5-7 and Tables 25-32 in Appendix 1 provide detailed information on the size, gender balance and geographic distribution of the Victorian legal profession as at 30 June 2018. The Board also publishes monthly updates of legal profession demographics on the website.

The size of the Victorian legal profession continued to increase in 2017-18. As at 30 June 2018 there were 22,438 practitioners across the state; among them were 1,620 new lawyers admitted to practise during the year. In March 2018 the number of female lawyers overtook male lawyers for the first time, and now account for 50.4% of the Victorian profession.

POLICY DEVELOPMENT

The Board and Commissioner developed a number of new policies and continued to review and refine existing policies and procedures during 2017-18:

- The *Grant of Principal Practising Certificate Policy* introduced a new business management skills and expertise requirement for lawyers seeking to become a principal of a law practice for the first time. The new policy will apply from 1 January 2019 and is designed to assist new principals, particularly sole practitioners, to manage the business side of their practice and to gain skills in financial administration, governance and risk management, staff employment, retention and supervision and business planning and leadership. Successful completion of a three-day practice management course that meets the Board's *Practice Management Course Guidelines for Victoria* is a clear way for lawyers to demonstrate the requisite skills.
- The *Risk-Based Regulation of Trust Accounts Policy* also came into effect in the 2017-18 year. This Policy establishes a framework for a targeted risk-based approach to the management of law practices' trust account information and scheduling of investigations. The Policy has re-focused trust investigations towards those law practice types identified by the Board's data to be at the highest risk of causing consumer detriment.
- The *Contingency and Succession Planning Policy* was approved by the Board in February 2018. This policy is voluntary and is aimed at encouraging sole practitioners and sole directors of incorporated legal practices to put in place safeguards to protect their clients, should they become unable to practice due to injury, illness or death.

SUBMISSIONS

The Board and Commissioner made submissions to two major reviews that have potential impacts for the regulation of the legal profession.

- Victorian Law Reform Commission's (VLRC) inquiry into litigation funding and group proceedings (i.e. class action) arrangements in Victoria, specifically in the context of improving access to justice. The submission concentrated on proposals relating to conflicts of interest and contingency fees. The VLRC has provided its final report to the Attorney-General and it is anticipated that the Government will respond to its recommendations next financial year. The Board and Commissioner submission is available on the VLRC's website.
- Law Council of Australia's review of the Australian Solicitors' Conduct Rules. This is a significant review of the rules that govern professional conduct for solicitors and will continue into the 2018-19 financial year. The submission concentrated on issues with the practical application of a rule; proposals that may have implications for the Legal Profession Uniform Law, and changes that may support greater access to justice outcomes. The submission is available on our website.

- The Board and Commissioner continued to provide input into the development of new Uniform Rules for the profession. Feedback was provided on draft rules developed by the Legal Services Council to implement the ban on lawyers promoting or operating managed investment schemes, and providing legal services in relation to them in certain circumstances and a new rule providing for the revocation of the appointment of external examiners.

STATEMENT OF EXPECTATIONS

In June 2016 the Attorney-General issued a Statement of Expectations to all regulators, seeking contributions 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 extended the Statement of Expectations to apply until 31 December 2017. Table 2 shows the Board and Commissioner's performance against the targets identified in the Statement of Expectations to 30 June 2017.

TABLE 2: BOARD AND COMMISSIONER PROGRESS TOWARD THE VICTORIAN GOVERNMENT'S REGULATORY REFORM PROGRAM STATEMENT OF EXPECTATIONS TO DECEMBER 2017

Measure	Target	2016-17 progress
RISK-BASED STRATEGIES 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.	Complete identification and analysis by end 2016-17.	Achieved. The identification phase has been completed. Analysis of the identified 'hotspots' is ongoing.
COMPLIANCE RELATED ASSISTANCE AND ADVICE Provide assistance and advice to partnerships of Australian-registered foreign lawyers on how to comply with recent changes to regulatory requirements.	31 December 2016.	Achieved.
CLEAR AND CONSISTENT REGULATORY ACTIVITIES 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.	31 March 2017.	Achieved.
STAKEHOLDER CONSULTATION AND ENGAGEMENT Conduct stakeholder consultation, above the statutory minimum requirement, to inform an assessment of the impact of practising certificate fee changes on small law practices.	Consultation, including publication of a Regulatory Impact Statement, to inform new fee regulations to commence on 1 July 2017.	Complete. New fee regulations came into operation in February 2018 and apply new fees for practising certificates for the 2018-19 practising certificate year and beyond.

On 27 December 2017 the Attorney-General issued a Statement of Expectations for the period 1 January 2018 to 30 June 2019. This SOE and the Board and Commissioner's response is published on our website. Table 3 shows progress to 26 May 2018 on our current SOE.

TABLE 3: BOARD AND COMMISSIONER PROGRESS TOWARD THE VICTORIAN GOVERNMENT'S REGULATORY REFORM PROGRAM STATEMENT OF EXPECTATIONS FOR 2018-2019

Improvement strategies	Improvement measure/evidence	Update
<p>TIMELINESS</p> <p>Improve e-access to information for legal practitioners and consumers of legal services by improving timely access to the VLSB+C website from handheld devices.</p>	<p>By June 2019, improve timely access to information for practitioners by enabling better access to the online portal from hand held devices.</p>	<p>In process.</p> <p>LSB Online mobile project planned to be delivered in three phases with first phase commenced.</p> <p>Staff working with contractor to identify priority LSB Online portal links for this phase.</p>
<p>RISK-BASED STRATEGIES</p> <p>Develop a strategy to respond to the independent review of the external examinations function.</p>	<p>By April 2018, the Board will have formally reviewed the findings of the independent review.</p> <p>By June 2018, develop a response to the review and associated action plan.</p>	<p>Both measures have been achieved.</p> <p>The final report was received in April 2018 and the Board has considered the report and endorsed an action plan to address its recommendations.</p>
<p>COMPLIANCE RELATED ASSISTANCE AND ADVICE</p> <p>Undertake stakeholder consultation on existing guidance and develop new guidance to ensure it is easy to understand and comprehensive.</p> <p>Produce targeted information to assist legal practitioners in complying with their requirements.</p>	<p><i>Supervision</i></p> <p>By December 2018, it is proposed that the VLSB+C will have developed and published enhanced supervision guidelines to assist practitioners (both those who supervise and are under supervision) to understand the elements of good supervision.</p> <p>By June 2019, identify 'unsuitable qualities' for supervisors by conducting an analysis to test the potential link between complaints and poor supervision.</p>	<p>Remote Supervision Guideline completed and published.</p> <p>Currently analysing penalty processes with a view to including a condition on practising certificates, where appropriate, restricting the ability to supervise.</p> <p>Drafting survey of lawyers' experiences of supervision to identify unsuitable qualities in supervisors.</p>
<p>INCENTIVE-BASED REGULATION</p> <p>Develop understanding of sole practitioners' behaviour incentives and disincentives in deciding whether to develop a contingency and succession plan for their practices.</p>	<p>By June 2018, finalise a contingency and succession planning policy to encourage sole practitioners to put a succession and contingency plan in place.</p> <p>By June 2019, review the policy and measure the extent of voluntary uptake to examine underlying behaviour and incentives.</p>	<p>First measure completed.</p> <p>Implementation approaches under development including partnering with the Law Institute of Victoria to promote the policy.</p> <p>Collect information about practitioner succession plans at PC renewal.</p>

EVALUATION

The Board has also been working with the Strategic Policy Unit of the Department of Justice and Regulation to finalise an evaluation plan. Formal independent evaluation of the above Statement of Expectations projects will be conducted by the Department and is expected to be completed by November 2018.

ENSURING EFFECTIVE REGULATION OF THE LEGAL PROFESSION

The Board's regulatory regime assists Victorian lawyers to maintain 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-BASED REGULATION

In 2015 we initiated a partnership with the University of Melbourne to analyse ten years of data held by the Board and Commissioner. The project set out to identify patterns and risk factors that increased the likelihood of a lawyer attracting a complaint or committing disciplinary offences.

The project has enabled the Board to refine the way in which it regulates trust accounts based on the principles of risk minimisation.

The University of Melbourne has published a paper on their initial data analysis entitled '*Characteristics of Lawyers who are subject to complaints and misconduct findings*'. A further paper will be published at the conclusion of the study. The project has also attracted attention overseas with both Cornell University and the University of Arizona expressing interest in the data analysis methodology.

COMPLIANCE VISITS – A NEW APPROACH

The Board has the power to conduct compliance audits where it has reasonable grounds to do so. Acting on the University of Melbourne's research findings and in collaboration with the LIV, the Board and Commissioner commenced a new program of short compliance visits to law practices where our data shows a lawyer may need help. Lawyers are selected for the program based on their disciplinary and complaints history. The visits encourage lawyers to consider what changes they have made since they received complaints and assists them to identify whether further areas for change are required.

A different group of lawyers were selected based on their poor history concerning legal costs. A desk-top audit style of review was adopted, where lawyers were asked to provide examples of documents they use to explain their fees to their clients. This 'light touch' audit style is less invasive than a full audit, as it asks the lawyer to send existing documents to the Board for review. The aim is to assist the law firm to improve their business practices and ensure clients are properly informed, thus avoiding complaints.

CONTINUING PROFESSIONAL DEVELOPMENT VERIFICATIONS AND RECTIFICATION PLANS

Under the Uniform Law all lawyers must complete 10 units of continuing professional development (CPD) obligations by 31 March each year. Those who have not met this obligation may be asked to submit rectification plans for missed CPD units, or may be granted an exemption under certain limited circumstances, such as if they had not practised for the full year.

Appropriate enforcement action is undertaken against lawyers who continue to fail to comply with their obligations after first attempting to help them comply. Further details on CPD are available on the Board's website.

During 2017-18 on behalf of the Board the LIV carried out 550 CPD audits of solicitors who held practising certificates during the previous (2016-17) practising year. Only 18 solicitors were identified as having failed to meet their CPD obligations. A total of 291 solicitors were required to submit a rectification plan during the year, including those solicitors who indicated on their PC renewal form that they had not met their CPD quota for the year. Only 12 solicitors failed to complete their rectification plan within the allowed timeframe.

The Bar audited 100 barristers who practised during the 2017-18 year, with seven successfully submitting a rectification plan from that audit, and four granted an exemption. A further 44 barristers indicated on their renewal forms that they had not met their CPD requirements for the year; 42 had completed their rectification plan; one was exempted and one plan was due at a later date.

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 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 very serious cases, strike-off applications or criminal prosecution.

UNQUALIFIED LEGAL PRACTICE

During the reporting period, the Board opened 23 new cases regarding possible unqualified legal practice by an entity and 18 cases were concluded. Of these matters:

- 5 resulted in unqualified persons being cautioned;
- 3 involved entities making amendments to their business materials to clarify that they were not entitled to engage in legal practice;
- 2 involved an unqualified person providing a signed undertaking to cease engaging in unqualified legal practice; and
- 5 resulted in charges being laid in the Magistrates' Court for unqualified legal practice.

The following unqualified practice prosecutions were concluded in the Magistrates' Court during 2017-18:

- Victorian Legal Services Board v Lawrence;
- Victorian Legal Services Board v Shaba; and
- Victorian Legal Services Board v Hourigan.

One further matter was discontinued due to the death of the accused.

EXTERNAL INTERVENTIONS

Where the Board is of the opinion the interests of clients are not being met (for example because of a lawyer's ill health or death, insolvency, or alleged improper conduct), it has three ways it can intervene in the affairs of the lawyer's practice. The Board can appoint a suitable person to supervise the practice's trust account, or it can appoint a legal practitioner to manage the practice. The Board may also apply to the Supreme Court for a receiver to be appointed to the practice.

During the reporting period, the Board continued to exercise its statutory power under the Uniform Law to appoint Supervisors and Managers. There were no Receiverships commenced during the reporting period. Table 4 provides further information.

TABLE 4: EXTERNAL INTERVENTIONS

Type of external intervention	Continuing from 2016-17	Commenced 2017-18	Closed during 2017-18	Ongoing interventions as at 30 June 2018
Receiverships	1	0	0	1
Managements	8	5	5	8
Supervisions	0	1	0	1

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 LIV handles trust account investigations on the Board's behalf.

REGULATION OF TRUST ACCOUNTS

The Board has initiated a new approach toward trust account investigation to better target those law practices at highest risk of committing disciplinary breaches. The Board has adopted a 'desk-top audit approach', which involves the practice submitting specific documents by email for assessment. This new process enables the Board to quickly identify any signs of the practice's failure to comply with the regulatory regime regarding the handling of the practices' trust account. It is fast, unobtrusive and enables the Board to devise a tailored follow-up remedial plan where necessary.

INVESTIGATIONS INTO DEFICIENCIES IN TRUST ACCOUNTS

During the reporting period, the Board continued its investigations into three former lawyers for apparent breaches of the Uniform Law causing a deficiency in a law practice trust account. This offence carries a maximum five year term of imprisonment.

The Board intends to present briefs of evidence for these matters to the Office of Public Prosecutions in the first half of the 2018-19 reporting period.

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 2018 are shown in Table 5. Further information on SDAs is available on the website.

TABLE 5: SDA HOLDINGS AND RESIDUAL BALANCES AS AT 30 JUNE 2018

	SDA \$'000	Residual balance \$'000	Total \$'000
30 June 2017	1,361,170	2,908,885	4,270,055
30 June 2018	1,590,061	2,982,581	4,572,643

THE FIDELITY FUND

The Board manages the Fidelity Fund 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 operation of the Fidelity Fund is described in detail on the website.

In 2017-18 the Board received 20 fresh claims against the Fidelity Fund totalling \$2.47 million. Over the year we resolved 33 claims, with a total amount of \$2,072,932.68 allowed in payments (not all of which was paid during 2017-18). This includes claims received during the previous reporting years. Of these resolved claims:

- 29 were wholly allowed, partly allowed or otherwise settled;
- 1 was wholly disallowed; and
- 3 were withdrawn.

Table 6 shows the claims made and payments made during 2017-18.

TABLE 6: FIDELITY FUND CLAIMS IN 2017-18

	2016-17		2017-18	
	No. of claims	Amount \$'000s	No. of claims	Amount \$'000s
Claims received during period	31	1,973	20	2,470
Claim payments made (includes interest) during period	40	2,222	32	2,001
Claims outstanding as at 30 June	25	4,227	14	4,116

This chapter discusses the Commissioner's performance in carrying out its complaints handling functions in the 2017-18 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.

ENQUIRIES RECEIVED

The Commissioner received 6,188 enquiries from the public (both consumers and lawyers) in 2017-18 compared with 5,793 in the previous year. The Commissioner's staff evaluate each enquiry, and where possible try to assist the person making the enquiry with their concerns.

In 87% of enquiries callers were either given support to assist with self-resolution of their concerns, referred to other organisations to assist them, or were given general information about the Commissioner's role and functions. In these instances no further action was required. In some cases, parties were assisted in resolving issues, including re-establishing communication with the lawyer, obtaining a file and other such discrete resolutions. Other enquirers were guided to relevant forms and information available on the website. Table 33 in Appendix 2 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.

There are also many complaints received which are classified as disciplinary, but if proved would not amount to a disciplinary breach. Examples include:

- complaints about an opposing party's lawyer, where the complainant's underlying issue is actually with the lawyer's client; and
- complaints by one lawyer about perceived discourtesy by an opposing lawyer.

Cost disputes remain the most common form of consumer matter complaint. Under the Uniform Law, the Commissioner may deal with disputes where the total bill is up to \$100,000. The Commissioner may deal with bills over this amount, if the actual amount disputed between the parties 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 2017-18

In 2017-18 there were 1,675 complaints opened. Including Commissioner-initiated complaints, the number of complaints opened this year was 12.5% higher than the previous year. Of all complaints opened, 57% were consumer matters, 40% were disciplinary matters and 3% were a mixture of the two (Table 34).

Note: the data provided for the Legal Profession Uniform Commissioner's annual report was taken at a different time to the data for this report, therefore a small discrepancy of seven complaints exists between the two reports. This is due to late file adjustments).

As with previous years, a significantly higher proportion of complaints were received about solicitors (95%) than barristers (5%). This reflects the higher level of contact consumers have with solicitors compared to barristers, and the numbers of solicitors compared to barristers generally (see Table 26 in Appendix 1). Table 35 (Appendix 2) illustrates the number and type of complaints received against solicitors and barristers for 2017-18.

Tables 36 and 37 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 36 were changed in 2016-17 to enable Victoria and New South Wales to report on a common set of complaint categories under the Uniform Law. Some categories were renamed and some similar themes were combined. Despite these changes, the areas of law which attract complaints remain statistically similar to those of previous years. Table 37 remains unchanged.

DEALING WITH CONSUMER MATTERS: DISPUTE RESOLUTION AND CONCILIATION

The Commissioner received 1,004 new complaints involving consumer matters in 2017-18. This includes complaints involving disciplinary allegations (called mixed complaints). Consumer matters involve disputes about legal costs and bills, and general service issues.

The majority of complaints are handled using conciliation and mediation. The processes used for resolving consumer matters are described in detail on the website.

CLOSED CIVIL DISPUTES – LEGAL PRACTICE ACT

The Commissioner closed 15 civil complaints during the year under the provisions of the old Legal Practice Act (LPA) (Table 38). Of these, 13 complaints were received after 1 July 2015, and therefore initially handled using the provisions of the Uniform Law. Following a decision of the Costs Court at the Supreme Court of Victoria (to which the Commissioner was not a party), these matters were reviewed and ultimately dealt with under the LPA.

CLOSED CONSUMER MATTERS – UNIFORM LAW

In 2017-18 the Commissioner closed 1,052 consumer matters received under the Uniform Law. Conciliation and mediation processes were successful in 270 matters. During the preliminary assessment phase, 137 matters were resolved and 112 complaints were withdrawn (often where the Commissioner informed the complainant the complaint would not result in the complainant's desired outcome, or the complainant decided not to proceed). A further 124 were withdrawn after moving past the preliminary assessment, including those that were informally resolved or self-resolved. In 25 costs complaint matters the Commissioner was unable to assist in resolving the issue and the parties were advised they could apply to have their dispute determined by the Victorian Civil and Administrative Tribunal (VCAT) or the Costs Court. See Table 39 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 close the dispute by making a determination of what is fair and reasonable under the circumstances. The Commissioner can make a determination where the costs in dispute do not exceed \$10,000, or the compensation payable does not exceed \$25,000. Other determinations may be made to resolve consumer matters, including that the lawyer must apologise or undertake certain training or education.

In 2017-18 the Commissioner made determinations in 23 consumer matters: 20 involved a binding costs determination and 3 involved an order to pay the client compensation.

UNRESOLVED CONSUMER MATTERS

In some instances consumer matters involving servicing issues were not able to be resolved with the assistance of the Commissioner's staff. Depending on the nature of the allegation some were closed without further action, however in a small number of matters the allegations 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 190 disciplinary investigations (Table 40), which was 10% lower than for 2016–17. The discrepancy between the number of complaints opened as disciplinary matters (Table 35) 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 normally 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 made by other barristers to the Victorian Bar Ethics Committee for handling, including for formal investigation. The outcomes of any such investigations are reported back to the Commissioner who makes the final decision on whether disciplinary action is to be taken. In 2017–18 the Commissioner delegated five such investigations to the Bar.

COMMISSIONER INITIATED COMPLAINTS

In 2017–18 a total of 56 complaints were initiated by the Commissioner, with 40 of these proceeding to an investigation and 16 closed after a preliminary assessment. The power for the Commissioner to initiate a complaint is explained on the website. Table 41 shows the reasons for Commissioner initiated investigations commenced in 2017–18.

OUTCOMES OF DISCIPLINARY COMPLAINTS

CLOSED DISCIPLINARY COMPLAINTS

Tables 42 and 43 show the reason disciplinary complaints were closed during the reporting year. A total of five complaints were closed under the LPA, while a further 695 were closed under the Uniform Law. These include complaints received during this and previous reporting years.

The most common reasons for closures were because complaints were either resolved or withdrawn by the complainant after a preliminary assessment (286 complaints under the Uniform Law). A further 134 complaints under the Uniform Law could not be substantiated and were therefore closed, many at the preliminary assessment stage.

In all five 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. In a further 25 matters investigated under the Uniform Law, the Commissioner found professional misconduct may have occurred and prosecution was initiated in VCAT.

ALTERNATIVE DISCIPLINARY ACTIONS AND DETERMINATIONS

Under the Uniform Law, the Commissioner may make a determination where evidence shows a lawyer has engaged in unsatisfactory professional conduct. The Commissioner is able to issue the lawyer with a reprimand, 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 made 44 disciplinary determinations under the Uniform Law, issuing 16 reprimands and 28 cautions (see Table 43). Reprimands are recorded on the Register of Disciplinary Actions and remain public for five years. The Register can be found on the website.

Eight cases which arose from own motion complaints under the LPA or Commissioner initiated complaints under the Uniform Law, were prosecuted in VCAT on charges of professional misconduct. One further case was prosecuted in VCAT for unsatisfactory professional conduct (Table 44).

COMPLAINTS FINALISED AND OUTSTANDING

The Commissioner finalised a total of 1,701 complaints in 2017-18, including complaints made in previous years. Tables 45 and 46 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 varies depending on the complexity of the matters involved and the degree to which the parties participate with the Commissioner's processes. The Commissioner closed 704 complaints within a 30 day period in the reporting year, compared with the total of 478 in 2016-17. A majority of complaints were resolved or finalised within three months of their receipt. A total of 23% of complaints closed in 2017-18 took more than 120 days to conclude; these typically involved more complex investigations. Tables 47 and 48 illustrate the time taken to resolve complaints in 2017-18 for matters received under the LPA and the Uniform Law respectively.

COMPLAINTS OUTSTANDING

By 30 June 2018 the Commissioner had 481 outstanding complaints (including Commissioner initiated complaints), compared with 505 in 2016-17. Tables 49 and 50 show the number of complaints outstanding as at 30 June 2018 arranged by complaint type for the LPA and the Uniform Law respectively.

APPLICATIONS TO VCAT

Table 51 shows that in 2017-18 the Commissioner had a total of 33 disciplinary cases before VCAT. Of these 19 were new applications to VCAT made in the reporting year, and 14 from previous years. By the end of the reporting period there were 20 cases awaiting a hearing or Orders. Appendix 3 contains the details of all disciplinary cases brought by the Commissioner before VCAT in 2017-18.

The Commissioner was a party before VCAT on 43 days, being represented by Counsel on 32 days and by staff for 11 days.

STATUS OF VCAT APPLICATIONS AND COURT ACTION

In 2017-18 there were 13 cases finalised by VCAT, four of which were filed in 2017-18 (see Table 52 in Appendix 3). Table 53 lists the 20 cases which were awaiting a hearing or Orders. One case was awaiting a re-hearing in VCAT (Table 54), three cases from earlier years were finalised during the year after their appeals were determined (Table 55), and three other cases were on appeal to or scheduled for judicial review in the Supreme Court (Table 56).

REMOVAL FROM THE ROLL OF LEGAL PRACTITIONERS

Four Victorian lawyers were removed from ('struck off') the roll of lawyers maintained by the Supreme Court of Victoria during 2017-18. They were:

- Lewis Spaulding, struck off on 28/08/2017;
- Denis Dalmo Angeleri, struck off 20/09/2017;
- Robert Anthony Hession, struck off on 01/03/2018;
- John James Kotsifas, struck off on 06/03/2018.

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

EDUCATING THE LEGAL PROFESSION AND CONSUMERS OF LEGAL SERVICES

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

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 TO LAWYERS

During 2017-18 the Board and Commissioner delivered 35 presentations to a total of over 2,700 lawyers. These presentations included LIV seminars, the Victorian Bar, the North East Law Association, Eastern Suburbs Law Association and Bayside Solicitors Group.

