



LEGAL
PROFESSION
BOARD OF
TASMANIA

ANNUAL REPORT 2010 -2011

This report is submitted in accordance with section 601 (2) of the Legal Profession Act, 2007, pursuant to which the Legal Profession Board of Tasmania is to prepare and present to the Minister a report on its operations for the financial year.

PART ONE: CHAIRMAN'S REPORT

The period ending 30 June 2011 completed the second full year of operations of the Legal Profession Board of Tasmania and three years since the members of the Board were appointed.

The following report provides a summary of the activities of the Board in the reporting period and highlights a number of achievements that have been attained within the reporting period.

THE WORKLOAD OF THE BOARD

Complaints and Investigations:

Complaint handling and complaint investigations are the core activities of the Board and consume the majority of the Board's resources. The number of complaints received during the course of the reporting period, together with those complaints that remained unfinalised as at 30 June 2010, totalled 160. The Board brought 73 complaints to finality and a further 16 complaints were referred to the Disciplinary Tribunal. Further in-depth commentary and observations in relation to the complaints and investigations statistical information can be found in Part 3 of this report.

The Board reviewed and revised its organisational structure in the course of this reporting period, which necessitated the recruitment and training of a new investigations officer and a new administrative officer. Although this process was time consuming and contributed to a reduction in the number of investigations completed and finalisations achieved within the period, the Board is now adequately resourced to deal effectively and efficiently with its workload. The Board expects to significantly reduce the number of pending complaints at the end of the 2011/12 financial year.

Mediation:

Since the commencement of operations in early 2009, it has been the strategy of the Board to endeavour, where appropriate and in accordance with the Act, to achieve resolution of complaints against legal practitioners via mediation. It is with satisfaction that I am able to report that the Board has had continued success in this area within the reporting period, with 31 complaints having been resolved through some mediatory intervention by the Board, either prior to or during an investigation.

The Board remains committed to the early resolution of complaints by mediation in appropriate circumstances. The mediation process is only available in relation to less serious matters of complaint. The Law Society of Tasmania has recently raised concerns in relation to this aspect of the Board's resolution strategy and practice and it is envisaged that discussions will be had with the Society on this topic in the near future.

Meetings and Determinations of the Board:

The Board convened 16 complaints-specific meetings during the reporting period. This has been a modest reduction from the previous reporting period as the Board, where possible, now combines its administrative meetings with complaints meetings in an effort to reduce time and costs.

The Board is obliged to provide to the complainant, the practitioner and the Law Society a written determination and reasons for determination following finalisation of a complaint. The Board produced 45 written complaint determinations and reasons during the reporting period. The writing of determinations and associated research can be an extremely time-consuming task for Board members, and is necessarily undertaken outside of meeting times.

Public Education:

One of the Board's functions relates to providing education and advice to the legal profession and the Tasmanian community. The Board has, over the course of the reporting period, focused its community educative role on dealing comprehensively with the community's enquiries when contact is made with the Board. 294 such enquiries were made in the reporting period and the Board's officers have dedicated substantial time per enquiry by way of assistance to the public in addressing their issues regarding their legal representative or legal matter. In the majority of cases, the Board's officers attempt to provide, for each enquirer, guidance on how to manage their relationship with their respective legal representatives and to provide assistance generally on the legal process.

The Board has further expanded and developed its website within the reporting period to include policies, guidelines and assistance in relation to the constructing of, and responding to, complaints for both the community and members of the legal profession.

It is anticipated that in the coming financial year, the Board's Executive Officer will also provide a series of presentations in relation to the work of the Board and related topics to both the Tasmanian community and legal profession, in each case regionally if practicable.

Amendments to the Legal Profession Act 2007:

Section 591 (h) of the Act provides that the Board is to advise the Minister on any matters relating to the Act. In the reporting period, the Board provided to the Minister a list of suggested amendments to the Act. The Board was mindful, at the time of recommending the proposed changes, of the anticipated national reforms to the legal profession.

The Board is hopeful that, in light of the continuing delay in advancing the national reform process, its recommended changes to the Tasmanian Act will be given positive consideration by the Minister in the coming months, particularly as they would be cost neutral.

Other statutory functions of the Board

The Board continued in the reporting period to delegate to the Law Society its statutory function regarding the maintaining of the register of names of Australian lawyers to whom the Law Society grants local practising certificates as well as the register of names of locally registered foreign lawyers.

The Board has not, within the reporting period, been called upon to approve any new courses of continuing legal education, nor to approve terms and conditions of professional indemnity insurance policies. The Board received 2 applications for Lay Associate pursuant to section 17 of the Act within the reporting period. Neither application was approved by the Board.

NATIONAL LEGAL PROFESSION REFORM

The National Legal Profession Reform Taskforce has for some time been undertaking a reform project that endeavours to simplify and increase the effectiveness of legal profession regulation across Australia. The proposed reforms are intended to ensure that all Australians have consistent legal rights and remedies, regardless of where they live.

The Executive Officer of the Board actively participated in the preliminary stages of these proposed reforms in order to keep the Board informed of the reform agenda and progress generally. The Board previously reviewed the draft legislation and made submissions to the Reform Taskforce in the early part of the reporting period. The project, in recent times, has not been advanced by COAG and the Board has no information as to its future.

STRATEGIC DIRECTION

The Board will continue to focus on its core activities being the handling and investigation of complaints against legal practitioners and its educative and advisory roles with regard to the community and legal profession.

The Board is also mindful that many of the more serious complaints that were received in the latter part of 2009 and early 2010, which have now been thoroughly investigated, will be proceeding to the formal prosecution stage before either the Disciplinary Tribunal or Supreme Court. The Board's focus in the coming reporting period will necessarily include effective prosecution of these matters in order to ensure the good reputation of the legal profession is maintained and that public confidence in the integrity of the legal profession continues.

BOARD MEMBERSHIP

In March 2011, I stepped down from the position as Chairperson of Board and took a leave of absence as a member of the Board during an extended overseas trip. Mr David Bessell was elected by the Board as Chairperson to replace me. Upon my return to Tasmania after the end of the reporting period, Mr Bessell stepped down and I was re-elected as Chairperson.

I take this opportunity to thank the members of the Board for their significant contribution to the work of the Board throughout the reporting period. On their behalf I gratefully acknowledge also the work of the employees of the Board, whose hard work and dedication are pivotal to the ongoing efficiency and effectiveness of the Board.



