

ANNUAL REPORT 2019



Victorian Legal Services
BOARD + COMMISSIONER


LEGAL PROFESSION
Uniform Law

Victorian Legal Services
BOARD + COMMISSIONER

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

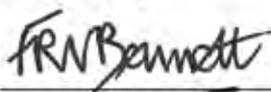
24 September 2019

Dear Attorney-General

We are pleased to provide you with the 2018-19 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 2019. 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

Ordered to be published
VICTORIAN GOVERNMENT PRINTER
September 2019
PP 74, Session 2018-19

Victorian Legal Services Board + Commissioner

Level 5, 555 Bourke Street
Melbourne Victoria 3000

GPO Box 492, Melbourne Victoria 3001

Telephone 03 9679 8001
Local call cost 1300 796 344
Fax 03 9679 8101

Ausdoc DX185 Melbourne

Email admin@lsbc.vic.gov.au
Website www.lsbc.vic.gov.au

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

CONTENTS

CHAPTER 1 INTRODUCTION	2	CHAPTER 5 CORPORATE OPERATIONS AND GOVERNANCE	25
Who we are, Our purpose, and What we do	2	Workforce data	26
Snapshot of legal regulation in 2018-19	4	Governance and compliance statements	29
Chairperson's Report	6	Office based environmental impacts	32
CEO and Commissioner's report	7	Attestations	35
CHAPTER 2 HOW WE PROTECT CONSUMERS AND THE PUBLIC	8	APPENDICES	36
Applying our regulatory tools	8	APPENDIX 1 Board membership and committees	37
Providing a compensation scheme	10	APPENDIX 2 Victoria's Legal Profession	41
Giving consumers a stronger voice in regulation	11	APPENDIX 3 Complaints and related data	51
Licensing lawyers and determining suitability	11	APPENDIX 4 Commissioner Prosecutions in VCAT and the Courts	61
Investigating complaints and resolving disputes	11	APPENDIX 5 Board delegations	69
Protecting consumers from unqualified legal practice	13	APPENDIX 6 Commissioner delegations	90
Providing a proactive Grants Program	13	APPENDIX 7 Board and Commissioner consolidated financial report	114
CHAPTER 3 HOW WE ASSIST THE PROFESSION	15	APPENDIX 8 Disclosure Index	179
Improving our regulatory performance	15		
New policies to support lawyers	18		
Major initiatives to support lawyers	18		
CHAPTER 4 HOW WE MANAGE OUR FUNDS	19		
Managing the Public Purpose Fund (PPF)	19		
Ensuring transparency in our financial performance	21		
Making prudent investments	22		
Funding the professional associations	24		

CHAPTER 1

INTRODUCTION

This is the annual report of the Victorian Legal Services Board and Commissioner. It covers the 12-month period from 1 July 2018 to 30 June 2019.

WHO WE ARE

We were established on 1 July 2015 under the *Legal Profession Uniform Law Application Act 2014* (Vic) (or the 'Application Act' for short). This legislation superseded the *Legal Profession Act 2004* (Vic).

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

Our Board is a body corporate with perpetual succession. It is a public entity, but does not represent the Crown. Our Commissioner, Fiona McLeay, is also the CEO of our Board. Fiona commenced her tenure in January 2018. See Appendix 1 for further details about our Board.

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

OUR PURPOSE

As the primary regulator of the legal profession in Victoria, we implement the Legal Profession Uniform Law (or simply, the 'Uniform Law'). This forms Schedule 1 to the Application Act. A series of Rules and Regulations underneath the Uniform Law further expand the regulatory regime. These serve to protect consumers of legal services and enhance the integrity of the legal profession.

We see the following three objectives as crucial to meeting our obligations under the Uniform Law:

- protect consumers and the public by effective regulation of lawyers and legal practices;
- assist the legal profession to achieve the highest standards of ethics and legal practice; and
- manage the funds under our control to support effective regulation and promote confidence in the administration of justice.

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

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

WHAT WE DO

We have a broad range of responsibilities under the Uniform Law. These are summarised in Figure 1. To deliver on these responsibilities as well as our corporate objectives, we approach our work from two directions, as both a regulator and as a steward of the legal profession.

Our **regulatory** approach involves focussing on:

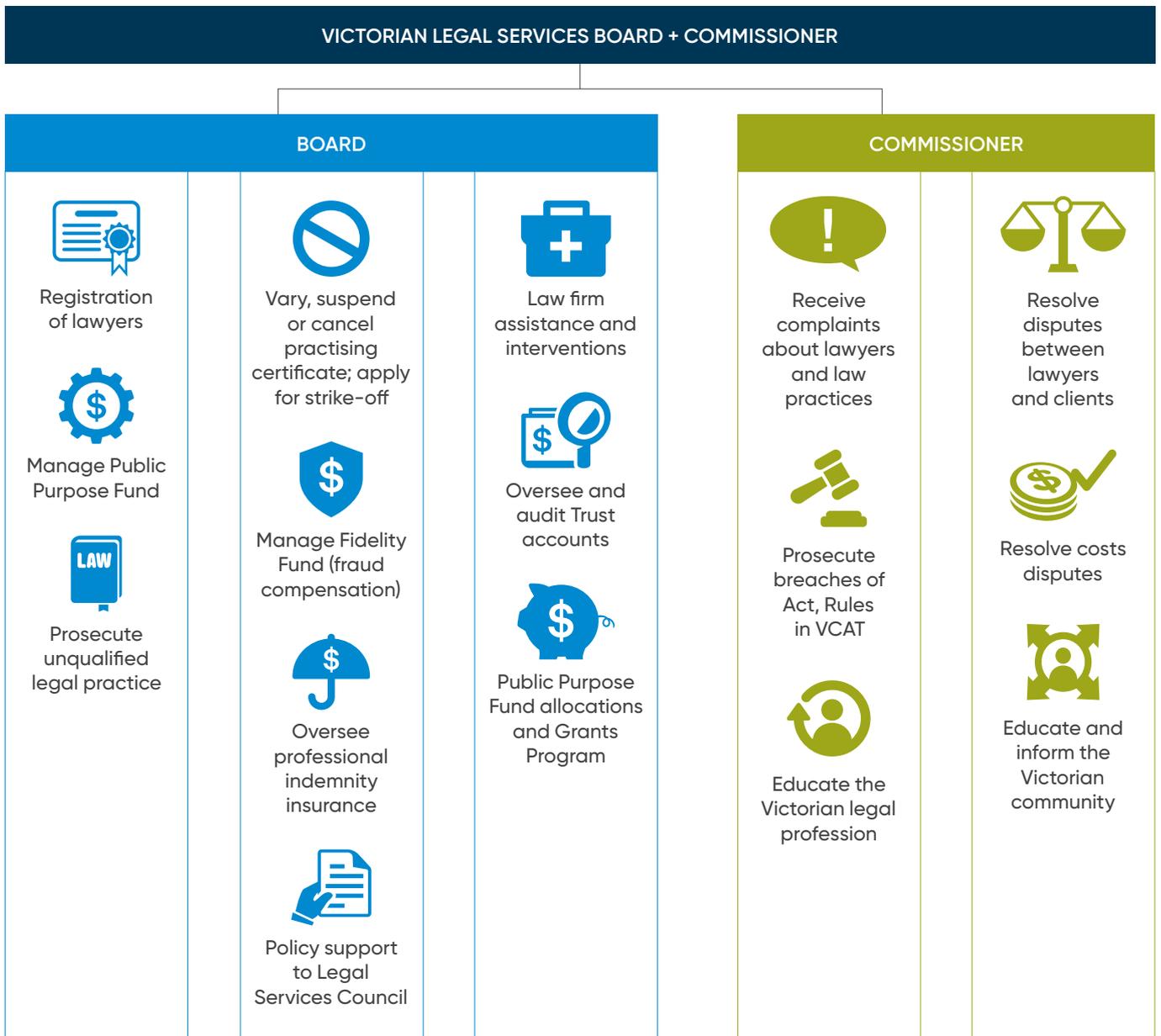
- achieving outcomes to improve legal practice and give consumers confidence in their lawyers;
- managing risk and targeting risky behaviour by lawyers;
- using evidence and high-quality data to make robust decisions;
- working collaboratively with our Uniform Law partners to ensure regulatory consistency;
- maintaining independence, transparency and fairness in everything we do;
- helping consumers make informed choices about legal services; and
- being experimental in how we approach emerging issues within the legal profession.

Our **stewardship** approach ensures that we manage and use our funds effectively so we can:

- provide for research and collaboration with the profession to meet the profession's needs;
- deliver effective regulation to improve confidence in the justice system, access to justice and legal education;
- support a grants program which will have long-lasting, tangible impacts on access to justice across Victoria; and
- provide stability of funding for Victoria Legal Aid and other important legal and justice organisations.

This report provides an overview of how we implement these approaches, and what we have done to meet our statutory responsibilities and corporate objectives during the 2018-19 reporting year.

FIGURE 1: Board and Commissioner functions



ABBREVIATIONS AND ACRONYMS USED IN THIS REPORT

Application Act	<i>Legal Profession Uniform Law Application Act 2014 (Vic)</i>	LIV	Law Institute of Victoria Inc
Bar	Victorian Bar Inc	LPLC	Legal Practitioners' Liability Committee
Board	Victorian Legal Services Board	VLSB	Victorian Legal Services Board
Commissioner	Victorian Legal Services Commissioner	VLSC	Victorian Legal Services Commissioner
CPD	continuing professional development	PC	practising certificate
FTE	full time equivalent	PPF	the Public Purpose Fund
ILP	incorporated legal practice	SDA	statutory deposit account
LPA	<i>Legal Profession Act 2004 (Vic)</i>	SOE	Statement of Expectations
Legal Profession Uniform Law	Schedule 1 of the Application Act	Uniform Law	Legal Profession Uniform Law
		VCAT	Victorian Civil and Administrative Tribunal

SNAPSHOT OF LEGAL REGULATION IN 2018-19

THE VICTORIAN LEGAL PROFESSION AT A GLANCE

23,477
REGISTERED LAWYERS
IN VICTORIA



4.6% HIGHER THAN
LAST YEAR



51%

OF ALL VICTORIAN
LAWYERS ARE FEMALE

9,667



LEGAL PRACTICES
REGISTERED IN VICTORIA

60% ARE EMPLOYEES
OF LAW PRACTICES

34% ARE LAW PRACTICE
PRINCIPALS



4%

FEWER SOLE
PRACTITIONERS

8% ↑

INCREASE IN SOLE DIRECTOR
INCORPORATED LEGAL PRACTICES

PRUDENT FINANCIAL MANAGEMENT TO FUND POSITIVE OUTCOMES



\$4.2
MILLION

IN GRANTS PROVIDED TO

18 ACCESS TO JUSTICE AND
LAW REFORM PROJECTS

12 COMPENSATION
CLAIMS PAID TOTALLING

\$1.8 MILLION



NEW PROGRAMS TO ASSIST LAWYERS

THREE

NEW FLAGSHIP PROJECTS COMMENCED, FOCUSSED ON



SEXUAL HARRASSMENT



LAWYER WELLBEING



INNOVATION



OUR LSB ONLINE PORTAL IS NOW

FULLY ACCESSIBLE

ON ANY MOBILE DEVICE



WE SPOKE TO OVER

2,500

LAWYERS AT SEMINARS, WORKSHOPS AND CONFERENCES

HANDLING ENQUIRIES AND COMPLAINTS



5,731

ENQUIRIES FROM THE PUBLIC



77%

OF COMPLAINTS CLOSED WITHIN

90 DAYS

1,782



CONSUMER AND DISCIPLINARY MATTERS CLOSED

60%

OF WHICH WERE RESOLVED OR WITHDRAWN WITHOUT FURTHER ACTION NEEDED



CHAIRPERSON'S REPORT

At the beginning of the 2018-19 year we welcomed three new Board members – Jennifer Batrouney QC, Liz Harris and Geoff Bowyer.

Jennifer is a past president of the Victorian Bar, and practises in a variety of fields including equity, commercial and revenue matters, as well as having experience in the not-for-profit sector. Liz is a widely-recognised costs expert in Victoria, and Geoff is a past Law Institute of Victoria (LIV) president and an accredited business law specialist. Their broad expertise and strong understanding of legal practice across the profession are valuable assets for our Board.

Two Royal Commissions have been a focus of attention in Victoria this year: the national Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry conducted by the Hon. Kenneth Hayne AC QC, and the Victorian Royal Commission into the Management of Police Informants conducted by the Hon. Margaret McMurdo AC.

The Hayne Royal Commission released its final report in February 2019, and although not directly related to the legal profession, Commissioner Hayne's report contained important lessons for all regulators. The Commissioner identified a demonstrable failure of many professionals in the banking and financial services sector to meet the community's expectations on ethical conduct, and put their client's best interests ahead of their own. He was critical of financial regulators' enforcement approach in the face of such conduct. While we already pay heed to these issues, we have increased our focus on consumer engagement as described further in this annual report. We anticipate that these efforts will continue to give consumers comfort that we are actively protecting their interests.

The Victorian Government announced the McMurdo Royal Commission in December 2018, following public revelations that a former criminal barrister had been acting as a registered police informant and providing information about certain clients over a number of years. The revelations understandably generated significant concern throughout the legal profession, the wider justice system and the Victorian community.

In May this year we provided a detailed submission to the McMurdo Royal Commission explaining the current and previous regulatory framework for Victoria's lawyers, the key professional duties and obligations lawyers have, our view on the use of lawyers as human sources and our regulatory powers. The submission is publicly available on the Royal Commission website. We are committed to assisting the McMurdo Royal Commission in its important work, and are ready to provide further information should it be asked of us.

While they involve very different issues, these two Royal Commissions share one important theme: the public has a right to expect service providers to act ethically and in the best interests of their client – no matter the industry.

We will continue to work with the Victorian legal profession to ensure that lawyers adhere to their ethical obligations so that consumers can have faith that their lawyers are acting in their best interests at all times.

One of the ways we are doing this is through the Uniform Law. Under the administration of the Legal Services Council and the Commissioner for Uniform Legal Services Regulation, the Uniform Law provides a regulatory framework to help ensure lawyers uphold the highest standards of practice and conduct. We work closely with our NSW counterparts, the admission authorities in both NSW and Victoria, and both the Victorian Bar and the LIV to support and advise the Council and Commissioner on implementing and refining the Uniform Law.

Among the many benefits of the uniform model are the strong relationships that develop between the participating jurisdictions. This will expand further in July 2020 following the announcement earlier this year by the Western Australian state government that they will be joining the Uniform Law scheme. From 1 July 2020, approximately three-quarters of all Australian lawyers will come under the same set of regulations. The Western Australian decision is testament to the strength of the Uniform Law scheme, and its value to both lawyers and consumers of legal services.

Continuing this year, our incredibly successful Grants Program provided a further \$4.2 million in funding for access to justice and legal education programs for the Victorian community. In 2018-19 we funded 18 different projects, bringing our total investment to more than \$40 million over the past 11 years. Many of these projects are working to integrate legal services into different fields of practice, such as health, social services, corrections and secondary education.

One of the standout projects from this funding round is Sporting Change. Delivered by the Springvale-Monash Legal Service, it integrates legal education with sport to help engage with secondary school students from diverse cultural and socio-economic backgrounds. This has proven to be an extremely successful program. Close to 100% of past participants reported a significant positive shift in attitude towards Police, Protective Service Officers and other authority figures. Students also developed a better understanding of the possible consequences of getting into trouble with the law.

Sporting Change, and indeed all of the other projects we support through our Grants Program, seek to foster change that empowers participants and leads to a fairer legal system. This has far-reaching benefits for the wider community. I am proud that our Board is able to fund these worthy projects, and make a very real difference in the lives of Victorians.

Fiona Bennett

Chairperson, Victorian Legal Services Board



CEO AND COMMISSIONER'S REPORT

It is always gratifying to look back across the year just gone and see how much we have achieved. This year has been a particularly productive one for us, with a new strategic plan and the launch of several long-term projects that involve both consumers of legal services and all areas of the legal profession and justice system.

Early last year we set about developing a new strategic plan to ensure that, as a regulator, we were meeting the needs of the Victorian public and the legal profession itself. We started with a comprehensive research and consultation phase involving staff, the professional associations, the Courts and several other organisations across the justice system. From those discussions we identified three major focus areas that we believe are equally vital to delivering a strong, just and independent legal regulatory regime:

- protect consumers and the public through effective regulation of lawyers and legal practice;
- assist the profession to achieve the highest standards of ethics and legal practice; and
- manage our funds to support effective regulation and promote confidence in the administration of justice.

To help us meet each of these objectives, we set about redesigning our organisational structure to support our new strategy. Following a carefully planned change management program, we gradually introduced the necessary adjustments to reporting lines and staff functions, and steadily expanded our capacity to undertake work on each of these priority areas. I must thank all of our staff for participating in this process; for their ideas, their feedback and their ongoing support.

With our new strategy in place, we began to progress a series of major initiatives that had been in planning since last year. The first of these was to improve on our understanding of consumers' needs. My visit to the UK in September 2018 gave me a valuable insight to how other regulators manage this issue. There I met with the Solicitors' Regulation Authority and the Legal Services Board of England and Wales. I was interested to learn that many of the issues the UK regulators deal with are similar to our experiences here in Victoria, albeit on a much larger scale than ours. I was impressed with their focus on consumer engagement, and the work both agencies put in to understanding consumer sentiment and needs, particularly the work of the Board's Consumer Panel. We recognise we need to build further capacity in this area. To that end we are in the process of setting up our own Consumer Advisory Panel which will help us fill the gaps we have in our understanding of legal regulation from the consumer perspective.

We also undertook a significant volume of work on investigating the extent to which sexual harassment occurs within the Victorian legal profession. While our data shows few instances of sexual harassment complaints against lawyers, anecdotal evidence and research by human rights organisations suggested this issue is likely more widespread than we know. For this reason in February 2019 I issued a statement making it clear that sexual harassment of any kind was unacceptable and it would not be tolerated within the Victorian profession. We developed a specialist unit to receive and handle complaints about sexual harassment,

and commenced work on two surveys for the profession. The first survey investigates the prevalence and nature of sexual harassment within Victorian legal workplaces, while the second looks at the training, policies and procedures law practices have in place to prevent and manage sexual harassment. Both surveys are due for launch in early 2019-20. I am grateful for the strong support we received for this initiative from leaders right across the justice sector.

Another of our new initiatives is to make it easier for lawyers to step outside the traditional constraints of legal practice and try new ways of providing legal services. We see in our complaints and from our own research that many consumers do not want or cannot afford the traditional methods lawyers use to provide legal services. It doesn't need to be like this. The Uniform Law is broad enough to support many diverse models of practice. We believe that new service designs, aided by technology where appropriate, will help open up new markets for lawyers, while also potentially improving access to justice for consumers. To that end we established a new program to investigate how we could encourage and support law practices who want to explore innovative service delivery models. Our intention here is to act as a sounding board where lawyers can discuss their ideas openly with us and resolve any regulatory issues they may encounter, before committing their time and effort to developing their ideas further. We believe this program will facilitate a level of experimentation that will ultimately benefit both the profession and consumers of legal services.

Both sexual harassment and the operations of legal practices have some influence on another major initiative we progressed during the year: lawyer wellbeing. Our profession is often a stressful one, and working under constant pressure can contribute to depression, anxiety and burnout. We interviewed people from across the sector for their views on wellbeing in the law, and listened to their stories of pressurised and competitive workplaces; of isolation, stress and perfectionism. These insights form a starting point from which we will work with the profession to develop a shared understanding of what drives poor lawyer wellbeing, and identify what we can change about legal workplaces to improve wellbeing outcomes for lawyers. Much more work will happen in this space in the coming years, but I am pleased with our solid start on an issue that will potentially touch a large proportion of our profession.

There are many other programs and initiatives underway, and what follows in this report is a snapshot of some of these. Such achievements are only possible with the encouragement of our Board, and our Chairperson, Fiona Bennett, and with the ongoing support of our skilled, enthusiastic and dedicated staff who drive our agenda forward every day.

Fiona McLeay
Board CEO and Commissioner

CHAPTER 2

HOW WE PROTECT CONSUMERS AND THE PUBLIC

We play an important role in protecting the interests of consumers of legal services in their dealings with lawyers, as well as protecting the public from people falsely claiming to be a lawyer. Our goal is to ensure all Victorian consumers have confidence that they can access high quality legal services from competent and ethical lawyers, when and where they need them.

We use a range of strategies to achieve this. Our Grants Program provides funding to a range of services across the state that help consumers gain better access to justice, or make informed choices about the legal services they might need. The Uniform Law also grants us certain powers to monitor and enforce lawyers' compliance with the rules of legal practice. Our dispute resolution and complaints handling service helps people who have a problem with a lawyer's legal costs, the quality of service they received, or a lawyer's conduct. We also offer a compensation scheme for people who have entrusted money or property to a lawyer, but lost it because of dishonest or fraudulent behaviour by a lawyer.

Using these and other tools, we are able to guide the profession in meeting consumer expectations, as well as support consumers directly in their dealings with lawyers and the legal system.

APPLYING OUR REGULATORY TOOLS

INTERVENING IN LEGAL PRACTICES

Occasionally a legal practice either fails to, or is unable to protect the interest of its clients. This might happen because of a lawyer's alleged improper conduct, insolvency, ill health or death. In such situations, we can take steps to intervene in the operation of the practice to protect client funds and their ongoing legal matters.

The Uniform Law grants us the power to appoint a supervisor to manage a practice's trust account, or appoint a suitably qualified lawyer to take over the management of a practice. In extreme circumstances, we may also ask the Supreme Court of Victoria to appoint a receiver to attempt to recover trust money or trust property belonging to clients.

During 2018-19 we directly intervened in five legal practices to appoint a Manager. The Supreme Court finalised one receivership that was ongoing from the previous reporting year, and one Supervisor appointment was terminated. A further eight Managers concluded their appointments during the year. Table 1 provides further information.

TABLE 1: External interventions

TYPE OF EXTERNAL INTERVENTION	CONTINUING FROM 2017-18	COMMENCED 2018-19	CLOSED DURING 2018-19	ONGOING INTERVENTIONS AS AT 30 JUNE 2019
RECEIVERSHIPS	1	0	1	0
MANAGEMENTS	8	5	8	5
SUPERVISIONS	1	0	1	0

SUPPORTING COMPLIANCE

Many complaints we receive involve relatively minor issues, such as inadequate costs disclosure, poor file management and poor communication. These often happen when lawyers make basic mistakes, like forgetting to make clear file notes, or not keeping a diary. To ensure that these minor issues do not become major problems for clients, we look to identify recurring themes that prevent law practices from meeting their clients' needs and expectations.

Using information collected from complaints, trust account investigations or third party reports, we worked with approximately 15 law practices across 2018-19 to offer support and guidance in overcoming various difficulties. Aided by auditors from the LIV and from private practice, we used either informal discussions or more formal structured audits to help them identify for themselves the issues that cause their problems.

This program encourages and supports law practices to consider what changes they can make to avoid future trouble for both their clients, and for themselves. It also allows us to ensure that law practices receive the most appropriate support for the challenges that they are experiencing.

USING OUR REGULATORY TOOLS TO PROTECT CONSUMERS

Our suite of regulatory tools allow us to tailor how we respond to different situations and enable us to rapidly intervene to protect vulnerable consumers from poor lawyer conduct.

In mid-2018 we were asked by the LIV to have a close look at a Melbourne-based sole practitioner's operations. The lawyer ran a small office, had no complaints history and his niche clientele came from referrals. A routine trust account investigation, however, revealed problems that needed attention.

We worked through a short-form compliance audit with him, which allowed us to look at how he managed his practice and whether he was meeting his regulatory obligations. We uncovered a litany of serious deficiencies in how he managed his practice and handled trust money, which posed significant risks to his clients.

Working closely with the LIV, we began a full compliance audit of his practice alongside a formal trust account audit. These ultimately led us to issue him with a series of Management System Directions – instructions for him to make specific changes to how he worked within a finite timeframe. When a follow-up visit showed he had failed to implement even the most basic of actions, we immediately escalated our response.

Faced with serious disciplinary charges and having a Manager appointed to his practice, the lawyer surrendered his practising certificate and closed his practice.

AUDITING LAWYERS' PROFESSIONAL DEVELOPMENT OBLIGATIONS

Under the Uniform Law, all lawyers (both solicitors and barristers) must complete a minimum of 10 units of continuing professional development (CPD) each year. This helps to ensure lawyers' skills remain current, and they are familiar with changes in the law. The CPD year starts on 1 April and ends on 31 March of the following year, and lawyers must declare if they have achieved their CPD goal when they apply to renew their practising certificate. In certain circumstances we may grant lawyers an exemption from completing all 10 units.

When lawyers fail to meet their CPD obligations we may require them to submit a rectification plan to make up any missing units. We take appropriate enforcement action against lawyers who fail to complete their rectification plan. Further details on CPD are available on our website.

The LIV carries out CPD monitoring and compliance checks of solicitors on our behalf. As part of this function, the LIV works with all solicitors who disclose that they have not met their CPD obligations by 31 March each year. This year, the LIV worked with 265 solicitors who did not meet their CPD quota. These solicitors were required to complete a rectification plan, which the LIV assessed. Most solicitors successfully completed their rectification plans, however 13 failed to do so. We took appropriate action against these solicitors in line with our CPD policy.

The LIV also carries out random audits of solicitors' CPD compliance on our behalf each year. This year the LIV audited 550 solicitors to check they met their CPD compliance during the previous (2017-18) practising year. The LIV found that 19 solicitors failed to meet their compliance obligations, and commenced follow-up action.

Across both the random audit program and the renewal cycle verifications, only 1.4% of solicitors had not met their CPD obligations. Just 0.16% failed to complete a rectification plan, leading to further enforcement action taken. These are extremely low numbers across the size of the profession.

Similarly, the Victorian Bar monitors CPD compliance of all barristers on our behalf. In 2018-19 the Bar contacted 34 barristers who had disclosed they had not met their CPD obligations by 31 March. All but one provided evidence that they had subsequently met their CPD obligations within the allowed timeframe, while the Bar exempted one barrister on medical grounds.

The Bar also carried out audits of barristers. Of the 105 audits conducted, 103 barristers had met their CPD obligations, one had retired and one was exempted based on medical grounds.

OVERSIGHT OF TRUST ACCOUNT MANAGEMENT

In Victoria approximately 3,690 solicitors and barristers' clerks are authorised to receive and deal with trust money on behalf of clients. We are responsible for overseeing how all Victorian trust accounts are managed, and for prosecuting offences against the trust account regulations.

Trust accounts are tightly controlled, and severe penalties can apply where they are misused. To ensure law practices are maintaining the standards of record keeping and money handling that the law requires, we carry out both proactive and reactive investigations into hundreds of trust accounts each year. These investigations, and the strict trust account regulatory regime, serve to protect client money and property held in trust by lawyers.

Most investigations were carried out this year by the LIV trust investigators. From 1 July 2019 our own trust investigators will carry out all trust account investigations. This follows the conclusion of the service level agreement with the LIV.

OUR INVESTIGATIONS

Most of our proactive investigations involve visits to law practices and barristers' clerks where we have identified there is an elevated risk of a regulatory breach occurring. We focus on law practice and barristers' clerks who have had previous breaches, or who have a history of complaints or disciplinary offences.

Our reactive investigations may involve either a full trust account investigation or a light-touch desktop audit – two very different approaches depending on the circumstances and the issues involved. A full investigation is usually triggered when we have concerns about how a trust account is being managed. These concerns may arise from either a complaint, a compensation fund claim, or another relevant information source. A desktop audit is often used to conduct a follow-up on minor issues identified in an earlier investigation.

Where an investigation detects a breach, we take appropriate action. This can involve orders for further training in account management for minor breaches, through to pursuing criminal charges for major offences.

WHAT WE FOUND

Of all 855 investigations into law practices and barristers' clerks carried out during the year, over half (435) revealed no breaches of the trust account regulations. In 194 investigations, we found moderate breaches of the regulations which required only minimal further attention (such as a future desktop audit). In 166 investigations, we found there was a need for further follow-up work with the law practice or barristers' clerk, such as a compliance visit, further education or other remedial work.

A further 60 investigations identified serious breaches of the trust accounting regulations. Thirty-one of these warranted immediate consideration of potential disciplinary action in VCAT. 15 further cases required us to consider direct intervention by appointing either a Supervisor or Manager. Another 14 investigations revealed issues significant enough to warrant referral to the police for possible criminal investigations.

LAWYER BANNED AFTER MISUSING CLIENT TRUST MONEY

When a suburban Melbourne lawyer 'borrowed' \$400,000 from a client and used it to pay down his debts, we investigated and found multiple breaches of the trust accounting regulations.

The client believed his money was to be invested in a property mortgage, and that he would receive interest on his investment. Instead, the lawyer withdrew the money from his law practice's trust account and placed it in a bank account belonging to a company owned by his sister, where he had full access.

When the client died, his family asked the lawyer about the \$400,000. He repeatedly failed to respond, and we received a complaint soon after. We conducted a trust account investigation, which revealed multiple breaches of 19 different trust accounting rules.

The family withdrew their complaint after the lawyer repaid the money, however we were so concerned by his conduct we continued our investigations. These ultimately led us to bring the lawyer before VCAT, where he pleaded guilty to 10 misconduct charges.

In September 2018, VCAT cancelled the lawyer's practising certificate and banned him from practising law for two years, with further restrictions to commence after the ban expired. He was also fined \$20,000, and ordered to pay \$15,000 in legal costs.

PROVIDING A COMPENSATION SCHEME

We manage a compensation scheme for people who have lost trust money or property due to the dishonest or fraudulent behaviour of a lawyer, an employee of a law practice or a barrister's clerk. Our website describes in detail how the compensation scheme – known as the Fidelity Fund – works.

In 2018-19 we received 26 new claims for compensation totalling \$6,571,313.65. Over the year 17 claims for compensation totalling \$5,247,884.87 were resolved. This includes claims received during the previous reporting years. Of these resolved claims:

- 12 were wholly allowed, partly allowed or otherwise settled, with resulting claim payments (including interest) totalling \$1,776,175.24 (not all of which was paid during 2018-19);
- 3 were wholly disallowed, totalling \$1,856,822.62; and
- 2 were withdrawn, totalling \$344,000.

Table 2 shows the claims received and payments made during 2018-19.

TABLE 2: Compensation claims in 2018-19

	2017-18		2018-19	
	NO. OF CLAIMS	AMOUNT \$'000S	NO. OF CLAIMS	AMOUNT \$'000S
Claims received during period	20	2,470	26	6,571
Claim payments made (includes interest) during period	32	2,001	12	1,776
Claims outstanding as at 30 June	14	4,116	23	4,990

GIVING CONSUMERS A STRONGER VOICE IN REGULATION

We acknowledge the importance of having a clear understanding of what consumers want and need so that we can provide a regulatory regime that protects their interests. To that end, we are establishing a Consumer Advisory Committee of our Board to provide us with a stronger consumer perspective on legal regulation. This Committee will commission research to learn about the needs and concerns of consumers of legal services, and their perceptions of the legal profession. This will ultimately feed in to the work we are also doing with the profession on encouraging and supporting innovation in how legal services are provided.

LICENSING LAWYERS AND DETERMINING SUITABILITY

One of our major functions is to license all lawyers in Victoria, as well as assess their suitability to practise law.

At 30 June there were 23,477 lawyers registered in Victoria – approximately 91% were solicitors and 9% were barristers. The number of lawyers has steadily increased over time, with female lawyers comprising 51% of the Victorian profession. 60% of all law practice employees are female, yet women make up only 34% of law practice principals. This year was the first time we recorded non-binary genders in our demographic data. Appendix 2 provides further details on the size of the profession, the gender balance, the types of different roles lawyers have, and the types and locations of law practices operating in Victoria.