PRESENTATIONS TO STUDENTS

The Board and Commissioner also gave 15 guest lectures to over 1,200 undergraduate and postgraduate students at five Victorian universities studying law and legal studies. Student lectures typically covered the regulation of the legal profession, assessments of suitability to practice and disclosure of circumstances which may affect this, awareness of mental health and traps to avoid for new lawyers.

EDUCATING CONSUMERS OF LEGAL SERVICES

The Board and Commissioner liaise with support organisations to help consumers of legal services understand their rights and responsibilities when working with lawyers.

COMMUNITY ADVOCATE AND SUPPORT ORGANISATIONS

In 2017-18 staff met with several organisations that support consumers of legal services, including the Women's Legal Service, the Federation of Community Legal Centres, the Consumer Action Law Centre, Victoria Legal Aid and the North East Multicultural Association.

OTHER RELATED PROFESSIONAL ASSOCIATIONS AND GOVERNMENT ORGANISATIONS

Presentations were also made to staff at the Victorian Ombudsman, the Department of Health and Human Services and the Australian Defence Force; as well as other Australian and New Zealand legal regulators at the annual Conference of Regulatory Officers.

GRANTS PROGRAM

The Grants program reached its 10th anniversary in 2017. Over this time the Board has provided \$35 million in funding to myriad legal and community organisations, with the aim of improving access to justice across Victoria. The Board has funded important policy research and reform, education and initiatives to improve service delivery. All grants are approved by the Attorney-General. More details can be found on the website.

2017-18 FUNDING

In 2017-18 the Board provided \$2.8 million in funding to eight projects. As part of this funding round, the Board called for projects focussing on a priority theme of 'Preventing Women's contact with the criminal justice system' to help address the rising rates of women entering the prison system.

Three projects were selected as part of this priority theme, receiving a total of \$1,780,000 in funding. The projects had the following aims:

- Reduce female encounters with the justice system;
- Reduce the factors driving growth in the female prison population;
- Reduce female incarceration and recidivism rates; and
- Provide models for reform.

TABLE 7: GRANTS ALLOCATED IN 2017-18

Organisation	Project title	Amount awarded
Darebin Community Legal Centre	Women's Transforming Justice	\$910,000 over 2 years
Women and Mentoring	The Women's Voices – a collaborative model of specialised help for criminalised women	\$400,000 over 3 years
Stepping Up Consortium	Living Free – Fostering multi-sectoral partnerships and system advocacy to enhance young women's pathways out of the justice system	\$470,000 over 2 years

Five other organisations also received funding, sharing a total pool of \$1,022,163.

Organisation	Project title	Amount awarded
Ganbina Inc.	JOBS4U2 Program	\$80,000 over 2 years
WestJustice	Health Agency to Court – Tackling the Fines System	\$223,000 over 2 years
Mental Health Legal Centre (MHLC)	Partners in the Community – MHLC & Royal District Nursing Service Health Justice Partnership	\$244,800 over 2 years
Youthlaw	Legal Pods – Addressing the multiple legal needs of young people transitioning to independence from the Child Protection System	\$300,000 over 3 years
Federation of Community Legal Centres	Evaluation Capacity Building and Sector Outcomes Measurement	\$174,363 over 2 years

WORKING WITH THE PROFESSIONAL ASSOCIATIONS

The Board and Commissioner work closely with the LIV and the Victorian Bar and have the power to delegate functions to the professional associations. A list of the Board's delegations is provided in Appendix 4 of this report. The Commissioner's delegations for the same period can be found in Appendix 5. In addition to delegations, the Board and Commissioner can contract with the LIV to provide services such as external interventions and debt collection. Furthermore, the Board provides funding subsidies for some professional association non-regulatory programs.

The Board and Commissioner fund the LIV and the Victorian Bar to cover the costs associated with delegations and services. Table 8 shows the funding provided to the LIV and Bar in 2017-18 for regulatory activities.

TABLE 8: REGULATORY PAYMENTS MADE TO THE LIV AND THE VICTORIAN BAR FOR THE DISCHARGE OF BOARD AND COMMISSIONER FUNCTIONS IN 2017-18³

	2016-17 \$'000	2017-18 \$'000
PUBLIC PURPOSE FUND		
LAW INSTITUTE OF VICTORIA		
Trust account inspections	2,553	1,745
Continuing Professional Development (CPD)	173	239
External interventions and debt collection	79	21
External counsel fees	122	-
Compliance audits	134	136
Total	3,061	2,141
VICTORIAN BAR		
Practising certificates	98	99
FIDELITY FUND INVESTIGATIONS		
Law Institute of Victoria	172	177
COMMISSIONER PAYMENTS FOR COMPLAINTS HANDLING		
Victorian Bar	79	80

³ In addition to the regulatory payments shown above, LIV and VicBar also receive subsidies for non-regulatory programs. These payments increased by 9.9% in 2017-18 over 2016-17.

STRENGTHENING OUR FINANCIAL PRACTICES

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

PUBLIC PURPOSE FUND (PPF)

The Application Act requires the Board to maintain a 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 for each general trust account maintained by a law practice the Board must maintain a corresponding individual SDA. 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 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 \$170,311,743 compared with \$106,645,240 at 30 June 2017. The distributions made during 2017-18, as determined by the Board and with the approval of the Attorney-General, are set out in Table 9 and in the financial statements in Appendix 6 of this report.

TABLE 9: BOARD DISTRIBUTIONS – ACTUAL 2018, FORECAST 2019

PPF General Account balance	Actual 2017-18 \$'000	Forecast 2018-19 \$'000
General Account balance as at 30 June 2017 and 30 June 2018	106,645	170,312
ALLOCATION OF GENERAL ACCOUNT FUNDS		
Funds allocated to the Distribution Account	(53,322)	(85,156)
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
Commissioner	(8,623)	(9,278)
Payments to professional associations for programs	(3,195)	(3,857)
Victorian Civil and Administrative Tribunal – Legal Practice List	(957)	(993)
Victorian Legal Admissions Board	(1,244)	(1,281)
Delegated functions: Law Institute of Victoria	(2,141)	(2,123)
Delegated functions: Victorian Bar	(99)	(160)
Legal Services Council – Uniform Law Scheme	(523)	(635)
General Account payments	(16,781)	(18,327)
Balance	36,541	66,829
Distribution account balance	Actual 2017-18 \$'000	Forecast 2018-19 \$'000
Opening balance	55,897	56,284
Transfer from General Account	53,322	85,156
GRANTS AND FUNDING PAID FROM THE DISTRIBUTION ACCOUNT		
Major grants and projects paid ⁽ⁱ⁾	(2,125)	(5,146)
Victoria Legal Aid	(30,037)	(33,539)
Victorian Law Reform Commission	(2,046)	(1,893)
Victoria Law Foundation	(1,864)	(2,400)
Sub-total – Funding Grants	(36,071)	(42,978)
Closing balance	56,284	98,461

⁽ⁱ⁾ Major grants approved but unpaid of \$4,230 thousand as at 30 June 2018.

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

Table 10 provides the five-year financial performance and position of the Board and Commissioner.

TABLE 10: FINANCIAL PERFORMANCE AND POSITION OF THE BOARD AND COMMISSIONER

Financial Performance (\$'000)	2013-14	2014-15	2015-16	2016-17	2017-18
Interest and distributions	56,498	65,280	83,611	78,306	77,558
Other revenue	9,023	9,411	10,191	10,993	11,910
Total revenue	65,521	74,691	93,802	89,299	89,468
Total expenditure	(61,567)	(63,491)	(63,403)	(69,619)	(68,466)
Net operating result	3,954	11,200	30,399	19,680	21,002
Net gain/(loss) on investments	16,915	14,105	(26,831)	16,629	15,802
Net results from continuing operations	20,869	25,305	3,568	36,309	36,804
Financial Position (\$'000)	2013-14	2014-15	2015-16	2016-17	2017-18
Total Assets	841,695	1,053,706	1,280,050	1,629,199	1,898,539
Total Liabilities	(672,024)	(858,730)	(1,081,506)	(1,394,346)	(1,626,882)
Net Assets	169,671	194,976	198,544	234,853	271,657

OVERVIEW OF FINANCIAL PERFORMANCE

The Board and Commissioner achieved a composite net surplus of \$36.804 million, \$0.495 million higher than the prior year's surplus of \$36.309 million. The net result was a combination of a \$21.002 million net operating result and \$15.802 million of capital gains on investments. Total expenses were slightly lower at \$68.466 million (compared to \$69.619 million in the previous year).

REVENUE FROM TRANSACTIONS

Total revenue from transactions of \$89.468 million was \$0.169 million higher than prior year income of \$89.299 million.

Interest and distributions revenue was \$77.558 million (\$78.306 million in the previous year). While this total was only \$0.748m lower than in the previous year, investment distributions were \$10.186m lower due to less distributions from fund managers. This reduction was almost entirely offset by interest earnings which increased by \$9.438 million over the previous year, driven primarily by increasing trust account balances.

Other Revenue, comprised mainly of Practising Certificate fees and Fidelity Fund contributions, increased by \$0.917 million to \$11.910 million, up from \$10.993 million in the previous year.

EXPENSES FROM TRANSACTIONS

Total expenses from transactions decreased to \$68.466 million, \$1.153 million lower than the 2016-17 expenses of \$69.619 million. This fall in operating expenses was due to lower spending across a number of categories, primarily due to significantly lower external intervention costs.

Legal expenses of \$2.742 million for the year decreased by \$1.640 million on prior year spend. The decrease in legal expenses was mainly due to a smaller number of resource-intensive external interventions than previously. Legal expenses can vary significantly year to year depending on the volume and complexity of cases handled by the Board and Commissioner.

Fidelity Fund claims and related administration expenses were \$2.722 million, \$0.974 million lower than the 2016-17 expenses of \$3.696 million, due to reduced volume in litigation matters and improved case handling. The fall in legal expenses and Fidelity Fund claims helped offset some increases in employee and other operating expenses.

NET GAIN/ (LOSS) FROM OTHER ECONOMIC FLOWS

The net gain on financial instruments and other economic flows of \$15.802 million was slightly below the previous year gain of \$16.629 million. This was mainly attributed to an adjustment of \$0.666 million in the Fidelity Fund provision for defalcations based on actuarial advice.

Net gains on investments increased to \$16.468 million, \$3.058 million higher than the 2016-17 gains of \$13.409 million. This reflects the solid performance of the Board's investment portfolio, despite some challenging market conditions experienced during the year. Total investment returns (including distributions and capital movements) have been positive in each of the last five years.

INVESTMENT POLICY STATEMENT

The Board held \$804,341 million in investments (excluding cash) as at 30 June 2018 (compared with \$744,482 million in the prior year). The increase in the value of the investment holdings was driven by positive investment returns across most funds along with the Board's decision to reinvest investment distributions rather than receive cash payments.

The Board engages an external investment adviser to recommend and assist in investment decision-making, and seeks to maximise investment returns whilst limiting risk to an acceptable level. The Board also directly engages a range of external investment managers to invest funds across asset classes.

The total value of Public Purpose Fund Investments excluding cash holdings, as at 30 June was \$766,304 million (compared with \$708,821 million in the prior year). The total value of Fidelity Fund Investments excluding cash holdings, as at 30 June was \$38,037 million (compared with \$35,661 million in the prior year). In addition the Fidelity Fund portfolio includes a cash management allocation of \$20,591 million as at 30 June (compared with \$20,326 million in the prior year). Table 11 shows the types of investments managed by the Board.

INVESTMENT ASSET ALLOCATIONS FOR 2017-18

TABLE 11: INVESTMENTS MANAGED BY THE BOARD AS AT 30 JUNE 2018

2018	Public Purpose Fund \$'000	Fidelity Fund \$'000	Total Investments Managed by the Board \$'000
Australian equities	80,026	8,169	88,195
Australian small capitalisation equities	27,038	-	27,038
Australian fixed interest	76,649	8,270	84,920
Diversified growth funds	162,252	6,129	168,380
Global fixed interest	186,997	8,053	195,050
Overseas equities hedged	29,873	2,676	32,550
Overseas equities unhedged	94,499	4,740	99,239
Emerging market equities	25,244	-	25,244
Property and infrastructure managed funds	83,726	-	83,726
Cash	-	20,591	20,591
Total	766,304	58,628	824,932
2017			
Australian equities	62,274	7,255	69,529
Australian small capitalisation equities	16,008	-	16,008
Australian fixed interest	145,638	7,976	153,614
Diversified growth funds	165,187	5,949	171,136
Global fixed interest	183,640	7,751	191,391
Overseas equities hedged	20,041	2,528	22,570
Overseas equities unhedged	73,370	4,202	77,571
Emerging market equities	22,179	-	22,179
Property and infrastructure managed funds	20,484	-	20,484
Cash	-	20,326	20,326
Total	708,821	55,987	764,808

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 3.5 in every 20 years when modelling its long term asset allocation and risk/return objectives; and
- To outperform a range of CPI + 2% to CPI + 2.5% 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 12.

TABLE 12: ASSET ALLOCATIONS FOR 2017-18

Asset Allocation	Public Purpose Fund		Fidelity Fund	
	Benchmark ranges	Actual 30/6/18	Benchmark ranges	Actual 30/6/18
Australian equities	0 – 20%	10%	5 – 15%	14%
Australian small capitalisation equities	0 – 5%	4%	0%	0%
Overseas equities hedged	0 – 10%	4%	5 – 15%	5%
Overseas equities unhedged	0 – 20%	12%	5 – 15%	8%
Emerging market equities	0 – 10%	3%	0%	0%
Diversified growth funds	10 – 30%	21%	5 – 15%	10%
Property and infrastructure managed funds	0 – 40%	11%	0%	0%
GROWTH ASSETS	40 – 70%	66%	0 – 40%	37%
Australian fixed interest	0 – 20%	10%	10 – 20%	14%
Global fixed interest	10 – 30%	24%	10 – 20%	14%
Cash	0 – 10%	0%	30 – 70%	35%
DEFENSIVE ASSETS	30 – 60%	34%	60 – 100%	63%
Total	100%	100%	100%	100%

FIGURE 3: ASSET ALLOCATIONS FOR 2017-18

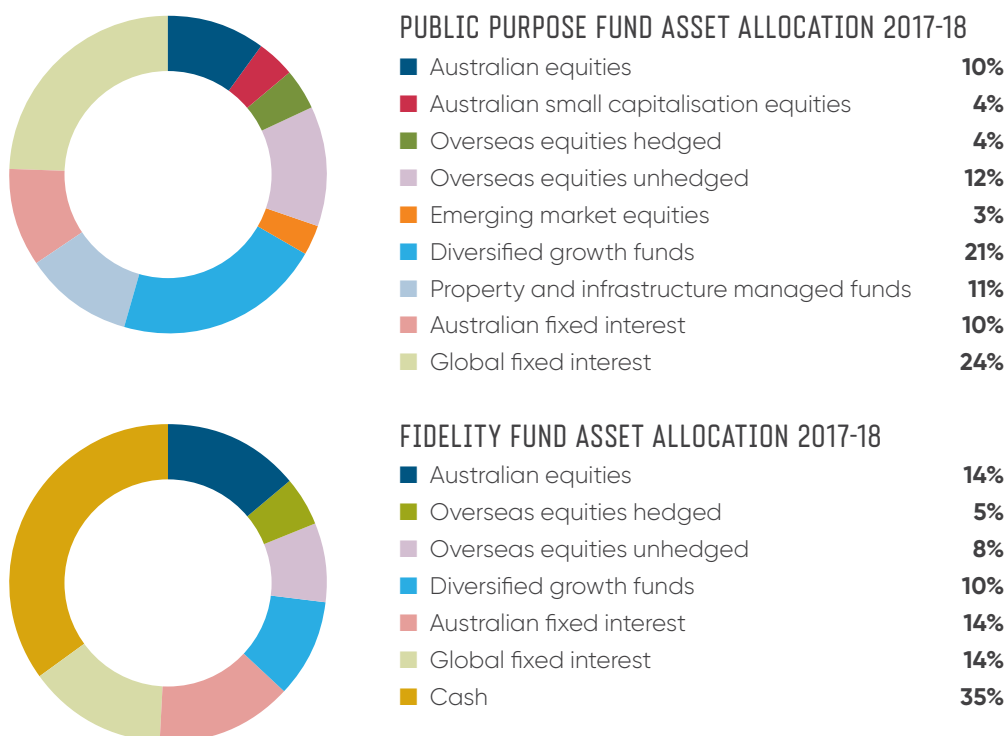
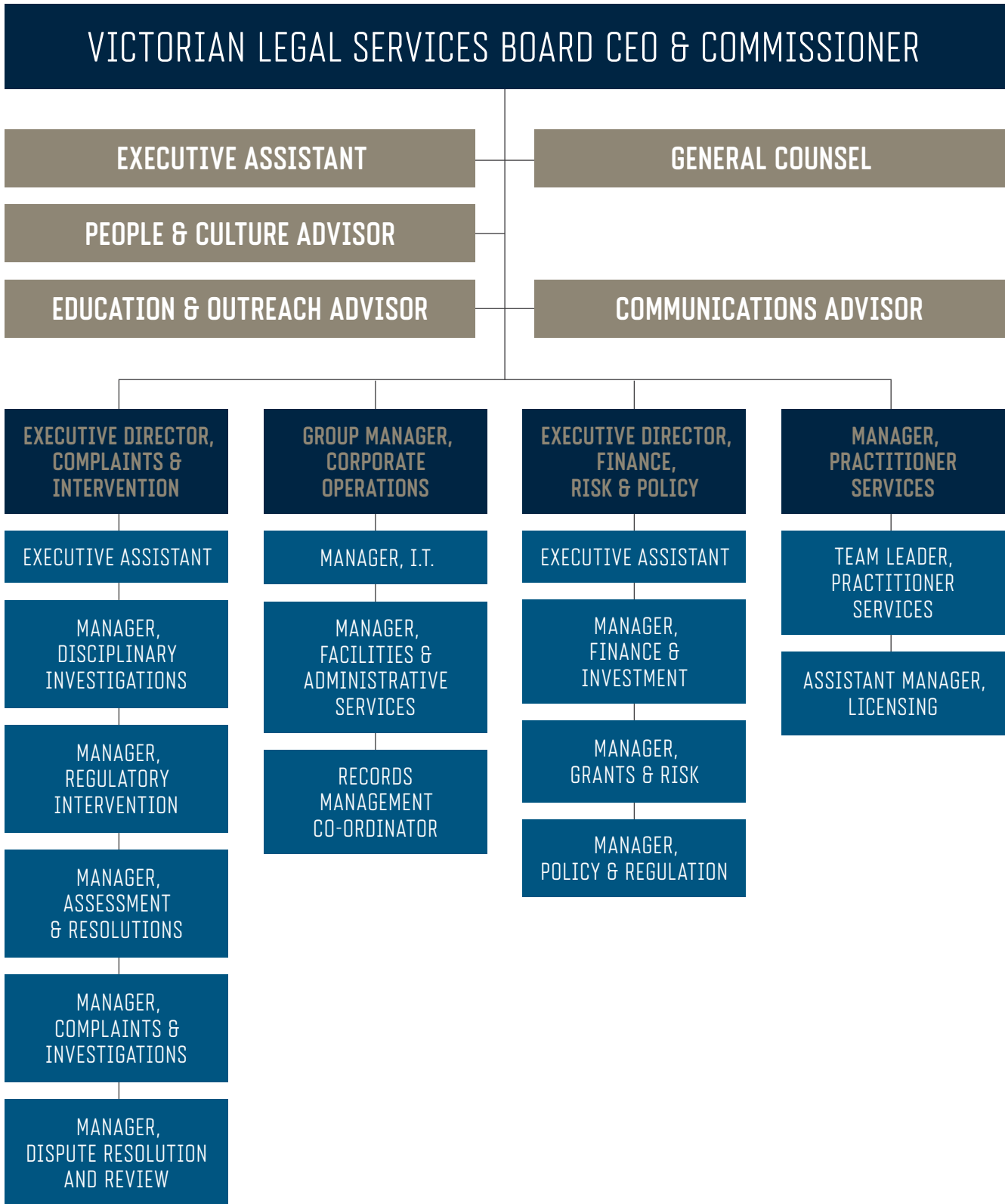


FIGURE 4: ORGANISATIONAL STRUCTURE AND EMPLOYMENT ARRANGEMENTS FOR THE BOARD AND COMMISSIONER



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. The Commissioner has the functions and powers of a public service body Head, as defined under the *Public Administration Act 2004*. As previously stated, the Commissioner, Fiona McLeay, is also the CEO of the Board. The organisational structure of the Board and Commissioner as at 30 June 2018 is shown in Figure 4. Staff are employed under Part 3 of the *Public Administration Act 2004* (Vic).

WORKFORCE DATA AND STAFFING TRENDS

Table 17 shows the profile of the workforce (headcount) employed by the Commissioner as at 30 June 2018 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 OFFICER DATA

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

All figures below reflect employment levels as at the last full pay period in June of the current and corresponding previous reporting years.

Tables 13 and 14 disclose details for all executive officers for 2017-18.

TABLE 13: NUMBER OF EXECUTIVE OFFICERS

Classification	2016-17		2017-18	
	Male	Female	Male	Female
EO-1	0	0	0	0
EO-2 (Commissioner)	1	0	0	1
EO-3	2	0	2	0
TOTAL	3	0	2	1

The number of executives in this report of operations is based on the number of executive positions that are occupied at the end of the financial year. Note 8 in the Financial Report lists the actual number and amount of remuneration paid to executive officers over the course of the reporting period. The Financial Report Note 8 does not distinguish between executive levels, nor does it disclose separations, vacant positions or executives whose remuneration is below \$100,000. To assist readers, these two disclosures are reconciled below.

TABLE 14: RECONCILIATION OF EXECUTIVE NUMBERS

	Category	2016-17	2017-18
	Executives (see Financial Statement Note 8)	2	2
	Accountable Officer (Commissioner)	1	1
Less	Separations	0	0
	Total executive numbers as at 30 June	3	3

EXECUTIVE AND SENIOR OFFICER DATA

Table 15 discloses total salaries in \$20,000 bands for executive and senior non-executive staff.

TABLE 15: ANNUALISED TOTAL SALARY FOR SENIOR STAFF

Income band (salary)	Executives	STS
\$200,000 – \$219,999	2	1
\$290,000 – \$309,999	1*	-
TOTAL	3	1

*This position is the Commissioner, Fiona McLeay.

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 formally met once in 2017-18 and throughout the year organised a range of initiatives to support staff health, safety and wellbeing. These include offering ergonomic assessments, flu shots, health and safety awareness activities and an Employee Assistance Program. Supplementing these activities is an active Health and Wellbeing Committee, which hosted a series of educational, participatory and competitive events to encourage staff activity and healthy eating. An initiative called 'Balancing your act' also provides resilience and wellbeing resources for staff.

Health and safety incidents are disclosed in Table 16.

TABLE 16: OCCUPATIONAL HEALTH AND SAFETY INCIDENTS IN 2017-18

OHS indicator	2015-16	2016-17	2017-18
Number of reported hazards per 100 FTE	0	4	3
Number of 'lost time' claims per 100 FTE	0	2	1
Average cost per claim	0	\$1,000	\$1,095

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 of staff leave and departures 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 2017-18 training was provided to staff on a range of topics including freedom of information, legal resource tools, conflict resolution skills, complaints handling, dealing with vicarious trauma, presentation skills, mediation skills and unconscious bias. Staff members also attended various external courses, workshops and conferences.