William Bale QC
Chairperson, Legal Profession Board of Tasmania

PART TWO: THE LEGAL PROFESSION BOARD OF TASMANIA

STATUTORY FUNCTIONS OF THE BOARD

Pursuant to section 591 of the Act, the Board has the following statutory functions:

- to maintain the Register (of legal practitioners);
- to monitor the standard and provision of legal professional services;
- to receive, investigate and, where appropriate, determine complaints made under Chapter 4 and, as necessary, refer complaints to the Tribunal or Supreme Court for hearing and determination;
- to approve terms and conditions of professional indemnity insurance policies provided to law practices;
- to advise the profession on appropriate standards of conduct;
- to monitor and identify trends and issues that emerge within the legal profession;
- to approve courses of continuing legal education;
- to advise the Minister on any matters relating to the Act;
- such other functions as may be imposed by this or any other Act; and
- to conduct education programs relating to client-lawyer relationships for members of the public.

THE PURPOSE OF THE DISCIPLINARY PROVISIONS

The Board exercises its functions under section 591 of the Act with the following aims in mind:

- protect consumers of legal services within Tasmania against unsatisfactory professional conduct and professional misconduct of Australian legal practitioners;
- promote and enforce the application of professional standards, competence and honesty within the legal profession in Tasmania; and

- provide an effective and efficient redress mechanism for persons unhappy with the conduct of Australian legal practitioners in Tasmania.

THE BOARD MEMBERS

The Board is the independent statutory body responsible for receiving and investigating complaints about the conduct of lawyers. It consists of six Members appointed by the Governor of Tasmania for a term of five years.

Chairperson of the Board:

Mr William Bale QC was the inaugural Chairperson of the Board since July 2009. Mr Bale previously held the position of Solicitor General of Tasmania from 1986 until his retirement in September 2007 and has been a Tasmanian legal practitioner since 1964.

Lay Members:

Ms Judith Paxton JP was the Tasmanian Legal Ombudsman from 1994 until 2008, the State Director of the Commonwealth Merit Protection and Review Agency and the Chairperson of a number of tribunals responsible for determining disputes and grievances.

Mr Peter Dane is currently the State Manager Pricing and Regulation for Aurora Energy and has held senior management positions in the telecom and electricity industries since 1983. Mr Dane has a Master of Business Administration from the University of Tasmania.

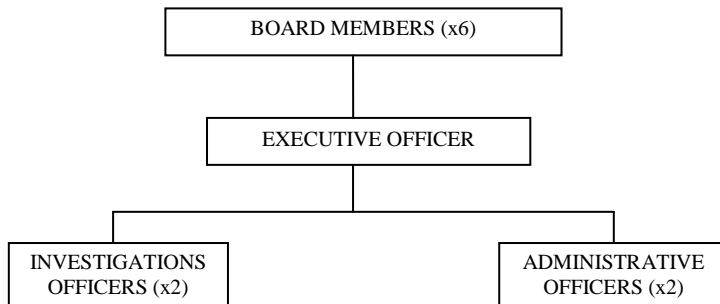
Legal Members:

Mr David Bessell is a senior legal practitioner who retired in 2007 from his position as senior partner in a prominent Hobart law practice. Mr Bessell was elected as Chairperson by the members of the Board on 8 March 2011, following the resignation of Mr William Bale QC as Chairperson. He held that office for the remainder of the reporting period, but stood down and was succeeded by Mr Bale QC following the latter's recent return from leave.

Mr John Upcher is a senior legal practitioner who is currently practising as a consultant in a prominent Hobart law practice.

Mr Duncan Fairley is a partner in a prominent North West Coast legal practice and has been President of the Tasmanian Bar Association since 2008. Mr Fairley is also a member of the Mental Health Tribunal. Mr Fairley was appointed to the Board on 18 May 2010.

ORGANISATIONAL CHART



The Legal Profession Board is supported by an administrative and investigative team as represented in the organisational chart above.

THE VISION OF THE BOARD

The Board, through its statutory functions, aims to assist the legal profession in Tasmania to meet the highest standards of propriety and efficiency and to give effective redress to members of the public adversely affected by any shortfall in meeting those standards. To this end, the Board seeks to maintain a complaints handling process which will be as good as or better than any other in the nation.

FUNDING OF THE BOARD

Pursuant to section 359 of the Act, the Board is to submit to the Minister an application for funding by 30 April in each year. The Minister approves an amount to be paid from the Solicitors' Guarantee Fund and directs the Solicitors' Trust to pay the approved amount from the Fund to the Board.

PART THREE: THE YEAR IN REVIEW

PERFORMANCE OF THE LEGAL PROFESSION BOARD OF TASMANIA

The following statistical information regarding the Board's performance is based on the twelve month period, 1 July 2010 to 30 June 2011.

COMPLAINT HANDLING

COMPLAINT ENQUIRIES:

Table 1: Number of complaint enquiries received from 1 July 2010 to 30 June 2011

Month	Enquiries by phone	Enquiries in person	Enquiries by email	Enquiries by letter	Total Enquiries 2011	Total Enquiries 2010
Jul-10	29	1	1		31	14
Aug-10	22	2			24	9
Sep-10	16	1	1		18	31
Oct-10	21	2	3		26	33
Nov-10	28		6		34	31
Dec-10	14			1	15	15
Jan-11	18	3	1		22	14
Feb-11	20	4	2	1	27	20
Mar-11	25	2	1	1	29	33
Apr-11	10	1		2	13	32
May-11	21	4	4	2	31	35
Jun-11	19	1	4		24	23
Total Enquiries	243	21	23	7	294	290

Dealing with complaint enquiries represents a significant part of the Board's overall workload. Table 1 demonstrates that the Board has dealt with, on average, 24 enquiries per calendar month, or 1.4 complaint enquiries per working day. The volume of enquiries has remained constant since the Board commenced operations.

The Board records the total time spent per enquiry throughout the period. The average time spent dealing with each enquiry for the period is 27 minutes, or a total of 134 hours (approximately 18 days).

The Board recognises the importance of dealing effectively with complaints at the time of the initial enquiry as, on occasions and where appropriate, it provides an opportunity to resolve a problem before it escalates into a formal complaint. Not all enquiries to the Board necessarily involve a person who is experiencing difficulties with their legal representative. The Board on occasion receives enquiries that are required to be referred for independent legal advice or other action.

A total of 37 enquiries have, over the course of the reporting period, resulted in a written complaint being made. This represents 13% of all enquiries received.

The majority (83%) of all complaint enquiries are dealt with by telephone, although members of the public are always encouraged to attend the Board's offices to discuss their potential complaint in person should they wish to.

