

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**ANNUAL REPORT
1 JULY 2005 - 30 JUNE 2006**

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CONTENTS PAGE

REPORT FROM THE CHAIRMAN OF THE BOARD	1
REPORT FROM THE SECRETARY AND GENERAL MANAGER	2
ROLE OF THE BOARD	5
MEMBERSHIP	5
COMMITTEES	8
ORGANISATIONAL STRUCTURE	9
SIGNIFICANT ISSUES AND DEVELOPMENTS	10
PROFILE OF THE CURRENT WA LEGAL PROFESSION	14
ADMISSIONS AND REGISTRATIONS COMMITTEE	16
PROFESSIONAL AFFAIRS COMMITTEE	22
MANAGEMENT COMMITTEE	26
LEGAL EDUCATION COMMITTEE	26
REPORT FROM THE LAW LIBRARIAN	27
REPORT FROM THE DIRECTOR OF THE ARTICLES TRAINING PROGRAM (THE ATP)	29
REPORT FROM THE SENIOR TRUST ACCOUNT INSPECTOR	31
FREEDOM OF INFORMATION STATEMENT	32
PUBLIC INTEREST DISCLOSURE	33
EQUAL EMPLOYMENT OPPORTUNITY	33
THE LEGAL PRACTICE ACT, SECTION 7	33
SPECIAL PURPOSE FINANCIAL REPORT	34

REPORT FROM THE CHAIRMAN OF THE BOARD

Practice certificate fees were increased significantly for the 2005/2006 financial year. This was necessary to bring about a near-balanced budget for the Board.

The increase was met with a great measure of acceptance by the profession, but not universally.

It is important for practitioners not to lose sight of the fact that, but for the significant pro-bono contribution made by the members of the Board and by numerous legal practitioners providing professional services to the Board at significantly reduced rates, practice certificate fees would be significantly greater than what they are.

It is disappointing that, generally speaking, most of the large law firms, who one would think are best placed to provide assistance and expertise to the Board by having one or more of their number nominate for election to the Board, do not do so. The preponderance of elected members of the Board are barristers and practitioners from small law firms. That is an incongruous and unsatisfactory state of affairs.

In the year the subject of this report, the number of Board decisions which have been made the subject of applications to the State Administrative Tribunal have increased, thus adding to the Board's administrative and financial burden.

The workload of the Board is now greater than it has ever been. With the ever changing landscape in which the legal profession operates, both within the State and nationally, I do not see that trend changing in the near future.

The challenge for the Board is to adapt, both externally and internally, to meet these changes. The model which well served the public over a decade ago, cannot meet the demands placed upon the Board in the 21st century.

The Board has made detailed submissions to the Attorney General with respect to the National Model Laws Project and also with respect to the Board's composition. Such reform will certainly assist the Board in its quest to meet the challenges which lie before it. There will, however, have to be other changes, including (in my view) the retention of legally qualified staff to assist the various committees of the Board. That will obviously not be without increased cost. The burden upon the members of the Board is just too great. The Board's elected members and the Queens Counsel and Senior Counsel who regularly attend meetings of the Board and its Committees are presently serving well beyond the call of duty. I thank all those members.

In that regard may I particularly acknowledge and thank Anna Liscia (the Board's Deputy Chairperson), Robert Cock QC (Chair of the Management Committee), Matt Zilko QC (Chair of the Professional Affairs Committee), Grant Donaldson SC (Chair of the Admissions and Registration Committee), Clare Thompson (Chair of the Legal Education Committee) and Chris Zelestis QC and Ken Martin QC (the Chair and Deputy Chair of the Complaints Committee).

I would also like to acknowledge and thank the staff of the Legal Practice Board for their hard work, dedication and commitment.

Finally, I would like to acknowledge the services to the Board provided by Ted Sharp for over a decade, much of which he spent as Chair of the Management Committee and a member of the Complaints Committee. Ted retired from the Board in April 2006. Ted, on behalf of everyone, thank you!



Steven Penglis
Chairman
21 December 2006

REPORT FROM THE SECRETARY AND GENERAL MANAGER

2005/2006 has seen the participation of the Legal Practice Board (the Board) in the continued development of a national legal profession as well as on a state level in the ongoing implementation of the *Legal Practice Act 2003* (the Act).

The development of a national legal services market is well advanced and during the past 12 months the Board and the Legal Practitioners Complaints Committee have provided submissions to the Attorney General on the proposed National Legal Profession Model Laws (Model Laws).

As the current Legal Practice Act includes a number of provisions of the Model Laws, WA's entry into the national legal services market is further advanced that might be commonly realised. Outstanding issues such as continuing legal education, practical legal training, exchange of information between regulators around Australia, business structures and tools to assist the public in accessing a national market have all been considered by the Board both on a state level and through its officers participating in national forums.

A third tier of activity for the Board has been the continued development of its operational environment. This has involved change to and implementation of new internal organisational processes, procedures and structure as well as strategic review of the role of the Board. In undertaking this work the Board is enhancing its corporate structure to enable the execution of its core purposes in the best possible manner. For the profession, amongst other matters, this has resulted in the Board's ongoing introduction of more preventative strategies. In this respect one area the Board has continued its efforts to educate the profession is lessening the incidence of un-certificated legal practice with the primary aim of protecting the public.

It needs to be recognised that late renewal of practice certificates as well as un-certificated legal practice ties up a disproportionate level of the Board's human and financial resources to the detriment of the profession as a whole. To assist both firms and individual practitioners in complying with the legislation the Board has continued to work closely with HR and management personnel holding seminars, visiting firms and chambers; instituting an electronic network for distribution of news, policies and responses to queries as well as placing these on the Board's website; and simplifying the application form to renew practice certificates.

Prevention of a practitioner's non-compliance with their professional and legislative obligations underpins the above initiatives as well as other strategies adopted by the Board.

This educative function is a key aspect of the role of the Legal Practice Board to ensure the delivery of a high standard of professional practice in the legal profession in Western Australia. It is part of the value that the Board adds as the statutory authority charged – through the *Legal Practice Act 2003* and associated legislation - with the regulation of the legal profession in WA.

More formally the Board oversees the education of the profession through the accreditation of university programs, the management of the Articles Training Program and in the (near) future through continuing legal education of existing practitioners.

The ongoing education of the profession as to the role of the Board has seen the profession increasing its assistance to the Board in regulating the area of unqualified legal practice. As is noted in the report of the Professional Affairs Committee the investigation and prosecution of persons holding out as legal practitioners for reward is an area which absorbs a significant proportion of the Board's financial resources as well as staff time in responding to these situations. The Board encourages the profession as appropriate to continue to bring these matters to its attention as regrettably much harm and cost are inflicted by such persons.

The Board's review of Practical Legal Training (PLT) in this state which commenced in 2002 concluded with the endorsement of the Draft Final Report from the Practical Legal Training Advisory Committee in March 2006. At the Board's meeting on 15 March 2006 the Board adopted the Draft Report of the PLT Advisory Committee recommending the establishment of an alternate route (to articles) to admission through the satisfactory completion of a practical legal training course in Western Australia.

As a consequence of the Board's adoption of the Draft Final Report a copy of the Report was sent to the Attorney General, the then Acting Chief Justice, the President of the Law Society and the President of the Bar Association formally advising them of the Board's resolution. All have endorsed the establishment of an alternate route to admission and the Board anticipates practical legal training courses will be provided in Western Australia in 2008.

During the past 12 months the Board has also responded to accommodation matters in all of its four locations. The Board gratefully acknowledges the support of the WA Government in obtaining further space for the Legal Practitioners Complaints Committee in the Colonial Building and the Board's office in the Kings Building. In addition the Board has renewed the lease for the Articles Training Program in the Alvan Street building in Mt Lawley.

Accommodation and space issues have also been a focus for the Law Library in the Supreme Court and the branch library in the Central Law Courts (CLC). Whilst the Board owns and administers both libraries the support of the WA Government is acknowledged in provision of space and an annual grant.

With the soon to be completed new CBD Court building in Hay Street (opposite the Central Law Courts) the Board is planning for increased use of the practitioners' library in the CLC. The Board thanks the Law Library Committee chaired by The Hon Justice Hasluck for its advice and recommendations on the diverse issues facing both libraries.

The proactive and dynamic approach of the Law Library Committee was publicly seen in the forum presented as part of Law Week 2006 in May. A Law Library Sub-Committee, convened by The Hon. Justice Simmonds arranged a panel discussion titled "Next Chapter for the Supreme Court Law Library" to facilitate consultation and discussion with interested parties. The Law Library Manager, Mrs Alice Anderson gives a detailed report of the forum and other library matters further on in this report.

It is thus acknowledged that 2005/2006 has seen truly significant change in the legal profession on state and national levels. The endorsement of an alternative pathway to admissions will assist local graduates in entering the profession and the rapid uptake of different business structures such as incorporated legal practices has been a positive step for the wider local profession, particularly small to mid tier firms.

The general community now has access to a national legal services market through the national practice certificate scheme and the Board's enhanced regulatory powers in the areas of admissions and unqualified and prohibited legal practice will assist in raising the standards of the local profession to even higher levels as well as protecting the public.

Finally the impact of the State Administrative Tribunal (the SAT) which absorbed the functions of the former Legal Practitioners Disciplinary Tribunal has augmented the regulation of the WA legal profession through its informal, flexible and transparent approach. The Board supports the opportunity for members of the profession to have Board decisions reviewed by the SAT; in particular as this provides the Board with another means to communicate its purpose and decisions to both the profession and the public.

The more flexible approach of the SAT has also allowed the Board to consider different approaches to regulation where the circumstances permit. For instance applying the principles of mediation to allow a practitioner to give undertakings to the SAT rather than automatically appointing a supervising solicitor to a practice. Such an approach allows the Board to work with a practitioner in a more cost effective, streamlined and positive manner in resolving practice management issues.

It is anticipated the development of different initiatives by the Board will continue as the interaction of the Board, the profession and the SAT evolves.

The year 2005/2006 has been another extremely busy year for the Board and a highly rewarding one. The Board's multi-tiered activities have resulted in an increased workload for the Board's voluntary members as well as its organization. However both members and staff have responded with an extraordinary level of commitment, dedication and positive participation in the work of the Board.

On behalf of the Board I gratefully acknowledge the support and contribution of The Hon Justice McKechnie, The Hon Justice Hasluck and The Hon Justice Simmonds through several of the Board's advisory Committees.

The Board recognizes the support of other members of the profession who have willingly served on advisory committees and participated in the Board's consultative processes.

I offer my personal thanks to my colleagues who always give more than is asked for.

My thanks to the members of the Board for their various contributions to the work of the Board and especially the Chairperson, Steven Penglis, the Deputy Chairperson, Anna Liscia and the Convenors and Deputy Convenors of the Board's Committees, namely Ted Sharp, Robert Cock QC, Michael Odes QC,

Wayne Martin QC (as he then was), Matt Zilko SC, Greg McIntyre SC, Clare Thompson, John Syminton and Grant Donaldson QC.

A handwritten signature in black ink, appearing to read 'M Paton' with a period at the end. The signature is fluid and cursive.

Mary-Anne Paton
Secretary and General Manager
December 2006

ROLE OF THE BOARD

The Legal Practice Board (the Board) is constituted under the *Legal Practice Act 2003*. The Board has statutory authority for the admission, supervision and discipline through the Legal Practitioners Complaints Committee and the State Administrative Tribunal, for all legal practitioners in Western Australia. The Board regulates the issue of annual practice certificates, and owns and administers the Law Library in the Supreme Court and its branch library in the Central Law Courts.

The Board provides a practical legal training course through the Articles Training Program, for the training of articulated clerks.

MEMBERSHIP

The Board as constituted under section 7 of the *Legal Practice Act 2003* consists of:

- (a) The Attorney General;
- (b) The Solicitor General, or, if there is no Solicitor General, the State Solicitor;
- (c) Each Queen's Counsel, and each Senior Counsel, whose principal place of practice is in this State and who is not a full-time judicial officer; and
- (d) 12 legal practitioners of at least 3 years standing and practice in this State who are elected as members.

