

# Victorian Lawyers RPA Ltd



**Law  
Institute  
Victoria**

*Report to  
Members  
for the  
6 months  
ended  
30 June 2001*

**(ACN No 075 475 731)**

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# Council and Committees

as at 30 June 2001



## ***Elected Members of the Law Institute Executive***

Treasurer William O'Shea, Fifth  
Executive Member Judith Peirce,  
President John Corcoran,  
Vice President David Faram and  
Immediate Past President Tina Millar



### **Simon Begg**

**Committees:**

- Access to Justice Committee • Audit Committee
- Building & Properties Committee • Ethics Committee
- Legal Documentation Committee (chair)
- Legal Practice Act Review Taskforce
- Membership Committee • RPA Trust Monies Committee
- Rules of Practice Committee (chair)
- Unqualified Practices Committee

*Council meetings attended: 6/6*



### **John Corcoran: President**

**Committees:**

- Accident Compensation Committee (*ex officio*)
- Audit Committee
- Building & Properties Committee (chair)
- XIII Commonwealth Law Conference Organising Committee (*ex officio*) • Executive (chair)
- International Law Committee (*ex officio*)
- Legal Practice Act Review Taskforce (chair)
- Major Firms Committee • Membership Committee
- Nominating Committee (*ex officio*)
- Rules of Practice Committee
- Small Practice Committee (*ex officio*)
- Specialisation Board Committee (*ex officio*)

*Council meetings attended: 6/6*



### **Michael Gawler**

(retired 26 April 2001)

**Committees:**

- Audit Committee • Executive
- Major Firms Committee • National Issues Committee
- Nominating Committee
- Incorporation Committee (chair)
- Legal Practice Act Review Taskforce
- Commonwealth Lawyers Association Conference Working Party

*Council meetings attended: 2/4*



### **Leonie Kelleher OAM**

**Committees:**

- Admission to Practice Committee • Audit Committee
- Events Committee • International Law Committee
- Membership Committee
- Small Practice Committee (chair)
- Suburban Law Association Committee
- 2010 Taskforce (chair)

*Council meetings attended: 5/6*



### **Rebecca Borden**

(resigned 30 April 2001)

**Committees:**

- Ethics Committee
- Events Committee
- *Law Institute Journal* Editorial Committee
- Membership Committee

*Council meetings attended: 3/4*



### **David Faram: Vice President**

**Committees:**

- Audit Committee • Awards Committee
- Building & Properties Committee
- Country Law Associations Committee
- Executive
- Legal Practice Act Review Taskforce
- Major Firms Committee
- Membership Committee (chair)
- National Issues Committee
- Nominating Committee (chair)
- Rules of Practice Committee

*Council meetings attended: 6/6*



### **Helen Glass**

**Committees:**

- Access to Justice Committee
- Admission to Practice Committee (chair)
- Articled Clerkship Committee (chair)
- Events Committee • Nominating Committee
- RPA Trust Monies Committee (chair)
- Unqualified Practices Committee (chair)

*Council meetings attended: 5/6*



### **Aurora Kostezky**

(from 26 April 2001)

**Committees:**

- Articled Clerkship Committee
- XIII Commonwealth Law Conference Organising Committee
- Ethics Committee
- Events Committee (chair)
- *Law Institute Journal* Editorial Committee

*Council meetings attended: 2/2*

**Briony Le Duc**

(from 26 April 2001)

**Committees:**

- Articled Clerkship Committee • Audit Committee
- Building & Properties Committee
- *Law Institute Journal* Editorial Committee
- Major Firms Committee
- Membership Committee

*Council meetings attended: 2/2***Kirsten Mander**

(from 3 May 2001)

**Committees:**

- XIII Commonwealth Law Conference Organising Committee
- Ethics Committee • International Law Committee
- *Law Institute Journal* Editorial Committee
- Major Firms Committee • Membership Committee
- National Issues Committee

*Council meetings attended: 1/1***Tina Millar: Immediate Past President****Committees:**

- Access to Justice Committee
- Audit Committee • Awards Committee
- Building & Properties Committee
- Ethics Committee • Executive
- Legal Practice Act Review Taskforce
- Major Firms Committee • Nominating Committee
- Small Practice Committee
- Suburban Law Association Committee (chair)

*Council meetings attended: 5/6***William O'Shea: Treasurer****Committees:**

- Audit Committee (chair)
- Best Practice Committee (chair)
- Building & Properties Committee • Executive
- International Law Committee (chair)
- Major Firms Committee (chair)
- Membership Committee • National Issues Committee

*Council meetings attended: 3/6***Geoff Provis****Committees:**

- Accident Compensation Committee (chair)
- Awards Committee (chair)
- Building & Properties Committee
- XIII Commonwealth Law Conference Organising Committee • Major Firms Committee
- Medico Legal Joint Standing Committee (co-chair)
- National Issues Committee (chair)
- Road Trauma Committee • 2010 Taskforce

*Council meetings attended: 6/6***James Syme**

(resigned 16 March 2001)

**Committees:**

- Audit Committee • Building & Properties Committee
- Events Committee (chair) • Incorporation Committee
- Major Firms Committee (chair)
- Membership Committee • Rules of Practice Committee
- National Issues Committee
- Nominating Committee (chair)
- RPA Trust Monies Committee
- Solicitors' Mortgage Investment Companies Committee

*Council meetings attended: 3/3***John Whelan**

(retired 26 April 2001)

**Committees:**

- Costs Policy Committee (chair)
- Country Law Association Committee
- Nominating Committee
- Small Practices Committee (chair)

*Council meetings attended: 3/4***Melissa Macken****Committees:**

- Admission to Practice Committee
- Ethics Committee (chair)
- *Law Institute Journal* Editorial Committee
- RPA Trust Monies Committee

*Council meetings attended: 6/6***Tom May**

(from 26 April 2001)

**Committees:**

- Audit Committee
- RPA Trust Monies Committee
- Rules of Practice Committee
- Small Practice Committee

*Council meetings attended: 2/2***Jason Newman****Committees:**

- Access to Justice Committee
- Ethics Committee
- *Law Institute Journal* Editorial Committee (chair)
- Legal Practice Act Review Taskforce
- Major Firms Committee
- Nominating Committee
- Road Trauma Committee

*Council meetings attended: 6/6***Judith Peirce: Fifth Executive Member****Committees:**

- Access to Justice Committee • Audit Committee
- Building & Properties Committee
- Ethics Committee • Executive
- Membership Committee
- Road Trauma Committee

*Council meetings attended: 5/6***Erskine Rodan****Committees:**

- Access to Justice Committee
- Awards Committee
- Legal Practice Act Review Taskforce
- Nominating Committee
- Small Practice Committee
- Suburban Law Association Committee

*Council meetings attended: 5/6***John Weigl****Committees:**

- Costs Policy Committee (chair)
- Country Law Association Committee
- Nominating Committee
- Road Trauma Committee
- RPA Trust Monies Committee
- Rules of Practice Committee
- Specialisation Board Committee
- Unqualified Practices Committee

*Council meetings attended: 5/6***Mark Woods****Committees:**

- Access to Justice Committee (chair)
- XIII Commonwealth Law Conference Organising Committee (chair)
- Country Law Association Committee (chair)
- Membership Committee • National Issues Committee
- Solicitors' Mortgage Investment Companies Committee (chair)
- Specialisation Board

*Council meetings attended: 6/6*

# President's Review

**I**t gives me great pleasure to report to you on the activities of the Institute this year.

Locally, the Victorian Attorney-General's review of the *Legal Practice Act* has continued to be a main focus for the Institute. During the year, the reviewers, Professor Peter Sallmann and Richard Wright, followed their discussion paper with the release of an issues paper. The Institute made a comprehensive submission in response to this paper. In late November, the reviewers issued their final report to the Attorney-General following responses to the issues paper and just before Christmas the Institute responded to the report with a submission to the Attorney-General. This response can be found on the Institute's website [www.liv.asn.au](http://www.liv.asn.au). The Attorney-General has indicated that he will make his decisions on the report early in 2002.

Throughout this process, the Institute has based its submissions on the principle that the independence of the legal profession, uninfluenced by government, is a vital component of the rule of law in our society. Consistent with this principle we have welcomed the simplifications contained in the model suggested by the reviewers, but have noted our concerns and made strong recommendations to the Attorney-General on several important matters. This review will continue to be a major issue for the Institute in 2002.

The Institute has continued to be regularly sought out by all forms of the media for its views on a wide range of topics including home detention, sentencing, judicial conduct, terrorism, conveyancing companies and rule of law issues. I was even interviewed by a disbelieving radio announcer who had before him a survey showing that approximately 80 per cent of clients were either happy or very happy with their lawyers. This seems to reinforce the view that while lawyers as a group may not be perceived to be terribly popular, everyone seems to love their own lawyer!

We are hopeful that in 2002 the Victorian government will follow the initiative of the New South Wales government in relation to incorporated legal practices. Naturally we would prefer a uniform national approach to this issue, but if that is not possible in the short term, we will be urging the Attorney-General to introduce measures in Victoria similar to those in New South Wales.

Another issue that is continually under review is the need to remain relevant to all our members. We



cannot afford to be complacent about this, even though at present we have a healthy take-up of approximately 80 per cent of potential members.

On the subject of members, the most enjoyable aspect of my year as president has been my contact with our members. Whether those members have been city lawyers, country practitioners, suburban lawyers, young lawyers, Section members, specialists or members of Victorian Women Lawyers, without exception I have received terrific support and encouragement from them and I thank them for that.

On the national scene, the Institute has continued to play an active role as a constituent member of the Law Council of Australia. It is hoped that the two remaining states (Western Australia and Queensland) will introduce legislation within the next few months to finally make the uniform practising regime a reality. The LCA has finalised national model rules for the profession in Australia and the Institute will be considering these rules for adoption in 2002. The LCA has also embarked on an organisational review, to be conducted by former Secretary-General Peter Levy, and we look forward to positive outcomes from that.

Many of you may be surprised about the involvement of the Institute in international issues. During the past year we have had visits to the Institute by delegations from Indonesia, South Korea, Singapore and China. Through the LCA we have participated in the important meetings of the Presidents of Law Associations of the Asian Pacific region (POLA). It is pleasing to report that Dr Gordon Hughes, a former president of the Institute, is now the president of Lawasia.

One cannot review 2001 without mentioning the tragic events of 11 September. We have contacted our colleagues at the American Bar Association to offer heartfelt sympathy to the families and friends of the American lawyers lost on that tragic day. We have also applauded the ABA's measured response to this terrible event and, in particular, its urging of the US government not to introduce measures in response to the outrageous terrorism which would put at risk the civil liberties that are so important in a free society. We hope the Australian government's response will be equally as measured.

During the year, Council appointed only the seventh CEO of the Institute in its 142-year history. As you would expect, Council took this important

role extremely seriously and we are delighted that John Cain will be taking up this vital role in March 2002. I wish John the best of luck and I am sure he will have the full support of our members. John takes over from Ian Dunn and, once again, I would like to record our thanks for Ian's fine leadership of the Institute over the past six years.

On a personal level, I have particularly enjoyed being president during this year. It is certainly a great privilege to represent an organisation with the strength and integrity of the Institute. My personal highlights include our President's Luncheons which gave me the opportunity to meet personalities such as Xanana Gusmao, Allan Fels, Christine Nixon, Geoffrey Blainey and many others.

Finally, I must thank my wife, Gill, and family and my colleagues at Russell Kennedy for their generous support during the year.



JOHN CORCORAN  
PRESIDENT

# CEO's Review

**T**he Institute is not in the habit of reporting to members at half-yearly intervals and I think it pointless to concentrate solely on the six months to 30 June 2001, so much of what I say relates to the 2001 year as a whole.

It sounds a mundane issue, and certainly we did not anticipate how difficult it was in our planning, but in retrospect we seriously underrated the complexity of the change in our membership year.

It was serious in financial terms. It impacted two ways. The decision to charge membership for an 18-month period meant that we lost (I hope temporarily) a number of members who are finding the earning of a satisfactory income too difficult. And in our budgeting for the expenses associated with the change, we seriously underestimated a number of items.

This has had an impact on the year as a whole. While the Institute's retained earnings are excellent, we plainly must achieve a surplus in most years and we haven't done so in 2001, notwithstanding outstanding results in a variety of areas such as the bookshop, our Continuing Legal Education Department and the restaurant. And on top of the "one-off" effects of the change, we have been obliged to commit to considerable capital expenditure, some of which had been postponed from earlier years.

This brings me to the issue of the Law Institute building. Members may wonder about our continued occupation of this ill-designed building. In fact, we have a property committee that has been considering options for the past few years. Pending the outcome of the review of the *Legal Practice Act*, it has been decided it would be premature to make any decision, but one point which cannot be overemphasised is the need to retain a presence in the legal precinct where so many of our members work. Significant decisions will have to be made in the near future and members may be assured that an expert committee will weigh up all the options.

In the last report I expressed serious concerns about our relationship with the Legal Practice Board, particularly in its control of budgets in relation to professional standards. I am pleased to report that, with much goodwill on each side, a more satisfactory formula was produced. As a consequence, the Institute believes that it is close (at least) to achieving a full reimbursement of expenditure in accordance with the *Legal Practice Act*. I take this opportunity to compliment and thank members of the Board who have had a



difficult role since its inception, particularly Ken Marks QC and Simon Libbis who will not be continuing to serve on the Board in 2002.

