ACKNOWLEDGEMENT OF COUNTRY

The Law Society of NSW acknowledge 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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The Law Society of NSW is the proud voice of the legal profession and represents the interests of more than 30,000 members.

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.
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 30,000 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, 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.
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.
2018 Regional Presidents Conference


Middle row left to right: Clr Danny Bricknell North Metropolitan Law Society, David Cummins Southern Tablelands Law Society, Julianne Carroll South West Slopes Law Society, Maria Daniele Inner West Law Society, Lauren Edwards Far North Coast Law Society, Jacqueline Rogers Bankstown & District Law Society, Con Ktenas City of Sydney Law Society, Natalie Scanlon North & North West Law Society, Rosemary Long Central Coast Law Society

2016–2019 Strategic Plan

Maintaining the profession’s high standards and integrity, with dynamic leadership and excellence; our Strategic Plan underpins the Law Society’s focus on fulfilling its regulatory functions and providing services, support and advocacy to the profession.

Purpose: *omnium jura defendimus* – defending the rights of all

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
## REGULATION

### High professional standards and integrity

1. Provide regulatory leadership and oversight of the legal profession
2. Ensure the fair and impartial provision of regulatory functions
3. Be a timely, professional and knowledgeable resource to the profession in compliance
4. Deliver visionary and practical leadership in shaping the regulatory framework
5. Protect and uphold community and government confidence in regulation
6. Uphold the highest professional and ethical standards to ensure community and government confidence
7. Adopt a progressive stance to ensure best practice delivery

## ADVOCACY

### Dynamic leadership in reform and the rule of law

1. Promote and protect the rule of law
2. Preserve the integrity of the legal system
3. Initiate and lead law reform and legal policy
4. Engage and empower the legal profession in the development of the law
5. Engage and inform the community on the law and legal issues
6. Champion pro bono work
7. Advocate for a well-resourced and accessible justice system
8. Sponsor and initiate of legal policy in Australian and international arenas

## MEMBERSHIP

### Service excellence and professional unity

1. Reaffirm the rule of law as a foundation for membership
2. Understand and prioritise the diverse needs of the profession
3. Develop and enhance legal communities across private, corporate, government and regional practice
4. Adapt and evolve our services to changing member needs
5. Recognise and respond to the profession’s wellbeing requirements
6. Lead ongoing legal education and professional development
7. Facilitate access to lifestyle and practice products and services to assist members
8. Provide reliable and dependable practice support

## SUSTAINABILITY

### Responsible leadership and governance

1. Anticipate and adapt to future and developing trends confronting the legal profession
2. Ensure growth of our net financial position to underpin support to members and represent the legal profession into the future
3. Provide responsible management of resources to maximise the achievement of strategic objectives
4. Maintain strategic alignment with related and relevant entities such as Lawcover, the Law Council of Australia, and LAWASIA
5. Adapt and develop our services to embrace environmental, technological and social changes and trends

In June 2019 the Law Society adopted a new Strategic Plan for 2019–2022 which is available on lawsociety.com.au.
## Year in review

<table>
<thead>
<tr>
<th>JULY 2018</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
<th>OCTOBER</th>
<th>NOVEMBER</th>
<th>DECEMBER</th>
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<tbody>
<tr>
<td>Young lawyers mentoring program launched</td>
<td>Thought Leadership series: Reforming the Local and District Court System</td>
<td>Government Solicitors Conference and Awards</td>
<td>Thought Leadership series: Responses to the growing prison population</td>
<td>Co-hosted the Supreme Court Commercial and Corporate Law Conference</td>
<td>Newly accredited specialist cocktail reception</td>
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<td>Just Art competition and exhibition</td>
<td>Specialist Accreditation Conference</td>
<td>#InnovateLaw2018 Hackathon</td>
<td>Regional Presidents Convention</td>
<td>First 100 Years of Women in Law gala dinner</td>
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<td>Bill Grant Inaugural Memorial Oration</td>
<td>LSJ Speaker Series: In conversation with Talitha Cummins</td>
<td>Inaugural FLIP Conference and Innovation Awards</td>
<td>Rural Issues Conference</td>
<td>LSJ Speaker Series: Sexual harassment</td>
<td>603 applications received for the Pro Bono Scheme</td>
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<td>Launch of state-wide advertising campaign</td>
<td>FLIP Inquiry Series: Behind the Buzzwords - Metadata</td>
<td>LSJ named Member Magazine of the Year at the 2018 Mumbrella Publish Awards</td>
<td>FLIP Inquiry Series: Behind the Buzzwords - Blockchain</td>
<td>Equitable Briefing networking event</td>
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<td>Law Society Council Meeting in Wagga Wagga</td>
<td>Launch of new podcast series ‘Off the Record’ produced by LSJ</td>
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<td>FLIP Inquiry Series: Behind the Buzzwords - Artificial Intelligence</td>
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<td></td>
<td>Just Music concert</td>
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<td>Annual Members Dinner and President’s Medal</td>
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<td>Young Professionals Charity Ball</td>
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<td>50-year members lunch</td>
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<td>NSW Young Lawyers Annual Assembly and Patron Awards</td>
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<td>JANUARY 2019</td>
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<td>MARCH</td>
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<td>Opening of Law Term Dinner</td>
<td>Graduate and womens mentoring programs launched</td>
<td>International Women’s Day Breakfast with Dr Kirstin Ferguson</td>
<td>LSJ Speaker Series: the burnout profession?</td>
<td>Thought Leadership series: Family law courts – change for a system in distress</td>
<td>LSJ Speaker Series: Bullying in the legal profession</td>
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<td>Opening of Law Term religious services</td>
<td>Thought Leadership series: Hayne Report: law, regulation and practice</td>
<td>FLIP Regional Roadshow: Newcastle</td>
<td>FLIP Regional Roadshow: Byron Bay</td>
<td>FLIP Regional Roadshow: Dubbo and Wollongong</td>
<td>Release of 2018 National Profile of the Profession</td>
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<td>Women Leadership in Law Round Table</td>
<td>2018 State Election Platform developed</td>
<td>Sydney Law Careers Fair</td>
<td>FLIP Stream seminar: AI and the Legal Profession</td>
<td>NSWYL Golden Gavel competition</td>
<td>NSWYL Mid-Year Assembly</td>
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<td>FLIP General Counsel Forum</td>
<td>The Law Society named Employer of Choice for Gender Equality by the WGEA</td>
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<td>2019-2022 Strategic Plan launched</td>
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President’s report

Elizabeth Espinosa

Safeguarding the rights of the community, defending the rule of law and advocating for justice reforms in the lead-up to both a state and federal election were key priorities for the Law Society during 2018-19.

In my term as President, I have sought to promote diversity and inclusion within the profession, to promote solicitors as advocates, to continue the push for an increase in the hourly rate for legally aided work, and to support our members in dealing with the technology and innovation sweeping the legal profession. We have not wavered in our commitment to lobby for additional resources for our courts to reduce the delays and backlogs that have hindered the efficient administration of justice in our state for too long.

My work, on behalf of the state’s 35,000 solicitors, has been guided by the Law Society’s ongoing commitment to adapt and progress, to react and respond to our member’s needs and to further our continued standing as one of the most resilient and respected legal associations within Australia and internationally.
Our justice system

The Law Society has campaigned vigorously for additional court resources to clear the ongoing delays and backlog of cases which are impacting victims, witnesses and the accused. The NSW Government’s announcement of a $148 million funding boost for the District Court during the reporting period, which included the appointment of seven extra District Court judges, was greatly received, and will do much to cut through the backlog and bring about faster trials. While the Law Society cannot take full credit for this funding, I believe our lobbying efforts on this front have played a part in obtaining these extra resources.

We also welcomed news that the Chief Judge of the District Court, the Honourable Justice Derek Price AM, will carry out a review of case management and jury processes to reduce delays in criminal proceedings in the District and Supreme Courts. The complexity of criminal court matters makes this task very challenging and any gains in efficiency should not come at the expense of access to justice.

The issue of adequate remuneration for private practitioners undertaking legally-aided work in our state remains a real concern. There has been no increase in the hourly Legal Aid rate since 2007 and many solicitors are now working unpaid hours to keep the legal aid system going, to the point that many solicitors now view legal aid work as pro bono work. If this situation is not addressed, we will continue to see experienced solicitors reluctantly withdraw from legally-aided matters, particularly in regional and remote areas of the state.

The Law Society also backed calls for a coordinated national response from Commonwealth, State and Territory Governments to address the over-representation of Indigenous people in the criminal justice system. This issue requires a coordinated, intergovernmental response backed by additional funding and underpinned by Indigenous community empowerment and principles of self-determination.

In the leadup to the 2019 State Election, the Law Society continued to advocate for other enhancements and resources in priority areas of need to ensure access to justice and the efficient administration of justice for the people of NSW. Our 2019 State Election Platform outlined five key areas of reform: better resources for the courts and justice system, upholding the rule of law, promoting business and investment, reducing the incarceration rate, and Indigenous justice.

It also identified an urgent need for a new multi-purpose justice precinct in Sydney’s south west, to replace the region’s outdated, overflowing and unsafe court facilities. To harness support, the Law Society formed a south-western Sydney Justice Precinct Strategy group with a range of stakeholders all deeply concerned about the state of the region’s local courts and the impact that delays in justice are having on some of the most vulnerable in our community.

“Safeguarding the rights of the community, defending the rule of law and advocating for justice reforms ... were key priorities for the Law Society.”
Solicitors as advocates

As solicitors and able officers of the court, we have a primary stake in the administration of justice in this state and this should be reflected in judicial appointments. However, in advocating for the appointment of more solicitors to the bench, we need to demonstrate that solicitors are at the forefront of advocacy, including in the higher courts, and are equipped to serve as future judges.

To further this aim, this year the Law Society rolled out a series of Advocacy Skills Continuing Professional Development sessions including a half-day advocacy workshop led by Patrick Griffin SC. In addition, the Law Society launched the 2019 Legal Aid Civil Law Legal Excellence Program, a key component of which is specialised advocacy skills training for Legal Aid solicitors of varying experience levels.

Our efforts were buoyed by a number of significant appointments during the year, including the appointment of solicitor Lea Armstrong as a Judge of the Supreme Court and President of the NSW Civil and Administrative Tribunal, the appointment of former Law Society President Doug Humphreys OAM as a Judge of the Federal Circuit Court, and the appointment of former children’s advocate and Legal Aid lawyer Magistrate Teresa O’Sullivan as the new State Coroner.

