

ANNUAL REPORT 2020



THE LAW SOCIETY
OF NEW SOUTH WALES

ACKNOWLEDGEMENT OF COUNTRY

The Law Society of NSW acknowledges the Gadigal people of the Eora nation, on whose land we reside. We pay respects to their elders past, present and emerging, and also to all Aboriginal and Torres Strait Islander Peoples.

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2019 Annual Members Dinner at Sydney Town Hall

ABOUT THE LAW SOCIETY

The Law Society can trace its origins back to 1842, when a small group of solicitors recognised the need “to promote good feeling and fair and honourable practice among members of the profession so as best to preserve the interests and retain the confidence of the public”.

Since then, the Law Society has been given increasing statutory powers and plays a diverse role in promoting and regulating the fair practice of law throughout NSW.

Now, more than 135 years after it was incorporated, the Law Society is the largest and most influential legal membership association in Australia.

The heart of the Law Society can be found in its motto, *omnium jura defendimus* – defending the rights of all. We support lawyers so they can defend the rule of law.

Our role is to act as co-regulator of the legal profession, ensuring solicitors meet the highest ethical and professional standards, and to serve as the representative voice of the legal profession.

We have a long, proud history of supporting, assisting, encouraging and advocating on behalf of our members.

Our responsibilities are numerous. We enhance the profession’s voice, encouraging debate, and actively drive law reform issues through policy submissions and open dialogue with government. We promote professional standards to ensure the community and the profession are well served by ethical and responsible solicitors.

We provide guidance and support to solicitors on all aspects of the *Legal Profession Uniform Law* and its associated legislation, as well as the myriad issues involved in practising law in NSW and beyond. We unite the profession, helping members stay in touch with legal developments and fellow solicitors through an unmatched range of publications, resources, events, networking opportunities, and regional law societies.

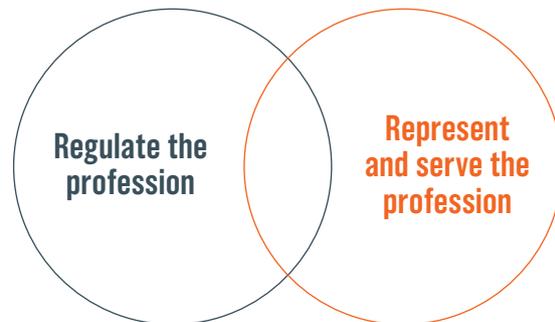
Welcome to the Law Society of NSW.

VISION

- To lead the profession
- To serve members
- To ensure a just legal system

MISSION

- Undertake activities and services determined by the needs and welfare of members
- Effectively represent the profession at government and community levels
- Ensure a competitive national profession
- Ensure the community is served by ethical, competent and independent legal practitioners
- Ensure the community has reasonable and affordable access to justice
- Advocate for ongoing reform of the law and the legal system



What we do

Regulate the profession: Endowed with co-regulatory duties with the Office of the Legal Services Commissioner, we promote professional standards, license solicitors to practise, investigate complaints and administer discipline to ensure that both the community and the profession are properly served by ethical and responsible solicitors.

Guide the profession: We provide confidential guidance to solicitors about all aspects of the *Legal Profession Uniform Law* and its associated legislation. To complement assistance across sensitive ethical and compliance issues, we also help solicitors comply with their professional development obligations.

Enhance the profession's voice: We act as the voice of the legal profession, representing the interests of more than 31,000 members. We encourage debate and actively drive law reform issues through policy submissions and open dialogue with governments, parliamentary bodies and the courts.

Unite the profession: We unite the profession, helping members across the state stay in touch with legal developments and with fellow solicitors through a range of publications, mentoring, professional development and networking opportunities and regional law societies.

Support members: We provide a wide range of services to our members to assist them in their professional and personal lives so they can provide better service to their clients and uphold the integrity of the profession.

Connect the profession and the community: We promote access to justice and ensure the general public can be easily connected to members of the profession when they require legal advice.

STRATEGIC PLAN 2019–22

The Law Society's Strategic Plan underpins the organisation's focus on fulfilling its regulatory functions, driving law reform and legal policy and providing services and support to the profession.

REGULATION

High professional standards and integrity within the profession

- **Support solicitors** to maintain the highest levels of ethical and professional standards, improving services for clients and the community
- **Undertake regulatory functions fairly and without bias**, promoting community and government confidence in the NSW regulatory framework
- **Help practitioners meet their regulatory obligations** by providing education and assistance in the areas of ethics, costs and regulatory compliance
- **Engage with other regulatory authorities** to ensure the ongoing success and efficacy of the NSW co-regulatory framework while maintaining the independence of the legal profession
- **Support the adoption of uniform legal profession legislation nationally** and advocate for regulatory legislative improvements when required
- **Support law practices seeking to draw on the experience of foreign lawyers**, including by advocating for appropriate changes to the regulatory framework, and promote international market access for NSW solicitors

ADVOCACY

Leadership in law reform and the rule of law

- **Promote and protect justice and the rule of law**, preserving the integrity of the legal system
- **Drive law reform and legal policy** in Australian and international arenas
- **Provide expert and technical assistance to government and Parliament** in the development of legal policy
- **Engage and empower the legal profession** via the Law Society's advocacy work
- **Educate and inform the community** about the law and legal issues, including the importance of the rule of law
- **Advocate for a well-resourced and accessible justice system**
- **Promote the value of the pro bono work the profession undertakes**
- **Advocate for regulatory policy and legislation which is accessible** and workable for members of the community and the solicitors advising them



VALUE

Excellence in service to
the profession

- **Communicate effectively with the profession** via multi-media channels catering to the diverse needs and preferences of all practice segments
- **Provide extensive, timely and varied content to educate, inform and inspire lawyers** at all stages of their careers, and support them in meeting compliance obligations
- **Facilitate networking opportunities** to sustain a strong community of lawyers linked by collegiality, mutual support and a foundational respect for the rule of law
- **Drive dialogue around and support services for the profession's wellbeing requirements**
- **Develop market- and thought-leading CPD**, conferences and events to support the profession's educational needs
- **Facilitate access to lifestyle and practice products** and services to assist members
- **Provide reliable and accessible practice and professional support services** for all practitioners



SUSTAINABILITY

A relevant and
viable association
for the profession

- **Help practitioners to adapt and innovate in the face of change affecting the profession**, including by exploring new types or ways of delivering legal services
- **Pursue opportunities for collaboration with professional, academic and other Australian and international organisations** which share the Law Society's objectives
- **Promote the profession as one of distinction**, actively demonstrating its value and contribution to the community
- **Champion diversity and inclusion in legal practice** by supporting attraction and retention strategies and reporting on the demographics of the profession
- **Maintain an internal culture that reflects the values of the profession**, including advocacy for the rule of law and professional integrity
- **Diversify revenue streams** through the growth of existing and the introduction of new services beyond those currently offered to our members
- **Ensure ongoing financial strength and viability** through increased operating efficiency, prudent investment and strategic resource allocation, and continued improvement in governance and risk management processes



Annual Corporate and Commercial Law Conference

YEAR IN REVIEW

July 2019

- 2 Associate Member Event – Future-proofing your career in the legal profession
- 4 Women in Leadership in Law
- 17 New Admittees Orientation and Networking Reception
- 19–21 #InnovateLaw2019 Hackathon
- 24 NSW Young Lawyers (NSWYL) The Opal Tower: Ask an Expert Panel
- 25 FLIP Conference and Innovation Dinner

August 2019

- 1 Us too? Bullying and sexual harassment in the legal profession
- 5 Thought Leadership Series: A Magnitsky Act for Australia
- 9–10 Specialist Accreditation Conference

19–23 Just Art Competition and Exhibition

- 22 Bill Grant Access to Justice Oration
- 28 FLIP Buzzwords: New Law
- 31 NSWYL Young Professionals Charity Ball

September 2019

- 2 General Counsel Forum
- 3 Government Solicitors Conference and Awards
- 16 50 Year Members Lunch
- 17 Thought Leadership Series: Is biology destiny?
- 19 NSWYL Patron Address: State of the profession
- 19 *LSJ* named Member Magazine of the Year for the third time at the 2019 Mumbrella Publish Awards
- 24 Charles Richard Xuereb Oration

October 2019

- 9 FLIP Buzzwords: Cloud
- 24 Annual General Meeting
- 24 Annual Members Dinner
- 25 Rural Issues Conference
- 29 Annual Corporate and Commercial Law Conference

November 2019

- 9–10 NSWYL Annual Assembly
- 14 New Admittees Orientation and Networking Reception
- 18 Thought Leadership Series: Smart law for deep space
- 20 Protecting a Whistleblower – Is your organisation ready?
- 27 A night of Just Music
- 28 Improving accessibility and inclusion for people with a disability in the legal profession



Clockwise from top left: International Women's Day, Improving accessibility and inclusion for people with a disability in the legal profession, Specialist Accreditation Conference, and Annual Members Dinner.

December 2019

- 2 General Counsel Forum
- 3 FLIP Buzzwords: Change Management
- 6 Local Government ICN Meeting
- 31 Over \$14,000 raised for the 2019 President's Charity, Our Watch

January 2020

- 7 Launch of Disaster Response Legal Service
- 30 NSWYL 2020 Launch

February 2020

- 5 Opening of Law Term Dinner
- 11 Opening of Law Term Religious Services
- 26 FLIP Buzzwords: LawTech

March 2020

- 3 Virtual Sydney Law Careers Fair
- 10 Home Alone? How to 'own' your in-house role and stay ethically sound
- 16 International Women's Day event
- 16 CEO Michael Tidball announces resignation
- 16 All Law Society CPD courses and events transition to online
- 24 Launch of COVID-19 Daily Updates
- 31 \$10 Membership Fee announced for 2020–21

April 2020

- 24 NSWYL Happy Hour Trivia – Questions of Law with Julian Morrow
- 29 FLIP Stream – Change Leadership for Lawyers

May 2020

- 12 FLIP Buzzwords: Design Thinking
- 19 Climate Culture and Corporations: How concerned should in-house lawyers be?

June 2020

- 12 Launch of Dining Room Delivers to support FoodBank
- 13 NSWYL Mid-Year Assembly
- 19 NSWYL Golden Gavel Competition

PRESIDENT'S REPORT



The viability of legal practice, recognising the value, skills and expertise of our profession and supporting the health and wellbeing of solicitors were the three key priorities for the Law Society during 2019–20, all within the context of one of the most challenging periods in the history of our association, and our nation.

As President, I have been committed to working with and on behalf of our state's legal practitioners, regardless of what area of law they specialise in, the size of their practice or where it is located. My goals have been to strengthen the role of our profession as we move into the future, embracing and making the most of innovation to work more productively and with the best interests of our clients at heart.

However, when I embarked on my term as President with these goals in mind, I could never have envisaged the depth and breadth of the challenges and disruptions that we, as members of the community and the profession, would encounter – from initially dealing with the aftermath of drought, bushfires and floods in our home state to the devastating impact of the COVID-19 pandemic.

Responding to the challenges of the times

Throughout the pandemic, the Law Society continued to adapt its modus operandi for the benefit of our members; from moving the bulk of our Continuing Professional Development (CPD) program online, to creating a dedicated COVID-19 portal on our website and a Daily COVID-19 e-newsletter to ensure members had access to the most relevant information on the delivery of legal services, the operation of the courts and the sustainability of law practices during the lockdown.

We also took the unprecedented step of reducing the Law Society membership fees to just \$10 for the upcoming 2020–21 financial year – a one-off decision that was designed to provide our solicitor members with both financial relief and a sense of certainty about remaining connected with our legal community at a time when they needed it the most.

It was heartening to witness the resilience of our profession during this time, cognisant as I was of the challenges that many legal practitioners were dealing with – loss of income, remote working, social isolation, disruptions to the operation of the courts and increased reliance on online technology to practise law.

I would also like to take this opportunity to acknowledge the way the legal profession responded to the bushfire crisis that preceded the pandemic, and the cooperation which took place between the Law Society, the Bar Association and Legal Aid in providing pro bono assistance to the many individuals, families and communities that were impacted.

Access to justice

As a peak professional association, one of the Law Society's key functions is to initiate and shape debate about law reform and the administration of justice in this state. This advocacy work is informed by the Law Society's 18 specialist committees which bring together solicitors from all areas of practice to examine legislative and law reform proposals, court practice and procedure and general practice issues. Through their regular submissions and public statements, our policy committees have helped establish the Law Society as a highly respected commentator to government on legal matters.



2020 Opening of Law Term Dinner

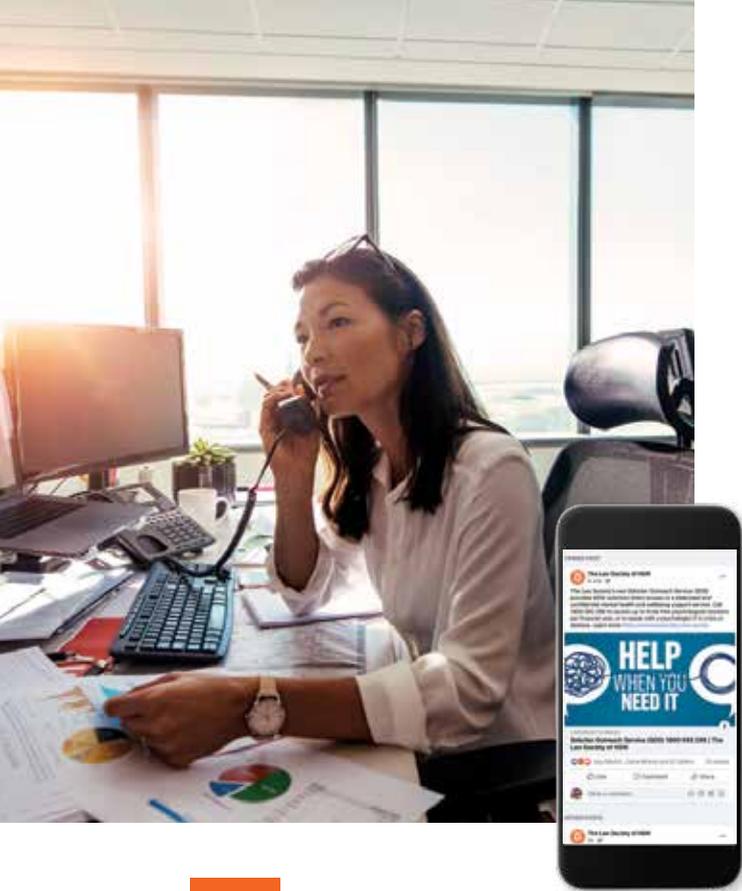
We also took the unprecedented step of reducing the Law Society membership fees to just \$10 ... to provide our solicitor members with both financial relief and a sense of certainty about remaining connected with our legal community at a time when they needed it the most.

A significant achievement to come out of the Law Society's ongoing advocacy work in 2019–20 was the NSW Government's long-awaited announcement of an additional \$88 million for Legal Aid funding over the next four years. Other key priorities in the advocacy space during 2019–20 included our ongoing push for the expansion of the Drug Court and increased residential drug and alcohol facilities in country NSW, calling for additional early intervention services and justice reinvestment strategies to reduce the disproportionate

rate of Indigenous people in our criminal justice system along with extensive submissions via the Law Council of Australia in relation to the revised Closing the Gap Agreement, sexual harassment in the legal profession, raising the age of criminal responsibility, and national uniform defamation laws.

Of particular note was the Law Society's extensive engagement with the NSW Government in relation to the witnessing or attestation of important legal documents during the COVID-19 lockdown. As a result, a regulation making power was added to the *COVID-19 Legislation Amendment (Emergency Measures) Act 2020* which allowed for the witnessing and attestation of legal documents, such as affidavits and statutory declarations, to be conducted electronically during the pandemic. I would like to thank the Attorney General, the Hon Mark Speakman SC, for moving so quickly to enact these provisions.