TABLE 17: EMPLOYEES OF THE COMMISSIONER

	30-Jun-17						30-Jun-18										
	All Employees			Fixed term & casual			All employees			Ongoing			Fixed term & casual				
	Number (h/count)	FTE (rounded)		Full time (h/count)	Part time (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)		Full time (h/count)	Part time (h/count)	FTE (rounded)	Number (h/count)	FTE (rounded)			
GENDER																	
Male	25	25	20	1	21	4	28	28	21	-	21	7	7	7			
Female	62	58	39	12	48	10	62	56	38	14	47	10	10	9			
Self-described	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
TOTAL	87	83	59	13	10	14	90	84	59	14	68	17	16	16			
AGE																	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
25-34	25	24	15	2	17	8	24	22	15	2	16	7	6				
35-44	24	22	12	6	17	6	26	23	13	8	18	5	5				
45-54	17	17	15	2	17	0	20	19	16	3	18	1	1				
55-64	16	16	15	1	16	0	14	14	13	-	13	1	1				
65+	5	4	2	2	3	1	6	6	2	1	3	3	3				
TOTAL	87	83	59	13	69	14	90	84	59	14	68	17	16	16			
CLASSIFICATION																	
VPS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
VPS2	0	0	0	0	0	0	1	1	1	0	1	0	0	0			
VPS3	14	14	11	1	12	2	14	14	9	1	10	4	4				
VPS4	26	24	14	3	16	9	22	20	12	2	13	8	7				
VPS5	30	28	17	9	24	4	36	32	21	11	28	4	4				
VPS6	13	13	13	0	13	0	13	13	12	0	12	1	1				
STS	1	1	1	0	1	0	1	1	1	0	1	0	0	0			
Executives	2	2	2	0	2	0	2	2	2	0	2	0	0	0			
Other#	1	1	1	0	1	0	1	1	1	0	1	0	0	0			
TOTAL	87	83	59	13	69	14	90	84	59	14	68	17	16	16			

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

GOVERNANCE AND COMPLIANCE STATEMENTS

BUILDING ACT 1993

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

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 2017-18, the Board and Commissioner received eight 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. Four requests were made outside the FOI Act's powers. All requests were finalised by 30 June 2018.

There was one complaint made to the FOI Commissioner about an FOI decision made on behalf of the VLSC, however this complaint was ultimately withdrawn. There was one application for review by the FOI Commissioner about a decision made on behalf of the VLSC during 2017-18.

APPLICATIONS TO VCAT DURING THE YEAR

There were no VCAT appeals lodged against a decision made by the Commissioner during 2017-18.

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 website or from the office on request.

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

PROTECTED DISCLOSURE ACT 2012

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

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

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

COMPETITIVE NEUTRALITY POLICY

The government's Competitive Neutrality Policy ensures that government run services do not have a competitive advantage because of their public ownership if they are in competition with similar services offered by the private sector. The Board and Commissioner's services do not fall within the scope of the Competitive Neutrality 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 2017-18.

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 2017-18, the Board and the Commissioner engaged six consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies is \$533,177 (excluding GST). Details of individual consultancies are outlined in Table 18 below.

TABLE 18: BOARD AND COMMISSIONER CONSULTANCIES FOR 2017-18

Consultant	Purpose of consultancy	Total approved fee (excl. GST) \$	Expenditure 2017-18 (excl. GST) \$	Future expenditure (excl. GST) \$
Rivers Economic Consulting	Cost efficiency and effectiveness assessment analysis and assessment of potential efficiency gains	87,000	51,000	0
University of Melbourne	Risk based regulation data analysis project	346,001	155,790	0
A.M Actuaries	Actuarial services	79,900	79,900	0
Deloitte Touch Tohmatsu	Financial Modelling on the impact of the introduction of PEXA (Online property exchange network)	31,830	31,830	0
Vocate	Strategy Project and Leadership Consultancy	55,000	44,741	10,000
Mercer	Investment Advisory Services	503,822	169,916	226,555

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2017-18, the Board and the Commissioner engaged three consultancies where the total fees payable to the consultants was less than \$10,000 per consultancy. The total expenditure incurred during 2017-18 in relation to these three consultancies is \$7,160 (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

The Mobile First (mobilisation) initiative began in 2017. Though this initiative, all future IT projects will consider compatibility with all devices and browsers. This will increase overall user experience by improving timely access to resources on the Board and Commissioner website. The LSB Online Portal is one of many projects selected for 'mobilisation', which will be delivered in the fourth quarter of 2018.

Cyber-security processes were reviewed during 2017-18 with networking hardware and software protection tools upgraded or replaced. Additionally, server, desktop technology and core business systems have been or are being upgraded to help mitigate the risk of external intrusion. Preventative measures have also been implemented with the corresponding policy and procedures updated. ICT expenditure for the year is detailed in Table 19.

TABLE 19: ICT EXPENDITURE FOR 2017-18

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Business as usual (BAU) ICT expenditure	Non-business as usual operational expenditure (OPEX)	Non-business as usual capital expenditure (CAPEX)
\$'000	\$'000	\$'000	\$'000
620	757	0	0

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 office-based environmental impacts and coordinate actions to address waste production, resource use and greenhouse gas generation across the business. Environmental targets were previously measured against a baseline dataset established in 2007-08, however as noted in the 2016-17 report, all environmental targets had either been achieved or were ongoing. As of this report, the Board and Commissioner have adopted a new baseline data set for 2017-18 and beyond using the environmental performance achieved for the 2014-15 year (the first year of operations in the current office). A new set of environmental targets have also been established for each reporting area.

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 ELECTRICITY CONSUMPTION PER FTE TO 80% OF THE 2014-15 BASELINE

STATUS: IN PROGRESS

TABLE 20: ELECTRICITY CONSUMPTION

Total electricity usage	Baseline 2014-15	2015-16	2016-17	2017-18
Total usage (MJ)	540,000	527,496	515,172	533,668
Total green power usage (MJ)	17,825	0	515,172	533,668
Greenhouse gas emissions associated with electricity use (tonnes)	175	200.76	0	0
Percentage of electricity purchased as Green Power	3.28	0	100	100
Electricity used per FTE (MJ/FTE)	6,667	6,941	6,206	6,353
Electricity used per unit of office area (MJ/m ²)	246.24	240.54	234.92	243.35

2017-18 ACTIVITIES

Total electricity usage in 2017-18 increased slightly (3.6%) compared with the previous year (Table 20), however consumption per FTE remains 4.7% below the 2014-15 baseline figure.

WASTE GENERATION

The building owner provides a commingled office waste management facility through which the Board and Commissioner recycled an average of 25% of all daily kitchen and general consumable waste generated by staff in 2017-18. This excludes secure paper, stationery items (such as broken folders) and e-waste, which are disposed of through separate recycling services.

TARGET: REDUCE WASTE TO LANDFILL BY 20%, COMPARED TO THE 2014-15 BASELINE

STATUS: IN PROGRESS

TABLE 21: WASTE GENERATION

Daily waste generation	Baseline 2014-15	2015-16	2016-17	2017-18
Waste to landfill (kg)	10.51	11.00	6.7	9.43
Waste recycled*	6.74	4.43	5.57	3.09
Total waste*	17.25	15.43	12.27	12.52
Waste to landfill/FTE* (kg)	0.12	0.14	0.08	0.11

*Note: excludes secure paper, stationery and e-waste. *The FTE figure used for this calculation was taken from a different point in time to the FTE figure used in other areas of this report, and therefore may be different.

2017-18 ACTIVITIES

A waste audit conducted by an independent contractor recorded a slight increase (250g) in the total volume of waste generated per day (both waste to landfill plus recycling) compared to 2016-17, however the volume of waste sent for recycling decreased. Despite this, the total volume of waste generated per person was below the 2014-15 baseline figure (Table 21). The Board and Commissioner also use other recycling facilities to dispose of office waste. A secure paper disposal service recycled approximately 27.8 tonnes of documents – almost the entirety of which (99.5%) were law practice files handed over to the Board and Commissioner for disposal. A further 145.7 kilograms of stationery equipment, printer cartridges, e-waste, batteries etc, was sent for recycling through the social enterprise, Green Collect. Just under half of this waste came from the disposal of lever arch folders and ring binders which came from the abovementioned law practice files.

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 40% COMPARED TO THE 2014-15 BASELINE

STATUS: IN PROGRESS

TABLE 22: PAPER CONSUMPTION

Total paper usage	Baseline 2014-15	2015-16	2016-17	2017-18
Number of A4 reams of copy paper used	1,478	1,117	779	1,165
Number of A4 reams of copy paper used per FTE	18.25	14.7	11	13.87
Percentage of 75-100% recycled content copy paper purchased (%)	0	0	0.11	0
Percentage of 50-75% recycled content copy paper purchased (%)	96.1	93.1	88.0	97.25
Percentage of 0-50% recycled content copy paper purchased (%)	3.9	6.9	11.88	2.75

2017-18 ACTIVITIES

Paper consumption for 2017-18 was 50% higher than in 2016-17, despite the increased reliance in electronic communications and electronic filing. Based on long-term trends, paper use for the 2016-17 was unusually low, reflecting lower case numbers being referred to VCAT in that year. In addition, during 2017-18 there was an increase in work to bring several important prosecution matters before VCAT and the courts. Regardless, the volume of paper consumed in 2017-18 is 11% below the 2014-15 baseline. This represents a 34% reduction in paper use per FTE from the baseline figure, and a total of 4.4 fewer reams of paper per person (Table 22).

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-RELATED TRAVEL

STATUS: ONGOING

TABLE 23: TRANSPORT USE

Business related travel	Baseline 2014-15	2015-16	2016-17	2017-18
Total distance travelled by aeroplane (km)	125,749	37,160	37,437	48,640
Total distance travelled by car (km) (excluding taxis)	0	510	357	0
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking, or car-pooling to and from work or working from home.	93.75	95.12	96.47	96.15

2017-18 ACTIVITIES

In line with previous years, a majority of employees continued to use public transport, car-pooling, cycling and/or walking to commute to and from the office (Table 23). 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.

GREENHOUSE GAS EMISSIONS

Table 24 summarises the greenhouse gas emissions of the Board and Commissioner for the 2017-18 year. This data is collated from energy utility accounts, data from the state government authorised travel agent and an independent waste audit.

TARGET: TO MAINTAIN GREENHOUSE GAS EMISSIONS BELOW 80% OF THE 2014-15 BASELINE

STATUS: ACHIEVED

TABLE 24: BOARD AND COMMISSIONER GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions	Baseline 2014-15	2015-16	2016-17	2017-18
Total greenhouse gas emissions associated with energy use (t CO ₂ -e)	166.48	200.76	0	0
Total greenhouse gas emissions associated with vehicle hire (t CO ₂ -e)	Not recorded	0.08	0.06	0
Total greenhouse gas emissions associated with air travel (t CO ₂ -e) (approximate)	34.3	12.90	12.21	15.66
Total greenhouse gas emissions associated with waste production (t CO ₂ e)	0.8	1.29	0.88	1.85
Greenhouse gas emissions offsets purchased (t CO ₂ -e)	0	0	0	0

2017-18 ACTIVITIES

This was the second year of the office purchasing 100% renewable-sourced electricity, resulting in minimised carbon emissions for office operations. In total there was a 93.3% decrease in greenhouse gas emissions over the year compared to the baseline (Table 24).

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

STATUS: ONGOING

2017-18 ACTIVITIES

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.

ATTESTATIONS

Victorian Legal Services BOARD + COMMISSIONER

Attestation for Financial Management Compliance with Ministerial Standing Direction 5.1.4

Victorian Legal Services Board and Commissioner Financial Management Compliance Attestation Statement

I, Fiona Bennett, on behalf of the Victorian Legal Services Board and Commissioner, certify that the Victorian Legal Services Board and Commissioner have complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Fiona Bennett
Chairperson, Victorian Legal Services Board

14 August 2018

Victorian Legal Services Board and Commissioner Financial Management Compliance Attestation Statement:

I, Fiona McLeay, on behalf of the Victorian Legal Services Board and Commissioner, certify that the Victorian Legal Services Board and Commissioner have complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Fiona McLeay
Victorian Legal Services Commissioner

14 August 2018

D-17-158778

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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.

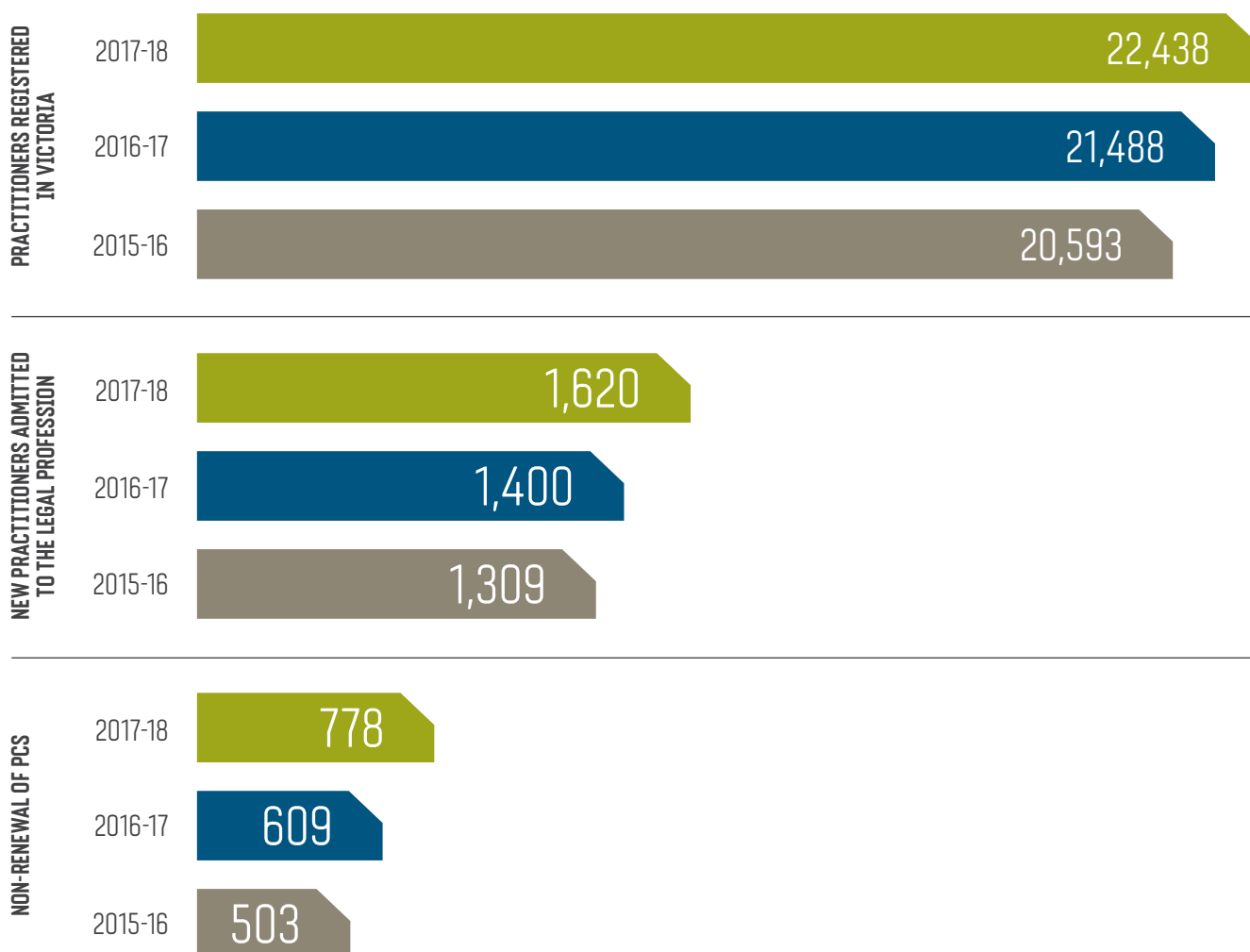
- **Australian legal practitioner** is an Australian lawyer who holds a current Australian practising certificate (PC).
- **Australian-registered foreign lawyer** is a person who holds a current Australian registration certificate.
- **Authorised Principal** is a principal who is authorised by his or 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 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 form 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 2018.

There were 22,438 lawyers registered in Victoria at 30 June 2018. The number of lawyers registered in the state grew by 950, a 4.4% increase over the previous year. 1,620 new lawyers were admitted to the legal profession between 1 July 2017 and 30 June 2018, 220 more new admittees than recorded last year. 778 lawyers informed the Board that they would not be renewing their PCs for the year end 30 June 2017. Figure 5 illustrates this change.

FIGURE 5: NUMBERS OF LAWYERS REGISTERED IN VICTORIA



PRACTITIONERS BY AGE AND GENDER

In March 2018 the total number of female lawyers registered in Victoria overtook male lawyers. By 30 June 2018 female lawyers constituted 50.4% of the legal profession in Victoria.

Female lawyers outnumber their male counterparts in the first three age brackets as illustrated in Table 25. Male lawyers still dominate the 51-60 and above age brackets.

TABLE 25: LAWYERS BY AGE AND GENDER

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
MALE							
2017-18	1,555	2,843	2,310	1,991	1,780	646	11,125
2016-17	1,529	2,687	2,263	2,049	1,770	551	10,849
FEMALE							
2017-18	2,767	4,308	2,479	1,233	446	80	11,313
2016-17	2,626	4,057	2,335	1,138	415	68	10,639
TOTAL							
2017-18	4,322	7,151	4,789	3,224	2,226	726	22,438
2016-17	4,155	6,744	4,598	3,187	2,185	619	21,488

LAWYER TYPE AND GENDER

As shown in Table 26, the majority of lawyers registered in Victoria (91%) practise as solicitors while 9% practise as barristers. Males account for approximately 71% of all Victorian barristers.

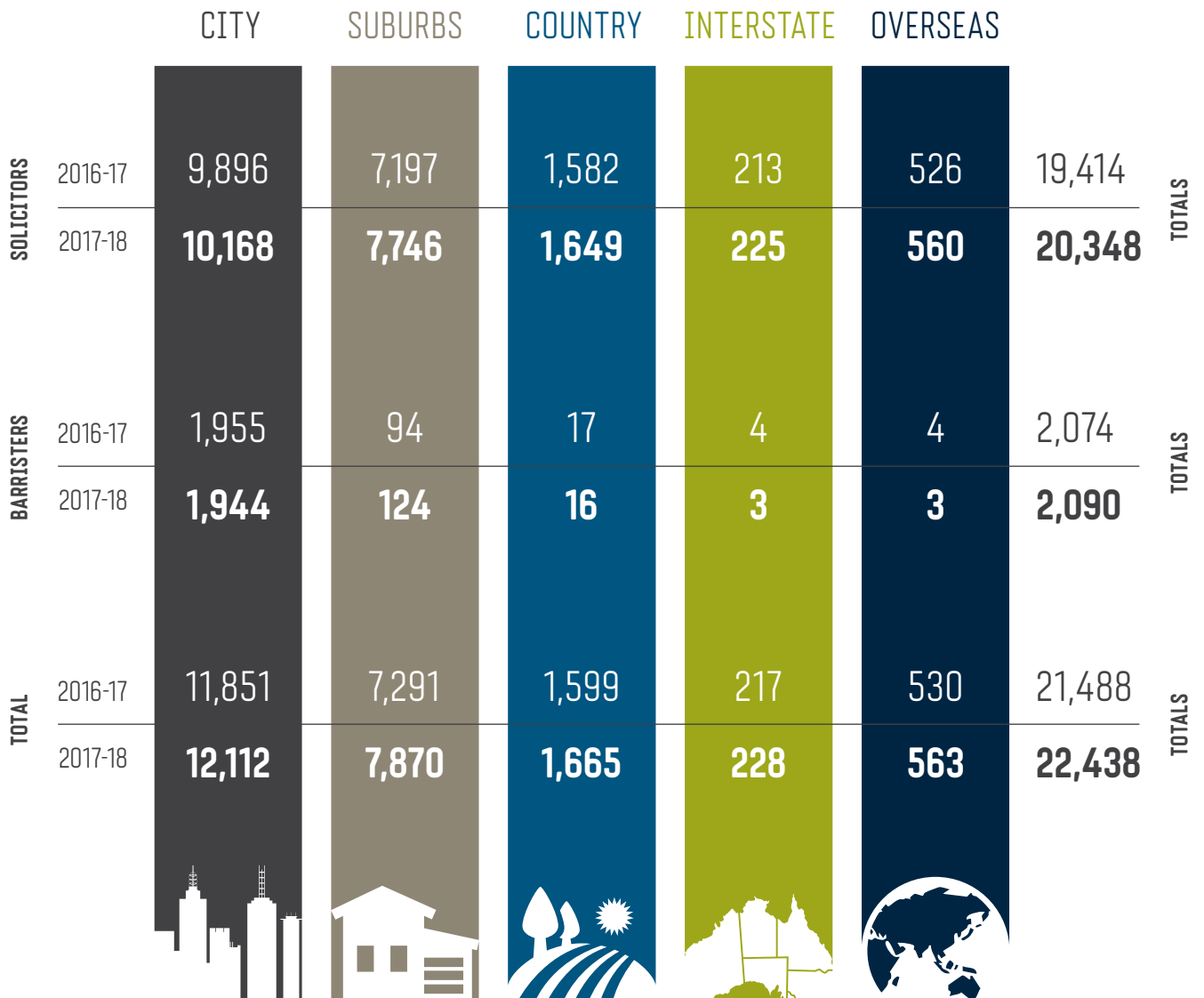
TABLE 26: LAWYER TYPE AND GENDER

Gender	Type					
	Solicitors		Barristers		Total	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Male	9,378	9,652	1,471	1,473	10,849	11,125
Female	10,036	10,696	603	617	10,639	11,313
Total	19,414	20,348	2,074	2,090	21,488	22,438

LOCATION OF PRACTICE

The majority of lawyers registered in Victoria are based in the inner city area (54%) followed by the suburbs (35%). Figure 6 shows the geographic distribution of lawyers.