We are also responsible for ensuring all Victorian lawyers are fit and proper to practise law at all times. Lawyers must disclose certain things to us, such as whether they have been declared bankrupt, found guilty of a serious offence or a tax offence, or have been disciplined by a legal regulator in another state, territory or country. In such instances, the Uniform Law gives us the power to cancel or limit a lawyer's ability to practise in Victoria, where appropriate. This is an important and powerful consumer protection mechanism. Further information about lawyer suitability is available on our website.

INVESTIGATING COMPLAINTS AND RESOLVING DISPUTES

The Uniform Law gives us the power to receive and handle complaints about Victorian lawyers. In 2018-19 we received 5,731 enquiries from the public about possible complaints involving a lawyer.

Most enquiries do not become complaints as many are resolved on the first contact with our office. Where possible we give enquirers clear information on the issues they are concerned about, or empower them with strategies to resolve the problem for themselves. If we cannot help resolve the issue, we may refer them on to another organisation better able to assist them. Only a small proportion of enquiries go on to become a formal complaint. Table 33 in Appendix 3 describes the outcomes of all enquiries we received in 2018-19.

RECEIVING COMPLAINTS

Under the Uniform Law we can receive complaints involving:

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

Most consumer matters involve disputes over legal costs. Consumers can come to us with a costs dispute of any amount if their total legal bill does not exceed \$100,000. Where their total bill is above \$100,000, we can only accept a dispute for an amount of less than \$10,000. When consumers wish to dispute larger sums than we can accept, we explain what other avenues are available to them to dispute those amounts. Further details are provided on our website.

NEW COMPLAINTS RECEIVED IN 2018-19

We opened 1,784 new complaints this year. Most complaints came from the public, while we opened 54 using our powers ('Commissioner-initiated complaints' – see Table 35). Of all complaints opened, 987 (55%) involved only consumer matters, 754 (43%) involved only disciplinary matters and 43 (2%) were a mixture of the two (see 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 may exist between the two reports due to late file adjustments).

Solicitors receive more complaints than barristers, reflecting their higher level of contact with consumers (see Table 36). Family law, probate/estate provisions, conveyancing and commercial law attract the most complaints, accounting for over half the number of complaints we received (Table 37). These areas of law typically involve heightened states of emotion and stress, and often involve substantial sums of money. Table 38 shows that overcharging and negligence were the most common issues raised in complaints.

HOW WE DEAL WITH COMPLAINTS

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

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

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

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

CLOSING COMPLAINTS AND MATTERS

We closed 1,727 complaints in 2018-19 (Tables 39 and 40), including complaints received in previous years. Among these were a total of 1,782 individual consumer and disciplinary matters. Because mixed complaints contain more than one matter, the number of matters closed is often higher than the number of actual complaints closed.

Of all the matters we closed, over half (1,023) were consumer matters. We successfully resolved 399 consumer matters, while a further 246 were withdrawn by the complainants. This often happens where a complainant decides not to proceed with their complaint after discussing it with our office. We also resolved seven consumer matters by making a determination. Tables 41 and 42 detail all reasons why we closed consumer matters.

We commenced formal investigations into 170 disciplinary matters, including our Commissioner initiated complaints. Table 43 shows the number of disciplinary investigations undertaken in 2018-19. We closed a total of 760 disciplinary matters, not all of which were investigated because some were withdrawn by the complainant (281 matters), and many lower level conduct matters were resolved during our early conversations between the complainant and the lawyer (110). In addition, we made 27 disciplinary determinations, including ordering 12 reprimands for unsatisfactory professional conduct (see Tables 44 and 45).

Table 46 shows the outcomes of Commissioner initiated complaints, and 'Own motion' investigations we commenced for complaints that we handled under the Legal Profession Act 2004 (the predecessor to the Uniform Law).

COMPLAINTS FINALISED AND OUTSTANDING

The time it takes to finalise a complaint varies depending on the complexity of the matters involved and how cooperative the parties are with our processes. We closed 745 complaints within a 30-day period. Most complaints (1,334 or 77%) were finalised within three months of their receipt. This is shown in Tables 47 and 48. A total of 267 complaints took more than 120 days to conclude. These typically involved more complex investigations. By 30 June 2019 there were 523 complaints that had not been closed (including Commissioner initiated complaints), as shown in Tables 49 and 50.

STATUS OF DISCIPLINARY PROCEEDINGS

Appendix 4 shows details of all disciplinary applications we brought before VCAT in 2018-19. Table 51 shows 14 cases were heard and determined at VCAT, and Table 52 shows 21 further matters were awaiting a hearing or final orders as at 30 June 2019. Tables 53 to 56 show the status of other applications brought before VCAT, the Supreme Court of Victoria, or the High Court of Australia.

We appeared before VCAT on 48 days over the year. We were represented by Counsel on 36 days and our own staff appeared on the other 12 days.

REMOVAL FROM THE ROLL OF LEGAL PRACTITIONERS

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

The Supreme Court struck off three Victorian lawyers during 2018-19. They were:

- Mr Hisam Sidaoui, who was struck off on 2 November 2018;
- Mr Kim Blackberry, who was struck off on 22 May 2019;
- Mr David Chapman, who was struck off on 27 June 2019.

PROTECTING CONSUMERS FROM UNQUALIFIED LEGAL PRACTICE

Unqualified legal practice is a serious issue for consumers of legal services and for the reputation of the legal profession. An unqualified person can be either a lawyer who does not hold a current practising certificate, or a lay person who has no legal qualifications. If such a person undertakes legal work, they are 'unqualified'.

Consumers who use an unqualified person to perform legal work are not protected by professional indemnity insurance or our compensation scheme if things go wrong. Because of this, we take a firm stance against people who falsely claim to be a lawyer or who engage in legal practice when they are not qualified to do so.

During 2018-19 we opened 16 new cases to investigate suspected unqualified legal practice. We concluded a total of 16 investigations, some of which were carried over from the 2017-18 year. These included:

- two prosecutions in the Magistrates' Court for unqualified legal practice offences:
 - Victorian Legal Services Board v Margaret Coburn; and
 - Victorian Legal Services Board v Neil Fairley & Karne Group Pty Ltd.
- two cases closed after we reached an agreement with the parties that they would alter their conduct; and
- one case concluded after learning the party had passed away.

In the remaining 11 cases our investigations revealed insufficient evidence of unqualified practice to pursue charges. We also commenced three new prosecutions during the year, and these remain before the courts.

INJUNCTIONS: A NEW APPROACH

As the protection of consumers is one of our primary objectives, we took action against two individuals in the Supreme Court of Victoria to restrain their ongoing or suspected unqualified legal practice:

- Victorian Legal Services Board v Dennis Jensen; and
- Victorian Legal Services Board v David McCulloch.

PROVIDING A PROACTIVE GRANTS PROGRAM

Since its inception in 2007, our Grants Program has provided over \$40 million in funding to myriad legal and community organisations across the state. Through this program, we can help improve access to justice for all Victorians, support important policy research and law reform, develop education programs for consumers and the legal profession alike, encourage innovation in the legal sector, and support the development of initiatives that improve legal service delivery. All grants are approved by the Attorney-General.

2018-19 FUNDING

In 2018-19 we provided \$4.2 million in funding to 18 projects, focussing on a range of initiatives to improve access to justice in the Victorian community (Table 3). Further details on each project can be found on our website.

TABLE 3: Grants Program funding awarded in the 2018-19 year.

ORGANISATION	PROJECT TITLE	AMOUNT AWARDED
Peninsula Community Legal Centre Inc.	Unravelling the Complex Infringement System	\$250,000 over 2.5 Years
Health Justice Australia	Building the Health Justice Partnership Pipeline	\$150,000 over 3 Years
Anglicare Victoria	Clean Slates	\$260,000 over 2 Years
Springvale Monash Legal Service Inc.	Sporting Change	\$330,000 over 2 Years
The Torch Project	Women's Arts Officer in Prisons & Community	\$100,000 over 1 Year
Mental Health Legal Centre (MHLC) Inc.	Advance Statements	\$80,000 over 1 Year
Justice Connect	Joining Up Justice	\$180,000 over 2 Years
Fitzroy Legal Service	Rachel and her Children	\$268,000 over 15 Months
Eastern Community Legal Centre	Eastern Integrated Practice Project	\$495,000 over 2 Years
Federation of Community Legal Centres (Victoria)	Stories of Strength	\$120,000 over 1 Year
First Step	First Step Health-Justice Outreach Project and Evaluation (First Step HOPE)	\$100,000 over 2 Years
Hume Riverina Community Legal Service (Upper Murray Family Care)	Invisible Hurdles Project – Stage 2	\$340,000 over 2 Years
Mind Australia Limited	Justice in Mind	\$430,000 over 2.5 Years
Northern Community Legal Centre	Abused and Abandoned	\$330,000 over 2 Years
Sir Zelman Cowen Centre, Victoria University	The Ripple Effect	\$120,000 over 1 Year
PartnerSPEAK	Providing peer support through legal processes to non-offending partners of people found to be accessing child abuse material online	\$100,000 over 2 Years
Refugee Legal	Family Violence and Migration Law Project	\$199,200 over 2 Years
Inner Melbourne Community Legal Centre	Community Legal PACER Partnership	\$347,000 over 2 Years

USING SPORT AS A WAY TO ENGAGE YOUNG PEOPLE ON LEGAL ISSUES

In 2016 the Springvale Monash Legal Service proposed a novel way to prevent young people coming into contact with the justice system through a program called 'Sporting Change'. Their idea integrated legal education with sport to connect secondary school students on one side, and lawyers and authority figures on the other.

Through the 2016-17 Grants round, we provided Sporting Change with \$277 000 in funding to run the program for two-years in a secondary school in Melbourne's south-eastern suburbs. Over that time, Sporting Change ran 63 legal education sessions, reaching 153 young people from diverse cultural and socio-economic backgrounds. It also embedded a lawyer into the host school's wellbeing team to provide professional legal education to the school community.

The program provided young people with an opportunity for peer-to-peer role modelling, making new friends and the development of an authentic relationship with authority figures and legal staff while playing sport. The outcomes have been overwhelmingly positive. Almost 100% of participants reported greater awareness of their legal rights and where to get help with legal problems. There was also a significant positive shift in attitude towards Police, Protective Service Officers and other authority figures, along with a better understanding of the possible consequences of getting into trouble with the law. In addition, a third of students who participated in the program were able to access legal advice from the embedded lawyer, covering issues such as employment law, family law, bullying and immigration.

Sporting Change was so successful that in the 2018-19 Grants round, we provided a further \$330,000 funding to replicate the program at another secondary school in the south-eastern suburbs.

CHAPTER 3

HOW WE ASSIST THE PROFESSION

Our new strategy acknowledges the importance of our role in assisting the profession to achieve the highest standards of ethics and legal practice. Over 2018-19 we directed much of our effort towards formulating and implementing policies, developing procedures and progressing initiatives that we believe will serve to help lawyers in everyday practice. In some instances, they may also positively affect lawyers' personal lives.

Our policies and procedures give lawyers the tools they need to help them comply with their regulatory obligations, to meet our expectations, or to help them set themselves up for success in their legal practice. We also commenced several major initiatives over the year, targeting specific issues that we recognised either affected, or could affect, a large proportion of the Victorian profession.

In all these projects, we combined our own in-house knowledge with the experience and expertise of the profession to strive towards the ultimate goal of assisting lawyers to do their jobs well.

IMPROVING OUR REGULATORY PERFORMANCE

ENHANCING OUR ONLINE PRESENCE

We are committed to providing the legal profession and consumers of legal services with the information and services they need. To that end, in 2018-19 we commenced a thorough review of our digital presence.

We completed a major upgrade of our LSB Online portal to ensure it is accessible to lawyers from their mobile devices. This gives lawyers a more convenient way to maintain their registration details, and apply to renew or vary their practising certificate. Feedback on this upgrade has been overwhelmingly positive.

We also commenced a complete redesign and rebuild of our website using the principals of human-centred design. As our central outreach tool, we want to ensure that the website is both accessible and relevant, presenting information which meets the needs of all users. We intend to expand the website's range of functions, enabling lawyers to submit forms online instead of sending in a printed or scanned copy. This work will extend into 2019-20.

KEEPING THE PROFESSION INFORMED

As an organisation, we place a high priority on educating the legal profession. We endeavour to keep lawyers informed of their regulatory obligations, and any changes to those obligations that come from either new regulatory policies or amendments to the Uniform Law. We do this by maintaining clear and regular engagement with the profession.

Across the reporting year, we gave presentations to practitioners at workshops, seminars and conferences, reaching a combined audience of over 2,500 lawyers. We were guest presenters at events run by the Law Institute of Victoria, the Victorian Bar, Leo Cussen Centre for Law and the College of Law, as well as several events held by community legal services and regional law associations.

ATTORNEY-GENERAL'S STATEMENT OF EXPECTATIONS

The Victorian Government is actively pursuing efficiency improvements for regulators across the public sector, while also looking at ways to reduce red tape for businesses and consumers. As part of this program, in late 2017 we received a Statement of Expectations from the Attorney-General listing four areas where changes were identified which would benefit lawyers, and by extension, consumers of legal services. The Statement of Expectations applied to the period 1 January 2018 to 30 June 2019.

By 30 June 2019, we had completed an extensive program of works to meet all of the Attorney-General's expectations. The targets and our achievements are listed in Table 4, and also detailed on our website.

TABLE 4: Statement of Expectations for 2018-19

IMPROVEMENT STRATEGIES	IMPROVEMENT MEASURES/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>ACHIEVED:</p> <p>LSB Online portal upgraded in December 2018 to allow access from mobile devices.</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>ACHIEVED:</p> <p>Our Board endorsed an action plan to address the recommendations of the independent review.</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>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>ACHIEVED:</p> <p>Enhanced supervision guidelines published. The findings from an analysis of our complaints data, a survey of practitioners on their supervision and a stakeholder 'supervision summit' were used to identify potential unsuitable qualities for a supervisor.</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>ACHIEVED:</p> <p>Practice Contingency planning policy developed and launched to the profession. Evaluation of the uptake of the policy was conducted with continuing collaboration with the LIV on strategies to further increase this uptake.</p>

The Strategic Policy Unit of the Department of Justice & Community Safety carried out a formal independent evaluation of our 2018-19 projects in December of 2018. The full report is available from our website.

STATEMENT OF EXPECTATIONS FOR 2019-21

In June 2019 the Attorney-General issued a new Statement of Expectations, scheduled to commence on 1 July 2019 for a period of two years. This Statement, and our response, are also available on our website.

TABLE 5: Statement of Expectations for 2019-21

IMPROVEMENT STRATEGIES	IMPROVEMENT MEASURES/EVIDENCE
<p>TIMELINESS To improve e-access to information for legal practitioners and consumers of legal services by improving responsiveness of, and broader access to, the VLSB+C website from handheld devices.</p>	<p>By June 2021, improve timely access for consumers and legal practitioners by enabling access to the VLBS website from all mobile device types and a range of web browsers.</p> <p>By June 2021, enable legal practitioners to complete and submit the full range of forms online and allow consumers a broader range of options to initiate contact with the VLSB.</p>
<p>RISK-BASED STRATEGIES To develop a better understanding of the consumer perspective on legal services, so we can regulate more effectively.</p>	<p>By December 2020, collect data to understand the interaction of consumers of legal services with the legal industry and inform risk-based regulation.</p> <p>By June 2021, prepare actions to respond to any potential consumer harms identified in the consumer research.</p>
<p>COMPLIANCE RELATED ASSISTANCE AND ADVICE To provide advice to the legal profession to raise awareness, knowledge and skill development in workplace safety and the prevention and management of sexual harassment in the workplace.</p>	<p>By June 2020, the VLSB will have undertaken 10-20 awareness raising proactive initiatives.</p> <p>By June 2021, the VLSB will have undertaken 10-20 knowledge and skill development proactive initiatives.</p> <p>By June 2021, the VLSB will have undertaken an evaluation of the quality of the proactive initiatives to determine success of uptake of practice change.</p>

NEW POLICIES TO SUPPORT LAWYERS

ENCOURAGING CONTINGENCY AND SUCCESSION PLANNING

When a sole practitioner or sole director of an incorporated legal practice falls ill or is otherwise unable to continue managing their legal practice for an extended period, we often need to step in and appoint a Manager to look after the practice on their behalf. Depending on the lawyer's situation, it is sometimes necessary for the appointed Manager to wind the practice up.

To give sole practitioners and sole directors a say in what happens to their practice should the unexpected occur, we launched our new Practice Contingency Planning Policy in December 2018. This policy encourages sole practitioners and sole directors to nominate another suitably qualified lawyer to take over management of their law practice while they are absent. The nominee could be someone who is familiar with the practice and what the practice owner would want, such as a trusted colleague or friend. Having a plan in place also helps to minimise unnecessary anxiety and disruption for the family of the practice owner, their staff and clients at what could be a very stressful time.

MAJOR INITIATIVES TO SUPPORT LAWYERS

ADDRESSING SEXUAL HARASSMENT

Addressing sexual harassment within the legal profession is one of several key focus areas for us in the coming years. In February 2019 we issued a public statement affirming that we do not tolerate sexual harassment in the legal profession, and are committed to investigating any complaints we receive about lawyers who engage in such unacceptable and unprofessional conduct.

As part of our work on this issue, we are seeking to both quantify the prevalence of sexual harassment in the profession, and understand how legal workplaces deal with this issue. In line with this commitment, we engaged social research company Ipsos to develop two state-wide surveys for the profession: one focussing on personal experiences of sexual harassment in Victoria's legal workplaces, and the other on organisational policies, training and reporting processes. These surveys are scheduled to be launched in July 2019, and we anticipate reporting results to the profession in late 2019.

The surveys will provide us with important baseline data against which we can measure the effectiveness of any future regulatory action we take to address sexual harassment within the profession.

SUPPORTING LAWYER WELLBEING

In late 2018, we commenced a novel project on the topic of lawyer wellbeing. The project was born of our concern – shared by many in the profession – about the apparently high rates of stress, anxiety and depression experienced by lawyers.

During 2019 we met with law students, academics, lawyers from private practice and the community legal sector, government lawyers, and representatives from the Bar and the judiciary. We listened to their insights into, and experiences of, wellbeing, and observed the connections between different parts of the profession's experiences, and the breadth of current challenges to lawyers' wellbeing.

The next step in the project is a Lawyer Wellbeing Forum planned for early 2019-20, again involving these interest groups. We intend for this to help the profession build a shared awareness of the systemic drivers of poor lawyer wellbeing, and identify potential areas for collaborative action to change the system, with further work to be carried out over the coming years.

FOSTERING INNOVATION WITHIN THE LEGAL PROFESSION

Another of the new projects we commenced this year was to address the barriers, real and perceived, that inhibit innovation in how lawyers provide legal services to clients. This project seeks to learn from the profession what these barriers are, and formulate a variety of approaches that will provide guidance and clarity around how innovative ideas fit within the regulatory regime.

We want to encourage lawyers to develop new and better ways of providing services to their clients. We have invited lawyers in the vanguard of change to contact us through our 'Innovation Inbox' with their ideas for new service delivery opportunities. Together with the Legal Practitioners' Liability Committee (LPLC), we offer guidance on regulatory issues and professional liability risks.

We are also working in partnership with the LIV, the LPLC, universities, the practical legal training sector and others in the profession to develop tools to support and encourage change. We want to help free up the 'supply' side of the market for legal services to allow the profession to be more able to respond to demand. Our work in this space will continue into the 2019-20 reporting year.

CHAPTER 4

HOW WE MANAGE OUR FUNDS

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

MANAGING THE PUBLIC PURPOSE FUND (PPF)

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

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

The SDA comprises a series of accounts linked to individual law practice trust accounts. Each month law practices with a trust account transfer a set proportion of their trust account balance to the linked SDA. The collective balance of the SDA earns interest in accordance with our Investment Policy Statement (explained in further detail on page 23 of this report). This interest is then paid to the General Account. All monies in the SDAs are available at call to the law practice, and therefore to the client who owns that money.

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

At the end of the reporting year our management of the PPF resulted in a surplus in the General Account of \$146,446,407, compared with \$170,311,743 at 30 June 2018. The distributions we made from the General Account and the Distribution Account during 2018-19 are listed in Table 6 and Appendix 7 of this report. All distributions are made with the approval of the Attorney-General.

TABLE 6: – PPF distributions – Actual 2019, Forecast 2020

PPF GENERAL ACCOUNT BALANCE	ACTUAL 2018-19 \$'000	FORECAST 2019-20 \$'000
General Account balance as at 30 June 2018 and 30 June 2019	170,311	146,446
ALLOCATION OF GENERAL ACCOUNT FUNDS		
Funds allocated to the Distribution Account	(85,156)	(73,223)
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
Commissioner	(9,278)	(9,020)
Payments to professional associations for programs	(3,862)	(3,638)
Victorian Civil and Administrative Tribunal – Legal Practice List	(993)	(993)
Victorian Legal Admissions Board	(1,281)	(1,414)
Delegated functions: Law Institute of Victoria	(1,998)	(246)
Delegated functions: Victorian Bar	(162)	(386)
Legal Services Council – Uniform Law Scheme	(609)	(668)
General Account payments	(18,183)	(16,365)
Balance	66,973	56,858

DISTRIBUTION ACCOUNT BALANCE	ACTUAL 2018-19 \$'000	FORECAST 2019-20 \$'000
Opening balance	56,284	79,885
Transfer from General Account	85,156	73,223
GRANTS AND FUNDING PAID FROM THE DISTRIBUTION ACCOUNT		
Major grants and projects paid ⁽ⁱ⁾	(5,108)	(5,970)
Victoria Legal Aid	(35,539)	(35,039)
Victorian Law Reform Commission	(1,893)	(1,893)
Victoria Law Foundation	(2,150)	(2,500)
Sub-total – Funding Grants	(44,690)	(45,402)
Closing balance	79,885	107,706

⁽ⁱ⁾Major grants approved but unpaid of \$6.745 million as at 30 June 2019.

OUR FINANCIAL PERFORMANCE AND POSITION

Table 7 provides an overview of our five-year financial performance and position.

TABLE 7: Financial Performance and Position

	2014-15	2015-16	2016-17	2017-18	2018-19
FINANCIAL PERFORMANCE (\$'000)					
Interest and distributions	65,280	83,611	78,306	77,558	83,815
Other revenue	9,411	10,191	10,993	11,910	12,132
Total revenue	74,691	93,802	89,299	89,468	95,947
Total expenditure	(63,491)	(63,403)	(69,619)	(68,466)	(78,354)
Net operating result	11,200	30,399	19,680	21,002	17,593
Net gain/(loss) on investments	14,105	(26,831)	16,629	15,802	33,401
Net result from continuing operations	25,305	3,568	36,309	36,804	50,993
FINANCIAL POSITION (\$'000)					
Total assets	1,053,706	1,280,050	1,629,199	1,898,539	1,840,117
Total liabilities	(858,730)	(1,081,506)	(1,394,346)	(1,626,882)	(1,517,468)
Net assets	194,976	198,544	234,853	271,657	322,650

ENSURING TRANSPARENCY IN OUR FINANCIAL PERFORMANCE

In 2018-19 we achieved a composite net surplus of \$50.993 million, \$14.189 million higher than the prior year's surplus of \$36.804 million. The net result was a combination of a \$17.593 million net operating result and \$33.401 million capital gains on investments. Total expenses were higher at \$78.354 million (compared with \$68.466 million in the previous year).

REVENUE FROM TRANSACTIONS

Total revenue from transactions of \$95.947 million was \$6.479 million higher than prior year income of \$89.468 million. Interest and distributions revenue was \$83.815 million (\$77.558 million in the previous year). Most of this increase was due to interest earnings, which increased by \$4.753 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 \$222 thousand to \$12.132 million, up from \$11.910 million in the previous year.

EXPENSES FROM TRANSACTIONS

Total expenses from transactions increased to \$78.354 million by \$9.888 million on the 2017-18 expenses of \$68.466 million. This increase in operating expenses was due mainly to higher funding and grants paid from the Distribution Account than in the prior year.

Fidelity Fund claims and related administration expenses were \$1.864 million, \$858 thousand lower than the 2017-18 expenses of \$2.722 million, mainly due to a reduction in Fidelity Fund claims.

NET GAIN/(LOSS) ON INVESTMENTS

Net gain on investments increased to \$33.401 million, \$17.599 million higher than the 2017-18 gains of \$15.802 million. This reflects the solid performance of our investment portfolio, despite some challenging market conditions experienced during the year, consistent with the past three years.

MAKING PRUDENT INVESTMENTS

At 30 June 2019 we held \$857.972 million in investments (excluding cash), compared with \$804.341 million last year. The increase in the value of the investment holdings was driven by positive investment returns across most funds along with our decision to reinvest investment distributions rather than receive cash payments.

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

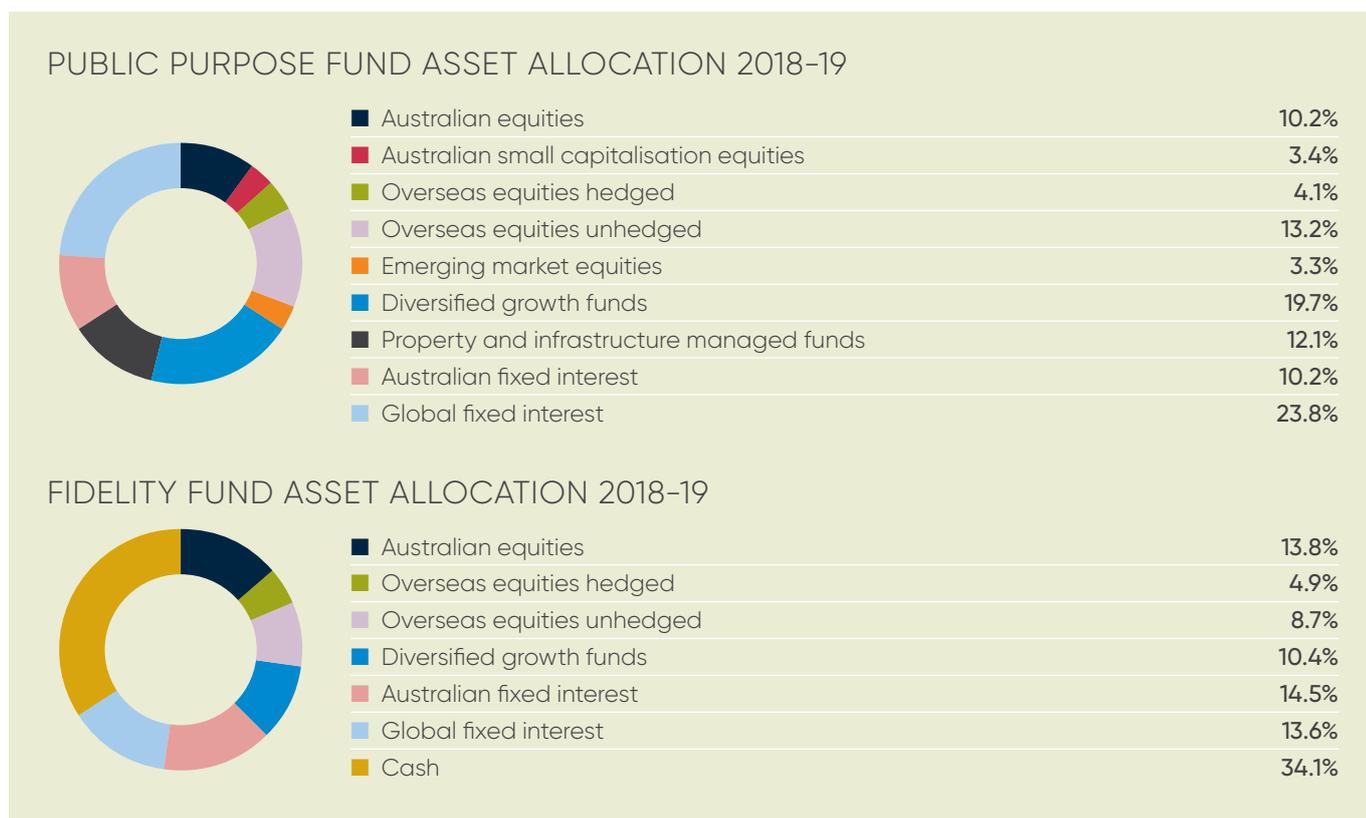
The total value of Public Purpose Fund investments excluding cash holdings, as at 30 June was \$817.496 million (compared with \$766.304 million last year). The total value of Fidelity Fund investments, excluding cash holdings, as at 30 June was \$40.476 million (compared with \$38.037 million last year). In addition, the Fidelity Fund portfolio includes a cash management allocation of \$20.979 million as at 30 June (compared with \$20.591 million in the prior year). Table 8 shows the types of investments we managed.

TABLE 8: Investment Asset Allocations for 2018-19

2019	PUBLIC PURPOSE FUND \$'000	FIDELITY FUND \$'000	TOTAL INVESTMENTS MANAGED \$'000
Australian equities	83,789	8,487	92,276
Australian small capitalisation equities	27,561	-	27,561
Australian fixed interest	83,302	8,905	92,207
Diversified growth funds	161,488	6,389	167,878
Global fixed interest	194,346	8,356	202,701
Overseas equities hedged	33,839	3,032	36,870
Overseas equities unhedged	107,511	5,307	112,818
Emerging market equities	26,875	-	26,875
Property and infrastructure managed funds	98,785	-	98,785
Cash	-	20,979	20,979
Total	817,497	61,455	878,952

2018	PUBLIC PURPOSE FUND \$'000	FIDELITY FUND \$'000	TOTAL INVESTMENTS MANAGED \$'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

FIGURE 3: Asset allocations for 2018-19



INVESTMENT OBJECTIVES

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

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

Our investment objectives for the Fidelity Fund are as follows:

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

The strategic asset allocations designed to achieve the objectives are set out in Table 9.

TABLE 9: Asset allocations for 2018-19

ASSET ALLOCATION	PUBLIC PURPOSE FUND		FIDELITY FUND	
	BENCHMARK RANGES	ACTUAL 30/6/19	BENCHMARK RANGES	ACTUAL 30/6/19
Australian equities	0-20%	10%	5-15%	14%
Australian small capitalisation equities	0-5%	3%	0%	0%
Overseas equities hedged	0-10%	4%	5-15%	5%
Overseas equities unhedged	0-20%	13%	5-15%	9%
Emerging market equities	0-10%	3%	0%	0%
Diversified growth funds	10-30%	20%	5-15%	10%
Property and infrastructure managed funds	0-30%	12%	0%	0%
Growth Assets	40-70%	66%	0-40%	38%
Australian fixed interest	10-20%	10%	10-20%	14%
Global fixed interest	10-30%	24%	10-20%	14%
Cash	0-10%	0%	30-70%	34%
Defensive Assets	30-60%	34%	60-100%	62%
Total	100%	100%	100%	100%

FUNDING FOR OUR WORK WITH THE PROFESSIONAL ASSOCIATIONS

We work closely with the LIV and the Victorian Bar and have the power to delegate functions to these professional associations. Lists of our delegations are provided in Appendices 5 and 6 of this report. In addition to delegations, we can fund the LIV and the Victorian Bar to provide other support to the profession. Table 10 shows the funding provided to the LIV and the Victorian Bar in 2018-19 for regulatory activities.