I would like to acknowledge and thank those members of our profession who have volunteered to serve on our policy committees during the reporting year, especially as we dealt with major regulatory and procedural changes during the pandemic. Whatever the issue; class action litigation funding, national defamation laws, e-conveyancing, family law reform or public health orders, our committees continue to allow us to display leadership in law reform and advance and protect the rule of law.



... The launch of SOS (Solicitor Outreach Service) came at a time when some members of the legal profession were at heightened risk due to the unpredictability about the scale, duration and impact of COVID-19 ...

Future-proofing our profession

During the reporting period, we continued with our extensive and highly successful Future of Law and Innovation in the Profession (FLIP) initiatives and FLIP Stream research, with an eye to helping solicitors harness technology and innovation to support the viability of their legal practice and foster their practice management skills, thereby enhancing the services they provide to their clients and the community.

In the face of lockdown measures, we quickly adapted our FLIP program for 2020, converting face-to-face events that would have been held at 170 Phillip Street to webinars that could be watched live or on-demand regardless of where members were located. This move to an online program of events and the opportunities it provided to engage en masse with our profession was a silver lining of the lockdown measures.

Mental health and wellbeing

One of my key goals as President was to launch a range of mental health initiatives that would help our profession cope with the challenges of legal practice in 2020. In the reporting period, this included the employment of a new Wellbeing Coordinator at the Law Society, ramping up our CPD offering in this space, and the launch of a new Solicitor Outreach Service (SOS). The SOS provides NSW solicitors with up to three one-on-one psychological sessions each year, at no cost, immediate telephone counselling with a psychologist for NSW solicitors in an acute crisis or distress via a new 24-hour hotline, and access to ongoing care and counselling.

Significantly, the launch of SOS came at a time when some members of the legal profession were at heightened risk due to the unpredictability about the scale, duration and impact of COVID-19, along with other factors such as the challenges of working remotely, loss of income, and the social impact of physical distancing requirements. As part of our COVID-19 measures, we also created a new Wellbeing Portal for the profession with guidance on remote working, accessing support, and dealing with 'COVID-19 anxiety'.

President's charity

In 2020, I set out to promote awareness and raise funds for Foodbank ACT/NSW, Australia's largest food relief organisation and the only charity to play a role in times of emergency and natural disasters such as fires, floods and drought. Foodbank's ongoing role in providing food to vulnerable families and communities impacted by the worst drought in our state's history, their pivotal involvement in the bushfire recovery efforts and their efforts in providing food to Australians in need during the pandemic has placed extraordinary demand on the organisation's resources during the past 12 months.

As part of our support for Foodbank, I was pleased to launch the Law Society's new home delivery food service, 'Dining Room Delivers'. As well as providing an affordable and delicious home-delivery food option during the pandemic, all profits from 'Dining Room Delivers' went directly to Foodbank to help individuals and families in need.

Recognising members



From left to right: 2019 President's Medal winner **Jason Behrendt**, with **Anne O'Donoghue** (not pictured) highly commended; John Hennessy Legal Scholarship winner **Sophie Heithersay**, and Michelle Crowther Excellence Award winner **Susai Benjamin**.

Conclusion

I would like to acknowledge and thank my team of 21 Law Society Councillors and the members of our 27 Law Society Committees who generously committed countless hours of their time and expertise during the reporting year.

My sincere thanks to the 2019 President, Elizabeth Espinosa, for all that she accomplished on behalf of the state's solicitors during the first half of the reporting period. I extend my congratulations to Elizabeth on her appointment as a Commissioner of the NSW Land and Environment Court, which was announced in June 2020.

I acknowledge and thank Chief Executive Officer Michael Tidball for his guidance and his commitment to the legal profession during his past 20 years at the Law Society, 14 of those as CEO. In March 2020, it was my duty to announce that Michael would be leaving the Law Society to take up a new position as CEO of our national body, the Law Council of Australia. During his tenure as CEO, Michael always had the best interests of the Law Society, and our profession, first and foremost in his mind. He has been an effective, respected and highly-regarded leader

who brought vision, dedication, exceptional strategic skills and considerable energy to the role. While I was incredibly sad to see Michael depart, he left with our gratitude for his tireless efforts and contribution and our best wishes for his continued success.

I would also like to acknowledge and thank the Law Society's leadership team, supported by the entire staff at 170 Phillip Street. It is not insignificant that the Practising Certificate and Membership Renewal, one of the busiest and most intense periods of the reporting year, took place during the height of the COVID-19 restrictions when most of our staff were working from home. I commend all Law Society staff for their continued professionalism and dedication to responding to and supporting our profession, especially during the COVID-19 crisis.

A handwritten signature in black ink, appearing to read 'R Harvey'.

Richard Harvey
President

CEO'S REPORT



The 2019–20 reporting year has represented a period of unique circumstances for the Law Society of NSW. Throughout the year, the Law Society successfully embarked on a very full program of legal advocacy and representation and sought to deliver high-quality support and leadership to our state's diverse profession of 36,000 solicitors. As always, it did this with creativity and innovation, but also with an eye to the many lessons learnt as a resilient and enduring legal association.

The emergence of the COVID-19 pandemic in early 2020 represented a watershed moment across the world, and inevitably compelled the Law Society to respond distinctively and quickly. The many impacts of the crisis led us to introduce a one-off \$10 membership for the year and a COVID-19-specific communications plan with the profession, as well as other initiatives. The prescience of our FLIP program came into its own and a technology-enabled profession was supported by the Law Society to adapt to the ubiquitous online and digital environment in a highly effective manner. The many achievements throughout this period of disruption and hardship reflect favourably on the profession and the Law Society.

The success of the Law Society in remaining connected to and working with a profession which has been placed under enormous pressure during this historic crisis has been impressive. In saying this, it must be recognised

This is my final message as CEO of the Law Society of NSW. It has been an immense privilege to have served as CEO of one of the most regarded and enduring legal associations of scale in the world.

that this is an event which will be recorded in history as producing exceptional hardship; and our thoughts go out to the many solicitors who are struggling as a result of the pandemic.

Financial performance

The Law Society group finished the 2019–20 financial year with a net deficit of \$2.7 million, which represents the consolidated entity's first reported loss in 15 years. This is largely the result of significantly reduced investment and interest income, which have been adversely affected following the impact of the COVID-19 pandemic on investment markets globally and what are now historically low interest rates in Australia. In addition to this, an increased claims expense reported by Lawcover Insurance, following that company strengthening its claims reserves in relation to prior years, has also contributed to the group's overall deficit result.

Despite this, the group's reported net asset position has again improved, to be \$271.0 million as at 30 June 2020. This is a \$3.1 million increase on the net asset position reported 12 months earlier, and has largely been driven by a revaluation of the Society's building at 170 Phillip Street. Both the Law Society and Lawcover Insurance remain in excellent financial health, and are well positioned to continue servicing the legal profession and achieving their respective strategic objectives well into the future.

Additional information pertaining to both the Law Society and consolidated group financial reports can be found in the Treasurer's report and accompanying concise financial statements.



2020 FLIP Buzzwords: LawTech

Legal policy and representation

The Law Society continued its advocacy on behalf of the profession across a range of topics in 2019–20. Over the course of the 2019–20 year, we contributed across a range of areas, making over 200 submissions, many on major law reform issues that will affect the profession and the future of legal practice, including class actions and litigation funding, e-conveyancing and efforts to introduce interoperability between Electronic Lodgment Network providers, the introduction of a combined workers compensation and compulsory third-party dispute resolution tribunal, family law reform, and Legal Aid fees.

We also engaged in a range of high-profile policy reforms, providing the expert technical advice that governments need to avoid unintended consequences. Submissions were made on the major reforms to the building and construction industry, criminal procedure reforms, the age of criminal responsibility, and changes to anti-discrimination legislation.

The first half of 2020 was, of course, dominated by COVID-19, and the response of governments, the courts and the profession to the challenges posed by this generational event. The Law Society engaged directly with government and the courts from the outset of the pandemic being declared, participating in the design of regulatory and procedural changes to keep the legal

The prescience of our FLIP program came into its own and a technology enabled profession was supported by the Law Society to adapt to the ubiquitous online and digital environment in a highly effective manner.

system functioning despite rapid and seismic upheaval. We provided advice to ensure that, to the greatest extent possible, systems were put in place to enable the profession to continue acting on behalf of their clients in a safe manner. Once the initial crisis subsided, we focused our attention on frequently reviewing the temporary measures in place, providing feedback designed to ensure the system functioned as well as possible, and evaluating whether alternative arrangements should be maintained, extended or even made permanent when some semblance of routine operation returns.



2019 FLIP Buzzwords: Change Management

Continuing Professional Development

The Law Society's Professional Development team supports the continuing professional development needs of the legal profession in areas of compliance and ethical responsibilities. Over the past year, the Law Society has delivered hundreds of CPD offerings across all four mandatory knowledge areas. Due to COVID-19, CPD has been delivered exclusively online since mid-March 2020, which has included hot topic webinars, virtual workshops, and our three-day online Practice Management Course in addition to our suite of eLearning modules. Our CPD program is one of the largest in Australia and is accessible via our LawInform portal, which is unique in providing free CPD points tracking for members.

In addition to our regular CPD offerings, the Professional Development team also holds three annual conferences to meet the needs of different membership segments, which will be delivered differently this year. In September, the Law Society will host a Government Solicitors Week over five days, replacing the annual Government Solicitors Conference. Practitioners will have access to an extensive program of online sessions and panel discussions, which

can be watched online in real time or on demand. Rural Issues Day will be held on 23 October and will include seven CPD units of seminars on topics that are uniquely relevant to regional and rural practitioners. The highly regarded Specialist Accreditation Conference will be held from 23 – 27 November 2020, with a different conference stream each day. It will provide delegates with 10 CPD units of substantive law in their area of specialisation. Throughout the remainder of 2020, Professional Development will continue to explore innovative ways of delivering and expanding its offerings to meet the varied educational needs of the profession.

Professional standards

The Law Society continues to exercise its functions as a co-regulator of the NSW legal profession, consistent with the principle of taking responsibility for ensuring the highest ethical and professional standards. We continue to engage with the profession in this function and play a leading role with other regulators around the country to strengthen our regulatory environment. The Law Society is currently undertaking a program of work to improve its systems, processes and the quality of regulatory decision making.



16,860

referrals were made by the Solicitor Referral Service



699

applications received for the Pro Bono Scheme



200+

submissions were made on major law reform issues



145

CPD courses were delivered during 2019–20

Throughout the year, the Law Society successfully embarked on a very full program of legal advocacy and representation and sought to deliver high quality support and leadership to our state’s diverse profession of 36,000 solicitors.

Future of Law and Innovation in the Profession

The Law Society plays a leading role in mediating technology-related change through relationships with our members, the profession, the public and government. Our work fulfilling the 19 recommendations from the Law Society’s Future of Law and Innovation in the Profession (FLIP) Report continued unabated in the first half of the 2019–20 financial year, the highlights being the hugely successful annual FLIP Conference and Innovation Dinner on 25 July 2019 and the #2019Innovatelaw Hackathon event.

As the COVID-19 pandemic unfolded in 2020 and lockdown measures took effect, the Law Society had to move quickly to create a revised program of online FLIP events aimed at helping the legal profession leverage and embrace the opportunities that technology and innovation can provide.

The FLIP program in the first half of 2020 included six “Behind the Buzzwords” webinar sessions on LawTech, Design Thinking, Strategy, Process Mapping, Internet of Things and Sustainability. There were also two webinar panel sessions on “the multi-disciplinary legal profession” and “The purpose v practice of law”.

In April 2020, the Law Society’s five-year FLIP Stream collaboration with the University of NSW, released the findings from its 2019 research on Change Leadership. Two webinar sessions on Change Leadership for Lawyers and Change Leadership for Small Firms have been planned for 2020, as part of the revised FLIP program.

NSW Young Lawyers

NSW Young Lawyers continues to support its community of students, solicitors, and barristers through a wide variety of flagship events, submissions, and publications. Some of the notable events executed in the second half of 2019 included a panel session on the Opal Towers crisis, the 2019 Young Professionals Charity Ball held in August and the Annual Assembly in November. Despite the many challenges that the COVID-19 situation created in 2020, NSW Young Lawyers used this unprecedented situation as an opportunity to innovate, not only in the adaption of its existing offering to digital platforms, but in the implementation of various new initiatives. Some of these included the adaption of both the NSW Golden Gavel Competition and the NSWYL Mid-Year Assembly to online events, as well as the introduction of an eight-week online trivia series hosted by Julian Morrow called “Happy Hour – Questions of Law”.



The May 2020 issue of *LSJ* and a new Daily Update e-newsletter sent to all members with critical COVID related content.

The emergence of the COVID-19 pandemic in early 2020 represented a watershed moment across the world, and inevitably compelled the Law Society of NSW to respond distinctively and quickly.

The Graduates Department implemented and held new and existing events in 2020, moving many programs online in light of COVID-19. The annual Sydney Law Careers Fair, usually held at the ICC Sydney, was held online in partnership with Prosple, with 38 law firms and organisations exhibiting, and more than 950 student attendees logging-in on the day to chat with exhibitors. Furthermore, in the absence of the Career Fair presentations, Marsdens Group and MBS Recruitment led an online presentation via Zoom, with more than 130 registered attendees jumping online on the day.

The Graduate and Clerkship program ran on LegalVita, with 18 law firms advertising a Graduate or Clerkship position. The Department also implemented the Future Lawyers Program, commencing in April after the Mock trial Competition was disbanded. 450 students participated in the weekly quiz over six weeks, with a student from Sydney Boys High School taking the title of 'top student' with the highest mark. Lastly, in mid-June, the Mock Trial competition was reconvened, moving partially online with 98 schools across NSW going ahead with the competition.

Engaging with the profession

The 2019–20 year was a busy one for the communications, marketing and publications teams. Strong engagement was maintained across our primary publications, including Monday Briefs and *LSJ*, with *LSJ* Online audiences growing steadily. Interestingly, print engagement is not declining despite members now having a digital option. The emergence of COVID-19 earlier this year saw the launch of a new Daily Update e-newsletter sent to all members with critical COVID related content. This immediately had very high engagement and overwhelmingly positive feedback, indicating that members valued having all relevant COVID information available in one spot. Ongoing improvements have been rolled out to the Law Society website, brand guidelines, and internal communications.

The Law Society continues to pursue partnerships to expand the range of benefits relevant to members' lifestyles, and personal and business needs through our Member Connexions and Practice Connexion programs. Our most recent additions include Bupa, Legal Home Loans, The Iconic and Noble Oak.

Pro bono

The demand for pro bono services continued to grow in the reporting period, with more vulnerable and disadvantaged people turning to the Law Society for help. The Law Society's Pro Bono Scheme received 699 applications in 2019. 374 or 53 per cent of those applications were referred for pro bono legal assistance, with most applications relating to family law, followed by criminal law, and wills and estates. There is an ongoing demand for the Law Society's Solicitor Referral Service, which provided a total of 16,860 referrals to members of the public seeking access to legal services in 2019.

Conclusion

Throughout the reporting year, the Law Society of NSW has been well led by Presidents Elizabeth Espinosa and Richard Harvey. I acknowledge the leadership and contribution of each of them and their respective commitment to the time-honoured principles, foundations and mandate of the legal profession, in its pursuit of the rule of law.

This is my final message as CEO of the Law Society of NSW. It has been an immense privilege to have served as CEO of one of the most regarded and enduring legal associations of scale in the world.

I wish to place on the record my gratitude to the Presidents, Councillors, Regional Society Presidents, and the hundreds of committee members with whom I have interacted throughout my tenure.