QUEENS COUNSEL

At 30 June 2006 there were 19 Queens Counsel resident and practising in Western Australia, and therefore members of the Board.

Previously in the year under review:

- Mr Wayne S Martin QC was appointed Chief Justice of the Supreme Court of Western Australia on 8 May 2006 and so ceased to be a member of the Board;
- Mr Peter I Jooste QC took a leave of absence from the Board as of 3 December 2005 to the end of June 2006 to work overseas;
- Mr Michael J Buss QC was appointed as a Judge of the Court of Appeal on 1 February 2006 and so ceased to be a member of the Board.

SENIOR COUNSEL

At 30 June 2006 there were 16 Senior Counsel resident and practising in Western Australia, and therefore members of the Board.

During the year under review:

On 1 December 2005, Ms Troy Sweeney SC was sworn in and welcomed as a Judge of the District Court of Australia and so ceased to be a member of the Board.

Mr Mark Ritter SC was appointed Acting President of the WA Industrial Relations Commission commencing on 17 October 2005 for a term of 2 years and accordingly was unable to continue to participate in the workings of the Board, at least until the end of his term.

On 1 December 2005 the following practitioners were appointed as Senior Counsel, and became members of the Board:

- Mr B Fiannaca SC
- Ms T Sweeney SC

TOTAL NUMBER OF SILK AS AT 30 JUNE 2006

At the conclusion of the year under review the Board had a total of 35 Queens Counsel and Senior Counsel as members of the Board.

ELECTED MEMBERS

1 July 2005 to April 2006 election

Elected members in office during this period were: Ms GA Archer, Mr JGM Fiocco, Ms RJ Lee, Ms AM Liscia, Mr S Penglis, Ms SM Schlink, Mr TH Sharp, Mr JG Syminton, Ms CH Thompson, Ms A Van Onselen, Ms FB Walter and Mr I Weldon.

April 2006 election to 30 June 2006

Elected members in office during this period were: Mr BK Davies, Mr JGM Fiocco, Ms RJ Lee, Mr JRB Ley, Ms AM Liscia, Mr S Penglis, Ms SM Schlink, Mr JG Syminton, Ms CH Thompson, Ms AM Van Onselen, Ms FB Walter and Mr I Weldon.

At a meeting of the Board on 15 March 2006 the Chairperson acknowledged and thanked Mr Ted Sharp for his remarkable contribution to both the Board and to the profession since his appointment to the Board in April 1995.

Mr Sharp's invaluable contribution has included:

- Convenor of the Board's Management Committee since 1995.
- Member, the Legal Practitioners Complaints Committee since 1996.
- Board's representative on the LPB/Legal Contribution Trust Committee.

The Chairperson's observation that Mr Sharp will be greatly missed was endorsed by the meeting with acclaim.

APPOINTMENT OF CHAIRPERSON AND DEPUTY CHAIRPERSON

- Mr S Penglis was re-appointed Chairperson on 7 June 2006, effective for the ensuing year.
- Ms AM Liscia was re-appointed Deputy Chairperson on 7 June 2006, effective for the ensuing year.

BOARD MEMBERS AS AT 30 JUNE 2006

Attorney General The Hon. Mr J McGinty, MLA	Solicitor General Mr RJ Meadows QC	Chair Mr S Penglis	Deputy Chair Ms AM Liscia
Queens Counsel Mr MJ McCusker AO QC The Hon. D Williams AM QC Mr RJ Davies QC Mr RI Viner AO QC Mr CL Zelestis QC Mr RK O'Connor QC Mr S Owen-Conway QC Dr AF Dickey QC Mr J Gilmour QC Mr RJ Meadows QC The Hon Mr P Foss QC Mr MW Odes QC Mr RE Birmingham QC Mr KJ Martin QC Mr F Castiglione QC Mr NW McKerracher QC Mr TF Percy QC Mr RE Cock QC Mr PI Jooste QC Mr MT Trowell QC	Senior Counsel Mr KR Wilson SC Mr MH Zilko SC Mr CG Colvin SC Ms G Braddock SC Mr KM Pettit SC Mr PMC Dowding SC Mr GMG McIntyre SC Mr EM Corboy SC Mr GTW Tannin SC Mr SD Hall SC Mr GH Murphy SC Mr GA Calcutt AM SC Mr CP Shanahan SC Mr AR Beech SC Mr GR Donaldson SC Mr B Fiannaca SC	Elected Members Mr BK Davies Mr JGM Fiocco Ms RJ Lee Mr JRB Ley Ms AM Liscia Mr S Penglis Ms SM Schlink Mr JG Syminton Ms CH Thompson Ms AM Van Onselen Ms FB Walter Mr I Weldon	

COMMITTEES

COMMITTEES ESTABLISHED PURSUANT TO SECTIONS 10 AND 11 OF THE LEGAL PRACTICE ACT 2003

Pursuant to section 10 of the *Legal Practice Act 2003*, the Board may appoint committees of its members, and pursuant to section 11 of the Act the Board may delegate to a committee established under section 10 any power or duty of the Board under the Act other than this power of delegation.

The Board's committees so constituted in the year under review were:

- Admissions and Registrations Committee
- Professional Affairs Committee
- Management Committee
- Legal Education Committee

A summary of the main areas of responsibility and activities of the above committees during 2005/2006 is set out further on in this report.

OTHER COMMITTEES

The Board has a number of advisory Committees whose members include representatives of key stakeholders. For the period concerned these Committees were:

- The Law Library Committee
- Practical Legal Training Advisory Committee

MEETINGS OVERVIEW

During the year under review the Board met on a total of 72 occasions as follows:

Full Board (every 3 months)	4
Special Full Board Meeting	4
Admissions and Registrations Committee	9
Special Admissions and Registrations Committee	6
Admissions and Registrations Committee – Electronic Quorums	5
Professional Affairs Committee	13
Special Professional Affairs Committee	5
Management Committee	12
Special Management Committee	1
Legal Education Committee	2

Meetings of Advisory Committees to the Legal Practice Board took place as follows:

The Law Library Committee	9
Practical Legal Training Advisory Committee	2
National Model Laws Ad-Hoc Committee	3

ORGANISATIONAL STRUCTURE

As presently structured the Board carries out its functions in four distinct locations:

- The Office of the Board in the Kings Building, Hay Street, Perth;
- The Articles Training Program in Alvan Street, Mt Lawley;
- The Law Library in the Supreme Court and a branch library at the Central Law Courts)
- The Legal Practitioners Complaints Committee at 55 St Georges Tce, Perth

OFFICE OF THE BOARD

The Board's Office, in the Kings Building, provides administrative and executive support to the Board and its Committees as well as undertaking other core regulatory functions of the Board as provided for in the *Legal Practice Act 2003*. The Office of the Board also ensures the Board complies with considerable additional legislation as these impact upon both the Board and its organisation.

Accordingly, key responsibilities of the Office of the Board include, but are not limited to:

- Executive support of the Board and Committees
- Maintenance of the practitioner register (a record of all practitioners admitted to practice in Western Australia), plus various other records pertaining to legal practitioners in this State
- Processing of admissions applications
- The issue and renewal of annual practice certificates, and the administering of other practitioner compliance matters
- Conducting the Board's annual election
- Management of the Board's human, financial and physical resources

THE ARTICLES TRAINING PROGRAM (ATP)

Established in 1995, the ATP is a post-graduate pre-admission course designed to enhance practical legal training for articulated clerks.

The ATP office, situated in Mt Lawley, administers the course and its ongoing review and development, in accordance with the direction of the Board. Part-time lecturers are engaged to conduct the courses. Please refer to the section below on the Articles Training Program.

THE LAW LIBRARY (SUPREME COURT AND CENTRAL LAW COURTS)

The Law Library, located in the Supreme Court of WA is owned and administered by the Board, and operates a branch library at the Central Law Courts.

The Law Library provides reference and research facilities for the legal profession in Western Australia and through Rule 64 of the *Legal Practice Board Rules 2004* gives wide access to members of the Judiciary, certificated practitioners, articulated clerks, members of Parliament (and their departmental staff), members of the Police Force, holders of an office, post or position established under an Act and public service officers and employees. Several groups such as law students, interstate practitioners, foreign lawyers and litigants in person may use the library subject to any restrictions, including payment of a fee, determined by the Law Library Committee.

The operation of The Law Library is supported by the Law Library Advisory Committee, chaired by the Hon. Justice Hasluck. (Please see further on in the report.)

THE LEGAL PRACTITIONERS COMPLAINTS COMMITTEE

The Legal Practitioners Complaints Committee is responsible for supervising the conduct of legal practitioners and the practice of law. Pursuant to the *Legal Practice Act 2003*, it has investigative and conciliation powers, and also initiates disciplinary proceedings.

As noted earlier the Complaints Committee is comprised of members of the Board and Community Representatives.

Pursuant to section 166 of the *Legal Practice Act 2003* the Complaints Committee provides an annual report in relation to its activities to the Attorney General.

STAFF OF THE LEGAL PRACTICE BOARD

- As at 30 June 2006 the following numbers of staff were in full-time, part-time or contract employment:

Divisions	No. of Staff
Office of the Board	14
Articles Training Program	6
The Law Library and Central Law Courts Library	7
Legal Practitioners Complaints Committee	18
Trust Account Inspector	1
Total Staff	46

New Appointments

During the year under review the Board employed two staff to fill two new positions located at the Legal Practitioners Complaints Committee.

Professional Development

To better equip staff in their respective roles within the organisation, the Board encourages training and development activities which enable staff to enhance their skills and experience.

Such courses undertaken include:

- Records Management
- Electronic Recordkeeping
- Disposal of Records
- First Aid
- Business Coaching
- Managing Unacceptable Behaviour
- Introduction to Privacy
- Microsoft Office Training
- Receptionist skills
- Risk Management
- Employment Law for HR Managers
- Writing Policy Documents
- Libraries Australia Training
- Accounting Reports under A-IFRS
- Proportionate Liability Seminar
- Fiduciary Relationships Seminar
- Workers Compensation Reform
- Sourcing Information Online
- Use & abuse of submissions
- Communication skills
- Mediation Workshop
- Managing People
- New Supervisors course
- Litigation affecting Trustees
- Salary Packaging

SIGNIFICANT ISSUES AND DEVELOPMENTS

PRACTICAL LEGAL TRAINING

As noted earlier in this report, the Board's review of Practical Legal Training (PLT) in Western Australia concluded in March 2006 with the endorsement of the Draft Report from the Practical Legal Training Advisory Committee. The Draft Report recommended the establishment of an alternate route (to articles) to admission through the satisfactory completion of a practical legal training course in Western Australia.

Prior to consideration of the Draft Report the Board had consulted with the Judiciary, the legal profession and law students in relation to implementing an alternate pathway to articles. The proposal was unanimously endorsed.

Whilst the implementation of the proposal will require amendment of the legislation, the timing is opportune with a proposed new Legal Practice Act in 2007 to incorporate the National Model Laws.

The intention is for the Board to accredit such a course or courses, which will include a significant component of workplace experience.

It is anticipated the alternate process will be available in 2008.

NATIONAL LEGAL PROFESSION MODEL LAWS

The Board has been advised by the State Government that a new Legal Practice Act incorporating the National Legal Profession Model Laws will most likely come into effect 1 July 2007.

As this time the Board has yet to see the draft Legal Practice Bill but has been working on proposed amendments to the legislation for the period of this report.

Implementation of the new Legal Practice Act will bring WA fully into a national legal services market. To this end the Board has given in principle support to both a national register of all legal practitioners and proposed national disciplinary register.

CONTINUING LEGAL EDUCATION (CLE)

The Board published a draft Policy for Continuing Legal Education in July 2005. The Policy was published on the Board's website to encourage comment from the profession and other key stakeholders.

However as the profession was advised in September 2005 the Board concluded that it is unable to progress the implementation of mandatory continuing legal education because of reservations regarding the powers of the Board pursuant to the Legal Practice Act. These reservations have been expressed to the Board by the State Solicitor.

The Board has referred the matter to the Solicitor-General with a request that the Act be amended to address the reservations expressed by the State Solicitor.

The Board has not as yet been informed as to the Government's intentions in this regard and accordingly ceased reviewing various submissions received with respect to the draft Policy until this issue has been clarified.