TABLE 10: Regulatory payments made to the LIV and the Victorian Bar for the discharge of delegated functions and contracted works in 2018-19

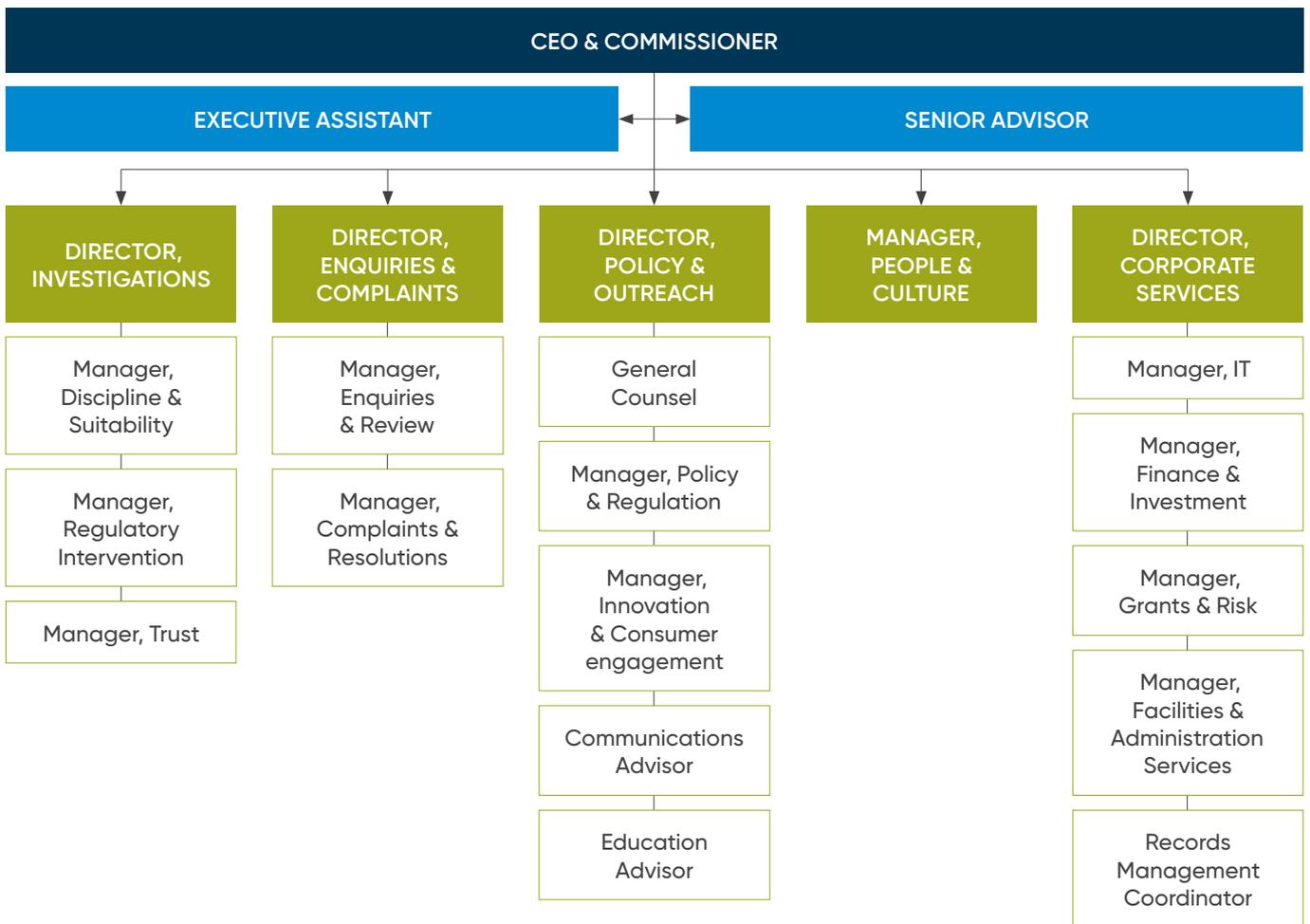
	2017-18 \$'000	2018-19 \$'000
PUBLIC PURPOSE FUND		
Law Institute of Victoria		
Trust account inspections	1,745	1,572
Continuing Professional Development (CPD)	239	246
External interventions and debt collection	21	124
External counsel fees	-	-
Compliance audits	136	56
Total	2,141	1,998
Victorian Bar		
Practising certificates	99	162
FIDELITY FUND COMPENSATION SCHEME INVESTIGATIONS		
Law Institute of Victoria	177	244
PAYMENTS FOR COMPLAINTS HANDLING		
Victorian Bar	80	84

CHAPTER 5

CORPORATE OPERATIONS AND GOVERNANCE REPORTS

As statutory authorities, we have a range of other functions and responsibilities we must meet to ensure our operations are transparent. The following reports are intended to assist the Victorian community understand more about our corporate operations.

FIGURE 4: Our organisational structure



WORKFORCE DATA

OUR ORGANISATIONAL STRUCTURE

Our organisation is comprised of two statutory authorities: the Victorian Legal Services Board and the Victorian Legal Services Commissioner. The Application Act prescribes that the Commissioner is the employer of all staff that support both Board and Commissioner functions.

The Commissioner has the functions and powers of a public service body Head, as defined under the *Public Administration Act 2004*. Fiona McLeay is both the Commissioner and the CEO of the Board. Our organisational structure as at 30 June 2019 is shown in Figure 4. Our staff are employed under Part 3 of the *Public Administration Act 2004* (Vic).

WORKFORCE DATA AND STAFFING TRENDS

Table 15 shows our workforce profile as at 30 June 2019 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 our Board Chairperson or the non-lawyer members of our Board who have all been appointed by the Governor in Council.

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

Tables 11 and 12 disclose details for all executive officers for 2018-19.

TABLE 11: Number of executive officers

CLASSIFICATION	2017-18		2018-19	
	MALE	FEMALE	MALE	FEMALE
EO-1	0	0	0	0
EO-2 (Commissioner)	0	1	0	1
EO-3	2	0	2	0
Total	2	1	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 12: Reconciliation of executive numbers

	CATEGORY	2017-18	2018-19
	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 13 discloses total salaries in \$20,000 bands for executive and senior non-executive staff.

TABLE 13: 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

We 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.

We are committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination.

OCCUPATIONAL HEALTH AND SAFETY

Our Occupational Health and Safety Committee is comprised of staff and management representatives. The Committee formally met seven times in 2018-19 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 lifestyles.

Health and safety incidents are disclosed in Table 14.

TABLE 14: Occupational Health and Safety incidents in 2018-19

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

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 us 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.

We place a high value on strengthening staff knowledge and specialist skills. During 2018-19 our executive participated in a Leadership Program titled *Conscious Leadership*, which included a 360 degree feedback process using The Leadership Circle assessment tool. We extended this program to Managers to create a common leadership language and bring together leaders in peer learning groups.

A new initiative, the CEO Speaker Series was launched to provide staff an opportunity to hear from thought leaders in areas relevant to our strategy. During 2018-19, the series enabled staff to hear from well-respected thought leaders in the areas of ethical leadership, online dispute resolution, lawyer health and wellbeing, and human centred design in the law.

We launched a new e-learning platform to give staff access to a wide range of professional development courses and online compliance training modules. As well as internal learning opportunities, staff members also attended various external courses, workshops and conferences.

TABLE 15: Our staff

	30-JUN-18						30-JUN-19							
	ALL EMPLOYEES		ONGOING		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)	NUMBER (h/count)	FTE (rounded)	FULL TIME (h/count)	PART TIME (h/count)	FTE (rounded)	NUMBER (h/count)	FTE (rounded)
GENDER														
Male	28	28	21	0	21	7	7	26	26	22	2	24	2	2
Female	62	56	38	14	47	10	9	65	60	44	15	54	6	6
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	90	84	59	14	68	17	16	91	86	66	17	78	8	8
AGE														
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25-34	24	22	15	2	16	7	6	20	19	14	4	17	2	2
35-44	26	23	13	8	18	5	5	27	25	17	7	22	3	3
45-54	20	19	16	3	18	1	1	24	23	18	3	20	3	3
55-64	14	14	13	0	13	1	1	15	14	13	2	14	0	0
65+	6	6	2	1	3	3	3	5	5	4	1	5	0	0
Total	90	84	59	14	68	17	16	91	86	66	17	78	8	8
CLASSIFICATION														
VPS1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VPS2	1	1	1	0	1	0	0	0	0	0	0	0	0	0
VPS3	14	14	9	1	10	4	4	14	13	11	2	12	1	1
VPS4	22	20	12	2	13	8	7	24	23	18	4	21	2	2
VPS5	36	32	21	11	28	4	4	34	32	23	8	29	3	3
VPS6	13	13	12	0	12	1	1	15	14	10	3	12	2	2
STS	1	1	1	0	1	0	0	1	1	1	0	1	0	0
Executives	2	2	2	0	2	0	0	2	2	2	0	2	0	0
Other#	1	1	1	0	1	0	0	1	1	1	0	1	0	0
Total	90	84	59	14	68	17	16	91	86	66	17	78	8	8

#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*.

DISABILITY ACT 2006

The *Disability Act 2006* strengthens the rights of people living with a disability. Under this legislation we are required to prepare and implement a Disability Action Plan. This document aims to reduce barriers faced by people living with a disability in accessing our services and employment with us, among other goals. As at 30 June 2019, our Disability Action Plan was still under development. We intend to launch our plan in the 2019-20 reporting year.

FREEDOM OF INFORMATION

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

REQUESTS RECEIVED AND PROCESSED DURING THE YEAR

During 2018-19, we received eight new valid requests made under the FOI Act, and two requests where the applicant did not pay the required application fee. Six requests were finalised during the year and four were incomplete by 30 June 2019.

In one application we granted partial access to the information requested. Four applications were denied in full, (including the two invalid applications). All material denied was exempted under the FOI Act. One further request was withdrawn by the applicant.

APPLICATIONS TO VCAT DURING THE YEAR

One application was appealed to VCAT during 2018-19, and that matter was yet to be resolved by 30 June 2019.

MAKING A REQUEST

- A request for access to documents made under the FOI Act must:
- be in writing
- provide such information as is reasonably necessary to enable identification of the relevant documents, and
- be accompanied by the prescribed application fee.

Requests for documents in our possession should be addressed to:

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

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

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

PROTECTED DISCLOSURE ACT 2012

The *Protected Disclosure Act 2012 (Vic)* encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The Act provides protections to people who make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

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

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

COMPETITIVE NEUTRALITY POLICY

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

DISCLOSURE OF MAJOR CONTRACTS

We did not engage in any major contracts with a value of greater than \$10 million during 2018-19.

LOCAL JOBS FIRST

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy and the Major Project Skills Guarantee Policy, which previously were administered separately. Departments and public sector bodies are required to apply the Local Jobs First Policy projects valued at \$3 million or more in metropolitan Melbourne, and \$1 million or more in regional Victoria, and the Major Project Skills Guarantee Policy applies to all construction projects of \$20 million or more in value. For the reporting period, we did not commence any projects to which either policy applies.

CONSULTANCIES

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

In 2018-19, we engaged 14 consultancies where the total fees payable to the consultants were \$10,000 or greater. Our total expenditure incurred during 2018-19 on these consultancies was \$801,725 (excluding GST). Details of individual consultancies are outlined in Table 16 below.

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2018-19, we engaged nine consultancies where the total fees payable to the consultants was less than \$10,000 per consultancy. Our total expenditure incurred during 2018-19 on these consultancies was \$99,174 (excluding GST).

TABLE 16: Consultancies for 2018-19

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED FEE (EXCL. GST) \$	EXPENDITURE 2018-19 (EXCL. GST) \$	FUTURE EXPENDITURE (EXCL. GST) \$
am actuaries	Actuarial services	71,900	70,640	-
Baxter Lawley	Board review	30,989	30,989	-
Clear Horizon	Measurement & evaluation	33,601	24,075	-
CPR Consulting	Sexual harassment project	22,900	23,980	-
Ipsos	Sexual harassment survey	58,915	12,699	46,216
KPMG	Organisation design	143,385	143,385	-
Living Collaborations	Lawyer Wellbeing forums	25,750	25,000	-
Mercer	Investment advisory services	523,822	195,311	51,244
NOW Communications	Communication and outreach review	34,340	34,340	-
Portable Australia	Designing Justice Differently workshop	40,480	40,480	-
Rivers Economic Consulting	Cost efficiency and effectiveness assessment analysis	78,000	78,000	-
Summit Consulting	Budget model	24,000	24,000	-
Today Strategic Design	Website stakeholder engagement	73,963	82,764	-
Worklogic	Workplace relationships review	16,061	16,061	-

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

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

INFORMATION AND COMMUNICATIONS TECHNOLOGY

In December 2018 we completed a significant upgrade of our online portal for lawyers, LSB Online. The changes ensure LSB Online is available via all web browsers, and enable lawyers to access their LSB Online account via their mobile devices. This marks an important milestone in our efforts to improve accessibility for lawyers, allowing them to renew their practising certificates and complete other regulatory functions with greater ease and convenience. Further upgrades are planned in coming years.

We strengthened our cyber-security posture with new technology, strengthening our systems against potential risks from external intrusion. We also updated our data security policies and procedures to comply with the Office of the Victorian Information Commissioner's Victorian Protective Data Security Framework.

TABLE 17: ICT expenditure for 2018-19

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	Non-business as usual capital expenditure
\$'000	\$'000	\$'000	\$'000
771.4	1,312.5	0	0

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

We hold other 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 information covers:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of our publications, and how these can be obtained;
- details of any major external reviews carried out on our operations;
- details of major research and development activities we have undertaken;
- details of any staff or Board member overseas visits undertaken, including a summary of the objectives and outcomes of each visit;
- details of any major promotional and public relations activities we have undertaken to develop community awareness of our services;
- details of assessments and measures undertaken to improve the occupational health and safety of our staff;
- a general statement on industrial relations within our organisation, and details of any time lost through industrial accidents and disputes;
- a list of major committees sponsored, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors.

This information is available on request from:

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

OFFICE-BASED ENVIRONMENTAL IMPACTS

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

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

ENERGY CONSUMPTION

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

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

TARGET: IN PROGRESS

TABLE 18: Electricity consumption

TOTAL ELECTRICITY USAGE	BASELINE 2014-15	2015-16	2016-17	2017-18	2018-19
Total usage (MJ)	540,000	527,496	515,172	533,668	541,113
Total green power usage (MJ)	17,825	0	515,172	533,668	541,113
Greenhouse gas emissions associated with electricity use (tonnes)	175	200.76	0	0	0
Percentage of electricity purchased as Green Power	3.28	0	100	100	100
Electricity used per FTE (MJ/FTE)	6,667	6,941	6,206	6,353	6,292
Electricity used per unit of office area (MJ/m2)	246.24	240.54	234.92	243.35	246.75

2018-19 ACTIVITIES

Total electricity usage in 2018-19 increased slightly (1.4%) compared with the previous year (Table 18). While total consumption climbed above the 2014-15 baseline, consumption per FTE remains 5.6% below the 2014-15 baseline figure.

WASTE GENERATION

The building owner provides a commingled general office waste service through which we recycled an average of 10.7% of all daily waste generated by staff in 2018-19. This excludes our secure paper service, 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

TARGET: IN PROGRESS

TABLE 19: Waste generation

DAILY WASTE GENERATION	BASELINE 2014-15	2015-16	2016-17	2017-18	2018-19
Waste to landfill (kg)	10.51	11.00	6.7	9.43	12.5
Waste recycled (kg)#	6.74	4.43	5.57	3.09	1.5
Total waste (kg)#	17.25	15.43	12.27	12.52	14.0
Waste to landfill / FTE (kg)	0.12	0.14	0.08	0.11	0.15

#Note: excludes secure paper, stationery and e-waste.

2018-19 ACTIVITIES

A waste audit conducted by an independent contractor recorded an increase (1.48kg) in the total volume of general waste generated per day (both waste to landfill plus recycling) compared to 2017-18. The volume of waste sent to landfill increased from last year, while the volume recycled decreased. Despite this, the total volume of waste generated per person was 19% lower than the 2014-15 baseline figure (Table 19).

We also use other recycling facilities to dispose of office waste. A secure paper disposal service recycled approximately 1.95 tonnes of documents. We sent a further 94.1kg of stationery equipment, printer cartridges, e-waste, batteries etc, for recycling through the social enterprise, Green Collect.

PAPER CONSUMPTION

Due to the nature of our work, we are often required to use a significant volume of paper to carry out our regulatory functions; however in 2018-19 we managed to achieve significant savings in copy paper use.

TARGET: REDUCE FTE PAPER CONSUMPTION BY 40% COMPARED TO THE 2014-15 BASELINE

TARGET: ACHIEVED

TABLE 20: Paper consumption

TOTAL PAPER USAGE	BASELINE 2014-15	2015-16	2016-17	2017-18	2018-19
Number of A4 reams of copy paper used	1,478	1,117	779	1,165	858
Number of A4 reams of copy paper used per FTE	18.25	14.7	11	13.87	9.98
Percentage of 75-100% recycled content copy paper purchased (%)	0	0	0.11	0	0
Percentage of 50-75% recycled content copy paper purchased (%)	96.1	93.1	88.0	97.25	96.74
Percentage of 0-50% recycled content copy paper purchased (%)	3.9	6.9	11.88	2.75	3.26

2018-19 ACTIVITIES

Our copy paper consumption was 26% lower than in 2017-18, reflecting our continued move towards full electronic document management. The actual volume of copy paper consumed during the year was 42% below the 2014-15 baseline, representing a 45% reduction in paper use per FTE. This figure exceeds our target of a 40% reduction in paper use per FTE (Table 20).

WATER CONSUMPTION

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

TRANSPORT USE

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

For areas beyond the normal reach of public transport or taxis, we occasionally hire vehicles 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

TARGET: ONGOING

TABLE 21: Transport use

BUSINESS RELATED TRAVEL	BASELINE 2014-15	2015-16	2016-17	2017-18	2018-19
Total distance travelled by aeroplane (km)	125,749	37,160	37,437	48,640	175,503
Total distance travelled by car (km) (excluding taxis)	0	510	357	0	0
Percentage of employees regularly (>75 per cent of work attendance days) using public transport, cycling, walking, or car-pooling to and from work or working from home.	93.75	95.12	96.47	96.15	94.2

2018-19 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 21). We 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 22 summarises our greenhouse gas emissions for the 2018-19 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

TARGET: ACHIEVED

TABLE 22: Board and Commissioner greenhouse gas emissions

GREENHOUSE GAS EMISSIONS	BASELINE 2014-15	2015-16	2016-17	2017-18	2018-19
Total greenhouse gas emissions associated with energy use (t CO ₂ -e)	166.48	200.76	0	0	0
Total greenhouse gas emissions associated with vehicle hire (t CO ₂ -e)	Not recorded	0.08	0.06	0	0
Total greenhouse gas emissions associated with air travel (t CO ₂ -e) (approximate)	34.3	12.90	12.21	15.66	59.01
Total greenhouse gas emissions associated with waste production (t CO ₂ e)	0.8	1.29	0.88	1.85	2.16
Greenhouse gas emissions offsets purchased (t CO ₂ -e)	0	0	0	0	502

2018-19 ACTIVITIES

We continued to purchase 100% renewable-sourced electricity, which helps us to minimise our carbon emissions. In total there was a 70% decrease in greenhouse gas emissions over the year compared to the baseline (Table 22).

PROCUREMENT

As a standard practice in all procurement decisions, we seek to identify products and services which minimise negative environmental impacts right throughout the life of the product.

TARGET: TO CONTINUE TO FACTOR ENVIRONMENTAL SUSTAINABILITY INTO OUR PROCUREMENT DECISIONS

TARGET: ONGOING

2018-19 ACTIVITIES

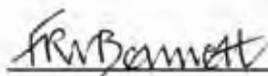
We minimise the number of formal documents we print, including our annual reports. We only print 60 copies of our annual reports to meet our obligations for tabling in Parliament, to add to the university law library collections, and for internal use. Our reports are printed on certified carbon neutral, 100% post-consumer recycled paper. The majority of office paper purchased for office use contains a minimum of 50% recycled content.

Victorian Legal Services BOARD + COMMISSIONER

Compliance Attestation - Standing Direction 5.1.4

Victorian Legal Services Board and Commissioner Compliance Attestation

I, Fiona Bennett, on behalf of the Victorian Legal Services Board, attest that the Victorian Legal Services Board has complied with the *Financial Management Act 1994*, Standing Directions and Instructions.



Fiona Bennett
Chairperson, Victorian Legal Services Board

13 August 2019

Victorian Legal Services Commissioner Compliance Attestation:

I, Fiona McLeay, Victorian Legal Services Commissioner, attest that the Victorian Legal Services Commissioner has complied with the *Financial Management Act 1994*, Standing Directions and Instructions.



Fiona McLeay
Victorian Legal Services Commissioner

13 August 2019

D-19-181124

APPENDICES

APPENDIX 1 BOARD MEMBERSHIP AND COMMITTEES	37	APPENDIX 5 BOARD DELEGATIONS	69
APPENDIX 2 SNAPSHOT OF VICTORIA'S LEGAL PROFESSION	41	APPENDIX 6 COMMISSIONER DELEGATIONS	90
APPENDIX 3 COMPLAINTS AND RELATED DATA	51	APPENDIX 7 BOARD AND COMMISSIONER CONSOLIDATED FINANCIAL REPORT	114
APPENDIX 4 PROSECUTIONS IN VCAT AND THE COURTS	61	APPENDIX 8 DISCLOSURE INDEX (2 PAGES)	179

APPENDIX 1

BOARD MEMBERSHIP AND COMMITTEES

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

Our lawyer members (one barrister and two solicitors) are elected by a formal election conducted by the Victorian Electoral Commission.

This Appendix covers the composition of our Board and its committees. Biographies of all Board members and the Board CEO are found on the following pages.

MEETING ATTENDANCE

Our Board met 8 times in the reporting year.

TABLE 23: Board membership and meeting attendance in 2018-19

BOARD MEMBER	MEETINGS ATTENDED
Ms Fiona Bennett	8
Ms Jennifer Batrouney QC	7
Mr Geoff Bowyer	7
Ms Liz Harris	8
Dr Lynne Williams AM	8
Ms Catherine Wolthuizen	8
Ms Cate Wood	8

BOARD ELECTION

In April of 2018 the legal profession had the opportunity to vote for the three legal practitioner members of our Board. The election was run by the Victorian Electoral Commission. Three new practitioner members were elected: Jennifer Batrouney QC as the barrister member, and Liz Harris and Geoff Bowyer as the two solicitor members. Their membership formally commenced on 1 July 2018 for a four-year term.

BOARD COMMITTEES

Our Board operates four ordinary committees, each with a Board member appointed as Chair. The functions of these Committees do not change from year to year. A detailed description of our Committees' functions can be found on our website. Figure 5 shows the membership of our Committees.

BOARD MEMBERSHIP AT 30 JUNE 2019



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, Select Harvests Ltd and BWX 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 and the Australian Institute of Company Directors.



MS JENNIFER BATROUNEY QC

LAWYER (BARRISTER) MEMBER (ELECTED 1 JULY 2018)

Jennifer is a barrister with 30 years' experience, mainly in equity, commercial, superannuation and revenue matters, and has a substantial practice in the not-for-profit sector. Appointed a QC in 2000, Jennifer is current President of the Australian Bar Association and Immediate Past President of the Victorian Bar and of the Tax Bar Association. Jennifer is also the inaugural chair of the Law Council Charities and Not for Profits committee, a director of the Charity Law Association of Australia and New Zealand and inaugural Chair of the Australian Bar Association Tax Committee. She is a member of the Melbourne Law School Advisory Council and the Melbourne Law School Tax Group Advisory Board. She is also a Member of the Australian Institute of Company Directors.



MR GEOFF BOWYER

LAWYER (SOLICITOR) MEMBER (ELECTED 1 JULY 2018)

Geoff Bowyer is an accredited business law specialist, and principal of a Central Victorian law practice that specialises in mediation and alternative dispute resolution techniques. Over the past approximately 40 years Geoff has built up a broad portfolio of legal experience spanning the public, private and corporate sectors. He offers his time as mentor through both the Law Institute of Victoria and the University of Melbourne Law School. Geoff is a past President of the Law Institute of Victoria and former executive member of the Law Council of Australia, a current Director of Bendigo Community Health, and a board member on several Bendigo-based community organisations. Geoff is also a regular commentator on ABC Regional radio about legal issues.



MS LIZ HARRIS

LAWYER (SOLICITOR) MEMBER (ELECTED 1 JULY 2018)

Liz is a lawyer who has specialised in consumer complaints relating to lawyers, acting for both lawyers and consumers. She is a recognised expert in costs law as co-author of *Quick on Costs*, the pre-eminent Australian text. She has conducted her own legal practice, been a sessional member of the VCAT Legal Practice list, a member of the Victorian Supreme Court Costs Committee, chair of the LIV Advisory Board on costs law specialisation, and chair of LIV Cost Lawyers section. Liz conducts a consultancy advising government and corporate legal departments about best practice in managing external lawyers. She is regularly engaged as an expert witness regarding best practice in management of legal work and costs in class actions and other significant litigation.



DR LYNNE WILLIAMS AM

NON-LAWYER MEMBER (APPOINTED 9 OCTOBER 2013)

Lynne is an economist with over 30 years' experience in 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 Customer Advocate at NAB, where her role includes making decisions about complex and sensitive complaints and advising on how to improve complaints handling and customer outcomes more broadly. She is also an independent consumer representative to the Australian Financial Complaints Authority and Chair of the Victoria-based Consumer Policy Research Centre, a specialist consumer policy think-tank. 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 (later the Consumer Action Legal Centre). She was Senior Policy Officer at Choice, and is a former Chair of the Consumers Federation of Australia. Her overseas experience includes running international human rights legal NGO, Fair Trials, and the UK's whistleblower NGO, and 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. As a Director and Executive of Industry Superannuation Funds she has had extensive experience of investment strategy and governance. Cate has also served on the boards of a number of superannuation industry bodies and Government boards. She is currently a director of ISPT Pty Ltd (property trust), a member of the Professional Standards Councils, Chair of Women in Super and a director of the Mother's Day Classic Foundation. Cate was the Chair of CareSuper and President of the Australian Institute of Superannuation Trustees. She previously held executive positions as CEO of AGE 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.

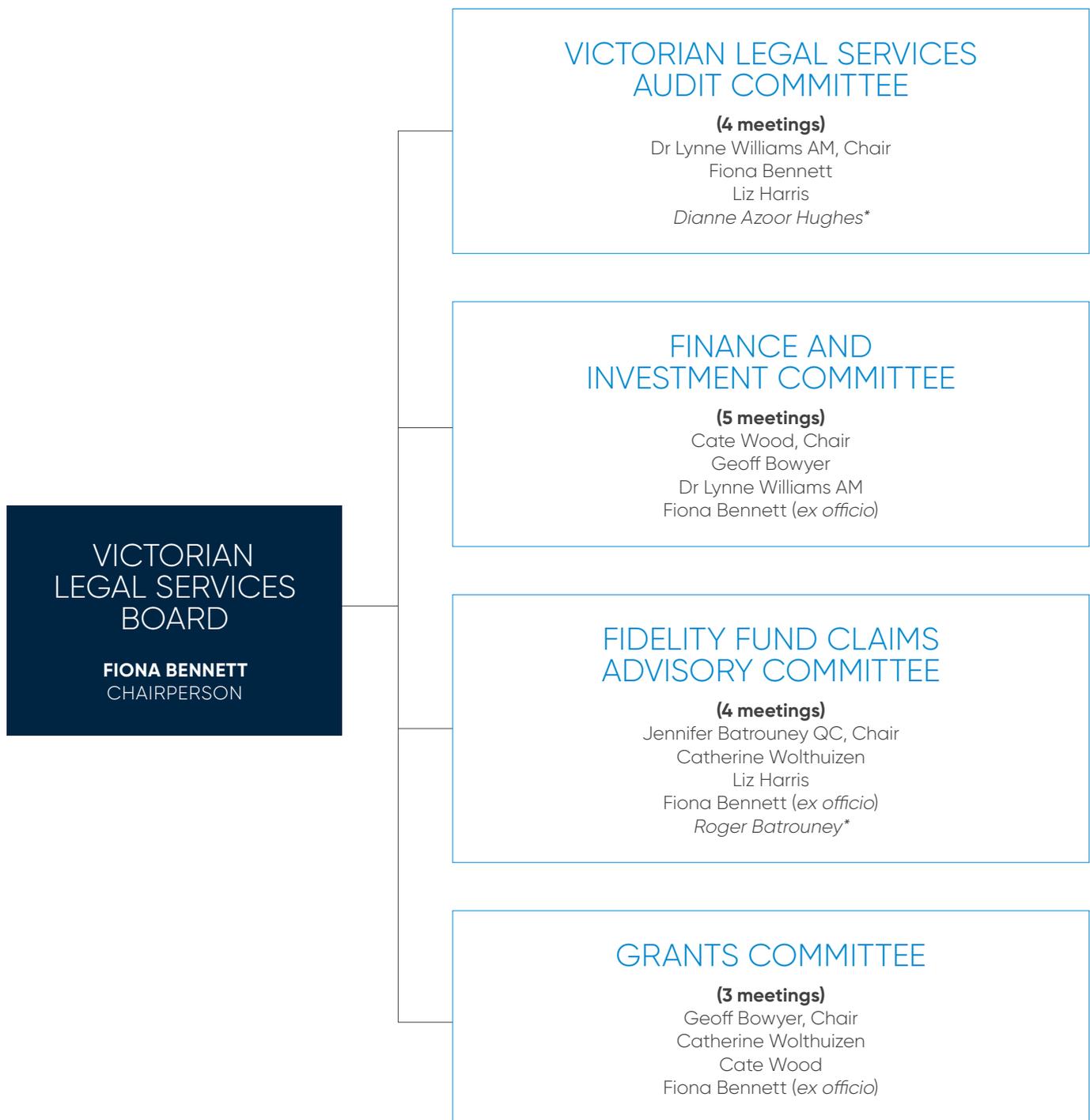


MS FIONA MCLEAY

CHIEF EXECUTIVE OFFICER (NOT A BOARD MEMBER)

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 5: Board Committees and membership as at 30 June 2019



* Denotes an external member

APPENDIX 2

PRACTITIONER STATISTICS

GLOSSARY

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

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

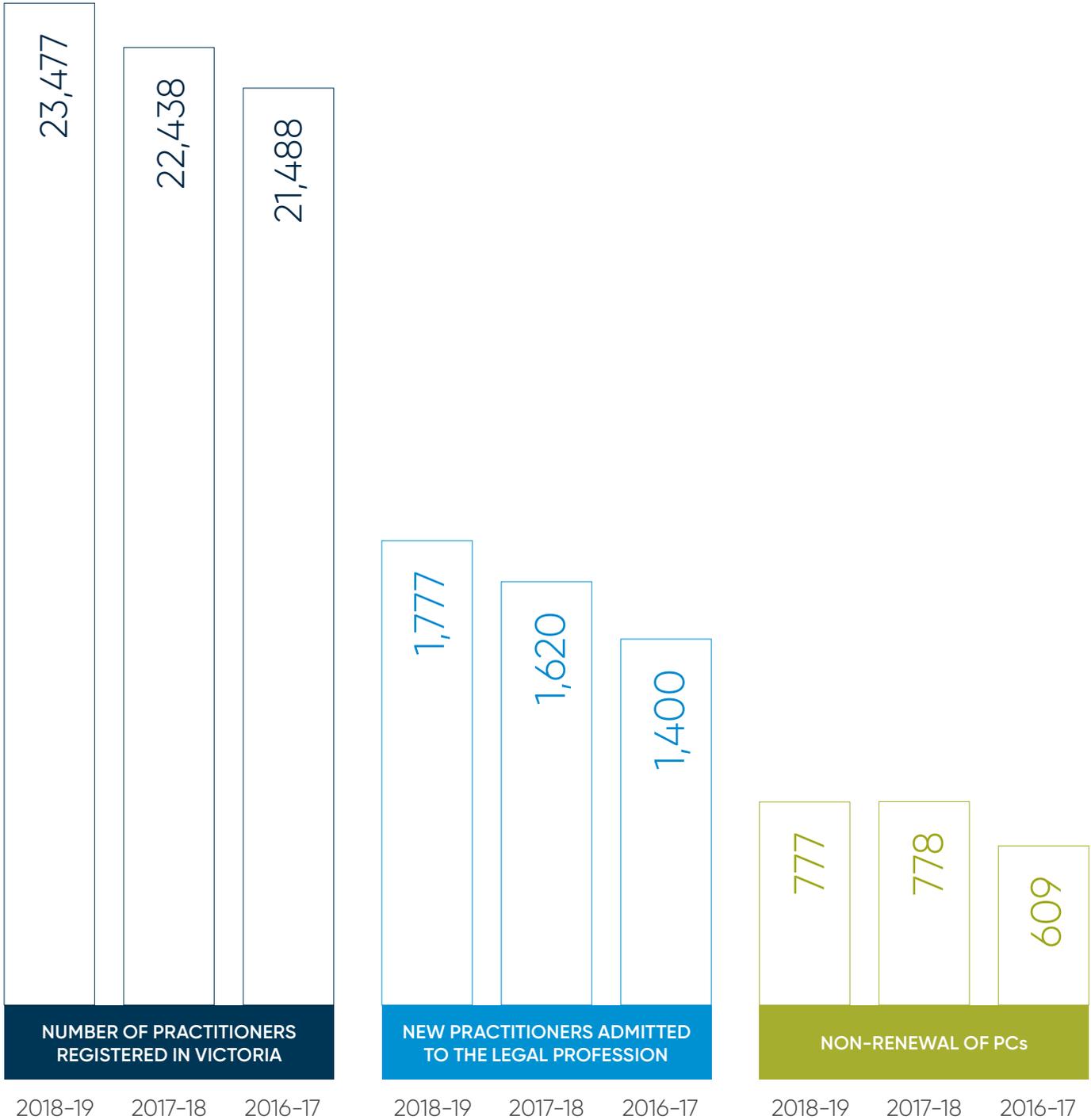
PROFILE OF THE VICTORIAN PROFESSION

We are 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 our website.