## ***Services offered by the Institute***

Despite the pressures exerted by the financial situation, we have been able to expand the Section network to include the Workplace Relations Section. A large number of members now practise either exclusively or partly in this important area of work, and it is an area likely to grow considerably in the future. An excellent Executive has been elected and the future of the Section seems assured. We will also have to give serious consideration to the formation of an International Law Section. With the enthusiastic support of several people, particularly from one major firm, an International Law Committee has been formed. The number of people wishing to be involved is such that various sub-committees could be established. The failure of the Law Council's International Law Section prompts concern as to whether an International Law Section formed within the Institute could prosper, but this is certainly a subject which must be investigated in the near future.

## ***Review of the Legal Practice Act***

Regrettably, a great deal of time and expense has again been required to deal with the second review in six years of the regulation of the profession. Whatever the outcome, it is hoped that this will be the last one for a long time. Shortly before the end of 2001, the reviewers' recommendations to the government were announced. If the government decides to accept these recommendations, the Institute can feel satisfied that its principal objectives have been achieved, although the detail remains to be worked out and it could be a considerable time before legislation is eventually introduced.

## ***Conclusion***

This will be the last Report to Members to which I contribute. I can assure members that in the Institute staff they have many imaginative, dedicated and very hardworking people. I am grateful for the support they have given to me, the general managers and the Council.



IAN DUNN  
CEO



# Law Institute of Victoria Services and Sections

## ***Bookshop***

A record number of *Law Institute Diaries* and *Directories* were sold in the first three months of 2001, with the *Week-at-a-Glance Diary* outstripping all other *Diary* sales.

Members purchased increased numbers of legal forms over the first six months of 2001. Following the upgrading of the bookshop's legal forms website early in the year, members gained greater access to legal form information such as approval numbers, dates, item codes, packaging, prices and ordering details. A growing number of customers used the website order form to place their orders.

There was an unprecedented number of sales to customers who used their current LIV membership card to receive a discount on their bookshop purchases.

During this period several publishers'/writers' events were held in the bookshop, including the launch of Michael Challenger's publication *Historic Court Houses of Victoria*, which generated significant sales for the bookshop.

As tertiary students joined up as associate LIV members, many found buying their legal texts directly from the bookshop to be more convenient than queuing at co-op bookshops on campus.

Staff were successful in maintaining the bookshop's policy of processing all orders in the order they were received. On a significant number of days, individual orders were processed the same day the order arrived.

## ***Continuing Legal Education***

During the first six months of 2001, 57 CLE events were held through the CLE Department. These events covered over 120 topics and attracted 2108 registrants.

Joint seminars were conducted with the Leo Cussen Institute, Monash University, the Australian Advocacy Institute, the Business Law Section of the Law Council of Australia, the Victims Referral Assistance Service, the Department of Surgery at Monash Medical School, Alfred Campus and the Australian Medical Association. A highlight of these joint ventures was the highly successful "Taxation Risk Management for Legal Practitioners" lecture series conducted in conjunction with Monash University, which attracted over 60 practitioners for the 12-week course.

One mediation training workshop was held over a three-day period and a negotiation skills workshop

was held with 30 participants. Seven events were staged throughout Victoria as part of a jointly staged seminar series with the Victims Referral Assistance Service, with more than 196 attendees. Seventeen lectures were held as part of the Annual Young Lawyers' Lecture Series, attracting more than 500 registrants.

The Young Lawyers' Section conducted a one-day conference designed to attract young lawyers from suburban and country areas. Eight topics were offered, attracting 57 registrants.

The Family Law Section conducted a two-day conference in Lorne which attracted 84 registrants over two days. The Small and Sole Practice Committee conducted a one-day conference in Melbourne, attracting 66 registrants.

A number of ad hoc seminars were scheduled throughout the first half of the year to ensure members were kept up-to-date with the many new pieces of legislation and issues relevant to the various areas of practice. These seminars attracted 292 registrants.

## ***Costing Service***

The Costing Service's legal costing business had a lower than expected income during the first half of 2001 but still returned a good profit to the Institute.

In addition to its business activities, the Costing Service provided free general information about costing to members of the Institute; and secretarial assistance to the Costs Policy Committee.

## ***Dial-A-Law and Legal Referral Service***

The Legal Referral Service continued to be the first point of contact to a solicitor for many members of the public. During January to June 2001 the Service received more than 12,900 requests for legal assistance and information. Assistance was provided either through letters of referral to legal firms which are members of the Service, the forwarding of requests to recorded information available via the telephone (6500 requests were directed to the taped information) or, if more appropriate, the redirection of callers to other suitable services and agencies.

At the end of June 2001, 381 firms with 509 branches were members of the Legal Referral Service.

## ***Education Liaison***

Students and teachers in law-related courses, particularly VCE Legal Studies, are the main users and beneficiaries of this joint program between the Law Institute and the Department of Education, Employment and Training, with the support of the Court Network Supreme Court Education team. The service provides information files on a wide range of legal topics and issues, and careers in law, and runs an annual school lecture series. It also coordinates the court education program at the Supreme and County Courts for school and community groups. During the first half of 2001, 6000 students undertook this program, involving 230 schools, and 900 information files were forwarded to students and 1000 to teachers. Many practitioners received copies of the three comprehensive career resource booklets to distribute when they undertook talks to schools and attended career expos.

A major source of current legal information for Legal Studies teachers is the Legal Update column prepared by the education liaison officer for Compak, the journal of the Victorian Commercial Teachers Association. This journal is circulated to over 1200 teachers four times a year, and is read by many more. The officer is also extensively involved in the setting of the VCE Legal Studies examination paper.

## ***External Relations***

The free "Buying a Home" seminars held during the first half of 2001 attracted more than 2500 people. The number of publications sold and the questions put to three volunteer solicitors indicated the huge interest in this topic.

Printed copies of the *Client Newsletter* were sent to 100 subscribing firms each quarter, a total of more than 70,000 copies. Another 30 firms subscribed to the *Client Newsletter* on disk and a further 20 via email.

Each month all law associations received newspaper network articles for use in local newspapers.

The Speakers' Bureau averaged about four requests a month for solicitors to speak to local community groups.

## ***IT Special Projects and Institute website***

IT Special Projects is responsible for the maintenance and development of the Institute website, the development of IT-related member services, and the provision of advice to several Institute departments, internal and external committees and members.

IT Special Projects has continued to maintain and expand the Institute website, which now serves over 1.3 million hits per month worldwide with a peak of 1.97 million hits in July 2001. Members and the

public are increasingly using the website as a valuable resource of legal information and news. In conjunction with other departments, IT Special Projects has facilitated the publication and dissemination of information ranging from bulletins on the GST to the weekly *Friday Facts*, managed mortgage rules and reports on the review of the *Legal Practice Act*.

Some areas of the website that were enhanced over the first six months of 2001 include the Young Lawyers' area, Member Services, the Legal Industry Superannuation Scheme, Specialist Accreditation, information on technology in the legal practice and the Professional Standards division.

In conjunction with the Continuing Legal Education Department, research has started on the innovative delivery of legal education online to both central and regional practitioners.

In relation to external involvements, IT Special Projects has contributed to Land Victoria's electronic conveyancing project, the Victorian Department of Justice's Legal Channel and the Federal Family Law Assistance Gateway.

Since most legal practitioners have access to the Internet, the Institute website will continue to play an increasingly important role in the efficient delivery of information and services to members and the wider community, simultaneously furthering the profile of the legal profession and fostering a greater appreciation and understanding of the Institute's role and contribution to the legal profession.

## ***Law Care***

The Law Institute continued to cover the cost of a member's initial consultation with the Law Care counsellor. During the first half of 2001, nearly 60 members consulted the counsellor, with male and female clients equally represented. Nearly half of all members using the service were employee solicitors. The next largest group comprised senior partners of law firms, followed by sole practitioners. Although the service is totally confidential, many clients complete evaluation forms. The feedback from these forms has indicated a very high level of satisfaction with the service.

## ***Law Week***

A total of 300 members of the public received legal advice over two days through the free legal advice line and online service. Promotions on radio stations 3AW, 3LO, 3TR, 3RPH and 3RRR publicised the Institute and Law Week activities. The Careers Expo attracted about 570 secondary school students and their parents. More than 250 members of the public toured Melbourne courts and over 640 attended the free Property Investment Seminar at

the Carlton Crest Hotel. The Australian Red Cross received 130 donations as part of a Law Week initiative.

### **Library**

The library continued to provide members of the Law Institute and practitioners regulated by the Victorian Lawyers RPA Ltd with access to quality, value-added information services and legal resources. These services and resources are designed to optimise accessibility for all members, irrespective of their proximity to the library. Reference librarians with extensive expertise and qualifications in research and information provision enhance the services and offer further professional services such as user instruction in library resources and research assistance.

Library achievements for the first six months of 2001 included:

- ◆ the development and expansion of the Internet training program to include two classes, "Introduction to the Internet" and "Legislation and Caselaw via the Internet". The two classes are designed to be hands-on and are conducted monthly in the members' IT lab. Both classes were also conducted in Ballarat in June in partnership with the Ballarat Law Association;
- ◆ the development of InSites, a monthly *Law Institute Journal* column featuring legal websites researched and reviewed by the reference librarians;
- ◆ a continuing contribution to the *Law Institute Journal* through the production of the regular column Library Bookshelf and to the Publications Department through the indexing of the *Law Institute Journal* and *News*; and
- ◆ automation of the circulation of library materials, which has resulted in improved access to collections and services by members and streamlining of staff administrative procedures.

### **Member Services and Support**

#### **Commercial benefits**

The number of members taking advantage of the commercial benefits offered by the Institute continued to increase. The Affinity credit card has remained the most popular benefit, particularly with younger members. A service whereby firms can order all their office supplies online via Corporate Express was launched in early 2001.

#### **Room bookings**

The Institute refurbished its meeting rooms on the 6th floor in early 2001, and as a result has seen an increase in external bookings of the facilities. Bookings are made by members, non-members and other non-legal organisations for mediations, training sessions, seminars, university lectures, firm meetings, lunches and working breakfasts.

### **Snail 'n Bottle restaurant**

The Snail 'n Bottle restaurant embarked on some new ways of increasing patronage within the dining room and for the first six months achieved an 8 per cent increase in turnover. A chef from the Sofitel Hotel was introduced to diners with instant success, and high praise for the food was received. The exclusive VIP membership club continued, with 80 fully paid members enjoying special benefits. Some exclusive artwork was exhibited in the restaurant with a special exhibit held in September 2001.

### **Publications Department**

The Publications Department continued to publish the official organ of the Law Institute, the monthly *Law Institute Journal*, which is widely regarded as the best law society journal in the country. It also continued to publish the *Law Institute News*, a monthly eight-page newsletter, and to produce *Friday Facts*, a weekly bulletin distributed to Law Institute members by email.

On an annual basis, the Department published the *Law Institute Legal Directory* and *Diary*, with the directory-only version being the largest professional directory across any profession in the country.

The Department also maintained strong involvement in the publication of Section newsletters and ad hoc publications such as the *RPA News*.

### **Sections**

#### **Administrative Law & Human Rights Section**

Although the Administrative Law and Human Rights Section is one of the smaller Sections of the Law Institute, it maintains under its umbrella a diverse range of specialised committees covering guardianship and administration, freedom of information, administrative law/constitutional law, human rights, health law and migration. The rights of asylum seekers in detention centres was the main topic in 2001 for consideration, discussion and correspondence with politicians by the Human Rights and Migration Committee. In addition, a Bill of Rights sub-committee was formed to draft a commonwealth Bill of Rights.

During the first six months of 2001, representatives of the Migration Committee continued to meet with the state Director of the Department of Immigration and Multicultural Affairs to discuss legislative changes and procedures.

In June, the Human Rights sub-committee continued with the "Great Debates", this time jointly with Amnesty International Australia on the topic "That the WTO should play a more active role in regulating human rights in the new global economy".

Both state and federal departments and current and opposition politicians referred draft Bills to the

Section for comment during the six-month period and submissions by the Section related to:

- ◆ the *Racial and Religious Tolerance Bill* 2001; and
- ◆ transfer of immigration detainees to Victorian prisons.

### **Commercial Law Section**

The breakfast seminars organised by the Trade Practices, Intellectual Property & Information Technology Law Committee were very well attended and were consistently booked out well in advance. The Business & Employment Law Committee continued to develop its employment law component after assuming that area of practice on behalf of the Section. The Section's GST hotline telephone service remained popular with members. Calls received indicate the profession appears to be coping adequately with the day-to-day ramifications of the GST.

The Section made submissions on the review of Victoria's business taxes, the *Financial Services Reform Bill*, the review of the banking code of practice, entity taxation legislation, the GST implications of sales of going concerns, and the State Revenue Office document stamping requirements.

### **Criminal Law Section**

There was a plethora of activities of value to criminal lawyers and the community which the Section instigated or in which it participated. The Section was involved in a significant number of projects and submissions, many of which are continuing.

One highlight was the Bali Conference in June 2001. This was the eighth biennial conference held by the Northern Territory Criminal Lawyers Association and the second held in conjunction with the Section. The conference was attended by more than 100 delegates Australia-wide, who heard prominent speakers such as Justice Weinberg debate whether the criminal justice system is serving the community.