In the interim however the Board through the Secretary and General Manager has participated in the CPD (continuing professional development) National Taskforce initiated by the Queensland Law Society.

The National Taskforce has over the past 12 months drafted proposed National Guidelines to assist in the harmonisation of MCLE or MCPD schemes as these are operating or are soon to be operating in various Australian jurisdictions.

The draft proposed National Guidelines are presently under review by the Board.

LEGAL PRACTITIONERS DISCIPLINARY TRIBUNAL – REGULATIONS

As reported in previous annual reports the Legal Practitioners Disciplinary Tribunal (the Tribunal) ceased on 31 December 2004 when its functions, along with approximately 40 other boards and committees, were subsumed into the State Administrative Tribunal (the SAT).

However at the time of the commencement (1 January 2005) of the SAT there was no legislative provision for part heard matters or fully heard but not determined matters before the Tribunal which were transferred to the SAT to be dealt with by the State Administrative Tribunal.

During 2005 Regulations were made under s167(1) of the State Administrative Tribunal Act 2004 (the SAT Act) for the SAT to deal with matters partly or fully heard before, but not determined by the Legal Practitioners Disciplinary Tribunal and which were then transferred to the SAT under s167(4)(b) of the SAT Act.

Regulation 33A means the President of the SAT can now constitute a State Administrative Tribunal constituted of the persons who were members of the former disciplinary tribunal to finalise the above types of pending proceedings. A full report on these matters is provided in the 2005/2006 Annual Report of the Legal Practitioners Complaints Committee.

REGISTRATION OF FOREIGN LAWYERS

As is noted in the report of the Admissions and Registrations Committee (A & R Committee) below during 2005/2006 the A & R Committee approved the registration of one Foreign lawyer.

The provisions in relation to Foreign lawyers and local practitioners who are practising foreign law in WA are set out in Part 8 of the *Legal Practice Act 2003*. To ensure compliance all members of the profession are encouraged to review the relevant provisions.

INFORMATION TO THE AUSTRALIAN TAXATION OFFICE

By letter dated 1 February 2006, with enclosed notice, pursuant to section 264 of the *Income Tax Assessment Act 1936*, section 353-10 of the *Taxation Administration Act 1953*, section 128 of the *Fringe Benefits Tax Assessment Act 1986*, section 77 of the *Superannuation Guarantee (Administration Act) 1992* and direction issued pursuant to section 65 of the *Taxation Administration Act 1953*, the ATO required the Board to provide by 3 March 2006 the following information, in separate listings for Barristers only and Barristers/Solicitors, for "each person who holds a current Practising Certificate issued by you, pursuant to the *Legal Practice Board Rules 2004* under the *Legal Practice Act 2003* and the date your list is current to:

1. *Full Name: Surname, First Name and Middle Names;*
2. *Date of Birth;*
3. *Date of Admission;*
4. *Residential Address;*
5. *Residential Telephone Number (including STD code);*
6. *Business Name;*
7. *Business Street Address;*
8. *Business Telephone Number (including STD code);*
9. *Occupation, Title, Classification or Employment Status."*

Further, if held by the Board, the following also to be provided:

ABN;

Listings of any overseas, student and retired members if applicable (items 1 to 9 if applicable);

Listings of those who have been refused a Practising Certificate, had a Practising Certificate revoked and/or been struck off the Practitioners roll in the last 5 years (items 1 to 9 if applicable."

The Board provided the above information to the ATO by the due date.

SECTION 17, LEGAL PRACTICE ACT 2003

As amended by the *State Administrative Tribunal Act 2004*, section 17 of the *Legal Practice Act 2003*, effective as of 1 January 2005, requires that certain information is to be included in the Board's Annual Report.

Accordingly, as far as has been possible, the following is provided in accordance with the requirements of section 17 (amended) of the Act.

(1a) The annual report is to include details of -

(a) The number, nature, and outcome of –

(i) Inquiries undertaken by the Board:

In the year under review 2 inquiries were undertaken by the Admissions and Registrations Committee of the Board:

One inquiry was conducted pursuant to s20(2). The practitioner was approved to take, have and retain an articled clerk (pursuant to s20(1)(c).

One inquiry was conducted pursuant to s28(2). The Committee determined that the applicant was of good fame and character and fit and proper to be admitted.

Inquiries undertaken by the Admissions and Registrations Committee are included in the Annual Report of the Admissions and Registrations Committee.

(ii) Matters that have been brought before the State Administrative Tribunal under this Act:

In the year under review, 38 matters were referred to the State Administrative Tribunal (the SAT):

- Matters of the Legal Practitioners Disciplinary Tribunal which were unheard, part heard or with a decision pending as at 1 January 2005 were transferred to the SAT when the Tribunal commenced on 1 January 2005. Matters related to unprofessional conduct, professional misconduct or illegal conduct of legal practitioners.

(b) The number and nature of matters referred to in paragraph (a) that are outstanding:

- 18 of the Legal Practitioners Disciplinary Tribunal matters transferred to SAT remain outstanding. Of this number 11 matters were deferred pending the hearing of a Report to the Full Court on other matters concerning the practitioner.
- 31 matters referred to the SAT by the LPCC remain outstanding.

Enquiries undertaken by the Legal Practitioners Complaints Committee (the LPCC) and matters referred by the LPCC to the State Administrative Tribunal are included in the Annual Report of the Legal Practitioners Complaints Committee.

Review of Legal Practice Board Decision by the State Administrative Tribunal

Pursuant to Section 44 of the *Legal Practice Act 2003* (as amended by the State Administrative Tribunal (Conferral of Jurisdiction) Amendment and Repeal Act 2004) in the year under review one practitioner applied to the State Administrative Tribunal (SAT) for a review of a decision of the Professional Affairs Committee of the Board. This matter has not yet concluded.

One practitioner filed an application in the SAT seeking an Order that the Admissions and Registrations Committee "make a declaration" that the date of registration of articles between the Practitioner and two articled clerks, be effective from the date of lodgement. The SAT dismissed the application on the basis that the Tribunal had no jurisdiction to consider the Application.

At the commencement of the year under review there was one unresolved matter before the SAT where a practitioner had sought a review of a decision of the Admissions and Registrations Committee relating to the imposition of a restricted practice condition. Shortly after the applicant lodged the appeal with the SAT, the Board resolved to reduce the restricted practice period from 2 years to 1 year. The applicant then sought costs and compensation arising from the Board's earlier decision. The SAT found no grounds for a claim for costs and compensation.

Applications in the SAT for review of decisions of the Admissions and Registrations Committee are included in the report of the Admissions and Registrations Committee.

PROFILE OF THE CURRENT WA LEGAL PROFESSION

NEW BUSINESS STRUCTURES – PART 6, *LEGAL PRACTICE ACT 2003*

During the year under review, registrations and queries pertaining to this area of regulation were referred to quarterly meetings of the Board as well as the Professional Affairs Committee.

Statistics: New Business Structures

In the year under review:

- Pursuant to section 50(1) of the Act, 41 incorporated legal practices provided notice to the Board of an intention to commence practice;
- 44 incorporated legal practices commenced practice.
- 4 incorporated legal practices ceased practice.

TABLE1: COMPOSITION OF THE WA LEGAL PROFESSION AS AT 30 JUNE 2006

	Resident Females	Non-Resident Females	Resident Males	Non-Resident Males	Totals
Barristers	25		160	4	189
Commonwealth Government	24		19		43
Consultants	24		62		86
Director	21		140		161
Employees	786	29	670	49	1534
Equity Partner	47		350	8	405
Inhouse	102	5	178	11	296
Locum	2				2
Not practising (certificated)	131	55	84	98	368
Salaried Partner	26	1	56		83
Sole Practitioners	84	1	360	6	451
Judiciary [^]	2			8	10
Deceased [^]			2		2
Struck Off /Suspended [^]	2		1		3
State Government*	31		20		51
Practice Certificates ISSUED	1307	91	2102	184	3684
S.36 Practitioners					
** State Solicitor's Office	60		46		106
**Director of Public Prosecutions (State)	43		40		83
**Other Departments	83		54		137
TOTAL PRACTITIONERS	1493	91	2242	184	4010

[^] Held practice certificate during 2005-2006 however by 30 June 2006 were appointed judiciary / deceased / struck off / suspended.

* State Government employees who held a practice certificate during 2005-2006.

** State Government employees taken to be certificated pursuant to Section 36 of the Legal Practice Act 2003.

Table 1 shows the composition of practice certificate holders for the 2004/2005 year, plus the number of practitioners taken to be certificated pursuant to section 36 of the *Legal Practice Act 2003*.

TABLE 2: NUMBER OF PRACTICE CERTIFICATES ISSUED IN PAST 10 YEARS

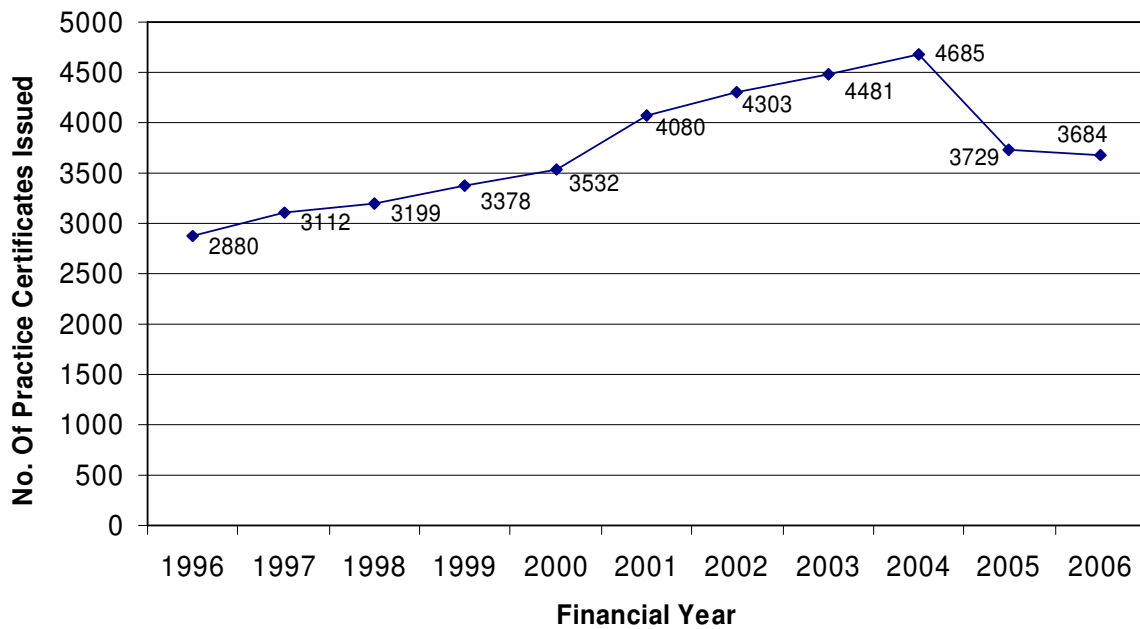


Table 2 shows annual totals of practice certificates issued over the past 10 years.

The number of practice certificates issued in 2005/2006 decreased slightly compared to the steady annual increase of previous years due to the removal of the need for interstate practitioners to also hold practising certificates in Western Australia.

ADMISSIONS AND REGISTRATIONS COMMITTEE

Convener: Mr MT Ritter SC until October 2005, and since then Mr GR Donaldson SC.
Deputy Convener: No Deputy formally appointed, however, Ms AM Liscia has undertaken the role of Acting Convener.

The Admissions and Registrations Committee (Committee) been delegated the power and duty of the Board to deal with all matters relevant to articulated clerks, the admission of legal practitioners (pursuant to section 27(2) of the *Legal Practice Act 2003* (LPA) and the *Mutual Recognition (WA) Act 2001* (MRA), practice certificates (practitioners admitted pursuant to the MRA, and those applying for renewal pursuant to section 38(4) of the LPA), restricted practice, interstate practitioners and registration of foreign lawyers.

ARTICLES OF CLERKSHIP

Articles of clerkship (supplemented by the Articles Training Programme (ATP) has, during the 2005/2006 year, remained the only form of pre-admission practical legal training in Western Australia.

