



The Law
Society
OF TASMANIA

ANNUAL REPORT

2005 – 2006

**To be Presented at the
Annual General Meeting
of the
Law Society of Tasmania
on
20 October 2006**

THE LAW SOCIETY COUNCIL

2005 – 2006

President

L S Topfer

Vice-President

N R Readett

Hon Treasurer

W M Griffiths

Council

S P Bishop	[N]	A E Nicholson	[NW]
C A Cunningham*	[S]	N R Readett *	[S]
L J Edwards	[NW]	L O Rheinberger	[S]
W M Griffiths*	[N]	H V E Schnierer	[N]
D J Gunson SC*	[S]	M D Schyvens*	[S]
R A Hart	[N]	L S Topfer*	[NW]
P L Jackson*	[S]	N J Ware	[S]
K A Mills	[N]	D F M Zeeman*	[S]

Executive Members*

Executive Director

M Hagan

Director - Law Council of Australia

P L Jackson

Committees 2005 – 2006

Regional Committees

Northern

W M Griffiths [Chairman]
P J Lebski [Secretary]
S P Bishop
M Brett
S J N Brown
D P Cordell
R J Dalgleish
B R Doolan
C N Dockray
C J Foon
G L Jones
S B McElwaine
K A Mills
R M Murray
P R Page
D N Stewart
A Trezise
G Tucker
P A Welch
T J Whyte

Southern

N R Readett [Chairman]
C A Cunningham
D J Gunson SC
P L Jackson
L O Rheinberger
M D Schyvens
N J Ware
D F M Zeeman

North-West

L S Topfer [Chairwoman]
A E Nicholson [Secretary/Treasurer]
D R Fairley
A P Mihal
J Misson

Litigious Issues Committee

P L Jackson [Convenor]

Criminal Law Committee

K L Baumeler [Convenor]

Litigious Costs Standing Committee

W M Griffiths [Convenor]

Mediation & Arbitration

J B Walker [Convenor]
W J Friend

Membership Services

M D Schyvens [Convenor]

Public Relations Committee:

C A Cunningham [Chairman]
C F McKenzie
H V E Schnierer
A L Wiss

**Solicitors' Accounts Rules
Committee**

P V Manser [Chairman]
R Byrne
M J Crisp
A N Morgan
C S Church
S Bayley

Property Law Committee

P A Kimber [Chairman]
S P Bishop
G B G Bradfield
R T Fay
A P Laning
S W Law
P J Lebski
J P McMullen
H S Murray
J F Otlowski
B F E Rheinberger
M D Schyvens
T J Tierney
J R Upcher
T J Whyte
A L Wiss

Investigations Committee

L S Topfer [Chairwoman]
N R Readett
R A Brown
C A Cunningham
M F Daly
R M Grueber
D J Gunson SC
P L Jackson
L O Rheinberger
M S Schyvens
N J Ware
D F M Zeeman

**Employment & Equal
Opportunities Committee**

A R Mills [Chairwoman]
E N Archer
T J Badenach
C A Green
K Johnstone [TULS]
L K Mackey

**Business & Commercial Law
Committee**

N R Reaburn [Chairman]
F Grey
R A Hart
P J Joyce
A P Laning
S Larsen
P V Manser
J A Munnings
M J C Pawson
P C Toomey
J R Upcher
T J Whyte

**Professional Development
Committee**

M D Schyvens [Chairman]
M F Daly
R A Hart
R M Murray
D H Polden
N Reaburn
L S Topfer

Young Lawyers

Southern Committee

L A Taylor [President]
C L Buxton [Secretary]
E A Avery
R L Benson
J A Campton
G P Dolliver
R M Grech
M J Harper
C M Lee
B B Prasad
M L Sheppard
K R Somann-Crawford

Northern Committee

J E Higgins [President]
P O'Halloran [Secretary]
M L Doyle
K M McCarthy
R K Reid

North-West Committee

D R Fairley
A P Mihal
J Misson
A E Nicholson

Representative on National Young Lawyers Committee

A E Nicholson

Notes:

1. The President is an *ex officio* member of all Law Society Committees.
2. The Legal Ombudsman is entitled to attend those parts of Council and Investigations Committee meetings dealing with conduct complaints arising under Part X of the *Legal Profession Act 1993*.