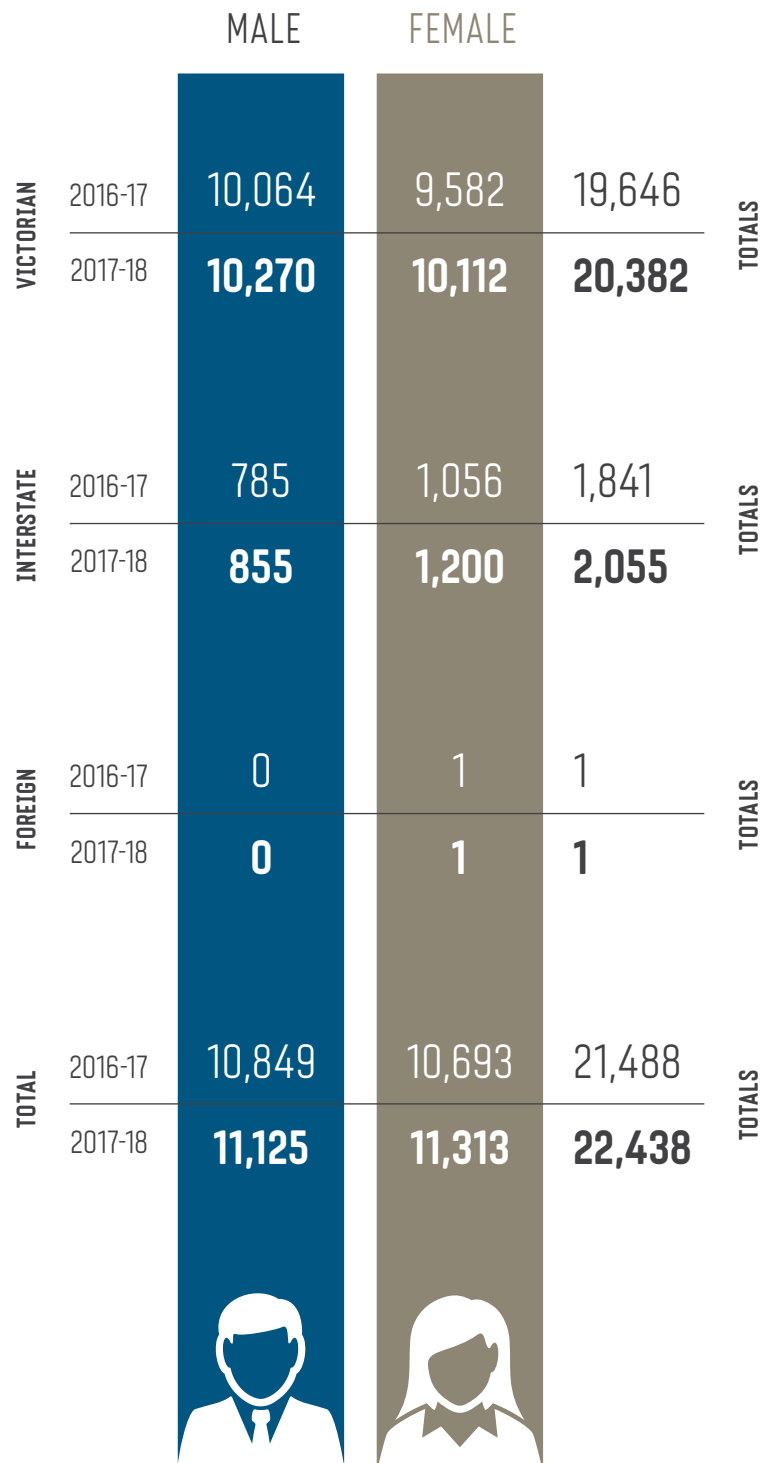
FIGURE 6: LOCATION OF LAWYERS BY TYPE



LAWYERS BY ADMISSION ORIGIN AND GENDER

Figure 7 shows the number of lawyers registered in Victoria as at 30 June 2018 by the origin of their admission and their gender. Lawyers who obtained admission to practice in an interstate jurisdiction accounted for approximately 9.2% 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 7: NUMBERS OF LAWYERS BY GENDER AND ORIGIN OF ADMISSION



LAWYERS BY POSITION TYPE

There were 24,660 individual legal positions registered in Victoria as at 30 June 2018. This is higher than the total number of registered lawyers as some lawyers maintain positions with more than one entity. For example, a solicitor employee of a law firm may also be a volunteer with a community legal service. Position type does not therefore always reflect the type of PC held.

The types of positions occupied by Victorian lawyers remained relatively similar to those recorded for previous years. Table 27 indicates that the Employee position type was the most populous, followed by that of Sole practitioner.

TABLE 27: LAWYERS BY POSITION TYPE

Position type	2016-17	2017-18
Employee	8,455 (35%)	8,374 (34%)
Sole practitioner (includes barristers)	5,258 (22%)	5,228 (21%)
Corporate lawyer	3,251 (14%)	3,385 (14%)
Government	1,939 (8%)	2,158 (9%)
Partner	2,217 (9%)	2,360 (10%)
Director	2,013 (8%)	2,271 (9%)
Volunteer at CLS	785 (3%)	771 (3%)
Supervising lawyer	135 (<1%)	113 (<1%)
Total	24,053	24,660

LAWYERS BY PC TYPE AND AGE

Table 28 and 29 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 and less than a third male lawyers holding this PC type. Approximately 28% of all lawyers held a principal PC (with or without trust authorisation), while 10% of lawyers held corporate PC, evenly split between male and female lawyers.

MALE LAWYERS

Table 28 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 2018 compared to the previous year.

TABLE 28: MALE LAWYERS BY PC TYPE AND AGE

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2017-18	1,271	1,170	369	231	253	110	3,404
2016-17	1,212	1,128	372	217	224	103	3,256
PRINCIPAL WITH TRUST AUTHORISATION							
2017-18	20	282	575	785	689	216	2,567
2016-17	23	249	568	847	713	172	2,572
PRINCIPAL							
2017-18	24	342	440	356	368	180	1,710
2016-17	42	349	427	353	364	158	1,693
CORPORATE							
2017-18	92	453	398	167	57	6	1,173
2016-17	94	417	369	160	55	5	1,100
GOVERNMENT							
2017-18	85	270	141	114	40	4	654
2016-17	93	244	132	114	38	6	627
BARRISTER							
2017-18	33	279	353	328	352	124	1,469
2016-17	34	258	366	347	358	102	1,465
VOLUNTEER							
2017-18	27	37	26	8	14	6	118
2016-17	31	39	29	11	17	5	132
EMPLOYEE WITH TRUST (INTRODUCED 2016-17)							
2017-18	3	10	8	2	7	0	30
2016-17	0	3	0	0	1	0	4
TOTAL							
2017-18	1,555	2,843	2,310	1,991	1,780	646	11,125
2016-17	1,529	2,687	2,263	2,049	1,770	551	10,849

FEMALE LAWYERS

Table 29 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 29: FEMALE LAWYERS BY PC TYPE AND AGE

	Age in years						Total
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2017-18	2,157	2,058	643	264	94	21	5,237
2016-17	20,21	1,949	610	241	94	19	4,934
PRINCIPAL WITH TRUST AUTHORISATION							
2017-18	33	226	309	238	105	27	938
2016-17	24	205	311	222	104	22	888
PRINCIPAL							
2017-18	38	377	407	266	110	16	1,214
2016-17	50	372	383	237	97	13	1,152
CORPORATE							
2017-18	192	788	573	191	35	0	1,779
2016-17	194	731	526	178	35	0	1,664
GOVERNMENT							
2017-18	264	574	314	128	29	0	1,309
2016-17	242	536	280	117	19	0	1,194
BARRISTER							
2017-18	33	205	189	113	61	12	613
2016-17	34	200	179	119	56	10	598
VOLUNTEER							
2017-18	47	72	35	31	11	4	200
2016-17	61	64	45	24	10	4	208
EMPLOYEE WITH TRUST (INTRODUCED 2016-17)							
2017-18	3	8	9	2	1	0	23
2016-17	0	0	1	0	0	0	1
TOTAL							
2017-18	2,767	4,308	2,479	1,233	446	80	11,313
2016-17	2,626	4,057	2,335	1,138	415	68	10,639

EMPLOYMENT STATISTICS

NUMBER OF ENTITIES EMPLOYING LAWYERS IN VICTORIA AND LOCATION

The Board records all law firms, companies, charities and other organisations which employ lawyers. As at 30 June 2018 there were 9,576 entities registered in Victoria.

Table 30 shows the number of employer entities registered in Victoria by entity type and location as at 30 June 2018. Almost half (40%) of sole practitioners are city-based while a further 49% are located in the suburbs. 27% of registered law firms are also located in the city.

TABLE 30: LOCATION OF EMPLOYERS

Type	City	Suburb	Country	Interstate	Overseas	Total
SOLE PRACTITIONER						
2017-18	2,671	2,196	417	69	146	5,498
2016-17	2,614	2,190	395	66	171	5,436
NON-LEGAL EMPLOYER						
2017-18	762	742	54	80	189	1,827
2016-17	701	680	47	70	191	1,689
ILP						
2017-18	640	810	195	115	0	1,760
2016-17	566	715	172	94	0	1,547
LAW FIRM						
2017-18	112	57	29	10	2	210
2016-17	120	65	33	10	3	231
GOVERNMENT EMPLOYER						
2017-18	118	35	8	6	1	168
2016-17	113	33	7	5	1	159
CLS						
2017-18	18	31	8	4	0	61
2016-17	19	32	7	3	1	62
ULP						
2017-18	17	7	3	7	0	34
2016-17	17	5	3	5	0	30
FOREIGN LAW PRACTICE						
2017-18	4	6	1	0	6	17
2016-17	4	6	0	0	6	16
TOTAL						
2017-18	4,342	3,883	715	291	344	9,575
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 31 shows the number of employer entities by entity type and the number of principals. Non-legal entities and Government employers have been excluded from this table as they do not employ principals.

TABLE 31: ENTITIES BY TYPE AND NUMBER OF PRINCIPALS

Type	0 – 1 [#]	2-3	4-5	6-10	11-20	21-40	>40	Total
SOLE PRACTITIONER								
2017-18	5,263	1	0	0	0	0	0	5,264
2016-17	5,294	0	0	0	0	0	0	5,294
ILP								
2017-18	1,419	243	36	13	5	2	0	1,718
2016-17	1,231	233	30	16	4	0	0	1,514
LAW FIRM								
2017-18	11	126	16	12	13	13	12	203
2016-17	12	142	13	19	11	12	11	220
CLS								
2017-18	28	20	7	2	0	0	0	57
2016-17	33	21	3	0	0	0	1	58
ULP								
2017-18	10	8	0	2	5	4	5	34
2016-17	10	5	3	2	3	3	4	30
FOREIGN LAW PRACTICE								
2017-18	10	1	0	0	0	0	0	11
2016-17	9	1	0	0	0	0	0	10
TOTAL								
2017-18	6,741	399	59	29	23	19	17	7,287
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 32 shows the number of legal entities registered in Victoria by entity type and the number of employees.

TABLE 32: ENTITIES BY ENTITY TYPE AND NUMBER OF EMPLOYEES

Type	0-1*	2-3	4-5	6-10	11-20	21-40	>40	Total
SOLE PRACTITIONER								
2017-18	4,879	316	60	21	2	0	0	5,278
2016-17	4,882	342	55	21	3	0	0	5,303
NON-LEGAL EMPLOYER								
2017-18	718	290	77	71	31	10	5	1,202
2016-17	684	270	74	76	30	9	4	1,147
ILP								
2017-18	864	470	158	139	65	18	7	1,721
2016-17	741	419	154	123	63	14	5	1,519
LAW FIRM								
2017-18	10	62	41	35	19	12	30	209
2016-17	0	74	34	48	20	14	29	228
GOVERNMENT EMPLOYER								
2017-18	32	34	13	18	19	11	15	142
2016-17	25	39	13	14	19	7	14	131
CLS								
2017-18	3	5	8	16	11	10	7	60
2016-17	5	8	4	13	16	5	10	61
ULP								
2017-18	9	6	1	1	5	3	9	34
2016-17	8	4	0	1	7	2	8	30
FOREIGN LAW PRACTICE								
2017-18	12	2	0	1	0	0	0	15
2016-17	12	0	0	1	0	0	0	13
TOTAL								
2017-18	6,527	1,185	358	302	152	64	73	8,661
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.

TABLE 33: NUMBER AND OUTCOME OF ENQUIRIES

Year	Information given, including support to enable self-resolution	Conciliated outcome	Complaint form sent	Referral to other body/No jurisdiction	Total enquiries handled
2017-18	5,400 (87%)	168 (3%)	514 (8%)	6 (0.09%)	6,188
2016-17	5,229 (90%)	95 (2%)	465 (8%)	4 (0.06%)	5,793
2015-16	5,162 (90%)	73 (1%)	475 (8%)	6 (0.1%)	5,716

TABLE 34: NUMBER AND TYPE OF COMPLAINT FILES OPENED

Year	Consumer matter only	Disciplinary matter only	Mixed matter	Total complaints
2017-18	952 (57%)	671 (40%)	52 (3%)	1,675
2016-17*	781 (52%)	654 (44%)	54 (4%)	1,489
2015-16	716 (53%)	557 (42%)	67 (5%)	1,340

*Note: From 2016-17 all Commissioner Initiated Complaints are now included in complaint files opened data. In previous years investigations that were initiated under a similar power under the LPA were not included in these totals as these were not described as 'complaints'. See Table 41: Commissioner initiated complaints.

TABLE 35: NEW COMPLAINT FILES OPENED BY LAWYER TYPE

	Consumer matter	Disciplinary matter	Mixed matter	Total 2017-18
Solicitors	914 (55%)	621 (37%)	52 (3%)	1,587 (94.8%)
Barristers	38 (2%)	50 (3%)	0 (0%)	88 (5.2%)
Total	952	671	52	1,675

TABLE 36: AREAS OF LAW FEATURED IN NEW COMPLAINTS

Area of law	2015-16*	2016-17	2017-18
FAMILY/DEFACTO	351 (26%)	411 (28%)	415 (24%)
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.)	175 (13%)	249 (17%)	276 (16%)
CONVEYANCING	146 (11%)	163 (11%)	195 (12%)
PROBATE/FAMILY PROVISIONS (formerly Probate and estate)	162 (12%)	134 (9%)	178 (12%)
COMMERCIAL/CORPORATIONS/FRANCHISE (combines previous Commercial, Company, Banking)	125 (9%)	118 (8%)	138 (8%)
CRIMINAL	68 (5%)	58 (4%)	85 (5%)
WILLS/POWERS OF ATTORNEY (combines previous Wills, Guardianship/Administration)	34 (3%)	53 (4%)	56 (3%)
PERSONAL INJURIES (combines Personal Injury, Motor Vehicle Accident)	49 (4%)	46 (3%)	51 (3%)
EMPLOYMENT (formerly Industrial Relations)	43 (3%)	46 (3%)	46 (3%)
BUILDING	45 (3%)	29 (2%)	46 (3%)
LEASES/MORTGAGES (combines previous Leasing, Mortgages)	53 (4%)	45 (3%)	36 (3%)
WORKERS COMPENSATION	32 (2%)	31 (2%)	34 (2%)
PROFESSIONAL NEGLIGENCE (New)	0	40 (3%)	28 (2%)
IMMIGRATION	11 (<1%)	18 (1%)	20 (1%)
TRUST ACCOUNT BREACHES (New)	0	17 (1%)	19 (1%)
STRATA BODIES/CORPORATES (formerly Body Corporate/Strata Title)	10 (<1%)	8 (<1%)	17 (<1%)
LAND AND ENVIRONMENT (combines Planning, Environmental)	16 (1%)	8 (<1%)	16 (<1%)
INSOLVENCY	13 (<1%)	6 (<1%)	12 (<1%)
VICTIMS COMPENSATION (formerly Crimes compensation)	7 (<1%)	9 (<1%)	7 (<1%)
Total	1,340	1,489	1,675

*Note: classification of areas of law changed in 2016-17 to establish a consistent reporting framework under the Uniform Law. Data above for 2015-16 have been adjusted to provide a comparison with the new classifications.

TABLE 37: ALLEGATIONS FEATURED IN NEW COMPLAINTS

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

Nature of allegation	2015-16	2016-17	2017-18
Costs/Bills – overcharging	505 (31%)	622 (31%)	695 (30%)
Negligence – including bad case handling	253 (16%)	369 (18%)	413 (18%)
Trust money – including failure to account, mismanagement of funds	56 (4%)	109 (5%)	129 (6%)
Defective costs disclosure communications	67 (4%)	91 (4%)	121 (5%)
Dishonest/Misleading	101 (6%)	100 (5%)	114 (5%)
Communication with client – including failure to return calls, give progress reports	45 (3%)	88 (4%)	89 (4%)
Conflict of interest	57 (4%)	69 (3%)	87 (4%)
Breach of Act, rules, court order or undertaking	68 (4%)	81 (4%)	87 (4%)
Documents/Trust property – including retention and lost	57 (4%)	69 (3%)	83 (4%)
Instructions – including failure to comply	48 (3%)	53 (3%)	74 (3%)
Duress/Pressure/Bullying/Harassment	61 (4%)	70 (3%)	73 (3%)
Delays	72 (5%)	80 (4%)	70 (3%)
Abusive/Rude	42 (3%)	46 (2%)	51 (2%)
Improper personal conduct	0	13 (<1%)	23 (1%)
Debts – including practitioner’s failure to pay	20 (1%)	25 (1%)	18 (<1%)
Gross overcharging	16 (<1%)	9 (<1%)	14 (<1%)
Confidentiality breach	8 (<1%)	20 (<1%)	12 (<1%)
Communication with other party	10 (<1%)	6 (<1%)	7 (<1%)
Court system	1 (<1%)	6 (<1%)	3 (<1%)
Advertising	0	2 (<1%)	3 (<1%)
Other disciplinary issues*	30 (2%)	80 (4%)	116 (5%)
Total#	1,517	2,008	2,282

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

Civil complaint outcome	2015-16	2016-17	2017-18
Commissioner assisted dispute resolution between lawyer and consumer	92 (58%)	1 (17%)	0
Dispute was unable to be settled and parties were advised of their right to apply to VCAT	35 (22%)	1 (17%)	4 (26%)
Complainant failed to lodge unpaid disputed costs	7 (4%)	0	1 (7%)
Complaint made out of time	7 (4%)	1 (17%)	1 (7%)
Complaint involved costs dispute which exceeded \$25,000	3 (2%)	1 (17%)	4 (26%)
Complainant failed to provide further information when requested	2 (1%)	0	3 (20%)
Complaint made before (or subject of another complaint)	3 (2%)	0	0
Complaint not one that the Commissioner has power to deal with (e.g. matter has already been dealt with/should be dealt with by a court)	5 (3%)	0	1 (7%)
Complaint lacked legal substance (e.g. dispute already settled)	7 (4%)	2 (33%)	1 (7%)
Lawyer had already issued debt collection proceedings	0	0	0
Total	160	6	15

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

Consumer complaint outcome	2015-16	2016-17	2017-18
Closed following a binding costs determination - s292(1)	8 (2%)	17 (2%)	20 (2%)
Informal resolution successful	160 (30%)	261 (32%)	270 (26%)
Closure - s277(1)(a) Closed because vexatious, misconceived, frivolous or lacking in substance	40 (7%)	102 (12%)	154 (15%)
Closure - s 277(1)(b) Complaint made out of time	19 (4%)	51 (6%)	63 (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%)	59 (6%)
Closure - s 277(1)(d) Matter was already investigated	0	1 (<1%)	1 (<1%)
Closure - s 277(1)(e) Subject matter of the complaint would be better investigated or dealt with by police or another investigatory or law enforcement body	0	0	1 (<1%)
Closure - s 277(1)(g) Client is sued. No jurisdiction over consumer matter	9 (2%)	15 (2%)	13 (1%)
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%)	21 (2%)
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%)	12 (1%)
Closure - s277(2) Closed after preliminary assessment – commercial or government client	0	0	1 (<1%)
Closure - s291(2) No jurisdiction > \$100,000	2 (<1%)	1 (<1%)	6 (<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%)	0
Determination - Compensation Order - s308(2) An order requiring the respondent to pay monetary compensation costs	0	1 (<1%)	3 (<1%)
Determination - Compensation Order - s308(3) An order requiring the respondent to pay monetary compensation NOT costs	1 (<1%)	1 (<1%)	0
Determination - Education – s290(2)(d) An order requiring respondent to undertake training, education or counselling or be supervised	0	1 (<1%)	0
Not resolved - Rights given > \$10,0000 - s293(2)(b)(i)	8 (2%)	26 (3%)	24 (2%)
Not resolved - Rights given < \$10,0000 - s293(2)(b)(ii)	2 (<1%)	2 (<1%)	1 (<1%)
Parties self-resolve	19 (4%)	14 (2%)	23 (2%)
Preliminary Assessment – resolved	107 (20%)	117 (14%)	137 (13%)
Preliminary Assessment – withdrawn	48 (9%)	58 (7%)	112 (11%)
Mediation – resolved - s288(3)	0	1 (<1%)	6 (<1%)
Consumer matter – withdrawn	79 (15%)	90 (11%)	124 (12%)
Closed – Abeyance ongoing proceedings	0	0	1 (<1%)
Total	528	823	1,052

TABLE 40: DISCIPLINARY INVESTIGATIONS UNDERTAKEN

Investigations	2014-15	2015-16	2016-17	2017-18
Disciplinary investigations undertaken by Commissioner	333	235	202	185
Disciplinary investigations delegated/handled by Vic Bar	9	16	10	5
Total investigations	342	251	212	190

TABLE 41: COMMISSIONER-INITIATED COMPLAINTS

Basis for Commissioner initiated investigation	Preliminary investigation		Commissioner initiated investigation		Total	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Trust account report	2	2	14	9	16	11
Referral from other agency (e.g. court)	3	3	14	9	17	12
VLSC complaint file	2	7	7	8	9	15
Media	0	0	2	1	2	1
Possible unqualified practice	0	0	2	0	2	0
Arises from PC process	0	2	24	7	24	9
Other	3	2	0	6	3	8
Total	10	16	63	40	73	56

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

Investigation outcome	2015-16	2016-17	2017-18
VCAT likely to find lawyer guilty of a disciplinary breach	64 (27%)	13 (37%)	5 (100%)
VCAT unlikely to find lawyer guilty of a disciplinary breach	60 (27%)	6 (17%)	0
Lawyer already struck off – not in the public interest to pursue further action	0	0	0
Complainant satisfied with lawyer's explanation & withdrew complaint	52 (23%)	3 (9%)	0
Complaint made out of time	1 (<1%)	0	0
Complaint made before (or subject of another complaint)	3 (1%)	0	0
Complainant failed to provide further information when requested	3 (1%)	0	0
Complaint lacked legal substance etc. (e.g. alleged conduct was not inappropriate)	11 (5%)	5 (14%)	0
Complaint about lawyer/client relationship and duties but made by third party (e.g. not the client)	9 (4%)	0	0
Commissioner formed the view that complaint required no further investigation (e.g. lawyer not obliged to accept instructions from complainant)	19 (8%)	4 (11%)	0
Commissioner has no power to deal with the complaint (e.g. involves question of law and therefore should be dealt with by a court)	2 (<1%)	0	0
Lawyer deceased	0	0	0
Lawyer ill health or not located	0	0	0
Closed due to ongoing proceedings	2 (<1%)	4 (11%)	0
Other regulatory action being taken	3 (1%)	0	0
Total	225	35	5

TABLE 43: OUTCOMES OF CLOSED UNIFORM LAW DISCIPLINARY COMPLAINTS, INCLUDING OUTCOMES OF DISCIPLINARY ISSUES IN 'MIXED' COMPLAINTS

Investigation outcome	2015-16*	2016-17	2017-18
Abeyance - ongoing proceedings	2 (<1%)	0	26 (4%)
Closure - s277(1)(a) Closed - vexatious, misconceived, frivolous or lacking in substance	142 (31%)	174 (38%)	134 (19%)
Closure - s 277(1)(b) Complaint made out of time	4 (<1%)	6 (1%)	10 (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%)	12 (2%)
Closure - s277(1)(d) Closed - the subject matter of the complaint has been or is already being investigated	3 (<1%)	7 (1%)	9 (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%)	8 (1%)
Closure - s 277(1)(h) Closed - 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%)	94 (14%)
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%)	2 (<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%)	14 (2%)
May be Professional misconduct – Initiate VCAT prosecution	0	7 (<1%)	25 (4%)
May be Unsatisfactory professional conduct – initiate VCAT prosecution	0	0	2 (<1%)
Preliminary Assessment - resolved	52 (11%)	72 (12%)	116 (16%)
Preliminary Assessment - withdrawn	121 (26%)	149 (24%)	167 (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%)	0
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%)	28 (4%)
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%)	0
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	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%)	16 (16%)
Withdrawn - Disciplinary	54 (12%)	37 (6%)	32 (5%)
Total	459	625	695

*Figures for 2015-16 did not include Commissioner-initiated complaints. These complaints have been included in 2016-17 and 2017-18.