In considering applications for registration of articles, the Committee has a statutory obligation to consider the suitability of a prospective articulated clerk and principal.

In January 2006 the Board sought and received advice from Senior Counsel as to whether it is empowered to approve the registration of articles of clerkship with effect from a date which is earlier than the date upon which the requirements specified in ss.19(1) and 20(1) of the LPA are satisfied.

Senior Counsel's advice is to the effect that the Board has no power to accord registration to articles of clerkship with effect from a date which precedes actual satisfaction of the requirements of ss.19 and 20.

That advice also noted, inter alia, that there is a sound public policy reason for the prohibitions contained in ss.19 and 20. The Parliament has determined that persons should not actually enter the relationship of practitioner and articulated clerk or commence articles, with all the consequences that that entails, prior to the Board being satisfied of the proposed clerk's good fame and character and prior to the Board approving the principal. Articled clerks have a status within the legal profession. The legislative policy is that it is inappropriate that the status be accorded prior to satisfaction of the requirements of ss.19 and 20

In February 2006 the Board gave Notice to the profession that (with respect to applications received after 3 March 2006) all approvals for registration will take effect from the date the Board forms the view, as required by the Act, that the requirements of ss 19 and 20 of the Act have been satisfied.

In considering the suitability of a practitioner to take an articulated clerk, the Board will have regard to, inter alia, whether a practitioner has a disciplinary record/s arising from proceedings before the State Administrative Tribunal, the Legal Practitioners Disciplinary Tribunal or the Legal Practitioners Complaints Committee (LPCC), or is the subject of a pending matter/s before the LPCC or a pending Application/s by the LPCC in the State Administrative Tribunal.

In circumstances where there may cause for concern with respect to a prospective Articled Clerk or Principal, the Committee may defer consideration of an application pending receipt of further information. Having considered further information the Committee may determine that it is satisfied and therefore resolve-

- (a) a person is of good fame and character to be articulated to a legal practitioner;
- (b) to grant approval, pursuant to s20(1)(c), for a legal practitioner to take an articulated clerk;

Application in the State Administrative Tribunal (Tribunal)

In November 2005 an Application was filed in the Tribunal by a Practitioner seeking an Order that the Committee "make a declaration" that the date of registration of articles between the Practitioner and two articulated clerks, be effective from the date of lodgement. Consideration of the clerks' applications had been deferred by the Committee, pending its consideration as to whether the Practitioner ought be approved pursuant to s20(1)(c). The Hon Justice Barker delivered oral reasons after a hearing in January 2006 and dismissed the application on the basis that the Tribunal had no jurisdiction to consider the Application.

Inquiries under the LPA

The Board may conduct an Inquiry for the purpose of determining whether –

- a person seeking to be articled is of good fame and character [s19(2)];
- a legal practitioner should be approved under s20(1)(c) [s20(2)];
- a person seeking a certificate under s28(1)(c) is of good fame and character and fit and proper to be admitted [s28(2)].

During the period under review, the following Inquiries were conducted:

- Having received certain information in respect of an Articled Clerk an Inquiry pursuant to s28(2) was conducted and a hearing took place in December 2005 to determine the question of whether the applicant was good fame and character and fit and proper to be admitted. At the conclusion of the hearing, the Committee announced that it was satisfied that, on the basis of the evidence provided, the applicant was of good fame and character and fit and proper to be admitted, within the meaning of s28(1)(b) of the Act.
- In May 2006 an Inquiry pursuant to s20(2) was conducted in respect of a practitioner who was the subject of a pending Application filed against the Practitioner by the LPCC in the State Administrative Tribunal, alleging that the Practitioner was guilty of unprofessional conduct.

During the course of the Inquiry, the Committee expressed concerns about the manner in which the Practitioner acted in disbursing funds held on trust. However, on the basis of the evidence provided, the Committee was satisfied that the errors were not cause for the Practitioner to not be approved to take an articled clerk. This was particularly so as the errors which the Practitioner acknowledged, seemed very much to be a one off, and having regard to the Practitioner's many years of practice and previous unblemished conduct. At the conclusion of the Inquiry, the Committee resolved to approve the practitioner to take an articled clerk.

During the period under review the Committee has resolved to conduct Inquiries pursuant to s20(2) in respect of another three practitioners.

Practical Legal Training of Articled Clerks and Practical Legal Training as an alternate path to admission

As foreshadowed in the Chairman's Report last year, the Board considered and endorsed various recommendations made in the Draft Final Report of the Practical Legal Training Advisory Committee. In particular, the Board has approved modifications to the practical legal training of Articled Clerks, and a recommendation for the establishment of an alternative route to admission in Western Australia through the satisfactory completion of a practical legal training course to be offered in this State.

The Attorney General supports the Board's recommendation that practical legal training should become an alternative path to admission and has advised that necessary amendments could be incorporated into the Bill being drafted for the adoption of the National Model Bill.

The Chairman wrote to all members of the profession in March 2006 foreshadowing the introduction of changes to the *Legal Practice Board Rules 2004* and the content and structure of the ATP.

Five Year Articles of Clerkship

Five year articles of clerkship was abolished when the *Legal Practitioners Act 1893* was repealed. However, clerks registered prior to 1 January 2004, have continued service under five year articles of clerkship.

As at 30 June 2006 there were nine (9) articled clerks undergoing five year articles. (Between 1 July 2005 and 30 June 2006, three (3) clerks were admitted to practice and two (2) clerks applied for cancellations of their articles).

ADMISSION OF LEGAL PRACTITIONERS

The Committee deals with the applications pursuant to the MRA and s27(2) of the LPA.

A person intending to apply for admission pursuant to s27(2)(a)(ii) and (b) of the LPA, is required to apply to the Committee for assessment of his or her qualifications. Each application is considered on its own merits and a determination is made as to whether an applicant's qualifications are, in the opinion of the Board, substantially equivalent to a degree in law at a university specified in the Rules.

The assessment of individual applications from a multitude of foreign jurisdictions, with differing laws and standards, is an onerous task. In 2005 the Committee resolved to conduct a review of its process for the assessment of overseas applicants' qualifications and experience.

By coincidence, Professor Sandford Clark (a member of the Law Admissions Consultative Committee) attended the 2005 meeting of Administrators of Australasian Law Admitting Authorities and offered to prepare a draft paper to assist admitting authorities develop agreed guidelines for assessing overseas applicants for admission, with a view to achieving uniformity and consistency throughout Australian jurisdictions.

The Committee welcomed this development and over the past 8 months has considered drafts of "Uniform Principles for Admission of Qualified Overseas Practitioners to Practise Law in Australia" prepared by Professor Clark.

APPLICATIONS FOR RE-ADMISSION

An application (received in January 2005) for re-admission remained active from the preceding year.

A Notice of intention to apply for re-admission was received from a former practitioner. The Committee resolved to hold an Inquiry under s34(3) of the LPA, however, prior to the hearing the applicant withdrew the application.

PRACTICE CERTIFICATES

The Committee determines the imposition of conditions on practice certificates issued to practitioners admitted pursuant to the MRA, and those applying for renewal pursuant to section 38(4) of the LPA.

Under section 40 of the LPA, the Board may issue a practice certificate unconditionally or subject to conditions.

When determining whether a practice certificate will be issued to a practitioner admitted pursuant to the MRA (who does not hold a practice certificate in the jurisdiction in which the MRA application is based) and if so whether it should be issued subject to conditions, the Committee will consider, amongst other things,

- whether the applicant has completed service under articles of clerkship or a practical legal training course; and
- the length and nature of the applicant's post-admission practical experience as a legal practitioner.

The Committee also has regard to a document entitled '*Towards a National Legal Profession, Revised Uniform Admission Rules, A report of the Law Admissions Consultative Committee*' dated February 2002 (UAR) which provide a series of guidelines to assist registration and admitting authorities in ensuring that graduates achieve a certain level of competency both prior to and following their admission.

The UAR, which were adopted in principle by the Board in 2002, provide, amongst other things, for the imposition of a period of 2 years restricted practice where a practitioner has undertaken a course of practical legal training (as distinct from a term of articles) prior to admission, and 18 months restricted practice where, prior to admission, a practitioner has served a term of articles of clerkship.

Practitioners who have served articles of clerkship currently serve 12 months restricted practice due to the express provisions of s 33(1) of the LPA.

In September 2005 the Committee resolved, as a matter of general policy, to impose a period of 2 years' restricted practice for those admitted pursuant to the MRA who:

- (a) do not hold a practice certificate in the jurisdiction upon which the MRA application is based;
- (b) have not previously practised; and
- (c) have not completed a term of articles (ie have completed a practical legal training course).

The Committee also considers applications for renewal of practice certificates from practitioners who have not held a practice certificate in this State during the preceding five years (s38(4) of the LPA). When determining whether a practice certificate will be issued to a practitioner and if so whether it should be issued subject to conditions, the Committee will consider, amongst other things, the practitioner's past practice particulars and/or other employment/personal particulars since the date the practitioner last held a practice certificate in Western Australia.

Application in the State Administrative Tribunal (Tribunal)

At the commencement of the year under review there was one unresolved matter before the Tribunal where a practitioner had sought a review of a decision of the Admissions and Registrations Committee relating to the imposition of a restricted practice condition. Shortly after the applicant lodged the appeal with the Tribunal, the Board resolved to reduce the restricted practice period from 2 years to 1 year. The applicant then sought costs and compensation arising from the Board's earlier decision. The SAT found no grounds for a claim for costs and compensation.

RESTRICTED PRACTICE

The Committee has a statutory obligation to ensure that a practitioner who is subject to a restricted practice condition, is appropriately supervised. The Committee frequently considers submissions for approval to undertake restricted practice working under the supervision of a legal practitioner who is not otherwise authorised under the LPA to supervise a 'restricted' practitioner.

Applications are considered by the Committee on their own merits, on a case by case basis. Matters relevant to the exercise of the Committee's discretion are –

- length and nature of the post-admission experience of the prospective 'supervising practitioner'.
- The capacity in which the practitioner currently practises and the nature of the legal work undertaken;
- the structure of the organisation, including details of other legal practitioners employed by the organisation and the nature of the legal work undertaken by those legal practitioners. With respect to the structure of the organisation, the Board will have particular regard to whether there is an established, clearly defined legal department.

The Committee also considers applications to complete restricted practice on a part-time basis, and applications for the variation or lifting of a restricted practice condition.

INTERSTATE PRACTITIONERS

Pursuant to s35(2)(c) and Part 7 of the LPA, an interstate practitioner who holds a current practice certificate in another Australian State/Territory and whose principal place of practice is in another State/Territory, is entitled to engage in legal practice in Western Australia.

The development of "Guidelines" to facilitate the application of Part 7 of the LPA, is pending before the Committee.

FOREIGN LAWYERS

During the period under review the Committee approved the registration of one foreign lawyer, which entitled the applicant to commence practising as a foreign lawyer effective from September 2005. Due to the practitioner's departure from Western Australia, registration ceased in May 2006.

STATISTICS PERTAINING TO MATTERS CONSIDERED BY THE COMMITTEE DURING THE PERIOD 1 JULY 2005 TO 30 JUNE 2006.