The Section made a significant number of submissions to government, courts and other bodies. These covered a wide range of topics, from procedural issues aimed at improving the practice of criminal law to community issues involving fundamental human rights. Some of the issues considered by the Section were:

- ◆ the Magistrates' Court diversion program;
- ◆ the *Home Detention Draft Bill*;
- ◆ the inquiry into public drunkenness;
- ◆ erasure of convictions and findings of guilt in the Magistrates' and Children's Courts;
- ◆ the *Summary Offences Act* 1966 inquiry; and
- ◆ VLA review of administration of grants processes.

The Section continued to produce newsletters with up-to-date practical information in the criminal law area and liaised with the courts,

government, the Office of Public Prosecutions, the Director of Public Prosecutions, Victoria Legal Aid, the Victorian Bar, police and government departments.

### **Family Law Section**

The *Family Law Amendment Act*, which commenced on 27 December 2000 and introduced binding financial agreements, was closely monitored again during the first six months of 2001 and will continue to be monitored. A seminar is planned for 15 May 2002 on the pitfalls of binding financial agreements.

Proposed fee changes for Victoria Legal Aid work were the subject of discussion, and numerous meetings ensued with VLA on its draft proposal. An Institute survey of Family Law Section members was effective in alerting VLA to the reduced number of practitioners willing to accept its work. Some concessions were obtained.

As each state has different proposals and funding arrangements, members of the Family Law Executive joined an LIV Taskforce Committee for a submission on the proposed national fee scale (NFS) for commonwealth legal aid matters.

During the six months, submissions were made on the following:

- ◆ Binding Financial Agreements (LPLC) (which continues to be monitored); and
- ◆ Family Law – VLA Fee Structure.

The Inaugural Bi-annual Weekend Conference, held jointly with the Bar Association in April in Lorne, was extremely well-attended.

A seminar in June on the taxation of costs was fully booked.

The Section produced the February and May editions of *Victorian Family Lawyer*.

### **Litigation Lawyers Section**

Continuous review of litigation practice and procedure dominated the Section's activities in the first half year of 2001, with the Section involved in a wide range of initiatives, submissions and projects.

Some examples of the work carried out by the Section are:

#### **Courts Practice Committee**

Many opportunities for improvement in the litigation process were identified. The areas include possible reform to technical rules such as rules relating to subpoenas for production, changing court forms, such as third party notices, and reducing costs.

#### **Transport Accident Committee**

Discussions between the Transport Accident Commission and members of the Committee were very fruitful during this period.

This Committee also met with the Auditor-General's office and contributed to its review of the management of major injury claims.

### **Education**

This Committee is an extremely active one. Besides contributions to the Section newsletter and overseeing the annual conference, the Section had a number of exciting initiatives – for example, a series of practical workshops for litigation solicitors offered in association with the Australian Advocacy Institute.

### **ADR Committee**

The momentum for alternative dispute resolution has continued to grow in Victoria and nationally. It is not surprising that greater coordination of ADR, the setting of standards and their enforcement are of interest at a national level. The Section contributed to reviews at the national level, such as the NADRAC review, but also considered day-to-day issues for practitioners, such as reporting by mediators in the Supreme Court, earlier use of mediation in the County Court and education of practitioners regarding the use of solicitor/mediators.

### **SCRAM**

The goodwill of the profession has been vital to the continuation of the Schools Conflict Resolution and Mediation (SCRAM) competition, which is now available to secondary schools in Queensland, NSW, the ACT and Victoria.

### **Liaison with courts and other bodies**

The Section continued to liaise with Victorian and federal courts, particularly through its rules representatives. It also liaised with other bodies such as the Department of Justice.

## **Property & Environmental Law Section**

One highlight was the major input of the Section's Leases Committee into the ongoing review of Victoria's retail tenancy laws. The Committee has established a good rapport with the Minister for Small Business and her advisers in the Office of Regulation Reform and it is anticipated suggestions made by the Committee will be incorporated into amending legislation. The Section's other committees continued to perform well, with the Liquor, Gaming & Hospitality Law Committee expanding its membership to include members with a more diverse range of practice interests, including thoroughbred and harness racing and breeding.

This diversity has resulted in the Committee changing its title to the Liquor, Leisure & Hospitality Law Committee. Section submissions included ones on enduring powers of attorney, the review of the *Retail Tenancies Reform Act*, and the collapse of HIH Insurance Ltd.

## **Young Lawyers' Section**

The first six months of 2001 saw the development of the Young Lawyers' Section Regional Practitioners Committee, which seeks to involve lawyers from outside the CBD area in the Section's legal edu-

cation programs and networking activities. This Committee will conduct meetings in cyberspace via the new Young Lawyers' chat-room facility.

The Professional Development Committee completed the first edition of its publication *Thriving and Surviving: Employment practices and achieving a healthy balance – guidelines for employers, employee solicitors and articulated clerks*. This publication, which was endorsed by the Law Institute Council, was launched later in 2001. The first edition of the *Young Lawyers' Journal* was published, addressing the current challenges facing the law and the legal profession in 2001. This edition also sought to explore ways in which young lawyers could become more involved with the activities of the Institute. The Section also published the first edition of the *Articled Clerks' Information Kit* and the results from a survey of its members, delving into employment issues such as salary arrangements, training opportunities, mentoring and support and the average number of hours worked each day.

The Section hosted a number of new educational programs, including "Making the Right Moves – Legal Practice Management Skills for Young Lawyers". It also hosted the annual lecture series and the Young Lawyers' annual weekend CLE conference at Cape Schanck.

Other initiatives included the Legal Comedy Debate, which featured Judge Betty King, Ron Merkel QC and Howard Obst engaging in a battle of wits and minds against a team of young barristers and solicitors. The Community Issues Committee also hosted the first Social Justice Essay Competition for school students, focusing on the issue of indigenous reconciliation. Adjudicators participating in the competition included Justice Eames and Judge Coate. The Social Committee launched the Young Lawyers' Running & Power Walking Group, which aims to provide young lawyers with a way of keeping fit and energetic during the working week.

The Section's fledgling Law Reform Committee produced a number of submissions to government on a variety of issues, including migration law and racial tolerance.

## **Specialist Accreditation**

Planning was undertaken for the assessment programs in six specialties: Commercial Tenancy Law, Environment & Planning Law, Family Law, Personal Injury Law, Property Law and Tax Law.

The Family Law program was run in conjunction with the Law Societies of New South Wales, Queensland and Western Australia.

CLE events for specialists were well-attended and appreciated.



Ian Lonie stepped down from his position on the Specialisation Board at the end of his six-year term. Incoming LIV president John Corcoran replaced his predecessor, Tina Millar.

John Rantino took over as chair of the Environment, Planning & Local Government Law Committee, following Warrick Nelson's departure after ten years on the Committee, including three as chair. Jeanette Rickards and Terry Montebello were appointed to the Committee and Campbell Duncan stepped down after long service.

Robert Burdeu was appointed to the Personal Injury Law Committee and Geoff Kliger to the Property Law Committee.

### ***Ethics Committee***

The Ethics Committee is composed of present and past members of the Council of Victorian Lawyers RPA Ltd and its predecessor who are practitioners with experience in a wide range of areas of practice. The Committee meets once a month and its members serve in an honorary capacity.

The Committee is ably assisted by staff solicitors who prepare, research and present requests for rulings to the Committee for discussion and resolution.

<b>Issues on which rulings were made 1/01/01 to 30/06/01</b>	
Conflict of interest	7
Undertakings	1
Release of deposit or trust money	2
Duty to client	1
Income sharing and referral schemes	2
Extent of client's instructions	1
Advertising/firm names	1

As demonstrated by the above, and consistent with previous years, the predominant matters on which the Ethics Committee was requested to rule related to conflict of interest.

In last year's report, it was noted that the type of practice engaged in by a practitioner may result in a greater potential for conflict of interest. Such practices included those involving locum work or work assisting unrepresented applicants as duty solicitor. A further situation considered by the Ethics Committee in the first half of 2001 which required particular care was where a practitioner, appointed as a representative of members of an association, was likely to be called on to give free advice to members on a casual consultative basis where those members might later find themselves

on the opposite side to parties represented by the practitioner's firm.

In 2001, a number of requests for rulings highlighted the fact that a conflict of interest may develop after a practitioner has accepted instructions to act. Such matters included where the identity of a person with possible involvement in a criminal matter involving a pre-existing client was not known until after the practitioner had acted for both individuals, and where the instructions of a number of individuals defending an action changed as to the facts and the desired course to be followed during the proceedings.



*Melissa Macken, Chair*

In relation to undertakings, the Ethics Committee continues to see disputes arising because the undertakings are either not expressed in sufficiently clear terms (especially as to duration) or do not provide for the contingencies which occur.

Another matter considered by the Ethics Committee highlighted the ethical issues relating to the duty to ensure full and ongoing discovery in litigation. In one matter, the Committee ruled that a firm should cease acting if its advice was not accepted regarding the obligation of its client to make ongoing discovery.

### **Initiatives**

Consistent with its aim to discuss and to assist in the clarification of ethical issues with practitioners, the Ethics Committee has adopted a number of initiatives in addition to its key role of meeting monthly to provide rulings requested by practitioners. Those initiatives include:

1. *Summary of ethical rulings in the Law Institute Journal*

The Committee has continued to arrange for its rulings to be published each month in de-identified form in the *Law Institute Journal*. The rulings are used both by practitioners for guidance and by some universities as a teaching

aid to provide an insight into ethical issues in legal practice.

2. *Ethics booklet*

In November 2000, the Ethics Committee resolved to produce an ethics booklet to consolidate the experience of Law Institute staff in dealing with ethical issues on a day-to-day basis and the experience of the Ethics Committee in considering and ruling on ethical issues raised by practitioners. It was proposed that the ethics booklet provide questions and answers and statements of principle illustrated by Ethics Committee rulings. In 2001, the Committee began seeking feedback on those issues considered by practitioners to be important for inclusion in the booklet. The Committee has now consulted widely with the Victorian legal profession, law associations, universities, other teaching institutions and other interest groups. I would like to thank all those who have taken the time to submit their very helpful ideas as to the booklet's content and to encourage others to provide their comments.

3. *Ethics seminar*

In November 2000, the Ethics Committee resolved to encourage the discussion of ethical issues among practitioners by providing a forum in which this might be done. It was decided to hold ethics seminars, hosted by the Committee and involving leaders of the profession in a discussion of ethical issues arising in legal practice. At the time of writing, the Inaugural Ethics Committee Seminar was due to take place on 28 February 2002 with Sir James Gobbo AC CVO as chair and Justice Cummins of the Supreme

Court of Victoria as the keynote speaker, and involve a panel discussion.

4. *Video ethics*

In May 2001, Monash University suggested that the Ethics Committee participate in a videotaped session involving the discussion of a hypothetical ethical problem based on issues arising in legal practice. The Committee has indicated its support for the proposal and for its value as an educational tool.

5. *Lecturing at universities*

As Ethics Committee chair I accepted invitations from university law schools to discuss with students the role of the Ethics Committee and the ethical dilemmas encountered by practitioners. I also delivered a paper at Monash University on "Conflict of interest and Chinese Walls: The migratory lawyer".

## Conclusion

I would like to thank the Ethics Committee members for their commitment and dedication to helping Victorian practitioners deal with the sometimes very difficult issues that arise in legal practice.

I would also like to thank the Law Institute staff who assist the Ethics Committee so willingly and professionally in the research, preparation and presentation of requests for rulings and for their contribution to the discussion of issues and the other members of staff for their tremendous help in organising and coordinating meetings.

Finally, I would like to thank all Victorian practitioners for their continued trust and confidence in a service provided by practitioners for practitioners.

MELISSA MACKEN (CHAIR)

# Professional Standards

**T**he Department of Professional Standards, a division of the Victorian Lawyers RPA Ltd (VLRPA), undertakes the regulatory functions reposed in the VLRPA by the *Legal Practice Act 1996* (the Act).

The Department comprises six sections:

- ◆ Claims;
- ◆ Complai
- ◆ Inspecti
- ◆ Litigat
- ◆ Practising Certificates/Records;
- ◆ Receiversh

In the period under review, from 1 January 2001 to 30 June 2001, the Department continued to work under the uncertainty created by the review of the Act that the Victorian Attorney-General had announced in June 2000. The second stage of the review commenced in April 2001, with the reviewers publishing a discussion paper and inviting commentary on the various models for regulation proposed in that paper. The VLRPA submission to the reviewers was delivered in May 2001. Despite the additional work created by the need to participate in the review process, the Department generally performed well. Notable in that performance were:

- ◆ the receipt and lodging of about 96 per cent of renewals for practising certificates processed before the 30 April 2001 deadline. The profession and the Practising Certificates/Records section should be commended for that effort;
- ◆ the continued timely and efficient investigation and processing of claims on the Fidelity Fund;
- ◆ the continued high work rate of the complaints solicitors and support staff;
- ◆ the close connection between the Complaints and Inspections sections, allowing complaints involving any allegations of inappropriate use of trust money to be quickly and thoroughly investigated;
- ◆ the substantial progress made by the Litigation section in the recovery of misappropriated trust funds;
- ◆ the administration of complex and difficult practices by the Receiverships section and the support given to that section by the Inspections, Practising Certificates/Records and Litigation sections; and
- ◆ the Department's ongoing role in the teaching of professional conduct and trust accounts at the University of Melbourne Summer School together with the holding of trust account seminars and the instruction of auditors.