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

Outcome	215-16	2016-17	2017-18
VCAT likely to find lawyer guilty of Professional misconduct, application made to VCAT	6	6	8
VCAT likely to find lawyer guilty of Unsatisfactory profession conduct, application made to VCAT	0	1	1
Commissioner reprimanded lawyer (likely finding of unsatisfactory professional conduct)	8	4	4
Commissioner cautioned lawyer (likely finding of unsatisfactory professional conduct)	3	13	13
Lawyer found generally competent: no further action (likely finding of unsatisfactory professional conduct)	1	0	0
Lawyer is fined (likely finding of unsatisfactory profession conduct)	0	1	0
Compensation to be paid by the lawyer to the client (likely finding of unsatisfactory professional conduct)	1	0	0
Closure s277(1)(a) – misconceived, lacking in substance	0	0	1
Closure s277(1)(c) – further information not provided	0	1	0
Closure – s277(1)(d) Closed – the subject matter of the complaint has been or is already being investigated	0	0	2
Closure s277(1)(e) – subject matter better investigated by another investigatory body	0	1	1
Closure s277(1)(j) – otherwise in the public interest to close	0	1	0
Commissioner forms the view no further investigation required (Uniform Law s277(1)(h))	13	11	16
Abeyance – ongoing proceedings	1	0	5
Total	33	39	49

TABLE 45: FINALISED COMPLAINTS RECEIVED UNDER THE LPA

Year	Civil	Disciplinary	Mixed	Total
2017-18	14 (70%)	5 (25%)	1(5%)	20
2016-17	2 (5%)	38 (86%)	4 (9%)	44
2015-16	112 (31%)	205 (56%)	48 (13%)	365

TABLE 46: FINALISED COMPLAINTS RECEIVED UNDER THE UNIFORM LAW

Year	Consumer matters	Disciplinary matters	Mixed matters	Total
2017-18	979 (58%)	629 (37%)	73 (4%)	1,681
2016-17	785 (55%)	590 (42%)	39 (3%)	1,414
2015-16	491 (51%)	435 (45%)	37 (4%)	963

TABLE 47: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED - LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2017-18	2	0	1	0	11	14
2016-17	0	0	0	0	2	2
2015-16	9	17	18	14	54	112
DISCIPLINARY						
2017-18	0	0	0	0	5	5
2016-17	0	0	0	0	38	38
2015-16	13	16	7	10	159	205
MIXED						
2017-18	0	0	0	0	1	1
2016-17	0	0	0	0	4	4
2015-16	2	2	1	4	41	48
TOTAL						
2017-18	2	0	1	0	17	20
2016-17	0	0	0	0	44	44
2015-16	22	35	26	28	254	365

TABLE 48: TIME TAKEN TO FINALISE COMPLAINTS RECEIVED - UNIFORM LAW

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CONSUMER MATTER						
2017-18	371	205	136	91	176	979
2016-17	205	171	118	77	214	785
2015-16	175	97	80	45	94	491
DISCIPLINARY MATTER						
2017-18	326	84	44	27	148	629
2016-17	265	112	39	38	136	590
2015-16	246	78	42	25	44	435
MIXED MATTERS						
2017-18	5	8	6	2	52	73
2016-17	8	7	3	7	14	39
2015-16	11	2	11	5	8	37
TOTAL						
2017-18	702	297	186	120	376	1,681
2016-17	478	290	160	122	408	1,414
2015-16	432	177	133	75	146	963

TABLE 49: NUMBER OF COMPLAINTS OUTSTANDING AT 1 JULY 2018 RECEIVED UNDER THE LPA

Days since receipt of complaint	<30	31-60	61-90	91- 120	>120	Total
CIVIL DISPUTE						
2017-18	0	0	0	0	0	0
2016-17	0	0	0	0	0	0
2015-16	0	0	0	0	2	2
DISCIPLINARY						
2017-18	0	0	0	0	10	10
2016-17	0	0	0	0	13	13
2015-16	0	0	0	0	51	51
MIXED						
2017-18	0	0	0	0	1	1
2016-17	0	0	0	0	2	2
2015-16	0	0	0	0	6	6
TOTAL						
2017-18	0	0	0	0	11	11
2016-17	0	0	0	0	15	15
2015-16	0	0	0	0	59	59

TABLE 50: NUMBER OF COMPLAINTS OUTSTANDING AT 1 JULY 2018 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						
2017-18	56	45	21	14	31	167
2016-17	64	40	25	22	58	209
2015-16	52	40	41	19	70	222
DISCIPLINARY MATTER						
2017-18	41	31	17	11	163	263
2016-17	36	22	21	19	124	222
2015-16	38	29	14	13	68	162
MIXED MATTER						
2017-18	6	3	1	3	27	40
2016-17	1	6	5	2	45	59
2015-16	4	4	4	0	17	29
TOTAL						
2017-18	103	79	39	28	221	470
2016-17	101	68	51	43	227	490
2015-16	94	73	59	32	155	413

TABLE 51: DISCIPLINARY APPLICATIONS MADE TO VCAT

Disciplinary applications under Legal Profession Uniform Law	Heard and finalised by VCAT during 2017-18	Filed and yet to be heard and/or awaiting orders by VCAT as at 30 June 2018	Total
Disciplinary applications made in 2017-18	4	15	19
Disciplinary applications made in previous year(s)	9	5	14
Total	13	20	33

// PROSECUTIONS IN
VCAT AND THE COURTS

TABLE 52: DISCIPLINARY APPLICATIONS HEARD AND DETERMINED AT VCAT IN 2017-18 (BY DATE OF APPLICATION)

No	Matter identification	Summary of VCAT findings	Date and orders made
1	Name: BELING, Joel VCAT reference: J71/2015 Application date: 27/05/2015 Hearing dates: 7-11 & 14/11/2016; 20-21/12/2016; 23-24/02/2017; 27/02/2017; 08/05/2017; 04/08/2017	Misconduct at common law: failed to exercise due care and competence in acting for his clients. Unsatisfactory professional conduct: failed to adequately advise clients to permit proper instructions.	12/07/2017 & 27/09/2017: Reprimanded. PC to be subject to conditions; fined \$10,000; complete additional 10 CPD units; Pay VLSC costs.
2	Name: CAHILL, Francis VCAT reference: J89/2015 Application date: 04/12/2015 Hearing date: 1/12/2017		04/12/2017 – Proceeding is dismissed. VLSC to pay respondent's costs.
3	Name: McNAB, Bruce VCAT reference: J2/2016 Application date: 22/01/2016 Amended on: 21/02/2017 Hearing dates: 21/02/2017; 18/04/2017	Professional misconduct: breach of an Undertaking; failed to comply with a condition on PC; failed to inform the Supreme Court of a misapprehension by the Court and 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; failed to respond to the Commissioner. Misconduct at common law: breach of an Undertaking given to Supreme Court. Unsatisfactory professional conduct: acting for client in conflict with his duties to the Court (x2); failure to comply with a condition on PC.	31/08/2017 – Reprimanded. PC suspended for nine months from 01/10/2017; future PC subject to conditions; undertake additional 20 CPD units in ethics and professional responsibilities; pay VLSC costs.
4	Name: MERHI, Saad VCAT reference: J1/2017 Application date: 23/12/2016 Amended on: 30/05/2017 Hearing date: 28/06/2017	Misconduct at common law: falsely attested to execution of documents and/or falsely certified had given independent legal advice and/or verified identity of signatories (x4); recklessly indifferent to the truth when representing he only falsely attested documents on one occasion.	20/07/2017 – No PC to be granted from 01/08/2017 to 31/07/2019 (12 months of which is suspended). If any act of professional misconduct or unsatisfactory professional conduct committed between 1/8/2018 and 1/2/2020, VLSC may make application to revoke the suspended order period; pay VLSC costs.
5	Name: LOGAN, Nicholas VCAT reference: J29/2017 Application date: 09/06/2017 Hearing date: 10/10/2017	Professional misconduct: failed to keep proper records and/or failed to keep client informed; acted in conflict of interest. Misconduct at common law: failed to take any or proper instructions; failed to properly advise client; acted in conflict of interest; ceased to act without client's agreement or proper cause; made false or misleading statements (x4); failed to keep proper records; falsely advised client about costs.	14/03/2018 – Ineligible for PC before 01/05/2024; pay compensation of \$32,863.86 to client; referred to Supreme Court of Victoria with recommendation for strike-off; pay VLSC costs.

No	Matter identification	Summary of VCAT findings	Date and orders made
6	Name: STIRLING, Matthew VCAT reference: J33/2017 Application date: 19/06/2017 Hearing date: 07/03/2018	Professional misconduct: created a conflict of interest by borrowing from client; rendered an invoice and received payment for legal fees other than through his clerk, in breach of the Bar Rules; evaded the effect of a Court of Appeal order requiring part of fees to be remitted to a separate account for payment of tax.	07/03/2018 – PC is cancelled on 01/06/2018 and not to be granted for 2 years from the date cancelled; thereafter PC not to be granted for a further 4 months; pay VLSC costs fixed at \$13,927.06.
7	Name: WITT, Matthew VCAT reference: J34/2017 Application date: 29/06/2017 Amended on: 18/09/2017 Hearing date: 21/11/2017	Professional misconduct: prepared and sent an email likely to be prejudicial to the administration of justice.	21/11/2017 – Reprimanded. Pay VLSC costs fixed at \$10,000.
8	Name: ZERVAS, Theodore VCAT reference J36/2017 Application date: 30/06/2017 Hearing date: 29/03/2018	Misconduct at common law: improper use of client funds; failed to inform client as to use of funds; gave false explanations to VLSC; falsified trust ledger. Professional misconduct: permitted or assisted associate to borrow money from client; failed to respond to requests of client about funds; failed to retain legal file; failed to honour an Undertaking; multiple trust account breaches and deficiencies.	29/03/2018 – PC is cancelled from 30/06/2018; not to apply for a PC before 01/07/2020; any future PC issued to be restricted to an employee PC, and not to be employed by a practice where a family member is principal; fined \$20,000; pay VLSC costs fixed at \$15,000.
9	Name: ZERVAS, Betty VCAT reference J37/2017 Application date: 30/06/2017 Amended on: 31/01/2018 Hearing date: 29/03/2018	Unsatisfactory professional conduct: borrowed money from a client. Misconduct at common law: provided inaccurate information to VLSC.	29/03/2018 – Application by the respondent for a pseudonym order is refused. Reprimanded. Fined \$10,000; pay VLSC costs fixed at \$10,000.
10	Name: MAGUIRE, John VCAT reference J76/2017 Application date: 15/11/2017 Hearing date: 05/04/2018	Misconduct at common law: failed to exercise control or supervision over employee.	05/04/2018 – Reprimanded. Undertaking not to practise as an Australian legal practitioner in any Australian jurisdiction at any time in future; pay VLSC costs.
11	Name: JOSEPH, David VCAT reference: J91/2017 Application date: 20/12/2017 Amended on: 30/05/2018 Hearing date: 04/06/2018	Professional misconduct: negligently advised client contrary to an order of the Federal Circuit Court; negligently caused client to disobey consent minutes; negligently failed to provide adequate advice to client. Misconduct at common law; gave an Undertaking with no capacity to meet it; breached Undertaking. Unsatisfactory professional conduct: Obtained indemnity from client for potential losses without recommending client obtain independent legal advice; billed client for preparation of own affidavit.	04/06/2018 – Reprimanded. Fined \$7,000; pay VLSC costs fixed at \$10,000.
12	Name: DEFTEROS, George VCAT reference: J86/2017 Application date: 21/12/2017 Hearing date: 13/03/2018	Unsatisfactory professional conduct: failed to make costs disclosure; lodged caveat without making sure there was a proper basis, and there was no proper basis.	14/03/2018 – Reprimanded. Pay VLSC costs.

No	Matter identification	Summary of VCAT findings	Date and orders made
13	Name: ZINDILIS, George VCAT reference: J88/2017 Application date: 22/12/2017 Hearing date: 11/04/2018	Professional misconduct (LPA): causing a deficiency in trust accounts or trust ledger accounts without reasonable excuse; failed to lodge with VLSB a trust examination report; failed to keep permanent trust records. Professional misconduct (Uniform Law): failed to uphold responsibility to supervise employee lawyers (x4); allowed disqualified person to work at law practice; allowed unqualified entities to engage in legal practice; caused or enabled to be caused deficiency in trust account; failed to give written notice to VLSB of trust account irregularity; failed to keep trust records (x2); failed to notify VLSB of trust account details; failed to comply with directions for handling trust money; failed to keep register of files; failed to ensure services provided in accordance with professional obligations. Unsatisfactory professional conduct (LPA): trust accounting and record keeping failures (x7); withdrew trust money from a general trust account by cheque payable to bearer.	11/04/2018 – No PC to be granted before 18/07/2020; any PC granted thereafter is subject to condition to practice only as an employee of the law practice and not authorised to receive trust moneys for a period of five years; pay VLSCs costs fixed at \$11,138.86.

TABLE 53: DISCIPLINARY APPLICATIONS TO VCAT, WHERE APPLICATION IS AWAITING HEARING AND/OR DETERMINATION AS AT 30 JUNE 2018

No	Date application made	Type of charges	Status
1	23/12/2016	Professional misconduct: knowingly made misleading statement to Court; failed to provide full written explanation of conduct and other information or documents to VLSC. Unsatisfactory professional conduct: withdrew from family law proceeding without complying with Court rules.	Awaiting decision.
2	18/10/2016 (Amended on 13/04/2017)	Professional misconduct: failed to provide costs disclosure; made improper conditional costs agreement; failed to use best endeavours to complete legal work; substantial failure of competence and diligence; conflict of interest; failed to comply with VLSC request to provide file. Unsatisfactory professional conduct: failed to provide costs disclosure (x3). Misconduct at common law: filed false and/or misleading affidavit with Court.	Listed for penalty hearing on 14/08/2018.
3	22/05/2017 (Amended on 03/05/2018)	Misconduct at common law: sent inappropriate communications to other practitioner (harassing, threatening, gratuitous, discourteous, offensive and containing unfounded allegations).	Part heard. Listed for hearing from 26/07/2017 to 27/07/2017.
4	30/06/2017	Misconduct at common law: conferred with client about trial whilst under cross-examination; deliberately or recklessly provided false and/or misleading information to VLSC.	Listed for hearing from 16/07/2018 to 19/07/2018.
5	30/06/2017	Misconduct at common law: failed to supervise non-lawyer conveyancer of law practice; failed to ensure clients received clear advice; made false representation to ASIC; made false representation to VLSC. Unsatisfactory professional conduct: failure to securely retain client file.	Listed for hearing from 27/08/2018 to 29/08/2018.

No	Date application made	Type of charges	Status
6	20/12/2017	Professional misconduct: failed to deal appropriately with trust money; failed to disburse trust money in accordance with owner; failed to account for trust money; failed to keep trust records in accordance with the Uniform Rules.	Listed for Admin mention on 23/07/2018.
7	21/12/2017	Professional misconduct (misconduct at common law): suggested and directed a student to make false statutory declaration; witnessed and affixing solicitor's stamp to false declaration; prepared correspondence with false statements (x2); (alternates for statutory professional misconduct). Unsatisfactory professional conduct: failed to notify the VLSB within 7 days of being charged with serious offences.	Awaiting Tribunal decision.
8	21/12/2017 (Amended on 30/05/2018)	Professional misconduct: acted on instructions of the client's attorney regarding matters the attorney had no power to make decisions about and without seeking instructions from the client and establishing the client's competency; failed to give competent advice to the client's attorney regarding the power of attorney (medical). Unsatisfactory professional conduct: failed to provide costs disclosure to the client and/or the client's attorneys.	Listed for half day penalty hearing on 07/08/2018.
9	18/01/2018	Misconduct at common law: sent inappropriate and unprofessional email (alternatively professional misconduct). Professional misconduct: dismissed client's counsel without proper instructions to do so; failed to brief counsel to appear.	Listed for hearing on 30/07/2018.
10	02/05/2018	Misconduct at common law: breach of the no contact rule; equitable fraud; false representations to client; seeking commission from opponents in proceedings.	Practitioner applied for a judicial review in Supreme court. Refer to Table 55.
11	18/05/2018	Professional misconduct (misconduct at common law): responsible principal who caused or allowed the law practice to act without instructions; act without clarifying or seeking instructions and without giving any advice to the client, send dishonest or false emails. Statutory professional misconduct for failing to supervise the law practice.	Admin mention on 27/07/2018.
12	24/05/2018	Professional misconduct: numerous trust account breaches including caused deficiency in a trust account; mixed trust money with other money; withdrew money for payment of legal costs owing; failed to furnish trust account statements to the client, failed to provide ongoing costs disclosures. Unsatisfactory professional conduct: failed to maintain proper records on the client files.	Listed for Directions hearing 09/08/2018.
13	25/05/2018	Professional misconduct (misconduct at common law): dishonestly sent emails containing false statements; sent letters attaching a copy of false emails; knowingly made false representations; created false liquor licence and supplying to client; engaged in file deceptions (alternates for statutory professional misconduct).	Directions hearing on 05/07/2018.

No	Date application made	Type of charges	Status
14	23/05/2018	Statutory professional misconduct: sent a letter which threatened the institution of disciplinary proceedings; failed to comply with Commissioner's request.	Directions hearing on 05/07/2018.
15	15/06/2018	Professional misconduct: unqualified legal practice; misled Federal Circuit Court by falsely representing that he had an entitlement to appear as a legal practitioner; acted in conduct demonstrating he is not a fit and proper person to practise law; made dishonest and misleading statements to Court. Misconduct at common law: knowingly made dishonest representations; alternatively professional misconduct. Unsatisfactory professional conduct: made second PC application reckless as to whether it was true or false.	Listed for hearing on 26/07/2018.
16	18/06/2018	Misconduct at common law: failed to assess client's capacity to provide instructions (x3); failed to obtain proper instructions (x3); failed to take adequate steps to satisfy himself that client understood nature of the extent of his property; continued to act without assessing client's capacity to instruct (x4); failed to make proper file note of attendances on client; improper communications; failed to advise to client; misled the Tribunal by filing and serving a witness statement which contained false account; charged for work done without instructions; included counsel fees for work done in the respondents interests rather than the client (alternatively professional misconduct). Unsatisfactory professional conduct: failed to maintain proper records on the respondent's file. Professional misconduct: failed to provide client with information disclosing the basis of legal costs for drafting will.	Listed for compulsory conference on 16/10/2018.
17	28/06/2018	Unsatisfactory professional conduct: failed to comply with a request for itemised bill within 21 days.	Awaiting hearing date.
18	28/06/2018	Professional misconduct: failed to return a file pertaining to former client; threatened to shred former client's file; contacted former client and communicated he would continue to retain file until he was provided with documents from his former employer's office.	Awaiting hearing date.
19	28/06/2018	Misconduct at common law: made allegations of fraud or serious misconduct without a proper basis (alternatively professional misconduct).	Awaiting directions hearing date.
20	28/06/2018	Professional misconduct: numerous trust account breaches including caused deficiency in trust account; failed to make out a receipt, failed to comply with the requirements of the regulations when withdrawing money; failed to produce trust account statement; failed to disclose substantial change to the estimated legal costs. Misconduct at common law: advised that client was entitled to have use of controlled monies in breach of Order; deliberately and recklessly provided false or misleading information to VLSC. Unsatisfactory professional conduct: failed to maintain proper records on his file.	Awaiting hearing date.

TABLE 54: ONGOING RE-HEARING APPLICATIONS TO VCAT IN 2017-18

Lawyer	Date application made	Details	Status as at 30 June 2017
Alan McDonald	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 22/10/2018. On appeal (see also Table 55).

TABLE 55: APPEALS HEARD AND DETERMINED 2017-18

No	Name of lawyer	Date of application	Hearing dates	Appealed grounds	Order made
1	Francis Cahill	15/06/2016	04/09/2017	Application for leave to appeal against an order made by a judge of the Trial Division on 07/04/2017.	06/10/2017 – The application for leave to appeal is granted; Appeal is dismissed and VLSC pay respondent's costs of the application for leave to appeal and of the appeal.
2	Alan McDonald	09/02/2016	06/12/2016 28/03/2017 19/06/2017	The grounds of the appeal are that VCAT erred in law in interpreting and applying Rule 21 of the Rules.	14/12/2017 – Leave to appeal is granted; the appeal is upheld; the charges of Unsatisfactory professional conduct brought by VLSC against the lawyer was dismissed.
3	Michael Gullquist	31/01/2017	14/12/2017	Application for leave to appeal the VCAT decision made on 03/01/2017 and penalty orders made on 01/03/2017 in proceeding no J148/2015.	14/12/2017 – Leave to appeal is refused; The proceeding is dismissed; the plaintiff to pay VLSC costs of and incidental to the proceeding.

TABLE 56: CASES ON APPEAL AND JUDICIAL REVIEW TO THE SUPREME COURT IN 2017-18

No	Name of lawyer	Date SC/VCAT orders were made on	Date of appeal application to Supreme Court	Status as at 30 June 2018
1	Alan McDonald	14/12/2017 (Supreme Court)	05/02/2018	Appeal against the order of The Honourable Justice Bell dated 14/12/2017 to be set aside. Awaiting hearing date.
2	Michael Gullquist	14/12/2017 (Supreme Court)	28/01/2018	The decision to refuse the applicant's application for leave to appeal and the consequent Costs orders are appealed.
3	Graeme Efron	Awaiting hearing date	16/07/2018	Judicial review of VLSC's decision to commence VCAT proceedings.

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 57 lists all of the internal delegations and Table 58 lists all of the external delegations made by the Board and in force as at 30 June 2018.