WRITTEN COMPLAINTS

Table 2: Number of written complaints received from 1 July 2010 to 30 June 2011

Month	Complaints Received 2010/11	Complaints Received 2009/10	Variance 2010/11 – 2009/10
July	3	12	<9>
August	11	12	<1>
September	9	12	<3>
October	13	11	2
November	5	8	<3>
December	6	15	<9>
January	7	3	4
February	6	6	0
March	7	9	<2>
April	11	8	3
May	13	6	7
June	12	4	8
Total Complaints	103	106	<3>

A complaint may be made about the conduct of an Australian legal practitioner by any person. For the Board to be able to deal with a complaint, it must be in writing. The Board takes all reasonable steps to ensure that any person wishing to make a written complaint is given the appropriate assistance to do so.

When a complaint is received by the Board, a preliminary assessment is made and often further information is sought from the complainant to specifically identify the conduct that is alleged to have occurred. Once the complaint has been appropriately particularised, a 'Notice of Complaint

Received' together with a copy of the complaint is sent to the practitioner, accompanied by an invitation to provide comment (submissions) in relation to it. Once received, the practitioner's submissions are provided to the complainant for further comment. All relevant information is collated and reviewed by one of the Board's officers and a report prepared. The report, together with all relevant material, is then considered by the Board. The complaint then either proceeds to the investigation phase, or is summarily dismissed.

This statutorily required process prior to investigation of a complaint commencing or the complaint being summarily dismissed can take several months and provides transparency and procedural fairness to both the complainant and practitioner.

The Board received 103 complaints in the reporting period, compared to 106 complaints for 2009/10 period. This represented a very modest decrease of 3 complaints or 3%.

Table 3: Complaints carried forward at 1 July 2010

Complaints	Carried forward as at 1 July 2010	%	Carried forward as at 1 July 2009	%
Complaints under investigation	39	68%	44	65%
Pending complaints (not under investigation)	18	32%	24	35%
Total Complaints carried forward as at 1 July 2010	57	100%	68	100%

In addition to the 103 complaints received in the reporting period, the Board's workload involved dealing with a further 57 complaints carried forward from the 2009/10 period.

Table 3 indicates that the majority of complaints (39 or 68%) carried forward into the reporting period had been partially investigated as at 30 June 2010.

Table 4: Principal allegations against legal practitioners

Principal Allegation	2010/11 Complaints	2010/11 %	2009/10 Complaints	2009/10 %
<i>Abuse of position as a legal practitioner</i>	3	3%	3	3%
<i>Abusive/Rude/Threat</i>	11	11%	8	8%
<i>Breach of Act, rules, court order or undertaking</i>	6	6%	8	8%
<i>Communication with client - including failure to communicate</i>	0	0%	3	3%

Principal Allegation	2010/11 Complaints	2010/11 %	2009/10 Complaints	2009/10 %
<i>Communication with other party</i>	0	0%	1	1%
<i>Confidentiality breach</i>	0	0%	1	1%
<i>Conflict of interest</i>	9	9%	4	3%
<i>Costs/Bills/Fees/Overcharging</i>	17	16%	16	15%
<i>Court performance</i>	2	2%	4	3%
<i>Criminal allegations</i>	0	0%	4	3%
<i>Delay</i>	7	7%	8	8%
<i>Dishonest/Misleading (including misleading the Court)</i>	11	11%	18	18%
<i>Instructions - failure to act or to comply</i>	16	15%	12	12%
<i>Instructions - acting without instructions</i>	3	3%	4	3%
<i>Negligence - including poorly handling of case</i>	14	13%	10	9%
<i>Trust money - including failure to account</i>	4	4%	2	2%
Totals	103	100%	106	100%

A complaint may include any number of allegations against a legal practitioner or law firm. If a complainant is not able to clearly describe the specific matters of complaint against a practitioner, the Board is required, under section 427 (5) of the Act, to take all reasonable steps to ensure that they are given the necessary assistance to do so.

Table 4 identifies the principal allegation for each complaint received in the reporting period. Where a complaint included more than one allegation, the principal allegation is the one identified.

As can be seen from Table 4, allegations relating to costs, failing to act or comply with legal instruction and negligence comprised the majority (44%) of all complaint allegations received by the Board in the reporting period.

Notably, allegations relating to dishonesty and/or misleading conduct decreased from the previous reporting period. The remaining principal allegations remained constant over the current reporting period.

Table 5: Area of law to which complaints related

Area of the Law	2010/11 Complaints	2010/11 %	2009/10 Complaints	2009/10 %
<i>Administrative</i>	0	0%	2	2%
<i>Anti-discrimination</i>	2	2%	4	4%
<i>Building</i>	1	1%	0	0%
<i>Commercial/Contract</i>	25	24%	11	10%
<i>Commonwealth/Constitutional</i>	2	2%	0	0%
<i>Conveyancing</i>	9	9%	7	7%
<i>Crimes compensation</i>	0	0%	1	1%
<i>Criminal</i>	8	7%	9	8%
<i>Debt collection</i>	1	1%	2	2%
<i>Family/defacto</i>	28	27%	26	25%
<i>Industrial relations</i>	1	1%	4	4%
<i>Investigation by Law Society</i>	0	0%	0	0%
<i>Personal injury</i>	8	8%	14	13%
<i>Planning</i>	0	0%	0	0%
<i>Probate/estate/wills</i>	11	11%	11	10%
<i>Workers' compensation</i>	2	2%	2	2%
<i>Other</i>	5	5%	13	12%
Total	103	100%	106	100%

Table 5 indicates that the area of law most often involved in complaints received by the Board to 30 June 2011 was family law, which constituted nearly a third of all complaints made. This is consistent with previous reporting periods and complaint data across comparable Australian jurisdictions from previous years.

Areas of law also highly represented in the reporting period were commercial/contract law, probate and estate, conveyancing and personal injury.

Table 6: Complainant's profile (region & gender)

MALE/FEMALE	2010/11 No. Complainants	%	2009/10 No. Complainants	%
<i>Male</i>	55	53%	57	53%
<i>Female</i>	46	45%	42	40%
<i>Complaints made by the Board</i>	2	2%	7	7%
Total	103	100%	106	100%

COMPLAINTS BY REGION	2010/11 No. Complainants	%	2009/10 No. Complainants	%
<i>South</i>	61	59%	52	49%
<i>North</i>	16	16%	34	31%
<i>North West</i>	8	8%	10	10%
<i>Interstate/International</i>	18	17%	10	10%
Total	103	100%	106	100%

Table 6 reveals a shift in the regional origin of complaints received by the Board in the reporting period. The North of the State represented 16% of all complaints received, being a decrease of 53% from the previous reporting period. The Board will continue to monitor this trend with a view to establishing whether it indicates a need to actively develop its educative role within this region.