## *Claims Section*

Under the Act, the Legal Practice Board (LPB) is responsible for the administration of the Fidelity Fund. People who have suffered a pecuniary loss from a defalcation committed by a practitioner lodge their claims with the LPB. In turn, the LPB, pursuant to the provisions of the Act, refers the claims to the VLRPA for investigation.

During the six-month period, the LPB referred 28 new claims with a total claimed amount of some \$455,000.

All 28 claims alleged defalcations in previous years.

As at 30 June 2001, all but 17 claims had been investigated and processed.

## *Complaints Section*

The number of complaints received for the six-month period (1284) indicates that the total for the year will be approximately the same as for the year 2000.

The average number of days for a file to be open was 83.4, which compares well with the time frame in other dispute resolution schemes. Notwithstanding the favourable comparison, one of the targets for the section is to reduce this time if practicable.

The number of staff has also remained constant, with seven full-time solicitors and two part-time solicitors, with each full-time solicitor handling 105 files on average at any given time.

To meet forthcoming challenges, the section:

- ◆ constantly reviews processes and procedures with a view to reducing turnover time and the length of time it takes to complete a file;
- ◆ is looking at the best method of increasing community awareness of the role of Professional Standards in complaint handling; and
- ◆ has identified a need to assist solicitors in understanding how complaints are handled and the best way to address client concerns and to avoid complaints.

These issues will be some of the goals of the Complaints section for the coming year.

There has been no report from the Legal Ombudsman for the current period and therefore an analysis against that report is unavailable. However, the confirmation of VLRPA decisions by the Legal Ombudsman on conduct files remains high (about 90 per cent).



Statistics	2000	1/1/01 to 30/6/01
Complaints received	2588	1284
Unauthorised practice files	114	72
<b>From the complaints files completed:</b>		
Referred as misconduct/unsatisfactory conduct – s151(2)	72	68
Reprimands – s151(3)	33	16 (approx)
Dismissed – s151(5)	1,062	577 (approx)

### ***Inspections Section***

The section has a staff of 14: a chief inspector, 13 inspectors and one support staff. All the inspectors are accountants and members of one of the professional accounting bodies. Their role is to conduct investigations into solicitors' trust accounts and to monitor compliance with the Act and Trust Rules.

During the first six months of 2001, inspectors conducted 74 trust account investigations.

Statistics	1/1/01 to 30/6/01
Routine inspections	8
Inspections linked to a complaint	10
Mortgage firms	56
<b>Total number of firms visited</b>	<b>74</b>

In the reporting period, inspectors detected one defalcation and four firms were referred for consideration of disciplinary action for serious trust account rules breaches.

Telephone inquiries continued to be a significant part of the section's work, with the inspectors attending to 839 calls from practitioners, 544 calls from trust account auditors and 100 calls from clients and members of the public.

Inspectors delivered 21 trust account seminars for practitioners and their staff and the chief inspector delivered three training sessions for trust account auditors.

### ***Litigation Section***

The Litigation section provides legal, administrative and other services in relation to:

1. some Legal Practitioners' Fidelity Fund matters under a consultancy agreement with the LPB;
2. prosecutions of regulated practitioners brought before the Legal Profession Tribunal, Supreme Court or Court of Appeal; and

3. matters arising from the VLRPA's regulation of the profession, which include:

- ◆ applications for appointment of a receiver and/or manager;
- ◆ proceedings and recoveries arising from receiverships;
- ◆ striking off applications;
- ◆ recovery proceedings relating to payments made by the LPB from the Fidelity Fund (formerly by the Law Institute from the Solicitors' Guarantee Fund);
- ◆ litigation necessary to address unqualified practice;
- ◆ practising certificates (suspension, refusal, or variation of conditions);
- ◆ challenges to the complaint/investigation process;
- ◆ other matters concerning bankruptcy issues, search warrants for inspectors at the VLRPA, subpoenas for production of documents and applications for re-admission;
- ◆ recovery of fines ordered in favour of the LPB; and
- ◆ recovery of costs ordered in favour of the VLRPA.

The major work for the Litigation section continued to be completion of claims on the Fidelity Fund in relation to the practice of RJ Martin and the continuation of proceedings arising from the Max Green receivership and recovery actions associated with those and other receiverships. During January to June 2001, there were a number of practitioners from whom Tribunal costs and fines were being sought.

There was a significant staff movement from the section, with a senior solicitor/litigation coordinator leaving to take up a position with the LPB. The staff complement is a manager, who is also the manager of the Receiverships section, two solicitors and three administrative assistants.

Some of the statistics in relation to the Litigation section appear in the table below.

Statistics	2000	1/1/01 to 30/6/01
Fidelity Fund claims finalised	39	11
Receivership orders obtained	8	1
Receivership applications dismissed	1	–
Receivership applications adjourned <i>sine die</i>	1	1
Action by receiver to recover trust funds	9	28
Order of receiver to recover possession of land	1	2
Receiver filed final report of recoveries at court	3	–
Orders regarding unqualified practice	4	3

<b>Statistics (continued)</b>	<b>2000</b>	<b>1/1/01 to 30/6/01</b>
Orders to remove practitioners from the roll	4	2 <sup>1</sup>
Interlocutory orders and orders for listing of hearing	10	–
Injunctions	1	3
Orders regarding taxation of costs	1	2
Appeals against Tribunal order	2	3 <sup>2</sup>
Letters to suspend, vary or refuse practising certificates	8	4
<b>Legal Profession Tribunal – Conduct Hearings</b>		
Charges filed at Tribunal by VLRPA	60	30
Applications for practising certificates filed at Tribunal by practitioners	3	3
Matters completed:		
Full Tribunal		
– Disciplinary hearings	23	6
– Practising certificate applications	3	2 <sup>3</sup>
Filed at Tribunal but yet to be completed as at 30/6/01		8
Registrar		
– Disciplinary hearings	47	16
– Assessment of costs	1	
Filed at Tribunal but yet to be completed as at 30/6/01	–	4

1. Applications.

2. One later abandoned.

3. With a further two part-heard.

## ***Practising Certificates/Records Section***

The practising certificate renewal for 2001/2002 was, as always, the primary challenge for the section. The experience gained in the previous 18-month renewal for 2000/2001 ensured that the process went smoothly. While the process was made easier by not having a concurrent renewal of LIV membership, there was still a considerable amount of work required during April, May and June.

Approximately 96 per cent of renewals were received and processed prior to the 30 April 2001 deadline. Accordingly, the great majority of practitioners held current practising certificates when the new practising certificate year commenced on 1 July 2001.

During the period, a total of 10,350 practising certificates were issued to legal practitioners.

In addition to the renewal process, the following normal day-to-day functions continued:

- ◆ maintenance of computer and physical files/records for solicitors and firms;
- ◆ response to written and telephone requests for non-confidential information in relation to solicitors and firms;
- ◆ presentation of evidence at the Legal Profession Tribunal or Supreme Court of Victoria;
- ◆ advice to practitioners and firms of the pro rata costs of practising certificates, Fidelity Fund contributions and professional indemnity insurance;
- ◆ processing of out-of-cycle applications for practising certificates pursuant to s22 of the Act;
- ◆ processing of variations of practising certificates pursuant to s24 of the Act;
- ◆ issuing of new and replacement certificates;
- ◆ regular transfer of money received for practising certificate fees and Fidelity Fund contributions to the LPB;
- ◆ provision of administrative services to the Legal Practitioners Liability Committee (LPLC) in relation to professional indemnity insurance;
- ◆ monitoring of annual lodgment of trust account statutory declarations or audit reports for practitioners entitled to receive trust money;
- ◆ management of the approved trust account auditor file;
- ◆ preparation of certificates of good standing and collection of appropriate fees (for the six months there were 311 certificates issued – an average of 104 per month);
- ◆ entry of data onto the computer system and issue of practising certificates and LIV membership cards; and
- ◆ answering in excess of 17,000 telephone calls and processing about 40,000 documents and file adjustments.

The section's staffing was constant during the period, with a manager and five administrative assistants. A high level of performance was achieved, with most of the operational goals being met.

In conjunction with the Inspections section, a major exercise was undertaken to ensure that practitioners with current certificates had met all their statutory obligations. Similarly, in conjunction with the LPLC, a considerable amount of work was done to ensure that practitioners had taken out the appropriate professional indemnity insurance.

During the period, the LPLC changed its policy in relation to professional indemnity insurance for employee solicitors and a number of large national legal firms changed insurance arrangements following the collapse of the HIH Insurance Group.

The section is well placed to meet the challenges of the new fiscal year, including any changes that may arise from the review of the Act.

<b>Statistics</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001*</b>
Principal (Trust)	4630	3715	3664	3715	3556
Principal (No Trust)	180	816	900	1100	1105
Employee	3387	3506	3947	4452	4264
Corporate	1041	975	1042	1158	1211
Incorporated	102	107	176	148	214
<b>Total</b>	<b>9340</b>	<b>9119</b>	<b>9729</b>	<b>10,573</b>	<b>10,350</b>
<b>Firms of Solicitors</b>					
Sole Practitioner	1897	1999	2078	2137	2218
2-3 partners	313	306	298	299	283
4-6 partners	61	60	54	51	36
7-10 partners	21	19	20	23	32
11-20 partners	19	15	13	15	16
21-40 partners	5	8	8	6	8
Over 40 partners	6	6	6	8	8
<b>Total</b>	<b>2322</b>	<b>2413</b>	<b>2477</b>	<b>2539</b>	<b>2601</b>

\* While the Report covers the period 1 January 2001 to 30 June 2001, the figures given relate to the full year.

### ***Receiverships Section***

In the six months ended 30 June 2001, one new receivership was obtained. That receivership related only to the mortgage practice of an outer suburban firm. The reason for the receivership was that a bookkeeper at the firm had misappropriated large sums of money belonging either to clients of the firm or to the bank with which the firm had an agency relationship.

The accounting records maintained by the bookkeeper proved to be unreliable and considerable work was involved by the Receiverships section, together with inspectors from the Inspections section, reconstructing trust ledgers and then assisting with the administration of a mortgage pool of about \$7.5 million with 107 mortgages and about 120 investors. The administration of that mortgage practice stretched the resources of the Receiverships section and, as noted earlier, support and assistance was obtained from the Inspections section.

This work was in addition to the continuing work on the receiverships obtained in other years that required the tracing and distribution of trust funds and the collation and storage or remittance of files and deeds, in particular the work arising from the receiverships of Michael Lucien Kesik and Darroll Ernest Nelson.

For the majority of the period under review, this work was undertaken by a full-time staff of six that was increased to seven in April 2001. The section also relied on regular assistance from casual staff in the cataloguing and distribution of files and deeds from practices in receivership or those coming to the section where a sole practitioner had passed away and there was no other repository for that practitioner's client files and deeds.

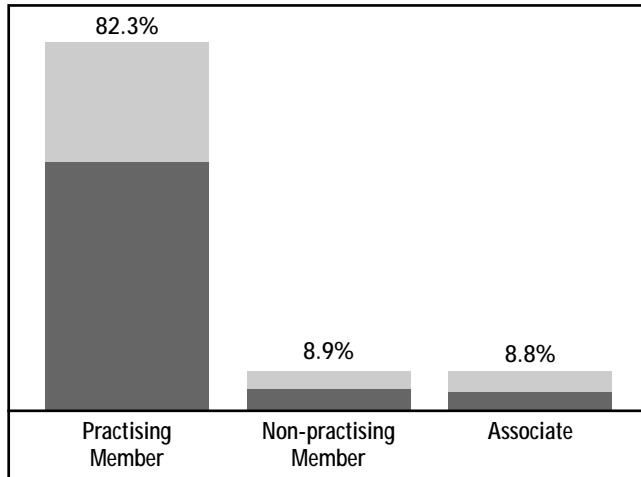
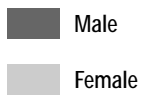
As at 30 June 2001, the Receiverships section held about \$3.7 million in trust in relation to 19 receiverships. Of those funds, about \$2 million related to the mortgage practice in receivership referred to above.