It has fallen on me to lead the staff team in Phillip Street, and I could not have been supported by a more committed and capable group of individuals. The stewardship of the Law Society requires vision, dexterity and innovation. It also requires integrity and a strong service ethic if we are to demonstrate and project the great foundations of the legal profession in serving the community.

I do wish to thank the senior staff of the Law Society for their commitment and dedication. To our COO, Kenneth Tickle, I place on the record my gratitude for his relentless commitment and loyalty to the Law Society and the profession. Similarly, I do thank the rest of the leadership team for their contribution. Notably: Mark Johnstone, Director of Policy and Practice; Heather Moore, Senior Manager, Strategy and Projects; Claire Chaffey, Director of Content and Communications; Lee Bustin, Chief Information Officer; Sophia Alifierakis, Executive Manager, Corporate Services; Anthony Lean, Director of Legal Regulation and Terrie Gibson, Director of Licensing and Registry. The Law Society's pivotal role in our community is only reflected when it is able to find voice in an effective way on the issues for which the profession stands. To this end, I thank Sue Finn for her excellent contribution as Media Advisor and support to me over a number of years. In this final message, I do also wish to express my gratitude to my Executive Assistants, Amanda Rickersey and Brooke Thomas, who have supported me in recent times.

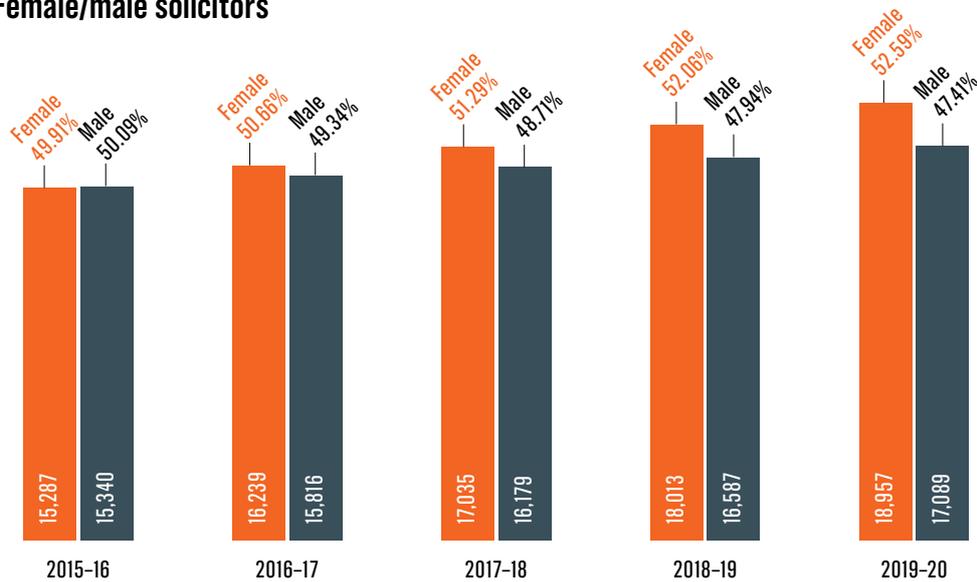
The Law Society of NSW is an institution like none other and it remains for me to wish it a rich future in which it clings tenaciously to the principles which motivated its founders.



Michael Tidball
Chief Executive Officer

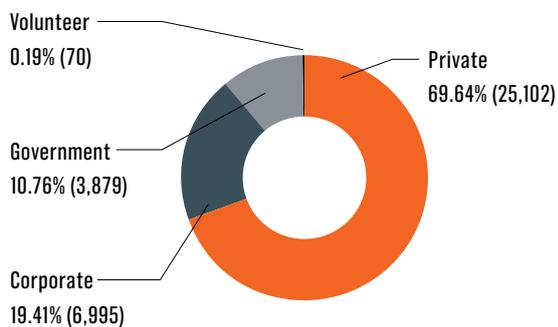
PROFILE OF THE PROFESSION

Female/male solicitors

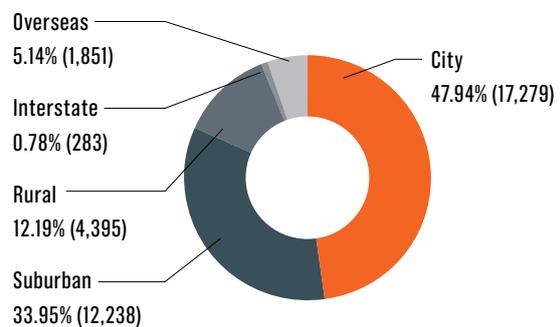


This snapshot of the profession reflects data from the Law Society Registry on 30 June 2020.

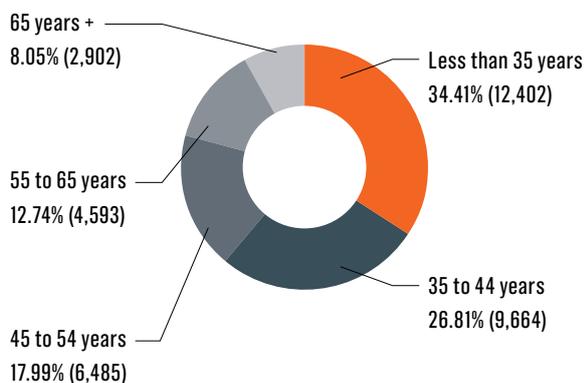
Category of solicitors



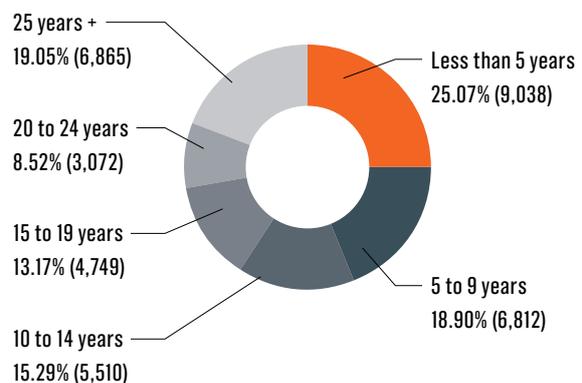
Location of solicitors



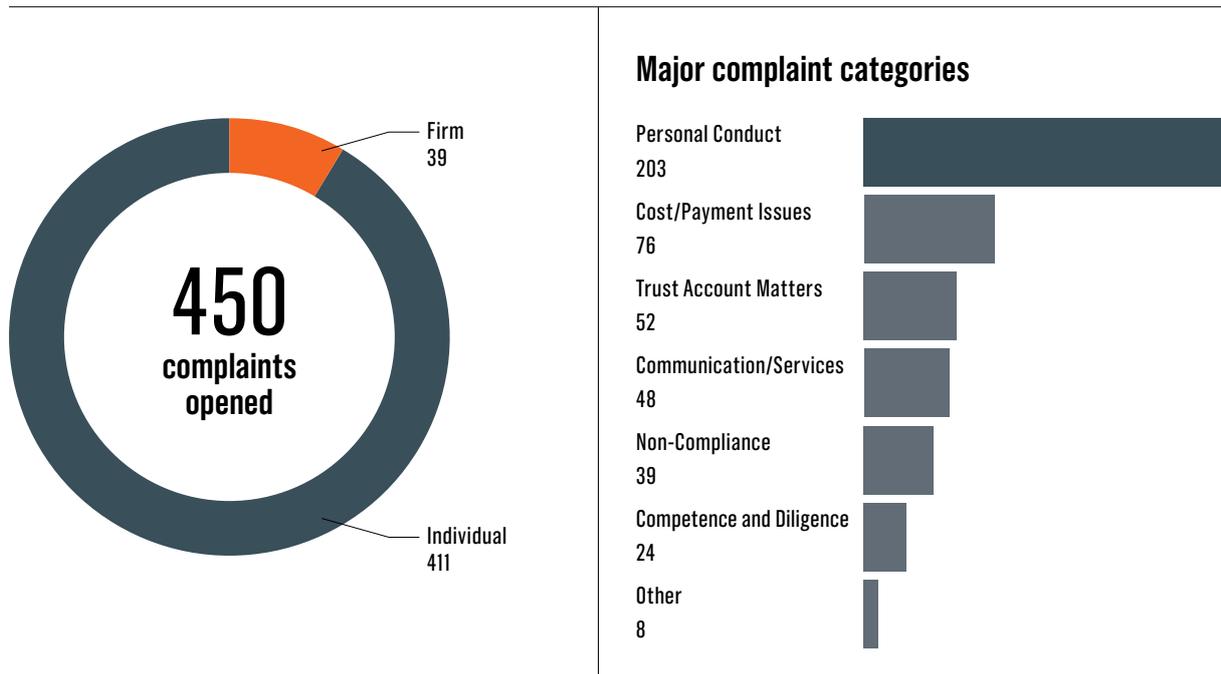
Age of solicitors



Experience of solicitors



COMPLAINTS AGAINST SOLICITORS



Complaints opened, by practitioner's area of law

Civil Litigation	100
No Area of Practice	65
Commercial Law	63
Conveyancing/Real Property	59
Advocacy	37
Administrative Law	35
Criminal Law	24
Banking/Finance	19
Family Law	18
Commercial Litigation	11
Personal Injury	6
Employment/Industrial Law	3
Corporate Law	2
Immigration Law	2
Other	2
Wills & Estates	2
Litigation-General	1
Taxation	1

Complaints opened, by solicitor type

Principal of a law practice	273
Employee of a law practice	80
Not Practising/Ceased Practising	45
Complaints against Firms	39
Government Legal Practitioner	7
Corporate Legal Practitioner	6

Complaints opened, by type of complainant

Third Party (Other Side)	149
Client/Former Client	116
Third Party	74
Solicitor	47
Law Society	14
Barrister	14
Solicitor on behalf of Client	12
Beneficiary	10
Government Dept	6
Other	4
Legal Aid Commission	3
Judge	1

The Law Society's Professional Standards Department investigates complaints which have been made against solicitors.

LAWCOVER CEO'S REPORT



I am pleased to provide my eighth and final Lawcover Insurance report for the 2020 Law Society Annual Report. The year ending 30 June 2020 has been one of significant challenge for everyone due to the COVID-19 pandemic. It is pleasing that despite those challenges, Lawcover has continued to provide its professional indemnity and claims prevention activities without notable impact on delivery. I can attribute that to a strong business continuity plan and a committed Lawcover team.

The full effect of the pandemic on our insured law practices remains to be seen but we have been pleased to provide premium relief and financial hardship assistance to those who require it.

Lawcover has ended the financial year in a strong position, with continued stability in the claims portfolio and significant participation by the profession across the broad range of our Risk Management Education Program activities. Our new online education programs are proving very popular with lawyers.

Despite the challenges of the current environment, Lawcover will continue to focus on delivering absolute value given that professional indemnity insurance (PII) is a necessity rather than a choice for law practices. Our value proposition remains focused on these six key areas:

- **Informing** through various media channels
- **Supporting** through practice support services, claims management and advice
- **Protecting** through financial strength backing a broad PII policy
- **Engaging** through risk management and claims prevention programs and workshops

- **Connecting** through online facilities to make our interactions quicker and more efficient
- **Participating** to champion the interests of the legal profession within the insurance environment

Lawcover's role extends beyond that of a simple transaction-based professional indemnity insurance company. By our corporate structure as a wholly owned, but independent subsidiary of the Law Society of NSW we are a part of the legal profession and we have both the desire and the obligation to serve and meet the needs of the profession. This extends to the objective that Lawcover operates within a framework which is in the best interests of the legal profession and consumers of legal services.

This framework ensures that Lawcover seeks appropriate outcomes in the management of claims arising from allegations of negligence – by rigorous defence of unmeritorious claims but also quick and fair compensation for legitimate claims.

Financial performance

The reporting year to 30 June 2020 has delivered solid financial performance in the face of the challenges of the pandemic. The company has delivered a small pre-tax loss for the year of \$2.8 million, largely due to strengthening of prior year reserves and the implementation of our sustainable premium strategy.

Lawcover's Board and Executive continues to focus on deliberate capital management strategies to ensure efficient use of capital. We do this by:

- Actively managing the company's capital position within regulatory tolerances and to the company's risk appetite
- Ensuring premium revenue is set at levels which reflect the capital requirements of the company and the objectives of our sustainable premium strategy
- Managing the company's investment strategy to ensure an appropriately balanced portfolio within the company's risk appetite
- Maintaining appropriate levels of aggregate stop loss reinsurance protection

Our focus is to maintain prudential capital management and risk management in order to provide certainty, stability, availability and affordability of insurance.

During the year, Lawcover facilitated a return of capital of \$10 million to the Law Society of NSW. This, together with the small operating loss has reduced the company's net

Claims and circumstances at 30 June each year

	2020	2019
Circumstances	359	450
Claims	306	308
Total	665	758

Percentage of notifications – area of practice

Area of practice	% of total reported 2020	% of total reported 2019
General commercial	9	12
Sale and purchase of business	2	1
Conveyancing	26	26
Leases	4	5
Mortgages and commercial borrowing	4	5
Tort and workers compensation	3	4
Out of time – personal injury	4	4
Out of time – other	2	1
Litigation	22	17
Matrimonial	8	7
Probate and wills	11	10
Others – incl. criminal, immigration, defamation and revenue	5	8
	100%	100%

assets, but Lawcover remains in a very strong position and well above its regulatory capital requirement. At 30 June 2020, Lawcover's net asset position was \$159.1 million.

Premiums and cost of insurance

Keeping premiums affordable and sustainable is one of our business goals. The COVID-19 pandemic created a range of challenges for everyone this year. Lawcover's premium relief package responded to issues of financial uncertainty and hardship by law practices.

Notifications (claims and circumstances)

As the number of lawyers insured by Lawcover continues to grow at approximately 4% per annum, over time we have seen a corresponding increase in circumstance notifications reported. However, in the last quarter of 2019–20 we have experienced a drop-off in circumstance notifications, almost certainly influenced by the pandemic. A total of 665 notifications were received in the year to 30 June 2020 compared with 758 in the year to 30 June 2019.

However, over the year the number of claims reported was 306 compared with 308 in 2019. Over the last eight years the number of active claims under management at 30 June has remained stable at around 300.

Percentage of notifications – area of practice

The table above presents the percentages of notifications by area of practice for the year ended 30 June 2020 with

comparisons to the prior year. This provides further evidence of the underlying stability of the claims portfolio.

We continue to monitor emerging trends in claims and circumstances and, where appropriate, target areas of concern through risk analysis and targeted claims prevention strategies.

Summary

As this is my final report to the Law Society, I wish to thank the Lawcover Board and the entire Lawcover team for their dedication, professionalism and support over the last eight years. It has been a privilege and a highly rewarding experience to lead such a unique and successful organisation. Under the leadership of my successor Kerrie Lalich, Lawcover is in safe and competent hands.

I would like to acknowledge Michael Tidball, who was always a stalwart for Lawcover's vision and purpose. As a representative director on the Lawcover Board he brought insight, engagement and good humour to the role.

It is also important to acknowledge the ongoing support of the legal profession. With that support, Lawcover will remain a strong organisation, operating from a secure financial position and maintaining a commitment to purpose.

Michael Halliday
Lawcover Chief Executive Officer

NSW YOUNG LAWYERS PRESIDENT'S REPORT



2020 Charity

Environmental Defenders Office



2020 Patron

The Hon. Justice Lucy McCallum of the Supreme Court of New South Wales

NSW Young Lawyers represents law students, law graduates, and solicitors and barristers under the age of 36 or in their first five years of practice, and as such has an eligible membership of well over 15,000 lawyers and law students across the state.