As a result of the ever-increasing popularity of the internet, the Board is able to effectively deal with complaints made to it by people residing outside of Tasmania. In the reporting period, 18 complaints were received by the Board from either interstate or overseas complainants.

During the investigation of a complaint, the investigator may become aware of facts which the investigator thinks may constitute unsatisfactory professional conduct or professional misconduct not already the subject of a complaint. In such a case, the investigator must refer the matter to the Board to consider whether disciplinary action should be taken. Further, circumstances may arise where a practitioner may fail to comply with a direction of the Board. In these circumstances, the Board may elect to make a complaint of its own motion.

In the reporting period, the Board initiated 2 "own motion complaints" against practitioners, which was a reduction from the previous reporting period of 71%.

INVESTIGATIONS

Table 7: Investigations commenced and finalised from 1 July 2010 to 30 June 2011

Month	Investigations Commenced 2010/11	Investigations Completed 2010/11	Investigations Commenced 2009/10	Investigations Completed 2009/10
July	1	1	3	2
August	6	6	0	4
September	1	2	5	4
October	8	4	5	2
November	6	7	3	4
December	2	4	4	1
January	13	1	4	1
February	3	1	3	0
March	3	2	1	10
April	3	0	2	2
May	3	2	3	4
June	4	4	3	4
Total	53	34	36	38

Table 7 shows that a total of 53 investigations were commenced in the reporting period, or an average of 4.4 investigations commenced per calendar month. This was a significant increase from the previous reporting period, representing a 47% increase in investigations commenced. The increase is due in part as a result of an increase in the complexity of the complaints received by the Board in the reporting period, necessitating a subsequent investigation.

34 investigations were completed within the reporting period, representing a modest decrease compared to the previous reporting period. The investigation clearance rate for the reporting period was 64%. The Board in the reporting period therefore accumulated a backlog of investigations. Following its recent staffing re-structure and review, the Board has been able to address this issue in the latter part of the reporting period and is confident, in light of a staffing re-structure and recruitment initiatives, that the clearance rate will exceed 100% in the 2011/12 reporting period, thus reducing the backlog.

Table 8: Complexity of investigations

Category of Investigation	Investigation Criteria	Investigations Commenced 2010/11	%	Investigations Commenced 2009/10	%
<i>Simple</i>	Basic investigation, low volume of documentary evidence, no witness or 3rd party involvement	18	33%	16	45%
<i>Intermediate</i>	Medium volume of documentary evidence, single witness or 3rd party involvement	18	33%	9	25%
<i>Complex</i>	Multiple witnesses, significant volume of evidence	12	22%	7	19%
<i>Very Complex</i>	High volume of evidence, multiple witnesses, interaction with commercial entities	6	12%	4	11%
Total		54	100%	36	100%

In general terms, the greater the complexity of the investigation, the longer period of time that is required to complete it. The length of time to complete an investigation is also greatly dependant on such matters as the willingness of the parties to resolve the complaint via mediation, and the Investigations Officer's ability to readily access information held by either the practitioner or complainant.

In the reporting period to 30 June 2011, the Board classified 34% of all investigations commenced in the period as either complex or very complex.

FINALISATIONS AND OUTCOMES

Table 9: Complaints finalised and method of finalisation from 1 July 2010 to 30 June 2011

Method of Finalisation	Relevant Section of Act	Description	Number Finalised 2010/11	%	Number Finalised 2009/10	%
<u>Finalisations Prior To An Investigation:</u>						
<i>Summarily dismissed</i>	s.433 (1) (a)	<i>Complaint lacking in substance, vexatious, misconceived or frivolous</i>	13	18%	34	32%
<i>Summarily dismissed</i>	s.433 (1) (e)	<i>Complaint is not one that the Board has the power to deal with</i>	0	0%	7	6%
<i>Summarily dismissed</i>	s.433 (1) (b)	<i>Complaint made more than 6 years after the conduct is alleged to have occurred</i>	4	5%	5	5%
<i>Summarily dismissed</i>	s.433 (2) (a)	<i>Further information not given or complaint not verified</i>	0	0%	4	4%
<i>Summarily dismissed</i>	s.433 (3)	<i>Complaint requires no further investigation</i>	0	0%	1	1%
<i>Withdrawal</i>	s.434	<i>Complaint withdrawn by complainant prior to an investigation</i>	19	26%	15	14%
Sub Total Finalisations			36	49%	66	62%
<u>Finalisations Following An Investigation:</u>						
<i>Dismissed following an investigation</i>	s.451 (a)	<i>No reasonable likelihood that the practitioner will be found guilty</i>	13	18%	20	19%
<i>Dismissed following an investigation</i>	s.433 (1) (a)	<i>Complaint lacking in substance, vexatious, misconceived or frivolous</i>	0	0%	1	1%
<i>Dismissed following an investigation</i>	s.433 (3)	<i>Complaint requires no further investigation</i>	3	4%	3	2%
<i>Withdrawal</i>	s.434	<i>Complaint withdrawn following mediation following an investigation</i>	12	16%	14	13%
Sub Total Finalisations			28	38%	38	35%

Method of Finalisation	Relevant Section of Act	Description	Number Finalised 2010/11	%	Number Finalised 2009/10	%
<u>Finalisations Following a Hearing/Meeting of the Board:</u>						
<i>Practitioner found guilty of unsatisfactory professional conduct</i>	s.456 (7) (a)	<i>Practitioner cautioned or reprimanded</i>	3	4%	1	1%
<i>Practitioner found guilty of unsatisfactory professional conduct</i>	s.456 (7) (a)	<i>Practitioner required to make an apology</i>	2	3%	1	1%
<i>Complaint dismissed</i>	s.456 (6)	<i>Matter not substantiated</i>	1	1.5%	1	1%
<i>Complaint dismissed</i>	s.451 (a)	<i>No reasonable likelihood that the practitioner will be found guilty</i>	1	1.5%	0	0%
<i>Withdrawal</i>	s.434	<i>Complaint withdrawn via mediation</i>	1	1.5%	0	0%
<i>Practitioner found guilty of unsatisfactory professional conduct</i>	s.454 (2) (a)(b)(m)	<i>Practitioner admonished, fined & required to pay costs</i>	1	1.5%		
Sub Total Finalisations			9	13%	3	3%
TOTAL FINALISATIONS			73	100%	107	100%

Table 9 shows that the Board finalised a total of 73 complaints for the reporting period to 30 June 2011, which was a decrease from the previous reporting period of 34 complaints or 32%. The majority (49%) of those finalisations occurred prior to an investigation having commenced and involved complaints which were either summarily dismissed or withdrawn by the complainant.