<b>Statistics and descriptions</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>1/1/01 to 30/6/01</b>
Number of receivership orders obtained	9	6	11	4	9	1
Final reports filed or terminations lodged	22	40	4	4	3	0
Number of staff (FTE) (average for year)	9	10	7	7	7	7

# Membership/Practising Statistics

*as at 30/06/2001*

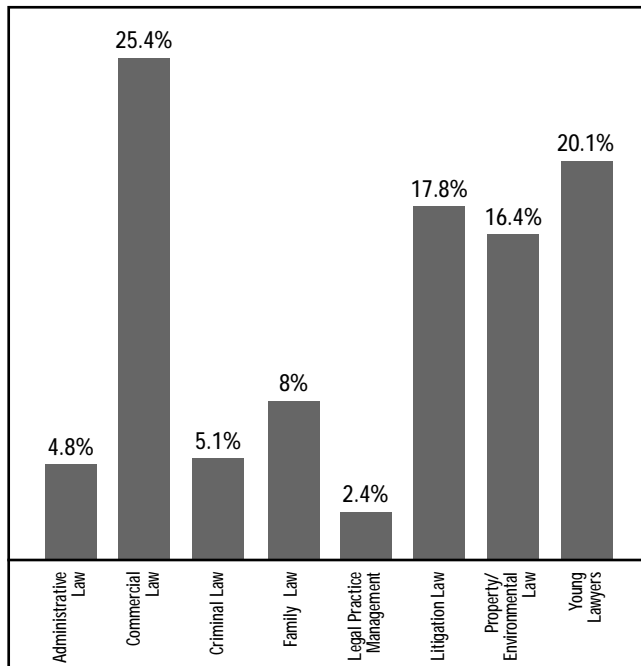
## Membership



	Male	Female	Total
Practising Members	4806	2291	7097
Non-practising Members	433	333	766
Associates	367	389	756
	5606	3013	8619

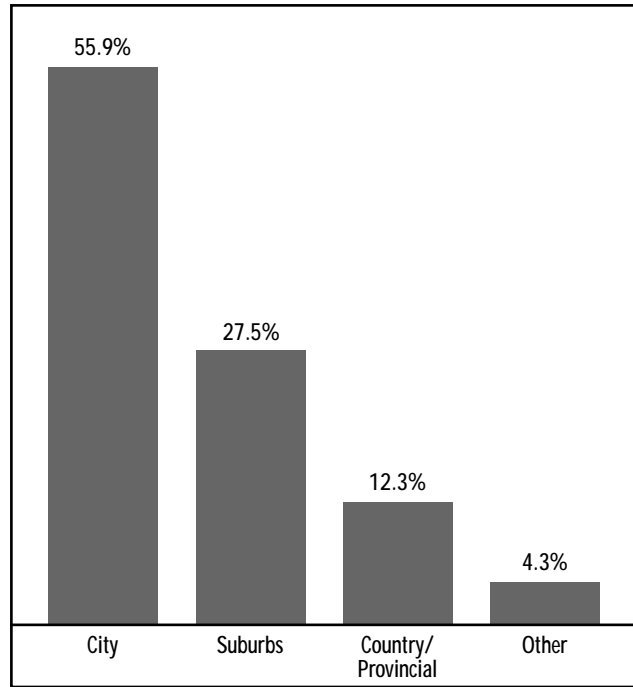
## Section Membership (Incl. multiple memberships)

	Count
Administrative Law	478
Commercial Law	2524
Criminal Law	509
Family Law	802
Legal Practice Management	242
Litigation Law	1770
Property/Environmental Law	1635
Young Lawyers	2006
	9966



Law Association  
Membership  
*(No overlaps)*

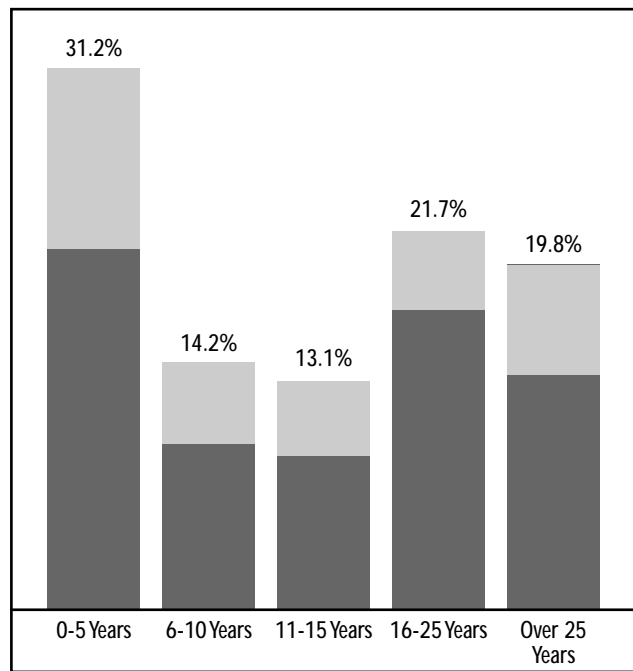
	Members
City	3970
Suburbs	1949
Country/Provincial	876
Other	302
	7097



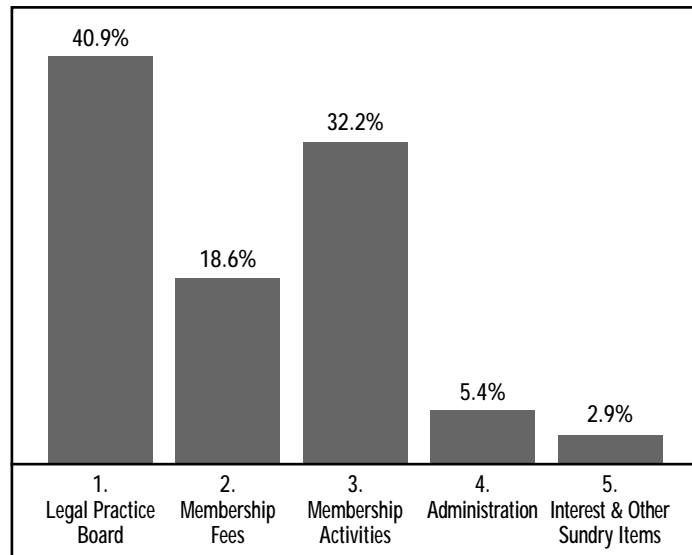
Years in Profession  
*(Private practitioners)*

Members  
 Non-Members

	Members	Non-Members	Total
0-5 Years	2104	1059	3163
6-10 Years	968	481	1449
11-15 Years	889	441	1330
16-25 Years	1753	459	2212
Over 25 Years	1383	636	2019
	7097	3076	10,173

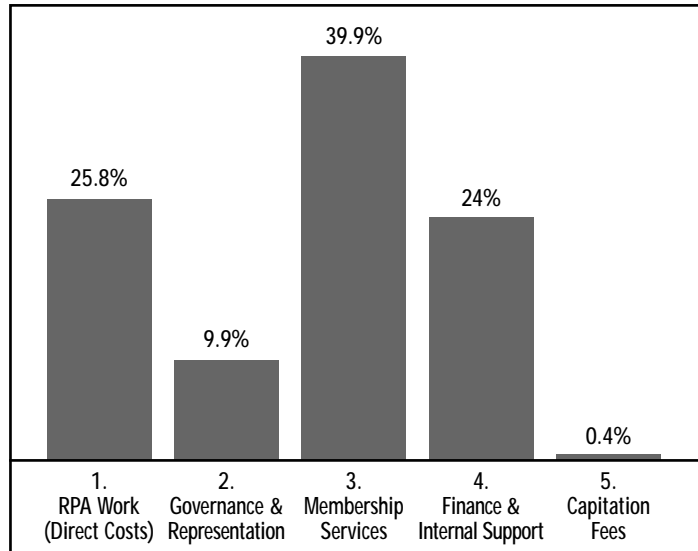


## 2001 Income



<b>1. Legal Practice Board</b>	<b>\$</b>	<b>\$</b>
RPA Work	1,891,047	
Contributions under s387 of the <i>Legal Practice Act 1996</i>	401,922	
Administration, Governance and Support Costs	603,089	
Occupancy & Rental	118,698	<b>3,014,756</b>
<b>2. Membership Fees</b>		<b>1,375,517</b>
<b>3. Membership Activities</b>		
Continuing Legal Education (CLE)	286,045	
Specialisation	104,605	
Journal Subscriptions	36,203	
Journal & News Advertising	188,122	
Diary Income	699,107	
Dial-A-Law Annual Membership Fees	5,842	
Sponsorship Income	152,050	
Bookshop Sales & Commissions	410,623	
Costing Services Fees	201,594	
Restaurant & Catering	231,741	
Other	63,716	<b>2,379,648</b>
<b>4. Administration</b>		
Section Membership (MMS & Sections)	35,644	
Legal Practitioners Liability Committee	284,562	
Superannuation Funds	310,941	<b>631,147</b>
<b>5. Interest &amp; Other Sundry Items</b>		
Interest	185,457	
Audit Fees	31,222	
Other	99	<b>216,778</b>
<b>TOTAL</b>		<b>7,617,846</b>

## 2001 Expenses



<b>1. RPA Work (Direct Costs)</b>		<b>1,907,582</b>
<b>2. Governance &amp; Representation</b>		
– Council & Executive	564,555	
– Media & Government Relations	61,485	
– Member & Public Relations	99,512	<b>725,552</b>
<b>3. Membership Services (LIV) Division</b>		
– Research & Information (Incl. CLE)	461,692	
– Specialisation	93,753	
– IT Special Projects	100,184	
– Publications	861,927	
– Bookshop	253,796	
– Costing	168,846	
– Dial-A-Law & Referral Service	92,426	
– Marketing	159,554	
– Member Information Centre	73,079	
– Library	229,458	
– Restaurant & Catering	235,734	
– Other (Incl. General Management)	123,518	<b>2,853,967</b>
<b>4. Finance &amp; Internal Support</b>		
– Finance & Administration	1,783,895	
– Human Resources	103,006	
– Information & Technology	242,014	
– Superannuation	268,395	<b>2,397,310</b>
<b>5. Capitation Fees</b>		<b>31,830</b>
<b>TOTAL</b>		<b>7,916,241</b>

# Financial Commentary

*for the six months ended 30 June 2001*

The accounts of the Victorian Lawyers RPA Ltd for the six months ended 30 June 2001 have been prepared in accordance with ASIC's statutory requirements, as explained to members in the short form of report distributed with the December 2001 *LIV News*.

These accounts have proceeded on the basis that one-third of the total membership fees collected have been attributed to the period under review. There has been a similar pro-rata apportionment of various other revenue and expenses. However, it should be noted that the Institute's revenue is not derived consistently throughout the year. As an example, revenue from CLE and from the contributions made by firms which are members of the Advice & Referral Service are received mainly in the second half of the year.

The recorded operating loss for the period was \$298,395. As at 30 June 2001, closing Members' Funds were \$6,282,260, made up of retained surpluses of \$5,948,990 and an asset revaluation reserve of \$328,770.

The operating result is disappointing. Council budgeted for a break-even result for the 12 months to 31 December 2001. Two significant factors have largely contributed to the shortfall:

- (a) Membership revenue was below the budget expectation by approximately \$175,000. This is no doubt due in part to the need for a more significant fee to be charged for the 18-month period. The percentage of practising certificate holders who are members of the Institute (having risen from 1999 to 2000) has dropped. However, it should be noted that membership revenue is continuing to accumulate.
- (b) The other significant item of above-budget expense has been costs associated with the change-over. Such costs, including those relating to the additional meeting, the re-drafting of the constitution and various legal and accounting advices, have had a significant impact.

The change of balance date to 30 June 2001 has also produced negative results in relation to un-taken leave (regarded as a "one-off" item), together with a provision for doubtful debts in respect of which the directors are confident of a significant recovery. Other items must, however, be recognised as being a factor of a changing economic climate. Advertising revenue and costing fees have not matched budget expectations, based on the previous year's performance. Council will address these matters in formulating a budget for the 2001/2002 year as losses cannot be allowed to continue.

## Superannuation

The Institute's Superannuation Department developed its administrative services further during the period. The table below sets out the statistics in respect to the two funds as at 30 June 2001.

	Member-ship	Net assets	Earning Rates to 30 June 2001	
			1 Year	5 Years (Average)
Legal Industry Superannuation Scheme (LISS)	14,843	\$145M	5.3%	10.8% p.a.
Victorian Solicitors' Superannuation Fund (VSSF)	311	\$28M	5.7%	8.8% p.a.

The investment returns for the five-year period compare to the median returns of all pooled superannuation funds surveyed by actuaries William Mercer of 7.9 per cent per annum for funds classed as "Capital Stable" and 11.3 per cent per annum for those categorised as "Balanced".

LISS's membership, at just under 15,000, makes it the largest representative fund for Victorian legal industry employees. Other developments in respect to LISS include:

### ◆ *Rearrangement of the LISS investments*

On the recommendations of William Mercer, the LISS trustee completely restructured its choice of investment managers and the allocation of the assets among investment managers. The present managers have been chosen for their ability as specialists in the various sectors for which they have a mandate from the trustee.

### ◆ *Member investment choice (MIC)*

LISS will be introducing MIC during the year which will effectively permit members to decide how their superannuation is invested according to the criteria of *capital stable, growth, growth plus*. Members will therefore be able to invest their superannuation benefit in line with their personal circumstances and retirement needs.

### ◆ *New administration software*

During the period, the Institute switched to a new state-of-the-art superannuation administration system to facilitate the introduction of MIC and other products and features. This has represented a



significant investment, signalling a commitment to further develop and grow the fund and the services it provides to members.

◆ *Public offer status*

The Institute, in conjunction with the LISS trustee, is also investigating the fund attaining public offer status. This will enable LISS to expand its membership base and introduce features such as allocated pensions.

**Information Technology (IT)**

During 2001, the IT Department began upgrading computer hardware, operating systems and application software. This was part of a comprehensive strategy, the ultimate objective of which was to

improve the services provided, particularly in the area of the membership/practitioner roll, and to cater for increased demands on the Institute's accounting and reporting requirements.

Despite funding constraints, good progress has been made. Network configuration changes and the upgrading of most of the online printers has resulted in better systems performance and stability.

Migration of core business applications to new operating platforms is also well under way. New inquiry applications which provide access to data via a graphical user interface (GUI) are currently being tested and will be implemented shortly. By mid-2002 it is planned to convert all current user applications to the new environment.

# Financial Report

## *for the period ended 30 June 2001*

### **Directors' Report**

The directors (councillors) present their report together with the financial report of Victorian Lawyers RPA Ltd (VLRPA) and controlled entity for the six-month period ended 30 June 2001 and the auditors' report thereon.