Future-proofing our profession

Providing solicitors with the resources, information and support to adapt to the technology and innovation that is transforming the legal profession and the way we provide legal services has been a major priority this year. Guided by the recommendations outlined in the Law Society’s ground-breaking Future of Law and Innovation in the Profession (FLIP) Report, we rolled out a suite of FLIP initiatives for members, including a Regional FLIP Roadshow in four key locations around the state, the continuation of our bi-monthly Behind the Buzzword inquiry series, new CPD seminars on cybersafety, our annual hackathon and the development of online and offline technology resources. Our ongoing FLIP Stream research and the FLIP Conference and Innovation Dinner drew international attention and cemented the Law Society’s place as a pacesetter in this climate of accelerated innovation.

Regional and rural law societies

At the core of the Law Society and our governing Council is our close relationship with our 29 regional law societies. While we are all united in objectives – serving court and client, and standing up for the rule of law and access to justice – each region operates in a distinct environment.

Regional and rural law societies

Ongoing engagement with our solicitor members is crucial if we are to deliver relevant services which speak to the core priorities and values of the legal profession, wherever one practises.

As President, I made it a priority to visit as many regions as possible in collaboration with our regional law societies. A highlight was participating in the FLIP Regional Roadshow events at Newcastle, Wollongong, Dubbo and Byron Bay with more than 300 solicitor members.

In every region I visited, I took the opportunity to meet with the Community Legal Centre Principle Solicitor and the Women’s Domestic Violence Court Advocacy Service team to personally thank them for their passion and unrelenting dedication to helping women navigate the administration of justice within the context of domestic violence.

Diversity and inclusion

I have sought to promote and celebrate lawyers in their differences, knowing we unite under the same banner: defending the rights of all. My agenda has been guided by the desire to see more people of diverse backgrounds – whether diversity of ethnic background, practice area, role, age, experience or gender – thriving and succeeding in our profession.
In this reporting period, we celebrated the 100th anniversary of women in the law in NSW, hosting a number of events and initiatives marking this milestone. On 26 November 2018, hundreds of solicitors gathered at NSW Parliament for a “First 100 Year” event during which I launched the inaugural Charter for the Advancement of Women in the Legal Profession Awards. These awards recognise the efforts of the signatories to the Law Society’s Charter for the Advancement of Women in the Legal Profession who have demonstrated excellence in implementing strategies and workplace changes relating to the advancement of women in the legal workplace.

The Law Society has an ongoing commitment to displaying best practice and leadership in our community in relation to inappropriate behaviour in the workplace. The Law Society promoted and participated in the International Bar Association’s global survey into sexual harassment and bullying in the legal profession, made a substantial submission to the National inquiry into Sexual Harassment in Australian Workplaces, and facilitated crucial discussions on these topics and other workplace-related topics at our Thought Leadership and LSJ Speaker Series events.

President’s charity

In 2019, members of the profession and the broader community have been generous in supporting the work of Our Watch, a national charity dedicated to ending violence against women and children. I nominated Our Watch as the President’s Charity for 2019 because their message, doing nothing does harm, resonated with me. By driving a nationwide change in culture, Our Watch seeks to correct the abusive power imbalance that can develop at home, which leads to cycles of violence. As well as our commitment to raising funds for this charity, I am proud that our profession has played a part in helping to change the story about domestic and family violence.

Conclusion

Serving as President is a responsibility I have undertaken with a sense of optimism for our profession. I have worked hard to represent you, speak up for the cause of justice, and to ready our profession for the future. I did not do this alone. I wish to acknowledge and thank Chief Executive Officer Michael Tidball for his stewardship and guidance; he has the best interests of the Law Society and our profession first and foremost in his mind. The countless volunteer hours and contributions made to strategic direction and policy by the 21 elected councillors and the members of our 27 committees is also worthy of being acknowledged and applauded. I also thank the dedicated and hardworking staff at the Law Society for regularly going beyond the call of duty. Their participation and passion illustrate why the Law Society is an employer of choice. I hope they know the work they do, like the work of our solicitors, does make a difference.

“As President, I have sought to promote and celebrate lawyers in all their difference, knowing we all unite under the same banner; defending the rights of all.”
The 2018-19 reporting period has been one of strong performance and innovative output as we have sought to advocate on behalf of the legal profession and, through it, underwrite the sustainability of the rule of law in the maintenance of civil society and robust legal institutions. The Law Society’s foundational settings have revolved around achieving excellence in the pursuit of our co-regulatory functions, as well as providing powerful representation and an increasing range of member services events, an enhanced educational program and a state-of-the-art digital information platform to the profession.

In 2018-19, the challenges of connecting with some 35,000 solicitors in an inclusive and meaningful way, irrespective of where they practise, has required ongoing consolidation of existing approaches, as well as the roll out of new programs. Notably, women now outnumber men in the profession in NSW, as they do in all states and territories, with the exception of Western Australia (where the gender split is 50-50).

Financial performance

During the 2018-19 financial year the Justice Legislation Amendment Act (No 3) 2018 No 87, which made amendments to the Legal Profession Uniform Law Application Act 2014 No 16, commenced. These amendments became effective on 7 December 2018 and included legislating for the closure of the Solicitors Mutual Indemnity Fund. Pursuant to the amendments, and following the Fund’s ultimate closure on 21 January 2019, half of the Fund’s assets were transferred to the Law Society for the sole purpose of subscribing for additional shares in Lawcover Insurance. The remaining half of the Fund’s assets, an amount equal to $44.6 million, was transferred to the NSW Public Purpose Fund for the purpose of establishing a community legal services account, which will be used to fund the community legal services program managed by Legal Aid NSW moving forward.

As the Solicitors Mutual Indemnity Fund formed part of the consolidated Law Society group for reporting purposes, this transfer to the Public Purpose Fund has resulted in the group recording an overall net deficit of $27.9 million for the year ended 30 June 2019. Prior to this payment being made to the Public Purpose Fund, the group’s net surplus was $16.7 million for the period. As a critical component of the Law Society’s strategic objectives includes ensuring our ongoing financial strength and viability, it is pleasing to report that following a continued increase in the number of practising members, another strong underwriting result for Lawcover Insurance, and improved investment returns across all entities, the Law Society group finishes the year with net assets of $267.9 million and in excellent financial shape.

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.

Legal policy and representation

In legal policy and practice throughout the past year, the Law Society was active in developing a policy platform for the 2019 State Election, touching on all major policy priorities raised by the profession, as well as significantly contributing to the Law Council of Australia’s Federal Election Policy document.

Informed by the volunteer contributions of our 18 expert policy committees, the Law Society has made more than 200 submissions during the reporting period. Submissions on class actions, consent in sexual assault matters, family law, modern slavery, the open justice review, model defamation legislation and developments in artificial intelligence and other workings of technological innovation have occupied significant attention. Our submissions to the national policy platform through the Law Council of Australia is vital in ensuring the NSW profession, which comprises 43 per cent of all solicitors across Australia, is heard on major issues.

In addition, the development of a solution for the interoperability of
“Over the past year, the Law Society has delivered hundreds of online and face-to-face CPD offerings across all four mandatory knowledge areas. Our CPD program is one of the largest in Australia ...”.

Professional standards

Through our ongoing engagement with the legal profession, governments, national authorities and co-regulators, the Law Society plays a leading role in strengthening the regulatory environment. We also ensure that standards of fairness and impartiality apply when we deliver on our responsibilities as a co-regulator.

The Law Society has continuously administered schemes as an exclusive member benefit since 1996. These schemes are specifically designed to promote professional standards, enhance consumer protection, and enable private practice members to limit their civil liability to selected amounts, provided they meet the requirements.

The latest of these schemes, The Law Society of New South Wales Professional Standards Scheme, commenced in November 2018. For the first time, the Scheme now permits Incorporated Legal Practice entities to participate in, and to avail of, the benefits of the Scheme. Since the launch of this Scheme, there has been a significant increase in numbers of Scheme
participants, with more than 12,240 solicitor members and life members now participating, as well as 2,240 Incorporated Legal Practice entities.

In other developments, we are looking forward to launching the Law Society’s new online Scheme application portal, which will enhance user experience for Scheme applicants and improve Scheme administration efficiency.

**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’s (FLIP) Report has continued unabated with our program of initiatives aimed at helping the legal profession leverage and embrace the opportunities that technology and innovation can provide, for them and their clients.

This year for the first time we hosted a Regional FLIP Roadshow in four regional locations to provide our regional members with tailored and practical support to embrace the technology and innovation sweeping the profession. In 2018, the Law Society launched The FLIP Inquiry Series – Behind the Buzzwords, a bi-monthly panel discussion decoding the latest buzzwords in the profession, such as cyber crime, metadata, blockchain and AI. The discussions consider various perspectives, including ethics, regulation, risk management, privacy and legal practice. Six new sessions in 2019 include RegTech, globalisation, newlaw, cloud and change leadership.

In the reporting period, the FLIP Stream of Research, the Law Society’s five-year collaboration with the University of NSW, also released the findings from its research on artificial intelligence. Other FLIP events have focused on the needs of particular segments of the profession, and our annual FLIP Conference and Innovation Dinner has advanced into Australia’s largest legal innovation event, showcasing the latest technology and innovation trends in the legal profession.

**NSW Young Lawyers**

NSW Young Lawyers, with its diverse community of students, solicitors and barristers, continues to inform and support the legal profession in public policy debate, submissions and publications supported by its 15 committees dedicated to a particular area of law. NSW Young Lawyers hosts numerous flagship events throughout the course of the year, including the annual Golden Gavel and the Young Professionals Charity Ball, both very successful events in their own right with the latter raising much-needed funds for the Public Interest Advocacy Centre. In the graduate space, the Sydney Law Careers Fair, held at the ICC Sydney, was our most successful ever, with an unprecedented increase in both student and law firm attendance. The program provided tailored presentations for students on topics such as interview tips and tricks, legal pathways, and being well in the law, as well as the opportunity for students to attend mock interviews with expert recruiters. In partnership with Urbis, the second phase of the Graduate Tracking Survey is due to be released in the next reporting period. This year also saw the publication of the 4th edition of the Practitioners Guide to Land and Environment Court.