The Society's Nominees on Other Bodies

Board of Legal Education

G L Jones
A B Walker

Road Safety Consultative Committee

W M Griffiths

Law Council of Australia Access to Justice Committee

S J N Brown

Legal Aid Commission

S J N Brown
M Brett

Council of Law Reporting

M J Crisp

Associated Bodies

Disciplinary Tribunal

K A M Pitt QC [Chairman]
M L Bessell
C N Dockray
G Hay
R W Pearce
M J Temple-Smith
J R Upcher

Centre for Legal Studies Ltd

P A Dixon [Chairman]
Directors:
The Hon Justice E Crawford
T G Bugg
W M Griffiths
Professor K Warner
Martyn Hagan [Company Secretary]

The Law Foundation of Tasmania

L S Topfer	President, Law Society of Tasmania
N R Readett	Vice-President, Law Society of Tasmania
M J Crisp	Chairman, Solicitors' Trust
C Rheinberger	President, Tasmanian Bar Association
M Otłowski	Nominee, Attorney-General
K M McQueeney	Nominee, Attorney-General
T G Bugg	Nominee, Law Society of Tasmania
Martyn Hagan	Secretary

The Woman Lawyers'

Association of Tasmania

K M McQueeney [President]
B F E Rheinberger [Vice-President]
P J Ikedife [Secretary]
M A Ryan [Treasurer]
M Ballard
A Cowarn
S F Gunter
C R Higgins
A R Mills
A E Nicholson
S S E Rofe

Solicitors' Trust

M J Crisp [Chairman]
J Doyle
P Kuzis

**Medico-Legal Society
of Tasmania**

B Linacre [Medical President]
S Pridmore [Medical Vice-Pres]
K L Baumeler [Legal Vice-Pres]
G L Johnston [Treasurer]

Medical Committee:

J Isles
R Pargiter
G Whyte

Legal Committee:

M Healy
J Matthews
M Otlowski
M A Ryan

**Family Law Practitioners'
Association**

T J McGuire [Acting President and
Vice-Pres N-W]
R M Murray [Vice-President N]
E J Gelston [Secretary]
C J Gregg [Treasurer]
A E Barrenger
L E Connelly
F G Di Giovanni
T M Eaton
P Fitzgerald
M G Foster
M J Harper
J E Higgins
S Hunt
Y P Kelly
A Kent
P M Mason
A E Nicholson
J A Sherriff

President's Report to the Annual General Meeting of the Law Society of Tasmania 2006

The last couple of years have seen a shift in the focus and profile of the Law Society as many of the problems that have troubled the legal profession over the last decade have disappeared. I have attempted to help dispel the negative image of lawyers by continuing Daniel Zeeman's efforts of raising the Society's profile by providing public comment on legal issues of concern to the profession and the community generally.

Services to our members continue to increase, including the provision of a quarterly informative "Law Letter", weekly email updates, and a regular professional development program across the State with video links to Burnie and Launceston. The Society has also established an Ethics committee comprised of a number of senior practitioners who are prepared to provide practical guidance to members facing ethical concerns in their daily practice.

We also held a successful Legal Profession Dinner in May where the new Attorney-General, Mr Steven Kons, was welcomed. From the outset we have been able to engage in open, cooperative, and respectful dialogue with him. The Society hopes to make the dinner an annual event.

In February this year, the Society, together with the Law Council of Australia and Australian Lawyers Alliance launched a campaign "Fairer Compensation for Injured Workers", to encourage the political parties to abolish or lower the whole person impairment threshold from 30% for Tasmanian Workers injured as a result of their employer's negligence. We obtained a significant degree of interest including national media coverage. On the eve of the election, the then Deputy Premier Mr Green made a commitment to a formal review of the Workers Compensation System, including an analysis of the whole of person impairment threshold. He also made a commitment that a decision on the total scope and format of such review would be made within the first 3 months of the next Parliamentary term.

My letter to the Premier at the beginning of September inquiring as to the timing, membership and the scope of the review has not yet elicited a response.

In April 2006, the Law Society received a consultation draft of the *Legal Profession Bill 2006* from the Government – a document over 750 pages long. Members of Council and the Executive Director worked hard to prepare detailed submissions to the Government – suggesting changes or clarification where the legislation was ambiguous or badly worded. The submissions were originally received by the Attorney-General at a briefing in June 2006. We have been able to reach a compromise in a way, which will continue to safeguard the independence of the legal profession from the executive arm of Government. The Law Society will continue to be responsible for issuing practising certificates, regulation of trust accounts, supervision of trust monies and making the legal profession rules. A new Legal Profession Board will deal with the complaints and discipline. The legal profession's representatives on the new Board will be directly nominated by the Society, Independent Bar and Bar Association and Mr Kons has agreed, subject to Cabinet confirmation, to support our proposal that the funding of the Board is to be drawn from the Solicitors' Guarantee Fund. It has also been agreed following consideration of our submissions that the new Act will not contain consumer dispute provisions.