The organisation serves and connects its membership not just through centrally-organised events and programs, but also through a wide variety of projects provided through NSW Young Lawyers' 15 committees and numerous working groups. By providing forums through which the organisation's membership can network, develop their skills, and support one another, NSW Young Lawyers supports the junior members of the profession to grow into its future leaders.

While primarily volunteer-driven, NSW Young Lawyers could not do what it does without the support given to it by the Law Society of NSW and its team of full-time staff including Linda Cazzolli, newly-appointed Manager of NSW Young Lawyers and Graduate Services, Samantha Newman, Events and Committee Coordinator, Dan Condon, Events Coordinator, and Anwen Gardner, Graduate Services Coordinator.

Each year, the NSW Young Lawyers membership selects a charity to support for the calendar year together with a patron. The 2020 charity is the Environmental Defenders Office and the 2020 patron is the Hon. Justice Lucy McCallum of the Supreme Court of New South Wales.

Adapting to COVID-19

NSW Young Lawyers has not only adapted to the challenge posed by COVID-19, but has grown the stronger for it, having transitioned its events and services online.

As social distancing requirements and work-from-home orders have made life and legal practice all the more isolating, the engagement by members has only increased. Attendances at committee meetings (now held online) have sharply increased, subscriptions to our online communications are at all-time highs, and our members have embraced our new online events as a way to stay in touch and be engaged in these socially-distanced times.

Services to the profession

Mentoring – The NSW Young Lawyers Mentoring Program connects young lawyers with experienced practitioners. From its beginnings in 2008 with 15 pairs of mentors and mentees, the program has greatly grown over time, with a total of 82 pairs connected in 2020 from around the state.



Attendances at committee meetings (now held online) have sharply increased, subscriptions to our online communications are at all-time highs, and our members have embraced our new online events as a way to stay in touch ...

There is also a separate Graduate Mentoring program pairing final year law students and first year graduates with young lawyers. A total of 107 pairs of mentors and mentees were matched through this program in 2020.

We are very grateful to our mentor volunteers for making available their time and energy to guide and support the junior members of our profession.

Confidence in the Courtroom – This award-winning program puts young lawyers in real courts before real judicial officers, to introduce and educate them in the art of advocacy. Although the 2020 criminal law program

was unable to proceed due to COVID-19 restrictions, the family law program operated with the assistance of the Family Court. We are especially grateful to the judicial officers and senior practitioners who volunteer their time to make this program possible.

Career growth and professional development – Every one of NSW Young Lawyers' 15 committees provides a range of offerings to its members to assist them in developing their skills within the profession. This is not only done through standalone educational events, but at every one of our committees' monthly meetings, which offer guest speakers and legal updates to benefit our members.

Submissions – Each year, NSW Young Lawyers contributes to both the law and the development of its membership by producing a large number of high-quality submissions. In 2019–20, NSW Young Lawyers produced a total of 20 submissions across 12 practice areas.

Publications – NSW Young Lawyers publishes a number of publications targeted at its professional membership, including in particular its "practitioners guide" series, offering practical guidance in various areas of law, targeted at the needs of junior practitioners.



971

students attended the virtual Sydney Law Careers Fair



189

pairs were matched across the Young Lawyers and Graduate Mentoring Programs



57

years since NSW Young Lawyers was established



20

submissions were produced across 12 practice areas

Services to students

SCLSS – The Special Committee of Law Student Societies (SCLSS) is made up of representatives from each of the various law student societies throughout the state as well as from NSW Young Lawyers. This committee provides a forum to connect those law student societies with each other and with NSW Young Lawyers, and to collaborate on intervarsity events and initiatives.

Graduate Services Department – This dedicated department was formed in 2015 to connect with law students and their universities, and to provide resources, assistance, and events for law students throughout their education and as they transition into the profession. The department has close connections with the university law departments throughout the state, and as addressed below has a key role in helping connect soon-to-be graduates with potential employers.

LegalVitae – Operated through the Graduate Services Department, LegalVitae is a jobs platform specifically designed for law students and graduates, connecting them with clerkship and other employment opportunities, all in one place.

The Sydney Law Careers Fair – Also operated through the Graduate Services Department, and aimed at penultimate and final year students, the Sydney Law Careers Fair provides a central forum to connect students with legal employers regardless of where they are studying. Even COVID-19 could not keep this event down, which

ran as an online “Virtual Careers Fair” on 3 April 2020, with 35 exhibitors and 971 attending students over the course of the day.

Services to the community

Young Justice – This community education program provides an insight into law and justice for high school students in years 10 and 11. Hosted with the assistance of the Supreme Court of NSW, this day-long program features a series of sessions and workshops providing insights into the law, legal careers, and legal processes, including by students developing and presenting their own arguments in a mock sentencing before a volunteer judicial officer.

Publications – In addition to publications targeted at the profession, NSW Young Lawyers also produces a number of fact sheets and guides of use to the broader community. Of particular note, in 2020, the NSW Young Lawyers Public Law and Government Committee published its Guide to Appeals from the NCAT.

Networking and skills development events

Golden Gavel Competition – This comedic public speaking competition has long been a flagship event in the legal profession. Moved online this year and with public voting hosted by the Law Society Journal, law graduate Olivia Irvine was the overall winner as selected by our patron, with solicitor Sophia Ulrich receiving the much-coveted “People’s Choice Award”.

Young lawyers – future leaders of the profession



From left to right: 2020 Golden Gavel Competition winner **Olivia Irvine** and the People's Choice Award winner, **Sophia Ulrich**. 2019 McCallum Medal Competition winner **Peter Willink**.

Mid-Year and Annual Assembly – These assemblies serve as an opportunity for our committee chairs, vice-chairs, general delegates, student representatives, regional delegates, and other appointed representatives to come together, engage with one another, and plan the future of NSW Young Lawyers. While the 2020 Mid-Year Assembly was moved online, it was still a great success, featuring engaging addresses from our patron, the Hon Justice Lucy McCallum, and President of the Law Society Richard Harvey, as well as collaborative planning sessions to identify how NSW Young Lawyers can best serve its membership in these unusual times.

State of the Profession Address – A key feature in NSW Young Lawyers' calendar, the State of the Profession Address gives our members an opportunity to hear from and be inspired by the Patron of NSW Young Lawyers. The 2019 Address was provided by our 2019 Patron, Jane

Needham SC, who spoke on the topic of how to be a “good” lawyer – in all senses of the word.

McCallum Medal Competition – The McCallum Medal is an annual public speaking event in honour of the Emeritus Professor Ron McCallum AO, inviting young lawyers and students to address a prestigious judging panel upon issues of importance in employment law. The winner of the 2019 Medal was Peter Willink.

A handwritten signature in black ink, appearing to read 'D. Edney'.

David Edney
President, NSW Young Lawyers

REGIONAL NETWORK



A network of 29 regional law societies ensures the work of the Law Society is relevant and accessible to practitioners, no matter where they are. While each regional law society has its own constitution and takes initiative on local issues, the Law Society plays a coordinating role, providing grants and other support.



2020 Regional Presidents Briefing Day

Front row

- 1 **Colleen Donnelly**, President, City of Sydney Law Society
- 2 **Lorelle Longbottom**, President, Wollongong & District Law Society
- 3 **Erin Kerr**, President, Albury & District Law Society
- 4 **Michael Tidball**, CEO, The Law Society of NSW
- 5 **Richard Harvey**, President, The Law Society of NSW
- 6 **Jacqueline Rogers**, President, Bankstown & District Law Society
- 7 **Sarah Reid**, President, Macarthur Law Society
- 8 **Ann-Marie Bomerhe**, Regional & Segment Engagement Manager, The Law Society of NSW

Middle row

- 9 **Kymerlei Goodacre**, Co-President, Clarence River & Coffs Harbour Law Society
- 10 **Andrew Boog**, President, Orana Law Society
- 11 **Nada Vujat**, President, Hunter Valley Law Society

- 12 **Roderick Storie**, President, Nepean/Hawkesbury Law Society
- 13 **Julianne Carroll**, President, South West Slopes Law Society
- 14 **Natalie Scanlon**, President, North & North West Law Society
- 15 **Jane Glowrey**, Co-President, Riverina Law Society
- 16 **Maria Daniele**, President, Inner West Law Society
- 17 **Ivan Kent**, President, Central Coast Law Society
- 18 **Paul Walton**, President, Far West Law Society
- 19 **Helen Miedzinski**, President, St George-Sutherland District Law Society
- 20 **Gary Fox**, President, Newcastle Law Society

Back row

- 21 **Andrew Fleming**, President, Far South Coast & Monaro Law Society
- 22 **Paul Ell**, President, Shoalhaven & District Law Society
- 23 **Andrew Bide**, President, Parramatta District Law Society

- 24 **Elias Kheir**, President, Eastern Suburbs Law Society
- 25 **Andrew White**, President, Blue Mountains Law Society
- 26 **Stephen Pinchin**, President, Far North Coast Law Society
- 27 **Stephanie Hughes**, President, Central West Law Society
- 28 **Danny Bricknell**, President, North Metropolitan Law Society

Not pictured

- **Cassandra Banks**, Co-President, Clarence River & Coffs Harbour Law Society
- **John Eades**, Co-President, Riverina Law Society
- **Philippa Grant**, President, Northern Beaches Law Society
- **Andrew Lee**, President, Liverpool & Fairfield Districts Law Society
- **Peter Nevett**, President, Southern Tablelands Law Society
- **Jodie Thurgood**, President, Mid North Coast Law Society

CORPORATE GOVERNANCE STATEMENT

The Law Society considers good corporate governance to be a critical component in successfully achieving its organisational objectives and its 2019–22 Strategic Plan recognises the importance of continual improvement in governance processes to the Law Society’s sustainability and its ability to serve and support the changing needs of the legal profession.

The Law Society’s governance framework is intended to facilitate the effective management of the business and operations of the organisation, as well as to foster a Council that is forward-thinking and outcome-driven in leading the profession, representing its members and addressing the public interest. This framework, which includes risk management and internal control processes and corporate governance policies and practices:

- sets out the Law Society’s mission and the Council’s role;
- defines Councillor and Office Bearer roles, responsibilities and accountabilities; and
- provides procedural guidelines in relation to Council committees, reporting obligations of representatives on outside bodies and control of the Council’s agenda.

The Role of the Council and CEO

The Law Society is governed by the Law Society Council, which comprises 21 elected or appointed Councillors, together with ex officio members (any serving Senior Office Bearer whose elected term has expired), as provided by the Law Society’s Memorandum and Articles of Association. The President of the Law Society serves as the Chair of the Council. The Council meets monthly, with special Council meetings convened as required, primarily in relation to regulatory matters requiring urgent consideration.

The Law Society is a public company limited by guarantee and all Councillors are directors of the company.

Councillors in office at the date of this Annual Report and their attendance at monthly Council meetings in the 2019–20 financial year are as follows:

	Eligible to attend	Attended
Richard John Harvey (President)	12	11
Juliana Rose Warner (Senior Vice-President)	12	9
Joanne Patricia van der Plaats (Junior Vice-President)	12	12
Cassandra Denise Banks (Treasurer)	12	12
Jennifer Ruth Ball	8	7
Angelo Biliadis	8	8
Andries Gerrit Boog	12	12
Danny Wayne Bricknell	12	11
Adriana Care	12	8
Amber Rachel Cerny	12	12
Richard John Flitcroft	12	12
Catherine Joy James	12	11
Zora Kekeff	12	12
Iona Wai Ting Luke	8	8
Ronan MacSweeney	12	11
Stephen McAuley	8	8
Brett Patrick McGrath	12	12
Terence Leland Stern	12	10
Jade Elizabeth Tyrrell	8	7
Mark Stephen Warton	12	12
Jennifer Jane Windsor	8	7
Jennifer Louise Lai Wah Wong	12	12

Councillors who retired or resigned during the 2019–20 year and meetings attended were:

	Eligible to attend	Attended
Darryl Ian Browne	4	3
Elizabeth Maria Espinosa	11	9
Hugh Ignatius Macken	4	2
Antonella Claudia Sanderson	4	4
David Callum Turner	4	4

The Council is charged with ensuring the Law Society has a sound corporate governance framework in place to enable it to appropriately support its members, meet the needs of the profession and satisfy the objectives of its Strategic Plan.

The Council's primary responsibilities include:

- to set the vision, mission and objectives of the Law Society and determine its key policies and overall strategic direction;
- to monitor the organisation's compliance with statutory requirements and other obligations;
- to oversee the Law Society's risk management, control and accountability systems;
- to monitor organisational performance; and
- to ensure the effective performance of its regulatory functions under the legal profession legislation (as defined in the *Legal Profession Uniform Law Application Act 2014*).

The Chief Executive Officer (CEO), with the support of the Law Society's Leadership Team, has responsibility for managing the day-to-day affairs of the Law Society, in accordance with the Strategic Plan, the Law Society's risk management framework and Council-approved policies, and within the risk appetite determined by the Council.

Law Society Committees

The Council has established a number of committees to assist it to fulfil its responsibilities in relation to its regulatory functions, policy matters and the management of the business and operations of the Law Society.

These standing committees, which have powers and authorities delegated by the Council, are a source of expert advice and assistance to Council, the Law Society and the profession. The committees are primarily comprised of solicitor members of the Law Society, although certain committees also include lay members. Member participation, which is voluntary and unremunerated, is critical to the success of the committees. Further information regarding membership of the standing committees is set out on pages 34 to 37 of the Annual Report.

The regulatory committees perform functions under the legal profession legislation as well as monitoring practice standards and, where applicable, providing guidance in relation to areas such as ethics, costs and regulatory compliance. The policy and practice and liaison committees typically serve as a source of policy proposals and reform initiatives and as an educative and review body and commentator in relation to legislation, discussion papers and reports, representing the Law Society and its members on policy and practice issues in relation to specific areas of expertise.

Council Committees

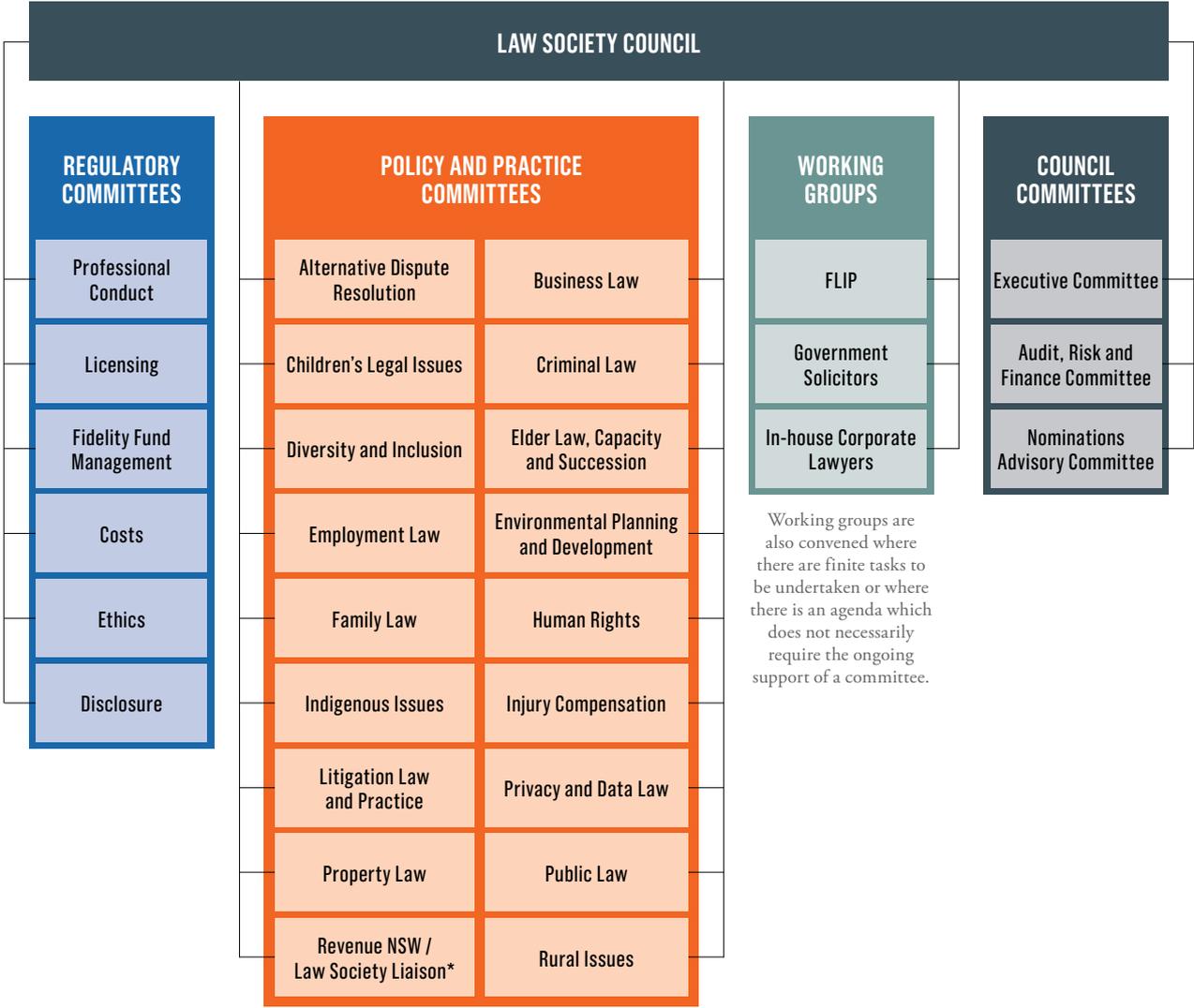
The Council has also established certain Council committees, comprised only of Councillors, to assist the Council with the management of the Law Society.