**Engaging with members of the profession**

Expanding the means by which we communicate with our members has been a focus over the past 12 months. The launch of LSJ Online has been well received and resulted in a steadily growing audience enjoying our content in a digital format. LSJ’s print circulation has held steady, indicating that readers are engaging with content across both mediums. Our social media communities continue to flourish, enabling us to reach different audiences across varying platforms and
in turn provide opportunities for our members to engage with us. Our brand refresh, backed by new brand guidelines, has been rolled out across all publications, communications and marketing, ensuring brand integrity and alignment.

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 OPSM, Caltex, MBA Travel, Australian Business Energy, Vollie and Gerald Chait Strategic Marketing.

Pro bono

The demand for pro bono services continues to grow, with more vulnerable and disadvantaged people turning to the Law Society for help. The Law Society’s Pro Bono Scheme received 603 applications in 2018 – 364 of those applications (60 per cent) 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 heavy demand for the Law Society’s Solicitor Referral Service, which provided a total of 16,615 referrals to members of the public seeking access to legal services in 2018.

Conclusion

The Law Society’s governance, dating back to its origins in 1842, has fundamentally involved the role of successive presidents and councillors in steering the direction and oversight of the organisation. The Law Society continues to be led by a strong Council. On behalf of all the staff, I thank Doug Humphreys for his presidency in 2018, as well as his remarkable output across a range of committees and other key roles within the Law Society’s governance, regulatory and policy making fora over many years. I also congratulate Judge Humphreys on his appointment to the Federal Circuit Court. Similarly, in 2019 Elizabeth Espinosa has brought to the leadership of the Law Society a strong agenda, where connection with regions and strategic issues that will affect the profession well into the future have been comprehensively embraced. I express my gratitude to Elizabeth.

The Law Society’s many committees are well served by practising lawyers and experts across a number of practice areas and different legal environments. Their work, which is voluntary, allows the Law Society to sustain its position as a powerful and influential advocate in relation to legal reform issues being considered by Government. Their contribution is crucial, as it allows for legislative and other changes to be carefully revised and for decision-makers and parliaments to benefit from the unique input and expertise of the profession.

The Law Society has a similarly committed and voluntary reserve of lawyers, who work in a vast range of settings, represented on the Law Society Council. In years past, the range of committees, the complexity of issues, and the volume of work has only grown. The Law Society Council members commit themselves to very heavy workloads in the pursuit of their various commitments. On behalf of the Law Society, it is important that our appreciation for their contribution and leadership is placed on the record. Finally, I would like to acknowledge the Law Society staff who implement the direction of Council’s strategy and deliver on day-to-day activities. Their support to the profession is vital and valued, and I thank them for their diligence and commitment to one of the most respected legal associations in Australia and internationally.
Profile of the profession

This snapshot of the profession reflects data from the Law Society Registry on 30 June 2019.

**Female/male solicitors**

- **2010/11**: 11,346 (53.73%) Female, 12,903 (53.14%) Male
- **2011/12**: 11,053 (53.14%) Female, 13,083 (53.14%) Male
- **2012/13**: 12,184 (54.02%) Female, 13,308 (56.15%) Male
- **2013/14**: 12,728 (54.16%) Female, 13,755 (56.91%) Male
- **2014/15**: 14,391 (54.26%) Female, 15,832 (59.79%) Male
- **2015/16**: 16,301 (54.66%) Female, 18,072 (55.37%) Male
- **2016/17**: 17,036 (55.13%) Female, 19,036 (54.85%) Male
- **2017/18**: 16,179 (52.51%) Female, 16,239 (50.66%) Male
- **2018/19**: 16,587 (52.84%) Female, 17,018 (50.75%) Male

**Category of solicitors**

- **0.20%** Volunteer (88)
- **10.62%** Government (3,676)
- **19.04%** Corporate (6,589)
- **70.14%** Private (24,268)

**Location of solicitors**

- **12.30%** Rural (4,255)
- **33.72%** Suburban (11,688)
- **48.15%** City (16,659)
- **5.13%** Overseas (1,776)

**Age of solicitors**

- **7.78%** 65+ Years (2,692)
- **13.14%** 55–65 Years (4,545)
- **18.00%** 45–54 Years (8,227)
- **34.32%** Less Than 35 Years (11,874)

**Experience of solicitors**

- **19.40%** 25 Years+ (8,711)
- **25.27%** Less Than 5 Years (8,743)
- **18.67%** 5–8 Years (6,459)
- **13.08%** 15–19 Years (4,527)
- **15.80%** 10–14 Years (5,466)
Complaints against solicitors

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

Complaints opened

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<tr>
<td>Total</td>
<td>545</td>
<td>550</td>
<td>546</td>
<td>480</td>
<td>408</td>
<td>449</td>
<td>600</td>
<td>481</td>
<td>498</td>
</tr>
</tbody>
</table>

Areas of law with the most complaints

- Family Law: 52
- Commercial Law: 35
- Wills and Estates: 45
- Criminal Law: 34
- Conveyancing/Real Property: 17
- Personal Conduct: 269
- Other: 69
- Cost/Payment Issues: 29
- Non-Compliance: 31
- Trust Account Matters: 31
- Communication and Services: 34
- Competence and Diligence: 46

Complaints opened, by solicitor type

- Government Legal Practitioner: 6
- Corporate Legal Practitioner: 10
- Employee of Law Practice: 91
- Principal of Law Practice: 312
- Not Practising/ceased Practising: 46
- Trust Accounts Inspector: 1
- Executor: 1
- Legal Services Commissioner: 2
- Attorney General: 7
- Solicitor on behalf of client: 19
- Barrister: 16
- Other: 40
- Client/Former Client: 115
- Third Party: 103
- Third Party (Other Side): 98

Complaints opened, by type of complainant

*Other includes: Beneficiary = 12, Government Dept = 3, Court Registrar = 1
I am pleased to provide my seventh Lawcover Insurance report for the 2019 Law Society Annual Report. The year ending 30 June 2019 has been one of strong financial results, continued stability of the claims portfolio and significant participation by the profession across the broad range of our Risk Management Education Program activities. We have continued to refine our business operating model to deliver efficient and effective professional indemnity services to insured law practices.

The Lawcover team continues 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 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

Our commitment to outstanding customer service remains a core focus of our activities. During the last year, Lawcover achieved a Net Promoter Score© of +41, together with 80 per cent of respondents rating the overall value provided by Lawcover as good or excellent.

During the 12 months to 30 June 2019, we have continued our regular customer satisfaction surveys including claims service (100 per cent satisfaction with Lawcover services and 95 per cent overall satisfaction), Risk Management Education Program (98 per cent to 100 per cent satisfaction) and our online renewal platform (95 per cent satisfaction). While these results are tremendously satisfying, we will not rest on our laurels, but will continue to find ways to increase our value offerings.

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 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 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 2019 has again delivered strong financial performance, driven mainly by strong investment results, but also by better-than-anticipated claims outcomes from prior years. Our continued focus on internal operating efficiencies together with extensive risk management and claims prevention activities are supported by a competent and risk-aware legal profession.

We continue to see alignment between developing claims experience from prior years and our forecasts. This, together with our strong capital position, aids us in providing certainty and stability in the cost of insurance into the future.

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, minimising risk of under or over collection of premiums
- 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. At 30 June 2019, Lawcover’s net asset position is $171.3 million.
Premiums and cost of insurance

Keeping premiums affordable and sustainable is one of our business goals. For the vast majority of Lawcover’s insured law practices, annual insurance premiums have been reducing for six consecutive years.

Notifications (claims and circumstances)

As the number of solicitors insured by Lawcover continues to grow at approximately 4 per cent per annum, we have seen a corresponding increase in circumstance notifications reported. The ultimate number of claim and circumstance notifications to Lawcover over the last five years has slowly increased, with a total of 758 notifications in the year to 30 June 2019 compared with 711 in the year to 30 June 2018.

Over the same period, the number of claims reported was 308 compared with 263 in 2018. Importantly, the number of active claims under management at 30 June for each the last five years has remained stable at around 300.

Percentage of notifications area of practice

The following table presents the percentages of notifications by area of practice for the year ended 30 June 2019 with comparisons to prior years.

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

In closing, I wish to once again acknowledge the strong commitment of Lawcover’s Board and staff for their dedication and professionalism in working with and on behalf of the legal profession.

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

Claims and circumstances at 30 June each year

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circumstances</td>
<td>450</td>
<td>448</td>
</tr>
<tr>
<td>Claims</td>
<td>308</td>
<td>263</td>
</tr>
<tr>
<td>Total</td>
<td>758</td>
<td>711</td>
</tr>
</tbody>
</table>

Percentage of notifications – area of practice

<table>
<thead>
<tr>
<th>Area of practice</th>
<th>% of total reported 2019</th>
<th>% of total reported 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>General commercial</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Sale and purchase of business</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Conveyancing</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Leases</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Mortgages and commercial borrowing</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Tort and workers compensation</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Out of time – personal injury</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Out of time – other</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Litigation</td>
<td>17</td>
<td>19</td>
</tr>
<tr>
<td>Matrimonial</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Probate and wills</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Others*</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* Includes criminal, immigration, defamation and revenue
NSW Young Lawyers
President’s report

Jennifer Windsor

NSW Young Lawyers represents solicitors and barristers under the age of 36 or in their first five years of practice in addition to law students at all levels. NSW Young Lawyers’ eligible membership exceeds 15,000 lawyers and law students across the state.

The organisation connects an extensive network of volunteers through its 15 committees and numerous working groups, all of which work together to produce outstanding submissions, publications, networking events and educational experiences for young lawyers and students across the state. The organisation provides a network and a platform for members to share knowledge and support, and to support members in bringing their ideas for events, publications and initiatives into reality.

Leading the organisation is a team of dedicated volunteers, including the office bearers and Executive Council.

The network of volunteers is supported by the Law Society of NSW and a team of full-time staff including Victoria Graves, Manager of NSW Young Lawyers and Graduate Services, Amanda Lauder, Senior Events Coordinator, Samantha Newman, Events and Committee 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 2019 charity is the Public Interest Advocacy Centre and the 2019 patron is Jane Needham SC of 13th Floor, St James Hall.

Services to the profession

Mentoring – The NSW Young Lawyers Mentoring Program has been in effect since 2008. The program connects young lawyers with experienced practitioners and includes all practice areas and regions from across the state. The purpose of the program is to connect lawyers seeking guidance and support with a more experienced practitioner who is willing to volunteer their time and energy to the professional development of another lawyer.