Below is a summary of the profile of the legal profession in Victoria as at 30 June 2019. There were 23,477 lawyers registered in Victoria at 30 June 2019. This grew by 1,129, a 5% increase over the previous year. 1,777 new lawyers were admitted between 1 July 2018 and 30 June 2019, 157 more than recorded last year. 777 lawyers informed us that they would not be renewing their PCs for the year end 30 June 2019. Figure 6 illustrates these changes.

FIGURE 6: Numbers of lawyers registered in Victoria



PRACTITIONERS BY AGE AND GENDER

Female lawyers outnumber their male counterparts in the first three age brackets as illustrated in Table 24. Male lawyers still dominate the 51-60 and above age brackets. We also began collecting statistics on non-binary gender for the first time in 2018-19.

TABLE 24: Lawyers by age and gender

	AGE IN YEARS						TOTAL
	20-30	31-40	41-50	51-60	61-70	>70	
FEMALE							
2018-19	2,891	4,555	2,690	1,276	499	100	12,011
2017-18	2,767	4,308	2,479	1,233	446	80	11,313
MALE							
2018-19	1,640	2,982	2,346	1,988	1,799	706	11,461
2017-18	1,555	2,843	2,310	1,991	1,780	646	11,125
NON-BINARY							
2018-19	1	3	1	0	0	0	5
2017-18	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total							
2018-19	4,532	7,540	5,037	3,264	2,298	806	23,477
2017-18	4,322	7,151	4,789	3,224	2,226	726	22,438

LAWYER TYPE AND GENDER

As shown in Table 25, the majority of lawyers registered in Victoria (91%) practise as solicitors while 9% practise as barristers. Females make up 53% of solicitors, while males constitute 70% of all Victorian barristers. This is the first year we have recorded non-binary gender statistics, therefore no comparison data is available for the previous reporting year.

TABLE 25: Lawyer type and gender

GENDER	TYPE					
	SOLICITORS		BARRISTERS		TOTAL	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
FEMALE	10,696	11,367	617	644	11,313	12,011
MALE	9,652	9,977	1,473	1,484	1,125	11,461
NON-BINARY	Not recorded	4	Not recorded	1	Not recorded	5
Total	20,348	21,348	2,090	2,129	22,438	23,477

The majority of lawyers registered in Victoria are based in the inner city area (53%) followed by the suburbs (36%). Figure 7 shows the geographic distribution of lawyers.

FIGURE 7: Location of lawyers by type

		CITY	SUBURB	COUNTRY	INTERSTATE	OVERSEAS	
SOLICITORS	2018-19	10,529	8,237	1,735	241	606	21,348
	2017-18	10,168	7,746	1,649	225	560	20,348
BARRISTERS	2018-19	1,929	171	22	5	2	2,129
	2017-18	1,944	124	16	3	3	2,090
TOTAL	2018-19	12,458	8,408	1,757	246	608	23,477
	2017-18	12,112	7,870	1,665	228	563	22,438







LAWYERS BY POSITION TYPE

There were 26,338 individual legal positions registered in Victoria as at 30 June 2019. 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 26 indicates that the Employee position type was the most populous, followed by that of Sole practitioner.

TABLE 26: Lawyers by position type

POSITION TYPE	2017-18	2018-19
Employee	8,374 (34%)	8,917 (34%)
Sole practitioner (includes barristers)	5,228 (21%)	5,152 (20%)
Corporate lawyer	3,385 (14%)	3,575 (14%)
Government	2,158 (9%)	2,896 (10%)
Director	2,271 (9%)	2,524 (10%)
Partner	2,360 (10%)	2,380 (9%)
Volunteer at CLS	771 (3%)	769 (3%)
Supervising lawyer	113 (<1%)	125 (<1%)
Total	24,660	26,338

LAWYERS BY PC TYPE AND AGE

Tables 27 to 29 show the number of lawyers registered in Victoria broken down by gender, the type of PC held and their age. Employee PCs were the most common certificate type held with almost half of all female lawyers and less than a third male lawyers holding this PC type. Approximately 28% of all lawyers held a principal PC (with or without trust authorisation). A larger proportion of female lawyers hold corporate practising certificates than male.

TABLE 27: Female lawyers by PC type and age

	AGE IN YEARS						TOTAL
	20-30	31-40	41-50	51-60	61-70	>70	
EMPLOYEE							
2018-19	2,194	2,023	652	229	92	18	5,208
2017-18	2,157	2,058	643	264	94	21	5,237
PRINCIPAL WITH TRUST AUTHORISATION							
2018-19	26	261	328	248	110	28	1,001
2017-18	33	226	309	238	105	27	938
PRINCIPAL							
2018-19	18	372	428	277	130	31	1,256
2017-18	38	377	407	266	110	16	1,214
CORPORATE							
2018-19	190	795	614	201	46	0	1,846
2017-18	192	788	573	191	35	0	1,779
GOVERNMENT							
2018-19	392	803	418	171	43	4	1,831
2017-18	264	574	314	128	29	0	1,309
BARRISTER							
2018-19	24	219	200	120	64	14	641
2017-18	33	205	189	113	61	12	613
VOLUNTEER							
2018-19	43	69	41	27	14	5	199
2017-18	47	72	35	31	11	4	200
EMPLOYEE WITH TRUST							
2018-19	4	13	9	3	0	0	29
2017-18	3	8	9	2	1	0	23
TOTAL							
2018-19	2,891	4,555	2,690	1,276	499	100	12,011
2017-18	2,767	4,308	2,479	1,233	446	80	11,313

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							
2018-19	1,313	1,200	389	206	242	117	3,467
2017-18	1,271	1,170	369	231	253	110	3,404
PRINCIPAL WITH TRUST AUTHORISATION							
2018-19	23	315	577	765	688	231	2,599
2017-18	20	282	575	785	689	216	2,567
PRINCIPAL							
2018-19	19	315	415	343	378	195	1,665
2017-18	24	342	440	356	368	180	1,710
CORPORATE							
2018-19	106	496	413	176	63	10	1,264
2017-18	92	453	398	167	57	6	1,173
GOVERNMENT							
2018-19	123	315	186	151	53	5	833
2017-18	85	270	141	114	40	4	654
BARRISTER							
2018-19	33	293	331	331	353	140	1,481
2017-18	33	279	353	328	352	124	1,469
VOLUNTEER							
2018-19	21	36	25	10	10	6	108
2017-18	27	37	26	8	14	6	118
EMPLOYEE WITH TRUST							
2018-19	2	12	10	6	12	2	44
2017-18	3	10	8	2	7	0	30
TOTAL							
2018-19	1,640	2,982	2,346	1,988	1,799	706	11,461
2017-18	1,555	2,843	2,310	1,991	1,780	646	11,125

Data on non-binary gender was first collected in the 2018-19 year; therefore we have no previous data to compare with.

TABLE 29: Non-binary lawyers by PC type and age

	AGE IN YEARS			TOTAL
	20-30	31-40	41-50	
BARRISTER	0	1	0	1
EMPLOYEE	0	2	1	3
GOVERNMENT	1	0	0	1
Total	1	3	1	5

EMPLOYMENT STATISTICS

NUMBER OF ENTITIES EMPLOYING LAWYERS IN VICTORIA AND LOCATION

We record all law firms, companies, charities and other organisations that employ lawyers. As at 30 June 2019 there were 9,667 entities registered as employing lawyers in Victoria.

Table 30 shows the number of employer entities registered in Victoria by entity type and location as at 30 June 2019. Almost half (49.8%) of sole practitioners are city-based while a further 40% are located in the suburbs. 54% of registered law firms are also located in the city.

TABLE 30: Location of employers

TYPE	CITY	SUBURB	COUNTRY	INTERSTATE	OVERSEAS	TOTAL
SOLE PRACTITIONER						
2018-19	2,632	2,105	339	30	115	5,281
2017-18	2,671	2,196	417	69	146	5,498
NON-LEGAL EMPLOYER						
2018-19	831	776	60	90	190	1,947
2017-18	762	742	54	80	189	1,827
ILP						
2018-19	707	886	211	133	0	1,937
2017-18	640	810	195	115	0	1,760
LAW FIRM						
2018-19	110	59	24	8	3	204
2017-18	112	57	29	10	2	210
GOVERNMENT EMPLOYER						
2018-19	123	40	11	7	1	182
2017-18	118	35	8	6	1	168
CLS						
2018-19	15	32	8	5	0	60
2017-18	18	31	8	4	0	61
ULP						
2018-19	17	8	4	7	0	36
2017-18	17	7	3	7	0	34
FOREIGN LAW PRACTICE						
2018-19	5	7	1	0	7	20
2017-18	4	6	1	0	6	17
TOTAL						
2018-19	4,440	3,913	718	279	317	9,667
2017-18	4,342	3,883	715	291	344	9,575

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								
2018-19	5,163	0	0	0	0	0	0	5,163
2017-18	5,263	1	0	0	0	0	0	5,264
ILP								
2018-19	1,537	260	38	15	7	3	0	1,860
2017-18	1,419	243	36	13	5	2	0	1,718
LAW FIRM								
2018-19	13	122	10	15	11	13	12	196
2017-18	11	126	16	12	13	13	12	203
CLS								
2018-19	22	27	5	3	0	0	0	57
2017-18	28	20	7	2	0	0	0	57
ULP								
2018-19	14	6	1	3	2	4	5	35
2017-18	10	8	0	2	5	4	5	34
FOREIGN LAW PRACTICE								
2018-19	13	1	0	0	0	0	0	14
2017-18	10	1	0	0	0	0	0	11
TOTAL								
2018-19	6,762	416	54	36	20	20	17	7,325
2017-18	6,741	399	59	29	23	19	17	7,287

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 us. However, in some instances the absence of a principal is due to a practitioner's failure to notify us 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								
2018-19	4,781	321	47	18	3	0	0	5,170
2017-18	4,879	316	60	21	2	0	0	5,278
NON-LEGAL EMPLOYER								
2018-19	704	295	90	85	34	10	0	1,222
2017-18	718	290	77	71	31	10	5	1,202
ILP								
2018-19	935	505	183	154	63	22	9	1,871
2017-18	864	470	158	139	65	18	7	1,721
LAW FIRM								
2018-19	8	65	30	32	23	15	27	200
2017-18	10	62	41	35	19	12	30	209
GOVERNMENT EMPLOYER								
2018-19	37	34	15	20	18	13	17	154
2017-18	32	34	13	18	19	11	15	142
CLS								
2018-19	5	3	6	12	12	13	8	59
2017-18	3	5	8	16	11	10	7	60
ULP								
2018-19	13	4	2	1	2	4	9	35
2017-18	9	6	1	1	5	3	9	34
FOREIGN LAW PRACTICE								
2018-19	15	2	0	0	1	0	0	18
2017-18	12	2	0	1	0	0	0	15
TOTAL								
2018-19	6,498	1,229	373	322	156	77	74	8,729
2017-18	6,527	1,185	358	302	152	64	73	8,661

* 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 us. However, in some instances the absence of a principal is due to a practitioner's failure to notify us of his or her commencement in this role.

APPENDIX 3

COMPLAINTS AND RELATED DATA

TABLE 33: Number and outcome of enquiries

YEAR	INFORMATION GIVEN, INCLUDING SUPPORT TO ENABLE SELF-RESOLUTION	CONCILIATED OUTCOME	COMPLAINT FORM SENT	REFERRAL TO OTHER BODY/NO JURISDICTION	TOTAL ENQUIRIES HANDLED
2018-19	3,955 (69%)	129 (23%)	950 (17%)	697 (12%)	5,731
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

TABLE 34: Number and type of complaint files opened

YEAR	CONSUMER MATTER ONLY	DISCIPLINARY MATTER ONLY	MIXED MATTER	TOTAL COMPLAINTS
2018-19	987 (55%)	754 (43%)	43 (2%)	1,784
2017-18	952 (57%)	671 (40%)	52 (3%)	1,675
2016-17	781 (52%)	654 (44%)	54 (4%)	1,489

TABLE 35: Commissioner-initiated complaints

BASIS FOR COMMISSIONER INITIATED INVESTIGATION	PRELIMINARY INVESTIGATION		COMMISSIONER INITIATED INVESTIGATION		TOTAL	
	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19
Trust account report	2	1	9	10	11	11
Referral from other agency (e.g. court)	3	3	9	3	12	6
VLSC complaint file	7	5	8	11	15	16
Media	0	1	1	0	1	1
Possible unqualified practice	0	0	0	0	0	0
Arises from PC process	2	1	7	7	9	8
Other	2	7	6	5	8	12
Total	16	18	40	36	56	54

TABLE 36: New complaint files opened by lawyer type

	CONSUMER MATTER	DISCIPLINARY MATTER	MIXED MATTER	TOTAL 2018-19
Solicitors	942 (53%)	712 (40%)	40 (2%)	1,694 (95%)
Barristers	45 (3%)	42 (2%)	3 (<1%)	90 (5%)
Total	987	754	43	1,784

TABLE 37: Areas of law featured in new complaints

AREA OF LAW	2016-17	2017-18	2018-19
FAMILY / DEFACTO	411 (28%)	415 (24%)	443 (25%)
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.)	249 (17%)	276 (16%)	326 (18%)
PROBATE/FAMILY PROVISIONS (formerly Probate and estate)	134 (9%)	178 (12%)	183 (10%)
CONVEYANCING	163 (11%)	195 (12%)	169 (9%)
COMMERCIAL/CORPORATIONS/FRANCHISE (combines previous Commercial, Company and Banking)	118 (8%)	138 (8%)	161 (9%)
CRIMINAL	58 (4%)	85 (5%)	117 (7%)
WILLS/POWERS OF ATTORNEY (combines previous Wills and Guardianship/Administration)	53 (4%)	56 (3%)	63 (4%)
LEASES/MORTGAGES (combines previous Leasing, Mortgages)	45 (3%)	36 (3%)	46 (3%)
EMPLOYMENT (formerly Industrial Relations)	46 (3%)	46 (3%)	44 (3%)
WORKERS COMPENSATION	31 (2%)	34 (2%)	44 (3%)
PERSONAL INJURIES (combines Personal Injury, Motor Vehicle Accident)	46 (3%)	51 (3%)	42 (2%)
BUILDING	29 (2%)	46 (3%)	41 (2%)
PROFESSIONAL NEGLIGENCE (New)	40 (3%)	28 (2%)	32 (2%)
IMMIGRATION	18 (1%)	20 (1%)	18 (1%)
STRATA BODIES/CORPORATES (formerly Body Corporate / Strata Title)	8 (<1%)	17 (<1%)	17 (1%)
LAND AND ENVIRONMENT (combines Planning, Environmental)	8 (<1%)	16 (<1%)	13 (<1%)
TRUST ACCOUNT BREACHES (New)	17 (1%)	19 (1%)	12 (<1%)
INSOLVENCY	6 (<1%)	12 (<1%)	10 (<1%)
VICTIMS COMPENSATION (formerly Crimes compensation)	9 (<1%)	7 (<1%)	3 (<1%)
Total	1,489	1,675	1,784

TABLE 38: 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	2016-17	2017-18	2018-19
Costs/Bills - overcharging	622 (31%)	695 (30%)	620 (28%)
Negligence - including bad case handling	369 (18%)	413 (18%)	442 (20%)
Dishonest/Misleading	100 (5%)	114 (5%)	142 (6%)
Trust money - including failure to account, mismanagement of funds	109 (5%)	129 (6%)	114 (5%)
Documents/Trust property - including retention and lost	69 (3%)	83 (4%)	84 (4%)
Breach of Act, rules, court order or undertaking	81 (4%)	87 (4%)	81 (4%)
Conflict of interest	69 (3%)	87 (4%)	79 (4%)
Instructions - including failure to comply	53 (3%)	74 (3%)	72 (3%)
Communication with client - including failure to return calls, give progress reports	88 (4%)	89 (4%)	66 (3%)
Defective costs disclosure communications	91 (4%)	121 (5%)	64 (3%)
Abusive/Rude	46 (2%)	51 (2%)	62 (3%)
Duress/Pressure/Bullying/Harassment	70 (3%)	73 (3%)	61 (3%)
Delays	80 (4%)	70 (3%)	60 (3%)
Improper personal conduct	13 (<1%)	23 (1%)	24 (1%)
Confidentiality breach	20 (<1%)	12 (<1%)	20(1%)
Debts - including practitioner's failure to pay	25 (1%)	18 (<1%)	17 (<1%)
Communication with other party	6 (<1%)	7 (<1%)	10 (<1%)
Gross overcharging	9 (<1%)	14 (<1%)	8 (<1%)
Court system	6 (<1%)	3 (<1%)	3 (<1%)
Advertising	2 (<1%)	3 (<1%)	2 (<1%)
Other disciplinary issues	80 (4%)	116 (5%)	168 (8%)
Total*	2,008	2,282	2,202

*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 39: Finalised complaints received under the LPA

YEAR	CIVIL	DISCIPLINARY	MIXED	TOTAL
2018-19	3 (43%)	4 (57%)	0	7
2017-18	14 (70%)	5 (25%)	1(5%)	20
2016-17	2 (5%)	38 (86%)	4 (9%)	44

TABLE 40: Finalised complaints received under the Uniform Law

YEAR	CONSUMER MATTERS	DISCIPLINARY MATTERS	MIXED MATTERS	TOTAL
2018-19	968 (56%)	703 (41%)	49 (3%)	1,720
2017-18	979 (58%)	629 (37%)	73 (4%)	1,681
2016-17	785 (55%)	590 (42%)	39 (3%)	1,414

TABLE 41: Outcomes of closed civil complaints made under LPA - (including the civil complaint outcomes from 'mixed' complaints)

CIVIL COMPLAINT OUTCOME	2016-17	2017-18	2018-19
Commissioner assisted dispute resolution between lawyer and consumer	1 (17%)	0	0
Dispute was unable to be settled and parties were advised of their right to apply to VCAT	1 (17%)	4 (26%)	2 (66%)
Complainant failed to lodge unpaid disputed costs	0	1 (7%)	0
Complaint made out of time	1 (17%)	1 (7%)	0
Complaint involved costs dispute which exceeded \$25,000	1 (17%)	4 (26%)	0
Complainant failed to provide further information when requested	0	3 (20%)	0
Complaint made before (or subject of another complaint)	0	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)	0	1 (7%)	1 (33%)
Complaint lacked legal substance (e.g. dispute already settled)	2 (33%)	1 (7%)	0
Lawyer had already issued debt collection proceedings	0	0	0
Total	6	15	3

TABLE 42: Outcomes of closed Uniform Law Consumer matters (including the consumer matter outcomes from 'mixed' complaints)

CONSUMER COMPLAINT OUTCOME	2016-17	2017-18	2018-19
Closed following a binding costs determination - s292(1)	17 (2%)	20 (2%)	4 (<1%)
Informal resolution successful	261 (32%)	270 (26%)	283 (28%)
Closure - s277(1)(a) Closed because vexatious, misconceived, frivolous or lacking in substance	102 (12%)	154 (15%)	160 (16%)
Closure - s 277(1)(b) Complaint made out of time	51 (6%)	63 (6%)	52 (5%)
Closure - s 277(1)(c) Closed because the complainant has not responded, or has responded inadequately, to a request for further information	26 (3%)	59 (6%)	47 (5%)
Closure - s 277(1)(d) Matter was already investigated	1 (<1%)	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	1 (<1%)	0
Closure - s 277(1)(g) Client is sued. No jurisdiction over consumer matter	15 (2%)	13 (1%)	15 (2%)
Closure - s 277(1)(i) Closed because the complaint is not one that the designated local regulatory authority has power to deal with	29 (3%)	21 (2%)	13 (1%)
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	8 (1%)	12 (1%)	10 (1%)
Closure - s277(2) Closed after preliminary assessment – commercial or government client	0	1 (<1%)	0
Closure - s291(2) No jurisdiction > \$100,000	1 (<1%)	6 (<1%)	1 (<1%)
Determination - Caution – s290(2)(a) An order requiring cautioning the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)	0	1 (<1%)
Determination - Compensation Order - s308(2) An order requiring the respondent to pay monetary compensation costs	1 (<1%)	3 (<1%)	1 (<1%)
Determination - Compensation Order - s308(3) An order requiring the respondent to pay monetary compensation NOT costs	1 (<1%)	0	1 (<1%)
Determination - Education – s290(2)(d) An order requiring respondent to undertake training, education or counselling or be supervised	1 (<1%)	0	0
Not resolved - Rights given > \$10,0000 - s293(2)(b)(i)	26 (3%)	24 (2%)	39 (4%)
Not resolved - Rights given < \$10,0000 - s293(2)(b)(ii)	2 (<1%)	1 (<1%)	3 (<1%)
Parties self-resolve	14 (2%)	23 (2%)	25 (3%)
Preliminary Assessment – resolved	117 (14%)	137 (13%)	111 (11%)
Preliminary Assessment – withdrawn	58 (7%)	112 (11%)	111 (11%)
Mediation – resolved - s288(3)	1 (<1%)	6 (<1%)	5 (<1%)
Consumer matter – withdrawn	90 (11%)	124 (12%)	135 (13%)
Closed – Abeyance ongoing proceedings	0	1 (<1%)	1 (<1%)
Total	823	1052	1,019

TABLE 43: Disciplinary investigations undertaken

INVESTIGATIONS	2016-17	2017-18	2018-19
Disciplinary investigations undertaken by Commissioner	202	185	165
Disciplinary investigations delegated/handled by Bar	10	5	5
Total Investigations	212	190	170

TABLE 44: Outcomes of closed LPA disciplinary complaints (including the outcomes of the disciplinary issues in 'mixed' complaints)

INVESTIGATION OUTCOME	2016-17	2017-18	2018-19
VCAT likely to find lawyer guilty of a disciplinary breach	13 (37%)	5 (100%)	3 (75%)
VCAT unlikely to find lawyer guilty of a disciplinary breach	6 (17%)	0	1 (25%)
Lawyer already struck off – not in the public interest to pursue further action	0	0	0
Complainant satisfied with lawyer's explanation & withdrew complaint	3 (9%)	0	0
Complaint made out of time	0	0	0
Complaint made before (or subject of another complaint)	0	0	0
Complainant failed to provide further information when requested	0	0	0
Complaint lacked legal substance etc. (e.g. alleged conduct was not inappropriate)	5 (14%)	0	0
Complaint about lawyer/client relationship and duties but made by third party (e.g. not the client)	0	0	0
Commissioner formed the view that complaint required no further investigation (e.g. lawyer not obliged to accept instructions from complainant)	4 (11%)	0	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)	0	0	0
Lawyer deceased	0	0	0
Lawyer ill health or not located	0	0	0
Closed due to ongoing proceedings	4 (11%)	0	0
Other regulatory action being taken	0	0	0
Total	35	5	4

TABLE 45: Outcomes of closed Uniform Law disciplinary complaints, including outcomes of disciplinary issues in 'mixed' complaints

INVESTIGATION OUTCOME	2016-17	2017-18	2018-19
Abeyance - ongoing proceedings	0	26 (4%)	21 (3%)
Closure - s277(1)(a) Closed - vexatious, misconceived, frivolous or lacking in substance	174 (38%)	134 (19%)	176 (23%)
Closure - s 277(1)(b) Complaint made out of time	6 (1%)	10 (1%)	7 (<1%)
Closure - s 277(1)(c) Closed - the complainant has not responded, or has responded inadequately, to a request for further information	15 (2%)	12 (2%)	8 (1%)
Closure - s277(1)(d) Closed - the subject matter of the complaint has been or is already being investigated	7 (1%)	9 (1%)	13 (2%)
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	11 (2%)	8 (1%)	1 (<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	98 (16%)	94 (14%)	84 (11%)
Closure - s 277(1)(i) Closed - the complaint is not one that the designated local regulatory authority has power to deal with	3 (<1%)	2 (<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%)	14 (2%)	8 (1%)
May be Professional misconduct – Initiate VCAT prosecution	7 (<1%)	25 (4%)	18 (2%)
May be Unsatisfactory professional conduct – initiate VCAT prosecution	0	2 (<1%)	0
Preliminary Assessment - resolved	72 (12%)	116 (16%)	110 (15%)
Preliminary Assessment - withdrawn	149 (24%)	167 (24%)	223 (30%)
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%)	0	0
Unsatisfactory professional conduct determination - Caution - s299(1)(a) An order cautioning the respondent or a legal practitioner associate of the respondent law practice	31 (5%)	28 (4%)	14 (2%)
Unsatisfactory professional conduct determination - Fine - s299(1)(f) An order fining the respondent or a legal practitioner associate of the respondent law practice	1 (<1%)	0	0
Unsatisfactory professional conduct determination - Education - s299(1)(e) An order requiring the respondent to undertake training, education or counselling or be supervised	0	0	1 (<1%)
Unsatisfactory professional conduct determination – Reprimand - s299(1)(b) An order reprimanding the respondent or a legal practitioner associate of the respondent law practice	8 (1%)	16 (16%)	12 (2%)
Withdrawn - Disciplinary	37 (6%)	32 (5%)	58 (8%)
Total	625	695	756

TABLE 46: Outcomes of Own motion investigations (LPA) and Commissioner initiated complaints (Uniform Law)

OUTCOME	2016-17	2017-18	2018-19
VCAT likely to find lawyer guilty of Professional misconduct, application made to VCAT	6	8	6
VCAT likely to find lawyer guilty of Unsatisfactory profession conduct, application made to VCAT	1	1	0
Commissioner reprimanded lawyer (likely finding of unsatisfactory professional conduct)	4	4	7
Commissioner cautioned lawyer (likely finding of unsatisfactory professional conduct)	13	13	8
Lawyer found generally competent: no further action (likely finding of unsatisfactory professional conduct)	0	0	0
Lawyer is fined (likely finding of unsatisfactory profession conduct)	1	0	0
Compensation to be paid by the lawyer to the client (likely finding of unsatisfactory professional conduct)	0	0	0
Closure s277(1)(a) – misconceived, lacking in substance	0	1	0
Closure s277(1)(c) – further information not provided	1	0	0
Closure – s277(1)(d) Closed – the subject matter of the complaint has been or is already being investigated	0	2	1
Closure s277(1)(e) – subject matter better investigated by another investigatory body	1	1	0
Closure s277(1)(j) – otherwise in the public interest to close	1	0	1
Commissioner forms the view no further investigation required (Uniform Law s277(1)(h))	11	16	16
Abeyance – ongoing proceedings	0	5	3
Total	39	49	42

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						
2018-19	0	2	0	0	1	3
2017-18	2	0	1	0	11	14
2016-17	0	0	0	0	2	2
DISCIPLINARY						
2018-19	0	0	0	0	4	4
2017-18	0	0	0	0	5	5
2016-17	0	0	0	0	38	38
MIXED						
2018-19	0	0	0	0	0	0
2017-18	0	0	0	0	1	1
2016-17	0	0	0	0	4	4
TOTAL						
2018-19	0	2	0	0	5	7
2017-18	2	0	1	0	17	20
2016-17	0	0	0	0	44	44

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						
2018-19	407	264	127	64	106	968
2017-18	371	205	136	91	176	979
2016-17	205	171	118	77	214	785
DISCIPLINARY MATTER						
2018-19	330	133	56	55	129	703
2017-18	326	84	44	27	148	629
2016-17	265	112	39	38	136	590
MIXED MATTERS						
2018-19	8	2	5	7	27	49
2017-18	5	8	6	2	52	73
2016-17	8	7	3	7	14	39
TOTAL						
2018-19	745	399	188	126	262	1,720
2017-18	702	297	186	120	376	1,681
2016-17	478	290	160	122	408	1,414

TABLE 49: Number of complaints outstanding at 1 July 2019 received under the LPA

DAYS SINCE RECEIPT OF COMPLAINT	<30	31-60	61-90	91- 120	>120	TOTAL
CIVIL DISPUTE						
2018-19	0	0	0	0	0	0
2017-18	0	0	0	0	0	0
2016-17	0	0	0	0	0	0
DISCIPLINARY						
2018-19	0	0	0	0	6	6
2017-18	0	0	0	0	10	10
2016-17	0	0	0	0	13	13
MIXED						
2018-19	0	0	0	0	1	1
2017-18	0	0	0	0	1	1
2016-17	0	0	0	0	2	2
TOTAL						
2018-19	0	0	0	0	7	7
2017-18	0	0	0	0	11	11
2016-17	0	0	0	0	15	15

TABLE 50: Number of complaints outstanding at 1 July 2019 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						
2018-19	11	32	46	30	46	165
2017-18	56	45	21	14	31	167
2016-17	64	40	25	22	58	209
DISCIPLINARY MATTER						
2018-19	18	8	18	22	235	301
2017-18	41	31	17	11	163	263
2016-17	36	22	21	19	124	222
MIXED MATTER						
2018-19	0	0	2	1	47	50
2017-18	6	3	1	3	27	40
2016-17	1	6	5	2	45	59
TOTAL						
2018-19	29	40	66	53	328	516
2017-18	103	79	39	28	221	470
2016-17	101	68	51	43	227	490

APPENDIX 4

PROSECUTIONS IN VCAT AND THE COURTS

TABLE 51: Disciplinary applications heard and determined at VCAT in 2018-19 (by date of application)

NO	MATTER IDENTIFICATION	SUMMARY OF VCAT FINDINGS	DATE AND ORDERS MADE
1	Name: Andrew BURGESS VCAT reference: J65/2016 Application Date: 18/10/2016 Amended on: 13/04/2017 Hearing date(s): 18/04/2017; 22/06/2017; 1/08/2017; 2/08/2017; 14/08/2018	Professional misconduct: failed to provide costs disclosure; made improper conditional costs agreement (x2); 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.	17/01/2019 – PC cancelled for 2 years effective 01/02/2019; Pay \$8,666.67 compensation; Fined \$2000; Pay VLSC costs. On Appeal to the Supreme Court of Victoria (See Table 56).
2	Name: Madeline TRAN VCAT reference: J2/2017 Application Date: 23/12/2016 Hearing date(s): 9/03/2018; 9/10/2018	Professional misconduct: 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.	19/07/2018 & 09/10/2018 – Reprimanded; fined \$1,000.00; pay VLSC costs fixed at \$8,000.
3	Name: Vladislav HYATT VCAT reference: J89/2017 Application Date: 20/12/2017 Hearing date(s): 10/09/2018	Professional misconduct: failed to deal appropriately with trust money; failed to provide trust statement to client as soon as practicable; failed to account for trust money; failed to keep trust records in accordance with the Uniform Rules.	26/09/2018 – Reprimanded; no PC to be granted before 26/09/2019; thereafter unable to receive trust monies for 5 years; fined \$10,000.00. Pay VLSC costs fixed at \$10,000.
4	Name: Danny NGUYEN VCAT reference: J90/2017 Application Date: 21/12/2017 Hearing date(s): 15/05/2018	Professional misconduct: suggested and directed person to make false statutory declaration; witnessed and affixed solicitor's stamp to false declaration; prepared correspondence with false statements (x2). Unsatisfactory professional conduct: failed to notify VLSC of being charged with a serious offence.	03/07/2018 – No PC to be granted for 22 months from the date of order; thereafter PC limited to employee PC for at least 2 years; undertake additional 6 CPD points; pay VLSC costs fixed at \$8,323.22.