13 complaints were summarily dismissed pursuant to s.433 (1) (a) of the Act as either lacking in substance or being vexatious, misconceived or frivolous. The number of complaints summarily dismissed pursuant to s.433 (1) (a) in the reporting period decreased from the previous reporting period by 21 complaints or 62%. This decrease accounted for the majority of the difference in total finalisations from the 2009/10 period to the current reporting period and was due in part to an increase in the complexity and/or apparent seriousness of complaints received in the reporting period. The decrease is also attributable to a marked increase in complaints where the substantive legal matter involved either commercial law and or contract law (see table 5 above). Complaints involving commercial and contract law are often complex and the Board is, in almost all circumstances, compelled to proceed to an investigation.

A total of 28 complaints were finalised following an investigation by the Board. 13 of these finalisations were dismissals pursuant to s.451 (a) of the Act where the Board determined there was no reasonable likelihood the practitioner would be found guilty of either unsatisfactory professional conduct or professional misconduct.

Outcome of Disciplinary action:

The Board commenced and completed 9 individual hearings (either by way of formal hearing or procedure for less serious complaints (section 456 meeting)) in the reporting period, which was a significant increase from the previous reporting period.

Of the 9 complaints the Board dealt with at hearing, 6 practitioners were found to be guilty of unsatisfactory professional conduct and 3 complaints were dismissed.

Table 10: Complaints referred (or resolved to be referred) to Disciplinary Tribunal, Supreme Court or for Board Hearing/Meeting

Complaints Referred	Section of Act	Referred 2010/11	Referred 2009/10
Board Meeting (s.456 procedure for less serious complaint)	s.450 (b)	7	3
Board Hearing	s.450 (a)	4	1
Disciplinary Tribunal	s. 450 (c) (d)	16	10
Supreme Court	s.450 (e)	0	0
Total Complaints Referred		27	14

At the conclusion of a complaint investigation, the Board may hold a formal hearing, deal with the complaint in accordance with s.456 (procedure for less serious complaint), make an application to either the Disciplinary Tribunal or Supreme Court for the complaint to be heard and determined, or, dismiss the complaint.

Table 10 shows that the Board referred, or resolved to refer, a total of 27 complaints pursuant to s.450 of the Act, representing an increase of 93% from the previous reporting period.

Table 11: Number of pending complaints as at 30 June 2011

Complaint Source	2010/11	2009/10
Unfinalised complaints under investigation as at 30 June 2010	39	44
Unfinalised complaints pending (not yet under investigation) as at 30 June 2010	18	24
Sub total Pending Complaints as at 30 June 2009	57	68
Complaints received 1 July 2009 to 30 June 2010	103	106
Sub total complaints for period	160	174
Finalised complaints 1 July 2010 to 30 June 2011	<73>	<107>
Unfinalised Referrals to Disciplinary Tribunal/Supreme Court	<16>	<10>
Balance of complaints on hand as at 30 June 2011	71	57

Table 11 above indicates that 71 complaints remained unfinalised as at 30 June 2011. The 16 complaints referred to the Disciplinary Tribunal, although having been dealt with by the Board, will continue to require the Board's resources as it must undertake the prosecution of the complaint.

PART FOUR: REPORT OF THE DISCIPLINARY TRIBUNAL

The following attached report is provided by the Disciplinary Tribunal in satisfaction of section 617 (1) of the *Legal Profession Act, 2007*.

DISCIPLINARY TRIBUNAL

ANNUAL REPORT

The Tribunal heard and determined three matters during the reporting period. All matters were dealt with pursuant to *Legal Profession Act 2007*. One matter was referred back to the Board for further investigation and one matter was heard and referred back to the Board for determination. There are five applications from the Board awaiting hearing and determination.

The Tribunal heard and dismissed six appeals of decisions of the Legal Profession Board and there are five appeals awaiting decisions.

MATTER A

The Practitioner was found guilty of professional misconduct for repeatedly failing to comply with a notice from the Legal Profession Board and was fined \$4,000.00 of which \$2,000.00 was suspended provided the Practitioner complies with all directions of the Board for the next three years. The Practitioner was ordered to pay the Board's costs of \$500.00

MATTER B

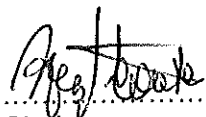
The Practitioner was found guilty of unprofessional conduct for failure to comply with a notice from Legal Profession Board.

MATTER C

The Practitioner's practising certificate was suspended from 10 June 2011 until the expiration of the period during which the sentence of imprisonment imposed upon him on 9 October 2009.

MATTER D

The Practitioner surrendered his practising certificate and undertook not to practice in any other jurisdiction in Australia without first obtaining consent from the Legal Profession Board



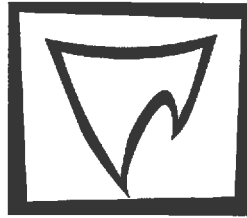
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Chairman

31 July 2011

PART FIVE: REPORT OF THE PRESCRIBED AUTHORITY

The following attached report is provided by the Law Society of Tasmania in satisfaction of section 653 (3) of the *Legal Profession Act*, 2007.



Our ref:L4.2:MH/VMC

29 July 2011

Mr Frank Ederle
Executive Officer
Legal Profession Board of Tasmania
Level 3, 147 Macquarie Street
HOBART TAS 7000

Dear Mr Ederle

Following please find the Society's report in satisfaction of the requirement in s653(3) of the *Legal Profession Act 2007* (the *Act*).

Practising Certificates

The following types and numbers of practising certificates were issued under the *Act* during the period 1 July 2010 to 30 June 2011:

- Principal – 204
- Employee – 222
- Barrister – 46
- Corporate – 17
- Locum - 7
- Community legal centre - 24

Trust Account Inspections

Routine trust account inspections for the period ending 31 December 2010 were conducted by approved inspectors on 118 practices. Eight practices did not operate trust accounts or were exempt from inspection. The only significant issue to arise from those inspections resulted in the appointment of the Investigator at the firm Ritchie & Parker Alfred Green & Co referred to below.

Appointment of Manager

As previously reported, on 1 April 2010, the Society appointed Leanne Shirley Topfer as the Manager of the practice S M Ritchie & Co pursuant to s531 of the *Act*. The appointment was made pursuant to a delegation from the Legal Profession Board of Tasmania dated 24 November 2009. The appointment was terminated on 10 August 2010.