The Bill still needs to be finalised and further input and consultation with the Law Society will be required. The Bill will also need to be cross-checked against the Model laws and updated to incorporate any changes to the model provisions.

The Attorney-General plans to have the bill proclaimed commencing 1 July 2007 – which hopefully will allow sufficient time for selection and appointment of the new Legal Profession Board and to enable rules and regulations to be in place.

It will be a busy and challenging year ahead for the Society and the new President as the new Act is implemented but I am sure we are all looking forward to a Law Society which can further focus on providing and improving member services and making a positive contribution to peoples' perceptions and understanding of the legal profession, as well as improving the law for the benefit of the whole community.

I have really enjoyed this year as President – it has been stimulating, hectic and often challenging, particularly on occasions when dealing with the media. I would like to thank the other members of Council and Executive who gave me the opportunity to take on this role and particularly to Neil Readett as Vice President who was willing to chair many Investigations Committee meetings because I simply could not manage driving to Hobart from Burnie on a weekly basis. Thanks also to Vicki Cowles and the other staff at the Society for their competent, efficient and cheerful assistance. Finally I would like to particularly express my appreciation to Martyn Hagan for his tireless and enthusiastic support. We are extremely fortunate to have such a capable, hardworking Executive Director.

L S Topfer
President

Treasurer's Report to the Annual General Meeting of the Law Society of Tasmania 2006

The Society has completed yet another year without receiving the advantage of any excess from the Solicitors' Guarantee Fund, and without any increase in the amounts charged to the profession for the issue of Practising Certificates.

The availability or otherwise of excess payments is beyond the control of the Society, as is expenditure by the Society in the carrying out of its disciplinary function. Nonetheless, the Society has sought to postpone for as long as possible any increase in Practising Certificate fees.

Indeed, the last increase was towards the end of 1999.

As this Annual Report is prepared, we face the prospect of the introduction of the new legislation at the beginning of 2007. That date may be a little optimistic and the Society may need to cope with the funding of disciplinary proceedings beyond the end of this calendar year. With the prospect of that occurring there may need to be a modest increase in Practising Certificate fees for the coming year.

The expectations of the Attorney to which I referred in my report last year indeed fairly much came to nothing. In any event she did not stand for re-election and I am most pleased to note that the Attorney since appointed has met with the Society on a number of occasions with an attitude and understanding which augers well for a sensible and affordable transition in to the regime of the new legislation, with all its 742 pages!

The Society welcomes the taking over by an independent body the discipline of the members of the Tasmanian profession. The Society has sought not to resist such a change but to assist in its implementation in a manner which is affordable to the profession and thus to the community which the profession serves.

Numerous suggestions have been made to the new Attorney as to the manner in which the Society can assist in a smooth and cost effective transition. Modeling of the costs of the new regime has not yet produced any clear indication of the increases which we all might face. The Society however continues to seek to have applied against likely increases the continuation of the work undertaken by the Society and its volunteer members which has historically provided the grist upon which the provision of benefit to the public by the legal profession has inured.

The result of the accounts is, in effect, that despite another year of slowly rising costs and static income, the Society has fulfilled its statutory functions and met its objectives with only a small deficit.

W M Griffiths
Hon. Treasurer

The Private Legal Profession in Tasmania

As at 18 August 2006

Legal Practitioners in private practice	South	North	North West	Total
Partners				
12	2	0	0	2
10	3	0	0	3
7	1	0	0	1
5	1	1	0	2
4	0	1	1	2
3	3	2	2	7
2	13	4	7	24
Total partners	101	23	24	148
Total Sole principals	55	13	17	85
Total principals	156	36	41	233
Employed practitioners	152	44	24	220
Community legal services	13	2	1	16
Total Practitioners	321	82	66	469
Firms				
Total partnerships	21	7	9	37
Sole principals	55	13	17	85
Legal practitioner corporations	2	1	1	4
Total	78	21	27	126
Barristers in Private Practice				
Queen's and Senior Counsel	7			7
Juniors	15	4	1	20
Total	22	4		27
Associate Members				49