NO	MATTER IDENTIFICATION	SUMMARY OF VCAT FINDINGS	DATE AND ORDERS MADE
5	Name: Mark BRAMICH VCAT reference: J87/2017 Application Date: 21/12/2017 Amended on: 30/05/2018 Hearing date(s): 7/08/2018	Professional misconduct: acted on instructions of medical power of attorney without seeking instructions from the client and assessing the client's capacity; failed to advise client's medical power of attorney of authority limits and responsibilities. Unsatisfactory professional conduct: failed to provide costs disclosure.	07/08/2018 – Reprimanded; fined \$4,000.00; Pay VLSC costs fixed at \$10,000.
6	Name: Peter MERICKA VCAT reference: J22/2017 Application Date: 22/05/2017 Amended on: 03/05/2018 Hearing date(s): 30/10/2018; 14/12/2018	Unsatisfactory professional conduct: sent inappropriate communications to other practitioner	12/12/2018 – Reprimanded; undergo psychological counselling at least quarterly for 12 months; provide mental health assessment to VLSC after each session; Pay VLSC costs.
7	Name: Stefan CHELPER VCAT reference: J34/2018 Application Date: 18/05/2018 Hearing date(s): 20–21/11/2018	Unsatisfactory professional conduct: allowed law practice to act without instructions; allowed law practice to act without instructions or advising client; failed to exercise adequate control over the law practice regarding the conduct of a clerk.	21/11/2018 – Reprimanded; may not apply for a principal PC for 2 years. 09/01/2019 – Pay VLSC costs fixed at \$8,000.
8	Name: John DAVEY VCAT reference: J35/2018 Application Date: 23/05/2018 Hearing date(s): 13/09/2018	Professional misconduct: threatened other practitioners with referral to VLSC in attempt to pressure their client into settlement.	13/09/2018 – Reprimanded; fined \$3,000; pay VLSC costs fixed at \$10,000.
9	Name: Ke Yuan TAN VCAT reference: J41/2018 Application Date: 25/05/2018 Hearing date(s): 8/10/2018	Professional misconduct: dishonestly created and distributed false documents, made false representations and falsified entries in the law practice's file (x14).	11/10/2018 (corrected 17/10/2018) – Reprimanded; not to apply for PC before 11/10/2023; thereafter limited to employee PC supervised for at least 2 years; may not work as lay associate without approval; referred to Supreme Court of Victoria with recommendation for strike-off; Pay VLSC costs fixed at \$13,635.78.
10	Name: John BARRETT VCAT reference: J51/2018 Application Date: 28/06/2018 Hearing date(s): 25/02/2019	Charges dismissed	28/02/2019 – Charges are dismissed.

NO	MATTER IDENTIFICATION	SUMMARY OF VCAT FINDINGS	DATE AND ORDERS MADE
11	Name: Ross PRIVITELLI VCAT reference: J53/2018 Application Date: 28/06/2018 Hearing date(s): 9/05/2019	Professional misconduct: trust account deficiencies; failed to make receipts; failed to provide trust account statements; failed to disclose substantial change to estimated legal costs; made out cheques to cash; failed to hold money in controlled money account exclusively for the person and advising complainant he was entitled to the money; sending emails containing false or misleading statements. Unsatisfactory professional conduct: failed to maintain proper records on file. Misconduct at common law: deliberately and recklessly provided fake file notes to VLSC during investigation.	09/05/2019 – Reprimanded; fined \$10,000; unable to hold PC with trust authorisation from 23 May 2019 to 01 July 2019; Pay VLSC costs fixed at \$27,000.
12	Name: Noor DEAN VCAT reference: J101/2018 Application Date: 25/09/2018 Hearing Date: 22/02/2019	Misconduct at common law: failed to adequately communicate with the client and/or take any substantive step in common law claim. Professional misconduct: failed to provide information to VLSC. Unsatisfactory professional conduct: having received transit money, failed to keep sufficient records.	14/04/2019 – Reprimanded; fined \$8,000,00; Pay VLSC costs fixed at \$10,000.
13	Name: Mark EDMONDSON VCAT reference: J124/2018 Application Date: 24/12/2018 Hearing date(s): 6/05/2019	Professional misconduct: found guilty of criminal offence of sexual assault.	25/06/2019 – Reprimanded; not to apply for PC before 26/03/2021; thereafter must provide medical report from clinical psychologist or psychiatrist confirming fitness to practice. Pay VLSC costs fixed at \$5000.
14	Name: Jeremy SZWIDER VCAT reference: J24/2019 Application Date: 14/01/2019 Hearing date(s): 28/03/2019	Professional misconduct: failed to make adequate costs disclosure; failed to comply with law on conditional costs agreements. Unsatisfactory professional conduct: provided bills which did not notify the avenues open in event of a dispute; charged client uplift fee exceeding 25% limit.	16/04/2019 – Reprimanded; fined \$2,000; pay VLSC costs fixed at \$15,500.

TABLE 52: Disciplinary applications to VCAT, where application is awaiting hearing and/or determination as at 30 June 2019

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS
1	30/06/2017 Amended on: 31/01/2019	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 admin mention on 17/07/2019
2	30/06/2017	Professional misconduct: failed to supervise non-lawyer conveyancer of the law practice; failed to ensure clients received clear advice; made false representation to ASIC; made false representation to VLSC. Unsatisfactory professional conduct: failed to securely retain client file.	Listed for admin mention on 04/07/2019
3	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.	Adjourned to a directions hearing on 05/09/2019
4	2/05/2018	Misconduct at common law: breach of the no contact rule; equitable fraud; false representations to client; seeking commission from opponents in proceedings.	Proceeding is stayed pending further order
5	24/05/2018	Professional misconduct: numerous trust account breaches including caused trust account deficiency; intermixing trust money; withdrew money for payment of legal costs owing; failed to furnish trust account statements to client, failed to provide ongoing costs disclosures. Unsatisfactory professional conduct: failed to maintain proper records on the client files.	Listed for hearing from 19/08/2019 to 20/08/2019
6	15/06/2018	Professional misconduct: unqualified legal practice; misled Federal Circuit Court by falsely representing an entitlement to appear as a legal practitioner; acted in conduct demonstrating he is not fit and proper 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.	Hearing held on 30 April 2019 Awaiting decision
7	28/06/2018	Professional misconduct: failed to return 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.	Listed for admin mention on 19/08/2019
8	28/06/2018	Misconduct at common law: made allegations of fraud or serious misconduct without a proper basis (alternatively professional misconduct).	Awaiting hearing date

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS
9	18/06/2018	<p>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 client; misled Tribunal by filing and serving witness statement containing false account; charged for work done without instructions; included counsel fees for work done in respondents interests rather than client (alternatively professional misconduct).</p> <p>Unsatisfactory professional conduct: failed to maintain proper file records.</p> <p>Professional misconduct: failed to provide client with information disclosing basis of legal costs for drafting will.</p>	Listed for hearing on 29/07/2019
10	27/07/2018	<p>Professional misconduct: failed to appear or arrange for counsel appearance in the Federal Circuit Court and/or inform clients of hearing (x2); failed to respond to communications on behalf of the client in a timely manner or at all, and/or convey the content or substance of the communications he received (x2); failed to respond to VLSC's request for information; failed to file Administration Account with the Supreme Court of Victoria and pay relevant monies from estate into Funds in Court; failed to deposit trust money into law practice trust account as soon as received; failed to respond to VLSC request for information and/or documents.</p>	Listed for admin mention on 02/07/2019
11	27/06/2018	<p>Professional misconduct: numerous trust account breaches including causing deficiency in trust account; failure to comply with regulations when withdrawing money; failure to pay or deliver trust monies; failure to furnish trust account statements; failure to properly maintain trust records.</p> <p>Professional misconduct: failure to respond to VLSC requests for information.</p> <p>Unsatisfactory professional conduct: failure to report an irregularity in trust account ledger.</p>	Listed for directions hearing on 01/08/2019
12	8/01/2019 Amended on 20/05/2019	<p>Professional misconduct: failed to comply with Rules in connection with drawing the client's will, caused deficiency in trust account, charging executor's commission when no entitlement to do so (x2); attempting to seek consent of beneficiaries where he failed to disclose to beneficiaries executors commission had already been taken; providing misleading information to beneficiaries; attempting to mislead VLSC about reimbursement of estate by failing to disclose the attempts to obtain consent.</p> <p>Unsatisfactory professional conduct: failed to keep proper records; failed to record withdrawal of money from trust account; failed to keep accurate trust ledger.</p>	Awaiting decision

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS
13	8/01/2019	<p>Misconduct at common law: grossly neglected duties to client; gross overcharging; failed to pay or deliver trust money to client; placed inappropriate pressure on the client; preventing the client from ending her retainer with the law practice and transferring the file; further and/or alternatively professional misconduct.</p> <p>Professional misconduct: failed to account for trust money; failed to provide costs disclosure; charged uplift fee without a conditional fee agreement; failed to maintain client file, failed to communicate adequately with client or to give appropriate advice and delay; failed to communicate adequately with the client; failed to provide competent or diligent legal services to client; inappropriately informed other party that had ceased to act for client and failed to seek instructions from client when seeking agreement of other law practice to take over conduct of client file; caused trust account deficiency; grossly neglecting duties to client; made false and/or misleading statements to the VLSC; further and/or alternatively misconduct at common law.</p> <p>Unsatisfactory professional conduct: failed to make costs disclosures; charged legal costs which was greater than agreed fixed fee amount.</p>	Listed for administration on 12/12/2019
14	11/02/2019	<p>Misconduct at common law: Misleading client (x2); Misleading VLSC (x2); failed respond to VLSC; intentionally misled VLSC; caused deficiency in trust account; alternatively professional misconduct.</p> <p>Professional misconduct: failed to retain client documents for required duration; destroyed client documents before time; grossly neglected his duties by causing unreasonable delay in the payment of settlement money and failure to communicate with client; made false and misleading statements to employees; knowingly made false and/or misleading statements to VLSC; alternatively misconduct at common law.</p> <p>Unsatisfactory professional conduct: charged fees greater than agreed fixed-fee amount; failed to make costs disclosure.</p>	Listed for compulsory conference on 14/08/2019
15	20/12/2018	<p>Professional misconduct (including misconduct at common law): engaging in dishonest conduct; not acting honestly and fairly and in client's best interests; conflict of interest; exercising undue influence; representing to persons that something is true which the lawyer knows or reasonably believes is un true; making a statement calculated to mislead or intimidate the other person and which grossly exceeds the legitimate assertion of the rights or entitlement of the client; breach of trust accounting regulations.</p> <p>Unsatisfactory professional conduct: failure to provide itemised account; failing to provide a written report of legal costs.</p>	Listed for directions hearing on 01/08/2019

NO.	DATE APPLICATION MADE	TYPE OF CHARGES	STATUS
16	24/04/2019	Professional misconduct: delay in preparation of documents; failed to meet deadlines; failed to inform instructing solicitor that the assurances would not be met; breached rules; failed to assist client to comply with Court Orders; failed to inform instructing solicitor of delay; failed to inform instructor he would be overseas at time of hearing and other counsel should be briefed; failed to complete work; alternatively professional misconduct; failed to comply with Court notices.	Listed for administrative mention on 29/08/2019
17	16/04/2019	Misconduct at common law: failed to comply with undertaking (x2) (alternatively professional misconduct).	Awaiting directions hearing
18	28/05/2019	Professional misconduct: knowingly created false documents; sending false email to client and acting dishonestly.	Listed for directions hearing on 11/07/2019
19	6/06/2019	Professional misconduct (including misconduct at common law): deliberately omitted to bring to the attention of another lawyer an obvious error; taking unfair advantage of the obvious error of another lawyer by which the lawyer sought to obtain a benefit for his client that has no supportable foundation; engaging in dishonest conduct; conduct which is prejudicial to or diminish the public confidence in the administration of justice or brings the profession into disrepute.	Listed for directions hearing on 01/08/2019
20	11/06/2019	Professional misconduct: conflict of interest; providing misleading statements to VLSC; charging client after completion of retainer. Unsatisfactory professional conduct: failure to release law practice file to the client; failure to provide costs disclosure regarding barrister costs.	Listed for directions hearing on 01/08/2019
21	23/12/2018 Amended on 17/06/2019	Professional misconduct: acting on the instructions of a recovery agent without having sought or obtained authority from the clients.	Listed for administrative mention on 01/07/2019

TABLE 53: Ongoing Re-hearing applications to VCAT in 2018-19

LAWYER	DATE APPLICATION MADE	DETAILS	STATUS AS AT 30 JUNE 2019
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 one day hearing on 28/08/2019

TABLE 54: Appeals heard and determined in the Court of Appeal 2018-19

NAME OF LAWYER	DATE OF APPLICATION	HEARING DATES	ORDER MADE
Alan McDonald	5/02/2018	N/A	13/02/2019 – Application for leave to appeal granted. The order of the Hon Justice Bell dated 14/12/2017 are set aside; application by the lawyer for leave to appeal VCAT decision and orders of 12/01/2016 is dismissed; Paragraph 2 of the orders made by VCAT on 12/01/2016 where the lawyer was found guilty of 2 charges of UPC is affirmed; proceeding is remitted back to VCAT for sanctions to be imposed; Pay VLSC costs in Supreme Court, application for leave to appeal to the Court of Appeal and the appeal on standard basis

TABLE 55: Appeals heard and determined in the High Court of Australia 2018-19

NAME OF LAWYER	DATE OF APPLICATION	HEARING DATES	APPEALED GROUNDS	ORDER MADE
Alan McDonald	13/03/2019	N/A	Application for special leave to appeal the judgement and order of the Court of Appeal of Supreme Court of Victoria given and made on 13/02/2019	12/06/2019 – Application for special leave to appeal to this Court refused with the Costs.

TABLE 56: Cases on appeal and judicial review to the Supreme Court in 2018-19

NO.	NAME OF LAWYER	DATE SC /VCAT ORDERS WERE MADE ON	DATE OF APPEAL APPLICATION TO SUPREME COURT	STATUS AS AT 30 JUNE 2019
1	Michael Gullquist	03/01/2017 (Supreme Court)	28/01/2018	08/03/2017 – if leave to appeal is granted, listed to be heard on 14/08/2017
2	Graeme Efron	16/07/2018	16/07/2018	06/12/2018 – Listed down for trial on 06/08/2019
3	Andrew Burgess	17/01/2019 (VCAT)	30/01/2019	Listed for hearing on 10 February 2020

APPENDIX 5

BOARD DELEGATIONS

Under s.44 of the Application Act the Victorian Legal Services Board may delegate certain 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 2019.

TABLE 57: Internal Board Delegations, current as at 30 June 2019

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>
		<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>

DATE	DELEGATE	FUNCTIONS DELEGATED
		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 Section 76 – vary, suspend or cancel certificate Section 77 – vary or suspend certificate Section 78 – lift suspension of a certificate and renew certificate while suspended
		Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice
		Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 89 – determine if fit and proper and take appropriate action Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder Section 92 – determine if fit and proper and take appropriate action
		Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission Section 94 – decide person not entitled to apply for specified period Section 95 – require further information
		Part 3.9, Division 1 – Making of disqualification orders Section 119 – make an order for disqualifications of individuals Section 120 – make an order for disqualifications of entities
		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 2 – Trust money and trust accounts Section 151 – receive notice of accounts Section 152 – determine money is not trust money
		Part 4.2, Division 4 – External investigations Section 160(2) and (3) – recover costs of external examinations from law practice Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation Section 166 – recover costs of external investigation
		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 Section 237 – process and investigate claims
		Part 4.5, Division 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant

DATE	DELEGATE	FUNCTIONS DELEGATED
		Part 4.5, Division 6 – Defaults involving interjurisdictional elements Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority
		Part 4.6– Business Management and Control Section 256 – conduct compliance audits 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
		Part 9.6 – Injunctions Section 447 – apply to Supreme Court for injunction
		Part 9.7 – Criminal and civil penalties Section 453(1) and (4) – order payment of pecuniary penalty
		Part 9.9 – General Section 462(2) – disclose information obtained Section 473(2) – approve forms
		Legal Profession Uniform General Rules 2015 Rule 20(3) and (4) – require evidence and require payment of expenses Rule 54 – require statement on trust money Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 81 – require insurance policy be submitted for assessment Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy Rule 86 (1) – receive claim against fidelity fund in specified form Rule 87 – require information and/or security related to claim Rule 90 – notify claimant of delay in determination of claim
16 June 2019	Director, Investigations	Legal Profession Act 2004 Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim
		Legal Profession Uniform Law Application Act 2014 Part 2, Division 2 – Further application provisions Section 13(2) – approve professional indemnity insurance policy
		Part 4, Division 2 – Australian practising certificates Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge
		Part 5, Division 1 – Statutory deposits into Public Purpose Fund Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk
		Part 10 – General Section 153(1) – appoint person to investigate offence
		Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 – Australian practising certificates Section 44 – grant or renew Australian practising certificate Section 45 – grant or renew Australian practising certificate
		Part 3.3, Division 3 – impose conditions of Australian practising certificates Section 47 – grant Australian practising certificate subject to conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions on Australian practising certificates

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 3.4, Division 3 – Registration Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p>
		<p>Part 3.4, Division 4 – Conditions of Australian registration certificates Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate Section 76 – vary, suspend or cancel certificate</p>
		<p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice</p>
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 89 – determine if fit and proper and take appropriate action (only in circumstances where the Commissioner has declared a conflict of interest) Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder Section 92 – determine if fit and proper and take appropriate action (only in circumstances where the Commissioner has declared a conflict of interest)</p>
		<p>Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission Section 95 – require further information</p>
		<p>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</p>
		<p>Part 4.2, Division 1 – Preliminary Section 130(4) – exempt law practice from complying with provisions</p>
		<p>Part 4.2, Division 4 – External investigations Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p>
		<p>Part 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement</p>
		<p>Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims</p>
		<p>Part 4.5, Division 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant</p>
		<p>Part 4.5, Division 6 – Defaults involving interjurisdictional elements Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority</p>
		<p>Part 4.6 – Business Management and Control Section 256 – conduct compliance audits Section 257 – give management system directions</p>
		<p>Part 7.3 – Entry and Search of Premises Section 374(2)(c)(ii) – authorise investigator in respect of trust records investigations and compliance audits</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		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
11 Dec 2018	Director, Corporate Services	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
16 June 2019	Director, Enquiries and Complaints	<p>Legal Profession Act 2004</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>
		<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 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 – impose 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 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>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, suspensions, cancellation of, 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 (only in circumstances where the Commissioner has declared a conflict of interest)</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 (only in circumstances where the Commissioner has declared a conflict of interest)</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 93 – take no action on event occurred before admission</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>

DATE	DELEGATE	FUNCTIONS DELEGATED
		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 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant
		Part 4.5, Division 6 – Defaults involving interjurisdictional elements Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority
		Part 4.6– Business Management and Control Section 256 – conduct compliance audits 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 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
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

DATE	DELEGATE	FUNCTIONS DELEGATED
		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
16 June 2019	Manager, Discipline and Suitability	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
		Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 –Australian practising certificates Section 44 – grant or renew of Australian practising certificates Section 45 (1), (3) and (4) – prerequisites for grant or renewal of Australian practising certificates
		Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – categories of practice and trust money Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions
		Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate
		Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 83 – give certificate holder notice of variation, suspension or cancellation
		Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder
		Part 3.5, Division 5 – Miscellaneous Section 93 – decide to take no action on events before admission or registration Section 95 –require information, examination or cooperation
20 May 2019	Assistant Manager, Discipline and Suitability	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 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 2 –Australian practising certificates Section 44 – grant or renew of Australian practising certificates (excluding refusals) Section 45 (1), (3) and (4) – prerequisites for grant or renewal of Australian practising certificates (excluding refusals)
		Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – set conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions

DATE	DELEGATE	FUNCTIONS DELEGATED
		Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate
		Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates Section 90 – serve designated show cause event notice
		Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission Section 95 – require further information
16 June 2019	Senior Investigator	Legal Profession Uniform Law (Victoria) Part 3.5, Division 5 – Miscellaneous Section 95(1) – require further information
16 June 2019	Manager, Enquiries and Review	Legal Profession Act 2004 Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim
		Legal Profession Uniform Law Application Act 2014 Part 2, Division 2 – Further application provisions Section 13(2) – approve professional indemnity insurance policy
		Part 4, Division 2 – Australian practising certificates Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge
		Part 5, Division 1 – Statutory deposits into Public Purpose Fund Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk
		Part 10 – General Section 153(1) – appoint person to investigate offence
		Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 – Australian practising certificates Section 44 – grant or renew Australian practising certificate Section 45 – grant or renew Australian practising certificate
		Part 3.3, Division 3 – impose conditions of Australian practising certificates Section 47 – grant Australian practising certificate subject to conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions on Australian practising certificates
		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 Section 76 – vary, suspend or cancel certificate
		Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates</p> <p>Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder</p>
		<p>Part 3.5, Division 5 – Miscellaneous</p> <p>Section 93 – take no action on event occurred before admission 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 Section 163 – undertake or authorise external investigations 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits 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 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>Legal Profession Uniform General Rules 2015</p> <p>Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
20 May 2019	Assistant Manager, Enquiries and Review	<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 Section 75(2) – refund all or part of a surcharge</p>
		<p>Legal Profession Uniform Law (Victoria)</p> <p>Part 3.3, Division 2 –Australian practising certificates</p> <p>Section 44 – grant or renew of Australian practising certificates (excluding refusals) Section 45 (1), (3) and (4) – prerequisites for grant or renewal of Australian practising certificates (excluding refusals)</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – set conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions</p>
		<p>Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission Section 95 – require further information</p>
16 June 2019	Manager, Complaints and Resolutions	<p>Legal Profession Act 2004 Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
		<p>Legal Profession Uniform Law Application Act 2014 Part 2, Division 2 – Further application provisions Section 13(2) – approve professional indemnity insurance policy</p>
		<p>Part 4, Division 2 – Australian practising certificates Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p>
		<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p>
		<p>Part 10 – General Section 153(1) – appoint person to investigate offence</p>
		<p>Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 – Australian practising certificates Section 44 – grant or renew Australian practising certificate Section 45 – grant or renew Australian practising certificate</p>
		<p>Part 3.3, Division 3 – impose conditions of Australian practising certificates Section 47 – grant Australian practising certificate subject to conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions on Australian practising certificates</p>
		<p>Part 3.4, Division 3 – Registration Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p>
		<p>Part 3.4, Division 4 – Conditions of Australian registration certificates Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p>
		<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate Section 76 – vary, suspend or cancel certificate</p>
		<p>Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice</p>
		<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 90 – serve designated show cause event notice Section 91 – receive statement from certificate holder</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission 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 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant
		Part 4.5, Division 6 – Defaults involving interjurisdictional elements Section 252(1) and (2) – request interjurisdictional fidelity authority to act as agent, and act as agent for interjurisdictional fidelity authority
		Part 4.6– Business Management and Control Section 256 – conduct compliance audits 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 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
20 May 2019	Assistant Manager, Complaints and Resolutions	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
		Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 –Australian practising certificates Section 44 – grant or renew of Australian practising certificates Section 45 (1), (3) and (4) – prerequisites for grant or renewal of Australian practising certificates
		Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – set conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions
		Part 3.5, Division 5 – Miscellaneous Section 93 – take no action on event occurred before admission Section 95 – require further information

DATE	DELEGATE	FUNCTIONS DELEGATED
29 May 2018	Manager, Regulatory Intervention	<p>Legal Profession Act 2004 Part 3.6, Division 3 – Claims about defaults Section 3.6.8(1) – allow further period to lodge fidelity fund claim Section 3.6.9 – advertisements Section 3.6.10 – time limit for making claims following advertisements</p>
		<p>Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
		<p>Legal Profession Uniform Law (Victoria) Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims</p>
		<p>Part 4.5, Division 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant</p>
		<p>Part 4.6 – Business Management and Control Section 256 – conduct compliance audits</p>
20 May 2019	Manager, Trust	<p>Legal Profession Uniform Law Application Act 2014 Part 5, Division 1 – Statutory deposits into Public Purpose Fund Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p>
		<p>Legal Profession Uniform Law (Victoria) Part 4.6 – Business Management and Control 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 Part 3.6, Division 4 – Determination of Fidelity Fund Claims Section 3.6.14 – determination of claims Section 3.6.15 – maximum amount allowable Section 3.6.16 – costs Section 3.6.17 – interest Section 3.6.18 – reduction of claim because of other benefits</p>
		<p>Legal Profession Uniform Law (Victoria) Part 4.5, Division 5 – Determination of claims Section 240 – determination of claims Section 241 – maximum amount allowable Section 242 – costs from fidelity fund Section 243 – interest from fidelity fund Section 244 – reduction of claim because of other benefits</p>

TABLE 58: External Delegations made by the Board current as at 30 June 2019

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
29 May 2018	Victorian Bar	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
		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
		Legal Profession Uniform Law (Victoria) Part 3.3, Division 2 – Australian practising certificates Section 44 – grant or renew Australian practising certificate Section 45 – grant or renew Australian practising certificate Section 47 – determine conditions to impose on Australian practicing certificates
		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
		Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate Section 76 – vary, suspend or cancel certificate Section 77 – vary or suspend certificate Section 78 – lift suspension of a certificate and renew certificate while suspended
Part 3.5, Division 3 – Variation, suspension or cancellation on specific grounds Section 82 – vary, suspend or cancel certificate Section 83 – give certificate holder notice of variation, suspension or cancellation Section 84 – take proposed action after giving notice		

DATE	DELEGATE	FUNCTION
		Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates Section 87 – receive notice of show cause event Section 88 – receive notice of show cause event Section 89 – determine if fit and proper and take appropriate action Section 91 – receive statement from certificate holder Section 92 – determine if fit and proper and take appropriate action Section 93 – take no action on event occurred before admission Section 94 – decide person not entitled to apply for specified period
		Part 3.5, Division 5 – Miscellaneous Section 95 – require further information
		Part 3.9, Division 1 – Making of disqualification orders Section 119 – make an order for disqualifications of individuals
		Part 4.2, Division 2 – Trust money and trust accounts Section 151 – receive notice of accounts Section 152 – determine money is not trust money
		Part 9.5– Notices and Evidentiary Matters Section 446 – seal or sign certificate confirming a person held an Australian practising certificate
		Part 9.6 – Injunctions Section 447 – apply to Supreme Court for injunction
		Legal Profession Uniform Continuing Professional Development (Barristers) Rules 2015 Rule 13 – receive certification of CPD compliance Rule 14 – require verification of compliance Rule 15 – give written notice requiring rectification plan Rule 16 – exempt from requirement to undertake CPD activities

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

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

REVOKED DELEGATIONS

The following table lists all of the Board delegations revoked during 2018-19 and the reasons for their revocation. There were no delegations revoked for external entities.