In addition to NSW Young Lawyers Mentoring, the Graduate Mentoring Program is also running annually. This program pairs final-year law students and first-year graduates with young lawyers with the aim of providing support and guidance to graduates in the transition from university to the workplace.

Both programs have continued to grow and expand in the 2018/19 Financial Year, with 300 participants (150 pairs) connected in the NSW Young Lawyers Mentoring Program, and another 210 participants (105 pairs) in the Graduate Mentoring Program.

Day in the Life series – NSW Young Lawyers continue to develop the Day in the Life series. The program was originally developed by the Criminal Law Committee and a similar program is run by the Civil Litigation Committee. The program aims to expose students to the reality of practice and sees a student and a practitioner paired for a day in court. In the Day in the Life of a Criminal Lawyer Program, 206 students from across NSW applied for the program and 30 firms, offering 47 positions, participated.

Confidence in the Courtroom – Confidence in the Courtroom is an award-winning program designed to introduce students to advocacy. The judicial officers guide and advise the young lawyers through their appearance and subsequently provide both feedback and support. The program is established in the Family Court, Local Court and the criminal jurisdiction. Held in March 2019, the program included six magistrates from the Local Court, six barristers and 28 students.

Careers and continuing professional development – NSW Young Lawyers and each of its 15 committees host numerous educational and career panel events targeted at members, including continuing professional development. NSW Young Lawyers continues to cover engaging and contemporary topics, in addition to sourcing leading experts and practitioners.

Professional Skills Series – The NSW Young Lawyers Family Law Committee
continues to partner with His Honour Judge Harman and the Federal Circuit Court at Parramatta to host workshops for junior lawyers. This is an award-winning initiative. This year’s program has included topics such as ‘Child Support – Basic Skills’, ‘Appropriate Dispute Resolution-Counselling, Negotiation, Mediation, Arbitration, Determination’, ‘Preparing and Conducting a Property Case’ and ‘Parenting Arrangements for 0-3 Year Olds’.

Submissions – Each year, NSW Young Lawyers produces a large number of high-quality submissions focusing on a diverse range of law reform and policy issues. In 2018/19, the committees have produced 23 submissions.

Publications – NSW Young Lawyers continues to produce guides specific to different areas of law and career guides for use by young lawyers, students and the wider profession. This year saw the publication of the 4th edition of the Practitioners Guide to the Land and Environment Court. “[NSW Young Lawyers] connects an extensive network of volunteers through its 15 committees and numerous working groups ...”
Services to students

Students are encouraged to join NSW Young Lawyers with the aim of receiving support, networking opportunities, and education at all stages of legal development and transition into the profession.

SCLSS – The Special Committee of Law Student Societies (SCLSS) is one of the 15 committees operating through NSW Young Lawyers. The committee is comprised of representatives from each of the university law student societies and associations in NSW. The aim of the committee is to connect law students to NSW Young Lawyers, and to collaborate on intervarsity events and initiatives, such as the Intervarsity Negotiation Competition hosted by the UTS Law Student Society and the Intervarsity Sports Day hosted by the Macquarie University Law Society.

Graduate Services Department – This department was formed in 2015 after 2014 recommendations that the Graduate Services team be restructured to better serve students. The Graduate Services team aims to ensure all students and graduates are provided with the right resources and advice through every step of their legal education and transition to lawyer, including to connect students with NSW Young Lawyers. The Graduate Services Department is heavily involved with the careers departments in each university in the state as well as the law faculties and deans. Further, the department facilitates numerous events in conjunction with the universities together with managing the Sydney Law Careers Fair and the Legal Vitae job platform.

Legal Vitae – Legal Vitae is a job platform designed specifically for students looking for paralegal, graduate and clerkship roles. The 2018/19 year saw 1,280 student registrations, 61 employer registrations, 538 job advertisements and 4,366 completed applications.

The Sydney Law Careers Fair – Now in its third year, the Sydney Law Careers Fair was again hosted in partnership with the Australian Association of Graduate Employers (AAGE) and ran concurrently with the general graduate fair, the Big Meet.

“NSW Young Lawyers’ eligible membership exceeds 15,000 lawyers and law students across the state.”

Services to the community

Young Justice – This sold-out program focuses on practical legal skills and training for students in Years 10 and 11 contemplating a career in law. The program commences at the Supreme Court of NSW, followed by panel events with career advice from practising solicitors, practical skills training, group work facilitated by practising solicitors and, finally, an appearance before a judicial officer.

Mock Mediation – This competition, open to Year 9-10 students, is an initiative focused on introducing students to a structured problem-solving process designed to encourage the parties to identify the issue in dispute, consider options and work towards an agreement that will meet the needs of all parties. The skills required for mediation are particularly relevant to personal development. They include active listening, self-awareness, questioning, analysing, empathising, speaking clearly and logically, and creative thinking.

The 2019 Sydney Law Careers Fair was the largest to date with 42 exhibitors, 1,418 student registrations, numerous tailored presentations and individual mock interviews.
Mock Law – This annual program is designed to assist high school students in gaining a better understanding of the legal system and develop a greater sense of justice. Run throughout the course of the calendar year, the program sees over 250 schools simulate a criminal or civil trial before a volunteer ‘magistrate’.

Networking events

Golden Gavel – The annual Golden Gavel, proudly sponsored by Sparke Helmore, occurred on 17 May 2019 at the Westin. With 762 guests in attendance, this year’s event was hosted by the infamous Julian Morrow. The winner, Dhanu Eliezer, will go on to represent NSW at the National Golden Gavel in Darwin.

Mid-Year and Annual Assembly – The assemblies give committee chairs, vice chairs, general and regional delegates, student representatives and executive councillors the opportunity to collaborate and discuss the future strategic direction of NSW Young Lawyers. The 2018 Annual Assembly was held at the Four Points by Sheraton at Central Park Sydney. The agenda of the assembly included an address by Law Society CEO Michael Tidball. The 2019 Mid-Year Assembly was held at the Rydges in Bathurst, and included addresses from the 2019 Patron Jane Needham SC and President of the Law Society Elizabeth Espinosa.

State of the Profession Address – The State of the Profession Address is an opportunity for NSW Young Lawyer members to hear from the patron on an important issue of law. The Honourable Fabien Gleeson, 2018 Patron, presented to the profession in 2018 on issues in modern legal practice, emphasising “the importance of young lawyers building resilience in the practice of law and remaining agile to the opportunities and challenges presented by new technological changes”.

Young Professionals Charity Ball – NSW Young Lawyers host an annual charity ball with proceeds going to the year’s chosen charity. In 2018, the ball was held on the Starship Sydney. In keeping with the picturesque scene of Sydney’s skyline and the 2018 charity, the Arts Law Centre of Australia, the ball was themed ‘A Starry Night’.

McCallum Medal Competition – The McCallum Medal is an annual public speaking event in honour of the Emeritus Professor Ron McCallum AO and is a competition for young lawyers and students in employment law and industrial relations.

Social, sports and wellbeing events
The 15 committees hold various social, sporting and wellbeing functions throughout the year, designed to offer members an opportunity to unwind and connect in a relaxed environment. This includes the annual Environment & Planning Law Committee ‘Trivia Night Extravaganza’, raising money for our chosen charity, the Public Law & Government Committee Roadtrip to the High Court and Parliament, the Workplace & Safety Committee ‘State of the Unions Workplace Comedy Debate’, and the Civil Litigation Committee ‘Great Debate’, a battle of wits between a team of solicitors and a team of barristers which, in 2018/19, saw the solicitors’ team steal victory.
Corporate governance statement

The objective of the Law Society’s governance framework is an efficient Council that is forward-thinking and outcome-driven in leading the profession, representing its members and addressing the public interest. This framework:

• defines 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 Council

The Council carries out its responsibilities in accordance with the following mandate included in the Law Society’s Memorandum and Articles of Association:

• the Council shall consist of 21 elected or appointed Councillors together with ex officio members (any serving senior office bearer whose elected term has expired);
• the Chair of the Council shall be the President of the Law Society;
• the Council may meet as it thinks fit (Council meets monthly, with special meetings convened as required).

Councillors in office at the date of this Annual Report and his or her attendance at monthly meetings in the 2018/2019 financial year are as follows:

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<tr>
<th>Name</th>
<th>Eligible to attend</th>
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<tbody>
<tr>
<td>Elizabeth Maria Espinosa (President)</td>
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<td>11</td>
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<tr>
<td>Richard John Harvey (Senior Vice President)</td>
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<td>10</td>
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<tr>
<td>Juliana Rose Warner (Junior Vice President)</td>
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<td>12</td>
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<td>Joanne Patricia van der Plaar (Treasurer)</td>
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<td>Cassandra Denise Banks (Councillor)</td>
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<td>Andries Gerrit Boog (Councillor)</td>
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<td>Danny Wayne Bricknell (Councillor)</td>
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<td>Darryl Ian Browne (Councillor)</td>
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<td>11</td>
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<td>Adriana Care (Councillor)</td>
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<td>Amber Rachel Cerny (Councillor)</td>
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<tr>
<td>Richard John Flitcroft (Councillor)</td>
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<td>Catherine Joy James (Councillor)</td>
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<td>Zora Kekeff (Councillor)</td>
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<td>Hugh Ignatius Macken (Councillor)</td>
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<td>Ronan MacSweeney (Councillor)</td>
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<td>7</td>
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<td>Brett McGrath (Councillor)</td>
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<tr>
<td>Antonella Claudia Sanderson (Councillor)</td>
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<tr>
<td>Terence Leland Stern (Councillor)</td>
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<tr>
<td>David Callum Turner (Councillor)</td>
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<tr>
<td>Mark Stephen Warton (Councillor)</td>
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<td>12</td>
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<tr>
<td>Jennifer Louise Lai Wah Wong (Councillor)</td>
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Councillors who retired or resigned during the 2018/2019 year:

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<tr>
<th>Name</th>
<th>Eligible to attend</th>
<th>Attended</th>
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</thead>
<tbody>
<tr>
<td>Jane Marianne Glowrey (Councillor)</td>
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<td>4</td>
</tr>
<tr>
<td>Douglas John Humphreys (Immediate Past President)</td>
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<td>8</td>
</tr>
<tr>
<td>Coralie Suzanne Kenny (Councillor)</td>
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<td>2</td>
</tr>
<tr>
<td>Emily Bree Ryan (Councillor)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Pauline Jennifer Wright (Past President)</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>
The primary responsibilities of the Council are to:
• set vision, objectives, policies and strategic directions;
• ensure compliance with statutory requirements;
• assess and manage risk; and
• monitor organisational performance.