As previously noted, on 1 July 2010, the Society appointed Peter John Joyce as the Manager of the practice Pattisons Legal pursuant to s531 of the *Act*. The appointment was made pursuant to a delegation from the Legal Profession Board of Tasmania dated 19 February 2010. This appointment is still current.

Appointment of an Investigator

On 11 April 2011, the Society appointed Peter Van Manser as an Investigator of the law practice of Ritchie & Parker Alfred Green & Co pursuant to s260 of the *Act*. On the same date, Mr Manser appointed Ross Byrne as an Assistant pursuant to s260(3) of the *Act*.

Appointment of Supervisor of Trust Money

On 31 May 2011, the Society appointed David Pete Cordell as the supervisor of trust money of the law practice of Ritchie & Parker Alfred Green & Co pursuant to s525 of the *Act*.

Conduct Complaints

As previously reported, on 7 December 2009 the matter of the Law Society of Tasmania v Aloysius Wong was heard by the Disciplinary Tribunal. Since the last report, written reasons have been issued.

Yours sincerely



MARTYN HAGAN
EXECUTIVE DIRECTOR

**PART SIX: INDEPENDENT AUDIT REPORT AND
FINANCIAL STATEMENTS AS AT 30 JUNE 2011**

The independent audit report and financial statements 2009-10 is attached in satisfaction of section 601 of the *Legal Profession Act*, 2007.



INDEPENDENT AUDITOR'S REPORT

To Members of the Parliament of Tasmania

LEGAL PROFESSION BOARD OF TASMANIA

Financial Report for the Year Ended 30 June 2011

I have audited the accompanying financial report of Legal Profession Board (the Board), which comprises the statement of financial position as at 30 June 2011, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Chairman of the Board.

Auditor's Opinion

In my opinion the Board's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) is in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility of the Board for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

TASMANIAN AUDIT OFFICE



J J Tongs
TECHNICAL AND QUALITY DIRECTOR
Delegate of the Auditor-General

HOBART
19 August 2011

Legal Profession Board of Tasmania

Financial Statements 2010-11

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Statement of Comprehensive Income for the year ended 30 June 2011

		2011	2010
	Notes	\$'000	\$'000
Revenue and other income from transactions			
Revenue from Solicitor's Guarantee Fund	1.5(a), 3.1	757	480
Other revenue	1.5(b), 3.2	40	30
Total revenue and other income from transactions		797	510
Expenses from transactions			
Employee benefits	1.6(a), 4.1	551	394
Depreciation and amortisation	1.6(e), 4.2	26	21
Supplies and consumables	1.6(d), 4.3	297	222
Other expenses	1.6(d), 4.4	18	30
Total expenses from transactions		892	667
Net result from transactions		(95)	(157)
Other economic flows included in net result		-	-
Comprehensive result		(95)	(157)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Assets			
<i>Financial Assets</i>			
Cash and cash equivalents	1.7(a), 7.1	193	263
Receivables	1.7(b), 5.1	5	17
<i>Total Financial Assets</i>		198	280
<i>Non-financial Assets</i>			
Office improvements, plant and equipment	1.7(d), 5.3	76	80
Intangible assets	1.7(c), 5.2	2	3
<i>Total Non-financial Assets</i>		78	83
Total assets		276	363
Liabilities			
Payables	1.8(a), 6.1	20	18
Employee benefits	1.8(b), 6.2	40	34
Total liabilities		60	52
Net assets		216	311
Equity			
Accumulated funds		216	311
Total equity		216	311

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash inflows			
Solicitor's Guarantee Fund Receipts		757	669
GST Receipts		39	29
Other cash receipts		41	19
Total cash inflows		837	717
Cash outflows			
Employee benefits		(543)	(636)
GST payments		(68)	(23)
Supplies and consumables		(247)	(357)
Other expenses		(29)	(47)
Total cash outflows		(887)	(1,063)
Net cash generated from (used in) operating activities	7.2	(50)	(345)
Cash flows from investing activities			
Cash outflows			
Payments for acquisition of non-financial assets		(20)	(111)
Net cash generated from (used in) investing activities		(20)	(111)
Net increase (decrease) in cash and cash equivalents held		(70)	(456)
Cash and deposits at the beginning of the reporting period		263	719
Cash and deposits at the end of the reporting period	7.1	193	263

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2011

	Accumulated Total equity surplus / deficit	
	\$'000	\$'000
Balance at 1 July 2010	311	311
Total comprehensive result	(95)	(95)
Total	(95)	(95)
Balance as at 30 June 2011	216	216

	Accumulated Total equity surplus / deficit	
	\$'000	\$'000
Balance at 31 December 2009	468	468
Total comprehensive result	(157)	(157)
Total	(157)	(157)
Balance as at 30 June 2010	311	311

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

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Note 1 Significant Accounting Policies

1.1 Objectives and Funding

The Legal Profession Board of Tasmania (the Board) is an independent statutory body whose purpose is to:

- Protect consumers of legal services within Tasmania against unsatisfactory professional conduct and professional misconduct of legal practitioners;
- Promote and enforce the application of professional standards, competence and honesty within the legal profession in Tasmania; and
- Provide an effective and efficient redress mechanism for persons unhappy with the conduct of Australian legal practitioners in Tasmania.

The Legal Profession Act 2007 (the Act) received Royal Assent on 15 August 2007 and the Board commenced operations on 31 December 2008. The Board consists of six Board Members appointed by the Governor of Tasmania for a term of five years. Pursuant to section 589 of the Act, the Board is established as a body corporate with perpetual succession. The functions of the Board were in part previously performed by the Law Society of Tasmania and the Legal Ombudsman.

Pursuant to section 359 of the Act, the Board is to submit to the Minister an application for funding by 30 April in each year. The Minister approves an amount to be paid from the Solicitors' Guarantee Fund and directs the Solicitors' Trust to pay the approved amount from the Fund to the Board.

1.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards (AAS) and Australian Accounting Interpretations issued by the Australian Accounting Standards Board (AASB); and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The financial statements were signed by the Chairman and the Executive Officer on 15 August 2011.

Compliance with the AAS may not result in compliance with International Financial Reporting Standards (IFRS), as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Board is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention.

1.3 Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Board's functional currency.

1.4 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Board has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. These include:

- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* – This Standard introduces some minor terminology changes. There is no expected financial impact of applying these changes.

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – This Standard introduces small disclosure and classification changes. There is no expected financial impact of applying these changes.