The Executive Committee, which comprises the Office Bearers of the Law Society, meets monthly prior to the monthly Council meeting. The members of the committee for the year ended 30 June 2020 were Councillors E Espinosa (Chair to 31 December 2019; resigned 30 May 2020), R Harvey (Chair from 1 January 2020), J Warner, J van der Plaat and C Banks (member from 1 January 2020).

Among its responsibilities, the Executive Committee will monitor the administration and management of the Law Society, including implementation and progress of the Strategic Plan and budget, make decisions in relation to matters referred by the CEO and approve expenditure in accordance with Law Society policies and requirements. It may also consider policy issues referred to it by Council, the other committees or the CEO.

The Nominations Advisory Committee comprises the Office Bearers of the Law Society and up to three other Councillors appointed by the President. The members of the committee for the year ended 30 June 2020 were Councillors E Espinosa (resigned 30 May 2020), R Harvey (Chair to 31 December 2019), J Warner (Chair from 1 January 2020), J van der Plaat, C Banks (member from 1 January 2020), D Browne (member to 24 October 2019), A Care (member to 31 December 2019), A Cerny (member from 1 January 2020), A Biliias (member from 1 January 2020) and A Boog (member from 1 January 2020). The committee meets as required to identify, assess and recommend to Council the best candidates for appointment to fill Council vacancies or to serve on external bodies.

Law Society Committees



* Liaison committee

Audit, Risk and Finance Committee

The Council's Audit, Risk and Finance Committee comprises the Treasurer (Chair) and up to five other Councillors appointed by the President, generally for an initial term of two or three years. The current members of this Committee are Councillors C Banks (Chair from 1 January 2020), A Boog, D Bricknell, J van der Plaats (Chair to 31 December 2019) and J Warner. (Councillors D Browne and R Flitcroft served as members of the Committee to 24 October 2019 and 31 December 2019, respectively.) Meetings are held at least quarterly but may be convened more frequently if considered necessary. A special meeting is convened, generally in late August, to consider, and make recommendations to the Council regarding the Law Society's annual financial statements.

The Audit, Risk and Finance Committee assists the Council to discharge its duties in relation to the Law Society Group of companies with regard to financial disclosure and reporting, internal control, compliance and risk management, and the engagement, performance and independence of the external auditor. The Committee's primary responsibilities in relation to financial management and investments include:

- advising the Council on the budget and in relation to the Strategic Plan;
- overseeing the development and review of investment policies and guidelines; and
- approving capital expenditure up to prescribed limits as set by the Council.

The Committee consults routinely with the Law Society's external auditor and investment and other advisers. The review and oversight function undertaken by the Audit, Risk and Finance Committee promotes accountability and provides the Council with additional assurance regarding the quality and reliability of information used by the Council and the integrity of the Law Society's reporting and control systems.

Risk management

The Law Society adopted a new risk management framework and risk appetite statement (RAS) during the financial year, as part of its focus on continual improvement in governance and risk management processes. The Audit, Risk and Finance Committee has responsibility for reviewing and recommending to the Council changes to the RAS and assessing the alignment between the Law Society's risk appetite and its plans and objectives. The Audit, Risk and Finance Committee is responsible for overseeing the maintenance of an effective risk management framework and monitoring the development and implementation of procedures to support the effective identification and management of risks.

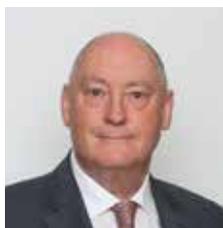
The Council monitors the operational and financial aspects of the Group's activities and, both directly and through the Audit, Risk and Finance Committee, considers the recommendations and advice of management, the external auditor and other external advisers regarding the material risks that face the Group.

Code of conduct

As elected representatives of the solicitors of New South Wales, members of the Council acknowledge their responsibility to:

- put the interests of the Law Society's members ahead of personal or sectional interests;
- act with integrity;
- respect the confidentiality of Council business;
- adhere diligently to the Law Society's mission and objectives and Council's role;
- avoid conflicts of interest;
- comply with the requirements of the protocols, policies and standards set out in the governance manual for Councillors and the Law Society's policies and procedures;
- respect the values inherent in the Council's statement of ethics for solicitors; and
- comply with statutory requirements.

LAW SOCIETY COUNCILLORS



Richard Harvey

President; Chair of Executive, Future and Property Law Committees; Chair of Specialist Accreditation Board; Member of Nominations Advisory Committee



Juliana Warner

Senior Vice President; Chair of Litigation, Law and Practice and Nominations Advisory Committees; Deputy Chair of Diversity and Inclusion Committee; Member of Future, Executive, Human Rights and Audit, Risk and Finance Committees



Joanne van der Plaats

Junior Vice President; Chair of Professional Conduct Committee; Co-Chair of Employment Law and Rural Issues Committees; Member of Audit, Risk and Finance, Executive and Nominations Advisory Committees



Cassandra Banks

Treasurer; Chair of Audit, Risk and Finance Committee; Co-Chair of Family Law Committee; Member of Rural Issues, Executive and Nominations Advisory Committees



Elizabeth Espinosa*

Immediate Past President; Chair of Government Solicitors Committee; Deputy Chair of Environmental Planning and Development and In-house Corporate Lawyers Committees; Member of Executive and Nominations Advisory Committees



Jennifer Ball

Member of Litigation Law and Practice and Professional Conduct Committees



Angelo Biliadis

Member of Criminal Law, Licensing, Professional Conduct and Nominations Advisory Committees



Andrew Boag

Chair of Fidelity Fund Management Committee; Co-Chair of Revenue NSW / Law Society Liaison Committee; Member of Audit, Risk and Finance, Business Law and Nominations Advisory Committees



Danny Bricknell

Member of Audit, Risk and Finance and Fidelity Fund Management Committees



Adriana Care

Member of Property Law and Future Committees



Amber Cerny

Chair of Business Law Committee; Member of Nominations Advisory Committee



Richard Flitcroft

Deputy Chair of Licensing Committee; Member of Fidelity Fund Management Committee

*Appointed a Commissioner of the NSW Land and Environment Court from 1 June 2020; retired from Council and committees effective 30 May 2020



Catherine James

Member of In-house Corporate Lawyers Committee



Zora Kekeff

Chair of Alternative Dispute Resolution and Disclosure Committees; Co-Chair of Family Law Committee



Iona Luke

Member of Diversity and Inclusion, In-house Corporate Lawyers and Professional Conduct Committees



Ronan MacSweeney

Chair of Diversity and Inclusion Committee; Deputy Chair of Government Solicitors Committee



Steve McAuley

Member of Elder Law, Capacity and Succession and Professional Conduct Committees; Member of Specialist Accreditation Board



Brett McGrath

Deputy Chair of Professional Conduct Committee; Member of Diversity and Inclusion and Family Law Committees



Terry Stern

Chair of Injury Compensation Committee; Deputy Chair of Costs Committee; Member of Litigation Law and Practice Committee



Jade Tyrrell

Member of Alternative Dispute Resolution Committee



Mark Warton

Member of Injury Compensation and Professional Conduct Committees



Jennifer Windsor

Member of Government Solicitors and Human Rights Committees



Jennifer Wong

Chair of Children's Legal Issues and Licensing Committees; Member of Government Solicitors Committee

POLICY AND PRACTICE COMMITTEES

Committees	Chairs and Deputy Chairs	Members
Alternative Dispute Resolution	2019 Chair: Z. Kekeff Deputy Chair: A. Sanderson	L. Absalom, L. Bishkov, J. Bowker, A. Boyd-Boland, G. Ettinger, J. Fan, N. Flaskas, M. Kofman, Judge L. Levy, K. Lewis, P. Lewis, J. McDermott, S. Parker, T. Peisley, A. Scarcella, M. Shepherd, A. Tesoriero, F. Townend, G. Ulman, N. Harvey (Policy Lawyer).
	2020 Chair: Z. Kekeff Deputy Chair: G. Ulman	J. Anderson, P. Argy, J. Ashby-Boyd, L. Bishkov, A. Boyd-Boland, K. David, G. Ettinger, P. Farrell, N. Flaskas, R. Hughes, C. Jeffery, M. Kofman, Judge L. Levy, K. Lewis, P. Lewis, A. Lopes De Lima, J. McDermott, H. Miedzinski, T. Peisley, A. Scarcella, F. Townend, J. Tyrrell, J. Woodward, N. Harvey (Policy Lawyer).
Business Law	2019 Chair: A. Cerny Deputy Chair: A. Care	A. Behman, D. Castle, T. Hunter, J. Kabos, C. Kenny, I. Luke, K. McLean, K. Montano, I. Napier, D Ramsay, N. Regan, T. Russell, L. Serafim, R. Snowden, J. Stathis, L. To, K. Tudhope, A. Vatani, L. Booth (Policy Lawyer).
	2020 Chair: A. Cerny Deputy Chair: T. Russell	C. Bertuch, A. Boog, D. Castle, C. Felicio, T. Hunter, J. Kabos, T. Masters, K. McLean, T. Mylecharane, D Ramsay, B. Roe, L. Serafim, R. Snowden, J. Stathis, A. Vatani, L. Booth (Policy Lawyer).
Children's Legal Issues	2019 Chair: J. Wong Deputy Chair: C. Banks	M. Blanco, A. Choi, M. Dimech, A. Elliott, L. Goodwin, A. Hadaway, J. Higgins, J. Irwin, A. Johnson, F. Kay, M. Loundar, S. Niles, K. Phillips, C. Samuels, Magistrate T. Sheedy, G. Slack-Smith, A. Tang, A. Small (Policy Lawyer).
	2020 Chair: J. Wong Deputy Chair: J. Irwin	C. Akthar, K. Beckhouse, M. Blanco, N. Callander, A. Choi, M. Dimech, R. Frankham, L. Goodwin, R. Haynes, J. Higgins, K. Hopgood, F. Kay, M. Loundar, S. Niles, K. Phillips, Z. Robinson, C. Samuels, Magistrate T. Sheedy, G. Slack-Smith, J. Symons, A. Tang, A. Small (Policy Lawyer).
Criminal Law	2019 Chair: A. Lumsden Deputy Chair: P. Wright	Deputy Chief Magistrate M. Allen, C. Bell, V. Chan, P. Coady, E. Conditis, S. Doumit, D. Giddy, S. Grodzicki, R. Hoyles, J. Hunter, L. Kaban, H. Ketley, R. Leary, M. Mantaj, R. McMahon, P. Musgrave, J. Pheils, R. Richardson, K. Saddington, J. Sanders, T. Spohr, J. Styles, J. Sutton, R. Tumeth, J. Weir, E. Winborne, R. Geare (Policy Lawyer).
	2020 Chair: A. Lumsden Deputy Chair: M. Mantaj	C. Akthar, Deputy Chief Magistrate M. Allen, C. Bell, A. Biliias, P. Blake, V. Chan, P. Coady, E. Conditis, D. Giddy, R. Hoyles, J. Hunter, L. Kaban, H. Ketley, R. Leary, R. McMahon, S. Mortimer (from April 2020), P. Musgrave, R. Ogden, J. Pheils, K. Powell (until April 2020), K. Saddington, J. Sanders, T. Spohr, J. Styles, J. Sutton, J. Weir, R. Geare (Policy Lawyer).
Diversity and Inclusion	2019 Chair: J. Warner Deputy Chair: E. Espinosa	M. Batliwalla, B. Charlton, H. Dassanayake, A. Drayton, Z. Edries, J. Fan, M. Graczol, R. Grant, R. Harvey, K. Hong, K. Iles, D. Kelly, M. Khoo, J. Lim-Young, A. Lyras, R. MacSweeney, T. Nicholls, N. Parsons, K. Rathie, J. Skelton, T. Tran, J. Vincent, A. Small (to August 2019) / C. Elvy (from August 2019) (Policy Lawyers).
	2020 Chair: R. MacSweeney Deputy Chair: J. Warner	E. Allen, B. Charlton, A. Drayton, Z. Edries, M. Graczol, R. Grant, K. Hong, M. Kakaire, D. Kelly, E. Lau, I. Luke, A. Lyras, H. McConagle, B. McGrath, A. Miller, J. Parker, N. Parsons, K. Rathie, I. Reiss, J. Skelton, N. Stewart, T. Tran, J. Vincent, D. Yadav, C. Elvy (to February 2020 / from April 2020) / A. Small (March 2020) (Policy Lawyers).