Audit and Finance Committee
The Council’s Audit and Finance Committee is convened annually and comprises the Treasurer (Chair) and five other Councillors appointed by the President. Current members of this Committee are: Councillors J van der Plaat (Chair), A Boog, D Bricknell, D Browne, R Flitcroft, J Warner. Meetings are held quarterly but more frequently if considered necessary. A special meeting is always convened, generally in late August, to discuss the annual financial statements.

The Audit and Finance Committee reviews the activities of the Law Society Group of companies in key financial areas and ensures that appropriate internal control systems, audit processes and risk management strategies are in place. From a financial management and investments perspective its primary responsibilities are to advise Council on the budget and strategic plan; develop investment policies and guidelines; consider remuneration review pool allocation for staff salary increases; and to approve capital expenditure up to prescribed limits as set by the Council.

The Committee also consults routinely with the Law Society’s external auditors, the Chief Executive Officer and the Chief Operating Officer. The Audit and Finance Committee process promotes accountability and provides Council with additional assurances regarding the quality and reliability of information used by Council.

Risk management
The Council is responsible for corporate governance within the Law Society Group of companies. The Council monitors the operational and financial aspects of the Group’s activities and, through the Audit and Finance Committee, considers the recommendations and advice of external auditors and other external advisers on the operational and financial risks the Group faces.

The Council ensures recommendations made by external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure the companies in the Group have internal controls to manage the key risks identified. Both directly and through its Audit and Finance Committee, the Council investigates ways of enhancing existing risk management strategies.

Code of conduct
As elected representatives of the solicitors of New South Wales, Council members 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 Council’s role;
• avoid conflicts of interest;
• comply with the requirements of the protocols, policies and standards as prescribed in the Manual for Councillors;
• respect the values inherent in the Council’s statement of ethics for solicitors; and
• meet statutory requirements.
Councillors

Elizabeth Espinosa
President; Chair of Future and Government Solicitors Committees; Deputy Chair of Diversity & Inclusion Committee; Member of In-house Corporate Lawyers Committee

Richard Harvey
Senior Vice President; Chair of Property Law Committee; Member of Diversity & Inclusion and Future Committees

Juliana Warner
Junior Vice President; Chair of Diversity & Inclusion and Litigation Law & Practice Committees; Member of Audit & Finance Committee

Joanne van der Plaat
Treasurer; Chair of Audit & Finance and Professional Conduct Committees; Co-Chair of Employment Law Committee; Member of Human Rights Committee

The Hon. Doug Humphreys OAM
Immediate Past President and Judge of the Federal Circuit Court of Australia; Chair of Licensing Committee and Future Committee; Deputy Chair of Disclosures Committee; Member of Government Solicitors and Audit & Finance Committee; Retired from Council and committees as at 11 March 2019

Cassandra Banks
Co-Chair of Family Law Committee; Deputy Chair of Children’s Legal Issues Committee; Member of Rural Issues Committee

Andrew Boog
Chair of Fidelity Fund Management Committee and Revenue NSW/Law Society Liaison Committee; Co-Chair of Rural Issues Committee; Member of Audit & Finance Committee

Danny Bricknell
Member of Audit & Finance and Fidelity Fund Management Committees

Darryl Browne
Chair of Elder Law, Capacity & Succession Committee; Member of the Audit & Finance and Future Committees

Adriana Care
Deputy Chair of Business Law Committee; Member of Property Law and Future Committees
Amber Cerny
Chair of Business Law and Legal Technology Committees; Sub-Committee Chair of Professional Conduct Committee

Richard Flitcroft
Deputy Chair of Licensing Committee; Member of Audit & Finance, Fidelity Fund Management and Litigation Law & Practice Committees

Catherine James
Chair of In-house Corporate Lawyers Committee; Member of Professional Conduct Committee

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

Hugh Macken
Chair of Costs and Ethics Committees; Deputy Chair of Injury Compensation Committee; Member of Employment Law Committee

Ronan MacSweeney
Deputy Chair of Government Solicitors Committee; Member of Diversity & Inclusion and Professional Conduct Committees

Brett McGrath
Member of Family Law and Professional Conduct Committees

Antonella Sanderson
Deputy Chair of Alternative Dispute Resolution Committee; Member of Costs and Family Law Committees

Terry Stern
Chair of Injury Compensation Committee; Deputy Chair of Costs Committee; Member of Litigation Law & Practice Committee

David Turner
Member of Disclosure and Privacy and Data Law Committees

Mark Warton
Member of Injury Compensation and Professional Conduct Committees

Jennifer Wong
Chair of Children’s Legal Issues and Licensing Committees; Member of Family Law and Government Solicitors Committees
Policy committees and working groups

Law Society Committees have powers, authorities and tasks delegated by the Council. Consisting of dedicated volunteers, each committee focuses on a particular area of law, pooling together specialist skills and experience in order to scrutinise legislation, court decisions and other government policies.

### Committees 2018 membership

<table>
<thead>
<tr>
<th>Committees</th>
<th>2018 membership</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Committees 2019 membership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternative Dispute Resolution</strong></td>
</tr>
<tr>
<td>Committees</td>
</tr>
<tr>
<td>------------</td>
</tr>
</tbody>
</table>

*Working group*
## Policy committees and working groups

<table>
<thead>
<tr>
<th>Committees</th>
<th>2018 membership</th>
<th>2019 membership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future of Law and Innovation in the Profession (FLIP)</strong></td>
<td>D. Humphreys OAM, (Chair) (Executive); M. Tidball (Executive), M. Ludvigova (Executive), A. Boumerhe (Executive), S. Walker, B. Stack, C. Bibby, M. Legg, G. Ulman, D. Browne, E. Espinosa.</td>
<td>E. Espinosa (Chair) (Executive); M. Tidball (Executive), M. Ludvigova (Executive), A. Boumerhe (Executive), R. Harvey, S. Walker, B. Stack, C. Bibby, M. Legg, G. Ulman, D. Browne, A. Care, R. Prangell.</td>
</tr>
</tbody>
</table>

*Working group
Committees | 2018 membership | 2019 membership
--- | --- | ---
Public Law | P. Wright (Chair), A. Chalk (Deputy Chair), A. Abadee, Dr. G. Appleby, L. Armstrong (until September 2018), Assoc. Prof. S. Brennan, Dr. S. Calnan, R. Flitcroft, R. Green, A. Halstead, B. Hearnden, R. Heinrich, G. Johnson, Dr. M. Landrigan, A. Markus, J. McGovern (from September 2018), J. Moller, S. Murray (until July 2018), C. Ragusa, Dr. S. Thompson, Dr. A. Tsacalos, S. Wyatt, V. Kuck (Policy Lawyer). | A. Chalk (Chair), P. Wright (Deputy Chair), 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, V. Kuck (until April 2019) / A. Girdlestone (from April 2019) (Policy Lawyers). |
Major law reform submissions

The Law Society made more than 200 submissions to government agencies, law reform bodies and courts in 2018/19.

Alternative Dispute Resolution
Nil

Business Law
• Commercialising Business Ideas – Discussion Paper
• Competition and Consumer Amendment (Gift Cards) Bill 2018
• Designing a modern Australian Business Number system
• Disclosure in General Insurance: Improving Consumer Understanding
• Draft Statement of Affairs and Application for Bankruptcy
• Employee Share Schemes – Consultation Paper
• Enforceability of financial services industry codes
• Extending Unfair Contract Terms Protections to Insurance Contracts
• Insurance Claims Handling
• Interim Report of the Financial Services Royal Commission
• Introducing an economy-wide cash payment limit
• IP Australia Fees Review 2019-2020
• Modernising Business Registers Program – Review of Registry Fees
• NSW Law Reform Commission – Liability of beneficiaries of trusts
• Proposed revisions to the credit risk management framework for authorised deposit-taking institutions
• Reforms to combat illegal phoenix activity – Draft Legislation
• Review of the Tax Practitioners Board – terms of reference
• Review of Unfair Contract Term Protections for Small Business

Children’s Legal Issues
• Children’s criminal records – spent convictions
• Draft Children (Detention Centres) Amendment Regulation 2018
• Northern Rivers Children’s Court circuit
• Protocols regarding the questioning of students
• Witnessing the consent of a child to a step-parent adoption

Criminal Law
• Apprehended Domestic Violence Orders (“ADVO”) and Strangulation Monitoring Group
• Amendment to the Law Enforcement Powers and Responsibilities Regulation 2016 – support persons for Aboriginal and Torres Strait Islander people
• Applications under the Government Information Public Access Act 2009
• ADVO duration and related matters – proposals
• ADVO compliance checks
• Automatic Referral Pathway to the Men’s Telephone and Counselling Referral Service Consultation Paper
• Bail variations
• Community Protection Legislation Amendment Bill 2018 – supply of drugs causing death
• Conditional Release Orders without conviction
• Consultation Paper: Consent in relation to sexual offences
• Consultation paper: Criminal appeals
• Crimes (Administration of Sentences) Amendment (Inmate Behaviour) Bill 2019 (several submissions)
• Crimes (Appeal and Review) Amendment (Double Jeopardy) Bill 2019
• Digital evidence proposals
• Disqualification stayed pending appeal
• Domestic violence pre-sentence intervention program
• Reform of fees paid to private practitioners for legally aided work
• Draft Coronial Practice Note 1 of 2018
• Draft Crimes (Administration of Sentences) Amendment (Directions) Regulation 2019
- Draft Crimes (Administration of Sentences) Amendment (Remotely Piloted Aircraft) Bill 2018
- Draft Crimes Amendment (Drug Supply Causing Death) Bill 2018
- Draft Crimes Legislation Amendment (Victims) Bill 2018 (several submissions)
- Draft Mental Health (Forensic Provisions) Amendment (Victims) Bill 2018
- Draft Mental Health and Cognitive Impairment Forensic Provisions Bill 2018
- Draft Regulations to accompany the Mental Health (Forensic Provisions) Amendment (Victims) Bill 2018
- Increased diversion for people with cognitive and mental health impairments
- Inquiry into the Road Transport Legislation Amendment (Penalties and Other Sanctions) Bill 2018
- Mental health reform consultation
- NSW Police Force Handbook and Code of Practice for CRIME
- NSW prison population
- Options Paper: Reform options to facilitate greater admissibility of tendency and coincidence evidence in criminal proceedings
- Proposal Paper: Proposed reform to facilitate greater admissibility of tendency and coincidence evidence in criminal proceedings
- Proposals to amend the post sentence framework and parole of offenders posing a terrorist risk
- Proposed amendment to the Legal Aid Commission Regulation 2016
- Proposed amendments to the Crimes Administration of Sentences Act 1999
- Proposed amendments to the Duty Solicitor Scheme Guidelines
- Proposed misconduct offence for Corrections employees
- Proposed new Local Court Circuits
- Prosecution guidelines for consultation
- Provision of court transcripts in criminal matters
- Range of legislative amendments relating to improving victim’s experience of the criminal justice system and supporting victims of domestic violence
- Rates of remuneration to private solicitors conducting legal aid work
- Redesign of the Domestic Violence Disclosure Scheme
- Review of the standard non-parole period for the bushfire offence and the maximum penalties for destroying property by fire
- Road Transport Legislation Amendment (Penalties and Other Sanctions) Bill 2018
- Telephone assessments for rehabilitation placements (several submissions)
- Tendering bail reports on sentence and email for service (several submissions)
- The Special Commission of Inquiry into the Drug ‘Ice’ – Issues Paper 2: Justice