The names of directors in office at any time during or since the end of the period are:

John Corcoran  
 David Faram  
 William O'Shea  
 Tina Millar  
 Michael Gawler (resigned 26 April 2001)  
 Simon Begg  
 Judith Peirce  
 James Syme (resigned 16 March 2001)  
 Mark Woods  
 Rebecca Borden (resigned 30 April 2001)  
 Helen Glass  
 Leonie Kelleher OAM  
 Melissa Macken  
 Jason Newman  
 Geoff Provis  
 Erskine Rodan  
 John Weigl  
 John Whelan (resigned 26 April 2001)  
 Briony Le Duc (appointed 26 April 2001)  
 Aurora Kostezky (appointed 26 April 2001)  
 Kirsten Mander (appointed 3 May 2001)  
 Anthony May (appointed 26 April 2001)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

### **Operating results**

The consolidated loss of the economic entity for the period after providing for income tax and eliminating outside equity interests amounted to \$(298,395).

### **Review of operations**

A review of the operations of the economic entity during the period and the results of those operations found that during the period the economic entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### **Significant changes in affairs**

No significant changes in the economic entity's state of affairs occurred during the period other than those referred to in Note 1(g).

### **Principal activities**

The principal activities of the economic entity during the period were:

- (i) to operate as a professional association of lawyers providing high standards, continuing education, informed debate on issues within the areas of its professional competence, setting and maintaining the highest professional and technical standards and promoting the role of members for the benefit of the community; and
- (ii) to carry on the duties of a Recognised Professional Association as defined by the *Legal Practice Act 1996*.

No significant change in the nature of these activities occurred during the period.

### **After balance date events**

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future periods.

### **Likely developments**

The VLRPA expects to continue to work to achieve its objectives for 2001. It expects to maintain the present status and level of operations.

### **Environmental issues**

The economic entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **Dividends paid or recommended**

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

### **Information on Directors**

**John Corcoran** President

*Qualifications* B.Ec / LL.B

*Experience* 20 years' legal experience in commercial law with an emphasis on health and the aged care industry sector. Accredited business law specialist.

*Special* Accident Compensation Committee

*Responsibilities* (*ex officio*)

Audit Committee (*ex officio*)

Building & Properties Committee (chair)

Commonwealth Lawyers Association Conference Working Party

	Executive Committee (chair) International Law Committee Legal Practice Act Review Task- force (chair) Major Firms Committee ( <i>ex officio</i> ) Membership Committee ( <i>ex officio</i> ) Nominating Committee Rules of Practice Committee Small Practice Committee ( <i>ex officio</i> ) Specialisation Board Committee ( <i>ex officio</i> )	
<b>David Faram</b>	Vice President	
<i>Qualifications</i>	B.Juris / LL.B	
<i>Experience</i>	23 years' legal experience – family and criminal law, litigation, com- mercial and PI. President of Goulburn Valley Grammar School Council. Past Treasurer of the VLRPA.	
<i>Special Responsibilities</i>	Audit Committee Awards Committee Buildings & Properties Committee Country Law Associations Com- mittee Executive Committee Legal Practice Act Review Task- force Major Firms Committee Membership Committee (chair) National Issues Committee Nominating Committee (chair) Rules of Practice Committee	
<b>William O'Shea</b>	Treasurer	
<i>Qualifications</i>	B.Sc / DipEd / LL.B (Hons)	
<i>Experience</i>	Over 12 years' legal experience – commercial law, Asian trade law. Teaching.	
<i>Special Responsibilities</i>	Audit Committee (chair) Best Practice Committee (chair) Building & Properties Committee Executive Committee International Law Committee (chair) Major Firms Committee (chair) Membership Committee National Issues Committee	
<b>Tina Millar</b>	Immediate Past President	
<i>Qualifications</i>	Barrister & Solicitor of the Supreme Court of Victoria	
<i>Experience</i>	Over 22 years' legal experience. Small firm practitioner in family and criminal law, wills and estates, property and conveyancing. Board of Examiners etc.	
		<i>Special Responsibilities</i>
		President of the VLRPA May 2000 to April 2001 Access to Justice Committee Audit Committee Awards Committee Building & Properties Committee Ethics Committee Executive Committee Legal Practice Act Review Task- force Major Firms Committee Nominating Committee Small Practice Committee Suburban Law Association Com- mittee (chair)
		<b>Michael Gawler</b>
		Councillor
		<i>Qualifications</i>
		LL.B
		<i>Experience</i>
		25 years' legal experience – special- ising in commercial litigation. Accredited business law specialist. President of VLRPA 1999–2000.
		<i>Special Responsibilities</i>
		Audit Committee Incorporation Committee (chair) National Issues Committee Commonwealth Lawyers Associ- ation Conference Working Party Executive Committee Major Firms Committee Nominating Committee Legal Practice Act Review Task- force
		<b>Simon Begg</b>
		Councillor
		<i>Qualifications</i>
		B.Sc / LL.B(Hons)
		<i>Experience</i>
		Over 40 years' legal experience – banking and finance, stamp duty, FID, BAD and GST. Board of Exam- iners, Council of Legal Education. Fifth Executive Member until 3 May 2001
		<i>Special Responsibilities</i>
		Access to Justice Committee Audit Committee Building & Properties Committee Ethics Committee Legal Documentation Committee (chair) Legal Practice Act Review Task- force Membership Committee RPA Trust Monies Committee Rules of Practice Committee (chair) Unqualified Practices Committee
		<b>Judith Peirce</b>
		Fifth Executive Member
		<i>Qualifications</i>
		LL.B / Grad Diploma Equal Oppor- tunity Admin/ASLIV (Family Law)

<i>Experience</i>	Over 27 years' legal experience. Manager, community legal centre. Previously in private practice – family law and general practice.	in-house commercial and intellectual property law.
<i>Special Responsibilities</i>	Access to Justice Committee Audit Committee Building & Properties Committee Ethics Committee Executive Committee Membership Committee Road Trauma Committee	<i>Special Responsibilities</i> Executive of Australian Corporate Lawyers Association – Victorian Branch Ethics Committee Law Institute Journal Editorial Committee Membership Committee Events Committee
<b>James Syme</b>	Councillor	<b>Helen Glass</b> Councillor
<i>Qualifications</i>	LL.B	<i>Qualifications</i> B.Ec / LL.B
<i>Experience</i>	Over 35 years' legal experience specialising in business law, particularly Corporations Law, fundraising, prescribed interests and superannuation. Past President 1996–1997.	<i>Experience</i> Over 17 years' legal experience in property, immigration and criminal law.
<i>Special Responsibilities</i>	Audit Committee Building & Properties Committee Events Committee Incorporation Committee Major Firms Committee (chair) Membership Committee National Issues Committee Nominating Committee (chair) RPA Trust Monies Committee Rules of Practice Committee Solicitors' Mortgage Investment Companies Committee	<i>Special Responsibilities</i> Board of Examiners Access to Justice Committee Articled Clerkship Committee (chair) Events Committee Nominating Committee RPA Trust Monies Committee (chair) Unqualified Practices Committee (chair)
<b>Mark Woods</b>	Councillor	<b>Leonie Kelleher OAM</b> Councillor
<i>Qualifications</i>	LL.B	<i>Qualifications</i> BA / LL.B / Dip TRP / MRAPI
<i>Experience</i>	Over 18 years' legal experience – criminal law, family law, general advocacy. Accredited criminal and family law specialist. Member of VLF, VLA, Leo Cussen Institute Board, University of Melbourne Law Faculty.	<i>Experience</i> Over 25 years' legal experience in planning, local government, complex property and environmental law. Accredited environmental and planning law specialist.
<i>Special Responsibilities</i>	Access to Justice Committee (chair) Commonwealth Law Association Conference Working Party (interim chair) Country Law Association Committee (chair) Membership Committee National Issues Committee Solicitors Mortgage Investment Companies Committee (chair) Specialisation Board	<i>Special Responsibilities</i> Audit Committee Events Committee International Law Committee Membership Committee Small Practice Committee (chair) Suburban Law Association Committee 2010 Taskforce (chair)
<b>Rebecca Borden</b>	Councillor	<b>Melissa Macken</b> Councillor
<i>Qualifications</i>	BA JD MA LL.M	<i>Qualifications</i> BA / LL.B
<i>Experience</i>	15 years' legal experience. Prior to 1991 in the US. Specialisation –	<i>Experience</i> Over seven years' legal experience, focusing in particular on employment and industrial law.
		<i>Special Responsibilities</i> Ethics Committee (chair) Law Institute Journal Editorial Committee RPA Trust Monies Committee
		<b>Jason Newman</b> Councillor
		<i>Qualifications</i> BA / LL.B (Hons)
		<i>Experience</i> Eight years' legal experience – litigation and insurance.
		<i>Special Responsibilities</i> Access to Justice Committee Ethics Committee

	Law Institute Journal Editorial Committee (chair) Legal Practice Act Review Taskforce Major Firms Committee Nominating Committee Road Trauma Committee		litigation. Previously President of Bendigo Law Association. Costs Policy Committee (chair) Country Law Association Committee Nominating Committee Small Practices Committee
<b>Geoff Provis</b>	Councillor		
<i>Qualifications</i>	B.Ec / LL.B		
<i>Experience</i>	21 years' legal experience – insurance and compensation.		
<i>Special Responsibilities</i>	Former President of the VLRPA Accident Compensation Committee (chair) Awards Committee (chair) Building & Properties Committee Commonwealth Lawyers Association Conference Working Party Major Firms Committee Medico Legal Joint Standing Committee (co-chair) National Issues Committee (chair) Road Trauma Committee 2010 Taskforce		
<b>Erskine Rodan</b>	Councillor		
<i>Qualifications</i>	LL.B / Diploma Family Law		
<i>Experience</i>	Over 25 years' legal experience – migration.		
<i>Special Responsibilities</i>	Access to Justice Committee Awards Committee Legal Practice Act Review Taskforce Nominating Committee Small Practice Committee Suburban Law Association Committee		
<b>John Weigl</b>	Councillor		
<i>Qualifications</i>	B.Ec. / LL.B		
<i>Experience</i>	Over 12 years' legal experience – civil litigation, crime and personal injury. President of Geelong Law Association 1997–1999.		
<i>Special Responsibilities</i>	Costs Policy Committee (chair) Country Law Association Committee Nominating Committee Road Trauma Committee RPA Trust Monies Committee Rules of Practice Committee Specialisation Board Committee Unqualified Practices Committee		
<b>John Whelan</b>	Councillor		
<i>Qualifications</i>	LL.B		
<i>Experience</i>	20 years' legal experience – general practice including family law, conveyancing, estates, wills and		
		<i>Special Responsibilities</i>	
		<b>Briony Le Duc</b>	Councillor
		<i>Qualifications</i>	BA / LL.B (Hons)
		<i>Experience</i>	One year legal experience. Victorian Women Lawyers. Articled Clerkship Committee Audit Committee Buildings & Properties Committee Law Institute Journal Editorial Committee Major Firms Committee Membership Committee
		<i>Special Responsibilities</i>	
		<b>Aurora Kostezky</b>	Councillor
		<i>Qualifications</i>	BA / LL.B (Hons)
		<i>Experience</i>	Three years' legal experience – business law including leasing and general commercial law. Member of the Young Lawyers' Executive Articled Clerkship Committee Commonwealth Lawyers Association Working Party (interim) Ethics Committee Events Committee (chair) Law Institute Journal Editorial Committee
		<i>Special Responsibilities</i>	
		<b>Kirsten Mander</b>	Councillor
		<i>Qualifications</i>	LL.B / LL.M
		<i>Experience</i>	Over 18 years' legal experience – corporate sector lawyer. Commonwealth Lawyers Association Conference Working Party Ethics Committee International Law Committee Law Institute Journal Editorial Committee Major Firms Committee Membership Committee National Issues Committee
		<i>Special Responsibilities</i>	
		<b>Anthony May</b>	Councillor
		<i>Qualifications</i>	B.Ec / LL.B
		<i>Experience</i>	Over 27 years' legal experience. Tax lawyer with an emphasis on tax litigation. Audit Committee RPA Trust Monies Committee Rules of Practice Committee Small Practice Committee
		<i>Special Responsibilities</i>	

**Victorian Lawyers RPA Ltd**  
**ABN 32 075 475 731**  
**and Controlled Entity**  
**Directors' Report**

***Meetings of Directors***

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS			
			EXECUTIVE COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Corcoran	6	6	20	18	10	7
David Faram	6	6	20	19	10	8
William O'Shea	6	3	7	5	10	6
Tina Millar	6	5	20	17	10	6
Michael Gawler (resigned 26 April 2001)	4	2	12	7	–	–
Simon Begg	6	6	13	12	1	1
Judith Peirce	6	5	7	5	1	1
James Syme (resigned 16 March 2001)	4	3	–	–	3	2
Mark Woods	6	6	–	–	–	–
Rebecca Borden (resigned 30 April 2001)	4	3	–	–	–	–
Helen Glass	6	5	–	–	–	–
Leonie Kelleher OAM	6	5	–	–	10	8
Melissa Macken	6	6	–	–	–	–
Jason Newman	6	6	–	–	–	–
Geoff Provis	6	6	–	–	–	–
Erskine Rodan	6	5	–	–	–	–
John Weigl	6	5	–	–	–	–
John Whelan (resigned 26 April 2001)	4	3	–	–	–	–
Briony Le Duc (appointed 26 April 2001)	2	2	–	–	1	–
Aurora Kostezky (appointed 26 April 2001)	2	2	–	–	–	–
Kirsten Mander (appointed 3 May 2001)	1	1	–	–	–	–
Anthony May (appointed 26 April 2001)	2	2	–	–	–	–

***Proceedings on behalf of the company***

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the directors:

DIRECTOR   
 JOHN CORCORAN

DIRECTOR   
 WILLIAM O'SHEA

Dated this *27th* day of *November* 20 *01*

# Statement of Financial Performance

*for the period ended 30 June 2001*

December	Note	Economic Entity		Parent Entity	
		6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
		2001 \$	2000 \$	2001 \$	2000 \$
Revenues from ordinary activities	2	7,617,846	14,687,730	7,617,846	14,687,730
		7,617,846	14,687,730	7,617,846	14,687,730
Expenses from ordinary activities					
Membership services		(2,853,967)	(6,023,834)	(2,853,967)	(6,023,834)
RPA work (direct costs)		(1,907,582)	(3,950,521)	(1,907,582)	(3,950,521)
Governance and representation		(725,552)	(1,190,302)	(725,552)	(1,190,302)
Finance and internal support		(2,394,812)	(2,995,779)	(2,394,812)	(2,995,779)
Capitation fees		(31,830)	(501,598)	(31,830)	(501,598)
Other expenses from ordinary activities		(2,498)	(27,030)	(2,498)	(27,030)
		(7,916,241)	(14,689,064)	(7,916,241)	(14,689,064)
<b>Loss from ordinary activities before income tax</b>		(298,395)	(1,334)	(298,395)	(1,334)
<b>Net loss from ordinary activities (1,334)</b>	3		(298,395)	(1,334)	(298,395)
<b>Net loss from ordinary activities after income tax expense attributable to the members of the parent entity</b>		(298,395)	(1,334)	(298,395)	(1,334)

The accompanying notes form part of these financial statements.