TABLE 59: Internal Board Delegations revoked during 2018-19

DELEGATE	FUNCTION
Executive Director, Complaints and Intervention (position title changed to Director, Enquiries and Complaints)	<p>Legal Profession Act 2004</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>
	<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>
	<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates (only in circumstances where the Commissioner has declared a conflict of interest)</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>

DELEGATE	FUNCTION
	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 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant
	Part 4.5, Division 6 – Defaults involving inter-jurisdictional elements Section 252(1) and (2) – request inter-jurisdictional fidelity authority to act as agent, and act as agent for inter-jurisdictional fidelity authority
	Part 4.6– Business Management and Control Section 256 – conduct compliance audits 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 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
Executive Director, Finance, Risk and Policy (position title changed to Director, Corporate Services)	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

DELEGATE	FUNCTION
	<p>Part 4.2, Division 4 – External investigations Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p>
	<p>Part 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement</p>
	<p>Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims</p>
	<p>Part 4.5, Division 6 – Defaults involving inter-jurisdictional elements Section 252(2) – request inter-jurisdictional fidelity authority to act as agent, and act as agent for inter-jurisdictional fidelity authority</p>
	<p>Part 4.6– Business Management and Control Section 257 – give management system directions</p>
	<p>Part 9.4– Cooperative and Other Arrangements Section 439 – receive information from relevant persons</p>
	<p>Legal Profession Uniform General Rules 2015 Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
Director, Enquiries and Complaints (realigned responsibilities within corporate structure)	<p>Legal Profession Act 2004 Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
	<p>Legal Profession Uniform Law Application Act 2014 Part 2, Division 2 – Further application provisions Section 13(2) – approve professional indemnity insurance policy</p>
	<p>Part 10 – General Section 153(1) – appoint person to investigate offence</p>
	<p>Legal Profession Uniform Law (Victoria) Part 3.4, Division 3 – Registration Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p>
	<p>Part 3.4, Division 4 – Conditions of Australian registration certificates Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p>
	<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates (only in circumstances where the Commissioner has declared a conflict of interest) Section 89 – determine if fit and proper and take appropriate action Section 92 – determine if fit and proper and take appropriate action</p>
	<p>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</p>
	<p>Part 4.2, Division 1 – Preliminary Section 130(4) – exempt law practice from complying with provisions</p>
	<p>Part 4.2, Division 4 – External investigations Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p>
	<p>Part 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement</p>

DELEGATE	FUNCTION
	<p>Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims</p>
	<p>Part 4.5, Division 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant</p>
	<p>Part 4.5, Division 6 – Defaults involving inter-jurisdictional elements Section 252(1) and (2) – request inter-jurisdictional fidelity authority to act as agent, and act as agent for inter-jurisdictional fidelity authority</p>
	<p>Part 4.6– Business Management and Control Section 256 – conduct compliance audits Section 257 – give management system directions</p>
	<p>Part 7.3 – Entry and Search of Premises 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 Section 439 – receive information from relevant persons</p>
	<p>Legal Profession Uniform General Rules 2015 Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
Director, Investigations and Practitioner Services (position title changed to Director, Investigations)	<p>Legal Profession Act 2004 Part 3.6, Division 4 – Determination of claims 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. Section 3.6.15 – set maximum amount allowable Section 3.6.16 – order payment of reasonable legal costs Section 3.6.17 – determine interest payable Section 3.6.18 – reduce claim because of other benefits Section 3.6.19 – subrogation on payment of fidelity fund claim</p>
	<p>Legal Profession Uniform Law Application Act 2014 Part 2, Division 2 – Further application provisions Section 13(2) – approve professional indemnity insurance policy</p>
	<p>Part 4, Division 2 – Australian practising certificates Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p>
	<p>Part 5, Division 1 – Statutory deposits into Public Purpose Fund Section 80 – determine of required deposit amount Section 85 – exempt of law practice or clerk</p>
	<p>Part 10 – General Section 153(1) – appoint person to investigate offence</p>
	<p>Legal Profession Uniform Law (Victoria) Part 3.3, Division 3 – impose conditions of Australian practising certificates Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition</p>
	<p>Part 3.4, Division 3 – Registration Section 62 – grant or renew Australian registration certificate Section 63(2) – reject notification of principal place of practice</p>

DELEGATE	FUNCTION
	<p>Part 3.4, Division 4 – Conditions of Australian registration certificates Section 64 – determine authority to receive trust money Section 66 – receive notification of certain events Section 67 – impose discretionary conditions on Australian registration certificate</p>
	<p>Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate</p>
	<p>Part 3.5, Division 4 – Show cause procedure for variation, suspensions, cancellation of, or refusal to renew, certificates (only in circumstances where the Commissioner has declared a conflict of interest) Section 89 – determine if fit and proper and take appropriate action Section 90 – serve designated show cause event notice Section 92 – determine if fit and proper and take appropriate action</p>
	<p>Part 3.5, Division 5 – Miscellaneous Section 95 – require further information</p>
	<p>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</p>
	<p>Part 4.2, Division 1 – Preliminary Section 130(4) – exempt law practice from complying with provisions</p>
	<p>Part 4.2, Division 4 – External investigations Section 162 – investigate or appoint external investigator Section 163 – undertake or authorise external investigations Section 165 – receive written report on investigation</p>
	<p>Part 4.4, Professional Indemnity Insurance Section 215(2), (4) and (6) – exempt from insurance requirement</p>
	<p>Part 4.5, Division 4 – Claims about defaults Section 236(1) and (2) – time limit for making claims</p>
	<p>Part 4.5, Division 5 – Determination of claims 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. Section 241 – set maximum amount allowable Section 242 – order payment of reasonable legal costs Section 243 – determine interest payable Section 244 – reduce claim because of other benefits Section 246 – subrogate rights and remedies of claimant</p>
	<p>Part 4.5, Division 6 – Defaults involving inter-jurisdictional elements Section 252(1) and (2) – request inter-jurisdictional fidelity authority to act as agent, and act as agent for inter-jurisdictional fidelity authority</p>
	<p>Part 4.6– Business Management and Control Section 256 – conduct compliance audits Section 257 – give management system directions</p>
	<p>Part 7.3 – Entry and Search of Premises 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 Section 439 – receive information from relevant persons</p>
	<p>Legal Profession Uniform General Rules 2015 Rule 66(4) and (5) – approve termination of appointment and require evidence Rule 67 – exempt examiner from requirement to report using standard form Rule 82(1)(d) – exempt community legal service to hold or be covered by approved insurance policy</p>
Assistant Manager, Licensing (position title changed to Assistant Manager, Enquiries and Review)	<p>Legal Profession Uniform Law Application Act 2014 Part 4, Division 2 – Australian practising certificates Section 73(4) – refund all or part of a surcharge Section 75(2) – refund all or part of a surcharge</p>

DELEGATE	FUNCTION
	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 2 – Australian practising certificates Section 44 – grant or renew of Australian practising certificates (excluding refusals) Section 45 – prerequisites for grant or renewal of Australian practising certificates (excluding refusals)
	Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – set conditions Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions
	Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate
	Part 3.5, Division 4 – Show cause procedure for variation, suspension or cancellation or, or refusal to renew, certificates Section 90 – require statement for show cause events
	Part 3.5, Division 5 – Miscellaneous Section 93 – decide to take no action Section 95 – require further information
Manager, Practitioner Services (position title changed to Manager, Discipline and Suitability)	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 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 2 – Australian practising certificates Section 44 – grant or renewal of Australian practising certificate, excluding function of refusing to grant and renew practising certificates Section 45 – prerequisites for grant or renewal of Australian practising certificates, excluding function of refusing to grant and renew practising certificates
	Part 3.3, Division 3 – Conditions of Australian practising certificates Section 47 – categories of practice and trust money Section 49(4) and (5) – exempt class of persons from or reduce period of supervised legal practice condition Section 53 – impose discretionary conditions
	Part 3.5, Division 2 – Variation, suspension or cancellation of certificates Section 74 – vary a certificate
	Part 3.5, Division 4 Show cause procedure for variation, suspension or cancellation of, or refusal to renew, certificates Section 90 – nature of designated show cause events
	Part 3.5, Division 5 – Miscellaneous Section 93 – decide to take no action on events before admission or registration Section 95 – require information, examination or cooperation
Manager Complaints and investigations (position title changed to Manager, Trust)	Legal Profession Uniform Law (Victoria) Part 4.6 – Business Management and Control Section 256 – conduct compliance audits (ILPs)
Manager, Assessment and Resolutions (position ceased)	Legal Profession Uniform Law (Victoria) Part 4.6 – Business Management and Control Section 256 – conduct compliance audits

APPENDIX 6:

COMMISSIONER DELEGATIONS

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

CURRENT DELEGATIONS

Table 60 lists all of the internal Commissioner delegations and Table 61 lists all of the external Commissioner delegations in force as at 30 June 2019.

TABLE 60: Internal Commissioner Delegations current as at 30 June 2019

DATE	DELEGATE	FUNCTIONS DELEGATED
20 May 2019	Director, Investigations	<p>Legal Profession Act 2004</p> <p>Part 3.3, Division 3 – Investigations</p> <p>Section 3.3.44(2) – obtain information from financial institutions and other specified bodies</p>
		<p>Part 4.1, Division 2 – Application of Chapter</p> <p>Section 4.1.4(3) – consent to deal with issue under corresponding law</p> <p>Section 4.1.4(5) – consent to deal with issue under corresponding law</p>
		<p>Part 4.2 – Making a complaint</p> <p>Section 4.2.7 – vary time limit for complaint</p> <p>Section 4.2.8 – give written notification of a complaint</p> <p>Section 4.2.9 – require further information from complainant</p> <p>Section 4.2.10 – summarily dismiss complaint</p>
		<p>Part 4.3, Division 2 – Dealing with civil complaints</p> <p>Section 4.3.3 – lodgement of disputed legal costs</p> <p>Section 4.3.4 – deposit disputed legal costs in ADI</p> <p>Section 4.3.5 – attempt to resolve civil dispute</p> <p>Section 4.3.5A(1) – prepare written agreement</p> <p>Section 4.3.6 – give written notice dispute unlikely to be resolved</p> <p>Section 4.3.7 – give written notice dispute unable to be resolved</p>
		<p>Part 4.3, Division 3 – Mediation</p> <p>Section 4.3.9 – appoint a mediator</p> <p>Section 4.3.13 – dismiss complaint or give rights to apply to VCAT</p>
		<p>Part 4.3, Division 4 – Resolution of civil disputes by the Tribunal</p> <p>Section 4.3.15 – make application to the Tribunal</p>
		<p>Part 4.4 – Division 3 – Investigations</p> <p>Section 4.4.7 – investigate complaint</p> <p>Section 4.4.8 – investigate without complaint</p> <p>Section 4.4.9 – refer complaint to prescribed investigatory body</p> <p>Section 4.4.10(3) – deal with complaint</p> <p>Section 4.4.11 – require further information and documents</p> <p>Section 4.4.12 – investigate expeditiously</p> <p>Section 4.4.12A – suspend investigation</p> <p>Section 4.4.12B – take no further action</p> <p>Section 4.4.12C – notify practitioner of decision</p> <p>Section 4.4.13 – take appropriate action</p> <p>Section 4.4.14 – give notice of decision</p>
		<p>Part 4.4, Division 7 – Inter-jurisdictional provisions</p> <p>Section 4.4.33 – request another jurisdiction to investigate</p> <p>Section 4.4.34 – receive request from another jurisdiction to investigate</p> <p>Section 4.4.36 – Cooperate with corresponding authorities</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 7.2 – General provisions Section 7.2.14 – disclose information</p>
		<p>Schedule 2, Part 6 – Disputes and discipline Clause 6.1 – handle disputes lodged under old Act Clause 6.2 – handle disputes lodged under old Act Clause 6.3 – handle disputes lodged under old Act</p>
		<p>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</p>
		<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>
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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>
20 May 2019	Director, Enquiries and Complaints	<p>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</p>
		<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>
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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, Regulatory Intervention	<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>
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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	Assistant Manager, Regulatory Intervention	<p>Legal Profession Uniform Law (Victoria) Part 5.2, Division 1 – Making complaints and other matters about complaints Section 269(1) – definition of consumer matter Section 271 – priority given to resolving consumer matter where there is a mixed complaint</p>
		<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 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</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) – 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>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<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>
20 May 2019	Manager, Trust	<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>
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 - Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<p>Part 9.9 – General Section 466(7) – recommend practising certificate or registration certificate be suspended</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Schedule 3, Part 4 – Dispute Resolution and Professional Discipline Clause 14 – conduct of lawyer does not apply if it is being dealt with under a corresponding law</p>
		<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>
20 May 2019	Manager, Disciplinary and Suitability	<p>Legal Profession Act 2004 Part 3.3, Division 3 – Investigations Section 3.3.44(2) – obtain information from financial institutions and other specified bodies</p>
		<p>Part 4.1, Division 2 – Application of Chapter Section 4.1.4(3) – consent to deal with issue under corresponding law Section 4.1.4(5) – consent to deal with issue under corresponding law</p>
		<p>Part 4.2 – Making a complaint Section 4.2.7 – vary time limit for complaint Section 4.2.8 – give written notification of a complaint Section 4.2.9 – require further information from complainant Section 4.2.10 – summarily dismiss complaint</p>
		<p>Part 4.3, Division 2 – Dealing with civil complaints Section 4.3.3 – lodgement of disputed legal costs Section 4.3.4 – deposit disputed legal costs in ADI Section 4.3.5 – attempt to resolve civil dispute Section 4.3.5A(1) – prepare written agreement Section 4.3.6 – give written notice dispute unlikely to be resolved Section 4.3.7 – give written notice dispute unable to be resolved</p>
		<p>Part 4.3, Division 3 – Mediation Section 4.3.9 – appoint a mediator Section 4.3.13 – dismiss complaint or give rights to apply to VCAT</p>
		<p>Part 4.3, Division 4 – Resolution of civil disputes by the Tribunal Section 4.3.15 – make application to the Tribunal</p>
		<p>Part 4.4 – Division 3 – Investigations Section 4.4.7 – investigate complaint Section 4.4.8 – investigate without complaint Section 4.4.9 – refer complaint to prescribed investigatory body Section 4.4.10(3) – deal with complaint Section 4.4.11 – require further information and documents Section 4.4.12 – investigate expeditiously Section 4.4.13(1), (3)(b), (3)(c), (4), (5) and (6) – take appropriate action Section 4.4.14 – give notice of decision</p>
		<p>Part 4.4, Division 7 – Inter-jurisdictional provisions Section 4.4.33 – request another jurisdiction to investigate Section 4.4.34 – receive request from another jurisdiction to investigate Section 4.4.36 – Cooperate with corresponding authorities</p>
		<p>Part 7.2 – General provisions Section 7.2.14 – disclose information</p>
		<p>Schedule 2, Part 6 – Disputes and discipline Clause 6.1 – handle disputes lodged under old Act Clause 6.2 – handle disputes lodged under old Act Clause 6.3 – handle disputes lodged under old Act</p>
		<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 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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 - Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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>
20 May 2019	Assistant Manager, Discipline and Suitability	<p>Legal Profession Act 2004 Part 3.3, Division 3 – Investigations Section 3.3.44(2) – obtain information from financial institutions and other specified bodies</p>
		<p>Part 4.2 – Making a complaint Section 4.2.7(4) – vary time limit for complaint Section 4.2.8 – give written notification of a complaint Section 4.2.9 – require further information from complainant</p>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<p>Part 4.3, Division 2 – Dealing with civil complaints Section 4.3.3(2) and (3) – lodgement of disputed legal costs Section 4.3.5(1) and (3) – attempt to resolve civil dispute Section 4.3.5A(1) – prepare written agreement Section 4.3.7 – give written notice dispute unable to be resolved</p>
		<p>Part 4.4 – Division 3 – Investigations Section 4.4.7 – investigate complaint Section 4.4.9(1)–(4) – refer complaint to prescribed investigatory body Section 4.4.11 – require further information and documents</p>
		<p>Part 7.2 – General provisions Section 7.2.14 – disclose information</p>
		<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 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</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) – 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>
31 May 2019	Senior Investigator	<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 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 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</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) – conduct an internal review</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>
31 May 2019	Investigator	<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>

DATE	DELEGATE	FUNCTIONS DELEGATED
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</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>
		<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
20 May 2019	Assistant Manager, Enquiries and Review	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 Section 272 – making complaint within 3 year time limit
		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(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
		Part 9.9 – General Section 466(7) – recommend practising certificate or registration certificate be suspended
		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
		18 Oct 2017
Part 5.2, Division 2 – Preliminary assessment of complaints Section 276 – conduct preliminary complaint Section 277 – ability to close complaint after conducting preliminary assessment Section 278 – ability to make recommendation that a practicing certificate be suspended		
Part 5.2, Division 3 – Notifications to and submissions by respondents Section 279 – notify respondent of complaint as soon as practicable Section 280 – response to complaint by respondent Section 281 – ability to not notify a respondent under certain circumstances		

DATE	DELEGATE	FUNCTIONS DELEGATED
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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>
20 May 2019	Assistant Manager, Complaints and Resolutions	<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>
		<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>

DATE	DELEGATE	FUNCTIONS DELEGATED
		<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>
		<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
		<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
		<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
		<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
		<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>
27 Jul 2016	Assessment and Resolutions 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>

DATE	DELEGATE	FUNCTIONS DELEGATED
		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
10 Aug 2015	Administrative Officer, Assessment and Resolutions	Legal Profession Uniform Law (Victoria) Part 5.2, Division 2 – Preliminary assessment of complaints Section 276 – conduct preliminary complaint
		Part 5.2, Division 3 – Notifications to and submissions by respondents Section 280 – response to complaint by respondent
		Part 5.2, Division 4 – Investigation of complaints Section 282(1) – investigate internally or appoint externally
		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
		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
21 Aug 2015	Trust Account Analyst	Legal Profession Uniform Law (Victoria) Part 5.2, Division 2 – Preliminary assessment of complaints Section 276 – conduct preliminary complaint
		Part 5.2, Division 3 – Notifications to and submissions by respondents Section 280 – response to complaint by respondent
		Part 5.2, Division 4 – Investigation of complaints Section 282(1) – investigate internally or appoint externally
		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
		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

DATE	DELEGATE	FUNCTIONS DELEGATED
		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 61: External Delegations made by the Victorian Legal Services Commissioner, current as at 30 June 2019

DATE	DELEGATE	FUNCTION
1 Feb 2019	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 (only to Board) 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

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.

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 table lists all of the Commissioner internal delegations revoked during 2018-19 and the reasons for their revocation. There were no delegations revoked for external entities.

TABLE 62: Internal Delegations revoked by the Victorian Legal Services Commissioner during 2018-19

DELEGATE	FUNCTION
Executive Director, Complaints and Intervention (position title changed to Director, Investigations and Practitioner Services)	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
	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
	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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct
	Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal

DELEGATE	FUNCTION
	<p>Part 5.5 – Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
	<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
	<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
	<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>
Director, Investigations and Practitioner Services (position title changed to Director, Investigations)	<p>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</p>
	<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>
	<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>

DELEGATE	FUNCTION
	<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>
	<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
	<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
	<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
	<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
	<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
	<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>
Assistant Manager, Dispute Resolution and Review (position title changed to Assistant Manager, Enquiries and Review)	<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 Section 272 – making complaint within 3 year time limit</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 internally or appoint externally Section 283 – extend scope of investigation Section 284 – arrange assessment of costs charged or claimed by respondent</p>

DELEGATE	FUNCTION
	<p>Part 5.3, Division 2 – Provisions applicable to all consumer matters 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) – 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>
<p>Manager, Complaints and Investigations (position title changes to Manager, Trust)</p>	<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>
	<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>

DELEGATE	FUNCTION
	<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>
	<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
	<p>Part 5.4, Division 3 – Role of designated tribunal Section 300 – initiate and prosecute proceedings against respondent lawyer in the designated tribunal</p>
	<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
	<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
	<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
	<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>
Manager, Disciplinary Investigations (position title changed to Manager, Discipline and Suitability)	<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>

DELEGATE	FUNCTION
	<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>
	<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>

DELEGATE	FUNCTION
	<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>
Assistant Manager, Disciplinary Investigations (position title changed to Assistant Manager, Discipline and Suitability)	<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 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</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) – 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>
Assistant Manager, Assessment and Resolutions (position title changed to Assistant Manager, Complaints and Resolutions)	<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>

DELEGATE	FUNCTION
	<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>
	<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 5.4, Division 2 – Determination by local regulatory authority Section 299 – determine unsatisfactory professional conduct and make orders to rectify that conduct</p>
	<p>Part 5.5– Compensation Orders Section 306 – make compensation order Section 307(4) – request may be made at any time after complaint made Section 308 – order to compensate aggrieved person Section 309 – order not to be made unless the designated authority or tribunal is satisfied of a loss or that it be in the interest of justice or if compensation has been made by court or paid from a fidelity fund</p>
	<p>Part 5.6 – Appeal or Review Section 313 – conduct an internal review</p>
	<p>Part 5.7 – General Duties of Local Regulatory Authorities Section 318 – provide the complainant and respondent written notice of decisions or determinations Section 320 – make order directing or refraining action</p>
	<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>

APPENDIX 7

BOARD AND COMMISSIONER CONSOLIDATED FINANCIAL REPORT

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 2019 in the following structure to provide users with information about the stewardship of resources entrusted to it.

FINANCIAL STATEMENTS	115	NOTES TO THE FINANCIAL STATEMENTS	122
Financial statements declaration	115	1 About this report	122
Independent auditor's report	116	2 Funds administered	124
Comprehensive operating statement	118	3 Funding delivery of our services – income from transactions	127
Balance sheet	119	4 Cost of delivering services – expenses from transactions	129
Statement of changes in equity	120	5 Assets available to support delivery of services	134
Cash flow statement	121	6 Liabilities	143
		7 Financial risks and valuation judgements	149
		8 Responsible persons, remuneration and related parties	163
		9 Other disclosures	168
		10 Glossary of terms and style conventions	176

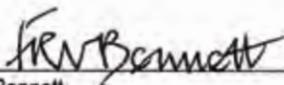
FINANCIAL STATEMENTS DECLARATION

The attached consolidated financial statements for the Victorian Legal Services Board and Victorian Legal Services Commissioner have been prepared in accordance with Standing Direction 5.2 of the *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 2019 and financial position of the Victorian Legal Services Board and Victorian Legal Services Commissioner at 30 June 2019.

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 13 August 2019.



F Bennett
Chairperson,
Victorian Legal Services Board
Melbourne
13 August 2019



F McLeay
CEO, Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
13 August 2019



J Ireson
Chief Finance and Accounting Officer,
Victorian Legal Services Board and Victorian Legal Services Commissioner
Melbourne
13 August 2019

D-19-201289

Independent Auditor's Report

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

Opinion I have audited the consolidated 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 2019
- 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 at 30 June 2019 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 the 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 and Commissioner's responsibilities for the financial report The Board members of the Victorian Legal Services Board and Commissioner of the Victorian Legal Services Commissioner are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial 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 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

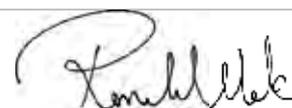
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and 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 the 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 and the commissioner's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the board and the commissioner as consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the board and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the board and the consolidated entity. I remain solely responsible for my audit opinion.

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
26 August 2019



Ron Mak
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$'000	2018 \$'000
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Interest and distributions	3.1	83,815	77,558
Practising certificate fees and Fidelity Fund contributions	3.2	11,833	11,102
Other income	3.3	299	808
Total income from transactions		95,947	89,468
EXPENSES FROM TRANSACTIONS			
Employee benefits expenses	4.1.1	(12,479)	(11,375)
Funding and grants	4.2	(53,072)	(44,096)
Payments to service providers	4.3	(2,244)	(2,320)
Fidelity Fund claims and expenses	4.4	(1,864)	(2,722)
Depreciation and amortisation expense	5.3.2	(947)	(926)
Board and committee member fees		(335)	(336)
Legal expenses	4.5	(3,122)	(2,742)
Other operating expenses	4.6	(4,291)	(3,949)
Total expenses from transactions		(78,354)	(68,466)
Net result from transactions		17,593	21,002
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on financial instruments	9.1	34,208	16,468
Net gain/(loss) on non-financial assets	9.1	(2)	0
Other gain/(loss) from other economic flows	9.1	(805)	(666)
Total other economic flows included in net result		33,401	15,802
Net result from continuing operations		50,993	36,804
Net result		50,993	36,804
Other economic flows - other comprehensive income		-	-
Comprehensive result		50,993	36,804

The accompanying notes form part of these financial statements.

BALANCE SHEET

AS AT 30 JUNE 2019

	NOTES	2019 \$'000	2018 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and cash equivalents	5.1.1	312,441	874,004
Receivables	5.4.1	21,586	5,727
Investments and other financial assets	5.2	1,501,872	1,014,241
Total financial assets		1,835,900	1,893,972
NON-FINANCIAL ASSETS			
Plant and equipment	5.3.3	2,328	2,285
Intangible assets		1,454	993
Prepayments		435	315
Total non-financial assets		4,217	3,593
Total assets		1,840,117	1,897,565
LIABILITIES			
Payables	6.3.1	10,425	9,526
Lease liabilities		29	42
Provisions	6.4	16,143	15,046
Income received in advance	6.2	11,975	11,232
Statutory deposit account balances	6.1	1,478,897	1,590,061
Total liabilities		1,517,468	1,625,907
Net assets		322,650	271,657
EQUITY			
Contributed equity		29	29
Accumulated surplus		322,621	271,628
Net worth		322,650	271,657

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	CONTRIBUTED EQUITY \$'000	ACCUMULATED SURPLUS \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2017	29	234,823	234,852
Net result for the year	-	36,804	36,804
Other comprehensive income for the year	-	-	-
Balance at 30 June 2018	29	271,627	271,656
Change in accounting policy	-	1	1
Restated balance at 1 July 2018	29	271,628	271,657
Net result for the year	-	50,993	50,993
Other comprehensive income for the year	-	-	-
Balance at 30 June 2019	29	322,621	322,650

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Interest and distributions received		48,503	106,665
Receipts from practising certificates fees and Fidelity Fund contributions		12,631	11,780
Other receipts		(333)	637
Goods and Services Tax recovered from the ATO		(113)	108
Total receipts		60,688	119,190
PAYMENTS			
Payments to suppliers and employees		(22,521)	(22,004)
Payments of Fidelity Fund claims, costs and other expenses		(2,342)	(2,499)
Payments of grants		(51,414)	(41,856)
Total payments		(76,277)	(66,359)
Net cash flows from/(used in) operating activities	5.1.2	(15,588)	52,831
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments and other financial assets		18,000	94,061
Purchases of non-financial assets		(436)	(113)
Payments for intangible assets		(831)	(149)
Payments for investments and other financial assets		(451,373)	(127,249)
Net cash flows from/(used in) investing activities		(434,640)	(33,450)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases		(169)	(13)
Deposits into statutory deposit accounts by solicitors		1,264,283	1,389,763
Withdrawals from statutory deposit accounts by solicitors		(1,375,447)	(1,160,872)
Net cash flows from/(used in) financing activities		(111,333)	228,878
Net increase/(decrease) in cash and cash equivalents		(561,562)	248,260
Cash and cash equivalents at the beginning of the financial year		874,003	625,743
Cash and cash equivalents at the end of the financial year	5.1.1	312,441	874,003

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ABOUT THIS REPORT

These annual financial statements represent the audited general purpose financial statements for the Victorian Legal Services Board (Board) and the Victorian Legal Services Commissioner (Commissioner) as consolidated entities (collectively VLSB+C) for the period ended 30 June 2019.

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

New accounting standard AASB 9 *Financial Instruments* is applicable for the 2018-19 period. However, there is no material change to the Board's recognition or measurement of financial instruments.

AASB 9 simplifies the classification and subsequent measurement of financial assets. Following are the changes in the classification of the Board's financial assets:

- Listed shares previously classified as available-for-sale under AASB 139 are now classified as fair value through profit and loss under AASB 9 because these equity investments are held for trading.
- Managed investment schemes previously classified as available-for-sale under AASB 139 are now classified as fair value through net result (profit and loss) under AASB 9 because their cash flows do not represent solely payments of principal and interest, thus not meeting the AASB 9 criteria for classification at amortised cost.
- Term deposits previously classified as held to maturity under AASB 139 are now classified as financial assets at amortised cost under AASB 9.
- Contractual receivables previously classified as other loans and receivables under AASB 139 are now classified as financial assets at amortised cost under AASB 9.

Movements in the fair value of financial instruments will continue to be accounted for through net result (profit and loss). The Board has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application.

As a result:

- any adjustments to carrying amounts of financial assets or liabilities are recognised at the beginning of the current reporting period with any difference recognised in opening retained earnings; and
- financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

Under AASB 9, loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, the AASB 9 simplified approach is applied to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method results in an increase in the impairment loss allowance of \$1,000. Refer to note 7.1.3 for details about the calculation of the allowance. The loss allowance increased further by \$15,000 for these financial assets during the financial year.

TRANSITION IMPACT

COMPREHENSIVE OPERATING STATEMENT	30/06/2018
Impairment of financial assets	1
Other economic flows included in net result	(1)
Comprehensive income	(1)

BALANCE SHEET	AMOUNT AT 30/06/2018	RECLASSIFICATION	REMEASUREMENT (ECL)	RESTATED AMOUNT AT 1/07/2018
Loans and receivables	5,587	(5,587)	-	-
Available for sale	804,341	(804,341)	-	-
Held to maturity	209,900	(209,900)	-	-
Financial assets at fair value through profit/loss	-	804,341	-	804,341
Financial assets at amortised cost	-	215,487	-	215,487
Impairment loss allowance	(535)	-	(1)	(536)
Other financial assets	874,004	-	-	874,004
Total financial assets	1,893,296	-	(1)	1,893,295
Total liabilities	1,625,907	-	-	1,625,907
Contributed equity	29	-	-	29
Accumulated surplus/(deficit)	271,628	-	(1)	271,627
Total equity	271,657	-	(1)	271,656

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. Jill Hennessy, 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; and
- any fees that are paid to the Board in relation to an application for, or the grant or renewal of an Australian practising certificate; and any other money received by the Board that is not required to be credited to another account in the Public Purpose Fund or to the Fidelity Fund, including (but not limited to) interest amounts received in accordance with arrangements made with Approved Deposit Institutions (from Law Practices Residual Trust Accounts) and interest earned from cash held in the Statutory Deposit Account not invested.

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

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

The Board has two operating bank accounts for administration purposes:

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

Statutory Deposit Account – section 137

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

Law practices or approved clerks with trust accounts must deposit the "required deposit amount" (if any) into the SDA on a quarterly basis. The required deposit amount is 70% of the sum of the lowest daily balance in their trust account at any time during the quarter plus the SDA balance on the last day of the previous quarter (section 79(1)) unless the calculated figure using that formula in respect of any quarter is less than \$10,000, in which case the required deposit amount in respect of that quarter is zero (section 79(2)).

Distribution Account – section 138

The Act requires that 50% of the 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

2019	CASH AND CASH EQUIVALENTS (NOTE 5.1.1) \$'000	INVESTMENTS AND OTHER FINANCIAL ASSETS (NOTE 5.2) \$'000	TOTAL \$'000
PUBLIC PURPOSE FUND			
General Account	8,634	142,056	150,690
Less: Inter Entity - due to Commissioner	(4,244)	-	(4,244)
Net General Account	4,390	142,056	146,446
Distribution Account	289	113,436	113,725
Statutory Deposit Account	279,993	1,198,904	1,478,897
Total Public Purpose Fund	284,672	1,454,396	1,739,068
FIDELITY FUND			
Total Fidelity Fund	23,542	47,476	71,018
Total Board funds	308,214	1,501,872	1,810,086
COMMISSIONER			
Total Commissioner funds	4,227	-	4,227
Total Board and Commissioner funds administered	312,441	1,501,872	1,814,313
2018			
PUBLIC PURPOSE FUND			
General Account ⁽ⁱ⁾	7,920	166,283	174,203
Less: Inter Entity - due to Commissioner	(3,892)	-	(3,892)
Net General Account ⁽ⁱ⁾	4,028	166,283	170,311
Distribution Account	268	56,016	56,284
Statutory Deposit Account	841,157	748,904	1,590,061
Total Public Purpose Fund ⁽ⁱ⁾	845,453	971,203	1,816,656
FIDELITY FUND			
Total Fidelity Fund ⁽ⁱ⁾	24,658	43,037	67,695
Total Board funds	870,111	1,014,240	1,884,351
COMMISSIONER			
Total Commissioner funds	3,893	-	3,893
Total Board and Commissioner funds administered ⁽ⁱ⁾	874,004	1,014,240	1,888,244

⁽ⁱ⁾ The 2018 result has been restated to reflect the reclassification of term deposit balances from cash and cash equivalents to investments and other financial assets. A total of \$54.9m was reclassified in the Public Purpose Fund and \$5.0m was reclassified in the Fidelity Fund.

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

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Distributions from Investments	30,387	28,474
Interest on Statutory Deposit Account	21,780	17,070
Interest on Law Practice Residual Trust accounts	28,309	28,084
Interest on Operating Accounts	1,385	1,567
Total Public Purpose Fund interest and distributions	81,861	75,195
FIDELITY FUND		
Distributions from Investments	1,754	2,196
Interest on Operating Account	200	167
Total Fidelity Fund interest and distributions	1,954	2,363
Total interest and distributions	83,815	77,558

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 & FIDELITY FUND CONTRIBUTIONS

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	9,046	8,448
FIDELITY FUND		
Fidelity Fund contributions	2,787	2,654
Total Practising certificate fees and Fidelity Fund contributions	11,833	11,102

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 2019 to 30 June 2020 are payable prior to 30 June 2019. This income has been accounted for as income received in advance (refer to Note 6.2).