Committees	Chairs and Deputy Chairs	Members
Elder Law, Capacity and Succession	2019 Chair: D. Browne Deputy Chair: R. Neal	L. Absalom, L. Baber, K. Bozinovska, L. Brown, J. Clarke, N. Darcy, B. Dornan, S. Field, A. Fleming, J. Goode, B. Hayward, I. Hoskinson (from October 2019), R. McCullagh, P. McGowan, A. McIntyre, J. McMillan, M. Morris, K. O'Donnell, R. Pollard, L. Rogers, N. Scanlon, A. Schiralli, M. Schyvens, B. Simpson, K. Whitley, S. Hunt (Policy Lawyer).
	2020 Chair: D. Browne Deputy Chair: R. Neal	L. Absalom, L. Baber, K. Bozinovska, L. Brown, J. Clarke, N. Darcy, M. Dixon, B. Dornan, B. Hayward, I. Hoskinson, A. Koumoukelis, R. Lewis, M. Lovelock, S. McAuley, R. McCullagh, P. McGowan, A. McIntyre, J. McMillan, M. Morris, K. O'Donnell, D. Pickering, R. Pollard, M. Reid, N. Scanlon, A. Schiralli, M. Schyvens, T. Tunbridge, K. Whitley, S. Hunt (Policy Lawyer).
Employment Law	2019 Co-Chairs: N. Keats, J. van der Plaats	B. Akers, T. Angelopoulos, M. Byrnes, P. Costigan, M. Doherty, B. Feltham, A. Grayson, L. Izzo, C. Kerley, D. King, K. Lewis, D. Lloyd, H. Macken, D. McEvoy, P. Noakes, D. Potts, C. Stebbing, W. Steenson, A. Van Gent, S. Williams, A. Woods, A. Small (until August 2019) / C. Elvy (from August 2019) (Policy Lawyers).
	2020 Co-Chairs: N. Keats, J. van der Plaats	B. Akers, P. Almond, T. Angelopoulos, M. Byrnes, J. Camden, P. Costigan, C. Divani, M. Doherty, B. Feltham, L. Forsyth, A. Grayson, L. Izzo, C. Kerley, D. King, K. Lewis, H. Macken, P. Macken, V. Maroulis, D. McEvoy, D. Potts, C. Stebbing, W. Steenson, S. Trimby, C. Elvy (until February 2020) / A. Small (from February 2020) (Policy Lawyers).
Environmental Planning and Development	2019 Chair: P. Wright Deputy Chair: J. Walsh	M. Bonanno, A. Cahill, B. Charlton, C. Drury, L. Finn, C. Huegill, R. James, A. Knox, R. McCulloch, D. Morris (to October 2019), P. Murray, M. Pearce, A. Penklis, B. Rayment (from October 2019), J. Schipp, J. Sheehan, P. Vergotis, J. Wood, L. Booth (Policy Lawyer).
	2020 Chair: R. McCulloch Deputy Chair: E. Espinosa (until May 2020) C. Drury (from June 2020)	M. Bonanno, A. Cahill, B. Charlton, L. Finn, C. Huegill, R. James, A. Knox, P. Murray, M. Pearce, A. Penklis, B. Rayment, J. Schipp, J. Sheehan, P. Vergotis, L. Booth (Policy Lawyer).
Family Law	2019 Co-Chairs: C. Banks, Z. Kekeff	R. Bakoss, K. Beckhouse, J. Burreket, J. Dawson, P. Doolan, J. Higgins, A. Iuliano, T. Kelman, M. Lama, L. Longbottom, J. Loughman, L. Maitland, L. McGirr, B. McGrath, M. Meares, T. Nicholls, A. Sanderson, I. Satkunanathan, M. Shepherd, G. Thompson, M. Whitehead, J. Wong, M. Youssef, S. Hunt (Policy Lawyer).
	2020 Co-Chairs: C. Banks, Z. Kekeff	L. Baber, K. Beckhouse, B. Bryant, C. Bryett, J. Burreket, A. Colquhoun, P. Davis, J. Dawson, P. Doolan, B. Hayward, J. Higgins, F. Hoad, T. Kelman, E. Lau, P. Lewis, L. Longbottom, L. Maitland, B. McGrath, M. Meares, H. Miedzinski, A. Sanderson, G. Thompson, M. Whitehead, S. Hunt (Policy Lawyer).

Committees	Chairs and Deputy Chairs	Members
Human Rights	2019 Chair: A. Mojtahedi Deputy Chair: M. Nawaz	W. Ahmed, S. Bowes, S. Bruck, Dr. S. Calnan, K. Dewey, A. Drayton, R. Fletcher (until July 2019), A. Levin, K. McKenzie, R. Pettit, I. Reiss, E. Ryan, S. Sharmin, A. Sinclair, A. Talbot, J. van der Plaat, A. Small (Policy Lawyer).
	2020 Chair: A. Mojtahedi Deputy Chair: M. Nawaz	W. Ahmed, J. Anderson, P. Blake, S. Bowes, S. Bruck, Dr. S. Calnan, A. Drayton, K. Elali, R. Haynes, J. Le, A. Levin, K. McKenzie, A. Newton, N. Regan, I. Reiss, E. Ryan, S. Sharmin, A. Sinclair, J. Warner, J. Windsor, A. Small (Policy Lawyer).
Indigenous Issues	2019 Chair: J. Behrendt Deputy Chair: P. Mulroney	Z. Armytage, S. Bailey, Professor D. Barker, D. Barnes, Justice R. Benjamin, B. Cansdale, D. Captain-Webb, R. Cook, A. Cregan, S. Crellin, B. Dufty, M. Dupuis, M. Gleeson, B. Greenwood, M. Holden, C. Longman, J. Lovric, J. Madden, B. Massender, Dr. T. McComsey, P. Mountain, B. Murray, S. Owen, R. Sexton, T. Shepherd, G. McArthur (Policy Lawyer).
	2020 Chair: J. Behrendt Deputy Chair: P. Mulroney	Z. Armytage, S. Bailey, Professor D. Barker, D. Barnes, E. Bastable, B. Cansdale, D. Captain-Webb, R. Cook, A. Cregan, S. Crellin, L. De Silva, B. Dufty, M. Dupuis, C. Edwards, D. Elston, M. Gleeson, B. Greenwood, M. Holden, J. Lovric, Dr. T. McComsey (from March 2020), P. Mountain, R. Sexton, T. Shepherd, G. Slack-Smith, A. Vorst-Parkes, T. Wallace, J. Weate, C. Elvy (until February 2020) / V. Kuek (from February 2020) (Policy Lawyers).
Injury Compensation	2019 Chair: T. Stern Deputy Chair: H. Macken	A. Abboud, S. Butcher, B. Cassidy, T. Concannon, G. Daley, L. Davidson, G. Guest, M. Issa, I. Jones, C. Ktenas, P. Macken, R. May, K. McCusker, A. Mulcahy, D. Potts, C. Slan, J. Thurgood, K. Toshack, M. Warton, B. Williams, A. Prigan (Policy Lawyer).
	2020 Chair: T. Stern Deputy Chair: T. Concannon	A. Abboud, S. Butcher, B. Casado, B. Cassidy, G. Daley, L. Davidson, G. Guest, S. Harris, I. Jones, C. Ktenas, A. Lopes De Lima, H. Macken, P. Macken, R. May, K. McCusker, A. Mulcahy, D. Potts, C. Slan, J. Thurgood, K. Toshack, M. Warton, D. Weng, A. Prigan (Policy Lawyer).
Litigation Law and Practice	2019 Chair: J. Warner Deputy Chair: E. Yamine	S. Baxter, S. Brodowski, E. Chan, J. Fan, S. Fernandez, R. Flitcroft, P. Green, D. Hing, J. Howard, C. Hutchinson, G. Johnson, R. Kenna, K. McLean, J. Prowse, J. Robb, R. Ryan, C. Savundra, M. Stephens, T. Stern, P. Sutherland, J. Tyrell, G. Ulman, T. Webb, S. Webber, P. Wiggins, T. Withane, G. McArthur (Policy Lawyer).
	2020 Chair: J. Warner Deputy Chair: E. Yamine	L. Absalom, J. Ball, S. Baxter, S. Brodowski, K. David, P. Farrell, S. Fernandez, P. Green, D. Hing, J. Howard, C. Hutchinson, G. Johnson, R. Kenna, K. Martin, K. McLean, S. Murray, C. Peterson, J. Prowse, J. Robb, J. Sefton, M. Stephens, T. Stern, P. Sutherland, S. Webber, P. Wiggins, M. Zraika, L. Booth (to April 2020) / C. Elvy (from April 2020) (Policy Lawyers).

Committees	Chairs and Deputy Chairs	Members
Privacy and Data Law	2019 Chair: P. Leonard Deputy Chair: K. Keogh	S. Blanks, H. Brown, L. Chapman, T. Csillag, A. Drayton, C. Emery, M. Fai, O. Ganopolsky, I. Halforty, R. Jeyasingam, A. Kopsias, E. Lu, L. Mannering, T. May, J. McAteer, S. McKenzie, M. Meares, S. Ng, S. O’Gorman, M. Snell, D. Turner, S. Wallace, K. Watts, A. Prigan (Policy Lawyer).
	2020 Chair: P. Leonard Deputy Chair: K. Keogh	S. Blanks, H. Brown, L. Chapman (until March 2020), G. Collins, N. Commins, A. Cook, T. Csillag, A. Drayton, M. Fai, O. Ganopolsky, I. Halforty, C. Higgins, A. Jacquet (from February 2020), R. Jeyasingam, A. Kopsias, B. Liang, T. Long, J. McAteer, M. Meares, S. Ng, S. O’Gorman, J. Rogers, J. Sabet, D. Vaile, K. Watts, A. Prigan (Policy Lawyer).
Property Law	2019 Chair: R. Harvey Deputy Chair: J. Glowrey	M. Andrews, A. Antony, B. Barry (from September 2020), D. Bluth, A. Cahill, A. Care, G. Channell, J. Crittenden, M. Devitt, D. Fitzclarence, R. Goncalves, C. Huegill, M. Jebeile, L. Liang, G. Maksimovic, B. Malone, C. Martin, T. McKibbin, G. Newton, M. Osborne, Dr. S. Pallavicini, P. Rosier, D. Skapinker, D. Stott, M. Swan, K. Tran-Tsai, G. Lea (Policy Lawyer).
	2020 Chair: R. Harvey Deputy Chair: C. Huegill	M. Andrews, A. Antony, D. Bluth, A. Cahill, A. Care, G. Channell, J. Crittenden, M. Devitt, D. Fitzclarence, J. Glowrey, R. Goncalves, M. Jebeile, G. Maksimovic, B. Malone, T. McKibbin, J. McMillan, G. Newton, M. Osborne, Dr. S. Pallavicini, P. Rosier, D. Skapinker, D. Stott, M. Swan, K. Tran-Tsai, G. Lea (Policy Lawyer).
Public Law	2019 Chair: A. Chalk Deputy Chair: P. Wright	A. Abadee, Dr. G. Appleby, Dr. H. Bell, Dr. S. Calnan, B. Hearnden, R. Heinrich, G. Johnson, M. Keenan, Dr. M. Landrigan, A. Markus, J. McGovern, M. O’Brien, C. Ragusa, M. Snell, Dr. S. Thompson, Dr. A. Tsacalos, A. Zekanovic, S. Hunt (until August 2019) / C. Elvy (from August 2019) (Policy Lawyers).
	2020 Chair: A. Chalk Deputy Chair: A. Abadee	A. Baril, Dr. S. Calnan, A. Duvall, R. Heinrich, G. Johnson, M. Keenan, A. Kennedy, Dr. M. Landrigan, A. Markus, J. McGovern (until May 2020), A. Mojtahedi, S. Murray, M. O’Brien, A. Rafter (from May 2020), C. Samuels, H. Sims, K. Smith, M. Smyth, Dr. A. Tsacalos, S. Webb (from March 2020), A. Zekanovic, C. Elvy (until February 2020) / V. Kuek (from February 2020) (Policy Lawyers).
Revenue NSW / Law Society Liaison	2019 Co-Chairs: A. Boog, C. Smythe	A. Chek, G. Chiert, F. Di Francesco, J. Dudley, K. Farrell, A. Fernandez, B. Hewitt, J. King (to October 2019), F. Lam, D. Lam, J. Lee, R. Nguyen, T. Nguyen, I. Phillips, R. Prasad, J. Shead, M. Smith, M. Telan, L. To, G. Vale, J. Yem, G. Lea (Policy Lawyer).
	2020 Co-Chairs: A. Boog, C. Smythe	M. Brewster, A. Chek, G. Chiert, F. Di Francesco, J. Dudley, A. Fernandez, B. Hewitt, F. Lam, D. Lam, J. Lee, R. Nguyen, T. Nguyen, N. O’Reilly, I. Phillips, R. Prasad, L. Serafim, J. Shead, M. Telan, L. To, G. Vale, J. Yem, G. Lea (Policy Lawyer).
Rural Issues	2019 Co-Chairs: A. Boog, J. Thurgood	C. Banks, D. Fitzclarence, J. Hennessey, R. Jarratt, S. Mason, P. Moffitt, S. Morgan, R. Quiggin (to November 2019), K. Rankin (to October 2019), L. Kelly (from November 2019), G. Ryan, N. Scanlon, A. Prigan (Policy Lawyer).
	2020 Co-Chairs: J. Thurgood, J. van der Plaats	R. Austin, C. Banks, S. Colquhoun, D. Fitzclarence, A. Fleming, C. Hannah, R. Jarratt, L. Kelly, S. Mason, A. Miller, P. Moffitt, S. Morgan, G. Ryan, N. Scanlon, M. Shephard, M. Twyford, A. Prigan (to March 2020) / C. Elvy (from April 2020) (Policy Lawyers).

MAJOR LAW REFORM SUBMISSIONS

■ Alternative Dispute Resolution

- Singapore Convention on Mediation

■ Business Law

- BAS Services and the TPB's Legislative Instrument Power
- Cash payment limit – draft legislation
- Financial Services Royal Commission – Trustees of Registrable Superannuation Entities
- Improving the Effectiveness of the Consumer Product Safety System
- Mortgage broker best interests and remuneration reforms
- Review of the Tax Practitioners Board – Discussion Paper
- Strengthening prudential requirements for remuneration

■ Children's Legal Issues

- Transfer of adult detainees to Corrective Services NSW Custody Policy

■ Criminal Law

- Aboriginal support persons
- ADVO reforms – (multiple submissions)
- Assistance for private practitioners during the COVID-19 pandemic
- Cognitive Impairment Diversion Program
- Consultation on drafting of proposals for second Miscellaneous Bill – (multiple submissions)
- Consultation paper: defences and partial defences
- Consultation paper: diversion in the summary jurisdiction

- Contact with Local Court Registries
- Draft Criminal Trials Practice Note
- Draft fee scales
- Draft Proposals: Consent in relation to sexual offences
- Evidence Amendment (Tendency and Coincidence) Bill 2020
- Fees Paid to Private Practitioners in Legally Aided Matters
- *Inclosed Lands, Crime and Law Enforcement Legislation Amendment (Interference) Act 2016*
- Indictable Process Review
- Inquiry into the Road Transport Amendment (Mobile Phone Detection) Bill 2019
- Intensive Correction Orders – (multiple submissions)
- Issues Paper: Review of s293 of the *Criminal Procedure Act 1986* – (multiple submissions)
- Mental Health and Cognitive Impairment Forensic Provisions Bill 2020
- Online Registry for criminal matters
- Proposals for inclusion in the Justice Cluster Miscellaneous Amendment Bill 2020
- Proposed amendments to the *Legal Aid Commission Act 1979*
- Reform to recognise the loss of an unborn child as a result of a criminal act
- Reforming the NSW Coronial System
- Reforms to special care offences
- Review of the Law Council's Policy Statement on a Commonwealth Criminal Cases Review Commission
- Section 293 *Criminal Procedure Act 1986*

- Sexual Assault Communication Privilege – (multiple submissions)
- Statutory review of the *Crimes (Serious Crime Prevention Orders) Act 2016*
- The *Child Protection (Offenders Registration) Act 2000*
- Uniform Evidence Law (Tendency and Coincidence) Model Provisions 2019

■ Elder Law, Capacity and Succession

- Miscellaneous amendments to succession law including amendment of *Probate and Administration Act 1898* (NSW)
- Reform of the law governing superannuation death benefit nominations

■ Employment Law

- Fair Work Commission Practice Note – Lawyers and Paid Agents
- Improving protections of employees' wages and entitlements: Strengthening penalties for non-compliance
- Proposed amendments to the *Fair Work Commission Rules 2013* – (multiple submissions)

■ Environmental Planning and Development

- Environmental Planning and Assessment (Territorial Limits) Bill 2019
- Improving the infrastructure contribution system
- Independent Review of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- Offences for the unlawful removal/lopping of trees
- Policy on Sustainable Development

- Review of the *Impounding Act 1993*
- Review of the Independent Planning Commission

■ Family Law

- Draft Joint Practice Direction for Family Law
- Federal Circuit and Family Court of Australia Bill 2019 (Cth) and Federal Circuit and Family Court of Australia (Consequential Amendments and Transitional Provisions) Bill 2019 (Cth)
- Proposed amendment to the *Relationships Register Act 2010* (NSW)
- Resourcing of the Family Court of Australia and Federal Circuit Court of Australia