# Statement of Financial Position

*as at 30 June 2001*

December	Note	Economic Entity		Parent Entity	
		6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
		2001 \$	2000 \$	2001 \$	2000 \$
<b>CURRENT ASSETS</b>					
Cash assets	4	6,843,279	6,174,755	6,843,279	6,174,755
Receivables	5	1,455,337	2,270,648	1,455,335	2,270,646
Inventories	6	137,197	114,284	137,197	114,284
Other financial assets	7	4,512	4,512	4,514	4,514
Other	8	92,535	254,901	92,535	254,901
<b>TOTAL CURRENT ASSETS</b>		<b>8,532,860</b>	<b>8,819,100</b>	<b>8,532,860</b>	<b>8,819,100</b>
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	9	2,684,079	2,730,628	2,684,079	2,730,628
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,684,079</b>	<b>2,730,628</b>	<b>2,684,079</b>	<b>2,730,628</b>
<b>TOTAL ASSETS</b>		<b>11,216,939</b>	<b>11,549,728</b>	<b>11,216,939</b>	<b>11,549,728</b>
<b>CURRENT LIABILITIES</b>					
Payables	10	905,399	907,419	905,399	907,419
Provisions	11	749,924	770,213	749,924	770,213
Other	12	2,985,738	3,154,771	2,985,738	3,154,771
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,641,061</b>	<b>4,832,403</b>	<b>4,641,061</b>	<b>4,832,403</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	11	293,618	136,670	293,618	136,670
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>293,618</b>	<b>136,670</b>	<b>293,618</b>	<b>136,670</b>
<b>TOTAL LIABILITIES</b>		<b>4,934,679</b>	<b>4,969,073</b>	<b>4,934,679</b>	<b>4,969,073</b>
<b>NET ASSETS</b>		<b>6,282,260</b>	<b>6,580,655</b>	<b>6,282,260</b>	<b>6,580,655</b>
<b>MEMBERS' FUNDS</b>					
Reserves	13	333,270	333,270	333,270	333,270
Retained surplus	14	5,948,990	6,247,385	5,948,990	6,247,385

The accompanying notes form part of these financial statements.



# Statement of Cash Flows

*for the period ended 30 June 2001*

December	Note	Economic Entity		Parent Entity	
		6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
		2001 \$	2000 \$	2001 \$	2000 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Subscriptions		1,276,152	3,017,354	1,276,152	3,017,354
Payments to suppliers and employees		(7,474,438)	(14,286,880)	(7,474,438)	(14,286,880)
Capitation fees		(31,810)	(501,598)	(31,810)	(501,598)
Interest received		185,457	325,311	185,457	325,311
Other income		6,774,366	11,433,078	6,774,366	11,433,078
Net cash provided by/(used in) operating activities	15(b)	729,727	(12,735)	729,727	(12,735)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of property, plant and equipment		–	13,000	–	13,000
Payment for property, plant and equipment		(61,203)	(273,288)	(61,203)	(273,288)
Net cash used in investing activities		(61,203)	(260,288)	(61,203)	(260,288)
Net increase/(decrease) in cash held		668,524	(273,023)	668,524	(273,023)
Cash at beginning of period		6,179,255	6,452,278	6,179,255	6,452,278

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## *for the period ended 30 June 2001*

### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers Victorian Lawyers RPA Ltd (VLRPA) as an individual parent entity and Victorian Lawyers RPA Ltd and controlled entity as an economic entity. The VLRPA is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **(a) Principles of Consolidation**

A controlled entity is any entity controlled by the VLRPA. Control exists where the VLRPA has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the VLRPA to achieve the objectives of the VLRPA. Details of the controlled entity are contained in Note 20.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

#### **(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

#### **(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

##### ◆ *Property*

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the directors, to ensure that the carrying value does not differ materially from its fair value at the reporting date.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

##### ◆ *Plant and equipment*

Plant and equipment, comprising furniture and equipment and motor vehicles, are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

##### ◆ *Depreciation*

The depreciable amount of all fixed assets, including buildings and capitalised leased assets but excluding freehold land, are depreciated on either a straight line or diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

## Notes to the Financial Statements for the period ended 30 June 2001

The useful lives used for each class of assets are:

<i>Class of fixed asset</i>	<i>Useful lives</i>	<i>Depreciation basis</i>
Buildings	40 years	Straight line
Leasehold improvements	7 years	Straight line
Motor vehicles	4 years	Diminishing value
Furniture and equipment	7 years	Diminishing value

### (d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### (e) Employee Entitlements

Provision is made for the economic entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the economic entity's experience with staff departures. Related on-costs have also been included in the liability.

### (f) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions and highly liquid investments which are readily convertible to cash on hand.

### (g) Comparative Figures

The VLRPA applied to change its year end reporting date from 31 December to 30 June in order to streamline the reporting requirements in line with that of the Legal Practice Board. The VLRPA is primarily funded by the Legal Practice Board and it plays a major role in acting as a Registered Professional Association for the Legal Practice Board.

The application for the change of year end was made pursuant to s340 of the *Corporations Law*. The Australian Securities & Investments Commission (ASIC) made an order relieving the VLRPA from compliance with paragraph 323D(2)(b) for the purpose of varying its financial year beginning on 1 January 2001. The financial year was varied to the six-month period ended 30 June 2001.

The comparative amounts disclosed in the financial report and related notes are for the 12 months ended 31 December 2000 and therefore are not comparable as the reporting periods are not the same length.

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### (h) Revenue

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates or is invoiced. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis. Income generated from advertising in the *Law Institute Diary*<sup>®</sup> is recognised in the year received to more appropriately reflect the period in which it was earned.

Interest revenue is recognised when receivable on a proportional basis, taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

## Notes to the Financial Statements for the period ended 30 June 2001

### (i) Income Tax

The economic entity adopts the principles of tax-effect accounting.

In assessing its income tax liability, the VLRPA applies the principle of mutuality to its revenue and expenses. Revenue in the form of receipts from members represents mutual income and is not subject to income tax. Expenses associated with mutual activities are not deductible for income tax purposes. All other receipts and payments of the VLRPA are classified for income tax purposes in accordance with income tax legislation.

The future income tax benefit relating to timing differences and any future income tax benefit relating to tax losses are not carried forward unless the benefits are virtually certain of being realised.

### (j) Receivables

The terms of trade are 30 days from the date of the invoice. Collectability of debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt over collectability exists and debts which are known to be uncollectable are written off.

### (k) Trade Creditors

Trade creditors represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## 2. REVENUE

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
Operating activities				
– Interest	185,457	297,398	185,457	297,398
– Membership subscriptions	1,375,517	2,610,758	1,375,517	2,610,758
– Legal Practice Board contributions and reimbursements	3,014,756	6,196,865	3,014,756	6,196,865
– Prior year reimbursement from the Legal Practice Board	–	290,691	–	290,691
– Other revenue	3,042,116	5,279,018	3,042,116	5,279,018
	7,617,846	14,674,730	7,617,846	14,674,730
Non-operating activities				
– Proceeds on disposal of property, plant and equipment	–	13,000	–	13,000
	–	13,000	–	13,000
Total revenue	7,617,846	14,687,730	7,617,846	14,687,730
(a) Interest from:				
– Other entities	185,457	297,398	185,457	297,398

Notes to the Financial Statements  
*for the period ended 30 June 2001*

### 3. PROFIT/(LOSS) FROM ORDINARY ACTIVITIES

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
Profit/(loss) from ordinary activities before income tax expense has been determined after:				
(a) Expenses:				
Depreciation of property, plant and equipment	105,254	191,403	105,254	191,403
Bad and doubtful debts				
– bad debts written off – trade debtors	16,857	2,616	16,857	2,616
– movement in provisions for doubtful debts – trade debtors	31,988	20,068	31,988	20,068
Net expense of bad and doubtful debts	48,845	22,684	48,845	22,684
Remuneration of the auditors of parent entity for				
– auditing services	30,000	25,000	30,000	25,000
– other services	55,451	33,864	55,451	33,864
	85,451	58,864	85,451	58,864
Net loss on disposal of non-current assets				
– Property, plant and equipment	2,498	14,030	2,498	14,030
Services to members	2,853,967	5,538,302	2,853,967	5,538,302
Marketing and public affairs	160,997	444,190	160,997	444,190
Contributions to law associations and the Law Council of Australia	31,830	501,598	31,830	501,598
Amounts set aside for provisions:				
Employee entitlements	136,659	117,850	136,659	117,850

### 4. CASH ASSETS

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
Cash at bank and on hand	721,920	1,087,514	721,920	1,087,514
Deposits at call	158,041	113,675	158,041	113,675
Bank bills	5,963,318	4,973,566	5,963,318	4,973,566

The VLRPA collects funds on behalf of the Legal Practice Board and holds these funds in trust in a bank account titled "Victorian Lawyers RPA Limited – Legal Practice Board". This account had a balance in funds of \$248,094 at 30 June 2001. This account has not been included in the cash assets of the VLRPA shown above.

The deposits at call and short-term money market securities bear interest rates between 4.5 per cent and 5.0 per cent. All transactions are made with major trading banks with a minimum credit rating of A1.

Notes to the Financial Statements  
for the period ended 30 June 2001

## 5. RECEIVABLES

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
Current	2001 \$	2000 \$	2001 \$	2000 \$
Trade debtors	410,002	446,634	410,002	446,634
Less provision for doubtful debts	(52,055)	(20,068)	(52,055)	(20,068)
	357,947	426,566	357,947	426,566
Other debtors	324,260	619,053	324,258	619,051
Amounts receivable from:				
Legal Practice Board	773,130	1,225,029	773,130	1,225,029
	1,097,390	1,844,082	1,097,388	1,844,080
	1,455,337	2,270,648	1,455,335	2,270,646

## 6. INVENTORIES

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
Current	2001 \$	2000 \$	2001 \$	2000 \$
Publications and VLRPA products	81,648	73,284	81,648	73,284
Restaurant food & beverage supplies	55,549	41,000	55,549	41,000
	137,197	114,284	137,197	114,284

## 7. OTHER FINANCIAL ASSETS

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
Current	2001 \$	2000 \$	2001 \$	2000 \$
Shares in related corporations	12	12	14	14
Specific funds	4,500	4,500	4,500	4,500

Notes to the Financial Statements  
for the period ended 30 June 2001

## 8. OTHER ASSETS

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
Current	2001 \$	2000 \$	2001 \$	2000 \$
Prepayments	92,535	254,901	92,535	254,901

## 9. PROPERTY, PLANT AND EQUIPMENT

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
Freehold land and buildings, 470 Bourke Street	2,200,000	2,200,000	2,200,000	2,200,000
Less accumulated depreciation	(20,625)	(13,750)	(20,625)	(13,750)
	2,179,375	2,186,250	2,179,375	2,186,250
Total land and buildings at independent valuation 2000	2,179,375	2,186,250	2,179,375	2,186,250
Freehold improvements				
At cost	33,488	33,488	33,488	33,488
Less accumulated depreciation	(4,324)	(1,812)	(4,324)	(1,812)
Total freehold improvements	29,164	31,676	29,164	31,676
Total property	2,208,539	2,217,926	2,208,539	2,217,926
Plant and equipment				
Motor vehicles				
At cost	148,881	148,881	148,881	148,881
Less accumulated depreciation	(81,628)	(70,967)	(81,628)	(70,967)
	67,253	77,914	67,253	77,914
Furniture and equipment				
At cost	1,313,920	1,294,499	1,313,920	1,294,499
Less accumulated depreciation	(905,633)	(859,711)	(905,633)	(859,711)
	408,287	434,788	408,287	434,788
Total plant and equipment	475,540	512,702	475,540	512,702

The revaluation of freehold land and buildings was based on the assessment of their current market value. The independent valuation was carried out on 20 February 2000 by Messrs BL Smith and JA Perillo, Certified Practising Valuers of Knight Frank.