**Diversity and Inclusion**

Nil
Major law reform submissions

**Elder Law, Capacity and Succession**
- Amendments to the NSW Trustee and Guardianship Regulation 2017
- Amendments to the *Trustee Act 1925*
- Centrelink deeming rates on bank accounts
- Consultation Paper 20: Access to digital assets upon death or incapacity
- Draft Charter of Aged Care Rights Consultation Paper
- Enduring appointment laws and practices
- Inquiry into the provisions of the Ageing and Disability Commissioner Bill 2019
- Options Paper on Enduring Powers of Attorney
- Participation of the Proposed Represented Person – Draft Best Practice Guidelines
- Practical Compliance Guideline 2019/D1 – Retirement villages
- Pro forma letters to doctors regarding capacity assessment – Enduring Power of Attorney and Wills
- Reform of NSW Justices of the Peace Framework
- Review of the common law forfeiture rule
- Terms of Reference for the Royal Commission into Aged Care Quality and Safety

**Employment Law**
- The Right to Representation before the Fair Work Commission (several submissions)

**Environmental Planning and Development**
- Community Participation Plan – exhibition draft
- Draft Design Guide for Heritage
- Proposed housekeeping amendment: State Environment Planning Policy (Exempt and Complying Development Codes) 2008
- Short-term rental accommodation in NSW – Explanation of Intended Effect

**Family Law**
- Access to subpoena materials in Family Court Registries
- Court facilities in South-Western Sydney
- Family Law jurisdiction of the Local Court in NSW
- Family Law Reform
- Federal Circuit and Family Court of Australia (Consequential Amendments and Transitional Provisions) Bill 2018

**Human Rights**
- Australia’s sixth periodic report under the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Changes to Pro Bono Target and Pro Bono definition
- Inquiry into legislative exemptions that allow faith-based educational institutions to discriminate against students, teachers and staff
- Migration (Validation of Port Appointment) Bill 2018
- Migration Amendment (Strengthening the Character Test) Bill 2018
- Modern Slavery Bill 2018 (Cth)
- Protecting the human rights of people born with variations in sex characteristics in the context of medical interventions
- Reporting to the United Nations on children’s rights
- The practice of dowry and the incidence of dowry abuse in Australia
- Australian Citizenship Amendment (Strengthening the Citizenship Loss Provisions) Bill 2018
- Australia’s national review of the Beijing Declaration and Platform for Action
- Sex Discrimination Amendment (Removing Discrimination Against Students) Bill 2019
Indigenous Issues

- Aboriginal birth registrations
- Darkinjung Delivery Framework
- Draft Strategic Framework for Aboriginal Social Housing in NSW
- Family Law Amendment (Family Violence and Cross-examination of Parties) Bill 2018
- Guardianship taskforce
- Impact of social impact investment approach on service delivery by Aboriginal community-controlled organisations
- Indigenous lists in the Federal Circuit Court
- Judicial working party at the Law Society of NSW for improving accessibility for Indigenous court and tribunal users (several letters/submissions)
- Maranguka Justice Reinvestment Project (several submissions)
- Reforms to the native title system
- Staying Home Leaving Violence
- Unfinished Business – implementing report recommendations

Injury Compensation

- Lifetime Care and Support Guidelines
- SIRA – Costs regulations matters
- SIRA Compliance and Performance Review of the Workers Compensation Nominal Insurer
- SIRA policy for publication of decisions by the Dispute Resolution Service
- SIRA’s proposed frameworks for non treating health practitioners
- The role of health professionals in informing insurers’ earning capacity decisions in the CTP scheme
- Workers Compensation Legislation Amendment Bill 2018

Litigation Law and Practice

- *Australian Competition and Consumer Commission v Apple Pty Ltd (No 3)* [2018] FCA 617
- Australian Law Reform Commission Inquiry into Class Action Proceedings and Third-Party Litigation Funders
- Australian Law Reform Commission Inquiry into Class Action Proceedings and Third-Party Litigation Funders (supplementary submission)
- Jurisdiction of the District Court (several submissions)
- Request to consider amendment of the *High Court Rules 2004*
- Rule 1.9 and Production of “Privilege Packets”

Privacy and Data Law

- Australian Competition and Consumer Commission Digital Platforms Inquiry (preliminary report)
- Artificial Intelligence: governance and leadership whitepaper
- Inquiry into the Road Transport Amendment (National Facial Biometric Matching Capability) Bill 2018
- My Health Record System
- My Health Records Amendment (Strengthening Privacy) Bill 2018
- Parliamentary Joint Committee on Intelligence and Security: Review of the mandatory data retention regime under the *Telecommunications (Interception and Access) Act 1979*
- Regulating government access to C-ITS and automated vehicle data
Major law reform submissions

**Property Law**
- Certificates of title: the next evolution
- Conditions of Approval for Electronic Lodgment Network Operators (several submissions)
- Consultation on the draft Conveyancing Rules Version 5
- Conveyancing Legislation Amendment Bill 2018
- Directions paper on proposed eConveyancing interoperability regime
- Draft Sympli participation agreement and service offering
- Emissions Reduction Fund sequestration projects
- Mandating the electronic lodgment of leases in NSW from 1 July 2019
- Model Participation Rules and Model Operating Requirements – Consultation Drafts Version 5.1
- NSW Land Registry Services (LRS) Customer Terms – proposed terms and conditions
- NSW LRS Additional Fees – Item 7 of Schedule 1 of the Real Property Regulation 2014
- Proposed changes to the Registrar General’s Guidelines
- Proposed land tax clearance process
- Reinstatement of a 1300 phone number for customer enquiries at NSW LRS
- Review of Intergovernmental Agreement for an Electronic Conveyancing National Law (issues paper)
- Review of pricing framework for electronic conveyancing services in NSW
- Review of pricing regulation of Electronic Conveyancing Network Operators in NSW – draft Terms of Reference
- Section 175 of the *Property, Stock and Business Agents Act 2002*
- The operation of multiple Electronic Lodgement Network Operators

**Public Law**
- Inquiry into Parliamentary Scrutiny of Delegated Legislation
- Inquiry into the Commonwealth Electoral Amendment (Lowering Voting Age and Increasing Voter Participation) Bill 2018
- Inquiry into the future of petitioning in the House
- *National Security Legislation Amendment (Espionage and Foreign Interference) Act 2018* and Foreign Influence Transparency Scheme Act 2018
- Statutory review of the *Tribunals Amalgamation Act 2015* (Cth)
- The regulation of lobbying, access and influence in NSW

**Revenue NSW/Law Society Liaison**
- Draft Revenue Ruling DUT 047 Consideration and GST Withholding
- Draft revised Revenue Ruling DUT 025 v 2 Interim Stamping of Agreements and Transfers in Conformity
- NSW Test Case Litigation Funding Program

**Rural Issues**
- Belmont Court House (several submissions)
- Game Hunting Compliance Framework Amendments
- Possible establishment of a Law Council Working Group or Advisory Committee on Issues related to Animal Law

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

- Australian Competition and Consumer Commission consultation on the Consumer Data Right Rules Framework
- Australia’s progress in implementing the United Nations Convention on the Rights of the Child
- Children and Young Persons (Care and Protection) Amendment Bill 2018
- Consultation on Human Rights and Technology
- Counter-Terrorism (Temporary Exclusion Orders) Bill 2019
- Draft Commissioner’s Practice Note No. CPN 009 Payroll Tax Grouping
- Draft Commissioner’s Practice Note No. CPN 006 – Arbitration and Section 68 of the Duties Act 1997
- Draft Commissioner’s Practice Notes No. CPN 005 Employment Agency Contracts Guidelines and No. CPN 007 Payroll Tax Contractors
- Draft Retirement Villages Amendment (Rules of Conduct for Operators) Regulation 2019
- Draft Revenue Ruling DUT 046 Deceased Estates (several submissions)
- Exposure Draft – Treasury Laws Amendment (Consumer Data Right) Bill 2018
- Improving black economy enforcement and offences
- Improving Certifier Independence (options paper)
- Joint Select Committee on the Royal Commission into Institutional Responses to Child Sexual Abuse – oversight of redress related recommendations
- Justice Cluster Miscellaneous Amendment Bill 2019
- Justice Legislation Amendment (Walama Court) Bill 2018
- Justice Legislation Amendment Bill (No 3) 2018
- Modern Slavery Act 2018: Draft guidance for reporting entities
- National Inquiry into Sexual Harassment in Australian Workplaces
- Open Justice Review (preliminary submission)
- Optional Protocol to the Convention Against Torture, Cruel, Inhuman and Other Degrading Treatment in Australia: Consultation paper, stage two
- Productivity Commission Inquiry into Mental Health
- Repeat traffic offenders
- Review of Model Defamation Provisions
- Review of Payroll Tax Administration
- Review of the Citizenship Revocation Provisions by the Parliamentary Joint Committee on Intelligence and Security
- Submission to the United Nations Committee on the Rights of the Child – Children’s rights in relation to the digital environment

Submissions made by the Law Society’s Policy and Practice Department (No relevant committee)

- 2019 Federal Election – key policy issues
- 2019 State Election Policy Platform
- 2019-2020 Pre-Budget submission
- Consultation timeframes
Treasurer's report

Joanne van der Plaat

The Law Society of NSW ends the year in excellent financial shape, with the consolidated group holding net assets of $267.9 million as at 30 June 2019. I am pleased to report that the Law Society parent entity has now achieved a tenth successive net surplus, continuing to build upon what has been the Law Society’s best sustained financial performance in almost half a century.