**THE LAW SOCIETY OF TASMANIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenue from Ordinary Activities	2	2,387,578	2,504,224
Depreciation Expense		(34,600)	(25,821)
Salaries and Employee Benefits		(325,462)	(281,622)
Other Expenses from Ordinary Activities	3	(2,039,267)	(2,190,729)
PROFIT FROM ORDINARY ACTIVITIES		----- (11,751) -----	----- 6,052 -----

The accompanying notes form part of this Financial Report

**THE LAW SOCIETY OF TASMANIA
BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash	4	55,635	140,932
Investments	5	1,458,907	1,632,144
Receivables	6	200,824	216,141
		-----	-----
TOTAL CURRENT ASSETS		1,715,366	1,989,217
		-----	-----
NON-CURRENT ASSETS			
Property, Furniture and Equipment	7	1,528,295	1,246,438
		-----	-----
TOTAL NON-CURRENT ASSETS		1,528,295	1,246,438
		-----	-----
TOTAL ASSETS		3,243,661	3,235,655
		-----	-----
CURRENT LIABILITIES			
Accounts Payable	8	393,231	381,381
Provisions	9	255,970	248,063
		-----	-----
TOTAL CURRENT LIABILITIES		649,201	629,444
		-----	-----
TOTAL LIABILITES		649,201	629,444
		-----	-----
NET ASSETS		2,594,460	2,606,211
		-----	-----
SOCIETY'S FUNDS			
Other Reserves	10	43,843	43,843
Accumulated Funds		2,550,617	2,562,368
		-----	-----
TOTAL SOCIETY'S FUNDS		2,594,460	2,606,211
		-----	-----

The accompanying notes form part of this Financial Report

**THE LAW SOCIETY OF TASMANIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members, Clients and Others		2,298,097	2,456,643
Payments to Suppliers, Employees and Others		(2,347,731)	(2,462,920)
Interest Received – Net		107,557	110,498
		-----	-----
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	57,923	104,221
		-----	-----
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(316,457)	(84,249)
Purchase of Term Deposits		173,237	22,020
		-----	-----
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(143,220)	(62,229)
		-----	-----
Net Increase/(Decrease) in Cash Held		(85,297)	41,992
Cash at Beginning of the Financial Year		140,932	98,940
		-----	-----
CASH AT THE END OF THE FINANCIAL YEAR	11	55,635	140,932
		-----	-----

The accompanying notes form part of this Financial Report

**THE LAW SOCIETY OF TASMANIA
STATEMENT OF CHANGES IN SOCIETY'S FUNDS
FOR THE YEAR ENDED 30 JUNE 2006**

	ACCUMULATED FUNDS	CAPITAL PROFITS RESERVE	TOTAL SOCIETY'S FUNDS
AT 1 JULY 2004	2,556,316	43,843	2,600,159
Profit (Loss) for the year	6,052 -----	- -----	6,052 -----
AT 30 JUNE 2005	2,562,368	43,843	2,606,211
Profit (Loss) for the year	(11,751) -----	- -----	(11,751) -----
AT 30 JUNE 2006	2,550,617 =====	43,843 =====	2,594,460 =====

The accompanying notes form part of this Financial Report

THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

This financial report is a special purpose report which has been prepared specifically for distribution to members in accordance with the Law Society By-Laws 1994 made under the Legal Profession Act 1993. The Council has determined that the Society is not a reporting entity.

The financial report is prepared on an accrual basis from the records of the Society. It is based on historical costs and does not take into account changing money values or, except where specifically stated, current values of non-current assets.

(b) Statement of Compliance

The Financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

This is the first financial report prepared in accordance with AIFRS. No material differences have arisen as a result of adoption of AIFRS, compared to the previous AGAAP standards. As a result comparatives were not required to be re-stated for compliance with AIFRS.

The following specific policies that are consistent with prior periods unless otherwise stated have been applied in the preparation of this financial report.

(c) Property, Furniture and Equipment

Property

Properties are included at valuation less provision for depreciation (excluding land content). Valuations have been determined from independent advice. These revaluations take no account of potential capital gains tax. Net revaluation increments, which arise, are transferred to the asset revaluation reserve, apart from those reversing previous decrements, which were charged against operating profit. Net revaluation decrements apart from those reversing previous increments are charged against operating profit.

Furniture and Equipment

Furniture and equipment and improvements are included at cost. Assets are depreciated over their estimated useful lives commencing from the time the asset is ready for use.

THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1 (CONT’)

(d) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(e) Income Tax

The provision for income tax is not necessary as the association is exempt from income tax.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

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

THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

	2006	2005
	\$	\$
Administration Fees – Solicitors’ Trust	11,139	13,955
Administration Fees - Other	1,000	1,350
Advertising	4,975	1,115
Brochure Distribution	1,375	965
Certificate of Fitness	3,000	2,795
Continuing Legal Education	29,597	27,879
Dinners and Functions	22,674	-
Disciplinary Action – Costs Recovered	30,244	26,312
Hire of Council Room and Staffordshire House	3,481	2,290
Interest Received	109,623	112,687
Membership Benefits	4,298	4,548
Practising Certificate Fees	386,838	389,002
Professional Indemnity Insurance Funding	1,734,689	1,908,142
Rent Received	30,455	-
Sales – Forms	1,987	2,948
Sponsorship	3,364	2,000
Subscriptions	8,662	7,237
Sundry Income	177	999
	-----	-----
TOTAL INCOME	2,387,578	2,504,224
	-----	-----

**THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 3: OTHER EXPENSES FROM ORDINARY ACTIVITIES

	2006	2005
	\$	\$
Advertising and Public Relations	12,764	1,121
Audit and Accounting Fees	10,330	11,285
Bad Debts	-	19,008
Bank and Merchant Charges	2,066	2,189
Computer Supplies and Services	4,279	7,391
Consulting Fees	14,125	23,705
Depreciation - Equipment	20,475	11,696
Depreciation – Buildings	14,125	14,125
Honoraria	49,050	46,550
Insurance	6,591	10,828
Lease Payments - Photocopier	2,189	5,427
Light and Power	11,523	10,559
Meetings, Travel, Accommodation and Professional Development	45,621	55,233
Membership Benefits and Functions / Dinners	29,390	2,880
Painting – 28 Murray Street	15,920	-
Printing (including Law Letter), Postage and Stationery	21,469	11,821
Professional Fees - Disciplinary Actions	139,366	128,877
Professional Indemnity Insurance Paid – Firms	1,572,720	1,760,176
Professional Indemnity Insurance – Society	15,868	17,275
Publications – Legal Forms and Handbooks	855	1,945
Rates and Taxes	21,742	23,950
Repairs, Maintenance and Cleaning	19,446	14,182
Salaries	296,651	253,475
Security and Fire Alarms	8,857	6,201
Subscriptions	3,778	804
Sundry Expenses	4,985	4,890
Superannuation	28,811	28,147
Telephone, Video Conference and Web Site Expenses	26,333	24,432
	-----	-----
TOTAL EXPENDITURE	2,399,329	2,498,172
	-----	-----

**THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$

NOTE 4: CASH

The cash assets held by the Society are as follows :

At Banks	55,235	140,641
On Hand	400	291
	55,635	140,932

NOTE 5: INVESTMENTS

Perpetual Trustees –Members Professional Development Fund	1,139,991	1,331,742
Perpetual Trustees – Society Funds	318,916	300,402
	1,458,907	1,632,144

NOTE 6: RECEIVABLES

Amounts due to the Society are as follows:

Trade Debtors	34,654	37,026
Other Debtors	10,321	8,278
Solicitors' Trust S.105 / S. 76(13)	153,278	158,929
GST Refund	2,571	7,306
Wine – Membership Benefits	-	4,602
	200,824	216,141

**THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
NOTE 7: PROPERTY, FURNITURE and EQUIPMENT		
(a) Land and Buildings		
Land – At Fair Value		
28 Murray Street – Hobart	360,000	360,000
56A Charles Street – Launceston	190,000	190,000
Buildings – At Fair Value		
28 Murray Street – Hobart	330,000	330,000
(b) 28 Murray Street – Improvements - Hobart	317,216	80,328
56A Charles Street – Launceston	235,000	235,000
 Less: Accumulated Depreciation	 (31,031)	 (14,125)
	-----	-----
Total Land and Buildings	1,401,185	1,181,203
	-----	-----
Furniture and Equipment		
At Cost	429,113	349,544
Less: Accumulated Depreciation	(302,003)	(284,309)
	-----	-----
Total Furniture and Equipment	127,110	65,235
	-----	-----
Total Property, Furniture and Equipment	1,528,295	1,246,438
	-----	-----

- (a) Valuations – the fair values of land and buildings have been determined by reference to independent valuations as at the 30th June 2004. 28 Murray Street was valued by Mr A Pitt a Certified Practicing Valuer of Saunders & Pitt. 56A Charles Street was valued by Mr A K Cubbins a Certified Practicing Valuer of Harrison Cubbins Pty Ltd
- (b) Improvements are included at cost. Assets are depreciated over their estimated useful lives commencing from the time the asset is ready for use.

THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 8: CURRENT ACCOUNTS PAYABLE		
Trade Creditors	19,343	7,007
Other Creditors and Accruals	25,148	21,290
Solicitors' Trust S.105 / S.76(13)	153,278	158,929
Capitation Fees Collected	630	-
Subscriptions Received in Advance	3,640	2,836
Practising Certificate Fees Received in Advance	191,192	187,801
Grant – Law Foundation (Web Development)	-	3,518
	393,231	381,381
NOTE 9: PROVISIONS		
Provision has been made for the following purposes:		
Employee Provisions		
Provision for Annual Leave	21,554	17,715
Provision for Long Service Leave	13,550	7,632
	35,104	25,347
Other Provisions		
Provision for Professional Fees - Disciplinary Action	35,500	71,000
Provision Payment Library Services	185,366	151,716
	220,866	222,716
	255,970	248,063
Total Provisions		
NOTE 10: OTHER RESERVES		
Capital Profits Reserve	43,843	43,843

THE LAW SOCIETY OF TASMANIA
NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$	\$
NOTE 11: CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
For the purpose of this Statement of Cash Flows, cash includes:		
(i) Cash on hand and deposits at call with financial institutions;		
Cash at the end of the year is shown in the Statement of Financial Position as:		
Cash on Hand	400	291
Cash at Bank	55,235	140,641
	-----	-----
	55,635	140,932
	-----	-----
(b) Reconciliation of Operating Profit after Income Tax to Net Cash Inflow (Outflow) from Operating Activities		
Operating Profit/ (Loss) after Income Tax	(11,751)	6,052
Non Cash Items		
Depreciation	34,600	25,821
Revaluation Land & Buildings	-	-
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables	15,317	29,287
Increase (Decrease) in Payables	11,850	4,544
Increase (Decrease) in Provisions	7,907	38,517
	-----	-----
Net Cash Inflow (Outflow) from Operating Activities	57,923	104,221
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NOTE 12: CONTINGENT LIABILITIES

There are possible claims against the Society, the aggregate amount of which cannot be accurately assessed. Where some loss is probable, appropriate provisions have been made.

INDEPENDENT AUDIT REPORT

To the members of The Law Society of Tasmania

Scope

The financial report and Management's responsibility

We have audited the attached special purpose financial report comprising the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity and Notes to the financial statements, of the Law Society for the year ended 30 June 2006. The Law Society of Tasmania is responsible for the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the organisation and are appropriate to meet the needs of members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of The Law Society of Tasmania. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Society's financial reporting requirements under The Law Society of Tasmania By-Laws. We disclaim any assumption of responsibility for any reliance on this 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.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the organisations reporting requirements including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and of its performance as represented by the results of its operations and cash flows.

Our audit has been conducted in accordance with Australian Auditing Standards. We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

These procedures have been undertaken to form an opinion as to 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.

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.

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

Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of The Law Society of Tasmania as at 30 June 2006 and its financial performance for the year then ended.



H J GIBSON
PARTNER



D J McCARTHY
PARTNER

WISE LORD & FERGUSON
CHARTERED ACCOUNTANTS

160 Collins Street
HOBART TAS 7000

Dated: 04/10/2006

Annual Report of the Disciplinary Tribunal Established under the *Legal Profession Act 1993*

This report is provided pursuant to s.71 of the *Legal Profession Act 1993* (“*the Act*”).

Two matters were heard in the report period and the decisions reserved.

No further applications were received.

The following matter was heard and determined:-

PRACTITIONER A

The Practitioner was found guilty of unprofessional conduct in the carriage of a personal injuries matter. It was found that the Practitioner:

- failed to pursue his client’s claim with reasonable expedition;
- took no sufficient steps to enable his client to comply with orders of the Master relating to discovery with the consequence that, notwithstanding that previously a consent judgment had been entered in the plaintiff’s favour for damages to be assessed, that situation was reversed and there was judgment entered for the defendant;
- failed to properly advise his client that judgment had been entered against her and how that came about and thereafter he took no, or no adequate steps to have the judgment set aside.

The Practitioner was:

- fined \$3,000.00
- ordered to pay the Society’s costs of the investigation and hearing of the application.

DATED: 15 July 2006

K.A.M. Pitt QC
Chairman