Notes to the Financial Statements  
for the period ended 30 June 2001

**(a) Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	2,684,079		2,730,628	
	2,684,079		2,730,628	
	<b>Economic Entity</b>	<b>Parent Entity</b>	<b>Economic Entity</b>	<b>Parent Entity</b>
Total property, plant and equipment				
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2001</b>				
Balance at the beginning of the year	2,186,250	2,186,250	31,676	31,676
Depreciation expense	(6,875)	(6,875)	(2,512)	(2,512)
Carrying amount at end of year	2,179,375	2,179,375	29,164	29,164
	<b>Economic Entity</b>	<b>Parent Entity</b>	<b>Economic Entity</b>	<b>Parent Entity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2001</b>				
Balance at the beginning of the year	77,914	77,914	434,788	434,788
Additions	–	–	61,203	61,203
Disposals	–	–	(2,498)	(2,498)
Depreciation expense	(10,661)	(10,661)	(85,206)	(85,206)

**10. PAYABLES**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>6 months</b>	<b>12 months</b>	<b>6 months</b>	<b>12 months</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31</b>
<b>December</b>				
<b>Current</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Unsecured liabilities				
Trade creditors and accruals	869,873	512,241	869,873	512,241
GST liability	35,526	395,178	35,526	395,178

**11. PROVISIONS**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>6 months</b>	<b>12 months</b>	<b>6 months</b>	<b>12 months</b>
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31</b>
<b>December</b>				
<b>Current</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Employee entitlements	749,924	770,213	749,924	770,213
<b>Non-current</b>				
Employee entitlements	293,618	136,670	293,618	136,670
Aggregate employee entitlements liability	1,043,542	906,883	1,043,542	906,883
(a) Number of employees at year end	131	133	131	133



Notes to the Financial Statements  
for the period ended 30 June 2001

## 12. OTHER LIABILITIES

	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
<b>December</b>				
<b>Current</b>	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	\$	\$	\$	\$
Subscription fees and other prepaid income	2,985,738	3,154,771	2,985,738	3,154,771

## 13. RESERVES

	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
<b>December</b>				
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	\$	\$	\$	\$
Asset revaluation	328,770	328,770	328,770	328,770
Specific funds	4,500	4,500	4,500	4,500

## 14. RETAINED SURPLUS

	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
<b>December</b>				
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	\$	\$	\$	\$
Retained surplus at the beginning of the period	6,247,385	6,248,719	6,247,385	6,248,719
Net profit (loss) attributable to members of the entity	(298,395)	(1,334)	(298,395)	(1,334)

Notes to the Financial Statements  
*for the period ended 30 June 2001*

**15. CASH FLOW INFORMATION**

<b>December</b>	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>6 months 30 June</b>	<b>12 months 31 December</b>	<b>6 months 30 June</b>	<b>12 months 31</b>
	<b>2001 \$</b>	<b>2000 \$</b>	<b>2001 \$</b>	<b>2000 \$</b>
(a) Reconciliation of cash				
Cash at the end of the period as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:				
Cash at bank and on hand	721,920	1,087,514	721,920	1,087,514
Deposits at call	158,041	113,675	158,041	113,675
Specific funds	4,500	4,500	4,500	4,500
Bank bills	5,963,318	4,973,566	5,963,318	4,973,566
	<b>6,847,779</b>	<b>6,179,255</b>	<b>6,847,779</b>	<b>6,179,255</b>
(b) Reconciliation of cash flow from operations with profit from ordinary activities				
Loss from ordinary activities after income tax	(298,395)	(1,334)	(298,395)	(1,334)
Non-cash flows in loss from ordinary activities				
Depreciation	105,254	191,403	105,254	191,403
Loss on disposal of property, plant and equipment	2,498	14,030	2,498	14,030
Changes in assets and liabilities, net of effects of purchase and disposal of subsidiaries				
(Increase)/ decrease in receivables	363,412	(342,358)	363,412	(342,358)
(Increase)/ decrease in the amount owing from the Legal Practice Board	451,899	(524,465)	451,899	(524,465)
(Increase) in inventories	(22,913)	(4,699)	(22,913)	(4,699)
(Increase)/decrease in prepaid expenses	162,366	(157,481)	162,366	(157,481)
Increase/(decrease) in trade creditors	357,632	114,577	357,632	114,577
Increase/(decrease) in other creditors	(359,652)	154,719	(359,652)	154,719
Increase/(decrease) in prepaid income	(169,033)	448,071	(169,033)	448,071
Increase/(decrease) in provisions	136,659	94,802	136,659	94,802
Net cash provided by/(used in) operations	<b>729,727</b>	<b>(12,735)</b>	<b>729,727</b>	<b>(12,735)</b>

Notes to the Financial Statements  
*for the period ended 30 June 2001*

## 16. CAPITAL AND LEASING COMMITMENTS

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
(a) Operating lease commitments				
Non-cancellable operating leases contracted for but not capitalised in the accounts:				
Payable				
– not later than one year	150,249	212,041	150,249	212,041
– later than one year and not later than five years	110,765	226,807	110,765	226,807

## 17. MEMBERS' GUARANTEE

The economic entity is limited by guarantee. If the economic entity is wound up, the articles of association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the economic entity.

## 18. REMUNERATION AND RETIREMENT BENEFITS

With the exception of the office bearers' expense reimbursement or allocations disclosed below, no fees, salaries, bonuses or any other remuneration were paid to Councillors in their capacity as Councillors.

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$
(a) Office bearers of Council				
Overseas/interstate travel allocations	30,781	58,299	30,781	58,299
General expense allocations	46,115	87,339	46,115	87,339

Council members whose remuneration from the VLRPA was within the following bands:

			No.	No.
\$0	–	\$0	17	15
\$1	–	\$999	2	3
\$10,000	–	\$19,999	2	1
\$30,000	–	\$39,999	1	–
\$50,000	–	\$59,999	–	1

The names of directors of the parent entity who have held office during the period are:

John Corcoran	James Syme	Jason Newman	Aurora Kostezky
David Faram	(resigned 16 March 2001)	Geoff Provis	(appointed 26 April 2001)
William O'Shea	Mark Woods	Erskine Rodan	Kirsten Mander
Tina Millar	Rebecca Borden	John Weigl	(appointed 3 May 2001)
Michael Gawler	(resigned 30 April 2001)	John Whelan	Anthony May
(resigned 26 April 2001)	Helen Glass	(resigned 26 April 2001)	(appointed 26 April 2001)
Simon Begg	Leonie Kelleher OAM	Briony Le Duc	
Judith Peirce	Melissa Macken	(appointed 26 April 2001)	

Notes to the Financial Statements  
for the period ended 30 June 2001

## 19. RELATED PARTY TRANSACTIONS

- (a) During the year the VLRPA paid professional indemnity and directors' and officers' liability insurance in respect of its VLRPA Councillors. The nature of the insurance contract providing this cover does not allow the VLRPA to disclose either the extent of the cover or the premium paid.
- (b) Other transactions entered into during the year with other VLRPA Councillors, their firms or associated entities are within normal customer employee relationships on terms and conditions no more favourable to those available to other members, customers or employees and are of a trivial or domestic nature.
- (c) Aggregate amount of transactions with Council members and their related entities were as follows:  
Mr William O'Shea, a member of Council, is a partner of Hunt & Hunt Solicitors. During the period ended 30 June 2001, Hunt & Hunt provided legal services totalling \$30,867 to the VLRPA on normal terms and conditions.

December	Economic Entity		Parent Entity	
	6 months 30 June	12 months 31 December	6 months 30 June	12 months 31
	2001 \$	2000 \$	2001 \$	2000 \$

## 20. CONTROLLED ENTITIES

(a) Controlled entities	Country of Incorporation	Percentage Owned (%)	
		2001	2000
Parent Entity:			
Victorian Lawyers RPA Ltd	Australia	-	-
Subsidiaries of Victorian Lawyers RPA Ltd:			
Lawyers Information Network Pty Ltd	Australia	100	100

## 21. COMPANY DETAILS

The registered office of the company is:  
Victorian Lawyers RPA Ltd  
470 Bourke Street  
MELBOURNE VIC 3000

## 22. SUPERANNUATION COMMITMENTS

During the year the VLRPA contributed to two employee superannuation funds managed by external fund managers. One of these funds closed during the year. The remaining fund is an accumulation/defined contribution fund. Members are entitled to benefits on retirement, disability or death. Employees contribute to the funds at various percentages of their gross salaries.

The VLRPA contributions are legally enforceable in Australia to the extent required by the Superannuation Guarantee legislation. However, the VLRPA and its controlled entities are under no legal obligation to make up any shortfall in the funds' assets to meet payments due to employees.

## 23. FINANCIAL INSTRUMENTS

### (a) Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Notes to the Financial Statements  
for the period ended 30 June 2001

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year	
	% 2001	% 2000	\$ 2001	\$ 2000	\$ 2001	\$ 2000
Financial Assets						
Cash	4.51	6.03	884,461	1,205,669	5,963,318	4,973,586
			Non-interest Bearing		Total	
			\$ 2001	\$ 2000	\$ 2001	\$ 2000
Financial Assets						
Cash assets			–	–	6,847,779	6,179,255
Receivables			1,455,337	2,270,648	1,455,337	2,270,648
Total Financial Assets			1,455,337	2,270,648	8,303,116	8,449,903
Financial Liabilities						
Trade and sundry creditors			905,399	907,419	905,399	907,419
Subscription fees and other prepaid income			2,985,738	3,154,771	2,985,738	3,154,771
Total financial liabilities			3,891,137	4,062,190	3,891,137	4,062,190

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

**(c) Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date approximates the carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

	2001		2000	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets				
Cash and deposits	6,847,779	6,179,255	6,847,779	6,179,255
Receivables	1,455,337	2,270,648	1,455,337	2,270,648
Unlisted investments	12	12	12	12
	8,303,128	8,449,915	8,303,128	8,449,915
Financial liabilities				
Creditors	905,399	907,419	905,399	907,419
Subscription fees and other prepaid income	2,985,738	3,154,771	2,985,738	3,154,771
	3,891,137	4,062,190	3,891,137	4,062,190

**24. SEGMENT REPORTING**

The VLRPA and its controlled entity operate in one industry, that being a professional association of lawyers. The VLRPA operates predominately in one geographic segment, Australia.

Notes to the Financial Statements  
***for the period ended 30 June 2001***

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**25. CONTINGENT LIABILITIES**

The Law Institute of Victoria (LIV), trading name of the VLRPA, is a defendant in Supreme Court Proceeding No 2119 of 1990 – *Imaging Applications Pty Ltd (ACN 006 376 441) and Michael Ian Petch v Sun Alliance Australia Limited, Alexander Stenhouse Limited and the Law Institute of Victoria*.

The LIV has been sued as one of three defendants consequent to the denial of PI insurance cover by Sun Alliance. The cover relates to a business conducted by the plaintiffs, but unrelated to Mr Petch's former legal practice.

The LIV's defence had been conducted by an external firm of solicitors via instructions from the LIV's insurer. However, due to the collapse of HIH, the LIV's Litigation Section has taken over the conduct of the defence. The LIV therefore has no PI insurance in relation to this proceeding.



There are also two receivership matters, with a possible exposure in the aggregate sum of approximately \$50,000. Both matters have been referred to the receiver's insurer.

# Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30 to 45:
  - (a) comply with Accounting Standards and the *Corporations Act 2001*; and
  - (b) give a true and fair view of the financial position as at 30 June 2001 and performance for the period ended on that date of the company and economic entity.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

DIRECTOR  DIRECTOR   
JOHN CORCORAN WILLIAM O'SHEA

Dated this *27th* day of *November* 20 *01*

# Independent Auditors' Report to Members of the Victorian Lawyers RPA Ltd

## ***Scope***

We have audited the financial report of Victorian Lawyers RPA Ltd for the period ended 30 June 2001 comprising the Directors' Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the period. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

## ***Audit Opinion***

In our opinion, the financial report of Victorian Lawyers RPA Ltd is in accordance with:

- (a) the *Corporations Act* 2001, including:
- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2001 and of their performance for the period ended on that date; and
  - (ii) complying with Accounting Standards and the *Corporations Regulations*; and
- (b) other mandatory professional reporting requirements.

Dated this *27<sup>th</sup>* day of *November* 20 *01*



PITCHER PARTNERS



TJ BENFOLD  
PARTNER MELBOURNE



# Victorian Lawyers RPA Ltd

(ACN No 075 475 731)

## *General Meeting*

**A general meeting of  
Victorian Lawyers RPA Ltd  
will be held on**

**Wednesday, 27 March 2002 at 6pm**

**Venue: 470 Bourke Street, Melbourne 3000**

Postal address: GPO Box 263C, Melbourne 3001

DX 350 Melbourne

Telephone: (03) 9607 9311

Facsimile: (03) 9602 5270

Email: [liv@asn.au](mailto:liv@asn.au)

Internet: <http://www.liv.asn.au>

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