■ Human Rights

- Australian Government Consultation Paper on a new International Strategy on Human Trafficking and Modern Slavery
- Inquiry into a framework for autonomous sanctions under Australian law to target human rights abuses
- Inquiry into the human rights of women and girls in the Pacific
- Migration Amendment (Prohibiting Items in Immigration Detention Facilities) Bill 2020
- Migration Amendment (Repairing Medical Transfers) Bill 2019
- National Action Plan to Combat Modern Slavery 2020–24 – Public Consultation Paper
- Religious Freedom Bills – Second Exposure Drafts
- Review of the Australian Citizenship Amendment (Citizenship Cessation) Bill 2019

■ Indigenous Issues

- Core funding for Tranby National Indigenous Adult Education & Training
- Discussion Paper: Overturning prior unjust child abuse settlements
- Draft Minister’s Guidelines: Reduction of a penalty notice amount
- Funding changes to the Indigenous Legal Assistance Program
- National Legal Assistance Partnership Overview Paper
- Pathways to Justice Report

■ Injury Compensation

- 2020 Review of the Workers Compensation Scheme
- *AAI Limited v Singh* [2019] NSWSC 1300
- Comments on the draft Motor Accidents Compensation Regulation 2020
- CTP Care (early by agreement) fact sheet consultation
- CTP scheme data
- Customer service conduct principles consultation paper
- Draft Working Paper: Establishing a Personal Injury Commission
- Motor Accidents Guidelines Version 5 – Consultation
- Proposed Dust Diseases Tribunal Regulation 2019
- Proposed Motor Accident Guidelines – Authorised Health Practitioners
- Review of the minor injury definition in the *Motor Accident Injuries Act 2017*

- SIRA Compliance and Performance Review of the Workers Compensation Nominal Insurer
- Stakeholder consultations: Establishing a Personal Injury Commission
- State Insurance Regulatory Authority CTP Claim Form Review: Policy & Operation Forum Consultation
- State Insurance Regulatory Authority Guidance Note and Factsheet review
- Workers Compensation scheme costs schedule

■ Litigation Law and Practice

- Court and Tribunal Fees
- Draft Model Defamation Amendment Provisions
- Inquiry into litigation funding and the regulation of the class action industry

■ Privacy and Data Law

- Data Sharing and Release Legislative Reforms discussion paper
- Law Council Cyber Precedent Website
- Mandatory notification of data breaches by NSW public sector agencies
- NSW Government’s Artificial Intelligence Strategy

■ Property Law

- Community Schemes Reform
- COVID-19 provisions – (multiple submissions)
- Discussion Paper – Off-the-plan contracts – Conveyancing (Sale of Land) Amendment Regulation 2019
- Draft Strata Schemes Management Amendment (Sustainability Infrastructure) Bill 2020
- E-Conveyancing: Interoperability – (multiple submissions)
- Guidance for e-settlement agents
- Model Participation Rules and Model Operating Rules – version 6
- Property and Stock Agents Amendment Regulation 2019
- Regulatory Impact Statement – *Residential Tenancies Regulation 2019*
- Review of Conveyancing Rules version 5
- Review of pricing framework for electronic conveyancing services in NSW
- Review of the effectiveness and efficiency of the NSW Home Building Compensation Fund
- Review of the Intergovernmental Agreement for an Electronic Conveyancing National Law

■ Public Law

- Inquiry into nationhood, national identity and democracy
- Inquiry into the making of delegated legislation in NSW
- NSW Broadcast of Proceedings Resolution

■ Revenue NSW / Law Society Liaison

- Commissioner's Practice Note – Landholder – Fixed to Land
- State Revenue Legislation Further Amendment Bill 2019

■ Rural Issues

- Drought Assistance Funding

■ Submissions made by the Law Society on behalf of more than one committee

- 2020 Cyber Security Strategy
- Anti-Discrimination Amendment (Complaint Handling) Bill 2020
- ATO processes for dealing with deceased estates
- Australian Law Reform Commission Final Report, Review of the Family Law System
- Australian Security Intelligence Organisation Amendment Bill 2020
- Building Stronger Foundations Discussion Paper
- Centrelink Compliance Program and related automated processes
- Comments on draft amendments for inclusion in a Justice Cluster Miscellaneous Amendment Bill 2019
- Commissioner's Practice Note – Foreign Surcharges and Discretionary Trusts
- Commissioner's Practice Note – Grouping of discretionary trust
- Commissioner's Practice Note – Payroll Tax on shares and options
- Consultation on draft provisions for the Justice Cluster Miscellaneous Amendment Bill (No 1) of 2019
- Consultation on highly contentious bills
- Council of Attorneys-General Age of Criminal Responsibility Working Group Review
- COVID-19 provisions – (multiple submissions)
- Draft Building and Development Certifiers Regulation 2019
- Draft Mandatory Diseases Testing Bill 2020
- Draft proposals on access to digital records upon death or incapacity
- Draft Schedule 2 Planning Certificates
- Draft Variation – Taxation Administration PAYG Withholding for Foreign Resident Capital Gains
- Enhancing housing protections for international students in NSW
- Enhancing protections relating to the use of Enduring Power of Attorney instruments
- Family law unregistered arbitral awards and de facto couples
- Feedback on notices of Child Abuse, Family Violence or Risk
- Free and equal: An Australian conversation on human rights
- Independent *Review of the Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- Industrial Relations Consultation Discussion Papers
- Inquiry into Professional Engineers Registration Bill 2019
- Inquiry into the impact of the exercise of law enforcement and intelligence powers on the freedom of the press

- Inquiry into the support for the children of imprisoned parents in New South Wales
- Integrated Birth Certificates
- International Labour Organisation Convention on Violence and Harassment in the World of Work (C190)
- Joint Letter to the NSW and Commonwealth Attorney Generals regarding inaction on the ALRC Pathways Report
- Joint Practice Direction for Family Law
- Joint Select Committee Inquiry into Australia's Family Law System
- Law Admissions Consultative Committee report on redrafting the academic requirements for admission
- Lessons to be learned in relation to the Australian bushfire season 2019–20
- Minimum age of criminal responsibility
- *Modern Slavery Act 2018* and associated matters
- NSW legislation beta website – feedback
- Options for improving the family violence competency of legal practitioners
- Personal service of documents during the pandemic in the Dust Diseases Tribunal
- Priorities for Federal Discrimination Law Reform
- Proposed amendment to the *Relationships Register Act 2010* (NSW)
- Proposed Convention on the Rights of Older Persons
- Proposed remaking of the *Relationships Register Regulation 2015* (NSW) and amendment of the *Births, Deaths and Marriages Register Regulation 2017* (NSW)
- Public Consultation on the Design and Building Practitioners Bill 2019
- Regulation Review Project – Planning certificates
- Religious freedom reforms
- Retirement Village Exit Entitlements Discussion Paper
- Revenue Ruling – Deceased Estates
- Review of the *Civil and Administrative Tribunal Act 2013*
- Review of the *Young Offenders Act 1997* (NSW)
- Senate Select Committee on COVID-19
- Settled Matters List
- Short-term rental accommodation – A new regulatory framework
- State Revenue Legislation Further Amendment Bill 2019
- The Justice Reform Initiative
- The use of strip searches under the *Law Enforcement (Powers and Responsibilities) Act 2002* (NSW)
- Universal Periodic Review (third cycle) stakeholder submission
- **Submissions made by the Policy and Practice Department (no relevant committee)**
 - 2020–21 Pre-Budget Submission
 - Ability for Federal Judicial Officers to witness statutory declarations under the *Oaths Act 1900* (NSW)
 - Amendment of payment claims requirements under the *Building and Construction Industry Security of Payment Act 1999*
 - COVID-19 provisions – (multiple submissions)
 - Essential Legal Services
 - Implementation of election commitments

TREASURER'S REPORT



On behalf of the Council, I am pleased to present the Society's annual financial reports for the year ended 30 June 2020. When excluding the impact of last year's payment to the Public Purpose Fund made pursuant to the *Justice Legislation Amendment Act (No 3) 2018*, which legislated for the closure of the Solicitors Mutual Indemnity Fund, this financial period has seen the Law Society group report its first annual deficit in fifteen years. Nevertheless, the consolidated entity has again finished the year in an excellent financial position, and we remain well placed to continue delivering high-quality levels of service and representation to the legal profession moving forward.

The Law Society of New South Wales parent entity reported a deficit of \$0.5 million for the financial period. This was almost entirely the result of a decline in the value of investments held by the company. In what was a difficult and volatile year for investment markets following the onset of the COVID-19 pandemic, the Society's conservative position resulted in the organisation

restricting the investment loss on its externally managed funds to only 1.4% for the year ended 30 June 2020. The Society's solicitor membership has again increased, and the practising profession has continued to grow with more than 36,000 solicitors holding a practising certificate at year end. These two factors contributed to the Society's operating revenue increasing from 2019 levels.

Lawcover Insurance also reported a small deficit of \$2.2 million for the year which, consistent with the Law Society parent entity, was partially driven by the impact of the COVID-19 pandemic on investment markets, in addition to an increased reported claims expense following the strengthening of its claims reserves in relation to prior years. Lawcover Insurance, which is an APRA licenced and regulated insurer, remains well capitalised relative to the general insurance industry, and the company is in a strong position to continue providing professional indemnity insurance to NSW practitioners at both stable and affordable levels. More details on the insurance operations of the group can be found in the Lawcover CEO's report.

Additional information relating to the performance of the group can be found in the financial commentary section of the concise report. For members interested in a more detailed breakdown of the Law Society's financial position, please refer to the full financial report which is available on request or on our website.

... we remain well placed to continue delivering high-quality levels of service and representation to the legal profession moving forward.

A breakdown by entity of the group result, excluding any intragroup transactions and prior to the transfer of assets to the Public Purpose Fund during prior year, is shown below:

	2020	2019
	\$'000	\$'000
The Law Society of New South Wales	(462)	480
Lawcover Insurance Pty Limited	(2,186)	15,614
Lawcover Pty Limited	(20)	(9)
Solicitors Mutual Indemnity Fund	–	630
Consolidated (deficit) / surplus after tax	(2,668)	16,715

A breakdown by entity of the group's net assets is shown below:

	2020	2019
	\$'000	\$'000
The Law Society of New South Wales	146,456	141,117
Lawcover Insurance Pty Limited	159,097	171,283
Lawcover Pty Limited	90	110
Solicitors Mutual Indemnity Fund	–	–
Net assets before group eliminations	305,643	312,510
Elimination of the Society's investment in Lawcover Insurance	(34,600)	(44,600)
Net assets after group eliminations	271,043	267,910



Cassandra Banks
Treasurer



CONCISE FINANCIAL REPORT

The Law Society of New South Wales
ACN 000 000 699

The concise financial report is an extract from the full financial report for the year ended 30 June 2020. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of The Law Society of New South Wales and its subsidiaries as the full financial report.

The full financial report and the auditor's report will be sent to members on request, free of charge. Alternatively, members can access both the full financial report and the concise report via the internet on The Law Society of New South Wales' website: lawsociety.com.au

COUNCILLORS' REPORT

For the year ended 30 June 2020

The Council present their report on the consolidated entity (hereafter referred to as the group) consisting of The Law Society of New South Wales (the company) and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Councillors

The members of the Council in office during or since the end of the financial year were:

Jennifer Ruth Ball	Richard John Flitcroft	Antonella Claudia Sanderson
Cassandra Denise Banks	Richard John Harvey	Terence Leland Stern
Angelo Biliias	Catherine Joy James	Jade Elizabeth Tyrrell
Andries Gerrit Boog	Zora Kekeff	David Callum Turner
Danny Wayne Bricknell	Iona Wai Ting Luke	Joanne Patricia van der Plaat
Darryl Ian Browne	Hugh Ignatius Macken	Juliana Rose Warner
Adriana Care	Ronan MacSweeney	Mark Stephen Warton
Amber Rachel Cerny	Stephen McAuley	Jennifer Jane Windsor
Elizabeth Maria Espinosa	Brett Patrick McGrath	Jennifer Louise Lai Wah Wong

All members of the Council are practising solicitors of the Supreme Court of New South Wales.

During the year, the following Councillors were elected, re-elected or appointed to Council: Ms J Ball (elected 24.10.19), Mr A Biliias (elected 24.10.19), Ms I Luke (elected 24.10.19), Mr S McAuley (elected 24.10.19), Ms J Tyrrell (elected 24.10.19), Ms J van der Plaat (re-elected 24.10.19), Ms J Windsor (appointed 24.10.19).

During the year, the following Councillors retired or resigned from Council: Mr D Browne (retired 24.10.19), Ms E Espinosa (resigned 30.05.20), Mr H Macken (retired 24.10.19), Ms A Sanderson (retired 24.10.19), Mr D Turner (retired 24.10.19).

The company secretaries of The Law Society of New South Wales are Ms S Goldstein and Mr K Tickle.

Council meetings

A table setting out the number of Council meetings held during the financial year and the number of meetings attended by each Councillor is included in the corporate governance statement which is in the published annual report.

Principal activities

The Law Society of New South Wales is the professional association for solicitors in New South Wales and fulfils both a regulatory and representative function on behalf of the profession. The Law Society of New South Wales is also the parent company of the Lawcover group of companies, which provide professional indemnity insurance to legal firms. During the course of the year there was no significant change in the nature of these activities.

Dividends

The company's constitution prohibits the distribution of dividends to its members.

COUNCILLORS' REPORT

For the year ended 30 June 2020

Review of operations

The deficit of the company for the year was \$0.5 million (2019: \$10.5 million profit before payments received pursuant to the *Justice Legislation Amendment Act (No 3) 2018*). The profit or loss of subsidiaries are as set out in their respective financial statements.

The result of group operations for the year was a loss of \$2.7 million (2019: \$16.7 million profit before payments made pursuant to the *Justice Legislation Amendment Act (No 3) 2018*).

COVID-19 has, and may continue, to adversely affect the local and global economy, which in turn may impact the performance and results of the group.

The group responded quickly to the outbreak of the COVID-19 pandemic by implementing measures to maintain the ongoing safety and well-being of employees, including allowing employees to work from home. COVID-19 has not had a direct impact on the ability to perform core business activities and continuity of service to our members was maintained throughout this transition.

Whilst the investment portfolio of the group has been impacted by the economic consequences of COVID-19, there have been no defaults in the portfolio.

As part of the premium relief package, Lawcover Insurance provided insureds with the option of renewing on the basis of estimated future activity. Whilst there has been no evidence of claims directly attributable to COVID-19, an explicit allowance of \$1.5 million has been included to reflect the uncertainty in the claims liability estimates.

Further detail regarding the Council's consideration of COVID-19 with respect to membership fees is set out in Changes in state of affairs below.

Further information on the operations of the group can be found in the published annual report.

Changes in state of affairs

Following the onset and declaration of the COVID-19 pandemic in March 2020, the Council resolved to set membership fees at \$10 (plus GST) for the 2020–21 practising year. This represented a significant reduction from the solicitor membership fee of \$400 (plus GST) approved by Council for the 2019–20 practising year. This one-off measure will result in an estimated membership fee income decrease of \$11 million during the 2020–21 practising year relative to the 2019–20 practising year. There was no further significant change in the state of affairs of the group other than that referred to in the financial statements or notes thereto.

Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, event or transaction of a material or unusual nature likely, in the opinion of the Councillors, to affect significantly the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

Future developments

There are no likely developments in the operations of the group which would significantly affect the results of future operations.

COUNCILLORS' REPORT

For the year ended 30 June 2020

Indemnification of officers and auditors

During the financial year, the company paid a premium in respect of a contract insuring the Councillors of the company (as named above) and all executive officers of the company against a liability incurred as such a Councillor or executive officer to the extent permitted by the *Corporations Act 2001*.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 49.