3.3 OTHER INCOME

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Income from fines	48	49
Income from Commissioner - asset usage	348	346
Sundry income	46	416
Total Public Purpose Fund other income	442	811
FIDELITY FUND		
Fidelity Fund recoveries	58	-
Total Fidelity Fund other income	58	-
VICTORIAN LEGAL SERVICES COMMISSIONER		
Board funding to the Commissioner	9,278	8,623
Employee benefits recharged	5,479	5,378
Income from the Board - asset usage	8	8
Costs recoveries	146	343
Total Commissioner other income	14,911	14,352
Elimination of inter-entity income	(15,112)	(14,355)
Total other income	299	808

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

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

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

4 COST OF DELIVERING SERVICES – EXPENSES FROM TRANSACTIONS

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

Recharges of services between the Board and the Commissioner

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

Recognition of expenses

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

4.1 EMPLOYEE BENEFITS

4.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2019 \$'000	2018 \$'000
VICTORIAN LEGAL SERVICES COMMISSIONER		
Salaries and wages, annual leave, long service leave	(10,770)	(9,848)
Superannuation contributions	(886)	(814)
Other employee on-costs and training	(823)	(667)
Termination benefits	-	(46)
Total employee benefits expense	(12,479)	(11,375)

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

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

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

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

4.1.2 SUPERANNUATION CONTRIBUTIONS

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

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

4.2 FUNDING AND GRANTS EXPENSES

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

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
FUNDING AND GRANTS ALLOCATED FROM THE DISTRIBUTION ACCOUNT		
OTHER FUNDING		
Victoria Legal Aid	35,539	30,037
Victorian Law Reform Commission	1,893	2,046
Victoria Law Foundation	2,150	1,864
GRANTS		
Major grants and projects approved	6,745	4,230
Total funding and grants allocated from the Distribution Account	46,327	38,177
FUNDING ALLOCATED FROM THE GENERAL ACCOUNT		
FUNDING TO PERFORM FUNCTIONS UNDER THE ACT		
Victorian Civil and Administration Tribunal - Legal Practice List	993	957
Victorian Legal Admissions Board	1,281	1,244
OTHER FUNDING		
Professional association programs to the Law Institute and Victorian Bar	3,862	3,195
Legal Profession Uniform Framework	609	523
Total funding allocated from the General Account	6,745	5,919
Total funding and grants	53,072	44,096

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

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
RECHARGE FROM THE VICTORIAN LEGAL SERVICES COMMISSIONER		
Employee benefits ⁽ⁱ⁾	5,479	5,378
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Trust account inspections	1,572	1,745
Continuing professional development	246	239
OTHER PAYMENTS TO THE LAW INSTITUTE OF VICTORIA		
External interventions and debt collection	124	21
Compliance audits	56	136
Total Regulatory payments to the Law Institute of Victoria	1,998	2,141
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Issuing barrister practising certificates	162	99
Total Regulatory payments to the Victorian Bar	162	99
Total payments from Public Purpose Fund	7,639	7,618
VICTORIAN LEGAL SERVICES COMMISSIONER		
FUNCTIONS DELEGATED TO THE VICTORIAN BAR		
Complaints handling	84	80
Total Regulatory payments to the Victorian Bar	84	80
Elimination of payment to the Commissioner ⁽ⁱ⁾	(5,479)	(5,378)
Net payments to service providers	2,244	2,320

⁽ⁱ⁾ Elimination of payments 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

	2019 \$'000	2018 \$'000
FIDELITY FUND		
FIDELITY FUND CLAIMS		
Capital claims paid	1,752	1,934
Interest claims paid	92	53
Increase/(decrease) in claims payable	(491)	237
Cost claims paid	19	50
Total Fidelity Fund claims	1,372	2,274
FIDELITY FUND OTHER EXPENSES		
Legal expenses	165	173
Consultants	71	86
Investment advice	12	12
Total Fidelity Fund operating expenses	248	271
FUNCTIONS DELEGATED TO THE LAW INSTITUTE OF VICTORIA		
Fidelity Fund Investigations	244	177
Total Fidelity Fund claims and other expenses	1,864	2,722

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

	2019 \$'000	2018 \$'000
LEGAL EXPENSES		
Investigations	916	950
Litigation and other legal expenses	1,248	677
External interventions	866	1,100
Compliance audits	92	15
Total legal expenses	3,122	2,742

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

	2019 \$'000	2018 \$'000
OTHER OPERATING EXPENSES		
Information technology	771	620
Occupancy	1,248	1,552
Administration	1,190	896
External audit fees	77	75
Internal audit fees	84	90
Investment advice	163	159
Consultants	655	474
Other staff costs	100	81
Community and education	3	2
Total other operating expenses	4,291	3,949

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

5.1.1 RECONCILIATION OF CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
GENERAL ACCOUNT		
Cash on hand	1	1
General operating account	7,178	8,031
Practising Certificate Fees account	1,437	911
Inter-entity balance - Fidelity Fund	18	(1,023)
Total General Account	8,634	7,920
Distribution Account	289	268
Statutory Deposit Account - cash trust accounts	279,993	841,157
Total Public Purpose Fund - cash and cash equivalents ⁽ⁱ⁾	288,916	849,345
FIDELITY FUND		
Fidelity Fund operating account	2,563	3,044
Managed cash	20,979	20,591
Total Fidelity Fund - cash and cash equivalents ⁽ⁱ⁾	23,542	23,635
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	(18)	1,023
Total amounts eliminated	(18)	1,023
Balances per cash flow statement ⁽ⁱ⁾	312,441	874,004

All cash and deposits are current.

⁽ⁱ⁾ The 2018 result has been restated to reflect the reclassification of term deposit balances from cash and cash equivalents to investments and other financial assets (Note 5.2). A total of \$54.9m was reclassified in the Public Purpose Fund and \$5.0m was reclassified in the Fidelity Fund.

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

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

	2019 \$'000	2018 \$'000
Net result for the year	50,993	36,804
NON-CASH MOVEMENTS		
Depreciation	947	926
Net (gain)/loss on financial instruments ⁽ⁱ⁾	(65,945)	(16,468)
Net (gain)/loss on non-financial instruments	2	-
Other net (gain)/loss from other economic flows	805	666
MOVEMENTS IN ASSETS AND LIABILITIES		
(Increase)/decrease in receivables	(4,275)	29,045
(Increase)/decrease in prepayments	(119)	(58)
Increase/(decrease) in payables	1,782	1,165
Increase/(decrease) in provisions	(517)	74
Increase/(decrease) in income received in advance	740	677
Net cash inflow/(outflow) from operating activities	(15,588)	52,831

⁽ⁱ⁾ Net (gain)/loss on financial instruments of \$65.645m comprises two elements:

- \$34.223m for unrealised market gains; and
- \$31.722m for reinvested distributions from investments.

5.2 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2019 \$'000	2018 \$'000
CURRENT		
PUBLIC PURPOSE FUND INVESTMENTS		
Australian fixed interest	83,302	76,649
Global fixed interest	194,346	186,997
Diversified growth funds	161,488	162,252
Australian equities	83,789	80,026
Australian small capitalisation equities	27,561	27,038
Overseas equities - unhedged	107,511	94,499
Overseas equities - hedged	33,839	29,873
Emerging market equities	26,875	25,244
Property and infrastructure managed funds	98,785	83,726
Total Public Purpose Fund investments	817,496	766,304
FIDELITY FUND INVESTMENTS		
Australian fixed interest	8,905	8,270
Global fixed interest	8,356	8,053
Diversified growth funds	6,389	6,129
Australian equities	8,487	8,169
Overseas equities - unhedged	5,307	4,740
Overseas equities - hedged	3,032	2,676
Total Fidelity Fund investments	40,476	38,037
Total investments	857,972	804,341
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	400,000	74,000
Term deposits - Operating cash ⁽ⁱ⁾	36,900	54,900
FIDELITY FUND OTHER FINANCIAL ASSETS		
Term deposits - Operating cash ⁽ⁱ⁾	7,000	5,000
NON-CURRENT		
PUBLIC PURPOSE FUND OTHER FINANCIAL ASSETS		
Term deposits - Statutory Deposit Accounts	200,000	76,000
Total other financial assets ⁽ⁱ⁾	643,900	209,900
Total investments and other financial assets ⁽ⁱ⁾	1,501,872	1,014,241

⁽ⁱ⁾ The 2018 result has been restated to reflect the reclassification of term deposit balances from cash and cash equivalents (Note 5.1.1) to investments and other financial assets. A total of \$54.9m was reclassified in the Public Purpose Fund and \$5.0m was reclassified in the Fidelity Fund.

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.

New accounting standard AASB 9 *Financial Instruments* (AASB 9) incorporates three major areas of change: classification and measurement, impairment, and hedge accounting; bringing together these elements to replace AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139). Key differences between AASB 139 and AASB 9 include:

- a single approach to determine whether a financial asset is measured at amortised cost or fair value; and
- requirement to use a single impairment method.

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 2019 (and 30 June 2018).

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

5.3 PLANT AND EQUIPMENT

5.3.1 INITIAL RECOGNITION, SUBSEQUENT MEASUREMENT, IMPAIRMENT AND REVALUATION

Initial recognition

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

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

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

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

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Leasehold improvements	264	263
Office equipment	5	3
Office furniture and fittings	1	1
Computer equipment	294	191
Intangible assets	370	455
Total Public Purpose Fund depreciation and amortisation	934	913
VICTORIAN LEGAL SERVICES COMMISSIONER		
Motor vehicles	13	13
Total Commissioner depreciation	13	13
Total depreciation and amortisation	947	926

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 2019	USEFUL LIFE 2018
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	2019 \$'000	2018 \$'000
COMPUTER EQUIPMENT		
Historical Cost	1,782	1,301
Less: accumulated depreciation	(1,042)	(747)
Net carrying amount - Computer equipment	740	554
OFFICE EQUIPMENT		
Historical Cost	44	44
Less: accumulated depreciation	(32)	(27)
Net carrying amount - Office equipment	12	17
LEASEHOLD IMPROVEMENTS		
Historical Cost ⁽ⁱ⁾	2,802	2,616
Less: accumulated depreciation	(1,255)	(991)
Net carrying amount - Leasehold improvements ⁽ⁱ⁾	1,547	1,625
OFFICE FURNITURE AND FITTINGS		
Historical Cost	31	38
Less: accumulated depreciation	(31)	(35)
Net carrying amount - Office furniture and fittings	0	3
MOTOR VEHICLES		
Historical Cost	65	65
Less: accumulated depreciation	(36)	(23)
Net carrying amount - Motor vehicles	29	42
Total net carrying amount - Plant and equipment	2,328	2,241
ASSETS IN PROGRESS		
Computer equipment	-	44
Total plant and equipment	2,328	2,285

All balances are non-current.

⁽ⁱ⁾ 2018 comparatives have been restated to correct an amount of \$975,000 between leasehold improvements and the contractual and statutory payables (Major grants, projects and lease incentive (Note 6.3 – Payables)).

5.4 RECEIVABLES

5.4.1 STATUTORY AND CONTRACTUAL RECEIVABLES

	NOTE	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND			
CONTRACTUAL RECEIVABLES			
Trade receivables		251	273
Provision for impairment of receivables	5.4.2	(209)	(206)
Accrued investment distributions		11,878	192
Accrued interest – Residual Trust Accounts		2,225	2,433
Accrued interest – Statutory Deposit Accounts		387	1,220
Accrued other interest and income		6,299	1,234
Total contractual receivables		20,832	5,146
STATUTORY RECEIVABLES			
GST recoverable		253	140
Total statutory receivables		253	140
Total Public Purpose Fund receivables		21,084	5,286
FIDELITY FUND			
CONTRACTUAL RECEIVABLES			
Accrued interest		58	10
Total contractual receivables		58	10
Total Fidelity Fund receivables		58	10
VICTORIAN LEGAL SERVICES COMMISSIONER			
CONTRACTUAL RECEIVABLES			
Trade receivables		787	762
Provision for impairment of receivables	5.4.2	(342)	(331)
Total contractual receivables		445	431
Total Commissioner receivables		445	431
Total receivables		21,586	5,727

All receivables are current.

Receivables consist of:

- **Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised cost', e.g. debtors in relation to goods and services. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables** are accounted for in accordance with AASB 9, as if they are financial assets when statutory requirements establish a right to receive cash or another financial asset as a result of a past event. Therefore, statutory receivables are initially recognised at fair value plus any directly attributable transaction costs.

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

5.4.2 MOVEMENT IN THE PROVISION FOR IMPAIRMENT OF RECEIVABLES

Movements in the provision for impairment of receivables are as follows

	2019 \$'000	2018 \$'000
Balance at beginning of the year	535	574
Increase in provision recognised in the net result	15	0
Receivables written off during the year as uncollectable	-	(39)
Balance of provision for doubtful debts at 30 June	551	535

Bad and doubtful debts

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

The AASB 9 simplified approach has been applied for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Bad debts written off are classified as a transaction expense. Bad debts not written off, but included in the provision for credit loss allowance, are classified as 'other economic flows in the net result'.

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

5.4.3 AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

2019	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	11,878	11,878	-	-	-	-
Accrued interest - Residual Trust Accounts	2,225	2,225	-	-	-	-
Accrued interest - Statutory Deposit Account	387	387	-	-	-	-
Trade receivables - Board	42	-	-	-	42	209
Trade receivables - Commissioner	443	5	24	-	415	343
Accrued other income	6,357	6,357	-	-	-	-
Total receivables	21,333	20,852	24	-	457	551
2018						
CONTRACTUAL RECEIVABLES						
Accrued investment distributions	192	192	-	-	-	-
Accrued interest - Residual Trust Account	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

General terms of receivables are outlined below:

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

Currently the Board or Commissioner does not hold any collateral as security nor credit enhancements relating to any of the financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they generally are stated at the carrying amounts as indicated.

6 LIABILITIES

6.1 STATUTORY DEPOSIT ACCOUNT BALANCES

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
CURRENT		
Bank – Statutory Deposit Account	1,478,897	1,590,061
Total Statutory Deposit Account balances	1,478,897	1,590,061

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:

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Cash trust accounts	279,993	84,157
Term deposits – Statutory Deposit Accounts	600,000	150,000
Australian fixed interest	57,632	57,632
Global fixed interest	151,300	151,300
Diversified growth funds	128,349	131,659
Australian equities	43,794	43,794
Australian small capitalisation equities	20,000	20,000
Overseas equities – unhedged	78,850	78,850
Overseas equities – hedged	19,262	19,262
Emerging market equities	20,000	20,000
Property and infrastructure managed funds	79,717	76,407
Total Statutory Deposit Account balances	1,478,897	1,590,061

6.2 INCOME RECEIVED IN ADVANCE

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Practising certificate fees	9,500	8,845
FIDELITY FUND		
Fidelity Fund contributions	2,475	2,387
Total income received in advance	11,975	11,232

Income received in advance is current.

Income received in advance includes practising certificate fees and Fidelity Fund contributions for the financial year 1 July 2019 to 30 June 2020 that are payable prior to 30 June 2019.

6.3 PAYABLES

6.3.1 CONTRACTUAL AND STATUTORY PAYABLES

	2019 \$'000	2018 \$'000
CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Contractual payables and accrued expenses	1,329	1,625
Major grants, projects and lease incentive ⁽ⁱ⁾	5,138	4,715
Total Public Purpose Fund current payables	6,467	6,340
FIDELITY FUND		
Contractual payables and accrued expenses	56	532
Total Fidelity Fund current payables	56	532
VICTORIAN LEGAL SERVICES COMMISSIONER		
Contractual payables and accrued expenses	324	343
Total Commissioner current payables	324	343
NON-CURRENT PAYABLES		
PUBLIC PURPOSE FUND		
Major grants, projects and lease incentive ⁽ⁱ⁾	3,578	2,311
Total non-current payables Public Purpose Fund	3,578	2,311
Total payables ⁽ⁱ⁾	10,425	9,526

⁽ⁱ⁾ 2018 comparatives have been restated to correct an amount of \$975,000 between leasehold improvements (Note 5.3.3) and the contractual and statutory payables (Major grants, projects and lease incentive).

Payables consist of:

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

Accounts payable represent liabilities for goods and services provided to the Board and the Commissioner prior to the end of the financial year that are unpaid, and arise when the Board or the Commissioner become obliged to make future payments in respect of the purchase of those goods and services; and

Statutory payables (such as goods and services tax and fringe benefits tax payables) are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Major grants, projects and lease incentive includes

the Board's liability for grants in respect of grants approved during the financial year ended 30 June 2019 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 Board and the Commissioner 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 117.

6.3.2 MATURITY ANALYSIS OF CONTRACTUAL LIABILITIES

2019	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	1,329	1,329	1,329	-	-	-
Contractual payables and accrued expenses - Fidelity Fund	56	56	56	-	-	-
Contractual payables and accrued expenses - Victorian Legal Services Commissioner	324	324	324	-	-	-
Major grants, projects and lease incentive	8,716	8,716	-	-	5,138	3,578
Statutory Deposit Account balances	1,478,897	1,478,897	1,478,897	-	-	-
Total	1,489,322	1,489,322	1,480,606	-	5,138	3,578
2018						
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 and projects ⁽ⁱ⁾	7,026	7,026	-	-	4,715	2,311
Statutory Deposit Account balances	1,590,061	1,590,061	1,590,061	-	-	-
Total ⁽ⁱ⁾	1,599,587	1,599,587	1,592,561	-	4,715	2,311

⁽ⁱ⁾ 2018 comparatives have been restated to correct an amount of \$975,000 between leasehold improvements (Note 5.3.3) and the contractual and statutory payables (Major grants, projects and lease incentive).

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 71.

6.4 PROVISIONS

	NOTE	2019 \$'000	2018 \$'000
CURRENT PROVISIONS			
FIDELITY FUND CLAIMS PROVISION			
Fidelity Fund current provision for claims lodged and anticipated	6.4.1	2,860	3,040
Total current Fidelity Fund claims provision		2,860	3,040
EMPLOYEE BENEFITS PROVISIONS			
ANNUAL LEAVE			
Unconditional and expected to be settled within 12 months		489	464
Unconditional and expected to be settled after 12 months		167	137
LONG SERVICE LEAVE			
Unconditional and expected to be settled within 12 months		91	81
Unconditional and expected to be settled after 12 months		1,469	1,142
EMPLOYEE ON-COSTS			
Unconditional and expected to be settled within 12 months		109	101
Unconditional and expected to be settled after 12 months		262	204
Total current employee benefits provisions		2,587	2,129
Total current provisions		5,447	5,169
NON-CURRENT PROVISIONS			
Fidelity Fund non-current provision for claims lodged and anticipated	6.4.1	10,480	9,700
Employee benefits		187	153
Employee on-costs		29	24
Total non-current provisions		10,696	9,877
Total provisions		16,143	15,046

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

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

6.4.1 FIDELITY FUND CLAIMS PROVISION

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

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

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

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

CLAIMS EXPECTED TO BE PAID	2019	2018
Later than one year discount rate ⁽ⁱ⁾	1.08%	2.38%

⁽ⁱ⁾ The discount rate shown above for the discounting of the outstanding defalcations liability as at 30 June 2019 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 2019 and 30 June 2018

	2019 \$'000	2018 \$'000
Undiscounted liability of lodged claims	2,080	3,520
Plus: Estimated liability for claims incurred but not lodged	7,150	5,590
Estimated undiscounted liability for incurred defalcations	9,230	9,110
PLUS/(MINUS) ADJUSTMENTS		
Less: Discounted to net present value	(310)	(580)
Plus: Internal management expenditure	1,340	1,280
Plus: Risk margin (30%) (2018: 30%)	3,080	2,930
Plus: Allowance for large claim dispute settlement	-	-
Net provision per actuarial report	13,340	12,740
Plus: Allowance for specific legal case	-	-
Net provision including allowance for costs	13,340	12,740

Movements in Fidelity Fund claims provision

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

	2019 \$'000	2018 \$'000
Opening balance	12,740	12,070
Additions/(reductions) in provisions recognised	600	670
Closing balance	13,340	12,740

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

	2019 \$'000	2018 \$'000
CURRENT EMPLOYEE BENEFITS		
Annual leave entitlements	656	600
Long service leave entitlements	1,560	1,223
Total current employee benefits	2,216	1,823
NON-CURRENT EMPLOYEE BENEFITS		
Long service leave entitlements	187	153
Total non-current employee benefits	187	153
Total employee benefits	2,403	1,976
EMPLOYEE ON-COSTS		
Current on-costs	371	305
Non-current on-costs	29	24
Total on-costs	400	329
Total employee benefits and related on-costs	2,803	2,305

Reconciliation of movement in employee on-costs provision

	2019 \$'000	2018 \$'000
Opening balance	329	319
Unwind of discount and effect of changes in the discount rate	(28)	1
Additional provisions recognised	99	9
Closing balance	400	329

Salaries and wages and annual leave

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

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

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

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

Long service leave

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

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

The components of the current LSL liability are measured at:

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

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

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

Termination benefits

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

Employee on-costs

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

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*.

New accounting standard AASB 9 *Financial Instruments* is applicable for the 2018-19 period. There is no change to the Board and the Commissioner's recognition or measurement of financial instruments, and movements in the fair value of financial instruments will continue to be accounted for through net result (profit and loss).

7.1.1 CATEGORIES OF FINANCIAL INSTRUMENTS

Under AASB 9, financial assets and liabilities are classified in the following categories:

- amortised cost;
- fair value through net result (profit or loss); and
- fair value through other comprehensive income.

The classification depends on the business model under which a financial asset is held, which is determined on the basis of how an entity typically manages such assets. Management determines the classification of its investments at initial recognition.

Previous categories under AASB 139:

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

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 2019

2019	CONTRACTUAL FINANCIAL ASSETS/ LIABILITIES AT FAIR VALUE THROUGH PROFIT/LOSS \$'000	CONTRACTUAL FINANCIAL ASSETS AT AMORTISED COST \$'000	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL \$'000
CONTRACTUAL FINANCIAL ASSETS				
Cash and cash equivalents ⁽ⁱ⁾	-	312,441	-	312,441
RECEIVABLES				
Trade receivables - Board	-	42	-	42
Trade receivables - Commissioner	-	443	-	443
Accrued investment distributions	-	11,878	-	11,878
Accrued interest - Residual Trust Account	-	2,225	-	2,225
Accrued interest - Statutory Deposit Account	-	387	-	387
Accrued other interest and income	-	6,357	-	6,357
Total receivables	-	21,333	-	21,333
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Managed investment schemes	857,972	-	-	857,972
Term deposits - Statutory Deposit Account	-	600,000	-	600,000
Term deposits - operating cash	-	43,900	-	43,900
Total investments and other financial assets ⁽ⁱ⁾	857,972	643,900	-	1,501,872
Total contractual financial assets	857,972	977,674	-	1,835,646
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses	-	-	1,709	1,709
Major grants and projects	-	-	8,716	8,716
Total payables	-	-	10,425	10,425
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	-	-	29	29
Statutory Deposit Account balances	-	-	1,478,897	1,478,897
Total borrowings and deposits at call	-	-	1,478,926	1,478,926
Total contractual financial liabilities	-	-	1,489,351	1,489,351

Financial instruments categorisation for the year ended 30 June 2018

2018	CONTRACTUAL FINANCIAL ASSETS/ LIABILITIES 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 cash equivalents ⁽ⁱ⁾	-	874,003	-	874,003
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
Term deposits – operating cash ⁽ⁱ⁾	-	59,900	-	59,900
Total investments and other financial assets⁽ⁱ⁾	804,341	209,900	-	1,014,241
Total contractual financial assets	804,341	1,089,490	-	1,893,831
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses	-	-	2,500	2,500
Major grants and projects ⁽ⁱⁱ⁾	-	-	7,026	7,026
Total payables⁽ⁱⁱ⁾	-	-	9,526	9,526
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⁽ⁱⁱⁱ⁾	-	-	1,599,629	1,599,629

⁽ⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$59.9m of term deposit balances from cash and cash equivalents to investments and other financial assets.

⁽ⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$975 thousand from Leasehold Improvements (Note 5.3.3 Carrying values of non-financial assets) to Major grants and projects.

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

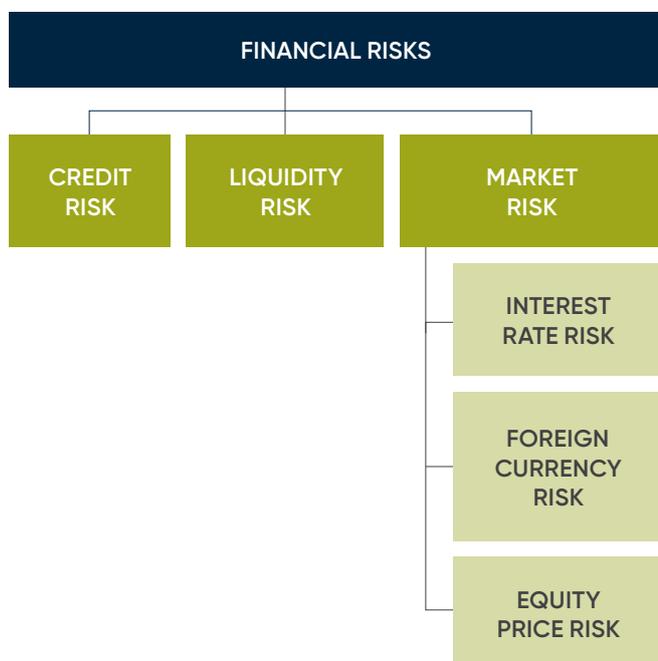
2019	NET HOLDING GAIN/(LOSS)	TOTAL DISTRIBUTION INCOME	TOTAL
	\$'000	\$'000	\$'000
Financial assets at fair value through profit/loss	34,223	32,142	66,365
Total contractual financial assets	34,223	32,142	66,365
2018			
Financial assets designated at fair value through profit/loss	16,387	30,670	47,057
Total contractual financial assets	16,387	30,670	47,057

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

2019	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 cash equivalents	291,460	20,979	-	-	-	-	-	2	312,441
Receivables ⁽ⁱ⁾	8,969	-	-	-	-	-	11,878	487	21,334
Investments and other financial assets	643,900	459,690	37,032	77,909	-	210,340	15,998	57,004	1,501,872
Total contractual financial assets	944,330	480,669	37,032	77,909	-	210,340	27,876	57,493	1,835,648
2018									
Cash and cash equivalents ⁽ⁱⁱ⁾	853,411	20,591	-	-	-	-	-	2	874,004
Receivables ⁽ⁱ⁾	4,897	-	-	-	-	-	192	498	5,587
Investments and other financial assets ⁽ⁱⁱ⁾	209,900	524,484	-	73,796	61,818	136,520	7,723	-	1,014,241
Total contractual financial assets	1,068,208	545,075	-	73,796	61,818	136,520	7,915	500	1,893,832

⁽ⁱ⁾ Amounts disclosed exclude statutory financial assets.

⁽ⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$59.9m of term deposit balances from cash and cash equivalents to investments and other financial assets.

Impairment of financial assets under AASB 9

Consistent with AASB 9, the allowance for expected credit loss approach is applied to the relevant financial instruments, replacing AASB 139's incurred loss approach. Subject to AASB 9, impairment assessment includes contractual receivables and statutory receivables.

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

Contractual receivables at amortised cost

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

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

2019	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	OVER 3 MONTHS	TOTAL
Expected loss rate (%)	4%	11%	35%	55%	
Gross carrying amount of contractual receivables (\$'000)	5	24	18	991	1,038
Loss allowance (\$'000)	0	3	6	542	551
2018 ⁽ⁱ⁾	CURRENT	LESS THAN 1 MONTH	1-3 MONTHS	OVER 3 MONTHS	TOTAL
Expected loss rate	12%	30%	41%	67%	
Gross carrying amount of contractual receivables (\$'000)	245	46	10	733	1,034
Loss allowance (\$'000)	29	14	4	489	535

⁽ⁱ⁾ This table is a new requirement under AASB9 from 1 July 2018. The 2018 data has been included for comparative purposes.

Statutory receivables at amortised cost

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

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

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 periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments held at fair value through net result (profit or loss).

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

Market risk

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

Interest rate risk

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

The Board has significant exposure to both Australian and global fixed interest investments through managed investment schemes.

The Board also has significant exposure to cash flow interest rate risk through its cash, term deposits and deposits that are at floating rates. Interest rate sensitivity analysis in the following section illustrates the potential impact of a 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 2019 and 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 2019

2019	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 CASH EQUIVALENTS	1.72%	312,441	-	312,441	-
RECEIVABLES ⁽ⁱ⁾					
Trade receivables - Public Purpose Fund		42	-	-	42
Trade receivables - Victorian Legal Services Commissioner		443	-	-	443
Accrued investment distributions		11,878	-	-	11,878
Accrued interest - Residual Trust Account		2,225	-	-	2,225
Accrued interest - Statutory Deposit Account		387	-	-	387
Accrued other income		6,357	-	-	6,357
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS					
Managed investment schemes	5.54%	857,972	172,308	-	685,664
Term deposits - Statutory Deposit Accounts	2.54%	600,000	-	600,000	-
Term deposits - operating cash	2.62%	43,900		43,900	
Total financial assets		1,835,645	172,308	956,341	706,996
FINANCIAL LIABILITIES ⁽ⁱ⁾					
PAYABLES					
Payables and accrued expenses		1,709	-	-	1,709
Major grants and projects		8,716	-	-	8,716
Disputed costs		-	-	-	-
BORROWINGS AND DEPOSITS					
Lease liabilities	3.25%	29	29	-	-
Statutory Deposit Account balances		1,478,897	-	-	1,478,897
Total financial liabilities		1,489,351	29	-	1,489,322

⁽ⁱ⁾ Excludes statutory financial assets.

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 CASH EQUIVALENTS ⁽ⁱⁱⁱ⁾	1.77%	874,003	-	874,003	-
RECEIVABLES ⁽ⁱ⁾					
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	-
Term deposits - operating cash ⁽ⁱⁱ⁾		59,900	-	59,900	-
Total financial assets		1,893,831	279,969	1,083,903	529,959
FINANCIAL LIABILITIES ⁽ⁱ⁾					
PAYABLES					
Payables and accrued expenses		2,499	-	-	2,499
Major grants and projects		7,027	-	-	7,027
Disputed costs		-	-	-	-
BORROWINGS AND DEPOSITS					
Lease liabilities	3.25%	42	42	-	-
Statutory Deposit Account balances		1,590,061	-	-	1,590,061
Total financial liabilities		1,599,629	42	-	1,599,587

⁽ⁱ⁾ Excludes statutory financial assets.

⁽ⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$59.9m of term deposit balances from cash and cash equivalents to investments and other contractual financial assets. The weighted average interest rates have not been restated.

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 (2018: 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:

2019	INTEREST RATE RISK				
	CARRYING AMOUNT \$'000	-50 BASIS POINTS (2018: -50 BASIS POINTS)		+50 BASIS POINTS (2018: +50 BASIS POINTS)	
		NET RESULT \$'000	EQUITY \$'000	NET RESULT \$'000	EQUITY \$'000
CONTRACTUAL FINANCIAL ASSETS					
Cash and cash equivalents ⁽ⁱ⁾	312,441	(1,562)	(1,562)	1,562	1,562
Term deposits – Statutory Deposit Account ⁽ⁱⁱ⁾	600,000	(2,000)	(2,000)	2,000	2,000
Term deposits – operating cash	43,900	(220)	(220)	220	220
Investments	857,972	-	-	-	-
Total impact		(3,782)	(3,782)	3,782	3,782
2018					
CONTRACTUAL FINANCIAL ASSETS					
Cash and cash equivalents ^{(i) (iii)}	874,003	(4,370)	(4,370)	4,370	4,370
Term deposits – Statutory Deposit Account ⁽ⁱⁱ⁾	150,000	(370)	(370)	370	370
Term deposits – operating cash ⁽ⁱⁱⁱ⁾	59,900	(300)	(300)	300	300
Investments	804,341	-	-	-	-
Total impact		(5,040)	(5,040)	5,040	5,040

⁽ⁱ⁾ Cash and cash equivalents includes cash and deposits of \$312.4m (2018: \$874.0m) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2019: $\$312.4m \times (-)/+0.5\% = (-)/+\$1.6m$; and
- 2018: $\$874.0m \times (-)/+0.5\% = (-)/+\$4.4m$.

⁽ⁱⁱ⁾ Term deposits – SDA includes term deposits of \$600.0m (2018: \$150.0m) that are exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

- 2019: $\$600.0m \times (-)/+0.5\% = (-)/+\$2.0m$; and
- 2018: $\$150.0m \times (-)/+0.5\% = (-)/+\370 thousand.

⁽ⁱⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$59.9m of term deposit balances from cash and cash equivalents to term deposits – operating cash (investments and other financial assets).

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 2019 was \$28.31m (2018: \$28.08m). Based on a rolling average balance in Residual Trust Funds as at 30 June 2019 of \$2.52b (2018 \$2.48b), a 50 basis point movement would impact the revenue attributable to the Board by \$12.59m (2018 \$12.41m).

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 15% in the next 12 months. The Board's management does not believe that it is possible to reasonably estimate the variables used further than for 12 months.

EQUITY/OTHER PRICE RISK SENSITIVITY

2019	EQUITY PRICE RISK				
	CARRYING AMOUNT \$'000	-15%	+15%		
		NET RESULT \$'000	EQUITY \$'000	NET RESULT \$'000	EQUITY \$'000
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	857,972	(128,696)	(128,696)	128,696	128,696
Total impact		(128,696)	(128,696)	128,696	128,696
2018					
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

⁽ⁱ⁾ Investments of \$858.0m (2018: \$804.3) are exposed to equity price movements.