ARTICLES OF CLERKSHIP REGISTRATIONS

Registrations - Male articulated clerks	98
Registrations – Female articulated clerks	120
Total new registrations	218

Law Graduates from:	
University of Western Australia	91
Murdoch University	61
University of Notre Dame	52
Overseas Institutions	9
Interstate tertiary institutions	5

NOTICES FOR REGISTRATION PURSUANT TO MUTUAL RECOGNITION (WA) ACT 2001

TOTAL LODGED = 166

ADMISSIONS

Admitted pursuant to s27(2)(a) of the <i>Legal Practice Act 2003</i>	207
Admitted pursuant to s27(2)(b) of the <i>Legal Practice Act 2003</i>	4*
Admitted pursuant to Mutual Recognition (WA) Act 2001	161
Total new admissions	372

**of the 4 applicants admitted pursuant to s27(2)(b), three (3) were required to complete articles prior to admission.*

New admissions - Male	162
New admissions - Female	210
Total new admissions	372

The **207** practitioners admitted pursuant to s27(2)(a) of the *Legal Practice Act 2003* were law graduates from:

Western Australian Institutions	200
▪ University of WA	99
▪ Murdoch University	70
▪ University of Notre Dame	31
Interstate tertiary institutions	4
From overseas institutions	1
Completed 5 years articles after having completed studies at the University of WA and Murdoch University, respectively	2

The 4 practitioners admitted pursuant to s27(2)(b) had previously been admitted:

England & Wales	1
Hawaii	1
Malaya	1
Republic of Singapore	1

ASSESSMENTS

26 Assessments were made for approval of qualifications pursuant to **s27(2)(a)(ii)** for law graduates from:

Interstate Law Degrees	8
Canada	1
Columbia	1
India	1
San Diego, CA	1
Scotland	1
Serbia	1
South Africa	3
United Kingdom	8
United States of America	1
Total Overseas Law Degrees	18
Total	26

26 Assessments were made for approval of qualifications and experience pursuant to **s27(2)(b)** for practitioners previously admitted in:

Canada	1
India	2
Both Israel & Russia	1
Malaysia	4
Singapore	4
South Africa	6
United Kingdom	6
Both United Kingdom and Kenya	1
USA	1
Total Admitted Overseas	27

Foreign Lawyers

There has been one foreign lawyer registered with the Board in the year under review.

PROFESSIONAL AFFAIRS COMMITTEE

Convenor: Mr MW Odes QC until November 2005 then Mr WS Martin QC until December 2005 and currently Mr MH Zilko SC
Deputy Convenor: Mr GMG McIntyre SC

The Professional Affairs Committee deals with areas relating to the issue of practice certificates (including annual renewal and uncertificated practitioners), bankrupt practitioners, trust accounts, business structures and practices, professional conduct matters and unqualified and prohibited practice.

Please note data in relation to Incorporated Legal Practices is reported under section entitled 'Current Profile of the Profession'.

UNQUALIFIED AND PROHIBITED PRACTICE – PART 9 *LEGAL PRACTICE ACT 2003*

Unqualified legal practice

The Board is responsible for investigating and instituting proceedings against unqualified persons who perform legal work for reward or who hold themselves out as admitted legal practitioners. These matters are considered by the Professional Affairs Committee and referred to the Board's solicitors for investigation and possible prosecution.

Since 1996, the Board has considered and investigated over 80 major complaints and breaches against section 77 of the *Legal Practitioners Act 1893* and then Part 9 of the *Legal Practice Act 2003*. A significant number of these matters involve several complaints against the one person requiring separate investigations.

During the year under review 27 new complaints were received. Of these 9 were referred to the Board's solicitors for investigation and possible prosecution.

Additionally, a number of these instances are recidivist and may run for many years. The Board regularly obtains successful prosecutions but it is an ongoing concern that the community is being disadvantaged by persons offering so called 'legal services' without the appropriate professional training and with no financial protection against claims of negligence and/ or unprofessional conduct.

To assist the general public, the Board encourages people to check with the Board to determine whether or not a person is an admitted legal practitioner in this State.

Un-certificated legal practitioners

The Professional Affairs Committee considers the late renewal of annual practice certificates and instances of practitioners apparently engaging in legal practice whilst un-certificated. Practitioners are invited to provide submissions as to the circumstances of their late renewals and/ or possible un-certificated legal practice. The Committee will then use its discretion in determining whether a matter should be referred to the Legal Practitioners Complaints Committee.

These matters place a continuing drain on the Board's resources and thereby represent a cost to the whole profession. The Board is particularly concerned at the apparent lack of awareness or the failure to give due regard to an individual practitioner's professional obligations under the Act.

During 2005/2006 a total of 166 practitioners were referred to the Professional Affairs Committee for apparently engaging in the practice of law whilst un-certificated. This is an increase on the last reporting period.

Of these 114 were a consequence of the late renewal of a practitioner's practice certificate and occurred during the period of July and August. Again this is an increase on the last reporting period. A percentage of these late applications were from practitioners either taking a break from the law and/or outside the jurisdiction and neglecting to either renew on time or inform the Board of their change in circumstances. However the Board is required to follow up every instance until the situation for each practitioner is determined and regrettably this all too frequently can take several months.

A further 52 practitioners were referred during the remainder of the period under review. This is a small decrease on the last reporting period.

Analysing the circumstances leading to the referral to the Professional Affairs Committee, as set out in the submissions provided by the relevant practitioners, it seems un-certificated legal practice most commonly arises out of the following situations:

- Practitioners applying for a practice certificate after they had commenced employment;
- Practitioners leaving employment where they were taken to be certificated by virtue of section 36 of the Act for new employment and not obtaining a practice certificate;
- Practitioners not applying for a practice certificate when 'in house counsel'; and
- Practitioners not applying for a practice certificate immediately following admission as a legal practitioner of the Supreme Court of Western Australia.

It is also noted that there has been an increase in practitioners who believe they can revert to the status of Law Clerk despite the Board's staff referring the practitioners to Professional Affairs stated Policy on Admitted Practitioners Reverting to the Status of Law Clerk.

Renewal of practice certificates

For the annual renewal of practice certificates, correctly completed applications and payment must be lodged with the Board by 30 June in order that practice certificates are issued with effect from 1 July. Applications received after 30 June (the expiry date of the preceding year's practice certificate) take effect on the date upon which a complete and correct application is lodged with the Board, or if extenuating or exceptional circumstances exist, on such earlier date as is determined by the Board.

As mentioned in the previous reporting period, the Board was concerned at:

- the high number of incorrectly completed renewal forms;
- the number of late renewals.

To rectify this, a new application form was designed. The consequence of the new form was that the Rules were amended so that the application form was no longer prescribed instead the information to be provided by practitioners in an application form became prescribed.

For the first time the application form was sent to practitioners with the fields already populated with the information held on the Board's database. This resulted in a substantial reduction in the number of incorrect applications received by the Board.

Late renewal of practice certificates – some statistics

With regard to the practice certificate renewal period:

- 26 practice certificate renewal forms were received up to one week late
- 53 practice certificate renewal forms were received between one week and one month late
- 23 practice certificate renewal forms were lodged over one month late

This is a slight increase in the number of late renewals from the last reporting period.

A practitioner's obligation in reporting matters to the Board and right of appearance of uncertificated practitioner in chambers

During the year in review the Board has received a number of inquiries regarding the above.

In view of the importance of these questions they were considered by the Board through the Professional Affairs Committee as well as at a quarterly meeting of the 'full' Board.

The profession is advised that whilst there is no specific obligation on a practitioner to report unprofessional conduct or other conduct in contravention of the Legal Practice Act, there may be circumstances in which, in a particular case, a failure to do so may constitute "unsatisfactory conduct" within the meaning of the Legal Practice Act.

Professional Conduct Rule 3.6 states, under the title 'Maintaining professional integrity'.

“If a practitioner becomes aware of a breach of Part 9 of the Act and the person in breach is not a client of the practitioner:

- (1) if the knowledge is received in the course of the practitioner’s professional duties for someone who is a client of the practitioner, the practitioner must point out the breach to the client and recommend that the matter be brought to the attention of the Complaints Committee while making it clear that it is the client’s prerogative to determine whether this course is to be followed; but*
- (2) if the knowledge is received other than in the course of professional duties for a client, the practitioner must, in accordance with the practitioner’s duty to the public and to the legal profession, report the matter to the Complaints Committee.”*

Accordingly when considering such situations, guidance might be received from Professional Conduct Rule 3.6.

BANKRUPT PRACTITIONERS

When the Board receives notice that a practitioner has entered into bankruptcy or a Part X Arrangement, the matter is referred to the Professional Affairs Committee. The Committee considers whether pursuant to section 40 of the *Legal Practice Act 2003*, conditions may be placed on the practitioner’s practice certificate.

Conditions may include:

- The practitioner practice only as an employed practitioner
- Provision of six monthly financial statements
- Provision of a six monthly report from the trustee in bankruptcy
- Consent by the Board to continue in practice prior to renewal of annual practice certificate (consideration is pursuant to section 40 of the Act)

During the period under review a total of 15 bankrupt practitioners were dealt with by the Board:

- 3 were registered during the financial year
- 12 were registered prior to the financial year

As of 30 June 2006, 4 practitioners were discharged leaving a total of 11 bankrupt practitioners.

Of these:

- 5 practitioners are practising;
- 6 practitioners are not practising.

BUSINESS NAMES – CESSATION OF DIRECT REGULATION

After significant consideration, including correspondence with the Law Society of WA, the Board has resolved that it will not re-enter direct regulation of business names. Rather the intention is to educate rather than regulate and leave determination of appropriate business names to the ‘unprofessional conduct standard’.

APPOINTMENT OF SUPERVISING SOLICITORS

Pursuant to Section 151(1) of the *Legal Practice Act 2003* to Board has power to appoint a supervising solicitor to a legal practice in those situations where the practitioner is the subject of an order pursuant to section 149, 150 or 182 of the *Legal Practice Act 2003*. The necessity for such an appointment is most likely due to the death of a practitioner or the suspension of a practitioner from practice.

During the period under review 3 appointments were made.

INCORPORATED LEGAL PRACTICES

Please refer to the section entitled "Profile of the Current WA Legal Profession" - "New Business Structures" on page 11.

POLICY STATEMENTS BY THE PROFESSIONAL AFFAIRS COMMITTEE

The following policy statement has been issued by the Professional Affairs Committee in the year under review:

POLICY REGARDING TRUST ACCOUNTS AND UNCLAIMED TRUST MONIES for UNIDENTIFIED TRUST MONIES

**(ADOPTED 23 JUNE 2005)
(RE-AFFIRMED 9 MARCH 2006)**

The first step that should be taken by practices is to confirm that all attempts have been made to locate the actual trust clients for amounts held. If some entries due to the information and documentation available can not be traced to the original source then the following process should be taken.

If amounts are below \$500

Then the general ledger should be changed into the practice name and funds can be used by the practice.

If the amounts are equal or above \$500

Then the matter needs to be referred to the Board to assess the correct action to be taken in each individual case.

It is not viable to place an advertisement in respect to these amounts, as the problem in these cases is that the client cannot be identified.

Legal Practice Board 2005

Policy statements adopted by Professional Affairs to date can be viewed on the Board's website at www.lpbwa.org.au.

MANAGEMENT COMMITTEE

Convenor: Mr RE Cock QC
Deputy Convenor: Ms AM Liscia

The Management Committee has delegated to it all the powers and duties of the Board under sections 12(2), 13 and 14 of the *Legal Practice Act 2003*, namely the management of human and physical resources, finance and records.

COMMITTEE PRIORITIES FOR THE YEAR UNDER REVIEW

Financial Management

A key role of the Management Committee is the financial management of the Board. This role faces the challenge of balancing the increasing workload of the Board, combined with a decrease in income (due to national practice certificate), with every effort being made to keep practice certificate fees as low as possible.

Accommodation

As noted in the report from the Secretary and General Manager the increasing responsibilities of the Board have necessitated an increase in staff. Whilst the Board is utilizing the most efficient and effective processes and procedures, including an enhanced information technology environment, the Board continues to be under resourced in certain areas.

The resultant growth of staff has meant the Board required greater office space.

The Board gratefully acknowledges the support of the Attorney General and the State Government in assisting in the provision of more space.

State Records Act 2000

The Board continues to work towards implementing the requirement of the *State Records Act 2000*.

The Law Library

The Management Committee, guided by the recommendations of the Law Library Committee, administers the Law Library in the Supreme Court and the branch library in the Central Law Courts.

A detailed report on the administration of the libraries during 2005/2006 is provided by the Law Library Manager below.

LEGAL EDUCATION COMMITTEE

Convenor: Ms G Archer to May 2005; then Ms CH Thompson
Deputy Convenor: Mr G Donaldson SC to May 2005; Ms CH Thompson to May 2005;
Mr J Syminton from May 2005

The Legal Education Committee (LEC) is responsible for administering a scheme of Continuing Legal Education (CLE) for Western Australian legal practitioners.