Rounding of amounts

The company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, related to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Council.

On behalf of the Council



R Harvey
Councillor



C Banks
Councillor

Sydney, 17 September 2020



Auditor's Independence Declaration

As lead auditor for the audit of The Law Society of New South Wales for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Law Society of New South Wales and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R Balding', with a long horizontal flourish extending to the right.

R Balding
Partner
PricewaterhouseCoopers

Sydney
17 September 2020

.....
: **PricewaterhouseCoopers, ABN 52 780 433 757**
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T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
Revenue	3	108,397	111,100
Investment revenue		6,286	17,316
Other income		9,786	9,539
Employee benefits expense		(31,595)	(29,362)
Depreciation and amortisation expense		(2,387)	(2,126)
Law Council capitation fees		(3,389)	(3,265)
Outwards reinsurance premium expense		(8,311)	(7,804)
Claims expense		(60,223)	(49,829)
Consulting and professional fees expense		(7,869)	(8,818)
Other expenses		(13,942)	(14,037)
(Loss) profit before income tax and payment made pursuant to <i>Justice Legislation Amendment Act (No 2) 2018</i>		(3,247)	22,714
Income tax expense		579	(5,999)
(Loss) profit after income tax and before payment made pursuant to <i>Justice Legislation Amendment Act (No 2) 2018</i>		(2,668)	16,715
Payment made pursuant to <i>Justice Legislation Amendment Act (No 3) 2018</i>		–	(44,600)
Loss for the year		(2,668)	(27,885)
Other comprehensive income			
<i>Items that will not be classified to profit or loss</i>			
Revaluation of land and buildings		5,801	–
Other comprehensive income for the year, net of tax		5,801	–
Total comprehensive income (loss) for the year		3,133	(27,885)
Loss is attributable to:		(2,668)	(27,885)
Members of The Law Society of New South Wales		(2,668)	(27,885)
Total comprehensive income (loss) is attributable to:			
Members of The Law Society of New South Wales		3,133	(27,885)
		3,133	(27,885)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

As at 30 June 2020

		Consolidated	
		2020	2019
		\$'000	\$'000
	Note		
Current assets			
Cash and cash equivalents		21,977	25,530
Trade and other receivables	4	11,772	9,389
Investments	5	165,689	175,259
Current tax assets		2,027	–
Other assets		2,506	2,116
Total current assets		203,971	212,294
Non-current assets			
Receivables	4	4,835	6,865
Investments	5	237,154	244,149
Property, plant and equipment		59,189	53,789
Right-of-use assets		2,651	–
Deferred tax assets		2,721	2,142
Intangible assets		1,405	1,219
Total non-current assets		307,955	308,164
Total assets		511,926	520,458
Current liabilities			
Trade and other payables		9,002	8,410
Current tax liabilities		–	5,909
Lease liabilities		546	–
Provisions	6	83,256	66,880
Other liabilities	7	82,688	91,987
Total current liabilities		175,492	173,186
Non-current liabilities			
Deferred tax liabilities		–	–
Lease liabilities		2,133	–
Provisions	6	63,258	79,362
Total non-current liabilities		65,391	79,362
Total liabilities		240,883	252,548
Net assets		271,043	267,910
Equity			
Reserves		43,342	37,541
Retained earnings		227,701	230,369
Total equity		271,043	267,910

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Consolidated		
	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018	44,564	251,231	295,795
Loss after income tax	–	(27,885)	(27,885)
Other comprehensive income	–	–	–
Total comprehensive income	–	(27,885)	(27,885)
Transfer to retained earnings	(7,023)	7,023	–
Balance at 30 June 2019	37,541	230,369	267,910
Loss after income tax	–	(2,668)	(2,668)
Other comprehensive income	5,801	–	5,801
Total comprehensive income	5,801	(2,668)	3,133
Balance at 30 June 2020	43,342	227,701	271,043

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Consolidated	
	2020 \$'000	2019 \$'000
Cash flows from operating activities		
Receipts from customers	33,948	42,467
Payments to suppliers and employees	(56,259)	(54,857)
Interest paid	(78)	–
Premiums received	72,870	72,547
Outwards reinsurance premiums paid	(9,575)	(8,809)
Claims paid	(60,191)	(51,617)
Reinsurance and other recoveries received	2,903	5,230
Income taxes refunded	(7,936)	2,421
Net cash (outflow) inflow from operating activities	(24,318)	7,382
Cash flows from investing activities		
Payments for purchase of investments	(210,751)	(258,264)
Proceeds on sale of investments	233,200	291,342
Interest received	401	1,723
Payments for property, plant and equipment	(774)	(1,144)
Payments for intangible assets	(930)	–
Payment made pursuant to <i>Justice Legislation Amendment Act (No 3) 2018</i>	–	(44,600)
Net cash inflow (outflow) from investing activities	21,146	(10,943)
Cash flows from financing activities		
Payment of lease liabilities	(381)	–
Net cash outflow from financing activities	(381)	–
Net decrease in cash and cash equivalents	(3,553)	(3,561)
Cash and cash equivalents at the beginning of the year	25,530	29,091
Cash and cash equivalents at the end of the year	21,977	25,530

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

FINANCIAL COMMENTARY

For the year ended 30 June 2020

Income statement

The Law Society of New South Wales group reported a loss of \$2.7 million for the year (2019: \$27.9 million loss [2019: \$16.7 million profit before payment made pursuant to *Justice Legislation Amendment Act (No 3) 2018*]). Total revenue (including investment and other income) decreased by 9.8% to \$124.5 million, while operating expenses increased 10.8% to \$127.7 million.

The movement in revenue was underpinned by the following factors:

- The number of solicitors holding a practising certificate increased by 4.2% during the reporting period which, when accompanied by a voluntary membership take-up generally in line with 2019 levels, combined to increase membership and practising certificate revenues.
- Professional indemnity premium revenue decreased by 4.8% or \$3.6 million, which was driven by a \$2 million reduction in the 2019–20 targeted premium pool, in addition to the fact that premium revenue during the 2018–19 year exceeded target by \$1.6 million. This resulted from a larger number of newly commenced firms and a higher than anticipated gross fee income figure reported for that period.
- Reinsurance recoveries have decreased by 44.0% or \$1.6 million. Lawcover Insurance has not had a quota share arrangement in place from the 2016–17 policy year onwards, and the level of claims development for those policy years prior to 2016–17 continues to reduce which leads to an ongoing reduction in reinsurance recoveries received.
- Investment revenue decreased by 63.7%, with Lawcover Insurance recording a 57.8% or \$8.7 million decrease within this income category. Lawcover Insurance's investment returns in the prior period were strong due to declining bond yields which were not fully replicated this year. Further to this, the Society's externally managed investment portfolio returned an investment loss of 1.4% for the 2019–20 period due to market volatility seen following the onset of the COVID-19 pandemic.

Several factors have contributed to the increase in overall expenses, with the major movements stemming from the following:

- Employee benefits expense increased by 7.6% or \$2.2 million, following a small headcount increase across the group, primarily in the Law Society's Professional Standards department and Lawcover Insurance's legal compliance and actuarial staff. Reduced usage of annual and long-service leave following the onset of the COVID-19 pandemic has also contributed to this variance.
- Gross claims expense increased by 20.9% or \$10.4 million. Professional indemnity claim expenses for the 2018–19 period benefited from a significant prior year's reserve release of \$13.8 million, as Lawcover Insurance's actuaries considered that certain segments of the overall portfolio were performing better than expected. Conversely, the current financial year saw a \$1.5 million increase to claims reserves as sections of the portfolio saw claims experience that was slightly above those levels anticipated. These two factors were partially offset by a net discount/risk margin benefit of approximately \$4.5 million due to an increased level of claim payments made on older policy years.

Balance sheet

The group has finished the year with reported net assets of \$271.0 million, an increase of 1.2% from the prior period. The group's financial position remains strong with cash and investments held by the Law Society and Lawcover Insurance totalling \$424.8 million at 30 June 2020. Lawcover Insurance continues to maintain what is an exceptionally resilient capital position, with a capital adequacy multiple of 3.8 times APRA's prudential capital requirement at 30 June 2020 (unaudited).

Cash flow statement

As at 30 June 2020, the group held cash of \$22.0 million. When short term deposits are included this increases to \$48.4 million. The Council continues to closely monitor the investment strategies that both the Law Society and its subsidiaries undertake to ensure that appropriate returns are adequately balanced against any risks assumed.

1. Reporting entity

The Law Society of New South Wales is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Law Society of New South Wales
170 Phillip Street
Sydney NSW 2000

This concise financial report relates to the consolidated entity consisting of The Law Society of New South Wales and the entities it controlled at the end of, or during, the year ended 30 June 2020. The accounting policies adopted have been consistently applied to all years presented. The financial statements are presented in the Australian currency.

2. Changes in accounting policy

(i) New and amended standards adopted by the group

The group has applied the following standard for the first time for their annual reporting period commencing on 1 July 2019:

- AASB 16 *Leases*

The group has adopted AASB 16 *Leases* retrospectively from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance on 1 July 2019. The new accounting policies are disclosed in note 17 of the group's annual financial report.

On adoption of AASB 16, the group recognised lease liabilities in relation to the current lease of Lawcover Insurance's office premises which commenced on 1 October 2019. Previous leases had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 October 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 October 2019 was 3.6%.

In applying AASB 16 for the first time, the group has used the practical expedients permitted by the standard, by accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

(ii) New standards and interpretations not yet adopted

The group has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2019, including:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* (effective for annual reporting periods beginning on or after 1 January 2020)
- AASB 2016-6 *Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts* (effective for annual reporting periods beginning on or after 1 January 2023)
- AASB 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2023)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

2. Changes in accounting policy (continued)

The group intends to apply the standards and amendments detailed above for the reporting periods beginning on the effective dates set out above. An assessment has been performed for the following:

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across the Australian Accounting Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material. Based on the group's assessment, when these amendments are first adopted for the year ended 30 June 2021 there will be no material impact on the financial statements.
- AASB 9 *Financial Instruments (2014)*, introduces a new simplified approach for the classification and measurement of financial assets, including a new forward-looking 'expected loss' impairment model and better aligns hedge accounting to the risk management activities of businesses. In September 2016 the AASB amended AASB 4 *Insurance Contracts* (AASB 2016-6), which permitted eligible insurers to continue to apply AASB 139 *Financial Instruments: Recognition and Measurement* until they are required to apply AASB 9 *Financial Instruments* alongside AASB 17 *Insurance Contracts*. In July 2020 the AASB made further amendments (AASB 2020-5) deferring the effective date of AASB 17 to annual reporting periods beginning on or after 1 January 2023.

This applies to Lawcover Insurance. From 1 January 2023, Lawcover Insurance must apply AASB 9 together with AASB 17 *Insurance Contracts* and reflect the changes in the Lawcover Insurance standalone financial statements. Lawcover Insurance is yet to undertake a detailed assessment of the impact of AASB 9, however this will be performed prior to first time adoption of the Standard.

- AASB 17 *Insurance Contracts* was issued in May 2017 and will replace AASB 4 *Insurance Contracts*, which currently permits a wide variety of practices. AASB 17 will fundamentally change the accounting by all entities that issue insurance contracts. Lawcover Insurance is yet to undertake a detailed assessment of the impact of AASB 17, however this will be performed prior to first time adoption of the Standard.

3. Revenue

An analysis of the group's revenue for the year is as follows:

	Consolidated	
	2020 \$'000	2019 \$'000
Membership and practising certificate fees	25,970	24,489
Premium revenue	72,415	76,035
Reinsurance and other recoveries	2,040	3,641
Legal training revenue	1,363	1,331
Member services revenue	1,835	1,809
Other revenue	4,774	3,795
	108,397	111,100

NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

4. Trade and other receivables

	Consolidated	
	2020 \$'000	2019 \$'000
Current		
Trade receivables	95	5
Reinsurance and other recoveries receivable	11,371	8,940
Other receivables	306	444
	11,772	9,389
Non-current		
Reinsurance and other recoveries receivable	4,835	6,865
	4,835	6,865

5. Investments

Current		
Deposits	26,412	27,987
Negotiable certificates of deposit	2,000	14,969
Corporate & government securities	43,355	46,007
Managed funds	93,922	86,296
	165,689	175,259
Non-current		
Corporate & government securities	237,154	244,149
	237,154	244,149

6. Provisions

Current		
Outstanding claims liabilities	79,266	63,060
Lease incentive liability	–	70
Employee benefits provision	3,990	3,750
	83,256	66,880
Non-current		
Outstanding claims liabilities	62,212	78,386
Lease incentive liability	–	–
Employee benefits provision	1,046	976
	63,258	79,362

NOTES TO THE FINANCIAL STATEMENTS

30 June 2020

7. Other liabilities

	Consolidated	
	2020 \$'000	2019 \$'000
Current		
<i>Deferred revenue</i>		
Membership and practising certificate fees	14,403	23,831
Premiums received in advance	67,367	66,912
Other	918	1,244
	82,688	91,987

8. Subsidiaries

Name of entity	Country of incorporation	% Equity interest		Investment \$	
		2020	2019	2020	2019
Lawcover Pty Ltd (i)	Australia	100	100	2	2
Lawcover Insurance Pty Ltd (ii)	Australia	100	100	34,599,942	44,599,942
				34,599,944	44,599,944

- (i) **Lawcover Pty Ltd.** Incorporated in New South Wales on 19 June 1987. Contributed equity of 2 ordinary shares fully paid.
- (ii) **Lawcover Insurance Pty Ltd.** Incorporated in New South Wales on 17 January 2001 and commenced operations in April 2004. Contributed equity of 34,599,942 ordinary shares fully paid. The company was established to underwrite compulsory professional indemnity insurance for solicitors. On 26 June 2020 Lawcover Insurance completed a share buy-back of \$10,000,000 from The Law Society of New South Wales.

9. Members guarantee

The Law Society of New South Wales is a company limited by guarantee. In the event that The Law Society of New South Wales is wound up, the liability of members towards meeting any outstanding obligations of the consolidated entity is limited to \$2 per member.

10. Events occurring after the reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, event or transaction of a material or unusual nature likely, in the opinion of the Councillors, to affect significantly the operations of the group, the results of those operations or the state of affairs of the group in future financial years.

COUNCILLORS' DECLARATION

30 June 2020

The Councillors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2020 as set out on pages 50 to 58 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

The concise financial report is an extract from the full financial report for the year ended 30 June 2020. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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

On behalf of the Council



R Harvey
Councillor



C Banks
Councillor

Sydney, 17 September 2020



INDEPENDENT AUDITOR'S REPORT

To the members of The Law Society of New South Wales

Report on the concise financial report

Our opinion

In our opinion, the accompanying concise financial report, including the discussion and analysis, of The Law Society of New South Wales (the Company) and its controlled entities (the Group) for the year ended 30 June 2020 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

What we have audited

The Group concise financial report derived from the financial report of the Company for the year ended 30 June 2020 comprises:

- the consolidated balance sheet as at 30 June 2020
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the related notes
- the discussion and analysis.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the concise financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Concise financial report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

The financial report and our report thereon

We expressed an unmodified audit opinion on the financial report in our report dated 17 September 2020.

Responsibilities of the Councillors for the concise financial report

The Councillors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, and the *Corporations Act 2001*, and for such internal control as the Councillors determine is necessary to enable the preparation of the concise financial report.

Auditor's responsibilities for the audit of the concise financial report

Our responsibility is to express an opinion on whether the concise financial report, complies in all material respects, with AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complied with AAS 1039 *Concise Financial Reports* based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers

R Balding
Partner

Sydney
17 September 2020

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