This financial year saw the passing and implementation of the *Justice Legislation Amendment Act (No 3) 2018*, which legislated for the closure of the Solicitors Mutual Indemnity Fund. This resulted in half of that Fund’s assets being transferred to the Public Purpose Fund, establishing an additional funding source for community legal centres in NSW. The remaining half of the Fund’s assets were used by the Law Society to further improve the capital position of Lawcover Insurance. While the closure and distribution of the Fund’s assets has ultimately resulted in an overall deficit being reported by the consolidated group, the result nevertheless represents a positive outcome for both the Law Society and Lawcover Insurance.

The Law Society parent entity has finished the year with reported net assets of $141.1 million. This includes the Law Society’s investment in Lawcover Insurance, which has increased significantly following the closure of the Solicitors Mutual Indemnity Fund – with half of that Fund’s monetary assets used to subscribe for additional shares in Lawcover Insurance pursuant to the legislative amendments outlined above. Our solicitor membership has again increased, with total membership across all categories now exceeding 32,000.

While the Law Society has maintained a conservative risk profile in relation to its investments, it is nevertheless pleasing to note that our externally managed funds produced a combined return of 4.4 per cent for the year.

Lawcover Insurance has further improved its financial position, driven primarily by improved investment returns and the additional share capital provided by the Law Society following the closure of the Solicitors Mutual Indemnity Fund. 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.
A breakdown by entity of the group result, excluding any intragroup transactions and prior to the transfer of assets to the Public Purpose Fund, is shown below:

<table>
<thead>
<tr>
<th>Entity</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Law Society of New South Wales</td>
<td>480</td>
<td>1,804</td>
</tr>
<tr>
<td>Lawcover Insurance Pty Limited</td>
<td>15,614</td>
<td>9,628</td>
</tr>
<tr>
<td>Lawcover Pty Limited</td>
<td>(9)</td>
<td>119</td>
</tr>
<tr>
<td>Solicitors Mutual Indemnity Fund</td>
<td>630</td>
<td>1,966</td>
</tr>
<tr>
<td>Consolidated surplus after tax</td>
<td>16,715</td>
<td>13,517</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Entity</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Law Society of New South Wales</td>
<td>141,117</td>
<td>86,037</td>
</tr>
<tr>
<td>Lawcover Insurance Pty Limited</td>
<td>171,283</td>
<td>127,069</td>
</tr>
<tr>
<td>Lawcover Pty Limited</td>
<td>110</td>
<td>119</td>
</tr>
<tr>
<td>Solicitors Mutual Indemnity Fund</td>
<td>–</td>
<td>88,570</td>
</tr>
<tr>
<td>Net assets before group eliminations</td>
<td>312,510</td>
<td>301,795</td>
</tr>
<tr>
<td>Elimination of the Society's investment in Lawcover Insurance</td>
<td>(44,600)</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Net assets after group eliminations</td>
<td>267,910</td>
<td>295,795</td>
</tr>
</tbody>
</table>
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 2019. 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’s website: lawsociety.com.au
The Council presents its 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 2019.

Councillors

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

- Cassandra Denise Banks
- Andries Gerrit Boog
- Danny Wayne Bricknell
- Darryl Ian Browne
- Adriana Care
- Amber Rachel Cerny
- Elizabeth Maria Espinosa
- Richard John Flitcroft
- Jane Marianne Glowrey
- Richard John Harvey
- Douglas John Humphreys
- Catherine Joy James
- Zora Kekeff
- Coralie Suzanne Kenny
- Hugh Ignatius Macken
- Ronan MacSweeney
- Brett Patrick McGrath
- Joanne Patricia van der Plaat
- Emily Bree Ryan
- Antonella Claudia Sanderson
- Terence Leland Stern
- David Callum Turner
- Juliana Rose Warner
- Mark Stephen Warton
- Jennifer Louise Lai Wah Wong
- Pauline Jennifer Wright

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 C Banks (re-elected 25.10.18); Ms C James (elected 25.10.18); Ms Z Kekeff (re-elected 25.10.18); Mr R MacSweeney (elected 25.10.18); Mr B McGrath (elected 25.10.18); Mr D Turner (appointed 25.10.18); Ms J Warner (re-elected 25.10.18); Mr M Warton (re-elected 25.10.18).

During the year, the following Councillors retired or resigned from Council: Ms J Glowrey (retired 25.10.18); Mr D Humphreys (resigned 11.03.19); Ms C Kenny (retired 25.10.18); Ms E Ryan (retired 25.10.18); Ms P Wright (retired 31.12.18).

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 NSW, and fulfils both a regulatory and representative function on behalf of the profession. The Law Society 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.

Review of operations

The result of group operations for the year before payments made pursuant to the Justice Legislation Amendment Act (No 3) 2018 was a profit of $16.7 million (2018: $13.5 million). The company’s constitution prohibits the distribution of dividends to its members.
Changes in state of affairs

During the financial year the Justice Legislation Amendment Act (No 3) 2018 commenced, which made amendments to the Legal Profession Uniform Law Application Act 2014 No 16. These amendments included legislating the closure of the Solicitors Mutual Indemnity Fund, with half of that Fund’s monetary assets ($44.6 million) being transferred to the Law Society to be used in their entirety to subscribe for additional shares in Lawcover Insurance Pty Ltd, with the remaining half ($44.6 million) being transferred to the Public Purpose Fund for the specific purpose of creating a community legal services account with the Public Purpose Fund.

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.

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 46.

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

E Espinosa
Councillor

J van der Plaat
Councillor

Sydney, 19 September 2019
**Auditor’s Independence Declaration**

As lead auditor for the audit of The Law Society of New South Wales for the year ended 30 June 2019, 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.

R Balding
Partner
PricewaterhouseCoopers

Sydney
19 September 2019
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 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>25,530</td>
<td>29,091</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4</td>
<td>9,389</td>
</tr>
<tr>
<td>Investments</td>
<td>5</td>
<td>175,259</td>
</tr>
<tr>
<td>Current tax assets</td>
<td>–</td>
<td>2,451</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td>2,116</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>212,294</td>
<td>256,347</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>4</td>
<td>6,865</td>
</tr>
<tr>
<td>Investments</td>
<td>5</td>
<td>244,149</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>53,789</td>
<td>53,878</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td>2,142</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td>1,219</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>308,164</td>
<td>289,576</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>520,458</td>
<td>545,923</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>8,410</td>
<td>7,915</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>5,909</td>
<td>–</td>
</tr>
<tr>
<td>Provisions</td>
<td>6</td>
<td>66,880</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>7</td>
<td>91,987</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>173,186</td>
<td>161,039</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>–</td>
<td>28</td>
</tr>
<tr>
<td>Provisions</td>
<td>6</td>
<td>79,362</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>79,362</td>
<td>89,089</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>252,548</td>
<td>250,128</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>267,910</td>
<td>295,795</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>37,541</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>230,369</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>267,910</td>
<td>295,795</td>
</tr>
</tbody>
</table>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reserves $'000</td>
<td>Retained earnings $'000</td>
<td>Total equity $'000</td>
</tr>
<tr>
<td><strong>Balance at 1 July 2017</strong></td>
<td>28,514</td>
<td>237,714</td>
<td>266,228</td>
</tr>
<tr>
<td>Profit after income tax</td>
<td>–</td>
<td>13,517</td>
<td>13,517</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>16,050</td>
<td>–</td>
<td>16,050</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>16,050</td>
<td>13,517</td>
<td>29,567</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2018</strong></td>
<td>44,564</td>
<td>251,231</td>
<td>295,795</td>
</tr>
<tr>
<td>Profit after income tax</td>
<td>–</td>
<td>(27,885)</td>
<td>(27,885)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td>–</td>
<td>(27,885)</td>
<td>(27,885)</td>
</tr>
<tr>
<td>Transfer to retained earnings</td>
<td>(7,023)</td>
<td>7,023</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at 30 June 2019</strong></td>
<td>37,541</td>
<td>230,369</td>
<td>267,910</td>
</tr>
</tbody>
</table>

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 2019

<table>
<thead>
<tr>
<th></th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>42,467</td>
<td>41,206</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(54,857)</td>
<td>(49,685)</td>
</tr>
<tr>
<td>Premiums received</td>
<td>72,547</td>
<td>75,507</td>
</tr>
<tr>
<td>Premium rebate to policyholders</td>
<td>–</td>
<td>(10,851)</td>
</tr>
<tr>
<td>Outwards reinsurance premiums paid</td>
<td>(8,809)</td>
<td>(8,754)</td>
</tr>
<tr>
<td>Claims paid</td>
<td>51,617</td>
<td>39,651</td>
</tr>
<tr>
<td>Reinsurance and other recoveries received</td>
<td>5,230</td>
<td>6,763</td>
</tr>
<tr>
<td>Income taxes refunded</td>
<td>2,421</td>
<td>1,294</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td>7,382</td>
<td>15,829</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments for purchase of investments</td>
<td>(258,264)</td>
<td>(184,237)</td>
</tr>
<tr>
<td>Proceeds on sale of investments</td>
<td>291,342</td>
<td>158,748</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,723</td>
<td>2,421</td>
</tr>
<tr>
<td>Payments for property, plant and equipment</td>
<td>(1,144)</td>
<td>(299)</td>
</tr>
<tr>
<td>Payments for intangible assets</td>
<td>–</td>
<td>(1,116)</td>
</tr>
<tr>
<td>Payment made pursuant to Justice Legislation Amendment Act (No 3) 2018</td>
<td>(44,600)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net cash outflow from investing activities</strong></td>
<td>(10,943)</td>
<td>(24,483)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019 $’000</th>
<th>2018 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net decrease in cash and cash equivalents</strong></td>
<td>(3,561)</td>
<td>(8,654)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>29,091</td>
<td>37,745</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>25,530</td>
<td>29,091</td>
</tr>
</tbody>
</table>

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

The Law Society of New South Wales group reported a deficit of $27.9 million for the year (2018: $13.5 million surplus). This reported deficit is primarily the result of half of the monetary assets of the Solicitors Mutual Indemnity Fund being paid to the Public Purpose Fund during the year, following amendments made to the Legal Profession Uniform Law Application Act 2014 No 16 by the Justice Legislation Amendment Act (No 3) 2018 in December 2018. When this payment is excluded, the group reported a surplus of $16.7 million for the period. Total revenue (including investment and other income) increased by 14.5 per cent to $138.0 million, while operating expenses increased 11.9 per cent to $115.2 million.