Sensitivities to these movements are calculated as follows:

- 2019: \$858.0m -15% = (\$128.7m); and \$858.0m x 15% = \$128.7m; and
- 2018: \$804.3m x -15% = (\$120.7m); and \$804.3m x 10% = \$80.4m.

Foreign currency risk

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

- Global equities;
- Global fixed interest; and
- Emerging markets.

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

The Board's exposure to foreign currency risk is in accordance with the Board's agreed investment strategy which also sets target investment allocations for investment types as outlined below:

- The investment policy is to invest 25% of all global equities in a fully hedged investment product and 75% in an unhedged investment product for the Public Purpose Fund, and 50% of all global equities in a fully hedged investment product and 50% in an unhedged investment product for the Fidelity Fund.
- The target investment allocation is to invest between 0% and 30% for the Public Purpose Fund and between 10% and 30% for the Fidelity Fund of the total investments in global equities. Investments in global equities are \$149.82m as at 30 June 2019 compared with \$131.79m for prior year.

- The target investment allocation for global fixed interest funds is to invest between 0% and 30% of the Public Purpose Fund and 10% and 20% of the Fidelity Fund in those funds. Investments in global fixed interest funds as at 30 June 2019 is \$202.88m compared with \$195.05m 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 2019 is \$26.88m compared with \$25.24m in the prior period.

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

Foreign currency risk sensitivity

The Board's management has estimated according to past performance and future expectations that movements in foreign currency will be from negative 10% to positive 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.

FOREIGN EXCHANGE RISK SENSITIVITY

2019	FOREIGN CURRENCY RISK				
	CARRYING AMOUNT \$'000	-10%		+10%	
		NET RESULT \$'000	EQUITY \$'000	NET RESULT \$'000	EQUITY \$'000
FINANCIAL ASSETS					
Investments at fair value through profit or loss ⁽ⁱ⁾	857,972	(34,239)	(34,239)	34,239	34,239
Total impact		(34,239)	(34,239)	34,239	34,239
2018					
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

⁽ⁱ⁾ Investments include unhedged global equities, global fixed interest and emerging market investments of \$342.4m (2018: \$344.8m) that are exposed to foreign currency movements. Sensitivities to these movements are calculated as follows:

- 2019: \$342.4m x -10% = (\$34.2m); and \$342.4m x 10% = \$34.2m; and
- 2018: \$344.8m x -5% = (\$17.2m); and \$344.8m x 10% = \$34.5m.

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 instruments 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 Receivables <ul style="list-style-type: none"> • Sale of goods and services • Accrued investment income • Other receivables 	Payables <ul style="list-style-type: none"> • For supplies and services • Amounts payable to government and agencies • Other payables • Statutory Deposit Account Balances • Lease liability
Investments and other contractual financial assets <ul style="list-style-type: none"> • Term deposits • Investments at fair value through profit or loss 	

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.

	2019		2018	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
CONTRACTUAL FINANCIAL ASSETS				
CASH AND CASH EQUIVALENTS ⁽ⁱ⁾	312,441	312,441	874,004	874,004
RECEIVABLES				
Accrued investment distributions	11,878	11,878	192	192
Accrued interest - Residual Trust Account	2,225	2,225	2,433	2,433
Accrued interest - Statutory Deposit Account	387	387	1,220	1,220
Trade receivables - Public Purpose Fund	42	42	67	67
Trade receivables - Commissioner	443	443	431	431
Accrued other interest and income	6,357	6,357	1,244	1,244
Total receivables ⁽ⁱ⁾	21,333	21,333	5,587	5,587
INVESTMENTS AND OTHER CONTRACTUAL FINANCIAL ASSETS				
Investments at fair value through profit or loss held for trading	857,972	857,972	804,341	804,341
Term deposits - Statutory Deposit Accounts	600,000	600,000	150,000	150,000
Term deposits - operating cash ⁽ⁱⁱ⁾	43,900	43,900	59,900	59,900
Investments and other financial assets ⁽ⁱⁱ⁾	1,501,872	1,501,872	1,014,241	1,014,241
Total contractual financial assets	1,835,646	1,835,646	1,893,831	1,893,831
CONTRACTUAL FINANCIAL LIABILITIES				
PAYABLES				
Contractual payables and accrued expenses - Public Purpose Fund	1,329	1,329	1,625	1,625
Contractual payables and accrued expenses - Fidelity Fund	56	56	532	532
Contractual payables and accrued expenses - Commissioner	324	324	343	343
Major grants and projects ⁽ⁱⁱⁱ⁾	8,716	8,716	7,026	7,026
Total payables ⁽ⁱⁱⁱ⁾	10,425	10,425	9,526	9,526
BORROWINGS AND DEPOSITS AT CALL				
Lease liabilities	29	29	42	42
Statutory Deposit Account balances	1,478,897	1,478,897	1,590,061	1,590,061
Total borrowings and deposits at call	1,478,926	1,478,926	1,590,103	1,590,103
Total contractual financial liabilities ⁽ⁱⁱⁱ⁾	1,489,351	1,489,351	1,599,629	1,599,629

⁽ⁱ⁾ Excludes GST recoverable

⁽ⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$59.9m of term deposit balances from cash and cash equivalents to investments and other financial assets.

⁽ⁱⁱⁱ⁾ The 2018 result has been restated to reflect the reclassification of \$975 thousand from Leasehold Improvements (Note 5.3.3 Carrying values of non-financial assets) to Major grants and projects.

Financial assets measured at fair value

2019	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 ⁽ⁱ⁾	857,972	775,185	82,788	-
Total	857,972	775,185	82,788	-
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 ⁽ⁱ⁾	804,341	728,338	76,003	-
Total	804,341	728,338	76,003	-

⁽ⁱ⁾ Level 2 assets relate to Dexu unlisted property fund holdings.

7.2.3 FAIR VALUE DETERMINATION OF NON-FINANCIAL ASSETS

Capitalised plant and equipment of \$2.33m at 30 June 2019 (2018: \$3.21m) 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 2019. For all assets measured at fair value, the current use is considered the highest and best use.

8 RESPONSIBLE PERSONS, REMUNERATION AND RELATED PARTIES

8.1 RESPONSIBLE PERSONS

In accordance with the Standing Directions of the Assistant Treasurer 2018 under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

8.1.1 NAMES OF RESPONSIBLE PERSONS

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

POSITION	RESPONSIBLE PERSON	PERIOD
Attorney-General	The Hon. Martin Pakula MP	1 July 2018 to 29 November 2018
Attorney-General	The Hon. Jill Hennessy MP	29 November 2018 to 30 June 2019
Accountable Officer	Ms Fiona McLeay	1 July 2018 to 30 June 2019
Chairperson	Ms Fiona Bennett	1 July 2018 to 30 June 2019
Board Member	Ms Jennifer Batrouney QC	1 July 2018 to 30 June 2019
Board Member	Mr Geoff Bowyer	1 July 2018 to 30 June 2019
Board Member	Ms Liz Harris	1 July 2018 to 30 June 2019
Board Member	Dr Lynne Williams AM	1 July 2018 to 30 June 2019
Board Member	Ms Catherine Wolthuizen	1 July 2018 to 30 June 2019
Board Member	Ms Catherine Wood	1 July 2018 to 30 June 2019

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:

INCOME BAND	2019 NO.	2018 NO.
less than \$9,999	-	-
\$10,000 to \$19,999	-	1
\$20,000 to \$29,999	-	1
\$30,000 to \$39,999	-	1
\$40,000 to \$49,999	6	4
\$50,000 to \$59,999	-	-
\$60,000 to \$69,999	-	-
\$70,000 to \$79,999	-	-
\$80,000 to \$89,999	1	2
\$130,000 to \$139,999	-	1
\$250,000 to \$259,999	-	1
\$310,000 to \$319,999	1	-
Total numbers	8	11
Total amount (\$)	668,671	798,075

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.

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.

REMUNERATION OF EXECUTIVE OFFICERS	COMPENSATION 2019	COMPENSATION 2018
Short-term employee benefits	\$653,589	\$448,336
Post-employment benefits	\$72,006	\$40,251
Other long-term benefits	\$18,432	\$6,723
Total remuneration	\$744,027	\$495,310
Total number of executives ⁽ⁱ⁾	4	2
Total annualised employee equivalents ⁽ⁱⁱ⁾	3	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 \$35.54m (2018: \$30.04m) under Sections 143 and 146 of the *Legal Profession Uniform Law Application Act 2014*;
- Funding to Victoria Law Reform Commission of \$1.89m (2018: \$2.05m) to continue performing functions under the *Victorian Law Reform Commission Act 2000*.
- Funding to Victoria Law Foundation of \$2.15m (2018: \$1.86m) to continue performing functions under the *Victoria Law Foundation Act 2009 (Vic)*;
- Funding to Victoria Civil and Administrative Tribunal of \$0.99m (2018: \$0.96m) for the Legal Practice List; and
- Funding to Victoria Legal Admissions Board of \$1.28m (2018: \$1.24m) 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. Jill Hennessy 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 2018 to 29 November 2018
Attorney-General	The Hon. Jill Hennessy MP	29 November 2018 to 30 June 2019
Accountable Officer	Ms Fiona McLeay	1 July 2018 to 30 June 2019
Chairperson	Ms Fiona Bennett	1 July 2018 to 30 June 2019
Board Member	Ms Jennifer Batrouney QC	1 July 2018 to 30 June 2019
Board Member	Mr Geoff Bowyer	1 July 2018 to 30 June 2019
Board Member	Ms Liz Harris	1 July 2018 to 30 June 2019
Board Member	Dr Lynne Williams AM	1 July 2018 to 30 June 2019
Board Member	Ms Catherine Wolthuizen	1 July 2018 to 30 June 2019
Board Member	Ms Catherine Wood	1 July 2018 to 30 June 2019
Director, Investigations	Russell Daily	1 July 2018 to 30 June 2019
Director, Corporate Services	John Ireson	1 July 2018 to 30 June 2019
Director (Acting), Policy & Outreach	Kerri-anne Millard	26 November 2018 to 30 June 2019
Director (Acting), Enquiries & Complaints	Tina Stagliano	26 November 2018 to 30 June 2019
Manager, Practitioner Services	Shirley Joseph	1 July 2018 to 30 June 2019
Project Manager	Julie Thomson	1 July 2018 to 30 June 2019
Manager, People & Culture	Lucy Fraser	1 July 2018 to 30 June 2019

Compensation of key management personnel

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

COMPENSATION OF KEY MANAGEMENT PERSONNEL	COMPENSATION 2019	COMPENSATION 2018
Short-term employee benefits	\$1,659,576	1,247,432
Post-employment benefits	\$166,897	197,389
Other long-term benefits	\$36,637	19,436
Total	\$1,863,110	\$1,464,257

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:

- Ms Fiona Bennett is a member of the Legal Services Council, which received \$609,063 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.
- Ms Catherine Wood is a Board Director of the ISPT Pty Ltd. The Board has resolved to invest in the ISPT fund and the VLSB has been approved as an ISPT investor. Ms Catherine Wood was excluded from decision making regarding VLSB investment with ISPT.

All amounts are GST exclusive and there is no outstanding amount payable as at 30 June 2019.

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 are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Other economic flows - by entity

	2019 \$'000	2018 \$'000
PUBLIC PURPOSE FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	32,669	15,808
Net gain/(loss) on disposal of financial instruments through profit and loss	0	80
Bad debts written off unilaterally and doubtful debts	(3)	(1)
Total net gain/(loss) on financial instruments	32,666	15,887
Net gain/(loss) on disposal of property, plant and equipment	(2)	-
Total net gain/(loss) on non-financial instruments	(2)	-
FIDELITY FUND		
Net gain/(loss) on financial instruments arising from changes in fair value	1,554	580
Change due to actuarial valuations	(600)	(670)
Total net gain/(loss) on financial instruments	954	(90)
VICTORIAN LEGAL SERVICES COMMISSIONER		
Bad debts written off unilaterally and doubtful debts	(12)	1
Net gain/(loss) from the revaluation of present value of long service leave	(205)	4
Total net gain/(loss) on financial instruments	(217)	5
Total other economic flows included in net result	33,401	15,802

Other economic flows - by type

	2019 \$'000	2018 \$'000
NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Net gain/(loss) on financial instruments arising from changes in fair value	34,223	16,388
Net gain / (loss) on disposal of financial instruments through profit and loss	-	80
Bad debts written off unilaterally and doubtful debts	(15)	(0)
Total net gain/(loss) on financial instruments	34,208	16,468
NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS		
Net gains/(losses) on disposal of property, plant and equipment	(2)	-
Total net gain/(loss) on non-financial instruments	(2)	-
OTHER GAINS/(LOSS) FROM OTHER ECONOMIC FLOWS		
Change due to actuarial valuations	(600)	(670)
Net gain/(loss) from the revaluation of present value of long service leave	(205)	4
Total other gains/(loss) from other economic flows	(805)	(666)
Total other economic flows included in net result	33,401	15,802

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

Types of other economic flows included in net result include:

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

9.1.1 NET GAIN/ (LOSS) ON FINANCIAL INSTRUMENTS

Net gain/(loss) on financial instruments includes:

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

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

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

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

9.1.3 OTHER GAINS/ (LOSSES) FROM OTHER ECONOMIC FLOWS

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

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

9.2 COMMITMENTS FOR EXPENDITURE

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

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

Total commitments payable

2019	NOTES	LESS THAN 1 YEAR \$'000	1-5 YEARS \$'000	5+ YEARS \$'000	TOTAL \$'000
Operating commitments	9.2.1	148	-	-	148
Operating lease commitments	9.2.2	1,153	5,063	340	6,556
Total commitments		1,301	5,063	340	6,704
2018					
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

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:

	2019 \$'000	2018 \$'000
OPERATING COMMITMENTS		
Less than 1 year	148	542
Greater than 1 year but not later than 5 years	-	112
Total commitments in relation to operating contracts	148	654

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:

	2019 \$'000	2018 \$'000
OPERATING LEASE COMMITMENTS		
Less than 1 year	1,153	1,011
Greater than 1 year but less than 5 years	5,063	4,436
Greater than 5 years	340	1,524
Total future operating lease payments	6,556	6,971

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 2019 balance is \$73.223m (2018: \$85.156m).

Funding under sections 143, 144 and s 146 are paid to recipients from the Distribution Account as per section 138 of the Act. Recipients include Victoria Legal Aid, Victorian Law Reform Commission, Victoria Law Foundation and successful Project and Major Grants applicants. For further details, refer to the report of operations.

9.3 REMUNERATION OF AUDITORS

	2019 \$'000	2018 \$'000
VICTORIAN AUDITOR-GENERAL'S OFFICE ⁽ⁱ⁾		
Audit of financial statements	77	75
Total remuneration of auditors	77	75

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

9.4 CONTINGENT ASSETS AND LIABILITIES

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

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities are also classified as either quantifiable or non-quantifiable and include:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

At balance date there were no contingent assets (2018: nil contingent assets or contingent liabilities). A non-quantifiable contingent liability exists relating to matters against the Board and the Commissioner in which negotiations are underway to determine the likelihood and quantum of any relevant costs for which the Board and the Commissioner may be liable.

Other potential obligations that are non-quantifiable at this time arise from unclaimed monies, which may be subject to future claims by the general public against the State.

9.5 SUBSEQUENT EVENTS

No material subsequent events occurred after the reporting date.

The policy in connection with recognising subsequent events, 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 2019 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 2019, the following standards have been issued by the AASB but are not yet effective. They become effective for the first financial statements for the reporting periods commencing on or after the stated operative dates as follows:

STANDARD/ INTERPRETATION	KEY REQUIREMENTS	EFFECTIVE DATE ⁽ⁱ⁾	IMPACT ON VLSB+C FINANCIAL STATEMENTS
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 Jan 2019	The assessment indicates that adoption of AASB 15 <i>Revenue from Contracts with Customers</i> will not impact upon the financial results of the Board and the Commissioner.
AASB 2018-4 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Public-Sector Licensors</i>	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 Jan 2019	<p>AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include:</p> <ul style="list-style-type: none"> • Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; • IP licenses to be accounted for under AASB 15; and • Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Entities</i>	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.</p> <p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p>	1 Jan 2019	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:</p> <p>AASB 9</p> <ul style="list-style-type: none"> • Statutory receivables are recognised and measured similarly to financial assets. <p>AASB 15</p> <ul style="list-style-type: none"> • The ‘customer’ does not need to be the recipient of goods and/or services; • The ‘contract’ could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or ‘equivalent means’; • Contracts do not have to have commercial substance, only economic substance; and • Performance obligations need to be ‘sufficiently specific’ to be able to apply AASB 15 to these transactions.

STANDARD/ INTERPRETATION	KEY REQUIREMENTS	EFFECTIVE DATE ⁽ⁱ⁾	IMPACT ON VLSB+C FINANCIAL STATEMENTS
AASB 16 <i>Leases</i>	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	<p>The assessment indicates that the operating lease for office premises at Level 5, 555 Bourke Street, Melbourne will be brought onto 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 net impact of this change on the balance sheet is expected to be nil, with a corresponding asset and liability of approximately \$4.67m.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p>
AASB 2018-8 <i>Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities</i>	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1 Jan 2019	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed.</p>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	<p>AASB 1058 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 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,</p> <p>AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective</p>	1 Jan 2019	The assessment indicates that adoption of AASB 1058 <i>Income of Not-for-Profit Entities</i> will not impact upon the financial results of the Board and the Commissioner.

STANDARD/ INTERPRETATION	KEY REQUIREMENTS	EFFECTIVE DATE ⁽ⁱ⁾	IMPACT ON VL SB+C FINANCIAL STATEMENTS
AASB 17 <i>Insurance Contracts</i>	The new Australian standard eliminates inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities.	1 Jan 2021	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.
AASB 1059 <i>Service Concession Arrangements: Grantor</i>	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1 Jan 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 January 2019)	The assessment indicates that AASB 1059 <i>Service Concession Arrangements: Grantor</i> will not impact upon the Board and the Commissioner as it does not have any service concession arrangements.
AASB 2018-5 <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1 Jan 2020	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year.

⁽ⁱ⁾ Effective date denotes that a "Standard applies to annual periods **beginning on or after**" the date specified.

10 GLOSSARY OF TERMS AND STYLE CONVENTIONS

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

ACT

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

ACTUARIAL GAINS OR LOSSES

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

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

ADMINISTERED ITEM

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

AMORTISATION

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

BORROWINGS

Borrowings refer to interest bearing liabilities raised from finance leases.

COMMITMENTS

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

COMPREHENSIVE RESULT

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income, representing total change in net worth other than transactions with owners as owners.

DEPRECIATION

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

EFFECTIVE INTEREST METHOD

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

EMPLOYEE BENEFITS EXPENSES

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

FIDELITY FUND

The Fidelity Fund is maintained under section 121 of the Act. The purpose of the Fidelity Fund is to compensate clients for losses arising out of defaults by law practices arising from acts or omissions of associates and defaults by

approved clerks. The amount in the Fidelity Fund must be kept separate from any other money held by the Board and be held in trust. The Board may invest any money in the Fidelity Fund that is not immediately required for the purposes of the Fidelity Fund in the manner in which money may be invested under the *Trustee Act 1958*.

FINANCIAL ASSET

A financial asset is any asset that is:

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

FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual are not financial instruments.

FINANCIAL LIABILITY

A financial liability is any liability that is:

- a. a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- b. a contract that will or may be settled in the entity's own equity instrument and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own instruments.

FINANCIAL STATEMENTS

Financial statements comprise:

- a balance sheet as at the end of the period;
- a comprehensive operating statement for the period;
- a statement of changes in equity for the period;
- a cash flow statement for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and
- 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:

- law reform;
- legal education;
- judicial education;
- legal research; and
- 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. Until AASB 9 *Leases* comes into effect on 1 July 2019, 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 (SDA) BALANCES

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

SUPPLIES AND SERVICES

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

TRANSACTIONS

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

STYLE CONVENTIONS

The notation used in the tables is as follows:

– zero, or rounded to zero

(xxx) negative numbers

201x year period

201x-xx year period

The financial statements and notes are presented based on the illustration for a government department in the 2018-19 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.

APPENDIX 8

DISCLOSURE INDEX

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

MINISTERIAL DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS: REPORT OF OPERATIONS

LEGISLATION	REQUIREMENT	PAGE REFERENCE
CHARTER AND PURPOSE		
FRD 22H	Manner of establishment and the relevant Ministers	2, 122
FRD 22H	Purpose, functions, powers and duties	2
FRD 8D	Objectives, performance indicators and outputs	N/A
FRD 22H	Key initiatives and projects	4-5
FRD 22H	Nature and range of services provided	2-3
MANAGEMENT AND STRUCTURE		
FRD 22H	Organisational structure	25
FINANCIAL AND OTHER INFORMATION		
FRD 8D	Performance against output performance measures	8-34
FRD 8D	Budget portfolio outcomes	N/A
FRD 10A	Disclosure index	179
FRD 12B	Disclosure of major contracts	29
FRD 15E	Executive officer disclosures	26, 165
FRD 22H	Employment and conduct principles	26
FRD 22H	Occupational health and safety policy	27
FRD 22H	Summary of the financial results for the year	19-21
FRD 22H	Significant changes in financial position during the year	21, 120
FRD 22H	Major changes or factors affecting performance	21
FRD 22H	Subsequent events	172
FRD 22H	Application and operation of the <i>Freedom of Information Act 1982</i>	29
FRD 22H	Compliance with building and maintenance provisions of the <i>Building Act 1993</i>	29
FRD 22H	Statement on National Competition Policy	29
FRD 22H	Application and operation of the <i>Protected Disclosure Act 2012</i>	29
FRD 22H	Application and operation of the <i>Carers Recognition Act 2012</i>	N/A

LEGISLATION	REQUIREMENT	PAGE REFERENCE
FRD 22H	Details of consultancies over \$10,000	30
FRD 22H	Details of consultancies under \$10,000	30
FRD 22H	Disclosure of government advertising expenditure	31
FRD 22H	Disclosure of ICT expenditure	31
FRD 22H	Statement of availability of other information	31
FRD 24D	Reporting of office-based environmental impacts	32-34
FRD 25D	Local Jobs First	30
FRD 29C	Workforce data disclosures	26
SD 5.2	Specific requirements under Standing Direction 5.2	115
COMPLIANCE ATTESTATION AND DECLARATION		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	35
SD 5.2.3	Declaration in report of operations	INSIDE FRONT

MINISTERIAL DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS: FINANCIAL STATEMENTS

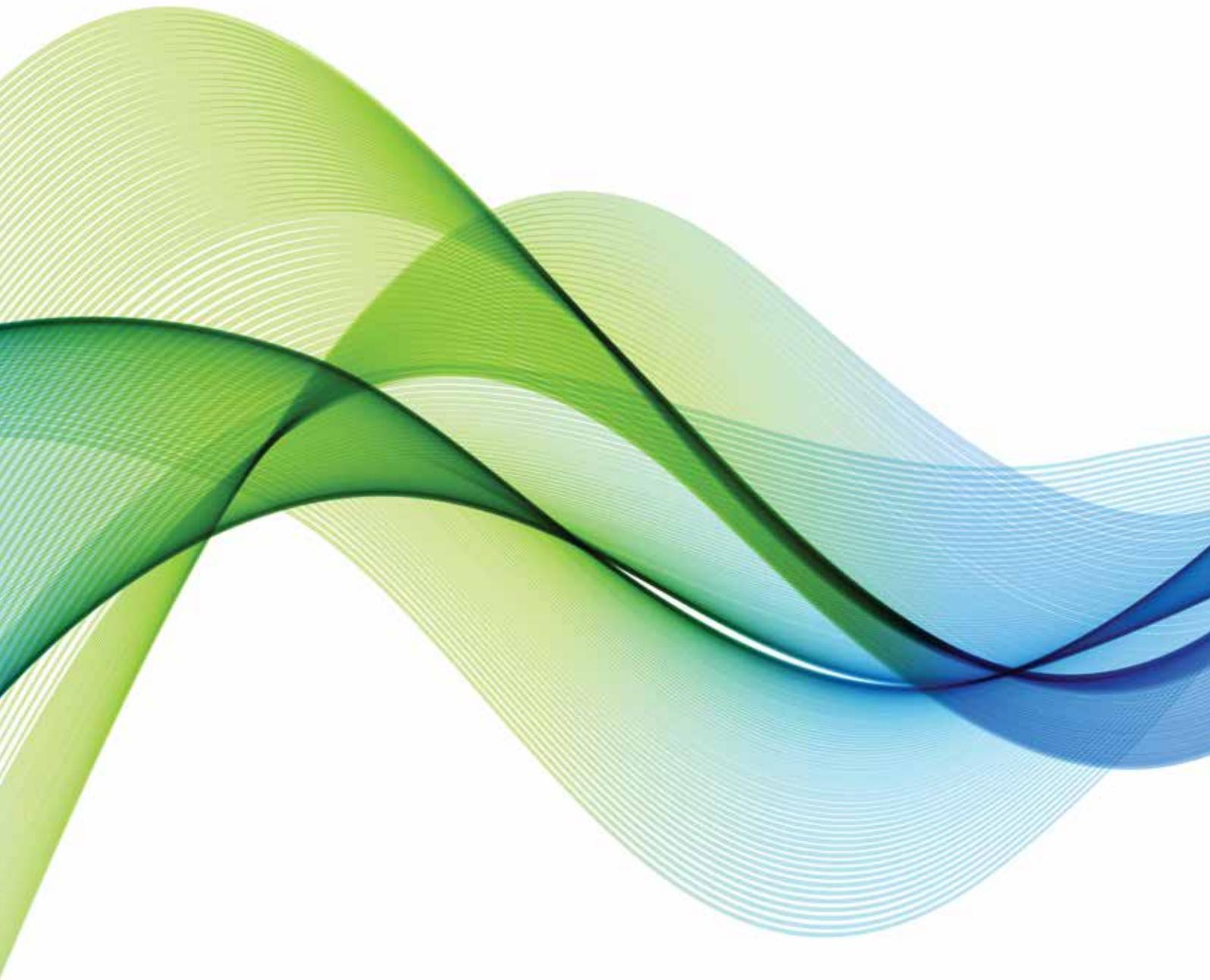
DECLARATION		
SD 5.2.2	Declaration in financial statements	115
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	115
SD 5.2.1(a)	Compliance with Standing Directions	115

OTHER DISCLOSURES AS REQUIRED BY FRDS IN NOTES TO THE FINANCIAL STATEMENTS

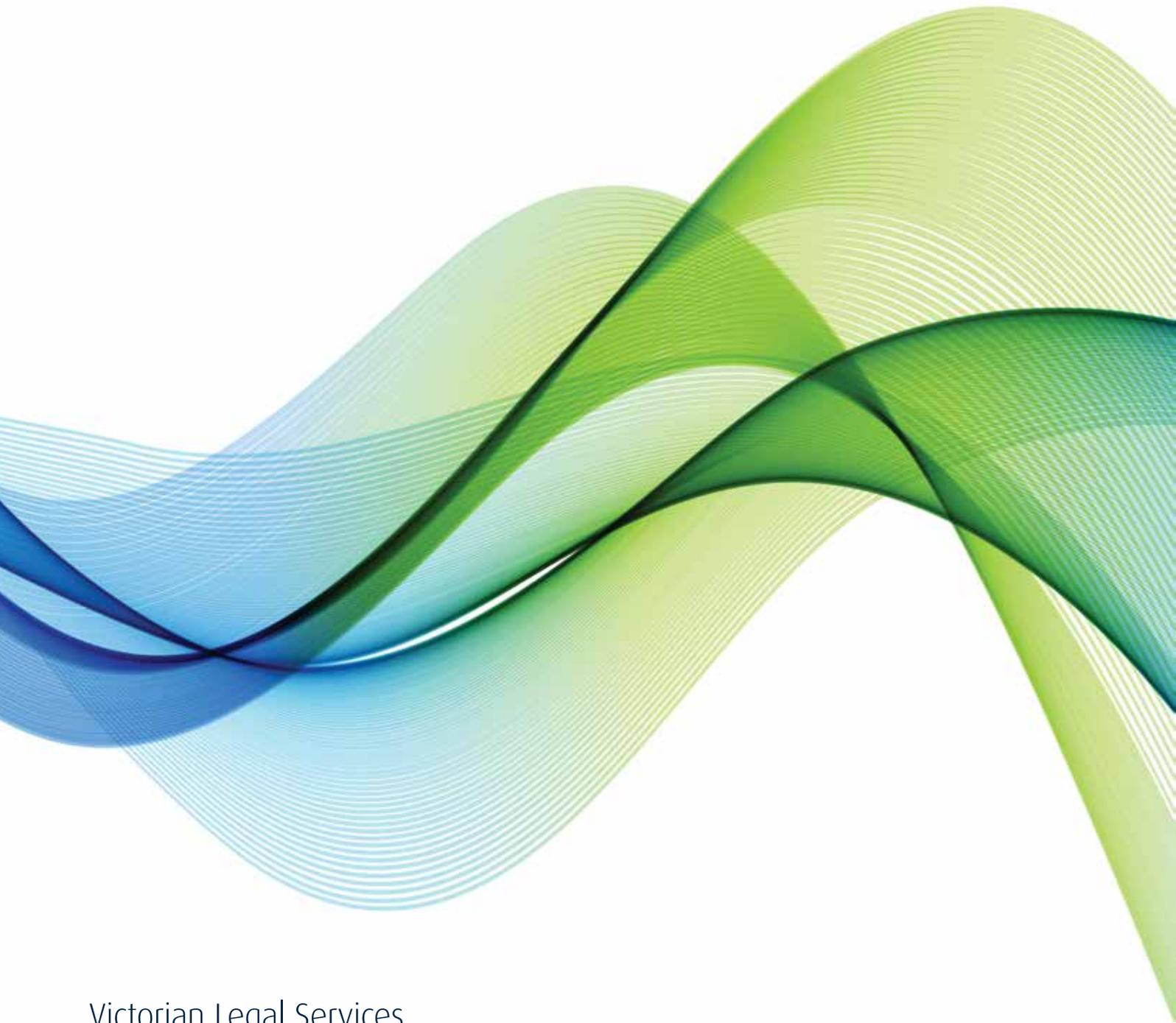
FRD 9B	Disclosure of administered assets and liabilities by activity	N/A
FRD 11A	Disclosure of <i>Ex gratia</i> expenses	N/A
FRD 13	Disclosure of Parliamentary appropriations	N/A
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other personnel (contractors with significant management responsibilities) in the Financial Report	163
FRD 103FG	Nonfinancial physical assets	137
FRD 110A	Cash flow statements	121
FRD 112D	Defined benefit superannuation obligations	130
FRD 114C	Financial Instruments – general government entities and public non-financial corporations	149

COMPLIANCE WITH LEGISLATIVE DECLARATIONS

<i>Building Act 1993</i>	29
<i>Carers Recognition Act 2012</i>	N/A
<i>Disability Act 2006</i>	29
<i>Financial Management Act 1994</i>	124
<i>Freedom of Information Act 1982</i>	29
<i>Local Jobs Act 2003</i>	30
<i>Protected Disclosure Act 2012</i>	29



ecoStar is an environmentally responsible paper made Carbon Neutral. The greenhouse gas emissions of the manufacturing process including transportation of the finished product to BJ Ball Papers Warehouses has been measured by the Edinburgh Centre for Carbon Neutral Company and the fibre source has been independently certified by the Forest Stewardship Council (FSC). ecoStar is manufactured from 100% Post Consumer Recycled paper in a Process Chlorine Free environment under the ISO 14001 environmental management system.



Victorian Legal Services
BOARD + COMMISSIONER

Level 5, 555 Bourke Street
Melbourne Victoria 3000

Telephone
03 9679 8001

Local call within Victoria
1300 796 344

Fax
03 9679 8101

Email
admin@lsbc.vic.gov.au

Website
www.lsbc.vic.gov.au