As is noted earlier in this report, the LEC met twice during 2005/2006.

Whilst the Committee commenced consideration of draft Rules for the proposed scheme of mandatory legal education in WA as well as reviewed early submissions in relation to the draft policy, all matters were effectively 'put on hold' until the reservations in relation to the legislation are resolved.

REPORT FROM THE LAW LIBRARIAN

2005 / 2006 was a year of change and progress in the development of library services.

The rapid technical advance of legal research and the heightened need for the specialised resources of the Law Library as a result of the establishment of a full time Court of Appeal re-affirmed the importance of the Law Library at the Supreme Court.

WORK OF THE LAW LIBRARY COMMITTEE

The Law Library Committee, chaired by The Hon. Justice Hasluck, meets on a monthly basis and continues to provide advice on the library to the Legal Practice Board. The main focus this year has been the planning for the future of the Law Library and the need to define its position within the legal and general community of Western Australia.

As a result, a Law Library Sub-Committee, convened by The Hon. Justice Simmonds, was formed. The Sub-Committee arranged a panel discussion as part of Law Week 2006, titled **Next Chapter for the Supreme Court Law Library** to facilitate consultation and discussion with interested parties. Thanks to the interest and enthusiasm of the panel members, the Chairman of the panel, Mr Ken Martin QC, the audience, and the sponsorship from legal firms and publishers, the event was a great success. The Law Library Committee has noted the ideas and suggestions which arose from the discussions and is pleased with the ongoing interest in the Law Library, generated by this event, among the wider community.

KEY OUTCOMES OF THE BUSINESS PLAN 2005/2006:

Programs and Services

- The library continues to be active in promoting information literacy. During the first three months of 2006, eleven groups of Articled Clerks were instructed on the resources available in the library. The Law Library participated in the Court Services Associate Induction Program for the annual intake of new judicial support staff.
- Continued support and administration of PLEAS (Practitioner Legal Electronic Access Service) on behalf of the Legal Practice Board. This year the decisions of the State Administrative Tribunal were added to the suite of PLEAS databases.
- Off-site document delivery to country and other practitioners continues to increase, as well as Inter-Library loans to participating law libraries.
- Promotion of library resources to the legal community was aided by making the library catalogue available online via the Internet from the Legal Practice Board web page.
- Modification to the library shelves by the addition of pull out shelves now enables users to open volumes and browse with greater ease.
- Continued participation with key stakeholders in planning for the future of the Law Library at the Supreme Court.
- Participation with the Court Services Division in planning for additional space and the refurbishment of the Branch Library located in the Central Law Courts building.

Community Services.

- Two trainees each spent a month working in the library during the year as part of the Court Services traineeship initiative.
- The Law library once again took part in the Court's Summer Clerk program. Two groups received library orientation sessions.
- The Branch Librarian, Ms. Debra Harvey was invited to address student Library Technicians at ECU on the work in a court law library.
- The Law Library provides an important legal information resource to researchers, students and persons representing themselves in the courts of Western Australia.

- Librarians are members of the Australian Law Librarian's Group and the library participates in the network of law libraries in Western Australia and Australia. Library holdings are maintained on the Joint Union List for law libraries in Western Australia.

Collection Management:

- The range of online legal research material continues to expand in line with collection development.
- The collection management policy for the legislation collection was revised and implemented
- An audit of the monograph collection was conducted during the Court's summer recess.
- The binding program continues to maintain and preserve the collection. During the past financial year 465 volumes were bound and 33 repaired.
- A grant for the purchase of the English Reports on CD-ROM was approved by the Public Purposes Trust. Obtaining the English Reports in an electronic format will assist in the preservation of the print volumes as well as providing the added search benefit.

***New Acquisitions – Supreme Court Law Library and Central Law Courts
Branch Library from 1 July 2005 – 30 June 2006.***

	Supreme Court	Central Law Court	Total
Serials	\$390,894.00	\$105,898.00	\$496,793.00
Monographs	\$ 17,739.00	\$ 3,464.00	\$ 21,202.00
Electronic publications	\$110,513.00	0.00*	\$110,513.00
	\$519,146.00	\$109,362.00	\$628,508.00

* Savings were achieved by obtaining network licences for all electronic publications.

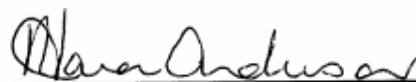
STAFF

All staff in the Law Library participated in the HR Review conducted by the Legal Practice Board during 2005/ 2006. The creation of an Office Manager position, and the updating of Role Descriptions to reflect current work practices, has assisted in the administration of the library and defined better career paths for library staff.

Professional Development:

- The enhancement of search techniques and training abilities on the new online legal products has been the focus this year. Staff attended various sessions given by publishers throughout the year
- All library staff participated in a program presented by Court Services on assisting self-represented persons in court.
- Librarians have participated in professional training and workshops presented by the Australian Law Librarian's Group.
- The Librarian attended the annual Law Librarian's symposium in Hobart during September 2005. She also attended the AIJA Court Librarian's meeting was held in conjunction with this symposium.

As the response from the legal community to the Law Week 2006 event indicated, there has been much change and progress in the development of library services to meet evolving legal information needs. It is a tribute to Law Library staff that they have responded to these demands during the 2005/2006 year with energy, enthusiasm and commitment.



Alice Anderson
Law Library Manager
November 2006

REPORT FROM THE DIRECTOR OF THE ARTICLES TRAINING PROGRAM (THE ATP)

BACKGROUND AND PURPOSE

Post-graduate pre-admission practical legal training in Western Australia is articles of clerkship. Most graduates are articulated for a period of twelve-months and during that twelve-month period the clerk must attend and satisfactorily complete the ATP course.

The ATP was a five week course that has subsequently changed to a four-week course, intended to enhance practical legal training for articulated clerks and complement the articles experience. The ATP is housed in rental premises in Mt Lawley.

COURSE DESIGN AND CONTENT

The course changed in structure from a five week course divided into two parts to a single core course of four weeks. The last part of the five week course was run in February 2006 and the new course was implemented from June 2006. Significant time, energy and expertise were put into the new course which resulted in new material and a completely new approach to the teaching of the course. Clerks are now given files to run which mirror the type of work they will be doing as a legal practitioner.

The staff developed new content and new assessment procedures to mirror the Australasian Professional Legal Education Council (APLEC) and the National Law Admissions Consultative Committee's 'Competency Standards for Entry Level Lawyers'. The core course now focuses on the following:

1. Skills

Business Skills

Lawyer's Skills

Trust and Office Accounting

Work Management and Business Skills

2. Practice Areas

Civil Litigation Practice

Consumer Law Practice

Criminal Law Practice

3. Values

Ethics and Professional Responsibility

The course content and practical exercises focus specifically on Western Australian law and practice. Most of the teaching staff are practising Barristers and Solicitors who are able to impart practical knowledge and experience of legal practice to the clerks.

The old course was presented five times and the new course was presented once in the year covered by this Report. Each day of the course runs between 8.45am and 4.30pm and attendance each day is compulsory.

STAFF

Ms Deborah Milton B Juris LL.B has continued in the position of Director. In early 2005 the Board appointed Ms Natalie Kent LLB, BEc and Ms Franca Sala Tenna, LLB, BSc, Dip Ed, jointly to the position of Deputy Director. They were appointed on a job share basis each working 15 hours a week.

Ms Kent has significant commercial law experience. Ms Kent was on maternity leave until February 2006. As well as her legal qualifications Ms Sala Tenna has teaching qualifications and significant teaching experience. Ms Sala Tenna is on maternity leave until July 2006.

In November 2005 the Board appointed Ms Lisa Abbott, B Juris (Hon) LLB, MBA, to act in the position of Deputy Director while Ms Sala Tenna and Ms Kent are on maternity leave. Ms Abbott has continued in this role in 2006. Ms Abbott has significant experience in corporate and commercial practice.

The Course Administrator is Ms Linda Norrish and Mrs Amanda Ferrante is her assistant. In addition to the four permanent teaching staff, the ATP relies on 20-25 legal practitioners who serve as sessional instructors throughout the year.

THE CLERKS

During the period under review about 180 clerks participated in the old course and 40 clerks participated in the new course.

LINKS WITH THE PROFESSION AND WIDER COMMUNITY

In addition to the practitioner instructors who teach at the ATP, the ATP maintained and increased its links with the profession during the period. Ms Milton has served on the clear writing committee of the Law Society. Ms Milton attended the APLEC annual conference in Adelaide in November 2005 and Ms Milton has continued as a member of the APLEC executive committee during the year under review.

Ms Milton is a Deputy Chair of the Building Disputes Tribunal and is a member of the board of an independent primary school. During the 2006 calendar year Ms Milton tutored in the Commercial Practice unit at the University of Western Australia. Through this appointment Ms Milton has forged links between the UWA law school and the ATP which will assist in the increased understanding and appreciation of the material covered by clerks in their final year at law school. In this way it is hoped that there will be less duplication of material covered in the University courses at the ATP.

During the year we also provided opportunities for external agencies to speak with the clerks such as-

- Women Lawyers
- Law Society
- Law Mutual
- Labor Lawyers

In addition to the oral presentations we maintain a file of relevant information on each legal organisation which is available to the clerks to become a member of.

ISSUES FOR THE FUTURE

This year has seen significant changes to the core course which has resulted in a more practical, relevant and intensive course for the articulated clerks. As a new course it is still in need of further review and enhancement. The staff at ATP see the next year being a time to consolidate the new core course, while being involved in supporting, working with and educating the profession about their responsibilities in the training of articulated clerks in Western Australia.

REPORT FROM THE SENIOR TRUST ACCOUNT INSPECTOR

CURRENT SITUATION

The Board continues to employ one trust account inspector who is funded by the Legal Contribution Trust.

NATIONAL MODEL BILL

At the recent national conference of regulatory officers it was agreed to continue the consultation and review of various issues relating to the National Model Bill specifically dealing with trust accounting.

It was agreed that a harmonised approach should be taken by all States when dealing with trust issues and the interpretation of the actual bill once it is adopted by all the States.

INSPECTIONS 2006

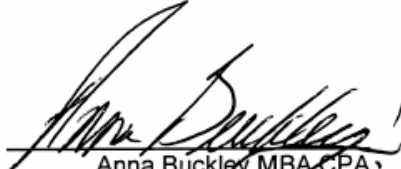
This year has highlighted similar irregularities as last year in particular the lack of correct reconciliation of the trust bank account and the irregular production of this reconciliation in line with the requirements of the Legal Practice Board Rules 2004.

In spite of limited resources a significant number of trust account inspections were still able to be conducted during the year. It is anticipated this number will be increased with appointment of additional staff. I also dealt with trust account enquiries from the legal profession, auditors, staff, and banks and assisted with specific audit certificate queries.

SEMINARS

I undertook my usual Seminar to practitioners was scheduled on 7th March 2006 with 94 attendees.

It is intended that this be continued next year and if further staff are employed it is my intention to instigate a seminar for bookkeepers dealing with the actual day to day requirements of managing a trust bank account.