(b) Impact of new and revised Accounting Standards yet to be applied

The following new standards relevant to the Board have been issued by the AASB and are yet to be applied:

- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* – The amendments require modification to the disclosure of categories of financial assets. It is not anticipated that there will be any financial impact.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Board. However, it may affect disclosures if reduced disclosure requirements apply.
- AASB 1054 *Australian Additional Disclosures* – This Standard sets out the specific disclosures for entities that have adopted Australian Accounting Standards that are additional to the requirements under International Financial Reporting Standards, including disclosures relating to the nature of the financial report, audit fees and the reconciliation of net operating cash flows to net result. It is not expected to have a financial impact.
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes, as the Board is likely to be considered a Tier 1 entity.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* – This Standard includes additional presentation and disclosure requirements for financial assets. It is not expected to have a financial impact.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* – This Standard makes minor revisions, however it is not expected to have a financial impact.
- AASB 2009-12 *Amendments to Australian Accounting Standards* – This Standard introduces a number of terminology changes. There is no expected financial impact.
- AASB 2010-5 *Amendments to Australian Accounting Standards* – This Standard introduces terminology changes as well as presentation changes, however, there is no financial impact from these revisions.

The future adoption of these standards is not expected to have a material impact on the financial statements of the Board.

1.5 Income from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Revenue from Solicitor's Guarantee Fund

Funding from the Solicitor's Guarantee Fund is recognised in accordance with AASB 1004 *Contributions* whereby 'non-reciprocal' contributions are recognised as revenue when the funds are received or receivable.

(b) Other Revenue

Revenue from other sources is recognised when the Board gains control of the funds and it is probable that the inflow of funds has occurred and can be reliably measured.

1.6 Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee Benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Impairment – Financial Assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that there are any financial assets that are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative affect on the estimated future cash flows of that asset.

An impairment loss, in respect of a financial asset measured at amortised cost, is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(c) Impairment – Non-financial assets

All non-financial assets are assessed to determine whether any impairment exists. Impairment exists when the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of fair value less costs to sell and value in use. The Board's assets are not used for the purpose of generating cash flows, therefore value in use is based on depreciated replacement cost where the asset would be replaced if deprived of it.

All impairment losses are recognised in Statement of Comprehensive Income. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Other Expenses and Supplies & Consumables

Other expenses from ordinary activities, supplies and consumables are recognised when it is probable that the consumption or loss of future economic benefits resulting in a reduction of assets or an increase in liabilities has occurred and can be reliably measured.

(e) Depreciation and amortisation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation rates are as follows:

Plant & equipment: 20%

Office improvements: 20%

All intangible assets having a limited useful life are systematically amortised over their useful lives reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Board.

Major amortisation rates are:

Software: 25%

1.7 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Board and the asset has a cost or value that can be measured reliably.

(a) Cash and Cash equivalents

Cash means notes, coins, any deposits held at call with a bank or financial institution. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Intangible assets

An intangible asset is recognised where:

- it is probable that an expected future benefit attributable to the asset will flow to the Board; and
- the cost of the asset can be reliably measured.

The costs in respect to the Board's Case Management System are valued at cost.

(d) Office improvements, plant and equipment

(i) Valuation basis

Office improvements, plant and equipment is valued at historic cost less accumulated depreciation and accumulated impairment losses (where relevant).

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of office improvements, plant and equipment have different useful lives, they are accounted for as separate items (major components) of office improvements, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of office improvements, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of office improvements, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Board is \$4,000. Assets valued at less than \$4,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

1.8 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Board becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Employee Benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2011, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(c) Superannuation

The Board does not recognise a liability for the accruing superannuation benefits of Board employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

1.9 Leases

The Board has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

1.10 Judgements and Assumptions

In the application of Australian Accounting Standards, the Board is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Board that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements.

The Board has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.11 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

1.12 Taxation

The Board is exempt from all forms of taxation except Fringe Benefits Tax and GST. All taxation issues are managed by the Department of Justice on the Board's behalf.

1.13 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 2 Events Occurring After Balance Date

There have been no events subsequent to the balance date which would have a material effect of the Board's Financial Statements as at 30 June 2011.

Note 3 Income from transactions

3.1 Solicitor's Guarantee Fund

	2011	2010
	\$'000	\$'000
Solicitor's Guarantee Fund Revenue	757	480
Total revenue from Solicitor's Guarantee Fund	757	480

3.2 Other Revenue

	2011	2010
	\$'000	\$'000
Interest Revenue	14	19
Other Revenue	26	11
Total	40	30

Note 4 Expenses from transactions

4.1 Employee Benefits

	2011	2010
	\$'000	\$'000
Wages and salaries (Staff)	407	286
Wages and salaries (Board members)	95	66
Superannuation – defined contribution scheme	31	25
Superannuation – defined benefit scheme	11	11
Other employee expenses	7	6
Total	551	394

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.3 per cent of salary.

Superannuation expenses relating to the contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of the contribution scheme.

4.2 Depreciation and Amortisation

	2011	2010
	\$'000	\$'000
Depreciation – office improvements and plant and equipment	25	20
Amortisation – software	1	1
Total	26	21

4.3 Supplies and Consumables

	2011	2010
	\$'000	\$'000
Audit fees	11	9
Operating leases	65	61
Consultants	94	50
Property expenses	35	28
Communications	11	9
Information technology	42	40
Travel and transport	5	4
Plant and Equipment	21	8
Other supplies and consumables	13	13
Total	297	222

4.4 Other Expenses

	2011	2010
	\$'000	\$'000
Legal costs	1	16
Other Expenses	17	14
Total	18	30

Note 5 Assets

5.1 Receivables

	2011	2010
	\$'000	\$'000
GST Receivables	5	16
Other	-	1
Total	5	17
Settled within 12 months	5	17
Total	5	17

5.2 Intangible assets

	2011	2010
	\$'000	\$'000
Intangible assets		
Cost – case management system	4	4
Less Accumulated Amortisation	(2)	(1)
Total	2	3

Note: The software, acquired during 2008-09, is valued at cost and during 2010-11 the Board assessed the software as not being impaired. The software is being amortised over 4 years.

(a) Reconciliation of movements

	2011	2010
	\$'000	\$'000
Carrying amount at beginning of period	3	3
Amortisation expense	(1)	(1)
Carrying amount at 30 June	2	3¹

¹ Note that due to rounding, the closing carrying amount is still \$3,000.

5.3 Office improvements, plant and equipment

(a) Carrying amount

	2011	2010
	\$'000	\$'000
Office improvements		
At cost	85	65
Less: Accumulated depreciation	(30)	(14)
Total	55	51
Plant and equipment		
At cost	42	41
Less: Accumulated depreciation	(21)	(12)
Total	21	29
Total office improvements, plant and equipment	76	80

(b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of Office improvements, plant and equipment are set out below. Carrying value means the net amount after deducting accumulated depreciation.