TABLE 57: INTERNAL DELEGATIONS MADE BY THE BOARD, CURRENT AS AT 30 JUNE 2018

Date	Delegate	Functions delegated
29 May 2018	Victorian Legal Services Commissioner	<p>LEGAL PROFESSION ACT 2004</p> <p>Part 3.6, Division 3 – Claims about defaults</p> <p>Section 3.6.12(1) – investigate fidelity fund claims</p> <p>Section 3.6.12(2) – require fidelity fund claimant to produce security, document or statement of evidence</p> <p>Section 3.6.12(3) – investigation of claims</p>
		<p>Part 3.6, Division 4 – Determination of claims</p> <p>Section 3.6.14 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 3.6.15 – set maximum amount allowable</p> <p>Section 3.6.16 – order payment of reasonable legal costs</p> <p>Section 3.6.17 – determine interest payable</p> <p>Section 3.6.18 – reduce claim because of other benefits</p> <p>Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
		<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 2, Division 2 – Further application provisions</p> <p>Section 13(2) – approve professional indemnity insurance policy</p>
		<p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p>
		<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p>

Date	Delegate	Functions delegated
		<p>Part 10 – General</p> <p>Section 153(1) – appoint person to investigate offence</p> <p>Section 154 – file charge sheet</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 2 – Australian practising certificates</p> <p>Section 44 – grant or renew Australian practising certificate</p> <p>Section 45 – grant or renew Australian practising certificate</p>
		<p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 47 – grant Australian practising certificate subject to conditions</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>Section 50(2) – (5) – impose on or exempt barrister from conditions</p> <p>Section 53 – impose discretionary conditions on Australian practising certificates</p>
		<p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p>
		<p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Section 76 – vary, suspend or cancel certificate</p> <p>Section 77 – vary or suspend certificate</p> <p>Section 78 – lift suspension of a certificate and renew certificate while suspended</p>
		<p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds</p> <p>Section 82 – vary, suspend or cancel certificate</p> <p>Section 83 – give certificate holder notice of variation, suspension or cancellation</p> <p>Section 84 – take proposed action after giving notice</p>
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates</p> <p>Section 87 – receive notice of show cause event</p> <p>Section 88 – receive notice of show cause event</p> <p>Section 89 – determine if fit and proper and take appropriate action</p> <p>Section 90 – serve designated show cause event notice</p> <p>Section 91 – receive statement from certificate holder</p> <p>Section 92 – determine if fit and proper and take appropriate action</p> <p>Section 93 – take no action on event occurred before admission</p> <p>Section 94 – decide person not entitled to apply for specified period</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p>
		<p>Part 3.9, Division 1 – Making of disqualification orders</p> <p>Section 119 – make an order for disqualifications of individuals</p> <p>Section 120 – make an order for disqualifications of entities</p>

Date	Delegate	Functions delegated
		<p>Part 3.9, Division 2 – Prohibitions and other provisions regarding disqualified persons and disqualified entities</p> <p>Section 121(2) – approve a person as a lay associate</p>
		<p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p>
		<p>Part 4.2, Division 2 – Trust money and trust accounts</p> <p>Section 151 – receive notice of accounts</p> <p>Section 152 – determine money is not trust money</p>
		<p>Part 4.2, Division 4 – External investigations</p> <p>Section 160(2) and (3) – recover costs of external examinations from law practice</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p> <p>Section 166 – recover costs of external investigation</p>
		<p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p>
		<p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p> <p>Section 237 – process and investigate claims</p>
		<p>Part 4.5, Division 5 – Determination of claims</p> <p>Section 240 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 241 – set maximum amount allowable</p> <p>Section 242 – order payment of reasonable legal costs</p> <p>Section 243 – determine interest payable</p> <p>Section 244 – reduce claim because of other benefits</p> <p>Section 246 – subrogate rights and remedies of claimant</p>
		<p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements</p> <p>Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p>
		<p>Part 4.6– Business Management and Control</p> <p>Section 256 – conduct compliance audits</p> <p>Section 257 – give management system directions</p>
		<p>Part 7.3 – Entry and Search of Premises</p> <p>Section 374(2)(c)(ii) – authorise investigator in respect of trust records investigations and compliance audits</p>
		<p>Part 9.4– Cooperative and Other Arrangements</p> <p>Section 439 – receive information from relevant persons</p>
		<p>Part 9.6 – Injunctions</p> <p>Section 447 – apply to Supreme Court for injunction</p>
		<p>Part 9.7 – Criminal and civil penalties</p> <p>Section 453(1) and (4) – order payment of pecuniary penalty</p>
		<p>Part 9.9 – General</p> <p>Section 462(2) – disclose information obtained</p> <p>Section 473(2) – approve forms</p>

Date	Delegate	Functions delegated
		<p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 20(3) and (4) – require evidence and require payment of expenses</p> <p>Rule 54 – require statement on trust money</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence</p> <p>Rule 67 – exempt examiner from requirement to report using standard form</p> <p>Rule 81 – require insurance policy be submitted for assessment</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p> <p>Rule 86 (1) – receive claim against fidelity fund in specified form</p> <p>Rule 87 – require information and/or security related to claim</p> <p>Rule 90 – notify claimant of delay in determination of claim</p>
29 May 2018	Executive Director, Complaints and Intervention	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 3.6, Division 4 – Determination of claims</p> <p>Section 3.6.14 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 3.6.15 – set maximum amount allowable</p> <p>Section 3.6.16 – order payment of reasonable legal costs</p> <p>Section 3.6.17 – determine interest payable</p> <p>Section 3.6.18 – reduce claim because of other benefits</p> <p>Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
		<p>Part 2, Division 2 – Further application provisions</p> <p>Section 13(2) – approve professional indemnity insurance policy</p>
		<p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p>
		<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p>
		<p>Part 10 – General</p> <p>Section 153(1) – appoint person to investigate offence</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – impose conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p>
		<p>Part 3.4, Division 3 – Registration</p> <p>Section 62 – grant or renew Australian registration certificate</p> <p>Section 63(2) – reject notification of principal place of practice</p>
		<p>Part 3.4, Division 4 – Conditions of Australian registration certificates</p> <p>Section 64 – determine authority to receive trust money</p> <p>Section 66 – receive notification of certain events</p> <p>Section 67 – impose discretionary conditions on Australian registration certificate</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p>

Date	Delegate	Functions delegated
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates <i>(only in circumstances where the Commissioner has declared a conflict of interest)</i></p> <p>Section 89 – determine if fit and proper and take appropriate action</p> <p>Section 90 – serve designated show cause event notice</p> <p>Section 92 – determine if fit and proper and take appropriate action</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p>
		<p>Part 3.9, Division 2 – Prohibitions and other provisions regarding disqualified persons and disqualified entities</p> <p>Section 121(2) – approve a person as a lay associate</p>
		<p>Part 4.2, Division 1 – Preliminary</p> <p>Section 130(4) – exempt law practice from complying with provisions</p>
		<p>Part 4.2, Division 4 – External investigations</p> <p>Section 162 – investigate or appoint external investigator</p> <p>Section 163 – undertake or authorise external investigations</p> <p>Section 165 – receive written report on investigation</p>
		<p>Part 4.4, Professional Indemnity Insurance</p> <p>Section 215(2), (4) and (6) – exempt from insurance requirement</p>
		<p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p>
		<p>Part 4.5, Division 5 – Determination of claims</p> <p>Section 240 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 241 – set maximum amount allowable</p> <p>Section 242 – order payment of reasonable legal costs</p> <p>Section 243 – determine interest payable</p> <p>Section 244 – reduce claim because of other benefits</p> <p>Section 246 – subrogate rights and remedies of claimant</p>
		<p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements</p> <p>Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p>
		<p>Part 4.6– Business Management and Control</p> <p>Section 256 – conduct compliance audits</p> <p>Section 257 – give management system directions</p>
		<p>Part 7.3 – Entry and Search of Premises</p> <p>Section 374(2)(c)(iii) – authorise investigator in respect of trust records investigations and compliance audits</p>
		<p>Part 9.4– Cooperative and Other Arrangements</p> <p>Section 439 – receive information from relevant persons</p>
		<p>LEGAL PROFESSION UNIFORM GENERAL RULES 2015</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence</p> <p>Rule 67 – exempt examiner from requirement to report using standard form</p> <p>Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>

Date	Delegate	Functions delegated
29 May 2018	Executive Director, Finance, Risk and Policy	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
		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 3.9, Division 2 – Prohibitions and other provisions regarding disqualified persons and disqualified entities Section 121(2) – approve a person as a lay associate
		Part 4.2, Division 1 – Preliminary Section 130(4) – exempt law practice from complying with provisions
		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 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement
		Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims
		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
		Part 4.6– Business Management and Control Section 257 – give management system directions
		Part 9.4– Cooperative and Other Arrangements Section 439 – receive information from relevant persons
		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

Date	Delegate	Functions delegated
29 May 2018	General Counsel	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 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
		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 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate
		Part 3.5, Division 5 – Miscellaneous Section 95 – require further information
		Part 3.9, Division 2 – Prohibitions and other provisions regarding disqualified persons and disqualified entities Section 121(2) – approve a person as a lay associate
		Part 4.2, Division 1 – Preliminary Section 130(4) – exempt law practice from complying with provisions
		Part 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement
		Part 4.6– Business Management and Control Section 257 – give management system directions
		Part 7.3 – Entry and Search of Premises Section 374(2)(c)(ii) – authorise investigator in respect of trust records investigations and compliance audits
		Part 9.4– Cooperative and Other Arrangements Section 439 – receive information from relevant persons
		LEGAL PROFESSION UNIFORM GENERAL RULES 2015 Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy
28 Feb 2017	Manager, Practitioner Services	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

Date	Delegate	Functions delegated
		<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 2 – Australian practising certificates</p> <p>Section 44 – grant or renewal of Australian practising certificate, excluding function of refusing to grant and renew practising certificates</p> <p>Section 45 – prerequisites for grant or renewal of Australian practising certificates, excluding function of refusing to grant and renew practising certificates</p>
		<p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 47 – categories of practice and trust money</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p> <p>Section 53 – impose discretionary conditions</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p>
		<p>Part 3.5, Division 4 Show cause procedure for variation, suspension or cancellation of, or refusal to renew, certificates</p> <p>Section 90 – nature of designated show cause events</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 93 – decide to take no action on events before admission or registration</p> <p>Section 95 – require information, examination or cooperation</p>
30 Aug 2016	Assistant Manager, Licensing	<p>LEGAL PROFESSION UNIFORM LAW APPLICATION ACT 2014</p> <p>Part 4, Division 2 – Australian practising certificates</p> <p>Section 73(4) – refund all or part of a surcharge</p> <p>Section 75(2) – refund all or part of a surcharge</p>
		<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund</p> <p>Section 80 – determine of required deposit amount</p> <p>Section 85 – exempt of law practice or clerk</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 3.3, Division 3 – Conditions of Australian practising certificates</p> <p>Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p>
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates</p> <p>Section 90 – require statement for show cause events</p>
29 May 2018	Manager, Regulatory Intervention	<p>LEGAL PROFESSION ACT 2004</p> <p>Part 3.6, Division 3 – Claims about defaults</p> <p>Section 3.6.8(1) – allow further period to lodge fidelity fund claim</p> <p>Section 3.6.9 – advertisements</p> <p>Section 3.6.10 – time limit for making claims following advertisements</p>

Date	Delegate	Functions delegated
		<p>Part 3.6, Division 4 – Determination of claims</p> <p>Section 3.6.14 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 3.6.15 – set maximum amount allowable</p> <p>Section 3.6.16 – order payment of reasonable legal costs</p> <p>Section 3.6.17 – determine interest payable</p> <p>Section 3.6.18 – reduce claim because of other benefits</p> <p>Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
		<p>Part 4.5, Division 4 – Claims about defaults</p> <p>Section 236(1) and (2) – time limit for making claims</p>
		<p>Part 4.5, Division 5 – Determination of claims</p> <p>Section 240 – but only in respect of claims up to \$10,000 and shortfall claims resulting from Supreme Court orders for pari passu distribution to clients of the balance of funds from the trust account of a defunct law practice.</p> <p>Section 241 – set maximum amount allowable</p> <p>Section 242 – order payment of reasonable legal costs</p> <p>Section 243 – determine interest payable</p> <p>Section 244 – reduce claim because of other benefits</p> <p>Section 246 – subrogate rights and remedies of claimant</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 4.6 – Business Management and Control</p> <p>Section 256 – conduct compliance audits</p>
11 Oct 2016	Manager, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 4.6 – Business Management and Control</p> <p>Section 256 – conduct compliance audits</p>
1 Aug 2016	Manager Complaints and investigations	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 4.6 – Business Management and Control</p> <p>Section 256 – conduct compliance audits (ILPs)</p>
18 Aug 2015	Board members who are members of the Fidelity Fund Claims Advisory Committee	<p>LEGAL PROFESSION ACT 2004</p> <p>Part 3.6, Division 4 – Determination of Fidelity Fund Claims</p> <p>Section 3.6.14 – determination of claims</p> <p>Section 3.6.15 – maximum amount allowable</p> <p>Section 3.6.16 – costs</p> <p>Section 3.6.17 – interest</p> <p>Section 3.6.18 – reduction of claim because of other benefits</p>
		<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 4.5, Division 5 – Determination of claims</p> <p>Section 240 – determination of claims</p> <p>Section 241 – maximum amount allowable</p> <p>Section 242 – costs from fidelity fund</p> <p>Section 243 – interest from fidelity fund</p> <p>Section 244 – reduction of claim because of other benefits</p>

TABLE 58: EXTERNAL DELEGATIONS MADE BY THE BOARD CURRENT AS AT 30 JUNE 2018

Date	Delegate	Function
1 Aug 2016	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)
		Part 9.5 – Notices and Evidentiary Matters
		Section 446 – seal or sign certificate confirming a person held an Australian practising certificate
		LEGAL PROFESSION UNIFORM GENERAL RULES 2015
		Chapter 4, Division 2 – Trust Money and Trust Accounts
		Rule 54 – require statement on trust money
		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
29 May 2018	Victorian Bar	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
		Part 5, Division 3 – Approved Clerks
		Section 88(1) – approve natural person to receive trust money
		Part 10 of the Act – General
		Section 153 (1) – appoint person to investigate offence
		Section 154 – file charge sheet
		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
		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

Date	Delegate	Function
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates</p> <p>Section 74 – vary a certificate</p> <p>Section 76 – vary, suspend or cancel certificate</p> <p>Section 77 – vary or suspend certificate</p> <p>Section 78 – lift suspension of a certificate and renew certificate while suspended</p>
		<p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds</p> <p>Section 82 – vary, suspend or cancel certificate</p> <p>Section 83 – give certificate holder notice of variation, suspension or cancellation</p> <p>Section 84 – take proposed action after giving notice</p>
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates</p> <p>Section 87 – receive notice of show cause event</p> <p>Section 88 – receive notice of show cause event</p> <p>Section 89 – determine if fit and proper and take appropriate action</p> <p>Section 91 – receive statement from certificate holder</p> <p>Section 92 – determine if fit and proper and take appropriate action</p> <p>Section 93 – take no action on event occurred before admission</p> <p>Section 94 – decide person not entitled to apply for specified period</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 95 – require further information</p>
		<p>Part 3.9, Division 1 – Making of disqualification orders</p> <p>Section 119 – make an order for disqualifications of individuals</p>
		<p>Part 4.2, Division 2 – Trust money and trust accounts</p> <p>Section 151 – receive notice of accounts</p> <p>Section 152 – determine money is not trust money</p>
		<p>Part 9.5 – Notices and Evidentiary Matters</p> <p>Section 446 – seal or sign certificate confirming a person held an Australian practising certificate</p>
		<p>Part 9.6 – Injunctions</p> <p>Section 447 – apply to Supreme Court for injunction</p>
		<p>LEGAL PROFESSION UNIFORM CONTINUING PROFESSIONAL DEVELOPMENT (BARRISTERS) RULES 2015</p>
		<p>Rule 13 – receive certification of CPD compliance</p> <p>Rule 14 – require verification of compliance</p> <p>Rule 15 – give written notice requiring rectification plan</p> <p>Rule 16 – exempt from requirement to undertake CPD activities</p>

CONDITIONS

1. In accordance with section 42A of the *Interpretation of Legislation Act 1984 (Vic)*, these delegations do not prevent the discharge, exercise or performance by the Board of the functions, duties and powers delegated.
2. In any particular case, where at any stage 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.

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 59 lists all of the internal delegations and Table 60 lists all of the external delegations made by the Commissioner and in force as at 30 June 2018.

TABLE 59: INTERNAL DELEGATIONS MADE BY THE VICTORIAN LEGAL SERVICES COMMISSIONER, CURRENT AS AT 30 JUNE 2018

Date	Delegate	Functions delegated
18 Oct 2017	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
		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

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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
18 Oct 2017	Assistant Manager, Regulatory Intervention	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>
		<p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>
		<p>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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
18 Oct 2017	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>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.4, Division 3 – Role of designated tribunal</p> <p>Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<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</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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	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>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	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>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	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>
		<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>
		<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>
		<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>
		<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>
		<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>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	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</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>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>

Date	Delegate	Functions delegated
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>
		<p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>
		<p>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 2017	Manager, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
18 Oct 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</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>

Date	Delegate	Functions delegated
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
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>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p>

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>
		<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	Administrative Officer, Assessment and Resolutions	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) 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>
18 Oct 2017	Manager, Practitioner Services	<p>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</p>
		<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>

Date	Delegate	Functions delegated
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 306 – make compensation order</p> <p>Section 307(4) – request may be made at any time after complaint made</p> <p>Section 308 – order to compensate aggrieved person</p> <p>Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review</p> <p>Section 313 – conduct an internal review</p>
		<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>Part 9.9 – General</p> <p>Section 466(7) – recommend practising certificate or registration certificate be suspended</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
18 Oct 2017	Assistant Manager, Licensing	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 1 – Making complaints and other matters about complaints</p> <p>Section 266(2) – initiate a complaint containing a disciplinary matter</p> <p>Section 267 – making a complaint</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p> <p>Section 272 – making complaint within 3 year time limit</p> <p>Section 273(2) – ability to continue investigation even where complain is withdrawn</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 277 – ability to close complaint after conducting preliminary assessment</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282 – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p> <p>Section 290 – resolve consumer matter by making determination</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291 – deal with costs disputes the same way as consumer matters</p> <p>Section 292 – make a binding determination about costs</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.4, Division 2 – Determination by local regulatory authority</p> <p>Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<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>

Date	Delegate	Functions delegated
		<p>Part 9.9 – General Section 466(7) – recommend practising certificate or registration certificate be suspended</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>
4 July 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>
		<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>
		<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>
		<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>
		<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>
		<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>
		<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) – 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>

Date	Delegate	Functions delegated
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>
		<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>

Date	Delegate	Functions delegated
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</p> <p>Section 269(1) – definition of consumer matter</p> <p>Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p>
		<p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p> <p>Section 278 – ability to make recommendation that a practicing certificate be suspended</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>
		<p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>
		<p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>
		<p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
10 Aug 2015	Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p>

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>
		<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 Dispute Resolution Officer	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) 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	Conciliator	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA) 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>
		<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	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>
		<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	Senior Investigations Officer	<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>
		<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>

Date	Delegate	Functions delegated
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 279 – notify respondent of complaint as soon as practicable</p> <p>Section 280 – response to complaint by respondent</p> <p>Section 281 – ability to not notify a respondent under certain circumstances</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p> <p>Section 283 – extend scope of investigation</p> <p>Section 284 – arrange assessment of costs charged or claimed by respondent</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p> <p>Section 288 – order parties to the complaint attend mediation</p> <p>Section 289 – prepare written record of agreement to mediation</p>
		<p>Part 5.3, Division 3 – Further provisions applicable to costs disputes</p> <p>Section 291(1) – deal with costs disputes the same way as consumer matters</p> <p>Section 293 – cease to act where dispute is less than \$10,000</p>
		<p>Part 5.4, Division 1 – Preliminary</p> <p>Section 297(2) – consider matters that would be taken into account in terms of admission when deciding if a lawyer is a fit and proper person in terms of professional misconduct</p>
		<p>Part 5.5 – Compensation Orders</p> <p>Section 307(4) – request may be made at any time after complaint made</p>
		<p>Part 5.6 – Appeal or Review</p> <p>Section 313(2) – conduct an internal review</p>
		<p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline</p> <p>Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>
		<p>Schedule 4, Division 7 – Dispute resolution and professional discipline</p> <p>Clause 26 – complaint made under the old Chapter 4 is to be investigated with the provisions of the old legislation</p> <p>Clause 27 – investigation may be commenced under the new law as long as conduct was not investigated before that day under the old legislation</p>
21 Aug 2015	Trust Account Analyst	<p>LEGAL PROFESSION UNIFORM LAW (VICTORIA)</p> <p>Part 5.2, Division 2 – Preliminary assessment of complaints</p> <p>Section 276 – conduct preliminary complaint</p>
		<p>Part 5.2, Division 3 – Notifications to and submissions by respondents</p> <p>Section 280 – response to complaint by respondent</p>
		<p>Part 5.2, Division 4 – Investigation of complaints</p> <p>Section 282(1) – investigate internally or appoint externally</p>
		<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters</p> <p>Section 286 – not to take action resolving consumer matter unless parties have made reasonable attempt to resolve matter or it would be unreasonable to expect complainant to be involved in such attempt</p> <p>Section 287 – resolve consumer matter by informal means as soon as practicable</p>

Date	Delegate	Functions delegated
		Part 5.3, Division 3 – Further provisions applicable to costs disputes Section 291(1) – deal with costs disputes the same way as consumer matters
		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
		Part 5.5 – Compensation Orders Section 307(4) – request may be made at any time after complaint made
		Part 5.6 – Appeal or Review Section 313(2) – conduct an internal review
		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

TABLE 60: EXTERNAL DELEGATIONS MADE BY THE VICTORIAN LEGAL SERVICES COMMISSIONER, CURRENT AS AT 30 JUNE 2018

Date	Delegate	Function
28 Aug 2015	Victorian Bar	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 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint
		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
		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
		Part 5.3, Division 3 – Further provisions applicable to costs disputes Section 291(1) – deal with costs disputes the same way as consumer matters
		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
		Part 5.5 – Compensation Orders Section 307(4) – request may be made at any time after complaint made

CONDITIONS

1. In accordance with section 42A of the *Interpretation of Legislation Act 1984* (Vic), these delegations do not prevent the discharge, exercise or performance by the Victorian Legal Services Commissioner (which expression in these conditions includes an acting Victorian Legal Services Commissioner) of the functions duties and powers delegated.
2. In any particular case, where at any stage notice is given to the delegate by or on behalf of the Victorian Legal Services Commissioner, that the Victorian Legal Services Commissioner intends to discharge, exercise or perform the 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.

REVOKED DELEGATIONS

The following tables list all of the delegations revoked by the Commissioner during 2017-18 and the reasons for their revocation.

TABLE 61: INTERNAL DELEGATIONS REVOKED BY THE VICTORIAN LEGAL SERVICES COMMISSIONER DURING 2017-18

Delegate	Function
Assistant Manager, Complaints and Investigations (position ceased)	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
	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
	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(1) – investigate internally or appoint externally
	Section 283 – extend scope of investigation
Section 284 – arrange assessment of costs charged or claimed by respondent	
Part 5.3, Division 2 – Provisions applicable to all consumer matters	
Section 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	
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	
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	
Part 5.5 – Compensation Orders	
Section 307(4) – request may be made at any time after complaint made	
Part 5.6 – Appeal or Review	
Section 313(2) – conduct an internal review	
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	
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	

HOW THIS REPORT IS STRUCTURED

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 2018 in the following structure to provide users with information about the stewardship of resources entrusted to it.

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DECLARATION

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 2018 and financial position of the Victorian Legal Services Board and Victorian Legal Services Commissioner at 30 June 2018.

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 14 August 2018.



F Bennett
Chairperson,
Victorian Legal Services Board
Melbourne
14 August 2018



F McLeay
CEO, Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
14 August 2018



J Ireson
Chief Finance and Accounting Officer,
Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
14 August 2018

Independent Auditor's Report

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

Opinion 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 *Financial Management Act 1994*, which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- financial statements declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the board and commissioner as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report 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 *Financial Management Act 1994*, and for such internal control as the Board members and Commissioner determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's and commissioner's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board and 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
17 August 2018



Travis Derricott
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Interest and distributions	3.1	77,558	78,306
Practising certificate fees and Fidelity Fund contributions	3.2	11,102	10,144
Other income	3.3	808	849
Total income from transactions		89,468	89,299
EXPENSES FROM TRANSACTIONS			
Employee benefits expenses	4.1.1	(11,375)	(10,800)
Funding and grants	4.2	(44,096)	(43,422)
Payments to service providers	4.3	(2,320)	(3,238)
Fidelity Fund claims and expenses	4.4	(2,722)	(3,696)
Depreciation and amortisation expense	5.3.2	(926)	(800)
Board and committee member fees		(336)	(334)
Legal expenses	4.5	(2,742)	(4,382)
Other operating expenses	4.6	(3,949)	(2,947)
Total expenses from transactions		(68,466)	(69,619)
Net result from transactions		21,002	19,680
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial instruments	9.1	16,468	13,409
Net gain/(loss) on non-financial assets	9.1	-	11
Other gain/(loss) from other economic flows	9.1	(666)	3,209
Total other economic flows included in net result		15,802	16,629
Net result from continuing operations		36,804	36,309
Net result		36,804	36,309
Other economic flows - other comprehensive income		-	-
Comprehensive result		36,804	36,309

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	5.1.1	933,903	685,643
Receivables	5.4.1	5,727	34,772
Investments and other financial assets	5.2	954,341	904,917
Total financial assets		1,893,971	1,625,332
NON-FINANCIAL ASSETS			
Plant and equipment	5.3.3	3,260	2,340
Intangible assets		993	1,270
Prepayments		315	257
Total non-financial assets		4,568	3,867
Total assets		1,898,539	1,629,199
LIABILITIES			
Payables	6.3.1	10,501	8,261
Lease liabilities		42	55
Provisions	6.4	15,046	14,305
Income received in advance	6.2	11,232	10,555
Statutory deposit account balances	6.1	1,590,061	1,361,170
Total liabilities		1,626,882	1,394,346
Net assets		271,657	234,853
EQUITY			
Contributed equity		29	29
Accumulated surplus		271,628	234,824
Net worth		271,657	234,853

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total Equity \$'000
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
Balance at 1 July 2017	29	234,824	234,853
Net result for the year	-	36,804	36,804
Other comprehensive income for the year	-	-	-
Balance at 30 June 2018	29	271,628	271,657

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest and distributions received		106,665	82,943
Receipts from practising certificates fees and Fidelity Fund contributions		11,780	11,175
Other receipts		637	680
Goods and Services Tax recovered from the ATO		108	1,427
Total receipts		119,190	96,225
PAYMENTS			
Payments to suppliers and employees		(22,004)	(22,098)
Payments of Fidelity Fund claims, costs and other expenses		(2,499)	(3,509)
Payments of grants		(41,856)	(43,132)
Total payments		(66,359)	(68,739)
Net cash flows from/(used in) operating activities	5.1.2	52,831	27,486
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments and other financial assets		94,061	95,146
Purchases of non-financial assets		(113)	(391)
Payments for intangible assets		(149)	(622)
Payments for investments and other financial assets		(127,249)	(173,735)
Net cash flows from/(used in) investing activities		(33,450)	(79,602)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases		(13)	(14)
Deposits into statutory deposit accounts by solicitors		1,389,763	1,113,652
Withdrawals from statutory deposit accounts by solicitors		(1,160,872)	(800,116)
Net cash flows from/(used in) financing activities		228,878	313,522
Net increase/(decrease) in cash and cash equivalents		248,260	261,406
Cash and cash equivalents at the beginning of the financial year		685,643	424,237
Cash and cash equivalents at the end of the financial year	5.1.1	933,903	685,643

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 2018.