Anna Buckley MBA CPA
Senior Trust Account Inspector
December 2006

FREEDOM OF INFORMATION STATEMENT

FREEDOM OF INFORMATION ACT 1992 (FOI ACT)

The Legal Practice Board of Western Australia Information Statement

1. This Information Statement is prepared and published pursuant to the requirements of Part 5 of the Freedom of Information Act (FOI) and relates to the Legal Practice Board (the Board).
2. The structure of the Board is set out in the *Legal Practice Act 2003* section 7(1). A copy of Section 7 is attached.
3. The functions of the Board including, in particular, its decision making functions, do not directly affect members of the public. The functions of the Board affect legal practitioners. The Board has statutory responsibility for the admission and supervision and, through the Legal Practitioners Complaints Committee and the State Administrative Tribunal, for the discipline of all legal practitioners in the State. The Board regulates the issue of annual practice certificates and owns and operates the Law Library in the Supreme Court and its branch library in the Central Law Courts

The Board provides a practical legal training course through the Articles Training Programme, for the training of articled clerks.
4. No arrangements exist to enable members of the public to participate in the formulation of the Board's policy or in the performance of its functions, other than by virtue of the fact that representatives of the community are members of the Legal Practitioners Complaints Committee, such being appointed by the Attorney General.
5. The types of documents usually held by the Board comprise the following:
 - (a) files relating to the registration of articles for articled clerks;
 - (b) files containing documents, correspondence and memoranda relating to the admission of practitioners, the issue and regulation of practice certificates and legal practice;
 - (c) enquiries from overseas and interstate practitioners relating to admission in Western Australia;
 - (d) files relating to the investigation of unqualified and prohibited practice;
 - (e) documents relating to meetings of the Board, such as agendas, minutes, memoranda and the like;
 - (f) documents relating to the management of the Board's assets and facilities, including documents relating to staff, premises, information technology, etc; and
 - (g) notes dealing with the Board's procedures relating to application for admission, application for and issue of practice certificates, and the audit of practitioners trust accounts for auditors.
6. There is no written law other than the FOI Act whereunder any of these documents are able to be inspected by request of members of the public.
7. There is no law or practice whereunder any of these documents can be purchased by members of the public. Copies of the notes referred to in 5(g) above may be obtained from the Board free of charge.
8. Copies of the notes referred to in 5(g) are available at the offices of the Board situated at 5th Floor, 533 Hay Street, Perth to any person who calls at that office or who otherwise contacts the Board with an enquiry concerning the functions of the Board.
9. Mary-Anne Paton of 5th Floor, 533 Hay Street, Perth, is the officer to whom initial enquiries as to access to documents can be made.

10. Access applications under the FOI Act may be made to the Board in person at the above address, or by letter to the same address, or by telephone on 08 9325 1311, or by facsimile on 08 9325 2743.
11. The Board has no procedures for amending under Part 3 of the FOI Act personal information in its documents. Any application for an amendment would be dealt with in accordance with Part 3.
12. The Board has no internal manual as defined in Section 95 of the FOI Act. None of its functions affect or are likely to affect rights, privileges or other benefits or obligations, penalties or other detriments to which members of the public are or may become entitled, eligible, liable or subject.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 2003* (PID Act) came into effect on 1 July 2003.

In accordance with the PID Act, the Board has duly appointed a Public Interest Disclosure Officer who has attended training as to the requirements of the legislation.

No public interest disclosures were received during 2005/2006.

EQUAL EMPLOYMENT OPPORTUNITY

The Board is committed to promoting Equal Employment Opportunity (EEO) for all its employees, and has devised policy statements with a view to encouraging and supporting staff development opportunities. Policy statements are provided to all new staff as part of their induction.

THE LEGAL PRACTICE ACT, SECTION 7

Legal Practice Act 2003
Part 2-The Legal Practice Board

7 Members of the Board

7. Members of the Board

(1) The Board consists of —

- (a) the Attorney General;
- (b) the Solicitor General, or, if there is no Solicitor General, the State Solicitor;
- (c) each Queen's Counsel, and each Senior Counsel, whose principal place of practice is in this State and who is not a full-time judicial officer; and
- (d) 12 legal practitioners of at least 3 years' standing and practice in this State who are elected as members.

(2) Subject to the rules, an elected member of the Board holds office for a term of 2 years from the date of becoming a member and is eligible for re-election.

(3) Schedule 1 has effect with respect to the constitution and procedure of the Board.

Note:This is not an authorised version. The only authorised version is the hardcopy (printed) version published under authority of the Government Printer, available from the State Law Publisher, 10 William St Perth W.A. 6000

**LEGAL PRACTICE BOARD
OF WESTERN AUSTRALIA**

**Special Purpose Financial Report
For the financial year ended 30 June 2006**

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

SPECIAL PURPOSE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2006

	<u>Page Number</u>
Statement by Secretary	1
Auditors' Report	2-3
Balance Sheet	4
Income Statement	5
Statement of Cash Flows	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8-19

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA


STATEMENT BY SECRETARY

For the year ended 30 June 2006

As detailed in Note 1 to the financial statements, the Legal Practice Board of Western Australia is not a reporting entity because in the opinion of the Board there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the Board's reporting requirements under Sections 14, 15 and 17 of the Legal Practice Act 2003.

The Board declares that:

- a) The attached financial statements and notes thereto comply with accounting standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the entity;
- c) In the Boards' opinion, the attached financial statements and notes thereto are in accordance with the Legal Practice Act 2003; and
- d) In the Boards' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.



M-A C PATON
Secretary and General Manager

Date: 20/12/2006
Perth WA

Independent audit report to the Members of the Legal Practice Board of Western Australia

Scope

The financial report and Board's responsibility

The financial report, being a special purpose financial report, comprises the balance sheet, income statement, cash flow statement, statement of changes in equity, a summary of significant accounting policies and other explanatory notes and the Statement by the Secretary for the Legal Practice Board Of Western Australia, for the financial year ended 30 June 2006 as set out on pages 1, and 4 to 19.

The Board is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the financial reporting requirements of Sections 14, 15 and 17 of the Legal Practice Act 2003 and the needs of the members. The Board's responsibility also includes maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We have conducted an independent audit of the financial report in order to express an opinion on it to the members. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards in Australia.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates made by the Board.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Deloitte.

The financial report has been prepared for distribution to the members to satisfy the Legal Practice Board of Western Australia's financial reporting requirements under Sections 14, 15 and 17 of the Legal Practice Act 2003. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Audit Opinion

In our opinion, the financial report of the Legal Practice Board of Western Australia presents fairly, in all material respects, in accordance with the accounting policies described in Note 1 to the financial statements, the Legal Practice Board of Western Australia's financial position as at 30 June 2006 and the results of its operations for the year ended on that date.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Peter Rupp', written over a horizontal line.

Peter Rupp

Partner

Chartered Accountants

Perth, 20 December 2006

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2006

	Note	<u>2006</u>	<u>2005</u>
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	2	5,788,641	4,849,351
Trade and Other Receivables	3	317,258	143,885
Other	4	86,994	89,148
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		6,192,893	5,082,384
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Plant and Equipment	5	370,664	371,923
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		370,664	371,923
		<hr/>	<hr/>
TOTAL ASSETS		6,563,557	5,454,307
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and Other Payables	6	362,939	317,687
Provisions	7	278,434	281,806
Other	8	3,504,501	3,056,179
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		4,145,874	3,655,672
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Provisions	9	91,068	31,202
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		91,068	31,202
		<hr/>	<hr/>
TOTAL LIABILITIES		4,236,942	3,686,874
		<hr/>	<hr/>
NET ASSETS		2,326,615	1,767,433
		<hr/>	<hr/>
EQUITY			
Retained Earnings	10	2,326,615	1,767,433
		<hr/>	<hr/>
TOTAL EQUITY		2,326,615	1,767,433
		<hr/>	<hr/>

Notes to the financial Statements are included on Pages 8 to 19

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	<u>2006</u> \$	<u>2005</u> \$
REVENUE			
Legal Practice Board	11	4,301,657	2,770,919
Articles Training Program	12	324,136	421,506
Trust Account Inspector	13	115,466	104,556
Legal Practitioners Complaints Committee	14	250,782	50,379
Library	15	163,648	177,958
TOTAL REVENUE		<u>5,155,689</u>	<u>3,525,318</u>
EXPENDITURE			
Legal Practice Board	11	1,111,280	954,616
Articles Training Program	12	627,953	704,348
Trust Account Inspector	13	108,597	103,834
Legal Practitioners Complaints Committee	14	1,708,334	1,410,965
Library	15	1,040,343	995,144
TOTAL EXPENDITURE		<u>4,596,507</u>	<u>4,168,907</u>
Profit attributable to members of the entity	10	<u>559,182</u>	<u>(643,589)</u>

Notes to the financial Statements are included on Pages 8 to 19

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$	2005 \$
Cash flows from operating activities			
Receipts from customers		5,210,702	4,428,806
Payments to suppliers and employees		(4,392,029)	(3,964,603)
Interest received		215,334	187,992
Net cash provided by operating activities	17(b)	<u>1,034,007</u>	<u>652,195</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(94,717)	(112,336)
Proceeds from sale of property, plant and equipment		-	400
Net cash used in investing activities		<u>(94,717)</u>	<u>(111,936)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents			
		<u>939,290</u>	<u>540,259</u>
Cash and cash equivalents at the beginning of the financial year		4,849,351	4,309,092
Cash and cash equivalents at the end of the financial year	17(a)	5,788,641	4,849,351

Notes to the financial Statements are included on Pages 8 to 19

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006

	Retained Earnings
	\$
Balance at 1 July 2004	2,411,022
Loss for the year	<u>(643,589)</u>
Total recognised income and expense for the year	<u>(643,589)</u>
Balance at 30 June 2005	<u>1,767,433</u>
Balance at 1 July 2005	1,767,433
Profit for the year	<u>559,182</u>
Total recognised income and expense for the year	<u>559,182</u>
Balance at 30 June 2006	<u>2,326,615</u>

Notes to the financial Statements are included on Pages 8 to 19

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDING 30 JUNE 2006**

1. SUMMARY OF ACCOUNTING POLICIES

General System of Accounting Underlying the Financial Statements

The entity is not a reporting entity because there are unlikely to exist users of the accounts who are dependent on general-purpose financial reports of the entity for information. These accounts are therefore a "Special Purpose Financial Report".

This special purpose financial report has been prepared to satisfy the Board's accountability requirements under Section 14, 15 and 17 of the Legal Practice Act 2003.

The financial report has been prepared on the basis of accounting specified by all Accounting Standards and Urgent Issues Group Interpretations, and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Cash Flow Statements', and AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'. Accounting standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS')

The historical cost convention has been adopted. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The entity changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

Accounting Policies which have been significant in the Preparation and Presentation of the Accounts

a) Depreciation

All assets are carried at cost less provision for depreciation.

Depreciation is provided on all plant and equipment except Law Library Books.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each asset during its expected useful life at the following rates:

Legal Practice Board	15 – 27%
Library	15 – 27%
Legal Practitioners Complaints Committee	15 – 27%
Trust Account Inspector	15 – 27%
Articles Training Program	15 – 27%

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDING 30 JUNE 2006**

1. SUMMARY OF ACCOUNTING POLICIES (cont'd)

All purchases incurred for library publications or replacement publications, are expended in the purchase period rather than capitalized. In the opinion of the Board, the estimated insurance value of library books is approximately \$5,000,000.

b) Employee Entitlements

The provision for annual leave and long service leave is calculated at current rates of pay plus an allowance for superannuation and workers compensation premiums.

Long service leave is calculated as follows:

For those employed prior to 31/12/87, full entitlement arises after 7 years service.

For those employed after 31/12/87, full entitlement arises after 10 years service.

Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

c) Plant and Equipment

All plant and equipment received as donations are brought to account at fair value in the financial report as revenue and assets of the Board.

d) Income Tax

The entity is exempt from income tax under s.23 (d) of the Income Tax Assessment Act (1936).

e) Revenue Recognition

Disposal of Assets

Revenue from the disposal of assets is recognised when the entity has passed control of the goods or other assets to the buyer.

Certifications

Revenue from the issuance of certifications is recognised proportionately over the period to which the certification relates.

Rendering of Services

Revenue to provide services is recognised in the period to which the services relate.

f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

Where the amount of GST incurred is not recoverable from the taxation authority, it is recognized as part of the cost of acquisition of an asset or as part of an item of expense;

Or

For receivables and payables which are recognized inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables.

g) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

h) First time adoption of International Reporting Standards (A-IFRS)

There were no material impacts on adopting A-IFRS.