2011	Office improvements \$'000	Plant & equipment \$'000	Total \$'000
Carrying value at beginning of the period	51	29	80
Additions	20	-	20
Disposals	-	-	-
Depreciation	(16)	(9)	(25)
Carrying value at 30 June	55	21	76

2010	Office improvements \$'000	Plant & equipment \$'000	Total \$'000
Carrying value at beginning of the period	58	37	95
Additions	5	-	5
Disposals	-	-	-
Depreciation	(12)	(8)	(20)
Carrying value at 30 June	51	29	80

Note 6 Liabilities

6.1 Payables

	2011	2010
	\$'000	\$'000
Payables	4	13
Other accrued expenses	16	5
Total	20	18
Settled within 12 months	20	18
Total	20	18

Settlement is usually made within 30 days.

6.2 Employee Benefits

	2011	2010
	\$'000	\$'000
Accrued salaries	8	10
Annual leave	27	19
Long service leave	5	5
Total	40	34
Settled within 12 months	23	24
Settled in more than 12 months	17	10
Total	40	34

Note 7 Cash Flow Reconciliation

7.1 Cash and Cash Equivalents

	2011	2010
	\$'000	\$'000
Operating Account	193	263
Total cash and cash equivalents	193	263

7.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2011	2010
	\$'000	\$'000
Net result	(95)	(157)
Non-cash items		
Depreciation and amortisation	26	21
Movements in operating assets		
(Increase) / Decrease in Receivables	11	184
(Increase) / Decrease in Prepayments	-	3
Increase / (Decrease) in Employee benefits	6	14
Increase / (Decrease) in Payables	2	(410)
Net cash generated from operating activities	(50)	(345)

Note 8 Financial Instruments

8.1 Risk exposures

(a) Risk management policies

The Board has exposure to the following risks from its use of financial instruments:

- liquidity risk; and
- market risk.

The Chairman has overall responsibility for the establishment and oversight of the Board's risk management framework. Risk management policies are established to identify and analyse risks faced by the Board, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Board's funding is legislated and therefore the Board does not have any material exposure to credit risk. The Board currently has no material exposure to market risks.

(b) Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Liabilities		
Payables	Payables are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Board becomes obliged to make future payments as a result of a purchase of assets or services.	Payables, including goods received and services incurred but not yet invoiced arise when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The Board's terms of trade are 30 days.

Monitoring of expenditure against budget is undertaken by the Board on an ongoing basis.

The following tables detail the undiscounted cash flows payable by the Board by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2011

	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
Financial liabilities			
Payables	20	20	20
Total	20	20	20

2010

	Maturity analysis for financial liabilities		
	1 Year	Undiscounted Total	Carrying Amount
Financial liabilities			
Payables	18	18	18
Total	18	18	18

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Board is exposed to is interest rate risk.

The Board's exposure to interest rate risk is considered to be minimal. All of the Board's interest bearing financial instruments are managed by the Westpac Bank.

At the reporting date the interest rate profile of the Board's interest bearing financial instruments was:

	2011 \$'000	2010 \$'000
Variable rate instruments		
<i>Financial assets</i>		
Cash and cash equivalents	193	263
Total	193	263

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Board's profit or loss and equity:

	Statement of Comprehensive Income		Equity	
	100 basis points increase \$'000	100 basis points increase \$'000	100 basis points increase \$'000	100 basis points increase \$'000
30 June 2011				
Cash in Special Deposits and Trust Fund	2	(2)	2	(2)
Net sensitivity	2	(2)	2	(2)
30 June 2010				
Cash in Special Deposits and Trust Fund	3	(3)	3	(3)
Net sensitivity	3	(3)	3	(3)

8.2 Categories of Financial Assets and Liabilities

	2011	2010
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	193	263
Loans and receivables	5	17
Total	198	280
Financial Liabilities		
Financial liabilities measured at amortised cost	20	18
Total	20	18

8.3 Net Fair Values of Financial Assets and Liabilities

2010

	Carrying Amount 2011 \$'000	Net Fair Value 2011 \$'000	Carrying Amount 2010 \$'000	Net Fair Value 2010 \$'000
Financial assets				
Cash and cash equivalents	193	193	263	263
Receivables	5	5	17	17
Total financial assets	198	198	280	280
Financial liabilities				
Payables	4	4	13	13
Other accrued expenses	16	16	5	5
Total financial liabilities	20	20	18	18

The Board does not have any financial assets or financial liabilities carried at fair value through the profit and loss or any available for sale financial assets.

Financial Assets

The net fair values of Cash and cash equivalents and Receivables approximate their carrying amounts as this is the amount the Board expects to be able to settle on these items.

Financial Liabilities

The net fair values for Payables and Other accrued expenses approximate their carrying amounts as this is the amount the Board expects to be able to settle on these items.

Note 9 Schedule of Commitments

	2011	2010
	\$'000	\$'000
By type		
<i>Lease Commitments</i>		
Operating leases	579	506
<i>Total lease commitments</i>	579	506
By maturity		
<i>Operating lease commitments</i>		
One year or less	88	61
From one to five years	312	233
Greater than five years	179	212
<i>Total operating lease commitments</i>	579	506

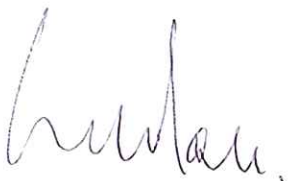
The Operating Lease commitments include buildings, motor vehicles and information technology equipment leases. All amounts shown are inclusive of GST.

Statement by Chairman and Executive Officer

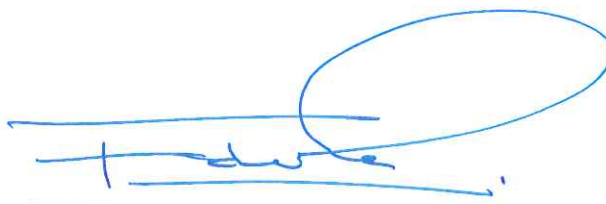
The accompanying Financial Statements of the Legal Profession Board of Tasmania are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the *Financial Management and Audit Act 1990* and Section 599 of the *Legal Profession Act 2007* to present fairly the financial transactions for the period ended 30 June 2011 and the financial position as at the end of the year.

At the date of signing, we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Date this 15th day of August 2011



William Bale QC
CHAIRMAN



Frank Ederle
EXECUTIVE OFFICER