The Board and Commissioner are not-for-profit government agencies of the state of Victoria. The Board and Commissioner were originally established under the Legal Professional Act 2004 (the former Act) on 12 December 2005. Both agencies' roles and functions now come under the *Legal Profession Uniform Law Application Act 2014* (the Act) which repeals the former Act, effective from 1 July 2015.

The principal address is:

Level 5, 555 Bourke Street Melbourne VIC 3000

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

1.1 BASIS OF PREPARATION

REPORTING ENTITY

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

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

CURRENCY AND ROUNDING

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

MEASUREMENT AND ACCOUNTING BASIS

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

- the Fidelity Fund claims provision that is calculated with regard to actuarial assessments and employee long service leave provisions; and
- financial instruments including managed investment schemes after initial recognition, which are measured at fair value with movements reflected in the 'other economic flows – other comprehensive income' (refer to Note 7.1 and Note 7.2 for further detail).

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

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.

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.

CASH FLOW STATEMENT

Cash flows are classified according to whether they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

2 FUNDS ADMINISTERED

2.1 THE BOARD

The Board is an independent statutory authority; a public entity but it does not represent the Crown. Fiona McLeay 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
- contribute to the effective administration of a 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. Fiona McLeay is the Commissioner.

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

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

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

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

2.3 FUNDS ADMINISTERED

2018	Cash and Deposits (Note 5.1.1) \$'000	Investments and other financial assets (Note 5.2) \$'000	Total \$'000
PUBLIC PURPOSE FUND			
General Account	62,820	111,383	174,203
Less: Inter Entity - due to Commissioner	(3,892)	-	(3,892)
Net General Account	58,929	111,383	170,312
Distribution Account	268	56,016	56,284
Statutory Deposit Account	841,157	748,904	1,590,061
Total Public Purpose Fund	900,354	916,303	1,816,657
FIDELITY FUND			
Total Fidelity Fund	29,658	38,037	67,695
Total Board funds	930,012	954,340	1,884,352
COMMISSIONER			
Total Commissioner funds	3,893	-	3,893
Total Board and Commissioner funds administered	933,905	954,340	1,888,245
2017			
PUBLIC PURPOSE FUND			
General Account	45,704	64,723	110,427
Less: Inter Entity - due to 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

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

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Distributions from Investments	28,474	38,392
Interest on Statutory Deposit Account	17,070	12,075
Interest on Law Practice Residual Trust accounts	28,084	24,034
Interest on Operating Accounts	1,567	1,179
Total Public Purpose Fund interest and distributions	75,195	75,680
FIDELITY FUND		
Distributions from Investments	2,196	2,464
Interest on Operating Account	167	162
Total Fidelity Fund interest and distributions	2,363	2,626
Total interest and distributions	77,558	78,306

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

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	8,448	7,641
FIDELITY FUND		
Fidelity Fund contributions	2,654	2,503
Total Practising certificate fees and Fidelity Fund contributions	11,102	10,144

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 2018 to 30 June 2019 are payable prior to 30 June 2018. This income has been accounted for as income received in advance (refer to Note 6.2).

3.3 OTHER INCOME

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Income from fines	49	84
Income from Commissioner - asset usage	346	278
Sundry income	416	411
Total Public Purpose Fund other income	811	773
FIDELITY FUND		
Fidelity Fund recoveries	-	-
Total Fidelity Fund other income	-	-
VICTORIAN LEGAL SERVICES COMMISSIONER		
Board funding to the Commissioner	8,623	8,866
Employee benefits recharged	5,378	4,984
Income from the Board - asset usage	8	8
Income from fines	-	2
Costs recoveries	343	250
Sundry income	-	102
Total Commissioner other income	14,352	14,212
Elimination of inter-entity income	(14,355)	(14,136)
Total other income	808	849

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

	2018 \$'000	2017 \$'000
VICTORIAN LEGAL SERVICES COMMISSIONER		
Salaries and wages, annual leave, long service leave	(9,848)	(9,319)
Superannuation contributions	(814)	(801)
Other employee on-costs and training	(667)	(680)
Termination benefits	(46)	-
Total employee benefits expense	(11,375)	(10,800)

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

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

Under section 59 of the Act, staff supporting the activities of the Board are classified as employees of the Commissioner, who employs all staff under Part 3 of the *Public Administration Act 2004*. The Commissioner recharges staff costs to the Board for those staff undertaking Board functions.

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

4.1.2 SUPERANNUATION CONTRIBUTIONS

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

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

4.2 FUNDING AND GRANTS EXPENSES

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

Public Purpose Fund	2018 \$'000	2017 \$'000
FUNDING AND GRANTS ALLOCATED FROM THE DISTRIBUTION ACCOUNT		
OTHER FUNDING		
Victoria Legal Aid	30,037	31,162
Victorian Law Reform Commission	2,046	1,784
Victoria Law Foundation	1,864	1,849
GRANTS		
Major grants and projects approved	4,230	2,801
Total funding and grants allocated from the Distribution Account	38,177	37,596
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
FUNDING TO PERFORM FUNCTIONS UNDER THE ACT		
Victorian Civil and Administration Tribunal - Legal Practice List	957	1,193
Victorian Legal Admissions Board	1,244	1,207
OTHER FUNDING		
Professional association programs to the Law Institute and Victorian Bar	3,195	2,908
Legal Profession Uniform Framework	523	518
Total funding allocated from the General Account	5,919	5,826
Total funding and grants	44,096	43,422

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

Grant expenses are 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

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
RECHARGE FROM THE VICTORIAN LEGAL SERVICES COMMISSIONER		
Employee benefits ⁴	5,378	4,984
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Trust account inspections	1,745	2,553
Continuing professional development	239	173
OTHER PAYMENTS TO THE LAW INSTITUTE OF VICTORIA		
External interventions and debt collection	21	79
Compliance audits	136	134
External counsel fees	-	122
Total Regulatory payments to the Law Institute of Victoria	2,141	3,061
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Issuing barrister practising certificates	99	98
Total Regulatory payments to the Victorian Bar	99	98
Total payments from Public Purpose Fund	7,618	8,143
VICTORIAN LEGAL SERVICES COMMISSIONER		
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Complaints handling	80	79
Total Regulatory payments to the Victorian Bar	80	79
Elimination of payment to the Commissioner⁴	(5,378)	(4,984)
Net payments to service providers	2,320	3,238

⁴Elimination of payment to the Commissioner are recharges of salaries from the Commissioner to the Board.

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

	2018 \$'000	2017 \$'000
FIDELITY FUND		
FIDELITY FUND CLAIMS		
Capital claims paid	1,934	2,329
Interest claims paid	53	109
Increase/(decrease) in claims payable	237	385
Cost claims paid	50	51
Total Fidelity Fund claims	2,274	2,874
FIDELITY FUND OTHER EXPENSES		
Legal expenses	173	563
Consultants	86	75
Investment advice	12	12
Total Fidelity Fund operating expenses	271	650
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Fidelity Fund Investigations	177	172
Total Fidelity Fund claims and other expenses	2,722	3,696

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

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

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

	2018 \$'000	2017 \$'000
LEGAL EXPENSES		
Investigations	950	479
Litigation and other legal expenses	677	1,462
External interventions	1,100	2,412
Compliance audits	15	29
Total legal expenses	2,742	4,382

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

	2018 \$'000	2017 \$'000
OTHER OPERATING EXPENSES		
Information technology	620	498
Occupancy	1,552	1,040
Administration	896	787
External audit fees	75	73
Internal audit fees	90	92
Investment advice	159	156
Consultants	474	223
Other staff costs	81	76
Community and education	2	2
Ex-gratia payments	-	-
Total other operating expenses	3,949	2,947

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

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	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
GENERAL ACCOUNT		
Cash on hand	1	1
General operating account	8,031	23,956
Practising Certificate Fees account	911	916
Term deposits - operating cash	54,900	21,557
Inter-entity balance - Fidelity Fund	(1,023)	(726)
Total General Account	62,818	45,704
Distribution Account	268	268
Statutory Deposit Account - cash trust accounts	841,157	612,266
Total Public Purpose Fund - cash and cash equivalents	904,243	658,238
FIDELITY FUND		
Fidelity Fund operating account	3,044	1,352
Term deposits - operating cash	5,000	5,000
Managed cash	20,591	20,326
Total Fidelity Fund - cash and cash equivalents	28,635	26,678
VICTORIAN LEGAL SERVICES COMMISSIONER		
Cash on hand	1	1
Total Victorian Legal Services Commissioner	1	1
ELIMINATION OF INTER-ENTITY BALANCES		
Inter-entity balance - Board	1,023	726
Total amounts eliminated	1,023	726
Balances per cash flow statement	933,903	685,643

5.1.2 RECONCILIATION OF NET RESULT FOR THE PERIOD TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2018 \$'000	2017 \$'000
Net result for the year	36,804	36,309
NON-CASH MOVEMENTS		
Depreciation	926	800
Net (gain)/loss on financial instruments	(16,468)	(13,409)
Net (gain)/loss on non-financial instruments	-	(11)
Other net (gain)/loss from other economic flows	666	(3,209)
MOVEMENTS IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	29,045	4,462
(Increase)/decrease in prepayments	(58)	(50)
Increase/(decrease) in payables	1,165	1,323
Increase/(decrease) in provisions	74	240
Increase/(decrease) in income received in advance	677	1,031
Net cash inflow/(outflow) from operating activities	52,831	27,486

5.2 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2018 \$'000	2017 \$'000
CURRENT		
PUBLIC PURPOSE FUND INVESTMENTS		
Australian fixed interest	76,649	145,638
Global fixed interest	186,997	183,640
Diversified growth funds	162,252	165,187
Australian equities	80,026	62,274
Australian small capitalisation equities	27,038	16,008
Overseas equities - unhedged	94,499	73,370
Overseas equities - hedged	29,873	20,041
Emerging market equities	25,244	22,179
Property and infrastructure managed funds	83,726	20,484
Total Public Purpose Fund investments	766,304	708,821
FIDELITY FUND INVESTMENTS		
Australian fixed interest	8,270	7,976
Global fixed interest	8,053	7,751
Diversified growth funds	6,129	5,949
Australian equities	8,169	7,255
Overseas equities - unhedged	4,740	4,202
Overseas equities - hedged	2,676	2,528
Total Fidelity Fund investments	38,037	35,661
Total investments	804,341	744,482
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	74,000	84,435
NON-CURRENT		
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	76,000	76,000
Total other financial assets	150,000	160,435
Total investments and other financial assets	954,341	904,917

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 2018 (and 30 June 2017).

5.3 PLANT AND EQUIPMENT

5.3.1 INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT, IMPAIRMENT AND REVALUATION

INITIAL RECOGNITION

Items of **plant and equipment** are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

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

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

The initial cost for **non-financial physical assets under a finance lease** 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.

IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

5.3.2 DEPRECIATION AND AMORTISATION

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Leasehold improvements	263	260
Office equipment	3	3
Office furniture and fittings	1	1
Computer equipment	191	122
Intangible assets	455	400
Total Public Purpose Fund depreciation and amortisation	913	786
VICTORIAN LEGAL SERVICES COMMISSIONER		
Motor vehicles	13	14
Total Commissioner depreciation	13	14
Total depreciation and amortisation	926	800

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 2018	Useful life 2017
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 OF NON-FINANCIAL ASSETS

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

Public Administration	2018 \$'000	2017 \$'000
COMPUTER EQUIPMENT		
Historical Cost	1,301	869
Less: accumulated depreciation	(747)	(556)
Net carrying amount - Computer equipment	554	313
OFFICE EQUIPMENT		
Historical Cost	44	31
Less: accumulated depreciation	(27)	(25)
Net carrying amount - Office equipment	17	6
LEASEHOLD IMPROVEMENTS		
Historical Cost	3,591	2,616
Less: accumulated depreciation	(991)	(728)
Net carrying amount - Leasehold improvements	2,600	1,888
OFFICE FURNITURE AND FITTINGS		
Historical Cost	38	38
Less: accumulated depreciation	(35)	(35)
Net carrying amount - Office furniture and fittings	3	3
MOTOR VEHICLES		
Historical Cost	65	65
Less: accumulated depreciation	(23)	(10)
Net carrying amount - Motor vehicles	42	55
Total net carrying amount - Plant and equipment	3,216	2,265
ASSETS IN PROGRESS		
Computer equipment	44	75
Total plant and equipment	3,260	2,340

All balances are non-current.

5.4 RECEIVABLES

5.4.1 STATUTORY AND CONTRACTUAL RECEIVABLES

	Note	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND			
CONTRACTUAL RECEIVABLES			
Trade receivables		273	363
Provision for impairment of receivables	5.4.3	(206)	(204)
Accrued investment distributions		192	27,469
Accrued interest - Residual Trust Accounts		2,433	2,302
Accrued interest - Statutory Deposit Accounts		1,220	893
Accrued other interest and income		1,234	1,706
Total contractual receivables		5,146	32,529
STATUTORY RECEIVABLES			
GST recoverable		140	248
Total statutory receivables		140	248
Total Public Purpose Fund receivables		5,286	32,777
FIDELITY FUND			
CONTRACTUAL RECEIVABLES			
Accrued investment distributions		-	1,775
Accrued interest		10	51
Total contractual receivables		10	1,826
Total Fidelity Fund receivables		10	1,826
VICTORIAN LEGAL SERVICES COMMISSIONER			
CONTRACTUAL RECEIVABLES			
Trade receivables		762	539
Provision for impairment of receivables	5.4.3	(331)	(370)
Total contractual receivables		431	169
Total Commissioner receivables		431	169
Total receivables		5,727	34,772

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.

5.4.2 MOVEMENT IN THE PROVISION FOR DOUBTFUL DEBTS

Movements in the provision for impairment of receivables are as follows

	2018 \$'000	2017 \$'000
Balance at beginning of the year	574	456
Increase in provision recognised in the net result	-	162
Receivables written off during the year as uncollectable	(39)	(44)
Balance of provision for doubtful debts at 30 June	535	574

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 written off 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'.

5.4.3 AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

2018	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	192	192	-	-	-	-
Accrued interest - Residual Trust Accounts	2,433	2,433	-	-	-	-
Accrued interest - Statutory Deposit Account	1,220	1,220	-	-	-	-
Trade receivables - Board	67	7	20	10	30	206
Trade receivables - Commissioner	431	238	26	-	167	331
Accrued other income	1,244	1,244	-	-	-	-
Total receivables	5,587	5,334	46	10	197	537
2017						
CONTRACTUAL RECEIVABLES						
Accrued investment distributions	29,244	29,244	-	-	-	-
Accrued interest - Residual Trust Account	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

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

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
CURRENT		
Bank - Statutory Deposit Account	1,590,061	1,361,170
Total Statutory Deposit Account balances	1,590,061	1,361,170

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:

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Cash trust accounts	841,157	612,266
Term deposits - Statutory Deposit Accounts	150,000	160,435
Australian fixed interest	57,632	129,944
Global fixed interest	151,300	151,300
Diversified growth funds	131,659	139,419
Australian equities	43,794	34,894
Australian small capitalisation equities	20,000	15,000
Overseas equities - unhedged	78,850	66,650
Overseas equities - hedged	19,262	10,462
Emerging market equities	20,000	20,000
Property and infrastructure managed funds	76,407	20,800
Total Statutory Deposit Account balances	1,590,061	1,361,170

6.2 INCOME RECEIVED IN ADVANCE

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	8,845	8,160
FIDELITY FUND		
Fidelity Fund contributions	2,387	2,395
Total income received in advance	11,232	10,555

Income received in advanced is current.

Income received in advance includes practising certificate fees and Fidelity Fund contributions for the financial year 1 July 2018 to 30 June 2019 that are payable prior to 30 June 2018.

6.3 PAYABLES

6.3.1 CONTRACTUAL AND STATUTORY PAYABLES

	2018 \$'000	2017 \$'000
CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Contractual payables and accrued expenses	1,625	3,220
Major grants, projects and lease incentive	4,871	2,079
Total Public Purpose Fund current payables	6,496	5,299
FIDELITY FUND		
Contractual payables and accrued expenses	532	326
Total Fidelity Fund current payables	532	326
VICTORIAN LEGAL SERVICES COMMISSIONER		
Contractual payables and accrued expenses	343	364
Total Commissioner current payables	343	364
NON-CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Major grants, projects and lease incentive	3,130	2,272
Total non-current payables Public Purpose Fund	3,130	2,272
Total payables	10,501	8,261

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, projects and lease Incentive includes the Board's liability for grants in respect of grants approved during the financial year ended 30 June 2018 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. It also includes the proportion of the total unrecognised lease incentive, a contractual liability recognised in FY18 following the recognition of a contractual asset and a change in the accounting treatment for the lease incentive offered by the Lessor to the VLSBC office premises at the start of the office lease in September 2014. This change in accounting treatment follows the use of grossed up average rent charged to the income and expenditure statement per AASB 17.

6.3.2 MATURITY ANALYSIS OF CONTRACTUAL LIABILITIES

2018	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
CONTRACTUAL PAYABLES						
Contractual payables and accrued expenses - Public Purpose Fund	1,625	1,625	1,625	-	-	-
Contractual payables and accrued expenses - Fidelity Fund	532	532	532	-	-	-
Contractual payables and accrued expenses - Victorian Legal Services Commissioner	343	343	343	-	-	-
Major grants, projects and lease incentive	8,001	8,001	-	-	4,871	3,131
Statutory Deposit Account balances	1,590,061	1,590,061	1,590,061	-	-	-
Total	1,600,562	1,600,562	1,592,561	-	4,871	3,131
2017						
CONTRACTUAL PAYABLES						
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	-	-	2,078	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

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 PROVISIONS

	Note	2018 \$'000	2017 \$'000
CURRENT PROVISIONS			
FIDELITY FUND CLAIMS PROVISION			
Fidelity Fund current provision for claims lodged and anticipated	6.4.1	3,040	2,480
Total current Fidelity Fund claims provision		3,040	2,480
EMPLOYEE BENEFITS PROVISIONS			
ANNUAL LEAVE			
Unconditional and expected to be settled within 12 months		464	470
Unconditional and expected to be settled after 12 months		137	89
LONG SERVICE LEAVE			
Unconditional and expected to be settled within 12 months		81	88
Unconditional and expected to be settled after 12 months		1,142	1,022
EMPLOYEE ON-COSTS			
Unconditional and expected to be settled within 12 months		101	103
Unconditional and expected to be settled after 12 months		204	177
Total current employee benefits provisions		2,129	1,949
Total current provisions		5,169	4,429
NON-CURRENT PROVISIONS			
Fidelity Fund non-current provision for claims lodged and anticipated	6.4.1	9,700	9,590
Employee benefits		153	247
Employee on-costs		24	39
Total non-current provisions		9,877	9,876
Total provisions		15,046	14,305

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using the discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

6.4.1 FIDELITY FUND CLAIMS PROVISION

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

The Fidelity Fund liability for outstanding claims is in respect of claims incurred but not yet paid, claims incurred but not yet lodged, 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	2018	2017
Later than one year discount rate ⁽ⁱ⁾	2.38%	2.25%

(i) The discount rate shown above for the discounting of the outstanding defalcations liability as at 30 June 2018 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 2018 AND 30 JUNE 2017

	2018 \$'000	2017 \$'000
Undiscounted liability of lodged claims	3,520	3,730
Plus: Estimated liability for claims incurred but not lodged	5,590	3,400
Estimated undiscounted liability for incurred defalcations	9,110	7,130
PLUS/(MINUS) ADJUSTMENTS		
Less: Discounted to net present value	(580)	(430)
Plus: Internal management expenditure	1,280	1,400
Plus: Risk margin (30%) (2017: 30%)	2,930	2,430
Plus: Allowance for large claim dispute settlement	-	1,540
Net provision per actuarial report	12,740	12,070
Plus: Allowance for specific legal case	-	-
Net provision including allowance for costs	12,740	12,070

MOVEMENTS IN FIDELITY FUND CLAIMS PROVISION

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

	2018 \$'000	2017 \$'000
Opening balance	12,070	15,210
Additions/(reductions) in provisions recognised	670	(3,140)
Closing balance	12,740	12,070

6.4.2 EMPLOYEE BENEFITS PROVISION IN THE BALANCE SHEET

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered. Further information on employee benefits in the comprehensive operating statement is disclosed in Note 4.1.1.

EMPLOYEE BENEFITS PROVISIONS

	2018 \$'000	2017 \$'000
CURRENT EMPLOYEE BENEFITS		
Annual leave entitlements	600	559
Long service leave entitlements	1,223	1,110
Total current employee benefits	1,823	1,669
NON-CURRENT EMPLOYEE BENEFITS		
Long service leave entitlements	153	247
Total non-current employee benefits	153	247
Total employee benefits	1,976	1,916
EMPLOYEE ON-COSTS		
Current on-costs	305	280
Non-current on-costs	24	39
Total on-costs	329	319
Total employee benefits and related on-costs	2,305	2,235

RECONCILIATION OF MOVEMENT IN EMPLOYEE ON-COSTS PROVISION

	2018 \$'000	2017 \$'000
Opening balance	319	297
Unwind of discount and effect of changes in the discount rate	1	10
Additional provisions recognised	9	12
Closing balance	329	319

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 Comprehensive Operating Statement as it is taken.

LONG SERVICE LEAVE

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

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

The components of the current LSL liability are measured at:

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

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

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised in the 'net result from transactions', except to the extent that a gain or loss arises due to changes on bond interest rates for which it is then recognised as an other economic flow (refer to Note 9.1.3).

TERMINATION BENEFITS

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

EMPLOYEE ON-COSTS

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

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).