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
2 Cash and cash equivalents		
Cash at Bank	626,893	1,203,150
Cash on Hand	550	1,315
Term Deposits	5,161,198	3,644,886
	<hr/>	<hr/>
	5,788,641	4,849,351
	<hr/>	<hr/>
3 Current Trade and Other Receivables		
Trade and Other Receivables	368,285	216,035
Less Allowance for Doubtful Debts	(51,027)	(72,150)
	<hr/>	<hr/>
	317,258	143,885
	<hr/>	<hr/>
4 Other Current Assets		
Accrued Interest	83,231	78,629
Prepayments	3,763	10,519
	<hr/>	<hr/>
	86,994	89,148
	<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

5 Plant and Equipment

	Legal Practice Board	Library	Legal Practitioners Complaints Committee	Trust Account Inspector	Articles Training Program	Library Books	Total
	\$	\$	\$	\$	\$	\$	\$
Gross Carrying Amount							
Balance at 30 June 2005	178,100	237,398	164,448	17,768	255,740	100,000	953,454
Additions	10,334	17,138	32,725	-	32,959	-	93,156
Disposals	(7,529)	(12,521)	(4,196)	-	(61,038)	-	(85,284)
Transfers	169	-	(984)	-	637	-	(178)
Revaluations	-	741	275	-	546	-	1,562
Balance at 30 June 2006	181,074	242,756	192,268	17,768	228,844	100,000	962,710
Accumulated Depreciation/ Amortisation							
Balance at 30 June 2005	(111,301)	(161,519)	(81,704)	(2,625)	(224,382)	-	(581,531)
Current Dep'n	(20,375)	(29,982)	(30,791)	(1,279)	(11,404)	-	(93,831)
Disposals	7,311	11,176	4,196	-	60,455	-	83,138
Transfers	-	-	178	-	-	-	178
Balance at 30 June 2006	(124,365)	(180,325)	(108,121)	(3,904)	(175,331)	-	(592,046)
Carrying Amount							
As at 30 June 2005	66,799	75,879	82,744	15,143	31,358	100,000	371,923
As at 30 June 2006	56,709	62,431	84,147	13,864	53,513	100,000	370,664

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
6 Current Trade and Payables		
Trade and Other Payables and Accruals	362,939	317,687
	<hr/>	<hr/>
7 Current Provisions		
Provision for Annual Leave	206,408	194,386
Provision for Long Service Leave	72,026	87,420
	<hr/>	<hr/>
	278,434	281,806
	<hr/>	<hr/>
8 Other Current Liabilities		
Publication Sales in Advance	5,450	6,000
Course Fees in Advance	309,820	5,300
Photocopying in Advance	23,744	25,133
PLEAS - Subscriptions in Advance	71,400	81,300
Practice Certificates in Advance	3,083,567	2,926,596
Solicitors Guarantee Fund	10,520	11,850
	<hr/>	<hr/>
	3,504,501	3,056,179
	<hr/>	<hr/>
9 Non-Current Provisions		
Provision for Long Service Leave	91,068	31,202
	<hr/>	<hr/>
	91,068	31,202
	<hr/>	<hr/>
10 Accumulated Funds		
Balance at Beginning of the year	1,767,433	2,411,022
Net Profit / (loss)	559,182	(643,589)
	<hr/>	<hr/>
Balance at End of Year	2,326,615	1,767,433
	<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

11	<u>LEGAL PRACTICE BOARD</u>	<u>2006</u>	<u>2005</u>
		\$	\$
	Income		
	Assessment of Qualifications	12,750	13,863
	Admissions	176,000	164,000
	Advertising - Admissions	13,620	11,820
	Annual Grant	250,000	250,000
	Articles Registration Fees	46,200	39,400
	Bank Interest	219,936	181,643
	Fines - LPDT	101,464	6,000
	Foreign Lawyers	0	600
	Practice Certificates	3,481,350	2,102,300
	Miscellaneous Income	337	1,293
		<hr/>	<hr/>
		4,301,657	2,770,919
	Expenditure		
	Advertising	16,641	14,347
	Audit and Accounting Fees	11,900	13,900
	Bank Charges	10,930	7,734
	Computer Expenses	6,804	5,864
	Web Page Development	360	709
	Conference Attendance	4,194	6,923
	Depreciation	20,375	19,372
	Facsimile	994	1,051
	Fringe Benefits Tax	2,139	659
	HR Consultant	38,684	4,820
	Insurance	2,533	1,184
	Legal Costs - LPB	139,848	130,976
	Legal Costs - LPDT	-	1,384
	Loss on Sale of Non-Current Assets	218	-
	Miscellaneous Costs	5,996	7,190
	Payroll Tax	30,296	24,589
	Postage and Petties	20,198	26,040
	Printing and Stationery	20,630	23,087
	Allowance for Doubtful Debts	(2,740)	(7,910)
	Reference Materials	2,598	4,432
	Salaries	693,853	600,588
	Service and Maintenance	5,536	5,585
	Storage	3,023	2,768
	Superannuation Contributions	61,871	51,495
	Training	9,349	3,913
	Transcripts	1,486	423
	Travel & Accommodation	-	1,047
	Workers' Compensation	3,564	2,446
		<hr/>	<hr/>
		1,111,280	954,616
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2006

12	<u>Articles Training Program</u>	<u>2006</u>	<u>2005</u>
		\$	\$
	Income		
	Course Fees	324,000	421,480
	Miscellaneous Income	136	26
		<hr/>	<hr/>
		324,136	421,506
		<hr/>	<hr/>
	Expenditure		
	Accommodation	130,430	115,282
	Advertising	17	2,251
	Cleaning and Gardening	16,439	16,574
	Conference Attendance	2,233	2,134
	Computer Expenses	4,835	5,521
	Depreciation	11,404	8,666
	Electricity	11,498	15,700
	Fringe Benefits Tax	662	787
	Insurance	1,511	707
	Loss on Sale of Non-Current Assets	581	201
	Miscellaneous Expenses	6,711	2,580
	Payroll Tax	15,614	17,573
	Postage and Petties	5,548	5,143
	Printing & Stationery	11,070	18,063
	Professional Memberships	4,825	1,720
	Reference Materials	5,403	5,502
	Salaries	356,012	430,201
	Service and Maintenance	6,036	7,646
	Student Amenities	1,979	2,355
	Superannuation Contributions	25,961	27,952
	Teaching Materials	742	10,877
	Telephone and Facsimile	4,737	4,817
	Training	1,566	439
	Workers' Compensation	2,139	1,657
		<hr/>	<hr/>
		627,953	704,348
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

13 Trust Account Inspector	<u>2006</u>	<u>2005</u>
	\$	\$
Income		
Seminar Fees	2,947	2,639
TAI Reimbursements	112,519	101,917
	<hr/>	<hr/>
	115,466	104,556
	<hr/>	<hr/>
Expenditure		
Conference Attendance	1,828	1,571
CPA Membership	534	977
Depreciation	1,279	1,279
Fringe Benefits Tax	1,239	1,264
Insurance	148	71
Mileage	2,068	1,918
Parking	3,643	3,162
Payroll Tax	5,150	4,999
Printing & Stationery	374	113
Reference Materials	154	-
Room Hire	769	573
Salary	80,559	74,515
Superannuation Contributions	7,250	6,706
Telephone Reimbursement	109	371
Training	748	639
Travel and Accommodation	1,210	5,360
Workers' Compensation	1,143	-58
Miscellaneous Expenses	392	374
	<hr/>	<hr/>
	108,597	103,834
	<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

14	Legal Practitioners Committee	Complaints	<u>2006</u>	<u>2005</u>
			\$	\$
	Income			
	Costs Recovered		249,222	47,911
	Fines - Summary Jurisdiction		1,500	2,250
	Miscellaneous Income		60	54
	Gain on Sale of Non-current Assets		-	164
			<hr/>	<hr/>
			250,782	50,379
			<hr/>	<hr/>
	Expenditure			
	Advertising		5,345	6,686
	Bad Debts Written Off		10,894	-
	Computer Expenses		4,106	4,514
	Conference Attendance		3,045	5,233
	Depreciation		30,791	26,914
	Fringe Benefits Tax		659	995
	Insurance		395	183
	Legal Costs		371,143	257,479
	Loss on Sale of Non-Current Assets		-	214
	Payroll Tax		45,340	39,402
	Postage and Petties		18,157	15,395
	Printing and Stationery		19,415	18,943
	Allowance for Doubtful Debts		(11,173)	(10,500)
	Professional Fees & Memberships		16,257	9,241
	Reference Materials		6,039	6,460
	Salaries		1,067,876	927,121
	Service and Maintenance		3,066	5,772
	Storage		5,024	3,703
	Superannuation Contributions		95,877	81,461
	Training		7,645	6,085
	Transcripts		328	140
	Workers' Compensation		5,680	4,036
	Miscellaneous Expenses		2,425	1,488
			<hr/>	<hr/>
			1,708,334	1,410,965
			<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

15	Supreme Court Library	<u>2006</u>	<u>2005</u>
		\$	\$
	Income		
	Library Photocopier and other income	87,948	99,083
	PLEAS	75,700	78,875
		<hr/>	<hr/>
		163,648	177,958
		<hr/>	<hr/>
	Expenditure		
	Serials	496,793	450,258
	Monographs	21,202	25,623
	Electronic Publications	110,513	117,617
	Online/Library Services	720	363
	Bank Charges	559	718
	Cleaning and Binding	19,207	23,895
	Computer Consultancy	27,527	22,490
	Conferences and Meetings	1,836	3,750
	Depreciation	29,982	37,107
	Fringe Benefits Tax	257	456
	Institutional & Professional Memberships	890	595
	Insurance	20,317	9,363
	Loss on Sale of Non-Current Assets	1,346	4,999
	Minor Assets/ Office Equipment	73	772
	Payroll Tax	10,740	10,227
	Postage and Petties	2,386	2,040
	Printing and Stationery	1,480	1,654
	Promotions	609	530
	Salaries	248,067	240,490
	Service and Maintenance	848	1,125
	Staff Professional Memberships	494	327
	Superannuation Contributions	21,926	20,535
	Training	3,167	1,281
	Workers' Compensation	1,168	719
	Miscellaneous Expenses	1,708	2,255
	Photocopier Costs	12,598	13,793
	PLEAS - Costs	3,930	2,162
		<hr/>	<hr/>
		1,040,343	995,144
		<hr/>	<hr/>

LEGAL PRACTICE BOARD OF WESTERN AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2006

16 Employee Benefits

The aggregate employee benefit liability recognised and included in the financial statements is as follows:

Provision for employee benefits:	<u>2006</u>	<u>2005</u>
	\$	\$
Current (note 7)	278,434	281,806
Non-current (note 9)	91,068	31,202
	<u>369,502</u>	<u>313,008</u>
	<u>No.</u>	<u>No.</u>
Number of employees at end of financial year	<u>40</u>	<u>40</u>

17 Notes to the cash flow statement

2006

2005

17(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	<u>5,788,641</u>	<u>4,849,351</u>
	<u>5,788,641</u>	<u>4,849,351</u>

17(b) Reconciliation of profit for the period to net cash flows from operating activities

	<u>2006</u>	<u>2005</u>
Profit for the period	559,182	-643,589
(Gain)/loss on sale or disposal of non-current assets	2,145	5,414
Depreciation and amortisation of non-current assets	93,831	93,339
Interest income received and receivables		
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	(173,373)	(44,090)
Current inventories	-	-
Other current assets	6,756	47,417
Non-current receivables	(4,602)	6,349
Increase/(decrease) in liabilities:		
Current payables	45,252	15,011
Current provisions	(3,372)	44,905
Other current liabilities	448,322	1,129,221
Non-current payables	-	-
Non-current provisions	59,866	(1,783)
Other non-current liabilities	-	-
Net cash from operating activities	<u>1,034,007</u>	<u>652,194</u>

18 Subsequent events

To the best of our knowledge there are no subsequent events that require disclosure or adjustment to the accounts at balance sheet date.

19 Additional Company Information

The Legal Practice Board is a statutory authority.

Registered Office

5th Floor
Kings Building
533 Hay Street
PERTH WA 6000
Tel: (08) 9325 1311

Principal Place of Business

5th Floor
Kings Building
533 Hay Street
PERTH WA 6000
Tel: (08) 9325 1311

20 Commitments for Expenditure

	2006	2005
	\$	\$
Operating Lease Commitments		
Not longer than 1 year		50,646
Longer than 1 year and not longer than 5 years	157,986	
Longer than 5 years	-	-
	<hr/>	<hr/>
	157,986	50,646
	<hr/> <hr/>	<hr/> <hr/>

21 Contingent liabilities

There are no contingent liabilities at balance sheet date. Notwithstanding this, the Board has a possible exposure to cost from any possible legal action.