The movement in revenue was underpinned by the following factors:

- The number of solicitors holding a practising certificate increased by 4.2 per cent during the reporting period which, when accompanied by a voluntary membership take-up generally in line with 2018 levels, combined to increase membership and practising certificate revenues.
- Reinsurance recoveries have increased by 177.7 per cent, however this is primarily the result of significantly lower recoveries reported during the last two reporting periods as opposed to an irregular level in the current year. A large proportion of claims reserve releases during the 2018 year related to underwriting years which were subject to quota share arrangements, which in turn resulted in the need to reduce assumed reinsurance recoveries. Following Lawcover Insurance finalising the last of its primary layer quota share arrangements in 2016, reported reinsurance recoveries income will become more stable in future periods.
- Investment revenue increased by 68.7 per cent, with Lawcover Insurance recording a 125.6 per cent or $8.4 million increase within this revenue category. This was chiefly driven by large capital gains being recognised on fixed interest investments following a significant decline in bond yields during the financial year.

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

- Gross claims expense increased by 18.7 per cent, which resulted from a combination of factors. A considerable number of settlements during the 2018 year which related to older claims led to significant releases from Lawcover Insurance’s claims reserves – this experience was not repeated in the current period. In addition to this, a decrease in the discount rate used to calculate required claims reserves during 2019 necessitated an increase in the balance of these reserves, which further increased claims expense reported through the profit or loss statement during the current financial year.
- Consulting and professional fees expenses increased by 17.9 per cent, which has been primarily driven by higher legal costs incurred by Lawcover Insurance in defending several claims.

Balance sheet

While the closure of the Solicitors Mutual Indemnity Fund, and the payment of half that Fund’s monetary assets to the Public Purpose Fund during the year resulted in reported net assets decreasing by 9.4 per cent to $267.9 million, the group’s financial position remains strong with cash and investments held by the Law Society and Lawcover Insurance totalling $444.9 million at 30 June 2019. Lawcover Insurance further improved its capital position, with a capital adequacy multiple of 4.08 times APRA’s prudential capital requirement at 30 June 2019 (unaudited).

Cash flow statement

As at 30 June 2019, the group held cash of $25.5 million. When short term deposits are included this increases to $53.5 million. Cash flows from operating activities remain positive, and the recoveries received by the Solicitors’ Mutual Indemnity Fund in the years leading up to its closure, accompanied by favourable claims experience and investment performance with respect to Lawcover Insurance, have combined to significantly enhance the group’s liquidity levels and overall balance sheet strength in recent years.

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 2019. 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 standards and amendments for the first time for their annual reporting period commencing on 1 July 2018:

• AASB 9 Financial Instruments (2014)
• AASB 15 Revenue from Contracts with Customers

The adoption of these standards did not have any material impact on the transactions and balances recognised in the financial statements of the group.

(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 2018, including:

• AASB 16 Leases (effective for annual reporting periods on or after 1 January 2019)
• AASB 2016-6 Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts (effective for annual reporting periods beginning on or after 1 January 2022)
• AASB 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2022)

An assessment has been performed for the following:

• AASB 16 Leases will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and finance leases and requires the recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The accounting by lessors, however, will not significantly change. It is not expected that there will be any material impact on the group’s financial result as result of adopting this Standard.

• 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) to provide insurers the option to defer the effective date of AASB 9 and continue to apply AASB 139 Financial Instruments: Recognition and Measurement until annual reporting periods beginning on or after 1 January 2021. This applies to Lawcover Insurance. From 1 January 2021, 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.

• AASB17 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. The group is yet to undertake a detailed assessment of the impact of AASB 17. However, based on Lawcover Insurance’s preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ended 30 June 2022.
3. Revenue
An analysis of the group’s revenue for the year is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2019 $'000</th>
<th>2018 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership and practising certificate fees</td>
<td>24,489</td>
<td>23,055</td>
</tr>
<tr>
<td>Premium revenue</td>
<td>76,035</td>
<td>74,787</td>
</tr>
<tr>
<td>Reinsurance and other recoveries</td>
<td>3,641</td>
<td>(4,685)</td>
</tr>
<tr>
<td>Legal training revenue</td>
<td>1,331</td>
<td>1,499</td>
</tr>
<tr>
<td>Member services revenue</td>
<td>1,809</td>
<td>2,244</td>
</tr>
<tr>
<td>Other revenue</td>
<td>3,795</td>
<td>4,433</td>
</tr>
<tr>
<td></td>
<td><strong>111,100</strong></td>
<td><strong>101,333</strong></td>
</tr>
</tbody>
</table>

4. Trade and other receivables

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade receivables</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Reinsurance and other recoveries receivable</td>
<td>8,940</td>
<td>7,707</td>
</tr>
<tr>
<td>Other receivables</td>
<td>444</td>
<td>933</td>
</tr>
<tr>
<td></td>
<td><strong>9,389</strong></td>
<td><strong>8,648</strong></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reinsurance and other recoveries receivable</td>
<td>6,865</td>
<td>8,682</td>
</tr>
<tr>
<td></td>
<td><strong>6,865</strong></td>
<td><strong>8,682</strong></td>
</tr>
</tbody>
</table>

5. Investments

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>27,987</td>
<td>94,142</td>
</tr>
<tr>
<td>Negotiable certificates of deposit</td>
<td>14,969</td>
<td>31,220</td>
</tr>
<tr>
<td>Corporate &amp; government securities</td>
<td>46,007</td>
<td>31,084</td>
</tr>
<tr>
<td>Managed funds</td>
<td>86,296</td>
<td>57,340</td>
</tr>
<tr>
<td></td>
<td><strong>175,259</strong></td>
<td><strong>213,786</strong></td>
</tr>
</tbody>
</table>

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate &amp; government securities</td>
<td>244,149</td>
<td>222,625</td>
</tr>
<tr>
<td></td>
<td><strong>244,149</strong></td>
<td><strong>222,625</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding claims liabilities</td>
<td>63,060</td>
<td>55,138</td>
</tr>
<tr>
<td>Lease incentive liability</td>
<td>70</td>
<td>273</td>
</tr>
<tr>
<td>Employee benefits provision</td>
<td>3,750</td>
<td>3,585</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding claims liabilities</td>
<td>78,386</td>
<td>88,096</td>
</tr>
<tr>
<td>Lease incentive liability</td>
<td>–</td>
<td>71</td>
</tr>
<tr>
<td>Employee benefits provision</td>
<td>976</td>
<td>894</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>66,880</td>
<td>58,996</td>
</tr>
</tbody>
</table>

7. Other liabilities

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>79,362</td>
</tr>
<tr>
<td><strong>Deferred revenue</strong></td>
<td></td>
</tr>
<tr>
<td>Membership and practising certificate fees</td>
<td>23,831</td>
</tr>
<tr>
<td>Premiums received in advance</td>
<td>66,912</td>
</tr>
<tr>
<td>Other</td>
<td>1,244</td>
</tr>
</tbody>
</table>

|                       | 91,987       |
|                       | 94,128       |
8. Subsidiaries

<table>
<thead>
<tr>
<th>Name of entity</th>
<th>Country of incorporation</th>
<th>% Equity interest</th>
<th>Investment $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Lawcover Pty Ltd (i)</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Lawcover Insurance Pty Ltd (ii) &amp; (iii)</td>
<td>Australia</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Solicitors’ Mutual Indemnity Fund (iii)</td>
<td>Australia</td>
<td>–</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td>44,599,944</td>
<td>6,000,002</td>
</tr>
</tbody>
</table>

(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 6,000,000 ordinary shares fully paid. The company was established to underwrite compulsory professional indemnity insurance for solicitors.

(iii) **Solicitors’ Mutual Indemnity Fund.** The Solicitors’ Mutual Indemnity Fund was maintained under Division 3 of Part 8 of the _Legal Profession Uniform Law Application Act 2014_ (repealed). The Law Society of New South Wales had no investment in the Fund and all assets of the Fund could only be used for the purposes of Division 3 of Part 8 of the _Legal Profession Uniform Law Application Act 2014_ (repealed). The _Justice Legislation Amendment Act (No 3) 2018_, which was proclaimed on 7 December 2018, legislated for the closure of the Fund. The monetary assets of the Fund were distributed in January 2019 equally between The Law Society of New South Wales ($44.6 million) and the Public Purpose Fund ($44.6 million). Pursuant to the _Justice Legislation Amendment Act (No 3) 2018_, the monetary assets transferred to the Law Society were used in their entirety to subscribe for additional capital in Lawcover Insurance. All assets of the Fund that were not monetary assets, including any rights and liabilities, were transferred directly to Lawcover Insurance.

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.
The Councillors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 30 June 2019 as set out on pages 47 to 55 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 2019. 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

E Espinosa
Councillor

J van der Plaat
Councillor

Sydney, 19 September 2019
Independent auditor’s report on the concise financial report to the members of the Law Society of New South Wales

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 2019 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 2019 comprises:

• the consolidated balance sheet as at 30 June 2019
• 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.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124

Liability limited by a scheme approved under Professional Standards Legislation.
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 19 September 2019.

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 AASB 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.

R Balding
Partner

PricewaterhouseCoopers

Sydney
19 September 2019
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“When mum and her partner argued, I’d take her phone outside, put on her headphones, go to her favourite play list, turn up the volume so I couldn’t hear the shouting, the plates breaking, the slapping or the screaming.

When the fight was over mum would come out and get her phone. I could see she’d been crying. She would always assure me, “It’ll be alright.” It was never going to be alright. One day she didn’t come and get her phone.”

On average at least one woman a week is killed by a partner or former partner in Australia. We know that a woman is more likely to be killed in her home by her male partner than anywhere else or by anyone else. Also, most women do not report violence and they are even less likely to report when the perpetrator is a current partner. It is never going to be alright! Where is the justice in that?

*An Australian Landscape* by Rex Turnbull
Winner of the Law Society’s 2018 Just Art Artist’s Choice Award