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

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

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

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

7.1.2 DERECOGNITION, IMPAIRMENT AND RECLASSIFICATION OF FINANCIAL INSTRUMENTS

DERECOGNITION OF FINANCIAL ASSETS

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

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

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

DERECOGNITION OF FINANCIAL LIABILITIES

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

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

7.1.3 FINANCIAL INSTRUMENTS CATEGORISATION

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

FINANCIAL INSTRUMENTS CATEGORISATION FOR THE YEAR ENDED 30 JUNE 2018

2018	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	-	933,903	-	933,903
RECEIVABLES				
Trade receivables - Board	-	67	-	67
Trade receivables - Commissioner	-	431	-	431
Accrued investment distributions	-	192	-	192
Accrued interest - Residual Trust Account	-	2,433	-	2,433
Accrued interest - Statutory Deposit Account	-	1,220	-	1,220
Accrued other interest and income	-	1,244	-	1,244
Total receivables	-	5,587	-	5,587
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Managed investment schemes	804,341	-	-	804,341
Term deposits - Statutory Deposit Account	-	150,000	-	150,000
Total investments and other financial assets	804,341	150,000	-	954,341
Total contractual financial assets	804,341	1,089,490	-	1,893,831
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses	-	-	2,499	2,499
Major grants, projects and lease incentive	-	-	8,002	8,002
Total payables	-	-	10,501	10,501
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	-	-	42	42
Statutory Deposit Account balances	-	-	1,590,061	1,590,061
Total borrowings and deposits at call	-	-	1,590,103	1,590,103
Total contractual financial liabilities	-	-	1,600,604	1,600,604

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

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

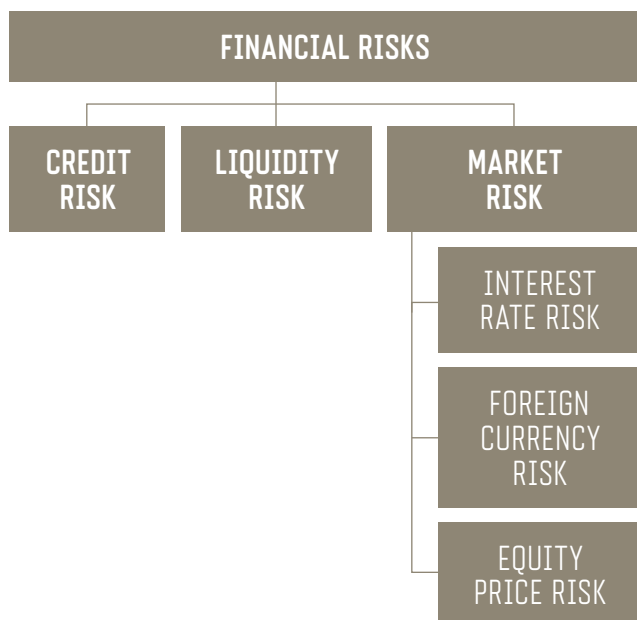
2018	Net holding gain/(loss) \$'000	Total distribution income \$'000	Total \$'000
Financial assets designated at fair value through profit/loss	16,387	30,670	47,057
Total contractual financial assets	16,387	30,670	47,057
2017			
Financial assets designated at fair value through profit/loss	11,961	40,856	52,817
Total contractual financial assets	11,961	40,856	52,817

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

2018	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	913,311	20,591	-	-	-	-	-	2	933,904
Receivables ⁽ⁱ⁾	4,897	-	-	-	-	-	192	498	5,587
Investments and other financial assets	150,000	524,484	-	73,796	61,818	136,520	7,723	-	954,341
Total contractual financial assets	1,068,208	545,075	-	73,796	61,818	136,520	7,915	500	1,893,832
2017									
Cash and deposits	665,315	20,327	-	-	-	-	-	1	685,643
Receivables ⁽ⁱ⁾	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

⁽ⁱ⁾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 2018 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 2018

2018	Interest rate exposure				
	Weighted average interest rate %	Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
FINANCIAL ASSETS					
Cash and deposits	1.77%	933,903	-	933,903	-
RECEIVABLES					
Trade receivables - Public Purpose Fund		67	-	-	67
Trade receivables - Victorian Legal Services Commissioner		431	-	-	431
Accrued investment distributions		192	-	-	192
Accrued interest - Residual Trust Account		2,433	-	-	2,433
Accrued interest - Statutory Deposit Account		1,220	-	-	1,220
Accrued other income		1,244	-	-	1,244
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes	3.32%	804,341	279,969	-	524,372
Term deposits - Statutory Deposit Accounts	2.68%	150,000	-	150,000	-
Total financial assets		1,893,831	279,969	1,083,903	529,959
FINANCIAL LIABILITIES					
PAYABLES					
Payables and accrued expenses		2,499	-	-	2,499
Major grants and projects		8,002	-	-	8,002
BORROWINGS AND DEPOSITS					
Borrowings	3.25%	42	42	-	-
Statutory Deposit Account balances		1,590,061	-	-	1,590,061
Total financial liabilities		1,600,604	42	-	1,600,562

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
Disputed costs		-	-	-	-
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 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 (2017: 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:

2018	Carrying amount \$'000	Interest rate risk			
		-50 basis points (2017: -50 basis points)		+50 basis points (2017: +50 basis points)	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
CONTRACTUAL FINANCIAL ASSETS					
Cash and deposits ⁽ⁱ⁾	933,903	(4,670)	(4,670)	4,670	4,670
Term deposits - Statutory Deposit Account ⁽ⁱⁱ⁾	150,000	(370)	(370)	370	370
Investments	804,341	-	-	-	-
Total impact		(5,040)	(5,040)	5,040	5,040
2017					
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

(i) Cash and deposits includes cash and deposits of \$933,903 thousand (2017: \$685,643 thousand) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2018: \$933,903 thousand x (-)/+0.5% = (-)/+\$4,670 thousand; and
- 2017: \$685,643 thousand x (-)/+0.5% = (-)/+\$3,428 thousand.

(ii) Term deposits - SDA includes term deposits of \$150,000 thousand (2017: \$160,435 thousand) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2018: \$150,000 thousand x (-)/+0.5% = (-)/+\$370 thousand; and
- 2017: \$160,435 thousand x (-)/+0.5% = (-)/+\$422 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 2018 was \$28.08m (2017: \$24.03m). Based on a rolling average balance in Residual Trust Funds as at 30 June 2018 of \$2.48b (2017 \$2.09b), a 50 basis point movement would impact the revenue attributable to the Board by \$12.41m (2017 \$10.44m).

EQUITY PRICE RISK

Exposure to equity price risk arises due to the inherent risk due to the possibility of falls in the market value of the investments held for trading. The Board is exposed to equity price risk through its investments in listed and unlisted managed investment schemes (the Commissioner does not hold investments in managed investment schemes). Such investments are allocated and traded to match the approved investment objectives appropriate for the Board's liabilities.

The Board oversees the management of equity price risk throughout the year. The Board's objective of managing other price risk is to minimise negative impacts on investment value due to the volatility of financial markets.

The Board has appointed Mercer as its external, independent investment managers to review and provide recommendations on its investment strategies, asset allocation and fund managers. Management and Mercer closely monitor investment performance and provide reporting to the Board on a monthly basis.

The investment manager is expected to manage this risk with parameters set by the Board and with appropriate oversight by management and the Board. The risk is managed through the appropriate diversification of managed investment funds and diversification through different asset classes as per the mandated allocations.

EQUITY PRICE RISK SENSITIVITY ANALYSIS

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.

2018	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⁾	804,341	(120,651)	(120,651)	80,434	80,434
Total impact		(120,651)	(120,651)	80,434	80,434
2017					
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

(i) Investments of \$804,341 thousand (2017: \$744,482 thousand) are exposed to equity price movements. Sensitivities to these movements are calculated as follows:

- 2018: \$804,341 thousand x -15% = \$(120,651) thousand; and \$804,341 thousand x 10% = \$80,434 thousand; and
- 2017: \$744,482 thousand x -15% = \$(111,672) thousand; and \$744,482 thousand x 10% = \$74,448 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 33% of all global equities in a fully hedged investment product and 67% in an unhedged investment product for the Public Purpose Fund and 50% of all global equities in a fully hedged investment product and 50% in an unhedged investment product for the Fidelity Fund. The target investment allocation is to invest between 0% and 30% for the Public Purpose Fund and between 10% and 30% for the Fidelity Fund of the total investments in global equities. Investments in global equities are \$131.79m as at 30 June 2018 compared with \$100.14m for prior year.

- The target investment allocation for global fixed interest funds is to invest between 10% and 30% of the Public Purpose Fund and 10% and 20% of the Fidelity Fund in those funds. Investments in global fixed interest funds as at 30 June 2018 is \$195.05m compared with \$191.39m in the prior period.
- The target investment allocation for emerging markets funds is to invest between 0% and 10% of the Public Purpose Fund in those funds. Investments in emerging markets funds as at 30 June 2018 is \$25.24m compared with \$22.18m in the prior period.

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

FOREIGN CURRENCY RISK SENSITIVITY

The Board's Management has estimated according to past performance and future expectations that movements in foreign currency will be from negative 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.

2018	Carrying amount \$'000	Foreign currency risk			
		-5%		+10%	
		Net result \$'000	Equity \$'000	Net result \$'000	Equity \$'000
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	804,341	(17,239)	(17,239)	34,478	34,478
Total impact		(17,239)	(17,239)	34,478	34,478
2017					
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

⁽ⁱ⁾ Investments include unhedged global equities, global fixed interest and emerging market investments of \$344,776 thousand (2017: \$291,142 thousand) that are exposed to foreign currency movements. Sensitivities to these movements are calculated as follows:

- 2018: \$344,776 thousand x -5% = \$(17,239) thousand; and \$344,776 thousand x 10% = \$34,478 thousand; and
- 2017: \$291,142 thousand x -5% = \$(14,557) thousand; and \$291,142 thousand x 10% = \$29,114 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.

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	• For supplies and services
• Sale of goods and services	• Amounts payable to government and agencies
• Accrued investment income	• Other payables
• Other receivables	• Statutory Deposit Account Balances
Investments and other contractual financial assets	• Lease Liability
• Term deposits	

FAIR VALUE OF FINANCIAL INSTRUMENTS

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

	2018		2017	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and deposits	933,903	933,903	685,643	685,643
RECEIVABLES				
Accrued investment distributions	192	192	29,244	29,244
Accrued interest – Residual Trust Account	2,433	2,433	2,302	2,302
Accrued interest – Statutory Deposit Account	1,220	1,220	893	893
Trade receivables – Public Purpose Fund	67	67	158	158
Trade receivables – Commissioner	431	431	169	169
Accrued other interest and income	1,244	1,244	1,758	1,758
Total receivables	5,587	5,587	34,524	34,524
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Investments at fair value through profit or loss held for trading	804,341	804,341	744,482	744,482
Term deposits – Statutory Deposit Accounts	150,000	150,000	160,435	160,435
Investments and other financial assets	954,341	954,341	904,917	904,917
Total contractual financial assets	1,893,831	1,893,831	1,625,084	1,625,084
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses – Public Purpose Fund	1,625	1,625	3,220	3,220
Contractual payables and accrued expenses – Fidelity Fund	532	532	326	326
Contractual payables and accrued expenses – Commissioner	343	343	364	364
Major grants and projects	8,001	8,001	4,351	4,351
Total payables	10,501	10,501	8,261	8,261
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	42	42	55	55
Statutory Deposit Account balances	1,590,061	1,590,061	1,361,170	1,361,170
Total borrowings and deposits at call	1,590,103	1,590,103	1,361,225	1,361,225
Total contractual financial liabilities	1,600,604	1,600,604	1,369,486	1,369,486

FINANCIAL ASSETS MEASURED AT FAIR VALUE

2018	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	804,341	728,338	76,003	-
Total	804,341	728,338	76,003	-
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	-

7.2.3 FAIR VALUE DETERMINATION OF NON-FINANCIAL ASSETS

Capitalised plant and equipment of \$3.21m at 30 June 2018 (2017: \$2.27m) 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 2018. 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 2017 to 30 June 2018
Accountable Officer	Ms Fiona McLeay	8 Jan 2018 to 30 June 2018
Accountable Officer (Acting)	Mr Russell Daily	27 Sept 2017 to 7 Jan 2018
Accountable Officer	Mr Michael McGarvie	1 July 2017 to 26 Sept 2017
Chairperson	Ms Fiona Bennett	1 July 2017 to 30 June 2018
Board Member	Ms Carolyn Bond AO	1 July 2017 to 11 Dec 2017
Board Member	Ms Catherine Wolthuizen	12 Dec 2017 to 30 June 2018
Board Member	Mr Peter Jopling QC, AM	1 July 2017 to 30 June 2018
Board Member	Mr Steven Stevens	1 July 2017 to 30 June 2018
Board Member	Dr Lynne Williams AM	1 July 2017 to 30 June 2018
Board Member	Ms Catherine Dealehr	1 July 2017 to 30 June 2018
Board Member	Ms Catherine Wood	1 July 2017 to 30 June 2018

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:

	2018 No.	2017 No.
INCOME BAND		
less than \$9,999	-	1
\$10,000 to \$19,999	1	-
\$20,000 to \$29,999	1	-
\$30,000 to \$39,999	1	1
\$40,000 to \$49,999	4	5
\$50,000 to \$59,999	-	-
\$60,000 to \$69,999	-	-
\$70,000 to \$79,999	-	-
\$80,000 to \$89,999	2	1
\$130,000 to \$139,999	1	-
\$250,000 to \$259,999	1	-
\$310,000 to \$319,999	-	1
Total numbers	11	9
Total amount (\$)	798,075	649,385

8.2 REMUNERATION OF EXECUTIVES

The number of Executive Officers, other than the responsible Minister and accountable officers and their total remuneration during the reporting period are shown in the table on the following page. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by or on behalf of the Commissioner, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

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. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Compensation 2018	Compensation 2017
REMUNERATION OF EXECUTIVE OFFICERS		
Short-term employee benefits	\$448,336	\$ 447,923
Post-employment benefits	\$40,251	\$ 40,453
Other long-term benefits	\$6,723	\$25,164
Termination benefits	-	-
Total remuneration	\$495,310	\$513,540
Total number of executives⁽ⁱ⁾	2	2
Total annualised employee equivalents⁽ⁱⁱ⁾	2	2

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures.

(ii) Annualised employee equivalent is based on the time fraction worked over the reporting period. The total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

8.3 RELATED PARTIES

Related parties of the Board and Commissioner include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

During the year, the Board had the following government-related entity transactions:

- Funding to Victoria Legal Aid of \$30.04m (2017: \$31.16m) under Sections 143 and 146 of the Legal Profession Uniform Law Application Act 2014;
- Funding to Victoria Law Reform Commission of \$2.05m (2017: \$1.78m) to continue performing functions under the Victorian Law Reform Commission Act 2000;
- Funding to Victoria Law Foundation of \$1.86m (2017: \$1.85m) to continue performing functions under the Victoria Law Foundation Act 2009 (Vic);
- Funding to Victoria Civil and Administrative Tribunal of \$0.96m (2017: \$1.19m) for the Legal Practice List; and
- Funding to Victoria Legal Admissions Board of \$1.24m (2017: \$1.21m) to perform functions under Legal Profession Uniform Law Application Act 2014– primarily to regulate entry to the legal profession in Victoria.

Key management personnel of the Board and Commissioner includes Portfolio Minister, the Hon. 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 2017 to 30 June 2018
Accountable Officer	Ms Fiona McLeay	8 Jan 2018 to 30 June 2018
Accountable Officer (Acting)	Mr Russell Daily	27 Sept 2017 to 7 Jan 2018
Accountable Officer	Mr Michael McGarvie	1 July 2017 to 26 Sept 2017
Chairperson	Ms Fiona Bennett	1 July 2017 to 30 June 2018
Board Member	Ms Carolyn Bond AO	1 July 2017 to 11 Dec 2017
Board Member	Ms Catherine Wolthuizen	12 Dec 2017 to 30 June 2018
Board Member	Mr Peter Jopling QC, AM	1 July 2017 to 30 June 2018
Board Member	Mr Steven Stevens	1 July 2017 to 30 June 2018
Board Member	Dr Lynne Williams AM	1 July 2017 to 30 June 2018
Board Member	Ms Catherine Dealehr	1 July 2017 to 30 June 2018
Board Member	Ms Catherine Wood	1 July 2017 to 30 June 2018
Executive Director, Complaints & Intervention	Russell Daily	1 July 2017 to 30 June 2018
Executive Director, Finance, Risk & Policy	John Ireson	1 July 2017 to 30 June 2018
Manager, Practitioner Services	Shirley Joseph	1 July 2017 to 30 June 2018
Group Manager, Corporate Operations	Julie Thomson	1 July 2017 to 30 June 2018

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 2018	Compensation 2017
COMPENSATION OF KEY MANAGEMENT PERSONNEL		
Short-term employee benefits	\$1,247,432	\$1,333,691
Post-employment benefits	\$197,389	\$124,318
Other long-term benefits	\$19,436	\$35,407
Total	\$1,464,257	\$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 a total of a \$233,000 grant awarded on terms and conditions equivalent for those that prevail in arms-length transactions under the VLSB Grants program. Ms Carolyn Bond was excluded from discussions and decision making regarding the application.
- Ms Fiona Bennett and Mr Steven Stevens are members of the Legal Services Council which received \$523,287 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 2018.

All other transactions that have occurred with Key Management Personnel and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Board and Commissioner's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

9 OTHER DISCLOSURES

9.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

OTHER ECONOMIC FLOWS – BY ENTITY

	2018 \$'000	2017 \$'000
PUBLIC PURPOSE FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	15,808	11,087
Net gain/(loss) on disposal of financial instruments through profit and loss	80	1,611
Bad debts written off unilaterally and doubtful debts	(1)	(158)
Total net gain/(loss) on financial instruments	15,887	12,540
FIDELITY FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	580	874
Change due to actuarial valuations	(670)	3,140
Total net gain/(loss) on non-financial instruments	(90)	4,014
VICTORIAN LEGAL SERVICES COMMISSIONER		
Bad debts written off unilaterally and doubtful debts	1	(5)
Net gains/(losses) on disposal of property, plant and equipment	-	11
Net gain/(loss) from the revaluation of present value of long service leave	4	69
Total net gain/(loss) on non-financial instruments	5	75
Total other economic flows included in net result	15,802	16,629

OTHER ECONOMIC FLOWS - BY TYPE

	2018 \$'000	2017 \$'000
NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Net gain/(loss) on financial instruments arising from changes in fair value	16,388	11,961
Net gain/(loss) on disposal of financial instruments through profit and loss	80	1,611
Bad debts written off unilaterally and doubtful debts	-	(163)
Total net gain/(loss) on financial instruments	16,468	13,409
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	(670)	3,140
Provision for costs settlement	-	-
Net gain/(loss) from the revaluation of present value of annual leave	-	-
Net gain/(loss) from the revaluation of present value of long service leave	4	69
Total other gains/(loss) from other economic flows	(666)	3,209
Total other economic flows included in net result	15,802	16,629

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

Types of other economic flows included in net result include:

- net gain/(loss) on financial instruments;
- net gain/(loss) on non-financial assets; and
- other gain/(loss) from other economic flows.

9.1.1 NET GAIN/ (LOSS) ON FINANCIAL INSTRUMENTS

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost;
- disposals of financial assets; and
- bad debts written off unilaterally and increase or decrease in provision for doubtful debts.

9.1.2 NET GAIN/ (LOSS) ON NON-FINANCIAL ASSETS

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

- Revaluation gains/(losses) of non-financial physical assets.
- Net gain/(loss) on disposal of non-financial assets – any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.
- Amortisation of non-produced intangible assets – intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.
- Impairment of non-financial assets.

9.1.3 OTHER GAINS/ (LOSSES) FROM OTHER ECONOMIC FLOWS

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

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

9.2 COMMITMENTS FOR EXPENDITURE

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

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

TOTAL COMMITMENTS PAYABLE

2018	Notes	Less than 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
Operating commitments	9.2.1	542	112	-	654
Operating lease commitments	9.2.2	1,011	4,436	1,524	6,971
Total commitments		1,553	4,548	1,524	7,625
2017					
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

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:

	2018 \$'000	2017 \$'000
OPERATING COMMITMENTS		
Less than 1 year	542	593
Greater than 1 year but not later than 5 years	112	109
Total commitments in relation to operating contracts	654	702

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:

	2018 \$'000	2017 \$'000
OPERATING LEASE COMMITMENTS		
Less than 1 year	1,011	900
Greater than 1 year but less than 5 years	4,436	4,017
Greater than 5 years	1,524	2,579
Total future operating lease payments	6,971	7,496

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 2018 balance is \$85.156m (2017: \$53.276m).

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

	2018 \$'000	2017 \$'000
Victorian Auditor-General's Office ⁽ⁱ⁾		
Audit of financial statements	75	73
Total remuneration of auditors	75	73

(i) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

9.4 CONTINGENT ASSETS AND LIABILITIES

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

At balance date there were no contingent assets or contingent liabilities (2017: 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 2018 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 2018, 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 1058 <i>Income of Not-for-Profit Entities</i>	AASB 1058 standard will replace the majority of Income recognition in relation to government grants and other types of contributions requirements relating to public sector not for profit entities, previously in AASB 1004 Contributions.	1 Jan 2019	The assessment indicates that <i>AASB 1058 Income of Not-for-Profit Entities</i> will not impact on VLSBC.
AASB 2016-7 <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	The assessment indicates that <i>AASB 15 Revenue from Contracts with Customers</i> will not impact on the VLSBC.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment indicates that the VLSBC operating lease for office premises at Level 5, 555 Bourke Street, Melbourne will be brought into the balance sheet as a 'Right-of-use' asset, with a corresponding liability recognised. In addition, a corresponding depreciation expense will replace the current rental expense charged to the Income & Expenditure Statement. The actual dollar impact of this change is work in progress and yet to be quantified. No change for lessors.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	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.	1 Jan 2019	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. 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. The assessment indicates that <i>AASB 9 and AASB 15</i> will not impact on the VLSBC.

10 GLOSSARY OF TERMS AND STYLE CONVENTIONS

The following is a summary of major technical terms used in this report.

ACT

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

ACTUARIAL GAINS OR LOSSES

Actuarial gains or losses on superannuation defined benefit plans are changes in the present value of the superannuation defined benefit liability resulting from:

- a. experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- b. the effects of changes in actuarial assumptions.

ADMINISTERED ITEM

Administered item generally refers to a department or entity lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

AMORTISATION

Amortisation is the expense which results from the consumption, extraction or use over time of a 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. 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.

OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets, fair value changes in financial instruments and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

PAYABLES

Includes short and long term trade debt and accounts payable, grants and interest payable.

PUBLIC PURPOSE FUND

The Public Purpose Fund is maintained under section 133 of the Act. The Fund is comprised of three separate accounts - the General Account, Statutory Deposit Account and the Distribution Account. The funding and expenditure requirements of each of the accounts are detailed in the Act. The amount in the Public Purpose Fund must be kept separate from any other money held by the Board and be held in trust. The Board may invest any money standing to the credit of the Fund that is not immediately required for the purposes of the Public Purpose Fund in the manner in which money may be invested under the *Trustee Act 1958*.

RECEIVABLES

Includes short and long term credit and accounts receivable, grants, taxes and interest receivable.

STATUTORY DEPOSIT ACCOUNT BALANCES (SDA)

Each law practice with Trust Accounts has an individual SDA held in their name by the Board; the balance in this account is linked to their Trust Account. The liability represents the total sum of the individual SDA balances.

SUPPLIES AND SERVICES

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Department.

TRANSACTIONS

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the Board or the Commissioner.

STYLE CONVENTIONS

The notation used in the tables is as follows:

- zero, or rounded to zero

(xxx) negative numbers

200x year period

200x-0x year period

The financial statements and notes are presented based on the illustration for a government department in the 2017-18 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.

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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